

**DECISION**

**of XXX**

**amending DECISION of 11 March 2021 authorising the use of lump sum contributions and unit contributions for Marie Skłodowska-Curie actions under the Horizon Europe Programme**

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

Having regard to the Treaty establishing the European Atomic Energy Community,

Having regard to Regulation of the European Parliament and of the Council establishing Horizon Europe – the Framework Programme for Research and Innovation– and in particular Articles 21 and 36(6) thereof,

Having regard to the Council Decision establishing the specific programme implementing Horizon Europe – the Framework Programme for Research and Innovation – and in particular Article 2(1) rationale for Marie Skłodowska-Curie actions, Annex I, Pillar I Excellent Science thereof,

Having regard to the Council Regulation establishing the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing the Council Regulation (Euratom) No 2018/1563 of 15 October 2018, and in particular Articles 6 and 9 thereof,

Having regard to 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 Union<sup>1</sup>, and in particular Articles 125 and 181 thereof,

Whereas:

- (1) Simplification as a central aim of the Horizon Europe Framework Programme needs to be reflected in its design, rules, financial management and implementation.
- (2) In order to further simplify the implementation of Marie Skłodowska-Curie actions under the Horizon Europe Framework Programme, it is necessary to authorise the use of lump sum contributions and unit contributions for the following types of actions: MSCA Doctoral Networks, MSCA Postdoctoral Fellowships, MSCA Staff Exchanges, MSCA COFUND, and MSCA and Citizens.
- (3) 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 lump sum contributions and unit contributions is necessary to simplify the calculation of grant amounts, leading to a significant decrease in the workload of both beneficiaries and the granting authority as well as to accelerated payment procedures,

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<sup>1</sup> 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).

THE FOLLOWING HAS BEEN DECIDED:

*Sole Article*

The use of the Union contribution in the form of lump sum contributions and unit contributions is authorised for Marie Skłodowska-Curie actions (Doctoral Networks, Postdoctoral Fellowships, Staff Exchanges, COFUND, MSCA and Citizens, under the Horizon Europe Framework Programme, for the reasons and under the conditions set out in the Annex.

Done at Brussels,

*Themis CHRISTOPHIDOU*  
*Director-General*

## Annex

### 1. Forms of Union contribution and categories of costs covered

The Union contribution for Marie Skłodowska-Curie actions (MSCA) under the Horizon Europe Framework programme shall exclusively take the form of lump sum contributions and unit contributions, as follows:

- a) costs for the implementation of MSCA and Citizens European Researchers' Night actions shall take the form of lump sum contributions;
- b) costs for recruited researchers/seconded staff members and institutional costs in MSCA Doctoral Networks, Postdoctoral Fellowships, Staff Exchanges, and COFUND actions shall take the form of unit contributions.

#### 1.1. Categories of eligible costs covered by the lump sum contributions

The categories of eligible costs covered by the lump sum contributions are the following:

- a) direct costs: personnel costs, subcontracting costs, purchase costs and other cost categories (e.g. financial support to third parties);
- b) indirect costs.

The amounts of the lump sum contributions to be used shall be calculated in accordance with point 3.

#### 1.2. Categories of eligible costs covered by the unit contributions

The categories of eligible costs covered by the unit contributions are the following:

##### (1) Costs of recruited researchers/seconded staff members

For MSCA Doctoral Networks and Postdoctoral Fellowships – costs of recruited researchers

- (a) A **living allowance** to cover personnel costs for the employment of researchers with full social security coverage.
- (b) A **mobility allowance** to cover additional, private mobility-related costs, e.g. travel and accommodation costs.
- (c) A **family allowance** to contribute to mobility-related costs of researchers with family obligations.
- (d) A **long-term leave allowance** to cover personnel costs incurred by the beneficiaries in case of the researchers' leave, including maternity, paternity, parental, sick or special leave.
- (e) A **special needs allowance** to contribute to the additional costs for the acquisition of special needs items and services for researchers with disabilities<sup>2</sup>, e.g. assistance by third persons, adaptation of work environment, additional travel/transportation costs.

For MSCA Staff Exchanges – costs of seconded staff members

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<sup>2</sup> Long-term physical, mental, intellectual or sensory impairments.

- (a) A **top-up allowance** to contribute to travel, accommodation and subsistence costs related to the secondment.
- (b) A **special needs allowance** to contribute to the additional costs for the acquisition of special needs items and services for staff members with disabilities<sup>3</sup>, e.g. assistance by third persons, adaptation of work environment, additional travel/transportation costs.

(2) Institutional costs

For MSCA Doctoral Networks, Postdoctoral Fellowships, and Staff Exchanges

- (a) Costs related to the **training and research** expenses of researchers/staff members as well as costs related to the **transfer of knowledge and networking** activities, e.g. costs for participation in conferences, trips related to work on the action, training or language courses, seminars, lab material, books, library records, publication costs, visa-related fees and travel expenses.
- (b) Costs related to the **management** of the action (e.g. personnel costs for project management/coordination) and **indirect costs**.

(3) Costs of recruited researchers and institutional costs for MSCA COFUND

- (a) A **COFUND allowance** to contribute to:
  - i. costs of the researchers including the personnel costs for employment with full social security coverage, as well as the private mobility-related costs (e.g. travel and accommodation costs) and, if applicable, the mobility-related costs of researchers with family obligations, and/or
  - ii. costs related to the training, research expenses, transfer of knowledge and networking activities of researchers (e.g. costs for participation in conferences, trips related to work on the action, training or language courses, seminars, lab material, books, library records, publication costs, visa-related fees and travel expenses), as well as costs of managing the action (e.g. personnel costs for project management) and indirect costs.
- (b) A **long-term leave allowance** to contribute to the personnel costs incurred by the beneficiary in case of the researchers' leave, including maternity, paternity, parental, sick or special leave.
- (c) A **special needs allowance** to contribute to the additional costs for the acquisition of special needs items and services for researchers with disabilities<sup>4</sup>, e.g. assistance by third persons, adaptation of work environment, additional travel/transportation costs.

The amounts of the unit contributions to be used shall be calculated in accordance with point 3.

## **2. Justification**

The use of lump sum and unit contributions considerably simplifies, streamlines and reduces the time needed for the financial management of actions, both at granting authority as well as beneficiary levels. The European Court of Auditors has highlighted the potential of lump

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<sup>3</sup> Idem.

<sup>4</sup> Idem.

sums, as a major step to decrease administrative burden for beneficiaries, and has already called for an intensification of the testing on lump sums in the course of Horizon 2020<sup>5</sup>.

Marie Skłodowska-Curie actions proved to be particularly suited to the use of unit contributions, given their successful implementation under Horizon 2020 and FP7. Consequently, the Commission has confirmed experience with, and a very solid database of, final grants using a reimbursement system based on unit contributions, as well as evidence from two studies on which to base its assessment.

The European Researchers' Night, on the other hand, has been financed on a real-cost basis throughout the 7<sup>th</sup> Framework Programme and Horizon 2020. This led to a heavy administrative burden, with substantial resources allocated to planning and reporting of financial inputs. The adoption of lump sum contributions for the European Researchers' Night under the MSCA and Citizens action is in line with the objective of simplification at both MSCA and Horizon Europe level. It will allow a better allocation of resources to the activities, a stronger focus on the outputs and results of the funded actions, but also lead to a reduction of the management and indirect costs<sup>6</sup>.

### 2.1. Nature of the supported actions

**MSCA Doctoral Networks** aim to train creative, entrepreneurial, innovative and resilient doctoral candidates and will raise the attractiveness and excellence of doctoral training in Europe. They will equip researchers with the right combination of research-related and transferable competences and provide them with enhanced career perspectives in both the academic and non-academic sectors through international, interdisciplinary and inter-sectoral mobility combined with an innovation-oriented mind-set.

The goal of **MSCA Postdoctoral Fellowships** is to enhance the creative and innovative potential of researchers holding a PhD who wish to acquire new skills through advanced training, international, interdisciplinary and inter-sectoral mobility.

**MSCA Staff Exchanges** promote innovative international, inter-sectoral and interdisciplinary collaboration in research and innovation through exchanging research, technical, administrative and managerial staff, and sharing knowledge and ideas at all stages of the innovation chain, and help turn ideas into innovative products, services or processes.

**MSCA COFUND** co-finances new or existing doctoral programmes and postdoctoral fellowship schemes at national, regional or international level with the aim to spread the best practices of the MSCA including international, inter-sectoral and interdisciplinary research training, as well as transnational and cross-sectoral mobility of researchers at all stages of their career.

**MSCA and Citizens**, through the **European Researchers' Night**, aims to bring research and researchers closer to the public at large, to increase awareness of research and innovation activities, to boost public recognition of science and research education, to show the role of

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<sup>5</sup> See Special report available at:  
[https://www.eca.europa.eu/Lists/ECADocuments/SR18\\_28/SR\\_HORIZON\\_2020\\_EN.pdf](https://www.eca.europa.eu/Lists/ECADocuments/SR18_28/SR_HORIZON_2020_EN.pdf)

<sup>6</sup> The Commission supports this assessment based on evidence provided by the consultancy study implemented in view of Horizon Europe. Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020, p. 95: "Introducing a lump sum system for the NIGHT action would contribute to simplified management of the projects and reduction of the administrative burden to beneficiaries, which would have a direct impact on the reduction of project management and indirect costs."

the researcher in and for the society and economy, and the impact of researchers' work on citizens' daily lives, as well as to raise the interest of young people for research and scientific careers.

At the outset of Horizon 2020, the MSCA unit cost system was adopted by Commission Decision<sup>7</sup> on the basis of statistically robust historical data. Following a mid-term review<sup>8</sup>, the rates of the living allowance and top-up allowance were updated based on the evidence provided by a consultancy study<sup>9</sup>. For Horizon Europe, the MSCA funding modalities were again reviewed through a second consultancy study<sup>10</sup>, to ensure that the MSCA continue to offer competitive, attractive and appropriate rates to researchers and organisations, and to provide evidence for the establishment of a) additional unit costs for two new cost categories, and b) simplified contributions for the European Researchers' Night in the form of lump sums.

The use of unit contributions is justified by the very high number of applications and has proved to be an appropriate form of financing to simplify the administrative burden and financing conditions of supported actions. While actual cost-based grants involve complex rules related to budget transfers and variations with project implementation subsequently entailing a lot of accounting compliance, a unit cost-based approach provides the opportunity to put added weight on the quality of the results as well as on the impact of the support. Such an approach also leads to more qualitative actions with verifiable results in line with the objectives of the MSCA rather than emphasising the financial and administrative aspects of the research training, career development, knowledge exchange and outreach. Moreover, the use of unit contributions leads to simplification for applicants, ensuring certainty and transparency of funding levels in case of selection and proper implementation of the action.

Similarly, the use of lump sum contributions for the European Researchers' Night under MSCA and Citizens appears justified and appropriate. The administrative burden and workload related to the financial reporting in Horizon 2020 proved to be disproportionate. The simplified management of the lump sum-based grants will have a direct impact on the reduction of management and administrative costs<sup>11</sup>. As a consequence, the resources will be allocated more efficiently to the activities, outputs and results of the funded actions, improving their quality and exploitation. At the same time, beneficiaries will face less complex financial reporting, and the number of adjustments arising from ex-post audits should be reduced.

## 2.2. Risks of irregularities and fraud and costs of control

The extended use of simplified forms of grants under the MSCA may imply certain risks of irregularities and fraud. Therefore, it is still important to have effective internal control procedures for fraud prevention and reporting of irregularities.

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<sup>7</sup> Commission Decision C(2013)8194 of 27.11.2013:  
<http://ec.europa.eu/transparency/regdoc/rep/3/2013/EN/3-2013-8194-EN-F1-1.PDF>

<sup>8</sup> Commission Decision C(2017)6855 of 16.10.2017:  
[http://ec.europa.eu/research/participants/data/ref/h2020/other/legal/unit\\_costs/unit-costs\\_msca\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/other/legal/unit_costs/unit-costs_msca_en.pdf)

<sup>9</sup> Mid-term review of Marie Skłodowska-Curie actions unit costs, Final study report, February 2017:  
<https://publications.europa.eu/en/publication-detail/-/publication/0f44192e-5499-11e7-a5ca-01aa75ed71a1/language-en/format-PDF/source-31288412>

<sup>10</sup> Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020: <https://op.europa.eu/en/publication-detail/-/publication/8900e099-8a89-11ea-812f-01aa75ed71a1/language-en>

<sup>11</sup> Up to an average of 30%. Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020, p. 95.

Reporting and control in MSCA will focus on the implementation of the supported activity and the achieved results rather than on the eligibility of costs incurred, reducing the workload and scope for fraud or error of both participants and managing body. The whole monitoring system is set up in a manner to ensure efficiency and cost-effectiveness of the controls. The European Research Executive Agency will be exclusively responsible for management aspects of the MSCA, encompassing several measures to ensure compliance of beneficiaries with contractual obligations, including on-site visits and reinforced monitoring of actions. In addition, the possibilities for ex-post controls further guarantees the sufficient quality of the outputs and reducing the opportunity for error or fraud.

As statistically proven over the seven-year period of Horizon 2020, and due to its clear-cut nature, the funding system of MSCA is very resistant to irregularities and fraud. In fact, the MSCA remained much simpler compared to other Horizon 2020 instruments when it comes to the financing modalities for mobility grants. As a consequence, the intrinsic risk on legality and regularity errors in cost claims leading to unjustified Union funding has been very low and does thus not justify additional control and audit mechanism nor their costs.

### **3. Method to determine and update the amount of the Union contribution in the form of lump sum contributions and unit contributions**

In order to determine the amounts of the EU contribution for all MSCA actions in Horizon Europe, the Commission launched a study<sup>12</sup> to review the unit cost system used in Horizon 2020. The study was implemented between June 2019 and February 2020. The objectives of the study were to: (i) review the existing unit costs and determine the future rates ensuring that they remain competitive, attractive and appropriate for both researchers and institutions; (ii) establish new unit contributions for additional cost categories, notably costs to be borne by the employer in case of maternity, paternity, parental, sick or special leave and costs arising from special needs of researchers/staff members with disabilities<sup>13</sup>; and (iii) analyse historical data of the European Researchers' Night and recommend the most appropriate simplified form of contribution and determine its amount.

#### **3.1. Method to determine the amount of the lump sum contributions**

Notwithstanding the fact that historical data on European Researchers' Night actions implemented under FP7 and Horizon 2020 has been analysed, it has been concluded that a fixed lump sum would not be appropriate. This is because the costs of the action have been found to vary widely (from EUR 30 000 to over EUR 200 000), with 85% of the final amounts falling between EUR 50 000 and EUR 150 000. This was considered too wide a variation on which to base an average amount. While additional analysis showed that it could be possible to derive differentiated amounts based on the size of the event, it was also felt that the outputs for the events on which the differentiated amount could be paid would be too

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<sup>12</sup> Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020: <https://op.europa.eu/en/publication-detail/-/publication/8900e099-8a89-11ea-812f-01aa75ed71a1/language-en>

<sup>13</sup> Under Horizon 2020, where applicable, the additional costs arising from disabilities of researchers/seconded staff members are (partially) covered by a Special Needs Scheme allowance (SNS). From 2019 until 2021, the SNS was subject to a lump sum allowance paid through a linked Coordination and Support Action (CSA). As from 2022, the SNS is subject to a unit cost top-up mechanism calculated as follows:  $\{\{\text{Total amount of authorised SNS allowance for the action}\} \text{ divided by } \{\text{the number of person-months starting from the approval of the request for the SNS allowance until the end of the action duration ('remaining person-months')}\}\}$ . In both cases, the SNS allowance can amount to a maximum of EUR 60 000 per researcher/staff member.



difficult to reliably demonstrate by the beneficiary, and carried a high risk of errors and consequent grant reductions/rejections. This risk for the beneficiary lead to the conclusion that pre-fixed lump sum contributions are not appropriate for the action.

Instead, the method to determine the amount of the lump sum contributions for the European Researchers' Night shall be based on the estimated budget of the beneficiary as follows:

Applicants shall propose the amount of the lump sum contribution on the basis of their estimated direct and indirect costs. They shall provide a breakdown of the lump sum contribution showing the share per work package and, within each work package, the share assigned to each beneficiary and affiliated entity (if any). The proposal shall describe in detail the activities covered by each work package and all related resources. If applicants intend to organise two editions of the European Researchers' Night, they shall indicate as well the total costs per edition.

The detailed cost estimation per work package and per beneficiary and affiliated entity (if any) shall include only costs that would be considered eligible in an actual costs grant. Ineligible costs shall not be included. Applicants shall declare that they have followed their own accounting practices for the preparation of the estimated budget.

The estimated eligible costs for the action shall be broken down by budget category:

- A. Personnel costs
- B. Subcontracting costs
- C. Purchase costs
- D. Other cost categories
- E. Indirect costs.

Indirect costs shall be calculated by applying a flat rate of 25% to the direct cost categories that qualify for the calculation of indirect costs under the Horizon Europe rules.

Proposals shall be evaluated according to the standard Horizon Europe procedures with the help of independent expert evaluators. The experts shall assess the quality of the proposals in terms of excellence, expected impact and quality and efficiency of the implementation. For each work package, experts with the necessary financial knowhow shall, in addition, check the budget estimate on the basis of relevant benchmarks on costs and resources such as market prices, statistical data or historical data on previously funded and comparable MSCA actions, and assess whether the resources proposed and the split of lump sum shares allows achieving the activities and expected outputs. Experts shall verify that proposals include the declaration by beneficiaries of having used their own accounting practices.

Following proposal evaluation, the authorising officer will establish the amount of the lump sum taking into account the findings of the assessment carried out (including in case of recommendations from the expert evaluators). If cost items are adapted, the lump sum contribution and the lump sum breakdown shall be modified accordingly during grant preparation.

The final lump sum contribution shall be included in the grant agreement as the maximum grant amount. It shall be calculated by applying a maximum of 100% funding rate to the total estimated eligible costs in the detailed budget table, in compliance with Article 34 of the Horizon Europe Rules for Participation.

### 3.2. Method to determine the unit contributions

### 3.2.1. Method to update the unit costs authorised in Horizon 2020

The unit costs applicable to the MSCA Innovative Training Networks (ITN), Individual Fellowships (IF), Research and Innovation Staff Exchange (RISE) and Co-funding of regional, national and international programmes (COFUND) at the outset of Horizon 2020 were based on reliable historical data of eligible costs collected from actions financed under FP7 between 2007 and 2013, as well as on the findings of the FP7 Marie Curie actions interim evaluation and the MORE2 study<sup>14</sup>. As a method of revision, a mid-term review was organised through a consultancy study comparing the adopted unit costs to real costs and researchers' salary development in Europe and beyond<sup>15</sup>. Based on the study findings, the existing methodology was maintained, but the researchers and seconded staff members unit costs were adjusted to specifically increase the monthly living allowance (for MSCA ITN and IF researchers), as well as the monthly top-up allowance (for MSCA RISE seconded staff members) by 5%, calculated on the basis of Belgian inflation over the years 2014-2017<sup>16</sup>.

In view of establishing the rates of the unit contributions in Horizon Europe, the Commission organised a second review of the existing unit costs through a new consultancy study (constituting an 'expert judgement' for the purposes of Article 181 of the Financial Regulation). The study entailed a large survey involving 2 690 individual researchers and 1 223 organisations from Horizon 2020 MSCA projects<sup>17</sup>, as well as interviews with representatives from universities, stakeholder organisations and MSCA National Contact Points. The survey ensured a balanced geographical coverage, and adequately represented all MSCA actions and scientific fields, paying due attention to the gender balance of the surveyed researchers. Additionally, the study also performed desk research to collect information on researchers' salaries and research costs, and compare the MSCA unit costs to other competitive fellowships programmes. Evidence was gathered through review of literature and EU sources, including Euridyce<sup>18</sup> and the MORE3 study<sup>19</sup>.

The study confirmed the relevance and soundness of the methodology and structure of the existing MSCA unit costs. Overall, the funding provided by the MSCA appears competitive compared to other programmes and generally appropriate in relation to real research expenditures. However, in order to remain attractive in the future, while at the same time maintaining its appropriateness and ensuring the respect of the sound financial management principle, the study recommended to update the units for the recruited researchers and for the seconded staff members, and at the same time to partially rebalance the contribution to institutional costs.

The study found that the existing rates of the **living allowance** in MSCA ITN and IF were, overall, competitive and attractive under Horizon 2020. However, in order to maintain researchers' purchasing power under Horizon Europe, and in line with the recommendations arising from the previous mid-term review, the study recommended to update the living

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<sup>14</sup> MORE2 – Support for continued data collection and analysis concerning mobility patterns and career paths of researchers: Deliverable 8 – Final report MORE2, August 2013.

<sup>15</sup> The study also encompassed an analysis of trends in researchers' salaries based on the MORE2 study on mobility patterns and career paths of researchers and internationally comparable data. Mid-term review of Marie Skłodowska-Curie actions unit costs, Final study report, February 2017, p. 12-13.

<sup>16</sup> Commission Decision C(2017)6855 of 16.10.2017:  
[http://ec.europa.eu/research/participants/data/ref/h2020/other/legal/unit\\_costs/unit-costs\\_msc\\_a\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/other/legal/unit_costs/unit-costs_msc_a_en.pdf)

<sup>17</sup> ITN, IF, RISE and COFUND researchers and beneficiaries. A significant number of projects involved in the survey were completed, i.e. they had already received the payment of the balance. Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020: p. 102.

<sup>18</sup> [https://eacea.ec.europa.eu/national-policies/eurydice/home\\_en](https://eacea.ec.europa.eu/national-policies/eurydice/home_en)

<sup>19</sup> <https://www.more3.eu/>

allowances in both MSCA Doctoral Networks and Postdoctoral Fellowships based on the Belgian inflation over the years 2018-2020 by 4%<sup>20</sup>. The updated amounts were rounded to the nearest ten. At the same time, the study also confirmed the country-specific correction coefficients to be a valid adjustment tool to ensure equal treatment and purchasing power parity, based on a well-established methodology and, overall, corresponding well to the differences in living costs and the levels of purchasing power in different countries.

The study also highlighted how in some circumstances organisations have to top up the EU contribution in order to achieve competitive and attractive level of remuneration for the fellows. This is particularly relevant for the most expensive regions in Europe, and generally due to comparatively high relocation and rental costs. Evidence shows as well that such mobility-related costs are notably high in comparison to the researcher's overall income, when s/he has family obligations. Therefore, while the study advised to keep the **mobility allowance** unchanged, it also recommended to significantly increase the **family allowance** for MSCA Doctoral Networks and Postdoctoral Fellowships by approximately 30% (or by EUR 160), calculated as the difference between the perceived lack of income reported by MSCA researchers without (EUR 50 on average) and those with family obligations (EUR 210 on average)<sup>21</sup>. The recommended increase will support further the MSCA principles of inclusiveness, fairness and gender-balance, and will be budget-efficient by benefitting a targeted share of the MSCA researchers' population.

With regard to the **top-up allowance**, the amount set for MSCA RISE under Horizon 2020 appeared insufficient to fully support secondments to expensive regions of staff members coming from lower-income countries. The study quantified EUR 300 as the additional amount needed to ensure attractiveness of the rates for secondments from low-income third countries. However, the study also highlighted the need to weigh this amount against the level of overall attractiveness of the rates for all types of secondments. In the light of all these considerations, the study recommended an increase of the top-up allowance for the Horizon Europe Staff Exchanges scheme by up to 10%<sup>22</sup>.

As per the **researchers' unit costs in COFUND**, the study found that the attractiveness of the scheme in Horizon 2020 was affected by the need to co-fund the actions in order to ensure that fellows receive the required minimum remuneration. The latter proved to be particularly costly in low-income countries, including the so-called Widening Countries<sup>23</sup>. The study therefore recommended to increase the contribution to the researchers' costs in order to cover in full the required minimum remuneration. At the same time, it confirmed the appropriateness of the methodology to determine such a remuneration as 70% of the sum of the living and mobility allowances of researchers funded under MSCA Doctoral Networks and Postdoctoral Fellowships.

For the **institutional unit costs**, the study found that, overall, the Horizon 2020 rates are appropriate and deemed attractive and competitive by participating organisations. The

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<sup>20</sup> The review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe refers to a forecasted inflation rate of 5.5% (see Final report, April 2020, p. 75). The 4% is calculated on the basis of the 2020 annual inflation rate for Belgium, available at the beginning of November 2020 ([Eurostat, Euro indicators, 152/2020 - 16 October 2020](#)).

<sup>21</sup> Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020: p. 49.

<sup>22</sup> Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020: p. 52.

<sup>23</sup> Low R&I performing countries as defined under Article 2 of Regulation of the European Parliament and of the Council establishing Horizon Europe – the Framework Programme for Research and Innovation.

answers to the survey did not reveal differences in terms of satisfaction among different country groups or scientific areas. Nevertheless, the analysis of real cost data collected through the survey and emerged from the desk research showed that the level of funding under Horizon 2020 offers margin for adaptations, which allow to distribute the MSCA budget in a fairer and more balanced way among the schemes and within the single actions.

The study compared the **research, training and networking costs** provided in Horizon 2020 **ITN and IF** actions and found that the ones in IF are comparatively less adequate in relation to real costs. While a higher contribution for ITN actions is necessary in view of the higher training needs, the difference between the two schemes is not justified in full as experienced/postdoctoral researchers typically incur higher costs for e.g. publishing. In the light of this finding, the study recommended to decrease by EUR 200 the contribution to research, training and networking costs in MSCA Doctoral Networks, and to increase by an equivalent amount the contribution to the same costs in MSCA Postdoctoral Fellowships. For the **management and indirect costs**, the study did not find grounds for a change.

For the institutional unit costs provided for **RISE** actions under Horizon 2020, different results emerged, especially in consideration of the particular nature of the action. The study showed that the unit costs for **management and indirect costs** appear to be too low compared to the real costs incurred by the participating organisations. It therefore suggested a possible increase of such a contribution by up to EUR 500<sup>24</sup>. At the same time, the study also highlighted that funding provided for **research, training and networking costs**, frequently used to increase the top-up allowance in Horizon 2020 RISE actions, could be reduced in MSCA Staff Exchanges, notably as this scheme would focus under Horizon Europe more on the added value of the research collaboration than on the research itself. Therefore, these two categories of institutional unit costs could be rebalanced for the MSCA Staff Exchanges by up to EUR 500.

Finally, with regard to the contribution to **management costs** in **COFUND**, the study concluded that this contribution could be eliminated in Horizon Europe, to compensate for the increased contribution to the researchers' costs.

On the basis of these considerations, the following unit contributions, expressed in person-months and corresponding to the country-specific correction coefficient of 100% for Belgium and Luxembourg, shall be applicable to the Marie Skłodowska-Curie Actions calls for proposals launched under the Horizon Europe Work Programmes:

(1) **Contributions for recruited researchers/seconded staff members**

- (a) The monthly **living allowance** for researchers recruited under an employment contract or equivalent direct contract in Doctoral Networks and Postdoctoral Fellowships shall be fixed at EUR 3 400 and EUR 5 080 respectively.

To ensure equal treatment of, and purchasing power parity for, researchers working all over the world, these living allowances shall be subject to a country-specific correction coefficient. The applicable coefficient is the 7-year average of the respective country-specific coefficient (“weighting”) used between 2014 and 2020 and applied to remuneration of EU staff worldwide to adjust for differences in price level of consumer goods and services in the duty station (Intra-EU or Extra-EU) by reference to base city (Brussels and

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<sup>24</sup> Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020: p. 76. The data analysis shows that real costs will still be higher compared to the EU contribution.

Luxembourg)<sup>25</sup>. This average country-specific coefficient shall be revised after 4 years to make sure that researchers' purchasing power parity stays comparable irrespective of the country they are conducting their research in.

In the exceptional case of recruitment under a fixed-amount fellowship agreement with minimum social security coverage, the living allowance shall be reduced by 50%.

- (b) The monthly **mobility allowance** shall be fixed at EUR 600.
- (c) The monthly **family allowance** shall be fixed at EUR 660.
- (d) The monthly **top-up allowance** for seconded staff members in Staff Exchanges shall be fixed at EUR 2 300.

(2) **Institutional contributions**

- (a) The unit contribution related to the training and research expenses of researchers as well as to the costs related to the transfer of knowledge and networking (i.e. **research, training and networking contribution**) shall be fixed at EUR 1 600 per month for Doctoral Networks, at EUR 1 000 per month for Postdoctoral Fellowships, and at EUR 1 300 per month for Staff Exchanges.
- (b) The unit contribution related to managing and running the action (i.e. **management and indirect contribution**) shall be fixed at EUR 1 200 per month for Doctoral Networks, at EUR 650 per month for Postdoctoral Fellowships and at EUR 1 000 per month for Staff Exchanges.

In case a beneficiary already receives an operating grant financed by the EU or the Euratom budget in the same period, indirect costs are ineligible, unless the beneficiary can demonstrate that the operating grant does not cover any costs of the action grant in question. The analysis of FP7 Marie Curie statistical data showed that on average the amount of indirect costs was equal to the amount of management costs. Therefore, the unit contribution applicable to beneficiaries in receipt of an operating grant shall be half of the amount determined in the first paragraph of point 3.2.1(2)(b) above.

The contributions for recruited researchers/seconded staff members and the institutional contributions include a 100% funding rate in compliance with Article 34 of the Horizon Europe Rules for Participation.

(3) **COFUND allowance**

This monthly unit contribution shall be set at EUR 2 800 (i.e. 4 000 x 70% funding rate) for doctoral researchers and EUR 3 980 (i.e. 5 680 x 70% funding rate) for postdoctoral researchers, i.e. as the sum of the living and mobility allowances listed above. This unit shall be used as contribution to the remuneration, mobility and, when applicable, family costs of the researchers, as well as to the costs related to training, research, transfer of knowledge and networking, and the costs related to managing and running the action, provided that the researchers, recruited under an employment contract or equivalent direct contract, receive a minimum remuneration of at least

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<sup>25</sup> Article 64 of the Regulation No 31 (EEC), 11 (EAEC), laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Community.

EUR 2 800 (for doctoral programmes) and EUR 3 980 (for postdoctoral programmes). The minimum remuneration requirement shall be fulfilled even if the remuneration costs are fully funded from other sources (including other EU programmes).

In the exceptional case of recruitment under a fixed-amount fellowship agreement with minimum social security coverage, the COFUND allowance shall be reduced by 50%.

The COFUND allowance may be used in full to provide financial support to third parties.

### 3.2.2. Method to determine the long-term leave allowance

The study showed that when institutions had to pay a maternity, paternity, parental, sick or special leave benefit, the amount of the benefit was a percentage of the salary received by the researcher<sup>26</sup>. Variations of this share occur across Europe, depending on the national legislation or collective agreements. While a single rate cannot be identified, it appears appropriate to determine the amount of the long-term leave allowance on the basis of the researcher's remuneration. The study recommended to calculate the long-term leave allowance as a share of the living allowance. However, evidence obtained through grant management shows that the mobility allowance is included in the salary of the researchers in a significant majority of the cases. Therefore, in order to cover the beneficiaries' additional pay obligations in a fair and equitable way, the long-term leave allowance shall be established as the sum of both the living and mobility allowances. This amount shall be further adjusted based on a percentage factor, corresponding to the share of the salary covered by the beneficiary and subsequently multiplied by the duration of the benefit.

On the basis of these considerations, the long-term leave allowance shall be calculated as follows:

$$\{(long\text{-}term\ leave\ allowance\ (i.e.\ living\ allowance\ +\ mobility\ allowance)) \\ \times\ (\% \text{ of long-term leave allowance incurred by the beneficiary (=costs incurred by the \\ beneficiary/long-term leave allowance)) \\ \times\ (number\ of\ months)\}$$

The living and mobility allowances referred above shall be those established for Doctoral Networks and Postdoctoral Fellowships respectively. In COFUND, the basis for the long-term leave allowance shall be the COFUND allowance (i.e. 70% of the sum of the respective living and mobility allowances applicable to Doctoral Networks and Postdoctoral Fellowships).

The number of months in the above formula shall correspond to the duration of the beneficiary's payment obligations for the leave.

The long-term leave allowance shall cover absences longer than 30 consecutive days.

### 3.2.3. Method to determine the special needs allowance

In order to establish a special needs allowance based on unit contribution, the study performed an analysis of costs incurred for researchers/staff members with disabilities (e.g. long-term physical, mental, intellectual or sensory impairments), participating in training and research

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<sup>26</sup> Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020: p. 79 ff.

activities<sup>27</sup>. The analysis took also into account the data from the two MSCA Special Needs Lump Sums cut-offs implemented under Horizon 2020<sup>28</sup>, as well as the advice of the experts involved in the survey. The study confirmed that the very wide variety of disabilities corresponds to an equally wide variety of items and services and related costs. The costs per item or service vary across EU Member States and depend on several other factors such as type and severity of the disability, services available in the host country, researcher's household composition, and, ultimately, specific need(s) of the individual. However, evidence shows that these costs can be grouped according to the average cost of the items or services considered. On this basis, the study elaborated a list of categories established on quantitative and qualitative data, each corresponding to a range of costs, as follows:

<b>Category</b>	<b>Range (in EUR)</b>	<b>Median value (in EUR)</b>
<b>I</b>	3 000 <sup>29</sup> – 5 999	4 500
<b>II</b>	6 000 – 12 999	9 500
<b>III</b>	13 000 – 23 999	18 500
<b>IV</b>	24 000 – 30 999	27 500
<b>V</b>	31 000 – 39 999	35 500
<b>VI</b>	40 000 – 54 999	47 500
<b>VII</b>	55 000 – 65 000	60 000 <sup>30</sup>

The above categories indicate where the beneficiaries' expenses related to each recruited researcher with a disability may fall, covering low-value and widely available items, more expensive services and technological equipment, medium and extensive infrastructure adaptations, a very specific item and a combination of them (from different categories). In view of establishing a unit contribution for these types of costs, the study proposed to set for

<sup>27</sup> Review of Marie Skłodowska-Curie actions unit costs in preparation for Horizon Europe, Final report, April 2020: p. 82 ff.

<sup>28</sup> Under Horizon 2020, where applicable, the additional costs arising from disabilities of researchers/seconded staff members are (partially) covered by a Special Needs Scheme allowance (SNS). From 2019 until 2021, the SNS was subject to a lump sum allowance paid through a linked Coordination and Support Action (CSA). As from 2022, the SNS is subject to a unit cost top-up mechanism calculated as follows:  $\{\{\text{Total amount of authorised SNS allowance for the action}\} \div \{\text{the number of person-months starting from the approval of the request for the SNS allowance until the end of the action duration ('remaining person-months')}\}$  In both cases, the SNS allowance can amount to a maximum of EUR 60 000 per researcher/staff member.

<sup>29</sup> Evidence gathered by the study showed that funding lower than EUR 3 000 would be needed in very few cases, and that organisations would be willing to cover such small amounts from their own funds.

<sup>30</sup> Expenses higher than EUR 60 000 were quoted once in the study's survey, while a number of data points were above 55 000. The highest rate will be set at EUR 60 000 also in consideration of the maximum support available for Special Needs Scheme (SNS) allowance formerly known as Special Needs Lump Sum (SNLS) allowance under Horizon 2020.

each of the above categories a rate at either the lowest or the median value of each range of costs<sup>31</sup>.

However, two additional elements shall be taken into account: 1) the existing margins due to different price levels of special needs items or services across countries, and 2) the impact that fluctuations in the order of EUR 1 000 – 2 000 have at the lower end of the scale of the categories. Therefore, in order to ensure that the established units are not too distant from the actual expenses, both the lower and the median values of categories I, II and III above shall be used.

In view of the above considerations, the special needs allowance shall be based on one of the following units:

- (a) EUR 3 000
- (b) EUR 4 500
- (c) EUR 6 000
- (d) EUR 9 500
- (e) EUR 13 000
- (f) EUR 18 500
- (g) EUR 27 500
- (h) EUR 35 500
- (i) EUR 47 500
- (j) EUR 60 000

The triggering event for the payment of the special needs allowance will be the recruitment or secondment of a fellow with disabilities whose long-term physical, mental, intellectual or sensory impairments are certified by a competent national authority and of such nature that his/her participation in the action would not be possible without the special needs items or services.

Beneficiaries shall claim the closest lower rate per researcher/staff member compared to the estimated actual costs of his/her special needs, so that the co-financing principle and compliance with the funding rates provided for in Article 34 of the Horizon Europe Rules for Participation are reasonably ensured *a priori*. Requests for special needs allowance may be assessed by independent external experts on a case-by-case basis, in order to further ensure compliance with the principle of sound financial management. Where this assessment shows that the needs described do not match the category of allowance proposed, the expert may recommend that the category of need be changed to reflect the description.

Costs lower than EUR 3 000 and higher than EUR 60 000 shall not be reimbursed through the special needs allowance. The amount of the monthly unit contribution shall be calculated as follows:

$$\{(special\ needs\ unit\ x \\ (1/number\ of\ months))\}$$

The number of months in the formula above shall correspond to the number of months the special needs items or services were used or produced for implementing the action, depending on the nature of the items or services.

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<sup>31</sup> Median values are indicated in brackets for each of the categories listed above.



### 3.2.4. Summary table of the unit contributions applicable to MSCA Doctoral Networks, Postdoctoral Fellowships, Staff Exchanges and COFUND

Marie Skłodowska-Curie Action	Contributions for recruited researchers/seconded staff members (in person/month)					Institutional contributions (in person/month)		Contributions for recruited researchers and institutional contributions (in person/month)
	Living allowance	Mobility allowance	Family allowance	Long-term leave allowance	Special needs allowance	Research, training and networking contribution	Management and indirect contribution	
Doctoral Networks	EUR 3 400	EUR 600	EUR 660	EUR 4 000 x % covered by the beneficiary	EUR 3 000, 4 500, 6 000, 9 500, 13 000, 18 500, 27 500, 35 500, 47 500 or 60 000 x (1/number of months)	EUR 1 600	EUR 1 200	N/A
Postdoctoral Fellowships	EUR 5 080	EUR 600	EUR 660	EUR 5 680 x % covered by the beneficiary	EUR 3 000, 4 500, 6 000, 9 500, 13 000, 18 500, 27 500, 35 500, 47 500 or 60 000 x (1/number of months)	EUR 1 000	EUR 650	N/A
	Top-up allowance			Long-term leave allowance	Special needs allowance	Research, training and networking contribution	Management and indirect contribution	COFUND allowance
Staff Exchanges	EUR 2 300			N/A	EUR 3 000, 4 500, 6 000, 9 500, 13 000, 18 500, 27 500, 35 500, 47 500 or 60 000 x (1/number of months)	EUR 1 300	EUR 1 000	N/A
	Living allowance			Long-term leave allowance	Special needs allowance	Research, training and networking contribution	Management and indirect contribution	COFUND allowance
COFUND	N/A			EUR 2 800 or 3 980 x % covered by the beneficiary	EUR 3 000, 4 500, 6 000, 9 500, 13 000, 18 500, 27 500, 35 500, 47 500 or 60 000 x (1/number of months)	N/A	N/A	EUR 2 800 for doctoral programmes or EUR 3 980 for postdoctoral programmes

### 3.2.5. Method to keep the lump sum contributions and unit contributions up to date

The Commission shall continue to closely monitor the lump sum and unit contributions to ensure that they respect the sound financial management and co-financing principles, do not contribute to double financing and remain sufficiently competitive and attractive for excellent researchers and institutions.

## 4. Sound financial management and co-financing principles and absence of double financing

The methodology described in point 3 complies with the sound financial management and co-financing principles and ensures the absence of double financing as required by Regulation (EU, Euratom) No 2018/1046.

Sound financial management is ensured because the costs have been estimated as a reliable proxy of the real costs incurred. Statistical analyses, simulations and studies have been carried out to ensure that all the unit contributions, and notably the institutional ones, would on average be comparable to, but below a possible EU contribution to incurred real costs. Actions funded by the MSCA are not expected to generate revenue. Moreover, because the costs are estimated to be below real costs, it also ensures that the co-financing principle is respected.

The methodologies for the new long-term leave and special needs allowances also comply with the co-financing principle. For the long-term leave allowance, the unit contribution shall not be higher than the share of the researcher's remuneration paid by the beneficiary. For the special needs allowance, beneficiaries shall claim lower costs compared to those incurred. Furthermore, the proposed methodology is not prone to the variations of costs for the same item or service depending on the country of the beneficiary. Similar to the other unit contributions in MSCA, beneficiaries shall keep records and other supporting documents to prove that the triggering event took place and that the specific eligibility conditions in the grant agreement are complied with.

With regard to the lump sum contributions for the European Researchers' Night under MSCA and Citizens, the cost estimate in the proposal shall be detailed and subject to an in-depth check by the evaluation committee to ensure that it represents an approximation of the actual eligible costs, as described in point 3.1 above. The independent expert evaluators shall assess the breakdown of shares and ensure that the described activities correspond well to the estimated budget. Compliance with the co-financing principle is further ensured where the EU contribution covers partially the total costs of the events. Double funding is avoided by identifying the project costs that are covered by the lump sum contributions.

The COFUND scheme foresees an overall maximum amount of co-financing of EUR 10 million per beneficiary and call as well as a maximum funding rate of 70%. The required level of co-financing (regional, national, international, beneficiaries' own resources, etc.) and the fact that the unit contribution covers only part of the total eligible costs ensure compliance with the above-mentioned principles.

Finally, double funding is effectively prevented through controls at the evaluation, grant agreement preparation, implementation, interim and final payment stages by the granting authority and the Commission. The MSCA draw clear dividing lines between actions and avoid that the same activity can be undertaken in different actions by the same participants. Double funding is also avoided by identifying the eligible cost categories per scheme, as detailed in point 1.