

DECISION authorising the use of unit costs for the actions involving virtual access under the Research Infrastructures Part of the Horizon 2020 Framework Programme

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)¹, and in particular Articles 5(2)(a) thereof,

Having regard to the Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in “Horizon 2020 - The Framework Programme for Research and Innovation (2014-2020)”², and in particular Articles 25 and 33 thereof,

Having regard to the Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union³, and in particular Articles 125 and 181 thereof,

Whereas:

- (1) Article 181 of Regulation (EU, Euratom) No 2018/1046 contains detailed rules regarding unit costs,
- (2) Simplification as a central aim of the Horizon 2020 Framework Programme needs to be fully reflected in its design, rules, financial management and implementation,
- (3) The Research Infrastructures Part of the Horizon 2020 Framework Programme, supports the provision to researchers of virtual access to the research infrastructures they need for their research work,
- (4) Simpler funding rules reduce the administrative costs for participation and contribute to the prevention and reduction of financial errors. In this respect, the use of unit costs can simplify the calculation of reimbursement of these access costs, significantly decrease the workload of both the beneficiaries and the Commission as well as accelerate payment procedures,
- (5) The use of unit costs should therefore be authorised for actions involving virtual access under the Research Infrastructures Part of the Horizon 2020 Framework Programme,

THE FOLLOWING HAS BEEN DECIDED:

Sole Article

The use of eligible costs declared by recipients of Union funds on the basis of unit costs is authorised for the actions involving virtual access under the Research Infrastructures Part of the Horizon 2020 Framework Programme, for the reasons and under the conditions set out in the Annex.

¹ OJ L 347 of 20.12.2013, p.104

² OJ L 347 of 20.12.2013, p. 81

³ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p.1).

Done at Brussels,

Jean-Eric Paquet
Director General of DG RTD

(e-Signed)
Roberto Viola
Director General of DG CONNECT

Annex

1. Form[s] of Union contribution and categories of costs covered

The grants under the Research Infrastructures Part of the Horizon 2020 Framework Programme shall take the form of reimbursement of either of the following eligible costs for virtual access to research infrastructures:

- (i) costs declared by beneficiaries on the basis of unit costs calculated on the basis of their historical data, or
- (ii) costs actually and solely incurred for providing virtual access to *users* under the action, or
- (iii) costs declared by beneficiaries on the basis of a combination of the forms of costs referred to in points (i) and ii), if part of the eligible access costs varies significantly and cannot be represented by its average.

Only one of the forms referred to in points (i), (ii) and (iii) may be used for one *installation* under the action. No alternative use is allowed for one *installation*.

The categories of eligible costs covered by the unit costs referred to in point (i) are the eligible *virtual access costs* as defined below, including direct and indirect costs:

- Direct costs for providing virtual access to the *installation*:
 - Personnel cost of administrative, technical and scientific staff directly assigned to the functioning of the *installation* and to the support of the *users*.
 - Costs of contracts for maintenance and repair (including specific cleaning, calibrating and testing) specifically awarded for the functioning of the *installation* (if not capitalised).
 - Costs of consumables specifically used for the *installation*.
 - Costs of contracts for *installation* management, including security fees, insurance costs, quality control and certification, upgrading to national and/or EU quality, safety or security standards (if not capitalised) specifically incurred for the functioning of the *installation*.
 - Costs of energy power and water supplied specifically for the *installation*.
 - Costs of software licence, internet connection or other electronic services for data management and computing supplied specifically for the *installation* when they are needed to provide virtual access services.
 - Costs of specific scientific services included in the access provided or needed for the provision of virtual access by the *installation*.
- Indirect costs for providing access to the *installation* equal to 25% of the direct costs referred to above,

but excluding:

- All contributions to the capital investments of the infrastructure (including rental, lease or depreciation costs of buildings as well as depreciation and lease of instrumentation). Those costs are not eligible for the provision of virtual access under the Research Infrastructures Part of the Horizon 2020 Framework Programme unless otherwise specified in the Work Programme, in which case only the portion used to provide virtual access under the action can be eligible;
- All ineligible costs as referred to in the Art 6.5 of the H2020 MGA.

For that purpose, the following definitions shall apply:

- (1) “installation” means a part or a service of a research infrastructure that could be used independently from the rest. A research infrastructure consists of one or more installations.
- (2) “access provider” means a beneficiary or a third party that is in charge of providing access to one or more research infrastructures or installations, or part of them, as specified in Annex I to the grant agreement.
- (3) “user” means a researcher or any other stakeholder that meets the eligibility conditions established by the research infrastructure, to whom virtual access to the installation is provided under the action.
- (4) “virtual access costs” are the costs incurred by the *access provider* for the provision of virtual access. Virtual Access Costs cover the running costs of the *installation* and the costs for logistical, technological and scientific support to *users’* access, including costs for preparatory and closing activities that may be necessary to provide the requested services.

Other categories of eligible costs shall be reimbursed on the basis of eligible costs actually incurred or, for other direct personnel costs, on the basis of other unit costs or, for indirect costs, flat-rate financing.

The unit cost shall be calculated by beneficiaries in accordance with the method set out in Section 3 and shall be specified in the grant agreement to be used throughout the duration of the action. In duly justified cases, in particular when there are significant variations in the costs for providing access, it can be updated (with the agreement of the Commission and in accordance with the method in Section 3) through an amendment.

Costs for providing virtual access to research infrastructures declared by beneficiaries on the basis of unit costs shall be eligible if they correspond to the amount per unit set out in Annex 2 to the grant agreement multiplied by the number of actual units of virtual access provided under the action and if the conditions set out in Article 16.2 of the grant agreement are met.

2. Justification

2.1. Nature of the supported actions

A successful activity funded under the Research Infrastructures Part of the previous Research Framework Programmes is the provision to researchers of virtual access to the best digital resources they need for their research work.

The Union contribution reimburses to the *access providers* the *access costs* for providing virtual access under the grant.

As some components of the *virtual access costs* to the *installation* are caused only in part by the activities of the action (e.g. the running costs of the *installation*) it is not always possible to directly identify the specific *virtual access costs* related to the provision of virtual access under the EU grant. A method to measure the use of the *installation* by the action must be defined to calculate the part of the *virtual access costs* that can be attributed to the action for the virtual access it provides. This method is given in Section 3.

In addition, in some cases, part of the access costs for providing access to a same digital resource may vary significantly according to the request. Those eligible costs could therefore be more effectively managed by separating them from the unit cost determined on the basis of averages. The eligible costs for virtual access to a specific *installation* would in those cases be declared on the basis of unit costs covering only the categories of costs that are stable for all the requests of access and as actually incurred for the other categories of eligible access costs.

2.2. Risks of irregularities and fraud and costs of control

Section 1 defines the cost items to be used for the calculation of the unit cost. Moreover, unless otherwise specified in the Work Programme, capital investment of the research infrastructures will be explicitly excluded from the calculation of the unit cost and from the eligible *virtual access costs* in general. This will minimise the risk of fraud as well as the risk that the Union contribution overpasses the eligible costs actually incurred for providing virtual access under the action.

In addition, the infrastructures supported under the Research Infrastructures Part of the Horizon 2020 Framework Programme, are mostly owned and operated by large public research organisations which have their financial statements regularly analysed and certified by external or public auditors. The historical data can therefore be considered reliable.

When *virtual access costs* are reimbursed on the basis of unit cost, the *virtual access costs* to be charged to the grant will be easily identified by multiplying the unit cost by the number of units of access provided under the action. The costs of ex-post control will be minor as only records of access provisions must be verified as well as, in order to avoid double funding, the non-existence of other Union funding sources specifically covering the virtual access provided under the Horizon 2020 action.

The use of a simplified method to support *virtual access costs* therefore appears appropriate.

3. Method to determine and update the unit of cost

In order to measure the quantity of virtual access to the installation supported under the Union grant the *access provider* will identify a unit of access to the installation. This unit of access shall also be used to measure the total quantity of access that the installation provides to all its *users*.

When eligible *virtual access costs* for an installation are reimbursed on the basis of unit costs (only unit costs under point 1(i) or in combination with actual costs under point 1(iii)), the unit cost of a unit of access to the installation shall be agreed between the Commission and the *access provider*.

The unit cost shall be specified in the grant agreement and shall be defined on the basis of the total cost over the last year⁴ for *virtual access costs* to the installation, for the categories covered by the unit cost, divided by the total quantity of access to the installation provided over the last year⁵, as follows:

$$\text{Unit cost} = \frac{\text{total virtual access costs to the installation over the last year}}{\text{total quantity of virtual access to the installation provided over the last year}}$$

⁴ In exceptional and duly justified cases, the Commission may agree to use a different reference period.

⁵ In exceptional and duly justified cases, the Commission may agree to use a different reference period.

The use of the last year as the reference period to determine the unit cost instead of an average of more than one year is justified by the fast evolving nature of the technologies underlying the *installations*.

The total *virtual access costs* shall be based on certified or auditable historical data of the beneficiary (or the linked third party) over the last year (year N-1)⁶ and allocated to the concerned *installation* according to the beneficiary's usual cost accounting practices. The calculation over the last year of the *access costs* and quantity of access to the *installation* shall not include periods where the *installation* was not usable because out of order, or under repair or maintenance.

3.1 Calculation of the unit cost

The 'total quantity of virtual access to the *installation*' shall include all the units of access annually provided by the installation, included access financed by the Union under previous grant agreements, if any.

The 'total *virtual access costs* to the *installation*' shall be:

- the direct costs incurred by the *access provider* for the provision of access to the *installation*, as recorded in the certified or auditable profit and loss accounts of the reference period (years N-1)⁷ for the concerned categories of direct costs.

By way of exception, the direct personnel costs to be used may be those calculated by the beneficiary in accordance with its usual cost accounting practices.

If eligible costs for access to an *installation* are declared by *access providers* exclusively on the basis of unit costs (point 1(i)), costs for all the categories of eligible direct costs referred to in Section 1 may be taken into account.

If eligible costs for access to an *installation* are declared by *access providers* as a combination of unit costs and of costs actually incurred (point 1(iii)), only costs for the eligible categories of direct costs referred to in Section 1 that are not reimbursed on an actual cost basis may be taken into account.

- the eligible indirect costs for the access to the *installation*, equal to 25% of the direct costs referred to above (amounts for the categories taken into account in the unit costs, i.e. excluding the categories reimbursed on an actual cost basis) minus any costs of subcontracting.

The *access costs* to the *installation* shall exclude all contributions to the capital investments of the infrastructure unless otherwise specified in the Work Programme, in which case only the portion used to provide virtual access under the action can be eligible (see Section 1).

4. No-profit and co-financing principles and absence of double financing

The methodology described in Section 3 complies with the principles of no-profit, co-financing and absence of double funding as required by Regulation (EU, Euratom) No 2018/1046 and Regulation (EU) No 1290/2013. The Commission will apply the applicable co-financing rate at payment application stage.

Provision of virtual access of actions under the Research Infrastructures part of Horizon 2020 is not expected to generate revenue or to be specifically funded by third donors. The unit cost

⁶ In exceptional and duly justified cases, the Commission may agree to use a different reference period.

⁷ Unless exceptionally agreed otherwise by the Commission.

should not exceed the actual eligible costs as its calculation is based on the certified or auditable historical costs incurred to provide access. In addition, when applicable, the exclusion of capital investment from the calculation of the unit cost will ensure that *access providers* contribute with their own resources to the provision of access under the action, thus complying with the co-financing and no-profit principles.

Double funding is avoided by the specification/identification of eligible costs detailed in Section 1. Compliance with the specification method of eligible costs is checked through controls during the proposal evaluation phase, on the application of the methodology for the calculation of the unit cost, as well as through ex-post controls on the existence of other Union funding sources specifically covering the virtual access provided under the Union action.

Finally, the costs of building the infrastructure may have been supported by the Union. The risk of double funding is minimised by the general ineligibility of depreciation costs (and of all capitalised costs) for the provision of virtual access under the Research Infrastructures Part.