Frequently asked questions about Horizon Europe

This page provides answers to frequently asked questions from Horizon Europe applicants, both during the application phase and during project implementation.

Please note that the information on this page is indicative, while information and documents found on the EU website are legally binding for applicants and projects.

- Reference documents from the EU
- EU Grants AGA – Annotated Grant Agreement (Grant Agreement)

Go directly to information on

- Gender Equality Plans (GEP)
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Gender Equality Plans (GEP)

Gender Equality Plans (GEP), Registation and validation, Budget, Reporting and payments, Signing the Grant Agreement and Consortium Agreement, Project implementation, Third parties, State aid, EIC Accelerator, to the top

The European Commission is introducing Gender Equality Plan (GEP) as a new eligibility criterion at the organisational level for applicants and partners in Horizon Europe calls. This applies to calls with a deadline in 2022 or later. The requirements do not apply to the business sector, special interest organisations or the non-profit sector.

What are the requirements?

The organisation's GEP must satisfy the following four requirements:

1. Publication: a formal document published on the institution's website and signed by the top management.
2. Dedicated resources: commitment of resources and expertise in gender equality to implement the plan.
3. Data collection and monitoring: sex/gender disaggregated data on personnel (and students, for the establishments concerned) and annual reporting based on indicators.
4. Training: awareness raising/training on gender equality and unconscious gender biases for staff and decision-makers.

Content-wise, The European Commission recommends including more target areas in the GEP, on top of the compulsory requirements.

Recommended target areas:

- organisational culture and the balance between work and private life
- gender balance in management and decision-making

- gender balance in recruitment and career development

- integration of a gender perspective in research and teaching content

- measures against gender-based violence and sexual harassment

Who do the requirements apply to?

The requirements apply to:

- public bodies, including ministries, research funding institutions, municipalities, and county authorities

- research institutes, both public and private

- higher education and research institutions; universities and university colleges, both public and private

The requirements apply to organisations in EU Member States and associated countries like Norway.

Who do the requirements NOT apply to?

The requirements do not apply to private for-profit organisations, including SMEs, non-governmental or civil society organisations. Institutions from non-associated third countries are not affected.

For more information about legal entities in Horizon Europe, see the EU Rules for Legal Entity Validation (pdf).

When do the requirements apply?

The requirements apply to all calls with a deadline in 2022 or later. The requirements must be satisfied when the Grant Agreement is signed.

Information pages about Gender Equality Plan

→ Gender equality in research and innovation ↗
→ Action plans for equality and diversity ↗

Registration and validation

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You apply via the central application portal, Funding &; Tenders Portal. Here you will find all relevant calls for proposals for all parts of Horizon Europe.

In order to participate in a Horizon Europe application, your organisation must be registered in the Funding and Tenders Portal and have a Participant Identification Code (PIC). You get such a code by filling in the information on the page with the participant register, Participant Register.

When does an organisation get validated?

When an organisation/company is awarded an application for the first time, the information provided at the time of application must be checked. This is called "validation" and is carried out by the European Commission's validation service.

Does an organisation/company need to be validated in order to be included in a Horizon Europe application?

No, but your organization/business must be registered in the Funding and Tenders Portal and have its own Participant Identification Code (PIC). There is no problem participating in a Horizon Europe application with a temporary PIC code that has registered status but not validated. The information provided by the organisation in the

Funding and Tender Portal will eventually be verified. Your organisation will then be contacted and asked to complete, supplement, or verify this information.

How long does it take to get validated?

How long validation takes varies from a few days to several weeks or months. It depends both on the extent of the validation and the level of dialogue between the EU validation service and the applicant.

What documents does the organisation/company need to be validated?

To be validated, you will be asked to upload the required documents proving legal status and origin.

All organisations and businesses that are validated must complete and upload a Legal Entity Form. The form contains the organisation's legal information, which can generally be obtained from the Brønnøysund Register Centre. Remember to register the organisation's/company's name as registered in the Brønnøysund Register Centre. Do not use English versions that are not officially registered.

In addition, documents confirming:

1. Official name
2. Legal form/status
3. Official address

The types of documents that need to be uploaded depend on your organization's legal status:

Individuals

- Copy of passport or identity card and
- If the person is VAT registered; an official VAT document/VAT certificate

Government agencies

- Copy of a resolution, law, regulation or decision to establish the public body, or any other official document proving the status of a public body and
- If VAT-registered; an official VAT document, otherwise proof of VAT exemption may be required.

Companies and other types of organisations

- Copy of an official document showing the legal name, address and national registration number.
- Copy of the VAT registration document if the organisation is VAT registered.
- In Norway, the VAT number is shown on the Brønnøysund certificate and no additional document showing VAT registration is required.
- If the organisation is not VAT registered, proof of VAT exemption must be provided.

Startups, SMBs and mid-caps

- SME status is basically based on the applicant declaration in the Funding & Tenders Portal. The status can be verified through a so-called SME Self-Assessment.
- If the call requires that the company has status as a startup, SME or mid-cap, this must be confirmed during validation by uploading the following documents related to the last completed financial period:
  - Balanseregnskap ("balance sheet")
  - Resultatregnskap ("profit and loss accounts")
  - Number of employees measured in annual work units

Newly established companies (start-ups) that have not yet finalised their accounts should upload a self-declaration,

which contains a bona fide estimate (in the form of a business plan) for the entire accounting period (fiscal year) that will be necessary for the company to generate turnover.

Companies with no turnover with an activity that involves a long time before commercialization must upload:

- Balance sheet, income statement and number of employees measured in annual work units related to the last completed accounting period.
- A self-declaration containing a bona fide estimate (in the form of a business plan) for the entire period that will be required to generate turnover, including a statement of investments and expected returns, to show that the business is engaged in economic activity, despite the lack of turnover.

Register legal entities

In principle, all legal entities established in an EU member state or in a country associated with Horizon Europe can participate and receive funding.

What are the requirements to be a non-profit?

To be categorised as a "non-profit legal entity", this must be met: It must be a legal entity that either has a legal form that is by definition non-profit, or that has a legal or statutory obligation not to pay dividends to its shareholders or members.

This duty must be statutory or described in the company's articles of association. A decision by the board of directors or the company's members or shareholders is not enough. It is also not relevant that the company's owners are non-profit.

LEAR

The LEAR is an administrative role and all organizations must appoint a LEAR. They are responsible for the information in the Funding and Tenders Portal and can change or update information in the portal after the organisation has been validated.

Often it is the organisation's legal representative or another key person appointed by the legal representative who has this role. The person should be associated with the organisation on a permanent basis. If the current LEAR changes jobs, a new LEAR must be appointed as soon as possible.

What documents are needed to appoint a LEAR?

There are five documents that must be uploaded in a scanned version in the participant portal:

1. LEAR Appointment letter (including LEAR roles and tasks, signed by the organization's legal representative).
2. Declaration of consent to the terms of use of the participant portal (signed by the organisation's legal representative).
3. Copies of an official identification (ID card, passport) with a photo and signature of both the organization's legal representative and the appointed LEAR.
4. 4.   Document(s) proving that the person appointing the LEAR is authorised to do so and that:
    1. Clearly describes the role/function of the organization as a legal representative.
    2. Identifies and designates this individual for the role of legal representative (by indicating his/her personal data).

Write a budget and report costs

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What is covered by eligible costs?

Horizon Europe distinguishes between **direct costs** and **indirect costs**. Directly justified/approved costs are

expenses that participants have actually incurred, that have been necessary to realize the project, that can be documented in the form of Norwegian standard for accounting, and that are in accordance with sound cost management. It mainly includes personnel costs, purchased goods and services from third parties, travel costs and the use of equipment.

How are personnel costs calculated?

The project's direct personnel costs are calculated based on the number of days worked on the project multiplied by a daily rate.

Personnel costs = Days worked on the project x daily rate (EUR/day).

How is the number of days worked on the project calculated?

The number of days worked on the project is the sum of days actually worked for the project and documented in monthly declarations or in a reliable time tracking system.

How is a daily rate calculated for personnel costs?

If personnel costs are reported as actual costs, the daily rate will be calculated based on actual annual personnel costs for a person divided by 215. The daily rate is calculated per calendar year from January to December.

In addition, a separate daily rate is calculated for the months from the last financial year to the end of the reporting period. This includes actual personnel costs for these months divided by (215/12 x number of months from January to the end of the reporting period).

For example, in a project that ends at the end of March, personnel costs for the last three months will be calculated on the basis of actual personnel costs for one person in the period January-March divided by (215 / 12 x 3).

How many hours are in a working day?

Organisations that record working hours in hours instead of days, for example because it corresponds to normal accounting practices, must convert the total working hours to days in order to calculate personnel costs. This conversion must be done each time a daily rate is calculated. The result must be rounded up or down to the nearest half-day.

There are three options for calculating the day equivalent:

1. You can use a flat rate of 8 hours, which corresponds to one day.
2. The use of an average number of hours that a person must work per working day according to the employment contract. If the employment contract states, for example, that a person must work 37.5 hours over 5 days a week, the day equivalent will be 7.5 hours. This option cannot be exercised, if the contract does not allow the determination of an average number of hours that the person must work per working day.
3. The conversion is based on a standard number of annual productive hours for a full-time employee. The number of hours must not be lower than 90% of the number of working hours for a full-time employee.

Is there a possibility to report personnel costs in the form of unit rates based on common accounting practice (average personnel costs)?

Yes, it is possible, if it is specified in the Grant Agreement. However, it only applies to organizations that have the usual accounting practice of calculating average rates for their employees and meet the following requirements:

- The average rate is calculated on the basis of actual personnel costs recorded in the financial statements and does not include any invalid costs or costs that have already been included in other budget categories.
- Accounting practices must be consistent and based on objective criteria that must be verifiable by a control or audit. It must be used regardless of who finances the project. However, it is entirely possible to use different accounting practices for different types of employees, such as distinguishing between researchers and technical support personnel, if this is common accounting practice.

How are personnel costs reported, if it is common accounting practice to calculate average rates in the form of hours?

If it is common accounting practice to use average rates in the form of hours, these must be converted to daily rates. This is usually done by multiplying the hourly rate by 8.

Organizations that have a common accounting practice of determining a standard number of annual productive hours for a full-time employee can alternatively multiply by a number of hours calculated from this standard number of annual productive hours divided by 215. If this number of hours is less than 90 % of the number of working hours for a full-time employee in accordance with a collective agreement or employment contract, then the higher number must be used and divided by 215.

How are personnel costs calculated for SME owners who work on the project, but who do not take a salary?

Where the owner of an SME that is the beneficiary does not receive a salary, but is remunerated for work in the project via profit distribution or another method of remuneration, the unit cost of the SME owner unit must be used. This is then a standard daily rate which is: ((EUR 5,080 /18 days= 282.22) multiplied by (the country's specific coefficient to adjust in relation to the country where the beneficiary is established))

This country-specific coefficient can be found in the Marie Skłodowska-Curie actions section of the Horizon Europe Work Programme at the time the call is open.

Can personnel costs include indirect costs?

No. Indirect costs (overheads) are generally not justified costs because they are expenses that are not triggered by the specific project. These are general costs that run independently of the individual project. Horizon Europe nevertheless approves a 25 per cent mark-up on the direct costs as a contribution to covering the indirect costs. Overhead costs in excess of 25 per cent are not eligible for aid and are not included in the basis for the calculation of EU aid.

Travel costs - what is covered?

Travel costs are reimbursed by the EU only if the travel is made in connection with and is necessary for the project. For each individual trip, it must therefore be documented that the trip has been necessary for the project.

What is the overhead rate for Horizon Europe projects?

For all project types and organization types, the indirect costs are covered with a fixed amount of 25 percent of all direct costs.

Is the overhead rate for coordination and support activities also 25 percent?

Yes. The overhead rate is the same for all project types. It is calculated as a fixed rate of 25 per cent of direct personnel costs and other direct costs.

Which costs are considered indirect costs?

Indirect costs are expenses that an organization has independently of the individual project. These are expenses that have not contributed specifically to the implementation of the project. Examples of such expenses may be rent, meeting rooms, canteen, office supplies, including PCs that all employees have, and general administration.

Can costs such as auditing, external accounting and reporting be included in approved costs?

Yes. These costs can be covered, as long as they are activities that are directly relevant to the project itself.

Is it possible to get a refund of VAT on Horizon Europe projects?

Non-deductible or non-refundable VAT is covered. Refundable Value Added Tax (VAT) is not eligible. This means that all costs must be reviewed and VAT removed, if the VAT is refundable.

What is allowed in terms of changes/relocation of the budget items in each work package?

It is possible to transfer part of the budget from one budget category to another without this requiring a change to the Grant Agreement.

However, it is important that the budget transfer does not entail a redistribution of the project tasks as described in Annex 1.

We recommend consulting the project's Project Officer (PO) if any changes are made.

Reporting and payments

Gender Equality Plans (GEP), Registation and validation, Budget, Reporting and payments, Signing the Grant Agreement and Consortium Agreement, Project implementation, Third parties, State aid, EIC Accelerator, to the top

The partners submit their reports to the coordinator through the Participant Portal individually. The coordinator compiles all the reports and sends them to the EU.

If a partner does not submit their report to the coordinator by the deadline, the coordinator may choose to submit the other reports. Costs from the partner that has not submitted a report will be recorded as zero for the current reporting period, but can be declared in the next reporting period.

Signing the Grant Agreement and Consortium Agreement

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Examples of Grant Agreements can be found on the European Commission's Funding and Tenders Portal under Reference Documents.

All partners sign the contract with the EU. The project coordinator and the European Commission sign first. Then all partners sign an "Accession form to the Grant Agreement".

Can the costs associated with the design of the consortium agreement be included as approved costs? No. Costs related to writing and submitting the application or costs related to the design of the consortium agreement cannot be included as approved costs. This is because the consortium agreement must be signed before the project starts. However, costs related to updating the consortium agreement can be covered if the costs are incurred during the project period.

Can the EU reduce the budget for the project application?

As a general rule, there should be no significant changes between the application and the project being funded, either in accordance with the project's content or budget. However, changes can be made to the budget to ensure that the project complies with current rules and to remove errors or inconsistencies.

Can project partners be replaced after the contract has been signed?

Yes, but it requires an amendment to the contract with the EU (Amendment of the Grant Agreement). We recommend talking to the Project Officer (PO) of the European Commission before making any changes to the project partners. The PO can advise on how the changes can be made.

What are the rules for disbursement of funding to partners in the project?

The EU pays to the coordinator's bank account. The coordinator must distribute the support to the partners without undue delay.

Project implementation

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We recommend using an accountant. If the accountant does not have experience from the EU Framework Programme, we recommend that they complete the course "Financial rules of EU reporting", which the Research Council offers free of charge.

Use of third parties

Third party

According to the Commission's definition, a "third party" is a "legal entity" that has not signed a Grant Agreement.

- A third party is involved in the project's activities via a partner in the project.
- A third party does not sign the Grant Agreement and is therefore not bound by its terms.

Affilated entity

An "affiliated entity" is a third party with a legal connection to the project participant that is not limited to the collaboration in the project itself, or created solely for the purpose of carrying out the project. It can be either a legal or a financial connection.

Remember that the status of "affiliated entity" must be pre-approved by the EU in order for the expenses to be eligible. It should therefore be stated in the application text who is to be included as an "affiliated entity", as well as an approximate budget for the thesis.

Can I "hire" personnel, and how do I budget it?

Yes, it is possible to have costs for "seconded employees" covered. An employee is considered secondary when it is hired for a limited period by a third party (who is not part of the project). The person in question will continue to be employed by and receive salary from the third party. A seconded employee must have working conditions that are similar to employment, including similar requirements for office presence.

Costs for seconded employees are budgeted and reported as actual costs under personnel costs. It is recommended to make a second appointment.

What guidelines apply to subcontractors?

It is allowed to outsource parts of the project to a subcontractor. The subcontractor shall be selected using the organisation's/company's usual purchasing practices - provided that these ensure that the subcontractor that provides "best value for money" is chosen and that there is no conflict of interest.

This can take the form of, for example, an open call for proposals, obtaining several tenders, market research, etc. In addition, national rules for public procurement must be followed.

What is the difference between a subcontractor and the purchase of a service?

A subcontractor carries out activities that are described as specific project tasks in Annex 1.

The purchase of a service, on the other hand, applies to activities that are not described as specific project tasks, but which are necessary to carry out the project tasks, such as translation services, catering or printing of publications.

State aid

Grants from Horizon Europe are not considered state aid because the funds come from the EU and not from a country.

What is the EIC Accelerator?

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EIC Accelerator stands for European Innovation Council Accelerator. This scheme in Horizon Europe is aimed at companies with market-creating innovation projects that have a great potential to grow internationally. Companies can apply for both grants and equity. The EIC Accelerator is mainly thematically completely open and is aimed at individual companies.

You can find answers to questions about EIC Accelerator in Innovation Norway's Accelerator FAQ.

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ⓘ **Important message**

For the calls for proposals with the application deadline 30 April at 13:00 CET, we manage our hotline +47 22 03 72 00 Monday 28 April and Tuesday 29 April at CET 08:00–15:45 and Wednesday 30 April at CET 08:00-13:00.