EN

Horizon Europe

Work Programme 2021-2022

~~14~~13. General Annexes

THIS IS A DRAFT

***Disclaimer:** This is a draft document reflecting the latest developments. May be subject to modifications depending on the finalisation of external and internal procedures.*

[Decision]

Table of contents

INTRODUCTION

These General Annexes set out the general conditions applicable to calls and topics for grants and other forms of funding under the Horizon Europe Main Work Programme and describe the evaluation and award procedures and other parameters for Horizon Europe funding.

If a topic deviates from the general conditions or includes additional conditions, this is explicitly stated under the specific conditions for the topic.

Applicants are invited to read the call documentation on the topic page in the Funding & Tenders Portal carefully, and in particular these General Annexes, the Horizon Europe Programme Guide, the EU Funding & Tenders Portal Online Manual and the EU Grants AGA — Annotated Grant Agreement. These documents provide clarifications and answers to questions relating to preparing the application:

- the General Annexes outline the:
    - admissibility and eligibility conditions, criteria for financial and operational capacity and exclusion (sections A-C)
    - award criteria, mandatory documents and evaluation procedure (sections D-F)
    - legal and financial set-up of the grant agreements (section G)
    - specific conditions applying to actions which include pre-commercial procurement or procurement of innovative solutions (section J)
- the Programme Guide outlines the:
    - detailed guidance on the structure, budget and political priorities of the Horizon Europe
- the Online Manual outlines the:
    - procedures to register and submit applications online via the EU Funding & Tenders Portal ('Portal') and recommendations for the preparation of the application
- the AGA —Annotated Grant Agreement contains:
    - detailed annotations on all the provisions in the grant agreement to be signed in order to obtain the grant.

⚠ Please note that calls launched by the European Research Council (ERC), the European Innovation Council (EIC), the European Institute of Innovation and Technology (EIT), the Institutionalised European Partnerships based on Articles 185 and 187 of the Treaty on the Functioning of the European Union (TFEU), calls under the Euratom Research and Training Programme and the activities of the European Commission Joint Research Centre (JRC) are subject to separate work programmes and thus not covered by these General Annexes.

GENERAL CONDITIONS

A — Admissibility

Admissibility

Applications must be submitted before the **call deadline**.

Applications must be submitted **electronically** via the Funding & Tenders Portal Electronic Submission System (accessible via the topic page in the Search Funding & Tenders section). Paper submissions are NOT possible.

Applications must be submitted using the forms provided *inside* the Electronic Submission System (⚠ not the documents available on the topic page — they are only for information). The structure and presentation must correspond to the instructions given in the templates.

Applications must be **complete** and contain all parts and mandatory annexes and supporting documents *(see section E)*.

Applications must be **readable**, **accessible** and **printable**.

Applicants submitting a proposal under the blind evaluation pilot (see section F) must not disclose their identity (e.g. organisation names, acronyms, logos, names of personnel) in Part B of their first stage application (see section E).

Page limits

In addition to the above admissibility conditions, page limits will apply to parts of applications. The page limits and sections subject to limits will be clearly shown in the application templates in the Funding & Tenders Portal electronic submission system.

Unless provided otherwise in the specific call conditions, **the limit for a full application is 45 pages** (— except for Coordination and support actions, where the limit is 30 pages and for Programme co-fund actions, where the limit is 70 pages).

The limit for a first-stage application is 10 pages.

If an application exceeds the limits, there will be an automatic warning and invitation to re-submit a version that conforms. After the call deadline, excess pages will be automatically made invisible, and will not be taken into consideration by the evaluators.

B — Eligibility

Entities eligible for participation

Any legal entity, regardless of its place of establishment, including legal entities from non-associated third countries or international organisation (including international European research organisations[1]) is eligible to participate, provided that the conditions laid down in the Rules for Participation[2] have been met together with any other conditions laid down in the specific call topic.

A 'legal entity' means any natural or legal person created and recognised as such under national law, Union law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations, or an entity without a legal personality[3].

Beneficiaries and affiliated entities must register in the Participant Register before submitting their application in order to get a Participant Identification Code (PIC) and be validated by the Central Validation Service (REA Validation) before grant agreement signature. For the validation, they will be requested to upload the necessary documents showing legal status and origin during grant preparation.

Specific cases:

Affiliated entities — Affiliated entities (i.e. entities linked to a beneficiary[4] which participate in the action with similar rights and obligations as the beneficiaries, but do not become beneficiaries themselves) are allowed, if they fulfil the eligibility conditions.

Associated partners — Associated partners (i.e. entities which participate in the action, but without the right to charge costs or claim contributions) are allowed.

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees for the protection of the EU financial interests equivalent to that offered by legal persons[5].

EU bodies — Legal entities created under EU law may be part of the consortium, unless provided for otherwise in their basic act. Where indicated in the work programme, the European Commission Joint Research Centre may also be added to an already existing consortium but cannot be part of the applying consortium.

[1] International European research organisation means an international organisation, the majority of whose members are Member States or Associated Countries, and whose principal objective is to promote scientific and technological cooperation in Europe.
[2] [REFERENCE TO HORIZON EUROPE REGULATION]
[3] See Article 197(2)(c) EU Financial Regulation 2018/1046.
[4] See Article 187 EU Financial Regulation 2018/1046.
[5] See Article 197(2)(c) EU Financial Regulation 2018/1046.

Associations and interest groupings — Entities composed of members *(e.g. European research infrastructure consortia (ERICs))* may participate as 'sole beneficiaries' or 'beneficiaries without legal personality' [6]. ⚠ However, if the action is in practice implemented by the individual members, those members should also participate (either as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

Restrictions on participation or control — For actions related to EU strategic assets, interests, autonomy or security, topics may limit participation to legal entities established in EU Member States only or in EU Member States and specific associated or non-associated third countries. In addition, in order to guarantee the protection of the strategic interests of the EU and its Member States, topics may also exclude the participation of legal entities directly or indirectly controlled from non-associated third countries (or make their participation subject to specific conditions).

EU restrictive measures — Special rules apply for entities from certain countries *(e.g. entities subject to EU restrictive measures under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)[7] and entities covered by Commission Guidelines No 2013/C 205/05[8])*. Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties (if any).

ℹ For more information, *see Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment*.

Entities eligible for funding

In order to be eligible for funding, the applicants must be established in one of the eligible countries, i.e.:

- EU Member States (including overseas countries and territories (OCTs))
- eligible non-EU countries:
  - Countries associated to Horizon Europe[9]

    At the date of the publication of the work programme, there are no countries associated to Horizon Europe. Considering the Union's interest to retain, in principle, relations with the countries associated to Horizon 2020, most third countries associated to Horizon 2020 are expected to be associated to Horizon

[6] See Articles 187(2) and 197(2)(c) EU Financial Regulation 2018/1046.
[7] Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the EU Sanctions Map.
[8] Commission guidelines No 2013/C 205/05 on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).
[9] Please see the Horizon Europe Programme Guide for up-to-date information on the current list of and the position for Associated Countries.

Europe by the time the first grant agreements under Horizon Europe are signed. For the purposes of the eligibility conditions, applicants established in Horizon 2020 Associated Countries will be treated as entities established in an Associated Country, subject to the applicability of the association agreements under Horizon Europe.

- Low and middle income countries[10]

Legal entities which are established in countries not listed above will be eligible for funding when such funding is explicitly foreseen in the specific call conditions, or their participation is considered essential for implementing the action.

Specific cases:

Affiliated entities — Affiliated entities are eligible for funding if they are established in one of the countries listed above.

EU bodies — Legal entities created under Union law may also be eligible to receive funding, unless provided for otherwise in their basic act.

International organisations — International European research organisations are eligible to receive funding. Other international organisations are deemed to be established in a non-associated third country and not eligible to receive funding, unless otherwise indicated in the work programme.

Consortium composition

Applications must be submitted by a consortium including at least three independent legal entities, each established in a different Member State or Horizon Europe Associated Country and with at least one of them established in a Member State.

The European Commission Joint Research Centre (JRC), international European research organisations and legal entities created under EU law are deemed to be established in a Member State other than the ones in which the other legal entities participating in the action are established.

Applications by single applicants are allowed for Training and mobility actions, Coordination and support actions and Programme co-fund actions.

Applications for Coordination and support actions may only include legal entities established in non-associated third countries if explicitly provided for in the specific topic conditions.

Applications for Pre-commercial procurement (PCP) actions and Public procurement of innovative solutions (PPI) actions must include as beneficiaries a 'buyers' group' consisting of a minimum of two independent legal entities that are public procurers[11], each established in

[10] See the Horizon Europe Programme Guide for a complete list of these countries.
[11] Public procurers are organisations that are contracting authorities or contracting entities as defined in EU public procurement directives 2014/24/EU, 2014/25/EU, and 2009/81/E.

a different Member State or Associated Country and with at least one of them established in a Member State.

Eligible activities

Eligible activities are the ones described in the call conditions.

Projects must moreover comply with EU policy interests and priorities *(such as environment, social, security, industrial policy, etc.).*

The following activities are generally eligible under the Horizon Europe types of action used for giving grants:

Research and innovation actions (RIA) — Activities aiming primarily to establish new knowledge and/or to explore the feasibility of a new or improved technology, product, process, service or solution. This may include basic and applied research, technology development and integration, testing, demonstration and validation on a small-scale prototype in a laboratory or simulated environment.

Innovation actions (IA) — Activities directly aimed at producing plans and arrangements or designs for new, altered or improved products, processes or services, possibly including prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.

Coordination and support actions (CSA) — Activities contributing to the objectives of the Horizon Europe Programme, excluding research and innovation activities (except when undertaken under the component "Widening participation and spreading excellence" of the part "Widening participation and strengthening the European Research Area" and bottom-up coordination without co-funding of research activities from the EU that allows for cooperation between legal entities from Member States and Horizon Europe Associated Countries in order to strengthen the European Research Area).

Programme co-fund actions (CoFund) — A programme of activities established and/or implemented by entities managing and/or funding research and innovation programmes, other than EU funding bodies. The programme of activities may support networking and coordination, research, innovation, pilot actions, and innovation and market deployment actions, training and mobility actions, awareness raising and communication, dissemination and exploitation, any relevant financial support, such as grants, prizes, procurement, as well as Horizon Europe blended finance[12] or a combination thereof. The Programme co-fund action may be implemented by the beneficiaries directly or by providing financial support to third parties.

Innovation and market deployment actions (IMDA) — Activities embedding an innovation action and other activities necessary to deploy an innovation in the market, including the

[12] "Horizon Europe blended finance" means financial support to a programme to provide support to innovation and market deployment activities, consisting in a specific combination of a grant or a reimbursable advance with an investment in equity or any other repayable form of support.

scaling-up of companies and Horizon Europe blended finance (a mix of grant-type funding and private finance).

Training and mobility actions (TMA) — Activities geared towards the improvement of skills, knowledge and career prospects of researchers based on mobility between countries, and, if relevant, between sectors or disciplines.

Pre-commercial procurement actions (PCP actions) — Activities aiming to enable a transnational buyers' group to reinforce the public procurement of research, development, validation and possibly the first deployment of new solutions that can bring significant quality and efficiency improvements in areas of public interest, whilst opening market opportunities for industry and researchers active in Europe. Eligible activities include the preparation, management and follow-up, under the coordination of a lead procurer, of one joint PCP and additional activities to embed the PCP into a wider set of demand-side activities.

Public procurement of innovative solutions actions (PPI actions) — Activities aiming to enable a transnational buyers' group to reinforce the early deployment of innovative solutions by enabling a transnational buyers' group to overcome the fragmentation of demand for innovative solutions and to share the risks and costs of acting as early adopters of innovative solutions, whilst opening market opportunities for industry. Eligible activities include the preparation and implementation, under the coordination of a lead procurer, of one joint or several coordinated public procurement(s) of innovative solutions by the buyers' group and additional activities to embed the PPI into a wider set of demand-side activities.

Technology Readiness Levels

Where the specific call conditions require a Technology Readiness Level (TRL), the following definitions apply, unless otherwise specified:

- TRL 1 — Basic principles observed
- TRL 2 — Technology concept formulated
- TRL 3 — Experimental proof of concept
- TRL 4 — Technology validated in lab
- TRL 5 — Technology validated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 6 — Technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 7 — System prototype demonstration in operational environment
- TRL 8 — System complete and qualified

- TRL 9 — Actual system proven in operational environment (competitive manufacturing in the case of key enabling technologies; or in space)

Ethics

Projects must comply with:

- ethical principles (including the highest standards of research integrity) and
- applicable EU, international and national law

and may not:

- have a military focus
- aim at human cloning for reproductive purposes
- intend to modify the genetic heritage of human beings which could make such changes heritable (with the exception of research relating to cancer treatment of the gonads, which may be financed) or
- 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.

Projects involving ethics issues will have to undergo an ethics review to authorise funding and may be made subject to specific ethics rules (which become part of the grant agreement in the form ethics deliverables, e.*g. ethics committee opinions/notifications/authorisations required under national or EU law*).

Security — EU classified and sensitive information

Projects involving classified and/or security sensitive information will have to ~~under~~go through the~~a~~ Security Appraisal process~~security scrutiny~~ to authorise funding and may be made subject to specific security rules (detailed in a Security Section~~Security Aspect Letter (SAL)~~, which is annexed to the grant agreement). Specific provisions for EU-classified information (EUCI) and sensitive information (SEN) will be included in the grant agreement, as necessary and appropriate.

The~~se~~ rules for protecting EU-classified information (governed by Commission Decision (EU, Euratom) 2015/444[13] and/or national rules) provide for instance that:

- projects involving information classified as TRES SECRET UE/EU TOP SECRET (or equivalent) can NOT be funded,
- EU-classified information must be marked in accordance with the applicable security instructions in the Classification Guide appendix of the Security Aspects Letter (SAL) which is contained in the Security Section of the grant agreement~~the SAL~~,

[13] See Commission Decision 2015/544/EU, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53.

- ~~creation~~ generation of or access to information with classification levels CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/ EU RESTRICTED, if required by national rules) may take place only i~~o~~n premises of entities which have been granted a ~~with~~ F~~f~~acility S~~s~~ecurity ~~clearing~~ Clearance (FSC) issued by the competent National Security Authority (NSA) ~~(if required by national rules)~~,

- handling of information classified~~with classification levels~~ CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/ EU RESTRICTED, if required by national rules) may take place only in a secured area accredited by the competent NSA,

- access to and handling of ~~classified~~ information classified ~~with classification levels~~ CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/ EU RESTRICTED, if required by national rules) may be granted only to ~~by~~ individuals ~~is reserved to persons~~ with a valid P~~p~~ersonnel S~~s~~ecurity C~~c~~learance (PSC) and an established need-to-know, who have been briefed on the applicable security rules,

- access to and handling of information classified RESTREINT UE/EU RESTRICTED may be granted only to individuals who have a need-to-know and have been briefed on the applicable security rules,

- at the end of the grant, the classified information must either be returned or continued to be protected in accordance with the applicable rules,

- subcontracting of action tasks involving EU-classified information is subject to prior written approval by the European Commission, which is the originator of EU-classified information,~~granting authority~~ and is possible 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)

- disclosure of EU-classified information is subject to prior written approval ~~from~~ by the ~~granting authority~~European Commission.

Please note that, depending on the type of activity, facility security ~~clearings~~ clearances may have to be provided before grant signature. The granting authority will assess this for each case and fix the delivery date during grant preparation. It is not possible to sign any grant agreement, before at least one of the beneficiaries in the consortium has a facility security ~~clearing~~clearance.

In certain cases, the project results might not require classification but they might be security sensitive and consequently require restricted disclosure or limited dissemination due to security reasons, in accordance with the applicable security instructions in the Security Section. This means that, in principle, third parties should have no access to results subject to this type of restriction. Disclosure of this information is subject to prior written approval by the European Commission.

Further security recommendations may be added to the grant agreement in the form of security deliverables *(e.g. establishment ~~creation~~ of S~~s~~ecurity A~~a~~dvisory Board~~group~~*,

appointment of Project Security Officer, limit the level of detail, use fake scenario~~, exclude use of classified information~~, etc.).

In addition, beneficiaries must ensure that their projects are not subject to national/third country security requirements that could affect the implementation or put into question the award of the grants *(e.g. technology restrictions, national security classification, etc.)*. Any potential security issues must be notified immediately to the granting authority.

Gender Equality Plans and gender mainstreaming

To be eligible, legal entities that are public bodies, research organisations or higher education establishments must have a gender equality plan, covering the following minimum requirements:

- Publication: formal document published on the institution's website and signed by the top management
- Dedicated resources: commitment of resources and gender expertise to implement it
- Data collection and monitoring: sex/gender disaggregated data on personnel and students and annual reporting based on indicators
- Training: Awareness raising/trainings on gender equality and unconscious gender biases for staff and decision-makers
- Recommended areas to be covered and addressed via concrete measures and targets:
    - work-life balance and organisational culture
    - gender balance in leadership and decision-making
    - gender equality in recruitment and career progression
    - integration of the gender dimension into research and teaching content
    - measures against gender-based violence including sexual harassment.

A self-declaration will be requested at proposal stage.

Beneficiaries must also take all measures to promote equal opportunities between men and women in the implementation of the action and, where applicable, in line with their 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.

Financial support to third parties

Where the specific call conditions allow for financial support to third parties, the applicants must clearly detail the objectives and the results to be obtained, including the elements listed in the application template. Additionally, the following conditions have to be fulfilled:

- projects must publish their open calls widely and adhere to EU standards with respect to transparency, equal treatment, conflict of interest and confidentiality
- all calls for third parties must be published on the Funding & Tenders Portal, and on the beneficiaries' websites
- the calls must remain open for at least two months
- if submission deadlines are changed, this must immediately be announced and registered applicants must be informed of the change
- projects must publish the outcome of the calls without delay, including a description of the third party projects, the date of the award, duration, and the legal name and country
- the calls must have a clear European dimension.

Further conditions may be stipulated in the specific conditions for the topic.

For more information, *see AGA — Annotated Model Grant Agreement, articles 6.2.D.1 and 9.4.*

OTHER TYPES OF ACTIONS AND FORMS OF FUNDING

In addition to the eligible activities described in section B above, the following types of action and forms of funding are used in Horizon Europe. They are usually placed in the 'Other Actions section of the Work Programme parts and not not all subject to calls for proposals.

- **Grants to identified beneficiaries —** Exceptionally, a grant may be awarded to legal entities explictly named in the work programme without a prior call for proposals. The identified beneficiaries must nevertheless submit a proposal to benefit from funding. This proposal will be evaluated and must exceed the required threshold. The funding rates will correspond to the type of action indicated.

- **Prizes —** *Inducement prizes*: a prize to stimulate investment in a given area, by specifying a goal prior to the performance of the work. Contests for inducement prizes must address technological and/or societal challenges. The award criteria will define a goal, but without prescribing how to achieve it. Contests for inducement prizes are split into rewards of the contestant that first meets the specific goal defined in the contest rules, and rewards of the best contestant within a given period. *Recognition prizes*: a prize to reward past achievements and outstanding work after it has been performed. Recognition prizes must contribute to raise public awareness of EU policies, create role models and support best-practice exchange. The Rules of the Contest (RoC) of a specific prize describe the eligibility and award criteria, the evaluation procedure, the indicate timetable and the reward. The RoC is found in the call topic page on the Portal.

- **Framework partnerships and specific grant agreements —** Framework partnerships are formalised long-term cooperation mechanisms ~~enabling the granting autority to work with partners on a regular basis or when there is the need of~~involving several or recurring grants. They must be based on jointly agreed action plans and agreements that set out the terms and conditions for receiving grants to implement the actions, framework partnership agreements (FPA) and specific grant agreements (SGA). The FPA will set out the framework conditions governing potential grants to beneficiaries on the basis of an action plan and jointly agreed general objectives. The SGA will set out the specific obligations and conditions to implement the specific action. The FPA will have no budget; the budget and rules on funding will be set out in each SGA and depend on the specific type of action. The establishment of an FPA must take place following a call for proposals. Beneficiaries will be identified on the basis of the evaluation of the proposals. In a subsequent step, beneficiaries may be invited to submit their proposals for the SGA. Framework partnerships do not give the partners (i.e. potential beneficiaries) exclusive rights to be awarded the grants covered by the framework partnership agreements. SGAs must only be signed if the FPA has been signed, and before the end date of the FPA.

- **Operating grants —** Operating grants provide financial support for the functioning of a body in order to enable it to carry out specific activities set out in the agreed work programme. Operating grants do not support the implementation of a specific action but to the annual operating budget (or part of it) for certain bodies whose statutory activities serve the strategic objectives of Union policies. Operating grants will always be mono-beneficiary grants supporting the work programme of only one organisation. Operating grants must follow the same rules as described in section G but do not differentiate between direct and indirect costs. Receiving an operating grant may make beneficiaries ineligible for receiving indirect costs in all other EU action grants.

- **Public procurements —** In a public procurement action, the granting autority purchases works, supplies or services, or acquire or rent land, buildings or other immovable property. This is done by entering into a contract with an economic operators chosen by us. Before the granting autority enters into a procurement contract, a call for tenders is published on the Portal.

- **Expert contract actions —** Expert contracts are used to appoint independent expert(s) to advise or assist us. Experts are used for the evaluation of proposals, for the evaluation of programme, for ethics screenings and assessments, for advisory bodies, and for expertise related to the objectives of the Horizon Europe.

- **Subscription actions —** Subscription actions are used to pay contributions to bodies in which the EU is a member or an observer.

- **Scientific and technical services by the Joint Research Centre** — Scientific and technical services cover research and innovation activities undertaken by the Commission through its Joint Research Centre (JRC). These (non-nuclear) activities are direct actions generating high-quality scientific evidence to support efficient and affordable good public policies. The Horizon Europe Rules for Participation do not apply to these actions.

- **Indirectly managed actions** — Indirectly managed actions refer to actions implemented by entities which are entrusted with the implementation of Union funds or budgetary guarantees through a contribution agreement.

C — Financial and operational capacity and exclusion

Financial capacity

Applicants must have **stable and sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.

The financial capacity check will be done by on the basis of the documents uploaded in the Participant Register during grant preparation *(e.g. profit and loss account and balance sheet, business plan, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc.)*. The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for the coordinator if the requested grant amount is more than EUR 500 000, except for:

- public bodies (entities established as public body under national law, including local, regional or national authorities) or international organisations, and
- cases where the individual requested grant amount is not more than EUR 60 000 (low-value grant).

If needed, it may also be done for the other applicants including affiliated entities. If the financial capacity is structurally guaranteed by another legal entity, the financial capacity of the latter will be verified.

If the granting authority considers that the financial capacity is not satisfactory, they may require:

- further information,
- an enhanced financial responsibility regime, i.e. joint and several responsibility of affiliated entities *(see section G)*, and
- prefinancing paid in instalments

or

- propose no prefinancing
- request that the applicant concerned is replaced or, if needed, reject the entire proposal.

For more information, *see Rules on Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment*.

Operational capacity

Applicants must have the **know-how, qualifications** and **resources** to successfully implement their tasks in the project and contribute their share (including, when appropriate, sufficient experience in EU/trans-national projects of comparable size).

This assessment of operational capacity will be carried out during the evaluation of the award criterion 'Quality and efficiency of the implementation', on the basis of the competence and experience of the applicants and their project teams, including its operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time of the implementation of the tasks.

If the evaluation of this award criterion leads a score above the applicable threshold, then the applicants are considered to have sufficient operational capacity.

For this assessment, applicants will be required to provide the following information in the Application Form (Part B):

- general profiles (qualifications and experiences) of the staff responsible for managing and implementing the project,
- description of the consortium participants, and
- list of EU funded actions/projects for the last 4 years.

Additional supporting documents may be requested, if needed to confirm the operational capacity of any applicant.

Public bodies, Member State organisations and international organisations are exempted from the operational capacity check.

Exclusion

Applicants that are subject to **EU administrative sanctions** (i.e. exclusion or financial penalty decision)[14] or are in one of the following **exclusion situations**[15] that bar them from receiving EU grants can NOT participate:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts),
- they are in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts),

[14] See Article 136 EU Financial Regulation 2018/1046.
[15] See Articles 136 and 141 EU Financial Regulation 2018/1046.

- they are guilty of grave professional misconduct (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant),

- they are guilty of fraud, corruption, having links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant),

- they have shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant),

- they are guilty of irregularities within the meaning of Article 1(2) of Regulation No 2988/95 (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant), or

- they have created under a different jurisdiction an entity with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision making or control, beneficial owners or persons who are essential for the award/implementation of the grant).

Applicants will also be refused if it turns out that[16]:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information, or

- they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

[16] See Article 141 EU Financial Regulation 2018/1046.

D — Award criteria

Award criteria

If admissible and eligible, the proposals will be evaluated and ranked against the following **award criteria** depending on the type of action:

	Excellence (The following aspects will be taken into account, to the extent that the proposed work corresponds to the description in the work programme)	**Impact**	**Quality and efficiency of the implementation**
Research and innovation actions (RIA) **Innovation actions (IA)**	- **Clarity and pertinence of the project's objectives, and the extent to which the proposed work is ambitious, and goes beyond the state-of-the-art.** - **Soundness of the** proposed *[for first stage:* **overall***]* **methodology**, including the underlying concepts, models, assumptions, inter-disciplinary approaches, appropriate consideration of the gender dimension in research and innovation content, and the quality and appropriateness of open science practices including engagement of citizens, civil society and end users, and research data management.	- **Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions due to the project.** - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities.	- Quality and effectiveness of the work plan, assessment of risks, and the appropriateness of the effort assigned to work packages, and the resources overall. - Capacity and role of each participant, and extent to which the consortium as a whole brings together the necessary expertise.
Coordination and support	- **Clarity and pertinence of the**	- **Credibility of the pathways to achieve**	- Quality and effectiveness of the

actions (CSA)	**project's objectives.** - **Quality of the proposed coordination and/or support measures including soundness of methodology.**	**the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions due to the project.** - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities.	work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall. - Capacity and role of each participant, and extent to which the consortium as a whole brings together the necessary expertise.
Programme co-fund actions (CoFund)	- Clarity and pertinence of the project's objectives, and the extent to which the proposed work is ambitious, and goes beyond the state of the art. - Soundness of the proposed methodology, including the underlying concepts, models, assumptions, inter-disciplinary approaches, appropriate consideration of the gender dimension in research and innovation content, and the quality and appropriateness of open science practices including engagement	- Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions due to the project. - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities.	- Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall. - Capacity and role of each participant, and extent to which the consortium as a whole brings together the necessary expertise.

	of citizens, civil society and end users, and research data management.		
Innovation and market deployment action (IMDA)	*See the European Innovation Council Work Programme.*		
Training and mobility actions (TMA)	*See the Marie Skłodowska-Curie Actions Work Programme part.*		
Pre-commercial procurement actions (PCP) **Public procurement of innovative solutions actions (PPI)**	- Clarity and pertinence of the objectives and the extent to which they are ambitious, and go beyond the state of the art in terms of the degree of innovation that is needed to satisfy the procurement need. - Soundness of the proposed methodology, taking into account the underlying concepts and assumptions.	- Credibility to achieve the expected outcomes and impacts specified in the work programme. - Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation* plan, including communication activities. * For PCP actions and PPI actions, the exploitation of results by the beneficiaries means primarily the usage of the innovative solutions by the procurers/end-users, as the manufacturing and sales of the innovative solutions is performed by the suppliers of the solutions which are not beneficiaries but subcontractors.	- Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall - Capacity and role of each participant, and extent to which the consortium as a whole brings together the necessary expertise.
Framework Partnerships Agreements (FPA)	- Clarity and pertinence of the project's objectives.	- Credibility of the action plan of the FPA to achieve the expected outcomes and impacts specified in the work programme.	- Capacity and role of each participant, and extent to which the consortium as a whole brings together the necessary expertise. - Potential for long term cooperation among participants.

Scores and weighting

Evaluation scores will be awarded for the criteria, and not for the different aspects listed in the table. For full applications, each criterion will be scored out of 5. The threshold for individual criteria will be 3. The overall threshold, applying to the sum of the three individual scores, will be 10.

To determine the ranking for Innovation actions, the score for the criterion 'Impact' will be given a weight of 1.5.

Proposals that pass the individual threshold AND the overall threshold will be considered for funding — within the limits of the available call budget. Other proposals will be rejected.

Two-stage calls — For the evaluation of first-stage applications under a two-stage submission procedure, only the criteria 'Excellence' and 'Impact' will be evaluated. Within these criteria, only the aspects in bold will be considered. The threshold for both individual criteria will be 4. For each indicative budget-split in the call conditions, the overall threshold applying to the sum of the two individual scores, will be set at a level ensuring that the total requested budget of proposals admitted to stage 2 is as close as possible to three times the available budget, and in any case, not less than two and a half times the available budget. The actual level will therefore depend on the volume of proposals received. The threshold is expected to normally be set at 8 or 8.5.

The evaluation procedure is explained further in *section F*.

E — Documents

Submission

All proposals must be submitted **electronically** via the Funders & Tenders Portal Electronic Submission System (accessible via the topic page in the Search Funding & Tenders section). Paper submissions are NOT possible.

Proposals must be **complete** and contain all parts and mandatory annexes and supporting documents, e.g. plan for the exploitation and dissemination of the results, etc.

The Application Form will have two parts:

- **Part A** (to be filled in directly online) — contains administrative information about the applicant organisations (future coordinator and beneficiaries and affiliated entities), the summarised budget for the proposal and call specific questions;
- **Part B** (to be downloaded from the Portal Submission System, completed and then assembled and re-uploaded as PDF in the system) — contains the technical description of the project.

Annexes and supporting documents will be directly available in the Submission System and must be uploaded as PDF files (or other formats allowed by the system).

Proposals should be designed to stay as close as possible to the award criteria *(section D)*. The Application Form will help.

When submitting the proposal the coordinator will have to confirm that they have the mandate to act for all applicants. Moreover, they will have to confirm that the information in the application is correct and complete and that all participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc.). Before signing the grant, each participant will have to confirm this again by signing a declaration of honour (DoH). Proposals not complying with these requirements will be rejected.

For lump sum grants, when the amount of the lump sum is not fixed in advance, the estimated budget must be described in a detailed budget table. This will be used as a basis for fixing the lump sum amount. As the lump sum must be an approximation of the costs actually incurred, the costs included in this detailed budget table MUST comply with the basic eligibility conditions for EU actual cost grants *(see Annotated Grant Agreement (AGA), art 6)*. This is particularly important for purchases and subcontracting, which must be awarded ensuring best value for money (or, if appropriate, at the lowest price) and be free from any conflict of interests. If the budget table contains ineligible costs, the grants risk to be reduced (even later on during the project implementation or after their end).

⚠ Applicants may be asked at a later stage for further documents *(for legal entity validation, financial capacity check, bank account validation, etc.)*.

F — Procedure

Evaluation procedure and ranking

Calls may be subject to either a **single-stage submission procedure** or a **two-stage submission procedure**. The **evaluation procedure** could be organised in one (standard) or several steps.

In the first stage of two-stage submission, applicants will be requested to submit only an outline application (which will be evaluated against only ~~[~~two~~]~~ award criteria: 'Excellence' ~~[~~and 'Impact'~~]~~). Successful applicants will be invited to submit a full application for the second stage (which will be evaluated against the full set of award criteria).

Proposals will be checked for formal requirements (admissibility and eligibility) and then evaluated (for each topic separately) by an **evaluation committee** composed of independent external experts for operational capacity and award criteria *(see sections C and D)* and then listed in a ranked list according to their quality score.

Exceptionally, where indicated in the specific call conditions, the evaluation committee may be composed partially or fully by representatives of EU institutions.

For proposals with the same score within a single budget envelope (with the exception of the first stage of two-stage submissions) a method for establishing the **priority order** will be determined, taking into consideration the objectives of the specific topic. In the absence of special arrangements specified in the call or topic conditions, the following method will apply:

Successively for every group of *ex aequo* proposals, starting with the highest scored group, and continuing in descending order:

1) Proposals that address call ~~topics~~ aspects identified in the topic description not otherwise covered by more highly ranked proposals, will be considered to have the highest priority.

2) The proposals identified under 1), if any, will themselves be prioritised according to the scores they have been awarded for the criterion 'Excellence'. When these scores are equal, priority will be based on scores for the criterion 'Impact '. In the case of Innovation actions this prioritisation will be done first on the basis of the score for 'Impact', and then on that for 'Excellence'.

3) If necessary, the gender balance among the personnel named in the proposal who will be primarily responsible for carrying out the research and/or innovation activities, and who are included in the researchers table of the proposal, will be used as a factor for prioritisation.

~~3)~~4) If necessary, any further prioritisation will be based on geographical diversity, defined as the number of EU ~~countries~~ Member states or Associated Countries

represented in the proposal, not otherwise receiving funds from projects higher up the ranking list (and if equal in number, then by budget).

~~4) If necessary, the gender balance among the personnel named in the proposal who will be primarily responsible for carrying out the research and/or innovation activities will be used as a factor for prioritisation.~~

5) If a distinction still cannot be made, the panel may decide to further prioritise by considering other factors related to the objectives of the call, or to Horizon Europe in general. These may include, for example, enhancing the quality of the project portfolio through synergies between projects or, where relevant and feasible, involvement of SMEs. These factors will be documented in the panel report.

6) The method described in 1), 2), 3) and 4) will then be applied to the remaining equally ranking proposals in the group.

At the end of evaluation, all applicants will be informed about result of the evaluation (at the same time; evaluation result letter). Successful proposals will be invited to the next stage, grant preparation; the other proposals will be put on the reserve list or rejected.

⚠ No commitment for funding — Invitation to grant preparation does NOT constitute a formal commitment for funding. Various legal checks are still needed before the grant can be awarded, *such as legal entity validation, financial capacity, exclusion check, etc*.

⚠ If indicated in the specific call conditions, proposals which were judged to deserve funding but did not succeed because of budget limits will receive a **Seal of Excellence**[17]. With prior authorisation from the applicant, the granting authority may share information concerning the proposal and the evaluation with interested financing authorities, subject to the conclusion of confidentiality agreements.

⚠ Budget flexibility — The budgets set out in the calls and topics are indicative. Unless otherwise stated, final budgets may change following evaluation. The final figures may change by up to 20% compared to the total budget indicated in each individual work programme part. Changes within these limits will not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) No 2018/1046.

⚠ Joint and coordinated calls — In case of applications for **joint or coordinated calls** with third countries (including their scientific and technological organisations or agencies), international organisations or non-profit legal entities, the joint selection and evaluation procedures will be indicated in the specific call conditions.

⚠ Blind evaluation pilot – If indicated in the specific call conditions, first stage proposals of two-stage submissions will be evaluated blindly[18] and applicants may not disclose their identity in Part B of their proposal (see section A).

[17] https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/seal-excellence_en.
[18] See Horizon Europe Programme Guide for further details.

Evaluation review procedure

If the consortium believes that the evaluation procedure was flawed, the coordinator can submit a **complaint** (following with the deadlines and procedures set out in the evaluation result letter).

An evaluation review applies only to the procedural aspects of the evaluation, not to the evaluation of the merits of the proposal.

A request for review must relate to a specific proposal and must be submitted within 30 days after the beneficiary access the evaluation results. The limit of the request is a maximum of 5,000 characters. Please note that notifications of evaluation results which have not been opened in the Funding & Tenders Portal within 10 days after sending are considered to have been accessed and that deadlines will be counted from opening/access *(see also Funding & Tenders Portal Terms and Conditions)*.

An evaluation review committee will provide an opinion on the procedural aspects. The committee may recommend a re-evaluation of the proposal or a confirmation of the initial evaluation.

Indicative timetable for evaluation and grant agreement signature

Unless otherwise specified in the specific call conditions, the timing for evaluation and grant preparation is as follows:

- Information on the outcome of the evaluation: ca. 5 months from the deadline for submission, and
- Indicative date for the signing of grant agreements: ca. 8 months from the deadline for submission.

Two-stage calls — For two stage calls the timing is a bit different (for the evaluation result: 3 months for the first stage, 5 months for the second stage; for the grant agreement signature in second stage: 8 months).

G — Legal and financial set-up of the grant agreements

During grant preparation, the consortium will be asked to prepare the grant agreement, together with the EU project officer.

This grant agreement will set out the framework for the grant and its terms and conditions, in particular concerning deliverables, reporting and payments. A model is available on the topic page, together with the other call documentation.

Starting date & project duration

The project starting date and duration will be fixed in the grant agreement (Data Sheet, point 1). Normally, the starting date will be after grant signature. A starting date before the date of grant signature (retroactive) can be granted exceptionally for duly justified reasons — but never earlier than the date of proposal submission.

The project duration is provided in months (extensions will be possible only exceptionally, for duly justified reasons and with our agreement).

Milestones and deliverables

The milestones and deliverables for each project will be managed through the Grant Management System in the Portal and are reflected in Annex 1 of the grant agreement.

The standard deliverables will be set out in the specific call conditions.

Form of grant, funding rate and maximum grant amount

The grant parameters *(maximum grant amount, funding rate, total eligible costs etc)* will be fixed in the grant agreement *(Data Sheet, point 3 and art 5).*

The project budget is provided in EUR. The amount of the grant awarded may be lower than the amount requested.

For **actual cost grants**, the grant will be a budget-based mixed actual cost grant. This means that it will reimburse ONLY certain types of costs (eligible costs) and ONLY those costs *actually* incurred for the project (NOT the *budgeted* costs).

The costs will be reimbursed at the funding rate fixed in the specific call conditions and in the grant agreement.

Such grants may NOT produce a profit. If there is a profit (i.e. surplus of revenues + EU grant over costs), it will be deducted from the final grant amount.

Moreover, the final grant amount may be reduced in case of non-compliance *(e.g. improper implementation, breach of obligations, etc.).*

Standard Horizon Europe funding rates are as follows:

- Research and innovation action: up to 100%

- Innovation action: up to 70% (except for non-profit legal entities, where a rate of up to 100% applies)
- Coordination and support action: up to 100%
- Programme co-fund action: at least 30% and up to 70%
- Innovation and market deployment: up to 70% (except for non-profit legal entities, where a rate of up to 100% applies)
- Training and mobility action: up to 100%
- Pre-commercial procurement action: up to 100%
- Public procurement of innovative solutions action: up to 50%

For **lump sum and unit grants**, the funding rate is already applied as part of the methodology for fixing the amounts and therefore not shown in the grant agreement.

Budget categories and cost eligibility rules

The budget categories and cost eligibility rules are fixed in the grant agreement *(Data Sheet, point 3 and art 6).*

Budget categories:

- actual costs (i.e. costs which are real and not estimated or budgeted) for:
  - personnel costs (unless declared as unit cost; see below),
  - subcontracting costs,
  - purchase costs (unless declared as unit cost; see below), and
  - costs of providing financial support to third parties (if provided for in the specific call conditions);
- units (i.e. an amount per unit) for:
  - personnel costs of SME owners/natural persons not receiving a salary,
  - personnel costs calculated by the beneficiaries in accordance with their usual cost accounting practices (average personnel costs),
  - costs of internally invoiced goods and services calculated by the beneficiaries in accordance with their usual cost accounting practices, and
  - specific unit costs (if provided in the specific call conditions; see also Annex 2a of the grant agreement);

- flat-rate (i.e. costs calculated by applying a percentage fixed in advance to other types of eligible costs) for:
    - indirect costs (25% flat-rate of the total eligible direct costs, excluding eligible direct costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs),
- lump sum (i.e. a global amount deemed to cover all costs of the action or a specific category of costs; if provided in the specific call conditions).

Within a grant, different forms of costs can be used.

Costs can also be declared under several EU Synergy grants, if provided for in the specific call conditions and the funding under the grants does not go above 100% of the costs and contributions declared to them.

Reporting & payment arrangements

The reporting and payment arrangements are fixed in the grant agreement *(Data Sheet, point 4 and art 21 and 22).*

After grant signature, the consortium will normally receive a float to start working on the project (prefinancing of normally 100% of the average EU funding per reporting period (i.e. maximum grant amount / number of periods); exceptionally less or no prefinancing). For actions with only one reporting period, it will however be less, since 100 % would mean the totality of the grant amount.

At the moment of the prefinancing payment, an amount ranging from 5% to 8% of the maximum grant amount will be deducted from the prefinancing payment and transferred to the Mutual Insurance Mechanism. This mechanism covers the risks associated with non-recovery of sums due by the beneficiaries.

There will be one or several interim payments linked to a periodic report, depending on the duration of the project.

At the end of the project, the consortium will be invited to submit a report on the basis of which the final grant amount will be calculated. If the total of earlier payments is higher than the final grant amount, the beneficiaries concerned (or the coordinator) will be asked to pay back the difference (recovery).

Certificates

Depending on the size of the grant amount and on the type of beneficiaries, beneficiaries may be required to submit a certificate on the financial statements. The thresholds for this certificate are fixed in the grant agreement *(Data Sheet, point 4 and art 24).*

Liability regime for recoveries

The liability regime for recoveries is individual financial responsibility — each beneficiary only for its debt (and those of its affiliated entities, if any) *(Data Sheet point 4.4 and art 22)*.

Provisions concerning the project implementation

- Proper implementation of the action *(art 11)*
- Conflict of interest *(art 12)*
- Confidentiality and security (EU classified information) *(art 13 and Annex 5)*
- Ethics (research integrity) and values (gender mainstreaming) *(art 14 and Annex 5)*
- Data protection *(art 15)*
- Intellectual Property Rights *(art 16 and Annex 5)*

  Beneficiaries must, if requested by the granting authority, grant for a limited period of time specified in the request non-exclusive licences — on 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 will apply up to four years after the end of the action.

  Unless provided otherwise in the specific call conditions, beneficiaries must — up to four years after the end of the action — inform the granting authority, if the results could reasonably be expected to contribute to European or international standards.

  The granting authority may — up to four years after the end of the action — object to a transfer of ownership or the exclusive (for Euratom actions, also non-exclusive) licensing of results.

- Communication, dissemination, Open Science and visibility *(art 17 and Annex 5)*

  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.

  In case of a public emergency, if requested by the granting authority, beneficiaries must 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.

- Specific rules for carrying out the action *(art 18 and Annex 5)*

Other provisions will be set out in the specific call conditions.

~~Open Science~~

~~Beneficiaries must provide immediate open access (i.e. at publication) through a trusted repository for peer-reviewed publications. Beneficiaries must develop and update a data management plan and manage responsibly all digital research data generated in the action in line with the FAIR principles (Findable, Accessible, Interoperable and Reusable data). Data will be open in principle but exceptions to open access apply. Topics may require the use of European Open Science Cloud-federated repositories or to adhere to other open science practices such as early and open sharing of research or citizen involvement in research. Beneficiaries (or authors) must retain sufficient intellectual property rights to comply with all of their open science requirements, including specific licensing requirements.~~

~~To the extent that their legitimate interests or constraints are safeguarded, beneficiaries must also provide (digital or physical) access to data or other results needed for validation of the conclusions of scientific publications arising from their project *(art 17 and Annex 5).*~~

Non-compliance and breach of contract

The grant agreement *(chapter 5)* provides for the measures that may be taken in case of breach of contract (and other violations of law).

For more information, *see the AGA — Annotated Grant Agreement*.

IMPORTANT

- **Do not wait until the end —** Complete the application sufficiently in advance of the deadline to avoid any last minute **technical problems**. Problems due to last minute submissions *(e.g. congestion, etc.)* will be entirely at applicants' own risk. Call deadlines can NOT be extended.
- **Consult** the topic page in the Portal regularly. The granting autority will use it to publish updates and additional information on the call (call updates).
- **Funding & Tenders Portal Electronic Exchange System —** By submitting the application, all applicants **accept** to use the electronic exchange system in accordance with the Portal Terms & Conditions.
- **Registration —** Before submitting the application, all beneficiaries and affiliated entities must be registered in the Participant Register. The participant identification code (PIC) (one per participant) is mandatory for the Application Form. Associated partners can register later on (at the latest during grant preparation). For the validation, beneficiaries and affiliated entities will be requested to upload the necessary documents showing legal status and origin during the grant preparation.
- **Consortium roles —** When setting up the consortium, applicants should think of organisations that help them reach objectives and solve problems.

  The roles should be attributed according to the degree of participation of each participant in the project. Main participants should participate as beneficiaries or affiliated entities; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. Associated partners and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). Subcontracting should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities, *see section G*).
- **Coordinator —** In multi-beneficiary grants, the beneficiaries participate as a consortium (group of beneficiaries). They will have to choose a coordinator, who will take care of the project management and coordination and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be the coordinator.
- **Affiliated entities** — Applicants may participate with affiliated entities. Affiliated entities will get a part of the EU funding and must therefore comply with all the call conditions (just like beneficiaries). But they do not sign the grant agreement and do not count towards the minimum eligibility criteria for consortium composition (if any).
- **Associated partners** — Applicants may participate with associated partners. They participate without funding and therefore do not need to be validated.
- **Consortium agreement** — For practical and legal reasons it is recommended to set up internal arrangements that allow the consortium to deal with exceptional or unforeseen circumstances (in all cases, even if not mandatory under the grant agreement). The consortium agreement also gives the possibility to redistribute the EU funding according to your own consortium-internal principles and parameters (for instance, one beneficiary can reattribute its grant share to another beneficiary). The consortium agreement thus allows you to customise the grant to the needs inside the consortium and can also help to protect the members in case of disputes.
- **Completed/ongoing projects —** Applications for projects that have already been completed will be rejected; applications for projects that have already started will be assessed on a case-by-case basis (in this case, no costs can be reimbursed for activities that took place before application submission).

- **No-profit rule —** Grants may NOT give a profit (i.e. surplus of revenues + EU grant over costs). This will be checked by the granting autority at the end of the project.

- **No double funding —** There is a strict prohibition of double funding from the EU budget. Any given action may receive only ONE grant from the EU budget (except for EU Synergy grants) and costs ~~items~~ may under NO circumstances declared to two different EU actions.

- **Combination with EU operating grants —** Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and the beneficiary makes sure that cost items are clearly separated in your accounting and NOT declared twice *(see AGA — Annotated Model Grant Agreement, art 6.2.E).*

- **Multiple applications —** Applicants may submit more than one application for *different* projects under the same call (and be awarded a funding for them).

  Organisations may participate in several applications.

  BUT: if are several applications for the *same/very similar* project, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).

- **Language —** Applicants can submit their application in any official EU language. However, for reasons of efficiency, it is strongly advised to use English. If applicants need the call documentation in another official EU language, they must submit a request within 10 days after call publication (for the contact information, *see topic page*).

- **Rejection —** By submitting the application, all applicants accept the general call conditions set out in the General Annexes and the specific call conditions set out in the topics. Applications that do not comply with all the call conditions will be **rejected**. This applies also to applicants: All applicants need to fulfil the criteria; if any one of them does not, they must be replaced or the entire application will be rejected.

- **Cancellation —** There may be circumstances which may require the cancellation of the call. In this case, applicants will be informed via a call update. Please note that cancellations are without entitlement to compensation.

- **Transparency —** In accordance with Article 38 of the EU Financial Regulation, information about EU grants awarded is published each year on the Europa website.

  This includes:

  - beneficiary names
  - beneficiary addresses
  - the purpose for which the grant was awarded
  - the maximum amount awarded.

  The publication can exceptionally be waived (on reasoned and duly substantiated request), if there is a risk that the disclosure could jeopardise applicants' rights and freedoms under the EU Charter of Fundamental Rights or harm your commercial interests.

- **Data protection** — The submission of an application under this call involves the collection, use and processing of personal data. This data will be processed in accordance with Regulation 2018/1725. It will be processed solely for the purpose of evaluating the application (and subsequent management of the grant and, if needed, programme monitoring, evaluation and communication). Details are explained in the Funding & Tenders Portal Privacy Statement.

SPECIFIC CONDITIONS FOR ACTIONS WITH PCP/PPI PROCUREMENTS

H — Specific conditions for actions implementing pre-commercial procurement or procurement of innovative solutions

This section applies to all types of actions implementing pre-commercial procurement (PCP) and procurement of innovative solutions (PPI). It applies to both PCP/PPI actions and other types of actions which prepare and/or execute a PCP or PPI procurement, for instance through subcontracting activities.

Requirements for all types of actions implementing PCP or PPI procurements

The PCP/PPI procurement must be prepared and executed by one of the following:

- by one or more public procurer(s), plus possibly one or more private and/or NGO procurer(s) that provide similar services of public interest, that is (are) responsible for the acquisition and/or regulatory strategy for the targeted innovative solutions and aim to obtain ambitious quality and efficiency improvements in the area of the PCP/PPI, or
- by entities with a mandate from one or more of these procurers to act on their behalf in the procurement *(e.g. central purchasing bodies)*.

Other entities *(e.g. end-users)* that do not have a conflict of interest with the PCP/PPI, and whose participation in the action is well justified, may participate in 'additional activities' to prepare, manage and follow-up the PCP/PPI and to embed the PCP/PPI into a wider set of demand side activities. This includes dissemination of results, removing obstacles for introducing the solutions in the market *(e.g. contribution to standardisation, regulation, and certification)*, awareness raising, experience sharing/training, preparing further cooperation among stakeholders and procurers for future PCP or PPI.

For PCP procurements executed by a group of procurers, the buyers group must jointly carry out the preparation and implementation of the pre-commercial procurement so that there is one joint call for tender, one joint evaluation of offers, and a lead procurer[19] awarding the research and development (R&D) service contracts in the name and on behalf of the buyers' group. The PCP must address one concrete procurement need identified as a common challenge[20], which requires new R&D and is described in the common specifications of the joint PCP call for tender. Each procurer in the buyers group must contribute financially to the total budget necessary to jointly finance the PCP, enabling the procurers to share the costs of procuring R&D services from a number of providers and comparing the merits of the alternative solutions paths of these competing providers to address the common challenge.

[19] The lead procurer is a public procurer and is the beneficiary appointed by the buyers' group to coordinate and lead the procurement activities. They can be either one of the procurers in the buyers' group or another beneficiary in the action who is established or designated by the procurers in the buyers' group to act as lead procurer.

[20] Addressing the common challenge in different countries may require beyond the common core functionality also the development and testing of additional local functionality or adaption of solutions per procurer due to differences in the local context. A PCP that addresses a challenge that consists of several facets (sub-challenges or building blocks) is considered one joint PCP procurement as long as all procurers in the buyers' group share the need for - and are willing to co-finance - all the facets of the common challenge.

For PPI procurements executed by a group of procurers, the lead procurer must coordinate the preparation and implementation of one joint or several coordinated public procurements of innovative solutions, based on common specifications defined jointly by the buyers' group. Each PPI must focus on one concrete need identified as a common challenge that requires the deployment of innovative solutions[21].

Projects that aim to implement a PCP/PPI must contain a preparation and execution stage:

Preparation stage

The expected outcomes for the preparation stage, to be included as deliverables/milestones are:

- the prior information notice for the open market consultation: 5 days before submission for publication to OJEU, i.e. minimum 50 days before the start of the first meeting
- a report on the result of the open market consultation, prior art analysis and its impact on the tender documents. For PPI, also feedback from activities to verify market readiness prior to deployment *(e.g. conformance testing, certification, quality labelling)*
- completed tender documents based on the Horizon Europe PCP/PPI model contract documents, including the contract notice: 30 days before its submission to the OJEU
- for PCP/PPIs executed by a group of procurers: the signed joint procurement agreement confirming the final collaboration modus, including the financial commitment of the buyers group for the PCP/PPI, and final confirmation of the lead procurer.

Execution stage

The expected outcome of the execution stage are the implementation of the procurement procedure and of the PCP/PPI contracts. For PCPs procurements, this includes validation and comparison of the performance of the competing PCP solutions to verify fitness for purpose for converting the solutions into permanent service. For PPI procurements, this includes the deployment of the innovative solutions and evaluation of results of operating the procured solutions in real-life operating conditions with a duration that allows for appropriate evaluation of the impact of the innovative solutions on the conversion into permanent service.

Deliverables/milestones to be included in the description of work for the execution stage are:

- a copy of the contract award notice published in TED: 48 days after the award of contracts
- at the end of the tender evaluation (for PCPs also after the evaluations per phase):
    - information on the total number of bids received, in particular the data on the winning tenderer(s) and abstracts of the winning tenders for publication and evaluation purposes
    - final ranking list of the selected projects, final scores and qualitative assessment per criterion for each received bid, minutes of the evaluation meeting

[21] Addressing the common challenge in different countries may require deployment, and where applicable also conformance testing, of local functionality or adaption of solutions for each procurer because of any differences in the local context.

- for PCPs: assessment of the results achieved by each tenderer in the previous phase

- at the end of the action, give a demonstration to the granting authority
  - for PCPs: of the tested solutions resulting from the PCP procurement
  - for PPIs: of the deployed innovative solution(s)

Where the WTO Government Procurement Agreement (GPA) does not apply, participation in tendering procedures must be 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, tendering procedures must be also open to bidders from states that have ratified this agreement, under the conditions laid down therein.

If the specific conditions for the topic restrict partipation or control due to security reasons, the participation in the PCP/PPI procurement procedure must also be limited to bidders meeting this restriction. If the specific conditions for the topic impose a place of performance obligation, the place of performance of the contract must comply with this obligation.

Specific requirements for pre-commercial procurement (PCP)

The following requirements apply to ensure that the provisions for PCP in the Horizon Europe Rules for Participation, the conditions for the R&D services exemption of the EU Directives on public procurement[22], the EU Treaty principles[23] and the competition rules[24] are fully respected:

Definitions

PCP must comply with the Horizon Europe definition: *'Pre-commercial procurement'* means procurement of R&D services involving risk-benefit sharing under market conditions and competitive development in phases, where there is a clear separation between the procurement of the R&D services procured from the deployment of commercial volumes of end-products[25].

'Risk-benefit sharing under market conditions' refers to the PCP approach in which procurers share with suppliers at market price the risks and the benefits related to the intellectual property rights (IPR) resulting from the R&D. *'Competitive development in phases'* refers to the competitive approach to buy the R&D from several competing R&D providers in parallel and to compare and identify the best value for money solutions on the market to address the PCP challenge. To reduce the investment risk for the procurer, reward the most competitive solutions and facilitate the participation of smaller innovative companies, the R&D is also

[22] See Article 14 of Directive 2014/24/EU, Article 32 of Directive 2014/25/EU and Article 13(f)(j) of Directive 2009/81/EC.
[23] In particular the fundamental Treaty principles on the free movement of goods and workers, the freedom to provide services, the freedom of establishment and the free movement of capital, as well as the principles deriving there from, such as the principles of non-discrimination, transparency and equal treatment.
[24] See in particular Article 2.3 of the 2014 R&D&I State aid framework.
[25] See the Horizon Europe Regulation and the PCP Communication COM/2007/799 and associated SEC(1668)2007. Note that PCPs can include the purchase of the first end-products that were developed, installed and tested during the PCP, but not the purchase of larger commercial volumes of end-products requiring quantity production beyond delivering the first products for the PCP.

split into phases (solution design, prototyping, original development and validation / testing of the first products), with the number of competing R&D providers being reduced after each phase. *'Separation from the deployment of commercial volumes of end-products'* refers to the complementarity of PCP, which focuses on the R&D phase before wide commercialisation, and PPI, which does not focus on R&D but on wide commercialisation / diffusion of solutions. Procurers can, but are not obliged, to procure R&D results from a PCP.

Preparation and publication of the open market consultation and call for tender

To prepare the call for tenders, an open market consultation[26] with potential tenderers and end-users must be held to broach the views of the market about the intended R&D scope. The results of this open market consultation must be duly taken into account to fine-tune the tender specifications, so that the gap between state-of-the art industry development and the procurement needs justifies the need to procure R&D[27] services.

The PCP contract notice must be published EU-wide[28] in at least English, offers must be accepted and communication with stakeholders must be enabled at all stages in at least English.All offers must be evaluated according to the same objective criteria, regardless of the geographic location, organisation size or governance structure of the tenderers.

The prior information notice for the open market consultation and the contract notice must be advertised widely, using in particular Horizon Europe Internet sites and National Contact Points. The Commission must be informed at least 5 days before the expected date of publication of the prior information notice (PIN) for the open market consultation and 30 days before the expected date of publication of the PCP contract notice. The PCP call for tenders must remain open for at least 60 days.

Tender documentation, procurement and contract implementation

The PCP contract that will be concluded with each selected tenderer must take the form of one single framework agreement covering all PCP phases, without contract renegotiations after the award. This framework agreement must contain information on the procedures for implementing the different phases (through specific contracts), including the format of the intermediate evaluations (incl. evaluation criteria and weightings) for each phase.

[26] The open market consultation should be organised in a way not to preclude or distort competition. In respect of the Treaty principles, the open market consultation must be announced well in advance and widely - via a prior information notice (PIN) that is published at least 45 days before the first open market consultation meeting in the Official Journal of the EU (OJEU) - and enable potential tenderers regardless of their geographic location to participate at least in English. All information given in answers to questions from participants in the dialogue should be documented and published.

[27] In line with WTO GPA 2014 Article XIII(1)(f), R&D can cover activities such as solution exploration and design, prototyping, up to the original development of a limited volume of first products or services in the form of a test series. Original development of a first product or service may include limited production or supply in order to incorporate the results of field testing and to demonstrate that the product or service is suitable for production or supply in quantity to acceptable quality standards. R&D does not include quantity production or supply to establish commercial viability or to recover R&D costs, nor commercial development activities such as incremental adaptations or routine or periodic changes to existing products, services, production lines, processes or other operations in progress, even if such changes may represent improvements.

[28] Through the Official Journal of the EU (OJEU), using the TED (Tenders Electronic Daily) web Portal.

For PCPs executed by a group of procurers, the R&D service contracts are awarded by the lead procurer and all selected tenderers can be paid by the lead procurer, or pro rata by each procurer in the buyers group according to their share in the total PCP procurement budget.

The PCP contract notice must contain information on the intended number of R&D providers that will be selected (minimum three) to start the PCP, the number of PCP phases and the expected duration and budget for each PCP phase. The PCP must cover the full PCP life cycle of solution design, prototyping, and original development including installation and testing of a limited volume of test series products/services in the procurers/end-users premises. Each of the three PCP phases can be split up into further phases if appropriate.

The following simplified and/or accelerated PCP procedures may be used: For PCP that require fast deployment[29], one specific contract may cover both the second and third PCP phase. If less than two tenderers are capable of performing the R&D services in the EU Member States or Associated Countries (for security contracts, this may be restricted to the Member States), the phase 1 contracts may be awarded to a minimum of two tenderers.

Procurers must avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements *(e.g. with regards to prior customer references and minimum turnover)*. Functional/performance-based specifications must be used to formulate the object of the PCP call for tenders as a problem to be solved, without prescribing a specific solution approach to be followed. Evaluation of the tenders must be based on best-value-for-money criteria, not just lowest price.

The PCP process must be organised to avoidany conflict of interests, including in the use of external experts. Providers cannot be beneficiaries in an action during which the PCP is planned or undertaken.

The PCP process must require selected providers to locate the majority of the R&D activities, including in particular the principal researcher(s) working for the PCP contract, in the Member States or Horizon Europe Associated Countries[30].

The PCP procurers must not reserve the R&D results exclusively for their own use. The providers generating results must own the attached IPR. The procurers must enjoy at least royalty-free access rights to use the R&D results for their own use. The procurers must also enjoy the right to grant (or to require the granting of) non-exclusive licenses to third parties, to exploit the results under fair and reasonable market conditions, without any right to sublicense. A call-back provision must ensure that, in case the providers fail to commercially exploit the results within a given period after the PCP or use of the results to the detriment of the public interest, including security interests, the procurers can require transfer of the ownership of the results. The procurers must inform tenderers of the right to publish public summaries of the results of the PCP project, including information about key R&D results attained and lessons learnt *(e.g. on the feasibility of the solution approaches to meet the*

[29] Especially where budgetary commitment for deployment is already available at the start of the PCP (fast-track PCP).
[30] For duly justified reasons of public security, this may be limited to the EU Member States.

requirements and lessons learnt for potential future deployment of solutions). Details that would be contrary to the public interest, would harm legitimate business interests *(e.g. regarding IPR protected specificities of their individual solution approaches)* or could distort fair competition may not be disclosed.

To enable the procurers to establish the correct (best value for money) market price for the R&D service, in which case the presence of state aid can in principle be excluded,. the PCP call for tenders must be carried out in a competitive and transparent way in line with Treaty principles, and the distribution of rights and obligations between procurers and providers (including the allocation of IPR) must be published in the PCP call for tender documents, in order to obtain a price according to market conditions (and rule out State aid). The PCP contracts with providers must contain a financial compensation according to market conditions[31], compared to exclusive development price, for assigning IPR to the providers.

Specific requirements for Public Procurement of Innovative solutions (PPI)

Definition

PPI must comply with the Horizon Europe definitions: *'Public procurement of innovative solutions (PPI)'* means procurement where contracting authorities act as a launch customer of innovative goods or services which are not yet available on a large-scale commercial basis, and may include conformity testing.

'Launch customers', also called early adopters, refer to the first 20% of customers on the EU Internal Market that are buying innovative solutions. The solutions have to be new to the procurers in the project, the procurers' market segment or new to the EU Internal Market, and relevant to procurers in other Member States and/or Horizon Europe Associated Countries. *'Innovative solutions'* are new or significantly improved products, services or processes that have already been (partially) demonstrated on a small scale, and may be nearly or already in small quantity on the market, but which have not been widely adopted yet. Typically, owing to residual risk of market uncertainty, they have not been produced at a large enough scale to meet mass market price/quality requirements. This also includes existing solutions that are to be utilised in a new and innovative way. PPI does not include the procurement of R&D.

Preparation and publication of the open market consultation and call for tender

Unless the PPI is undertaken as a follow-up to an FP7, Horizon 2020 or Horizon Europe PCP[32], or unless the situation is a low value PPI below national procurement thresholds, the following obligations apply:

[31] The market price should reflect the benefits allocated to the R&D provider (e.g. commercialisation opportunities opened up by the IPR) and the risks assumed by the R&D provider (e.g. the cost for maintaining the IPR and commercialising the products).

[32] In case of a PPI that follows a PCP that was implemented according to the conditions described in Annex I, the negotiated procedure without publication foreseen in the EU public procurement directives can then be used (Article 32(3)(a) of Directive 2014/24/EU, Article 50(b) of Directive 2014/25/EU and Article 13(j) of Directive 2009/81/EC). At least three offers must be asked including from the R&D providers that successfully completed the pre-ceding PCP.

- To prepare the call for tenders, an open market consultation with potential tenderers and end-users must be held to inform the market well in advance of the upcoming PPI and broach the views of the market about the intended scope of the PPI. Information retrieved from this consultation about the gap between perceived procurement needs and on-going industry developments must be taken into account in the PPI tender specifications, so that the PPI duly focuses on 'early adoption' of 'innovative' solutions.

- the market must be informed well in advance[33] of the target date for publishing the PPI call for tenders. Market readiness prior to deployment can be verified through the organisation of e.*g. conformity testing, certification or quality labelling of solutions*.

- The PPI contract notices must be published EU-wide in at least English, offers must be accepted and communication with stakeholders must be enabled at all stages in at least English. All offers must be evaluated according to the same objective criteria, regardless of the geographic location, organisation size or governance structure of the tenderers.

- the prior information notices (PIN) for the open market consultation, early announcements of the expected publication date of the PPI call for tender, and the PPI contract notice must be promoted and advertised widely using in particular Horizon Europe Internet sites and National Contact Points. The Commission must be informed at least 5 days before the expected date of publication of the PIN for the open market consultation and 30 days before the expected date of publication of the PPI contract notice. The PPI call for tenders must remain open for at least 60 days.

Tender Documentation, procurement and contract implementation

Procurement procedures covered by the EU public procurement directives that do not involve procurement of R&D can be used. Restricted procedures with shortened timeframes for submission of offers for urgency reasons must not be used. Framework contracts/agreements with lots can be used.

For PPI implemented by a group of procurers, the specific contracts for procuring specific quantities of goods/services for each procurer can be awarded and the selected tenderers can be paid either all by the lead procurer, or by each procurer in the buyers group individually for their quantity of goods/services procured.

Procurers must avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements *(e.g. with regards to prior customer references and minimum turnover)*. Functional/performance-based specifications must be used to formulate the object of the PPI call for tenders as a problem to be solved, without prescribing a specific solution approach to be followed. Evaluation of the tenders must be based on best-value-for-money criteria, not just lowest price.

[33] By means of a Prior Information Notice (PIN) in the Official Journal of the EU (OJEU).

Procurers must organise their procurement to avoid any conflict of interests, including in the use of external experts. Potential providers cannot be beneficiaries in an action during which the PPI is planned or undertaken.

In order to encourage fair and wide exploitation of results, ownership of IPR rights should be assigned to the party generating the IPR, except in duly justified cases *(e.g. when that party is not able to exploit them)*.

The PPI call for tenders must be carried out in a competitive and transparent way in line with Treaty principles, and the distribution of rights and obligations between procurers and providers (including the allocation of IPR) must be published in the PPI call for tender documents, in order to obtain a price according to market conditions (and rule out State aid).