



Twinning technical update

National Contact Points meeting

Zagreb, 28-29 May 2024

Objectives of this breakout session

- Provide update on the current state of play with eGrants onboarding of Twinning
- Present our proposals for simplifying Twinning procedures
- Gather your views and reactions to the proposed changes

eGrants Onboarding

- ‘Onboarding’ = an internal (inter-service) process through which an EC (funding) programme becomes part of the online (IT-supported) grants management platform accessible via [Funding & tenders \(europa.eu\)](https://ec.europa.eu/funding-tenders/) portal.
- Application process for all RELEX grants – incl. Twinning – to become similar to other EC (internal policy) grants, such as Horizon Europe or AMIF.

eGrants Onboarding – status quo

- Ongoing work on the legal and financial framework
- IT development work to follow
- Training webinars for internal and external users
- Timeline: 2024 – piloting phase, 2025/26 launch

Implications for RELEX / Twinning

- 1) Standardised / harmonised (legal) documentation (model grant agreement and annexes)
- 2) eGrants adaptation requirements
- 3) Only for grants in direct management (CA = EC/EUD)
- 4) **Opportunity to simplify**

Simplification of Twinning

2 parallel tracks:

1) Reducing the administrative burden

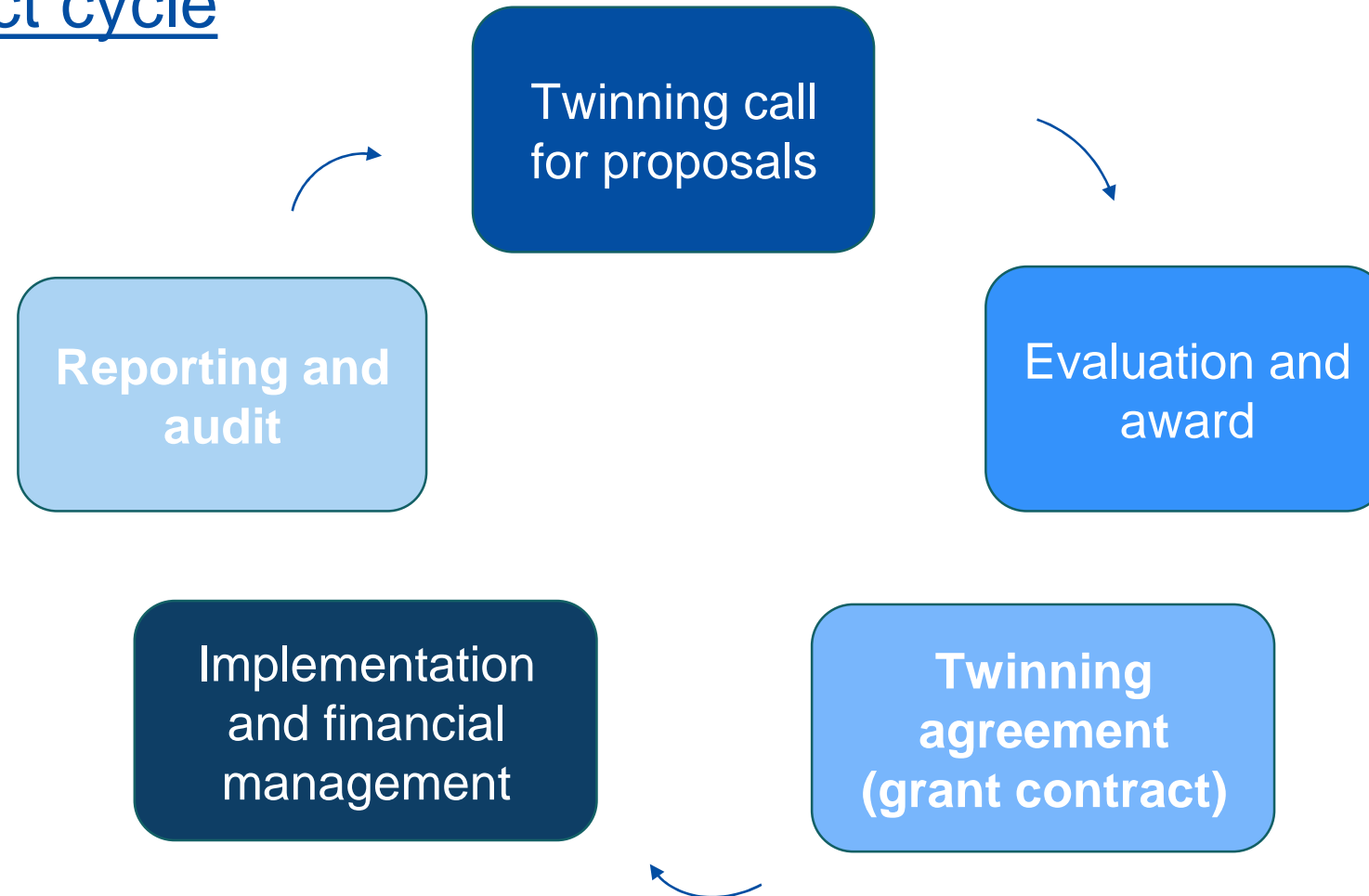
- ✓ Consultations since 2020
- ✓ Twinning Manual update 2022
- ✓ Study on applying performance-based financing to Twinning

2) Adaptations to eGrants requirements ↔ no status quo

 360° review of Twinning

Future of Twinning – What will change?

Twinning project cycle



1. Twinning call for proposals

1) Twinning fiche

- Revised results framework ⇔ clarity of results at different levels
- Additional information from the Contracting Authority

2) Call publication

- Formally via the [Funding & tenders \(europa.eu\)](https://ec.europa.eu/funding) (F&T) portal

3) Twinning proposal

- Submission exclusively via the F&T portal (IT-supported process)
- **Adjusted approach to project design and budgeting** ⇔

⇔ **Lump sum funding in Twinning**

Lump sum funding in Twinning

Lump sum grants are grants where the grant amount is fixed and will be paid out if the project is implemented as set out in the description of the action (DoA).

Key features:

- The guiding principle is that lump sum funding follows, wherever possible, the standard rules and processes for standard grants.
- Payment does not depend on a successful outcome, but on the completion of activities.

Precondition: improved Twinning results framework

Lump sum funding – Why?

Significant simplification potential

- Lump sum project funding removes all obligations on actual cost reporting and financial ex-post audits – i.e. a major reduction of administrative burden

Focus on content

- Less focus on financial management, and more focus on the project content and outcomes

Lump sum funding – How?

Two key elements:

- 1) Project design through work packages and deliverables
- 2) Budget estimate at project proposal stage

Project design – Work packages

- ✓ A work package (WP) is a major sub-division of the work plan.
- ✓ WPs to be pre-defined by the contracting authority (e.g. WP per component)

What this means for you:

- ✓ Definition of *key* activities per component in the proposal
- ✓ New presentation of the methodology (per WP)
- ✓ Formulation of deliverables per WP

Project design – Budget estimate

- ✓ To define and justify the lump sum, you need to provide detailed breakdown of cost estimations.
- ✓ Cost estimations must be in line with and justified by the methodology / activities proposed (even if they cannot, by definition, be as accurate as costs can be accurate after they have been incurred).

What this means for you:

- ✓ Detailed budget table (Excel) as part of your proposal.

Detailed breakdown of cost estimations

- ✓ Cost estimations for each cost category *per beneficiary* (consortium member) and *per work package*.
- ✓ Cost estimations must be:
 - Within the eligibility rules,
 - In line with beneficiaries' normal practices,
 - Reasonable/not excessive,
 - In line with and necessary for the activities proposed.

How to fill in the detailed budget table?

3 reference points:

1. **Grant Agreement**, Art. 6 Eligible and ineligible costs and contributions
2. **Call documents**, incl. the Twinning fiche
3. **Guidance on how to fill in the budget table**

 Detailed budget table is not part of the contract

2. Evaluation and award

- ✓ Evaluators to assess the budget as part of the evaluation
 - Are the methodology / key activities appropriately reflected in the budget?
 - Has the guidance been respected?
 - Are the estimated costs reasonable and non-excessive?



No competition on the price

- Evaluation *within* the proposal
- Criteria for evaluation remain focused on methodology and quality of RTA

3. Twinning grant agreement

- NEW model grant agreement (corporate template) in electronic format
- Modified annexes and templates (e-format)
- Communication through the F&T portal (incl. amendments)
- The overall lump sum is fixed in the grant agreement (Annex 2)
 - ✓ Breakdown of lump sum shares per beneficiary and per work package
 - ✗ Detailed cost estimations are not in the grant agreement

4. Implementation and financial management

Technical implementation

- ✓ Adapted work plan template → emphasis on deliverables and technical reporting
- ✓ Less frequent PSC meetings with emphasis on technical meetings (tbc)
- ✓ No side letters – amendments through the online platform (tbd)

4. Implementation and financial management

Financial management

- ✓ Once the lump sum is fixed in the grant agreement, the costs actually incurred are not relevant.
- ✓ **No reporting of actual costs**
- ✓ Implementing partner can use the budget as they see fit as long as the project is implemented as agreed. *The actual distribution of the lump sum is invisible to the CA.*
- ✓ Budget transfers reflected in the grant agreement require an amendment.

Budget flexibility

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

5. Reporting and audit






- ✓ Pre-financing and further pre-financing payments
- ✓ Focus on technical (narrative) reporting, incl. details on who did what (consortium)
- ✓ Monitoring covers the overall implementation of the action compared to the work promised / agreed in the proposal and the rolling work plan (Annex 1 – Description of the Action).
- ✓ No checks, reviews or audits related to actual costs and resources used.

5. Reporting and audit

Ex-post controls

Art 25 lump sum MGA

Checks, reviews and audits for:

-  Proper implementation of the action (e.g. technical review)
-  Compliance with the other non-financial obligations of the grant:
 -  IPR obligations
 -  Obligations related to third parties (e.g. financial support)
 -  Other obligations (e.g. ethics, visibility of EU funding, etc.)



No financial checks, reviews and audits by the European Commission

5. Reporting and audit

Keeping records

Art 20 lump sum MGA

You **need** (e.g.)



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

Same as for all Horizon Europe grants

You **don't need**



- Time-sheets
- Pay-slips or contracts
- Depreciation policy
- Invoices
- ...actual costs

Specific points for feedback

- Expert daily rate and Twinning project support costs
- Procurement of equipment
- Role and frequency of the Project steering committee meetings

- Open floor

Expert daily rate – way forward

Lump sum option 1

**Fixed expert daily rate +
TPSC* flat rate in %**

- ✓ Rate of €350 annually updated for inflation (EU27 EUROSTAT average)
- ✓ 136% TPSC flat rate

Lump sum option 2

**No fixed expert daily rate +
No fixed rate for TPSC but with a
ceiling**

- ✓ MS provide an estimate
 - Expert daily rate: based on salary level
 - TPSC: other eligible costs not already covered and different from indirect costs

*TPSC – *Twinning project support costs*

Next steps

- Stakeholder feedback
- Completion of the onboarding work
- DG decides on the launch date (change management)

Thank you



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