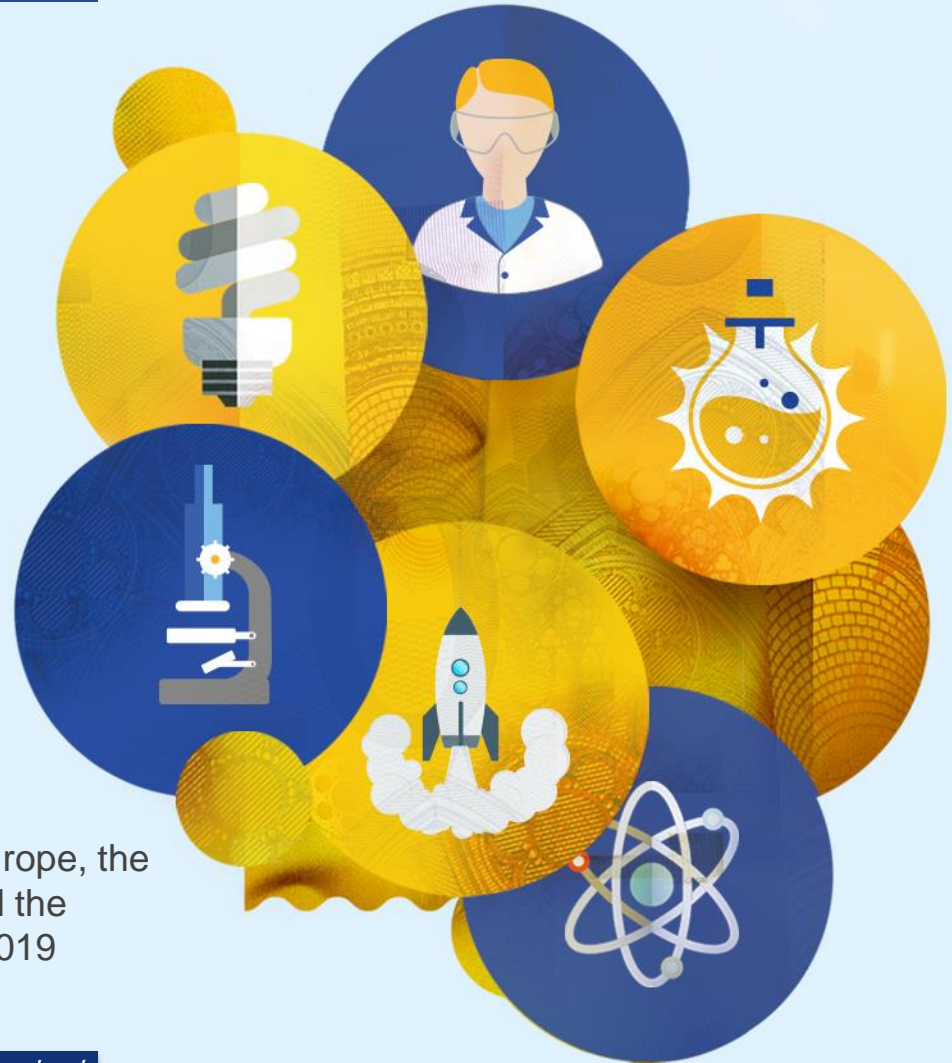


Horizon Europe

THE NEXT EU RESEARCH & INNOVATION
INVESTMENT PROGRAMME (2021 – 2027)

#HorizonEU

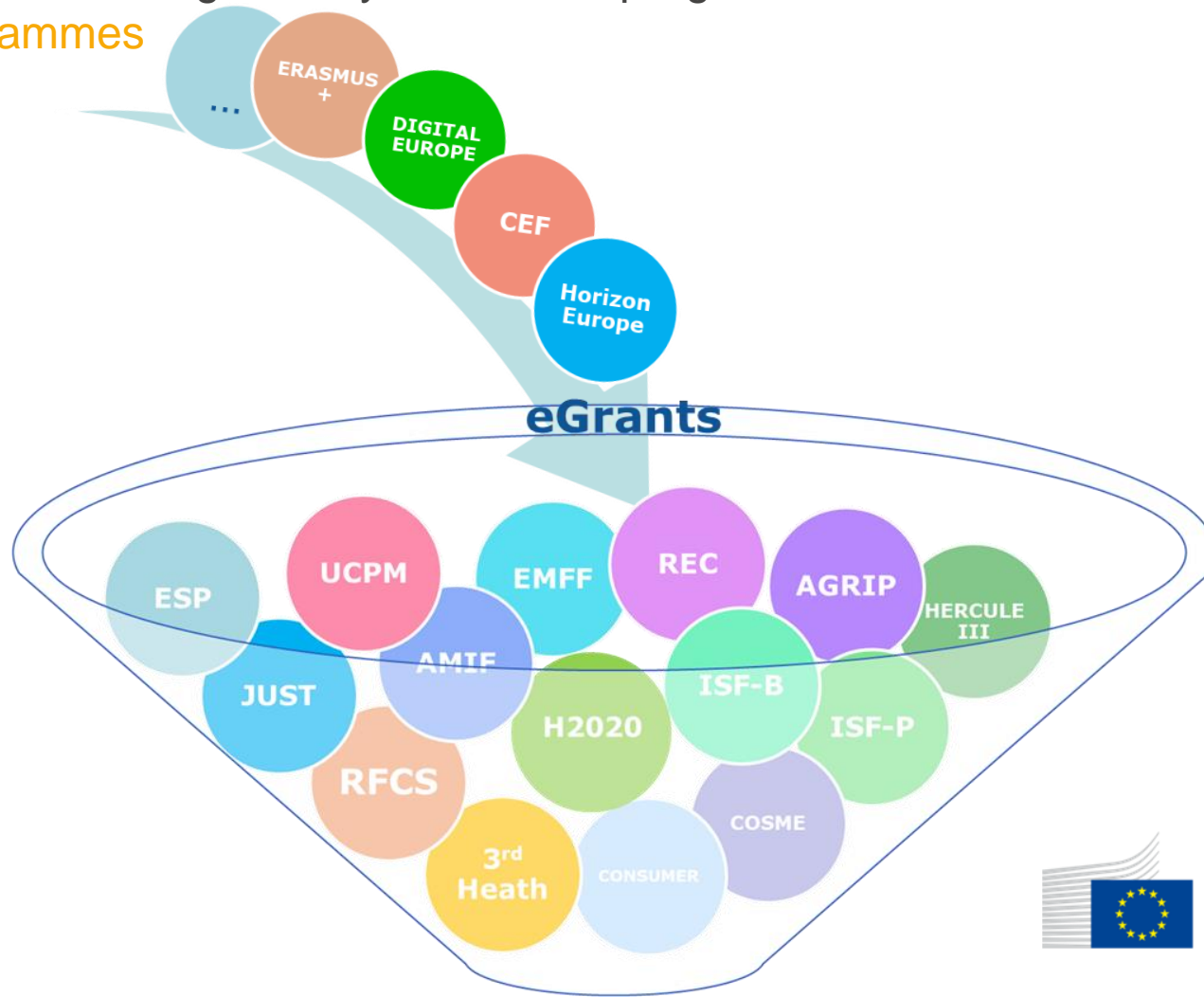
Based on the Commission Proposal for Horizon Europe, the common understanding between co-legislators and the Partial General Approach, both approved in April 2019



Horizon Europe - Model Grant Agreement

A bit of background...

- **Numerous** Model Grant Agreements (MGAs):
paper-based or **electronically-managed ('eGrants')**
- **eGrants** serving already for several programmes + to **serve for other programmes**



Objectives

Harmonisation & standardisation

- Harmonise the contractual models and guidance for all post-2020 programmes
- Build on the standardisation of post-2020 basic acts

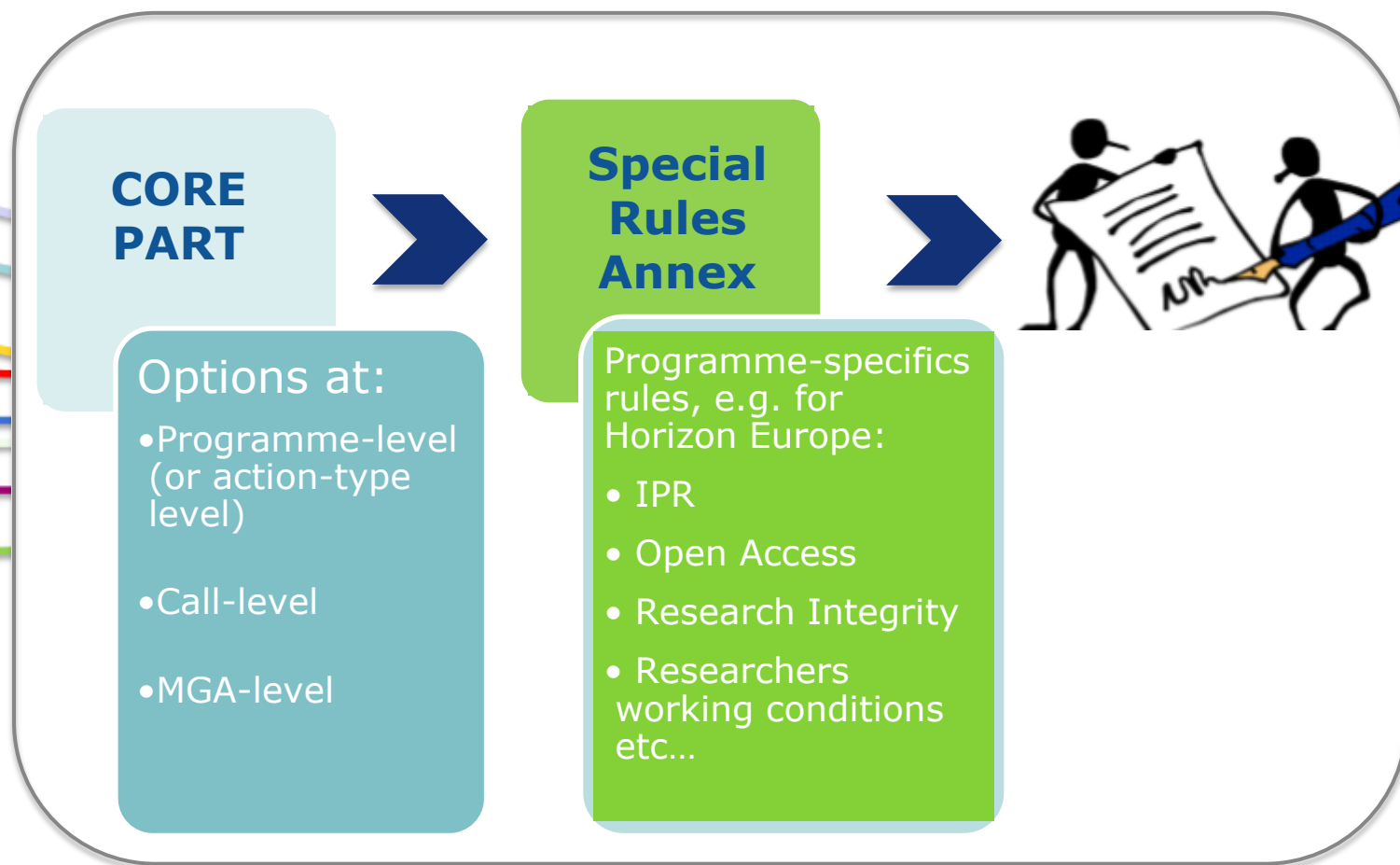
Consistent interpretation

- Use the same terminology across programmes
- Ensure uniform and consistent interpretation of rules
- Allow equal treatment of beneficiaries
- Create synergies between programmes

Integration of programme specifics

- Allow for encompassing the specifics of programme
- Specific options and specific annex with 'special rules'

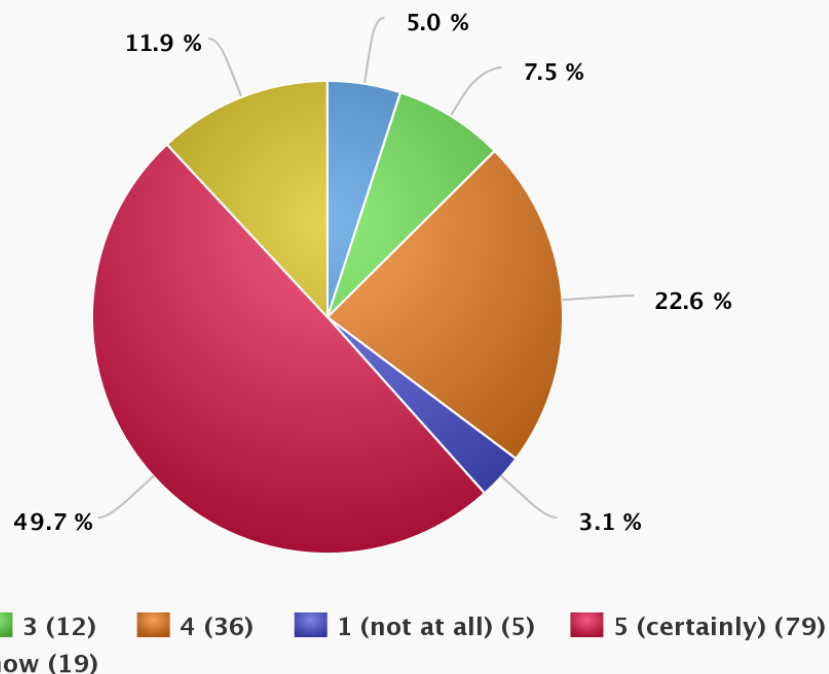
Structure



Your contribution to Horizon Europe Co-design

Results of the on-line consultation – French respondents

3.1. Would the use of the same standard Model Grant Agreement for all EU directly managed funding programmes facilitate synergies between them?



Highcharts.com

SYNERGIES?

- Bringing together money from different EU programmes in the same project
- Providing funding from alternative sources for successful proposals which could not be funded due to insufficient call budgets
- Funding complementary or successive projects

Horizon Europe - Affiliated entities

Horizon Europe – Clarification

‘Affiliated entities’ in HE and ‘Linked third parties’ in H2020

Entities having with the beneficiaries:

- either a legal link
- or a capital link



Article 187.1 (b) of the EU Financial Regulation: entities *‘that have a link with the beneficiary, in particular a **legal or capital link**, which is neither limited to the action nor established for the sole purpose of its implementation’.*



Alignment of labelling/definition in the corporate context

Horizon Europe - Personnel costs

Your contribution to Horizon Europe Co-design

Results of the on-line consultation – French respondents

3.2. Which provisions in the current Horizon 2020 Model Grant Agreement should be revised? (rank your top 5 provisions by order of preference)

Personnel costs provisions

Internally invoiced goods and services provisions

Equipment costs provisions

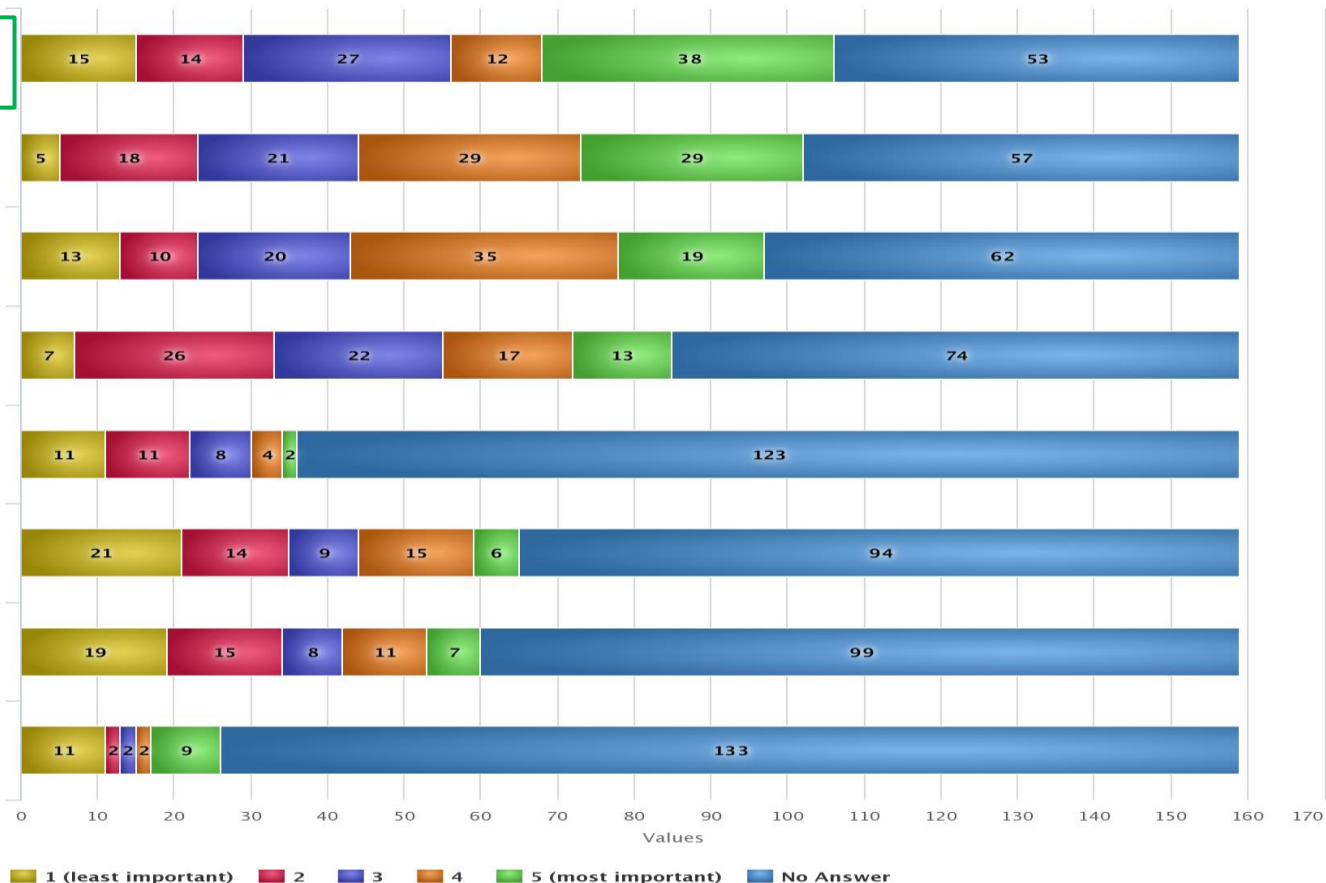
Reporting provisions

Termination and suspension provisions

Amendment provisions

Payment calculation provisions

Other provisions (please specify below)



The situation today...

Actual personnel costs (general case): H2020 Calculation



Hours worked

Hourly rate

EUR/hour



$$\text{Hourly rate} = \frac{\text{Personnel costs}}{\text{Productive hours}}$$

Annual hourly rate
Hourly rates calculated per full financial year

Monthly hourly rate
Hourly rates calculated per month

Two options

$\frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$

$\frac{\text{Monthly personnel costs}}{\text{Monthly productive hours}}$

Annual productive hours

1720 hours

Advice ⚠️ you must use this option if the employment contract does not specify the working time conditions or if the "annual workable hours" cannot be determined

Individual annual productive hours

• Formula: annual workable hours + overtime - absences

Standard annual productive hours

• According to the beneficiary's usual accounting practices. Minimum threshold: annual productive hours ≥ 90 % of the standard annual workable hours

In principle, same option must be applied to all personnel working in H2020 actions.

However, possibility to use different options for different types of personnel (at least per group of personnel employed under similar conditions)

The same option(s) must be kept for the full financial year. It can only change its option(s) for the next financial year.

Monthly productive hours

1/12 of 1720 hours

• you must use this option if the employment contract does not specify the working time conditions or if the "annual workable hours" cannot be determined

1/12 of Standard annual productive hours

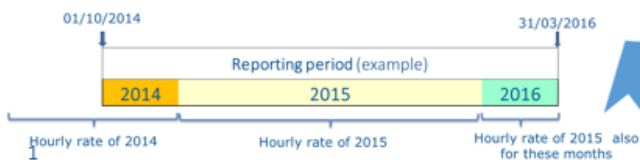
• According to the beneficiary's usual accounting practices. Minimum threshold: annual productive hours ≥ 90 % of the standard annual workable hours

Annual hourly rate specificities

$\frac{\text{Annual personnel costs}}{\text{Annual productive hours}}$

⚠️ The annual hourly rate is to be calculated **per full financial year**

If the financial year is not closed at the time of reporting, the beneficiary must use the hourly rate of the last closed financial year available.



Possibility to change option

- for the next financial year
- for all personnel in all its H2020 grants.

Monthly hourly rate specificities

$\frac{\text{Monthly personnel costs}}{\text{Monthly productive hours}}$

One hourly rate **per each month the person works in the action**

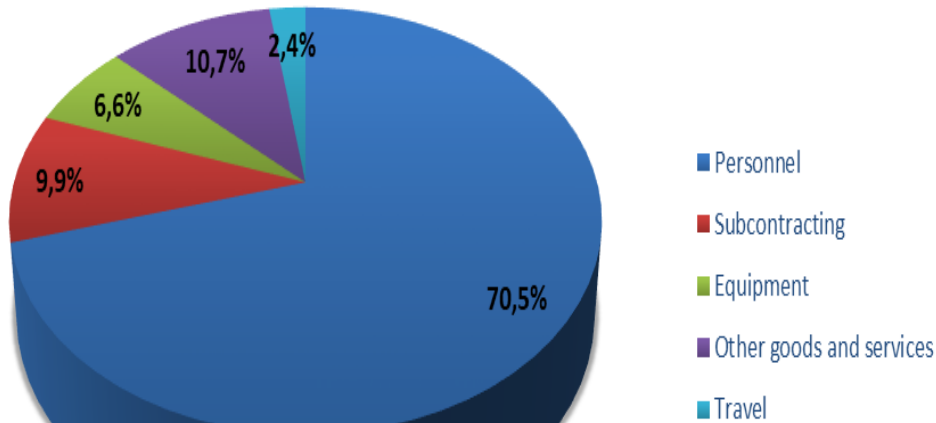
⚠️ **Thirteen salary** (and similar) included in each month "pro-rata"; not in full in the month when they are paid.

⚠️ **Time spent in parental leave** cannot be deducted from the monthly productive hours. However, personnel costs incurred during parental leave may be charged in proportion to the time the person worked for the action.



European
Commission

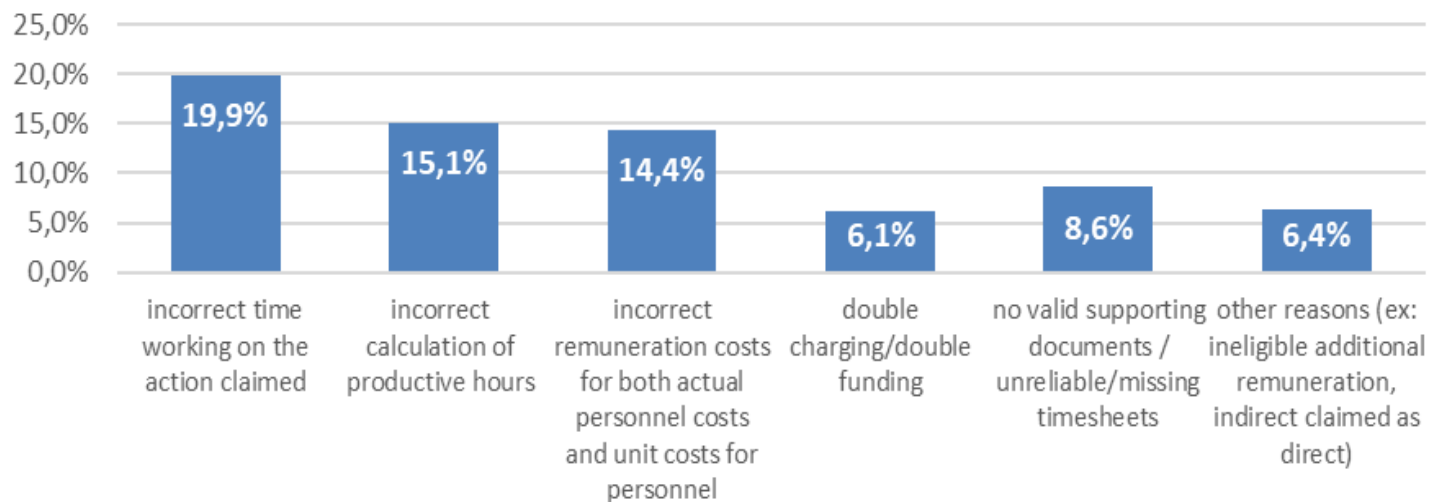
Percentage of errors identified in H2020 ex-post audits leading to adjustments in favour of the EU budget



... and its consequences

Percentage of type of error in personnel costs

(breakdown of 70,5%)



The situation tomorrow...



Corporate approach

Daily rate



Days worked



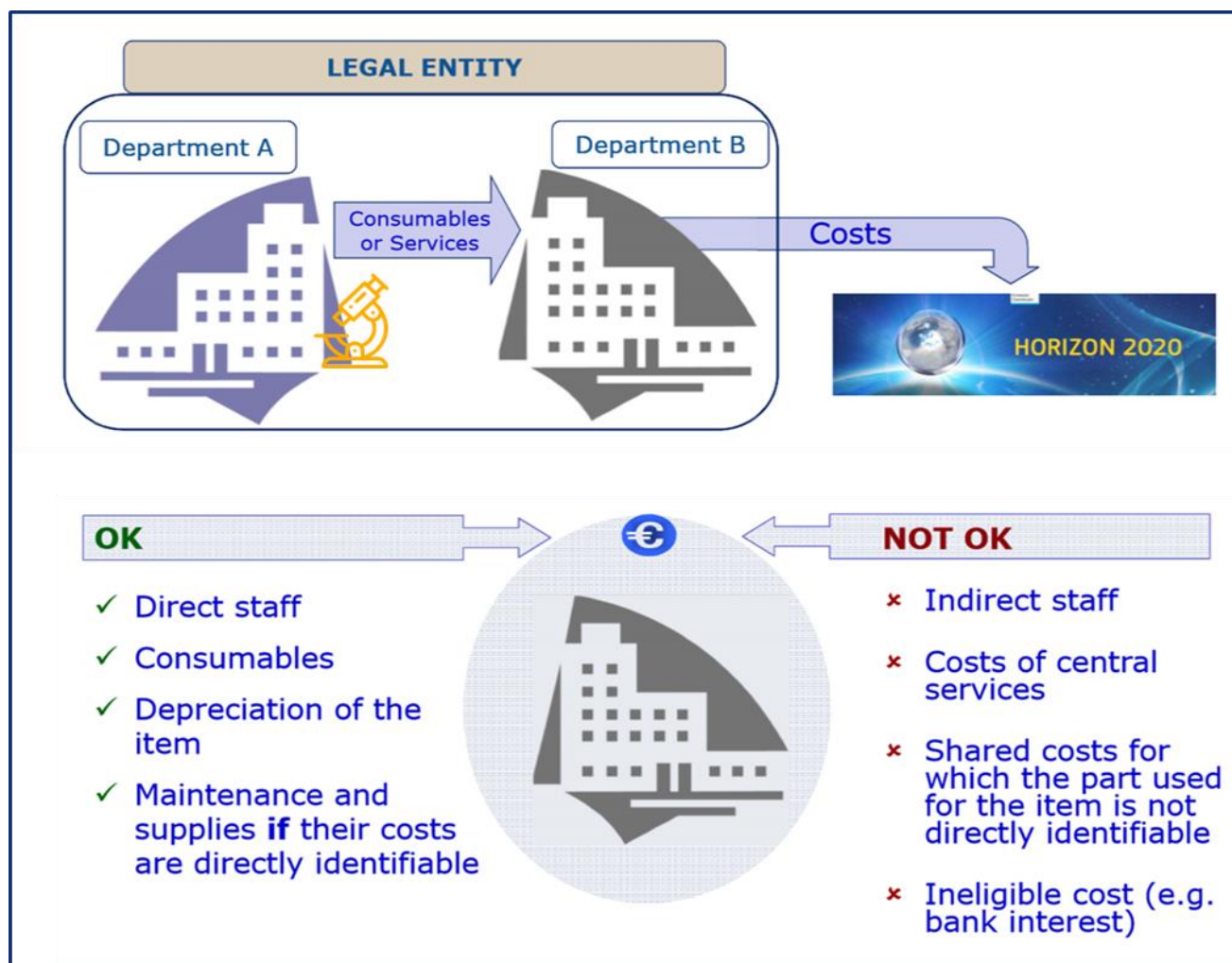
$$\text{Daily rate} = \frac{\text{annual personnel costs for the person}}{215}$$



Days worked = Monthly declarations instead of time sheets

Horizon Europe - Internal invoices unit cost

The situation today...

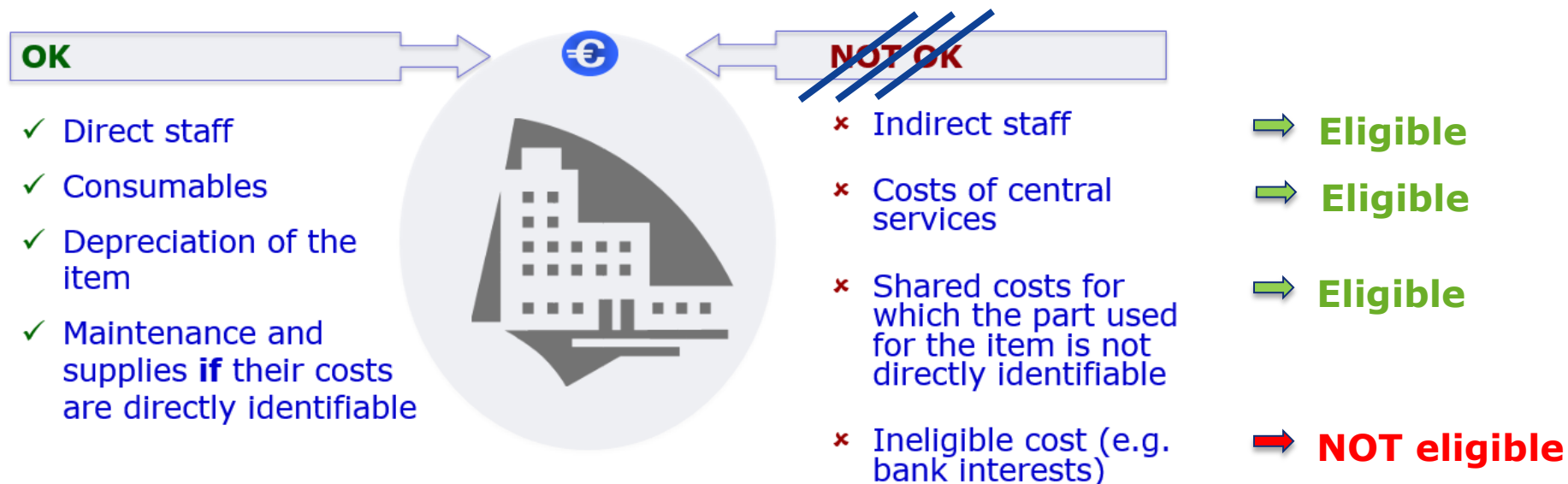


The situation tomorrow...

Wider reliance on beneficiary's usual cost accounting practices (Art 31 HE RfP).

Possibility to accept actual indirect costs allocated via key drivers in the unit cost, **if beneficiary's usual cost accounting practices!**

No application of the 25% flat-rate on top of the unit cost



Horizon Europe - Equipment costs

Continuity and further clarity...

Continuity

Depreciation costs are **by default** eligible.

By exception, full costs may be eligible.

Further clarity

Optional provisions addressing the specific case of **assets under construction (e.g. prototype)** and their related **capitalised costs**:

- The **full construction costs** (typically the costs of the personnel involved in the construction of the prototype)
- The **full purchase costs** (typically any component, pieces of equipment bought for the prototype)



Thank you!

#HorizonEU

<http://ec.europa.eu/horizon-europe>