



Information and Networking webinar to support cooperation
with EaP countries in R&I (19 March 2026)



#HorizonEU

THE EU
RESEARCH &
INNOVATION
PROGRAMME 2021 – 27

Breakout room
Rules and Funding

HORIZON
EUROPE



RESEARCH
AND
INNOVATION

Horizon Europe (HE) rules for participation

- **Legal entities** participate in funded projects under HE (with few exceptions)
- They can be of **any type** (Universities and Research Centres; SMEs and Industries; NGOs; etc.).
- They need to have a **PIC number** (Participant Identification Code)
- Of course, **persons** are indicated in the proposals and **evaluated** for their capabilities to implement the project, if selected for funding

Funding: What funding rate applies?

100% (RIA, CSA, ERC) or 70 % (IA) funding rate for

- 1. Actual costs**, directly linked to the implementation of the action
- 2. Flat-rate for indirect costs/overhead costs**

Marie Skłodowska Curie Actions

- 3. Fixed Unit cost rates** cover researcher costs and institutional costs



Horizon Europe – Model Grant Agreement (Annex 2): cost categories



A. PERSONNEL COSTS

- **A.1** Employees
- **A.2** Natural persons under direct contract
- **A.3** Seconded persons
- **A.4** SME owners and natural person beneficiaries



B. SUBCONTRACTING COSTS



C. PURCHASE COSTS

- **C.1** Travel and subsistence
- **C.2** Equipment
- **C.3** Other goods, works and services



D. OTHER COST CATEGORIES (If allowed by the call)

- **D.1** Financial support to third parties
- **D.2** Internally invoiced goods and services
- **[D.3 Transnational access to research infrastructure unit costs]**
- **[D.4 Virtual access to research infrastructure unit costs]**
- **[D.5 PCP/PPI procurement cost]**
- **[D.6 Euratom Cofund staff mobility costs]**
- **[D.7 ERC additional funding]**
- **[D.8 ERC additional funding (subcontracting, FSTP and internally invoiced goods and services)]**



E. INDIRECT COSTS

Direct costs

= **directly linked** to the implementation of the action

Examples:

- ✓ Personnel costs
- ✓ Subcontracting
- ✓ Purchase costs (Travel, equipment, other goods, works and services)
- ✓ Other cost categories



Project-based remuneration at a glance



WHAT IS IT?

- ❖ Usual remuneration practices of a legal entity under which a **personnel receives supplementary payments for work in projects**

Example:

an employee who gets a bonus or a new contract with a higher salary level for working in a project.



HOW MUCH CAN BE DECLARED?

- ❖ Actual remuneration costs paid by the legal entity for the time worked by the personnel in the action ('**action daily rate**') **up to** the remuneration that the person **would be paid for work in R&I projects funded by national schemes** ('**national projects daily rate**')



METHODOLOGY?

- ❖ **Compare**

Action daily rate

National Projects daily rate*

- ❖ Take **the lower of the two.**

* Usually based on:

- *either regulatory requirements (such as national law or collective labour agreements)*
- *or your written internal remuneration rules*

Indirect costs

= not directly linked to the action

Examples:

- ✓ Rents, electricity, heating, office equipment, furniture, phone costs, postage, printing and copy costs, administrative costs
- ✓ Paid as a 25% as flat rate of the direct eligible costs (except e.g. subcontracts!)



Lump sum funding

Lump sum funding is getting more common in Horizon Europe!

- Simplification: costs to be calculated at proposal stage, but no reporting of actual costs and resources during project implementation.
- Reporting focuses on implementation of the action, of Work-Packages, etc.

How to know if a Horizon Europe topic is using lump sum funding?

- When a topic under Horizon Europe makes use of lump sum funding, this is specified in the "specific conditions" of the topic in the work programme, under "Legal and financial set-up of the Grant".

Lump sum funding web-page:

- <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/programmes/horizon/lump-sum/guidance>

Writing a lump sum proposal

- To write a lump sum proposal, you:
 - Use the standard Horizon Europe application form
 - Present the objectives and methodology of your project and address the expected outcomes and impacts as in any Horizon Europe proposal
 - Describe in detail the activities covered by each work package.
- To define and justify the lump sum, you need to provide a **detailed budget table** with cost estimations.
- The detailed budget table is an **Excel file**. You must download it from the online submission system, fill it and submit it as an annex to the Part B of your application form.

Writing a lump sum proposal

- In this detailed budget table, you provide **cost estimations for each cost category** per beneficiary (and affiliated entity if any) and per work package.
- The cost estimations must be an **approximation of your actual costs**. They:
 - are subject to the same eligibility rules as in actual costs grants
 - must be in line with your normal practices
 - must be reasonable / non-excessive
 - must be in line with and necessary for your proposed activities.
- The cost estimations are used to generate in the detailed budget table a **breakdown of lump sum shares** per work package and per participant.
- Details and instructions on how to fill in the lump sum detailed budget table are provided in the [Funding & Tenders portal](#).

Budget allocation

Budget allocation (annex 2 to the grant agreement)

	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	Total
Beneficiary A	250.000			50.000	300.000	250.000		300.000	1.150.000
Beneficiary B		250.000	350.000	50.000			100.000	150.000	900.000
Beneficiary C	100.000	100.000		50.000		280.000			530.000
Beneficiary D		120.000		50.000			100.000	150.000	420.000
Total	350.000	470.000	350.000	200.000	300.000	530.000	200.000	600.000	3.000.000

Shares of the lump sum per beneficiary

Shares of the lump sum per WP

Lump sum = Maximum grant amount

You can **use the budget as you see fit** as long as the project is implemented as agreed. The actual distribution of the lump sum is invisible to us.

Budget transfers between work packages and/or partners require an amendment if the consortium wants to reflect them in the grant agreement.

Ex-post controls

Checks, reviews and audits for:



Proper implementation of the action (e.g. technical review)



Compliance with the other non-financial obligations of the grant, e.g.



IPR obligations

Ethics and integrity

Open science

Dissemination

Etc.



No financial checks, reviews and audits by EU services

Keeping records

You need (e.g.)



- Technical documents
- Publications, prototypes, deliverables
- Documentation required by good research practices such as lab books
- ...any document proving that the work was done as detailed in Annex 1



Same as for all Horizon Europe grants

You don't need



- Time-sheets
- Pay-slips or contracts
- Depreciation policy
- Invoices
- ...any documents proving the actual costs incurred

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Thank you for your attention!

