



#InvestEUresearch



Horizon 2020 Work Programme for Research & Innovation 2018-2020

Rules of participation and legal and financial issues

Mila Bas Sanchez, Head of Unit
Health Directorate
DG Research and Innovation
European Commission



Rules for participation: Three main objectives

**Innovation,
Simplification
and Coherence**



A single set of rules



- Covering all H2020 research and innovation actions
- Keeping flexibility where needed.

The legal framework of a H2020 action

H2020 Rules for Participation (RfP)

+

Work Programme (WP): General Annexes

+

Work Programme Call/Topic - Possible *Specific* Conditions

+

H2020 Model Grant Agreement + Proposal =>

Signed Grant Agreement (only text binding for the parties)

Supported by exhaustive guidance in the H2020 Annotated Model Grant Agreement

WP General Annexes

- A.** List of **countries eligible** for funding
- B.** **Standard admissibility conditions**, page limits and supporting documents
- C.** **Standard eligibility conditions**
- D.** Types of action: **specific provisions and funding rates**
- E.** Specific requirements for **innovation procurement (PCP/PPI)** supported by Horizon 2020 grants
- F.** Model Rules of Contest (RoC) for prizes
- G.** **Evaluation rules**
- H.** Budget flexibility
- I.** Actions involving classified information
- J.** Actions involving financial support to **third parties**
- K.** **Conditions related to open access to research data**

According to the RfP, Work Programme may:

- Restrict eligibility of participants from **third countries** (e.g. security concerns, reciprocity)
- Introduce **additional** eligibility criteria (Number of participants, type of participant and place of establishment)
- specify **weighting and thresholds** in relation to award criteria
- Specify **third countries** that are eligible for funding
- Specify the **funding rate** for an action
- Specify that **lump sums or unit costs** can be used
- **Identify beneficiaries** for grants without a call for proposals

Conditions for Participation

Minimum conditions

✓ Standard collaborative actions

At least three legal entities each established in a different Member State or an Associated Country;

✓ ERC, SME instrument, programme co-fund, coordination and support, training and mobility actions:

One legal entity established in a Member State or in an Associated Country.

Additional Conditions

✓ In the work programme or work plan.

International Cooperation - I

Participation

Open for all legal entities established in third countries and for international organisations.

Restrictions only possible if introduced in the work programme.

✓ **For reciprocity reasons;**

✓ **For security reasons.**



International Cooperation - II

Funding

- ✓ **Third country identified in the Work Programme**
or
- ✓ **participation deemed by the Commission essential in the action**
or
- ✓ **when provided under a bilateral scientific and technological agreement**

Time to grant: speeding up the process - I

A maximum TTG of 8 months

5 months
for informing all applicants
on scientific evaluation

8 months
for signature of GA



Time to grant: speeding up the process - II

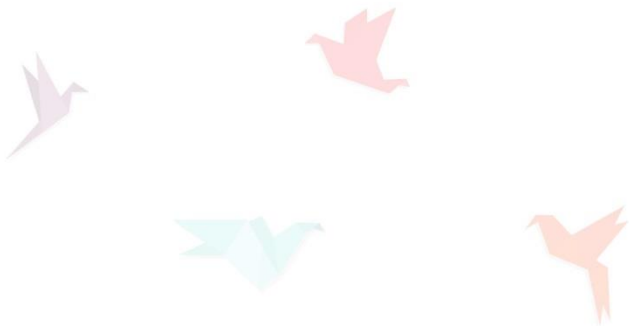
How to speed up the process

- ✓ **No more negotiations:**
each proposal evaluated 'as it is',
not as 'what could be';
- ✓ **Legal entity validated in parallel.**
- ✓ **No more paper:**
e-communication & e-signature of grants.

The screenshot shows the top navigation bar of the European Commission Research & Innovation Participant Portal. It includes the European Commission logo, the text 'RESEARCH & INNOVATION Participant Portal', and a breadcrumb trail: 'European Commission > Research & Innovation > Participant Portal > Home'. Below this is a secondary navigation bar with links for 'HOME', 'FUNDING OPPORTUNITIES', 'HOW TO PARTICIPATE', 'EXPERTS', and 'SUPPORT', along with 'LOGIN' and 'REGISTER' buttons. The main content area features a 'Welcome to the Research and Innovation Participant Portal' message. It contains two columns of information: 'About the Participant Portal:' which describes the portal as an entry point for EU-funded research and lists supported EU programmes (FP7 and CIP); and 'Using the Participant Portal:' which provides instructions for guest users (searching for opportunities, downloading documents, finding PICs) and registered users (personalised services for proposal submission and management). At the bottom, there is a row of six icons representing different portal functions: 'WHATS NEW', 'FUNDING OPPORTUNITIES', 'HOW TO PARTICIPATE?', 'WORK AS AN EXPERT', 'ACCESS MY PERSONAL AREA', and 'INFORMATION AND SUPPORT'.

Type of actions available in 2018 call: Grants

- ✓ **Collaborative Research and Innovation actions**
- ✓ **Coordination and Support actions**
- ✓ **ERA-NET co-fund**



Type of actions available in 2018 call: Specific instruments targeting innovation

- ✓ **Public procurement of Innovative solutions**
- ✓ **SME Instrument**
- ✓ **Financial instrument: InnovFin Infectious Diseases
Pilot centralised management structure**

The H2020 Model Grant Agreement

H2020 Grant Agreement

Chapter 1: General

- Single article: subject of the agreement

Chapter 2: Action

- Action, duration and budget

Chapter 3: Grant

- Amount, reimbursement rates, eligible costs

Chapter 4: Rights and obligations

- To implement the action: resources, in-kind contributions, subcontracts
- Grant administration: reporting, payments, audits
- Background and results: access rights, protection of results, exploitation, dissemination
- Others: gender equality, ethics, confidentiality

Chapter 5: Division of roles

- Roles and responsibilities, internal arrangements

Chapter 6: Rejection, reduction, penalties, termination, etc

- Rejection, reduction, recovery and penalties
- Suspension and termination of the action

Chapter 7: Final provisions

- Accession, entry into force, amendments, applicable law



Horizon 2020 model Grant Agreement: Annexes to the grant

Annex 1: **Description of the action**

Annex 2: **Estimated budget**

Annex 3: **Accession Forms, 3a & 3b**

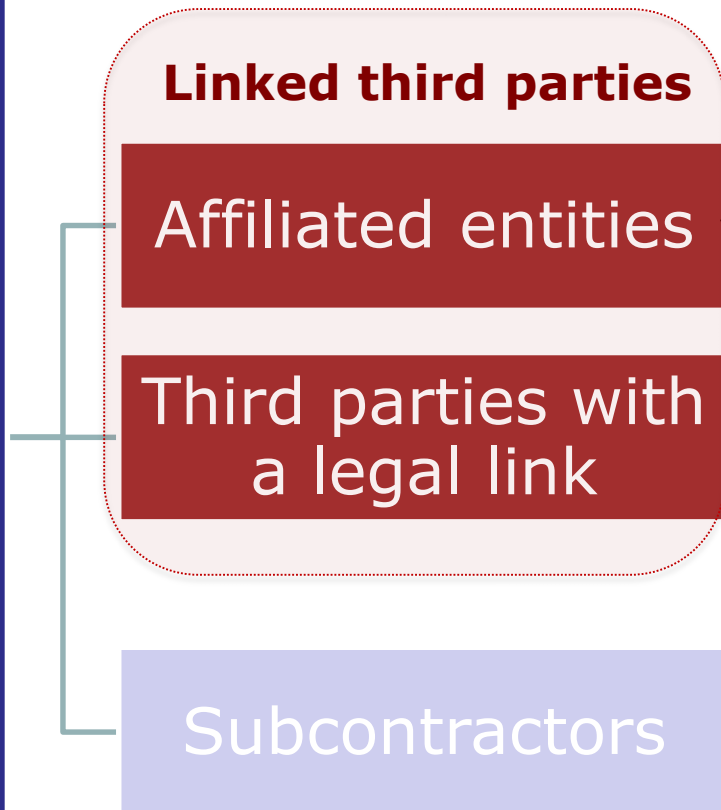
Annex 4: **Financial statements**

Annex 5: **Certificate on the financial statements**

Annex 6: **Certificate on the methodology**

Third parties: carrying out work in the action

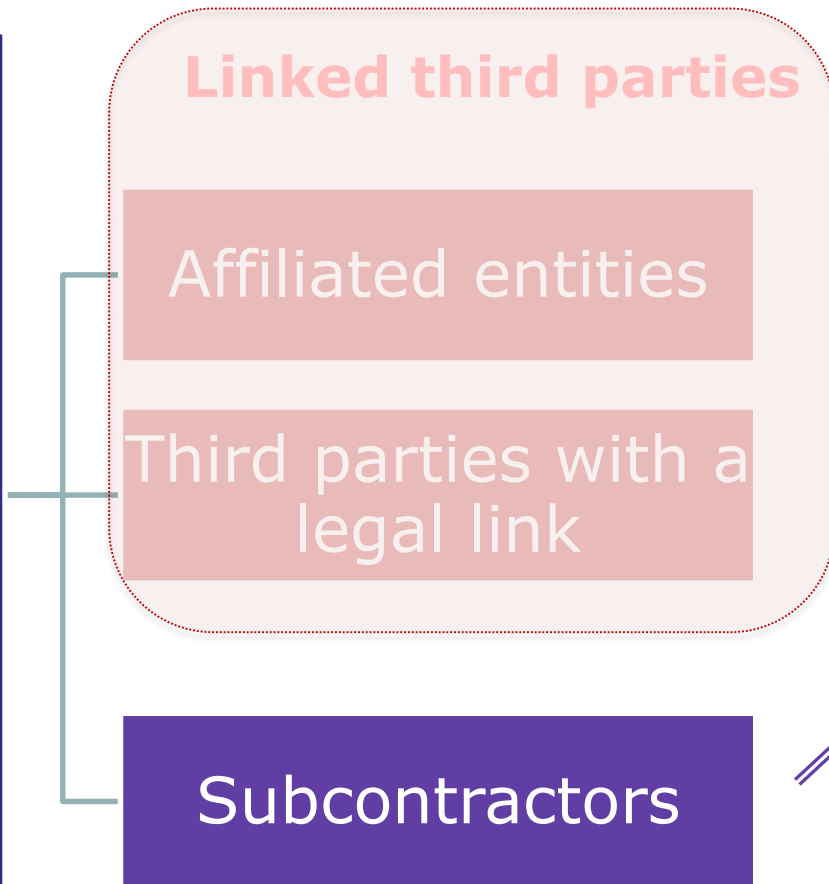
Beneficiary




- Similar to FP7 Special Clause 10
- Affiliated or with legal link*
- Must be identified in the GA
- Same cost eligibility criteria as beneficiaries
- the Commission may request the beneficiary to accept joint and several liability for the EU contribution
- **Article 14** MGA

Third parties: carrying out work in the action

Beneficiary



- Ensure best value for money and avoid any conflict of interests
- Estimated costs and tasks must be identified in the budget and Annex 1
-  **NEW:** if not identified in Annex 1, Commission may still approve them (beneficiary bears the risk of rejection)

• **Article 13** MGA

Third parties: others

Beneficiary

Contracts
necessary for the
implementation

- For the purchase of goods, works or services
- Ensure best value for money and avoid any conflict of interests
- **Article 10** MGA

Contributions in
kind

- Free of charge or against payment are eligible costs if they meet the eligibility conditions
- Must be set out in Annex 1
- **NEW:** if not identified in Annex 1, Commission may still approve them (beneficiary bears the risk of rejection)
- **Articles 11 & 12** MGA



Third parties: Warnings



The beneficiary **retains the sole responsibility for the work and the costs declared !** If something goes wrong with the third party, the beneficiary will be responsible



The beneficiary must ensure that Commission, OLAF and European Court of Auditors **can audit its third parties** including subcontractors and providers



In case of an **audit** to a 3rd party, **the beneficiary is also in copy** of all relevant communications (announcement of the audit, audit report, etc.)

Third parties: Summary

Types of third parties	CHARACTERISTICS						
	Does work of the action	Provides resources or services	What is eligible?	Must be indicated in Annex 1	Indirect costs	Selecting the third party	Articles
Linked third party	YES	NO	Costs	YES	YES	Must be affiliated or have a legal link	Article 14
Subcontractors	YES	NO	Price	YES	NO	Best value for money, avoid conflict of interest	Article 13
Third party providing in-kind contributions	NO	YES	Costs	YES	YES	Not used to circumvent the rules	Articles 11 and 12
Contractors	NO	YES	Price	NO	YES	Best value for money, avoid conflict of interest	Article 10
Financial support to third parties	Only if allowed in the call The beneficiaries' activity consists in providing financial support to the target population			YES	NO	According to the conditions in Annex 1	Article 15

Receipts

Income generated by the action
(except for action 's results)

Income generated from the sale of assets purchased in the GA

Receipts

In-kind contributions:
-specifically for the action and
-received free of charge

Financial contributions specifically assigned by the donors to finance the eligible costs

 **No-profit rule applied at project level, not per beneficiary!**

Grant Amount Calculation

Step 1 — Application of reimbursement rates to eligible costs

Total approved eligible costs (*actual costs, unit costs, flat-rate and lump sum costs, if any*) X reimbursement rate (*100 % for research actions*)

Step 2 — Limit to the maximum grant amount

The grant amount obtained in Step 1 is capped at the maximum grant amount set out in the GA

The grant amount following Steps 1 and 2 is the lower of the two amounts

Step 3 — Reduction due to the no-profit rule

Profit of the action = Grant amount obtained in Step 2 + Receipts – Total eligible costs of the action

If Profit > 0 → grant amount obtained in Step 2 is reduced

If Profit < or = 0 → grant amount obtained in Step 2 is not reduced

Step 4 — Reduction due to improper implementation or breach of other obligations under the GA at the payment of the balance

Final grant amount is the lower of the following two amounts:

Amount obtained following Steps 1 to 3 ⇔ Amount obtained in Step 4

Forms of costs

Actual costs

- **Costs actually incurred, identifiable and verifiable, recorded in the accounts, etc.**

Unit costs

- **A fixed amount per unit determined by the Commission. Examples: SME owners' unit cost /clinical trials if in the proposal.**
- **For average personnel cost (based on the usual accounting practices)**

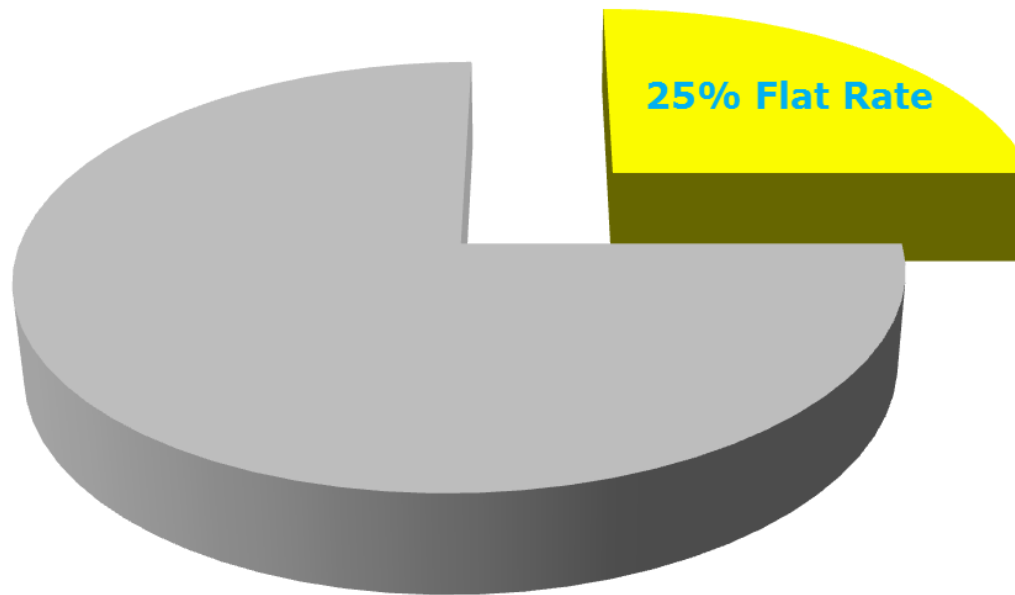
Flat rate

- **A percentage to be calculated on the eligible costs (indirect costs 25% of direct costs)**

Grants Single FLAT RATE for indirect costs

Simplifying project management and removing recurrent errors

H2020: Single model 25% Flat rate
for indirect costs



Reimbursement Rate

**One action
(project) = One
rate**

- ✓ For all beneficiaries and activities in the grant.
- ✓ Defined in the Work Programme

Up to 100 % of the
eligible costs for
**Research and innovation
actions**
**Coordination and support
actions**

EXAMPLE

Maximum grant amount	Approved eligible costs	Funding rate	If Receipts	If Reduction
200	220	100%	30	20

Step 1

Total approved eligible costs X reimbursement rate

$$220 * 100 \% = 220$$

Step 2

The lower between Step 1 and the maximum amount of the grant

$$\text{Lower between } (220; 200) = 200$$

Step 3

Step 2 - profit of the action (Profit (only if positive) = Step 2 + receipts – Eligible cost)

Step 4

The lower between Step 3 and the reduced maximum grant amount (if any reduction)

$$\text{Lower between } (190; (200 - 20)) \Rightarrow \text{Lower between } (190; 180) = \mathbf{180}$$

Reporting

The Coordinator must submit a **periodic report** within 60 days following the end of each reporting period (Art. 20.3 GA)

In addition, the Coordinator must submit the **final report** within 60 days following the end of the action (Art. 20.4 GA)



Periodic or final reports:

- Via the Participant Portal (Art. 52)
- Single submission (by Coordinator)
- Single re-submission (incomplete or non-compliant reports)

Payments

	Time-to-Pay	From
One Pre-financing	30 days	Counted from: - entry into force, or - 10 days before start date , whichever is the latest .
→ Retention 5 % of maximum grant for the Guarantee Fund		
Interim Payments	90 days	From reception of periodic report
→ Based on financial statements (EU contribution = eligible costs approved * reimbursement rate) → Limit = 90 % of the maximum grant (Retention 10%)		
Payment of the Balance	90 days	From reception of final reports

Controls and Audits

Financial viability → Restricted to coordinators for projects \geq €500 k€

CFS

[Certificate for
Financial Statements]

- Only for final payments/per beneficiary /for actual costs \geq €325 000 €
- Optional Certificates on average personnel costs

Ex-post audits

- Provisions in **Horizon 2020 Regulation!**
- Commission's audits up to two years after payment of the balance
- Audit strategy focused on risk and fraud prevention

Extrapolation

- New Financial Regulation will apply

Guarantee Fund

- Continuity with FP7

Start date of the action

**Start date of the action
(cost eligibility)**

**First day of the month after GA
signature**

**Fixed start date (with strict
limits on retroactivity)**

**But no later than 1st of January 2019
(except for Lump sum topic)**

+ Consortium Agreement (CA)

- **CA is mandatory unless otherwise specified in the work programme**

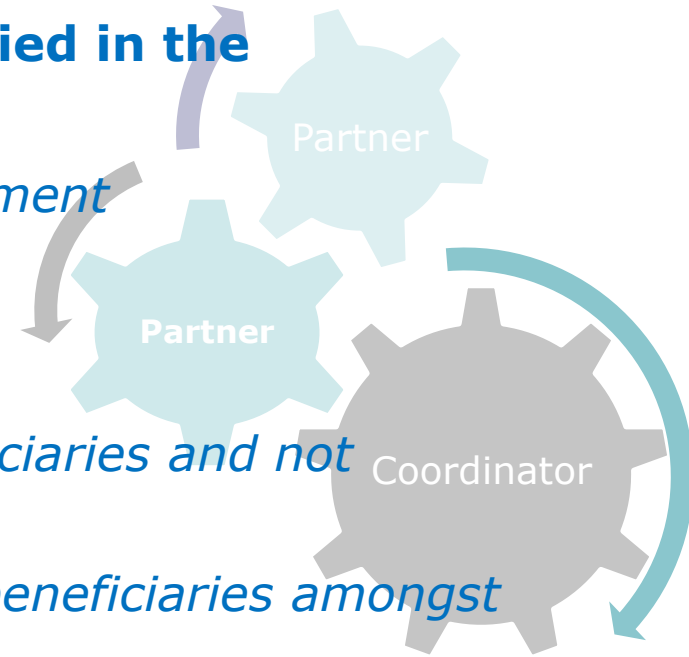
Article 41.3 of the H2020 Model Grant Agreement

- **Characteristics**

- *It is a private agreement between the beneficiaries and not involves the EC*
- *Deals with the rights and obligations of the beneficiaries amongst themselves*

Examples: internal organisation, distribution of EU funding, additional rules on IPR, settlement of disputes, etc.

- *In principle to be concluded before signing the Grant Agreement*



Electronique Communication for the management of the Grant Agreement

Electronic signature

- *Of the Grant Agreement*
- *Of the Amendments*
- *Financial Statements and Technical reports*

Communication between the Commission and the beneficiaries

- *Through the Participant Portal*
- *Electronic-only submission of reports as a general rule*

Participant portal – one-stop shop

- Call topics + all related documents
- **NCPs**
- Expert registration
- Legal & guidance documents
- FAQs
- Access to proposal submission system

The screenshot shows the 'RESEARCH & INNOVATION Participant Portal' website. The header includes the European Commission logo and navigation links: HOME, FUNDING OPPORTUNITIES, HOW TO PARTICIPATE, EXPERTS, SUPPORT, and a search bar. A prominent banner for 'Horizon 2020 Funding Starting from 1/1/2014' is displayed. Below the banner, users are informed that they can find and secure funding for projects under various EU programmes, including Horizon 2020, FP7, and several other research and innovation programmes. The page is divided into sections for 'Non-registered users' (search for funding, read manuals, check registration status, contact support) and 'Registered users' (submit proposals, sign grants, manage projects, register as experts). At the bottom, there are six icons representing different portal functions: 'WHAT'S NEW?', 'FUNDING OPPORTUNITIES', 'HOW TO PARTICIPATE', 'WORK AS AN EXPERT', 'MY PERSONAL AREA', and 'INFORMATION AND SUPPORT'.

<http://ec.europa.eu/research/participants/portal>

More information

Participant Portal

<http://ec.europa.eu/research/participants/portal>

Horizon 2020 Documents

<http://europa.eu/!Hh89qM>

Horizon 2020 On-line Manual

<http://europa.eu/!hg88jt>

Questions? Research Enquiry Service

<http://ec.europa.eu/research/enquiries>

Thank you!

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