



The EU Framework Programme
for Research and Innovation

HORIZON 2020



Guide for Grant Agreement Preparation

Version 0.1
30 June 2014

Disclaimer:

This document is aimed at assisting applicants and beneficiaries for Horizon 2020 funding. Its purpose is to explain the Horizon 2020 framework programme and the procedures to be followed.

This is only a first draft (containing — at the moment — only some sections). It is still under discussion and will be completed over the months to come.

*Research and
Innovation*

IV.3 Preparing grants

Differences from FP7

- × 'grant negotiation phase' replaced by 'grant agreement preparation phase'

IV.3.1 Preparing grants

Summary

This section explains

- how the grant agreement is drawn up
- what information you need to provide.

Key points

- If, after assessment, your proposal has been proposed for funding, we will send you the 'Evaluation Summary Report' and ask you to help prepare a grant agreement.
- Please use the Participant Portal to provide any legal and administrative details not included in the proposal.
- Horizon 2020 actions (i.e. projects) must be implemented in accordance with the assessed proposal. The grant agreement must not differ from the proposal. This is without prejudice to corrections needed
 - as a result of an ethical review or security scrutiny,
 - to ensure the project conforms to the applicable rules, e.g. legal and financial rules
 - to remove clerical errors or clear inconsistencies
 - when, under exceptional circumstances, a participant is removed from a consortium during grant preparation
- You may correct shortcomings identified by the experts in the 'Evaluation Summary Report', provided that this does not delay your part in preparing the grant agreement beyond the applicable deadlines.
- You do not need to sign a hard copy of the grant agreement, accession form, or 'Declaration of Honour'. All signatures are electronic.
- The agreement must be signed at the latest 3 months after starting the grant preparation.

In preparing the grant agreement, we aim to

- gather legal, administrative and financial information from you as a prospective beneficiary (project participant) and any third parties linked to you
- make sure the 'Description of the Action' (DoA, Annex 1 to the grant agreement) and the 'Estimated budget for the action' (Annex 2) match the proposal, any relevant information in the invitation to prepare the grant agreement, and, if applicable, the ethics review report, and the security scrutiny report
- establish the key points of the grant agreement (when the project starts, reporting periods, amount of pre-financing, need for consortium agreement, and, if applicable, ethical issues, third parties linked to the beneficiaries, in-kind contributions provided by third parties, subcontracting)
- check your financial viability (principally, this concerns certain types of coordinators only, other participants will be checked in exceptional cases; for details see below).

Please use the Participant Portal to enter the necessary data and to sign online. These data will also be available in PDF format.

Enter legal, administrative & financial data

As a beneficiary (including coordinators)

- Go to the Participant Portal.
- Log in using your ECAS account.
- Go to the "My Project(s)" page under the "My Area" tab.
- Select the action (i.e. project) for which a grant agreement is being prepared.
 - Ask your coordinator to give you access to the project at the Participant Portal if it is not already displayed there. As a beneficiary, you need access so you can provide an electronic signature.
 - The coordinator of a consortium can enter or edit information for other beneficiaries but cannot sign on their behalf.
 - The contact persons of your organisation indicated in the proposal will automatically be assigned to specific roles and receive the corresponding access rights during grant preparation (see table below).

Contacts indicated in the proposal	Automatically assigned role during grant preparation
Contact person with full access rights	Coordinator Contact (CoCo, for the coordinating organisation); Participant Contact (PaCo, for other beneficiaries)
Contact person with read-only rights	Team Member

- The minimum setup of roles that you need to prepare and conclude the grant agreement at the Participant Portal is shown below:

For the coordinating organisation:

- Primary coordinator contact (CoCo)
- Legal entity appointed representative (LEAR)
- Legal signatory (LSIGN)

For other beneficiaries:

- Participant contact (PaCo)
- Legal entity appointed representative (LEAR)
- Legal Signatory (LSIGN)

A single person can fulfil several or all of the above roles.

- Select legal signatories.
 - Before a grant agreement can be signed, each beneficiary's legal entity appointed representative (LEAR) must appoint one or more legal signatories (LSIGN) to represent the beneficiary by providing electronic signatures during the grant preparation process.

- From among the legal signatories (LSIGN), select one or more project legal signatories (PLSIGN) that can sign for your specific project. The list of LSIGNs of your organisation will be available at the Participant Portal when you prepare the grant agreement.
- Designate the one PLSIGN whose name is to appear in the preamble of the grant agreement or the accession form.
- If the internal rules of your organisation require more than one signature, this requirement must be implemented by establishing an internal process in the organisation ensuring that the electronic signature in our system is executed only after all the necessary authorisations were given. These authorisations (signatures) must be collected, stored and archived locally following the usual management practice of the organisation, for instance via an internal paper-based process.
- Sign the 'Declaration of Honour'.
 - A legal signatory (PLSIGN) must sign a 'Declaration of Honour' at the Participant Portal on behalf of each beneficiary before the grant agreement can be signed. The coordinator cannot sign it on behalf of other beneficiaries.
 - This declaration ensures that all beneficiaries comply with the rules and are not in a situation that would exclude them from receiving EU funding (e.g. bankruptcy).
- Enter the Participant Identification Codes (PIC) of any linked third parties associated with you, if applicable.
 - Beneficiaries with linked third parties must make sure that these parties are validated (see Grants Manual, [guide on beneficiary registration, validation and financial viability check](#)).
- Enter other information as prompted.

The coordinator or sole applicant should also

- Set the **date on which the project is to start** (starting date of the action).
 - There are 2 options:
 - the first day of the month after the Commission signs the grant agreement (default option).
 - if needed, a fixed start date may be agreed – this is usually after the signing of the agreement, and it must be the first day of the month.
 - If you enter a fixed start date, you will be asked to justify your choice. We can accept a start date before the signing of the grant agreement if you show that your project requires this. The start date must not precede the date on which the grant application was submitted (Article 130, Financial Regulation).

- If the date for signing the grant agreement falls after the agreed start date, you (as a consortium or sole applicant) will be liable for any risks associated with the possibility that the grant agreement may finally not be signed.
- Check that all beneficiaries' **Participant Identification Codes (PICs)** are validated (see Grants Manual, [guide on beneficiary registration, validation and financial viability check](#)).
- Check that the **Participant Identification Codes (PICs)** of any linked third parties have been entered and are validated.
- Check that all organisations participating in the project (beneficiaries and, if applicable, linked third parties) match those specified in the proposal - only then can you sign the grant agreement.
 - **Consortia can be altered under exceptional circumstances only**, and justification must be provided. A consortium can propose that a participant be taken off the project or replaced.
 - Such change may be justified if, for instance, a participant goes bankrupt or is bought by another entity with a different strategy. A change in the consortium may also be accepted if a participant is losing a key member of staff that is needed to carry out the project (e.g. when a principal investigator is moving to another university).

When submitting your proposal, you declared that each participating organisation

- gave their explicit consent concerning their participation
- confirmed their financial and operational capacity to carry out the proposed work

Therefore, modifying a consortium can only be accepted for reasons that arose or became known after submission of the proposal.

- To request a change in the consortium, the coordinator must write to the project officer, on behalf of the consortium, to explain why a participant has been withdrawn or replaced, and put forward a solution. We will then assess (a) why the consortium is to be altered and (b) your proposed solution, which can be accepted only if it does not change the project in any substantial way.
- If a participant is withdrawn, you must clarify how you will reassign its tasks and budget within the consortium or to a new participant. The redistribution of tasks must be in line with the competences of the participants concerned. If a new participant is added to the consortium you need to explain why it is a suitable replacement.

- You need to provide updated grant preparation data that reflect the proposed changes in all sections that are affected. For example, you should update the operational capacity section. This enables us to assess the altered consortium's eligibility and operational capacity and to make sure that the change will not substantially alter the project.
- If a change in the consortium is proposed and no acceptable solution is presented, grant preparation may be terminated and the proposal rejected. This may be the case if, for example, any substantial part of the work initially proposed cannot be carried out any more, or if the quality of the consortium is significantly decreased.
- Define the **budget**.
 - Make sure the budget details match the proposal and the invitation to prepare the grant agreement. In the proposal, the budget of any linked third parties is included in the budget of the participants concerned. At this stage, you need to separate the budget of participants and linked third parties and provide details for both.
- Check the **reporting periods**.

We will set the reporting periods for your project. To minimise administrative work, we will choose the smallest possible number of reporting periods. The standard duration of reporting periods is 18 months. The duration of your project determines the number of reporting periods. For example, for a project duration of between 18 and 36 months, there will be 2 reporting periods. We may deviate from this standard for reporting periods in order to meet the needs of specific actions or work programmes. For details see the [Annotated Model Grant Agreement](#), Article 20.

In case you have serious concerns about the reporting periods, please contact your project officer.

- Provide **banking details**.
 - The coordinating organisation's **legal entity appointed representative (LEAR)** uses the Participant Portal to enter one or more bank account(s) and submit supporting documents for validation.
 - Choose from a dropdown list of your organisation's validated bank accounts. Assign one of these to your project. This information will be inserted in the grant agreement.

- If applicable, implement the result of a **financial viability check**.

We will check the financial viability of coordinators in projects with requested EU funding of \geq EUR 500,000. Coordinators that are public bodies or financially guaranteed by a member state or an associated country will not be checked. Likewise, if there is only one participant in a project, this entity will not be checked. However, any participant will be checked if there are justified grounds to doubt its financial viability. For further details please see the [guide on beneficiary registration, validation and financial viability check](#).

The financial viability check has 4 possible outcomes:

- Good
 - Acceptable
 - Weak
 - Insufficient
- If your **financial viability is 'good' or 'acceptable'** no further action is necessary.
 - If your **financial viability is 'weak'**

- you cannot act as coordinator but you can participate in the project in any other role

A coordinator with 'weak' financial capacity must step down as coordinator. In this case the consortium must put forward a solution, including the appointment of a new coordinator and reassignment of coordination tasks.

- and you have third parties linked to you that account for 50% or more of the EU contribution you requested, we will ask the third parties to sign a declaration of joint and several liability

If requested, a declaration of joint and several liability must be submitted after the grant agreement has been signed, together with the beneficiary's accession form (see Section IV.3.4, Grant Signature). For further details see the Annotated Model Grant Agreement, Article 14.

- you will be subject to additional monitoring (e.g. through additional reviews or on-the-spot checks)
- If your **financial viability is 'insufficient'** you cannot participate in the project.

We will inform you immediately if you are barred from participating in a project due to 'insufficient' financial viability, together with the means to appeal.

In this case the consortium must put forward a solution, following the steps for removing or replacing a participant (see above). If no acceptable solution is presented, grant preparation may be terminated and the proposal rejected.

- Prepare and sign a **consortium agreement**.

Consortium agreements are mandatory for all collaborative projects unless otherwise specified in the applicable work programme or call for proposals. They cover issues that will or may arise during the project (e.g. how to take decisions, resolve conflicts or safeguard intellectual property rights). The consortium agreement should be signed before the grant agreement. For details, see see the [Annotated Model Grant Agreement](#), Article 41.3.

Pre-financing

When the legal, administrative and financial data are complete, we will establish how much pre-financing is to be paid to you at the start of the project. There is no standard amount or percentage for the pre-financing payment. For actions with at least two reporting periods, it will normally be up to the average EU funding per period (i.e. maximum grant amount / number of periods). For details, see see the [Annotated Model Grant Agreement](#), Article 21.2.

Prepare the Description of the Action (DoA), Annex 1

The DoA is structured in the same way as the proposal, comprising Parts A and B. Part A is based mostly on structured information, while Part B (the narrative part) is based on Part B of the proposal and must be uploaded as a PDF.

Creating Part B of the DoA is straightforward, as it can be derived directly from Part B of the proposal.

Enter the structured information for Part A and upload Part B. The IT system will then merge the 2 parts, generating a single PDF with the full Description of the Action (Annex 1).

The coordinator or sole applicant must

- Complete the **workplan tables** in Part A, (e.g. **work package descriptions, deliverables** and **milestones**)
- Check that **DoA and the proposal match**
 - If the content of the DoA differs in any way from the proposal, this must be in compliance with your invitation letter to start grant preparation. In addition, you may correct shortcomings identified by the experts in the evaluation summary report.

- The information presented in the DoA can be made more consistent if necessary. Obvious errors should be corrected (e.g. where data displayed in a table or figure are at odds with the description).
- Make sure the DoA matches the legal and administrative information on the project
 - For example, it must describe the role of and the tasks performed by each
 - beneficiary
 - third party linked to a beneficiary
 - third party providing in-kind contributions defined in the administrative section.
- Avoid any overlaps between Parts A & B
 - For example, Part B should not contain any workplan tables. These are set out in Part A, following a standard format.
- Make sure the structure (e.g. sections, titles) and formatting of Part B match the template provided
- If applicable, implement the results of an **ethics review** (see Section IV.3.2, Ethics review)
- If applicable, implement the results of a **security scrutiny** (see section IV.3.3, Security scrutiny)

Standard Deadlines


The grant agreement must be signed **no later than 3 months** after you receive your evaluation results (Article 20(2) Rules for Participation). To make this feasible, there is a strict deadline for each stage in preparing the agreement.

You will have **3 weeks** to submit the **first** version of the grant agreement data, including Annex 1 (DoA) and Annex 2 (estimated budget). The Project Officer will assess the first version and tell you about any requirements you still need to meet. You will then have **up to 2 weeks** to submit a final version of the data.

As a beneficiary, you must sign a 'Declaration of Honour' as soon as possible and **no later than 6 weeks** after the date on which you were invited to help prepare the grant agreement. The grant agreement cannot be signed until all beneficiaries have signed their 'Declarations of Honour'.

The invitation to prepare the grant agreement will specify the deadlines you must meet. They may differ slightly from the standard ones (see above), provided that the grant agreement can be completed **within 3 months**.

Deadlines can be extended under exceptional circumstances. You can ask your project officer for an extension of a specific deadline if you can prove you need it for your project.

 If you have **not been granted an extension**, and you fail to meet the established deadlines, preparation of your grant agreement may be terminated and your proposal rejected.

IV.3.2 Ethics review (ethics screening & assessment)

Background

Neither the EU nor Euratom fund proposals that violate ethical principles.

Our ethics appraisal scheme includes:

- an ethics **self-assessment** (in your proposal)
- an ethics **review** (see below)
- ethics **checks and audits** (during the project and up to 2 years afterwards if necessary).

Each proposal considered for funding is subject to an ethics review.

① For more information on ethics, see the [H2020 Online Manual](#).

Where does the ethics review fit in? When are proposals reviewed?

The ethics review starts while the project is being scientifically assessed, or soon after. The grant agreement cannot be signed until the review is complete and any resulting conditions are met as appropriate.

How are proposals screened for ethics issues?

Projects are assessed to see whether they raise ‘ethics issues’ and, if so, whether these are adequately addressed (while the project is being carried out, as well as at other times).

The ethics review is an **independent assessment**. Opinions issued by local or national ethics bodies as part of a proposal will be taken into account, but will not prejudice the outcome of the ethics review.

The ethics review focuses on issues including

- human rights & protection of human beings
- animal protection & welfare
- data protection & privacy
- environmental protection
- malevolent use of research results
- compliance with international, EU & national law.

It may also cover issues of research integrity, including, fabrication, falsification and plagiarism in proposing, performing, or reviewing research or in reporting research results; this includes misrepresenting credentials and improprieties of authorship.

How is the ethics review process organised?

The ethics review falls into 2 stages:

- Stage 1 — **Ethics screening**
- Stage 2 — **Ethics assessment** (if necessary)

During **ethics screening**, proposals that raise no immediate ethics issues are pre-screened to identify any potential issues of this nature. If such issues arise, the proposals are then **fully screened** to check whether applicants are giving due consideration to these potential problems. If screening reveals any serious or complex issues that call for more in-depth analysis, they will be subject to an **ethics assessment**. Ethics experts are involved in both screening and assessment.

Exception

All proposals involving the use of human embryonic stem cells (hESCs) will undergo an ethics assessment. Funding for research involving hESCs is subject to the conditions set out in the [Declaration of the Commission to the Horizon 2020 Framework Programme](#) (OJ C 373, 20.12.2013, p. 12).

Implement the results of an ethics review

We will let you know the outcome of your ethics review at the beginning of the grant preparation phase or soon after. You will receive an ethics screening or ethics assessment report with an ethics opinion on your proposal. The possible outcomes of the ethics review are:

1. ethics clearance
2. conditional ethics clearance
3. ethics assessment recommended
4. second ethics assessment recommended
5. no ethics clearance

Ethics clearance

Proposals giving rise to ethics issues all of which are appropriately handled are granted 'ethics clearance'. This means that no further steps have to be taken. The ethics section in the proposal can be transferred unchanged to the ethics section in Part B of the DoA.

Conditional ethics clearance

In this case clearance is subject to conditions. Your ethics report will list one or more 'ethics requirements' which must be met either before or after the grant agreement is signed. They may include:

- regular reporting to the Commission or the agency concerned
- appointing an independent ethics advisor or ethics board (possibly tasked with reporting to us on compliance with ethics requirements)
- an ethics check
- supplying further information/documents
- adjusting methodology so as to comply with ethical principles and relevant legislation

'Ethics requirements' will be integrated in the grant agreement and have to be met during or after the lifetime of the grant. We will include them in Part A of the Description of the action. However, some 'ethics requirements' may have to be met already before the grant agreement can be signed.

The coordinator or sole applicant must

- comply with all ethics requirements
- update the description of the action (DoA) whenever appropriate to address the ethics requirements and describe how they are to be met in the course of the project
- take into account any recommendations set out in the ethics report.

Ethics assessment recommended

If an ethics screening uncovers serious or complex issues, a full ethics assessment may be recommended. Additional information may be needed for this purpose.

The coordinator or sole applicant must

- provide further information if and as requested in the ethics screening report.

Second ethics assessment recommended

If important information is missing from an ethics assessment, experts may be unable to reach a conclusion and issue an ethics opinion. In such cases, a second ethics assessment may be recommended.

The coordinator or sole applicant must

- provide additional information and address weaknesses as requested in the ethics assessment report.

No ethics clearance

 **If your proposal is not given ethics clearance, it is not eligible for funding and will be rejected.**

You will be informed of

- the decision to reject your proposal
- the reasons for the decision
- how you can appeal against it.

IV.3.3 Security scrutiny

SECURITY SCRUTINY — OVERVIEW

Background

Proposals dealing with information that is **EU-classified** under the Commission's internal Rules of Procedure are subject to security scrutiny. For details, see the Commission's [security rules](#), including the Practical Classification Guide (Appendix 2).


When are proposals subjected to security scrutiny?

Security scrutiny takes place periodically.

How are proposals scrutinised for security?

The scrutiny check is not a full security check on all the aspects of a project which might have a bearing on security. It simply identifies projects involving information that is sensitive from the security point of view and, where appropriate, classes their deliverables as 'classified deliverables'.

Security scrutiny may lead to 'security requirements'. If applicable, these will be included in the grant agreement as a **Security Aspect Letter (SAL)** and the annexed **Security Classification Guide (SCG)**.

 Security scrutiny does not relate to activities involving dual-use goods or dangerous materials and substances.

Security scrutiny applies to most parts of Societal Challenge 7 (Secure Societies), but it may also apply to other proposals, e.g. if

- the applicants state in the submission forms that the proposal is 'security-sensitive' (i.e. that it involves EU-classified information)
- the work programme flags up the topic as one that could result in security-sensitive projects
- the Commission or agency detects or suspects that
 - (i) classified information is being used as background or
 - (ii) the project will generate classified information.

How is the security scrutiny process organised?

Scrutiny is the responsibility of the Security Scrutiny Working Group, comprising experts appointed in close cooperation with the relevant Programme Committee and the competent national security authorities. It is chaired by a Commission representative.

Results of security scrutiny - implications

If necessary, your proposal will undergo security scrutiny. In this case the Security Scrutiny Working Group will determine the level of sensitivity of your proposal and check whether all security aspects are being handled appropriately.

We will inform you of the outcome of the security scrutiny at the beginning of the grant preparation phase or as soon as possible afterwards. The possible outcomes are:

- classification is not necessary
- classification is necessary

- the proposal is too sensitive to be funded

Classification not necessary

The project will be handled in the same way as all the others under the same call for proposals. No further action is needed.

Classification necessary

In such cases, ‘security requirements’ are incorporated in Annex 1 to the grant agreement. These requirements and the project's level of security classification are set out in the **Security Aspect Letter (SAL)** and the **Security Classification Guide (SCG)** annexed to it.

Proposal too sensitive to be funded

Security scrutiny may reveal that the information to be used or generated by the project is too sensitive, or that the applicants lack the right experience, skills or authorisations to handle classified information at the appropriate level.

 **In such cases, funding is refused and the proposal rejected.** If this happens, you will be notified of

- the decision to reject your proposal
- the grounds for the decision
- how you can appeal against it.

IV.3.4 Signing the grant agreement

Summary / Background

Signing the grant agreement is the last step of the grant preparation phase. It shows that both you and we formally approve the agreement and its annexes.

The grant agreement enters into force on the day of the last signature. Typically, the coordinator or sole applicant signs first, followed by the Commission or agency.


In a consortium, beneficiaries other than the coordinator accede to the grant agreement by signing an accession form. Linked third parties do not sign either the agreement or an accession form.

Key points

- We will notify you by email as soon as the grant agreement is available for signing.
- You (as the coordinator or sole applicant) sign the grant agreement online.
- We will notify the other beneficiaries as soon as their accession forms are available for signing.
- You (all beneficiaries except the coordinator) sign your accession form online up to 30 days after the grant agreement enters into force.
- You do not need to sign a hard copy. All signatures are electronic.

Selecting one or more legal signatories

While a grant agreement is being drawn up, each beneficiary selects one or more legal signatories for the project (see above, IV.3.1 Grant Preparation). Any of them can sign online as described below.

 One legal signatory will be named as your organisation's representative in the grant agreement preamble or the accession form. However, any other legal signatories assigned to the project are equally entitled to sign.

Signing the grant agreement online (coordinator or sole applicant)

Once the Commission or agency has drawn up and checked the draft grant agreement, the coordinator's legal signatories are notified that it is ready for signing at the Participant Portal.

One of the legal signatories (PLSIGN) must

- go to the Participant Portal
- log in using his or her ECAS account
- select the "My Area" tab
- go to the "My Project(s)" page
- select the project for which a grant agreement is to be signed
- sign the grant agreement online.

The Commission or agency usually signs the grant agreement after the coordinator has signed.

If the coordinator does not sign, the Commission or agency reserves the right to stop preparing the grant and reject the proposal.

Signing the accession form (other beneficiaries)

The consortium will be notified once the grant agreement has been signed. At the same time, beneficiaries other than the coordinator will be asked to sign the accession form (Annex 3 to the grant agreement). The form - available at the Participant Portal - must be signed online up to 30 days after the grant agreement takes effect.

For each beneficiary other than the coordinator, one of the legal signatories (PLSIGN) must

- go to the Participant Portal
- log in using his or her ECAS account
- select the "My Area" tab
- go to the "My Project(s)" page
- select the action for which an accession form is to be signed
- sign the form online.

In signing the accession form, beneficiaries accept the rights and obligations set out in the grant agreement as of the date on which it takes effect.

If a beneficiary does not sign the accession form within 30 days of the grant agreement entering into force, the Commission or agency reserves the right to terminate the grant agreement. In this case, in order to continue with the project, the coordinator must

- request an amendment, so that any changes needed to ensure that the project is carried out properly can be made.
 - This request must be made within 30 days after the missed deadline for signing the accession form
 - The request for an amendment does not affect the Commission or agency's right to terminate the grant agreement.

For further details, see Articles 50 and 56 of the [Annotated Model Grant Agreement](#). An accession form template is available for information (Annex 3 to the [Model Grant Agreement](#)).

Joint and several liability

If the Commission or agency has requested joint and several liability for a linked third party, the declaration on joint and several liability must be submitted together with the accession form.

The **linked third party** must

- sign a hard copy of the declaration on joint and several liability using the appropriate form (Annex 3a to the [Model Grant Agreement](#))
- send the original signed declaration to the beneficiary to which it is linked.

The **beneficiary** must

- scan the signed declaration on joint and several liability and submit it online as a PDF, at the same time as signing the accession form (see above)
- keep the original.

If joint and several liability has been requested but the declaration is not submitted as described above, the beneficiary will not be considered to be a party to the grant agreement. This will be dealt with as though the accession form had not been signed (see above).

For further details, see Article 14 of the [Annotated Model Grant Agreement](#).

Joint Research Centre (JRC)

If the JRC is a beneficiary, it must sign Annex 3b (not Annex 3) as its accession form. The JRC and the Commission or agency must sign the administrative arrangement online at the time of grant signature.