

Annotated Grant Agreement

AGA Horizon Europe

A new version released - What are the updates?

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The 01st of April 2025, the DG RTD released an updated version of the Annotated Grant Agreement. As the last official version was published on the 01st of May 2024, no major changes or clarification in the official version were expected.

We would just like to underline Art 7.1 and 22.2 indicating *“there may be certain situations where beneficiaries may be held responsible for their partners (financial liability)”*.

We have reviewed both versions of the Annotated Grant Agreement (AGA) for Horizon Europe dated **1 May 2024** and **1 April 2025**, and extracted the most important updates:

[AGA page 10 – 11, Art. 1. And Art. 1.2.: EU regulatory framework](#)

The **2025 AGA** (1 April 2025) is based on **Model Grant Agreement version 1.2**, while the **2024 AGA** (1 May 2024) references **version 1.1**.

In September 2024, the Financial Regulation 2018/1046 was recast and replaced by the Financial Regulation [2024/2509](#).

The new Regulation [2024/2509](#) applies to all EU calls for proposals opening as from 30 September 2024.

The EU uses different types of grants (...) action grants (AG), operating grants (OG), simplified grant types which pay only lump sums (LS) and unit costs (UN).

The [General Model Grant Agreement \(General MGA\)](#) is the grant agreement for EU action grants (AG), i.e. grants that are funded based on the actual costs incurred by the beneficiaries.

For guidance on other types of grants, see [How to manage your lump sum grants](#).

[AGA page 54 to 60, Art. 6.2.A.1.4: Calculation of the personnel costs.:](#)

Regarding the calculation of **the daily rate after the end of the project**: “the daily rate to be used **is the one for the last reporting period**. The extra days should simply be added to the days declared in the final reporting period; there is NO need to calculate a separate daily rate for them. The threshold of maximum declarable day-equivalents (...) will however NOT apply to the additional days.”

Multiple parallel or consecutive contracts — If a person is employed with more than one employment contract (...) during the reporting period (...), the beneficiary should calculate a single daily rate (sum of the costs of all these employment contracts during the months within the reporting period).

[AGA page 63 & 66, Art. 6.2.A.2.1.4: Natural persons with direct contract and seconded persons](#)

Horizontal 215-days ceiling — If a pro-rata number of 215 annual day-equivalents is used in the calculation of the amount per unit (daily rate), you must respect the horizontal ceiling.

[AGA page 73, Art. 6.2.A.2.1.4,: HE Personnel unit Costs](#)

Horizontal 215-days ceiling — For HE Personnel **unit costs**, the horizontal ceiling (...) applies not only in case of work on multiple actions, but also where the person worked in only one EU grant during a given calendar year.

[AGA page 86 to 93, Art. 6.2.C.1.1.2, Travel and subsistence costs \(unit costs\)](#)

Lot of changes related when travel **under unit costs**:

- Land travel are trips between 50 and 399 km by any form of land-based travel, and trips between 400 and 600 km by rail,
- Beneficiaries must use the [distance calculators](#) available on the Europa website. *“Enter start and end points of your travel. Do NOT enter intermediate stops, transfer locations etc. The distance calculators are mandatory. The distance produced by the calculators is the only distance that can be used for the calculation of the unit costs — even if this does not correspond to the actual distance of the travel.”*
- Air travel below 400 km is in principle not reimbursed
- Travel by car below 50 km is NEVER eligible for reimbursement using unit costs.
- Destinations with different distances in the flight- and land travel calculators (*e.g. the flight calculator shows a distance below 400 km but the land travel calculator shows a distance of more than 400km*). In the unit cost system, reimbursement of air travel is only possible where the travel is more than 400km, as calculated by the flight calculator. Therefore, if the flight calculator shows a distance of 390 km, the travel costs can NOT be reimbursed using the air travel unit costs.

[AGA page 150 Art. 7.1: MIM and](#)

[AGA page 223, Art. 22.2: Financial liability for recoveries](#)

If one of the beneficiaries leaves the action:

- at beneficiary termination, the beneficiary concerned must pay back any undue amounts to the consortium; (...) and, if the beneficiary doesn't pay, the granting authority may call on the MIM to intervene and then start a recovery procedure against the beneficiary for the account of the MIM (debit note)
- At the payment of the balance, the contribution to the MIM will be used to cover recoveries (if any); if the contribution is not sufficient, the coordinator will be asked to pay back the amount owed (...); if the debt is not paid but the report on the distribution of payments was provided, the granting authority will calculate the share of the debt per beneficiary (...); if they do not pay (...), the granting authority will enforce recovery (...); if the report on the distribution of payments was NOT provided, the granting authority will enforce recovery against the coordinator (debit note).

[AGA page 158, Art. 8.1: Affiliated entities created in order to manage administrative/financial tasks](#)

Resources they put at the disposal of their beneficiary for the action implementation should in principle also be charged by them as affiliated entity.

However, for HE, in case different funding rates are applied for the beneficiary versus the affiliated entity, the costs can also be declared by the beneficiary:

[AGA page 166, Art 9.4.1: Financial Support to Third parties](#)

For general guidance on financial support to third parties, see [Guidance on good practices for implementing FSTP in EU grants](#)

Coming soon

[AGA page 210, Art. 20.1.6: Conversion of hours into days](#)

Option 1: a day-equivalent is 8 hours

Option 2: Hours indicated in the contract. You can NOT use this option if the contract (...) does not allow to determine the average number of hours that the person must work per day. By contrast, fluctuating or variable working hours during the year are not a problem (*see specific cases below*).

2a: If the number of working hours is specified per day: No changes

2b: If the number of working hours is specified per week or month: No changes

2c: If the number of working hours is specified per year: CHANGES:

{(working hours per year divided by working time factor) divided by 215}

Example: If the collective labour agreement sets out 1612 hours of work per year for full-time employees, the hours for the calculation must be adapted to 806 (1612 x 0,5) working hours per year for a 50% part-time employee, i.e. $806 / 0,5 / 215 = 7.5h$ day-equivalent.

Specific cases (conversion into day-equivalents):

Change of working hours during a reporting period — Option 2 can also be used in case of work pattern changes (...). In this case, the conversion from hours to day equivalents must be done separately; in practice, you should perform a separate conversion calculation for each period during which a different work pattern regime was in effect. Then, sum the results to determine the total number of hours converted into day-equivalents

Changes of working hours during different periods of each year (annual seasonal fluctuation). The chosen option must be applied consistently, i.e. using the same option at least per group of personnel employed under similar conditions (...). You cannot apply the most favorable option for each employee individually.

If you keep parallel time record systems, (...) they must be consistent. In case of significant discrepancies discovered e.g. during checks, reviews and audits, only the set of documents recording the lower amount of days will be accepted.

Option 3: Standard productive hours

[AGA page 215, Art. 21.2.1, Periodic reporting](#)

The explanation of the use of resources must be consistent with the costs declared in the financial statement (for each beneficiary/affiliated entity).

Record-keeping — Beneficiaries must keep adequate records of the documents submitted for their affiliated entities (e.g. financial statement, CFS, etc; see Article 20).

[AGA page 218, Art.21.3, Conversion rate](#)

For partial reporting periods (e.g. because a beneficiary joins the grant in the middle of a reporting period), the exchange rate should be calculated as from the start date of joining the grant. For eligible costs related to drafting and submitting the final reports incurred after the action duration, the exchange rate to be used is the one for the last reporting period.

[AGA page 221, Art. 22, Payments](#)

In case of **early termination of the action**, the coordinator should normally not become responsible for paying back amounts of prefinancing that were never received because they were offset for the debts of another partner. If this happens, the granting authority may agree to deviate from the Grant Agreement provisions and re-instate the recovery order towards the initial debtor.

[AGA page 257, Art. 24.4: SPA Audits](#)

For more information concerning the SPA request procedure (and templates to use), see [Guidance on the HE System and Process Audit Procedure](#).

[AGA page 306, Art. 32.3 Change in a beneficiary's situation: Associated partner](#)

Loss of eligibility may lead to **termination** by the EU. However, in most cases, the granting authority will simply ask the consortium to replace the partner by amendment or to change the partner's role to associated partner, etc.

[AGA page 356, Annex V: Gender equality plan](#)

The GEP (...) must cover the following minimum process-related requirements:

- publication: a formal document published on the institution's website and endorsed by the top management. (...).
- dedicated resources: commitment of resources to implement the plan
- data collection and monitoring: regular (at least once in two years) collection of sex/gender disaggregated data on personnel (and students, for the establishments concerned) as well as regular (at least once in two years) reporting based on indicators
- training: awareness raising/training on gender equality for staff and decision-makers.

[AGA page 370, Annex V Exploitation of results:](#)

This is a **best effort obligation**: The beneficiaries must be proactive and take specific measures to try to ensure that their results are exploited (to the extent possible and justified).

Record-keeping — Beneficiaries should keep appropriate **documentation** about the steps taken.

Security obligations — Exploitation must be compliant with other grant obligations, such as security rules.

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