

**HORIZON
EUROPE**



THE EU RESEARCH & INNOVATION
PROGRAMME 2021 - 2027

#HorizonEU

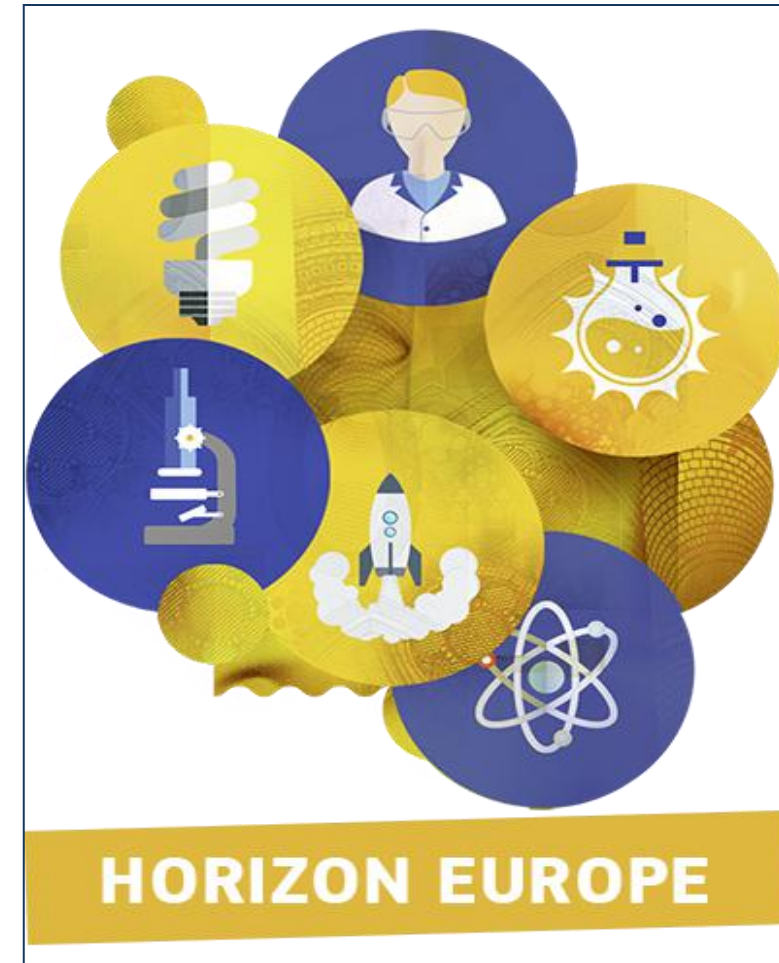


LEGAL AND FINANCIAL RULES IN HORIZON EUROPE PROGRAMME

*Djordje Markez
University of Banja Luka*

CONTENT

- 1. Rules for implementation of HE**
- 2. Horizon Europe grant agreement**
- 3. Budget categories**
- 4. Direct costs**
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 - 4.2. Subcontracting costs
 - 4.3. Purchase costs
 - 4.4. Other cost categories
 - 4.5. Indirect costs
- 6. CONSORTIUM - beneficiaries, affiliated entities and other participants**
- 7. Certificates on financial statements & SPA**
- 8. IPR rules**



Key legal document for HE

- 1) **REGULATION (EU) 2021/695 OF THE EUROPEAN PARLIAMENT** establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination;
- 2) **REGULATION (EU, Euratom) 2018/1046 OF THE EUROPEAN PARLIAMENT** on the financial rules applicable to the general budget of the EU;
- 3) **DECISIONS COUNCIL (EU) 2021/764** establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation;
- 4) Work Programme & call documents
- 5) **Grant Agreements** (MGA, Unit MGA, Lump Sum MGA, Operating Grants MGA, etc.)
- 6) **Horizon Europe Programme Guide** *Version 1.2*
- 7) **EU Funding & Tenders Online Manual** *Version 1.0*
- 8) *National regulation (labor, tax, public procurement, etc.)*

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents;programCode=HORIZON>



SEARCH FUNDING & TENDERS

HOW TO PARTICIPATE

PROJECTS & RESULTS

WORK AS AN EXPERT

SUPPORT

Horizon Europe (HORIZON)

clear filter

Programming period

2021-2027



Horizon Europe (HORIZON)



Clear filter

Reference Documents

Grants

This page includes reference documents of the programmes managed on the EU Funding & Tenders portal starting with legal documents and the Commission work programmes up to model grant agreements and guides for specific actions.

Please select the programme to see the reference documents.

Procurement

Reference Documents related to tendering opportunities are published on [TED eTendering](#) in the calls for tenders.



Filter

Expand all

Legislation

HE Framework Programme Regulation 2021/695



HE Specific Programme Decision 2021/764



EU Financial Regulation 2018/1046



Work programme & call documents

2021-2022

Grant agreements and contracts

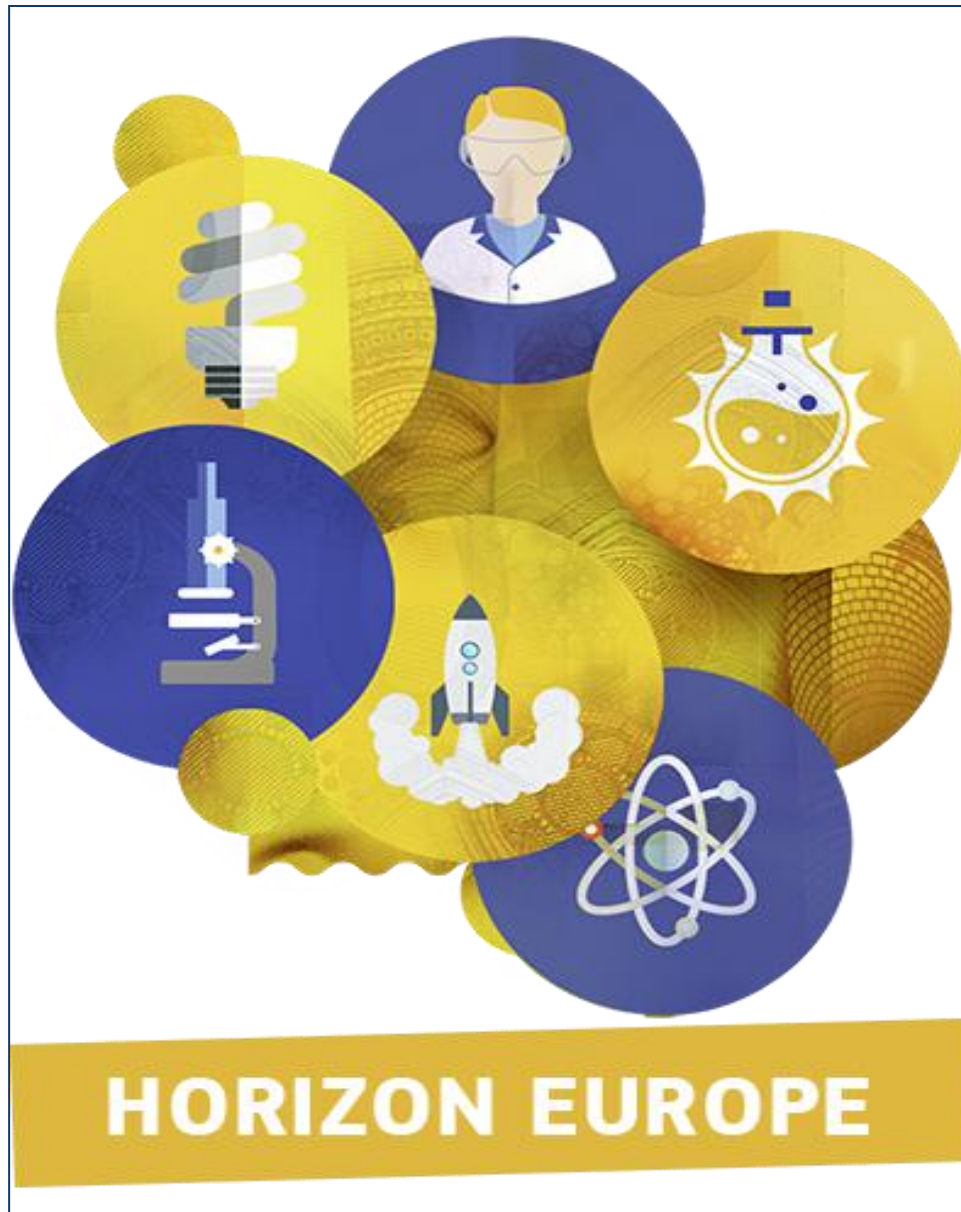
HE MGA v1.0



HE Unit MGA v1.0



Work programme & call documents



RULES FOR PARTICIPATION AND IMPLEMENTATION

Who can participate in HE

Participating Countries categories

EU COUNTRIES

- **Member States (MS)** including their outermost region
- The **Overseas Countries** and Territories (OCTs) linked to the MS.

NON-EU COUNTRIES

- **Countries associated to Horizon Europe (AC)** .
- **Low and middle income countries** (HE Programme Guide)
- **Other countries when announced in the call** or exceptionally if their participation is essential

SPECIFIC CASES

- **Affiliated entities** established in countries eligible for funding.
- **EU bodies.**
- **International organisations (IO):**
 - ✓ International European research organisations are eligible for funding.
 - ✓ Other IO are not eligible (only exceptionally if participation is essential)
 - ✓ IO in a MS or AC are eligible for funding for Training and mobility actions and when announced in the call conditions

Activities eligible for funding in HE

- ❖ Eligible activities are the ones described in the call conditions.
- ❖ Activities must **focus exclusively on civil applications** and must not:
 - aim at **human cloning for reproductive purposes**;
 - intend to **modify the genetic heritage of human beings which could make such changes heritable** (except for research relating to cancer treatment of the gonads, which may be financed);
 - intend **to create human embryos** solely for the purpose of research, **or for the purpose of stem cell procurement**, including by means of somatic cell nuclear transfer;
 - **lead to the destruction of human embryos**.

Types of Action in HE & Funding rate

100%

Research and innovation action (RIA)

Activities to establish new knowledge or to explore the feasibility of a new or improved technology, product, process, service or solution.

100%/ 70%

Innovation action (IA)

Activities to produce plans and arrangements or designs for new, altered or improved products, processes or services.

100%

Coordination and support actions (CSA)

Activities that contribute to the objectives of Horizon Europe. This excludes R&I activities, except for 'Widening participation and spreading excellence'

30-70%

Programme co-fund actions (CoFund)

A programme of activities established or implemented by legal entities managing or funding R&I programmes, other than EU funding bodies.

100%/ 70%

Innovation and market deployment actions (IMDA)

Activities that embed an innovation action and other activities necessary to deploy an innovation on the market. (EIC)

100%

Training and mobility actions (TMA)

Activities that aim to improve the skills, knowledge and career prospects of researchers, based on mobility between countries and, if relevant, between sectors or disciplines. (MSCA)

100%

Pre-commercial procurement actions/ (PCP)

Activities that aim to help a buyers' group to strengthen the public procurement of research, development, validation and, possibly, the first deployment of new solutions

50%

Public procurement of innovative solutions actions (PPI)

Activities that aim to strengthen the ability of a buyers' group to deploy innovative solutions early

Eligibility for participation

Eligibility: **any legal entity can participate.**

- **COLLABORATIVE PROJECTS**: must be a **consortium of minimum 3 independent legal entities**, each **established in a different EU Member State (MS) or Associated Countries (AC)**, with **at least one of them established in a MS**.
 - **MONOBENEFICIARY PROJECTS**: **Coordination and support actions (CSA)**, some **ERC, MSCA** and **Co-fund actions**.
- Participants that are **public bodies, research organisations or higher education establishments from MS and AC** **must have a gender equality plan (GEP), covering minimum process-related requirements (applicable from 2022)!!**
 - **A self-declaration will be requested at proposal stage (for all types of participants).**
 - **Included in the entity validation process (based on self-declaration).**

Eligible and Ineligible Costs

Actual costs must be:

- actually incurred by the beneficiary;
- incurred during the project (exception of costs relating to the submission of the final periodic report);
- declared under one of the budget categories;
- incurred in connection with the action and necessary for its implementation;
- identifiable and verifiable;
- comply with the applicable national law on taxes, labour and social security;
- must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency

Unit cost must be:

- declared under one of the budget categories;
- actually used or produced by the beneficiary;
- be necessary for the implementation of the action;
- the number of units must be identifiable and verifiable.

Flat-rate cost must be:

- declared under one of the budget categories;
- costs or contributions to which the flat-rate is applied must be eligible and related to the project period.

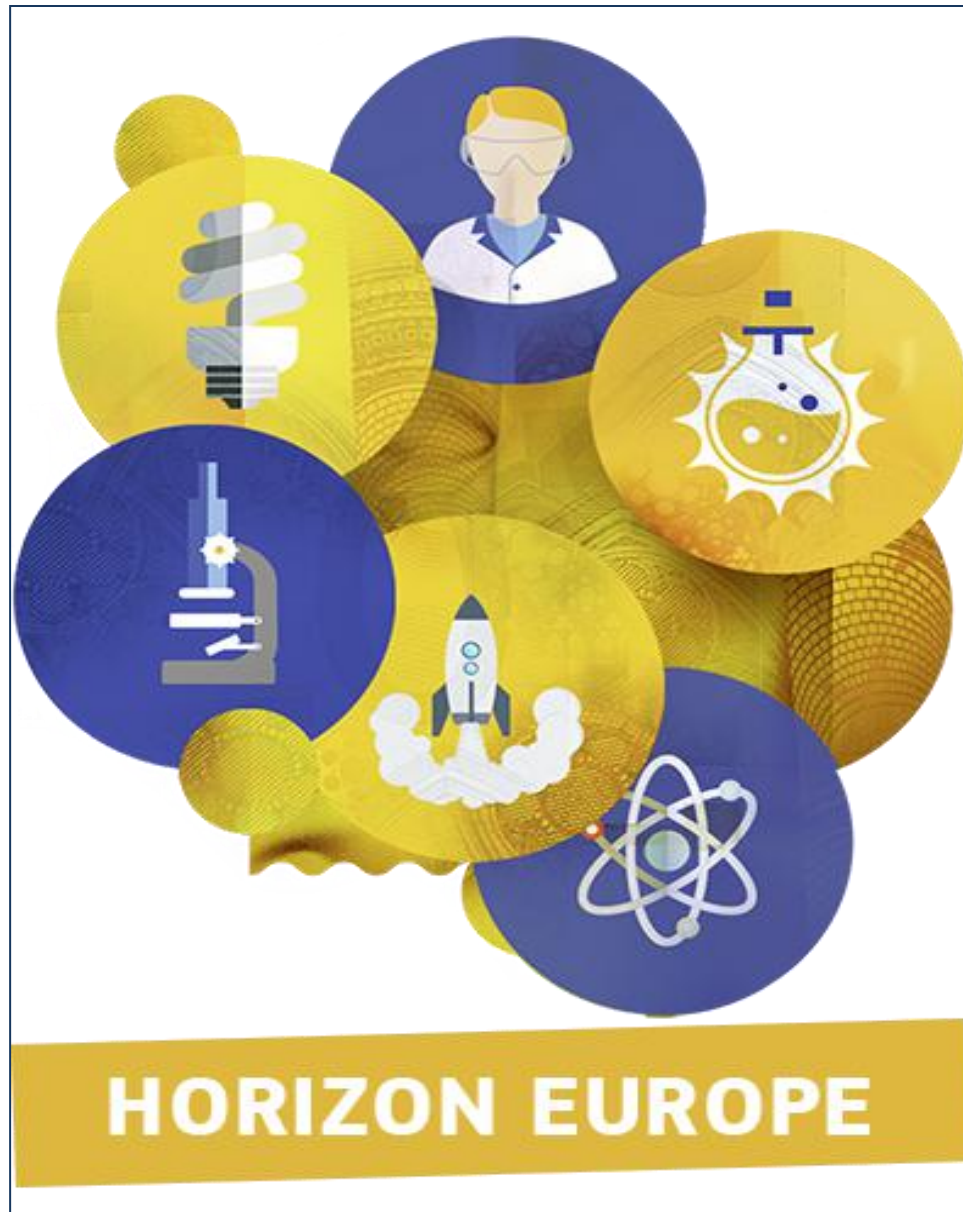
Lump-sum costs must be:

- declared under one of the budget categories;
- declared under one of the budget categories;
- the work must be properly implemented by the beneficiary in accordance with Annex 1
- the deliverables/outputs must be achieved in the period of project duration

Ineligible Costs

Costs or contributions that do not comply with the conditions set out above (Article 6.1 and 6.2), in particular:

- 1) Costs related to return on capital and dividends paid by a beneficiary
- 2) Debt and debt service charges
- 3) Provisions for future losses or debts
- 4) Interest owed
- 5) Currency exchange losses
- 6) Bank costs charged by the beneficiary's bank for transfers from the granting authority
- 7) Excessive or reckless expenditure
- 8) *Deductible or refundable VAT (including VAT paid by public bodies acting as public authority)*
- 9) Costs incurred or contributions for activities implemented during Grant Agreement suspension
- 10) Costs or contributions declared under other EU grants (exception possible)
- 11) Costs or contributions for staff of a national (or regional/local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant)
- 12) Costs or contributions (especially travel and subsistence) for staff or representatives of EU institutions, bodies or agencies



HORIZON EUROPE GRANT AGREEMENT

Grant Agreement in Horizon Europe

The grant agreement is the contractual document signed between a “granting authority” (e.g. the Commission or one of its executive agencies) and grant beneficiaries, defining:

BENEFICIARY RIGHTS

To receive EU funding, under the terms and conditions defined in the GA

To own the results of the project that you have generated

To ask for amendments of the grant agreement (if something needs to be changed)

BEN. OBLIGATIONS

To Implement the project as planned in the DoA (Annex 1 of the GA)

Submit reports at the time and for the periods defined in the grant agreement

Display the EU emblem and reference to Horizon Europe funding

AMOUNT OF MONEY IN GRANT

*Overall, the granting authority can never pay more than the **maximum grant amount fixed** in the grant agreement. But it may pay less, if the **project costs at the end are less than budgeted***

HE Grant Agreement features

E GRANT

The HE Grant agreement and its management are **fully electronic**; from the signature of the grant until its end, all actions and communications will flow via the Funding & Tenders Portal ('the Portal').

CORPORATE STRUCTURE & MORE USER FRIENDLY STRUCTURE

The Horizon Europe grant agreement is based on a **Commission-wide model** ("*Corporate Model Grant Agreement*"); *Data Sheet; Common numbering; Common labeling; Grouping of provisions for: Types of participants and their roles, Rules concerning, Project implementation, Payments and recoveries Certificates (CFS, SPA)*

ANNEX 5 - SPECIFIC RULES

Some important HE **specific rights and obligations** are part of Annex 5, such as: Security; Ethics Values; Gender mainstreaming; IPR; Communication and Dissemination; Open Science; Visibility; Specific rules for carrying out the action.

Main objectives of HE Grant Agreement

HARMONISATION AND STANDARDISATION

- Harmonise the contractual models and guidance for all post-2020 programmes
- Build on the standardisation of post-2020 basic acts
- More user-friendly structure and readability

CONSISTENT INTERPRETATION

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

INTEGRATION OF PROGRAMME SPECIFICITIES

- Alignment with new Financial Regulation
- Specific option
- Annex 5 for special/ specific rules

HE Grant Agreement structure

Core Part

Datasheet

a summary of the specific data of the grant agreement

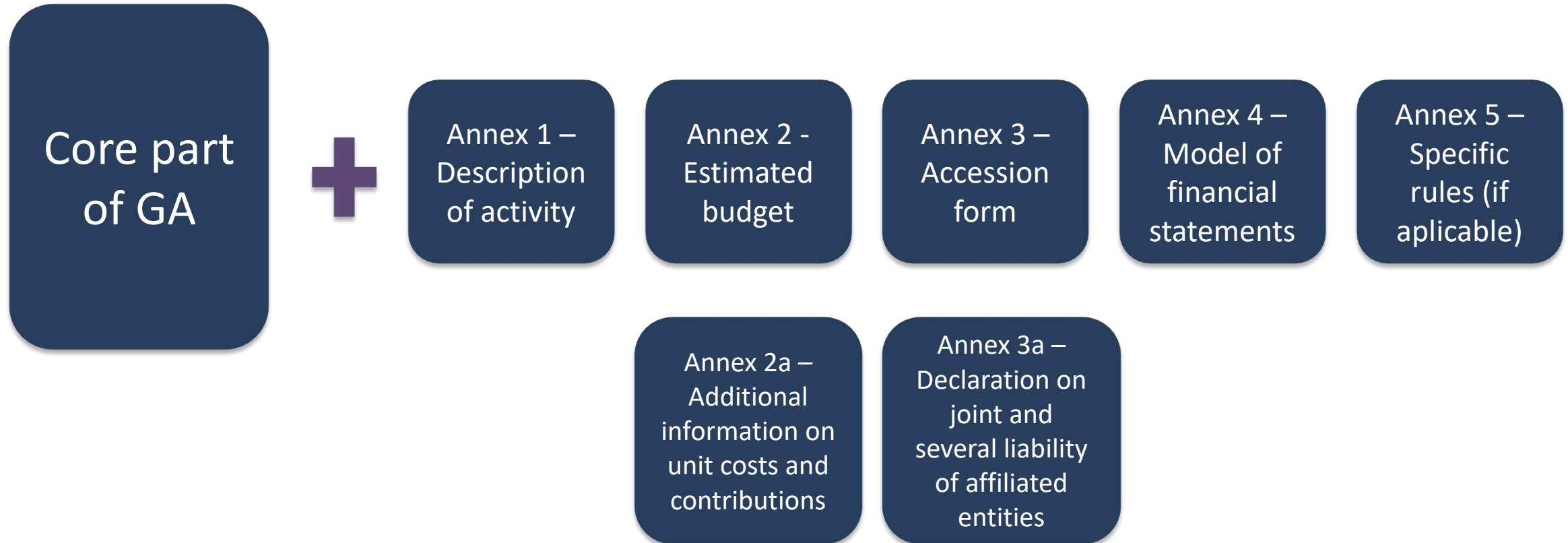
1. General Data
2. Participant
3. Grant
4. Reporting, payment and recoveries
5. Consequences of non-compliance, applicable law and dispute settlement forum
6. Specific rules Annex 5 & Standard time-limits after project end

Articles

grouped in six chapters

- Chapter 1** – General (Articles 1-2)
- Chapter 2** – Action (Articles 3-4)
- Chapter 3** – Grant (Articles 5-6)
- Chapter 4** – Grant Implementation (Articles 7-26)
- Chapter 5** – Consequences of non-compliance (Articles 27-35)
- Chapter 6** – Final provisions (Articles 36-44)

HE Grant Agreement structure



Corporate structure MGA – Budget categories

(Annex 2)

A. PERSONNEL COSTS	B. SUBCONTRACTING COSTS	C. PURCHASE COSTS	D. OTHER COST CATEGORIES	E. INDIRECT COSTS
<ul style="list-style-type: none"> ● A.1 Employees ● A.2 Natural persons under direct contract ● A.3 Seconded persons ● A.4 SME owners and natural person beneficiaries 		<ul style="list-style-type: none"> ● C.1 Travel and subsistence ● C.2 Equipment ● C.3 Other goods, works and services 	<ul style="list-style-type: none"> ● D.1 Financial support to third parties ● D.2 Internally invoiced goods and services ● <i>[D.3 Transnational access to research infrastructure unit costs]</i> ● <i>[D.4 Virtual access to research infrastructure unit costs]</i> ● <i>[D.5 PCP/PPI procurement cost]</i> ● <i>[D.6 Euratom Cofund staff mobility costs]</i> ● <i>[D.7 ERC additional funding]</i> ● <i>[D.8 ERC additional funding (subcontracting, FSTP and internally invoiced goods and services)]</i> 	25% flat rate

BUDGET CATEGORIES

Direct & Indirect costs



A.1 Personnel costs – employees

❖ **Personnel costs** - costs for employees or equivalent that worked in the action (persons working for the beneficiary **on the basis of an employment contract or equivalent appointing act**).

NOT - cost of persons **without employment contract or equivalent appointing act** (*staff provided by a temporary work agency, seconded staff, self-employed persons with a direct contract with the beneficiary*).

❖ Must declared as **ACTUAL PERSONNEL COSTS** (*standard case*) **OR UNIT COSTS**.

MAY INCLUDE :

- 1) fixed salary
- 2) fixed complements (if they are unconditional entitlements for the person)
- 3) variable complements (paid based on objective conditions, in the internal rules of the beneficiary, in a consistent manner and subject to the specific eligibility conditions for supplementary payments)
- 4) social security contributions (*mandatory employer and employee contributions*)
- 5) taxes linked to the remuneration (*e.g. income tax withholding*)
- 6) other costs and payments linked to the remuneration if they are justified and registered as personnel costs in accordance with the beneficiary's usual remuneration practices

Calculation of the personnel costs

- ❖ Discontinuation of the different formulas (annual and monthly) and options for productive hours.
- ❖ No more “last closed financial year” rule.
- ❖ Use of a single corporate daily rate and calendar year approach

$$\text{Personnel costs} = \text{Daily rate} \times \text{Days worked in the project}$$

- ❖ This calculation for each person working in the action, including the person who worked exclusively on it!!

Daily rate calculation

Daily rate



actual annual personnel costs for the person

215*

*For Horizon Europe: Still possible to **deduct actual working days spent on parental leave** from the fixed number of 215 days

Daily rate calculation...

WHEN?

- ❖ Calculate a daily rate per calendar year (January to December)
- ❖ Exception – if the reporting period is not aligned with the calendar year, for the months in each calendar year in the reporting period **calculate a separate daily rate as follows:**

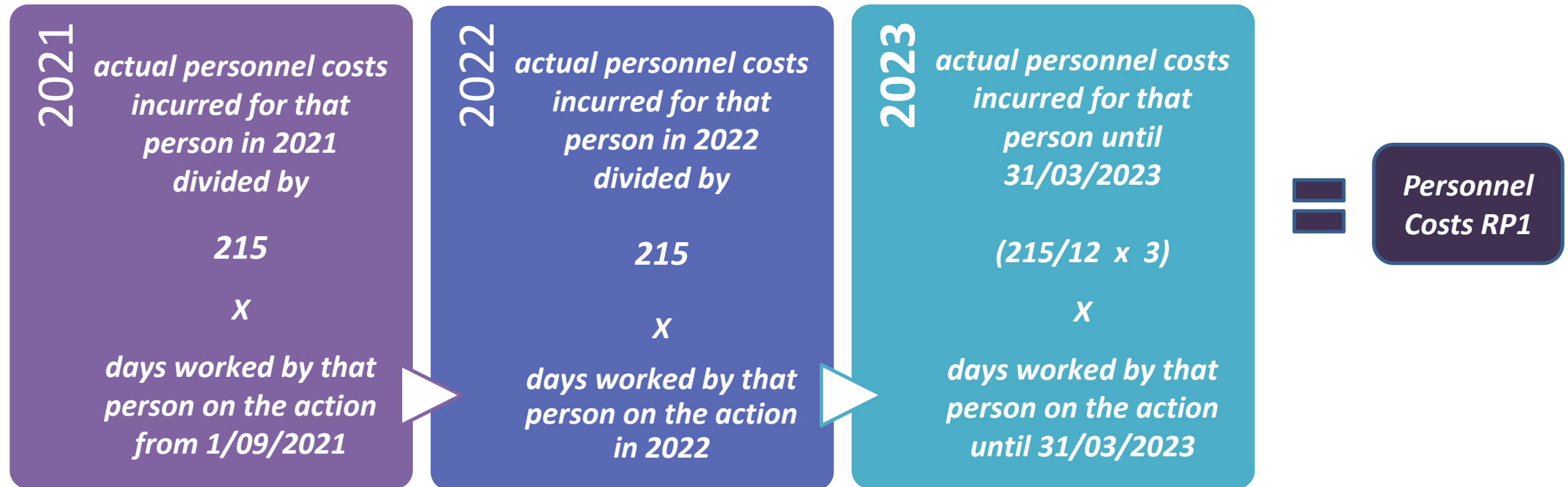
*{actual **personnel costs** of the person incurred over those months*

divided by

{215 / 12 (months) x number of months from the January until the end of the reporting period}}

Example...

Costs for **Researcher Y** in **reporting period 1**. Reporting period 1 runs from **1/09/2021** until **31/03/2023**:



Records for personnel costs — days worked for the action

For persons who work for the action (regardless if they are full-time or part-time employees and/or if they work exclusively or not for the action; new for 2021-2027),

THE BENEFICIARY MAY EITHER:

a) use reliable **time records** (*time-sheets*)
either on paper or in a computer-based time recording system

or

b) **sign a monthly declaration** on days spent
for the action ([template](#))



Days worked

Conversion: working hours ➡ days

“Day-equivalent” → 3 conversion rules

1. A conversion based on the **average number of hours that the person must work per working day, according to her/his contract.**

Example: The contract says that the person must work 37,5 hours per week distributed in 5 working days, a day-equivalent for the person is 7,5 hours ($37,5 / 5$). In the same example, if the person works 50 % part-time, the day-equivalent would be 3,75 hours ($18,75 / 5$).

2. A conversion based on the **usual standard annual productive hours** of the beneficiary, if it is at least 90% of the workable time (i.e. continuity with H2020)

Example:

Standard annual productive hours of the beneficiary = 1600

Standard annual workable hours of the beneficiary = 1720

$1720 \times 90\% = 1548 < 1600$

$1600/215 \Rightarrow 7.44 \text{ hours} = 1 \text{ day-equivalent}$

3. A conversion based on a fixed number of hours (e.g. for beneficiaries with no reference in their contracts nor standard annual productive hours):

1 day-equivalent = 8 hours

Project based remuneration – novelty!

Costs for employees = salaries (including net payments during parental leave), social security contributions, taxes and other costs linked to the remuneration, if they arise from national law or the employment contract.

Project-based supplementary payments

(HE) If provided in the Grant Agreement, **beneficiaries can charge project-based supplementary payments** for personnel assigned to the action.



Usual remuneration practices of a legal entity under which a personnel receives supplementary payments for work in projects

In case of supplementary payments project-based remuneration, the personnel costs must be calculated at a rate which:

- 1) **corresponds to the actual remuneration costs** paid by the beneficiary **for the time worked by the person in the action** over the reporting period
- 2) **does not exceed the remuneration costs paid by the beneficiary for work in similar projects funded by national schemes** (“**national projects reference**”)
- 3) is defined **based on objective criteria** allowing to determine the amount to which the person is entitled
- 4) **reflects the usual practice of the beneficiary to pay consistently bonuses or supplementary payments for work in projects** funded by national schemes.

Project based remuneration – methodology

The national projects* reference defined in national law, collective labour agreement or written internal rules of the beneficiary.

**IF NO
LEGISLATION**



Average remuneration of the person in the last full calendar year covered by the reporting period, excluding remuneration paid for work in EU actions.

Step 1 - Calculate the action daily rate for employees in HE action

Step 2 - Compare the action daily rate with the national project daily rate, (daily rate that you would pay to the person for work in national projects in accordance with your usual remuneration practices.) with HE action daily rate

Step 3 - Daily rate to be used for the EU grant financial statement will be the lower of the two.

* "National project" understood in the large sense, meaning all types of projects funded under any type of national (public or private) funding scheme, including projects co-financed by EU funds but managed by the Member States

A.2 Personnel costs – natural person under direct contract

TWO TYPES OF PERSONS:

- 1) **Self-employed natural persons** (*e.g. some types of in-house consultants*) who work on the action for the beneficiary under conditions similar to those of an employee, but under a contract that is legally not an employment contract.
- 2) **Persons who are seconded by a third party** against payment.
(*seconded – means the temporary transfer of an employee from a third party (the employer) to the beneficiary*)

DECLARED AS ACTUAL COSTS!

Eligibility conditions:

- 1) General conditions for cost eligibility
- 2) Person hired under:
 - direct contract or
 - contract between beneficiary and legal entity fully owned by the natural person (no other staff)
 - a secondment agreement
- 3) Working conditions similar to those of an employee
- 4) Results in principle belong to the beneficiary
- 5) The costs correspond exclusively to the remuneration of the person and related eligible taxes

A.3 SME owner and natural person beneficiaries

TWO TYPES OF PERSONS:

- 1) **Persons who are directly owners or co-owners of the beneficiary**, if the BEN is an SME and the person is not employee
- 2) **Beneficiary who are natural persons** (signed GA on her/his own name as individual)

DECLARED AS UNIT COSTS!

Eligibility conditions:

- 1) General conditions for unit cost eligibility
- 2) Be declared for an SME owner/natural person beneficiary who works on the action but does not receive a salary

B. Subcontracting costs

- ❖ Covers subcontracted action tasks (service contracts for parts of the project that are not implemented by the beneficiary itself).
- ❖ **Wide in scope.**
- ❖ **If covers only individual equipment or consumables, this will be considered as a purchase!**

MUST BE DECLARED AS ACTUAL COSTS

Eligibility conditions:

- 1) fulfill the general conditions for costs to be eligible
- 2) be based either on the **best value for money** (*the best price-quality ratio*) or on the *lowest price*
- 3) not be subject to conflict of interest
- 4) *comply with the applicable national law on public procurement*

Beneficiary can freely choose between best value for money and lowest price - **BUT** - *in case of a check, review, audit or investigation be able to show that the price was market-value and that the criteria defining quality were clear and coherent.*

NOT ALLOWED:

- 1) **SUBCONTRACTING BETWEEN BENEFICIARIES**
- 2) **SUBCONTRACTING TO AFFILIATES**
- 3) **COORDINATIONS TASKS**

C. Purchase costs

DECLARED AS ACTUAL OR UNIT COSTS – BEST VALUE FOR MONEY

TRAVEL COSTS, ACCOMMODATION AND SUBSISTENCE

On the basis of the costs incurred and in line with the beneficiary's usual practice on travel

EQUIPMENT

- *Declared as ACTUAL costs!!*
- *Written off in accordance with usual accounting practices and international account.*
- *Depreciation costs can NOT exceed the purchased price.*
- *Cost of renting or leasing can be eligible!*
- *Purchase of equipment, infrastructure or other assets may be declared as full capitalised costs, and ELIGIBLE*

OTHER GOODS AND SERVICES

- *Declared as ACTUAL costs!!*
- *Such as:*
 - *consumables, supplies*
 - *communication and dissemination cost*
 - *IPR costs*
 - *CFS costs*
 - *Protection of results*
- *BEN can NOT charge the commercial price of their self-produced consumables.*

D. Other cost categories

OTHER COSTS CATEGORIES:

- 1) Financial support to third parties** (cascading grants, prizes or similar, i.e. where giving such support is part of the project activities):
 - Only if it is explicitly allowed in the call conditions
 - **NO INDIRECT FLAT-RATE COST on this.**
- 2) Internally invoiced goods and services – NEW**
- 3) *HE Access to research infrastructure costs***
- 4) *PCP/PPI procurement costs***
- 5) *Euroatom Cofund staff mobility costs***
- 6) *ERC additional funding***

Internally invoiced goods and services

Means goods or services **which are provided within the beneficiary's organisation directly for the action** and which the beneficiary values on the basis of its usual cost accounting practices.

*This cost will **not be taken into account for the indirect cost flat-rate!!***

Examples:

- *self-produced consumables (e.g. electronic wafers, chemicals)*
- *use of specific devices of research facilities needed for the action (e.g. clean room, wind tunnel, aquarium, supercomputer facilities, electronic microscope)*
- *standardised testing or research processes (e.g. genomic test, mass spectrometry analysis)*
- *hosting services for visiting project team member participating in the action (housing, canteen)*

Wider reliance on beneficiary's usual cost accounting practices for the unit cost calculation!

NOT necessary to have a document called "internal invoice" to support these costs, but the beneficiary **should have a documented methodology how to determine them!**

E. INDIRECT COSTS

All costs for the action that are **not directly linked to it** (*i.e. overheads*).

Flat-rate of 25% of the eligible direct costs, except:

- subcontracting costs,
- financial support to third parties and exempted specific cost categories, if any.

(Art. 6.2.E of the Horizon Europe MGA)

Example:

A public university is a beneficiary under a GA and has incurred the following costs:

- EUR 100 000 personnel costs
- EUR 20 000 subcontracting costs,
- EUR 10 000 other goods and services (consumables).

Eligible direct costs: $100\,000 + 20\,000 + 10\,000 = \text{EUR } 130\,000$

Eligible indirect costs: $25\% \text{ of } (100\,000 + 10\,000) = \text{EUR } 27\,500$

Total eligible costs: EUR 157 500

Receipts under Horizon Europe

Corporate approach → Alignment with the revised **Financial Regulation 2018/1046**

Article 192(2) FR

[...] receipts are limited to the Union grant and the revenue generated by that action or work programme.

Article 192(3)(c) FR

→ non-profit organisations are **NOT** concerned by receipts.

Horizon Europe derogation → Income generated by the exploitation of the results shall **NOT** be considered to be receipts of the action;
(Art 36(3) HE RoPD)

Continuity with H2020



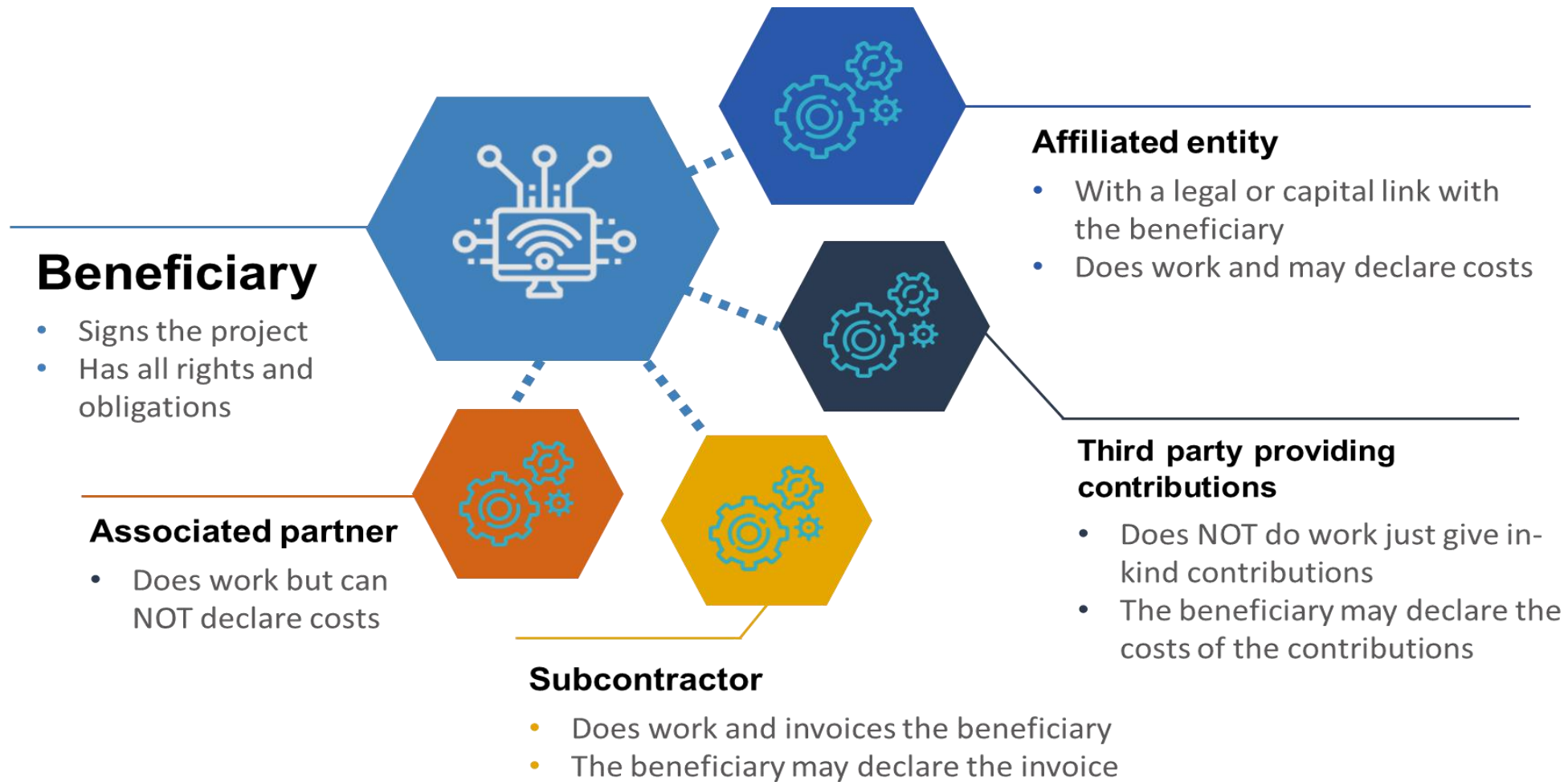
Mutual Insurance Mechanism (MIM)

- ❖ The Mutual Insurance Mechanism (MIM) in Horizon Europe is replacing the Guarantee Fund in H2020.
- ❖ **Vary between 5%-8% - from case to case.**
- ❖ Same as in H2020, the **amount will be deducted from the pre-financing and will be sent to the MIM.**
- ❖ The funding authority may decide to increase the rate up to 8% .
- ❖ **Each beneficiary's financial liability is in principle limited to its own debt** and undue amounts paid for costs declared by its affiliated entities.
- ❖ It is only for the contribution to the MIM that financial responsibility is shared among beneficiaries.



CONSORTIUM: Beneficiaries, Affiliated entities and other participants

Different role in the HE GA

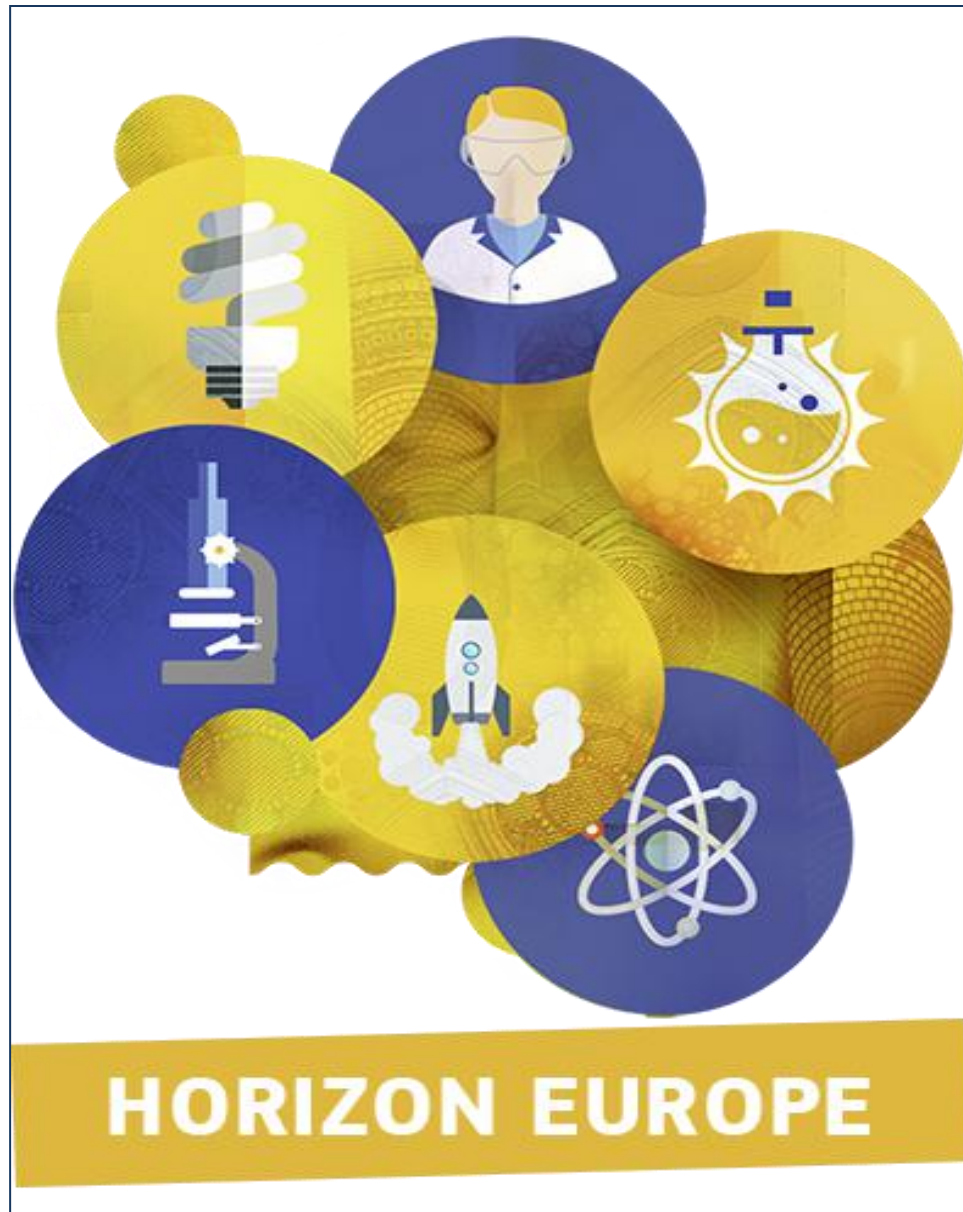


Source: European Commission

Different role in the HE GA

TYPE	Works on 'action tasks'?	What is eligible for the beneficiary/ affiliated entity?	Must be indicated in Annex 1 GA?	Conditions for participation
Beneficiaries	YES	Costs	YES	Must be eligible for funding
Affiliated entities	YES	Costs	YES	Must be affiliated or have a legal link and be eligible for funding
Associated partners	YES	n/a	YES	No specific conditions (APs do not receive funding).
Third parties contributing to the project	Participate in the action as contributors	Costs if eligible under the specific Programme (only for HE)	YES	
Subcontractors	YES	Invoiced price	YES	Must be best value for money, avoid conflict of interest
Third parties receiving financial support ²	Participate in the action as recipients.	Amount of support given	YES	According to the conditions in Annex 1 GA

Source: Annotated MGA



CERTIFICATE ON THE FINANCIAL STATEMENTS (CFS) & SPA

Controls & Audit & SPA

- ❖ **Record-keeping:** 5 years after final payment (3 years for grants \leq EUR 60 000)
- ❖ **Reviews:** up to 2 years after final payment
- ❖ **Ex-post audit:** up to 2 years after final payment
- ❖ **Extension of findings from other grants to this grant:** no later than 2 years after final payment
- ❖ **Impact evaluation:** up to 5 years after final payment (3 years for grants \leq EUR 60 000)

Certificate on financial statements (CFS)

ALIGNMENT WITH CORPORATE APPROACH



HIGHER THRESHOLD

- **EUR 430 000** (increased from EUR 325 000 in H2020)
- CFS to be submitted at **payment of the balance (as part of the period report)**



SIMPLER CALCULATION BASE

- **Requested EU contribution calculated on all costs** (not only actual costs and unit costs calculated in accordance with usual costs accounting practices as in H2020)



LESS CFS FOR LOW-RISK BENEFICIARIES WITH SPA

- For **beneficiaries with a low-risk classification** after a **SPA** the threshold will increase to **EUR 725 000** (from EUR 430 000)

❑ What is a SPA ?

A risk assessment & an audit opinion

in 2 steps:

- Test of the systems / Tests of controls
- Substantive testings / Tests of Transactions

assessing 3 types of risks:

- Inherent Risk at the level of the entity
- Control Risk at the entity level
- Budget Category Specific Control Risk and their project based accounting

providing 1 Output:

- One single report in two parts
- Combined review result ► flag as Low, Medium or High

Horizon Europe: System and Processes Audit (SPA)

☐ Who can apply?

Any beneficiary that:

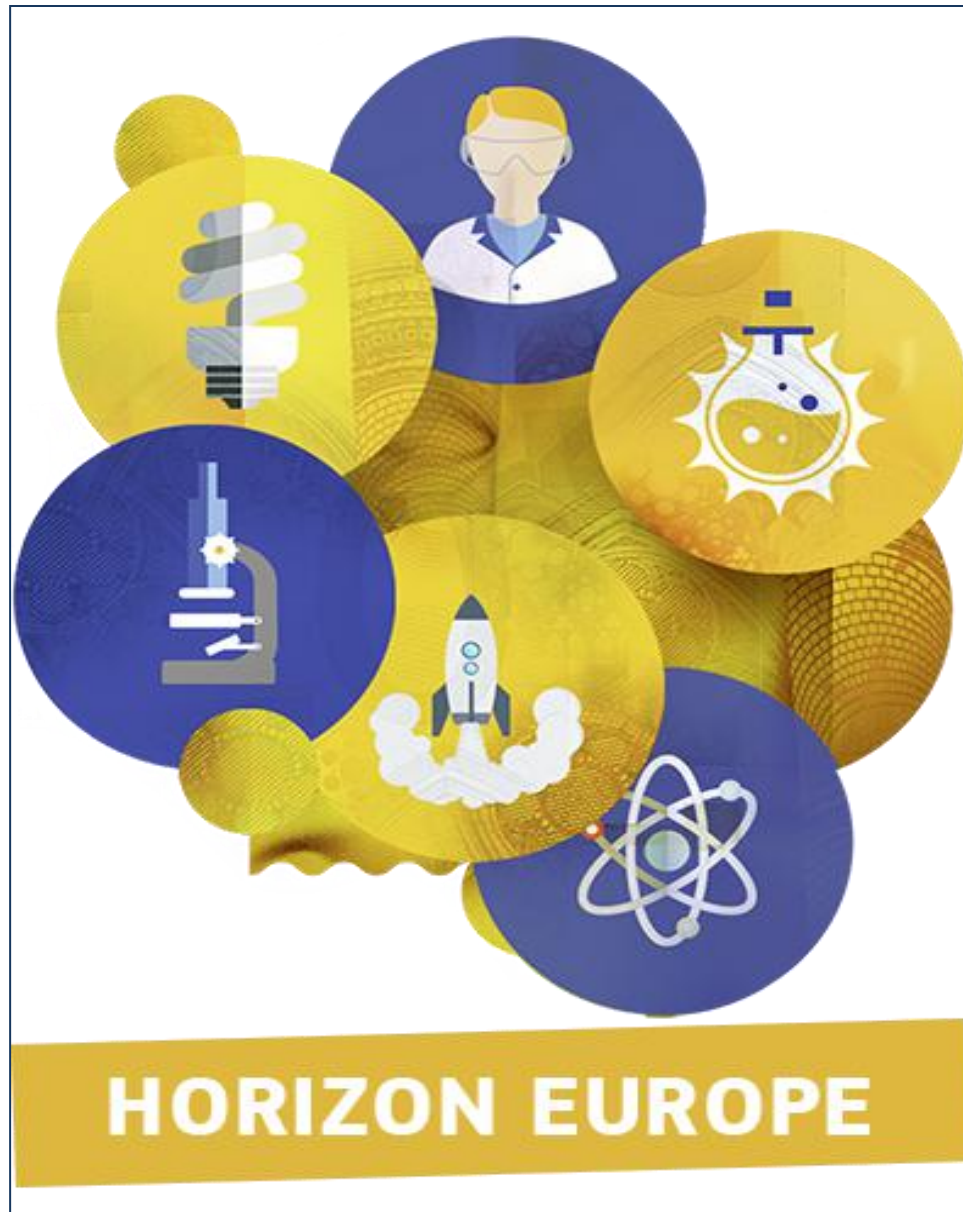
- ☐ **uses unit, flat rate or lump sum costs** or contributions according to documented usual costs accounting practices (if any).
OR
- ☐ **has formalised documentation on the systems** and processes for calculating their costs and contributions.
- ☐ has participated in at least **150 actions under H2020** or Euratom and
- ☐ participates in at least **3 ongoing actions under HE or Euratom**.

☐ How?

- Step 1** - The beneficiary submits the application in the system which will be assessed by the EC auditors.
- Step 2** - If application accepted, the EC auditors (directly or indirectly) will carry out the SPA .
- Step 3** - The audit result will take the form of a risk assessment classification

☐ What benefits for beneficiaries classified as 'low-risk'?

- ☐ **less (or less in-depth) ex-post audits** and,
- ☐ **a higher threshold for submitting CFS statements** - **725.000 EUR** instead of 430.000 EUR



HORIZON EUROPE IPR RULES

IPR Rules – Art. 16. MGA

Ownership

- ❖ **BACKGROUND** needed for implementing the action or for exploiting its results - must identify by Beneficiaries in a written agreement (RESTRICTIONS possible).
 - **Must be requested**
- ❖ **RESULTS** - belong to the beneficiary that generated / produced them.
In case it is not possible to establish their respective contribution or to separate them for protection, the beneficiaries **automatically become joint owners** (must conclude a joint ownership agreement in writing).
- ❖ **Joint owners automatically** have the right **to grant non-exclusive licences** to third parties against fair and reasonable compensation - **at least 45 days advance notice to other joint owner**.
- ❖ **THIRD PARTIES** - beneficiaries must ensure that they can respect their obligations under the grant by making arrangements with any third parties that could claim rights to the results.
- ❖ **RESULTS OWNERSHIP LIST (ROL)** - **a template to be filled out in the final periodic report** listing the owner of the results (be it a beneficiary or other legal entity).

IPR Rules – Protection of results



IPR Rules – Exploitation of results

- Beneficiaries must take measures to ensure exploitation of results (directly or indirectly)
- Up to 4 YEARS AFTER THE END OF THE ACTION

- **If results not exploited** within 1 YEAR AFTER END OF THE ACTION

MUST USE



Horizon Results Platform!!!

- free of charge
- high visibility

- Specific case – EMERGENCY!
- When requested by the granting authority, the beneficiary must grant non-exclusive licences under fair and reasonable conditions to legal entities that need the results to address the public emergency and commit to rapidly and broadly exploit the resulting products and services at fair and reasonable conditions

Thank you for your attention!

