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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)

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Online, 1 April 2021

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REPUBLIC OF TURKEY
MINISTRY OF INDUSTRY
AND TECHNOLOGY



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



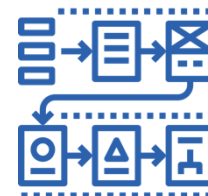
Study the Policies

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

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

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	2,0	2,0	0,0	0,0	0,0	0,0	32,0	0,0	6,0	42
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
Total	30,0	33,0	50,5	37,0	36,5	27,0	53,0	24,5	36,5	328

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 €
		42	166.000,00 €
	AVERAGE COST:		3.950 €

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

Estimate your Budget (IV)

Other Costs

			Estimated eligible costs							EU contribution to eligible costs			Income generated by the action	Financial contributions	Own resources	Total estimated income
			A. Personnel costs/€	B. Subcontracting costs/€	C. Purchase costs			D. Other cost categories	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)				
No	Participant name	Country	(a1)	(b)	C.1 Travel and subsistence/€ (c1)	C.2 Equipment/€ (c2)	C.3 Other goods, works and services /€ (c3)	D.X [specific cost category] /€ (dx)					(o)	(q)	(r)	(s)=(n)+(o)+(p)+(q)+(r)
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

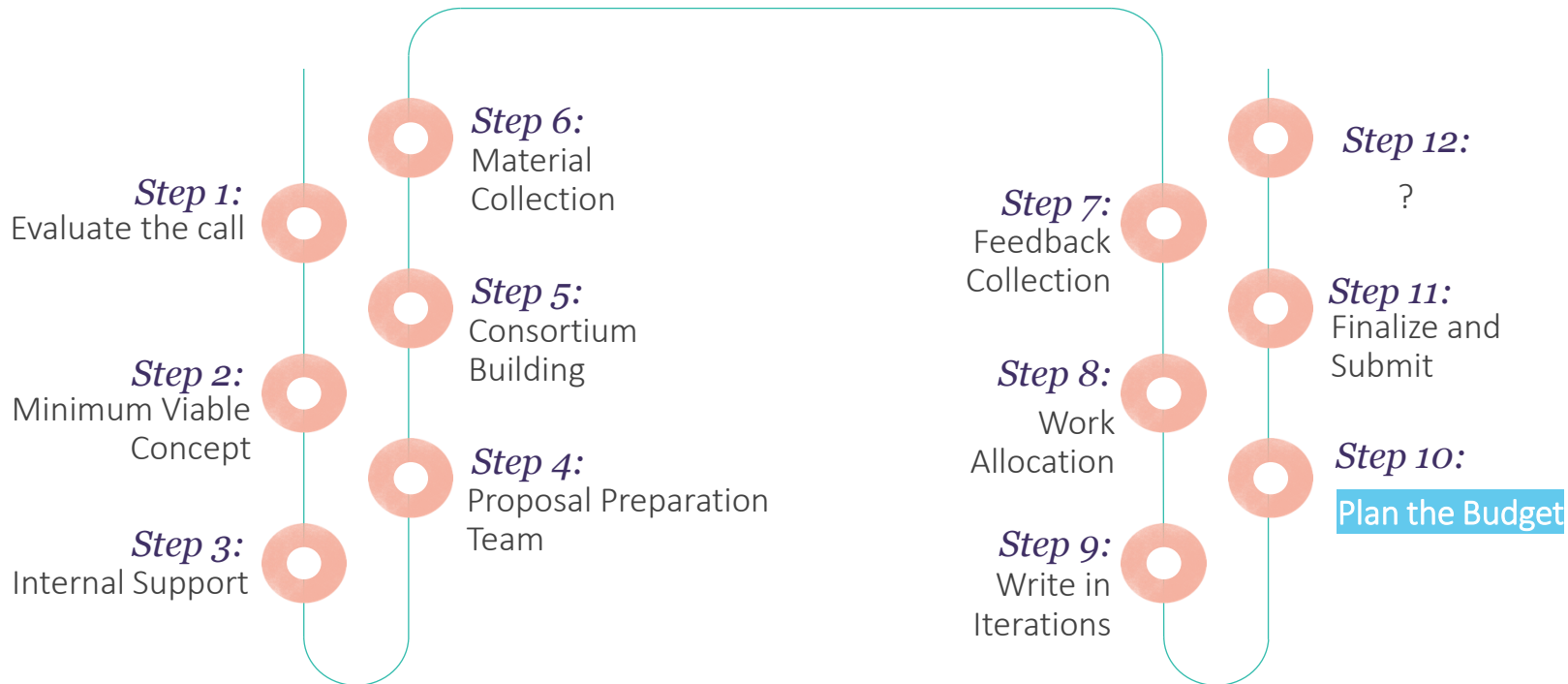
Be a Coordinator

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



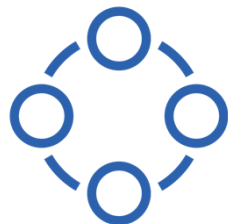
Step 1: Assess and Evaluate the call

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

Expected EU contribution per project

The EU estimates that an EU contribution of between **EUR 3.50 and 4.00 million(s)** would allow these outcomes to be addressed appropriately. Nonetheless, this does not preclude submission and selection of a proposal requesting different amounts.

Indicative Budget

The total indicative budget for the topic is **EUR 7.00 million.**

No of proposals to be funded

2 proposals

Step 2: Minimum Viable Content

From Concept to deliverables

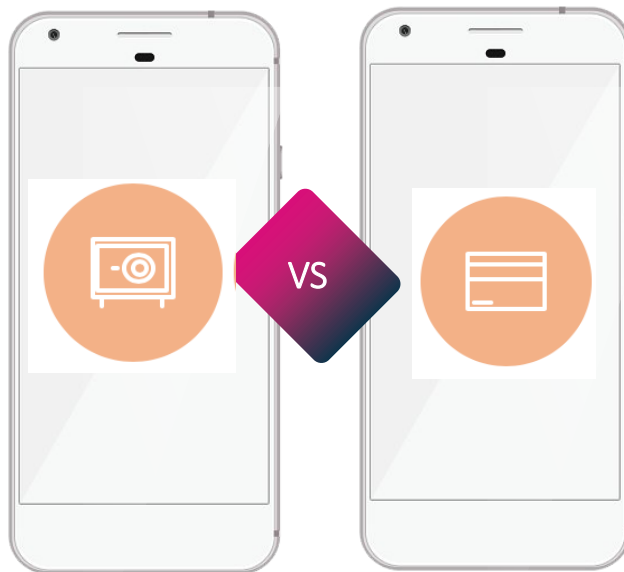
A strategy used for fast and simultaneous testing of a proposal idea. An iterative process of idea generation, presentation, feedback collection, analysis and learning.

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]

CALL	
HORIZON-CL2-HERITAGE-2021-01-06 Cultural and creative industries as a driver of innovation and competitiveness	
CALL DATA	<p>Publication date: April 2021 / Deadline Date: <u>15 Jun 2021 17:00:00 (Brussels)</u></p> <p>Total Call Budget: €7,000,000 / Cluster 2: Culture, Creativity and Inclusive Society</p>
SCOPE	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.
OBJECTIVE	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"> • Strengthening links between science and art • Study new technologies, new business models, skills development, new distribution and/or promotion models • 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.
BUDGET	<p>Contribution of 2.5-3.5 mil.</p> <p>Type of Action: Research and Innovation Action</p> <p>Funding rate: 100%</p>

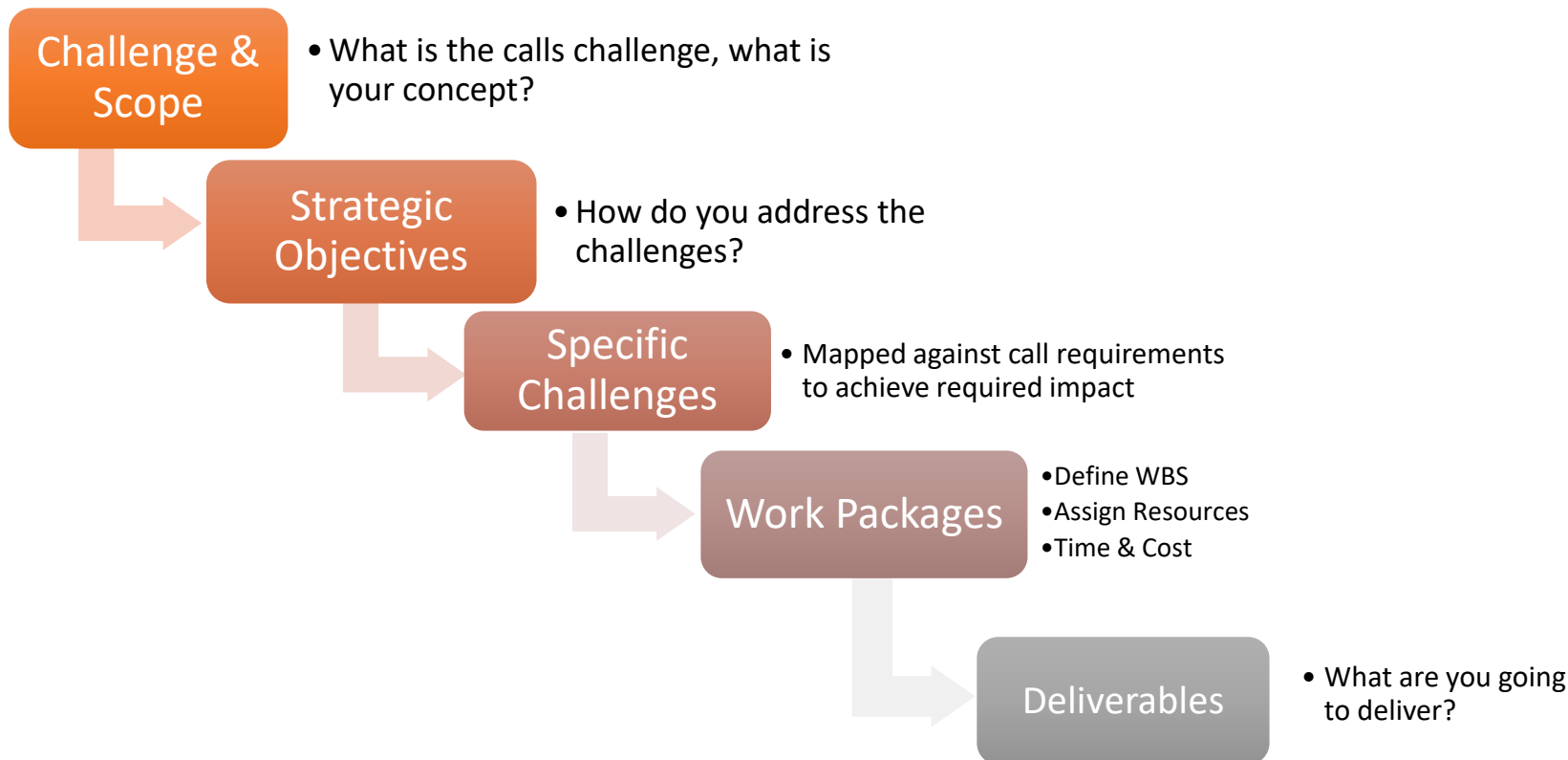
Step 2: Min Viable Concept: A Concept Note

How a concept should look like

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

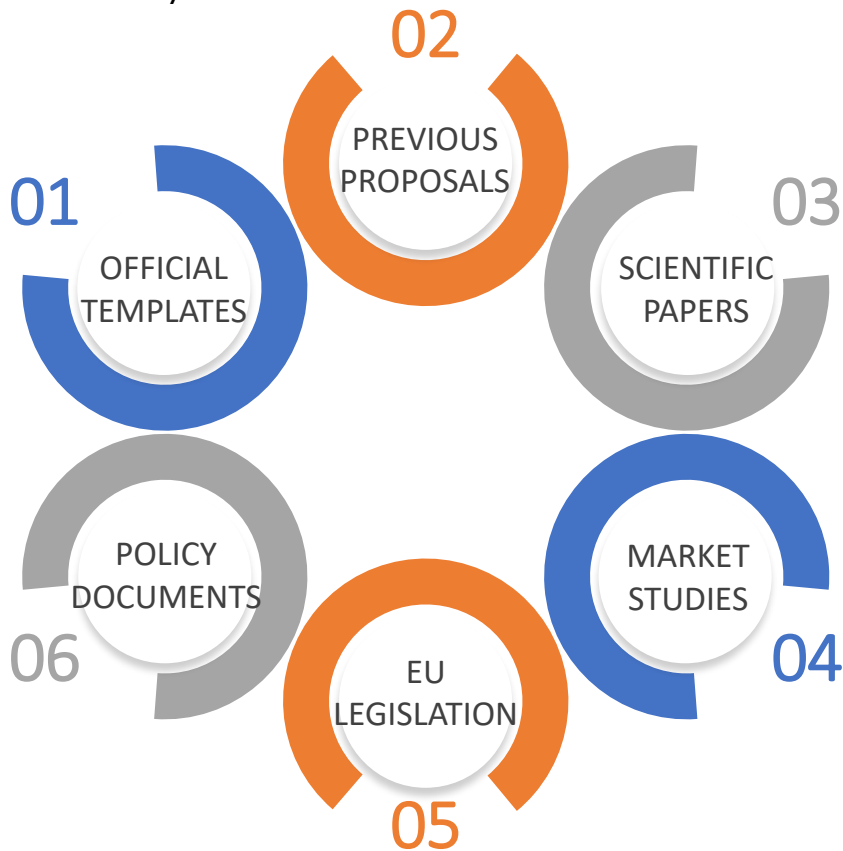
- Dear,
- I took the liberty of contacting you because we are preparing a project proposal under <http://ec.europa.eu/research/.....>
- We are looking for a strong end user from the fire fighting domain. XXX is coordinating the project. IBM and University of also participate in the core consortium. Our company (www.xxx.com) is coordinating the proposal preparation. You can see a short presentation of our activities here (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?

WHEN?

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

- ☐ Politely but persistently
- ☐ Written communication
- ☐ Keep track

HOW?

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

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
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PART 4	3,0	1,0	0,0	0,0	17,0	17,0	2,0	0,0	2,0	42
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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
Total	30,0	33,0	50,5	37,0	36,5	27,0	53,0	24,5	36,5	328

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



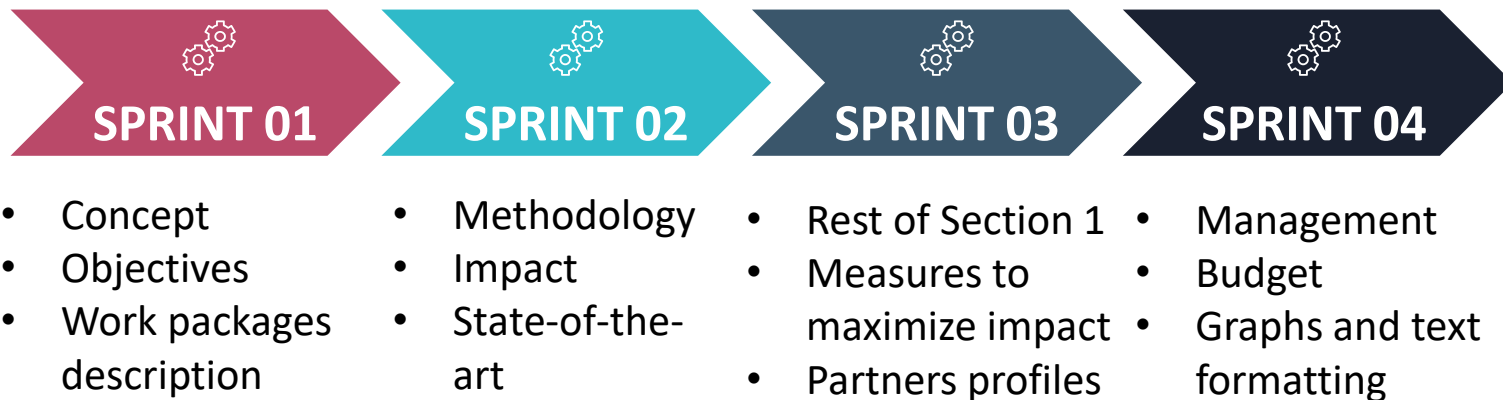
Engagement

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

Step 9: Preparation Sprints

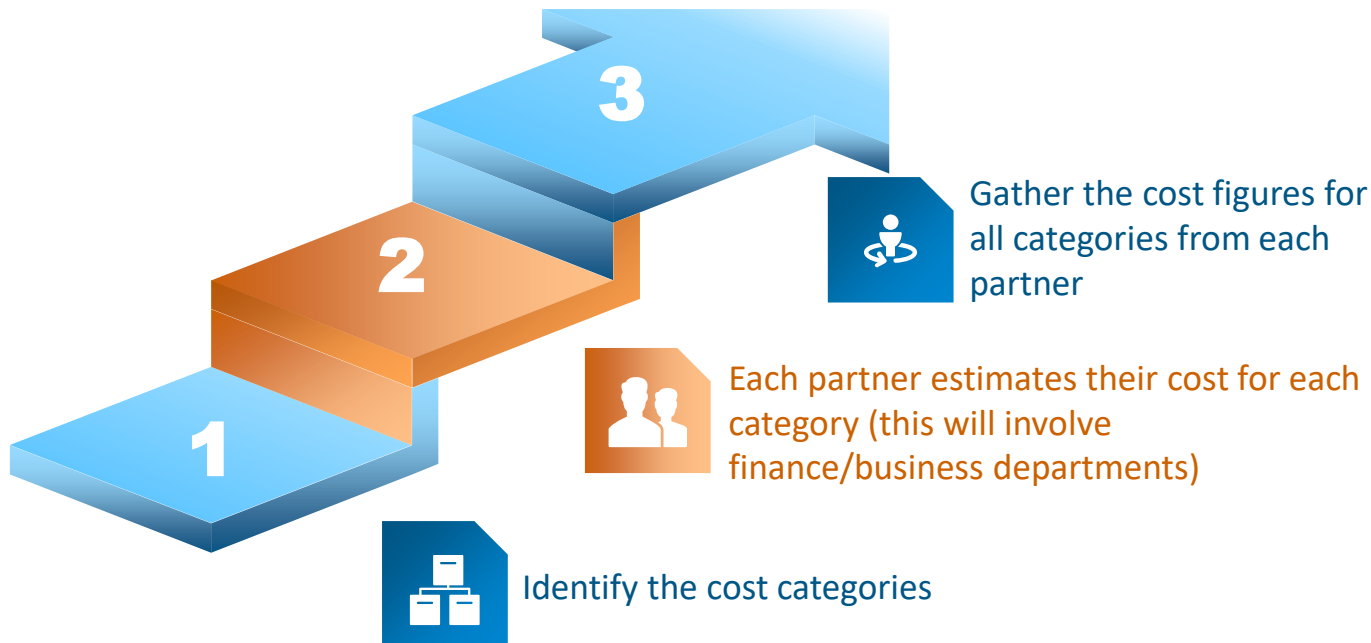
How to write in iterations?

Step 9: Write in Iterations



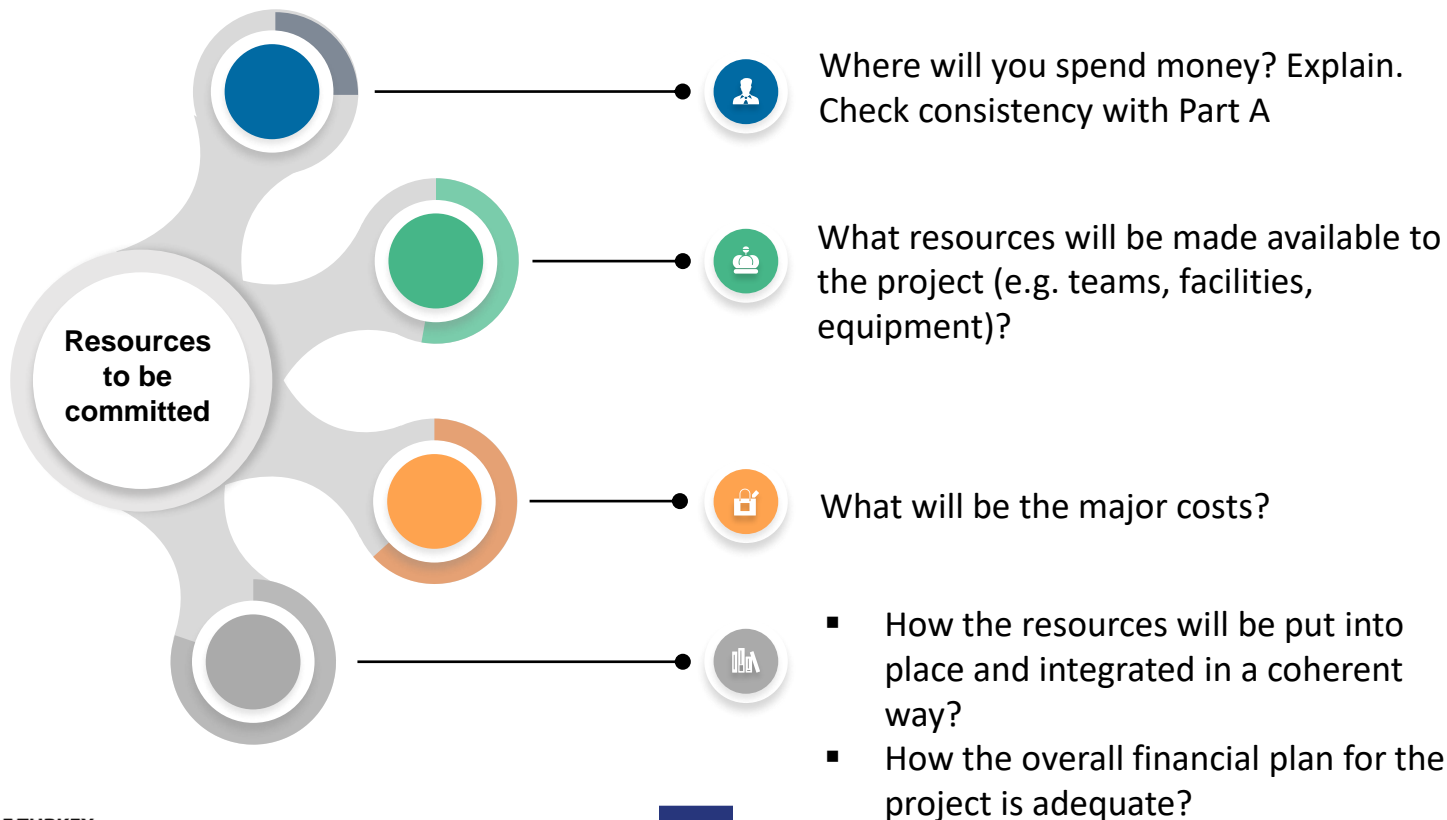
Step 10: Plan the budget

Key Preparatory Stages



Step 10: Plan the budget

Identify costs, estimate resources



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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