



HORIZON 2020

Model Grant Agreement THIRD PARTIES

Third parties: basics

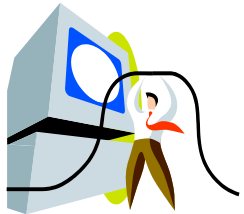
⇒ What is a third party?

↳ A legal entity which carries out work of the action, supplies goods or provide services for the action, but which did not sign the grant agreement

⇒ What types of third parties?



1. Third parties directly carrying out part of the work described in Annex 1



2. Other third parties: providing resources, goods or services to the beneficiaries for them to carry out the work described in Annex 1



3. Third parties receiving financial support (money) from the beneficiary as part of the action. Only when authorised in the call

1. Third parties carrying out work in the action

Beneficiary

Linked third parties

Affiliated entities

Third parties with a legal link

Affiliated entity

- Under the direct or indirect control of the beneficiary
- Under the same direct or indirect control as the beneficiary
- Directly or indirectly controlling the beneficiary

'control' = >50 % shares or majority voting rights or decision-making powers


1. Third parties carrying out work in the action

Beneficiary

Linked third parties

Affiliated entities

Third parties with a legal link

- Similar to FP7 Special Clause 10
- Must be identified in the GA
- Same cost eligibility criteria than for beneficiaries
-  **NEW:** COM or Agency may request them to accept joint and several liability for their EU contribution

Affiliated entity

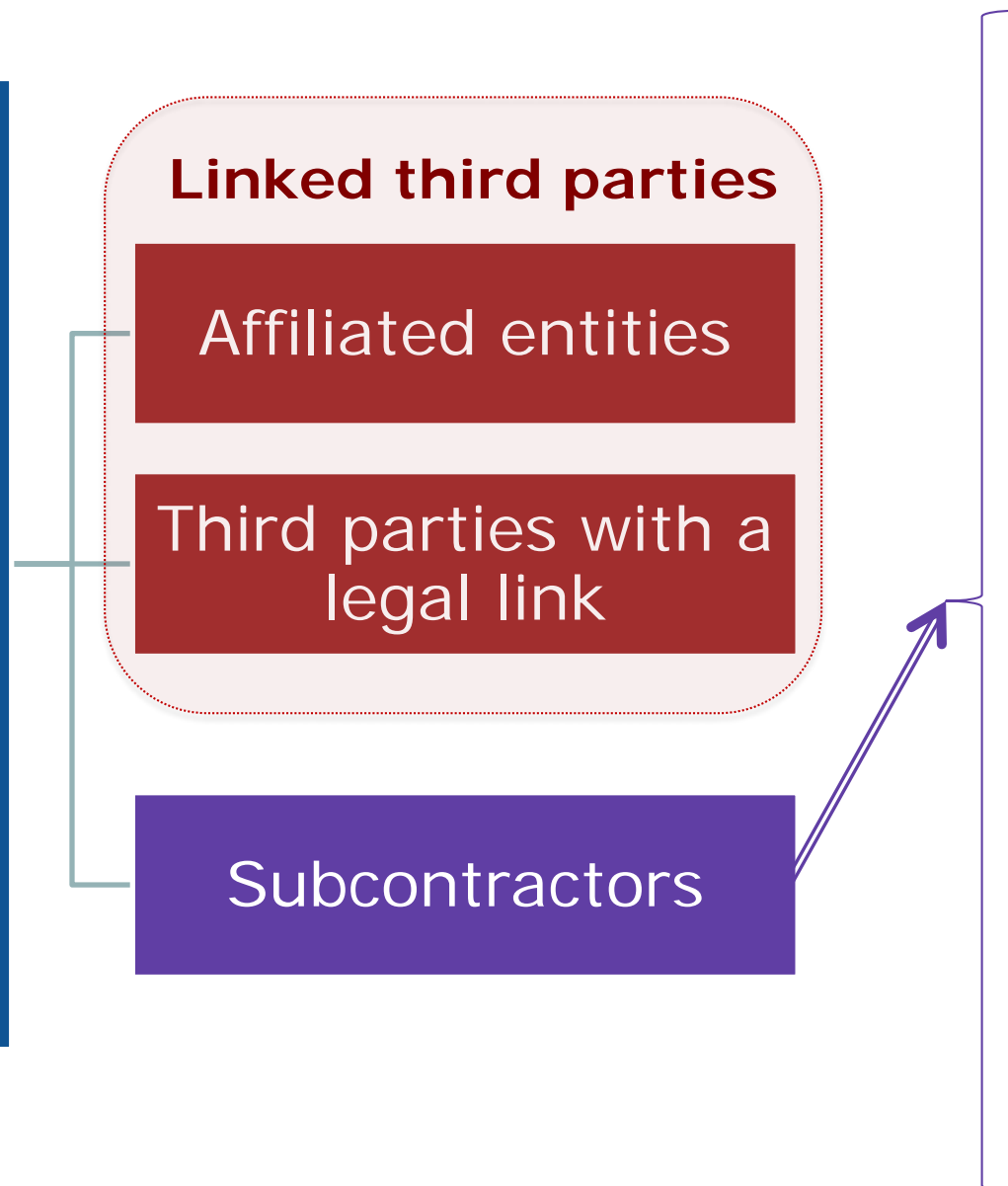
Legal link

A legally established relationship **not** specifically created for the Grant Agreement.

It may be in the framework of a legal structure (e.g. the relationship between an association and its members) or through an agreement or contract (not limited to the action).

1. Third parties carrying out work in the action

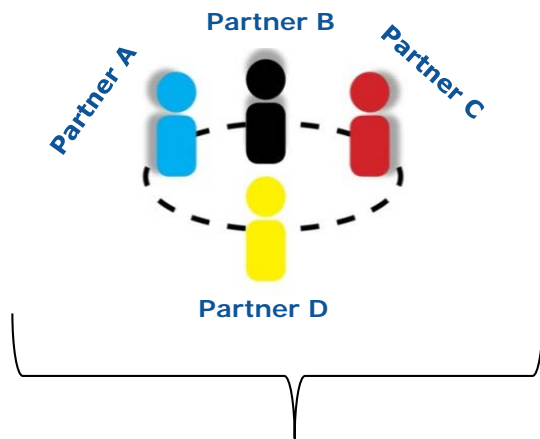
Beneficiary



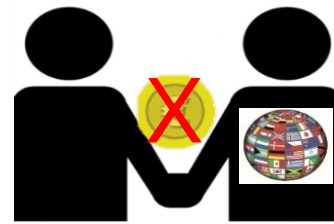
- Ensure best value for money and avoid conflict of interests
- ⚠ Subcontracting between beneficiaries is **not allowed**. Subcontracting to affiliates is generally not allowed either
- Estimated costs and tasks must be identified in the budget and in Annex 1
- **NEW**: if not identified in Annex 1, Commission may still approve them (beneficiary bears the risk of rejection)
- E.g.: Testing described in Annex 1 as action task

"INTERNATIONAL PARTNERS"

H2020 project



- Signatories of the GA
- May receive EU funding
- **Partner B** has one **International Partner**



International Partner:

- Linked to Partner B
- Participant Identification Code (PIC number)
- Not Signatory of the GA
- No EU funding
- Own (non EU) Budget
- Action Tasks in the Project
- No financial reporting

2. Other third parties

Beneficiary

Contracts
necessary for the
implementation

In- kind
contributions

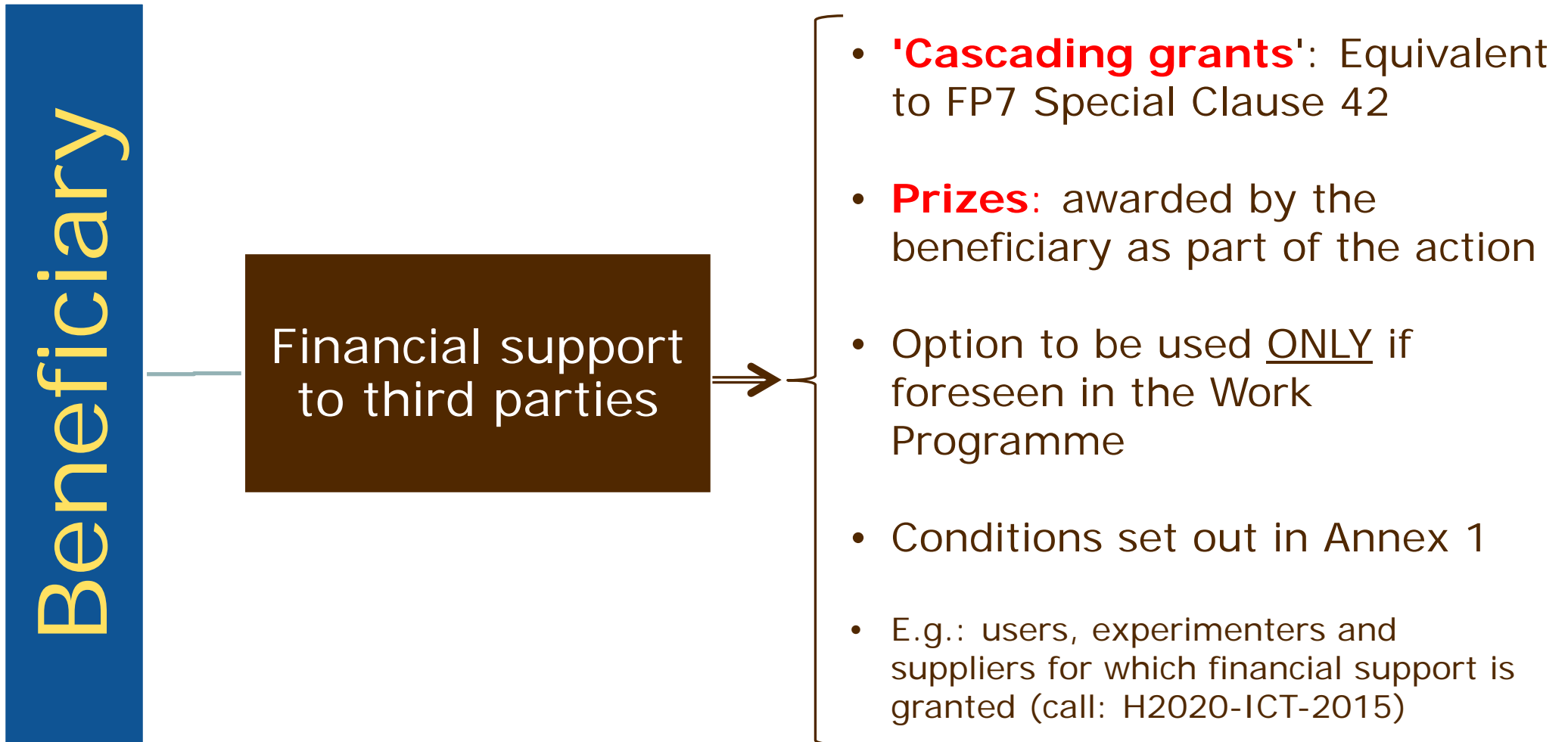
- For the purchase of goods, works or services
- Ensure **best value for money** and avoid any **conflict of interests**
- E.g.: CFS, supply of consumables, etc.

- Free of charge or against payment
- ⚠ Only the actual eligible costs of the third party may be charged
- Must be set out in Annex 1
- **NEW**: if not identified in Annex 1, Commission may still approve them (beneficiary bears the risk of rejection)
- E.g.: seconded staff, use of equipment

Subcontracts vs. Contracts

Article 10 Contracts to purchase goods, works or services	Article 13 Subcontracts
These contracts do not cover the implementation of action tasks, but they are necessary to implement action tasks by beneficiaries.	Subcontracts concern the implementation of action tasks; they imply the implementation of specific tasks which are part of the action and are described in Annex 1.
Do not have to be indicated in Annex 1.	Must be indicated in Annex 1.
The price for these contracts will be declared as ‘other direct costs’ — column D in Annex 2 — in the financial statement; they will be taken into account for the application of the flat-rate for indirect costs.	The price for the subcontracts will be declared as ‘direct costs of subcontracting’ — column B in Annex 2 — in the financial statement; they will not be taken into account for the application of the flat-rate for indirect costs.

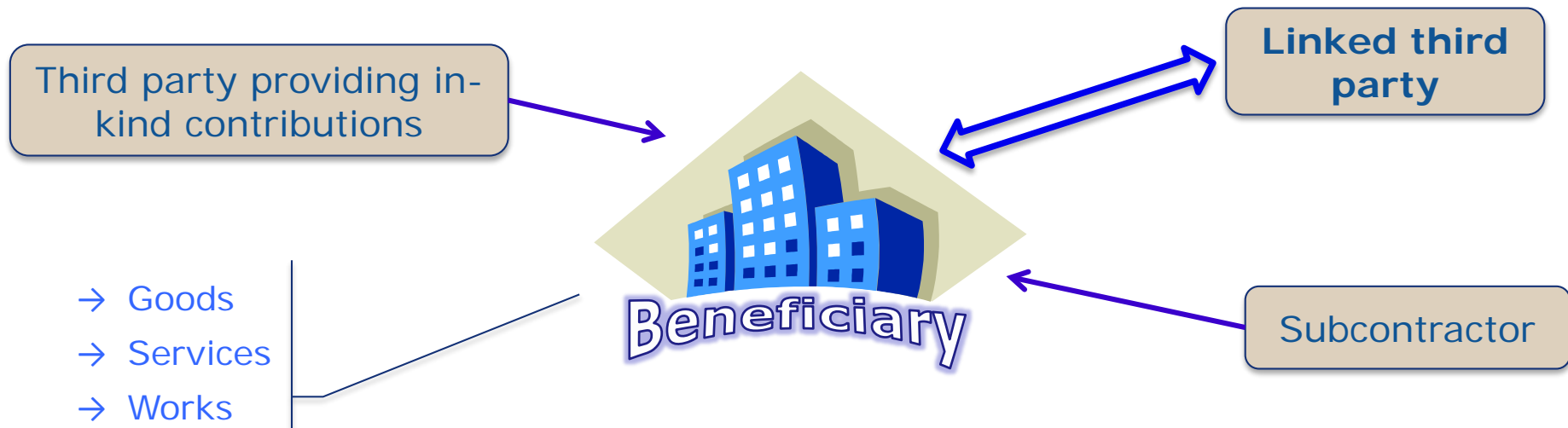
3. Financial support to third parties



Third parties: summary

Types of third parties	CHARACTERISTICS						
	Does work of the action	Provides resources or services	What is eligible?	Must be indicated in Annex 1	Indirect costs	Selecting the third party	Articles
Linked third party	YES	NO	Costs	YES	YES	Must be affiliated or have a legal link	Article 14
Subcontractors	YES	NO	Price	YES	NO	Best value for money, avoid conflict of interest	Article 13
International partners	YES	NO	No EU funding	YES	No EU funding	Partner to one beneficiary	Article 14a
In-kind contributions by third parties	NO	YES	Costs	YES	YES	Must not be used to circumvent the rules	Articles 11 and 12
Contractors	NO	YES	Price	NO	YES	Best value for money, avoid conflict of interest	Article 10
Financial support to third parties	Only if allowed in the call The beneficiaries' activity consists in providing financial support to the target population			YES	NO	According to the conditions in Annex 1	Article 15

Third parties: Warnings !



The beneficiary retains the sole responsibility for the work and the costs declared !

If something goes wrong with the third party, the beneficiary will be responsible



The beneficiary must ensure that Commission, OLAF and European Court of Auditors can audit its third parties including subcontractors and providers



In case of an audit to a 3rd party, the beneficiary is also in copy of all relevant communications (announcement of the audit, audit report, etc.)

Additional Guidance



➔ Horizon 2020 Annotated Grant Agreement

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

- ✓ All MGAs explained in a single document
- ✓ Updated periodically based on feedback from users

➔ Communication and training

- ✓ H2020 Communication Campaign
- ✓ Coordinators' days, info days, etc.

Still questions? **Research Enquiry Service** (<http://ec.europa.eu/research/enquiries>)



HORIZON 2020

**Thank you
for your attention!**

Find out more:

<http://ec.europa.eu/programmes/horizon2020/>

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Innovation*