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This document is a collection of Q&As on HE financial issues submitted to the Research Enquiry Service of the EC by CZ NCPs on behalf of Czech beneficiaries between 2021 and 2022. We also included a few Q&As provided to us by our NCP colleagues across the EU. The document is intended to clarify problem areas but is not legally binding. In some areas, the interpretation of HE rules might have changed over time. Therefore, this document includes neither questions related to personnel costs in HE projects nor MSCA and ERC projects. The respective FAQs can be found in separate documents created by the Technology Centre Prague.

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Project proposal – Acronyms

I watched some time ago a webinar on FTO moderated by you, that is why I am profiting from this contact to ask you whether there is a list of symbols and special characters to be avoided by applicants when creating the acronyms of their projects. One of our potential applicants has found out that „+“ is not accepted in the online proposal form. I can see that in the general template the following characters < > " & are explicitly mentioned to be removed. I assume these are not the only ones.

E-mail communication, DG RTD, 7. September 2021

Proposal acronyms should be formed of letters of the **Latin alphabet and may also contain space, hyphen, underscore and full stop**, but must not contain any other special characters. The respective guidance in the forms will be updated accordingly.

Pre-financing amount

I have a doubt concerning the calculation of the pre-financing in Horizon Europe. One client is preparing a lump sum proposal and this point is critical to prepare the timeline of the project and number of reporting periods and work packages, ensuring funds during the lifetime of the project.

As I understood from AMGA-H2020 (art. 21 - page 198 v.5.2), the prefinancing is calculated as follows: "it will normally be (depending on the availability of EU budget credits) 100 % of the average EU funding per reporting period (i.e. maximum grant amount set out in Article 5.1 / number of periods)." However, different clients with Horizon Europe projects have informed that they have received a pre-financing of around 53% of the Maximum Grant Amount, even if their projects have three or more reporting periods. I would like to confirm what is the rule to calculate prefinancing in Horizon Europe and if there is any special calculation method for lump sum projects.

Case no 2032206, 17. October 2022

In Horizon Europe, after the grant has been signed, the consortium will normally receive a float to start working on the project (normally, pre-financing of **160% of the average EU funding per reporting period** (i.e. maximum grant amount/number of periods); exceptionally, less or no pre-financing). For **actions with only one reporting period, it will be less**, since 100% would mean the totality of the grant amount.

Note that payments will be automatically lowered if one of the consortium members has outstanding debts towards the EU (granting authority or other EU bodies). Such debts will be offset by the granting authority, in line with the conditions set out in the grant agreement (see Article 22). Also note that 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 from the beneficiaries.

Beneficiary requesting zero funding

In H2020, the MGA art. 9 included some special references and provisions for “Beneficiaries not requesting EU funding”, e.g., no obligation to submit financial statements, audit requirements etc. In HE such provisions are no longer included in the MGA. However, we assume it is still possible for a HE beneficiary to request 0.0€ in the Requested EU Contribution column in Annex 2. In practice this means that it is still possible in HE to participate as “Beneficiary not requesting EU funding”. Is this correctly understood? If so, will such a beneficiary in HE have to submit a financial statement requesting 0.0€? This seems like an unnecessary administrative procedure. However, if it is a contractual obligation, the beneficiary should know before they sign the Grant Agreement.

Case no 1716161 10, 2. February 2022

As you have noticed, the Horizon Europe Model Grant Agreement does not include a provision equivalent to Article 9 of the H2020 Model Grant Agreement. Generally speaking, **participants that participate in the action without funding should by default chose the status of ‘associated partners’** that cannot declare eligible cost and therefore are exempted from financial obligations of the grants. Yet, in HE it is still possible to participate as “Beneficiary requesting zero funding”.

Where participants without funding exceptionally participate as beneficiaries, at reporting stage, beneficiaries that are eligible for funding but requesting zero funding must submit financial reports. The beneficiary would normally decide whether to report in the financial statement no costs, i.e. to indicate “0” in the appropriate columns, or to report, in full or in part, its actual eligible costs, i.e. costs that comply with the eligibility conditions. For eligible costs covered by own resources for which 0 contribution is requested, the conditions for costs eligibility would need to be fulfilled but these costs and conditions will not be checked during an audit.

According to Article 25.1.3 of the Horizon Europe Model Grant Agreement (available at https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf), audits are not restricted to financial implementation of the action, they also concern the proper implementation of the action and compliance with the obligations under the Agreement. As a consequence, beneficiaries requesting zero funding are not exempt from audits. However, in the absence of funding, audits would focus on the records and supporting documentation that refer to the technical implementation of the action or compliance with other obligations under the Grant Agreement with no risk of financial errors involved.

Budget table – Own resources vs Financial Contribution

Could you provide us more information concerning the explanation/definition/difference of „own resources“ and „financial contribution“ in the Administrative forms (3 – Budget) of the Horizon Europe project proposal (for participants whose funding rate is not 100%)?

Case no 1640091, 20. August 2021

Please note for the type of actions where the funding rate is lower than 100%, participants are asked from which type of sources the rest of the funding needed to implement the action will come.

Therefore, they need to fill in the columns “o” (income generated by the action), “q” (own resources) and/or “r” (financial contributions). Under “**own resources**”, applicants must enter the amount of **their own resources they expect to use** for the implementation of the action. Under “**financial contributions**”, applicants must enter the amount of **financial contributions they expect to receive from other sources**.

Equipment – full cost option

Can you clarify in what cases and situations beneficiaries may use other Options than the default OPTION 1 – depreciation only? Namely OPTION 2 – full cost only, OPTION 3 – depreciation and full cost for listed equipment and OPTION 4 – full cost and depreciation for listed equipment?

RES reply shared by GERMAN NCP in November 2022

Your question concerns equipment costs eligibility under Article 6.2.C.2 of the Horizon Europe General Model Grant Agreement (HE General MGA), and in particular eligibility of costs for prototypes.

As you correctly pointed out, the **option 1 (i.e. depreciation costs only) is a standard obligation for all EU grants**. The **three other options** (option 2 full cost only, option 3 depreciation and full cost for listed equipment, and option 4 full cost and depreciation for listed equipment) will thus be used as an exception (see HE General MGA pages 28-29, footnotes 21, 22 and 23), **only if justified by the nature of the actions and the context of the use of the equipment or assets. In Horizon Europe, the intention would be to use these three other options for a limited number of calls**, notably for calls for which the purpose is generally to have beneficiaries developing prototypes.

Against that background, a full cost option can only be activated in a specific grant if it was selected for the call by the granting authority; i.e. if the call for proposals explicitly authorises its use in grants awarded under such call. If not included in the call, beneficiaries will not be able to charge the full purchase costs of the equipment used for a prototype. In practice, you can check if the call and topic includes any conditions for equipment costs eligibility in the topic conditions table that can be found at the beginning of each call and at the beginning of each topic. As an example, option 3 (depreciation costs and full cost for listed equipment) can be found in [Cluster 4 Work Programme](#) under the Specific conditions applying to *HORIZON-CL4-SSA-SST-MS*, *HORIZON-CL4-SSA-SST-STM-AE*, *HORIZON-CL4-SSA-SST-SB*, *HORIZON-CL4-SSA-SST-SP*, *HORIZON-CL4-SSA-SST-SD* (see page 435-437).

The call CLIMATE NEUTRAL, CIRCULAR AND DIGITISED PRODUCTION 2022 (HORIZON-CL4-2022-TWIN-TRANSITION-01) you refer to has not authorised the use of a full cost option and, consequently, only depreciation costs (i.e. option 1 by default) would be eligible for funding, including for a prototype. e no 242802, 13. June, 2022

Cost of meal at university canteen and cost of the accommodation at the university dormitory

Can you confirm that in Horizon Europe cost of the meal at the university canteen and the cost of the accommodation at the university dormitory can be considered as Purchase cost (D) not Internally invoiced goods and services (D2) – even though there is not an invoice from a third party (contractor)? These costs are necessary for the implementation of the action (project meeting) and in line with 3E principle (the price is significantly lower compared to the lunch at a restaurant and accommodation at a hotel). Use of the category D2 seems complicated to us because it is difficult for the university to identify the cost of the unit (one meal/room). During the H2020 EC communication camping in Prague, the auditor said these costs might be eligible as Other goods, works, and services. Is that correct for H2020?

Case no 2151656, 21. November, 2022

We understand from your query that you are referring to catering and accommodation services which would be provided by a beneficiary, i.e. the services would not be purchased to an external provider. So, they could not be declared under the budget category 6.2.C.3 for 'Other goods, works and services'.

As regards the possibility to declare these internal costs as direct costs under Article 6.2.D.2 for 'internally invoiced goods and services', please note that:

As a preliminary remark, please note that the costs incurred by a beneficiary for providing catering and accommodation services in the framework of project meetings can be charged to the Horizon Europe action if it is the beneficiary usual accounting practices to record such costs as direct costs, and provided that they are incurred in connection with the action and necessary for its implementation.

In the event the costs for the goods and services the beneficiary provides or produces itself would be treated as direct costs by the beneficiary according to its usual accounting practices, in principle, as explained in the Annotated Grant Agreement (see version 0.2 of 30 November 2021 available at https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf), they can be declared under the Article 6.2.D.2 'Internally invoiced goods and services' provided that the costs comply with the general and specific eligibility conditions.

However, our understanding is that the beneficiary would not have costs methodology for valuating this type of internal costs. Therefore, we are afraid that it would not possible to declare those internal costs as direct costs under Article 6.2.D.2.

Finally, if the catering and accommodation services cannot be declared as direct costs by the beneficiary under the action, please note that they may be considered covered by the 25% flat-rate as part of the indirect costs. The same applies to H2020 mutatis mutandis.

Office Supplies

I have a question concerning the cost category C.3 Other goods, works and services for Horizon Europe. In the current AGA, pg. 70, it says that "office supplies" can be an eligible direct cost: "costs for consumables and supplies (e.g. raw materials, office supplies)". My understanding was that office supplies should be covered by the indirect costs. For costs to be covered by the direct costs categories, they need to fulfill the general eligibility conditions, including "they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation" - with office supplies, which are usually bought in bulk, it is questionable whether it would be possible to establish the direct link between the costs and the items. Could you please comment on this? And what would be the case for standard laptops and mobile phones? In H2020, office supplies (including laptops and phones) were advised to be covered by the indirect cost category - we expected continuation for Horizon Europe. Is there any difference then?

Case no 222377, 10. June 2022

As also explained at the bottom of page 70 of the pre-draft AGA, costs of other goods, works and services must comply with the following eligibility conditions:

- fulfil the general conditions for actual costs to be eligible (i.e. in particular necessary and in connection with the action; recorded following the beneficiary's usual cost accounting practices etc; see Article 6.1(a))

and

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

The above will apply to office supplies costs, hence they can be declared as direct costs for goods and services but only provided that they comply fully with these conditions. Against this background, **office supplies that are purchased in bulk as per the beneficiary's usual cost accounting practices, and that could not be connected to a specific action, would not fulfil all the above mentioned eligibility conditions for direct actual costs.** Yet, they could be typically indeed considered as indirect costs (and covered by the 25% flat-rate in Horizon Europe).

The same logic would apply for costs of laptops and mobile phones, i.e.: if it is the beneficiary's usual accounting practice to consider the costs of laptops and mobiles phones as indirect costs, then these costs cannot be declared as direct costs.

On the contrary, the costs of a laptop used to carry out the action may be declared as a direct actual costs, if it corresponds to the beneficiary's usual accounting practices. Now, depending notably on the beneficiary's usual cost accounting practices and whether or not the laptop or the mobile phone is used exclusively for the action in the year of the purchase, the related direct actual costs can be declared either as depreciation equipment costs or as full purchase costs for low-value asset.

Proposal template – Purchase costs

I have a question concerning Horizon Europe and Proposal Template (RIA, IA). How to fill in the table Table 3.1h: 'Purchase costs' items? Compared to the H2020 there is newly the requirement "The record must list cost items in order of costs and starting with the largest cost item, up to the level that the remaining, costs are below 15% of personnel costs." and column „Remaining purchase costs (< 15 % of pers. Costs)". What should be filled in which column in the following case (especially in the column "Remaining purchase costs")?

Personnel costs (280 000 € → 15 % is 42 000 €)
Travel and subsistence (8000 €) - Travel and subsistence costs of personnel related to 5 project meetings (4000 €) + Travel costs of an external expert for 4 travels (4000 €)
Equipment (200 000 €) - Depreciation costs of laser equipment
Other goods, works and services (12 000 €) - Logistic support for 2 project meetings (organisation of rooms, catering - 7 000 €) + CFS (5 000 €)
Remaining purchase costs (< 15 % of pers. Costs)- ???
Total purchase costs (220 000 €)

Case no 169521, 9. April 2021

The intention is that applicants give details of major costs items under the category of Purchase costs. We do not ask details of minor costs for which travel and subsistence normally belongs. In your example

- Personnel costs (280 000 € → 15 % is 42 000 €)
- Total purchase costs (220 000 €)

Purchase costs exceed EUR 42.000, so applicants will have to give details of purchase costs, starting with the most expensive items up to the level that the remaining costs are below EUR 42.000, so applicants need to give details up to (220.000 – 42.000 = 178.000). They will start with the most expensive one:

Equipment: EUR 200.000

With only this they are already above EUR 178.000, so they will not need to give more details. So the applicants will fill in the table as follow:

Participant Number/Short Name	Cost (€)	Justification
Travel and subsistence		
Equipment	200.000	Depreciation costs for laser equipment used in tasks XY
Other goods, works and services		
Remaining purchase costs (<15% of pers. Costs)	20.000	
Total	220.000	

The main message is that **we are only interested in checking the justification of major costs items.**

Travel Costs – per-diems

I would like to ask for your confirmation concerning travel costs in Horizon Europe programme. The correct pre-draft of the annotated model grant agreement does not mention that the so-called "per-diems" for employees as well as external experts as travel costs are eligible (as they were eligible in H2020). Could you please confirm that per-diems are an eligible cost in HE?

Case no 609916, 20. August 2021

Travel costs must comply with the general cost eligibility conditions set out in Article 6.1 (e.g. incurred in connection with the action and necessary for its implementation, etc.) and with the specific cost eligibility conditions set out in Article 6.2.C.1 of the Horizon Europe Model Grant Agreement. The latter provides that travel costs are eligible provided that they are based on costs actually incurred and in line with the beneficiary's usual practices on travel. This means that **if it is the beneficiary's usual practice to reimburse travel costs on the basis of a 'per diem', this will be considered as the actual cost** incurred by this beneficiary (in line with its usual practices on travel).

UK partners in the project proposal

We received diverging information on the inclusion of UK participants. According to RES reply no 1640091: "The coordinator must indeed be a beneficiary and beneficiaries must not only be eligible to participate but also be eligible to receive EU funding. If in a multi-beneficiary project at **the time of signature the UK entity cannot be a beneficiary, another beneficiary will have to take over the role of coordinator.**"

Q1: Does this mean that all third countries not eligible for EU-funding can ONLY participate as associated partner or is it also possible to include them as beneficiaries without EU-funding (as it was possible in H2020)?

Q2 : In case organisations from third countries not eligible for funding can also participate as beneficiaries without EU-funding would it be possible for them to be coordinator (as in H2020)?

Q3 : For projects that are currently replacing an UK coordinator because they only participate as associated partner would it be possible to change their status to beneficiary / coordinator during the course of the project via an amendment once the association of the UK is in place (even if they will be funded by the UK for this project)?

Case no 1640091, 10. February 2022

Q1: Under HE the 'beneficiary' status refers to entities eligible for participation and funding. The legal status 'beneficiaries not (eligible) to receiving EU funding' is no longer foreseen in the Model

Grant Agreement under Horizon Europe. Participants from non-associated third countries which are not eligible for funding may participate 'associated partners'. To note that UK entities will be treated as entities from an associated country, as long as the association agreement with the United Kingdom applies at the time of signature of the grant agreement.

Q2: They cannot be coordinators. In order to be coordinator of a project, a legal entity must be a beneficiary in accordance with Article 7 of the Horizon Europe Model grant agreement. Only entities eligible for funding can sign the grant agreement and become a beneficiary.

Q3: If requested by the consortium, an amendment of the grant agreement would be necessary to change the status of the UK entity from an associated partner to a beneficiary when the association is in place, is applicable.

UK Partners – Grant Agreement Preparation Phase

I have a question concerning UK partners which are involved in consortia that are currently at the stage of the GAP (HE). UK partners may be involved as associated partners and may apply for national funding but this national funding is not possible for all calls. In cases where national funding will be lacking, there is a danger that UK partners will leave the consortium. How will the EC react? Will the consortium have to find other partners? Will there be room for negotiation with the EC so that partners are found to be necessary for the implementation of the project and funded by the EC? Will the deadlines for signing the GA be extended? Are there any other instructions NCPs can provide to the clients in these cases?

Case no 1720881, 2. March 2022

We take that this is about the possible participation of a non Associated third country entity as an associated partner (AP) in a given project. If the AP would not be able to perform its tasks under the project in view of a lack of funding (e.g. own resources /national funding), the respective entity should not participate in the project .

In this case the consortium will need to either redistribute the tasks among the existing members of the consortium or find a replacement for the tasks assigned to the AP. In principle, the consortium will be offered a reasonable time to rearrange their proposal. The granting authority reserves the right to assess if the redistribution of budget and tasks puts into question the results of the evaluation.

VAT – status change

I have a question concerning Horizon 2020/Horizon Europe projects and the eligibility of VAT. Could you please confirm that the following steps are correct? An institution charges VAT to the project. Then, after three years, they change their VAT status for the project (which is fully in line with Czech legislation), they correct their own accounting and then with the next financial report, they make adjustments to the previous financial reports. Is this OK? Are there any other additional steps which should be taken because of the change? I.e. informing the PO or uploading any documents into the portal?

Case no 1038026, 8. October 2021

A beneficiary can declare VAT on eligible costs when it is not deductible. In this regard, please keep in mind that according to Article 6.5(ix) of the H2020 Model Grant Agreement, deductible VAT is not ineligible, and according to Article 6.3(viii) of the Horizon Europe Model Grant Agreement, deductible or refundable VAT is not eligible. If the VAT status of a beneficiary modifies with a retroactive effect the amount of eligible VAT declared in previous reporting periods, the beneficiary may declare the differences as adjustments in the next reporting period. You may add an explanation in the next reporting and/or contact the project officer to explain this.

CFS exempted beneficiaries

During Grant Agreement Preparation beneficiaries must declare whether they are exempted from CFS. Are there any cases where partners are exempt from CFS even though they receive more funding than the threshold? There are any rules regarding this exemptions? Please, could you provide us with the exemption rules if they exist?

Case no 1786376, 1. March, 2022

In Horizon Europe, a CFS must be submitted by all kind of legal entities (acting as beneficiary or as affiliated entities in a given Horizon Europe action) if they reach the threshold indicated in point 4.3 of the data sheet (i.e. EUR 430 000 of requested EU contribution to costs, as the general rule in Horizon Europe). Therefore, **it is not intended to activate the option for 'exempted beneficiaries' under Horizon Europe actions.**

Exchange rate suspension

I have a follow up question to 101000461517, i.e. calculation of correct exchange rate at the end of a reporting period when the reporting period was suspended for 12 months. According to the reply, in this case we should calculate the rates as if there were two reporting periods: from beginning of the project until beginning of suspension and from end of suspension until end of the project. Is this reply relevant for both the MSCA and the RIA/IA/CSA?

Case no 2473611, 16. December 2022

The logic applies also to other types of grants, i.e. RIA, IA, etc. There will be a calculation from the beginning of the reporting period until the date of suspension and then another from the resumption day until the end of the reporting period.

Visibility rules

Could you please confirm that the rules concerning visibility in HE projects changed slightly compared to H2020? In H2020, according to Art. 38, outputs needed to display the EU emblem and state: "“This project has received funding from the [European Union’s Horizon 2020 research and innovation programme] [Euratom research and training programme 2014-2018] under grant agreement No [number]”". In HE, according to Art. 17, outputs need to display the EU emblem with the "(co)funded

by the EU" statement. Additionally, the outputs should also carry a disclaimer: "Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or [name of the granting authority]. Neither the European Union nor the granting authority can be held responsible for them." Is this correct? In other words, the project number/acronym does not have to be visible for outputs in HE projects?

Case no 381807, 11. July 2022

Please find below the updated reply to your question. Kindly disregard the previous one that we sent you. Note that the Research Enquiry service provides general guidance only and cannot comment on the specificities of your particular case.

As you rightly point out, the **visibility rules applicable to Horizon Europe projects have changed compared to H2020.**

According to Article 17(2) of the HE Model Grant Agreement (MGA), unless otherwise agreed with the granting authority, **only the emblem** (i.e. the European flag) and the funding statement (translated into local languages, where needed) **must be displayed** in order to acknowledge the EU support to the project.

This is due to the fact that the HE MGA, including its HE visibility rules, are now based on the so-called 'corporate MGA', i.e. the **grant agreement that will be used across different EU programmes** and must be applied consistently. In this regard, the visibility rules for EU grants based on the corporate MGA have been streamlined and harmonised.

WIDENING

Era Talents – charging the equipment

Under topic HORIZON-WIDERA-2022-TALENTS-03-01, can costs of equipment (depreciation) be funded? E.g., depreciation of the laboratory equipment used during training/secondment?

Case no 2084091, 25. October 2022

No, equipment, including its depreciation, is not reimbursed under this call.

ERA Chairs

Dear RES, I have a few questions concerning the Era Chairs scheme in Horizon Europe (see below). Unlike in Twinning/Teaming, research costs (up to 10% of the EU grant) are separated from expenses related to the ERA Chair holder and team members (e.g., their salaries, recruitment costs, administrative costs, travel, and subsistence costs) and can be spread across different WP.

Q1: Is that correct?

Q2: How do the evaluators check whether the ceiling is respected in the project proposal? What exactly is checked at this point?

Q3: How will the ceiling be controlled during/at the end of project implementation?

Case no 2015691 , 7. October 2022

Q1: Grants have an expected duration of up to 5 years and cover expenses related to the ERA Chair holder and a number of team members (e.g. their salaries, recruitment costs, administrative costs, travel and subsistence costs). They also cover research costs up to 10% of the EU contribution.

Q2: The evaluators can only assess the information presented in the proposal. If not enough clear, this might be fixed at the Grant Agreement Preparation phase.

Q3: During project implementation the coordinators will be asked to report on the research component work/budget at the end of each reporting period and so this aspect will be controlled.

Teaming

I have a few questions concerning Teaming scheme in Horizon Europe (see below). In Teaming projects, a minor research component can be accepted, not exceeding 10% of the total Horizon Europe grant. Such a small research project embedded in the Teaming action should be aligned with the project's objectives.

Q1: Do we understand correctly that a dedicated work package should be used for the research component? If yes, why is it not mentioned in the work programme?

Q2: How do the evaluators check whether the ceiling is respected in the project proposal? What exactly is checked at this point?

Q3: How will the ceiling be controlled during/at the end of the project implementation?

Q4: Do evaluators assess the effectiveness/relevance of the complementary funding budget? Do they evaluate whether it is viable, sufficient, etc.?

Case no 2015686, 7. October 2022

Q1: WP 21-22 specifies for the Teaming action that *“A minor research component can be accepted not exceeding 10% of the total Horizon Europe grant that may include a preparatory research project. Such small research project embedded in the Teaming action should be aligned with the objectives of the project and e.g. serve the purpose of developing and testing new methodologies and instruments and/or the integration of new scientific personnel. If preparatory research activity is planned to carry out, the outline of a respective work plan at an appropriate level of detail should be presented”*, so it **might be easier for applicants to handle the research component in a separate Work package**, however, this is not a requirement.

Q2: The evaluators can only assess the information presented in the proposal. If not enough clear, this might be fixed at the Grant Agreement Preparation phase.

Q3: During project implementation the coordinators will be asked to report on the research component work/budget at the end of each reporting period and so this aspect will be controlled.

Q4: Yes, if you mean the relevance of complementary funding to the project. The Annex on complementary funding provides detailed information on these aspects.

Twining

I have a few questions concerning the Twining scheme in Horizon Europe (see below). The research part of the project should be presented through a dedicated work package. This means that: Total costs of this work package (personnel costs, purchases, subcontracting, ...) may not exceed 30% of the total grant; furthermore, at least 70% of the budget for research activities must be allocated to the coordinator).

Q1: Is that correct? **Q2:** How do the evaluators check whether these ceilings are respected in the project proposal? What exactly is checked at this point? The number of person-months dedicated to the "research" work package? Something else (e.g., cost amount of Euros)? Since the standard project proposal for CSA is used, it is not clear how to comply with the ceilings in the project proposal.

Q3: How will both ceilings (30 and 70%) be controlled during the project implementation, and by whom? Do we understand correctly that financial audits will not check these ceilings? Does the project officer control them during the project or only at the end?

Q4: FAQ mentions that only consumables and small equipment may be charged as a part of research costs. It is not clear what is meant by "small" equipment costs. Does it mean equipment (as defined in Article 6.2.C.2 of the MGA) is not allowed? Please, clarify.

Case no 2015681, 7. October 2022 Q1: Is that correct?

Q1: This is correct for projects funded under the HORIZON-WIDERA-2021-ACCESS-03 TWINNING call

Q2: The Evaluators checked this roughly during the evaluations for the HORIZON-WIDERA-2021-ACCESS-03 TWINNING call according to the PMs allocated to the WP and the costs described in the Use of Resources section of the proposal. This was then further checked during the Grant Agreement Preparation with the applicants confirming the research costs of the project in a dedicated table which was included in the grant agreement Annex I.

Q3: During project implementation there will be a mid-term check and a final project review in which these aspects will be checked. A financial check by the auditors can include the compliance with any of the rules set in the Grant Agreement, so also the 30% - 70% rule.

Q4: Art. 6.2.C.2 of the AGA refers to how costs of equipment/infrastructure can be claimed i.e. depreciation/full cost etc. but does not identify the kind of equipment that can be bought. There is no definition of what 'small' implies but it should not constitute a significant part of the research budget. If there are doubts about an equipment cost, the project coordinator should check with his/her project officer.