

# How to manage the financial and administrative aspects in Horizon Europe projects

What will you learn in this module?

*In this module you will learn about ...*

- the financial and administrative elements and procedures of Horizon Europe
- setting good routines regarding the financial and administrative elements

In this module you will learn about the complexity of Horizon Europe projects in terms of financial and administrative aspects. The module seeks to breakdown the different financial and administrative elements that need to be considered as well as to give some tips to help to set good routines.

Horizon Europe aims to tackle difficult problems and develop ambitious solutions; therefore, complexity is built in to the very definition and design of the programme. These characteristics lead to a couple of considerations:

- Increasingly, even the most experienced participants rely on external evaluators, writers, consultants or experts to assist not only in the proposal preparation but in the administrative and finance phase of project execution. These agents can be included as a partner in the consortium or be subcontracted; However, their costs are not eligible for remuneration as part of the grant, which means the budget is at the coordinator expense (or shared by consortium members). Should the reader need to explore this option, he/she might contact the NCP to gather references.
- It is commonly accepted that any agent with an interest in Horizon Europe has a certain degree of experience in R&D and/or innovation projects. Thus, the execution quality standards

are very similar. The huge difference between other R&D and/or innovation projects and Horizon Europe and the difficulty is on the preparation and contract agreement. This content is developed accordingly.

## General Information

The most simplistic approach to Horizon Europe, pillar II, is to consider a very specific thematic project to be applied in a consortium where most participants take either coordinator or beneficiary roles. After some months of preparation, the project application form will be filled in online and is comprised of two parts:

Part A (to be filled in directly online) contains administrative information about the applicant organisations (future coordinator, 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 a PDF in the system) contains the technical description of the project. A basic flow of a grant project is shown in the figure 18.

Most of the information related to the conditions, obligations and specifications of each call can be found on the topic page in the Funding and Tenders Portal, and more specific information can

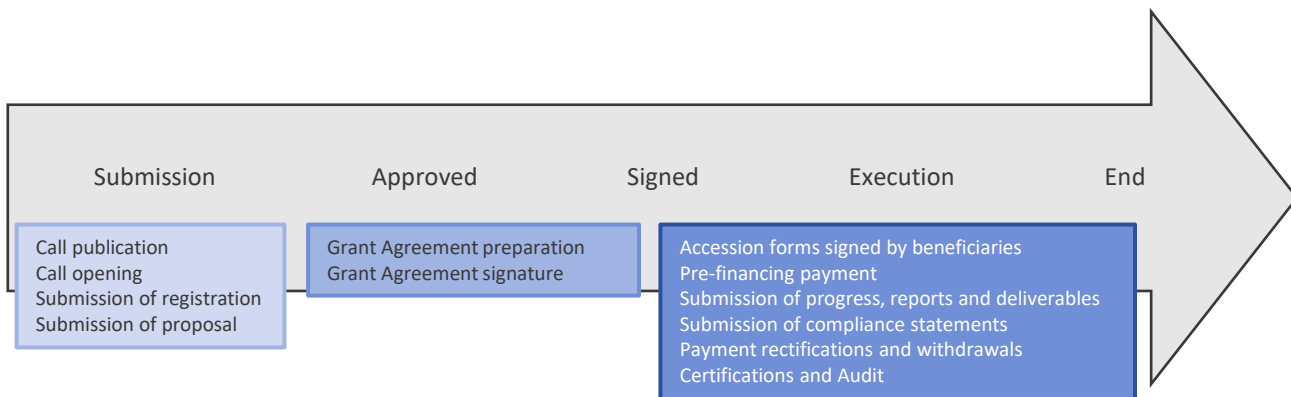


Figure 18 Basic flow of a grant project (Source: UC3M)

be found in the following documents:

- The Programme Guide which provides relevant background information (European Commission, 2022b).
- The General Annexes which outline the general conditions applicable to calls and topics for grants and other forms of funding under the Horizon Europe main work programme. They also describe the evaluation and award procedures and other criteria for Horizon Europe funding.
- The Annotated Grant Agreement (AGA), which covers the actions grants normally funded based on actual cost incurred by the beneficiaries and contains detailed annotations on all the provisions in the grant agreement. (Other categories of grants are covered by other agreements)

These documents will be further elaborated on in this module. Additionally, Horizon Europe's documents and templates are hosted in the reference document page of the EU website, divided into the following categories:

- Legislation
- Work programme & call documents
- Grant agreements and contracts
- Simplified cost decisions
- Guidance
- Templates & forms
- Funding & Tenders Portal

These documents and templates can be accessed through this [link](#).

Please note that some documents available under the «Guidance» title of the Horizon Europe repository are draft versions which might be further developed in different related documents, however, these versions do not differ significantly. (i.e. MGA in the Guidance is further developed under the title «Grant agreements and contracts»).

One reminder: the National Contact Points Network is the main structure to provide guidance, practical information and assistance on all aspects of participation in Horizon Europe. NCPs provide:

- Guidance on choosing relevant Horizon Europe topics and types of action
- Advice on administrative procedures and contractual issues
- Training and assistance on proposal writing
- Distribution of documentation (forms, guidelines, manuals etc.)
- Assistance in partner search

Do not hesitate to contact them from the beginning of your interest in the programme. Find your nearest NCP through this [link](#).

**Suggested readings****The EU-Learning Handbook – [link](#)**

*The handbook about EU-Funding Opportunities 2021-2027 provides an overview of the main funding instruments offered by the European Union, including general information, such as the funding instrument structure, the thematic priorities, or eligible applicants.*

**Euresearch Webinar - Horizon Europe in a Nutshell – [link](#)**

*A one hour and 30 minutes webinar about getting to know Horizon Europe.*

**General requirements and obligations of Horizon Europe: The Programme Guide**

Relevant general information for preparing the proposal with regard to political priorities and background of the Horizon Europe programme can be found in the program guide (European Commission, 2022b).

The Programme Guide helps users, applicants and beneficiaries to understand the programme and highlights relevant elements to consider in most of the work programmes of Horizon Europe. (Exceptions: EIC, EIT, ERC, MSCA, JRC, Euratom Research and Training Programme and the Institutionalised European Partnerships based on articles 185 and 187 of the TFEU)

The following items are significant with regard to the proposal:

- The entire programme is impact-oriented, thus, key performance indicators highlighting expected impact and contribution of the project to the objectives of the Commission are mandatory.
- A new eligibility criterion: Gender equality and

inclusiveness. This is a cross-cutting principle

- which has led to a mandatory gender equality plan (GEP) which is a now requirement by default. In the proposal template, applicants are requested to describe how the gender dimension is considered in the project.
- The effective integration of social science and humanities (SSH) to respond to complex societal issues; contributions from the SSH disciplines would be evaluated in the proposal. Furthermore, in topics denominated as “SSH flagged topics”, applicants should ensure that i) contributions from SSH disciplines are integrated throughout the project, and ii) the added value of those contributions are clearly stated in the proposal. (SSH: social and behavioural sciences, education science, journalism and information, business and administration, law, humanities, and arts).
- Social innovation is another cross-cutting specific issue in Horizon Europe, as it is considered very appropriate to address global challenges; therefore, applicants are encouraged to consider social innovation as a way to meet the topic’s objectives. Social innovation is considered to be the development of new products, services or methods mad for and with society, involving different agents of the Quadruple Helix.
- Ethics and integrity is an integral part in all domains concerning all activities of the programme. This process is called the Ethics Appraisal Procedure and includes: i) the Ethics Review Procedure (before the start of the project), and ii) the Ethics Checks, Reviews and Audits (during the project). The Ethics Assessment can lead to ethics requirements that become contractual obligations.
- Security rules on the protection of classified information against unauthorised disclosure. The process to assess and address the security dimension is called the Security Appraisal Procedure, which includes the following key

steps: i) Security Self-assessment (at preparation stage); ii) the Security Review Procedure (before the start of the project) and, iii) the Security checks.

The Security Review procedure considers the security requirements to be fulfilled before the signature of the Grant Agreement and may include limiting the dissemination level of certain deliverables for security reasons, classifying certain deliverables or other security recommendations (i.e.: appointing a Project Security Officer, establishing a Security Advisory Board, ensuring that personnel has followed security trainings, limiting the level of detail, using a fake scenario, etc.)

- Dissemination and Exploitation activities are mandatory for beneficiaries. The implementation of H2020 programme showed some confusion on the concepts: dissemination means the public disclosure of the results while exploitation is the use of those results in further research of innovation activities. The programme guide provides some guidelines for the dissemination, exploitation and communication activities (page 31.)
- Open Science obligations from the proposal stage to project reporting. The Open Science approach considers both mandatory and recommended practices to be integrated into the proposal. The obligations can be found in the Grant Agreement and/or the work programme and call conditions. (Further info: Programme Guide, pages 39 and next; and Grant Agreement Model, Article 17.)
- Do not Significant Harm (DNSH) principle application, in particular relation to sustainability and climate concerns

It might be useful to explore the application template to check to which extent the potential applicant has clarity in the content or to which extent further understanding needs to be developed. Please check the templates for the application forms through this [link](#).

The standard application template form RIA (Research and Innovation Action) and IA (Innovation Action) can be found using this [link](#). This template includes two parts:

**Part A**, for the administrative information. The following displayed elements might be of special attention:

- General information and participants (including gender and equality plan in page 14)
- Epigraph 3, the budget for the proposal (page 16),
- Epigraph 4 – Ethics and Security (page 18), including an ethics self-assessment in page 22,

**Part B**, for the technical description of the project. Starting in page 26, in which the reader will find a guidance for the writing in this order:

- the basic information of the project (with the extension suggestions) such as: objectives and ambition, methodology, research data management as well as management of other research outputs;
- expected impact and measures to maximise this as well as, dissemination, exploitation and communication to be implemented, and
- aspects of quality and efficiency of the implementation, including standard acronyms and tables for work packages descriptions, lists of deliverables, milestones and risks.



#### Tip for HEIs

*If you are a researcher, contact your institutional European projects' unit, service, or experts.*

**Tip for SMEs**

*Get familiar with Horizon Europe by joining a proposal as a beneficiary before assuming the coordinator's role.*

**General tips**

- *Take your time, consider several months*
- *Establish close contact with the NPC*
- *Excellence is a must*

**Suggested readings****The Programme Guide – [link](#)**

*A guide to understanding the programme that gives very relevant elements to consider in most of the work programmes in Horizon Europe.*

**Gendered innovations 2. How inclusive analysis contributes to research and innovation: policy review – [link](#)**

*This report contains definitions of terms and methods relating to sex, gender and intersectional analysis, interdisciplinary case studies displaying how to integrate the gender dimension into various fields of research and innovation, as well as concrete policy recommendations. The material presented provides guidance for the Horizon Europe framework programme and seeks to contribute to the achievement of the UN SDGs.*

**“How to complete your ethics self-assessment guide” – [link](#)**

*A guide to completing the ethics self-assessment required not only in the proposal but also during the project execution.*

**Tools****Standard Application Form (HE RIA, IA) – [link](#)**

*The standard application template from RIA (Research and Innovation Action) and IA (Innovation Action)*

**The General Annexes and Grant Agreement**

From the approval moment onward, it is suggested that the project coordinator keeps in close contact with the Project Officer. The Project Officer works for the Commission and is the main contact point for any matter regarding the grant agreement and later reporting.

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. The General Annexes outline the conditions and criteria for:

- **Admissibility:** online submission of a readable, accessible and printable document
- **Eligibility:** This epigraph includes i) basic rules for the Consortium composition, the term of “legal entity” and requirements of the participants, ii) the research and innovative nature, as the projects must focus exclusively on civil applications, and consider certain limitations, iii) defines the types of actions in the programme, and iv) other specifications regarding ethics, security, gender equality and financial support to third parties (European Commission, n.d.-e)
- **Financial and operational capacity and exclusion:** Applicants must have the know-how, qualifications and resources to successfully implement their tasks in the project and contribute their share. This operational capacity assessment will be carried out during the evaluation of the award criterion ‘Quality and efficiency of the implementation’.

Additionally, applicants must have stable and sufficient resources based on neutral financial indicators. This epigraph also lists exclusion criteria.

- Award criteria: once the proposal is eligible and depending on the type of action, the proposals will be evaluated and ranked against the criteria of “Excellence”, “Impact” and “Quality and Efficiency of the implementation”
- The evaluation procedure and priority criteria are explained in this epigraph.
- Legal and financial set up of the grant agreement

Additionally, the European Commission provides specific conditions for actions implementing pre-commercial procurement or procurement of innovative solutions.

The Grant Agreement is the formal legal instrument that frames, defines and specifies the grant conditions between the Commission and the Consortium. It is composed of Preamble, “Terms and Conditions”, and Annexes. The Annexes disclose:

- Annex 1: Description of the action
- Annex 2: Estimated budget for the action, taking into account: personnel costs, subcontracting costs, purchase costs (travelling, equipment and other goods or services), other cost categories and, indirect costs.
- Annex 3: Accession forms
- Annex 4 Model for the financial Statements
- Annex 5 Specific rules such as Security, Ethics (i.e. research integrity), Values, IPR, Communication, Dissemination, Open Science and Visibility, and other if applicable)

Figure 19 shows the general and basic structure of the Horizon Europe Grant Agreement.

It might be of interest for the reader to check the general content of the Model Grant Agreement (MGA) to gain familiarity with the terms and matters as the proposal will be the starting point of the negotiation and it will rule the rest of the project. The standard Model Grant Agreement can be accessed through this [link](#).

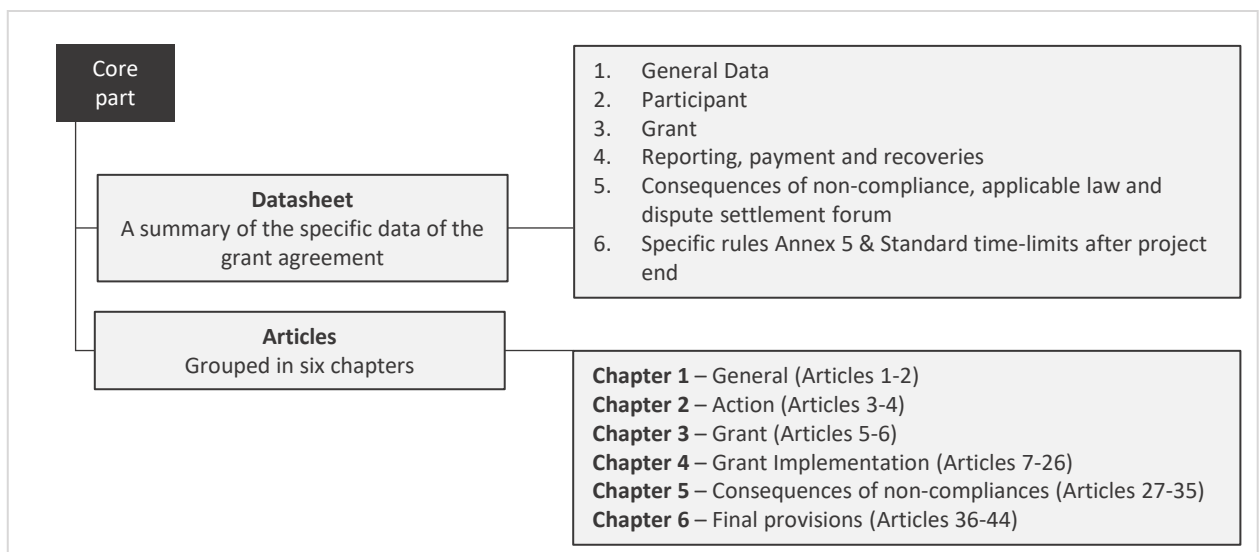


Figure 19 Structure of the Horizon Europe MGA (Source: European Commission, n.d.-d)

### Suggested readings

#### General Annexes – [link](#)

*The 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. These annexes also describe the evaluation and award procedures and other criteria for Horizon Europe funding.*

#### AGA - Annotated Model Grant Agreement – [link](#)

*A general guide made for information purposes to assist EU grant beneficiaries.*

#### Rules on Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment – [link](#)

*This document sets out the rules for legal entity validation, LEAR appointment and the preparation of the financial capacity assessment in the context of applications for EU grants, tenders and prizes managed through the EU Funding & Tenders Portal.*

#### The submission and evaluation process – [link](#)

*A short visual ppt about how to prepare a successful proposal for Horizon Europe*

#### Grant Agreement Preparation – [link](#)

*A quick overview of the Grant Agreement Preparation (GAP) (26.01.2022)*

### Tools

#### Horizon Europe Reference Documents – [link](#)

*You can find the Validation and LEAR appointment forms, and Grant agreement preparation templates under 'Templates & forms'.*

#### Running the project

On behalf of the project consortium, the project coordinator, as LEAR, submits all reports, payment requests, deliverables and other documents through the grant management service.

Thus, when facing the execution of the projects the Gantt chart, cost (including personnel time sheets), milestones and deliverables as well as the mandatory document reviews (when applicable) have to be considered by the project coordinator, the work package leaders and the task owners, and consequently implement proper project management standards. Therefore, general considerations for the proper development of the management activities of a European project are:

- Always keep the project objectives in mind
- Share a common folder with all partners for the documents of the project
- Follow the work plan chronologically
- Define the mechanisms and responsibilities to meet the milestones
- Establish schedules to prepare and send reports
- Assign responsibilities for tasks
- Establish mechanisms to track the resources consumed during the project (financial and personnel)
- Resolve any contingency in advance
- Notice that transparency, anticipation and sharing, facilitate trust.

It is highly recommended to establish different levels of management according to the effort and scope: on daily basis, for questions or minor disagreements; monthly meetings, following up the projects and activities to be taken during the next month; biannual meetings, where technical, administrative and economic deviations are to be addressed; and/or annual, for a deep review of the project progress and future adjustments.

It will start all with the kick-off meeting of the project which will usually be a face-to-face meeting (where possible). This meeting is of great importance since, in many cases, it is the first contact that the partners have with each other, and it is where the “governance” of the project should be discussed. Governance topics include:

- About the Consortium Agreement: clarify any aspects that may have remained vague or obscure during the consortium negotiation phase. Each partner must make their observations and suggestions.
- Analyse the work plan task by task. It should be clear: the name of the task and those responsible, dates (start and end date), people who will participate, workloads and job description, and the outputs.
- About the administrative and execution phase:
  - Define templates and guidelines for internal reports, progress reports and deliverables (guidelines prepared by the coordinator)
  - Dissect the project budget and study possible items that have not been taken into account in the proposal or in the contract negotiation phase with the European Commission. Pay Special attention to subcontracting.
  - Planning and date proposals for the next meetings of the consortium.
  - Deal with the specific issues of the project that may be the cause of greater conflict.

Some suggestions for a successful kick-off meeting

- Prepare the meeting, inform the agenda on advance and also the request of materials to the partners (i.e., presentations to be hold).

- The assistance of ALL project partners. It is convenient to have an informal meeting with all the partners before the launch meeting to explore their position
- Let the partners present their expectations, capacity and contribution to the project
- It is necessary to make a record of the topics discussed at the meeting and achieve their approval by all partners. This work is usually the responsibility of the coordinator.

### Suggested readings

#### Ex-ante and ex-post control: System and Process Audits – [link](#)

*Basic information about ex-ante and ex-post control: System and Process Audits*

*Source reference: European Commission - Research and Innovation*

#### The standard for program management – [link](#)

*Provides clear, complete, relevant information generally recognized as good practices for most programs by the PMI (Project Management Institution) well known worldwide professional association for project management.*

#### PMBOK® Guide – [link](#)

*The PMI’s flagship publication providing resources for effective project management in any industry by the PMI.*

#### The Master Guide to Controllers' Best Practices – [link](#)

*This guide (bookshelf) aims to provide resources for enhancing skills in areas such as strategic planning, budgeting, risk management, and business intelligence. The guide provides a lot of interesting material as it is draws on the most recent research on the topic, and presents informative case studies as well as tips from finance professionals.*



### Tools

#### Horizon Europe Reference Documents – [link](#)

*You can find the Project reporting templates under 'Templates & forms'*

#### Are you an educator?

You can click [here](#) to go to the syllabus on page 106. This syllabus includes suggestions on the delivery of the module.