



EU Grants

AGA – Annotated Model Grant Agreement

EU Funding Programmes 2021-2027

PRE-DRAFT (HE) incl. update for ALL PROGRAMMES
30 November 2021

Disclaimer

This guide is aimed at assisting EU grant beneficiaries. It is provided for information purposes only and is not intended to replace the binding legal agreements themselves, nor professional legal advice for specific cases. Neither the EU Commission nor its agencies and funding bodies (or any person acting on their behalf) can be held responsible for the use made of it.



EU Programmes 2021-2027

HE	Horizon Europe and Euratom
RFCS	Research Fund for Coal and Steel
DEP	Digital Europe Programme
CEF	Connecting Europe Facility
LIFE	Programme for Environment and Climate Action
INNOVFUND	Innovation Fund
RENEWFM	Renewable Energy Financing Mechanism
EMFAF	European Maritime, Fisheries and Aquaculture Fund
AGRIP	Promotion of Agricultural Products
IMCAP	Information Measures for the Common Agricultural Policy
SMP	Single Market Programme
ERASMUS	Erasmus+
CREA	Creative Europe Programme
ESC	European Solidarity Corps
CERV	Citizens, Equality, Rights and Values Programme
JUST	Justice Programme
ESF	European Social Fund+
SOCPL	Social Prerogatives and Specific Competencies Lines
EU4H	EU4Health Programme
AMIF	Asylum, Migration and Integration Fund
ISF	Internal Security Fund
BMVI	Border Management and Visa Instrument
EUAF	EU Anti-fraud Programme
CUST	Customs Programme
FISC	Fiscalis Programme
CCEI	Customs Control Equipment Instrument
PERI	Programme for the Protection of the Euro against Counterfeiting
TSI	Technical Support Instrument
UCPM	Union Civil Protection Mechanism
EDF	European Defence Fund
HUMA	Humanitarian Aid

Table of Contents

<u>INTRODUCTION</u>	<u>6</u>
General > Scope – What is an EU action grant?	6
General > How to set up your project – Consortium composition and roles and responsibilities	6
<u>ANNOTATIONS.....</u>	<u>11</u>
<u>PREAMBLE 11</u>	
General > Preamble	11
<u>CHAPTER 1 GENERAL.....</u>	<u>14</u>
General > Article 1 – Subject	14
General > Article 2 – Definitions	15
<u>CHAPTER 2 ACTION.....</u>	<u>17</u>
General > Article 3 – Action	17
General > Article 4 – Duration and starting date	18
<u>CHAPTER 3 GRANT</u>	<u>19</u>
General > Article 5 – Grant	19
General > Article 5.2 Maximum grant amount	20
General > Article 5.3 Funding rate	20
General > Article 5.4 Estimated budget, budget categories and forms of funding	21
General > Article 6 – Eligible costs/contributions	25
General > Article 6.1 General eligibility conditions	25
General > Article 6.1 In-kind contributions for free	30
General > Article 6.2 Specific eligibility conditions	31
General > Article 6.2.A Personnel costs	32
General > Article 6.2.A.1 Employees	33
General > Article 6.2.A.2, A3 Natural persons with direct contract and seconded persons	42
General > Article 6.2.A.4 SME owners and natural person beneficiaries	46
General > Article 6.2.A.5 Volunteers	48
General > Article 6.2.A.X Other personnel costs	50
General > Article 6.2.B Subcontracting costs	54
General > Article 6.2.C Purchase costs	57
General > Article 6.2.C.2 Equipment	63
General > Article 6.2.C.3 Other goods, works and services	70
General > Article 6.2.D Other cost categories	73
General > Article 6.2.D.X > Financial support to third parties	74
General > Article 6.2.D.X > Internally invoiced goods and services	77
General > Article 6.2.D.X > HE Other cost categories	81
<u>Indirect costs 83</u>	
General > Article 6.2.E Indirect costs	83
General > Article 6.3 Ineligible costs/contributions	85
CHAPTER 4 GRANT IMPLEMENTATION	89
<u>SECTION 1 CONSORTIUM: BENEFICIARIES, AFFILIATED ENTITIES AND OTHER PARTICIPANTS.....</u>	<u>89</u>
General > Article 7 – Beneficiaries	89
General > Article 8 – Affiliated entities	95

<u>General > Article 9 — Other participants</u>	<u>98</u>
<u>General > Article 9.1 Associated partners</u>	<u>98</u>
<u>General > Article 9.2 Third parties giving in-kind contributions</u>	<u>100</u>
<u>General > Article 9.3 Subcontractors</u>	<u>102</u>
<u>General > Article 9.4 Recipients of financial support to third parties</u>	<u>104</u>
SECTION 2 RULES FOR CARRYING OUT THE ACTION	105
<u>General > Article 11 — Proper implementation of the action</u>	<u>105</u>
<u>General > Article 13 — Confidentiality and security</u>	<u>106</u>
<u>General > Article 16 — IPR — Background and results — Access rights and rights of use</u>	<u>109</u>
<u>General > Article 17 — Communication and visibility</u>	<u>112</u>
<u>General > Article 20 — Record-keeping</u>	<u>115</u>
ANNEX 5 120	
<u>General > Annex 5 > General > Confidentiality and security</u>	<u>120</u>
<u>General > Annex 5 > General > IPR</u>	<u>123</u>
<u>General > Annex 5 > General > Communication, dissemination and visibility</u>	<u>124</u>
<u>General > Annex 5 > HE Annex 5</u>	<u>125</u>

HE PRE-DRAFT

I. GENERAL MODEL GRANT AGREEMENT (GENERAL MGA)

INTRODUCTION

General > Scope – What is an EU action grant?

Background and scope — What types of actions is the General MGA for?

The General Model Grant Agreement covers **action grants**, i.e. grants for projects with activities that help achieve EU policy objectives¹ and are normally funded based on actual cost incurred by the beneficiaries.

Other categories of grants are covered in other sections (*e.g. Unit Model Grant Agreement, Lump Sum Model Grant Agreement, Operating Grants Model Grant Agreement, Framework Partnership Agreement*).

Action grants are usually given through open calls for proposals, but may sometimes also be awarded directly without a call.

They can be multi- or mono-beneficiary actions.

New for 2021-2027: For the new generation of funding programmes under the Multiannual Financial Framework (MFF) 2021-2027, a new General MGA has been introduced in order to ensure coherence and simplification for **all EU Programmes**. Programme-specific provisions are grouped in Article 6 and Annex 5.

The new EU AGA — Annotated Model Grant Agreement reflects this new structure. Moreover, since a wide range of Programmes is now using the eGrants IT tools (Funding & Tenders Portal), the annotations focus on grants managed through these IT tools, but the guidance in principle also applies to grant agreements not managed through the IT tools.

General > How to set up your project — Consortium composition and roles and responsibilities

How to set up your project — Consortium composition and roles and responsibilities

The consortium must have the technical and financial resources needed to carry out the project (**'operational and financial capacity'**). This means the capacity is project-specific and the outcome of the assessment by the granting authority may accordingly vary between calls depending on the complexity and nature of the action.

Ideally, the work should be done by the beneficiaries and their affiliated entities **themselves**, but if needed, they may involve other partners and rely on outside resources (*purchase new equipment, goods, works or services, subcontract a part of the work or involve associated partners, etc*).

 Legally speaking, it is the beneficiaries that remain fully responsible towards the granting authority (since they are the ones that have signed the Grant Agreement (GA)). For all the other participants, the obligations under the GA are indirect, meaning that the beneficiaries must ensure that the activities of other participants are in line with the grant agreement. In case of non-compliance the granting authority will turn to the beneficiaries to enforce.

The sufficient capacity must be demonstrated in the proposal and be available at the moment of the implementation of the work (i.e. not necessarily already at the moment of submitting the proposal or signing the GA, but at least when the work starts). In order to give us assurance, your proposal should show how the resources will be made available when they are needed.

¹ See Article 180 Regulation (EU, Euratom) [2018/1046](#) of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union ('EU Financial Regulation') (OJ L 193, 30.7.2018, p. 1).

Examples (acceptable):

1. For an innovative technology call, a Start-up company with no resources at the time of proposal submission, but with a credible business plan described in the application.
2. SME which, if it gets the grant, plans to double its capacity/staff.

Example (not acceptable):

1. Consultancy company which submits a proposal where the majority of the work is subcontracted.
2. For a call for distribution of support goods in an immediate crisis situation, a start-up with no experience and no resources at the time of proposal submission.

Different roles in the GA

Depending on the Programme and type of action, entities can participate in various roles: as coordinator, beneficiaries, affiliated entities, associated partners, in-kind contributors, subcontractors or recipients of financial support to third parties.

⚠ Each role is linked to a set of conditions and legal rights and obligations that are relatively rigid. Make sure that you chose the appropriate role for everyone. Having the wrong role can cause a lot of problems later on.

Coordinator vs other beneficiaries

The **coordinator** is the beneficiary which is the central contact point for the granting authority and represents the consortium (towards the granting authority). For mono-beneficiary grants, the mono-beneficiary also has the coordinator role. The other **beneficiaries** are the other entities that participate as beneficiaries (i.e. also sign the grant).

Beneficiaries vs affiliated entities

Affiliated entities (new for 2021-2027; in some programmes previously called 'linked third parties') are in practice treated largely like beneficiaries (except that — formally speaking — they don't sign the GA).

They must fulfil the same conditions for participation and funding as the beneficiaries and need to have a validated participant identification code (PIC; see [Online Manual, Participant validation](#)). Annotations in this AGA which refer to beneficiaries usually also apply to affiliated entities (just like the provisions of the MGA themselves; see also *MGA Preamble*).

Subcontractors vs suppliers of goods, works and services

The core criterium for distinguishing between **subcontracts** and contracts/purchases is whether it concerns an action task as set out in the description of the action (Annex 1 of the Grant Agreement).

Subcontracts	Contracts/Purchases
Subcontracts concern the implementation of 'action tasks', i.e. parts of the project/project tasks that have been outsourced.	Purchases concern travel, equipment and goods and services that are necessary for the beneficiaries to implement the work (can range from big equipment to petty goods).
The price for the subcontracts will be declared as 'Subcontracting costs' in the financial statement.	The price for these contracts will be declared in one of the 'Purchase costs' columns in the financial statement.

Example (subcontracts): Subcontract to organise a conference that is set as part of the tasks in the description of the action.

Example (contracts/purchases): contract for an audit certificate on the financial statements; contract for the translation of documents; contract for the publication of brochures; contract for the creation of a website that enables the beneficiaries to work together (if creating the website is just a project management tool and not a separate subcontracted 'action task'); contract for organisation of the rooms and catering for a meeting (if the organisation of the meeting is not a separate subcontracted 'action task'); contract for hiring IPR consultants/agents needed for the project.

Subcontractors and purchases vs affiliated entities

In contrast to subcontractors, **affiliated entities** have a link (e.g. legal or capital) with a beneficiary which goes beyond the implementation of the action.

Subcontracts and purchases	Affiliated entities
The beneficiaries have a <i>contractual</i> link with subcontractors/suppliers, with the object to buy something or subcontract action tasks.	With affiliated entities, there is a more <i>permanent legal link</i> which is not limited to the project .
The eligible cost is the price charged to the beneficiary (usually containing a profit margin for the supplier or subcontractors, but not for the beneficiary).	The eligible costs are only the costs of the affiliated entity, no profit is allowed (neither for the affiliated entity, nor for the beneficiary).
The beneficiary must award the contracts and subcontracts on the basis of best value for money (or lowest price) and absence of conflict of interests.	

Example (implementation by affiliated entity): Company X and company Y do not control each other, but they are both fully owned by company Z. Company X is beneficiary in the grant and company Y implements some of the action tasks described in Annex 1 (testing and analysis of the resistance of a new component under high temperatures).

Contributions against payment vs in-kind contributions (for free)

In some projects, third parties make available some of their resources to a beneficiary without this being their economic activity (i.e. *seconding personnel, contributing equipment, infrastructure or other assets, or other goods and services*).

This can be done against payment or for free. If against payment, the cost paid can be charged by the beneficiaries to the project (e.g. A.3 *Seconded persons*, C.2 *Equipment and C.3 Other goods, works and services*); if for free, there are no costs that arise for the beneficiaries, so nothing can be charged to the project (**exception for HE:** in-kind contributions for free can under certain conditions be declared as eligible costs, see [Article 6.1 HE MGA](#)).

Example (in-kind contributions (for free)): Civil servant working as a professor in a public university. His salary is paid not by the beneficiary (the university) but by the government (the ministry). According to the secondment agreement, the government does not ask any reimbursement in exchange (non-cash donation). Since the beneficiary does not incur any costs, nothing can be charged to the grant. (**exception for HE:** the beneficiary can declare the salary costs in its financial statements, even if they are paid by the ministry/government).

Example (contributions against payment): Civil servant working as a professor in a public university. His salary is paid by the government (the ministry) which employs him. According to the secondment agreement, the beneficiary (the university) has to reimburse the government an amount corresponding to the paid salary. The reimbursed amount is a cost for the beneficiary and is recorded as such in its accounts. The beneficiary will declare the amount reimbursed to the government in its financial statements.

Associated partners vs affiliated entities and third parties giving in-kind contributions

A new type of participant has been introduced (**new for 2021-2027**), the so-called Associated Partners. They may implement action tasks but in contrast to affiliated entities they do not need

to have a capital or legal link to a beneficiary and cost incurred by Associated Partners can NOT be declared as eligible cost. In contrast to third parties giving in-kind contributions, the associated partners are fully named in the grant agreement and may implement important tasks by themselves.

Entities that do not request funding or are not eligible for funding may participate in an action as Associated Partners, for example out of interest in contributing to the objectives of the action, gaining visibility, or participating due to ongoing (scientific) cooperation with a beneficiary.

As with any other participant that does not sign the grant agreement, the beneficiaries need to ensure (e.g. through the consortium agreement) that Associated Partners implement their assigned action tasks in accordance with the grant agreement.

⚠ Where possible, associated partners should be linked to a specific beneficiary.

Combination of roles

In principle, each person or entity should only participate in a single role in an action. This is to avoid any potential conflicts of interest and ensure clear allocation of rights and obligations as well as certainty on cost eligibility.

A combination of roles within the same action is only possible in the following very limited cases provided it is not used in a way to circumvent rules of the Grant Agreement:

- **Associated Partner + Third Parties giving in-kind contribution:** If necessary for the implementation of the action, associated partners implementing their own tasks may also support beneficiaries and affiliated entities in the implementation of their tasks by providing in-kind contributions.
- **Third parties giving in-kind contribution + Subcontractor:** It is in principle possible for a third party giving in-kind contributions in support of certain parts of the action to also compete for subcontracts for other parts of the same action. If, in accordance with the criteria for awarding subcontracts (best value for money or lowest price, no conflict of interest), a third party already giving in-kind contributions gives the best offer, it may also participate as a subcontractor.
- **Recipients of financial support to third parties + Any other role:** Recipients of financial support to third parties must normally be third parties to the agreement. Beneficiaries are not allowed to provide financial support under the grant agreement to themselves or their affiliated entities. However, certain exceptions may be made if provided for in the Grant Agreement. In contrast, in the case of third parties providing in-kind contributions as well as subcontractors, assuming that the financial support is not directly related to their tasks, they are considered third parties to the agreement and may therefore in principle receive financial support to third parties under the conditions set out in the grant agreement.

This table gives an **overview** of the different kinds of EU grants **participants and indicates cost eligibility (not exhaustive)**:

TYPE	Works on 'action tasks'?	What is eligible for the beneficiary/ affiliated entity?	Must be indicated in Annex 1 GA?	Conditions for participation	GA article
Beneficiaries	YES	Costs	YES	Must be eligible	art 7
Affiliated entities	YES	Costs	YES	Must have a capital or legal link with a beneficiary and fulfil the same eligibility conditions	art 8
Associated partners	YES	n/a	YES	No specific conditions (APs do not receive funding).	art 9.1
Third parties contributing to the project	Participate in the action as contributors	n/a (<i>except HE: Costs</i>)	YES		art 9.2
Subcontractors	YES	Invoiced price	NO (only subcontracted tasks must be indicated)	Must be best value for money or lowest price and no conflict of interest	art 9.3
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	art 9.4

² Only if allowed in the call conditions.

ANNOTATIONS

PREAMBLE

General > Preamble

PREAMBLE

GRANT AGREEMENT

Project **[insert number]** — **[insert acronym]**

PREAMBLE

This Agreement ('the Agreement') is **between** the following parties:

on the one part,

*[OPTION 1: the **European Union** ('EU'), represented by the European Commission ('European Commission' or 'granting authority'),]*

*[[OPTION 2: the **European Atomic Energy Community** ('Euratom'), represented by the European Commission ('European Commission' or 'granting authority'),]]*

*[OPTION 3 for direct management by executive agencies: the **[European Climate, Infrastructure and Environment Executive Agency (CINEA)] [European Education and Culture Executive Agency (EACEA)] [European Research Council Executive Agency (ERCEA)] [European Health and Digital Executive Agency (HaDEA)] [European Innovation Council and SME Executive Agency (EISMEA)] [European Research Executive Agency (REA)]** ('EU executive agency' or 'granting authority'), under the powers delegated by the European Commission ('European Commission'),]*

*[OPTION 4 for indirect management by EU funding bodies: **[insert name of funding body]** ('granting authority')[, under the powers delegated by the European Commission ('European Commission')]]*

and

on the other part,

1. 'the coordinator':

[COO legal name (short name)], PIC **[number]**, established in **[legal address]**,

[and the following other beneficiaries, if they sign their 'accession form' (see Annex 3 and Article 40):

2. **[BEN legal name (short name)]**, PIC **[number]**, established in **[legal address]**,

*[3. **Joint Research Centre (JRC)**, PIC **[number]**, established in RUE DE LA LOI 200, BRUSSELS 1049, Belgium,]*

[same for each beneficiary]]

Unless otherwise specified, references to 'beneficiary' or 'beneficiaries' include the coordinator and affiliated entities (if any).

If only one beneficiary signs the Grant Agreement ('mono-beneficiary grant'), all provisions referring to the 'coordinator' or the 'beneficiaries' will be considered — mutatis mutandis — as referring to the beneficiary.

The parties referred to above have agreed to enter into the Agreement.

By signing the Agreement and the accession forms, the beneficiaries accept the grant and agree to implement the action under their own responsibility and in accordance with the Agreement, with all the obligations and terms and conditions it sets out.

The Agreement is composed of:

Preamble

Terms and Conditions (including Data Sheet)

Annex 1 Description of the action¹

Annex 2 Estimated budget for the action

Annex 2a Additional information on unit costs and contributions (if applicable)

Annex 3 Accession forms (if applicable)¹

Annex 3a Declaration on joint and several liability of affiliated entities (if applicable)¹

Annex 4 Model for the financial statements

Annex 5 Specific rules (if applicable)

¹ Template published on [Portal Reference Documents](#).



1. Consortium: Coordinator — Beneficiaries — Affiliated entities — Other participants

In EU grants, the consortium is normally composed of the key project participants, i.e. typically the coordinator and the other beneficiaries, affiliated entities and associated partners. Sometimes also subcontractors and third parties that contribute to the action are included.

The **coordinator** is the beneficiary which is the central contact point for the granting authority and represents the consortium (towards the granting authority). For mono-beneficiary grants, the mono-beneficiary also has the coordinator role.

The signature arrangements are the following:

- the coordinator directly signs the GA
- the other beneficiaries sign the GA by signing the Accession Form (see [Article 40](#)). Only beneficiaries sign the Accession Form. Affiliated entities, associated partners etc. do NOT sign the Accession Form.

Amendments to the GA, if any, will be signed by the coordinator on behalf of the other beneficiaries.

The **division of roles and responsibilities** within the consortium are explained in [Article 7](#).

Generally speaking:

- the coordinator must coordinate and manage the grant and is the central contact point for the granting authority
- the beneficiaries must collectively together contribute to a smooth and successful implementation of the project (*i.e. implement their part of the action properly, comply with their own obligations under the GA and support the coordinator in his obligations*).

The beneficiaries are bound by the grant terms and conditions. This means that they must:

- carry out the action as described in the description of the action (DoA; Annex 1 of the Grant Agreement) and

- comply with all the other provisions of the Grant Agreement and all the applicable provisions of EU, international and national law (*including general principles, such as fundamental rights, values, and ethical principles*).

The involvement of **other participants** which do not sign the GA (*affiliated entities, associated partners, subcontractors, etc*) varies depending on the role. Since there is no formal contractual link with them, their obligations will always be enforced through the responsible beneficiaries.

⚠ The consortium set-up must follow the roles in the Grant Agreement. Participants should be attributed their roles according to their real contribution to the project. The main actors should be the beneficiaries or affiliated entities. All other roles should be complementary.

This means for instance:

- affiliated entities — are allowed to *fully* participate in the action; they are treated like beneficiaries for most issues (including cost eligibility); they do not however have access to the Portal My Area (personalised section; Portal electronic exchange system); **annotations in this AGA which refer to beneficiaries usually also apply to affiliated entities (just like the provisions of the MGA themselves; see also MGA Preamble)**
- subcontracting — beneficiaries/affiliated entities may NOT subcontract tasks to other beneficiaries/affiliated entities
- coordinator tasks — the key coordinator tasks listed in the GA may NOT be subcontracted or delegated to any other beneficiary/affiliated entity (except, under certain circumstances, to an entity with 'authorisation to administer'; see [Article 7](#))

For an overview on the different types of third parties and their GA roles, rights and obligations, see *the table in Article 7*.

⚠ If you are a 'sole beneficiary' (art 187(2) EU Financial Regulation [2018/1046](#), e.g. *European Economic Interest Grouping (EEIG) or joint venture*) or a 'beneficiary without legal personality' (art 197(2)(c) Financial Regulation [2018/1046](#); e.g. *association*) and will implement the project with the help of your members, you should make sure that the members participate as affiliated entities, so that they will be able to charge their costs to the project.

2. Name and address — Legal entity data

The legal entity data (*legal name, address, legal representatives, etc*) of the beneficiaries comes from the Funding & Tenders Portal [Participant Register](#) (former Beneficiary Register).

This data will be automatically used for all communications concerning the grant (see [Article 36](#)) and will also be used in case you are applying for other EU grants, prizes or tenders (if managed through the Portal).

⚠ The beneficiaries (via their **legal entity appointed representative (LEAR)**) must keep their **data** in the Funding & Tenders Portal up-to-date at all times including after the end of the grant (see [Article 19](#)).

CHAPTER 1 GENERAL

General > Article 1 — Subject

ARTICLE 1 — SUBJECT OF THE AGREEMENT

ARTICLE 1 — SUBJECT OF THE AGREEMENT

This Agreement sets out the rights and obligations and terms and conditions applicable to the grant awarded *[OPTION for SGAs: under Framework Partnership Agreement No [insert number] — [insert acronym]]* for the implementation of the action set out in Chapter 2.



1. Subject of the agreement

The Grant Agreement sets out the rights and obligations of each party and the terms and conditions of the grant that beneficiaries must comply with when implementing the action (i.e. the project).

⚠ Grants are **donations**, meaning they are public funding in the form of a free contribution. The granting authority is NOT procuring your works, goods or services, nor is your project 'done for the European Commission' or any other granting authority. The EU donates to actions because it is a way to incentivise activities that are in the public policy interest. It is a positive way to support and involve citizens and encourage broad cooperation across borders.

General > Article 2 — Definitions

ARTICLE 2 — DEFINITIONS

ARTICLE 2 — DEFINITIONS

For the purpose of this Agreement, the following definitions apply:

- Action — The project which is being funded in the context of this Agreement.
- Grant — The grant awarded in the context of this Agreement.
- EU grants — Grants awarded by EU institutions, bodies, offices or agencies (including EU executive agencies, EU regulatory agencies, EDA, joint undertakings, etc)
- Participants — Entities participating in the action as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties.
- Beneficiaries (BEN) — The signatories of this Agreement (either directly or through an accession form).
- Affiliated entities (AE) — Entities affiliated to a beneficiary within the meaning of Article 187 of EU Financial Regulation 2018/1046¹² which participate in the action with similar rights and obligations as the beneficiaries (obligation to implement action tasks and right to charge costs and claim contributions).
- Associated partners (AP) — Entities which participate in the action, but without the right to charge costs or claim contributions.
- Purchases — Contracts for goods, works or services needed to carry out the action (e.g. equipment, consumables and supplies) but which are not part of the action tasks (see Annex 1).
- Subcontracting — Contracts for goods, works or services that are part of the action tasks (see Annex 1).
- In-kind contributions — In-kind contributions within the meaning of Article 2(36) of EU Financial Regulation 2018/1046, i.e. non-financial resources made available free of charge by third parties.
- Fraud — Fraud within the meaning of Article 3 of EU Directive 2017/1371¹³ and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995¹⁴, as well as any other wrongful or criminal deception intended to result in financial or personal gain.
- Irregularities — Any type of breach (regulatory or contractual) which could impact the EU financial interests, including irregularities within the meaning of Article 1(2) of EU Regulation 2988/95¹⁵.
- Grave professional misconduct — Any type of unacceptable or improper behaviour in exercising one's profession, especially by employees, including grave professional misconduct within the meaning of Article 136(1)(c) of EU Financial Regulation 2018/1046.
- Applicable EU, international and national law — Any legal acts or other (binding or non-binding) rules and guidance in the area concerned.
- Portal — EU Funding & Tenders Portal; electronic portal and exchange system managed by the European Commission and used by itself and other EU institutions, bodies, offices or agencies for the management of their funding programmes (grants, procurements, prizes, etc.).

- ¹² For the definition, see Article 187 Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 ('EU Financial Regulation') (OJ L 193, 30.7.2018, p. 1): "**affiliated entities** [are]:
- (a) entities that form a sole beneficiary [(i.e. where an entity is formed of several entities that satisfy the criteria for being awarded a grant, including where the entity is specifically established for the purpose of implementing an action to be financed by a grant)];
 - (b) entities that satisfy the eligibility criteria and that do not fall within one of the situations referred to in Article 136(1) and 141(1) and 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".
- ¹³ Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).
- ¹⁴ OJ C 316, 27.11.1995, p. 48.
- ¹⁵ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).



1. Definitions

The definitions in Article 2 show important terms which are mentioned repeatedly throughout the different provisions of the Grant Agreement.

They refer to:

- types of participants (e.g. 'beneficiaries'; 'affiliated entities')
- budget cost categories (e.g. 'subcontracting') or
- other important legal concepts (e.g. 'grave professional misconduct').

Other terms that are not widely used are defined directly in the relevant articles (e.g. Articles 16, 35, etc) and Annex 5 (if applicable).

CHAPTER 2 ACTION

General > Article 3 — Action

ARTICLE 3 — ACTION

ARTICLE 3 — ACTION

The grant is awarded for the action **[insert project number]** — **[insert acronym]** ('action'), as described in Annex 1.

[OPTION for programmes with linked actions: [OPTION if selected for the grant]¹⁶: This action is linked to the action(s) set out in the Data Sheet (see Point 1) ('linked actions').]

¹⁶ Linked actions cover all types of joint/combined/coordinated actions, where the action implementation should be linked to another action (e.g. Horizon complementary grants, Horizon joint actions; Horizon MSCA SNLS grants, EDIDP COFUND, JU implementing grants, etc.).



1. Actions

The grant is awarded to allow the consortium to implement the action as described in the Annex 1 of the Grant Agreement (i.e. the project).

Depending on the EU Programme under which the grant is awarded, your action may belong to a specific type of action that is mentioned in the call conditions (e.g. *Project Grants, Lump Sum Grants, Infrastructure Grants, Grants for Procurement, Coordination and Support Actions, etc.*).

2. Linked actions

Linked actions are used when the granting authority wishes to establish a formal link between your action and other activities, that may for example complement, precede or succeed your project.

The linked action is identified in the Grant Agreement (*see Data Sheet, Point 1*) and may refer to any formally set-up activity, *such as other EU grants, but also grants from EU Member States or international organisations, blended finance (HE), or activities carried out under procurement contracts, etc.*

The beneficiaries of both actions must have arrangements, to ensure that both actions are implemented and coordinated properly. If required by the granting authority (*see Data Sheet, Point 1*), these arrangements must be set out in a written collaboration agreement (or, if the consortia are identical, as part of their consortium agreement; *see Article 7*).

When projects are part of EU Synergy calls (*i.e. jointly coordinated calls that pursue common policy objectives and allow for the combination of funding*), they will be flagged as 'Synergy actions' and benefit from the special cost eligibility rules in Article 6.3.

General > Article 4 — Duration and starting date**ARTICLE 4 — DURATION AND STARTING DATE****ARTICLE 4 — DURATION AND STARTING DATE**

The duration and the starting date of the action are set out in the Data Sheet (see Point 1).

**1. Action starting date**

The action **starting date** is fixed in the Data Sheet of the Grant Agreement.

It is usually the first day of the month following the GA signature. But the parties can also agree to a fixed starting date (if justified during grant preparation, *e.g. conference that must take place on a specific date*).

The fixed starting date should normally be in the future (*after GA signature*), but you can also choose an earlier date (*retroactive*) if agreed with the granting authority.

Be however aware that starting dates far in the future (*e.g. 2-3 months after the GA signature*) will have an impact on the timing of your prefinancing payment and might delay it. Conversely, by starting the action before signing the GA without prior consultation with the grant authority, you risk that the grant agreement will not be signed, and no costs will be eligible.

⚠ The action starting date can normally **NOT** be **before** the **submission** of the proposal, unless the Programme Regulation allows this or in cases of emergency, *e.g. for humanitarian aid and civil protection*.

2. Action duration

The action duration is fixed in the Data Sheet of the Grant Agreement.

It usually comes from your proposal and is expressed as a number of months, running from the action starting date.

The **action end date** shown in the system is the date that is automatically calculated from the starting date (starting date + months of duration).

⚠ The action duration relates only to the period during which the **action tasks** (set out in Annex 1) are implemented.

This is **NOT** the same as project closure (i.e. final payment) or the end of the Grant Agreement. After the action end date, the beneficiaries still have to submit their final report and the granting authority will have to make the payment of the balance. Moreover, certain obligations under the Grant Agreement continue even afterwards (*e.g. keeping supporting documents in case of audits, continue to use certain equipment for the same objective, maintain the website of the project, etc.*).

CHAPTER 3 GRANT

General > Article 5 — Grant

ARTICLE 5 — GRANT

ARTICLE 5 — GRANT

5.1 Form of grant

The grant is an action grant¹⁷ which takes the form of a ~~[budget-based]~~*[activity-based]* mixed actual cost grant (i.e. a grant based on actual costs incurred, but which may also include other forms of funding, such as unit costs or contributions, flat-rate costs or contributions, lump sum costs or contributions or financing not linked to costs).

5.2 Maximum grant amount

The maximum grant amount is set out in the Data Sheet (see Point 3) and in the estimated budget (Annex 2).

[OPTION for programmes with contingency reserve: [OPTION if selected for the call: The maximum grant amount can be raised at the end of the action, by activating the contingency reserve set out in the Data Sheet (see Point 3).]]

5.3 Funding rate

[OPTION 1 for programmes with single funding rate (per action): The funding rate for costs is [...] % of the action's eligible costs. Contributions are not subject to any funding rate.]

5.4 Estimated budget, budget categories and forms of funding

The estimated budget for the action is set out in Annex 2.

It contains the estimated eligible costs and contributions for the action, broken down by participant *[OPTION for programmes with activity-based budget: , type of activity]* and budget category.

Annex 2 also shows the types of costs and contributions (forms of funding)¹⁹ to be used for each budget category.

If unit costs or contributions are used, the details on the calculation will be explained in Annex 2a.

5.5 Budget flexibility

The budget breakdown may be adjusted — without an amendment (see Article 39) — by transfers (between participants and budget categories), as long as this does not imply any substantive or important change to the description of the action in Annex 1.

However:

- changes to the budget category for volunteers (if used) always require an amendment
- changes to budget categories with lump sums costs or contributions (if used; including financing not linked to costs) always require an amendment
- changes to budget categories with higher funding rates or budget ceilings (if used) always require an amendment
- addition of amounts for subcontracts not provided for in Annex 1 either require an amendment or simplified approval in accordance with Article 6.2
- other changes require an amendment or simplified approval, if specifically provided for in Article 6.2
- *[OPTION 1 by default: flexibility caps: not applicable] [OPTION 2 for programmes with flexibility caps: [OPTION 1 by default: flexibility caps: not applicable] [OPTION 2 if selected for the call: flexibility caps: [transfers between budget categories of more than [20%][[...%]] of the total costs and contributions ~~per budget category~~ set out in Annex 2 require an amendment][[other]]]*

¹⁷ For the definition, see Article 180(2)(a) EU Financial Regulation 2018/1046: 'action grant' means an EU grant to finance "an action intended to help achieve a Union policy objective".

¹⁹ See Article 125 EU Financial Regulation 2018/1046.



1. Form of grant

EU grants are normally '**budget-based mixed actual cost**' grants (meaning grants, broken down by budget categories and participants, and based on actual costs incurred and other simplified forms of funding (*i.e. normally unit costs for SME owners/natural person beneficiaries and volunteers, if applicable and flat rate costs for indirect costs*)).

However, depending on the Programme and type of action, grants may also be:

- sole actual cost grants (*e.g. some operating grants; see Operating Grants Model Grant Agreement*)
- sole lump sum grants (*see Lump Sum Model Grant Agreement*)
- sole unit grants (*see Unit Model Grant Agreement*)
- 'activity-based mixed actual cost' grants, i.e. broken down by budget categories as well as by activities

or

- any other combination of costs and/or contributions.

General > Article 5.2 Maximum grant amount

2. Maximum grant amount

The maximum grant amount set out in this Article defines the maximum amount of funding that the granting authority has available for the grant. It can NOT be exceeded (**except** for Programmes with contingency reserve, where the maximum grant amount can be raised at the end of the action to activate the reserve).

⚠ The maximum grant amount will **NOT** be **increased** — even if the eligible costs of the action are higher than planned. In any case, the maximum grant amount is not the 'final grant amount' and is not a 'price' due to the beneficiaries.

General > Article 5.3 Funding rate

3. Funding rate

EU grants are normally subject to a **single funding rate** for the entire action — which is fixed and announced in the call conditions.

For some Programmes and types of action (*e.g. HE, DEP, EDF, CEF, SMP*), there are however several funding rates inside the project. These may depend on:

- the type of beneficiaries (*e.g. SMEs; for-profit or non-profit legal entities, etc*)
- the type of cost categories to be covered
- the type of activities to be performed (for activity-based grants).

Where funding rates are based on the type of beneficiary, beneficiaries and their affiliated entities will be assessed separately. The funding rate of a beneficiary does NOT condition the funding rate of its affiliated entities.

Example: *The beneficiary is entitled to a 70 % funding rate, it has an affiliated entity entitled to a funding rate of 100 %. The cost incurred by the affiliated entities will be funded at 100 % — despite the lower reimbursement rate of the beneficiary to which it is linked.*

In order to avoid abuse, the budget flexibility is restricted. Changes to budget categories with higher funding rates are always subject to an amendment. Changes between beneficiaries with different funding rates will be monitored closely, to ensure that no disproportionate amount of tasks and budget is transferred from the beneficiary to its affiliated entity or vice versa in order to unduly profit from funding rate differences (budget transfers that result in substantive or important changes, i.e. changes that would also affect the description of the action in Annex 1, are subject to a mandatory amendment).

General > Article 5.4 Estimated budget, budget categories and forms of funding

4. Estimated budget

The estimated budget of the action is calculated on the basis of the estimated eligible costs and – where applicable – eligible contributions submitted by the consortium, and is annexed to the Grant Agreement (*Annex 2*).

These estimated eligible costs and contributions are an important factor to determine the maximum grant amount of the action (*see above*).

5. Budget categories and forms of funding

The **budget categories** are listed in [Article 6.2](#) and reflected, for each Programme and type of action, in the budget table in Annex 2.

The standard budget categories which usually apply are the following:

- Personnel costs
 - Costs for employees (or equivalent)
 - Costs for natural persons working under a direct contract
 - Costs of personnel seconded by a third party against payment
 - Costs for SME owners/beneficiaries that are natural persons without salary (*not all Programmes*)
 - Costs for volunteers' work (*not all Programmes*)
 - Costs for other personnel categories (*only SMP ESS, CUST and FISC*)
- Subcontracting costs
- Purchase costs
 - Travel costs, accommodation costs and subsistence costs (*not all Programmes*)
 - Equipment costs
 - Costs of other goods, works and services
- Other cost categories
 - Financial support to third parties (*all Programmes except RFCS, EUAF, CUST, FISC, CCEI, PERI, TSI, UCPM*)
 - Internally invoiced goods and services (*only HE and DEP*)
- Indirect costs

Depending on the EU Programme and the type of action, additional programme-specific budget categories may apply, for instance:

- HE Access to research infrastructure costs (*see Article 6.2.D.X RI*)
- HE PCP/PPI procurement costs (*see Article 6.2.D.X HE_PCP/PPI*)
- HE Euratom Cofund staff mobility costs (*see Article 6.2.D.X EURATOM*)
- HE ERC additional funding (*see Article 6.2.D.X ERC*)

- DEP PAC procurement costs (see Article 6.2.D.X PAC)
- CEF Studies (see Article 6.2.D.X STUD)
- CEF Synergetic elements (see Article 6.2.D.X SYN)
- CEF Works in outermost regions (see Article 6.2.D.X OUT)
- CEF Land purchase (see Article 6.2.D.X CEF_LAND)
- LIFE Land purchase (see Article 6.2.D.X LIFE_LAND)
- SMP PPI procurement costs (see Article 6.2.D.X SMP_PPI)
- SMP COSME EEN additional coordination and networking costs (see Article 6.2.D.X EEN)
- AMIF EMN ad hoc queries (see Article 6.2.D.X QUERI)
- CUST/FISC Long-term missions (see Article 6.2.D.X MISS)
- HUMA Field office costs (see Article 6.2.D.X FIELD)

These budget categories may be cost-based (*actual costs, unit costs, flat-rate costs, lump sum costs, costs according to usual cost accounting practices*) or contribution-based, i.e. fixed by the granting authority on the basis of a cost-related methodology including e.g. indirect cost (*unit contribution, lump sum contribution, flat-rate contribution*) or a non-cost related methodology (*financing not linked to cost*). Which of these **forms of funding** applies, is shown, for each budget category, in the estimated budget (*Annex 2*).

If unit costs or contributions are used, the details on the calculation will be explained in Annex 2a of the Grant Agreement.

General > Article 5.5 Budget flexibility

7. Budget transfers (budget flexibility)

The budget in Annex 2 is an estimation. The budget is therefore in principle **flexible** (with certain exceptions, *see below*).

⚠ A transfer can NOT lead to an increase of the maximum grant amount (*see Article 5.2 and data sheet (point 3)*).

⚠ Be aware however that the budget table is considered by the granting authority to reflect the actual situation and will accordingly be the basis for decisions such as the calculation of amounts to be offset from (pre-financing) payments for beneficiaries that have outstanding debts to the Commission (*see Article 22*).

As a general principle, beneficiaries may transfer budget among themselves, between affiliated entities or between budget categories (without requesting an amendment; *see Article 39*) and — at the time of reporting — declare costs that are different from the estimated budget provided that the action remains in line with the description of the action (if this is not the case, an amendment is needed, under the conditions of article 39).

If the incurred eligible costs during the action implementation turn out to be lower than the estimated eligible costs, the difference can thus be allocated to another beneficiary or another budget category. The amount reimbursed for the other beneficiary/other budget category (to which the budget transfer is intended) may thus be higher than planned.

Example: *The estimated budget includes personnel costs of EUR 60 000 for beneficiary A and EUR 75 000 for beneficiary B. However, at the end of the action, the actual personnel costs of beneficiary A are EUR 75 000 due to an increase in salaries or to the need to employ additional personnel to carry out the tasks mentioned in Annex 1 while the actual personnel costs of beneficiary B are EUR 60 000. This may be acceptable provided the additional costs of beneficiary A fulfil the eligibility requirements of Article 6 and up to the maximum grant amount set out in the Data Sheet, Point 3 (at the level of the action).*

The following changes always require an amendment:

- changes to the description of the action in Annex 1
- changes to the budget category for volunteers (if used)
- changes to budget categories with lump sums costs or contributions (if used; including financing not linked to costs)
- changes to budget categories or activities with higher funding rates or budget ceilings (if used).
- activation of the contingency reserve (where foreseen in the grant agreement)

The following require either an amendment or a simplified approval procedure:

- addition of amounts for subcontracts not provided for in Annex 1
- other changes in certain specific cost categories, if specifically provided for in Article 6.2.

Best practice: In case of doubt, please ask your coordinator to contact the granting authority as to whether a change requires an amendment or — at least — a simplified approval procedure.

Specific cases (grant)

Contingency reserve — If provided in the Grant Agreement, the maximum grant amount can be raised, at the end of the action, in order to activate the contingency reserve.

Simplified approval procedure — If provided in the Grant Agreement (and for the cases and types of cost indicated), beneficiaries can ask for an ex post approval by the granting authority to accept costs which have been incurred but were not planned in the estimated budget. For such an ex post approval, they must declare the costs in question in the periodic report and flag and justify them. Be aware however that simplified approval is at the discretion of the granting authority. This means that you bear the risk that the costs might not be approved.

Flexibility caps — If provided in the Grant Agreement, transfers between budget categories going beyond a certain threshold percentage require an amendment. In this case, unauthorised changes going beyond the threshold may be rejected (cost rejection, applied to beneficiaries concerned/equally among the consortium members).

Financial Support to Third Parties — A transfer from the budget category of financial support to third parties to any other category usually implies a significant change to the nature of the action and often requires also changes to the description of the action. Therefore, such a transfer regularly requires an amendment of the grant agreement

THE PRE-DRAFT

General > Article 6 — Eligible costs/contributions

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

General > Article 6.1 General eligibility conditions

6.1 General eligibility conditions

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

In order to be eligible, costs and contributions must meet the eligibility conditions set out in this Article.

6.1 General eligibility conditions

The **general eligibility conditions** are the following:

- (a) for actual costs:
 - (i) they must be actually incurred by the beneficiary
 - (ii) they must be incurred in the period set out in Article 4 (with the exception of costs relating to the submission of the final periodic report, which may be incurred afterwards; see Article 21)
 - (iii) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
 - (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation
 - (v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices
 - (vi) they must comply with the applicable national law on taxes, labour and social security and
 - (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency
- (b) for unit costs or contributions (if any):
 - (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
 - (ii) the units must:
 - be actually used or produced by the beneficiary in the period set out in Article 4 (with the exception of units relating to the submission of the final periodic report, which may be used or produced afterwards; see Article 21)
 - be necessary for the implementation of the action and
 - (iii) the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 20)
- (c) for flat-rate costs or contributions (if any):
 - (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
 - (ii) the costs or contributions to which the flat-rate is applied must:
 - be eligible
 - relate to the period set out in Article 4 (with the exception of costs or contributions relating to the submission of the final periodic report, which may be incurred afterwards; see Article 21)

- (d) for lump sum costs or contributions (if any):
- (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2
 - (ii) the work must be properly implemented by the beneficiary in accordance with Annex 1
 - (iii) the deliverables/outputs must be achieved in the period set out in Article 4 (with the exception of deliverables/outputs relating to the submission of the final periodic report, which may be achieved afterwards; see Article 21)
- (e) for unit, flat-rate or lump sum costs or contributions according to usual cost accounting practices (if any):
- (i) they must fulfil the general eligibility conditions for the type of cost concerned
 - (ii) the cost accounting practices must be applied in a consistent manner, based on objective criteria, regardless of the source of funding
- (f) for financing not linked to costs (if any), the results must be achieved or the conditions must be fulfilled as described in Annex 1.

In addition, for direct cost categories (e.g. personnel, travel & subsistence, subcontracting and other direct costs) only costs that are *directly* linked to the action implementation and can therefore be attributed to it *directly* are eligible. They must not include any *indirect* costs (i.e. costs that are only indirectly linked to the action, e.g. via cost drivers).

[OPTION for programmes with in-kind contributions eligible: In-kind contributions provided by third parties free-of charge may be declared as eligible direct costs by the beneficiaries which use them (under the same conditions as if they were their own, provided that they concern only direct costs and that the third parties and their in-kind contributions are set out in Annex 1 (or approved ex post in the periodic report, if their use does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants; ‘simplified approval procedure’).]



1. Eligible costs

The grant can only reimburse **eligible** costs (and, where applicable, contributions; see *Article 6.2.F*), i.e. costs that comply with the general and specific conditions set out in this Article.

Therefore, beneficiaries/affiliated entities must enter ONLY eligible costs into the estimated budget (see *Article 5.4*), and later on into the financial statements (see *Article 21*). If ineligible costs are declared, they will be **rejected**. *Article 5.4*), and later on into the financial statements (see *Article 21*). If ineligible costs are declared, they will be **rejected**.

Article 6.1 lists the general eligibility conditions for each form of funding (*actual costs, unit, flat-rate, lump sum, costs according to usual cost accounting practices, financing not linked to costs*); Article 6.2 refers to the specific eligibility conditions for each budget category.

2. General eligibility conditions for actual costs

In order to be eligible, actual costs must be:

- **actually incurred** by the beneficiary/affiliated entity, i.e.:
 - real and not estimated, budgeted or imputed and
 - definitively and genuinely borne by the beneficiary/affiliated entity (not by any other entity)

- incurred **during the action duration**, i.e. the generating event that triggers the costs must take place during the action duration (see [Article 4](#) and [Data Sheet, Point 1](#)).

If costs are invoiced or paid later than the end date, they are eligible only if the debt existed already during the action duration (supported by documentary evidence) and the final cost are known at the moment of the final report.

***Example:** Costs of services or equipment supplied to a beneficiary may be invoiced and paid after the end date of the action, e.g. because of warranty periods, if the services or equipment were used by the beneficiary during the action duration. By contrast, costs of services or equipment supplied after the end of the action (or after GA termination) are not eligible.*

- entered as eligible costs **in the estimated budget**, under the relevant budget category (see [Annex 2](#))

This requirement is in practice automatically ensured by the IT system, since the financial statements mirror the budget categories that are available for the estimated budget. The only thing you need to watch out for, is whether all the special cost categories (visible in the estimated budget and financial statements for the Programme) are really eligible under the specific call you applied for (see [call conditions](#)). If not, you should leave those columns empty and NOT enter any costs (they are ineligible and will be rejected).

The requirement also has no impact on budget flexibility; costs may be transferred between beneficiaries and eligible budget categories without amending the Grant Agreement, under the conditions set out in [Article 5.5](#).

- **connected to the action** and **necessary** for its implementation as described in [Annex 1](#), i.e. to achieve the action's objectives

The grant cannot be used to finance activities other than those approved by the granting authority.

***Example:** The activities of the project cost less than foreseen so the beneficiary decides to conduct additional activities including for example hiring additional staff, organising an additional event, renewing office equipment. Additional activities regularly require a change of the description of the action ([Annex 1](#)). To be eligible, such reallocation of "savings" need to be pre-discussed with the granting authority and may regularly require an amendment.*

- **identifiable and verifiable**, i.e. come directly from the beneficiary/affiliated entity's accounts, be directly reconcilable with them and supported by documentation

The records and supporting documents must show the actual costs of the work, i.e. what was actually paid and recorded in the beneficiary's profit and loss accounts (see [Article 20](#)).

Costs must be calculated according to the applicable accounting rules of the country in which the beneficiary is established and according to the beneficiary's usual cost accounting practices.

***Example:** If a beneficiary always charges a particular cost as an indirect cost, it must do so also for EU and Euratom grants, and should not charge it as a direct cost.*

Be aware however, that the usual cost accounting practices may NOT be used as an excuse for non-compliance with other Grant Agreement provisions. You must bring your usual cost accounting practices in line with the Grant Agreement (e.g.. *conditions for calculating personnel costs; conditions for charging depreciation costs, etc*).

- in compliance with applicable **national laws on taxes, labour and social security**

and

- **reasonable, justified** and must comply with the principles of **sound financial management**, in particular regarding economy and efficiency (i.e. *be in line with good housekeeping practice when spending public money and not be excessive*).

'Economy' means minimising the costs of resources used for an activity (input), while maximising quality; 'efficiency' is the relationship between outputs and the resources used to produce them.

Examples:

1. The beneficiary may NOT increase the remuneration of its personnel, upgrade its travel policy or its purchasing rules because of the grant support.
2. Entertainment or hospitality expenses (including gifts, special meals and dinners) are generally not eligible.
3. Tips which are not obligatory are not eligible. By contrast, in some countries the invoice of the restaurant includes a certain mandatory amount as payment for the 'service'. In this case, the amount may be considered eligible — if the other eligibility conditions are fulfilled.

Specific cases (actual costs):

Costs related to preparing, submitting and negotiating the proposals — Cannot be declared as eligible for the action (they are incurred before the action starts).

Costs related to drafting the consortium agreement — Are not eligible because the consortium agreement should be signed before the action starts. However, costs related to updating the consortium agreement are eligible if incurred during the action duration and in line with the general and specific eligibility conditions, in particular being necessary for the implementation of the action.

Travel costs for the kick-off meeting — Even if the first leg of the journey takes place before the action starting date (*e.g. the day before the kick-off meeting*), the costs may be eligible, if the meeting is held during the action duration. The same applies for the last leg of a journey after the end of the action duration.

Costs for reporting at the end of the action — Costs related to drafting and submitting the final report are eligible even if they are incurred after the action duration.

Those costs include the cost of certificates on the financial statements (CFS) required by the Grant Agreement and the cost of participating in a project review carried out by the granting authority before the submission of the final report. They may also include the cost of personnel necessary to prepare the final report. However, they can NOT include any other action activities foreseen in the Annex 1 and undertaken after the end date of the action.

Costs to allow for the participation of disabled people (*e.g. costs for sign language interpreters required for dissemination events organised under the action*) — Are eligible if they fulfil the general and specific eligibility conditions listed under Articles 6.1 and 6.2. The beneficiaries must keep records (*see Article 20*) to prove in case of an audit, check or review the actual costs incurred and that they were necessary for the implementation of the action.

Examples:

1. When subcontracting the organisation of an event that is necessary for the implementation of the action, a beneficiary may select an offer that ensures full accessibility for persons with disability under the consideration of best value for money instead of the lowest price.
2. When purchasing goods that are necessary for the implementation of the action, a beneficiary may purchase goods that ensure accessibility for disabled persons even if this entails a higher expense than comparable goods that do not offer accessibility.

3. General eligibility conditions for unit costs

In order to be eligible, unit costs or contributions must be:

- calculated by multiplying the number of actual units used to carry out the work (*e.g. number of hours worked on the action, number of tests performed, etc.*) or produced by the amount per unit
- the number of units must be **necessary** for the action
- the units must be used or produced during the **action duration**

and

- the beneficiaries must be able to show the **link** between the number of units declared and the **work on the action**.

The records and supporting documents must show that the number of units declared was actually used for the action (see *Article 20*). The actual costs of the work are not relevant.

Example: A beneficiary which is an SME declares for its owner who does not receive a salary 50 days worked for an action in 2022. If there is an audit, the SME beneficiary must be able to show a record of the number of days worked by the owner for the action.

Specific cases (unit costs):

Costs declared on the basis of the usual cost accounting practices — If provided in the Grant Agreement (e.g. HE, DEP, HUMA, EDF and CEF: Average personnel costs; HE and DEP: Internally invoiced goods and services), unit costs will not use the methodology imposed by the granting authority, but should be calculated using the beneficiary/affiliated entity's own usual cost accounting practices. In this case: the amount per unit will not be fixed in Annex 2a of the Grant Agreement.

4. General eligibility conditions for flat-rate costs

In order to be **eligible**, flat-rate costs or contributions must be:

- calculated by **applying a flat rate** to certain **costs** (whether actual, unit or lump sum costs).

Example 1 (7 % flat rate for indirect costs — most Programmes):

1. A beneficiary is working on an action and uses a daily rate of EUR 240 for personnel costs. The beneficiary declares as eligible 40 day-equivalents of personnel costs + EUR 1 400 for other goods, works and services + EUR 1 500 for subcontracting during the first reporting period.

Eligible direct costs: $(40 \times 240 = 9\,600) + 1\,400 + 1\,500 = 12\,500$

Eligible indirect cost: 7 % flat-rate of 12 500 = EUR 875

Total eligible costs: $12\,500 + 875 = \text{EUR } 13\,375$.

Funding rate of 70 % = EUR 9 362,50.

Example 2 (25 % flat rate for indirect costs — HE, EDF):

A beneficiary is working on an innovation action and uses a daily rate of EUR 240 for personnel costs. The beneficiary declares as eligible 40 day-equivalents of personnel costs + EUR 1 400 for other goods and services + EUR 1 500 for subcontracting during the first reporting period.

Eligible direct costs: $(40 \times 240 = 9\,600) + 1\,400 + 1\,500 = 12\,500$

Eligible indirect cost: 25 % flat-rate of 9 600 + 1 400 (not the 1 500 for subcontracting as the flat-rate does not apply on this specific cost category) = EUR 2 750

Total eligible costs: $12\,500 + 2\,750 = \text{EUR } 15\,250$

Funding rate of 70 % = EUR 10 675.

The records and supporting documents must show that the costs to which the flat-rate is applied are eligible (see *Article 20*). If a flat-rate is applied, the actual indirect costs are not relevant for the granting authority and it is not necessary to calculate them precisely nor to keep any supporting document related to these.

5. General eligibility conditions for lump sum costs

In order to be **eligible**:

- the lump sum costs or contributions must correspond to the amount of lump sum costs set out in **Annex 2**,
- the work must have been carried out in accordance to **Annex 1** of the Grant Agreement
- the output or result triggering payment of the lump sum must have been achieved during the **action duration**.

The records and supporting documents must show that the action tasks have been carried out as described in Annex 1. The actual costs of the work are not relevant.

6. Financing not linked to costs

In order to be eligible:

- the **results** must be **achieved** or the **conditions** must be **fulfilled** as described in Annex 1 of the grant agreement during the action duration.

General > Article 6.1 In-kind contributions for free

6. Conditions for eligible in-kind contributions for free (HE)

If eligible under the Grant Agreement (*only for HE*), the beneficiaries/affiliated entities may charge costs for in-kind contributions made available for free.

What? These cover the costs, which a third party has for resources it contributes to the action for free (*i.e. made available for free for use by the project*).

They must be **declared** under the budget category the beneficiary would use if they were its own costs (*e.g. 'Personnel costs for seconded persons', 'Equipment costs', 'Costs for other goods, works and services', etc*), as actual or unit cost, depending on the rules of the budget category.

Example: Depreciation costs of equipment contributed free of charge must be declared in budget category D.2 Equipment (Article 6.2.C.2).

In addition to the general and specific **eligibility conditions** of the budget category used (see [Article 6.1](#) and [6.2](#)), they must be limited to the *direct* costs incurred by the third party.

Example: A person not receiving a salary and who is the (co)owner of a SME is being seconded by this SME (third party) to a beneficiary. The direct costs incurred by the SME can be declared via the SME owner unit cost (daily rate) (see Article 6.2.A.4)

Moreover, the in-kind contribution and the contributing third party must be mentioned in Annex 1 (*simplified approval procedure allowed; see below*).

Specific cases (in-kind contributions eligible):

Simplified approval procedure (new contributions) — If the need for an in-kind contribution was not known at GA signature, the coordinator must request a GA amendment in order to introduce it in the Annex 1 (see [Article 39](#)) or flag it in the periodic report (simplified approval procedure; *for details, see [Article 6.1](#)*). In the latter case, you bear however the risk that the granting authority might not approve the new contribution and reject the costs.

Internal invoicing of goods and services (HE, DEP) — For HE and DEP, the granting authority can also accept costs that are internally invoiced in the third party organisation. In this case, they should be declared under D.2 Internally invoiced goods and services (see [Article 6.2.D.2](#)). In that context, the rules on internal invoicing apply (*e.g. indirect (actual) costs of the third party can be included, depending on the usual cost accounting practices of the third party when calculating its unit cost for internally invoiced goods and services*).

General > Article 6.2 Specific eligibility conditions

6.2 Specific eligibility conditions

6.2 Specific eligibility conditions for each budget category

For each budget category, the **specific eligibility conditions** are as follows:



1. Direct costs

'Direct costs' are specific costs directly linked to the performance of the action and which can therefore be directly booked to it.

They are:

- either costs that have been caused in full by the activities of the action
- or costs that have been caused in full by the activities of several actions (projects), the attribution of which to a single action can, and has been, directly measured (i.e. not attributed indirectly via an allocation key, a cost driver or a proxy).

The beneficiaries must be able to show (with records and supporting evidence) the link to the action.

2. Indirect costs

'Indirect costs' are costs that cannot be identified as specific costs directly linked to the performance of the action.

In practice, they are costs whose link to the action can NOT be (or has not been) measured directly, but only by means of cost drivers or a proxy (i.e. parameters that apportion the total indirect costs (overheads) among the different activities of the beneficiary).

⚠ Which kinds of cost fall under direct or indirect cost depends on the nature of the action and may therefore vary between programmes and calls.

Direct costs

General > Article 6.2.A Personnel costs

A. Personnel costs *(all Programmes)*

A. Personnel costs

[OPTION 1 for programmes without personnel costs (ineligible):

Not applicable]

[OPTION 2 for programmes with personnel costs (standard):



1. Personnel costs (A.): Types of costs — Forms — Eligibility conditions — Calculation

What? If eligible under the Grant Agreement *(all Programmes)*, beneficiaries/affiliated entities may, depending on the options that apply, charge 'Personnel costs'.

This budget category covers the following subcategories:

- Costs for employees (or equivalent) *(see Article 6.2.A.1)*
- Costs for natural persons working under a direct contract and for personnel seconded by a third party against payment *(see Article 6.2.A.2 and 6.2.A.3)*
- Costs for SME owners not receiving a salary and for beneficiaries that are natural persons not receiving a salary *(see Article 6.2.A.4)*
- Costs for volunteers *(see Article 6.2.A.5)*
- Other personnel costs *(see Article 6.2.A.6).*

General > Article 6.2.A.1 Employees

A.1 Employees (*all Programmes except SMP ESS, CUST, FISC*)

A.1 Costs for employees (or equivalent) are eligible as personnel costs if they fulfil the general eligibility conditions and are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action.

They must be limited to salaries [*additional OPTION for programmes with parental leave*: (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 (or equivalent appointing act) and be calculated on the basis of the costs actually incurred, in accordance with the following method:

{ daily rate for the person
multiplied by
number of day-equivalents worked on the action (rounded up or down to the nearest half-day)}.

The daily rate must be calculated as:

{ annual personnel costs for the person
divided by
215 }

The number of day-equivalents declared for a person must be identifiable and verifiable (see Article 20).

[*additional OPTION for programmes with parental leave*: The actual time spent on parental leave by a person assigned to the action may be deducted from the 215 days indicated in the above formula.]

The total number of day-equivalents declared in EU grants, for a person for a year, cannot be higher than 215 [*additional OPTION for programmes with parental leave*: minus time spent on parental leave (if any)].

[*OPTION A for programmes with standard rules for supplementary payments*: The personnel costs may also include supplementary payments for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required
- the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.]

[*OPTION B for programmes with project-based supplementary payments*:

For personnel which receives supplementary payments for work in projects (project-based remuneration), the personnel costs must be calculated at a rate which:

- corresponds to the actual remuneration costs paid by the beneficiary for the time worked by the person in the action over the reporting period
- does not exceed the remuneration costs paid by the beneficiary for work in similar projects funded by national schemes ('national projects reference')
- is defined based on objective criteria allowing to determine the amount to which the person is entitled

and

- reflects the usual practice of the beneficiary to pay consistently bonuses or supplementary payments for work in projects funded by national schemes.

The national projects reference is the remuneration defined in national law, collective labour agreement or written internal rules of the beneficiary applicable to work in projects funded by national schemes.

If there is no such national law, collective labour agreement or written internal rules or if the project-based remuneration is not based on objective criteria, the national project reference will be the average remuneration of the person in the last full calendar year covered by the reporting period, excluding remuneration paid for work in EU actions.]

[additional OPTION for programmes with average personnel costs: If the beneficiary uses average personnel costs (unit cost according to usual cost accounting practices), the personnel costs must fulfil the general eligibility conditions for such unit costs and the daily rate must be calculated:

- using the actual personnel costs recorded in the beneficiary's accounts and excluding any costs which are ineligible or already included in other budget categories; the actual personnel costs may be adjusted on the basis of budgeted or estimated elements, if they are relevant for calculating the personnel costs, reasonable and correspond to objective and verifiable information

and

- according to usual cost accounting practices which are applied in a consistent manner, based on objective criteria, regardless of the source of funding.]



2. Employees or equivalent (A.1): Types of costs — Forms — Eligibility conditions — Calculation

2.1.1 What? If eligible under the Grant Agreement (*all Programmes except SMP ESS, CUST, FISC*), the beneficiaries/affiliated entities may charge 'Costs for employees or equivalent'.

This budget category covers the costs for employees or equivalent that worked in the action, i.e. persons working for the beneficiary on the basis of an employment contract or equivalent appointing act.

⚠ **'Equivalent appointing act'** means the appointing acts of civil servants (who do not sign employment contracts but receive official nominations for their posts).

⚠ ONLY costs for **personnel assigned to the action** (i.e. working for the project according to internal written instructions, organisation chart or other documented management decision) can be eligible. The monthly declaration of days worked in the project correctly signed (see Article 20) or reliable time records will normally be sufficient proof of the assignment to the action — unless there is other contradicting evidence (e.g. the employment contract indicates that the person was hired to work on another project)

What not? Cost of persons who work for the beneficiary, but NOT with an employment contract or equivalent appointing act (e.g. staff provided by a temporary work agency, seconded staff, self-employed persons with a direct contract with the beneficiary).

Staff provided by a temporary work agency — A contract with a temporary work agency qualifies typically as a purchase of services (unless the temporary work agency carries out directly some task of the action — in which case it would be considered as subcontracting). Although NOT eligible as personnel costs, the costs can be charged under other budget categories (i.e. B. 'Subcontracting' or C.3 'Other goods, works and services'), if they comply with the eligibility conditions (e.g. best value for money and no conflict of interest; see Articles 6.2.B and 6.2.C)

2.1.2 Costs for employees (or equivalent) must be **declared** as:

- actual personnel costs (*standard case*)

or

- unit costs in accordance with the usual cost accounting practices (*'average personnel costs'*; if option applies in Grant Agreement; *only HE, DEP, CEF*).

2.1.3 The costs for employees (or equivalent) must comply with the following **eligibility conditions**:

- fulfil the general conditions for costs to be eligible (*i.e. incurred during the action duration, necessary, etc; see Article 6.1(a) and (b)*)

and

- be paid in accordance with national law, the collective labour agreement and the employment contract/equivalent appointing act.

Generally, you may include, for each person concerned, the following:

- fixed salary
- fixed complements, if they are unconditional entitlements for the person (*e.g. family allowance and contributions to medical insurance schemes set out in national law, complementary pension plan contributions set out in the collective labour agreement*)
- variable complements, e.g. bonuses, if:
 - they are paid based on objective conditions set out, at least, in the internal rules of the beneficiary
 - they are paid in a consistent manner, i.e. not just for actions supported by EU grants, and
 - where applicable, subject to the specific eligibility conditions for supplementary payments (*see specific cases below*)
- social security contributions (*mandatory employer and employee contributions*)
- taxes linked to the remuneration (*e.g. income tax withholding*)
- 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 (*e.g. benefits in kind like company car made available for the private use, lunch vouchers*).

You may NOT include:

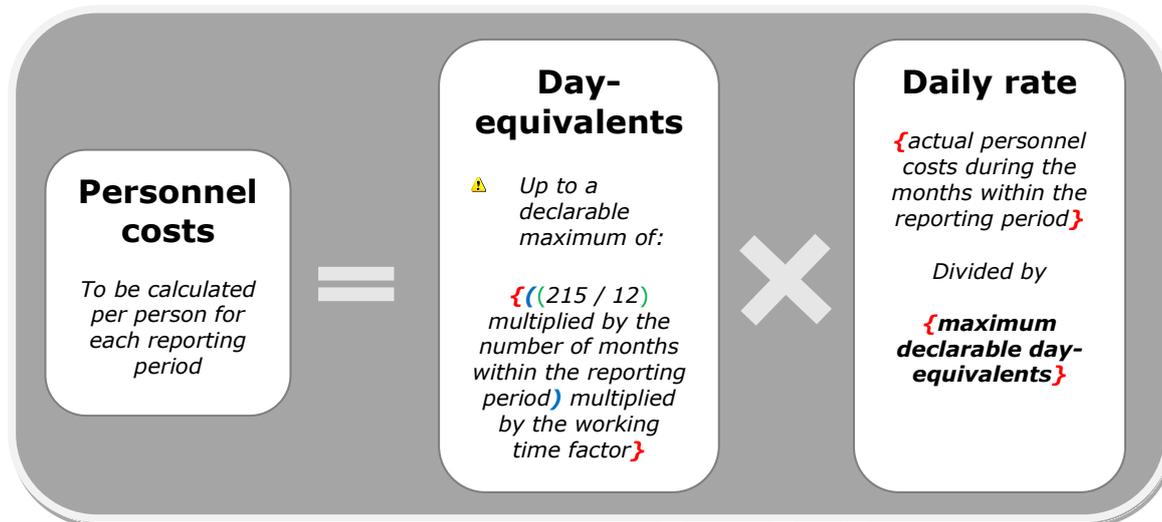
- any part of the remuneration which has not been an actual cost for you (*for example, salaries reimbursed by a social security scheme or a private insurance in case of long sick leave or maternity leave*)
- payments of dividends to employees (*profit distribution in the form of dividends*)
- variable complements based on commercial targets or fund raising targets (*because neither incurred in connection with the work of the action, nor necessary for its implementation*)
- arbitrary bonuses (*i.e. bonuses which are not paid based on objective conditions³ set out, at least, in the internal rules of the beneficiary or bonuses that are not paid in a consistent manner*)
- bonuses that depend on budget availability on the specific project (*e.g. paid only if there are remaining funds in the budget of a project*).

³ 'Objective conditions' means conditions which allow to identify who (e.g. what category of employees) will receive how much (e.g. 5 € extra per hour, 10 % extra salary in each month of full dedication) in what cases (e.g. time worked as lead researcher in cooperative projects; an impartial and transparent assessment procedure on performance).

2.1.4 Calculation of the personnel costs

⚠ Adaptations may be needed to cover **specific cases** or **specific EU Programme cases**, depending on the applicable options in the Grant Agreement. You must check the Data sheet of your Grant Agreement for the specific options, if any, to determine the correct way to calculate.

In most cases you have to calculate your personnel costs for the action as follows:



You must do these calculations normally once per reporting period (RP) for each person who worked in the action.

Regarding the calculation of **day-equivalents** worked in the action:

It is the sum of the day-equivalents actually worked for the action, rounded to the nearest half-day, and recorded in the monthly declarations or in your time-recording system (if you have a reliable time-recording system where you record, at least, all the actual time worked in the action). See explanations in Article 20 for details on the declarations and on how to convert your working time on the action into day-equivalents.

⚠ **Horizontal Ceiling** — To avoid double-funding of personnel cost, the actual number of day-equivalents declared across EU and Euratom grants can NOT be higher than 215 per calendar year.

Regarding the **maximum declarable day-equivalents**:

To calculate the daily rate, you first need to determine the maximum declarable day-equivalents. Since you may not declare more than 100% of your personnel cost, the number of declarable day-equivalents in each reporting period is capped. The maximum declarable day-equivalents for each reporting period are calculated as follows:

$\{((215 / 12) \text{ multiplied by the number of months [during which the person is employed] within the reporting period}) \text{ multiplied by the working time factor [e.g. 1 for full-time, 0.5 for 50\% part time etc.]} \}$

You will round up or down to the nearest half day-equivalent.

Examples: The reporting period runs from 01/01/2022 to 30/06/2022 (6 months):

Full-time case: The person is a full-time permanent employee hired in 2020. The maximum number of day-equivalents to be used in the daily rate formula would be: $((215 / 12) \times 6 \text{ (months)}) \times 1 \text{ (full-time)} = 107,5$

Part-time case: The person is a 50 % part-time permanent employee hired in 2020. The maximum number of day-equivalents to be used in the daily rate formula would be: $((215 / 12) \times 6) \times 0.5 \text{ (for 50\% part-time)} = 54$

New hire case: The person is a 50 % part-time employee hired on 1/06/2022. The maximum number of day-equivalents to be used in the daily rate formula would be: $((215 / 12) \times 1(\text{only June 2022})) \times 0.5 = 9$

The number of months used for the calculation either equates the length of the reporting period, or the length of employment of the person during this reporting period, if the latter is shorter (e.g. the person is newly hired or no longer employed at any point during the reporting period).

Example: In the reporting period from 01/01/2022 to 31/03/2023 (i.e. 15 months) you hire a new person starting in full-time on 16/01/2023, with 2,5 months left in the reporting period. The number of months for the calculation of the maximum declarable day-equivalents is accordingly 2,5, not 15. The maximum number of declarable day-equivalents is $((215/12) \times 2,5) \times 1 = 48$ (rounded to the nearest half-day equivalent).

If the working time factor changes for the person (at any moment) during the reporting period (e.g. a change from part-time to full-time), you calculate the maximum declarable day-equivalents separately for the months before and after this change of condition and add them up afterwards for reporting.

Example: In the reporting period from 01/01/2022 to 31/03/2023, you work full-time in 2022 and 50% part-time in 2023. You calculate the maximum declarable day-equivalents separately for 2022 and 2023 (because conditions have changed).

12 months of full-time work: $((215 / 12) \times 12) \times 1 = 215$

3 months of part-time work: $((215 / 12) \times 3) \times 0.5 = 27$

Total: The maximum declarable day-equivalents for the reporting period are therefore $215 + 27 = 242$.

Regarding calculation of the **daily rate**:

You have to calculate a daily rate per person for the reporting period. Many actions have a reporting period not aligned with the calendar year, or part-time work etc.

The formula for calculating break down the annual personnel cost with a daily rate for any possible situation, you have to use the following formula:

$\{ \text{actual personnel costs during the months within the reporting period} \}$

divided by

$\{ \text{maximum declarable day-equivalents} \}$

The actual personnel costs for the person are those eligible cost (see **2.1.3**) recorded in accordance with your usual cost accounting practice in your (statutory) accounts until the end of the reporting period for which you are calculating the daily rate.

Example: For a reporting period running from 01/01/2022 until 31/03/2023, to calculate the daily rate (which you will apply to days worked in the action from 01/01/2022 until 31/03/2023) you will take into account the total personnel costs of the person recorded in your statutory accounts for the 12 months in 2022 and the 3 months in 2023 (January, February and March).

If in line with the conditions described above (see **2.1.3**), the personnel cost can include any component that is legally obligatory by national law, the employment contract, or a similar act. Apart from taxes and social security contributions, this may also include for example the thirteenth salary, Christmas pay, etc. These personnel costs may also include supplementary payments for personnel assigned to the action (*including payments on the basis of supplementary contracts regardless of their nature*) if that is your usual remuneration practice for the kind of work or expertise required and based on objective criteria used regardless of the source of funding (i.e. not just for the individual EU grant).

Example: In the reporting period from 01/12/2021 to 31/05/2023 (18 months), the person works 50% part-time from 01/12/2021 to 31/05/2022 (6 months) and full-time afterwards (12 months). You calculate the maximum declarable day-equivalents and the daily rate for the reporting period as follows:

Maximum declarable day-equivalents: Due to a change from part-time to full-time work, you need to calculate the declarable day-equivalents separately for the period from 01/12/2021 to 31/05/2022 and afterwards. The 6 months of part-time work calculation would be $((215 / 12) \times 6) \times 0.5 = 53.75$ for the part-time which you would have to add up with the result of the calculation for the 12 months full-time period, which is 215 (i.e. $((215 / 12) \times 12) \times 1$), the maximum numbers of declarable day-equivalents for the reporting period would be $53.75 + 215 = 269$ (rounded to closest half-day equivalent).

Daily rate: After taking into account all eligible elements (salary plus social contribution and taxes etc.) you recorded in your accounts a total eligible cost of EUR 15 000 personnel cost for working 6 months part-time on the action and EUR 60 000 for 12 months full-time. The daily rate for the person is calculated by dividing the personnel cost for the 18 months within the reporting period with the maximum declarable day equivalents, i.e. EUR 75 000 divided by 269 = EUR 278.81 daily rate.

Specific cases (costs for employees or equivalent (A.1)):

Teleworking — Teleworking days are accepted if:

- the beneficiary has in place clear rules allowing for teleworking, and
- the teleworked days were in line with those rules (*for example: they did not exceed the maximum days of teleworking allowed by the beneficiary's rules*).

End-of-contract indemnities — Since the entitlement to end-of-contract indemnities is most often generated over a period of time longer than the reporting period or the action, you may charge the indemnity in the reporting period in which the employee's contract ends. However, you will have to do this outside the calculation of the daily rate (*i.e. separately and on top of the personnel costs declared on the basis of the daily rate*) AND you can only charge the part of the indemnity that corresponds to the time worked by the person on the action (*i.e. a pro rata of the indemnity amount in proportion to the time of the employment during the action compared with the total time of employment during which the entitlement was generated*).

Parental leave (HE, HUMA) — If provided in the Grant Agreement, if you incur cost for parental leave (i.e. are not fully reimbursed by other sources such as national schemes) for personnel working on the action, days on parental leave during the reporting period may be deducted for the calculation of the maximum declarable days and the calculation of the daily rate (i.e. by reducing the maximum declarable day-equivalents in the formulas by the number of day-equivalents spent on parental leave). Parental leave is any leave directly related to the birth or adoption of a child. You can NOT deduct any other leaves or absences, including long-term sick leave, breastfeeding leave and leave to take care of a sick child.

Example: In a reporting period from 01/12/2021 to 31/01/2023 (14 months), an employee working full-time on the action takes 30 day-equivalents of parental leave after the birth of a child. The maximum number of declarable day-equivalents for the reporting period is calculated as follows: (215 / 12) multiplied by 14 months within the reporting period, multiplied by 1 (full-time), minus 30 day-equivalents of parental leave = 221 maximum declarable day-equivalents for the reporting period. You will use this number (221) to calculate the daily rate, i.e. (actual personnel cost during the reporting period) divided by 221.

Project-based supplementary payments (HE) — If provided in the Grant Agreement, beneficiaries can charge project-based supplementary payments for personnel assigned to the action. *For the details, see below Case 1B.*

Average personnel costs (unit cost) (HE, DEP, CEF) — If provided in the Grant Agreement, beneficiaries can choose to calculate the daily rate as unit costs according to usual cost accounting practices. *For the details, see below Case 2.*

Specific EU Programme cases:

For some EU Programmes, there are additional specific daily rate calculation methods (see specific cases 1B and 2 below). For these programmes, the different ways to calculate the daily rate can be grouped, depending on the applicable options in your Grant Agreement, as follows:

Case 1: beneficiaries declaring personnel costs as actual costs

Case 1A: employee whose remuneration is fixed (i.e. same remuneration, regardless if they are involved or not in specific projects) — *standard case, see 2.1.4 above*

Case 1B: employees whose remuneration increases through supplementary payments depending on whether they work in specific projects (*project-based remuneration, see below*)

Case 2: beneficiaries declaring personnel costs as unit costs in accordance with their usual cost accounting practices (*average personnel costs, see below*)

⚠ Employees whose salary does not increase when working in projects are covered by Case 1A (not Case 1B); even when:

- the employment contract was signed explicitly to work in the action or
- the contract covering the work in the action is additional to the main contract with the employee but has the same remuneration level as the main contract (i.e. same hourly/daily rate) or
- part of the work in the action was done during overtime and the overtime hours are paid at a higher rate resulting from national law, collective agreement or employment contract, provided that such higher rate does not depend on projects.

⚠ An employee may change during the action from case 1B to 1A and vice versa because the remuneration scheme has changed.

Project-based remuneration (Case 1B; actual costs) (HE)

For employees (or equivalent) whose level of remuneration (*daily rate, hourly rate*) increases when and because the employee works in (EU, national or other) projects, the daily rate must be calculated as described in this section.

Example: An employee who gets a bonus or a new contract with a higher salary level for working in a project.

Step 1 — Calculate the Case 1B **action daily rate** per person:

{actual personnel costs for work on the action (incl. project-based supplementary payments, bonuses, increased salary etc) during the months within the reporting period}

Divided by

{day-equivalents worked by the person on the action during the months within the reporting period}

⚠ For the calculation of the *action daily rate* you may include the same elements in the personnel costs as in Case 1A for the daily rate **PLUS** all bonuses you paid which were triggered by the participation in the action (even if those bonuses were not based on objective conditions). Bonuses triggered by the participation of the employee in **other projects must be excluded**.

Step 2 — Compare the action daily rate with the *national project daily rate*, i.e. the (theoretical) daily rate that you would pay to the person for work in national projects, in accordance with your usual remuneration practices. The daily rate to be used for the EU grant financial statement will be the lower of the two. In other words, if the action daily rate is higher than the national project daily rate, then you will have to use the national rate for that reporting period.

⚠ **National projects** are to be 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 that are managed by the Member States (e.g. *Regional Funds, Agricultural and Fisheries Funds*). This must **exclude 'EU grants'** as defined in the Grant Agreement, i.e. action funded by the EU Commission, EU Executive Agencies or other funding bodies, which do **not** qualify as national projects.

You must calculate the (theoretical) **national project daily rate** as follows:

{theoretical personnel costs for similar work in a national project over the same number of months as the reporting period}

Divided by

{maximum declarable day-equivalents}

The remuneration to which the person would be entitled to for work in national projects must be defined:

- either in regulatory requirements (such as national law or collective labour agreements)

- or in your written internal remuneration rules

If the regulatory requirements or your written internal remuneration rules:

- provide for a bonus range (e.g. between 500 and 1000; between 10% and 50%) or a maximum ceiling (e.g. up to 50) rather than a precise amount per day or per hour, the remuneration to which the person would be entitled to (national project daily rate) is the average of the remuneration that the person received for work in national projects in the last complete year before the end of the reporting period (e.g. calendar, financial or fiscal year depending on the beneficiary's usual cost accounting practices) for which data is available (see further below).

Example: if the beneficiary has calculated the action daily rate for a 18 month-reporting period from 01/09/2021 to 28/02/2023, the average of the remuneration that the person received for work in national projects could be calculated based on the data of the complete calendar year 2022 (if available, otherwise of 2021 or the latest available calendar, financial or fiscal year before 2021).

- provide for different levels of remuneration depending on the staff category, the remuneration to which the person would be entitled to is the one of the category to which the person belongs
- provide for different levels of remuneration depending on the type of nationally-funded projects (and/or the type of work within these projects), the remuneration to which the person would be entitled to is the one applicable to the type of project (and/or work) that is closest to the action
- change over the reporting period, the remuneration to which the person would be entitled to is the one that was applicable for the larger part of that reporting period.

If there are no regulatory requirements and you do not have internal rules defining objective conditions on which the national project daily rate can be determined, but you can demonstrate that your usual practice is to pay bonuses for work in national projects, the *national project daily rate* is the average of the remuneration that the person received in the last complete year (calendar, financial or fiscal year, see above) before the end of the reporting period for work in national projects calculated as follows:

$\{(total\ personnel\ costs\ of\ the\ person\ in\ the\ last\ complete\ year) - (remuneration\ paid\ for\ EU\ actions\ during\ that\ complete\ year)\}$

Divided by

$\{215\ minus\ (days\ worked\ in\ EU\ actions\ during\ that\ complete\ year)\}$

'EU actions' are 'EU grants' as defined in the Grant Agreement (i.e. awarded by EU institutions, bodies, offices or agencies, including EU executive agencies, EU regulatory agencies, EDA, joint undertakings).

If during the last complete year the person worked for the beneficiary only in EU grants as defined in the Grant Agreement, you must calculate the *national project daily rate* using the year before (or the last year in which the person worked in a national project).

If the person is a new employee hired in the reporting period, their *national project daily rate*, calculated according to the formula above, is the one applicable to the employee whose base salary (salary without bonuses) is the most similar to that person's.

Average personnel costs (Case 2; unit costs) (HE, DEP, CEF)

For beneficiaries who consistently calculate average rates for their staff as part of their analytical cost accounting system, the daily rate can be calculated according to their average rates, provided that:

- the daily rate is calculated using the actual personnel costs recorded in your accounts during the reporting period, excluding any ineligible cost or costs already included in other budget categories (no double funding of the same costs)

Therefore, you may have to adjust your usual methodology in order to remove:

- costs that are ineligible under the Grant Agreement

Example: The daily rate in accordance with the beneficiary's usual cost accounting practices contains taxes not linked to the remuneration. Those taxes are ineligible and must be removed when calculating the daily rates for the action.

- costs that are already included in other budget categories

Example: Beneficiaries whose cost accounting practices for personnel costs include indirect costs. Indirect costs must be removed from the pool of costs used to calculate the daily rate charged to the action because indirect costs must be declared using a flat rate. Personnel costs cannot include any indirect costs.

If your usual methodology includes budgeted or estimated elements, we can only accept those, if they:

- are relevant (*i.e. clearly related to personnel costs*)
- are used in a reasonable way (*i.e. do not play a major role in the calculation*)
- correspond to objective and verifiable information (*i.e. their basis is clearly defined and you can show how they were calculated*)

Example: *Calculating average 2021 daily rates by using 2020 payroll data and increasing them by adding the CPI (consumer price index) on which the basic salaries are indexed.*

- you apply your cost accounting practices in a consistent manner, based on objective criteria that must be verifiable if there is a check, review, audit or investigation. You must do this no matter who is funding the action.

This does not mean that cost accounting practices must be the *same* for all your employees, departments or cost centres. If, for example, your usual cost accounting practices include different calculation methods for permanent personnel and temporary personnel, this is acceptable. However, you cannot use different methods for specific actions, projects or persons on an ad-hoc basis.

Example (acceptable): *Individual (actual) personnel costs are used for researchers, average personnel costs (unit costs calculated in accordance with the beneficiary's usual cost accounting practices) are used for technical support staff.*

Example (unacceptable): *Average personnel costs are used to calculate costs in externally-funded projects only.*

If your usual cost accounting practice is to calculate hourly rates instead of daily rates, you must convert the hourly rate into a daily rate as follows:

Daily rate = hourly rate x 8

Alternative: If you have a usual cost accounting practice determining the standard number of annual productive hours of a full-time employee, you can alternatively multiply by the number of hours resulting from the following formula (*instead of by 8*):

{The higher of: (the standard number of annual productive hours of a full-time employee according to your practice) OR (90 % of the standard annual workable hours of a full-time employee)}

divided by

215

General > Article 6.2.A.2, A3 Natural persons with direct contract and seconded persons

A.2 Natural persons with direct contract and seconded persons (*all Programmes except SMP ESS, CUST, FISC*)

A.2 and A.3 Costs for natural persons working under a direct contract other than an employment contract and costs for **seconded persons by a third party against payment** are also eligible as personnel costs, if they are assigned to the action, fulfil the general eligibility conditions and:

- (a) work under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed) and
- (b) the result of the work belongs to the beneficiary (unless agreed otherwise).

They must be calculated on the basis of a rate which corresponds to the costs actually incurred for the direct contract or secondment and must not be significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.



3. Natural persons with direct contract (A.2) and seconded persons (A.3): Types of costs — Forms — Eligibility conditions — Calculation

3.1.1 What? If eligible under the Grant Agreement (*all Programmes except SMP ESS, CUST, FISC*), the beneficiaries/affiliated entities may charge 'Costs for natural persons under direct contract' or 'Costs for seconded persons'.

These budget categories cover the costs of two types of persons:

- 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.
- 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. Seconded persons are still paid and employed by the third party, but work for the beneficiary. They are at the disposal of the beneficiary and work under its control and instructions. A secondment normally requires the seconded person to work at the beneficiary's premises, although in specific cases it may be agreed otherwise in the secondment agreement.

Best practice: The secondment agreement should detail the conditions of secondment (*tasks, reimbursement (or not) from one entity to the other, duration of the secondment, location, etc*).

What not? Cost of persons who are employees of the beneficiary, (co)owners of the beneficiary (if the beneficiary is an SME) or staff provided by a temporary work agency.

3.2.2 Costs for natural persons working under a direct contract and persons seconded against payment must be **declared** as actual costs

3.2.3 The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for costs to be eligible (*i.e. incurred/used during the action duration, necessary, linked to the action, etc; see Article 6.1(a)*)
- the person must be hired under either:
 - a direct contract signed between you and the natural person (not through another legal entity; *e.g. a temporary work agency*) or

- a contract signed between you and a legal entity fully owned by that natural person, and which has no other staff than the natural person being hired or
- a secondment agreement with the employer of the natural person
- the person must work under conditions similar to those of an employee, in particular:
 - the beneficiary must organise and supervise the work of the person in a way similar to that of its employees

Example (acceptable): *The beneficiary's project leader and the person discuss regularly the work to be carried out for the action. The project leader decides the tasks and timing of the work and instructs the person accordingly.*

Example (not acceptable): *The beneficiary's project leader and the person meet only once a month or irregularly, for updates on the state of play of the entrusted work. If changes are needed, they have to be agreed by the person and may lead to a change of the amount charged to the beneficiary.*

- the person is subject to similar presence requirements as the employees.

Examples (acceptable): *The person works physically at the beneficiary's premises, following a time schedule similar to that of the employees (e.g. the beneficiary authorises up to two days of teleworking per week to its personnel and the person has chosen to benefit from this regime, i.e. works 2 days in teleworking and 3 days physically at the beneficiary's premises).*

Examples (not acceptable):

1. *The entity authorises up to two days of teleworking per week. However, the person works four days in teleworking and only one day at the beneficiary's premises.*

2. *The person works from a country other than the one where the beneficiary is located while all employees work at the beneficiary's country.*

- the remuneration must be based on working time, rather than on delivering specific outputs/products.



Similar conditions does not mean equal conditions — The working conditions of the person do NOT have to be exactly the same that those of an employee, but overall similar.

- the result of the work carried out (*including patents or copyright*) must in principle belong to the beneficiary; if (exceptionally) it belongs to the person, the beneficiary must (just like for employees) obtain the necessary rights from the person (*transfer, licences or other*), in order to be able to respect its obligations under the GA
- the cost of the person must not be significantly different from costs for employees of the beneficiary performing similar tasks; if the beneficiary does not have employees performing similar tasks, the comparison must be done with national salary references of the country where the beneficiary is located, for the staff category to which the person belongs in the sector of activity of the beneficiary

and

- the cost must correspond exclusively to the remuneration of the person and related eligible taxes.



If the costs do not fulfil all the conditions indicated here above, they may be eligible as purchase of services (see Article 6.2.C.3) or subcontracting (see Article 6.2.B) but **NOT** as personnel costs.

3.2.4 Costs of natural persons working under a direct contract and seconded persons against payment must be **calculated** as follows:

{amount per unit (daily rate)}

Multipled by

{number of day-equivalents worked on the action}

⚠ You must also pay attention to the maximum declarable day-equivalents for the person per reporting period (see 2.1.4)

The daily rate must be calculated as follows:

- if the contract specifies a daily rate: this daily rate must be used; if the contract fixes an hourly rate instead of a daily rate, you must convert the hourly rate into a daily rate (daily rate = hourly rate x 8)
- if the contract states a fixed amount for the work and the number of days to be worked (or hours; see above for conversion into days): the global amount for the work must be divided by the number day-equivalents to be worked
- if the contract states a fixed amount for the work, but does not specify the number of days (or hours) that must be worked: the global amount for the work must be divided by the pro-rata of 215 annual day-equivalents which corresponds to the duration of the contract over the reporting period

Example: The contract provides that the person will work at the beneficiary's premises for assisting in action tasks. The contract is for 6 months starting on 1 January 2021 and ending on 30 June 2021. According to its time records, the person worked 60 day-equivalents in the action over that period. The contract sets a monthly payment of EUR 3 000 but does not explicitly establish the number of days/hours to be worked.

Personnel costs for the action = 60 (day-equivalents worked in the action) x daily rate

Daily rate = annual personnel costs / pro-rata of 215 = (3 000 € x 6 months) / (215 x (6 months/12 months)) = 18 000 € / (215 x 0,5) = 18 000 € / 107,5 days = 167,44 €/day

Personnel costs for the action = 60 x 167,44 = 10 046,4€.

- cost elements that are ineligible under the Grant Agreement (even if they are part of the amount stated in the contract) must be removed.



For **seconded persons**, if the resulting daily rate is higher than the daily rate actually paid by the third party to the seconded person (applying the calculation rules of the Grant Agreement) the cost could **NOT** be declared as personnel costs. They may be eligible instead as purchase of services (see Article 6.2.C.3) or subcontracting (see Article 6.2.B). The reason is that the payment made by the beneficiary to the third party would be higher than the actual remuneration of the person, which implies that a commercial margin or other non-personnel costs are charged by the third party to the beneficiary.

Specific cases (costs for natural persons with direct contract and seconded personnel (A.2, A.3)):

Persons seconded against payment from a third party located in a different country than the beneficiary — As salary levels are not homogeneous across different countries, the remuneration of the person paid by the third party, and so the actual costs paid for the secondment, might be higher than those paid by the beneficiary for employees performing similar tasks. In that case, the actual costs paid for the secondment can still be considered eligible, if the beneficiary can demonstrate that its usual practice is to pay for secondments at the level of the actual remuneration of the seconded person.

Secondment of staff between beneficiaries/affiliated entities — Is allowed, but it is the beneficiary/affiliated entity who employs the person who has to declare its costs (NOT the beneficiary/affiliated to whom the person has been seconded).

Costs for students, PhDs and other researchers under scholarship, internship or similar agreements (not employees) (HE) — Costs of students that work for the beneficiary can be accepted, if the agreement is work-oriented (not training-oriented: i.e. not aimed at helping the student to acquire professional skills).

PhD agreements are considered work-oriented. However, time for training, if any, may NOT be charged to the action.

Fellowships/scholarships/stipends (HE) — Fellowships, scholarships and stipends can be charged to the action (as personnel costs), if they fulfil the conditions set out in [Article 6.1](#) and 6.2.A.2, and in particular:

- the remuneration complies with the applicable national law on taxes, labour and social security
- the assignment of tasks respects the laws in force in the country of the beneficiary
- the students have the necessary qualifications to carry out the tasks allocated to them under the action.

Cost for exemptions from academic fees (HE) — The fees (or the fee exemption) are eligible as personnel cost, if the student's contract includes the amount of waived fees as part of their remuneration. The other conditions set out in [Article 6](#) have to be fulfilled as well (*e.g. the full remuneration, included the value of the waived fees, must be recorded in the university's accounts*).

HE PRE-DRAFT

General > Article 6.2.A.4 SME owners and natural person beneficiaries

A.4 SME owners and natural person beneficiaries (*all Programmes except SMP ESS, EUAF, CUST, FISC, CCEI, PERI*)

[additional OPTION for programmes with SME owner unit cost: A.4 The work of SME owners for the action (i.e. owners of beneficiaries that are small and medium-sized enterprises²⁰ not receiving a salary) or natural person beneficiaries (i.e. beneficiaries that are natural persons not receiving a salary) may be declared as personnel costs, if they fulfil the general eligibility conditions and are calculated as unit costs in accordance with the method set out in Annex 2a.]

²⁰ For the definition, see Commission Recommendation 2003/361/EC: micro, small or medium-sized enterprise (SME) are enterprises

- engaged in an economic activity, irrespective of their legal form (including, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity) and
- employing fewer than 250 persons (expressed in ‘annual working units’ as defined in Article 5 of the Recommendation) and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.



4. SME owners and natural person beneficiaries (A.4): Types of costs — Forms — Eligibility conditions — Calculation

4.1.1 What? If eligible under the Grant Agreement (*all Programmes except SMP ESS, EUAF, CUST, FISC, CCEI, PERI*), the beneficiaries/affiliated entities may charge ‘SME owner/natural person beneficiary costs’.

This budget category covers the costs of two types of persons:

- Persons who are directly⁴ owners or co-owners (regardless of their percentage of ownership) of the beneficiary, if the beneficiary is an SME and the person is not an employee of the beneficiary. It applies also to SME owners whose work in the action for the beneficiary is remunerated via any type of non-employment contract (e.g. a service contracts), via profit distribution or by any remuneration method other than a salary resulting from an employment contract.
- Beneficiaries who are natural persons; i.e. who signed the Grant Agreement on her/his own name as individuals, not on behalf of another legal person (e.g. a company).

What not? SME owners who receive a salary (registered as such in the accounts of the SME) cannot declare personnel costs under this budget category, unless they can show that this salary corresponds exclusively to the management of the SME (and is therefore not linked to the action).

4.2.2 These costs must be **declared** using the unit cost (daily rate) fixed by Decision C(2020) 7115⁵ and set out in [Annex 2a](#).

4.2.3 The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for unit costs to be eligible (*i.e. units used during the action duration, necessary, linked to the action, correct calculation, etc; see Article 6.1(b)*)

and

⁴ Not co-owners through another company owned by the person

⁵ Commission [Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7715).

- be declared for an SME owner/natural person beneficiary, who works on the action but does not receive a salary.

The granting authority may verify that the beneficiary fulfils the conditions for using this unit cost.

4.2.4 The costs must be calculated, for the SME owner/natural person, in accordance with the methodology set out in Decision C(2020) 7115 and Annex 2a:

Amount per unit (daily rate) = {EUR 5 080 /18 days [i.e. 282,22]}

Multiplied by

{country-specific correction coefficient of the country where the beneficiary is established}

The country-specific correction coefficient is the one for HE MSCA actions (see [Horizon Europe Work Programme, section Marie Skłodowska-Curie actions in force at the time of the call](#)).

The calculation itself is automated: The beneficiaries must only indicate the number of days worked on the action and the costs are then automatically calculated by the IT system as follows:

{amount per unit [daily rate]}

Multiplied by

{number of day-equivalents worked on the action}

⚠ Ceiling — The total number of days declared across EU and Euratom grants for the SME owner or a beneficiary that is a natural person can NOT be higher than 215 per calendar year.

⚠ You must also pay attention to the maximum declarable day-equivalents for the person per reporting period (see 2.1.4)

General > Article 6.2.A.5 Volunteers

A.5 Volunteers (*LIFE, ERASMUS, CREA, CERV, JUST, ESF, SOCPL, AMIF, ISF, BMVI, UCPM*)

[additional OPTION for programmes with volunteers costs: A.5 The work of **volunteers** for the action (i.e. persons who freely work for an organisation, on a non-compulsory basis and without being paid) may be declared as personnel costs, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions and are calculated as unit costs in accordance with the method set out in Annex 2a.

They:

- may not exceed the maximum amount for volunteers for the action (which corresponds to 50% of the total (ineligible and eligible) project costs and contributions estimated in the proposal)
- may not exceed the maximum amount for volunteers for each beneficiary set out in Annex 2
- may not make the maximum EU contribution to costs higher than the total eligible costs without volunteers.

If also indirect costs for volunteers are declared eligible in the call conditions, the amount of indirect costs may be added to the volunteers costs category in Annex 2, at the flat-rate set out in Point E./



5. Volunteers (A.5): Types of costs — Forms — Eligibility conditions — Calculation

5.1.1 What? If eligible under the Grant Agreement (*LIFE, ERASMUS, CREA, CER, JUST, ESF, SOCPL, AMIF, ISF, BMVI, UCPM*), the beneficiaries/affiliated entities may charge ‘Volunteers costs’.

This budget category allows to recognise the contribution of volunteers in the project, i.e. when persons work for the beneficiary, on a non-compulsory basis and without being paid.

5.1.2. The work carried out by volunteers under an action or work programme must be **declared** as personnel costs on the basis of unit costs that were fixed by Decision C(2019) 2646 and set out in [Annex 2a](#).

5.1.3. The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for unit costs to be eligible (i.e. units used during the action duration, necessary, linked to the action, correct calculation, etc; see Article 6.1(b))

In addition, a double cap must be applied to limit the amounts declared for volunteers' work or the amount of the total EU contribution:

- fulfil the general conditions for unit costs to be eligible (i.e. units used during the action duration, necessary, linked to the action, correct calculation, etc; see Article 6.1(b))
- the total EU contribution must be less than the total eligible costs excluding volunteer work.

The amounts declared for volunteers work must also not exceed the maximum amount for volunteers for each beneficiary set out in Annex 2.

5.1.4. The costs must be **calculated**, for the volunteer working on the action, in accordance with the methodology set out in Decision C(2019) 2646 and Annex 2a:

{Amount per unit (daily rate depending on country)}

Multiplied by

{day-equivalents worked on the action}

If a use per hour is necessary, you must convert the daily rate as follows: hourly rate = daily rate / 8).

The unit costs for volunteers work do not cover any actual costs which might be incurred and paid by the beneficiary, such as insurance, social security, travel or subsistence costs. Any such costs can be declared and reimbursed separately (if provided for in the call conditions).

 The costs for volunteer work can only be included in the basis for calculating the indirect costs for the project, if the call conditions allow it specifically.

THE PRE-DRAFT

General > Article 6.2.A.X Other personnel costs

A.X Other personnel costs

[additional OPTION for programmes with other personnel cost categories: A.X [insert name of specific personnel cost category and eligibility conditions].]

6. Other personnel costs (A.X): Types of costs — Forms — Eligibility conditions — Calculation

What? If eligible under the Grant Agreement, the beneficiaries/affiliated entities may charge 'Other personnel costs'.

Such cost categories exist currently only in three EU Programmes (*SMP ESS, CUST, FISC*):

- *SMP ESS personnel costs based on time (see Article 6.2.A.X SMP_ESS_PERS_TIME)*
- *SMP ESS personnel costs based on deliverables (see Article 6.2.A.X SMP_ESS_PERS_DELIV)*
- *Customs/Fiscalis personnel costs (see Article 6.2.A.X CUST/FISC_PERS)*

THE PRE-DRAFT

A.X SMP ESS Personnel costs

[OPTION 2 for European Statistics: A.6 ESS personnel costs based on time spent are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions and are calculated as unit cost in accordance with the method set out in Annex 2b and the following:

{ daily rate
multiplied by
number of actual days worked on the action (rounded up or down to the nearest half-day)}.

The number of actual days declared for a person must be identifiable and verifiable (see Article 20).

The daily rate is the rate of the pay grade set out in Annex 2b (or — for personnel without an applicable pay grade — the rate of the grade with the closest basic salary).

A.7 ESS personnel costs based on deliverables (e.g. number of conducted interviews, number of translated pages) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions and are calculated on the basis of the costs actually incurred (i.e. limited to the amount per deliverable, including social security contributions, taxes or other costs included in the remuneration, if they arise from national law or the contract) and the following:

{ amount per deliverable
multiplied by
number of deliverables produced for the action}.]



1. SMP ESS personnel costs based on time (A.X): Types of costs — Form — Eligibility conditions — Calculation

What? If eligible under the Grant Agreement, the beneficiaries/affiliated entities may charge costs under 'ESS personnel costs based on time'.

This budget category replaces categories A.1-A.5 and covers the cost of all personnel that works on SMP ESS actions based on time (*i.e. not deliverables*).

The costs must be **declared** using the individual unit cost salary grid (daily rate) agreed with the granting authority (*see Unit cost decision⁶ and Annex 2a*).

 For more information concerning the salary grid validation, see [SMP ESS Unit cost grid validation procedure](#).

The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for unit costs to be eligible (*i.e. units used during the action duration, necessary, linked to the action, correct calculation, etc; see Article 6.1(b)*)

and

- be declared for a person working on the action, based on time.

⁶ [Decision](#) of 6 April 2021 authorising the use of unit costs for eligible personnel costs for actions implemented by Eurostat.

The costs must be **calculated**, for each person, in accordance with the methodology set out in the Unit cost decision and Annex 2a:

amount per unit (daily rate depending on salary grid) **x** number of days worked on the action

2. SMP ESS personnel costs based on deliverables (A.X): Types of costs — Form — Eligibility conditions — Calculation

What? If eligible under the Grant Agreement, the beneficiaries/affiliated entities may charge costs under 'ESS personnel costs based on deliverables'.

This budget category replaces categories A.1-A.5 and covers the cost of personnel that works on SMP ESS actions based on deliverables (*e.g. persons paid per survey*).

The costs must be **declared** as actual costs.

The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for costs to be eligible (*i.e. incurred/used during the action duration, necessary, linked to the action, etc; see [Article 6.1\(a\)](#)*)

and

- be declared for a person working on the action, based on deliverables.

The costs must correspond to the costs actually incurred, **calculated**, for each person, as follows:

amount per deliverable **x** number of deliverables produced for the action

A.X Customs/Fiscalis personnel costs

A.6 Customs/Fiscalis personnel costs are eligible, if (and in as far as) declared eligible in the call conditions and if they fulfil the general eligibility conditions and are calculated as unit cost in accordance with the method set out in Annex 2a and the following:

{ daily rate
multiplied by
number of actual days worked on the action (rounded up or down to the nearest half-day)}.

The number of actual days declared for a person must be identifiable and verifiable (see Article 20).

The daily rate is the rate of the pay grade set out in Annex 2a (or — for personnel without an applicable pay grade — the rate of the grade with the closest basic salary).



1. Customs/Fiscalis personnel costs (A.X): Types of costs — Form — Eligibility conditions — Calculation

What? If eligible under the Grant Agreement, the beneficiaries/affiliated entities may charge costs under 'Customs/Fiscalis personnel costs'.

This budget category replaces categories A.1-A.5 and covers the cost of all personnel that works on CUST/FISC actions.

The costs must be **declared** using the individual unit cost salary grid (daily rate) agreed with the granting authority (see *Unit cost decision*⁷ and *Annex 2a*).

 For more information concerning the salary grid validation, see *CUST/FISC Unit cost grid validation procedure*.

The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for unit costs to be eligible (*i.e. units used during the action duration, necessary, linked to the action, correct calculation, etc; see Article 6.1(b)*)

and

- be declared for a person working on the action.

The costs must be **calculated**, for each person, in accordance with the methodology set out in the Unit cost decision and Annex 2a:

amount per unit (daily rate depending on salary grid) **x** number of days worked on the action

⁷ [Decision](#) of 28 April 2021 authorising the use of unit costs for direct personnel costs for cooperation, collaboration and training actions under the Customs and Fiscalis programmes.

General > Article 6.2.B Subcontracting costs

B. Subcontracting costs (all Programmes)

B. Subcontracting costs

[OPTION 1 for programmes without subcontracting (ineligible):
Not applicable]

[OPTION 2 for programmes with subcontracting (standard):

Subcontracting costs for the action (including related duties, taxes and charges*[OPTION for programmes with VAT eligible:*, such as non-deductible or non-refundable value added tax (VAT))]) are eligible, if they are calculated on the basis of the costs actually incurred, fulfil the general eligibility conditions and are awarded using the beneficiary’s usual purchasing practices — provided these ensure subcontracts with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).

Beneficiaries that are ‘contracting authorities/entities’ within the meaning of the EU Directives on public procurement must also comply with the applicable national law on public procurement.

[additional OPTION for programmes with additional subcontracting rules: [OPTION if selected for the call²¹: In addition, if the value of the subcontracts to be awarded exceeds EUR [...], the beneficiaries must comply with the following rules: [...].]

[additional OPTION for programmes with country restrictions for subcontracting costs: [OPTION if selected for the call: The beneficiaries must ensure that the subcontracted work is performed in the eligible countries or target countries set out in the call conditions — unless otherwise approved by the granting authority.]]

[[OPTION if selected for the grant²²: Subcontracting may cover only a limited part of the action.]]

The tasks to be subcontracted and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2 (or may be approved ex post in the periodic report, if the use of subcontracting does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants; ‘simplified approval procedure’).

²¹ If the RAO decides to set specific rules, they must be set out in the call and take into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk (proportionality). Specific rules may only be set for the award of contracts of a value higher than EUR 60 000.

²² This is a standard obligation for all EU grants. It may be unselected only for actions where subcontracting is a key/large part of the action (e.g infrastructure projects; PCP/PPI; technical assistance, statistical programmes, etc).



1. Subcontracting costs (B.): Types of costs — Form — Eligibility conditions — Calculation

What? If eligible under the Grant Agreement (all Programmes), beneficiaries/affiliated entities may charge ‘Subcontracting costs’.

This budget category covers subcontracted action tasks, i.e. service contracts for parts of the project that are not implemented by the beneficiary itself, but by a subcontractor.

⚠ Subcontracts are normally wide in scope (implementation of a part of the project, i.e. action tasks). If a contract covers only individual equipment or consumables, this will be considered as a purchase (see Article 6.2.C.2 and C.3).

1.2 Subcontracting costs must be declared as actual costs.

1.3. The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for costs to be eligible (*i.e. incurred/used during the action duration, necessary, linked to the action, etc; see Article 6.1(a)*)
- be based either on the best value for money (considering the quality of the service, good or work proposed, *i.e. the best price-quality ratio*) or on the lowest price
- not be subject to conflict of interest

Best practice: It is recommended to entrust the decision of awarding a contract to an evaluation committee rather than to a sole person. Members of the evaluation committee should be aware that they need to disclose the existence of a conflict of interest. The beneficiary should have clear rules and guidance on situations of conflict of interest. These rules should provide information on who to contact for advice or disclose the conflict to and, where necessary, the appropriate action. It is good practice that staff involved in the procurement process formally signs a declaration of no conflict of interests before performing their duties.

and

- for beneficiaries that are ‘contracting authorities’ or ‘contracting entities’ within the meaning of the EU Public Procurement Directives (*Directives 2014/24/EU, 2014/25/EU⁸ and 2009/81/EC*): comply with the applicable national law on public procurement; these rules normally provide for special procurement procedures for the types of contracts they cover.

The beneficiaries can in principle freely choose between best value for money and lowest price.

Best value for money applies the general cost eligibility condition set out in *Article 6.1(a)(vii)* (*i.e. that costs must be reasonable and comply with the principle of sound financial management*) to the subcontracting context.

A competitive selection of subcontractors should be the default approach since it is the safest way to ensure no conflict of interest, best value for money or lowest price through direct comparisons between offers. However, subcontracting does NOT necessarily require competitive selection procedures to be eligible. If a beneficiary did not request several offers, it must be able to prove compliance with best value for money, lowest price (and no conflict of interest) in case of a check, review, audit or investigation by showing:

- data from a previous competitive tender on a similar subject that confirms the market value
- a conducted market consultation, *e.g. price quotations, supplier brochures, or consultation with help of independent experts*
- that no suitable offers have been submitted in response to a prior competitive selection procedure

⁸ New directives in force since 2016:
 Directive [2014/24/EU](#) of the European Parliament and of the Council of 26 February 2014 on public procurement (OJ L 94, 28.3.2014, p. 65) and repealing Directive 2004/18/EC (OJ L 94, 28.03.2014, p.65).
 Directive [2014/25/EU](#) of the European Parliament and of the Council of 26 February 2014 on public procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).
 Old directives:
 Directive [2004/18/EC](#) of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.4.2004, p. 114).
 Directive [2004/17/EC](#) of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.4.2004, p. 1).

- that a subcontractor is in a monopoly situation due to technical reasons; or exclusive (intellectual property) rights; or acquisition of a unique work of art or artistic performance; or that the task can only be performed by an international organisation which cannot participate in competitive procedures according to its statutes
- that the subcontractor is the winner of a prior competitive design contest under the action or a linked action
- a need for special security measures in order to protect the essential interests of the Union in accordance with the call conditions.

In any case, the beneficiary must be able to demonstrate that the criteria defining quality were clear and coherent with the purpose.

⚠ Only limited parts of the action may be subcontracted — unless otherwise allowed in the call conditions. Limited parts means that subcontracting remains proportionate both in terms of share of subcontracted action tasks as well as in terms of share in the eligible cost. The acceptable limit is assessed by the granting authority based on the nature of the action which may vary between funding programmes and calls.

Subcontracts (*tasks to be subcontracted and estimated costs; not necessarily the subcontractor, especially if not yet known*) must be justified in Annex 1 (*simplified approval procedure allowed; see below*).

1.4 The amount charged as eligible cost must correspond to the amount invoiced by the subcontractor.

Specific cases (subcontracting costs (B.)):

Simplified approval procedure (new subcontracts) — If the need for a subcontract was not known at GA signature, the coordinator must request a GA amendment in order to introduce it in the Annex 1 (see [Article 39](#)) or flag it in the periodic report (simplified approval procedure; for details, see [Article 6.1](#)). In the latter case, you bear however the risk that the granting authority might not approve the new subcontract and reject the costs.

Subcontracting in actions of essential interest (CEF, DEP, EDF, HE, SPACE) — if provided for in the call conditions, the **simplified approval procedure is NOT allowed** and specific participation conditions and cost eligibility criteria may apply to subcontracting in actions that concern essential interest of the Union and its Member States.

Subcontracting between beneficiaries — Is NOT allowed in the same grant. All beneficiaries contribute to and are interested in the action; if one beneficiary needs the services of another in order to perform its part of the work it is the second beneficiary who should declare its own costs for that work.

Subcontracting to affiliates — Is NOT allowed, unless they have a framework contract or the affiliate is their usual provider, and the subcontract is priced at market conditions. Otherwise, these affiliates may work in the action, but they must be identified as affiliated entities under [Article 8](#) and declare their own costs.

Coordination tasks of the coordinator (e.g. *distribution of funds, review of reports and other tasks listed in [Article 7](#)*) — Can NOT be subcontracted (except, under certain circumstances, to an entity with 'authorisation to administer'; see [Article 7](#)).

Framework contracts or subcontracts — Framework contracts can be used for selecting a provider if this is the usual practice of the beneficiary (e.g. *for a type of service*). In order to be eligible, the framework contract must (have) be(en) awarded on the basis of best-value-for-money or lowest price and absence of conflict of interest. The framework contract does not necessarily have to be concluded before the start of the action.

General > Article 6.2.C Purchase costs**C. Purchase costs****C. Purchase costs**

[OPTION 1 for programmes without purchase costs (ineligible):

Not applicable]

[OPTION 2 for programmes with purchase costs (standard):

Purchase costs for the action (including related duties, taxes and charges *[OPTION for programmes with VAT eligible:*, such as non-deductible or non-refundable value added tax (VAT)]) are eligible if they fulfil the general eligibility conditions and are bought using the beneficiary's usual purchasing practices — provided these ensure purchases with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).

Beneficiaries that are 'contracting authorities/entities' within the meaning of the EU Directives on public procurement must also comply with the applicable national law on public procurement.

[additional OPTION for programmes with additional purchasing rules: [OPTION if selected for the call²³ In addition, if the value of the goods, works or services to be purchased exceeds EUR [...], the beneficiaries must comply with the following rules: [...].]]]



1. Purchase costs (C.): Types of costs — Form — Eligibility conditions — Calculation

1.1 What?

If eligible under the Grant Agreement, the beneficiaries/affiliated entities may charge 'Purchase costs'.

This budget category covers, depending on the options that apply, the following sub-categories:

- Travel, accommodation and subsistence (*see Article 6.2.C.1*)
- Equipment (*see Article 6.2.C.2*)
- Other goods, works or services, if necessary to implement the action (*see Article 6.2.C.3*).

⚠ Purchase contracts are normally limited in scope. If a contract covers the implementation of action tasks, this will be considered as a case of subcontracting (*see Article 6.2.B*).

1.2 Depending on the provisions in the Grant Agreement, purchase costs must be **declared** as actual costs or unit cost (unit cost is provided for travel and subsistence costs for instance in *EMFAF, IMCAP, SMP, ERASMUS, CREA, CERV, JUST, ESF/SOCLP, EU4H, AMIF, ISF, BMVI, EUAF, CUST, FISC, TSI, UCPM*).

1.3. The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for costs to be eligible (*i.e. incurred/used during the action duration, necessary, linked to the action, etc; see Article 6.1(a)*)
- be based either on the best value for money (considering the quality of the service, good or work proposed, *i.e. the best price-quality ratio*) or on the lowest price

- not be subject to conflict of interest

and

- for beneficiaries that are ‘contracting authorities’ or ‘contracting entities’ within the meaning of the EU Public Procurement Directives (*Directives 2014/24/EU, 2014/25/EU⁹ and 2009/81/EC*): comply with the applicable national law on public procurement; these rules normally provide for special procurement procedures for the types of contracts they cover.

The beneficiaries can in principle freely choose between best value for money and lowest price.

Best value for money applies the general cost eligibility condition set out in *Article 6.1(a)(vii)* (i.e. *that costs must be reasonable and comply with the principle of sound financial management*) to the purchasing context. It does NOT necessarily require competitive selection procedures. However, if a beneficiary did not request several offers, it must — 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 with the purposes of the purchase (see 6.2.B above).

Selecting the **lowest price** may be appropriate for automatic award procedures where the contract is awarded to the company that meets the conditions and quotes the lowest price (e.g. *electronic tendering for consumables*).

1.4 The **calculation** method depends on the type of cost (*depreciation, actual or unit cost; see below*).

Specific cases (purchase costs (C.)):

Purchases between beneficiaries — Are in principle not accepted. If a beneficiary needs supplies from another beneficiary, it is the latter beneficiary that should charge them to the action as cost. (Otherwise there is the risk that the grant is used to charge commercial profit margins.) Purchases between beneficiaries will only be accepted in exceptional and properly justified cases (e.g. *beneficiary A is the usual supplier of beneficiary B for a generic consumable that beneficiary B needs for the action*).

Framework contracts or subcontracts — Framework contracts can be used for selecting a provider if this is the usual practice of the beneficiary (e.g. for a type of goods). In order to be eligible, the framework contract must (have) be(en) awarded on the basis of best-value-for-money or lowest price and absence of conflict of interest. The framework contract does not necessarily have to be concluded before the start of the action.

Foundations, spin-off companies, etc., created in order to manage the administrative tasks of the beneficiary and which are reimbursed directly by the coordinator or by the beneficiary — These are typically legal entities (third parties) created or controlled by the beneficiary (usually a public body like a university/ministry) which handle the financial and administrative aspects of the beneficiaries’ involvement in actions. Their tasks may include, among others, the employment of personnel, purchase of equipment or consumables that the third party puts at disposal of the beneficiary to carry out the work of the action.

If the entity carries out tasks of the coordinator such as handling of the EU contribution (which means that the beneficiary will use the bank account of the third party and that all payments made to that account count for the beneficiary), or implements any action tasks by itself, it must be included in the

⁹ New directives in force since 2016:
 Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement (OJ L 94, 28.3.2014, p. 65) and repealing Directive 2004/18/EC (OJ L 94, 28.03.2014, p.65).
 Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on public procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).
 Old directives:
 Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.4.2004, p. 114).
 Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.4.2004, p. 1).

Grant Agreement as an affiliated entity and declares the costs, including for personnel, equipment or consumables put at the disposal of the beneficiary. In contrast, if the foundation is only an in-kind contributor (not performing action tasks or tasks of the coordinator), the foundation does not have to be included in the Grant Agreement as an affiliated entity and the related cost are declared by the beneficiary under 6.2 A3, C.2 and / or C.3.

Personnel put at the disposal of the beneficiary by these entities must be declared under cost category A.3 Seconded persons. Equipment or other goods, works and services put at the disposal of the beneficiary by these entities are considered as special purchase costs (i.e. they must be declared under cost category C.2 Equipment or C.3 Other goods, works and services). The contractual relation between the beneficiary and its spin-off is considered for the purposes grant as equivalent to a framework contract, provided that such practice is in line with national law and the applicable accounting standards. Compliance with the principles of best value for money and no conflict of interests will be considered fulfilled if the amount charged by the beneficiary for the equipment or other goods, works and services purchased is not higher than the costs recorded in the accounts of the third party (the foundation, spin-off, etc) for those services.

Best practice: It is recommended to describe in Annex 1 the relation between the beneficiary and the foundation/spin-off, and its impact on the participation of the beneficiary in the Grant Agreement.

Change to a specific purchase of service and new specific purchase of service — Specific purchases of services which were identified in Annex 1 (and for which assurance was granted) may be changed and new specific purchase of service that are deemed necessary may be introduced, both via an amendment.

The amendment request will not be agreed, if it would result in changes that — if known before awarding the grant — would have had an impact on the award decision (*see Article 39*).

Best practice: Beneficiaries should contact the granting authority (via Funding & Tenders Portal Message), if they intend to amend the grant to change a specific purchase of service assessed during proposal evaluation or to introduce a new specific purchase of service during the action implementation.

Providers of research infrastructures services for trans-national and virtual access of users (HE) — Providers of high quality, in some cases unique, state-of-the-art research infrastructures services can be preselected when preparing the proposal (or later, to be added with amendments) on the basis of the quality of the services they provide and of the level of demand for these services by trans-national users applying for access in the framework of the HE project.

The proposal and Annex 1 should identify these providers and describe both the access services provided and the logistical, technological and scientific support users need in order to make use of the installation (including ad-hoc training and preparatory and closing activities necessary to use the installation). The reimbursement of their costs by the beneficiaries will be considered as a specific purchase of services. If for any legal reasons, e.g. due to its applicable national legislation, an entity providing research infrastructures services cannot issue an invoice to a beneficiary but can be paid or reimbursed via any other forms of transaction, this system would be assimilated to an invoice for the assessment of the eligibility of these specific purchase of services costs.

Their contribution to the inclusive and comprehensive portfolio of services requested in the topics, the quality of their services, the fact that they fulfil a demand from users of the grant and that they do not make profit, as their access costs are calculated according to a well-defined methodology and usually do not include capital investment, can generally give assurance to the granting authority that the best value for money and no conflict of interest criteria are met.

To this extent, sufficient details must be provided in the proposal (or in the amendment request), such as name of the service providers, purchase costs and object, as well as the explanation why these service providers are needed and the purchase costs of the services appropriate.

Example: Beneficiaries can explain why these providers of scientific services are necessary for the action, confirm that they will not include any profit margin when being reimbursed by the beneficiaries; that they will bear part of the access costs to the research infrastructure (because some of their costs will not be reimbursed like depreciation costs of their equipments).

Annex 1 will explicitly identify these specific purchases of services. For these specific purchases of services, beneficiaries have assurance that compliance with best value for money and no conflict of interest principles will not be challenged in audits — unless it turns out that the beneficiary did not follow the procedure above (i.e. appropriate and sufficient description of these specific purchases of services), or concealed information for the purpose of the approval.

General > Article 6.2.C.1 Travel and subsistence

C.1 Travel and subsistence (all Programmes except RFCS, CCEI)

C.1 Travel and subsistence

[OPTION 1 for programmes without travel and subsistence costs (ineligible):
 Not applicable]

[OPTION 2 for programmes with travel and subsistence costs:

Purchases for **travel, accommodation** and **subsistence** must be calculated as follows:

- travel: *[OPTION A (actual costs):* on the basis of the costs actually incurred and in line with the beneficiary’s usual practices on travel] *[OPTION B (unit or actual costs):* as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35 or otherwise as costs actually incurred and in line with the beneficiary’s usual practices on travel]
- accommodation: *[OPTION A (actual costs):* on the basis of the costs actually incurred and in line with the beneficiary’s usual practices on travel] *[OPTION B (unit or actual costs):* as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35 or otherwise as costs actually incurred and in line with the beneficiary’s usual practices on travel]
- subsistence: *[OPTION A (actual costs):* on the basis of the costs actually incurred and in line with the beneficiary’s usual practices on travel] *[OPTION B (unit or actual costs):* as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35 or otherwise as costs actually incurred and in line with the beneficiary’s usual practices on travel].]



2. Travel and subsistence costs (D.1): Types of costs — Form — Eligibility conditions — Calculation

2.1.1 What? If eligible under the Grant Agreement (all Programmes except RFCS and CCEI), the beneficiaries/affiliated entities may charge ‘Travel and subsistence costs’.

This budget category covers travels needed for the action, broken down in the following sub-categories:

- Travel
- Accommodation
- Subsistence.

2.2.2 For Programmes that use unit costs (EMFAF, IMCAP, SMP, ERASMUS, CREA, CERV, JUST, ESF, SOCLP, EU4H, AMIF, ISF, BMVI, EUAF, CUST, FISC, PERI (partial), TSI, UCPM), these costs must be **declared** using the unit costs fixed by Decision C(2021)35¹⁰ and set out in Annex 2a.

Land travel between 50 and 399 km normally covers travel by bus and rail. Car travel can be eligible if mentioned in the Call.

What not? If a particular instance of travel, accommodation or subsistence in the action is not covered by one of the unit costs mentioned in Decision C(2021)35, the costs should instead be declared as costs actually incurred (in same way as ‘Travel and subsistence as actual costs’ below.

¹⁰ Commission Decision of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

The following specific cases should be declared on the basis of costs actually incurred:

- travel between 50 and 300km in a 3rd country
- travel between 50 and 300km and between a Member State and a 3rd country
- land travel between 50 and 300km in LU, CY or MT.

2.2.3 The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for unit costs to be eligible (*i.e. units used during the action duration, necessary, linked to the action, correct calculation, etc; see [Article 6.1\(b\)](#)*)

and

- be purchased for the action and in accordance with Article 6.2.C.

2.2.4 The costs must be **calculated**, for each travel and person travelling, in accordance with the methodology set out in Decision C(2021)35 and [Annex 2a](#).

Travel:

- by air above 400km: amount depending on distance band x no. of journeys
- by rail above 400km: amount depending on distance band x no. of journeys
- combined air and rail above 400 km: amount depending on distance band x no. of journeys
- land travel (50 - 399km) in 1 Member State: amount for intra-Member State x number of journeys
- land travel (50-399km) between 2 Member States: amount for inter-Member State travel x number of journeys
- travel between EU and one of EU's outermost regions and overseas countries and territories (OCTs)⁵: specific unit cost for that OCT x number of journeys
- journey of less than 400 km not covered by land transport (e.g. Helsinki/Tallinn): unit cost for air travel (400-600 km) x number of journeys
- travel to/from places more than 400 km from a primary airport (e.g. certain regions in Finland): relevant unit cost for air travel x 150% number of journeys

All unit costs are an amount to cover a return trip. However, the calculation of the distance should be done on the basis of the 1-way distance between the points.

For calculating the distance between two points for rail or air travel, please use [these distance calculators](#).

The start and end point will normally be the place of employment of the person.

Where the end point of travel is different from the start, the amount to be declared will be the theoretical cost of travelling to the same starting point, unless the different end point is necessary for the implementation of the action. In that case, the unit cost can be calculated using the longer of the distances (e.g. if travel from Dublin – Brussels – Athens is justified for the action, the unit cost to be applied can be calculated on basis of flight from Brussels – Athens).

Where the trip involves 3 journeys and is necessary for the implementation of the action (e.g. Madrid – Brussels – Berlin – Madrid), the unit costs can be calculated on the basis of 2 separate return flights: Madrid – Brussels and Berlin – Madrid.

The formula for calculating the **accommodation** is:

{amount per unit [depending on country]}

Multiplied by

{nights spent on travel}

For the EU's outermost regions or OCTs, the rate for the relevant Member State can be used as a proxy amount.

The formula for calculating the **subsistence** is:

{amount per unit [depending on country]}

Multiplied by

{days spent on travel}

Subsistence unit costs are for a 24-hour period. The amount of unit costs to be declared should be calculated by rounding to the nearest full number of days.

For the EU's outermost regions or OCTs, the rate for the relevant Member State can be used as a proxy amount

The subsistence unit costs is intended to cover meals and other incidental expenses. Since accommodation will in most cases also be paid on the basis of unit costs, there is no need to check whether breakfast was included in the cost of the hotel.

Specific cases (purchase costs (C.)):

Travel and subsistence as actual costs (*HE, DEP, CEF, LIFE, AGRIP, PERI (partial)*) — If provided in the Grant Agreement, beneficiaries can charge the actual costs incurred for travel.

These costs must comply with the general and specific eligibility conditions in [Article 6.1](#) and 6.2.C and:

- be in line with the beneficiary's usual practices on travel.

The costs must correspond to the amounts paid for the travel, accommodation and subsistence.

Costs of a combined travel (i.e. where the end point of travel is different from the start) can be charged to the action ONLY up to the cost that would have been incurred if the travel would have been made exclusively for the action (i.e. up to the theoretical cost of travelling directly back to the start point) AND if:

- it is the usual practice of the beneficiary to pay for such travels (e.g. travels combining professional and personal reasons)
- it has been an actual cost for the beneficiary.

In terms of record keeping, the beneficiary must keep evidence not only of the actual cost of the subsequent travel leg(s), but also of the cost of the theoretical direct return travel after the end of the work for the action.

General > Article 6.2.C.2 Equipment
C.2 Equipment (all Programmes)

C.2 Equipment

[OPTION 1 for programmes without equipment costs (ineligible):

Not applicable]

[OPTION 2 for programmes with depreciation only:

Purchases of **equipment, infrastructure or other assets** used for the action must be declared as depreciation costs, calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.]

[OPTION 3 for programmes with full cost only:

Purchases of **equipment, infrastructure or other assets** specifically for the action (or developed as part of the action tasks) may be declared as full capitalised costs if they fulfil the cost eligibility conditions applicable to their respective cost categories.

‘Capitalised costs’ means:

- costs incurred in the purchase or for the development of the equipment, infrastructure or other assets and
- which are recorded under a fixed asset account of the beneficiary in compliance with international accounting standards and the beneficiary’s usual cost accounting practices.

If such equipment, infrastructure or other assets are rented or leased, full costs for **renting or leasing** are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.]

[OPTION 4 for programmes with depreciation and full cost for listed equipment (grant-level):

Purchases of **equipment, infrastructure or other assets** used for the action must be declared as depreciation costs, calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

[additional OPTION if selected for the grant²⁴: Moreover, for the following equipment, infrastructure or other assets purchased specifically for the action (or developed as part of the action tasks):

- [insert name/type of equipment]
 - [insert name/type of equipment]
- [same for more equipment]

²³ If the RAO decides to set specific rules, they must be set out in the call and take into account the value of the contracts and the relative size of the EU contribution in relation to the total cost of the action and the risk (proportionality). Specific rules may only be set for the award of contracts of a value higher than EUR 60 000.

²⁴ Full purchase cost option and conditions must be specified in the call.

costs may exceptionally be declared as full capitalised costs, if they fulfil the cost eligibility conditions applicable to their respective cost categories.

‘Capitalised costs’ means:

- costs incurred in the purchase or for the development of the equipment, infrastructure or other assets and
- which are recorded under a fixed asset account of the beneficiary in compliance with international accounting standards and the beneficiary’s usual cost accounting practices.

If such equipment, infrastructure or other assets are rented or leased, full costs for **renting or leasing** are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.]]

[OPTION 5 for programmes with full cost and depreciation for listed equipment (grant-level):

Purchases of **equipment, infrastructure or other assets** specifically for the action (or developed as part of the action tasks) may be declared as full capitalised costs if they fulfil the eligibility conditions applicable to their respective cost categories ~~and if [insert additional eligibility conditions, if any]]~~.

‘Capitalised costs’ means:

- costs incurred in the purchase or for the development of the equipment, infrastructure or other assets and,
- which are recorded under a fixed asset account of the beneficiary in compliance with international accounting standards and the beneficiary’s usual cost accounting practices.

If such equipment, infrastructure or other assets are rented or leased, full costs for **renting or leasing** are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

[additional OPTION if selected for the grant: However, for the following equipment, infrastructure or other assets used for the action:

- [insert name/type of equipment]
 - [insert name/type of equipment]
- [same for more equipment]

the costs must be declared as depreciation costs, on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** such equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.]]

[OPTION 6 for programmes with choice at call level:

[OPTION 1 by default (depreciation only):

Purchases of **equipment, infrastructure or other assets** used for the action must be declared as depreciation costs, calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.]]

[OPTION 2 full cost only (if selected for the call²⁵):

Purchases of **equipment, infrastructure or other assets** specifically for the action (or developed as part of the action tasks) may be declared as full capitalised costs if they fulfil the cost eligibility conditions applicable to their respective cost categories.

‘Capitalised costs’ means:

- costs incurred in the purchase or for the development of the equipment, infrastructure or other assets and
- which are recorded under a fixed asset account of the beneficiary in compliance with international accounting standards and the beneficiary’s usual cost accounting practices.

If such equipment, infrastructure or other assets are rented or leased, full costs for **renting or leasing** are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.]]

[OPTION 3 depreciation + full cost for listed equipment at grant level (if selected for the call²⁶):

Purchases of **equipment, infrastructure or other assets** used for the action must be declared as depreciation costs, calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

[additional OPTION if selected for the grant²⁷: Moreover, for the following equipment, infrastructure or other assets purchased specifically for the action (or developed as part of the action tasks):

- [insert name/type of equipment]
- [insert name/type of equipment]
- [same for more equipment]

costs may exceptionally be declared as full capitalised costs, if they fulfil the cost eligibility conditions applicable to their respective cost categories.

‘Capitalised costs’ means:

- costs incurred in the purchase or for the development of the equipment, infrastructure or other assets and
- which are recorded under a fixed asset account of the beneficiary in compliance with international accounting standards and the beneficiary’s usual cost accounting practices.

If such equipment, infrastructure or other assets are rented or leased, full costs for **renting or leasing** are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.]]

[OPTION 4 full cost + depreciation for listed equipment at grant level (if selected for the call²⁸):

Purchases of **equipment, infrastructure or other assets** specifically for the action (or developed as part of the action tasks) may be declared as full capitalised costs if they fulfil the eligibility conditions applicable to their respective cost categories.

²⁵ To be used as an exception, only if justified by the nature of the actions and the context of the use of the equipment or assets.
²⁶ To be used as an exception, only if justified by the nature of the actions and the context of the use of the equipment or assets.
²⁷ Full purchase cost option and conditions must be specified in the call.
²⁸ To be used as an exception, only if justified by the nature of the actions and the context of the use of the equipment or assets.
²⁹ Depreciation option and conditions must be specified in the call.

‘Capitalised costs’ means:

- costs incurred in the purchase or for the development of the equipment, infrastructure or other assets and,
- which are recorded under a fixed asset account of the beneficiary in compliance with international accounting standards and the beneficiary’s usual cost accounting practices.

If such equipment, infrastructure or other assets are rented or leased, full costs for **renting or leasing** are eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

[additional OPTION if selected for the grant²⁹: However, for the following equipment, infrastructure or other assets used for the action:

- [insert name/type of equipment]
 - [insert name/type of equipment]
- [same for more equipment]

the costs must be declared as depreciation costs, on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary’s usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** such equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.]]]



3. Equipment costs (C.2): Types of costs — Form — Eligibility conditions — Calculation

3.1.1 What? If eligible under the Grant Agreement (*all Programmes*), the beneficiaries/affiliated entities may charge ‘Equipment costs’.

For Programmes that provide for depreciation (*HE, DEP, LIFE, SMP, AMIF, ISF, BMVI, EUAF, PERI, UCPM, RFCS, AGRIP, TSI*), this budget category covers the depreciation costs of equipment, infrastructure or other assets used for the action. In addition, in some cases (*e.g. infrastructure*), it may also include the costs necessary to ensure that the asset is ready for its intended use (*e.g. site preparation, delivery and handling, installation, etc*).

What not? If the beneficiary’s usual practice is to consider durable equipment costs (or some of them) as indirect costs, these can NOT be declared as direct costs, but are covered by the flat rate for indirect costs (*see Article 6.2.E*). Any depreciation declared as a direct cost under the action must be a direct cost under the beneficiary’s cost accounting practices (*see Article 6.2.*)

3.1.2 Depreciation costs must be **declared as** actual costs

3.1.3 The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for actual costs to be eligible (*i.e. incurred during the action duration, necessary, linked to the action, recorded in the beneficiary’s accounts, etc; see Article 6.1(a)*)
- have been purchased in accordance with Article 6.2.C

- be written off in accordance with the beneficiary's usual accounting practices and with international accounting standards.

'International accounting standards' are an internationally recognised set of rules for maintaining books and reporting company accounts, designed to be compared and understood across countries.

Example: The IAS 16 (International Accounting Standards) or the International Financial Reporting Standards (IFRS), originally created by the EU and now in common international use.

3.1.4 They must be **calculated** according to the following principles:

- the depreciable amount (purchase price) of the equipment must be allocated on a systematic basis over its useful life (*i.e. the period during which the equipment is expected to be usable*). If the equipment's useful life is more than a year, the beneficiary can NOT charge the total cost of the item in a single year (*see also 'cash-based accounting' below*)
- depreciated equipment costs can NOT exceed the equipment's purchase price
- if the beneficiary does not use the equipment exclusively for the action, only the portion used on the action may be charged; the amount of use must be auditable

Example:

A large 3D printer was bought before the action started and was not fully depreciated. For 6 months in reporting period 1 it was used for the action for 50% of the time and for other activities for the other 50% of the time. Linear depreciation is applied according to the beneficiary's usual practices (depreciation over the expected period of use of the 3D printer): EUR 100 000 per year (EUR 50 000 for 6 months).

Costs declared for the project: EUR 50 000 (6 months of use) multiplied by 50% of use for the action during those 6 months = EUR 25 000.

- the beneficiary can NOT charge depreciation for periods before the purchase of the equipment

Example: A robot-supported equipment was bought on 1 December. The reporting period ends on 31 December and the financial year also ends on 31 December. The maximum depreciation that the beneficiary may charge is 1 month (from 1 to 31 December); *i.e.* 1/12 of the annual depreciation. This applies even if the beneficiary recorded in its accounts at 31 December a full year of depreciation for the item.

The depreciation costs must be calculated for each reporting period.

Specific cases (equipment costs (C.2)):

Low-value assets — The full cost of a low-value asset may be eligible in the year when it is purchased if:

- the full cost is recorded in the accounts of the entity as expenditure of that year (*i.e. NOT recorded as an asset subject to depreciation*)
- the cost of the asset is below the low-value ceiling as defined under national law (*e.g. national tax legislation*) or other objective reference compatible with the materiality principle

and

- the item is used exclusively for the action in the year of purchase.

If the item is not used exclusively for the action in the year of purchase, only the portion used on the action may be charged.

Equipment bought before the action starting date — Depreciation costs for equipment used for the action, but bought before the action starting date are eligible if they fulfil the general eligibility conditions of [Article 6.1\(a\)](#). The remaining depreciation costs (the equipment has not been fully depreciated before the action's start) may be eligible for the portion corresponding to the action duration and to the rate of actual use for the purposes of the action.

Example: According to the beneficiary's accounting practices, a piece of equipment bought in January 2020 has a depreciation period of 48 months. If the action starts in January 2022 (when 24 months of depreciation have already passed) and the equipment is used for this action, the beneficiary can declare the depreciation costs incurred for the remaining 24 months, in proportion to the equipment's use for the action.

Full price of an asset in one single year — As a general rule, beneficiaries cannot charge the total purchase price of equipment to the action in a single year, unless the Grant Agreement explicitly foresees that option. The beneficiaries may therefore normally only charge the annual depreciation costs that correspond to the part of the equipment's use for the action. Declaring its *full* price in one single year would be considered either as not compliant with the international accounting standards or as an excessive cost — and therefore in both cases ineligible; see '*cash-based accounting*' below).

Cash-based accounting — As a general rule, beneficiaries cannot charge the total purchase price of equipment to the action in a single year, unless the Grant Agreement explicitly foresees that option. The beneficiaries may therefore normally only charge the annual depreciation costs that correspond to the part of the equipment's use for the action. This depreciation must be calculated in accordance with international accounting standards (*i.e. notably spread over the equipment's useful life*).

'Useful life' means the time during which the equipment is useful for the beneficiary. If the beneficiary does not normally calculate depreciation, it may refer to its national tax regulations to define the useful life of the equipment.

Therefore, if the equipment's useful life is more than a year, the beneficiary can NOT charge the full price in one single year (— even if the beneficiary's usual accounting practice is to record the equipment's *total* purchase cost as an expense in one year).

Example:

A beneficiary that uses cash-based accounting buys a machine for EUR 100 000 in March 2021. According to the logbook of the machine, it is used for the action 50% of the time from 1 July 2021 until the end of the action. The action started in January 2021 and runs for three years with two reporting periods. The machine's useful life is six years.

In the reporting period ending in June 2022, the beneficiary must declare depreciation costs taking into account the percentage of use, the time used for the action and the machine's useful life:

EUR 100 000 × (12/72 months) × 50% (used for the action) = amount declared for the machine in the first reporting period

In the reporting period ending in December 2023, the beneficiary must declare:

EUR 100 000 × (18/72 months) × 50% (used for the action) = amount declared for the machine in the second reporting period

Costs of renting or leasing of equipment, infrastructure or other assets — If the equipment was not purchased but rented or leased, the beneficiaries can charge the renting or leasing costs (*i.e. finance leasing, renting and operational leasing*).

The costs must comply with the general and specific eligibility conditions (*see Article 6.1(a) and Article 6.2.C*). Moreover, they must not:

- exceed the depreciation costs of similar equipment, infrastructure or assets
- include any financing fees (*e.g. finance charges included in the finance lease payments or interests on loans taken to finance the purchase*).

The costs must be calculated according to the following principles:

- *if Grant Agreement provides for depreciation:*
- they must correspond to the actual eligible costs incurred for the renting or leasing
- if equipment is not used exclusively for the action, only the portion used on the action may be charged. The amount of use must be auditable
- the beneficiary must ensure that there is no double charging of costs (in particular, no charging of depreciation costs for the prototype or pilot plant to the grant or another EU grant).
- *if Grant Agreement provides for full costs:*
- they must correspond to the actual eligible costs incurred for the renting or leasing
- the beneficiary must ensure that there is no double charging of costs (in particular, no charging of depreciation costs for the prototype or pilot plant to the grant or another EU grant).

Full capitalised costs (*HE, DEP, CEF, SMP, EUAF, CCEI, UCPM*) — If provided in the Grant Agreement, beneficiaries can charge the full capitalised costs for the equipment, infrastructure or other assets to the grant.

'Capitalised' costs means recorded as assets in the beneficiary's balance sheet. They may relate to:

- the full purchase costs (not only the depreciation costs for the relevant periodic report) and/or
- the full development costs (not only the depreciation costs for the relevant periodic report).

The costs must be recorded under a fixed asset account in the beneficiary's accounting records in compliance with international accounting standards and the beneficiary's usual cost accounting practices. Moreover, full purchase costs must comply with the general and specific eligibility conditions in [Article 6.1](#) and 6.2.C.

Example: *A beneficiary needs to buy an off-the-shelf equipment to perform some of its action tasks. The related purchase costs are eligible if they comply with Article 6.2.C (i.e. 'best value for money/or lowest price' and 'no conflict of interests' principles)*

Full development costs must, depending on the nature of the cost items included in the development cost, fulfil the general and specific cost eligibility conditions that would apply to the individual cost item (for example, have been purchased in accordance with Article 6.2.C or fulfil the specific conditions for personnel costs to be eligible Article 6.2.A)

Example:

A beneficiary is developing a prototype as part of its action tasks. For this purpose, it needs to buy several components and rely on a service provider to assemble some specific parts of the prototype. In that case, the related purchase costs are eligible if they comply with Article 6.2.C (i.e. notably with the 'best value for money/ or lowest price' and 'no conflict of interests' principles).

The beneficiary has also its own employees involved in the assembling of the other parts of the prototype. In that case, the related personnel costs are eligible if they comply with Article 6.2.A.1 (personnel costs for employees or equivalent appointing act).

The costs must be calculated according to the following principles:

- correspond to the actual costs incurred in the purchase or for the development and
- the beneficiary must ensure that there is no double charging of costs (in particular, no charging of depreciation costs for the prototype or pilot plant to the grant or another EU grant).

Depreciation and full costs for listed items (*HE, DEP, SMP, AMIF, ISF, BMVI, PERI, UCPM*) — If provided in the Grant Agreement, you use depreciation for all items, except certain items listed in the Grant Agreement for which you can charge full cost. *For details, see above.*

Full costs and depreciation for listed items (*HE, LIFE, SMP, UCPM*) — If provided in the Grant Agreement, you may charge all items at full cost, except the ones listed in the Grant Agreement for which you need to use depreciation. *For details, see above.*

-

General > Article 6.2.C.3 Other goods, works and services
C.3 Other goods, works and services *(all Programmes)*

C.3 Other goods, works and services

[OPTION 1 for programmes without costs for other goods, works and services (ineligible):
 Not applicable]

[OPTION 2 for programmes with costs for other goods, works and services (standard):
 Purchases of **other goods, works and services** must be calculated on the basis of the costs actually incurred.
 Such goods, works and services include, for instance, consumables and supplies, promotion, dissemination, protection of results, translations, publications, certificates and financial guarantees, if required under the Agreement.]



4. Costs of other goods, works and services (C.3): Types of costs — Form — Eligibility conditions — Calculation

4.1.1 What? If eligible under the Grant Agreement *(all Programmes)*, the beneficiaries/affiliated entities may charge other purchases as 'Other goods, works and services'.

This budget category covers the costs for goods and services that were purchased for the action, such as:

- costs for consumables and supplies *(e.g. raw materials, office supplies)*
- communication and dissemination costs *(e.g. translation and printing costs or graphic designer fees for printed products such as leaflets or other promotional items in relation to communication activities; conference fees; costs for speakers and interpreters)*
- costs related to intellectual property rights (IPR) *(e.g. costs related to protecting the results such as consulting fees or fees paid to patent offices)*
- costs for certificates on financial statements (CFS) and certificates on methodology (CoMUC; where necessary)
- costs for financial guarantees (only if required by the granting authority; see *Data Sheet, Point 4.2*).

Best practice: If there is any doubt about whether a cost is eligible, the beneficiaries should contact the granting authority.

What not? If it is the beneficiary's usual accounting practice to consider some of these costs (or all of them) as *indirect* costs, they cannot be declared as direct costs.

4.1.2 Costs of other goods, works and services must be **declared as** actual costs.

4.1.3 The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for actual costs to be eligible *(i.e. incurred during the action duration, necessary, linked to the action, etc; see Article 6.1(a))*

and

- be purchased specifically for the action and in accordance with Article 6.2.C

4.1.4. There is no specific **calculation** method. The costs must correspond to the eligible costs actually incurred (*i.e. the amount paid by the beneficiary for the supply of the goods, works or services*).

Specific cases (costs for other goods, works and services (D.3)):

Supplies in stock — Supplies and consumables which were already in the stock of the beneficiary may be eligible as a direct cost, if they are used for the action and fit the definition of direct costs under Article 6.2.

Self-produced consumables with an accounting value in the inventory of the beneficiary (*i.e. not internally invoiced costs for goods and services*) — Consumables that are manufactured (produced) by the beneficiary itself do not have a purchase price; the cost of production for the beneficiary is however normally recorded in the accounts of the beneficiary (as part of the *inventory*). Therefore, the eligible costs of self-produced consumables must be determined on the basis of its accounting value under the following conditions:

- only the *direct* costs within the accounting value of the consumable (cost of production) may be charged
- and
- the amount resulting from the indent above may not be significantly higher than the market price of the consumable.

⚠ Beneficiaries can **NOT** charge the **commercial price** of their self-produced consumables. You can NOT include a profit.

Staff provided by a temporary work agency — Costs for staff provided by a temporary work agency are eligible normally under category C.3 Other goods and services if they comply with the eligibility conditions (and unless the temporary work agency carries out directly some task of the action, in which case it can be considered as subcontracting and should be declared under category B Subcontracting).

IPR access rights (HE) — Royalties paid for IPR access rights (and by extension any lump sum payments) may be eligible costs provided that all the eligibility conditions are fulfilled (*e.g. necessary for the implementation of the action, incurred during the action, reasonable, etc.*).

The following are however NOT eligible (or eligible only within certain limits):

- royalties for an exclusive licence: are eligible only if it can be shown that the exclusivity (and thus the higher royalties) is absolutely necessary for the implementation of the action
- royalties for licensing agreements which were already in force before the start of the action: only the part of the licence fee that can be linked to the action is eligible (since the licence presumably goes beyond the action implementation)
- royalties for access rights to background granted by other beneficiaries for implementing the action: since the default rule is that access rights are granted on a royalty-free basis and beneficiaries may deviate only if agreed before grant signature, royalties may be eligible only if explicitly agreed by all beneficiaries before grant signature

Best practice: If beneficiaries intend to deviate from the default rule, it is recommended that this is explained in detail in their proposal.

- royalties for access rights to background granted by other beneficiaries for exploiting the results and by extension royalties paid to third parties for exploitation of the results: are NOT eligible.

Protection of results (HE) — Costs related to the protection of the actions results may be eligible if the eligibility conditions are fulfilled. However, costs related to protection of other intellectual property (*e.g. background patents*) are NOT eligible.

Plan for the exploitation and dissemination of results (HE) — Costs for drawing up the plan for the exploitation and dissemination of the results are normally NOT eligible since they will have been incurred before the start of the action, to prepare the proposal. Costs that occur when revising or implementing this plan may be eligible if the eligibility conditions are fulfilled.

Costs related to research output management (HE) – Costs for research output management (*e.g. management of research data*) are eligible if the eligibility conditions are fulfilled, including open access to peer-reviewed publications (but see the additional eligibility condition referenced immediately below), research data and other outputs.

Open access to scientific publications (HE) — In addition to fulfilling the other costs eligibility criteria, publication fees are ONLY eligible when publishing in full open access publishing venues (see [Annex 5 HE MGA](#)).

HE PRE-DRAFT

General > Article 6.2.D Other cost categories

D. Other cost categories

D. Other cost categories

[OPTION 1 for programmes without specific cost categories:

Not applicable]

[OPTION 2 for programmes with specific cost categories:



1. Other cost categories (D.X): Types of costs — Form — Eligibility conditions — Calculation

What? If eligible under the Grant Agreement, the beneficiaries/affiliated entities may charge costs under 'Other cost categories'.

Such cost categories exist in several EU Programmes:

- Financial support to third parties (*all Programmes except RFCS, EUAF, CUST, FISC, CCEI, PERI, TSI, UCPM; see Article 6.2.D.X FSTP*)
- Internally invoiced goods and services (*HE, DEP; see Article 6.2.D.X INT_INV*)
- HE Access to research infrastructure costs (*see Article 6.2.D.X RI*)
- HE PCP/PPI procurement costs (*see Article 6.2.D.X HE_PCP/PPI*)
- HE Euratom Cofund staff mobility costs (*see Article 6.2.D.X EURATOM*)
- HE ERC additional funding (*see Article 6.2.D.X ERC*)
- DEP PAC procurement costs (*see Article 6.2.D.X PAC*)
- CEF Studies (*see Article 6.2.D.X STUD*)
- CEF Synergetic elements (*see Article 6.2.D.X SYN*)
- CEF Works in outermost regions (*see Article 6.2.D.X OUT*)
- CEF Land purchase (*see Article 6.2.D.X CEF_LAND*)
- LIFE Land purchase (*see Article 6.2.D.X LIFE_LAND*)
- SMP PPI procurement costs (*see Article 6.2.D.X SMP_PPI*)
- SMP COSME EEN additional coordination and networking costs (*see Article 6.2.D.X EEN*)
- AMIF EMN ad hoc queries (*see Article 6.2.D.X QUERI*)
- CUST/FISC Long-term missions (*see Article 6.2.D.X MISS*)
- HUMA Field office costs (*see Article 6.2.D.X FIELD*)

General > Article 6.2.D.X > Financial support to third parties

D.X Financial support to third parties (*all Programmes except RFCS, EUAF, CUST, FISC, CCEI, PERI, TSI, UCPM*)

D.X Financial support to third parties

Costs for providing financial support to third parties (in the form of grants, prizes or similar forms of support; if any) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated [on the basis of the costs actually incurred]/[as unit costs in accordance with the method set out in Annex 2a] and the support is implemented in accordance with the conditions set out in Annex 1.

These conditions must ensure objective and transparent selection procedures and include at least the following:

- (a) for grants (or similar):
 - (i) the maximum amount of financial support for each third party ('recipient'); this amount may not exceed the amount set out in the Data Sheet (see Point 3)³⁰ or otherwise agreed with the granting authority
 - (ii) the criteria for calculating the exact amount of the financial support
 - (iii) the different types of activity that qualify for financial support, on the basis of a closed list
 - (iv) the persons or categories of persons that will be supported and
 - (v) the criteria and procedures for giving financial support
- (b) for prizes (or similar):
 - (i) the eligibility and award criteria
 - (ii) the amount of the prize and
 - (iii) the payment arrangements.

[This cost will not be taken into account for the indirect cost flat-rate.]]

³⁰ The amount must be specified in the call. It may not be more than 60 000 EUR, unless the objective of the action would otherwise be impossible or overly difficult (Article 204 EU Financial Regulation 2018/1046).



1. Financial support to third parties (D.X): Types of costs — Form — Eligibility conditions — Calculation

1.1.1 What? If eligible under the Grant Agreement (*all Programmes except RFCS, EUAF, CUST, FISC, CCEI, PERI, TSI, UCPM*), the beneficiaries/affiliated entities may charge costs under 'Financial support to third parties' where giving such support is part of the action activities.

This budget category covers cascading (meaning the beneficiaries of the EU grant provide themselves a financial contribution to third parties) grants, prizes or similar.

⚠ Actions may involve financial support to third parties ONLY where this is explicitly allowed in the call conditions.

Cascading grants may be given via a financial donation to natural persons (*e.g. allowance, scholarship, fellowship*) or legal persons (*e.g. non-repayable financial assistance to local NGOs*), seed money to start-ups or microcredit, or other forms. Prizes are given on the basis of a contest organised by the beneficiary.

Examples:

1. A action in the area of sustainable agriculture and forestry includes financial support for end-users (farmers) testing the technology developed within the action.
2. One of the work packages in Annex 1 includes funding for awarding three scholarships in the field of the action.
3. A prize announced at the beginning of the action for identifying a (new) approach to dealing with a technical implementation problem to be tackled at the end of the action.
4. A grant is given to a beneficiary foreseeing that the beneficiary should fund local NGOs which in turn provide food vouchers and micro-credits to natural persons in third countries.

⚠ The beneficiaries must promote the action and give visibility to the EU funding involved but must NOT present grants or prizes given by the beneficiary as given by the European Commission or any other granting authority (the beneficiary is providing the financial support on its own responsibility); see Article 17.

What not? Support in kind (e.g. transfer of material for free) by the beneficiary to a third party is NOT considered financial support.

⚠ This cost category can only cover financial support. In contrast, cost for non-financial support or support given in-kind (e.g. vouchers) to third parties must be declared under other categories (e.g. as cost for purchases of vouchers).

The recipients are not party to the Grant Agreement and therefore do NOT need to be listed.

1.1.2 Costs of financial support to third parties must be **declared as** actual costs.

1.1.3 The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for actual costs to be eligible (*i.e. incurred during the action duration, necessary, linked to the action, etc*; see [Article 6.1\(a\)](#))

and

- The maximum amount of financial support to third parties may normally NOT be more than EUR 60 000 per recipient. A higher amount can exceptionally be set out in Annex 1, if justified why this is necessary for the objectives of the action.

⚠ EUR 60 000 is a limit per recipient; several recipients could receive up to EUR 60 000 each (e.g. 3 grants of EUR 50 000 each).

- comply with the conditions for the support that are set out in Annex 1, and in particular:
 - for cascading grants (or similar):
 - the maximum amount per third party
 - the criteria for determining the exact amount of financial support (e.g. EUR 2 000 per hectare; EUR 30 000 per student for a two-year scholarship)

Unless otherwise specified in the Grant Agreement, the financial support provided by the beneficiaries may take any form (e.g. a lump sum or the reimbursement of the costs incurred by the recipients when implementing the supported activities); for the purposes of the EU grant, these remain however actual costs.

- a clear and exhaustive list of the types of activities that qualify for financial support for third parties (e.g. financial support for third parties allowed for technology-testing activities)

These activities should benefit, primarily, the recipients (NOT the beneficiaries).

- the persons or category(ies) of persons that may receive it (*e.g. farmers; PhD students, SMEs*)

Beneficiaries should describe in Annex 1 the procedures for selecting the recipients.

- the criteria for giving financial support (*e.g. physical characteristics of the agricultural plots which make them suitable for the purpose of the action*).

These criteria should respond to the objectives set out in the call conditions.

- for prizes:
 - the amount of the prize (*e.g. EUR 10 000*)
 - a clear and exhaustive list of the types of activities that qualify for financial support to third parties and the award criteria for assessing the quality of entries in light of the objectives and expected results
 - the conditions for participation and the conditions for cancellation of the contest, if any (*e.g. eligibility and exclusion criteria; deadline for submission of entries; possibility of jury interview*)
- The criteria must be objective.
- the payment arrangements (*usually one payment*).

The conditions must also already be part of the proposal.

⚠ The conditions (*type of activities, eligible countries, etc*) may have to follow similar principles as those that apply to the beneficiaries, if this is provided in the call conditions. The conditions must be specified in the Description of the Action (Annex 1). Unless otherwise provided for in the call conditions, financial support to third parties must be given directly from the EU grant beneficiary to the (final) recipients, without further intermediaries.

1.1.4. There is no specific **calculation** method. The costs must correspond to the eligible costs actually incurred (*i.e. the amounts paid by the beneficiary for the cascading grants, prizes or similar*).

General > Article 6.2.D.X > Internally invoiced goods and services

D.X Internally invoiced goods and services *(only HE, DEP, EDF)*

D.X Internally invoiced goods and services

Costs for **internally invoiced goods and services** directly used for the action may be declared as unit cost according to usual cost accounting practices, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions for such unit costs and the amount per unit is calculated:

- (a) using the actual costs for the good or service recorded in the beneficiary's accounts, attributed either by direct measurement or on the basis of cost drivers, and excluding any cost which are ineligible or already included in other budget categories; the actual costs may be adjusted on the basis of budgeted or estimated elements, if they are relevant for calculating the costs, reasonable and correspond to objective and verifiable information

and

- (b) according to usual cost accounting practices which are applied in a consistent manner, based on objective criteria, regardless of the source of 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.]



1. Internally invoiced goods and services (D.X): Types of costs — Form — Eligibility conditions — Calculation

1.1.1 What? If eligible under the Grant Agreement *(HE, EDF and DEP)*, the beneficiaries/affiliated entities may charge costs under 'Internally invoiced goods and services'.

This budget category covers the costs for goods and services that the beneficiary itself produced or provided for the action. They may include (non-exhaustive list):

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

What not? Costs of goods or services purchased and costs of goods or services internally invoiced which are not directly used for the action *(e.g. supporting services like cleaning, general accountancy, administrative support, etc)*.

1.1.2 Costs of internally invoiced goods and services must be **declared as** unit costs in accordance with usual cost accounting practices. The usual cost accounting practices must define both the unit *(e.g. hour of use of wind tunnel, one genomic test, one electronic wafer fabricated internally, etc)* and the methodology to determine the cost of the unit.



It is 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 (such a methodology must be part of its usual costs accounting practices). The beneficiary must also keep supporting evidence of the use of the good or service for the action and showing the number of units used.

1.1.3 The costs must comply with the following cumulative **eligibility conditions**:

- fulfil the general conditions for unit costs to be eligible (*i.e. units must be used during the action duration, necessary for the action, identifiable and verifiable, etc; see Article 6.1(b)*)
- be in line with the beneficiary's usual cost accounting practices

It must be the usual practice of the beneficiary to calculate a unit cost for that good or service. The unit cost is the internal cost per unit that is charged between departments of the same entity; it is not the price charged in the context of commercial sales or to grants from other fund providers.

- the cost accounting practices must have been applied in a consistent manner, based on objective criteria, regardless of the source of funding

The beneficiary must consistently apply its usual cost accounting practices to calculate the unit cost, based on objective criteria that must be verifiable if there is a check, audit, review or investigation. You must do this no matter who is funding the action.

Example (ineligible): *If you set up a new unit cost which applies only to EU actions, the internally invoiced costs based on that new unit cost would be ineligible as they would not be your usual cost accounting practice.*

Example (eligible): *If you make adjustments to comply with the Grant Agreement because the usual methodology includes an ineligible cost item, the adjusted methodology will still be considered as your usual cost accounting practice and not as a new unit cost.*

- amount per unit must have been calculated using the actual costs recorded in the beneficiary's accounts, excluding any ineligible costs or costs already included in other budget categories

If necessary, the unit cost must be adjusted to remove:

- cost elements that are ineligible under the Grant Agreement (even if they are part of the beneficiary's usual methodology for determining the unit cost for its internal invoices)

Example: *The beneficiary uses internal invoices for the use of an electronic microscope based on a unit cost per hour of use. The methodology to calculate the unit cost includes costs of capital (e.g. interest charged by the bank for a loan used to buy the microscope). Those costs are ineligible under the Grant Agreement (see Article 6.3) and must therefore be removed. The unit cost must be recalculated without them.*



A beneficiary can NOT simply apply an estimated percentage of deduction on the amount of its internal invoices to remove ineligible costs. It has to ensure that the internal invoice does not include any ineligible costs.

- costs of resources that do not belong to the beneficiary and which it uses free of charge (*e.g. personnel or equipment of a third party provided free of charge*), because those costs are not in its accounts (see Article 6.1(a)(v))
- costs that are already included in other budget categories (double funding of the same costs, see Article 6.1(a)(i)).

Example: *The beneficiary uses internal invoices for water chemistry analyses, based on a unit cost per water sample analysed. The methodology to calculate the unit cost includes the cost of the staff carrying out the analysis. However, the costs for those persons are already charged to the*

action under direct personnel costs (category A.1). The cost of the staff must therefore be removed and the unit cost must be recalculated without them.

- if budgeted or estimated elements were included in the calculation of the amount per unit, those elements must:
 - be relevant (*i.e. clearly related to invoiced item*)
 - be used in a reasonable way (*i.e. do not play major role in calculating the unit cost*)
 - correspond to objective and verifiable information (*i.e. their basis is clearly defined and the beneficiary can show how they were calculated*)
- only the share of the cost item that is used for the production of the internally invoiced good or service may be included in the pool of costs used to determine the cost per unit. The share must be calculated using the allocation keys defined in the beneficiary’s usual costs accounting practices.

Allocation keys resulting in a higher unit cost for the internally invoiced good or service when used in EU grants compared with other projects will NOT be accepted.



Ceiling – The share of the cost of a cost item included in the internal invoice reduces the share of the cost item that can be charged as direct costs to EU actions.

For example, the share of the working time of a person that is included in the calculation of the unit cost reduces the number of day-equivalents that the person can charge over the year to EU grants (*see Article 6.2.A*). The same time of the person can NOT be charged twice to the grant, i.e. it can NOT be once embedded in the unit cost and again as direct personnel costs.

Example: Costs for an animal housing facility

Examples of costs generally eligible as part of the unit cost	Examples of costs ineligible as part of the unit cost
<ul style="list-style-type: none"> – staff working for the facility (e.g. keepers, veterinarians and other persons directly assigned to run the animal house) – consumables used for the animal housing (e.g. animal food, bedding) – depreciation of cages and other equipment directly used to the housing of the animals – generic supplies like electricity or water used in the facility – specific maintenance and cleaning of the animal house facility – costs of shared infrastructures where the animal housing is located (e.g. central heating, air-conditioning system) and their shared maintenance costs, allocated via usual key driver – shared services with allocation of the costs incurred for the animal house facility via usual key driver (e.g. shared cleaning services of the building where the animal housing is located) – depreciation costs of shared buildings allocated via usual key driver (e.g. if the animal housing is part of a main building of the beneficiary) 	<ul style="list-style-type: none"> – bank interests – provisions for future expenses – cost declared under other cost categories (e.g. personnel cost, equipment depreciation cost) and indirect cost – any other ineligible costs (<i>see Article 6.5</i>)

Example: Costs for a wind tunnel facility

Examples of costs generally eligible as part of the unit cost	Examples of costs ineligible as part of the unit cost
<ul style="list-style-type: none"> – staff working for the facility (e.g. technicians, engineers and other persons directly assigned to the functioning of the wind tunnel) – depreciation of the equipment, including specific software and hardware necessary for the functioning of the wind tunnel – generic supplies like electricity used for the wind tunnel – insurance of the wind tunnel (or the premises in which it is located) – specific maintenance and cleaning of the wind tunnel equipment (e.g. air cooling system) – calibration/metrology tests of the wind tunnel – costs of shared infrastructures where the wind tunnel is located, allocated via usual key driver (e.g. central heating, air-conditioning system) and their related shared maintenance costs – depreciation costs of shared buildings allocated via usual key driver (e.g. if the building where the wind tunnel is located is part of a main building of the beneficiary) 	<ul style="list-style-type: none"> – bank interests – provisions for future expenses – cost declared under other cost categories (e.g. personnel cost, equipment depreciation cost) and indirect cost – any other ineligible costs (see Article 6.5)

1.1.4 The costs must be **calculated** for each internally invoiced good and service in accordance with the conditions set out above.

Specific cases (costs of internally invoiced goods and services (D.X)):

Actual indirect costs (HE) — The share of the cost item that is used for the production of the internally invoiced good or service may be calculated either by direct measurement ('actual direct costs') or by using the allocation keys defined in the beneficiary's usual costs accounting practices ('actual indirect costs') (e.g. power supply costs allocated to a clean room on the basis of the square meters it occupies).

Co-owned resources (HE) — As an exception, if the resource for which the unit cost is calculated is co-owned by the beneficiary and a third party, the costs registered in the accounts of the third party for the co-owned resource do not need to be removed if:

- the third party is mentioned in the grant (e.g. as third party providing in-kind contributions in Annex 1) and
- the costs fulfil the other eligibility conditions of this Article (e.g. directly linked to the resource, exclude ineligible costs, etc).

General > Article 6.2.D.X > HE Other cost categories

D.X HE ERC additional funding

[OPTION for HE ERC Grants: D.7 ERC additional funding

Costs for ERC additional funding (e.g. start-up costs, major equipment, access to large facilities, major experimental and field work costs) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated on the basis of the costs actually incurred, comply with the conditions set out in Points A and C for the underlying types of costs (personnel and purchases) and are incurred for activities eligible for such additional funding.

Changes to this cost category require either an amendment or, exceptionally, simplified approval (ex post in the periodic report). These changes may only be accepted provided that the objectives for which the additional funding was awarded remain the same.]

[OPTION for HE ERC Grants: D.8 ERC additional funding (subcontracting, FSTP and internally invoiced goods and services)

Costs for ERC additional funding (subcontracting, financial support to third parties (FSTP) and internally invoiced goods and services) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated on the basis of the costs actually incurred, comply with the conditions set out in Points B, D.1 and D.2 for the underlying types of costs (subcontracting, financial support to third parties and internally invoiced goods and services) and are incurred for activities eligible for such additional funding.

Changes to this cost category require either an amendment or, exceptionally, simplified approval (ex post in the periodic report). These changes may only be accepted provided that the objectives for which the additional funding was awarded remain the same.

This cost will not be taken into account for the indirect cost flat-rate.]



1. HE ERC additional funding (D.X): Types of costs — Form — Eligibility conditions — Calculation

1.1.1 What? If eligible under the Grant Agreement, the beneficiaries/affiliated entities may charge 'ERC additional funding'.

This budget category covers types of costs for additional funding set out in the applicable ERC Work Programme (e.g. major equipment, major fieldwork costs, etc). Check your call text.

1.1.2 They must be **declared** as actual costs.

1.1.3 The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for costs to be eligible (i.e. used during the action duration, necessary for the action, identifiable and verifiable, etc; see Article 6.1(a))

and

- fulfil the specific eligibility conditions for the type of cost in question (e.g. costs related to a purchase of major equipment must also fulfil the specific eligibility conditions for the cost category C.2 Equipment).

1.1.4. The costs must correspond to the eligible costs actually incurred (i.e. the amount paid by the beneficiary) and must be calculated according to the rules applicable to the type of cost in question.

2. ERC additional funding (subcontracting, FSTP and internally invoiced goods and services): Types of costs — Form — Eligibility conditions — Calculation

2.1.1 What? If eligible under the Grant Agreement, the beneficiaries/affiliated entities may charge 'ERC additional funding (*subcontracting, FSTP and internally invoiced goods and services*).

This budget category covers the types of costs for additional funding set out in the ERC Work Programme and related to subcontracting, financial support to third parties (FSTP), and internally invoiced goods and services. (*e.g. major experimental work costs, access to large facilities, etc*). Check your call text.

2.1.2 They must be **declared** as actual costs or as unit costs (for additional funding related to internally invoiced goods and services)

2.1.3 The costs must comply with the following **eligibility conditions**:

- fulfil the general conditions for costs to be eligible (*i.e. used during the action duration, necessary for the action, identifiable and verifiable, etc; see Article 6.1(a)*)

and

- fulfil the specific eligibility conditions for the type of cost in question (*i.e. subcontracting, financial support to third parties (FSTP) and internally invoiced goods and services*).

2.1.4. The costs must correspond to the eligible (unit or actual) costs incurred and must be calculated according to the rules applicable to the type of cost in question. **Specific cases (ERC additional costs (D.7 and D.8)):**

Simplified approval procedure (additional funding) — If you need to make some changes in relation to the additional funding granted, the coordinator must request a GA amendment in order to change the Annex 1 (see *Article 39*) or flag it in the periodic report (simplified approval procedure; for details, see *Article 6.1*). In the latter case, you bear however the risk that the granting authority might not approve the change and reject the costs. It is highly recommended to contact the granting authority before deciding on any change.

Example (change that could be accepted):

1. The additional funding was awarded to purchase a particular piece of major equipment. During the implementation of the action, the PI proposes to use the additional funding to acquire a newly developed equipment that would allow the research team to carry out the action tasks in a more efficient manner. This change could be accepted.

2. The additional funding was awarded to carry out a sociological experiment in three European countries. During the implementation of the action, the PI proposes to enlarge the scope of the funded research and to include a fourth non-European country in the abovementioned experiment. This change could be accepted.

Example (change that would not be accepted):

1. The additional funding was awarded to finance a scientific expedition to Antarctica. After successfully executing the expedition, the PI proposes to use remaining additional funding to purchase equipment for the action. This change would not be accepted.

2. The additional funding was awarded to cover the internally invoiced access to large facilities of the beneficiary. During the implementation of the action, the PI proposes to use the additional funding to recruit new team members in order to explore and develop alternative lines of research. This change would not be accepted.

Indirect costs**General > Article 6.2.E Indirect costs****E. Indirect costs** (*all Programmes*)**E. Indirect costs**

[OPTION 1 for programmes without indirect costs:

Not applicable]

[OPTION 2 for programmes with indirect costs (standard):

Indirect costs will be reimbursed at the flat-rate of [7%][[...%]] of the *[OPTION A for programmes with standard 7% flat-rate on all cost categories: eligible direct costs (categories A-D, except volunteers costs and exempted specific cost categories, if any)]**[OPTION B for programmes with 25% flat rate: eligible direct costs (categories A-D, except volunteers costs, subcontracting costs, financial support to third parties and exempted specific cost categories, if any)]**[OPTION C for programmes with flat rate on different base: [list the costs on which the flat-rate should be based, e.g. personnel costs (category A, except volunteers costs, if any)]].]*

**1. Indirect costs (E.): Types of costs — Form — Eligibility conditions — Calculation**

What? If eligible under the Grant Agreement (*all Programmes; except CEF, CCEI and some LIFE and EUAF calls*), the beneficiaries/affiliated entities may charge the 'Indirect costs'.

This budget category covers all costs for the action that are not *directly* linked to it (i.e. overheads).

1.2 Indirect costs are **declared** as a fixed flat-rate (*except EDF*). For most Programmes the flat-rate is fixed at 7% of the eligible direct cost in accordance with Article 181(6) EU Financial Regulation; for some Programmes, a higher rate is foreseen in the Programme Regulation (see '*specific cases*' below).

1.3 The costs must comply with the following **eligibility conditions**:

- fulfil the **general conditions** for flat-rate costs to be eligible (*i.e. costs to which the flat-rate is applied must be eligible, correct calculation, etc.; see Article 6.1(c)*)

1.4 The costs must be **calculated** by applying the 7% flat-rate to the eligible costs (*categories A-D, except volunteers costs and exempted specific cost categories, if any*).

The calculation itself is automated: The indirect cost amount is prefilled by the IT system. Beneficiaries can change the amount, if they would like to request less indirect costs (*for instance, because they have a parallel EU operating grant; see 'specific case' below*).

Specific cases (indirect costs E.)

Combining of EU action and operating grants — Beneficiaries that have parallel EU action and operating grants may claim indirect costs in their action grants ONLY if they are able to demonstrate cost separation (*i.e. that their operating grants do not cover any costs which are covered by their action grants*).

To demonstrate cost separation, the following conditions must be fulfilled:

- the operating grant may NOT cover 100% of the beneficiary's annual budget (i.e. it may not be a full operating grant)
- the beneficiary must use analytical accounting which allows for a cost accounting management with cost allocation keys and cost accounting codes AND must apply these keys and codes to

identify and separate the costs (*i.e. to allocate them to either the action grant activities or the operating grant activities*)

- the beneficiary must record:
 - all real costs incurred for the activities that are covered by their operating grants (*i.e. personnel, general running costs and other operating costs linked to the work programme of activities*) and
 - all real costs incurred for the activities that are covered by the action grant (including the real indirect costs linked to the action)
- the allocation of the costs must be done in a way that leads to a fair, objective and realistic result.

Beneficiaries that cannot fulfil these conditions must either:

- keep the operating grant, but sign the action grant *without* indirect costs or request no indirect costs at reporting stage (*i.e. lower the pre-filled amount in the indirect cost column of the financial statement*)
- or
- renounce to the operating grant, in order to be able to claim indirect costs in the action grant.

Best practice: In case of overlapping EU action and operating grants, contact the granting authority (via Funding & Tenders Portal Message) for advice.

⚠ Be aware that operating grants are not always easy to identify. They exist under various labels (operating grants; financial contributions/support to the functioning/operation of entities; etc.). Check your call text.

25% indirect cost flat-rate (HE, SME COSME EEN, EDF) — If provided in the Grant Agreement, the flat-rate is 25%, but the pool of eligible cost is smaller (*categories A-D, except volunteers costs, subcontracting costs, financial support to third parties and exempted specific cost categories, if any*).

For HE, all specific cost categories except D.7 ERC additional costs are exempted (*i.e. do NOT count for the flat-rate*).

Example:

A public university is a beneficiary under a Grant Agreement 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 = EUR 130 000

Eligible indirect costs: 25 % of (100 000 + 10 000) = EUR 27 500

Total eligible costs: EUR 157 500

Other indirect cost flat-rates (RFCS, AGRIP, SMP ESS) — Other Programmes have higher (or lower) indirect cost flat-rates and variables for the pool of eligible costs (*e.g. RFCS 35%, AGRIP 4%, SMP ESS 30% all on category A. Personnel costs, except volunteers costs*)

Actual Indirect Cost (EDF) — If provided for in the call conditions, you may charge actual indirect cost instead of a flat-rate in accordance with the rules of the Grant Agreement.

General > Article 6.3 Ineligible costs/contributions

6.3 Ineligible costs and contributions

6.3 Ineligible costs and contributions

The following costs or contributions are **ineligible**:

- (a) costs or contributions that do not comply with the conditions set out above (Article 6.1 and 6.2), in particular:
 - (i) costs related to return on capital and dividends paid by a beneficiary
 - (ii) debt and debt service charges
 - (iii) provisions for future losses or debts
 - (iv) interest owed
 - (v) currency exchange losses
 - (vi) bank costs charged by the beneficiary’s bank for transfers from the granting authority
 - (vii) excessive or reckless expenditure
 - (viii) *[OPTION 1 for programmes with VAT eligible: deductible or refundable VAT (including VAT paid by public bodies acting as public authority)] [OPTION 2 for programmes with VAT ineligible: VAT (always ineligible)]*
 - (ix) costs incurred or contributions for activities implemented during Grant Agreement suspension (see Article 32)
 - (x) *[OPTION 1 by default: in-kind contributions by third parties] [OPTION 2 for programmes with in-kind contributions eligible: in-kind contributions by third parties: not applicable]*
- (b) costs or contributions declared under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget), except for the following cases:
 - *[OPTION 1 for programmes with Synergy actions: [OPTION 1 by default: Synergy actions: not applicable] [OPTION 2 if selected for the grant: if the grants are part of jointly coordinated Synergy calls and funding under the grants does not go above 100% of the costs and contributions declared to them]] [OPTION 2 for programmes without Synergy actions: Synergy actions: not applicable]*
 - if the action grant is combined with an operating grant³¹ running during the same period and the beneficiary can demonstrate that the operating grant does not cover any (direct or indirect) costs of the action grant
- (c) 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)
- (d) costs or contributions (especially travel and subsistence) for staff or representatives of EU institutions, bodies or agencies

³¹ For the definition, see Article 180(2)(b) of EU Financial Regulation 2018/1046: ‘**operating grant**’ means an EU grant to finance “the functioning of a body which has an objective forming part of and supporting an EU policy”.

(e) Other³²:

- (i) *[OPTION 1 by default: country restrictions for eligible costs: not applicable] [OPTION 2 for programmes with country restrictions for eligible costs: [OPTION 1 by default: country restrictions for eligible costs: not applicable] [OPTION 2 if selected for the call: costs or contributions for activities that do not take place in the eligible countries or target countries set out in the call conditions — unless approved by the granting authority]]*
- (ii) *[OPTION 1 by default: other ineligible costs: not applicable] [OPTION 2 for programmes with other ineligible costs: costs or contributions declared specifically ineligible in the call conditions]*.

³² Condition must be specified in the call.



1. Ineligible costs and contributions

Costs and contributions are ineligible, if one of the following applies:

- they do not meet the general and specific eligibility conditions set out in Articles 6.1 and 6.2

Example: bonuses paid by participants do not fulfil the conditions set out in Article 6.2; Subcontracting costs that do not comply with Article 13.

- they are listed in Article 6.3, in particular:

- costs related to return on capital or dividends paid by a beneficiary

Example: dividends paid as remuneration for investing in the action; remuneration paid as a share in the company's equity.

- debt and debt service charges

'Debt service' is the amount paid on a loan in principal and interest, over a period of time.

Example: A beneficiary takes a loan used to acquire equipment or consumables for the project of EUR 100 000 at 9 percent interest for 10 years, the debt service for the first year (principal and interest) is EUR 15 582 and cannot be declared as eligible cost.

- provisions for future losses or debts

'Provision' means an amount set aside in an organisation's accounts, to cover for a known liability of uncertain timing or amount. This includes allowances for doubtful or bad debts.

- interest owed (*i.e. interest on a loan to borrow capital*)
- currency exchange losses (*i.e. for beneficiaries using currencies other than euros or being invoiced in a currency other than the currency they use: any loss due to exchange rate fluctuations, e.g. between the date of invoicing and the date of payment*)
- bank costs charged by the beneficiary's bank for transfers from the granting authority

Conversely, bank charges for the distribution of the EU funding from the coordinator to the beneficiaries may constitute an eligible cost for the coordinator (if the eligibility conditions of Article 6.1 and Article 6.2.C.3 are met).

- excessive or reckless expenditure

'Excessive' means paying significantly more for products, services or personnel than the prevailing market rates or the usual practices of the beneficiary (and thus resulting in an avoidable financial loss to the action).

'Reckless' means failing to exercise care in the selection of products, services or personnel (and thus resulting in an avoidable financial loss to the action).

- deductible or refundable VAT (including VAT paid by public bodies acting as public authority)

'Deductible VAT' means VAT that is recoverable under the national VAT system (*i.e. the system of collection and deduction under the national VAT legislation*). Such VAT is not a genuine and definitive cost and should therefore normally, according to accounting standards, not be recorded as such. The cost and revenue accounts should exclude deductible VAT; such VAT should be recorded in *separate* payable or receivable accounts, without effect on revenue or cost line items.

The VAT *paid* is a claim against the tax authority. It should be recorded in the 'assets' part of the balance sheet. It should not be recorded as expenditure in the profit and loss accounts (only the purchase price of goods and services *excluding* VAT should be recorded). Similarly, for the value of purchased equipment or assets, only the net purchase cost should be recorded in the balance sheet's fixed asset line, and the depreciation cost should be calculated based on this value, excluding VAT.

The VAT *collected* is a debt towards the tax authority and should therefore be recorded in the 'liabilities' part of the balance sheet.

Conversely, if VAT is NOT deductible, it is an eligible cost.

The full price of the goods or services bought by the beneficiary can be recorded as expenditure in its profit and loss accounts, without any distinction between the net price and the amount of VAT charged on it. The full price of equipment and assets bought can be recorded in the balance sheet's fixed asset line and is the basis for the depreciation allowances recorded in the profit and loss accounts.

- costs incurred during the suspension of the implementation of the action

Example: Action is suspended and one of the beneficiaries continues working on it after the date of the suspension

- in-kind contributions for free (these are not a cost for the beneficiary; **except** in HE where they can be charged as eligible costs; see [Article 6.1](#))
- costs declared under another EU grant (*i.e. double funding*), **except** for Synergies actions or operating grants

This includes:

- costs funded directly by other EU Programmes managed by the European Commission or EU executive agencies
- costs managed/funded/awarded by Member States but co-funded from the EU budget (*e.g. Structural Funds, RRF, etc*)
- costs for grants awarded/funded/managed by other EU, international or national bodies and co-funded with EU funds (*e.g. Joint Undertakings, Article 185 TFEU bodies*)

- 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*)
- costs or contributions (especially travel and subsistence) for staff or representatives of EU institutions, bodies or agencies
- for restricted calls: costs or contributions for activities that do not take place in the eligible countries or target countries set out in the call conditions — unless approved by the granting authority
- cost declared specifically ineligible in the call conditions.

Specific cases (ineligible costs):

Non-identifiable VAT (in foreign invoices) — In exceptional cases where the beneficiary cannot identify the VAT charged by the supplier (*e.g. small non-EU invoices*), the full purchase price can be recorded in the accounts if it is not possible to deduct the VAT. That VAT would therefore be eligible.

Partially deductible VAT — Some entities have a mixed VAT regime, meaning that they carry out VAT exempt or out-of-the-scope activities AND VAT taxed activities. When VAT paid on goods or services by these entities cannot be directly allocated to one or the other category of activities, it will be *partially* deductible. Therefore it will also be *partially* eligible. The eligible part corresponds to the pro-rata of the VAT which is not deductible for that entity.

In these cases, the beneficiary uses a provisional (estimated) deduction ratio during the year. The final ratio is only determined at the end of the fiscal year. The beneficiary must regularise VAT when closing its accounts. Therefore, the beneficiary must also regularize the VAT costs declared for the grant (*by declaring, in the next reporting period, an adjustment for the difference between the provisional deduction ratio and the final ratio*).

VAT incurred in non-EU countries — VAT which cannot be refunded in third countries may be considered eligible under certain conditions. The beneficiaries must be able to show that their request for exemption has been rejected by the competent authorities or the applicable legislation which stipulate that VAT cannot be refunded.

If a beneficiary receives a VAT refund after the receipt of the final payment it needs to inform the granting authority which will recover cost unduly paid for the VAT.

Duties — The eligibility of duties depends on the eligibility of the cost item to which they are linked (*i.e. in whose price they are included*). If the item is eligible, the duty is also eligible.

Combining EU Synergy grants — Different EU grants can be combined if they are part of jointly coordinated Synergy actions and the funding under the grants does not go above 100% of the costs and contributions declared to them.

Combining of EU action and operating grants — EU action grants can be combined with EU operating grants if beneficiaries are able to demonstrate cost separation (*i.e. that their operating grants do not cover any costs which are covered by their action grants*).

Example: *Operating grants are grants awarded to support the running costs of certain institutions pursuing an aim of European interest, such as: College of Europe, European standards bodies (CEN, CENELEC, ETSI).*

CHAPTER 4 GRANT IMPLEMENTATION
**SECTION 1 CONSORTIUM: BENEFICIARIES, AFFILIATED ENTITIES
 AND OTHER PARTICIPANTS**

General > Article 7 — Beneficiaries

ARTICLE 7 — BENEFICIARIES

ARTICLE 7 — BENEFICIARIES

The beneficiaries, as signatories of the Agreement, are fully responsible towards the granting authority for implementing it and for complying with all its obligations.

They must implement the Agreement to their best abilities, in good faith and in accordance with all the obligations and terms and conditions it sets out.

They must have the appropriate resources to implement the action and implement the action under their own responsibility and in accordance with Article 11. If they rely on affiliated entities or other participants (see Articles 8 and 9), they retain sole responsibility towards the granting authority and the other beneficiaries.

They are jointly responsible for the *technical* implementation of the action. If one of the beneficiaries fails to implement their part of the action, the other beneficiaries must ensure that this part is implemented by someone else (without being entitled to an increase of the maximum grant amount and subject to an amendment; see Article 39). The *financial* responsibility of each beneficiary in case of recoveries is governed by Article 22.

The beneficiaries (and their action) must remain eligible under the EU programme funding the grant for the entire duration of the action. Costs and contributions will be eligible only as long as the beneficiary and the action are eligible.

The **internal roles and responsibilities** of the beneficiaries are divided as follows:

- Each beneficiary must:
 - keep information stored in the Portal Participant Register up to date (see Article 19)
 - inform the granting authority (and the other beneficiaries) immediately of any events or circumstances likely to affect significantly or delay the implementation of the action (see Article 19)
 - submit to the coordinator in good time:
 - (vi) the prefinancing guarantees (if required; see Article 23)
 - (vii) the financial statements and certificates on the financial statements (CFS) (if required; see Articles 21 and 24.2 and Data Sheet, Point 4.3)
 - (viii) the contribution to the deliverables and technical reports (see Article 21)
 - (ix) any other documents or information required by the granting authority under the Agreement
 - submit via the Portal data and information related to the participation of their affiliated entities.
- The coordinator must:
 - (iv) monitor that the action is implemented properly (see Article 11)
 - (v) act as the intermediary for all communications between the consortium and the granting authority, unless the Agreement or granting authority specifies otherwise, and in particular:

- (c) submit the prefinancing guarantees to the granting authority (if any)
 - (d) request and review any documents or information required and verify their quality and completeness before passing them on to the granting authority
 - (e) submit the deliverables and reports to the granting authority
 - (f) inform the granting authority about the payments made to the other beneficiaries (report on the distribution of payments; if required, see Articles 22 and 32)
- (c) distribute the payments received from the granting authority to the other beneficiaries without unjustified delay (see Article 22).

The coordinator may not delegate or subcontract the above-mentioned tasks to any other beneficiary or third party (including affiliated entities).

However, coordinators which are public bodies may delegate the tasks set out in Point (b)(ii) last indent and (iii) above to entities with ‘authorisation to administer’ which they have created or which are controlled by or affiliated to them. In this case, the coordinator retains sole responsibility for the payments and for compliance with the obligations under the Agreement.

Moreover, coordinators which are ‘sole beneficiaries’³³ (or similar, such as European research infrastructure consortia (ERICs)) may delegate the tasks set out in Point (b)(i) to (iii) above to one of their members. The coordinator retains sole responsibility for compliance with the obligations under the Agreement.

The beneficiaries must have **internal arrangements** regarding their operation and co-ordination, to ensure that the action is implemented properly.

If required by the granting authority (see Data Sheet, Point 1), these arrangements must be set out in a written **consortium agreement** between the beneficiaries, covering for instance:

- (f) the internal organisation of the consortium
- (g) the management of access to the Portal
- (h) different distribution keys for the payments and financial responsibilities in case of recoveries (if any)
- (i) additional rules on rights and obligations related to background and results (see Article 16)
- (j) settlement of internal disputes
- (k) liability, indemnification and confidentiality arrangements between the beneficiaries.

The internal arrangements must not contain any provision contrary to this Agreement.

*[OPTION for programmes with linked actions: [OPTION if selected for the grant: For **linked actions**, the beneficiaries must have **arrangements** with the participants of the other action, to ensure that both actions are implemented and coordinated properly.]*

If required by the granting authority (see Data Sheet, Point 1), these arrangements must be set out in a written **collaboration agreement** with the participants of the other action or, if the consortium is the same, as part of their consortium agreement, covering for instance:

- (xi) the internal organisation and decision making processes

³³ For the definition, see Article 187(2) EU Financial Regulation 2018/1046: “Where several entities satisfy the criteria for being awarded a grant and together form one entity, that entity may be treated as the **sole beneficiary**, including where it is specifically established for the purpose of implementing the action financed by the grant.”

³⁴ For the definition, see Article 196(2)(c) EU Financial Regulation 2018/1046: “**Entities which do not have legal personality** under the applicable national law [shall be eligible for participating in a call for proposals], provided that their representatives have the capacity to undertake legal obligations on behalf of the entities and that the entities offer guarantees for the protection of the financial interests of the Union equivalent to those offered by legal persons.”

- (xii) the areas where close collaboration/synchronisation is needed (e.g. on management of outputs, common approaches towards standardisation, links with regulatory and policy activities, common communication and dissemination activities, sharing of information, access to background and results, etc.)
- (xiii) settlement of disputes
- (xiv) liability, indemnification and confidentiality arrangements between the beneficiaries in both actions.

The arrangements with the participants of the other action must not contain any provision contrary to this Agreement.]]



1. Division of roles and responsibilities — Responsibilities towards the granting authority

The beneficiaries are formal parties to the Grant Agreement (they sign the Grant Agreement or Accession Forms) and thus have full responsibility for implementing the action properly and for complying with the obligations under the Grant Agreement (see [Article 11](#)).

This means that:

- each beneficiary must ensure that it complies with its GA obligations
- each beneficiary must ensure swift and proper implementation of the action (i.e. that there are no delays and that the work is done properly)
- each beneficiary is responsible (towards the granting authority) for the tasks performed by its subcontractors, affiliated entities and associated partners
- the granting authority is NOT responsible for the implementation of the action and has NO responsibility for the way in which the action is conducted (or any adverse consequences).

The beneficiaries are jointly responsible for the **technical implementation** of the action. This means that they (and all new beneficiaries added later on during the project through an amendment) accept that they are together responsible for fully implementing the whole project.

If one of them withdraws, the remaining partners must carry out the action as set out in the description of the action (DoA; Annex 1) — including the part of the defaulting beneficiary. They will have to do this without any additional funding. The Grant Agreement will have to be amended, in order to redistribute the tasks, terminate the beneficiary's participation, and/or add a new beneficiary (see [Article 39](#)).

Example: Legal entities A, B and C are members of a consortium that signed a GA with the Commission in order to carry out an action. One year later, beneficiary C goes bankrupt. Beneficiaries A and B (or one of the two) must take over the part of beneficiary C (or ensure replacement by adding a new beneficiary), to make sure that the entire action is successfully completed as described in Annex 1.

In case of **recoveries (financial liability)**:

- for Programmes without mutual insurance mechanism (MIM) (*all programmes, except HE*) the financial liability is as follows:
 - at the payment of the balance, the coordinator is fully liable for the whole amount that needs to be paid back to the granting authority (— even if it has not been the final recipient of the amount); the pre-information letter will include a table with the calculations and the division of the debt, so that the coordinator can collect the amounts from the beneficiaries concerned; if the coordinator doesn't pay, the granting authority will enforce recovery (through offsetting, drawing on the

The coordination tasks include quality-checking documents/information submitted by the beneficiaries, including:

- reviewing the individual financial statements from each beneficiary to verify consistency with the action tasks, as well as their completeness and correctness (*e.g. that the addition of the different costs declared by the beneficiary corresponds to the total amount declared*)
- verifying that all the requested documents/information have been provided by the beneficiary (*e.g. the use of resources, etc.*)
- verifying that the beneficiary submits the documents/information in the requested format
- verifying that the technical information submitted by a beneficiary concerns its action tasks as described in Annex 1 (and not something unrelated to the action).

The coordinator is not, however, obliged to verify the *eligibility* of these costs in accordance with [Article 6](#) nor to request justifications. Each beneficiary/affiliated entity remains responsible for the cost it declares (both as regards eligibility and as regards sufficient records and supporting documents to substantiate them).

The key coordination tasks listed above can normally NOT be subcontracted or outsourced to another entity (including other beneficiaries, subcontractors or affiliated entities).must ensure that that

By contrast, the coordinator remains free — like any other beneficiary — to use affiliated entities or subcontractors for *other* tasks; see [Articles 8 and 9.4](#)).

Specific cases (coordinator's responsibilities):

Authorisation to administer — Coordinators that are public bodies may exceptionally delegate the administration of the payments to another entity, often a foundation.

The entity must fulfil the following conditions:

- they must have been granted an 'authorisation to administer'
- and
- it must be affiliated, controlled or created by the coordinator in order to handle its administrative affairs (and those must include receiving and administering EU funds).

In this case, the entity should participate in the action as affiliated entity and the bank account number to be provided during grant preparation must be that of the entity. The payments will then be transferred directly to it. The entity must therefore be registered in the [Participant Register](#) and validated by the Central Validation Service. It will get its own PIC — although it is not a beneficiary and does not do any other action tasks.

Coordinators using a third party with authorisation to administer remain fully responsible for them under the Grant Agreement.

Sole beneficiaries or similar (*e.g. ERICs*¹¹) — Coordinators which are sole beneficiaries (or similar, *e.g. European Research Infrastructure Consortia (ERICs)*) and do not have their own resources may exceptionally delegate the following coordination tasks to one of their members:

- inform about events or circumstances likely to affect significantly or delay the action implementation (see [Article 7](#))
- monitor that the action is implemented properly (see [Article 11](#))
- submit deliverables and reports (see [Articles 7 and 21.2](#))
- submit documents or information required (see [Article 19](#))

Coordinators using one of their members remain fully responsible for them under the Grant Agreement.

Technical/scientific coordinator — Non-administrative coordination tasks (*i.e. tasks not listed in this Article, e.g. technical or scientific coordination of the action*) can be carried out by any other participant.

They may internally (*i.e. within the consortium*) be called 'technical' or 'scientific coordinator', but for the purposes of the grant, they will NOT be considered coordinator.

Costs for this type of coordination are eligible, if they comply with the eligibility conditions set out in [Article 6](#).

¹¹ Council Regulation (EC) No [723/2009](#) of 25 June 2009 on the Community legal framework for a European Research Infrastructure Consortium (OJ L 206, 08.08.2009, p.1)

4. Internal arrangements between beneficiaries — Consortium agreement

The participants should conclude a consortium agreement to ensure a smooth and successful project implementation (— mandatory if required in the call conditions).

Best practice: In view of their importance for avoiding disputes and ensuring a smooth implementation of the grant, we strongly recommend that every consortium sets up a consortium agreement, even if not mandatory in the call conditions.

The 'consortium agreement' is an agreement between members of the consortium, to set out their internal arrangements for implementing the project and the administration of the EU grant. It is purely internal; the granting authority is not party and has NO responsibility for it (nor for any adverse consequences).

The consortium agreement should **complement** the GA and must NOT contain any provision contrary to it (or the applicable EU, international or national law).

The consortium agreement should in principle be negotiated and concluded **before GA signature** (*i.e. each beneficiary should sign the consortium agreement before signing the Accession Form to accede to the Grant Agreement*). Otherwise, there is usually a serious risk that prolonged disagreement jeopardises the action. Of course, the consortium agreement does not have to remain the same during the lifetime of the action, it can be modified by the consortium at any moment.

The consortium agreement must be **in writing**. It may be a simple written agreement or take some other form (*e.g. a notarial deed or part of the statutes of a separate legal entity, such as a European Economic Interest Grouping, association or joint venture*).

Best practice: Consider carefully the advantages and disadvantages of the different legal forms, and choose the one that best fits your consortium's specific needs.

i For guidance on consortium agreements, see [How to draw up your consortium agreement and the Funding & Tenders Portal Online Manual](#).

5. Relationship with beneficiaries of linked actions — Collaboration agreement

The participants of linked actions should conclude a collaboration agreement to ensure that both actions are implemented and coordinated properly (— usually mandatory).

A 'collaboration agreement' is an agreement between the beneficiaries of the two projects to coordinate their work. It is purely internal; the granting authority is not party and has NO responsibility for them (nor for any adverse consequences). If the consortium of the two linked actions is the same, the collaboration agreement may be included in the consortium agreement.

The beneficiaries of linked actions must — through the collaboration agreement — decide on collaboration and synchronisation of the activities as well as on the internal organisation and decision processes of the linked actions. If they want, they may also create and participate in common boards and advisory structures. These complement the governance of the project; they do NOT replace the consortium and other project governance mechanisms (if any).

i For guidance on collaboration agreements, see [How to draw up your collaboration agreement](#).

General > Article 8 — Affiliated entities**ARTICLE 8 — AFFILIATED ENTITIES****ARTICLE 8 — AFFILIATED ENTITIES**

[OPTION 1 for programmes without affiliated entities: Not applicable]

[OPTION 2 for programmes with affiliated entities (standard): [OPTION 1 if selected for the grant: The following entities which are linked to a beneficiary will participate in the action as ‘affiliated entities’:

- [AE legal name (short name)], PIC [number], linked to [BEN legal name (short name)]
 - [AE legal name (short name)], PIC [number], linked to [BEN legal name (short name)]
- [same for more AE]

Affiliated entities can charge costs and contributions to the action under the same conditions as the beneficiaries and must implement the action tasks attributed to them in Annex 1 in accordance with Article 11.

Their costs and contributions will be included in Annex 2 and will be taken into account for the calculation of the grant.

The beneficiaries must ensure that all their obligations under this Agreement also apply to their affiliated entities.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the affiliated entities.

Breaches by affiliated entities will be handled in the same manner as breaches by beneficiaries. Recovery of undue amounts will be handled through the beneficiaries.

If the granting authority requires joint and several liability of affiliated entities (see Data Sheet, Point 4.4), they must sign the declaration set out in Annex 3a and may be held liable in case of enforced recoveries against their beneficiaries (see Article 22.2 and 22.4).]

[OPTION 2: Not applicable]]

**1. Affiliated entities**

Affiliated entities (former ‘linked third parties’; **new for 2021-2027**) are entities with a legal link to the beneficiaries which implement parts of the action and are allowed to charge costs directly to the grant.

They do not become party to the Grant Agreement (do not sign the GA) but they are part of the consortium and often play an important role. They are therefore de facto treated like beneficiaries (*have their own financial statement, must provide their own CFS, must contribute to the technical report, must submit deliverables, etc*). Annotations in this AGA which refer to beneficiaries usually also apply to affiliated entities (just like the provisions of the MGA themselves; *see also MGA Preamble*).

Characteristics of implementation by affiliated entities:

- Affiliated entity does not charge a price, but declares its *own costs* for implementing the action tasks.
- Affiliated entity itself performs certain action tasks directly and is responsible for them towards the beneficiary. Affiliated entities do NOT sign the GA (and are therefore not beneficiaries).
- The beneficiary remains responsible towards the granting authority for the work carried out by the affiliated entity.

Moreover, the beneficiaries remain financially responsible for the recovery of undue payments from their affiliated entities.

- Work is attributed to the affiliated entity (in Annex 1) and is usually carried out on its premises.
- Work is under the full and direct control, instructions and management of the affiliated entity, who carries out this part of the action (with its employees).

'Legal link to the beneficiaries' means a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation. This covers:

- permanent legal structures (e.g. *the relationship between an association and its members*)
- contractual cooperation not limited to the action (e.g. *a collaboration agreement for research in a particular field*)
- capital link, i.e.
 - direct or indirect control of the beneficiary
 - under the same direct or indirect control as the beneficiary
 or
 - directly or indirectly controlling the beneficiary.

This covers not only the case of parent companies or holdings and their daughter companies or subsidiaries and vice-versa, but also the case of affiliates between themselves (e.g. *entities controlled by the same entity*).

Examples:

1. *Associations, foundations or other legal entities composed of members — That entity is generally the beneficiary and the members are the affiliated entities.*

2. *Joint Research Units (JRU) (i.e. research laboratories/infrastructures created and owned by two or more different legal entities in order to carry out research) — They do not have a separate legal personality, but form a single research unit where staff and resources from the different members are put together to the benefit of all. Though lacking legal personality, they exist physically, with premises, equipment, and resources that belong to them. A member of the JRU can be the beneficiary and other members can participate as affiliated entities. The JRU has to meet all the following conditions:*

- *scientific and economic unity*
- *last a certain length of time*
- *recognised by a public authority.*

It is necessary that the JRU itself is recognised by a public authority, i.e. an entity identified as such under the applicable national law. The beneficiary must provide to the granting authority, a copy of the resolution, law, decree, decision, attesting the relationship between the beneficiary and the affiliated entity(ies), or a copy of the document establishing the 'joint research unit', or any other document that proves that research facilities are put in a common structure and correspond to the concept of scientific and economic unit.

3. *Company A established in France holding 20% of the shares in Company B established in Italy. However, with 20% of the shares, it has 60% of the voting rights in company B. Therefore, company A controls company B and both companies may be affiliated entities.*

4. *Company X and company Y do not control each other, but they are both owned by company Z. They are both considered affiliated entities.*

Affiliated entities must fulfil the same conditions for participation and funding as beneficiaries.

Example: *Company A established in Germany is a beneficiary in a HE grant. A owns B, a French company and also owns C, an US company. B and C may be considered affiliates to A, however only B may participate as affiliated entity to A, because company C is established in a third country that is not eligible. C can participate as associated partner.*

Affiliated entities must be listed in Article 8, their tasks must be mentioned in Annex 1 and their budget in Annex 2. There is NO simplified approval procedure.

The beneficiaries are responsible for the proper implementation of the action tasks done by affiliated entities (*proper quality, timely delivery, etc*). They must moreover ensure that the affiliated entities comply with the same obligations as they themselves (*mutatis mutandis*).

Obligations that must be extended to affiliated entities:

- (a) all obligations

It is the beneficiaries' responsibility to ensure that these obligations are accepted by the affiliated entities.

Moreover, the beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. *granting authority; the European Court of Auditors (ECA); the European Anti-Fraud Office (OLAF)*) have the right to carry out checks, reviews, audits and investigations on the affiliated entities, and in particular to audit the payments received. If access is denied by the affiliated entities, the costs will be rejected.

⚠ Affiliated entities do NOT have direct access to the Portal electronic exchange system. They therefore always need to go through their beneficiaries (*to submit financial statements, contribute to the technical report, etc*).

Specific cases (affiliated entities):

Joint and several liability of affiliated entities — The granting authority may (during the selection procedure) require joint and several liability of an affiliated entity, if:

- the financial capacity of a beneficiary is 'weak' and
- the beneficiary mainly coordinates the work of its affiliated entity.

Examples:

1. *The financially weak beneficiary is an association and most of the work is carried out by several of its members as affiliated entities.*
2. *The financially weak beneficiary is a small company with a substantial part of its work implemented by a bigger affiliated entity.*
3. *The proposal submitted by four independent entities established in four Member States is positively evaluated. The four successful applicants decide to form a legal entity to simplify the management of the project. The newly established entity will be the beneficiary, i.e. a new legal entity. The successful applicants will carry out the work as affiliated entities of the new legal entity.*

If requested, the affiliated entity must accept joint and several liability with the beneficiary. In this case it must sign a declaration (on paper and in blue-ink, using Annex 3a) to be submitted by the beneficiary at the moment of its accession to the GA (or of the amendment introducing the affiliated entity in the GA). The affiliated entity must send the original to the beneficiary (by registered post with proof of delivery), who must upload it (as a scanned PDF copy) in the system.

The liability is for any amount owned by the beneficiary under the GA, and up to the affiliated entities maximum EU contribution in Annex 2.

ℹ For more information on the financial capacity check, see the *Funding & Tenders Portal Online Manual*.

General > Article 9 — Other participants

ARTICLE 9 — OTHER PARTICIPANTS INVOLVED IN THE ACTION

General > Article 9.1 Associated partners

9.1 Associated partners

ARTICLE 9 — OTHER PARTICIPANTS INVOLVED IN THE ACTION

9.1 Associated partners

[OPTION 1 for programmes without associated partners: Not applicable]

[OPTION 2 for programmes with associated partners (standard): [OPTION 1 if selected for the grant: The following entities which cooperate with a beneficiary will participate in the action as ‘associated partners’:

- [AP legal name (short name)], PIC [number] /associated partner of [BEN legal name (short name)]]
- [AP legal name (short name)], PIC [number] /associated partner of [BEN legal name (short name)]]

[same for more AP]

Associated partners must implement the action tasks attributed to them in Annex 1 in accordance with Article 11. They may not charge costs or contributions to the action and the costs for their tasks are not eligible.

The tasks must be set out in Annex 1.

The beneficiaries must ensure that their contractual obligations under Articles 11 (proper implementation), 12 (conflict of interests), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the associated partners.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the associated partners.]

[OPTION 2: Not applicable]]



1. Associated partners

Associated partners are entities that implement action tasks but without receiving EU funding.

They do not become party to the Grant Agreement (do not sign the GA), but they implement important parts of the action and are thus often involved actively in the consortium. Therefore, the Grant Agreement mentions them and defines their role (rights and obligations).

Characteristics of implementation by associated partners:

- Associated partner participates at own costs (does not receive EU funding).
- Associated partner performs action tasks directly. Associated partners do NOT sign the GA (and are therefore not beneficiaries).
- The consortium (or in case a link exists with a specific beneficiary, the beneficiary) remains responsible towards the granting authority for the action tasks performed by associated partners.

Associated partners do NOT need to have a (capital or legal) link to the beneficiary (but they may have one) and do NOT need to comply with the eligibility conditions for funding (but they may be, and just choose to participate without funding).

Associated partners must be listed in Article 9.1, their tasks must be mentioned in Annex 1. For some programmes (*HE only*), applicants may include the total estimated costs of their

associated partners in the budget for their proposal (i.e under 'Other sources of financing': 'Financial contributions' and 'Own resources' headings). But this is for information purposes only. The information is not transferred to the grant as the associated partners are not required to report on their costs. There is NO simplified approval procedure.

The consortium is responsible for the proper implementation of the tasks implemented by associated partners (*proper quality, timely delivery, etc*). They must moreover ensure that they comply with certain obligations:

Obligations that must be extended to associated partners:

- (b) Proper implementation (see [Article 11](#))
- (c) Avoiding conflict of interest (see [Article 12](#))
- (d) Confidentiality and security obligations (see [Article 13](#))
- (e) Ethics (see [Article 14](#))
- (f) Give visibility to the EU funding (see [Article 17.2](#))
- (g) Respect specific rules for the action implementation (see [Article 18](#))
- (h) Information obligations (see [Article 19](#))
- (i) Record-keeping (see [Article 20](#)).

It is the beneficiaries' responsibility to ensure that these obligations are accepted by the associated partners (*e.g. via contractual arrangements, consortium agreement, etc*).

Moreover, the beneficiaries must ensure that the bodies mentioned in Article 25 (*e.g. granting authority; the European Court of Auditors (ECA); the European Anti-Fraud Office (OLAF)*) have the right to carry out checks, reviews, audits and investigations on the associated partners, particular concerning the action implementation.

General > Article 9.2 Third parties giving in-kind contributions**9.2 Third parties giving in-kind contributions****9.2 Third parties giving in-kind contributions**

[OPTION 1 for programmes with in-kind contributions allowed but not eligible (standard): Other third parties may give in-kind contributions to the action (i.e. personnel, equipment, other goods, works and services, etc. which are free-of-charge), if necessary for the implementation.

Third parties giving in-kind contributions do not implement any action tasks. They may not charge costs or contributions to the action and the costs for the in-kind contributions are not eligible.

The third parties and their in-kind contributions should be set out in Annex 1.]

[OPTION 2 for programmes with in-kind contributions eligible:

Other third parties may give in-kind contributions to the action (i.e. personnel, equipment, other goods, works and services, etc. which are free-of-charge) if necessary for the implementation.

Third parties giving in-kind contributions do not implement any action tasks. They may not charge costs or contributions to the action, but the costs for the in-kind contributions are eligible and may be charged by the beneficiaries which use them, under the conditions set out in Article 6. The costs will be included in Annex 2 as part of the beneficiaries' costs.

The third parties and their in-kind contributions should be set out in Annex 1.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the third parties giving in-kind contributions.]

[OPTION 3 for programmes with in-kind contributions not allowed:

In-kind contributions (i.e. personnel, equipment, other goods and services, etc. given by third parties free-of-charge) are not allowed for the implementation of the action.]

**1. Third parties providing in-kind contributions: In-kind contributions allowed but not eligible**

This is the standard rule for most EU programmes. Beneficiaries may use in-kind contributions provided by third parties, if necessary to implement the action, but they are not counted towards the project budget (not eligible).

Examples (in-kind contributions allowed but not eligible): Civil servant working as a professor in a public university is also working on the action. His salary is paid not by the beneficiary (the university) but by the government (the ministry). It can therefore not be charged to the EU grant.

⚠ In-kind contributions refers only to the case where a third party makes available some of its resources to a beneficiary, **for free** (i.e. without any payment; **new for 2021-2027**). In this case, the beneficiary itself makes no payment and there is therefore NO cost incurred by the beneficiary. The costs are therefore normally NOT eligible (unless specifically provided for in the EU Programme Regulation, e.g. **for HE**) Grant Agreement.

By contrast, if there is any payment between the third party and the beneficiary related to the in-kind contribution provided, the beneficiary can declare the corresponding costs as:

- personnel costs for seconded persons (see Article 6.2.A.3)
- renting costs for equipment (see Article 6.2.C.2) or
- purchase costs for other goods, works and services (see Article 6.2.C.3).

2. Third parties providing in-kind contributions: In-kind contributions eligible

For some EU Programmes (**only HE**), the Programme Regulation allows in-kind contribution costs to be charged to the action.

Examples (in-kind contributions eligible): *Civil servant working as a professor in a public university is also working on the action. His salary is paid not by the beneficiary (the university) but by the government (the ministry). The beneficiary may charge these costs to the grant, even if they are paid by a third party (the ministry/government).*

The eligibility conditions for such costs are set out in [Article 6.1](#).

In-kind contributions and the third parties contributing them must be mentioned in Annex 1 (*simplified approval procedure allowed; see below*).

If in-kind contributions are charged to the grant, the beneficiaries must ensure that the bodies mentioned in Article 25 (*e.g. granting authority; the European Court of Auditors (ECA); the European Anti-Fraud Office (OLAF)*) have the right to carry out checks, reviews, audits and investigations on the third parties, and in particular to audit their costs. If access is denied by the third party, the costs will be rejected.

3. Third parties providing in-kind contributions: In-kind contributions not allowed

If prohibited by a Programme (**currently not for any Programme**), you may not allow in-kind contributions to your project.

Specific cases (in-kind contributions eligible):

Simplified approval procedure (new contributions) — If the need for an in-kind contribution was not known at GA signature, the coordinator must request a GA amendment in order to introduce it in the Annex 1 (*see Article 39*) or flag it in the periodic report (*simplified approval procedure; for details, see Article 6.1*). In the latter case, you bear however the risk that the granting authority might not approve the new contribution and reject the costs.

General > Article 9.3 Subcontractors**9.3 Subcontractors****9.3 Subcontractors**

[OPTION 1 for programmes without subcontractors (ineligible): Not applicable]

[OPTION 2 for programmes with subcontractors (standard): Subcontractors may participate in the action, if necessary for the implementation.

Subcontractors must implement their action tasks in accordance with Article 11. The costs for the subcontracted tasks (invoiced price from the subcontractor) are eligible and may be charged by the beneficiaries, under the conditions set out in Article 6. The costs will be included in Annex 2 as part of the beneficiaries' costs.

The beneficiaries must ensure that their contractual obligations under Articles 11 (proper implementation), 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the subcontractors.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the subcontractors.]

**1. Subcontractors**

Subcontractors do not become party to the Grant Agreement (do not sign the GA), but they often implement important parts of the action. Therefore, the Grant Agreement mentions them and defines their role (rights and obligations).

Characteristics of subcontracting:

- Based on business conditions.
This means that the subcontractor charges a price, which usually includes a profit (— this distinguishes it from affiliated entities; see [Article 8](#)).
- Subcontractor works without the direct supervision of the beneficiary and is not hierarchically subordinate to the beneficiary (— this distinguishes it from action tasks implemented by in-house consultants; see [Article 6.2.A.2](#)).
- Subcontractor's motivation is pecuniary, not the project work itself. The subcontractor is paid by the beneficiary in exchange for its work.
- The beneficiary remains fully responsible towards the granting authority for action tasks performed by subcontractors.
- Subcontractor has no rights or obligations towards the granting authority or the other beneficiaries (it has no contractual relation with them).

Examples (subcontracts):

Testing and analysis of the resistance of a new component under high temperatures, if described in Annex 1 as action task.

Subcontracts (*tasks to be subcontracted and estimated costs; not necessarily the subcontractor, especially if not known yet*) must be justified in Annex 1 (*simplified approval procedure allowed; see below*).

The beneficiaries are responsible for the proper implementation of the subcontracted action tasks by the subcontractors (*proper quality, timely delivery, etc*). They must moreover ensure that they comply with certain obligations:

Obligations that must be extended to subcontractors:

- (j) Proper implementation (see [Article 11](#))
- (k) Avoiding conflict of interest (see [Article 12](#))
- (l) Confidentiality and security obligations (see [Article 13](#))
- (m) Ethics (see [Article 14](#))
- (n) Give visibility to the EU funding (see [Article 17.2](#))
- (o) Respect specific rules for the action implementation (see [Article 18](#))
- (p) Information obligations (see [Article 19](#))
- (q) Record-keeping (see [Article 20](#)).

It is the beneficiaries' responsibility to ensure that these obligations are accepted by the subcontractors (e.g. via contractual arrangements, etc).

Moreover, the beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority; the European Court of Auditors (ECA); the European Anti-Fraud Office (OLAF)) have the right to carry out checks, reviews, audits and investigations on the subcontractors, and in particular to audit the payments received. If access is denied by the subcontractor, the costs will be rejected.

Specific cases (subcontractors):

Simplified approval procedure (new subcontracts) — If the need for a subcontract was not known at GA signature, the coordinator must request a GA amendment in order to introduce it in the Annex 1 (see [Article 39](#)) or flag it in the periodic report (simplified approval procedure; for details, see [Article 6.1](#)). In the latter case, you bear however the risk that the granting authority might not approve the new subcontract and reject the costs.

General > Article 9.4 Recipients of financial support to third parties**9.4 Recipients of financial support to third parties****9.4 Recipients of financial support to third parties**

[OPTION 1 for programmes without financial support to third parties: Not applicable]

[OPTION 2 for programmes with financial support to third parties: If the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the third parties receiving the support (recipients).

The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients.]

**1. Recipients of financial support to third parties**

Recipients of financial support to third parties (*grants, prizes or other*) do not become party to the Grant Agreement (do not sign the GA) and are not part of the consortium. They do not implement action tasks, but they benefit from them and receive (indirectly) a part of the EU funding. Therefore, the Grant Agreement mentions them and defines their role (rights and obligations).

The beneficiaries are responsible for the proper use of the funding by the recipients and must ensure that they comply with certain obligations:

Obligations that must be extended to recipients:

- (r) Avoiding conflict of interest (*see Article 12*)
- (s) Confidentiality and security obligations (*see Article 13*)
- (t) Ethics (*see Article 14*)
- (u) Give visibility to the EU funding (*see Article 17.2*)
- (v) Respect specific rules for the action implementation (*see Article 18*)
- (w) Information obligations (*see Article 19*)
- (x) Record-keeping (*see Article 20*).

It is the beneficiaries' responsibility to ensure that these obligations are accepted by the recipients (*e.g. via call conditions or contractual arrangements, scholarship agreement, rules of contest, etc.*).

Moreover, the beneficiaries must ensure that the bodies mentioned in Article 25 (*e.g. granting authority; the European Court of Auditors (ECA); the European Anti-Fraud Office (OLAF)*) have the right to carry out checks, reviews, audits and investigations on the recipients, and in particular to audit the payments received. If access is denied by the recipient, the costs will be rejected.

SECTION 2 RULES FOR CARRYING OUT THE ACTION

General > Article 11 — Proper implementation of the action

ARTICLE 11 — PROPER IMPLEMENTATION OF THE ACTION

ARTICLE 11 — PROPER IMPLEMENTATION OF THE ACTION

11.1 Obligation to properly implement the action

The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement, the call conditions and all legal obligations under applicable EU, international and national law.

11.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.



1. Proper implementation of the action

The action must be properly implemented. This general obligation is twofold, i.e.:

1. the action (i.e. the work) must be carried out as described in the description of the action (DoA; Annex 1 of the Grant Agreement)
- and
2. the project must be implemented in compliance with all Grant Agreement obligations and all the applicable provisions of EU, international and national law (*including general principles, such as fundamental rights, values and ethical principles*).

This means in practice, that full compliance is expected. If activities take place in several countries, the participants must comply both with the national law of the country in which they are established AND that of the country where the action is implemented.

Example: *Each beneficiary must comply in particular with the labour law applicable to the personnel working on the action and must fulfil the tax and social obligations related to the activities it carries out under the applicable national law. If a part of the activities is done in another country, the applicable rules must be respected.*

The work must be done properly (good quality) and on time. Participants must prevent delays (or reduce them as much as possible). In addition, important delays should be immediately signalled to the granting authority (*see Article 19*).

General > Article 13 — Confidentiality and security

ARTICLE 13 — CONFIDENTIALITY AND SECURITY

ARTICLE 13 — CONFIDENTIALITY AND SECURITY

13.1 Sensitive information

The parties must keep confidential any data, documents or other material (in any form) that is identified as sensitive in writing ('sensitive information') — during the implementation of the action and for at least until the time-limit set out in the Data Sheet (see Point 6).

If a beneficiary requests, the granting authority may agree to keep such information confidential for a longer period.

Unless otherwise agreed between the parties, they may use sensitive information only to implement the Agreement.

The beneficiaries may disclose sensitive information to their personnel or other participants involved in the action only if they:

- (iii) need to know it in order to implement the Agreement and
- (iv) are bound by an obligation of confidentiality.

The granting authority may disclose sensitive information to its staff and to other EU institutions and bodies.

It may moreover disclose sensitive information to third parties, if:

- (a) this is necessary to implement the Agreement or safeguard the EU financial interests and
- (b) the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

- (i) the disclosing party agrees to release the other party
- (ii) the information becomes publicly available, without breaching any confidentiality obligation
- (iii) the disclosure of the sensitive information is required by EU, international or national law.

Specific confidentiality rules (if any) are set out in Annex 5.

13.2 Classified information

The parties must handle classified information in accordance with the applicable EU, international or national law on classified information (in particular, Decision 2015/444 and its implementing rules).

Deliverables which contain classified information must be submitted according to special procedures agreed with the granting authority.

Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the granting authority.

Classified information may not be disclosed to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority.

Specific security rules (if any) are set out in Annex 5.

13.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.



1. Sensitive information — Confidentiality

If the project involves, uses or generates information that should not be made public (e.g. *commercially sensitive information, business or trade secrets, confidential market data, valuable results not yet protected by intellectual property rights, security-sensitive information, etc*), it should be identified and handled as 'sensitive' in accordance with the provisions in Article 13.1 and (and Annex 5, if the Grant Agreement sets out specific rules for the Programme, e.g. HE). If linked to security concerns, the proposal may moreover have to undergo a security review before selection and be made subject to specific security recommendations in Annex 1 (e.g. HE, DEP).

Sensitive information (former 'confidential'; **new for 2021-2027**) must be kept confidential — during the action and for at least five years afterwards (see *Data Sheet, Point 6*) — meaning that it may be disclosed only within the strict limits of what is allowed under Article 13, in particular to implement the Grant Agreement or safeguard the EU financial interests.

The confidentiality obligation is a minimum obligation: Beneficiaries may extend the period and agree to additional confidentiality-related obligations among themselves (*for example, for access for other participants*). Moreover, they may ask the granting authority to extend the period. This request must explain why and clearly identify the sensitive information concerned.

Best practice: In order to avoid issues, it is recommended that beneficiaries inform each other and the granting authority in case they know about laws that would require disclosing sensitive information. This can allow to work together to minimise any negative effects.

2. EU-classified information

If the project uses or generates information that is (or must be) classified, additional obligations will apply in line with Article 13.2 (and Annex 5, if the Grant Agreement sets out specific rules for the Programme):

- security rules for protecting EU classified information set out in Decision (EU, Euratom) No 2015/444¹² and its implementing rules on classified grants¹³ and programme security instruction (PSI), if any (e.g. HE)
- national rules on the protection of classified information and
- security of information agreements concluded by the EU with third countries or international organisations (if relevant).

Projects expected to involve EUCI will have to undergo a security review procedure before selection, to set EU classification levels and other security recommendations (e.g. HE, DEP).

Example: *some of the information produced by a project could potentially be used to plan terrorist attacks or avoid detection of criminal activities.*

To minimise costs and restrictions caused by classifying project information, the classification will be for a limited time — after which classification will be reviewed with the possibility to downgrade declassify, or even extend the classification period of classified information.

¹² Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p.53).

¹³ Commission Decision (EU, Euratom) 2021/259 of 10 February 2021 laying down implementing rules on industrial security with regard to classified grants (OJ L 58, 19.2.2021, p. 55).



Be aware that national/third country security requirements (*national/third country security classification, national export restrictions, etc*) may affect the project implementation (and even put it at risk). It is your responsibility to avoid this and to keep your project free of such restrictions (either by adapting it or by obtaining all necessary authorisations to be able to comply with your obligations under the Grant Agreement). Any potential security issues should immediately be notified to the granting authority.

Example: According to national rules a personnel security clearance (PSC) may be required for accessing information even below CONFIDENTIEL UE/EU CONFIDENTIAL level. You will need to comply also with these stricter rules.

2. Specific rules in Annex 5

Depending on the Programme, additional rules may be set out in Annex 5 (e.g. HE, DEP, CEF, EMFAF, AMIF, ISF, BMVI, UCPM).

HE PRE-DRAFT

General > Article 16 — IPR — Background and results — Access rights and rights of use

ARTICLE 16 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE

ARTICLE 16 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE

16.1 Background and access rights to background

The beneficiaries must give each other and the other participants access to the background identified as needed for implementing the action, subject to any specific rules in Annex 5.

‘Background’ means any data, know-how or information — whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights — that is:

- held by the beneficiaries before they acceded to the Agreement and
- needed to implement the action or exploit the results.

If background is subject to rights of a third party, the beneficiary concerned must ensure that it is able to comply with its obligations under the Agreement.

16.2 Ownership of results

The granting authority does not obtain ownership of the results produced under the action.

‘Results’ means any tangible or intangible effect of the action, such as data, know-how or information, whatever its form or nature, whether or not it can be protected, as well as any rights attached to it, including intellectual property rights.

16.3 Rights of use of the granting authority on materials, documents and information received for policy, information, communication, dissemination and publicity purposes

The granting authority has the right to use non-sensitive information relating to the action and materials and documents received from the beneficiaries (notably summaries for publication, deliverables, as well as any other material, such as pictures or audio-visual material, in paper or electronic form) for policy information, communication, dissemination and publicity purposes — during the action or afterwards.

The right to use the beneficiaries’ materials, documents and information is granted in the form of a royalty-free, non-exclusive and irrevocable licence, which includes the following rights:

- (iii) **use for its own purposes** (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- (iv) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes)
- (v) **editing or redrafting** (including shortening, summarising, inserting other elements (e.g. meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation)
- (vi) **translation**
 - (vii) **storage** in paper, electronic or other form
 - (viii) **archiving**, in line with applicable document-management rules

- (ix) the right to authorise **third parties** to act on its behalf or sub-license to third parties the modes of use set out in Points (b), (c), (d) and (f), if needed for the information, communication and publicity activity of the granting authority and
- (x) **processing**, analysing, aggregating the materials, documents and information received and **producing derivative works**.

The rights of use are granted for the whole duration of the industrial or intellectual property rights concerned.

If materials or documents are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

Where applicable, the granting authority will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the [name of granting authority] under conditions.”

16.4 Specific rules on IPR, results and background

Specific rules regarding intellectual property rights, results and background (if any) are set out in Annex 5.

16.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.



1. Background and access rights to background

In order to ensure a successful project, the participants must give each other mutual access to background that is necessary for the project implementation (and thus get an overview of the relevant background and identify if it is needed for the action). Specific (or different) conditions and additional rules on access to background are provided for some Programmes in Annex 5 (*e.g. HE, RFCS, DEP*).

‘Background’ means any tangible or intangible input — from data to know-how, information or rights — that exists *before* the grant is signed and that is needed to implement the action or to exploit its results (*e.g. database rights, patents, prototypes, cell lines, etc*).

Background is not limited to input owned, but potentially extends to anything the beneficiaries lawfully hold (*e.g. through a licence with the right to sub-licence*). If a beneficiary is a legal person, it also extends to input held by other parts of the beneficiary’s organisation.

For registered intellectual property rights, it suffices that the application was filed before the grant is signed. (‘Intellectual property’ being understood in the meaning defined in Article 2 of the [Convention establishing the World Intellectual Property Organisation](#), signed at Stockholm on 14 July 1967¹⁴).

If access to background is subject to restrictions due to the **rights of third parties**, the beneficiary should inform the other beneficiaries — before signing the grant — to ensure that the beneficiaries are still able to comply with their grant obligations.

Example: A beneficiary holding background is by a pre-existing agreement (*e.g. licence agreement*) restricted in the access it can grant to such background. The beneficiaries may agree to exclude the background. Such an exclusion may be temporary (*e.g. to permit the adequate protection of the background before providing access*) or limited (*e.g. to exclude only one or more specific beneficiaries*). But since background is by definition

¹⁴ Available at http://www.wipo.int/treaties/en/convention/trtdocs_wo029.html.

considered to be needed for the implementation or exploitation, the impact of such an exclusion on the (especially if not temporary) should be carefully examined by the beneficiaries.

Best practice: Although not obligatory, beneficiaries are advised to agree in writing on background before the grant is signed, to ensure that they have access rights to what is needed for implementing the action, including exploiting its results. The agreement may take any form (*e.g. positive list, negative list*). It may be a separate agreement or may be part of the consortium agreement. If after GA signature beneficiaries come to hold useful inputs relevant to implement the action, they should endeavour to come to an agreement how such inputs can be used in the action.

2. Ownership of results

Results belong to the beneficiary(ies) that generated them. The granting authority does not obtain ownership of the results produced under the action.

'Results' include the action's tangible effects (*e.g. data, prototypes, micro-organisms*), intangible effects (*e.g. know-how, formulas*), as well as any attached rights (*e.g. patent rights and database rights*). Results do not include the effects generated/produced by activities outside of the project — be it before the action starts, during its course or after it ends.

Best practice: To avoid or resolve ownership disputes, beneficiaries should keep documents such as laboratory notebooks to show how and when they produced the results.

3. Rights of use of the granting authority for communication, dissemination and publicity purposes

The granting authority may use (free of charge) any non-sensitive information relating to the action and materials and documents received from the beneficiaries for policy, information, communication, dissemination and publicity purposes — during the action or afterwards.

Examples (material): summaries for publication (submitted as part of the reports), public deliverables and any other material provided by beneficiaries, such as pictures or audio-visual material

Examples (communication activities): using a picture or the publishable summary included in the final report submitted by the action to write a story about successful actions for a Commission publication, or for speeches, etc.

Examples (publicising activities): providing on a granting authority website information about the action such as its name, a project summary, the participating partners, the EU funding, etc.

The right to use the beneficiaries' materials, documents and information is granted in the form of a royalty-free, non-exclusive and irrevocable licence, for the whole duration of the industrial or intellectual property rights concerned.

Beneficiaries may ask the granting authority to include a copyright notice (*e.g. by including such a notice in the material*).

The beneficiaries must ensure that granting authority the can use the documents or materials by making arrangements with any third parties that could claim rights to them.

If the granting authority needs to edit or redraft the material, it will be careful not to distort any content.

4. Specific rules in Annex 5

Depending on the Programme, additional (or different) rules may be set out in Annex 5 (*all Programmes*).

General > Article 17 — Communication and visibility

ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

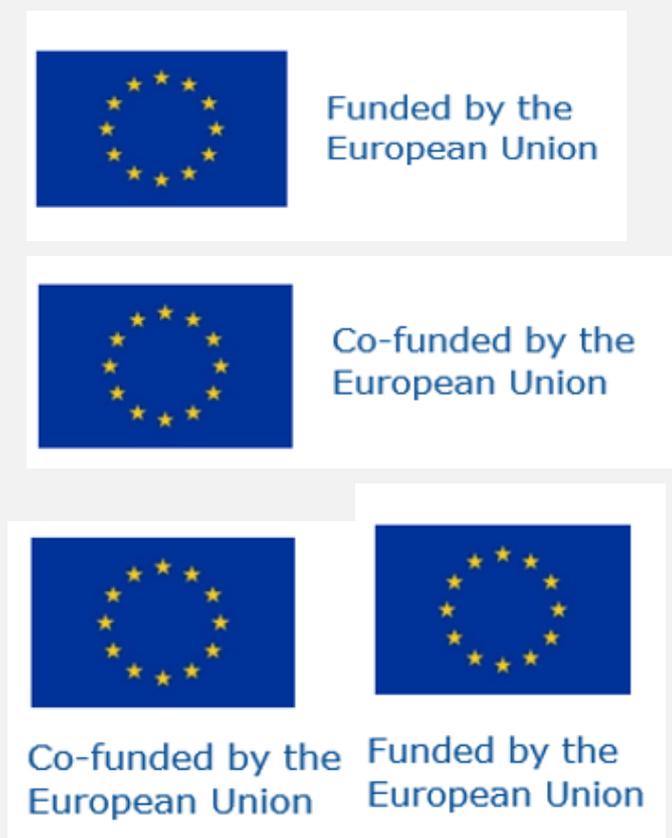
17.1 Communication — Dissemination — Promoting the action

Unless otherwise agreed with the granting authority, the beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public), in accordance with Annex 1 and in a strategic, coherent and effective manner.

Before engaging in a communication or dissemination activity expected to have a major media impact, the beneficiaries must inform the granting authority.

17.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the action (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via traditional or social media, etc.), dissemination activities and any infrastructure, equipment, vehicles, supplies or major result funded by the grant must acknowledge the EU support and display the European flag (emblem) and funding statement (translated into local languages, where appropriate):



The emblem must remain distinct and separate and cannot be modified by adding other visual marks, brands or text.

Apart from the emblem, no other visual identity or logo may be used to highlight the EU support.

When displayed in association with other logos (e.g. of beneficiaries or sponsors), the emblem must be displayed at least as prominently and visibly as the other logos.

For the purposes of their obligations under this Article, the beneficiaries may use the emblem without first obtaining approval from the granting authority. This does not, however, give them the right to exclusive use. Moreover, they may not appropriate the emblem or any similar trademark or logo, either by registration or by any other means.

17.3 Quality of information — Disclaimer

Any communication or dissemination activity related to the action must use factually accurate information.

Moreover, it must indicate the following disclaimer (translated into local languages where appropriate):

“Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or [name of the granting authority]. Neither the European Union nor the granting authority can be held responsible for them.”

17.4 Specific communication, dissemination and visibility rules

Specific communication, dissemination and visibility rules (if any) are set out in Annex 5.

17.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

**1. Communication, dissemination and promoting the action**

Unless otherwise agreed with the granting authority, the beneficiaries must promote the action through communication and dissemination activities, by providing targeted information to multiple audiences (*including the media and the public*), in a strategic and effective manner and possibly engaging in a two-way exchange.

The beneficiaries are in principle free to choose the type of activities, but they should comply with the principles below and in line with Annex 1.

Examples: *A press release at the start of the action; an interview in the local radio station after a major achievement of the action; organising workshops about the action; an event in a shopping mall that shows how the outcomes of the action are relevant to our everyday lives; producing a brochure to explain the action’s work to schools or university students.*

The activities must be:

- effective (*suited to achieving the action’s communication and dissemination goals*) and be proportionate to the scale of the action (*activities carried out by a large-scale action with beneficiaries coming from several different countries and a large budget must be more ambitious than smaller actions*)
- strategic (*ad hoc efforts are NOT sufficient*)
- coherent (*avoid contradictory messages*)

Moreover, the activities must address **multiple audiences** (beyond the action’s own community), including the media and the public, in a way that can be understood by non-specialists. They should highlight the action’s goals, results and include the public policy perspective sought, e.g. by addressing aspects such as:

- contribution to competitiveness and to solving societal challenges
- impact on everyday lives (*e.g. creation of jobs, development of new technologies, better quality products, more convenience, improved life-style, etc*)
- actual or likely exploitation of the results by policy-makers, industry and other communities
- transnational cooperation in a European consortium (*i.e. how working together has allowed to achieve more than otherwise possible*).

The granting authority must be informed beforehand about any activity that is expected to have a **major media impact** (*media coverage in online and printed press, broadcast media, social media, etc*) that will go beyond having a local impact and which has the potential for national and international outreach).



Respect of other GA obligations may **limit** in some cases the possibility to communicate about the action or disseminate (all of) its results, be it temporarily (*e.g. until certain results are protected*) or more permanently (*e.g. security related obligations such as in case of grants involving classified information; see Article 13*).

3. Quality of information

Any communication or dissemination activity related to the action must use factually accurate information. Should it later appear that certain information was not factually accurate (*e.g. new results obtained in a project disprove earlier information given about preliminary results*), the beneficiaries must take any appropriate and immediate steps to correct the wrong information.

4. Specific rules in Annex 5

Depending on the Programme, additional (or different) rules may be set out in Annex 5.

THE PRE-DRAFT

General > Article 20 — Record-keeping
ARTICLE 20 — RECORD-KEEPING

ARTICLE 20 — RECORD-KEEPING

20.1 Keeping records and supporting documents

The beneficiaries must — at least until the time-limit set out in the Data Sheet (see Point 6) — keep records and other supporting documents to prove the proper implementation of the action in line with the accepted standards in the respective field (if any).

In addition, the beneficiaries must — for the same period — keep the following to justify the amounts declared:

- (i) for actual costs: adequate records and supporting documents to prove the costs declared (such as contracts, subcontracts, invoices and accounting records); in addition, the beneficiaries' usual accounting and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documents
- (ii) for flat-rate costs and contributions (if any): adequate records and supporting documents to prove the eligibility of the costs or contributions to which the flat-rate is applied
- (iii) for the following simplified costs and contributions: the beneficiaries do not need to keep specific records on the actual costs incurred, but must keep:
 - a. for unit costs and contributions (if any): adequate records and supporting documents to prove the number of units declared
 - b. for lump sum costs and contributions (if any): adequate records and supporting documents to prove proper implementation of the work as described in Annex 1
 - c. for financing not linked to costs (if any): adequate records and supporting documents to prove the achievement of the results or the fulfilment of the conditions as described in Annex 1
- (iv) for unit, flat-rate and lump sum costs and contributions according to usual cost accounting practices (if any): the beneficiaries must keep any adequate records and supporting documents to prove that their cost accounting practices have been applied in a consistent manner, based on objective criteria, regardless of the source of funding, and that they comply with the eligibility conditions set out in Articles 6.1 and 6.2.

Moreover, the following is needed for specific budget categories:

- (v) for personnel costs: time worked for the beneficiary under the action must be supported by declarations signed monthly by the person and their supervisor, unless another reliable time-record system is in place; the granting authority may accept alternative evidence supporting the time worked for the action declared, if it considers that it offers an adequate level of assurance
- (vi) *[OPTION 1 by default: additional record-keeping rules: not applicable] [OPTION 2 for programmes with additional record-keeping rules: [OPTION 1 by default: additional record-keeping rules: not applicable] [OPTION 2 if selected for the call: for [insert name of budget category]: [insert specific records/requirements]].]*

The records and supporting documents must be made available upon request (see Article 19) or in the context of checks, reviews, audits or investigations (see Article 25).

If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Article 25), the beneficiaries must keep these records and other supporting documentation until the end of these procedures.

The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The granting authority may accept non-original documents if they offer a comparable level of assurance.

20.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, costs or contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.



1. Records and other supporting documentation

The beneficiaries must keep appropriate and sufficient evidence to **prove** the eligibility of all the costs declared, proper implementation of the action and compliance with all the other obligations under the Grant Agreement. If costs that are not supported by appropriate and sufficient evidence, they will be rejected.

'Sufficiency' relates to the quantity of evidence; 'appropriateness' relates to its quality. Evidence is considered sufficient and appropriate if it is persuasive enough for the auditors, who assess it according to generally accepted audit standards.¹⁵

The evidence must be verifiable, auditable and available.

It must be correctly archived for the duration indicated in the Grant Agreement (*see Data Sheet, Point 6*). In general, for at least 5 years after the balance is paid (3 years for low value grants up to EUR 60 000) or longer if there are ongoing procedures (*audits, investigations, litigation, etc*). In this case, the evidence must be kept until they end.

⚠ Beneficiaries that throw away supporting documents will bear the **full risk** of cost rejection by the granting authority

The rules in the Grant Agreement do not affect national laws on keeping documents (which may require additional measures).

2. Original documents

The beneficiaries must keep original documents (*i.e. documents considered an original under national law*).

Examples:

1. We will accept authenticated copies or digitally-signed documents, if national law accepts these as originals.
2. We will accept digitalised copies of documents (instead of hard copies), if this is acceptable under national law.

In principle, documents should be kept in the format in which they were received or created. This means that:

- documents received or created in paper form should be kept in paper form
- documents received or created electronically should be kept in their electronic format (*hard copies of original electronic documents are NOT required*).

¹⁵ International Standard on Auditing ISA 500 'Audit Evidence'.

3. Records for actual costs

For actual costs, the beneficiaries must:

- keep detailed records and other supporting documents to prove the eligibility of the costs declared
- use cost accounting practices and internal control procedures that make it possible to verify that the amounts declared, amounts recorded in the accounts and amounts recorded in supporting documentation match up.

The information included in the financial statements for each budget category (i.e. personnel costs, other direct costs, indirect costs) must be broken down into details and must match the amounts recorded in the accounts and in supporting documentation.

Examples:

1. For costs declared in category A.1 Employees (or equivalent): the costs must be detailed for each person carrying out work for the action (individual daily rate multiplied by the actual number of days or days-equivalent worked for the action). They must match the accounting records (i.e. general ledger transactions, annual financial statements) and supporting documentation (i.e. labour contracts, collective labour agreements, applicable national law on taxes, labour and social security contributions, payslips, time records, bank statements showing salary payments, etc).

2. For costs declared in category C. Purchase costs: the beneficiary must keep a breakdown of costs declared by type (i.e. travel costs, accommodation and related subsistence allowances, depreciation, costs of other goods and services, etc). It should be able to provide details of individual transactions for each type of cost. For depreciation, it must be able to provide details per individual equipment used for the action. Declared costs must match accounting records (i.e. general ledger transactions, annual financial statements) and supporting documentation (i.e. purchase orders, delivery notes, invoices, contracts, bank statements, asset usage logbook, depreciation policy, etc).

4. Records for flat-rate costs and contributions

For flat-rate costs and contributions, the beneficiaries must:

- keep detailed records and other supporting documents to prove that the costs to which the flat-rate is applied are eligible.

Example: For the flat-rate of 25% of indirect costs, the auditors will verify (and the beneficiaries must be able to show) that:

- the actual direct costs are eligible, using the detailed records and supporting documents explained above
- the following costs were excluded: subcontracting costs, financial support to third parties from the pool of actual direct eligible costs to which the flat rate applies.

It is NOT necessary to keep records on the actual costs incurred.

5. Records for unit costs and contributions

For unit costs and contributions, the beneficiaries must:

- keep detailed records and other supporting documents to prove the number of units declared.

It is NOT necessary to keep records on the actual costs incurred.

The granting authority may access the accounting records, but will reject costs only if the number of units declared is incorrect. The actual costs of the work are not relevant.

If the granting authority detects an irregularity or fraud in the action implementation, it may reduce the grant (and initiate other contractual or administrative measures).

6. Records for lump sum costs and contributions

For lump sum costs and contributions, the beneficiaries must:

- keep detailed records and other supporting documents to prove that the action tasks described in Annex 1 have been carried out in accordance with the Grant Agreement.

It is NOT necessary to keep records on the actual costs incurred.

7. Records for financing not linked to costs

For financing not linked to costs, the beneficiaries must:

- keep adequate records and supporting documents to prove the achievement of the results or the fulfilment of the conditions as described in Annex 1

8. Records for unit, flat-rate, lump sum costs and contributions calculated in accordance with the beneficiary's usual cost accounting practices

For unit, flat-rate, lump sum costs and contributions declared in accordance with their usual cost accounting practices, the beneficiaries must keep detailed records and other supporting documents to:

- show that the costs used to calculate the unit, flat-rate, lump sum match the actual costs as recorded in the statutory accounts

Examples:

1. For average personnel costs (HE, DEP, CEF): accounting records; financial statement extracts; labour contracts; collective labour agreements; applicable tax, labour and social security laws; pay slips; bank statements showing salary payments; classification of employees (based on experience, qualifications, salary, department, etc).

2. For internally invoiced goods and services (HE, DEP): accounting records; financial statement extracts; time records (or other records) for the share of personnel costs included in the unit costs; invoices or contracts for maintenance costs, cleaning costs, other services, etc, showing how the actual costs are directly or indirectly included in the unit cost calculation.

Manual interventions into the accounting data must be traceable and documented.

- verify that the unit, flat-rate, lump sum are free of ineligible cost components

Examples:

1. For average personnel costs (HE, DEP, CEF): records that show that the daily rate does not include an indirect cost component (they should be covered by the indirect costs category); records that show that the daily rate does not include travel costs (they should be claimed under category C.1 Travel and subsistence).

2. For internally invoiced goods and services (HE, DEP): evidence that shows that there is no profit/margin/mark-up included in the internally invoiced goods and services (e.g. different rates: one for billing the activity, with mark-up, and another one for internal costing, free of any mark-up); lists of accounts/cost centres that were excluded from the calculation of internally invoiced goods and services — because already included in the costs claimed under another budget categories (e.g. under personnel costs)

- assess the acceptability of budgeted and estimated elements

Examples:

1. For average personnel costs (HE, DEP, CEF): records that show the method for calculating the annual salary increases (e.g. consumer price index which, according to the beneficiary's usual remuneration policy, serves as the basis for annual salary increases).

2. For internally invoiced goods and services (HE, DEP): traceable data used to determine the budgeted/estimated elements; records on the nature and frequency of the updates of the budgeted and estimated elements; etc.

It is NOT necessary to keep records on the actual costs incurred (per person/good or service) — unless they are needed to document the usual cost accounting practices (as just described).

9. 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 (*i.e. time-sheets*) either on paper or in a computer-based time recording system, to record (at least) all the hours worked in the action

Reliable time records must be dated and signed at least monthly by the person working for the action and their supervisor.

If the time recording system is computer-based, the signatures may be electronic (*i.e. linking the electronic identity data, e.g. a password and user name, to the electronic validation data*), with a documented and secure process for managing user rights and an auditable log of all electronic transactions.

or

- (i) sign a monthly declaration on days spent for the action ([template](#)).

⚠ If you keep both set of documents (time-sheets and monthly declarations), they must be consistent. In case of discrepancies, only the set of documents recording the lower amount of days will be accepted.

⚠ If you record the time worked in hours rather than in days, for example because that is your usual management practice, you must convert the total hours worked into day-equivalents to calculate the personnel costs for the grant (*i.e. number of days x daily rate*). You must do this conversion each time that you calculate a daily rate. To make this conversion, and so to calculate the number of day-equivalents, you simply have to divide the number of hours worked by the person on the action during the reporting period by the number of hours of a day-equivalent. The resulting figure must be rounded up or down to the nearest half-day (for example: 17,79 = 18 days; 17,64 = 17,5 days). The number of hours of a day equivalent is one of the following:

- 8 hours
- the average number of hours that the person must work per working day according to the contract. For example, if 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).

⚠ You canNOT use this option if the contract does not allow to determine the average number of hours that the person must work per working day.

- If you have a usual cost accounting practice determining the standard number of annual productive hours of a full-time employee, you may determine the value of a day-equivalent as follows:

{The higher between the standard number of annual productive hours of a full-time employee according to your usual practice and 90 % of the standard annual workable hours of a full-time employee
divided by
215}

The option chosen must be applied consistently; using the same option at least per group of personnel employed under similar conditions (*e.g. same type of contract, same cost-centre*).

ANNEX 5

General > Annex 5 > General > Confidentiality and security

ANNEX 5 SPECIAL CONFIDENTIALITY AND SECURITY RULES (HE, DEP, CEF, EMFAF, AMIF, ISF, BMVI, UCPM)

CONFIDENTIALITY AND SECURITY (— ARTICLE 13)

[OPTION for programmes with security requirements: Sensitive information with security recommendation

Sensitive information with a security recommendation must comply with the additional requirements imposed by the granting authority.

Before starting the action tasks concerned, the beneficiaries must have obtained all approvals or other mandatory documents needed for implementing the task. The documents must be kept on file and be submitted upon request by the coordinator to the granting authority. If they are not in English, they must be submitted together with an English summary.

For requirements restricting disclosure or dissemination, the information must be handled in accordance with the recommendation and may be disclosed or disseminated only after written approval from the granting authority.]

[OPTION for programmes with EU classified information (standard): EU classified information

If EU classified information is used or generated by the action, it must be treated in accordance with the security classification guide (SCG) and security aspect letter (SAL) set out in Annex 1 and Decision 2015/444⁴⁹ and its implementing rules — until it is declassified.

Deliverables which contain EU classified information must be submitted according to special procedures agreed with the granting authority

Action tasks involving EU classified information may be subcontracted only with prior explicit written approval from the granting authority and only to entities established in an EU Member State or in a non-EU country with a security of information agreement with the EU (or an administrative arrangement with the Commission).

EU classified information may not be disclosed to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority.]

⁴⁹ Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).



1. Sensitive information with a security recommendation

Horizon Europe proposals may have to undergo a security review before selection and may, if there are security issues, be made subject to specific security recommendations.

Examples (security issues): information on gaps and vulnerabilities in existing systems or critical infrastructures, design, characteristics and requirements of devices used in detection, law-enforcement measures to counter terrorism, tools and methodologies for predicting and detecting organised criminal activities, etc.

Examples (security recommendations): classification, limited dissemination, establishment of a security advisory board, appointment of a project security officer, limiting the level of detail, using a fake scenario, etc.

The most common security recommendations concern restricted disclosure or limited dissemination. This leads to the creation of deliverables, which are sensitive information with security recommendation. They are listed in security section. In this case, third parties should have

no access. Before disclosure or dissemination to a third party, the beneficiaries must inform the coordinator, who must request written approval from the granting authority.

⚠ Sensitive information concerning commercial secrets, know-how, etc; are NOT sensitive information with security recommendations.

Other security recommendations concern the appointment of security staff (*security officers, security advisory board*), specific measures for access to IT systems, etc.

Usually, the security requirements must be taken care of before GA signature.

In addition, beneficiaries must obtain — before the start of the action task for which they are needed — all the necessary security approvals, opinions, notifications and authorisations (*e.g. to security committees, etc*). These documents do not need to be submitted, but must be kept on file and provided on request (*e.g. in case of security checks or audits*). They must be able to show that the opinions/authorisations/notifications cover the tasks to be undertaken in the context of the action. If the documents are not in English, they may be asked to provide an English summary.

Best practice: When preparing the applications for approvals/opinions/notifications/authorisations, you should request the assistance of security experts, security departments/committees and of your organisation's data protection officer (DPO), if relevant.

In case of changes to the security situation, the beneficiaries must inform the coordinator, which must immediately inform the granting authority and, if necessary, request for Annex 1 to be amended.

The granting authority may carry out security checks or audits, to ensure that the beneficiaries have properly implemented the security requirements and obtained the opinions/notifications/authorisations (*see Article 25*).

2. EU classified information

Projects with EU classified information will moreover have to comply with the provisions linked to EU classified information (*see Article 13.2*).

The project will have to follow a security classification guide (SCG) and security aspect letter (SAL) which set, respectively, out the classification-level and the measures that need to be taken to protect the classified information. Both need to be added to Annex 1.

Only entities listed in the security section of Annex 1 can have access to EU classified information used or generated by the project. Before disclosure or dissemination to a third party (including participants involved in the project), the beneficiaries must inform the coordinator, which must request written approval from the granting authority.

In case of changes to the security situation, the beneficiaries must inform the coordinator, which must immediately inform the granting authority and if necessary request for Annex 1 to be amended.

Deliverables containing EU classified information must be submitted following the special procedure agreed with the granting authority, as described in the [HE Programme security instruction](#).

Action tasks involving EU classified information may ONLY be subcontracted (cumulative conditions):

(a) to entities established in an EU Member State or in a non-EU country with a security of information agreement with the EU (or an administrative arrangement with the Commission) and

(b) if the granting authority has explicitly approved such requests in writing.

 For more guidance on classification of information and security obligations, see *How to handle security-sensitive projects and Guidelines on the classification of information in Horizon Europe projects*.

H2020 PRE-DRAFT

[General > Annex 5 > General > IPR](#)
ANNEX 5 SPECIAL IPR RULES

INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE (— ARTICLE 16)

[OPTION for programmes with mandatory list of background: List of background

The beneficiaries must, where industrial and intellectual property rights (including rights of third parties) exist prior to the Agreement, establish a list of these pre-existing industrial and intellectual property rights, specifying the rights owners.

The coordinator must — before starting the action — submit this list to the granting authority.]

[OPTION for programmes with rights of use not only on communication material, but also on results: Rights of use of the granting authority on results for information, communication, dissemination and publicity purposes

The granting authority also has the right to exploit non-sensitive results of the action for information, communication, dissemination and publicity purposes, using any of the following modes:

- **use for its own purposes** (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)
- **distribution to the public** in hard copies, in electronic or digital format, on the internet including social networks, as a downloadable or non-downloadable file
- **editing** or **redrafting** (including shortening, summarising, changing, correcting, cutting, inserting elements (e.g. meta-data, legends or other graphic, visual, audio or text elements extracting parts (e.g. audio or video files), dividing into parts or use in a compilation
- translation (including inserting subtitles/dubbing) in all official languages of EU
- **storage** in paper, electronic or other form
- **archiving** in line with applicable document-management rules
- the right to authorise **third parties** to act on its behalf or sub-license to third parties, including if there is licensed background, any of the rights or modes of exploitation set out in this provision
- **processing**, analysing, aggregating the results and **producing derivative works**
- **disseminating** the results in widely accessible databases or indexes (such as through ‘open access’ or ‘open data’ portals or similar repositories), whether free of charge or not
- *[[insert additional option]].*

The beneficiaries must ensure these rights of use *[for a period of [...]]*for the whole duration they are protected by industrial or intellectual property rights*[[during the action]].*]

If results are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).]

General > Annex 5 > General > Communication, dissemination and visibility
ANNEX 5 COMMUNICATION, DISSEMINATION AND VISIBILITY

COMMUNICATION, DISSEMINATION AND VISIBILITY (— ARTICLE 17)

*[OPTION for programmes with communication and dissemination plans: **Communication [and dissemination] plan***

The beneficiaries must provide a detailed communication [and dissemination] plan [(‘[insert name]’)], setting out the objectives, key messaging, target audiences, communication channels, social media plan, planned budget and relevant indicators for monitoring and evaluation.]

*[OPTION for programmes with additional communication and dissemination activities: **Additional communication and dissemination activities***

The beneficiaries must engage in the following additional communication and dissemination activities:

- *[present the project (including project summary, coordinator contact details, list of participants, European flag and funding statement [and special logo] and project results) on the beneficiaries’ websites or social media accounts]*
- *[for actions involving publications, mention the action and the European flag and funding statement [and special logo] on the cover or the first pages following the editor’s mention]*
- *[for actions involving public events, display signs and posters mentioning the action and the European flag and funding statement [and special logo]]*
- *[for actions involving equipment, infrastructure or works [of more than EUR [...]], display public plaques or billboards as soon as the work on the action starts and a permanent commemorative plaque once it is finished, with the European flag and funding statement [and special logo]]*
- *[for actions involving equipment, infrastructure or works [of less than EUR [...]], display as soon as the work on the action starts a printed or electronic sign of appropriate size, with European flag and funding statement [and special logo]]*
- *[for actions [that [insert definition of certain priority projects, themes, areas, etc.]] [or] [actions with a maximum grant amount of more than EUR [...]], organise a specific communication event to promote the action]*
- *[upload the public project results to the [insert Programme name] Project Results platform, available through the Funding & Tenders Portal]*
- *[insert additional option].]*

*[OPTION for programmes authorised to use special logos: **Special logos***

Communication activities and infrastructure, equipment or major results funded by the grant must moreover display the following logo:

- [insert special logos]

*[OPTION for programmes where the promotion or visibility could harm persons involved in the action implementation: **Limited communication and visibility to protect persons involved***

Where the communication, dissemination or visibility obligations set out in Article 17 [or this Annex] would harm the safety of persons involved in the action, the beneficiaries may submit appropriate alternative arrangements to the granting authority for approval.]

[General > Annex 5 > HE Annex 5](#)

ANNEX 5 HE RULES ON ETHICS AND RESEARCH INTEGRITY

ETHICS (— ARTICLE 14)

The beneficiaries must carry out the action in compliance with:

- ethical principles (including the highest standards of research integrity) and
- applicable EU, international and national law, including the EU Charter of Fundamental Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Supplementary Protocols.

No funding can be granted, within or outside the EU, for activities that are prohibited in all Member States. No funding can be granted in a Member State for an activity which is forbidden in that Member State.

The beneficiaries must pay particular attention to the principle of proportionality, the right to privacy, the right to the protection of personal data, the right to the physical and mental integrity of persons, the right to non-discrimination, the need to ensure protection of the environment and high levels of human health protection.

The beneficiaries must ensure that the activities under the action have an exclusive focus on civil applications.

The beneficiaries must ensure that the activities under the action do not:

- aim at human cloning for reproductive purposes
- intend to modify the genetic heritage of human beings which could make such modifications heritable (with the exception of 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, or
- lead to the destruction of human embryos (for example, for obtaining stem cells).

Activities involving research on human embryos or human embryonic stem cells may be carried out only if:

- they are set out in Annex 1 or
- the coordinator has obtained explicit approval (in writing) from the granting authority.

In addition, the beneficiaries must respect the fundamental principle of research integrity —as set out in the European Code of Conduct for Research Integrity⁵⁹.

This implies compliance with the following principles:

- reliability in ensuring the quality of research reflected in the design, the methodology, the analysis and the use of resources
- honesty in developing, undertaking, reviewing, reporting and communicating research in a transparent, fair and unbiased way
- respect for colleagues, research participants, society, ecosystems, cultural heritage and the environment
- accountability for the research from idea to publication, for its management and organisation, for training, supervision and mentoring, and for its wider impacts

and means that beneficiaries must ensure that persons carrying out research tasks follow the good research practices including ensuring, where possible, openness, reproducibility and traceability and refrain from the research integrity violations described in the Code.

Activities raising ethical issues must comply with the additional requirements formulated by the ethics panels (including after checks, reviews or audits; see Article 25).

Before starting an action task raising ethical issues, the beneficiaries must have obtained all approvals or other mandatory documents needed for implementing the task, notably from any (national or local) ethics committee or other bodies such as data protection authorities.

The documents must be kept on file and be submitted upon request by the coordinator to the granting authority. If they are not in English, they must be submitted together with an English summary, which shows that the documents cover the action tasks in question and includes the conclusions of the committee or authority concerned (if any).



1. Ethical principles and applicable law

The beneficiaries must carry out the action in compliance with:

- (a) ethical principles (including the highest standards of research integrity) and
- (a) applicable international, EU and national law.

Main ethical principles are:

Main ethical principles:

- (a) Respecting human dignity and integrity
- (b) Ensuring honesty and transparency towards research subjects and notably getting free and informed consent (as well as assent whenever relevant)
- (c) Protecting vulnerable persons
- (d) Ensuring privacy and confidentiality
- (e) Promoting justice and inclusiveness
- (f) Minimising harm and maximising benefit
- (g) Sharing the benefits with disadvantaged populations, especially if the research is being carried out in developing countries
- (h) Maximising animal welfare, in particular by ensuring replacement, reduction and refinement ('3Rs') in animal research
- (i) Respecting and protecting the environment and future generations

The key sources of EU and international law are the Charter of Fundamental Rights of the European Union and the European Convention on Human Rights (ECHR) and its Protocols (for other texts). Another important source is the UN Convention on the Rights of Persons with Disabilities (UN CRPD).

2. Exclusive focus on civil applications

Activities under the action must have an exclusive focus on civil applications.

This does not mean that the research results cannot peripherally be useful in a military context. Research related to *dual-use* products or technologies (usually used for civilian purposes but with possible military applications) is not prohibited (*e.g. development of an algorithm that might also be used for optimising military logistics*). However, activities that *focus* on military applications will NOT be funded (*e.g. development of a robot designed for military intervention*).

3. Prohibited activities and activities involving research on human embryos or human embryonic stem cells

Prohibited activities may not take place under the action.

Activities that involve human embryos (hE) or human embryonic stem cells (hESC) can only be funded, if:

- (a) they comply with the Statement by the Commission on research activities involving human embryos or human embryonic stem cells¹⁶ (in particular, do NOT result in the destruction of human embryos)

and

- (b) they are set out in Annex 1 of the Grant Agreement or
- (c) the coordinator has obtained explicit approval by the granting authority.

These activities are de facto considered as raising sensitive ethics issues and must always undergo an ethics assessment (*see point below*) that can lead to ethics requirements that will be included in Annex 1.

4. Research integrity

In order to meet the highest standard of research integrity, the beneficiaries must follow the principles listed in this provision and ensure that the persons carrying out research tasks comply with the [European Code of Conduct for Research Integrity](#)¹⁷ (*i.e. follow the good research practices listed in this Code and refrain from any research integrity violations it describes*).

They also must ensure that [Appropriate procedures, policies and structures](#) are in place to foster responsible research practices, to prevent questionable research practices and research misconduct, and to handle allegations of breaches of the principles and standards in the Code of Conduct.

Fundamental research integrity principles:

- (j) **reliability** in ensuring the quality of research reflected in the design, the methodology, the analysis and the use of resources
- (k) **honesty** in developing, undertaking, reviewing, reporting and communicating research in a transparent, fair and unbiased way
- (l) **respect** for colleagues, research participants, society, ecosystems, cultural heritage and the environment
- (m) **accountability** for the research from the idea to publication, for its management and organisation, for training, supervision and mentoring, and for its wider impacts.

The Code constitutes a general reference framework and takes into account the legitimate interests of the beneficiaries (*i.e. regarding IPRs and data sharing*). This does not change the other obligations under this Agreement or obligations under applicable international, EU or national law, all of which still apply.

In addition, beneficiaries should rely on local, national or discipline-specific guidelines, if such documents exist and are not contrary to the Code.

5. Activities raising ethics issues

¹⁶ See [Joint Declarations of the European Parliament, Council and Commission \(Framework Programme\) \(2021/C 185/01\)](#)

¹⁷ Available at https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/guidance/european-code-of-conduct-for-research-integrity_horizon_en.pdf

Horizon Europe proposals have to undergo an ethics review before selection and may, if one or more ethics issues are identified, will be made subject to ethics requirements (to be solved immediately or included as deliverables in Annex 1).

Examples (ethics issues): *involvement of patients, volunteers, children or vulnerable populations; use of human (embryonic) stem cells; implication of developing countries; collecting and processing of personal data; use of animals; risk of environmental impact.*

Examples (ethics deliverables): *to submit to the granting authority a report on certain ethics issues during the course of the action.*

Examples (ethics requirements before GA signature): *confirmation personal data of this study will not be transferred outside the EU.*

In addition, the beneficiary must obtain — before starting an action task raising ethical issues — all the necessary ethics opinions, notifications and authorisations. These documents do not need to be submitted, but must be kept on file and provided on request (*in case of ethics reviews, checks or audits*). They must be able to show that the opinions/authorisations/notifications cover the tasks to be undertaken in the context of the action. If the documents are not in English, they may be asked to provide an English summary.

Best practice: When preparing the applications for such opinions/notifications/ authorisations, beneficiaries should request the assistance of ethics experts, research ethics departments/committees and of their organisation's data protection officer (DPO).

The granting authority may carry out ethics checks or reviews to ensure that the beneficiaries have properly implemented the ethics requirements and obtained the opinions/notifications/authorisations (*see Article 25*).

Specific cases (ethics):

Activities carried out in a non-EU country — Such activities must comply with the laws of that country AND be allowed in at least one EU Member State. The beneficiaries must sign the related declaration in their application.

ANNEX 5 HE RULES ON GENDER MAINSTREAMING

[OPTION for programmes with gender rules: Gender mainstreaming

The beneficiaries must take all measures to promote equal opportunities between men and women in the implementation of the action and, where applicable, in line with the gender equality plan. They must aim, to the extent possible, for a gender balance at all levels of personnel assigned to the action, including at supervisory and managerial level.]



1. Gender mainstreaming

The beneficiaries must take all measures:

- to promote gender equality, that is, to promote equal opportunities between men and women in the implementation of the action, and
- in line with their respective gender equality plan (GEP), if applicable.

Gender equality plan — The gender equality plan (GEP) is an eligibility criterion for participating in Horizon Europe actions. It is mandatory ONLY for legal entities from Member States and HE Associated Countries that are:

- (a) public bodies
- (b) research organisations
- (c) higher education establishments.

The GEP does not apply to other types of legal entities e.g. private for-profit organisations, including SMEs, non-governmental or civil society organisations.

The GEP, or equivalent document, must cover the following minimum process-related requirements:

- (d) publication: a formal document published on the institution's website and signed by the top management;
- (e) dedicated resources: commitment of resources and expertise in gender equality to implement the plan;
- (f) data collection and monitoring: sex/gender disaggregated data on personnel (and students, for the establishments concerned) and annual reporting based on indicators;
- (g) training: awareness raising/training on gender equality and unconscious gender biases for staff and decision-makers.

Content-wise, it is recommended that the GEP addresses the following areas, using concrete measures and targets:

- (h) work-life balance and organisational culture;
- (i) gender balance in leadership and decision-making;
- (j) gender equality in recruitment and career progression;
- (k) integration of the gender dimension into research and teaching content;
- (l) measures against gender-based violence, including sexual harassment.

The GEP is an eligibility criterion for participating in the Programme, therefore costs for its implementation/upgrading are not considered eligible.

More information on the GEP eligibility criterion in Horizon Europe is available [here](#) and in these [FAQ](#).

This is a best effort obligation: The beneficiaries must aim — to the extent possible — for a gender balance at all levels of personnel assigned to the action, including at the supervisory and managerial levels.

This implies:

- (a) aim for a balanced participation of women and men in their research teams
- (b) being proactive in ensuring gender balance among the individuals who are primarily responsible for carrying out the work (in accordance with the categories defined in the monitoring system).
- (c) being proactive in promoting gender equality among consortium members and participants in the implementation of the action.

Examples (measures to promote gender equality within a project): *transparency of recruitment and advancement processes, including gender-sensitive language in vacancies and job-descriptions; plans and conditions for career advancement; transparent gender equal wage classification and grading of jobs; development of leadership opportunities; gender planning and budgeting; gender impact assessment of policies; climate surveys of institutions; trainings on unconscious gender biases in recruitment and assessment of researchers, as well as in collaborative work; adoption of family-friendly policies; promotion of gender-sensitive mobility and dual-career couples schemes; measures to prevent and address gender based violence such as sexual harassment;*

Best practice: Keep appropriate documentation about the steps taken and measures put in place.

 Integration of the gender dimension in research and innovation content is a by default requirement for all RIA/IA and Programme co-fund actions, with some exceptions. For more guidance on gender equality, including the integration of the gender dimension into research and innovation content, see *the section on Gender equality and inclusiveness in the HE Programme guide*.

ANNEX 5 HE IPR RULES

INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE (— ARTICLE 16)

Definitions

Access rights — Rights to use results or background.

Dissemination — The public disclosure of the results by appropriate means, other than resulting from protecting or exploiting the results, including by scientific publications in any medium.

Exploit(ation) — The use of results in further research and innovation activities other than those covered by the action concerned, including among other things, commercial exploitation such as developing, creating, manufacturing and marketing a product or process, creating and providing a service, or in standardisation activities.

Fair and reasonable conditions — Appropriate conditions, including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for access, for example the actual or potential value of the results or background to which access is requested and/or the scope, duration or other characteristics of the exploitation envisaged.

FAIR principles — ‘findability’, ‘accessibility’, ‘interoperability’ and ‘reusability’.

Open access — Online access to research outputs provided free of charge to the end-user.

Open science — An approach to the scientific process based on open cooperative work, tools and diffusing knowledge.

Research data management — The process within the research lifecycle that includes the organisation, storage, preservation, security, quality assurance, allocation of persistent identifiers (PIDs) and rules and procedures for sharing of data including licensing.

Research outputs — Results to which access can be given in the form of scientific publications, data or other engineered results and processes such as software, algorithms, protocols, models, workflows and electronic notebooks.

Scope of the obligations

For this section, references to ‘beneficiary’ or ‘beneficiaries’ do not include affiliated entities (if any).



Definitions

Where applicable, further explanations regarding the definitions can be found under the annotations concerning the provisions where the definitions are used.

Scope of the obligations

For this section, references to ‘beneficiary’ or ‘beneficiaries’ do not include affiliated entities (if any).

Example: *affiliated entities do not have the same access rights as the beneficiaries – see section on access rights for entities that have access rights.*

However, 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.

Agreement on background

The beneficiaries must identify in a written agreement the background as needed for implementing the action or for exploiting its results.

Where the call conditions restrict control due to strategic interests reasons, background that is subject to control or other restrictions by a country (or entity from a country) which is not one of the eligible countries or target countries set out in the call conditions and that impact the exploitation of the results (i.e. would make the exploitation of the results subject to control or restrictions) must not be used and must be explicitly excluded from it in the agreement on background —unless otherwise agreed with the granting authority.

**Agreement on background**

The beneficiaries must identify and agree in a **written agreement** on what constitutes **background** (see [Article 16.1](#)) for their action (in order to be able to give access to it).

Specific cases (agreement on background):

Strategic interests — Where the call conditions restrict control due to strategic interests reasons, background that is subject to control or other restrictions by a country (or entity from a country) which is not one of the eligible countries or target countries set out in the call conditions and that would impact the exploitation of the results should normally not be used if possible. Background that impact the exploitation of results should be understood as making the exploitation of those results subject to control or restrictions, for example if exploitation would require the agreement of entity owning the background. If such background needs to be used this must be agreed with the granting authority.

Ownership of results

Results are owned by the beneficiaries that generate them.

However, two or more beneficiaries own results jointly if:

1. they have jointly generated them and
2. it is not possible to:
 - establish the respective contribution of each beneficiary, or
 - separate them for the purpose of applying for, obtaining or maintaining their protection.

The joint owners must agree—in writing—on the allocation and terms of exercise of their joint ownership ('**joint ownership agreement**'), to ensure compliance with their obligations under this Agreement.

Unless otherwise agreed in the joint ownership agreement or consortium agreement, each joint owner may grant non-exclusive licences to third parties to exploit the jointly-owned results (without any right to sub-license), if the other joint owners are given:

3. at least 45 days advance notice and
4. fair and reasonable compensation.

The joint owners may agree—in writing—to apply another regime than joint ownership.

If third parties (including employees and other personnel) may claim rights to the results, the beneficiary concerned must ensure that those rights can be exercised in a manner compatible with its obligations under the Agreement.

The beneficiaries must indicate the owner(s) of the results (results ownership list) in the final periodic report.

**Ownership of results**

Results belong to the beneficiary that generated/produced them.

Best practice: To avoid or resolve ownership disputes, beneficiaries should keep documents such as laboratory notebooks to show how and when they produced the results.

Specific cases (ownership of results):

Automatic joint ownership — If beneficiaries have jointly generated results and it is not possible to establish their respective contribution or to separate them for protection, the beneficiaries automatically become joint owners.

In this case, the beneficiaries concerned must conclude a **joint ownership agreement** (in writing).

This agreement should cover in particular:

- (a) how the ownership is divided (*e.g. equally or not*).
- (b) if/how the joint results will be protected, including issues related to the cost of protection (*e.g. patent filing and examination fees, renewal fees, prior state-of-the-art searches, infringement actions, etc*), or to the sharing of revenues or profits.
- (c) how the joint results will be exploited and disseminated.
- (d) how disputes will be settled (*e.g. via a mediator, applicable law, etc*).

Best practice: Beneficiaries should include at least general principles on joint ownership already in the consortium agreement to make it easier to negotiate a full joint ownership agreement later on.

Unless otherwise provided in the consortium agreement or the joint ownership agreement, the joint owners automatically have the right to grant non-exclusive **licences** to third parties against fair and reasonable compensation (without prior authorisation from the other joint owners). The joint owner that intends to grant the licence must give the other joint owners at least **45 days advance notice** (together with sufficient information, to check if the proposed compensation is fair and reasonable). Such licences may not include sub-licensing.

The joint owners may agree in writing **not to continue** with joint ownership and apply another regime.

Example: The joint owners may transfer ownership to a single owner and agree on more favourable access rights (or on any other fair counterpart). In such case, the rules regarding transfer of ownership apply.

The joint owners may agree to apply another regime even before the results are generated, e.g. in the consortium agreement, if they consider it appropriate.

Joint ownership by agreement — Outside the cases described above, the beneficiaries may also become joint owners if they specifically agree on it.

Example: A beneficiary may decide that a part of its results will be owned jointly with its parent company or another third party. Also in this case, the rules regarding transfer or ownership apply.

Third parties with rights on results

The beneficiaries must ensure that they can respect their obligations under the grant by making **arrangements** (transfers, licences, other) with any **third parties** that could claim rights to the results (e.g. affiliated entities, associated partners, associated partners linked to a beneficiary in MSCA, employees, subcontractors, other members of Joint research units (JRUs), etc). Such arrangements could be separate between the beneficiary/ies and the third party, or in the consortium agreement if the third party would be a party thereto. If making such arrangements is impossible, the beneficiary must refrain from using the third party to generate the results.

Examples (third parties that may claim rights): academic institutions in countries that have a kind of 'professor's privilege' system (according to which researchers may have some rights to the results of university research); employees or students who carry out work for the action (if they have rights under national law or their contract); beneficiaries for which affiliated entities carry out a part of the work.

Examples (arrangements): transferring (partial) ownership to the beneficiary; granting access rights to the beneficiary with a right to sub-license.

Specific case (third parties with rights on results):

Results generated by associated partners — For results generated by associated partners, the obligations to be respected by the beneficiaries are limited to those that would apply as if the results would have been generated by beneficiaries that have not received funding under the grant (i.e. not grant obligations which specify that they apply to beneficiaries having received funding under the grant, for example the obligation to protect the results or the best efforts obligation to exploit the results). Respect of all other obligations (e.g. obligation to provide access if needed to implement the project or exploit the results or obligations related to dissemination/open science) must be ensured.

Results ownership list

The **results ownership list (ROL)** will take the form of 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).

In case of joint ownership, all joint owners must be listed even if (some of) the joint owners are not members of the consortium. The results ownership list provides a snapshot in time meaning that ownership changes may happen after the submission of the final periodic report.

Failure to fill in the results ownership template will block the submission of the final periodic report and hence the final payment. However, difficulties in determining the ownership of the results will not bar the submission of the results ownership list. If the ownership of the results is not clear, the beneficiaries will have to indicate all potential owners.

Example: A beneficiary is involved in a legal dispute on the ownership.

Protection of results

Beneficiaries which have received funding under the grant must adequately protect their results—for an appropriate period and with appropriate territorial coverage—if protection is possible and justified, taking into account all relevant considerations, including the prospects for commercial exploitation, the legitimate interests of the other beneficiaries and any other legitimate interests.



Protection of results

The beneficiaries having received funding under the grant must:

- examine the possibility of protecting their results and
- if possible and justified taking into account all relevant considerations, **protect** them.

Examples (no protection necessary): *if protection is impossible under EU or national law or not justified (in view of the absence of potential for commercial or industrial exploitation, if the action's objective does not require protection, if additionally protecting a part of certain technology would not bring significantly broader protection, etc)*

Best practice: Beneficiaries should consider seeking expert advice to help them decide whether and how to protect results.

Beneficiaries are in principle free to choose any available **form** of protection but protection should be adequate depending on the characteristics of the results to ensure effective protection. While some forms of IP protection, such as copyright, do not require registration, others, such as patent, trade marks or industrial design require the filing of an application before the relevant registration body. Although important for commercial and industrial exploitation, IP protection is not mandatory if not justified.

Standard forms of protection:

- (i) Patent
- (ii) Trademark
- (iii) Industrial design
- (iv) Copyright

Examples: *Protection for a design: e.g. industrial design, copyright.*

In some cases, it may be advisable to protect an invention by keeping it confidential as a trade secret, or to postpone the filing of a patent (or other IPR) application.

Example (better not to protect for the moment): *Keeping an invention (temporarily) confidential could allow further development of the invention while avoiding the negative consequences associated with premature filing (earlier priority and filing dates, early publication, possible rejection due to lack of support or industrial applicability, etc) but this requires careful consideration given the possible risks of such an approach.*

Costs related to protection are eligible if they fulfil the cost eligibility conditions (see [Article 6.1](#)).

When deciding on protection, the beneficiaries must also consider the **other beneficiaries'** legitimate **interests**. Any other beneficiary invoking legitimate interests must demonstrate how the decision would harm it. The mere fact that the protection would establish an exclusive right which could affect beneficiaries which are competitors is not a legitimate interest.

Example (harm): *The protection could lead to the disclosure of valuable background that is held by the other beneficiary (as a trade secret or flagged as confidential) and may require coordination.*

Best practice: Although a beneficiary is not required to consult the other beneficiaries before deciding whether to protect a specific result it owns, beneficiaries can provide for arrangements (either in the consortium agreement or in separate agreements), to ensure that where needed decisions on protection take due account of the interests of all beneficiaries concerned.

Protection should last for an appropriate **period** and have appropriate **territorial coverage** (in view of potential) commercial or industrial exploitation and other elements (*e.g. potential markets and countries in which potential competitors are located*). Patent applications should identify the **rightful inventors**. Errors (or fraud) in identifying inventors may lead to the invalidation of patents.

***Example (not rightful inventor):** an entity systematically designates a head of department as one of the inventors, although it is not true.*

HE PRE-DRAFT

Exploitation of results

Beneficiaries which have received funding under the grant must —up to four years after the end of the action (see Data Sheet, Point 1) —use their best efforts to exploit their results directly or to have them exploited indirectly by another entity, in particular through transfer or licensing.

If, despite a beneficiary's best efforts, the results are not exploited within one year after the end of the action, the beneficiaries must (unless otherwise agreed in writing with the granting authority) use the Horizon Results Platform to find interested parties to exploit the results.

If results are incorporated in a standard, the beneficiaries must (unless otherwise agreed with the granting authority or unless it is impossible) ask the standardisation body to include the funding statement (see Article 17) in (information related to) the standard.

Additional exploitation obligations

Where the call conditions impose additional exploitation obligations (including obligations linked to the restriction of participation or control due to strategic assets, interests, autonomy or security reasons), the beneficiaries must comply with them —up to four years after the end of the action (see Data Sheet, Point 1).

Where the call conditions impose additional exploitation obligations in case of a public emergency, the beneficiaries must (if requested by the granting authority) grant for a limited period of time specified in the request, non-exclusive licences —under fair and reasonable conditions—to their results 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. This provision applies up to four years after the end of the action (see Data Sheet, Point 1).

Additional information obligation relating to standards

Where the call conditions impose additional information obligations relating to possible standardisation, the beneficiaries must —up to four years after the end of the action (see Data Sheet, Point 1) —inform the granting authority, if the results could reasonably be expected to contribute to European or international standards.



Exploitation of results

The beneficiaries **must take measures** aiming to ensure **exploitation** of their results — either by themselves (*e.g. a beneficiary owning results uses them directly*) or indirectly by others (other beneficiaries or third parties, *e.g. through licensing or by transferring the ownership of results*).

This is a best effort obligation: The beneficiaries must be proactive and take specific measures to try to ensure that their results are exploited (to the extent possible and justified).

Where possible, the measures should be consistent with the impact expected from the action and the plan for the exploitation and dissemination of the results. The exploitation of results should take into consideration the objectives of the Programme (see the specific objectives set out in Article 3(2) of the Horizon Europe Regulation [2021/695](#)), including promoting innovation in the Union and strengthening the European Research Area.

Exploitation (as defined) means the use of results in further research and innovation activities other than those covered by the action concerned, including among other things, commercial exploitation such as developing, creating, manufacturing and marketing a product or process, creating and providing a service, or in standardisation activities.

 Exploitation can also be **non commercial**, for example use in non-commercial research or non-commercial teaching activities. When results of the action are used to influence R&I policy or decision making, this is another form of exploitation.

The best efforts obligation applies only to beneficiaries having received funding under the grant and applies during the action and up to four years after the end of the action.

⚠ All proposals submitted, unless excluded by the call conditions, under the description of the impact pathways, must submit a planned summary of the communication, dissemination and exploitation activities that they will carry out to achieve the expected impact. If the proposal is successful, then the beneficiaries must provide (normally with the first six months of the action) and regularly update the complete Plan for the exploitation and dissemination of results including communication activities. Beneficiaries must also report on the activities undertaken.

Best practice: Beneficiaries should consider applying for dissemination and exploitation support services, including go to market support and IP management provided by the Commission during and after the end of their action i.e. the Horizon Results Booster. This service can be found [here](#) and is immediately available to all running and finished projects.

Horizon Results Platform (HRP)

The [Horizon Results Platform](#) is a platform developed by the European Commission to help promote the exploitation of the results from the R&I framework programmes. It allows beneficiaries of grants from FP7, Horizon 2020, Horizon Europe and Euratom to publish and promote the uptake of their results towards their target audiences. It can be accessed by beneficiaries via their accounts on the European Commission's Funding and Tender Opportunities Portal. Detailed instructions on how to publish results can be found [here](#).

Beneficiaries are strongly **encouraged** to consider the use of this free Platform to their own benefit, at any stage of the project, during as well as after the end of the project, provided they have **key exploitable results**.

⚠ Key exploitable results are those results which have a high potential to be exploited in the sense of the definition of exploitation (e.g. to be used in a product, process or service, or act as an important input to further research, R&I related policy or education). Results such as "outcomes or announcements of consortia meetings, conferences or other events" are not considered as key exploitable results and all project deliverables are not necessarily key exploitable results either.

Publishing results in the Horizon Results Platform **ensures high visibility** to a variety of potential users and stakeholders including industry, academia, investors, public administrations, etc and may lead to finding help to exploit the results directly (e.g. financing) or finding third parties which may be interested to exploit the results.

***Example:** Certain beneficiaries in a project have developed a prototype and have jointly filed for intellectual property protection, however they do not have the capacity to bring the results to the market. The beneficiaries concerned published their results on the Horizon Results Platform and a company signalled its interest to use the technology in its production line. After negotiations, the beneficiaries agreed to transfer ownership of the prototype and any attached rights to this company in return for royalties.*

The use of the Horizon Results Platform becomes, nevertheless, **an obligation**, if one year after the end of the action, key exploitable results are not exploited.

***Example:** Beneficiaries in a project have developed R&I policy recommendations and guidelines to be used by public authorities in case of water pollution resulting from industrial activities. The beneficiaries would like to see them being used but despite their best efforts they have not managed to have local authorities use them. At the latest one year after the end of the grant, the beneficiaries must publish the policy recommendations on the Horizon Results Platform (with the appropriate result_type = 'policy related result'). Publishing them on HRP will provide them visibility to policymakers from local, regional, national and EU authorities and also regulatory bodies.*

⚠ Using the platform does NOT mean that the beneficiary concerned should no longer use its best efforts to exploit its results directly or indirectly via other means.

However, if justified on the basis of a request of the beneficiary, the obligation to use the Horizon Results Platform may be waived.

Examples:

1. A beneficiary is intending to exploit certain key exploitable results commercially, either directly or indirectly, but awaits a marketing authorisation before being able to do so.
2. Two beneficiaries owning results are close to finalising an agreement with a third party to exploit certain key exploitable results.

The Horizon Results platform should also NOT be used if such use would be contrary to other grant obligations (e.g. security rules).

Additional exploitation obligations

Where the work programme/call conditions provide for **additional exploitation obligations**, those obligations must also be complied with/fulfilled.

⚠ Additional exploitation obligations apply to ALL beneficiaries unless otherwise specified.

Specific case (exploitation of results)

Public emergency — Where the work programme/call conditions provide for additional exploitation obligations in case of a public 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.

This additional obligation is intended to be broadly used and may therefore already be provided for in the general annexes of the work programme applying to your project. For the applicable additional provisions to a specific project, please check all relevant parts of the applicable work programme/call conditions.

The aim of this obligation is to help in the event of public emergency prevent and reduce the loss of life, harm to health or the environment, economic and material damage, as well as to improve the understanding or reduction of the public emergency and enhance recovery. Public emergencies in this context are emergencies characterised by an unexpected genuine and sufficiently serious threat undermining European Union's security, public order or public health.

Examples: Public emergencies could cover events such as pandemic diseases (like Covid-19), terrorist attacks, hacking, earthquakes, tsunamis, CBRN events, e.g. novel and highly fatal infectious agents or biological or chemical toxins, as well as those from resulting cascading risks.

The granting authority will not request activation of the public emergency obligation if it considers that the beneficiary is able to address the public emergency and commits rapidly and broadly exploit the resulting products and services directly or indirectly at fair and reasonable conditions. The public emergency obligation will only be activated if the granting authority considers that the Union's security, public order or public health cannot be protected by a less restrictive measure and is therefore a last resort option.

In most cases the obligation will likely remain dormant. If an exclusive licence agreement is intended to be granted by a beneficiary, the beneficiary and the licensee will have to provide in the licensing agreement for the possibility that this provision would be activated by the granting authority (e.g. suspension of the exclusive character and possibility to grant licences under the conditions provided for).

In case of activation of the public emergency provision by a request of the granting authority, the duration of the obligations and the fairness and reasonability of the licences will be assessed on a **case-by-case** basis and will depend on the specific circumstances of the public emergency, the context of each project and the nature of its results.

⚠ As this is an additional exploitation obligation, the beneficiary cannot OPT out and must comply with the additional obligations if requested by the granting authority.

For projects specifically funded to address a public emergency, the request of the granting authority to activate the obligations may already be set out in the work programme/call conditions. Other additional

exploitation obligations to address the public emergency may of course be provided for as well in the work programme/call conditions.

Additional information obligation relating to standards

Where the work programme/call conditions provided for this additional obligation, the beneficiaries must moreover inform the granting authority on any results that could contribute to European or international standards.

***Example:** The results are produced in an area in which standards play an important role (such as in mobile communication, diagnostics or immunological diseases).*

HE PRE-DRAFT

Transfer and licensing of results

Transfer of ownership

The beneficiaries may transfer ownership of their results, provided this does not affect compliance with their obligations under the Agreement.

The beneficiaries must ensure that their obligations under the Agreement regarding their results are passed on to the new owner and that this new owner has the obligation to pass them on in any subsequent transfer.

Moreover, they must inform the other beneficiaries with access rights of the transfer at least 45 days in advance (or less if agreed in writing), unless agreed otherwise in writing for specifically identified third parties including affiliated entities or unless impossible under the applicable law. This notification must include sufficient information on the new owner to enable the beneficiaries concerned to assess the effects on their access rights. The beneficiaries may object within 30 days of receiving notification (or less if agreed in writing), if they can show that the transfer would adversely affect their access rights. In this case, the transfer may not take place until agreement has been reached between the beneficiaries concerned.

Granting licences

The beneficiaries may grant licences to their results (or otherwise give the right to exploit them), including on an exclusive basis, provided this does not affect compliance with their obligations.

Exclusive licences for results may be granted only if all the other beneficiaries concerned have waived their access rights.

Granting authority right to object to transfers or licensing — Horizon Europe actions

Where the call conditions in Horizon Europe actions provide for the right to object to transfers or licensing, the granting authority may — up to four years after the end of the action (see Data Sheet, Point 1) — object to a transfer of ownership or the exclusive licensing of results, if:

- the beneficiaries which generated the results have received funding under the grant
- it is to a legal entity established in a non-EU country not associated with Horizon Europe, and
- the granting authority considers that the transfer or licence is not in line with EU interests.

Beneficiaries that intend to transfer ownership or grant an exclusive licence must formally notify the granting authority before the intended transfer or licensing takes place and:

- identify the specific results concerned
- describe in detail the new owner or licensee and the planned or potential exploitation of the results, and
- include a reasoned assessment of the likely impact of the transfer or licence on EU interests, in particular regarding competitiveness as well as consistency with ethical principles and security considerations.

The granting authority may request additional information.

If the granting authority decides to object to a transfer or exclusive licence, it must formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information it has requested).

No transfer or licensing may take place in the following cases:

- pending the granting authority decision, within the period set out above
- if the granting authority objects
- until the conditions are complied with, if the granting authority objection comes with conditions.

A beneficiary may formally notify a request to waive the right to object regarding intended transfers or grants to a specifically identified third party, if measures safeguarding EU interests are in place. If the granting authority agrees, it will formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information requested).

Granting authority right to object to transfers or licensing — Euratom actions

Where the call conditions in Euratom actions provide for the right to object to transfers or licensing, the granting authority may — up to four years after the end of the action (see Data Sheet, Point 1) — object to a transfer of ownership or the exclusive or non-exclusive licensing of results, if:

- the beneficiaries which generated the results have received funding under the grant
- it is to a legal entity established in a non-EU country not associated to the Euratom Research and Training Programme 2021-2025 and
- the granting authority considers that the transfer or licence is not in line with the EU interests.

Beneficiaries that intend to transfer ownership or grant a licence must formally notify the granting authority before the intended transfer or licensing takes place and:

- identify the specific results concerned
- describe in detail the results, the new owner or licensee and the planned or potential exploitation of the results, and
- include a reasoned assessment of the likely impact of the transfer or licence on EU interests, in particular regarding competitiveness as well as consistency with ethical principles and security considerations (including the defence interests of the EU Member States under Article 24 of the Euratom Treaty).

The granting authority may request additional information.

If the granting authority decides to object to a transfer or licence, it will formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information requested).

No transfer or licensing may take place in the following cases:

- pending the granting authority decision, within the period set out above
- if the granting authority objects
- until the conditions are complied with, if the granting authority objection comes with conditions.

A beneficiary may formally notify a request to waive the right to object regarding intended transfers or grants to a specifically identified third party, if measures safeguarding EU interests are in place. If the granting authority agrees, it will formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information requested).

Limitations to transfers and licensing due to strategic assets, interests, autonomy or security reasons of the EU and its Member States

Where the call conditions restrict participation or control due to strategic assets, interests, autonomy or security reasons, the beneficiaries may not transfer ownership of their results or grant licences to third parties which are established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries) — unless they have requested and received prior approval by the granting authority.

The request must:

- identify the specific results concerned
- describe in detail the new owner and the planned or potential exploitation of the results, and
- include a reasoned assessment of the likely impact of the transfer or licence on the strategic assets, interests, autonomy or security of the EU and its Member States. The granting authority may request additional information.



1. Transfers of ownership

The beneficiaries may transfer ownership of their results, provided this does not affect compliance with their obligations under the Agreement.

⚠ Security obligations — Transfer may be restricted/NOT possible for results that are subject to limited disclosure/dissemination.

The beneficiaries must however ensure that their obligations (regarding the results) apply to the **new owner** and that this new owner would pass them on in any subsequent transfer (*e.g. by including this in their arrangements with the new owner*).

Obligations that must be extended to new owners relate to:

- (y) Possible joint ownership obligations
- (z) Protection of results
- (aa) Exploitation of results
- (bb) Transfer and licensing of results
- (cc) Access rights to result
- (dd) Dissemination of results, open science and visibility of EU funding

When transferring ownership, they must also consider the other beneficiaries' legitimate interests, in particular:

- The beneficiary that intends to make the transfer must give the other beneficiaries (that still have or still may request access rights) at least 45 days (or less if agreed in writing) advance notice (together with sufficient information to allow them to properly assess the extent to which their access rights may be affected).
- Any other beneficiary (with such access rights) may object to the transfer within 30 days (or less if agreed in writing) of receiving notification, if it can show that it would adversely affect its access rights. In this case, the transfer may not take place, until the beneficiaries concerned reach an agreement.

The mere fact that the results concerned are transferred to a competitor is NOT in itself a valid reason for an objection. The beneficiary concerned must demonstrate the adverse effects on the exercise of its access rights.

Example (adverse effect): *Beneficiary A intends to transfer ownership of a new process it created during the course of an action to a competitor of beneficiary B. If beneficiary B shows that its access rights would be adversely affected by such a transfer (for instance, because the competitor has a proven track record of systematically legally challenging beneficiary B's claims), the transfer may not take place until the two beneficiaries reach an agreement.*

Specific cases (transfers of results):

Mergers & acquisitions (M&A) — If a transfer of ownership is not explicit (through an 'intended' transfer) but part of a take-over or merger of two companies, confidentiality constraints normally prevail (under M&A rules). Therefore, it may be necessary to inform the other beneficiaries only *after* the merger/acquisition took place (instead of *before*).

Specifically-identified third parties — The beneficiaries may (by prior written agreement) waive their right to object to transfers of ownership to a *specifically-identified* third party (*e.g. an affiliate entity of one of them*). In this case, there is no need to inform them of such transfers in advance (and they do not have the right to object).

Before agreeing to such a global authorisation, beneficiaries should carefully consider the situation (and in particular the identity of the third party concerned), to determine if their access rights would be affected.

Example: For large industrial groups, it is sometimes clear from the beginning that all results produced will be transferred to another entity of the group, without being detrimental to the other beneficiaries (who agreed to the global authorisation).

If the granting authority has the right to object to transfers (see point 3), the beneficiary must formally notify in advance (via the [Funding & Tenders Portal](#)) and the granting authority may object.

Joint research units (JRUs) — Where the internal arrangements of a JRU state that any results produced by one member are owned jointly by all members, the JRU member that is the beneficiary must ensure that it complies with the obligations under the grant on transfers (placing results under joint ownership of the JRU is a form of transfer).

Common legal structures — Common legal structures (CLS) (i.e. entities representing several other legal entities, e.g. *European Economic Interest Groupings (EEIG) or associations*) that are beneficiaries of an action may want to transfer ownership to one (or more) of their members. This is not prohibited; however the normal rules on transfers apply (e.g. *access rights have to remain available*).

Beneficiaries that are members of a common legal structure are strongly advised to agree on specific arrangements with the other members of the CLS, in particular relating to ownership and access rights.

2. Granting licences

The beneficiaries may grant licences to their results, including on an exclusive basis, provided this does not affect compliance with their obligations under this Agreement (e.g. they must in particular ensure that any access rights can be exercised and that any additional exploitation obligations are/can be complied with).

⚠ Security obligations — Transfer may be restricted/NOT possible for results that are subject to **limited disclosure/dissemination**.

Exclusive licences (e.g. for commercial exploitation) may be granted only if all other beneficiaries have waived their access rights and other access rights/obligations are preserved, (e.g. the access rights of the EU, Member States or activation of the public emergency obligation if applicable).

3. Granting authority right to object to transfers or exclusive licensing

Where the work programme/call conditions provide for the right to object, the granting authority may **object** to transfers or *exclusive* licences (or, for Euratom grants, also *non-exclusive* licences) to legal entities established in a non-associated third country if the granting authority considers that the transfer or licence is not in line with EU interests.

This provision is intended to be broadly used and may therefore already be provided for in the general annexes of the work programme applicable to your project. For the applicable provisions to a specific project, please check all relevant parts of the applicable work programme/call conditions.

Possible grounds for objection:

(a) Planned transfer/licence not in line with EU **competitiveness interests**

Example: if the transfer or licence would create a major competitive disadvantage for European companies or could make the results commercially unavailable on fair and reasonable conditions in the EU

(b) Planned transfer/licence not consistent with **ethical principles**

Example: if the transfer or licence could cause the results to be used in a way that is not in accordance with the fundamental ethical rules and principles recognised at EU and international level

(c) Planned transfer/licence not consistent with **security considerations** (including, for Euratom grants, the Member States' defence interests under Article 24 of the Euratom Treaty).

Example: if the transfer or licence could make results considered significant from a security standpoint not readily available in the EU, or if security-sensitive results could fall into the hands of third parties that are considered a security risk

(d) Planned transfer/licence weakens the **scientific and technological bases of the Union**

Example: if the transfer or licence could weaken the EU capacity & independence in strategic technological areas (e.g. quantum computing, artificial intelligence)

This right does NOT apply to results generated by beneficiaries not having received funding under the grant.

The beneficiary must formally notify the granting authority in advance (via the [Funding & Tenders Portal](#)) of any planned transfer or exclusive licence (and, for Euratom grants, also of any non-exclusive licence).

A notification before the results are generated is allowed, if the specific results concerned (and the details of the transfer/licence) can already be identified so an assessment can be made.

Specific cases (object to transfers or exclusive licensing)

Specifically-identified third parties — A beneficiary may formally notify a request to **waive the right to object** regarding intended transfers or grants to a specifically identified third party, if measures safeguarding EU interests are in place. If the granting authority agrees, it will formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information requested).

Limitations to transfers and licensing due to strategic assets, interests, autonomy or security reasons of the EU and its Member States — Where the work programme/call conditions provide for such limitations, prior approval by the granting authority is required regarding any transfers or (exclusive or non-exclusive) licences to third parties which are established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries).

Access rights to results and background

Exercise of access rights — Waiving of access rights — No sub-licensing

Requests to exercise access rights and the waiver of access rights must be in writing.

Unless agreed otherwise in writing with the beneficiary granting access, access rights do not include the right to sub-license.

If a beneficiary is no longer involved in the action, this does not affect its obligations to grant access.

If a beneficiary defaults on its obligations, the beneficiaries may agree that that beneficiary no longer has access rights

Access rights for implementing the action

The beneficiaries must grant each other access —on a royalty-free basis —to background needed to implement their own tasks under the action, unless the beneficiary that holds the background has —before acceding to the Agreement —:

- 1.0 informed the other beneficiaries that access to its background is subject to restrictions, or
- 2.0 agreed with the other beneficiaries that access would not be on a royalty-free basis.

The beneficiaries must grant each other access —on a royalty-free basis —to results needed for implementing their own tasks under the action.

Access rights for exploiting the results

The beneficiaries must grant each other access —under fair and reasonable conditions —to results needed for exploiting their results.

The beneficiaries must grant each other access —under fair and reasonable conditions —to background needed for exploiting their results, unless the beneficiary that holds the background has —before acceding to the Agreement —informed the other beneficiaries that access to its background is subject to restrictions.

Requests for access must be made —unless agreed otherwise in writing —up to one year after the end of the action (see Data Sheet, Point 1).

Access rights for entities under the same control

Unless agreed otherwise in writing by the beneficiaries, access to results and, subject to the restrictions referred to above (if any), background must also be granted —under fair and reasonable conditions —to entities that:

- 3.0 are established in an EU Member State or Horizon Europe associated country
- 4.0 are under the direct or indirect control of another beneficiary, or under the same direct or indirect control as that beneficiary, or directly or indirectly controlling that beneficiary and
- 5.0 need the access to exploit the results of that beneficiary.

Unless agreed otherwise in writing, such requests for access must be made by the entity directly to the beneficiary concerned. Requests for access must be made —unless agreed otherwise in writing —up to one year after the end of the action (see Data Sheet, Point 1).

Access rights for the granting authority, EU institutions, bodies, offices or agencies and national authorities to results for policy purposes — Horizon Europe actions

In Horizon Europe actions, the beneficiaries which have received funding under the grant must grant access to their results —on a royalty-free basis —to the granting authority, EU institutions, bodies, offices or agencies for developing, implementing and monitoring EU policies or programmes. Such access rights do not extend to beneficiaries' background.

Such access rights are limited to non-commercial and non-competitive use.

For actions under the cluster ‘Civil Security for Society’, such access rights also extend to national authorities of EU Member States for developing, implementing and monitoring their policies or programmes in this area. In this case, access is subject to a bilateral agreement to define specific conditions ensuring that:

- the access rights will be used only for the intended purpose and
- appropriate confidentiality obligations are in place.

Moreover, the requesting national authority or EU institution, body, office or agency (including the granting authority) must inform all other national authorities of such a request.

Access rights for the granting authority, Euratom institutions, funding bodies or the Joint Undertaking Fusion for Energy — Euratom actions

In Euratom actions, the beneficiaries which have received funding under the grant must grant access to their results —on a royalty-free basis —to the granting authority, Euratom institutions, funding bodies or the Joint Undertaking Fusion for Energy for developing, implementing and monitoring Euratom policies and programmes or for compliance with obligations assumed through international cooperation with non-EU countries and international organisations.

Such access rights include the right to authorise third parties to use the results in public procurement and the right to sub-license and are limited to non-commercial and non-competitive use.

Additional access rights

Where the call conditions impose additional access rights, the beneficiaries must comply with them.



1. Access to background & results

What & When? The beneficiaries must provide **access to background and results**, if it is needed:

- (i) by another beneficiary, for implementing action tasks or exploiting results
- (ii) by an entity established in a EU Member State or Horizon Europe associated country and under the direct or indirect control of another beneficiary, or under the same direct or indirect control as another beneficiary, or directly or indirectly controlling such a beneficiary, to exploit the results generated by that beneficiary— unless otherwise agreed or provided for in other provisions of the Agreement.

Examples: Beneficiary A used background from beneficiary B to generate its results which is also needed to exploit those results. Beneficiary A would like to use its entity C, a sister company under the same control as beneficiary, established in a MS to exploit the results. For this, entity C needs access rights to beneficiary B's background. If entity C is established in a Member State or an associated country, it has access rights unless otherwise provided for in the consortium agreement. If not, the beneficiaries could agree on additional access rights (see further below).

Other examples (restrictions) may be in relation to security related provisions or in case of restrictions due to strategic assets, interests, autonomy or security of the EU and its Member States.

There is NO definition of ‘needed’. The beneficiary owning the background or results has to assess (on a case by case basis and taking into account the action’s specificities), if the requesting beneficiary needs the access (and may refuse it, if it does not).

Example (results needed for implementation): If without these results, action tasks could not be implemented, would be significantly delayed or would require significant additional financial or human resources.

Example (background needed for exploitation): If without these results, exploiting a result would be technically or legally impossible or if significant additional R&D work would have to be carried out outside of the action to develop an alternative equivalent solution.

Best practice: To avoid conflicts and where appropriate, beneficiaries should agree (*e.g. in the consortium agreement*) on a common interpretation of what is needed.

However, for background there is NO (or a more limited) obligation to give access, if there are **restrictions** (legal or otherwise) and the beneficiary has informed the others — before acceding to the grant (or immediately when additional background is agreed on).

Example: A pre-existing agreement (*e.g. an exclusive licence*) which precludes the granting of access rights to certain background for exploitation purposes.

By contrast, if a beneficiary contracts on background later, it must ensure that it can comply with its access obligations under the grant.

The other beneficiaries may **waive their access rights**, provided that such a waiver is made in writing.

Best practice: Waivers should be made only on a case-by-case basis, once the results have been correctly identified and it is clear that access is not needed.

How? Access rights are not automatic; they must be **requested** (in writing).

Best practice: Beneficiaries may use their internal rules to specify how to make such written requests.

It may be requested even from beneficiaries who left the action before the end, under the same conditions as from active beneficiaries.

If applicable, for entities established in a EU Member State or a Horizon Europe associated country and under the direct or indirect control, or under the same direct or indirect the same control as another beneficiary, or directly or indirectly controlling such a beneficiary, access must be requested directly from the beneficiary owning the background or results. However, the beneficiary owning the background results may agree to a different arrangement.

Access to results for exploitation may be requested up to one year after the end of the action — unless the beneficiaries agreed on another time limit.

The **agreement** by the beneficiary owning the results (on the request for access) may be in any form (tacit, explicit, in writing or oral).

Best practice: To keep a record of entities that have access, a written agreement may be needed, in particular for important background or results.

In case of **disagreement**, the requesting beneficiary can better substantiate its request, withdraw it or resort to the conflict resolution procedures foreseen by the consortium (*e.g. in the consortium agreement*).

If a conflict on access rights to results is likely to affect the action implementation, the beneficiaries must immediately **inform** the granting authority.

If a beneficiary is no longer involved in the action, this does not affect its obligations to grant access.

If a beneficiary defaults on its obligations, the beneficiaries may agree that that beneficiary no longer has access rights.

2. Conditions for access: Royalty free — Fair and reasonable conditions

Access **to results** must be given:

- (i) for the implementation of action tasks: royalty-free
- (ii) for the exploitation of results: under fair and reasonable conditions

Examples (monetary compensation): a lump sum, a royalty percentage, or a combination of both.

Examples (non-financial terms): a requirement to grant access to technology it has, or to agree on cooperation in a different field or in a future project.

Best practice: In case financial terms are involved, it may not be always possible to determine, at the moment of agreeing to these terms, what fair and reasonable financial conditions are, as the potential value of the foreground or background, and the exploitation thereof, may not be clear. Beneficiaries could in such cases opt for an open system which allows them to take into account unexpected developments, for example by adjusting royalty percentages in case certain milestones are reached.

The **conditions for access to background** are slightly different. Unless restrictions apply, access must be given:

- (iii) for the implementation of action tasks: the default rule is royalty-free

However, if agreed by the beneficiaries before the grant is signed, for background other conditions may apply.

Example: A beneficiary owns a novel technology needed by other beneficiaries for implementing their tasks under the action and the other beneficiaries do not bring the same level of background. In such case the beneficiaries may agree that access to the novel technology to implement the action will not be on a royalty-free basis.

Best practice: If beneficiaries intend to deviate from the default rule, it is recommended that this is explained in detail in their proposal. Royalty fees paid for access to background for implementation purposes may exceptionally be eligible **costs** (see *conditions*).

- (iv) for the exploitation of results: under fair and reasonable conditions.

3. Scope of access: Sublicensing/Licensing — Additional access rights — More favourable terms — Additional conditions

The access rights set out in the grant **cover** only the **access needed**.

Access rights are a right to use by the entity concerned and do NOT automatically give the right to the requesting beneficiary to **sub-licence**. (If this were the case, access rights to results would be extended — without consent — to virtually any entity in the world, including a beneficiary's competitors).

Sub-licensing is only allowed if the beneficiary owning the results agrees — although such agreement should not be unduly refused, if the sublicensing is necessary. In this case the sub-licensing does not have to be royalty-free (even if the access rights concerned would be) and can itself be made subject to specific conditions.

Examples:

1. A university may need the right to sub-licence access to results needed to exploit its own results to third parties, to make it possible to derive value from its own results.
2. In large industrial groups it is quite common that research is conducted by one entity and exploitation by one or several other entities. Access rights enjoyed by the 'research entity' but not by the 'exploitation entities' would raise problems for those entities not covered by the access rights for entities under the same control.

Best practice: If needed, the beneficiaries should agree on the terms and conditions of the sub-licensing generally and in writing (in the consortium agreement or separately).

Examples: In such an agreement, they could foresee that sub-licensing could apply to the results (or part of them), but not to the background; sub-licensing could apply to (some of the) entities forming part of the same group, but not to (some of the) other entities.

The beneficiaries remain free to grant **licences** (including quasi-exclusive licences) to their own results, as long as they can guarantee that all their grant obligations are/will be respected, including that any access rights can be exercised. They can even grant an exclusive licence to exploit their results, if the other beneficiaries have waived any access rights which would make granting the

exclusive licence impossible (and no additional obligations apply with the same effect, e.g. *additional exploitation/access rights obligations*).

Beneficiaries are free to grant **additional access** rights to results, beyond the rights foreseen in the grant if compatible with their obligations under the grant.

Examples: Additional access rights for third parties (e.g. affiliated entities if they need it for implementation purposes, entities under same control but not established in an EU Member State or HE associated country).

Best practice: Such additional provisions may be included in the consortium agreement or in a separate agreement.

Access may also be granted on **more favourable** terms (e.g. *include the right to sub-licence*) or be made subject to **additional conditions** (e.g. *appropriate confidentiality obligations*). Access rights may be exercised as long as agreed by the concerned beneficiaries (e.g. *which for patents could be until the patent expires*).

Access rights for the granting authority, EU institutions, bodies, offices or agencies and national authorities to results for policy purposes — Horizon Europe actions

The granting authority, EU institutions, bodies, offices or agencies (and/or EU Member States national authorities for Horizon Europe actions under the cluster 'Civil security for Society') have specific access rights for policy purposes. Such access does not extend to beneficiaries' background.

Access rights for the granting authority, Euratom institutions, funding bodies and the Joint Undertaking Fusion for Energy — Euratom actions

In Euratom actions, the granting authority, Euratom institutions, its funding bodies and the Fusion for Energy joint undertaking have royalty-free access, for:

- (a) developing, implementing and monitoring Euratom policies and programmes
- (b) complying with Euratom's obligations under international research and cooperation agreements in the field of nuclear energy.

These access rights include the right to **sub-license** (e.g. *to third parties involved in such an international agreement*) or to **use** the results **in public procurement**, as long as they are only used for non-commercial and non-competitive purposes.

Example: Euratom is part of the ITER agreement and is committed to disseminating information on technological solutions developed in the context of ITER projects, and to sharing them on a non-discriminatory basis with other ITER members and ITER itself. It does this by giving ITER and ITER members royalty-free licences, including the right to sub-licence, for the intellectual property produced, so that they can publicly sponsor fusion and research programmes.

Additional access rights

Where the work programme/call conditions provide for additional access rights, they must also be respected and access granted.

Example: Additional access rights for the beneficiaries of linked actions.

ANNEX 5 HE COMMUNICATION, DISSEMINATION, OPEN SCIENCE AND VISIBILITY

COMMUNICATION, DISSEMINATION, OPEN SCIENCE AND VISIBILITY (— ARTICLE 17)

Dissemination

Dissemination of results

The beneficiaries must disseminate their results as soon as feasible, in a publicly available format, subject to any restrictions due to the protection of intellectual property, security rules or legitimate interests.

A beneficiary that intends to disseminate its results must give at least 15 days advance notice to the other beneficiaries (unless agreed otherwise), together with sufficient information on the results it will disseminate.

Any other beneficiary may object within (unless agreed otherwise) 15 days of receiving notification, if it can show that its legitimate interests in relation to the results or background would be significantly harmed. In such cases, the results may not be disseminated unless appropriate steps are taken to safeguard those interests.

Additional dissemination obligations

Where the call conditions impose additional dissemination obligations, the beneficiaries must also comply with those.

Open Science

Open science: open access to scientific publications

The beneficiaries must ensure open access to peer-reviewed scientific publications relating to their results. In particular, they must ensure that:

- at the latest at the time of publication, a machine-readable electronic copy of the published version or the final peer-reviewed manuscript accepted for publication, is deposited in a trusted repository for scientific publications
- immediate open access is provided to the deposited publication via the repository, under the latest available version of the Creative Commons Attribution International Public Licence (CC BY) or a licence with equivalent rights; for monographs and other long-text formats, the licence may exclude commercial uses and derivative works (e.g. CC BY-NC, CC BY-ND) and
- information is given via the repository about any research output or any other tools and instruments needed to validate the conclusions of the scientific publication.

Beneficiaries (or authors) must retain sufficient intellectual property rights to comply with the open access requirements.

Metadata of deposited publications must be open under a Creative Commons Public Domain Dedication (CC 0) or equivalent, in line with the FAIR principles (in particular machine-actionable) and provide information at least about the following: publication (author(s), title, date of publication, publication venue); Horizon Europe or Euratom funding; grant project name, acronym and number; licensing terms; persistent identifiers for the publication, the authors involved in the action and, if possible, for their organisations and the grant. Where applicable, the metadata must include persistent identifiers for any research output or any other tools and instruments needed to validate the conclusions of the publication.

Only publication fees in full open access venues for peer-reviewed scientific publications are eligible for reimbursement.

Open science: research data management

The beneficiaries must manage the digital research data generated in the action ('data') responsibly, in line with the FAIR principles and by taking all of the following actions:

- establish a data management plan ('DMP') (and regularly update it)
- as soon as possible and within the deadlines set out in the DMP, deposit the data in a trusted repository; if required in the call conditions, this repository must be federated in the EOSC in compliance with EOSC requirements

- as soon as possible and within the deadlines set out in the DMP, ensure open access — via the repository — to the deposited data, under the latest available version of the Creative Commons Attribution International Public License (CC BY) or Creative Commons Public Domain Dedication (CC0) or a licence with equivalent rights, following the principle ‘as open as possible as closed as necessary’, unless providing open access would in particular:
 - o be against the beneficiary’s legitimate interests, including regarding commercial exploitation, or
 - o be contrary to any other constraints, in particular the EU competitive interests or the beneficiary’s obligations under this Agreement; if open access is not provided (to some or all data), this must be justified in the DMP
- provide information via the repository about any research output or any other tools and instruments needed to re-use or validate the data.

Metadata of deposited data must be open under a Creative Commons Public Domain Dedication (CC 0) or equivalent (to the extent legitimate interests or constraints are safeguarded), in line with the FAIR principles (in particular machine-actionable) and provide information at least about the following: datasets (description, date of deposit, author(s), venue and embargo); Horizon Europe or Euratom funding; grant project name, acronym and number; licensing terms; persistent identifiers for the dataset, the authors involved in the action, and, if possible, for their organisations and the grant. Where applicable, the metadata must include persistent identifiers for related publications and other research outputs.

Open science: additional practices

Where the call conditions impose additional obligations regarding open science practices, the beneficiaries must also comply with those.

Where the call conditions impose additional obligations regarding the validation of scientific publications, the beneficiaries must provide (digital or physical) access to data or other results needed for validation of the conclusions of scientific publications, to the extent that their legitimate interests or constraints are safeguarded (and unless they already provided the (open) access at publication).

Where the call conditions impose additional open science obligations in case of a public emergency, the beneficiaries must (if requested by the granting authority) immediately deposit any research output in a repository and provide open access to it under a CC BY licence, a Public Domain Dedication (CC 0) or equivalent. As an exception, if the access would be against the beneficiaries’ legitimate interests, the beneficiaries must grant non-exclusive licenses — under fair and reasonable conditions — to legal entities that need the research output to address the public emergency and commit to rapidly and broadly exploit the resulting products and services at fair and reasonable conditions. This provision applies up to four years after the end of the action (see Data Sheet, Point 1).



1. Dissemination

Unless it goes against their legitimate interests, the beneficiaries must — as soon as feasible (but not before a decision on their possible protection) — **disseminate** their results (i.e. make them public).

Results that are disclosed too early (i.e. before the decision on their protection) run the risk of making protection impossible in some cases.

***Example:** If a result is disclosed (in writing (including by e-mail) or orally (e.g. at a conference) before filing for patent protection — even to a single person who is not bound by secrecy or confidentiality obligations (typically someone from an organisation outside the consortium) this may invalidate a subsequent patent application.*

NO dissemination at all may take place, if:

- the results in question need to be protected as a trade secret (i.e. confidential know-how) or
- dissemination conflicts with any other obligations under the grant (e.g. *personal data protection, security obligations, etc.*).

⚠ Security obligations — Dissemination may be restricted/NOT possible for results that are subject to security rules.

The beneficiaries may choose the appropriate publicly available **format** for disseminating their results.

Standard forms of dissemination:

- (i) website
- (ii) presentation at a scientific conference, at an education and training event or other events with stakeholders and potential users of the results
- (iii) peer-reviewed publication

The dissemination measures should be consistent with the 'plan for the exploitation and dissemination of the results' and proportionate to the impact expected from the action.

When deciding on dissemination, the beneficiaries must also consider the **other beneficiaries'** legitimate **interests**.

The beneficiary that intends to disseminate must give the other beneficiaries — unless otherwise agreed — at least **15 days advance notice** (together with sufficient information on the intended dissemination).

Any other beneficiary may **object** to dissemination — unless otherwise agreed — within **15 days** of receiving notification, if it can show that it would suffer significant harm (in relation to its background or results). In this case, the results may not be disseminated — unless appropriate steps are taken to safeguard the interests at stake.

Examples (significant harm): *Disseminating the results would lead to disclosure of valuable background held by another beneficiary as a trade secret or would make protecting another beneficiary's results more difficult. Appropriate steps could include: omitting certain data or postponing dissemination until the results are protected.*

Best practice: Beneficiaries should provide for arrangements (either in the consortium agreement or in separate agreements) to ensure that decisions on dissemination take due account of the interests of all beneficiaries concerned and yet allow for publication of results without unreasonable delay. This may include a specific mechanism to resolve any disputes as soon as possible.

Where the work programme/call conditions provide for **additional dissemination obligations**, those obligations must also be complied with/fulfilled.

Example: *Requirement to disseminate the results in a specific website.*

2. Open science

Open science is an approach based on open cooperative work and systematic sharing of knowledge and tools as early and widely as possible in the research process.

As explained below, the open science provisions in Horizon Europe and the Euratom Research and Training Programme contain a set of requirements, and encouraged practices that cover some of the most important aspects of open science. They concern research outputs such as scientific publications and research data (including requirements regarding metadata, IPR and licensing and repositories). They also concern additional open science practices as provided for in the work

programmes/call conditions, including regarding the validation of scientific publications and

⚠ Research outputs are results to which online access can be given in the form of scientific publications, data or other engineered outcomes and processes such as software, algorithms, protocols, models, workflows and electronic notebooks.

regarding public emergencies.

2.1. Open science: Open access to scientific publications

The essence of the requirement: Beneficiaries must ensure open access to peer-reviewed scientific publications relating to their results. This includes articles and long-text formats, such as monographs and other types of books. Immediate open access is required i.e. at the same time as the first publication, through a trusted repository (see further below) using specific open licences (see further below).

- Peer review is the assessment of manuscripts or publications by researchers with relevant expertise.

An article is considered to be peer-reviewed when it has been scrutinized and approved by expert researchers. The number of the positive assessments required is set by each publishing venue.

Long-text formats – such as books/monographs and edited volumes – are considered to be peer-reviewed if the manuscript or a substantial part thereof has been reviewed at least by one independent expert external to the publisher or to the series scientific editor(s). PhD theses and habilitations for professorial degrees are considered peer-reviewed if they are formally published through a publisher. Book chapters are not considered long-text formats but are treated similarly to articles.

Best practice: Beneficiaries are encouraged to provide open access to all publications, even if they are not peer-reviewed.

How to provide the required open access: Beneficiaries/authors may publish in the venue of their choice, either in a closed (i.e. subscription), an open access publishing venue (e.g. an open access journal or platform) or in a hybrid publishing venue (see below), provided that all their open access related obligations as detailed in this section are complied with.

- Open access publishing venues are publishing venues (such as journals, books, publishing platforms) whose entire scholarly content is published in open access.

Hybrid publishing venues (hybrid journals and books) provide part of their scholarly content in open access, while another part is accessible through subscriptions/payments. Specifically, hybrid journals and hybrid books are those journals/books based on subscription/purchase that provide open access to part of their content when an open access fee is paid by their authors/institutions (paid ad hoc or on the basis of an institutional agreement with the publishers).

Mirror and sister journals are more recently established open access versions of existing subscription journals. They may share the same editorial board as the original journal and usually have (at least initially) the same or very similar aims, scope and peer review processes and policies. These journals often have a name similar to the subscription title but a different ISSN. In the context of Horizon Europe, they are considered open access publishing venues and not hybrid journals.

In parallel, beneficiaries/authors must deposit their publication in a machine-readable format (structured format that can automatically be read and processed by a computer) in a trusted repository (see explanation further below) before or at publication time and immediately provide open access to the publication through that repository.

⚠ Only publishing in an open access venue, i.e. without depositing in a repository, does NOT comply with the open access requirement. All peer-reviewed publications must be deposited in trusted repositories and open access provided to them through the repositories.

When choosing the publishing venue and the repository, beneficiaries/authors must keep in mind that licensing requirements, metadata requirements and validation requirements must also be complied with at this time (see relevant explanations further below).

⚠ The European Commission offers Horizon Europe beneficiaries [Open Research Europe \(ORE\)](#), an **open access publishing platform with no publishing fees**. ORE is offered as an additional publishing option to Horizon Europe beneficiaries. When ORE is the selected publishing venue, all requirements for open access to scientific publications are fulfilled, as ORE deposits publications in the all-purpose repository [Zenodo](#).

Immediate open access through the repository must be provided either to the author final manuscript (incorporating all revisions following peer-review, known as Author Accepted Manuscript or AAM) or to the final published version, known as the Version of Record (VoR).

Repository requirements. Beneficiaries must ensure deposition of and open access to publications (and research data, where the case) through trusted repositories.

- A repository is an online archive, where researchers can deposit digital research outputs and provide (open) access to them. Repositories help manage and provide access to scientific outputs, such as publications, data, software, among others. They also contribute to the long-term preservation of digital assets. Repositories can be institutional, operating with the purpose to collect, disseminate and preserve digital research outputs of individual research organisations (institutional repositories, e.g. the repository of University X). They can be domain-specific, operating to support specific research communities and supported/endorsed by them (e.g. [Europe PMC](#) for life sciences including biomedicine and health or arXiv for physics, mathematics, computer science, quantitative biology, quantitative finance and statistics; [Phonogrammarchiv](#) for audiovisual recordings the [CLARIN-DK-UCPH Repository](#) for digital language data or the [European Nucleotide Archive](#) or databases of astronomical observations operated by the [European Southern Observatory](#), among others). There are also general-purpose repositories, such as for example [Zenodo](#), developed by CERN.

Personal websites and databases, publisher websites, as well as cloud storage services (Dropbox, Google drive, etc) are not considered repositories. Academia.edu, ResearchGate and similar platforms do not allow open access under the terms required and are NOT considered repositories.

Trusted repositories are:

- Certified repositories (e.g. CoreTrustSeal, nestor Seal DIN31644, ISO16363) or disciplinary and domain repositories commonly used and endorsed by the research communities. Such repositories should be recognised internationally.
- General-purpose repositories or institutional repositories that present the essential characteristics of trusted repositories, i.e.:
 - o display specific characteristics of organisational, technical and procedural quality such as services, mechanisms and/or provisions that are intended to secure the integrity and authenticity of their contents, thus facilitating their use and re-use in the short- and long-term. Trusted repositories have specific provisions in place and offer explicit information online about their policies, which define their services (e.g. acquisition, access, security of content, long-term sustainability of service including funding etc.).
 - o provide broad, equitable and ideally open access to content free at the point of use, as appropriate, and respect applicable legal and ethical limitations. They assign persistent unique identifiers to contents (e.g. DOIs, handles, etc.), such that the contents (publications, data and other research outputs) are unequivocally referenced and thus citeable. They ensure that contents are accompanied by metadata sufficiently detailed and of sufficiently high quality to enable discovery, reuse and citation and contain information about provenance and licensing; metadata are machine- actionable and standardized (e.g. Dublin Core, Data Cite

etc.) preferably using common non-proprietary formats and following the standards of the respective community the repository serves, where applicable.

- o facilitate mid- and long-term preservation of the deposited material. They have mechanisms or provisions for expert curation and quality assurance for the accuracy and integrity of datasets and metadata, as well as procedures to liaise with depositors where issues are detected. They meet generally accepted international and national criteria for security to prevent unauthorized access and release of content and have different levels of security depending on the sensitivity of the data being deposited to maintain privacy and confidentiality.

Licensing requirements. Scientific publications must be licensed under the latest version of a Creative Commons Attribution International Public Licence ([CC BY](#)) or an equivalent licence. For monographs and other long-text formats the licence may exclude commercial uses and derivative works (as in [CC BY-NC](#), [CC BY-ND](#) or [CC BY-NC-ND](#) or equivalent licences).

- For more guidance, including an explanatory checklist of the rights conferred by the above licences that will help researchers to understand publisher equivalent licences, see [the Horizon Europe Programme Guide](#)

Beneficiaries (or authors, where the case) must retain sufficient intellectual property rights to comply with their open access requirements.

Best practice: Beneficiaries/authors retain the copyright on their work and grant, insofar as possible, non-exclusive licences to publishers.

Best practice: Beneficiaries put in place institutional policies to ensure copyright retention by authors and/or beneficiaries and compliance with the open access requirements.

Validation requirements. Information must be given via the repository (or via the copy of the publication deposited in the repository) about any research output or any other tools and instruments needed to validate the conclusions of the scientific publication. Research outputs, tools and instruments may include data, software, algorithms, protocols, models, workflows, electronic notebooks and others. Information should include a detailed description of the research output/tool/instrument, how to access it, any dependencies on commercial products, potential version/type, potential parameters, etc.

Best practice: It is recommended that open access is provided to these research outputs, tools and instruments unless legitimate interests or constraints apply.

Metadata requirements. Metadata should be in line with the FAIR (Findable, Accessible, Interoperable, Reusable) principles, in particular, it should be machine-actionable (machine readable, and automatic computer processing can extract information from the metadata attributes ensuring a cross-linking between different research outputs) and follow a standardised format, in line with community standards, and should provide rich information on the publication/data (author(s), publication title, date of publication, publication venue); Horizon Europe or Euratom funding; grant project name, acronym and number; licensing terms.

Additionally, metadata must be open access under a Creative Commons Public Domain Dedication ([CC0](#)) or equivalent, ensuring its reusability.

Importantly, Persistent Identifiers (PIDs) must be provided for the Version of Record (VoR) of the publication (such as a [Digital Object Identifier](#) (DOI) or a handle), for all author(s) involved in the action (such as [ORCIDs](#) or [ResearcherIDs](#)) and, if possible, for their organizations (such as [ROR IDs](#)) and the grant (such as grant DOIs).

Best practice: It is recommended that researchers apply these requirements for metadata to digital research outputs including data and other tools and instruments identified as necessary to validate publications.

In addition to fulfilling the other costs eligibility criteria, publication fees are only eligible when publishing in full open access publishing venues (venues in which the entire scholarly content is openly accessible to all, see above) and not hybrid venues.

⚠ Publishing fees (including page charges or colour charges) for publications in other venues, for example in subscription journals (including hybrid journals) or in books that contain some scholarly content that is open and some that is closed are NOT eligible costs. Publishing fees for open access books may be eligible to the extent that they cover the first digital open access edition of the book (which could include different formats such as html, pdf, epub, etc.). Printing fees for monographs and other books are NOT eligible.

2.2. Open science: research data management

The essence of the requirement: Beneficiaries must manage responsibly the digital research data generated in the action ('data') in line with the FAIR principles. They should also ensure open access to research data via a trusted repository under the principle 'as open as possible, as closed as necessary'.

The requirements for research data management apply only to data that are generated in the course of the action. Beneficiaries should also consider re-used data when developing their data management plans (DMPs), if they form part of their research and to the extent possible.

Best practice: Beneficiaries are encouraged to manage research outputs other than publications and research data also in line with the FAIR principles and to adequately describe relevant efforts in the DMP. Other research outputs may include software, algorithms, code, protocols, workflows, among others.

How to meet the research data management and open access requirements

Beneficiaries must do the following to meet the relevant requirements:

- (i) Beneficiaries must establish a **DMP**, addressing important aspects of RDM.

⚠ A Data Management Plan (DMP) is a document that outlines from the start of the project the main aspects of the lifecycle of research outputs, notably including data. This includes their provenance, organisation and curation, as well as adequate provisions for their access, preservation, sharing, and eventual deletion, both during and after a project. Writing a DMP is an activity directly linked to the methodology of the research, i.e. good data management will make the work more efficient/save time, contribute to safeguarding information and to increasing the impact and the value of the data among the beneficiaries and others, during and after the research.

Beneficiaries must submit a DMP as a deliverable to the granting authority in accordance with the Grant Agreement (normally by month 6). An updated DMP deliverable must also be produced mid-project (for projects longer than twelve months) and at the end of the project (where relevant).

Best practice: Beneficiaries should maintain the DMP as a living document and update it over the course of the project whenever significant changes arise. This includes, but is not limited to: the generation of new data, changes in data access provisions or curation policies, attainment of tasks (e.g. datasets deposited in a repository, etc.), changes in relevant practices (e.g. new innovation potential, decision to file for a patent), changes in consortium composition.

Beneficiaries are encouraged to encode their DMP deliverables as non-restricted, public deliverables, unless there are reasons (legitimate interests or other constraints) not to do so. In the case they are made public, it is also recommended that open access is provided under a CC BY licence to allow a broad re-use.

 For more guidance on research data management and making research data FAIR, and for a DMP template, see [the Horizon Europe Programme Guide](#)

- (ii) Beneficiaries must deposit the data in a trusted repository (see explanation above) and ensure open access through the repository, as soon as possible and within the deadlines set out in the DMP.

Deposition of data must take place as soon as possible after data production/generation or after adequate processing and quality control have taken place, providing value and context to the data and at the latest by the end of the project. This does not entail that data must be made open, but rather that it is deposited so that metadata information is available and hence information about the data is findable. In exceptional cases in which specific constraints apply (e.g. security rules), deposition can be delayed beyond the end of the project.

Data includes raw data, to the extent technically feasible, but especially if it is crucial to enable reanalysis, reproducibility and/or data reuse.

Data underpinning a scientific publication should be deposited at the latest at the time of publication, and in line with standard community practices.

For calls with a condition relating to the European Open Science Cloud (EOSC): data must be deposited in trusted repositories that are federated in the EOSC in compliance with the EOSC requirements. A list of the services offered by EOSC, including for storage and processing of research data, can be found at the [EOSC Portal](#).

Open access is required as the default for research data under the principle 'as open as possible, as closed as necessary'. This means that, as an exception, beneficiaries may or must keep certain data closed for justified reasons (see below); beneficiaries must explain in the DMP the exception(s) under which they choose to or must restrict access to some or all of the research data.

 These exceptions are: if providing open access is against the beneficiary's legitimate interests, including regarding commercial exploitation; if it is contrary to any other constraints, such as data protection rules, privacy, confidentiality, trade secrets, Union competitive interests, security rules, intellectual property rights or would be against other obligations under the Grant Agreement.

Examples (valid justification):

Data which is commercially valuable may be kept closed if making the data open would undermine the exploitation of the data or other results (such as could endanger trade secrets) or make IP protection of results more difficult.

Data protection/privacy rules may mean that certain (sensitive) personal data cannot be made open.

Security rules may also require closed data. In projects relating to the strategic assets, interests, autonomy or security of the Union, data should to be kept closed if making the data open would put in jeopardy those objectives.

Licensing requirements. Research data made open access must be licensed under the latest version of a Creative Commons Attribution International Public Licence (CC BY) requiring attribution of authorship, or a licence providing equivalent rights, or under a Creative Commons Public Domain Dedication (CC0) or equivalent (which waives any rights to the data). The latter may be appropriate in particular for large datasets that can be more easily reused without restrictions, or in any other case if authors so desire. A Creative Commons Public Domain Mark (PDM) or equivalent should be applied to raw research data unless the data meet the requirements to be protected by copyright/database right.

Requirements for the re-use and validation of data. Information must be given via the repository about any research output or any other tools and instruments needed for the re-use or validation of research data. Research outputs, tools and instruments may include data, software, algorithms, protocols, models, workflows, electronic notebooks and others. Information must include a detailed description of the research output/tool/instrument, how to access it, any dependencies on commercial products, potential version/type, potential parameters etc.

Best practice: Beneficiaries are encouraged to provide open access to these research outputs, tools and instruments unless legitimate interests or constraints apply.

Metadata requirements. Metadata should be in line with the FAIR principles, in particular, it should be machine-actionable and follow a standardised format, in line with community standards, and should provide rich information on the data (author(s), dataset description, date of dataset deposit, dataset deposit venue and dataset embargo (if any)); Horizon Europe or Euratom funding; grant project name, acronym and number; licensing terms.

Additionally, metadata must be open access under a [CC0](#) public domain dedication or equivalent, to the extent legitimate interests are safeguarded and constraints are taken into account.

In cases where data is closed but there are no compelling reasons that the related metadata should not be findable and accessible, it is recommended that open access be provided to the metadata of the data, with CC0 public domain dedication or equivalent, if possible, while the dataset itself remains closed.

Importantly, Persistent Identifiers (PIDs) must be provided for the dataset (such as a [Digital Object Identifier](#) (DOI) or a handle), for all author(s) involved in the action (such as [ORCIDs](#) or [ResearcherIDs](#)) and, if possible, for their organizations (such as [ROR](#) IDs) and the grant (such as grant DOIs).

All the above provisions regarding research data management are also recommended for **other research outputs** than scientific publications and research data.

Beneficiaries (or researchers, where the case) should retain sufficient intellectual property rights to comply with the research data management requirements and to follow the research output management recommendations.

2.3. Open science: additional open science practices

Where the work programme/call conditions provides for additional obligations regarding open science practices, those obligations must also be complied with.

Such open science practices could include, where relevant, early and open sharing of research (*for example, through preregistration, registered reports, pre-prints, or crowd-sourcing*); research output management (beyond publications and data); measures to ensure reproducibility of research outputs; providing open access to research outputs beyond publications and research data (*for example software, models, algorithms, and workflows*); participation in open peer-review; and involving all relevant knowledge actors including citizens, civil society and end users in the co-creation of R&I agendas and contents (such as citizen science).

Specific cases (open science)

Additional obligations regarding validation of scientific publications — If provided for in the work programme/call conditions, beneficiaries must provide (digital or physical) access to data or other results needed for the validation of the conclusions of scientific publications, to the extent that their legitimate interests are safeguarded and constraints are taken into account (*for example through agreements with relevant confidentiality provisions*) and unless they already provided the (open) access at the time of publication.

 This additional obligation is intended to be broadly used and may therefore already be provided for in the general annexes of the work programme applicable to your project. For the applicable additional provisions to a specific project, please check all relevant parts of the applicable work programme/call conditions.

Additional obligations regarding open science in public emergencies — If the provision(s) calling for public emergency is applicable to your project and would be activated by the request of the granting authority (see above for more explanations on additional exploitation obligations in case of public emergencies), the requirement regarding immediate open access is extended beyond publications, that is to any research outputs as follows, with exceptions:

Beneficiaries must immediately deposit any research output in a repository and provide open access to it under the latest version of a CC BY licence or having released it via a Public Domain Dedication (CC 0) or equivalent. Immediate means that deposition of the research outputs must take place as soon as feasible, taking into consideration the urgent nature of a public emergency and the care for the public good.

As an exception, if providing open access would be against the beneficiaries' legitimate interests, the beneficiaries must grant non-exclusive licences — under fair and reasonable conditions — to legal entities that need the research output to address the public emergency and commit to rapidly and broadly exploit the resulting products and services on fair and reasonable conditions. This obligation will apply for a period of time specified in the request and up to four years after the end of the action. The duration of this obligation and the fairness and reasonability of the licences will be assessed on a case-by-case basis and will depend on the specific circumstances of the public emergency, the context of each project and the nature of its results.

In addition to the requirements regarding data management plans (DMPs) outlined above, in the case of a public emergency for which the granting authority has activated the provision by a request made at the stage of the work programme/call, the beneficiaries should provide a DMP preferably with the proposal or at the latest before grant signature. The work programme/call conditions may provide for additional obligations in this regard.

 This additional obligation is intended to be broadly used and may therefore already be provided for in the general annexes of the work programme applying to your project. For the applicable additional provisions to a specific project, please check all relevant parts of the applicable work programme/call conditions. In most cases, this obligation will likely remain dormant.

 For more additional guidance on open science practices and how to incorporate them in the Action see [the Horizon Europe Programme Guide](#)

Plan for the exploitation and dissemination of results including communication activities

Unless excluded by the call conditions, the beneficiaries must provide and regularly update a plan for the exploitation and dissemination of results including communication activities.



1. Plan for the exploitation and dissemination of results including communication activities

Unless the work programme topic explicitly states otherwise, a proposal must include **a first version** of the plan for the exploitation and dissemination of results including communication activities.

In this case, a more detailed 'plan for dissemination and exploitation including communication activities' will need to be provided as a mandatory project deliverable (normally within 6 months after signature date).

All measures described in the plan should be **proportionate** to the scale of the project, and should contain concrete actions to be implemented. Where relevant, and for innovation actions, in particular, the measures should describe a plausible path to commercialise the innovations. If exploitation is expected primarily in non-associated third countries, justify by explaining how that exploitation is still in the Union's interest.

This plan must be updated as required under the Grant Agreement (at least once before the end of the project) in alignment with the project's progress. Changes on the dissemination, exploitation and communication activities can be introduced through the continuous and periodic reporting module of the eGrants systems. The last version of the plan before the end of the project must include the dissemination and exploitation activities that beneficiaries plan to implement in a period up to 4 years after the end the project.

Beneficiaries must further report on the progress of their activities and on the project results through the continuous reporting module of the eGrants system that will remain accessible to them.

ANNEX 5 HE SPECIFIC RULES FOR CARRYING OUT THE ACTION

HE Strategic assets, interests, autonomy or security of the EU and its Member States

SPECIFIC RULES FOR CARRYING OUT THE ACTION (— ARTICLE 18)

Implementation in case of restrictions due to strategic assets, interests, autonomy or security of the EU and its Member States

Where the call conditions restrict participation or control due to strategic assets, interests, autonomy or security, the beneficiaries must ensure that none of the entities that participate as affiliated entities, associated partners, subcontractors or recipients of financial support to third parties are established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries) —unless otherwise agreed with the granting authority. The beneficiaries must moreover ensure that any cooperation with entities established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries) does not affect the strategic assets, interests, autonomy or security of the EU and its Member States.



1. Specific case (implementation in case of restrictions due to strategic assets, interests, autonomy or security of the EU and its Member States)

Where the call conditions restrict participation or control due to strategic assets, interests, autonomy or security, the beneficiaries must ensure that none of the entities that participate as affiliated entities, associated partners, subcontractors or recipients of financial support to third parties are established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries) — unless otherwise agreed with the granting authority. If applicable and unless the work programme/call conditions provide otherwise, beneficiaries should provide the necessary justification why the involvement of such entities is needed.

⚠ If already known at the time of submission, beneficiaries should clearly indicate in their proposal if they consider that it is needed to involve such entities, identify (if possible) the entities concerned and justify why their involvement is needed.

The beneficiaries must moreover ensure that any cooperation with entities established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries) does not affect the strategic assets, interests, autonomy or security of the EU and its Member States. This includes but is not limited to any cooperation which could negatively impact the protection and exploitation of the results.

HE Recruitment and working conditions for researchers

Recruitment and working conditions for researchers

The beneficiaries must take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers⁶⁰, in particular regarding: -working conditions-transparent recruitment processes based on merit, and-career development. The beneficiaries must ensure that researchers and all participants involved in the action are aware of them.

⁶⁰ Commission Recommendation 2005/251/EC of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers (OJ L 75, 22.3.2005, p. 67).



1. European Charter for Researchers and Code of Conduct for the Recruitment of Researchers

The beneficiaries must take all measures to implement the principles set out in the [European Charter for Researchers](#)¹⁸ and the [Code of Conduct for their Recruitment](#).¹⁹

The **Charter** provides a framework for researchers' activities and career management, and includes obligations for researchers, employers and funders. The **Code of Conduct** provides for transparency to the recruitment and selection process, ensuring the equal treatment of all applicants. It includes obligations for employers and funders.

⚠ This is a **best effort obligation**: The beneficiaries must be proactive and take specific steps to address conflicts between their policies and practices and the principles set out in the European Charter for Researchers and Code of Conduct for the Recruitment of Researchers.

⚠ Beneficiaries should keep appropriate **documentation** about the steps taken and measures put in place (see Article 20).

The granting authority will verify compliance with this obligation, when monitoring the action implementation and in case of checks, reviews, audits and investigations (see Article 25).

2. Recruitment, working conditions and career development — Rights for the researchers

The beneficiaries must in particular implement the [General Principles and Requirements of the European Charter for Researchers](#)²⁰ and of the [Code of Conduct for the Recruitment of Researchers](#)²¹ that relate to recruitment, working conditions and career development.

¹⁸ Commission Recommendation 2005/251/EC of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers" (OJ L 75/67 , 22.3.2005 EUR-Lex - L:2005:075:TOC - EN - EUR-Lex (europa.eu)

¹⁹ Commission Recommendation 2005/251/EC of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers" (OJ L 75/67 , 22.3.2005 EUR-Lex - L:2005:075:TOC - EN - EUR-Lex (europa.eu)

²⁰ Commission Recommendation 2005/251/EC of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers (OJ L 75/67 , 22.3.2005

List of principles (relating to working conditions):

- (a) Recruitment
- (b) Transparency
- (c) Judging merit
- (d) Selection
- (e) Variations in the chronological order of CVs
- (f) Recognition of mobility experience
- (g) Recognition of qualifications
- (h) Seniority
- (i) Postdoctoral appointments

According to these principles, beneficiaries should have a **clear policy for recruiting and selecting researchers**, which is publicly available and ensures that:

- (a) all research vacancies and funding opportunities are publically advertised (*e.g. via the EURAXESS Jobs Portal*²²)
- (b) vacancies and funding opportunities are also published in English
- (c) vacancy announcements include a clear job description
- (d) vacancy announcements include the requirements for the position or the funding opportunity, and the selection criteria
- (e) there is an appropriate time period left between publication and the deadline for applications
- (f) there are clear rules for the composition of the selection panels (*e.g. number and role of members, inclusion of experts from other (foreign) institutions, gender balance*)
- (g) adequate feedback is given to applicants
- (h) there is a complaint mechanism
- (i) the selection criteria adequately value mobility, qualifications and experience, including qualifications and experience obtained in non-standard or informal ways.

These principles also apply to selection procedures that do not lead to formal employment relationship (*e.g. award of a research fellowship*).

List of principles (relating to working conditions):

- (i) Research freedom
- (ii) Accountability
- (iii) Non-discrimination
- (iv) Working conditions
- (v) Research environment
- (vi) Funding and salaries (in particular, adequate social security)
- (vii) Stability and permanence of employment
- (viii) Gender balance

²¹ Commission Recommendation 2005/251/EC of 11 March 2005 on the European Charter for Researchers and on a Code of Conduct for the Recruitment of Researchers” (OJ L 75/67 , 22.3.2005)

²² Available at <http://ec.europa.eu/euraxess/jobs>

- (ix) Intellectual Property Rights
- (x) Complaints/appeals and
- (xi) Participation in decision-making bodies.

List of principles (relating to career development):

- (a) Career development
- (b) Access to research training and continuous development (independently of the researcher's status)
- (c) Value of mobility
- (d) Access to career advice
- (e) Supervision
- (f) Evaluation/appraisal systems.

 For more guidance on researcher rights, see *the Human Resources Strategy for Researchers tool*.

HE PRE-DRAFT

HE Access to research infrastructure

[OPTION for all HE and Euratom ToA (except HE IA, HE PCP/PPI, HE ERC Grants, HE EIC Grants and HE EIT KIC Actions): Specific rules for access to research infrastructure activities

Definitions

Research Infrastructures —Facilities that provide resources and services for the research communities to conduct research and foster innovation in their fields. This definition includes the associated human resources, and it covers major equipment or sets of instruments; knowledge-related facilities such as collections, archives or scientific data infrastructures; computing systems, communication networks, and any other infrastructure, of a unique nature and open to external users, essential to achieve excellence in research and innovation. Where relevant, they may be used beyond research, for example for education or public services, and they may be ‘single-sited’, ‘virtual’ or ‘distributed’⁶¹:

When implementing access to research infrastructure activities, the beneficiaries must respect the following conditions:

(a) for transnational access:

a. access which must be provided:

The access must be free of charge, transnational access to research infrastructure or installations for selected user-groups.

The access must include the logistical, technological and scientific support and the specific training that is usually provided to external researchers using the infrastructure. Transnational access can be either in person (hands-on), provided to selected users that visit the installation to make use of it, or remote, through the provision to selected user-groups of remote scientific services (e.g. provision of reference materials or samples, remote access to a high-performance computing facility).

b. categories of users that may have access:

Transnational access must be provided to selected user-groups, i.e. teams of one or more researchers (users).

The majority of the users must work in a country other than the country(ies) where the installation is located (unless access is provided by an international organisation, the Joint Research Centre (JRC), an ERIC or similar legal entity).

Only user groups that are allowed to disseminate the results they have generated under the action may benefit from the access (unless the users are working for SMEs).

Access for user groups with a majority of users not working in a EU Member State or Horizon Europe associated country is limited to 20% of the total amount of units of access provided under the grant (unless a higher percentage is foreseen in Annex 1).

c. procedure and criteria for selecting user groups:

The user groups must request access by submitting (in writing) a description of the work that they wish to carry out and the names, nationalities and home institutions of the users.

The user groups must be selected by (one or more) selection panels set up by the consortium.

The selection panels must be composed of international experts in the field, at least half of them independent from the consortium (unless otherwise specified in Annex 1).

The selection panels must assess all proposals received and recommend a short-list of the user groups that should benefit from access.

The selection panels must base their selection on scientific merit, taking into account that priority should be given to user groups composed of users who:

⁶¹ See Article 2(1) of the Horizon Europe Framework Programme Regulation 2021/695.

- (i) have not previously used the installation and
- (ii) are working in countries where no equivalent research infrastructure exist.

It will apply the principles of transparency, fairness and impartiality.

Where the call conditions impose additional rules for the selection of user groups, the beneficiaries must also comply with those.

other conditions: The beneficiaries must request written approval from the granting authority for the selection of user groups requiring visits to the installations exceeding 3 months (unless such visits are foreseen in Annex 1).

In addition, the beneficiaries must:

- (i) advertise widely, including on a their websites, the access offered under the Agreement
- (ii) promote equal opportunities in advertising the access and take into account the gender dimension when defining the support provided to users
- (iii) ensure that users comply with the terms and conditions of the Agreement
- (iv) ensure that its obligations under Articles 12, 13, 17 and 33 also apply to the users
- (v) keep records of the names, nationalities, and home institutions of users, as well as the nature and quantity of access provided to them

i) for virtual access:

- (vii) access which must be provided:

The access must be free of charge, virtual access to research infrastructure or installations.

‘Virtual access’ means open and free access through communication networks to digital resources and services needed for research, without selecting the users to whom access is provided.

The access must include the support that is usually provided to external users.

Where allowed by the call conditions, beneficiaries may in justified cases define objective eligibility criteria (e.g. affiliation to a research or academic institution) for specific users.

- (viii) other conditions:

The beneficiaries must have the virtual access services assessed periodically by a board composed of international experts in the field, at least half of whom must be independent from the consortium (unless otherwise specified in Annex 1). For this purpose, information and statistics on the users and the nature and quantity of the access provided, must be made available to the board.

The beneficiaries must advertise widely, including on a dedicated website, the access offered under the grant and the eligibility criteria, if any.

Where the call conditions impose additional traceability⁶² obligations, information on the traceability of the users and the nature and quantity of access must be provided by the beneficiaries.

These obligations apply regardless of the form of funding or budget categories used to declare the costs (unit costs or actual costs or a combination of the two)./

⁶² According to the definition given in ISO 9000, i.e.: “Traceability is the ability to trace the history, application, use and location of an item or its characteristics through recorded identification data.” The users can be traced, for example, by



1. Trans-national access to research infrastructure

2. Additional cost eligibility condition: Access which must be provided

3. Additional cost eligibility condition: Categories of users that may have access — Limited access for special user groups

4. Additional cost eligibility condition: Selection procedure with a selection panel

5. 'Other obligation': Controls on the users (by the granting authority, ECA and OLAF) — Evaluation of the impact of the action

6. 'Other obligation': Extension of obligations under the GA to users

1. Virtual access to research infrastructure

2. Additional cost eligibility condition: Access which must be provided

3. Additional cost eligibility condition: Periodic assessment by a board of international experts

HE Specific rules for PCP and PPI procurements

[OPTION for HE PCP-PPI: Specific rules for PCP and PPI procurements

When implementing procurements in Pre-commercial Procurement (PCP) or Public Procurement of Innovative Solution (PPI) actions, the beneficiaries must respect the following conditions:

- avoid any conflict of interest and comply with the principles of transparency, non-discrimination, equal treatment, sound financial management, proportionality and competition rules
- assign the ownership of the intellectual property rights under the contracts to the contractors (for PPI procurements: unless there are exceptional overriding public interests which are duly justified in Annex 1), with the right of the buyers to access results —on a royalty-free basis—for their own use and to grant (or to require the contractors to grant) non-exclusive licences to third parties to exploit the results for them —under fair and reasonable conditions —without any right to sub-license
- allow for all communications to be made in English (and any additional languages chosen by the beneficiaries)
- ensure that prior information notices, contract notices and contract award notices contain information on the EU funding and a disclaimer that the EU is not participating as contracting authority in the procurement
- allow for the award of multiple procurement contracts within the same procedure (multiple sourcing)
- for procurements involving classified information: apply the security rules set out in Annex 5 mutatis mutandis to the contractors and the background and results of the contracts
- where the call conditions restrict participation or control due to strategic assets, interests, autonomy or security reasons: apply the restrictions set out in Annex 5 mutatis mutandis to the contractors and the results under the contracts
- where the call conditions impose a place of performance obligation: ensure that the part of the activities that is subject to the place of performance obligation is performed in the eligible countries or target countries set out in the call conditions
- to ensure reciprocal level of market access: where the WTO Government Procurement Agreement (GPA) does not apply, ensure that the participation in tendering procedures is open on equal terms to bidders from EU Member States and all countries with which the EU has an agreement in the field of public procurement under the conditions laid down in that agreement, including all Horizon Europe associated countries. Where the WTO GPA applies, ensure that tendering procedures are also open to bidders from states that have ratified this agreement, under the conditions laid down therein.]

HE and Euratom Programme Cofund actions

[OPTION for HE and Euratom Programme Cofund actions: Specific rules for Co-funded Partnerships]

When implementing financial support to third parties in Co-funded Partnerships, the beneficiaries must respect the following conditions:

- avoid any conflict of interest and comply with the principles of transparency, non-discrimination and sound financial management
- for the types of activity and categories of persons that will be supported:
 - for multi-beneficiary projects (including multi-participant projects): the projects supported must be transnational, involving at least two independent legal entities from two different EU Member States or Horizon Europe associated countries as recipients of the financial support and may also include legal entities established in a non-associated third countries not receiving financial support
 - for mono-beneficiary projects (multi-participant projects): the projects supported must be transnational, involving one legal entity established in an EU Member State or Horizon Europe associated country as recipient of the financial support and one legal entity established in a non-associated third country not receiving financial support
- for the selection procedure and criteria:
 - publish open calls widely (including on the Funding & Tenders Portal and the beneficiaries' websites)
 - keep open calls open for at least two months
 - inform recipients of call updates (if any) and the outcome of the call (list of selected projects, amounts and names of selected recipients)
 - measures to avoid potential conflicts of interest or unequal treatment of applicants must be ensured (notably through appropriate communication/exchange of information channels and independent and fair complaints procedures)
 - use the following selection criteria: the standard Horizon Europe award criteria
 - use the following selection procedures:
 - projects must be selected following a joint transnational call for proposals
 - beneficiaries must make the selection through a two-step procedure:
 - Step 1: review at national or transnational level (including national eligibility checks)
 - Step 2: single international peer review
 and in Step 2:
 - proposals must be evaluated with the assistance of at least three independent experts
 - proposals must be ranked according to the evaluation results and the selection must be made on the basis of this ranking
 - the selection procedure must be followed by an independent expert observer, who must make a report.

Where the financial support is implemented through implementing partners, the beneficiaries must:

- ensure that the partners comply with the same rules, standards and procedures for implementing the financial support
- implement effective monitoring and oversight arrangements towards the partners, covering all aspects relating to the action
- ensure effective and reliable reporting by the partners, covering the activities implemented, information on indicators, as well as the legality and regularity of the expenditure claimed
- ensure that the partners provide that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the final recipients

where the call conditions restrict participation or control due to strategic assets, interests, autonomy or security reasons: apply the restrictions set out in Annex 5 mutatis mutandis to the final recipients and

HE PRE-DRAFT

HE ERC Grants

[OPTION for HE ERC Grants: Specific rules for ERC Grants

When implementing ERC Grants, the beneficiaries must ensure that the action tasks described in Annex 1 are performed under the guidance of the principal investigator.

In accordance with Article 21, beneficiaries must submit progress reports (scientific reports) and periodic reports according to the schedule and modalities set out in the Data Sheet (see Points 4.1 and 4.2). Reports must be prepared using the templates available in the Portal (ERC Scientific and Periodic reports).

The internal arrangements set out in Article 7 must cover the decision making procedures for scientific and grant management issues, the distribution of the EU contribution, internal dispute settlement and division of responsibilities for cases of rejection of costs or reduction of the grant.

In addition to the obligations set out in Article 17, communication and dissemination activities as well as infrastructure, equipment or major results funded by the grant must moreover display the following special logo:



In addition, the beneficiaries must respect the following conditions for the principal investigator and their team:

- host and engage the principal investigator for the whole duration of the action
- take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers — in particular regarding working conditions, transparent recruitment processes based on merit and career development — and ensure that the principal investigator, researchers and third parties involved in the action are aware of them
- enter — before grant signature — into a Supplementary Agreement with the principal investigator, that specifies:
 - the obligation of the beneficiary to meet its obligations under the Grant Agreement
 - the obligation of the principal investigator to supervise the scientific and technological implementation of the action
 - the obligation of the principal investigator to assume the responsibility for the scientific reporting for the beneficiary and contribute to the financial reporting
 - the obligation of the principal investigator to meet the time commitments for implementing the action and for working in an EU Member State or Horizon Europe associated country, as set out in Annex 1
 - the obligation of the principal investigator to apply the beneficiary’s usual management practices

- the obligation of the principal investigator to inform the coordinator immediately of any events or circumstances likely to affect the Grant Agreement, such as:
 - a planned transfer of the action (or part of it) to a new beneficiary (see Article 41)
 - any personal grounds affecting the implementation of the action
 - any changes in the information that was used as a basis for signing the supplementary agreement
 - any changes in the information that was used as a basis for awarding the grant
- the obligation of the principal investigator to ensure the visibility of EU funding in communications or publications and in applications for the protection of results (see Article 16 and 17)
- the arrangements related to the intellectual property rights — during the implementation of the action and afterwards —, in particular, the obligation of the principal investigator to uphold the intellectual property rights of the beneficiary and full access — on a royalty-free basis — for the principal investigator to background and results needed for their activities under the action
- the obligation of the principal investigator to maintain confidentiality (see Article 13)
- for transfers of the action to a new beneficiary (portability; see Article 41):
 - the right of the principal investigator to request the transfer, provided that the objectives of the action remain achievable
 - the obligation of the principal investigator to:
 - propose to the coordinator (in writing) to what extent the action will be transferred and the details of the transfer arrangement
 - provide a statement to the coordinator with the detailed results of the research up to the time of transfer
 - the right of the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) to exercise their rights also towards the principal investigator
 - the applicable law and the dispute settlement forum
- provide the principal investigator with a copy of the signed Agreement
- guarantee the principal investigator scientific independence, in particular for the:
 - use of the budget to achieve the scientific objectives
 - authority to publish as senior author and invite as co-authors those who have contributed substantially to the work
 - preparation of scientific reports for the action
 - selection and supervision of the other team members, in line with the profiles needed to conduct the research and in accordance with the beneficiary’s usual management practices
 - possibility to apply independently for funding
 - access to appropriate space and facilities for conducting the research
- provide — during the implementation of the action — research support to the principal investigator and the team members (regarding infrastructure, equipment, access rights, products and other services necessary for conducting the research)
- support the principal investigator and provide administrative assistance, in particular for the:
 - general management of the work and their team
 - scientific reporting, especially ensuring that the team members send their scientific results to the principal investigator

- financial reporting, especially providing timely and clear financial information
- application of the beneficiary’s usual management practices
- general logistics of the action
- access to the electronic exchange system
- inform the principal investigator immediately (in writing) of any events or circumstances likely to affect the Agreement
- ensure that the principal investigator enjoys adequate:
 - conditions for annual, sickness and parental leave
 - occupational health and safety standards
 - insurance under the general social security scheme, such as pension rights
- allow the transfer of the Agreement to a new beneficiary, if requested by the principal investigator and provided that the objectives of the action remain achievable (portability; see Article 41). The beneficiary may object only on the basis that the transfer is not possible under national law. In particular, the beneficiary must:
 - agree with the principal investigator and the new beneficiary on a plan for the transfer of the intellectual property rights under the Agreement to the new beneficiary
 - transfer to the new beneficiary any part of the prefinancing received which is not covered by an approved financial report (if requested by the granting authority)
 - transfer to the new beneficiary the equipment purchased and used exclusively for the action against reimbursement of the costs that have not yet been depreciated (if requested by the principal investigator and the granting authority, and unless the transfer is not possible under national law).

For ERC grants with more than one principal investigator, the above-mentioned obligations must be ensured by each beneficiary towards their principal investigators and their teams (and by each principal investigator towards their beneficiary, the coordinator and the other principal investigators). Moreover, the following specificities must be observed:

- for the implementation of the action: the corresponding principal investigator bears the overall responsibility for the supervision of the scientific and technological implementation of the action, while the other principal investigators must contribute to the overall implementation and supervise each one their parts
- for the reporting: the corresponding principal investigator assumes the primary responsibility for the scientific reporting and contribution to the financial reporting, while the other principal investigators must contribute to both the scientific and financial reporting
- for events or circumstances likely to affect the Agreement: each principal investigator must inform the coordinator, their beneficiary and the other principal investigators
- for transfers of a part of the action by one of the principal investigators (portability; Article 41):
 - the corresponding principal investigator must verify that the beneficiary of the principal investigator and the coordinator were informed
 - the principal investigator concerned must provide the coordinator and their beneficiary with a statement on the detailed results of the research up to the time of transfer
- for the internal arrangements (Article 7): they must also cover settlement of disputes between the principal investigators and between them and the beneficiaries). /

1. ERC actions under the guidance of the principal investigator (PI)

ERC actions are usually mono-beneficiary actions, but can also be multi-beneficiary.

In ERC grants, the 'coordinator' is also called 'host institution (HI)' and is the beneficiary that hosts and engages the 'principal investigator (PI)' (or 'corresponding PI' in Synergy Grants²³) for at least the duration of the action.

PIs do not become party to the Grant Agreement, but they are the key actors, in charge of the research activities. The HI is the signatory of the Grant Agreement and subscribes to the financial and legal obligations under it.

The HI must ensure that the action is performed under the guidance of the PI. Due to the key role of the PI, they can NOT be replaced by any other researcher during the action. Requests for amendments to change the PI will be rejected.

⚠ Combining ERC & other EU grants — ERC grants do NOT prevent **PIs** from applying independently (i.e. in their own name) for further EU funding for other actions or for the same action, but for costs that are not eligible (or not declared) under the ERC grant.

The fact that the funding rate for ERC grants is 100% does not mean that the grant pays for 100% of the costs of the ERC action. Therefore, cost items not declared under the ERC grant may be covered by other EU funding.

🔗 For more information on ERC actions, see *the Funding & Tenders Portal Online Manual*.

🔗 For more information on the conditions for participation and funding, see *the HE Programme Guide, the ERC home page or the ERC Work Programme and the call and topics pages of the call*.

🔗 For examples of successful ERC actions, see *the ERC website*.

2. Reporting

The ERC GAs set out different reporting periods for the financial and scientific reports.

Scientific Reports

The HI must use the ERC-specific templates available in the Portal in order to submit 'Progress Reports' (scientific reports) after the end of each scientific reporting period as set out in the Data Sheet. These scientific reports must include:

- information about the scientific progress of the work
- the achievements and results of the action
- information on how open access has been provided to these results
- information on how these results have been disseminated
- a summary of the achievements of the action, for publication by the granting authority.

Financial Reports

The HI must also use the ERC-specific templates available in the Portal in order to submit 'Periodic Reports' (financial reports) after the end of each reporting period as set out in the Data Sheet. These financial reports must include:

²³ In Synergy grants (SyG), there might be several Host Institutions (beneficiaries hosting and engaging a PI), the coordinator is the entity hosting and engaging the corresponding PI.

- an overview of the action implementation indicating in particular any significant deviation in relation to the description in Annex 1
- a narrative containing information on the eligible costs, including an explanation on the use of resources (or detailed cost reporting table, if required)
- an individual financial statement
- a consolidated financial statement, created automatically by the IT system (on the basis of all financial statements submitted by the beneficiaries and affiliated entities for the reporting period), which counts as the request of payment
- the certificates on the financial statements (CFS) (when required by the GA - see Article 24.2 and Data Sheet, Point 4.3).

3. Host and engage the PI

The PI must be hosted and engaged by the HI for the whole duration of the action.

This obligation is also an eligibility criterion for ERC actions. The HI and the ERC action must remain eligible under the applicable ERC work programme for the entire duration of the action (see Article 7).

Normally the PI will be employed by the Host Institution, but there may be cases where the PI's employer is a third party that makes the PI available to work for the HI, where the PI is self-employed, or where the PI has a particular status in the HI (e.g. "emeritus").

The specific conditions of engagement (which normally should be similar to those of an employee of the HI) will be subject to clarification and approval during the preparation of the Grant Agreement or the assessment of an amendment request.

4. Supplementary agreement

The 'supplementary agreement' (SA) is an agreement between the HI and the PI to set out their internal arrangements for implementing the grant and govern their relationship during the ERC action.

The SA is NOT intended to replace the employment/engagement contract.

It should cover all the practical issues that may arise in the context of the grant implementation and must remain in place at least for the action duration (— without any interruptions).

It must NOT contain any provisions contrary to the Grant Agreement. Contradicting provisions are considered void and cannot be opposed to the granting authority.

It must be concluded before signature of the Grant Agreement (or in case of portability before submission of the amendment request).

The granting authority is NOT party and has NO responsibility for it (nor for any adverse consequences).

The ERC Grant Agreement sets out the minimum content that must be included in the SA.

Main obligations (towards the PI):

- (a) **Host and engage the PI** for the whole duration of the action
- (b) **Scientific independence**, to achieve the action's objectives under the best possible conditions, and within the time agreed
- (c) **Research support**, to conduct the research as described in the Grant Agreement
- (d) Access to and protection of **intellectual property rights**

- (e) **Adequate working conditions**, always in accordance with national law and institutional rules
- (f) **Administrative support**, to manage the legal and financial aspect of the action
- (g) **Grant portability**, allowing and facilitating the transfer of the grant to another HI.

Main obligations (of the PI):

- (i) **Supervision** of the scientific and technological implementation of the action
- (ii) Responsibility for the **scientific reporting** and contribution to the **financial reporting**
- (iii) Meeting the **time commitment** for implementing the action (see below point 5 on “PI’s time commitments”)
- (iv) Applying the HI’s **usual management practices** (in particular, regarding the way the work is organised, the premises where it is carried out, and the manner in which it is supervised)
- (v) **Informing the HI** immediately of any events or circumstances likely to affect the Grant Agreement
- (vi) Ensure the **visibility of EU funding**
 - (vii) Upholding the **intellectual property rights** of the beneficiaries
 This obligation is not limited to *respecting* the host institution’s intellectual property rights (IPRs). The PI must *actively* inform it, if they become aware of any violations.
Example: The PI reads a research article and discovers a violation of the host institution’s project IPRs. They are obliged to inform the host institution.
 - (viii) Maintaining **confidentiality**.

A [template](#) for a model supplementary agreement is available. (The model is not mandatory; beneficiaries may use other clauses, provided they benefit the research action and do not contradict the Grant Agreement – for instance, clauses setting out the arrangements between the HI and the PI that must allow the former to comply with its obligations under the Grant Agreement regarding intellectual property rights — see [Article 16](#)).

5. PI time commitments

The HI must make sure that the PI ensures a sufficient time commitment and presence throughout the course of the project to guarantee its proper execution.

The HI must make sure that the PI complies with the minimum requirements set out in Annex 1 regarding working time on the action and working time in an EU Member State or HE associated country.

The two time commitment obligations are as follows:

- % of working time that the PI must work on the action
- % of working time that the PI must work in an EU Member State or HE associated country.

To be operational, these two percentages must be translated into working days, i.e.:

- minimum number of days that the PI must work in the action over its duration
- minimum number of days that the PI must work in an EU Member State or HE associated country over the duration of the action.

The calculation should be done as follows:

Step 1 — For each year of the action, the percentages of PI commitment are applied to 215 fixed annual days.

The 215 fixed annual days work as a ceiling: they apply even **if the PI works in total more days** (i.e. has other parallel affiliations, freelance activities or work-related obligations or works more days on the action). In this case, the time commitment is capped at 100% and the days are calculated on the 215 fixed annual days).

By contrast, **if the PI works in total less days** than the 215 fixed annual days, the time commitment obligation will be reduced proportionally (e.g. in cases of part-time employment, maternity leave, sick leave...).

The total work of the PI will be determined by adding up all her/his days of remunerated work, including under contracts with entities other than the host institution.

Example: The % of PI commitment to the ERC action is 50%. The PI works 129 annual days at the host institution and has another contract with a different entity to work 35 days over the year. The days that the PI works in total are 164 days (129 + 35). Since this amount is lower than the 215 fixed annual days, the time commitment obligation will be: $164 \times 50\% = 82$ days

Step 2 — Sum up the results for each year of Step 1 to get the total number of days over the action duration.

The percentages must be reached for the overall action duration (NOT annually or per reporting period).

The PI's time commitments obligations must be fulfilled even if no personnel costs are charged for him/her to the project.

6. Transfer of the GA (portability)

Portability means that PIs have a right to request to transfer their grant to a new HI, provided that the objectives of the action remain achievable, and that the new Host Institution meets the eligibility criteria of the relevant ERC Work Programme. This right to portability allows the PI to request the transfer of the entire grant or part of it, and it applies to both mono-beneficiary grants and multi-beneficiary grants.

If the PI moves to another HI (in an EU Member State or HE associated country), the Grant Agreement can be transferred to the new HI. However, if the PI moves entirely to an institution established in a non-associated third country, the Grant Agreement may be terminated (see Article 32). Exceptions, in line with the applicable ERC Work Programme, may apply to Synergy Grants.

ERC grants can be transferred to a new host institution ('new beneficiary') — at any time during the action.



Transfer — The rights and obligations under the GA are transferred from the former host institution to a new host institution — without passing via termination (Article 32) or addition of a new beneficiary (Article 40).

Transfers without a formal amendment are void and may result in termination of the Grant Agreement. The former host institution remains fully responsible until the granting authority has approved the amendment.

The transfer may be based on any ground that is beneficial for the PI and does not affect the achievement of the action's objectives.

The former host institution ('former beneficiary') may oppose a transfer only if it is not allowed under national law. It may however negotiate transfer conditions (including transfer of team members, intellectual property rights and equipment) with the new host institution, taking into account the views of the PI.

Procedure

The PI should first contact the host institution that signed the Grant Agreement (i.e. the former host institution).

Best practice: Beneficiaries and PIs should keep records of the consultation and decision-making process for each portability case.

The former host institution must submit a request for amendment to the granting authority.

The transfer date must be indicated in the amendment request. If the new host institution joins the action, the transfer date must be the same date as the accession date. Retroactive dates may be accepted only in exceptional cases if duly justified.

The financial reporting periods may be adapted to match the transfer date. The Scientific reporting periods will usually remain unchanged (since the transfer normally has no effect on the scientific implementation of the action).

 For more information on the amendment (list of AT clauses, supporting documents and information on how amendment types can be combined) see the [Guidance – Amendment types & supporting documents](#).

Effects

The HI must — within 60 days from either the transfer date or the date of signature of the amendment whichever is the latest — submit:

- a financial report to the granting authority (for the open period until transfer)
- a report on the distribution of payments (only in case of multi-beneficiary Grant Agreement)
- if the costs reach the threshold set out in the Grant Agreement (*see Article 24 and Data Sheet, Point 4.3*), a certificate on the financial statement (CFS) (— even if this is not the last reporting period).

These documents will be used for calculating the interim payment due to the former beneficiary. The granting authority will moreover instruct the former host institution to transfer the remaining prefinancing to the new host institution.

If the PI requests it, the granting authority may require the former host institution to **transfer equipment** that was purchased and used exclusively for the action.

The former host institution may oppose this only if it is not possible under national law. It may however negotiate transfer conditions with the new host institution, taking into account the views of the PI.

Thus, the new host institution should make its best effort to buy the equipment fully used for the project. If it does so, it may declare the costs of this purchase (and any other related costs, i.e. dismantling, transfer and installation), if they fulfil the eligibility conditions set out in [Article 6](#). In particular, the purchase price should not be higher than the net accounting value of the equipment at the former host institution (i.e. initial value of the asset minus depreciation incurred until the transfer).

Specific cases (ERC):

PI employed by a third party — The PI may be employed not by the HI but by a third party (from an EU Member State or HE associated country), i.e.:

- a third party that provides the PI as in-kind contribution or
- an affiliated entity

This must be specifically justified in the proposal (or in the amendment request), and included in Annex 1.

In this case, the supplementary agreement should be signed by the PI, the HI and the third party employing the PI.

Retired PI — The PI may be retired. In this case, there must still be an “engagement” relationship, comparable to an employment relationship, between the PI and the HI ensuring that the PI will have the scientific independence and the necessary rights to supervise the research and the team, and comply with the rights and obligations specified in the Grant Agreement.

PI employed by a third party — The supplementary agreement must be signed by the PI, the host institution *and* the third party.

Several PIs - For ERC Synergy grants (i.e. ERC frontier research grants with several PIs), each HI must conclude a supplementary agreement with the PI(s) it engages.

PI entitled to sign the SA as representative of the HI— If the PI is entitled to sign the supplementary agreement on behalf of the HI (because of their position in the institution), the SA must be counter-signed by another person empowered by the institution. The PI can NOT sign their own supplementary agreement for both parties.

Grant portability — If the GA is transferred to another HI, a new SA must be signed with the new HI. The new SA must take effect from the grant transfer date (or before). The Grant Agreement cannot be amended before the new SA has been provided to the granting authority.

Recruitment costs — The HI must guarantee the PI scientific independence to select the other team members. Consequently, for ERC actions, recruitment costs, if clearly attributable to the action, are eligible as ‘other direct costs’, even for the unsuccessful candidates (because recruitment is part of the activities of such actions).

Purchase of scientific publications — The HI must provide research support to the PI regarding any equipment, products or services necessary for conducting the research. Consequently, costs related to the purchase of scientific publications (*e.g. books, manuscripts, articles, digital copies, etc*) may be eligible, if their direct link to the action and their necessity for the action is demonstrated.

Costs for ‘teaching buy-outs’ — The HI must support the PI and provide administrative assistance. HOWEVER, if the HI hires substitutes to perform some of the PI’s duties that are not linked to the ERC grant (e.g. teaching), these costs are NOT eligible.

Several PIs— In ERC synergy grants (i.e. ERC frontier research grants with several PIs), each PI has the right to transfer their part of the action. They must inform and consult the other PIs, to ensure that the action’s objectives can still be achieved.

Former host institution remains beneficiary — If certain team members (or equipment) stay with the former host institution, while the PI moves to a new host institution, the Grant Agreement is transferred and changed into a multi-beneficiary Grant Agreement (allowing both the former host institution and the new host institution to participate in the grant). The former host institution stays on as beneficiary, the organisation that hosts and engages the PI is the new host institution. If the former host institution remains only for a limited time (e.g. to ensure a smooth handover), it can then be terminated at a later stage, via a partner termination (see Article 32).

HE EIC Grants

[OPTION for HE EIC Grants: Specific rules for EIC actions

All EIC actions (EIC Pathfinder actions, EIC Transition actions and EIC Accelerator actions) are subject to the call conditions. They will be managed proactively by the granting authority and the EIC Programme Manager it has appointed. When implementing them, the beneficiaries must closely cooperate and follow their instructions and provide requested information and data in a timely, helpful and constructive manner. Communication between EIC Programme Managers and beneficiaries must take place via the EIC Market Place.

When implementing EIC actions, the beneficiaries acknowledge and accept that they must attend regular (normally six-monthly) progress meetings, if organised by the granting authority.

In addition, the beneficiaries must provide the granting authority with regular data and information on the implementation of the action (normally every three months), if requested by the granting authority and via the EIC Market Place.

The beneficiaries acknowledge and accept that EIC actions are part of (one or more) EIC Portfolio(s) managed by the granting authority and the EIC Programme Managers and therefore subject to the following specific portfolio-related conditions:

- the granting authority may:
 - move the action to another EIC Portfolio or add additional EIC Portfolios during the action — with 30 days prior notice via the EIC Market Place
 - adjustments: change EIC Challenge Portfolio objectives and roadmap during the action and, if needed, request adjustments to the action activities, milestones or deliverables (amendment; see Article 39)
 - for challenge-based EIC Pathfinder actions: suspend or terminate the action, if there is no agreement on adjustments needed to ensure relevance with the objectives or roadmap of the Challenge Portfolio for which the action has been selected (see Articles 31.2 and 32.3)
- the Programme Manager may:
 - request participation in EIC Portfolio activities (such as conferences, workshops, EIC Portfolio or networks meetings, experience and data sharing activities, and EIC Business Acceleration Service events, etc.)
 - propose or accept the organisation of EIC additional Portfolio activities (for EIC Pathfinder actions: possibility of additional funding of up to EUR 50 000 to cover the related costs).

The beneficiaries must comply with the additional IPR, dissemination and exploitation obligations set out in the call conditions, in particular:

- use the EIC Market Place platform to exchange information on results (including preliminary findings) and Portfolio activities, in accordance with the Terms and Conditions of that platform
- clarify all intellectual property issues before the grant is signed and cover them in the consortium agreement (including ownership and co-ownership of results, consortium-internal approval processes for the dissemination of results, pre-existing technologies, appropriate licensing agreements for background, etc.) and, if requested, provide a copy to the granting authority
- provide updates to the plan for exploitation and dissemination of the results and information on dissemination or exploitation activities, if requested by the granting authority and for up to four years after the end of the action

- for beneficiaries that are non-profit legal entities in EIC Pathfinder or EIC Transition actions: EIC Inventors are granted indefinite access rights for exploitation purposes under the following conditions:
 - the access rights are granted on a royalty-free basis, unless the beneficiary provides support to the EIC inventor to exploit the results (in which case the royalties may be shared on mutually beneficial terms, provided this does not make the exploitation by the EIC inventor impossible)
 - the EIC Inventor must inform the beneficiary in due time before any exploitation activity they intend to undertake, and report to the beneficiary on the implementation
 - if the beneficiary considers that the exploitation activity could negatively affect its own exploitation activities (as set out in the plan for exploitation and dissemination), it may request the granting authority to suspend the EIC Inventor’s access rights
- comply with dissemination restrictions imposed by the granting authority in the plan for exploitation and dissemination of the results (if any), i.e.:
 - prior protection
 - simultaneous unrestricted dissemination through the EIC Market Place
 - for results that qualify for an EIC Transition action or EIC Business Acceleration Services: prior assessment of the innovation potential
- allow the granting authority to also disseminate and promote the exploitation of the results, if they have already been made public by the beneficiary (or with its consent) or if, despite its best efforts, no exploitation has taken place, no interested party to exploit the results through the Horizon Results Platform has been found and it cannot demonstrate an alternative exploitation opportunity.

In addition to the obligations set out in Article 17, communication and dissemination activities as well as infrastructure, equipment or major results funded under EIC actions must also display the following special logo:

European
Innovation
Council



When implementing EIC Accelerator actions, the beneficiaries must moreover comply with the following additional obligations:

- investment component: the pursuit of the action depends on the approval of the investment component by the EIC Fund and its integration into the Agreement (amendment to add the investment component into the Data Sheet, Point 1 and Articles 1 and 3 and to adapt the description of the action in Annex 1 and add the investment agreement as Annex 6) if no agreement can be reached with the EIC Fund on the investment, the action may be terminated
- implementation, monitoring and reporting:
 - the grant and investment components of the action will be interlinked and managed and monitored together and in close coordination with the EIC Fund, in particular:
 - the information, data and documents regarding both components (including sensitive information within the meaning of Article 13) are considered as information, data and documents of the action and may be mutually exchanged between the granting authority and the EIC Fund and relied on for the

- the investment agreement signed by the EIC Fund will be attached to the Agreement and become an integral part of it (Annex 6)
- the rights and obligations under the investment agreement may be exercised and enforced both by the granting authority or the EIC Fund, interchangeably
- issues regarding either component may impact the other component and lead to the suspension or termination of the entire action (including exit from the investment)
- reorientation: the parties (beneficiary or granting authority) may request an amendment (see Article 39) to reorient the action (including its objectives or substantial changes affecting the objectives), if required by a change of circumstances and provided that the action remains eligible under the call for which it was selected and does not lose its relevance
- progress meetings and reviews:
 - there will be at least one intermediary progress meeting and a final progress meeting at the end of the action, before submission of the final report
 - the granting authority will be represented by the EIC Project Officers and EIC Programme Managers and may be assisted by other Commission representatives, EIC Fund representatives or independent outside experts; if independent outside experts are used as reviewers, the beneficiaries will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest
 - if a progress meeting confirms grounds for suspension or termination of the action, then notification of the meeting minutes (progress meeting conclusions) will serve as pre-information letter, with a reduced deadline for submitting observations (15 days after receiving the meeting minutes)
- the final report will be assessed by independent outside reviewers (see Article 25.1.2)
 - IPR, dissemination and exploitation:

HE EIT KIC Actions

[OPTION for HE EIT KIC Actions: Specific rules for EIT KIC actions

EIT KIC Actions must be implemented in accordance with the EIT KIC Partnership Agreement, in particular as regards the KIC Strategic Agenda, European added value and good governance, openness and transparency principles.

In addition to the obligations set out in Article 17, communication and dissemination activities as well as infrastructure, equipment or major results funded by the grant must moreover display the following special logo of the KIC:



and the following text:

“KIC [name] is supported by the European Institute of Innovation and Technology (EIT), a body of the European Union”.

When implementing financial support to third parties in EIT KIC Actions, the beneficiaries must respect the following conditions:

- avoid any conflict of interest and comply with the principles of transparency, non-discrimination and sound financial management
- for the types of activity and categories of persons that will be supported: clearly identify the recipients which can apply for funding
- for the selection procedure and criteria:
 - publish open calls widely (including on the Funding & Tenders Portal and the EIT website and the beneficiaries’ websites)
 - keep open calls open for at least two months
 - inform recipients of call updates (if any) and the outcome of the call (list of selected projects, amounts and names of selected recipients)
 - evaluate the proposals:
 - in accordance with the following pre-defined award criteria described in the call document: (a) Excellence (b) Impact (c) Quality and efficiency of the implementation and (d) KIC portfolio strategic fit and compliance with the financial sustainability principles and knowledge triangle integration and, for multi-beneficiary projects, (e) EU dimension (consortia with a pan-European character involving at least two independent entities from two different eligible countries)
 - based on pre-fixed scoring grid that is announced in the call document, which includes pass thresholds for the individual award criteria
 - with the assistance of normally at least three independent external experts
 - select the proposals on the basis of the evaluation result and the pass thresholds
 - allow that selection procedures may be followed by an independent expert observer, who makes a report
 - make available a complaints procedure for the recipients

- other conditions:
 - ensure compliance with the KIC financial sustainability principles indicated in the EIT Strategic Innovation Agenda and the EIT Invitation to submit a Business Plan
 - ensure that the eligibility rules (Article 6) are transposed in agreements signed with recipients of support above EUR 60 000 and that financial control and audit mechanisms are in place
 - ensure that the final recipients comply with the IPR rules (Article 16) and the communication, dissemination and visibility rules (Article 17)
 - ensure the following standards for the monitoring and reporting of recipients:
 - systematic monitoring and review of the supported projects (e.g. staff management, procurement, financial management, quality control, distribution and provision of support to final recipients, etc.), in the format and timing specified by the granting authority
 - effective and reliable monitoring and reporting of the supported projects (including information on indicators, EIT impact framework, progress towards financial sustainability, KIC partnership, legality and regularity of the expenditure claimed, etc.), in the format and timing specified by the granting authority
 - provisions for re-orienting or stopping underperforming projects (with regular ‘go’/‘no go’ decision points, including a payment system linked to milestone achievements) and, for stopped activities, quarterly information of the granting authority
 - a mechanism to evaluate high potential project outcomes and fast track them towards further investment and rapid development
- provide the granting authority with the following:
 - at least 30 days before the expected date of publication: information on the call and its content
 - at the end of the evaluation:
 - the ranking lists of the activities
 - the independent observers' report on the evaluation (if applicable)
 - at the end of selection:
 - a budget and funding overview
 - information on the projects selected for funding, including data on participants and abstracts of the proposal, in the format specified by the granting authority
 - at the end of the action:
 - updated budget and funding overview
 - information on funded projects, including data on the participants and overview of the results, in the format specified by the granting authority.

If the financial support is implemented through a partner, the beneficiaries must:

- ensure that the partner complies with the same rules, standards and procedures for implementing the financial support
- implement effective monitoring and oversight arrangements towards the partner, covering all aspects relating to the action
- ensure effective and reliable reporting by the partner, covering the activities implemented, information on indicators, as well as the legality and regularity of the expenditure claimed
- ensure that the partner provides that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the final recipients.]