

**EN**

**Horizon Europe**  
**Work Programme 2023-2024**

*13. General Annexes*

**IMPORTANT NOTICE:**

This draft has not been adopted or endorsed by the European Commission. Any views expressed are the views of the Commission services and may not in any circumstances be regarded as stating an official position of the Commission.

This draft is made public before the adoption of the work programme to provide potential participants with the currently expected main lines of this work programme. Only the adopted work programme will have legal value.

The adoption of the work programme will be announced on the Horizon Europe website and on the Funding and Tenders Portal.

Information and topic descriptions indicated in this draft may not appear in the final work programme; and likewise, new elements may be introduced at a later stage. Any information disclosed by any other party shall not be construed as having been endorsed by or affiliated to the Commission.

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## INTRODUCTION

These General Annexes set out the general conditions applicable to calls and topics for grants and other forms of funding under the Horizon Europe main work programme. They also describe the evaluation and award procedures and other criteria for Horizon Europe funding. In particular, the General Annexes outline the:

- admissibility and eligibility conditions, and the criteria for financial and operational capacity and exclusion (Annexes A-C);
- award criteria, mandatory documents and evaluation procedure (Annexes D-F);
- legal and financial set-up of the grant agreements (Annex G);
- specific conditions applying to actions which include pre-commercial procurement or procurement of innovative solutions (Annex H).

If a topic deviates from the general conditions or includes additional conditions, this is explicitly stated under the specific conditions for the topic.

Applicants are invited to read the call documentation on the topic page of the Funding & Tenders Portal ('Portal') carefully, and particularly these General Annexes, the [Horizon Europe Programme Guide](#)<sup>1</sup>, the [EU Funding & Tenders Portal Online Manual](#)<sup>2</sup> and the [EU Grants AGA — Annotated Grant Agreement](#).<sup>3</sup> These documents provide clarifications and answers to questions on preparing the application.

 Please note that calls launched by the European Research Council (ERC), the European Innovation Council (EIC), the European Institute of Innovation and Technology (EIT), the Institutionalised European Partnerships based on Articles 185 and 187 of the Treaty on the Functioning of the European Union (TFEU), calls under the Euratom Research and Training Programme and the activities of the European Commission Joint Research Centre (JRC) are subject to separate work programmes and thus not covered by these General Annexes.

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<sup>1</sup> The Horizon Europe Programme Guide outlines the detailed guidance on the structure, budget and political priorities of Horizon Europe.

<sup>2</sup> The Online Manual outlines the procedures to register and submit applications online via the EU Funding & Tenders Portal and recommendations on preparing the application.

<sup>3</sup> The AGA — Annotated Grant Agreement contains detailed annotations on all the provisions in the grant agreement that must be signed to obtain the grant.

## **GENERAL CONDITIONS**

### **A — Admissibility**

#### **Admissibility**

Applications must be submitted before the **call deadline**.

Applications must be submitted **electronically** via the Funding & Tenders Portal electronic submission system (accessible via the topic page in the [Search Funding & Tenders](#) section). Paper submissions are NOT possible.

Applications must be submitted using the forms provided *inside* the electronic submission system (not the templates available on the topic page, which are only for information). The structure and presentation must correspond to the instructions given in the forms.

Applications must be **complete** and contain all parts and mandatory Annexes and supporting documents (*see Annex E below*).

Applications must be **readable, accessible** and **printable**.

Applications must include a **plan for the exploitation and dissemination of results including communication activities**, unless provided otherwise in the specific call conditions. The plan is not required for applications at the first stage of two-stage procedures. If the expected exploitation of the results entails developing, creating, manufacturing and marketing a product or process, or in creating and providing a service, the plan must include a strategy for such exploitation. If the plan provides for exploitation of the results primarily in non-associated third countries, the legal entities must explain how that exploitation is still to be considered in the EU's interest.

Applicants submitting a proposal under the blind evaluation pilot (*see Annex F below*) must not disclose their organisation names, acronyms, logos nor names of personnel in Part B of their first-stage application (*see Annex E below*).

#### **Page limits**

In addition to the above admissibility conditions, page limits will apply to parts of applications. The page limits, and sections subject to limits, will be clearly shown in the application templates in the Funding & Tenders Portal electronic submission system.

Unless provided otherwise in the specific call conditions, **the limit for a full application is 45 pages** (except for 'Coordination and support' actions, where the limit is 30 pages, and for 'Programme co-fund' actions, where the limit is 70 pages). For topics using lump sum funding, the limit for 'Research and Innovation' actions and 'Innovation' actions is 50 pages and the limit for 'Coordination and support' action is 33 pages.

The limit for a first-stage application is 10 pages.

If an application exceeds the limits, there will be an automatic warning and invitation to re-submit a version that conforms to these limits. After the call deadline, excess pages will be automatically made invisible, and will not be taken into consideration by the evaluators.

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## **B — Eligibility**

### **Entities eligible to participate**

Any legal entity, regardless of its place of establishment, including legal entities from non-associated third countries or international organisations (including international European research organisations<sup>4</sup>) is eligible to participate (whether it is eligible for funding or not), provided that the conditions laid down in the Horizon Europe Regulation<sup>5</sup> have been met, along with any other conditions laid down in the specific call topic.

A ‘legal entity’ means any natural or legal person created and recognised as such under national law, EU law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations, or an entity without legal personality<sup>6</sup>.

Beneficiaries and affiliated entities must register in the [Participant Register](#) before submitting their application, in order to get a participant identification code (PIC) and be validated by the Central Validation Service before signing the grant agreement. For the validation, they will be asked to upload the necessary documents showing their legal status and origin during the grant preparation stage. A validated PIC is not a prerequisite for submitting an application.

#### *Specific cases:*

**Affiliated entities** — Affiliated entities (i.e. entities with a legal or capital link to a beneficiary<sup>7</sup> which participate in the action with similar rights and obligations to the beneficiaries, but which do not sign the grant agreement and therefore do not become beneficiaries themselves) are allowed, if they are eligible for participation and funding.

**Associated partners** — Associated partners (i.e. entities which participate in the action without signing the grant agreement, and without the right to charge costs or claim contributions) are allowed, subject to any conditions regarding associated partners set out in the specific call conditions.

**Entities without legal personality** — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees to protect the EU’s financial interests equivalent to those offered by legal persons<sup>8</sup>.

**EU bodies** — Legal entities created under EU law including decentralised agencies may be part of the consortium, unless provided for otherwise in their basic act.

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<sup>4</sup> ‘International European research organisation’ means an international organisation, the majority of whose members are Member States or Associated Countries, and whose principal objective is to promote scientific and technological cooperation in Europe.

<sup>5</sup> Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe (OJ L 170 , 12.5.2021, p. 1).

<sup>6</sup> As referred to in point (c) of Article 197 (2) of the EU Financial Regulation [2018/1046](#).

<sup>7</sup> See Article 187 EU Financial Regulation [2018/1046](#).

<sup>8</sup> See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

**Joint Research Centre ('JRC')**— Where provided for in the specific call conditions, applicants may include in their proposals the possible contribution of the JRC but the JRC will not participate in the preparation and submission of the proposal. Applicants will indicate the contribution that the JRC could bring to the project based on the scope of the topic text. After the evaluation process, the JRC and the consortium selected for funding may come to an agreement on the specific terms of the participation of the JRC. If an agreement is found, the JRC may accede to the grant agreement as beneficiary requesting zero funding or participate as an associated partner, and would accede to the consortium as a member.

**Associations and interest groupings** — Entities composed of members (e.g. European research infrastructure consortia (ERICs)) may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'<sup>9</sup>. However, if the action is in practice implemented by the individual members, those members should also participate (either as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

**Innovation Actions** —In accordance with the 2019 "EU-China - A Strategic outlook" communication, the 2021 "Global Approach to Research and Innovation" communication, and the joint conclusions of the 4<sup>th</sup> EU-China Innovation Cooperation Dialogue of 2019, an exercise to develop a Joint Roadmap for the future of EU-China cooperation in science, technology, and innovation (Roadmap) has been established between the EU and China. It has the objective to develop a level playing field for engagement between the EU and China in the areas of science, technology, and innovation (STI) that is respectful of fundamental research and innovation values and principles. This endeavor is to be achieved through an agreement on the framework conditions contained in the Roadmap and their monitoring and evaluation. As progress so far has mainly taken place on the framework conditions linked to research rather than on those related to innovation, and taking into account the nature and objectives in particular of Innovation Actions, cooperation with entities established in China needs to be calibrated accordingly.

Legal entities established in China are therefore not eligible to participate in Horizon Europe Innovation Actions in any capacity. This includes participation as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties (if any). Exceptions may be granted on a case-by-case basis for justified reasons. The above eligibility condition may be reviewed in the future in accordance with policy developments. This exclusion is justified under Article 22(6) of the Horizon Europe Regulation given the substantive concerns regarding the use of intellectual property generated under this publicly funded programme, and the ongoing discussions between China and the EU on the Joint Roadmap for the future of EU-China cooperation in science, technology, and innovation.

**Restrictions on participation or control** — For actions related to EU strategic assets, interests, autonomy or security, the specific topic conditions may limit participation to legal entities established only in EU Member States or in EU Member States and specific associated or non-associated third countries. In addition, for duly justified and exceptional

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<sup>9</sup> See Articles 187(2) and 197(2)(c) EU Financial Regulation [2018/1046](#).

reasons, to guarantee protection of the strategic interests of the EU and its Member States, the specific call conditions may also exclude the participation of legal entities directly or indirectly controlled by non-eligible third countries or by legal entities of non-eligible third countries (or make their participation subject to specific conditions), in line with Article 22(5) of the Horizon Europe Regulation. In this case, the eligible countries will be identified in the specific call conditions.

**EU restrictive measures** — Entities subject to [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU) as well as Article 75 TFEU<sup>10</sup> are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties (if any).

**Legal entities established in Russia, Belarus, or in non-government controlled territories of Ukraine** — Given the illegal invasion of Ukraine by Russia and the involvement of Belarus, there is currently no appropriate context allowing the implementation of the actions foreseen in this programme with legal entities established in Russia, Belarus, or in non-government controlled territories of Ukraine. Therefore, even where such entities are not subject to EU restrictive measures, such legal entities are not eligible to participate in any capacity<sup>11</sup>. This includes participation as beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties (if any). Exceptions may be granted on a case-by-case basis for justified reasons.

Special rules also apply to entities covered by Commission Guidelines No 2013/C 205/05<sup>12</sup>.

 For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### **Entities eligible for funding**

To become a beneficiary, legal entities must be eligible for funding.

To be eligible for funding, applicants must be established in one of the following countries:

- the Member States of the European Union, including their outermost regions:

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden.

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<sup>10</sup> Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the [EU Sanctions Map](#).

<sup>11</sup> However, natural persons established in Russia, Belarus or in non-government controlled territories of Ukraine may participate in Marie Skłodowska-Curie Actions provided that they are not subject to Union restrictive measures and comply with all other relevant conditions, including the specific eligibility and other conditions set out in part 2 of this Work Programme.

<sup>12</sup> Commission guidelines No [2013/C 205/05](#) on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).



- the Overseas Countries and Territories (OCTs) linked to the Member States:

Aruba (NL), Bonaire (NL), Curaçao (NL), French Polynesia (FR), French Southern and Antarctic Territories (FR), Greenland (DK), New Caledonia (FR), Saba (NL), Saint Barthélemy (FR), Sint Eustatius (NL), Sint Maarten (NL), St. Pierre and Miquelon (FR), Wallis and Futuna Islands (FR).

- countries associated to Horizon Europe<sup>13</sup>;

Albania, Armenia, Bosnia and Herzegovina, Faroe Islands, Georgia, Iceland, Israel, Kosovo<sup>14</sup>, Moldova, Montenegro, North Macedonia, Norway, Serbia, Tunisia, Turkey, Ukraine. Considering the Union's interest to retain, in principle, relations with the countries associated to Horizon 2020, most third countries associated to Horizon 2020 are expected to be associated to Horizon Europe with an intention to secure uninterrupted continuity between Horizon 2020 and Horizon Europe. In addition, other third countries can also become associated to Horizon Europe during the programme. For the purposes of the eligibility conditions, applicants established in Horizon 2020 Associated Countries or in other third countries negotiating association to Horizon Europe will be treated as entities established in an Associated Country, if the Horizon Europe association agreement with the third country concerned applies at the time of signature of the grant agreement.

- the following low- and middle-income countries:<sup>15</sup>.

Afghanistan, Algeria, Angola, Argentina, Azerbaijan, Bangladesh, Belarus, Belize, Benin, Bhutan, Bolivia, Botswana, Burkina Faso, Burundi, Cabo Verde, Cambodia, Cameroon, Central African Republic, Chad, Colombia, Comoros, Congo (Democratic Republic), Congo (Republic), Costa Rica, Côte d'Ivoire, Cuba, Djibouti, Dominica, Dominican Republic, Ecuador, Egypt (Arab Republic), El Salvador, Equatorial Guinea, Eritrea, Eswatini, Ethiopia, Fiji, Gabon, Gambia, Ghana, Grenada, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Indonesia, Iran (Islamic Republic), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kiribati, Korea (Democratic People's Republic), Kyrgyz Republic, Lao (People's Democratic Republic), Lebanon, Lesotho, Liberia, Libya, Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Micronesia (Federated States), Mongolia, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Pakistan,

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<sup>13</sup> The list is correct at the time of adoption of this Work Programme. Please see the [Horizon Europe List of Participating Countries](#) on the Portal for up-to-date information on the current list and on the position for Associated Countries.

<sup>14</sup> This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

<sup>15</sup> The list is correct at the time of adoption of this Work Programme. See the [Horizon Europe List of Participating Countries](#) on the Portal for an up-to-date list of these countries.

Palestine<sup>16</sup>, Papua New Guinea, Paraguay, Peru, Philippines, Rwanda, Samoa, São Tomé and Príncipe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Africa, South Sudan, Sri Lanka, St. Lucia, St. Vincent and the Grenadines, Sudan, Suriname, Syrian Arab Republic, Tajikistan, Tanzania, Thailand, Timor-Leste, Togo, Tonga, Turkmenistan, Tuvalu, Uganda, Uzbekistan, Vanuatu, Venezuela (Bolivarian Republic), Vietnam, Yemen Republic, Zambia, Zimbabwe.

Legal entities which are established in countries not listed above will be eligible for funding if provided for in the specific call conditions, or if their participation is considered essential for implementing the action by the granting authority.

*Specific cases:*

**Affiliated entities** — Affiliated entities are eligible for funding if they are established in one of the countries listed above, or in a country identified in the specific call conditions.

**Associated partners** — Entities not eligible for funding (and therefore not able to participate as beneficiaries) may participate as associated partners, unless specified otherwise in the specific call conditions.

**Coordination and Support Actions** – To be eligible to participate as beneficiaries (or affiliated entities) in ‘Coordination and support’ actions, legal entities must be established in a Member State or Associated Country, unless the specific call conditions provide otherwise. Legal entities established in a non-associated third country may, however, participate in ‘Coordination and support’ actions as associated partners, unless this is explicitly excluded by the specific call conditions.

**EU bodies** — Legal entities created under EU law may also be eligible to receive funding, unless their basic act states otherwise.

**International organisations** — International European research organisations are eligible to receive funding. Unless their participation is considered essential for implementing the action by the granting authority, other international organisations are not eligible to receive funding. International organisations with headquarters in a Member State or Associated Country are eligible to receive funding for ‘Training and mobility’ actions and when provided for in the specific call conditions.

### **Consortium composition**

Unless otherwise provided for in the specific call conditions, only legal entities forming a consortium are eligible to participate in actions provided that the consortium includes, as beneficiaries, three legal entities independent from each other and each established in a different country as follows:

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<sup>16</sup> This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

- at least one independent legal entity established in a Member State; and
- at least two other independent legal entities, each established in different Member States or Associated Countries.

As affiliated entities do not sign the grant agreement, they do not count towards the minimum eligibility criteria for consortium composition (if any).

The Joint Research Centre, international European research organisations and legal entities created under EU law are deemed to be established in a Member State other than those in which the other legal entities participating in the action are established.

Applications for ‘Training and mobility’ actions and for ‘Programme co-fund’ actions may be submitted by one or more legal entities, provided that one of those legal entities is established in a Member State or an Associated Country.

Applications for ‘Coordination and support’ actions may be submitted by one or more legal entities, which may be established in a Member State, Associated Country or, in exceptional cases and if provided for in the specific call conditions, in another third country.

Applications for ‘Pre-commercial procurement’ actions and ‘Public procurement of innovative solutions’ actions must also fulfil the eligibility criterion of three independent legal entities as beneficiaries as explained above, out of which a minimum of two beneficiaries must be independent legal entities that are public procurers<sup>17</sup>, each established in a different Member State or Associated Country and with at least one of them established in a Member State.

### **Eligible activities**

Eligible activities are the ones described in the call conditions. Applications will only be considered eligible if their content corresponds, wholly or in part, to the topic description for which it is submitted.

Projects must focus exclusively on civil applications and must not:

- aim at human cloning for reproductive purposes;
- intend to modify the genetic heritage of human beings which could make such changes heritable (except for research relating to cancer treatment of the gonads, which may be financed);
- intend to create human embryos solely for the purpose of research, or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

Projects must, moreover, comply with EU policy interests and priorities (environment, social, security, industrial policy, etc.).

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<sup>17</sup> ‘Public procurers’ are organisations that are contracting authorities or contracting entities as defined in EU public procurement directives 2014/24/EU, 2014/25/EU, and 2009/81/EC.

The following activities are generally eligible for grants under Horizon Europe:

**Research and innovation actions (RIA)** — Activities that aim primarily to establish new knowledge or to explore the feasibility of a new or improved technology, product, process, service or solution. This may include basic and applied research, technology development and integration, testing, demonstration and validation of a small-scale prototype in a laboratory or simulated environment.

**Innovation actions (IA)** — Activities that aim directly to produce plans and arrangements or designs for new, altered or improved products, processes or services. These activities may include prototyping, testing, demonstrating, piloting, large-scale product validation and market replication.

**Coordination and support actions (CSA)** — Activities that contribute to the objectives of Horizon Europe. This excludes research and innovation (R&I) activities, except those carried out under the ‘Widening participation and spreading excellence’ component of the programme (part of ‘Widening participation and strengthening the European Research Area’). Also eligible are bottom-up coordination actions which promote cooperation between legal entities from Member States and Associated Countries to strengthen the European Research Area, and which receive no EU co-funding for research activities.

**Programme co-fund actions (CoFund)** — A programme of activities established or implemented by legal entities managing or funding R&I programmes, other than EU funding bodies. Such a programme of activities may support: networking and coordination; research; innovation; pilot actions; innovation and market deployment; training and mobility; awareness raising and communication; and dissemination and exploitation. It may also provide any relevant financial support, such as grants, prizes and procurement, as well as Horizon Europe blended finance<sup>18</sup> or a combination thereof. The actions may be implemented by the beneficiaries directly or by providing financial support to third parties.

**Innovation and market deployment actions (IMDA)** — Activities that embed an innovation action and other activities necessary to deploy an innovation on the market. This includes the scaling-up of companies and Horizon Europe blended finance.

**Training and mobility actions (TMA)** — Activities that aim to improve the skills, knowledge and career prospects of researchers, based on mobility between countries and, if relevant, between sectors or disciplines.

**Pre-commercial procurement actions (PCP)** — Activities that aim to help a transnational buyers’ group to strengthen the public procurement of research, development, validation and, possibly, the first deployment of new solutions that can significantly improve quality and efficiency in areas of public interest, while opening market opportunities for industry and researchers active in Europe. Eligible activities include the preparation, management and

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<sup>18</sup> ‘Horizon Europe blended finance’ means financial support for innovation and market deployment activities, consisting of a specific combination of a grant or reimbursable advance and an investment in equity or any other repayable form of support.

follow-up, under the coordination of a lead procurer, of one joint PCP and additional activities to embed the PCP into a wider set of demand-side activities.

***Public procurement of innovative solutions actions (PPI)*** — Activities that aim to strengthen the ability of a transnational buyers' group to deploy innovative solutions early by overcoming the fragmentation of demand for such solutions and sharing the risks and costs of acting as early adopters, while opening market opportunities for industry. Eligible activities include preparing and implementing, under the coordination of a lead procurer, one joint or several coordinated PPI by the buyers' group and additional activities to embed the PPI into a wider set of demand-side activities.

### **Technology Readiness Levels**

Where the specific call conditions require a Technology Readiness Level (TRL), the following definitions apply, unless otherwise specified:

- TRL 1 — Basic principles observed
- TRL 2 — Technology concept formulated
- TRL 3 — Experimental proof of concept
- TRL 4 — Technology validated in a lab
- TRL 5 — Technology validated in a relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 6 — Technology demonstrated in a relevant environment (industrially relevant environment in the case of key enabling technologies)
- TRL 7 — System prototype demonstration in an operational environment
- TRL 8 — System complete and qualified
- TRL 9 — Actual system proven in an operational environment (competitive manufacturing in the case of key enabling technologies, or in space)

### **Ethics**

Projects must comply with ethical principles (including the highest standards of research integrity) and applicable EU, international and national law.

Applicants must have completed the ethics self-assessment as part of their application.

 For more information, see [How to complete your ethics self-assessment](#).

Projects involving ethics issues will have to undergo an ethics review to authorise funding and may be made subject to specific ethics requirements. These requirements become part of the grant agreement as ethics deliverables, e.g. ethics committee opinions/authorisations required under national or EU law.

### **Security — EU classified and sensitive information**

Projects involving classified and/or sensitive information will have to go through the security appraisal process to authorise funding and may be made subject to specific security rules (detailed in the Security Section, which is annexed to the grant agreement). Specific provisions for EU classified information (EUCI) and sensitive information (SEN) will be included in the grant agreement, as necessary and appropriate.

The rules for protecting EU classified information (governed by Commission Decision (EU, Euratom) [2015/444](#)<sup>19</sup> and/or national rules) provide for instance that:

- projects involving information classified as TRES SECRET UE/EU TOP SECRET (or equivalent) can NOT be funded;
- EU classified information must be marked in accordance with the applicable security instructions in the Classification Guide appendix of the Security Aspects Letter (SAL), which is contained in the Security Section of the grant agreement;
- generation of, or access to, information with classification levels CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/EU RESTRICTED, if required by national rules) may take place only on the premises of entities which have been granted a facility security clearance (FSC) issued by the competent national security authority (NSA);
- handling of information classified CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/EU RESTRICTED, if required by national rules) may take place only in a secured area accredited by the competent NSA;
- access to and handling of information classified CONFIDENTIEL UE/EU CONFIDENTIAL or above may be granted only to individuals with a valid personnel security clearance (PSC) and an established need-to-know, who have been briefed on the applicable security rules;
- access to, and handling of, information classified RESTREINT UE/EU RESTRICTED may be granted only to individuals who have a need-to-know and have been briefed on the applicable security rules;
- at the end of the grant, the classified information must either be returned or continue to be protected according to the applicable rules;
- subcontracting of tasks involving EU classified information is subject to prior written approval by the European Commission, which is the originator of EU classified information. It is only possible to subcontract these tasks to entities established in an EU Member State or in a non-EU country with a security of information agreement with the EU (or an administrative arrangement with the Commission);

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<sup>19</sup> See Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

- disclosure of EU classified information is subject to prior written approval by the European Commission.

Depending on the type of activity, FSCs may have to be provided before the grant is signed. The granting authority will assess this for each case and fix the delivery date during the grant preparation stage. It is not possible to sign any grant agreement before at least one of the beneficiaries in the consortium has an FSC.

In certain cases, the project results might not require classification, but they might be sensitive and require restricted disclosure or limited dissemination for security reasons, according to the applicable instructions in the Security Section. This means that, in principle, third parties should have no access to results subject to this type of restriction. Disclosure of this information is subject to prior written approval by the European Commission.

Further security recommendations may be added to the grant agreement in the form of security deliverables (e.g. establishing a security advisory board, appointing a project security officer, limiting the level of detail, using a fake scenario, etc.).

In addition, beneficiaries must ensure that their projects are not subject to national/third-country security requirements that could affect implementation or put into question the award of the grants (e.g. technology restrictions, national security classification, etc.). Any potential security issues must be notified immediately to the granting authority.

### **Gender equality plans and gender mainstreaming**

Beneficiaries must take all measures to promote equal opportunities between men and women in implementing the action and, where applicable, in line with their gender equality plan. They must aim to achieve, to the extent possible, a gender balance at all levels of personnel assigned to the action, including at supervisory and managerial level.

In addition, to be eligible, legal entities from Member States and Associated Countries that are public bodies, research organisations or higher education establishments (including private research organisations and higher education establishments) must have a gender equality plan, covering the following minimum process-related requirements:

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

Content-wise, it is recommended that the gender equality plan addresses the following areas, using concrete measures and targets:

- work-life balance and organisational culture;
- gender balance in leadership and decision-making;
- gender equality in recruitment and career progression;
- integration of the gender dimension into research and teaching content;
- measures against gender-based violence, including sexual harassment.


A self-declaration will be requested at proposal stage. If all the above-mentioned mandatory requirements are met through another strategic document, such as a development plan or an inclusion or diversity strategy, it can be considered as an equivalent. This eligibility criterion does not apply to other categories of legal entities, such as private for-profit organisations, including SMEs, non-governmental or civil society organisations.

### **Financial support to third parties**

Where the specific call conditions allow for financial support to third parties, the applicants must clearly describe the objectives and the expected results, including the elements listed in the application template. The following conditions must also be fulfilled:

- projects must publish their open calls widely and adhere to EU standards of transparency, equal treatment, conflict of interest and confidentiality;
- all calls for third parties and all calls that are implemented by third parties must be published on the Funding & Tenders Portal, and on the beneficiaries' websites;
- the calls must remain open for at least 2 months;
- if submission deadlines are changed, this must immediately be announced and registered applicants must be informed of the change;
- projects must publish the outcome of the calls without delay, including a description of third-party projects, the date of the award, the duration, and the legal name and country;
- the calls must have a clear European dimension.

Further conditions may be stipulated in the specific conditions for the topic.

 For more information, see AGA — *Annotated Model Grant Agreement, Articles 6.2.D.1 and 9.4.*



## OTHER TYPES OF ACTIONS AND FORMS OF FUNDING

In addition to the eligible activities described in Annex B above, the following types of action and forms of funding are used in Horizon Europe. They are usually placed in the 'Other Actions' section of the work programme parts and are not all subject to calls for proposals.

- **Grants to identified beneficiaries** — Exceptionally, a grant may be awarded to legal entities explicitly named in the work programme without a prior call for proposals. The identified beneficiaries must nevertheless submit a proposal to benefit from funding. This proposal will be evaluated and must meet the required threshold. The funding rates will correspond to the type of action indicated.
- **Prizes** — *Inducement prizes*: a prize to stimulate investment in a given area, by specifying a goal prior to the work being performed. Contests for inducement prizes must address technological and/or societal challenges. The award criteria will define a goal, but without prescribing how to achieve it. Contests for inducement prizes are split into awards for the contestant that first meets the specific goal defined in the rules of the contest, and awards for the best contestant within a given period. *Recognition prizes*: a prize to reward past achievements and outstanding work after it has been performed. Recognition prizes must help to raise public awareness of EU policies, create role models and support best practice exchange. The rules of the contest of a specific prize describe the eligibility and award criteria, the evaluation procedure, the indicative timetable and the reward. The rules are found on the call topic page on the Funding & Tenders Portal.
- **Framework partnerships and specific grant agreements** — Framework partnerships are formalised long-term cooperation mechanisms involving several or recurring grants. They must be based on jointly agreed action plans and agreements that set out the terms and conditions for receiving grants to implement the actions, framework partnership agreements (FPA) and specific grant agreements (SGA). The FPA will set out the framework conditions governing potential grants to beneficiaries on the basis of an action plan and jointly agreed general objectives. The SGA will set out the specific obligations and conditions to implement the specific action. The FPA will have no budget; the budget and rules on funding will be set out in each SGA and depend on the specific type of action. The establishment of an FPA must take place following a call for proposals. Beneficiaries will be identified from the evaluation of the proposals. In a subsequent step, beneficiaries may be invited to submit their proposals for the SGA. Framework partnerships do not give the partners (i.e. potential beneficiaries) exclusive rights to be awarded the grants covered by the FPAs. SGAs must only be signed if the FPA has been signed, and before the end date of the FPA.
- **Operating grants** — Operating grants provide financial support for the functioning of a body to enable it to carry out specific activities set out in the agreed work programme. Operating grants do not support the implementation of a specific action, but rather the annual operating budget (or part of it) for certain bodies whose statutory activities serve the strategic objectives of EU policies. Operating grants will always be mono-beneficiary grants supporting the work programme of only one organisation. Operating grants must follow the same rules as described in Annex G, but they do not differentiate between direct and indirect costs. Receiving an operating grant may make beneficiaries ineligible to receive indirect costs in all other EU action grants.
- **Public procurement** — In a public procurement action, the granting authority purchases works, supplies or services, or acquires or rents land, buildings or other immovable property. This is done by entering into a contract with an economic operator chosen by the granting authority. Before the granting authority enters into a procurement contract, a call for tender is published on the Funding & Tenders Portal.
- **Expert contract actions** — Expert contracts are used to appoint independent expert(s) to advise or assist us. Experts are used for evaluating proposals, for evaluating the programme, for ethics screenings and assessments, for advisory bodies, and for expertise related to the objectives of Horizon Europe.
- **Subscription actions** — Subscription actions are used to pay contributions to bodies in which the EU is a member or an observer.
- **Scientific and technical services by the Joint Research Centre** — Scientific and technical services cover research and innovation activities undertaken by the Commission through its Joint Research Centre. These (non-nuclear) activities are direct actions generating high-quality scientific evidence to support efficient and affordable public policies. Horizon Europe's rules for participation do not apply to these actions.
- **Indirectly managed actions** — Indirectly managed actions refer to actions implemented by entities which are entrusted with implementing EU funds or budgetary guarantees through a contribution agreement.
- **Service level agreement actions** — These are actions implemented through a service level agreement. Service level agreements include agreements between Commission departments or, agreements that the Commission may conclude with another Union institution, Union body, or European office involving the provision of services.

## C — Financial and operational capacity and exclusion

### Financial capacity

Applicants must have **stable and sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.

The financial capacity check will be done on the basis of the documents uploaded in the [Participant Register](#) during the grant preparation stage (e.g. profit and loss account and balance sheet, business plan, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc.). The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for the coordinator if the requested grant amount is equal to or greater than EUR 500 000, except for:

- public bodies (entities established as a public body under national law, including local, regional or national authorities) or international organisations; and
- cases where the individual requested grant amount is not more than EUR 60 000 (low-value grant).

If needed, it may also be done for the other applicants, including affiliated entities. If the financial capacity is structurally guaranteed by another legal entity, the financial capacity of that legal entity will be verified.

If the granting authority considers that the financial capacity is not satisfactory, they may require:

- further information;
- an enhanced financial responsibility regime, i.e. joint and several responsibility of affiliated entities (*see Annex G below*); and
- prefinancing paid in instalments;

or

- propose no prefinancing;
- request that the applicant concerned is replaced or, if needed, reject the entire proposal.

**i** For more information, see [Rules on Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### **Operational capacity**

Applicants must have the **know-how, qualifications** and **resources** to successfully implement their tasks in the project and contribute their share (including, when appropriate, sufficient experience in EU/transnational projects of comparable size).

This assessment of operational capacity will be carried out during the evaluation of the award criterion ‘Quality and efficiency of the implementation’. It will be based on the competence and experience of the applicants and their project teams, including their operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain the necessary competence and experience by the time the tasks are implemented.

If the evaluation of this award criterion leads to a score above the applicable threshold, then the applicants are considered to have sufficient operational capacity.

For this assessment, applicants will be required to provide the following information in the application form:

- description of the consortium participants; and
- for each participant:
  - identity of researchers involved in the proposal (through the researchers table);
  - up to five most relevant publications, widely-used datasets, software, goods, services, or any other achievements relevant to the call content;
  - up to five most relevant previous projects or activities, connected to the subject of this proposal; and
  - description of any significant infrastructure and/or any major items of technical equipment, relevant to the proposed work.

Additional supporting documents may be requested if they are needed to confirm the operational capacity of any applicant.

Public bodies, Member State organisations and international organisations are exempted from the operational capacity check.

### **Exclusion**

Applicants that are subject to **EU administrative sanctions** (i.e. exclusion)<sup>20</sup> or are in one of the following **exclusion situations**<sup>21</sup> that bar them from receiving EU grants can NOT participate:

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<sup>20</sup> See Article 136 EU Financial Regulation [2018/1046](#).

<sup>21</sup> See Articles 136 and 141 EU Financial Regulation [2018/1046](#).

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts);
- they are in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts);
- they are guilty of grave professional misconduct (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant);
- they are guilty of fraud, corruption, having links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant);
- they have shown significant deficiencies in complying with their main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant);
- they are guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#)<sup>22</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant); or
- they have created under a different jurisdiction an entity with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).

Applicants will also be rejected if they have<sup>23</sup>:

- misrepresented the information required as a condition for participating in the procedure or have failed to supply that information; or
- were previously involved in the preparation of documents used in the award procedure where this entails a breach of the principle of equality of treatment, including distortion of competition, that cannot be remedied otherwise.

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<sup>22</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests, (OJ L 312, 23.12.1995, p. 1).

<sup>23</sup> See Article 141 EU Financial Regulation [2018/1046](#).

## D — Award criteria

### Award criteria

If admissible and eligible, the proposals will be evaluated and ranked against the following **award criteria**<sup>24</sup>, depending on the type of action:

	<b>Excellence</b>  (The following aspects will be taken into account, to the extent that the proposed work corresponds to the description in the work programme)	<b>Impact</b>	<b>Quality and efficiency of the implementation</b>
<b>Research and innovation actions (RIA)</b>  <b>Innovation actions (IA)</b>	<ul style="list-style-type: none"> <li>- <b>Clarity and pertinence of the project’s objectives, and the extent to which the proposed work is ambitious and goes beyond the state of the art.</b></li> <li>- <b>Soundness of the proposed [for the first stage: overall(*)] methodology,</b> including the underlying concepts, models, assumptions, inter-disciplinary approaches, appropriate consideration of the gender dimension in research and innovation content, and the quality of open science practices, including sharing and management of research outputs and engagement of citizens, civil society and end-users where</li> </ul>	<ul style="list-style-type: none"> <li>- <b>Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions from the project.</b></li> <li>- Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall.</li> <li>- Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.</li> </ul>

<sup>24</sup> For two-stage submission procedures, only the aspects in bold are considered for the evaluation of first-stage applications. See “Two-stage calls” below in this General Annex.

	<p>appropriate.</p> <p>(*) Including all aspects mentioned in the first stage proposal template, which also include the integration of the gender dimension in research and innovation content as well as open science practices.</p>		
<p><b>Coordination and support actions (CSA)</b></p>	<ul style="list-style-type: none"> <li>- <b>Clarity and pertinence of the project's objectives.</b></li> <li>- <b>Quality of the proposed coordination and/or support measures, including soundness of methodology.</b></li> </ul>	<ul style="list-style-type: none"> <li>- <b>Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions from the project.</b></li> <li>- Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities.</li> </ul>	<ul style="list-style-type: none"> <li>- Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall.</li> <li>- Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.</li> </ul>
<p><b>Programme co-fund actions (CoFund)</b></p>	<ul style="list-style-type: none"> <li>- Clarity and pertinence of the project's objectives, and the extent to which the proposed work is ambitious, and goes beyond the state of the art.</li> <li>- Soundness of the proposed methodology, including the underlying concepts, models, assumptions, inter-disciplinary approaches,</li> </ul>	<ul style="list-style-type: none"> <li>- Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions from the project.</li> <li>- Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan,</li> </ul>	<ul style="list-style-type: none"> <li>- Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall.</li> <li>- Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.</li> </ul>

	appropriate consideration of the gender dimension in research and innovation content, and the quality of open science practices, including sharing and management of research outputs and engagement of citizens, civil society and end-users where appropriate.	including communication activities.	
<b>Innovation and market deployment actions (IMDA)</b>	<i>See the European Innovation Council Work Programme.</i>		
<b>Training and mobility actions (TMA)</b>	<i>See the Marie Skłodowska-Curie Actions Work Programme part 2.</i>		
<b>Pre-commercial procurement actions (PCP)</b> <b>Public procurement of innovative solutions (PPI)</b>	<ul style="list-style-type: none"> <li>- Clarity and pertinence of the objectives and the extent to which they are ambitious, and go beyond the state of the art in terms of the degree of innovation that is needed to satisfy the procurement need.</li> <li>- Soundness of the proposed methodology, taking into account the underlying concepts and assumptions.</li> </ul>	<ul style="list-style-type: none"> <li>- Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme.</li> <li>- Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation* plan, including communication activities.</li> </ul> <p>* For PCP actions and PPI actions, the exploitation of results by the beneficiaries means primarily the use that is made of the innovative solutions by the procurers/end-users. The manufacturing and sale of the</p>	<ul style="list-style-type: none"> <li>- Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall.</li> <li>- Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.</li> </ul>

		innovative solutions are performed by the suppliers of the solutions, which are not beneficiaries but subcontractors.	
<b>Framework Partnership Agreements (FPA)</b>	- Clarity and pertinence of the project's objectives.	- Credibility of the action plan of the FPA to achieve the expected outcomes and impacts specified in the work programme.	- Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.  - Potential for long-term cooperation among participants.

### Scores and weighting

Evaluation scores will be awarded for the criteria, and not for the different aspects listed in the table. For full applications, each criterion will be scored out of 5. The threshold for individual criteria will be 3. The overall threshold, applying to the sum of the three individual scores, will be 10.

To determine the ranking for 'Innovation actions', the score for 'Impact' will be given a weight of 1.5.

Proposals that pass the individual threshold AND the overall threshold will be considered for funding, within the limits of the available call budget. Other proposals will be rejected.

### Two-stage calls

For the evaluation of first-stage applications under a two-stage submission procedure, only the 'Excellence' and 'Impact' criteria will be evaluated. Within these criteria, only the aspects in **bold** will be considered.

The threshold for both individual criteria will be 4. For each indicative budget-split in the call conditions, the overall threshold applying to the sum of the two individual scores will be set at a level that ensures the total requested budget of proposals admitted to stage 2 is as close as possible to three times the available budget, and not less than two and a half times the available budget. The actual level will therefore depend on the volume of proposals received. The threshold is expected normally to be set at 8 or 8.5.

The evaluation procedure is explained further in *Annex F below*.



## E — Documents

### Submission

All proposals must be submitted **electronically** via the Funders & Tenders Portal electronic submission system (accessible via the topic page in the [Search Funding & Tenders](#) section). Paper submissions are NOT possible.

Proposals must be **complete** and contain all parts and mandatory annexes and supporting documents, e.g. plan for the exploitation and dissemination of the results including communication activities, etc.

The application form will have two parts:


- **Part A** (to be filled in directly online) contains administrative information about the applicant organisations (future coordinator and beneficiaries and affiliated entities), the summarised budget for the proposal and call-specific questions;
- **Part B** (to be downloaded from the Portal submission system, completed and then assembled and re-uploaded as a PDF in the system) contains the technical description of the project.

Annexes and supporting documents will be directly available in the submission system and must be uploaded as PDF files (or other formats allowed by the system).

Proposals should be designed to stay as close as possible to the award criteria (*see Annex D above*). The application form will help to achieve this.

When submitting the proposal, the coordinator will have to confirm that they have the mandate to act for all applicants. Moreover, they will have to confirm that the information in the application is correct and complete and that all participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc.). Before signing the grant, each participant will have to confirm this again by signing a declaration of honour. Proposals not complying with these requirements will be rejected.

For lump sum grants proposals, the estimated budget must be described in a detailed budget table. This will be used as a basis for justifying and/or fixing the lump sum amount. As the lump sum must be an approximation of the costs actually incurred, the costs included in this detailed budget table must comply with the basic eligibility conditions for EU actual cost grants (*see AGA — Annotated Grant Agreement, Article 6*). This is particularly important for purchases and subcontracting, which must ensure best value for money (or, if appropriate, the lowest price) and be free from any conflicts of interest. If the budget table contains ineligible costs, the grants may be reduced (even later on during implementation of the project or after they end). Exceptionally, the Decision authorising the use of lump sum funding for a specific action might specify that a detailed budget table is not required.

 Applicants may be asked at a later stage for further documents (for legal entity validation, financial capacity check, bank account validation, etc.).

## F — Procedure

### Evaluation procedure and ranking

Calls may be subject to either a **single-stage submission procedure** or a **two-stage submission procedure**. The **evaluation procedure** may be organised in one (standard) or several steps.

In the first stage of a two-stage submission, applicants will be requested to submit only an outline application (which will be evaluated against only two award criteria: ‘Excellence’ and ‘Impact’). Successful applicants will be invited to submit a full application for the second stage (which will be evaluated against the full set of award criteria).

Proposals will be checked for formal requirements (admissibility and eligibility) and then evaluated (for each topic separately) by an **evaluation committee** composed of independent external experts for operational capacity and award criteria (*see Annexes C and D above*) and then ranked according to their quality score.

For lump sum grants proposals, comments on the detailed lump sum budget table will be provided in the Evaluation Summary Report only for proposals invited to grant agreement preparation (or placed in the reserve list) and ones rejected (in part) due to significant overestimation or underestimation of costs.

Exceptionally, where indicated in the specific call conditions, the evaluation committee may be composed partially or, in the case of ‘Coordination and support actions’, partially or fully of representatives of EU institutions.

For proposals with the same score within a single budget envelope (with the exception of the first stage of two-stage submissions) a method to establish the **priority order** will be determined, taking into consideration the objectives of the specific topic. In the absence of special arrangements in the specific call conditions, the following method will apply:


For each group of proposals with the same score, starting with the group achieving the highest score and continuing in descending order:


- 1) Proposals that address aspects of the call that have not otherwise been covered by more highly ranked proposals will be considered to have the highest priority.
- 2) The proposals identified under 1), if any, will themselves be prioritised according to the scores they have been awarded for ‘Excellence’. When these scores are equal, priority will be based on scores for ‘Impact’. In the case of ‘Innovation actions’, priority will be given to the score for ‘Impact’, followed by that for ‘Excellence’.
- 3) If necessary, the gender balance among the researchers named in the researchers table in the proposal, will be used as a factor for prioritisation.
- 4) If necessary, any further prioritisation will be based on geographical diversity, defined as the number of Member States or Associated Countries represented in the proposal,


not otherwise receiving funds from projects higher up the ranking list (and if equal in number, then by budget).


- 5) If a distinction still cannot be made, the panel may decide to further prioritise by considering other factors related to the objectives of the call, or to Horizon Europe in general. These may include, for example, enhancing the quality of the project portfolio through synergies between projects or, where relevant and feasible, involving SMEs. These factors will be documented in the panel report.
- 6) The method described in 1), 2), 3) and 4) will then be applied to the remaining equally ranked proposals in the group.


At the end of the evaluation, each applicant will be informed of the result in an evaluation result letter. Successful proposals will be invited to the next stage, ‘grant preparation’; the other proposals will be put on the reserve list or rejected.

 No commitment to provide funding — Invitation to the grant preparation stage does NOT constitute a formal commitment to funding. Various legal checks are still needed before the grant can be awarded, such as legal entity validation, financial capacity, exclusion check, etc.

 If indicated in the specific call conditions, proposals which were judged to deserve funding but did not succeed because of budget limits will receive a **Seal of Excellence**<sup>25</sup>. With prior authorisation from the applicant, the granting authority may share information concerning the proposal and the evaluation with interested financing authorities, subject to the conclusion of confidentiality agreements.

 Budget flexibility — The budgets set out in the calls and topics are indicative. Unless otherwise stated, final budgets may change following evaluation. The final figures may change by up to 20% compared to the total budget indicated in each individual part of the work programme. Changes within these limits will not be considered substantial within the meaning of Article 110(5) of Regulation (EU, Euratom) No 2018/1046.

 Joint calls for proposals — In cases of applications for **joint calls** with third countries (including scientific and technological organisations or agencies from third countries), international organisations or non-profit legal entities, the joint selection and evaluation procedures will be indicated in the specific call conditions.

 Blind evaluation pilot – If indicated in the specific call conditions, first-stage proposals of two-stage submissions will be evaluated blindly<sup>26</sup> and applicants may not disclose their identity in Part B of their proposal (*see Annex A above*).

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<sup>25</sup> [https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/seal-excellence\\_en](https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/seal-excellence_en).

<sup>26</sup> See Horizon Europe Programme Guide for further details.

### **Evaluation review procedure**

If the consortium believes that the evaluation procedure was flawed, the coordinator can submit a **complaint** (following the deadlines and procedures also set out in the evaluation result letter).

Only the procedural aspects of an evaluation may be the subject of a request for an evaluation review. The evaluation of the merits of a proposal will not be the subject of an evaluation review.

A request for an evaluation review must relate to a specific proposal and must be submitted within 30 days after the beneficiary accesses the evaluation results. The maximum size limit of the request is 5 000 characters. Notifications of evaluation results which have not been opened in the Funding & Tenders Portal within 10 days after sending are considered to have been accessed and that deadlines will be counted from the date of opening/access (*see also [Funding & Tenders Portal Terms and Conditions](#)*).

An evaluation review committee will provide an opinion on the procedural aspects of the evaluation. The evaluation review committee may recommend a re-evaluation of the proposal, to be carried out by evaluators who were not involved in the previous evaluation, or a confirmation of the initial evaluation.

### **Indicative timetable for evaluation and for signature of the grant agreement**

Unless otherwise stated in the specific call conditions, the timing for evaluation and grant preparation is as follows:

- information on the outcome of the evaluation: around 5 months from the deadline for submission;
- indicative date for the signing of grant agreements: around 8 months from the deadline for submission.

For two-stage calls, the timing is different (for the evaluation result: around 3 months from the deadline for submission for the first stage and around 5 months from the deadline for submission for the second stage; for signature of the grant agreement: around 8 months from the second stage deadline for submission).

## **G — Legal and financial set-up of the grant agreements**

During the grant preparation stage, the consortium will be asked to prepare the [grant agreement](#), together with the EU project officer.

This grant agreement will set out the framework for the grant and its terms and conditions, particularly concerning deliverables, reporting and payments. The applicable model with the complete text of the provisions is available on the topic page, together with the other call documentation.

### **Starting date & project duration**

The project starting date and duration will be fixed in the grant agreement (*see Data Sheet, point 1*). Normally, the starting date will be after the grant has been signed. A starting date before the date the grant is signed (retroactive) can be granted exceptionally for duly justified reasons, if agreed with the granting authority.<sup>27</sup>

The project duration is provided in months (extensions will be possible only exceptionally, for duly justified reasons and if the granting authority agrees).

### **Milestones and deliverables**

The milestones and deliverables for each project will be managed through the grant management system in the Portal and are reflected in Annex 1 of the grant agreement.

The standard deliverables will be set out in the specific call conditions.

### **Form of grant, funding rate and maximum grant amount**

The grant parameters (maximum grant amount, funding rate, total eligible costs, etc.) will be fixed in the grant agreement (*Data Sheet, point 3 and Article 5*).

The project budget is provided in EUR. The amount of the grant awarded may be lower than the amount requested.

For **actual cost grants**, the grant will be a budget-based, mixed actual cost grant. This means that it will reimburse **ONLY** certain types of costs (eligible costs) and **ONLY** those costs *actually* incurred for the project (NOT the *budgeted* costs).

The costs will be reimbursed at the funding rate fixed in the specific call conditions and in the grant agreement.

Such grants may NOT produce a profit. If there is a profit (i.e. surplus of revenues + EU grant over costs), it will be deducted from the final grant amount.

Moreover, the final grant amount may be reduced in case of non-compliance (e.g. improper implementation, breach of obligations, etc.).

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<sup>27</sup> See Article 193 EU Financial Regulation [2018/1046](#).

The maximum Horizon Europe funding rates are as follows:

- Research and innovation action: 100%
- Innovation action: 70% (except for non-profit legal entities, where a rate of up to 100% applies)
- Coordination and support action: 100%
- Programme co-fund action: between 30% and 70%
- Innovation and market deployment: 70% (except for non-profit legal entities, where a rate of up to 100% applies)
- Training and mobility action: 100%
- Pre-commercial procurement action: 100%
- Public procurement of innovative solutions action: 50%

Other funding rates may be set out in the specific call conditions.

For **lump sum and unit grants**, the funding rate is already applied as part of the methodology for fixing the amounts and is therefore not shown in the grant agreement.

#### **Budget categories and cost eligibility rules**

The budget categories and cost eligibility rules are fixed in the grant agreement (*see Data Sheet, point 3 and Article 6*).

Budget categories:

- actual costs (i.e. costs which are real and not estimated or budgeted) for:
  - personnel costs (unless declared as a unit cost; see below);
  - subcontracting costs;
  - purchase costs (unless declared as a unit cost; see below); and
  - costs of providing financial support to third parties (if provided for in the specific call conditions);
- units (i.e. an amount per unit) for:
  - personnel costs of SME owners/natural persons not receiving a salary;
  - personnel costs calculated by the beneficiaries according to their usual cost accounting practices (average personnel costs);
  - costs of internally invoiced goods and services calculated by the beneficiaries according to their usual cost accounting practices; and

- specific unit costs (if provided for in the specific call conditions; see also Annex 2a of the grant agreement);
- flat-rate (i.e. costs calculated by applying a percentage fixed in advance to other types of eligible costs) for:
  - o indirect costs (25% flat-rate of the total eligible direct costs, excluding eligible direct costs for subcontracting, financial support to third parties and any unit costs or lump sums which include indirect costs);
- lump sum (i.e. a global amount deemed to cover all costs of the action or a specific category of costs, if provided for in the specific call conditions).

Within a grant, different forms of costs can be used.

Costs can also be declared under several EU Synergy grants, if provided for in the specific call conditions and the cumulative funding under the grants does not exceed 100% of the eligible costs and the contributions do not cover the same costs.

### **Reporting & payment arrangements**

The reporting and payment arrangements are fixed in the grant agreement (*Data Sheet, point 4 and Articles 21 and 22*).

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.

Programme co-fund actions may receive additional pre-financing payments.

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*).

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.

There will be one or several interim payments linked to a periodic report, depending on the duration of the project.

At the end of the project, the consortium will be invited to submit a report on the basis of which the final grant amount will be calculated. If the total of earlier payments is higher than the final grant amount, the beneficiaries concerned (or the coordinator) will be asked to pay back the difference (recovery).

### Certificates

Depending on the size of the grant amount and on the type of beneficiaries, beneficiaries may be required to submit a certificate on the financial statements. The thresholds for this certificate are fixed in the grant agreement (*Data Sheet, point 4 and Article 24*).

### Liability regime for recoveries

The liability regime for recoveries is that of individual financial responsibility. Each beneficiary is liable only for their own debt (and those of its affiliated entities, if any) (*Data Sheet point 4.4 and Article 22*).

### Provisions concerning project implementation

- Proper implementation of the action (*Article 11*).
- Conflict of interest (*Article 12*).
- Confidentiality and security (EU classified information) (*Article 13 and Annex 5*).
- Ethics (research integrity) and values (gender mainstreaming) (*Article 14 and Annex 5*).
- Data protection (*Article 15*).
- Intellectual Property Rights (IPR), background and results, access rights and rights of use (*Article 16 and Annex 5*). In addition to the standard provisions, the following specific provisions in the model grant agreement will apply to all grants awarded under this work programme:

**Additional exploitation obligations in case of a public emergency:** If requested by the granting authority, beneficiaries must grant non-exclusive licences to their results – for a limited period of time specified in the request and on fair and reasonable conditions – to legal entities that need the results to address the public emergency. These legal entities must commit to rapidly and broadly exploiting the resulting products and services on fair and reasonable conditions. This provision will apply up to 4 years after the end of the action.

**Additional information obligation relating to standards:** Unless stated otherwise in the specific call conditions, beneficiaries must, up to 4 years after the end of the action, inform the granting authority if the results could reasonably be expected to contribute to European or international standards.

**Granting authority right to object to transfers or licensing — Horizon Europe actions:** The granting authority may, up to 4 years after the end of the action, object to a transfer of ownership or to the exclusive licensing of results, as set out in the specific provision of Annex 5.



- Communication, dissemination, open science and visibility (*Article 17 and Annex 5*). In addition to the standard provisions, the following specific provisions in the model grant agreement will apply to all grants awarded under this work programme:

**Open science - additional practices, validation of scientific publications:**

Beneficiaries must provide (digital or physical) access to data or other results needed to validate the conclusions of scientific publications, to the extent that their legitimate interests or constraints are safeguarded (and unless they already provided the (open) access at publication).

**Open science - additional practices, public emergency:** In case of a public emergency, if requested by the granting authority, beneficiaries must immediately deposit any research output in a repository and provide open access to it under a CC BY licence, a public domain dedication (CC 0) or equivalent.

As an exception, if providing open access would be against the beneficiaries' legitimate interests, the beneficiaries must grant non-exclusive licences, on fair and reasonable conditions, to legal entities that need the research output to address the public emergency. These legal entities must commit to rapidly and broadly exploiting the resulting products and services on fair and reasonable conditions. This exception is limited to 4 years after the end of the action.

- Specific rules for carrying out the action (*Article 18 and Annex 5*).

Other provisions may be set out in the specific call conditions.

**Non-compliance and breach of contract**

The grant agreement (*Chapter 5*) provides for the measures that may be taken in case of breach of contract (and other violations of law).

**i** For more information, see the [AGA — Annotated Grant Agreement](#).



## IMPORTANT

- **Do not wait until the end** — Complete the application sufficiently in advance of the deadline to avoid any last minute **technical problems**. Problems due to last-minute submissions (*e.g. congestion, etc.*) will be entirely at applicants' own risk. Call deadlines can NOT be extended at the request of applicants.
- **Consult** the topic page on the Portal regularly. The granting authority will use it to publish updates and additional information on the call (call updates).
- **Funding & Tenders Portal electronic exchange system** — By submitting the application, all applicants **accept** to use the electronic exchange system in accordance with the [Portal Terms & Conditions](#).
- **Registration** — Before submitting the application, all beneficiaries, affiliated entities and associated partners must be registered in the [Participant Register](#). The participant identification code (PIC) (one per participant) is mandatory for the application form. For validation, beneficiaries and affiliated entities will be requested to upload the necessary documents showing their legal status and origin during the grant preparation stage. Associated partners do not need validation.
- **Consortium roles** — When setting up the consortium, applicants should think of organisations that can help them reach objectives and solve problems.

The roles should be attributed according to the degree of participation of each participant in the project. Main participants should participate as beneficiaries or affiliated entities; other entities may participate as associated partners, subcontractors, or third parties giving in-kind contributions, provided that the related conditions are fulfilled. Associated partners and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). Subcontracting should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities, *see Annex G*).

- **Coordinator** — In multi-beneficiary grants, the beneficiaries participate as a consortium (group of beneficiaries). They will have to choose a coordinator among them, who will manage and coordinate the project and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be the coordinator.
- **Affiliated entities** — Applicants may participate with affiliated entities. Affiliated entities will get a part of the EU funding and must therefore comply with all the call conditions (just like beneficiaries). But they do not sign the grant agreement and do not count towards the minimum eligibility criteria for consortium composition (if any).
- **Associated partners** — Applicants may participate with associated partners. They participate without funding and without signing the grant agreement and therefore do not need to be validated.
- **Consortium agreement** — For practical and legal reasons, participants must conclude a written consortium agreement to ensure the smooth and successful implementation of the action and to deal with exceptional or unforeseen circumstances, unless otherwise provided for in the specific call conditions. The consortium agreement also gives the possibility to redistribute the EU funding according to internal consortium principles and arrangements (for instance, one beneficiary can reattribute their grant share to another beneficiary). The consortium agreement thus allows the grant to be customised to the needs of the consortium and can also help to protect the members in case of disputes. Consortium agreements are not required for mono-beneficiary projects.
- **Completed/ongoing projects** — Applications for projects that have already been completed will be rejected. Applications for projects that have already started will be assessed on a case-by-case basis (in such cases, no costs can normally be reimbursed for activities that took place before the application was submitted).

- **No-profit rule** — Grants may NOT give a profit (i.e. surplus of revenues + EU grant over costs). This will be checked by the granting authority at the end of the project.
- **No double funding** — There is strict prohibition of double funding from the EU budget. Any given action may receive only ONE grant from the EU budget (except for EU Synergy grants) and same costs may under NO circumstances be declared to two different EU actions.
- **Combination with EU operating grants** — Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and the beneficiary makes sure that cost items are clearly separated in its accounting and NOT declared twice (*see [AGA — Annotated Model Grant Agreement, Article 6.2.E](#)*).
- **Multiple applications** — Applicants may submit more than one application for *different* projects under the same call (and be awarded funding for them).  
Organisations may participate in several applications. BUT: if there are several applications for the *same/very similar* project, only one application will be accepted and evaluated.
- **Language** — Applicants can submit their application in any official EU language. However, for reasons of efficiency, it is strongly advised to use English. If applicants need the call documentation in another official EU language, they must submit a request within 10 days after publication of the call (for the contact information, *see topic page*).
- **Rejection** — By submitting the application, all applicants accept the general call conditions set out in the General Annexes and the specific call conditions set out in the topics. Applications that do not comply with all the call conditions will be **rejected**. This applies also to applicants: all applicants need to fulfil the criteria; if any one of them does not, they must be replaced or the entire application will be rejected.
- **Cancellation** — There may be circumstances which may require the cancellation of the call. In this case, applicants will be informed via a call update. Cancellations are without entitlement to compensation.
- **Transparency** — In accordance with Article 38 of the EU Financial Regulation [2018/1046](#), information about EU grants awarded is published each year on the [Europa website](#).

This includes:

- beneficiaries' names;
- beneficiaries' addresses;
- the purpose for which the grant was awarded;
- the maximum amount awarded.

Publication can exceptionally be waived (following a reasoned and duly substantiated request), if there is a risk that disclosure could jeopardise applicants' rights and freedoms under the EU Charter of Fundamental Rights or harm its commercial interests.

- **Data protection** — The submission of an application under this call involves the collection, use and processing of personal data. This data will be processed in accordance with Regulation [2018/1725](#). It will be processed solely for the purpose of evaluating the application (and subsequent management of the grant and, if needed, programme monitoring, evaluation and communication). Details are explained in the Funding & Tenders Portal privacy statement.

## **SPECIFIC CONDITIONS FOR ACTIONS WITH PCP/PPI**

### **H — Specific conditions for actions implementing pre-commercial procurement or procurement of innovative solutions**

This Annex applies to all types of actions implementing pre-commercial procurement (PCP) and procurement of innovative solutions (PPI). It applies to both PCP/PPI actions and other types of actions which prepare and/or execute a PCP or PPI, for instance through subcontracting activities.

#### **Requirements for all types of actions supporting PCP or PPI**

The PCP/PPI must be prepared and executed by one of the following:

- by one or more public procurer(s), plus possibly one or more private and/or NGO procurer(s) that provide similar services of public interest, that is (are) responsible for the acquisition and/or regulatory strategy of the relevant innovative solutions and aim to obtain ambitious quality and efficiency improvements in the area of the PCP/PPI; or
- by entities with a mandate from one or more of these procurers to act on their behalf in the procurement (e.g. central purchasing bodies).

Other entities (e.g. end-users) that do not have a conflict of interest with the PCP/PPI, and whose participation in the action is well justified, may participate in ‘additional activities’ to prepare, manage and follow-up the PCP/PPI and embed it into a wider set of demand-side activities. This includes disseminating results, removing obstacles to introducing the solutions onto the market (e.g. contributing to standardisation, regulation and certification), awareness raising, experience sharing/training, and preparing further cooperation among stakeholders and procurers for future PCP or PPI.

For PCP executed by a group of procurers, the buyers’ group must jointly prepare and implement the pre-commercial procurement so that there is one joint call for tender, one joint evaluation of offers, and a lead procurer<sup>28</sup> awarding the research and development (R&D) service contracts in the name and on behalf of the buyers’ group. The PCP must address one concrete procurement need identified as a common challenge<sup>29</sup>, which requires new R&D and is described in the common specifications of the joint PCP call for tender. Each procurer in the buyers’ group must contribute financially to the total budget necessary to jointly finance the PCP, enabling the procurers to share the costs of procuring R&D services from a number of providers and comparing the merits of the alternative solutions pursued by these competing providers to address the common challenge.

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<sup>28</sup> The ‘lead procurer’ is a public procurer and is the beneficiary appointed by the buyers’ group to coordinate and lead the procurement activities. They can be either one of the procurers in the buyers’ group or another beneficiary in the action who is established or designated by the procurers in the buyers’ group to act as lead procurer.

<sup>29</sup> Addressing the common challenge in different countries may require, beyond the common core functionality, the development and testing of additional local functionality or adaption of solutions by each procurer due to differences in the local context. A PCP that addresses a challenge consisting of several facets (sub-challenges or building blocks) is considered one joint PCP, as long as all procurers in the buyers’ group share the need for - and are willing to co-finance - all the facets of the common challenge.

For PPI executed by a group of procurers, the lead procurer must coordinate the preparation and implementation of one joint or several coordinated public procurements of innovative solutions, based on common specifications defined jointly by the buyers' group. Each PPI must focus on one concrete need identified as a common challenge that requires the deployment of innovative solutions<sup>30</sup>.

Projects that aim to implement a PCP/PPI must contain a preparation and execution stage.

#### *Preparation stage*

The expected outcomes for the preparation stage, to be included as deliverables/milestones, are:

- a prior information notice for the open market consultation: 5 days before submission for publication to the OJEU, i.e. a minimum of 50 days before the start of the first meeting;
- a report on the result of the open market consultation, prior market analysis and its impact on the tender documents; in addition, for PPI, feedback from activities to verify market readiness before deployment (e.g. conformance testing, certification, quality labelling);
- completed tender documents based on the Horizon Europe PCP/PPI model contract documents, including the contract notice: 30 days before its submission to the OJEU;
- for PCP/PPI executed by a group of procurers: the signed joint procurement agreement confirming the final means of cooperation, including the financial commitment of the buyers' group for the PCP/PPI, and final confirmation of the lead procurer.

#### *Execution stage*

The expected outcome of the execution stage is the implementation of the procurement procedure and of the PCP/PPI contracts. For PCP, this includes validating and comparing the performance of the competing PCP solutions to verify if they can be converted into permanent service. For PPI, this includes deploying the innovative solutions and evaluating the results in real-life operating conditions, with a duration that allows for appropriate evaluation of the potential impact of these solutions if converted into permanent service.

Deliverables/milestones to be included in the description of work for the execution stage are:

- a copy of the contract award notice published in TED: 48 days after the award of contracts;
- at the end of the tender evaluation (for PCP, also after the evaluations of each phase):
  - information on the total number of bids received, particularly the data on the winning tenderer(s) and abstracts of the winning tenders for publication and evaluation purposes;

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<sup>30</sup> Addressing the common challenge in different countries may require deployment and, where applicable, conformance testing, of local functionality or adaption of solutions for each procurer due to differences in the local context.

- final ranking list of the selected projects, final scores and qualitative assessment per criterion for each bid received, along with minutes of the evaluation meeting;
- for PCP: assessing the results achieved by each tenderer in the previous phase;
- at the end of the action, give a demonstration to the granting authority:
  - for PCP: of the tested solutions resulting from the PCP;
  - for PPI: of the deployed innovative solution(s).

Where the WTO Government Procurement Agreement (GPA) does not apply, participation in tendering procedures must be open on equal terms to bidders from EU Member States and all countries with which the EU has an agreement in the field of public procurement under the conditions laid down in that agreement, including all Horizon Europe Associated Countries. Where the WTO GPA applies, tendering procedures must also be open to bidders from states that have ratified this agreement, under the conditions laid down therein.

If the specific call conditions restrict participation or control for security reasons, participation in the PCP/PPI procedure must also be limited to bidders meeting this restriction. If the specific conditions for the topic impose a place of performance obligation, the place of performance of the contract must comply with this obligation.

#### **Specific requirements for pre-commercial procurement (PCP)**

The following requirements apply to ensure that the provisions for PCP in the Horizon Europe rules for participation, the conditions for the R&D services exemption of the EU Directives on public procurement<sup>31</sup>, the EU Treaty principles<sup>32</sup> and the competition rules<sup>33</sup> are fully respected.

#### *Definitions*

PCP must comply with the Horizon Europe definition: ‘*Pre-commercial procurement*’ means procurement of R&D services involving risk-benefit sharing under market conditions and competitive development in phases, where there is a clear separation between the procurement of the R&D services procured from the deployment of commercial volumes of end-products<sup>34</sup>.

‘*Risk-benefit sharing under market conditions*’ refers to the PCP approach in which procurers share with suppliers at market price the risks and benefits related to the intellectual property rights (IPR) resulting from the R&D.

‘*Competitive development in phases*’ refers to buying the R&D from several competing R&D providers in parallel and to comparing and identifying the best-value-for-money solutions on

<sup>31</sup> See Article 14 of Directive 2014/24/EU, Article 32 of Directive 2014/25/EU and Article 13(f)(j) of Directive 2009/81/EC.

<sup>32</sup> In particular, the fundamental Treaty principles on the free movement of goods and workers, the freedom to provide services, the freedom of establishment and the free movement of capital, as well as the principles deriving therefrom, such as the principles of non-discrimination, transparency and equal treatment.

<sup>33</sup> See, in particular, Article 2.3 of the 2014 R&D&I State aid framework.

<sup>34</sup> See the Horizon Europe Regulation and the PCP Communication COM/2007/799 and associated SEC(1668)2007. Note that PCPs can include the purchase of the first end-products that were developed, installed and tested during the PCP, but not the purchase of larger commercial volumes of end-products requiring quantity production beyond delivering the first products for the PCP.

the market to address the PCP challenge. To reduce the investment risk for the procurer, reward the most competitive solutions and facilitate the participation of smaller innovative companies, the R&D is also split into phases (solution design, prototyping, original development and validation/testing of the first products), with the number of competing R&D providers being reduced after each phase.

*'Separation from the deployment of commercial volumes of end-products'* refers to the complementarity of PCP, which focuses on the R&D phase before wide commercialisation, and PPI, which does not focus on R&D but on wide commercialisation/diffusion of solutions. Procurers can, but are not obliged, to procure R&D results from a PCP.

#### *Preparation and publication of the open market consultation and call for tender*

To prepare the call for tender, an open market consultation<sup>35</sup> with potential tenderers and end-users must be held to broach the views of the market on the intended scope of the R&D. The results of this open market consultation must be taken into account to fine-tune the tender specifications, so that the gap between state-of-the-art industry development and the procurement needs justifies the procuring of R&D<sup>36</sup> services.

The PCP contract notice must be published EU-wide<sup>37</sup> in at least English. Offers must be accepted and communication with stakeholders must be enabled at all stages in at least English. All offers must be evaluated according to the same objective criteria, regardless of the geographical location, size of organisation or governance structure of the tenderers.

The prior information notice for the open market consultation and the contract notice must be advertised widely, using in particular Horizon Europe internet sites and national contact points. The Commission must be informed at least 5 days before the expected date of publication of the prior information notice for the open market consultation and 30 days before the expected date of publication of the PCP contract notice. The PCP call for tenders must remain open for at least 60 days.

#### *Tender documentation, procurement and implementation of the contract*

The PCP contract that will be concluded with each selected tenderer must take the form of one single framework agreement covering all PCP phases, without contract renegotiations

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<sup>35</sup> The open market consultation should be organised in a way not to preclude or distort competition. In respect of the Treaty principles, the open market consultation must be announced well in advance and widely - via a prior information notice that is published at least 45 days before the first open market consultation meeting in the Official Journal of the EU - and enable potential tenderers regardless of their geographic location to participate at least in English. All information given in answers to questions from participants in the dialogue should be documented and published.

<sup>36</sup> In line with WTO GPA 2014 Article XIII(1)(f), R&D can cover activities such as solution exploration and design, prototyping, up to the original development of a limited volume of first products or services in the form of a test series. Original development of a first product or service may include limited production or supply to incorporate the results of field testing and demonstrate that the product or service is suitable for production or supply in quantity to acceptable quality standards. R&D does not include quantity production or supply to establish commercial viability or to recover R&D costs, nor commercial development activities such as incremental adaptations or routine or periodic changes to existing products, services, production lines, processes or other operations in progress, even if such changes may represent improvements.

<sup>37</sup> Through the Official Journal of the EU, using the TED (Tenders Electronic Daily) web portal.

after the award. This framework agreement must contain information on the procedures for implementing the different phases (through specific contracts), including the format of the intermediate evaluations (including evaluation criteria and weightings) for each phase.

For PCP executed by a group of procurers, the R&D service contracts are awarded by the lead procurer and all selected tenderers can be paid by the lead procurer, or pro rata by each procurer in the buyers' group according to their share in the total PCP budget.

The PCP contract notice must contain information on the intended number of R&D providers that will be selected (minimum of three providers) to start the PCP, the number of PCP phases and the expected duration and budget for each PCP phase. The PCP must cover the full PCP life cycle of solution design, prototyping, and original development, including installation and testing of a limited volume of test series products/services in the procurer's/end-user's premises. Each of the three PCP phases can be split up into further phases if appropriate.

The following simplified and/or accelerated PCP procedures may be used: for PCP that require fast deployment<sup>38</sup>, one specific contract may cover both the second and third PCP phase; if fewer than two tenderers are capable of performing the R&D services in the EU Member States or Associated Countries (for security contracts, this may be restricted to the Member States), the phase 1 contracts may be awarded to a minimum of two tenderers.

Procurers must avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements (e.g. with regard to prior customer references and minimum turnover). Functional/performance-based specifications must be used to formulate the object of the PCP call for tender as a problem to be solved, without prescribing a specific approach to be followed. Evaluation of the tenders must be based on best-value-for-money criteria, not just lowest price.

The PCP process must be organised to avoid any conflicts of interest, including in the use of external experts. Providers cannot be beneficiaries in an action during which the PCP is planned or undertaken.

The PCP process must require selected providers to locate the majority of the R&D activities, including the principal researcher(s) working for the PCP contract in particular, in the Member States or Associated Countries<sup>39</sup>.

The PCP procurers must not reserve the R&D results exclusively for their own use. The providers generating results must own the attached IPR, and the procurers must enjoy at least royalty-free access rights to use the R&D results for their own use. The procurers must also enjoy the right to grant (or to require the granting of) non-exclusive licences to third parties, to exploit the results under fair and reasonable market conditions, without any right to sublicense. A call-back provision must ensure that, in case the providers fail to commercially exploit the results within a given period after the PCP, or use the results to the detriment of

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<sup>38</sup> Especially where a budgetary commitment for deployment is already available at the start of the PCP (fast-track PCP).

<sup>39</sup> For duly justified reasons of public security, this may be limited to the EU Member States.



the public interest, including security interests, the procurers can require transfer of the ownership of the results.

The procurers must inform tenderers of the right to publish public summaries of the results of the PCP project, including information about key R&D results attained and lessons learnt (e.g. on the feasibility of the solution approaches to meet the requirements and lessons learnt for potential future deployment of solutions). Details that would be contrary to the public interest, would harm legitimate business interests (e.g. regarding IPR-protected specificities of their individual approaches to solutions) or could distort fair competition may not be disclosed.

To enable the procurers to establish the correct (best value for money) market price for the R&D service, in which case the presence of State aid can in principle be excluded, the PCP call for tender must be carried out in a competitive and transparent way in line with Treaty principles. In addition, the distribution of rights and obligations between procurers and providers (including the allocation of IPR) must be published in the PCP call for tender documents, to obtain a price according to market conditions (and rule out State aid). PCP contracts with providers must contain financial compensation according to market conditions<sup>40</sup>, compared to the exclusive development price, for assigning IPR to the providers.

### **Specific requirements for public procurement of innovative solutions (PPI)**

#### *Definition*

PPI must comply with the relevant Horizon Europe definitions.

*'Public procurement of innovative solutions (PPI)'* means procurement where contracting authorities act as a launch customer for innovative goods or services which are not yet available on a large-scale commercial basis, and may include conformity testing.

*'Launch customers'*, also called early adopters, refer to the first 20% of customers on the EU's internal market that buy innovative solutions. The solutions have to be new to the procurers in the project, the procurers' market segment or new to the EU's internal market, and relevant to procurers in other Member States and/or Associated Countries.

*'Innovative solutions'* are new or significantly improved products, services or processes that have already been (partially) demonstrated on a small scale, and may be nearly or already available in small quantities on the market, but which have not been widely adopted yet. Typically, owing to the residual risk of market uncertainty, they have not been produced at a large enough scale to meet mass market price/quality requirements. This also includes existing solutions that are to be utilised in a new and innovative way; PPI does not include the procurement of R&D.

#### *Preparation and publication of the open market consultation and call for tender*

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<sup>40</sup> The market price should reflect the benefits allocated to the R&D provider (e.g. commercialisation opportunities opened up by the IPR) and the risks assumed by the R&D provider (e.g. the cost of maintaining the IPR and commercialising the products).

Unless the PPI is undertaken as a follow-up to an FP7, Horizon 2020 or Horizon Europe PCP<sup>41</sup>, or unless the situation is a low-value PPI below national procurement thresholds, the following obligations apply:

- To prepare the call for tenders, an open market consultation with potential tenderers and end-users must be held to inform the market well in advance of the upcoming PPI and broach the views of the market on the PPI's intended scope. Information retrieved from this consultation about the gap between perceived procurement needs and on-going industry developments must be taken into account in the PPI tender specifications, so that the PPI duly focuses on 'early adoption' of 'innovative' solutions.
- The market must be informed well in advance<sup>42</sup> of the target date for publishing the PPI call for tenders. Market readiness prior to deployment can be verified through the organisation of e.g. conformity testing, certification or quality labelling of solutions.
- The PPI contract notices must be published EU-wide in at least English, offers must be accepted and communication with stakeholders must be enabled at all stages in at least English. All offers must be evaluated according to the same objective criteria, regardless of the geographical location, size of organisation or governance structure of the tenderers.
- The prior information notices for the open market consultation, early announcements of the expected publication date of the PPI call for tender, and the PPI contract notice must be promoted and advertised widely, using Horizon Europe internet sites and national contact points in particular. The Commission must be informed at least 5 days before the expected date of publication of the PIN for the open market consultation and 30 days before the expected date of publication of the PPI contract notice. The PPI call for tenders must remain open for at least 60 days.

#### *Tender documentation, procurement and implementation of the contract*

Procurement procedures covered by the EU public procurement directives that do not involve procurement of R&D can be used. Restricted procedures with shortened timeframes for the submission of offers for reasons of urgency must not be used. Framework contracts/agreements with lots can be used.

For PPI implemented by a group of procurers, the specific contracts for procuring specific quantities of goods/services for each procurer can be awarded and the selected tenderers can either all be paid by the lead procurer, or by each procurer in the buyers' group individually, for their quantity of goods/services procured.

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<sup>41</sup> In the case of a PPI following a PCP that was implemented according to the conditions described in Annex I, the negotiated procedure without publication foreseen in the EU public procurement directives can then be used (Article 32(3)(a) of Directive 2014/24/EU, Article 50(b) of Directive 2014/25/EU and Article 13(j) of Directive 2009/81/EC). At least three offers must be requested, including from the R&D providers that successfully completed the preceding PCP.

<sup>42</sup> By means of a prior information notice in the Official Journal of the EU.

Procurers must avoid the use of selection criteria based on disproportionate qualification and financial guarantee requirements (e.g. with regard to prior customer references and minimum turnover). Functional/performance-based specifications must be used to formulate the object of the PPI call for tenders as a problem to be solved, without prescribing a specific approach to be followed. Evaluation of the tenders must be based on best-value-for-money criteria, not just lowest price.

Procurers must organise their procurement to avoid any conflicts of interest, including in the use of external experts. Potential providers cannot be beneficiaries in an action during which the PPI is planned or undertaken.

To encourage fair and wide exploitation of results, ownership of IPR rights should be assigned to the party generating the IPR, except in duly justified cases (e.g. when that party is not able to exploit them).

The PPI call for tender must be carried out in a competitive and transparent way in line with Treaty principles. The distribution of rights and obligations between procurers and providers (including the allocation of IPR) must be published in the PPI call for tender documents, to obtain a price according to market conditions (and rule out State aid).