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Technical Assistance for Turkey in Horizon 2020 Phase-II  
EuropeAid/139098/IH/SER/TR

# Horizon Europe: Practical Aspects of Proposal Budget

Information Multipliers System Training (IMS-4)

*Odyseas Spyroglou, KE2*

Online, 1 April 2021

Photo by Christian Lue on Unsplash



REPUBLIC OF TURKEY  
MINISTRY OF INDUSTRY  
AND TECHNOLOGY



COMPETITIVE  
SECTORS  
PROGRAMME



TÜBİTAK

# Meet the instructor

Odysseas Spyroglou  
Key Expert 2. Legal, Financial & IPR



- **Innovation consultant** with **engineering, ICT and financial** background.
- Over **20 years of working experience** in EU funded projects: preparing proposals, building consortia and managing projects under FP7, CIP, COSME, INTERREG, MED, H2020 and more.
- Specialise in **Project Management & Quality, Intellectual Property** and reengineering **business processes**.
- Designed and delivered more than **300 training sessions on Innovation** Management, IPR, Entrepreneurship, Proposal Writing, Project Management, financial administration.

**20+**  
Years

**60+**  
Projects

**90m+**  
Funds

 [linkedin.com/in/ospyroglou](https://www.linkedin.com/in/ospyroglou)

# Get ready for Horizon Europe Calls

## How to prepare for HE



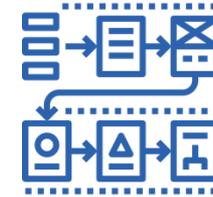
### Study the Policies

- Strategic Plan 2021-24
- Strategic Plan Analysis
- General Intro of WP 2021-22
- Get familiar with Legal Documents (MGA, CA)



### Identify your call(s)

- Scan WPs for relevant to your interests calls
- Study the call text
- Study new Proposal Template
- Study General Annex of WP



### Start building

- Decide your Strategy
- Prepare your offer/concept
- Find/Build your consortium
- Write proposal
- **Agree budget**

# Understanding the costs

## Know the costs categories

ELIGIBLE COSTS	INELIGIBLE COSTS
<p><b>DIRECT</b> (Actual)</p> <ul style="list-style-type: none"> <li><b>A. Personnel costs</b> (incl. employer's costs)</li> <li><b>B. Subcontracting</b></li> <li><b>C. Purchase</b> (Travel, Equipment, other)</li> <li><b>D. Other</b> (Fin Support, Internal invoices, Research Infrastructures, PCP, EU Partnership, Cofund, ERC, EIC)</li> </ul> <p><b>INDIRECT</b> (25% on all Direct Exp. Subcontracting)</p> <ul style="list-style-type: none"> <li><b>E. Overhead</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Deductible VAT</b> (Note: non deductible/non identifiable VAT is eligible)</li> <li><b>Losses due to fluctuation of exchange rates</b></li> <li><b>Interest owed</b></li> <li><b>Provisions for future losses or debts</b></li> </ul>

# A. Personnel Costs

Know the costs categories

- Employee costs (or equivalent)
- Natural persons working under a direct contract
- Personnel seconded by a third party
- SME Owners: owners of SMEs not receiving a salary'



## B. Subcontracting

Know the costs categories

- Always check specific rules
- Business Conditions
- Only small amount  
( $<15-20\%$  of the partner's budget)
- Avoid it if you can

### ANNEX 1:

Description of Tasks, Costs Estimation, Need justification

### ANNEX 2: Estimated Costs

EXAMPLES: *Contract for specific part of the research (Secondary) // Contract for Test and analysis of a new product*

# C. Purchase Costs

Know the costs categories

- Travel and Subsistence
- Equipment (only Depreciation)
- Other Goods, works and Services

# C1. Travel & Subsistence

Know the costs categories

- **Transportation**
  - Number of Trips
  - Destinations
  - Duration of travels
  - Number of people traveling
- **Flat Subsistence Allowance**
  - *eligible if in line with beneficiary's usual practices on travel*
  - <https://www.per-diems.info>
  - [https://ec.europa.eu/international-partnerships/documents-library\\_en?keyword=per%20diem%20rates](https://ec.europa.eu/international-partnerships/documents-library_en?keyword=per%20diem%20rates)

# C2. Equipment

Know the costs categories

- Always verify specific rules
- Depreciation (not full cost)
- According to National Legislation

## *Example:*

- Every item has an economic life (e.g. 4 years according to National Legislation in Greece)
- After 4 years its value = 0
- Losing 25% of its value every year
- If the project lasts 4 years you can charge the full cost

# C3. Other goods, works, services

Know the costs categories

**NOT CORE TO THE PROJECT**

**ALL MUST BE DETAILED AND JUSTIFIED**

- Short Consultancies
- Catering
- Printing services
- Etc.

# D. Other Cost Categories

## Know the costs categories

D. Other cost categories							
/D.1 Financial support to third parties /	/D.2 Internally invoiced goods and services /	/D.3 Trans-national access to research infrastructures /	/D.4 Virtual access to research infrastructures /	/D.5 PCP/PPI procurement costs /	D.6 European Partnership Cofund additional coordination and networking costs /	/D.7 Euratom Cofund staff mobility costs /	D.8 ERC additional funding /

D1. Financial Support to 3rd Parties

D2. Internally invoiced Goods and Services

D3. Transnational Access to Research Infrastructure

D.4 Virtual Access to RI

D.5 PCP/PPI procurement costs

D.6 EU Partnership Cofund additional Coordination/ networking

D.7 Euratom Cofund Staff

D.8 ERC Additional Funding

# E. Indirect Costs

Know the costs categories

- Necessary for every functioning organisation
- Connected to productive personnel
  - Utilities
  - Office costs
  - Communications
- How to determine the % ?  
FLAT 25% of ALL Direct costs (*except Subcontracting*)
- They do NOT have to be justified

# Budget Flexibility

How flexible are we?

- At reporting costs may differ from estimated eligible costs.
- Budget Transfer between Beneficiaries or between budget categories without Amendment

*If incurred costs < estimated, difference to another partner or budget category.*

*If significant change in planned work, amendment is needed*

# What is your strategy?

## Decide your role

# Participant or Coordinator?

Photo by Daria Nepriakhina on Unsplash

# Be a participant

Join a consortium as a partner

1. Identify your calls
2. Map your capabilities
3. Prepare your value proposition
4. Advertise your profile online
5. Join a consortium / Contribute to proposal
6. Estimate/Negotiate budget

# Estimate Budget (I)

What is the Person Month

One Person working for 3 months (Full time)

=

3 Persons working for 1 month (Full time)

=

6 Persons working for ½ month

**ANY DURATION**

# Estimate your Budget (II)

## Work Break Down Structure (WBS)

	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	WP9	Total
COORD	17,0	3,0	26,0	0,0	2,0	0,0	8,0	0,0	2,0	58
PART 2	1,0	4,0	12,0	10,0	3,0	1,0	0,0	14,0	1,0	46
PART 3	<b>2,0</b>	<b>2,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>32,0</b>	<b>0,0</b>	<b>6,0</b>	<b>42</b>
PART 4	3,0	1,0	0,0	0,0	17,0	17,0	2,0	0,0	2,0	42
PART 5	1,0	0,0	0,0	3,0	10,5	9,0	5,0	0,0	5,5	34
PART 6	2,0	21,0	2,5	1,0	2,0	0,0	2,0	4,5	4,0	39
PART 7	1,0	0,0	2,0	0,0	0,0	0,0	0,0	0,0	12,0	15
PART 8	1,0	2,0	2,0	5,0	2,0	0,0	2,0	4,0	2,0	20
PART 9	2,0	0,0	6,0	18,0	0,0	0,0	2,0	2,0	2,0	32
<b>Total</b>	<b>30,0</b>	<b>33,0</b>	<b>50,5</b>	<b>37,0</b>	<b>36,5</b>	<b>27,0</b>	<b>53,0</b>	<b>24,5</b>	<b>36,5</b>	<b>328</b>

# Estimate your Budget (III)

Average Person Month / Personnel Cost

**Average Person Month Cost = weighted mean value of the different profiles**

Profile	PM Cost	PM	Total
Director	8.000,00 €	2	16.000,00 €
Senior Researcher	5.000,00 €	20	100.000,00 €
Junior Researcher	2.500,00 €	20	50.000,00 €
		<b>42</b>	<b>166.000,00 €</b>
	<b>AVERAGE COST:</b>		<b>3.950 €</b>

*Taken into account only for Proposal Phase. During Project Implementation you need actual costs.*

# Estimate your Budget (IV)

## Other Costs

No	Participant name	Country	Estimated eligible costs						EU contribution to eligible costs			Income generated by the action (o)	Financial contributions (q)	Own resources (r)	Total estimated income (s)=(n)+(o)+(p)+(q)+(r)		
			A. Personnel costs/€ (a1)	B. Subcontracting costs/€ (b)	C. Purchase costs			D. Other cost categories [specific cost category] /€ (dx)	E. Indirect costs/€ (e) = 25% * [(a1) + (c1) + (c2) + (c3) + (d6) + (d7) + (d8) + (d10) + (d11)]	Total eligible costs (h) = (a1) + (b) + (c1) + (c2) + (c3) + (d) + (e)	Funding rate (U)					Maximum EU contribution to eligible costs (l) = (U) * (h)	Requested EU contribution to eligible costs/€ (Requested grant amount) (m) (n)
					C.1 Travel and subsistence/€ (c1)	C.2 Equipment/€ (c2)	C.3 Other goods, works and services /€ (c3)										
1	Participant 1	NL															
2	Participant 2	LB															



A. PERSONNEL COSTS	B. SUB-CONTRACTING COSTS	C. PURCHASE COSTS	D. OTHER COSTS	E. INDIRECT COSTS	TOTAL ELIGIBLE COSTS	EU CONTRIBUTION
€ 166.000	€ 0	€ 14.000	€ 0	€ 45.000	€ 225.000	€ 225.000
				25% * (A + C + D)	T=A+B+C+D+E	RATE = 100 % or 70% EU CON = RATE% * T

# Be a Coordinator

Do you have what it needs to be a coordinator?

- Requires experience
- A lot more resources
- Ability to manage the project
- A clear strategy in every aspect
- Knowledge of Framework Programmes
- A strong network of partners

# Roadmap of proposal preparation

From challenge to deliverables



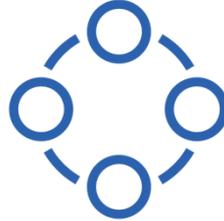
# Step 1: Assess and Evaluate the call

From identifying a call to submitting a proposal



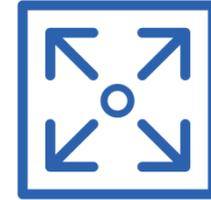
## Eligibility

- Is the call for you?
- Are you eligible?
- What's the call's budget?
- Do you need partners?
- What's the competition?



## Relevance

- Do you have a solution?
- Do you address ALL challenges of call?



## Capacity

- Can you write?
- Can you co-fund?
- Can you implement?

Don't start preparing a proposal without satisfactory answers to the above questions! It will be a waste of time and resources...

# Step 1: What's the call's budget

How much money are available?

## HORIZON-CL2-HERITAGE-2021-01-01: Green technologies and materials for cultural heritage

<b>Expected EU contribution per project</b>	The EU estimates that an EU contribution of between <b>EUR 3.50 and 4.00 million(s)</b> would allow these outcomes to be addressed appropriately. Nonetheless, this does not preclude submission and selection of a proposal requesting different amounts.
<b>Indicative Budget</b>	The total indicative budget for the topic is <b>EUR 7.00 million.</b>
<b>No of proposals to be funded</b>	2 proposals

# Step 2: Minimum Viable Content

From Concept to deliverables

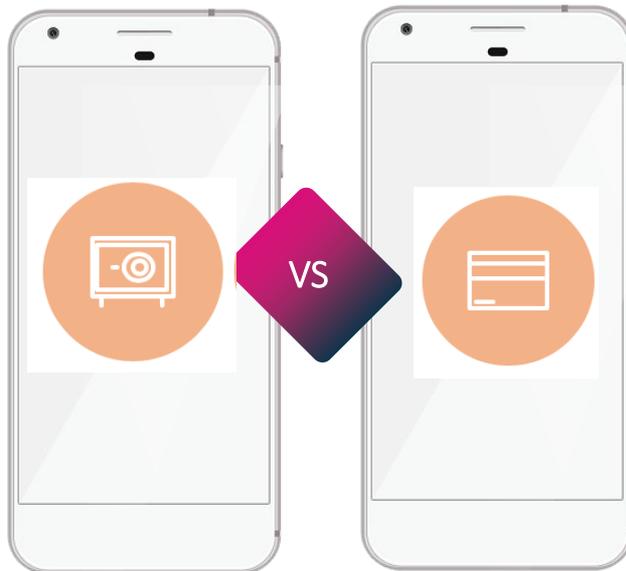
*A strategy used for fast and simultaneous testing of a proposal idea. An iterative process of idea generation, presentation, feedback collection, analysis and learning.*

## Pitch Presentation

- Easier than writing when you don't have everything clear yet
- Visual content helps for describing to the others
- Especially helpful when it's a multidisciplinary project and your partners have various backgrounds



Works better in live meetings or telcos



## Concept Note

- Better for receiving concrete feedback
- More appealing to official settings and partners with whom you work for the first time



Works better in email communication

# Step 2: Respond with a proposal for a project

From identifying a call to submitting a proposal



## Prepare Concept

- Prepare the concept
- Describe your solution (to the call's challenge)
- What do you have?
- What do you need?
- Where can you find it?



## Build Consortium

- Commit your organisation
- Build your team
- Build your consortium
- Agree common goals, objectives, plan
- Negotiate budget



## Write Proposal

- Collaborative work
- Involve experts
- Share workload
- Set clear targets
- Review iteratively

# Step 2: A Concept Note (Call summary)

An example from Horizon Europe [DATES ARE TENTATIVE]

<b>CALL</b>	<b>HORIZON-CL2-HERITAGE-2021-01-06 Cultural and creative industries as a driver of innovation and competitiveness</b>
<b>CALL DATA</b>	Publication date: April 2021 / Deadline Date: <u>15 Jun 2021 17:00:00 (Brussels)</u> Total Call Budget: €7,000,000 / Cluster 2: <b>Culture, Creativity and Inclusive Society</b>
<b>SCOPE</b>	The cultural and creative industries (CCI) are an important source of growth and job creation in the European economy...The challenge is to understand how to realise the full potential of CCIs as a driver for innovation, create stronger links with other sectors and contribute to strengthening the European economy, society and its sustainability.
<b>OBJECTIVE</b>	Proposals should explore the innovation potential of the CCI, their role as drivers of innovation in other sectors and the potential for strengthening competitiveness.  <ul style="list-style-type: none"> <li>• Strengthening links between science and art</li> <li>• Study new technologies, new business models, skills development, new distribution and/or promotion models</li> <li>• identify policy measures for further strengthening the competitiveness and drawing benefit from the innovation potential of the sector in the EU and the international markets.</li> </ul>
<b>BUDGET</b>	Contribution of 2.5-3.5 mil. Type of Action: <b>Research and Innovation Action</b> Funding rate: 100%

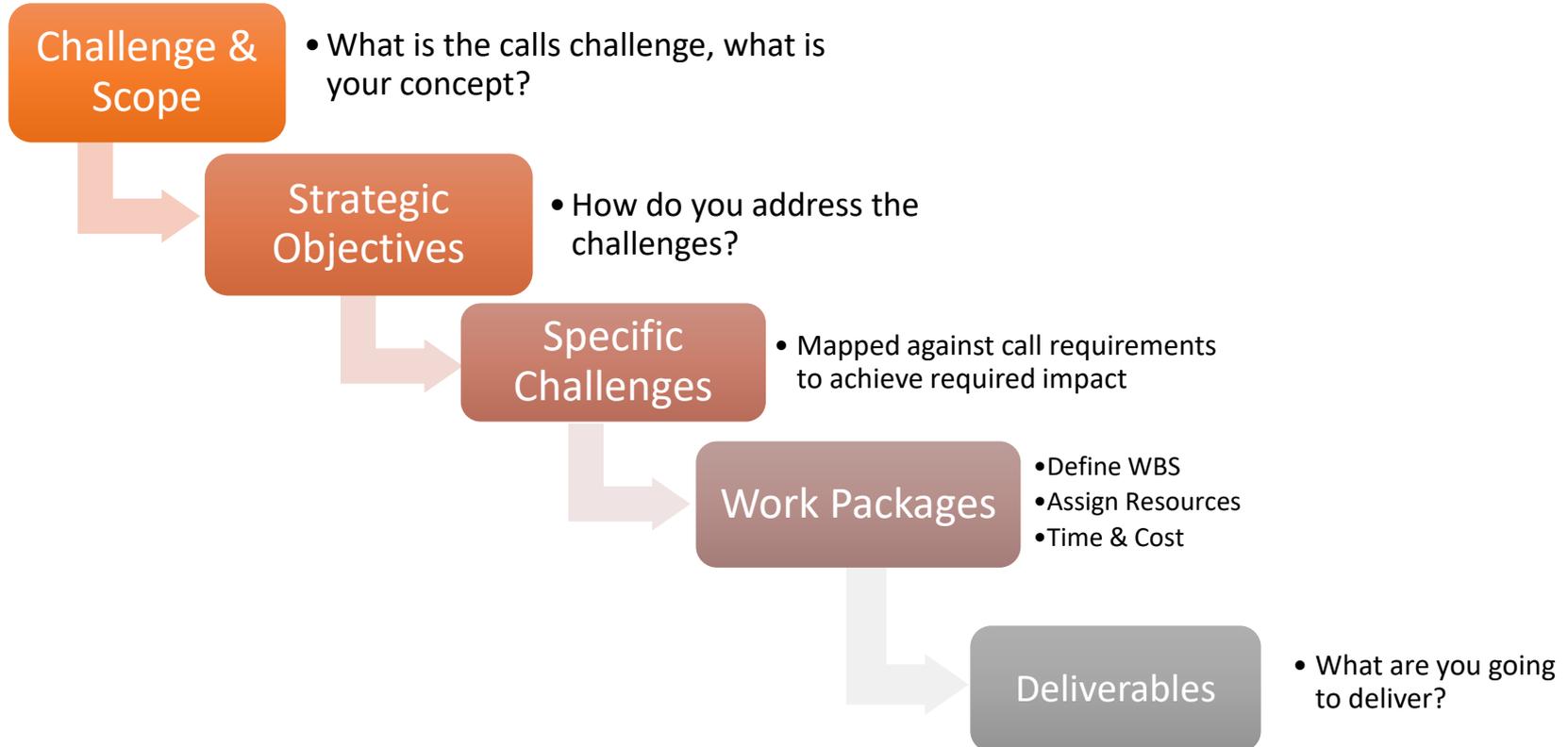
# Step 2: Min Viable Concept: A Concept Note

How a concept should look like

<b>TITLE / ACRONYM</b>	AmazeME: “Find a catchy & Descriptive title”
<b>WHY ? (BACKGROUND)</b>	<ul style="list-style-type: none"> <li>• What problem you trying to address. Why bother?</li> <li>• Is it a European priority? Could it be solved at National level?</li> <li>• Is the solution already available?</li> <li>• Why now? What would happen if we did not do this now?</li> <li>• Why you? Are you the best people to do this work?</li> </ul>
<b>SOLUTION?</b>	What is the proposed solution ?
<b>HOW?</b>	<ul style="list-style-type: none"> <li>• How is it going to be achieved ?</li> <li>• What will be the outcomes? How are you going to validate them?</li> <li>• Expected results - what will come out of the project?</li> <li>• Who will use the results?</li> <li>• Why do they want to use the results?</li> <li>• How are you planning the transfer of results? Any exploitation/commercial plans?</li> <li>• Will it make an impact? What will be changed? Post project situation</li> </ul>
<b>CONSORTIUM</b>	COORDINATOR / PARTNERS (Name / Web Site / Role in the Project / Contacts)
<b>PROPOSED BUDGET</b>	Per Partner / Per WP / Per Task

# Step 2: Structure your approach

## From challenge to deliverables



# Step 3: Internal Support

Align with your organisation



Compliance with the R&I agenda of your organization



Approval of hierarchy (official procedure might be needed )



Support from other colleagues and internal supporting structures (if any)

**Make sure ON TIME that you will have support internally BEFORE starting to prepare the proposal and contact partners to save time and resources and protect your credibility in the network !**

# Step 4: Proposal Preparation team

Align with your organisation



You need  
people  
who:



Have comprehensive **technical understanding**



Are fluent and accurate in **English**



Have the ability to **think** through detail and spot problems



Have great **imagination** and ability to see opportunities

***Plus: a Team Leader/Coordinator:***

*someone who can lead, motivate, coordinate and monitor all the above,  
dealing (very often) with conflicting agendas in a fair and effective way*

# Step 5: Consortium building

Find the right partners



## Previous collaboration and Friendship

It is ALWAYS good to work with people you already know and trust  
**BUT! Avoid inviting people just because they are your friends...**  
They must fit and add value to the project



## Big and successful stakeholders AKA “Big sharks”

Sometimes it is necessary to include key players or “big” names  
**BUT!** Keep in mind that those partners may try to take advantage of you and the rest  
of the consortium...



## Value chain and geographical coverage

Make sure that your consortium **captures the entire value chain** as required by the call  
and has sufficient geographical coverage  
**BUT! Don't involve partners just because they come from high profile countries...**

# Step 5: Build your consortium

Reach out to your network or outside of it

R&D Project Opportunity under Horizon Europe:

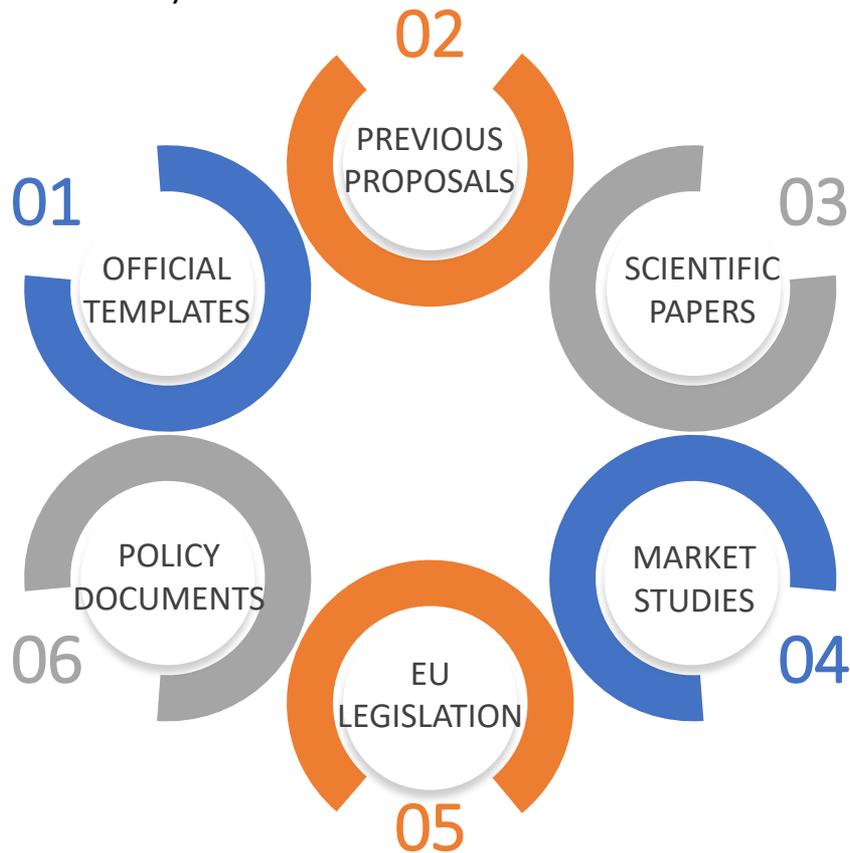
- Dear .....,
- I took the liberty of contacting you because we are preparing a project proposal under <http://ec.europa.eu/research/.....>
- We are looking for a strong end user from the fire fighting domain. **XXX** is coordinating the project. **IBM** and **University of .....** also participate in the core consortium. Our company ([www.xxx.com](http://www.xxx.com)) is coordinating the proposal preparation. You can see a short presentation of our activities here ([www.slideshare.com/xxx](http://www.slideshare.com/xxx))
- Of course if you are interested I'll be happy to elaborate.
- I believe it would be great if .....(your organisation) could participate.
- Looking forward to your feedback. You can reply directly to my email: **xxxx @ xxx. xx**

# Step 6: Material collection

Build your library

**Background material database** will help proposal writing team to save time and develop content in an effective and credible way.

- Collect only relevant and useful material
- Engage everyone in the team, provide access and ask for contribution
- Save for future use



# Step 7: Feedback Collection

Follow a participatory process

## FROM WHOM?

- Decision makers
- Proposal writing team
- Externals (if available)

- Concept note
- Versions of proposal
- Budget

## FOR WHAT?

- **EVALUATE**
- **INTEGRATE**
- **IMPROVE**

## WHEN?

- Often (min. 3-4 times)
- Synchronized
- Earlier than needed

- Politely but persistently
- Written communication
- Keep track

## HOW?

# Step 8: Work Allocation

Divide and organise your work



- “The one who will implement, writes”
- Inform everybody upfront what is their assignment and deadlines
- Secure commitment

## STRATEGY



- Introduce teams
- Appoint team leaders
- Explain expectations

## COLLABORATION



- Ambitious yet achievable
- Not only time bound but also related to quality
- “Ask a lot, but take what is offered”, Russian Proverb

## TARGETS



- Telcos on regular basis
- 1 Physical meeting max.
- Increased intensity closer to deadline

## COMMUNICATION

# Step 8: Work Allocation

## Work Break Down Structure (WBS)

	WP1	WP2	WP3	WP4	WP5	WP6	WP7	WP8	WP9	Total
<b>COORD</b>	<b>17,0</b>	<b>3,0</b>	<b>26,0</b>	<b>0,0</b>	<b>2,0</b>	<b>0,0</b>	<b>8,0</b>	<b>0,0</b>	<b>2,0</b>	<b>58</b>
<b>PART 2</b>	1,0	4,0	12,0	10,0	3,0	1,0	0,0	14,0	1,0	<b>46</b>
<b>PART 3</b>	2,0	2,0	0,0	0,0	0,0	0,0	32,0	0,0	6,0	<b>42</b>
<b>PART 4</b>	3,0	1,0	0,0	0,0	17,0	17,0	2,0	0,0	2,0	<b>42</b>
<b>PART 5</b>	1,0	0,0	0,0	3,0	10,5	9,0	5,0	0,0	5,5	<b>34</b>
<b>PART 6</b>	2,0	21,0	2,5	1,0	2,0	0,0	2,0	4,5	4,0	<b>39</b>
<b>PART 7</b>	1,0	0,0	2,0	0,0	0,0	0,0	0,0	0,0	12,0	<b>15</b>
<b>PART 8</b>	1,0	2,0	2,0	5,0	2,0	0,0	2,0	4,0	2,0	<b>20</b>
<b>PART 9</b>	2,0	0,0	6,0	18,0	0,0	0,0	2,0	2,0	2,0	<b>32</b>
<b>Total</b>	<b>30,0</b>	<b>33,0</b>	<b>50,5</b>	<b>37,0</b>	<b>36,5</b>	<b>27,0</b>	<b>53,0</b>	<b>24,5</b>	<b>36,5</b>	<b>328</b>

# Step 9: Iterations

## An agile approach to proposal writing



Feedback

To get feedback faster and more efficient from as many people as possible



Consensus

To secure consensus on key aspects of the proposal



Troubleshooting

To spot inconsistencies, overlaps or conflicts and tackle them on time



Engagement

To demonstrate progress to the team, acknowledge contributions and maintain/increase engagement

# Step 9: Preparation Sprints

How to write in iterations?

## Step 9: Write in Iterations



- Concept
  - Objectives
  - Work packages description
- Methodology
  - Impact
  - State-of-the-art
- Rest of Section 1
  - Measures to maximize impact
  - Partners profiles
- Management
  - Budget
  - Graphs and text formatting

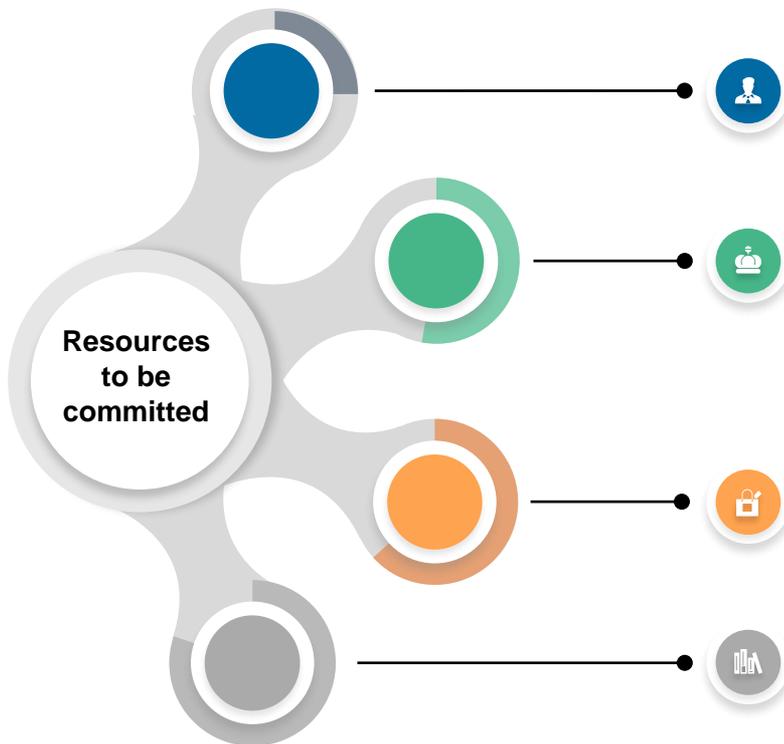
# Step 10: Plan the budget

## Key Preparatory Stages



# Step 10: Plan the budget

Identify costs, estimate resources



Where will you spend money? Explain.  
Check consistency with Part A

What resources will be made available to  
the project (e.g. teams, facilities,  
equipment)?

What will be the major costs?

- How the resources will be put into place and integrated in a coherent way?
- How the overall financial plan for the project is adequate?

# Step 10: Plan the budget

Negotiate the budget with partners

## 01. PROS

### Private 1-to-1 negotiations

- More effective
- Reduces drama
- Coordinator can keep better control



01. PROS+

## 02. CONS



## 02. CONS

- Triggers backroom politics
- Raises complains (sometimes)
- More work for the coordinator

## 01. PROS

### Open negotiation

- More transparent
- Everybody feels engaged
- Partners contribute in workload



01. PROS+

## 02. CONS



## 02. CONS

- It can boost drama
- Time before deadline is precious
- Expertise and attitude are crucial

# Step 11: Submit the proposal

## Finalise and submit



### DOs

- Ask different people to check the whole text
- Make sure formatting is according to specs
- Make sure .pdf looks like word document
- Look at all questions in the platform upfront so that you have answers

**DOWNLOAD AND CHECK  
AFTER YOU SUBMIT!**

### DON'Ts

- Keep the proposal in separate files
- Use different computers/ versions of software
- Forget to fill in all tables and Sections
- Submit the last moment of the deadline

**MAKE IMPORTANT CHANGES IN  
THE LAST MOMENT**



**TIP: Start making trial submissions a couple of days before the deadline to test the system, BUT make sure that at the end you have the correct version uploaded!**

# Steps of Budget Preparation

## A Coordinator's role

1. Define the total cost
2. Partner distribution draft
3. Prepare WBS and PM / WP
4. Determine Personnel Costs
5. Define Other Costs
6. Circulate budget to partners
7. Negotiate and finalise

# Define final budget

## A Coordinator's role

- Make a rough evaluation
- Based on restrictions
  - Call budget
  - Previous Projects
  - Ask your NCP about competition
- Must be realistic
- Start moderate so you can increase it during preparation
- Negotiate early with partners
  - Distribute your proposal in the beginning
  - Even if you have not all the partners, you know the roles

# Why is the budget important?

## A Coordinator's role

- Wrong assumptions lead to problems
- Poor planning creates uncertainty
- Practical Example
- <https://th2020.zendesk.com/hc/en-us/articles/209317309-H2020-Budget-Preparation>

# Wrap it up

## Understanding EU Funding & Horizon Europe

- Understand the cost categories
- Decide on your strategy: Participant or Coordinator
- How to prepare a participant's budget
- How to prepare a coordinator's budget





# Q&A

Time to ask your  
questions!

Teşekkür ederim!

Thank you!

Contact:

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And Sokak 8/12 Akasya Apt. 06680 Çankaya/Ankara  
06520 Çankaya/Ankara, Turkey*

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