



The Horizon Europe MGA

General overview and state of Play

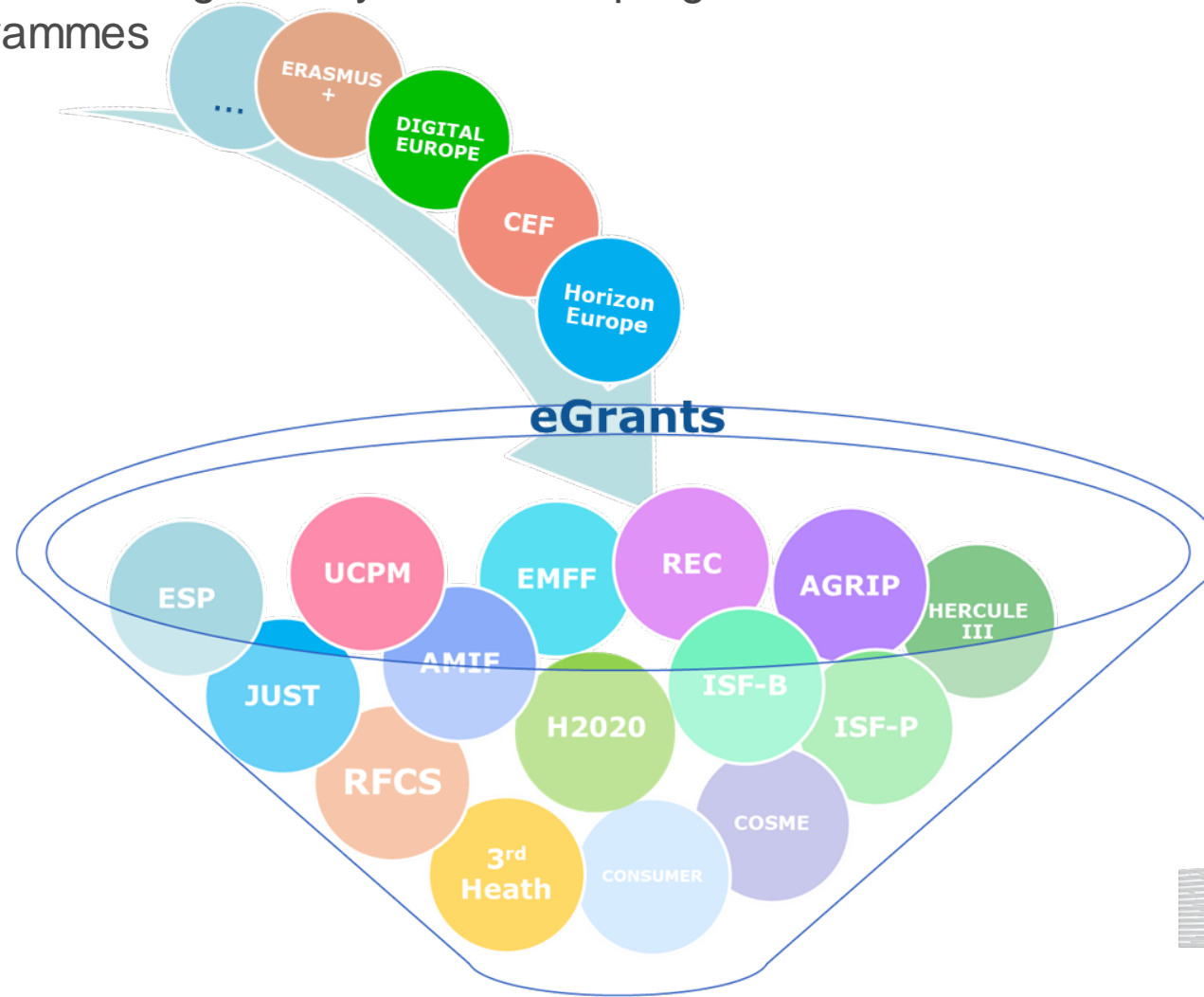
Disclaimer: presentation reflecting the latest developments. May be subject to modifications depending on the finalisation of internal procedures

A bit of background...

- Numerous Model Grant Agreements (MGAs):
paper-based or **electronically-managed** ('eGrants')



- **eGrants** serving already for several programmes + to serve for other programmes



Main objectives of the corporate MGA

Harmonisation & standardisation

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

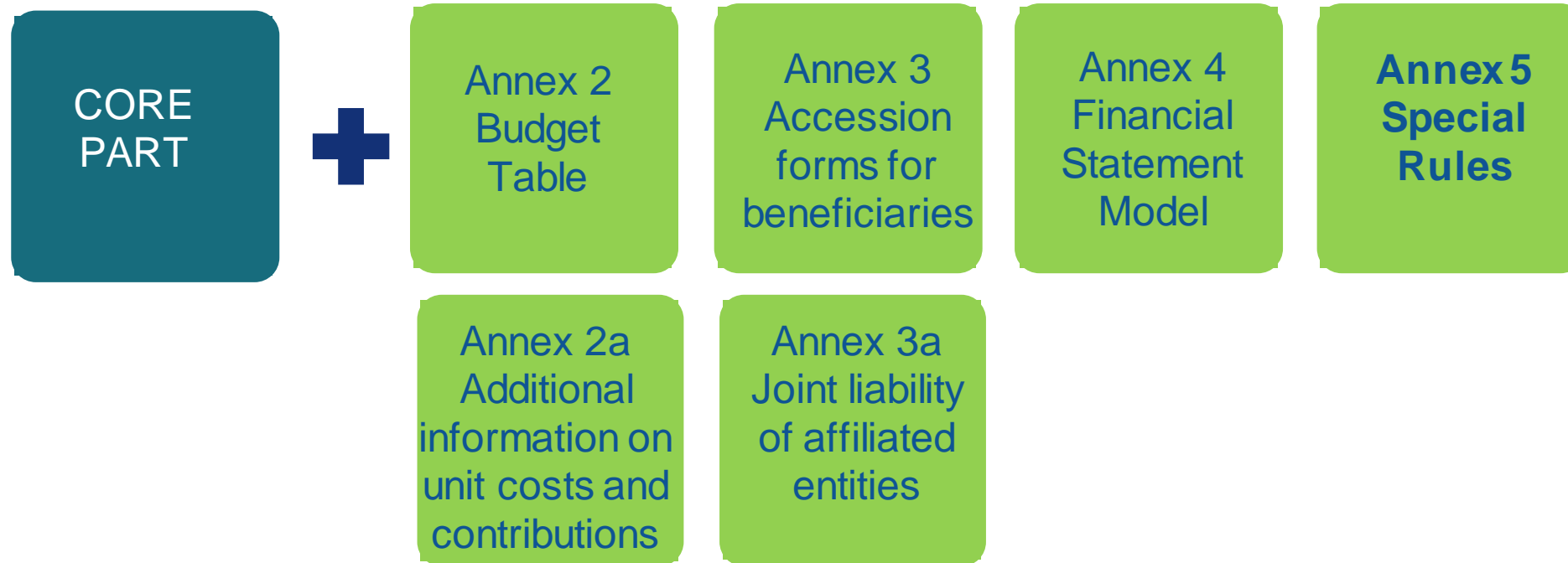
Consistent interpretation

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

Integration of Programme specificities

- Specific options and
- Specific annex for 'special rules'

The HE MGA – General Overview



Disclaimer: Information not legally binding

Structure – core part



Core Part

Datasheet

a summary of the specific data of the grant agreement

Articles

grouped in seven chapters

Chapter 1 – General (Articles 1-2)

Chapter 2 – Action (Articles 3-4)

Chapter 3 – Grant (Articles 5-6)

Chapter 4 – Grant Implementation (Articles 7-26)

Chapter 5 – Consequences of non-compliance (Articles 27-35)

Chapter 6 – Final provisions (Articles 36-44)

Structure – Annex 5



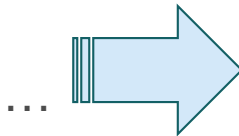
Annex 5 Special Rules

- **Security** (Article 13)
- **Ethics** (i.e. research integrity) (Article 14)
- **Values** (i.e. gender mainstreaming) (Article 14)
- **IPR** (Article 16)
- **Communication, Dissemination, Open Science and Visibility** (Article 17)
- **Specific rules for carrying out the action** (Article 18)
 - recruitment and working conditions,
 - specific rules for access to research infrastructure actions,
 - specific rules for PCP and PPI procurements,
 - specific rules for co-funded partnerships,
 - specific rules for ERC actions,
 - specific rules for EIT-KIC actions,
 - specific rules for MSCA actions
 - Specific rules for EIC actions

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Annex 2 – Budget table*

A. Personnel costs		B. Subcontracting costs	C. Purchase costs		
A.1 Employees (or equivalent)	A.4 SME owners and natural person beneficiaries		C.1 Travel and subsistence	C.2 Equipment	C.3 Other goods, works and services
A.2 Natural persons under direct contract					
A.3 Seconded persons					

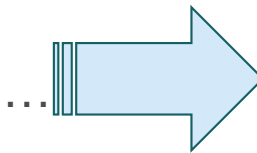
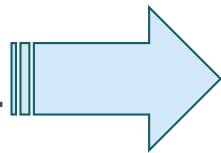


* For general HE MGA – different budget tables for Lump sum and unit-based MGA

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Annex 2 – Budget table*

D. Other cost categories							
/D.1 Financial support to third parties /	/D.2 Internally invoiced goods and services /	/D.3 Trans-national access to research infrastructures /	/D.4 Virtual access to research infrastructures /	/D.5 PCP/PPI procurement costs /	D.6 European Partnership Cofund additional coordination and networking costs /	/D.7 Euratom Cofund staff mobility costs /	D.8 ERC additional funding /

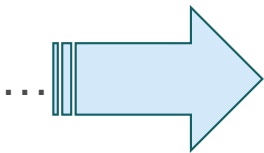


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Annex 2 – Budget table*

Indirect costs	Total costs	EU contribution to eligible costs			Maximum grant amount ⁶
E. Indirect costs ³		Funding rate % ⁴	Maximum EU contribution ⁵	Requested EU contribution	



* For general HE MGA – different budget tables for Lump sum and unit-based MGA

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Main differences with the H2020 MGA

more user-friendly structure and readability

- Data Sheet
- Common numbering
- Common labelling ('granting authority')
- Grouping of provisions for
 - Types of participants and their roles
 - Rules concerning project implementation
 - Payments and recoveries
 - Certificates (CFS, SPA)

Improved content & features

- reporting explicitly divided into continuous and periodic reporting
- Amendment procedure for BEN termination, GA suspension + GA termination by consortium (instead of Formal Notification)
- less descriptive provisions (reference to published templates)

Alignment with new Financial Regulation (FR 2018)

- reduction/suspension/termination grounds
- Receipts (only for profit legal entities)

Overall state of play

Processing...

- Key important aspects such as the structure and interplay between core part and Annex 5 for programme-specific rules have been settled
- Most of the specific provisions for PCP/PPI, Programme Cofund actions, ERC, Research Infrastructures, Euratom, EIT and MSCA together with updated CFS thresholds, including for low-risk classification following a SPA are stable/almost finalised
- EIC specific provisions under development



Horizon Europe MGA Financial provisions

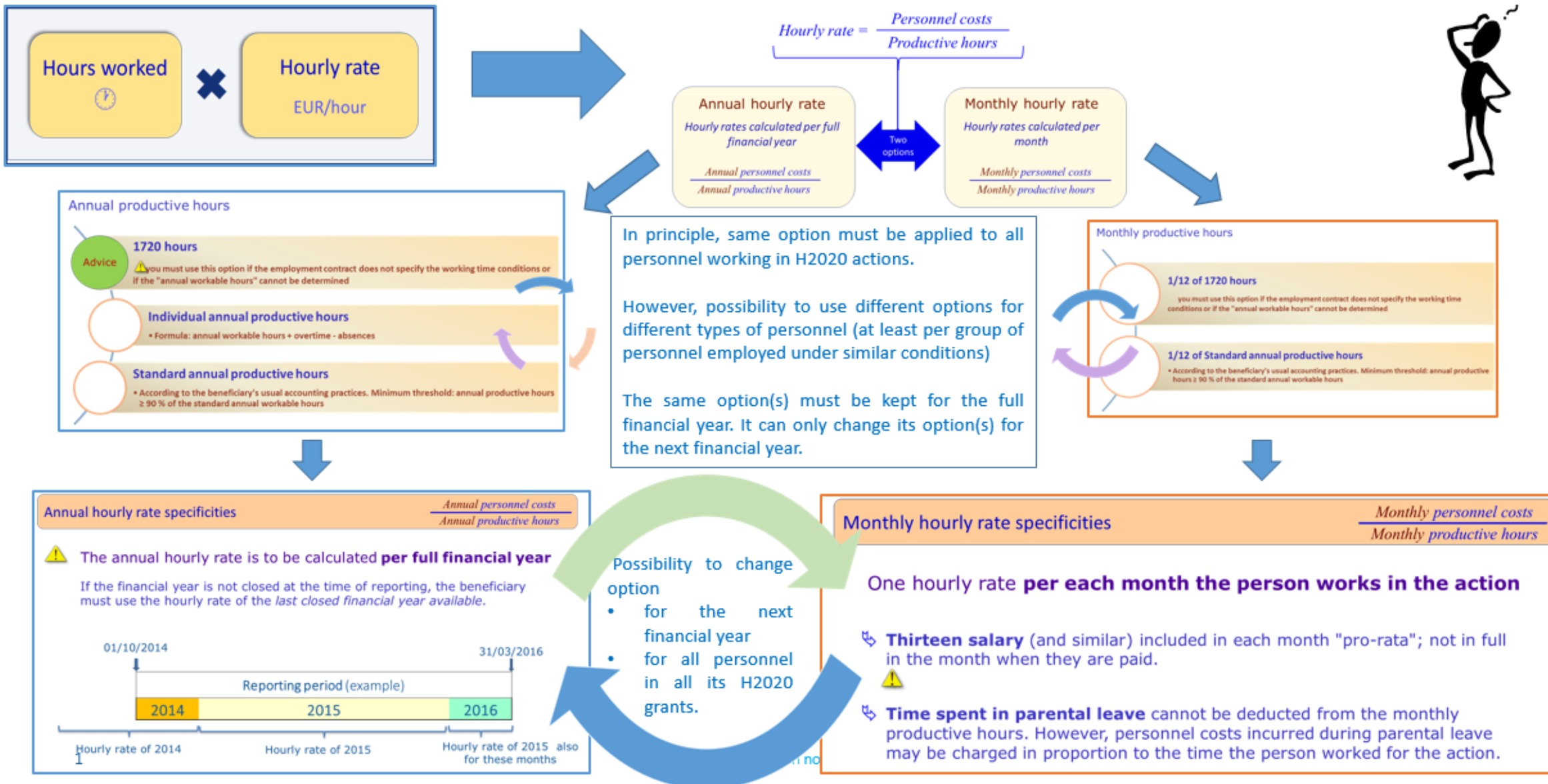
Personnel costs

Internally invoiced goods & services

Personnel costs

General case – Corporate daily rate provisions

Horizon 2020: a snapshot of the situation



The Corporate Approach

Goal: Simplification & harmonisation

- Adopted 12/06/2020 (C(2020)3759)
- The Commission made the **use of the Corporate MGA mandatory** for all funding programmes
- Certain options and provisions can be adapted to each programme according to **its specific rules**
- BUT **daily rate approach** for personnel cost is a **fixed provision** across all programmes



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Formula

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



Daily rate calculation

How?

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



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

Disclaimer: Information not legally binding

Daily rate calculation

When?

- **per calendar year** (from January to December)
- except for the months running from the end of the last calendar year until the end of the reporting period. For those months, you must calculate a **separate partial daily rate as follows:**

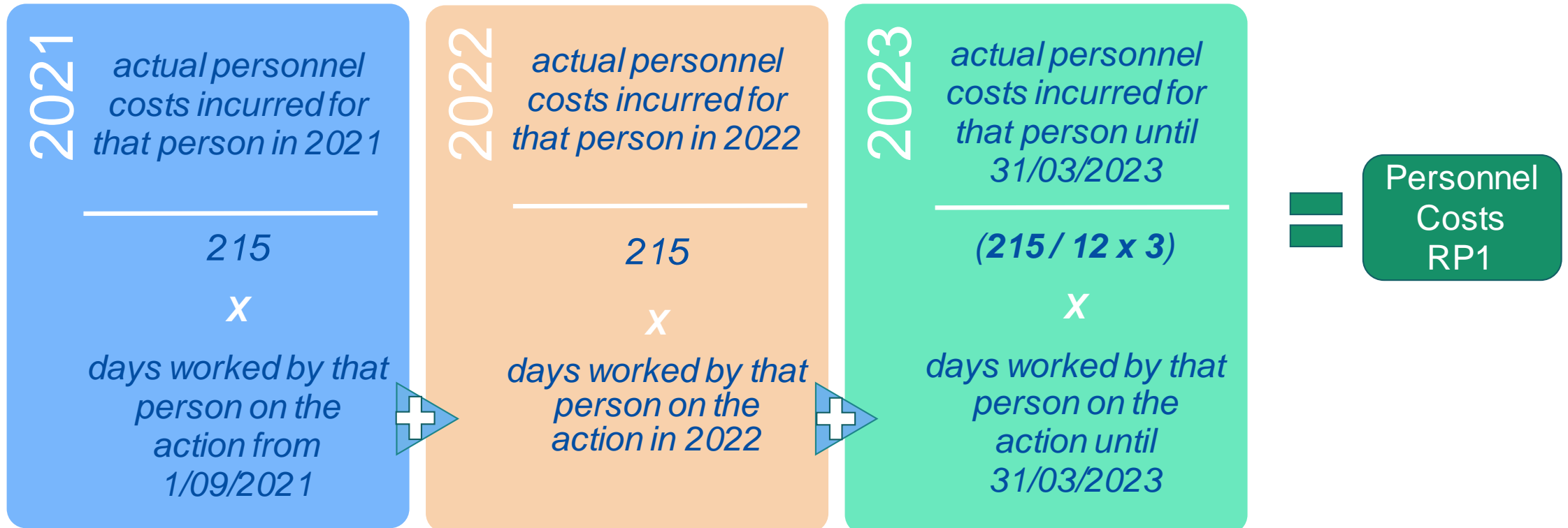
*{actual **personnel costs** of the person incurred over those months*

divided by

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

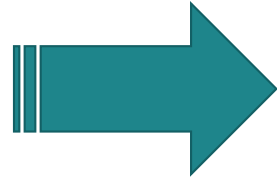
Example

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



Days worked – record keeping

Days worked



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

Or

- *sign a monthly declaration on days spent for the action (template under development).*

Time recording system in hours



'Day-equivalent' → 3 conversion rules at hand

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

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). In the same example, if the person works 50 % part-time, the day-equivalent would be 3,75 hours (18,75 / 5).

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

Example:

Standard annual productive hours of the beneficiary = 1600 Standard annual workable hours of the beneficiary = 1720

1720 x 90% = 1548 < 1600

1600/215 => 7.44 hours = 1 day-equivalent

3. A conversion based on a fixed number of hours (e.g. for beneficiaries with no reference in their contracts nor standard annual productive hours):
1 day-equivalent = 8 hours

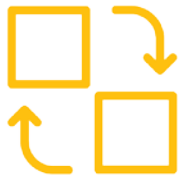
Time recording system in hours

'Day-equivalent': When to do the conversion?

Each time that you have to calculate a daily rate → **per calendar year**

For example at the time of a reporting period:

If a daily rate is calculated for year 2021, the beneficiary must convert into day-equivalents the total number of hours worked by the person on the action during 2021 altogether.



Main differences with H2020

- Discontinuation of the different formulas (annual and monthly) and options for productive hours (entailing difficult and error-prone calculations)
- No more 'last closed financial year' rule
- Instead, use of a single corporate daily rate and calendar year approach

Project-based remuneration

Horizon Europe specific provisions

For whom?

- For each employee of the beneficiary whose level of remuneration over the calendar year **increases because the employee works in projects.**
- This applies irrespectively of the number of projects for which the employee receives a higher salary or the source of funding of those projects.

Example:

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

How?

- **Compare** the **action daily rate** with the daily rate that you would pay to the person for work in national projects in accordance with your usual remuneration practices (**national projects daily rate**)
- The daily rate eligible for declaring personnel costs will be the lower of the two.

Action daily rate



*actual personnel costs of the person
for her/his work in the action over the calendar year*

days worked by the person in the action over the calendar year

National Projects
daily rate



*monthly personnel costs for the person based on the remuneration
the person would be entitled to for work in national projects X 12*

Specific case – ‘fall-back option’

- If there are **no regulatory requirements** and you do **not have internal rules** defining objective conditions or if your internal 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, on which the national projects’ daily rate can be determined:
- you must calculate the **national projects daily rate** as follows:

National Projects
daily rate

=

*total personnel costs of the person in the previous calendar year
minus remuneration paid for EU actions*

215 minus days worked in EU actions

Main differences with H2020

- **Discontinuation of the additional remuneration** extra calculation (entailing difficult and error-prone calculations)
- **No more obligation to have paid at least once** a project-based remuneration for work in nationally-funded project BEFORE the submission of a proposal in Horizon Europe

Internally invoiced goods & services

Horizon Europe specific provisions

What?

This budget category covers the costs for goods and services which are:

- produced or provided within the beneficiary's organisation directly for the action and
- the beneficiary values on the basis of its usual cost accounting practices.

Examples:

- *self-produced consumables (e.g. electronic wafers, chemicals)*
- *specialised premises for hosting the research specimens used for the action (e.g. animal house, greenhouse, aquarium)*
- *standardised testing or research processes (e.g. genomic test, mass spectrometry analysis)*
- *use of specific research devices or research facilities (e.g. clean room, wind tunnel, supercomputer facilities, electronic microscope)*



Key features



- Documented methodology
- Supporting evidence of the use of the good or service for the action showing the number of units used
- Share of cost item used for the production of the good or service must be calculated using the **allocation keys defined in the beneficiary's usual costs accounting practices**

example: power supply costs allocated to a clean room on the basis of the square meters it occupies.



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

Main difference with H2020

- **Wider reliance on beneficiary's usual cost accounting practices for the unit cost calculation:**
 - No application of the 25% flat-rate on top of the unit cost (H2020 rules) but instead
 - Possibility to accept actual indirect costs allocated via key drivers in the unit cost calculation

Systems and Process Audit (SPA)

Open Science & Exploitation obligations



Thank you!