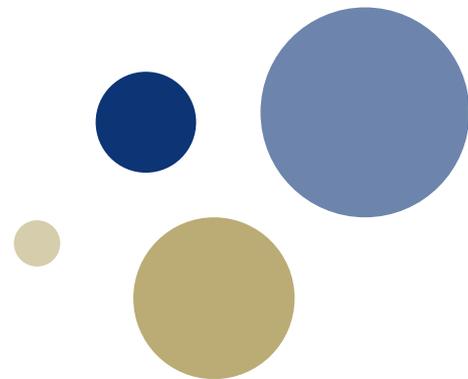




Norwegian University of
Science and Technology



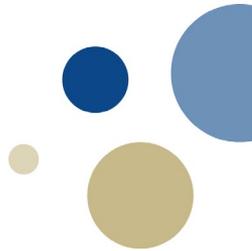
Managing a mixed portfolio of H2020 and HEU projects

Per Inge Andresen, Senior adviser
NTNU – Norwegian University of Science and Technology

Agenda

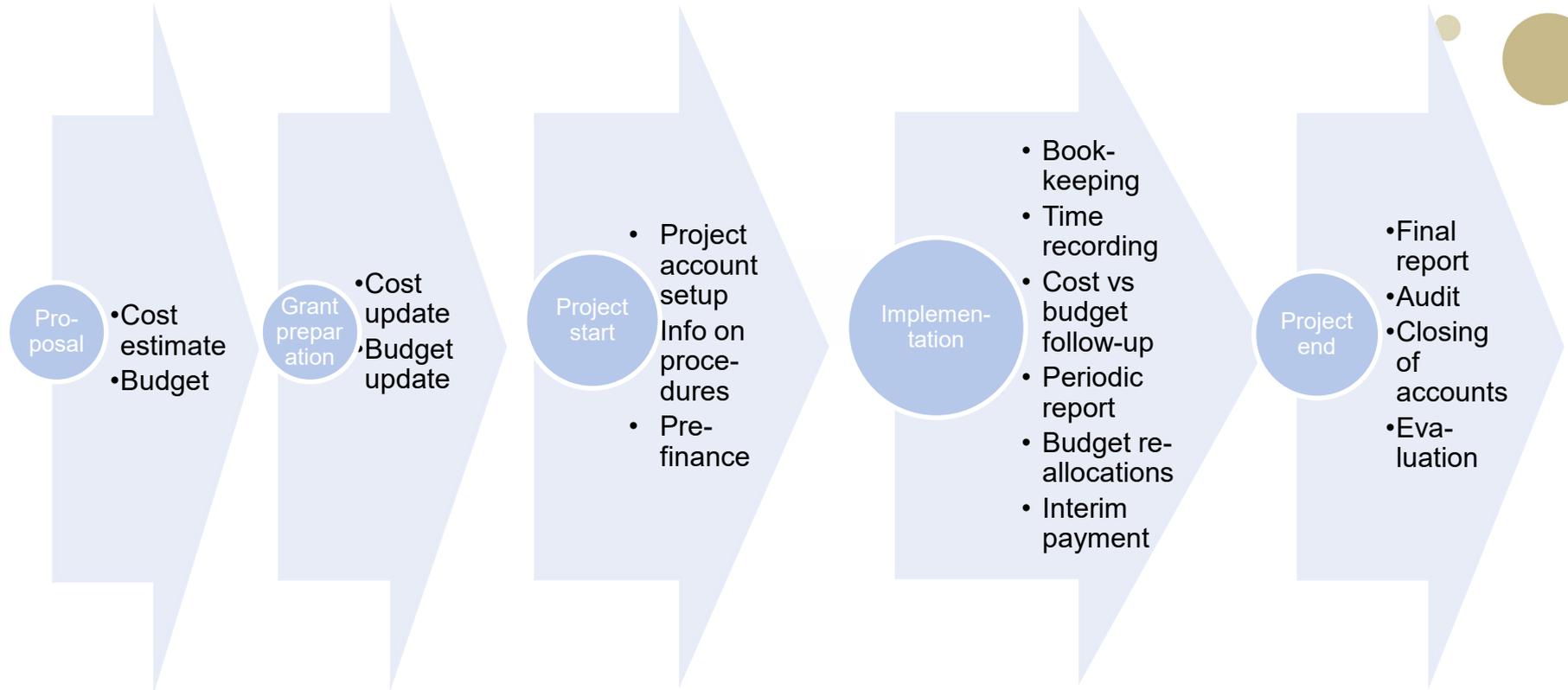
- The reality of a mixed portfolio of proposals and projects
- The project life-cycle perspective
- Short term vs. longer term
- Timesheets or no timesheets?
- Calculation of direct personnel costs
- Internally invoiced goods and services
- Lump sum funding
- Budget tables
- Financial statements?
- Conclusions

The reality of a mixed portfolio

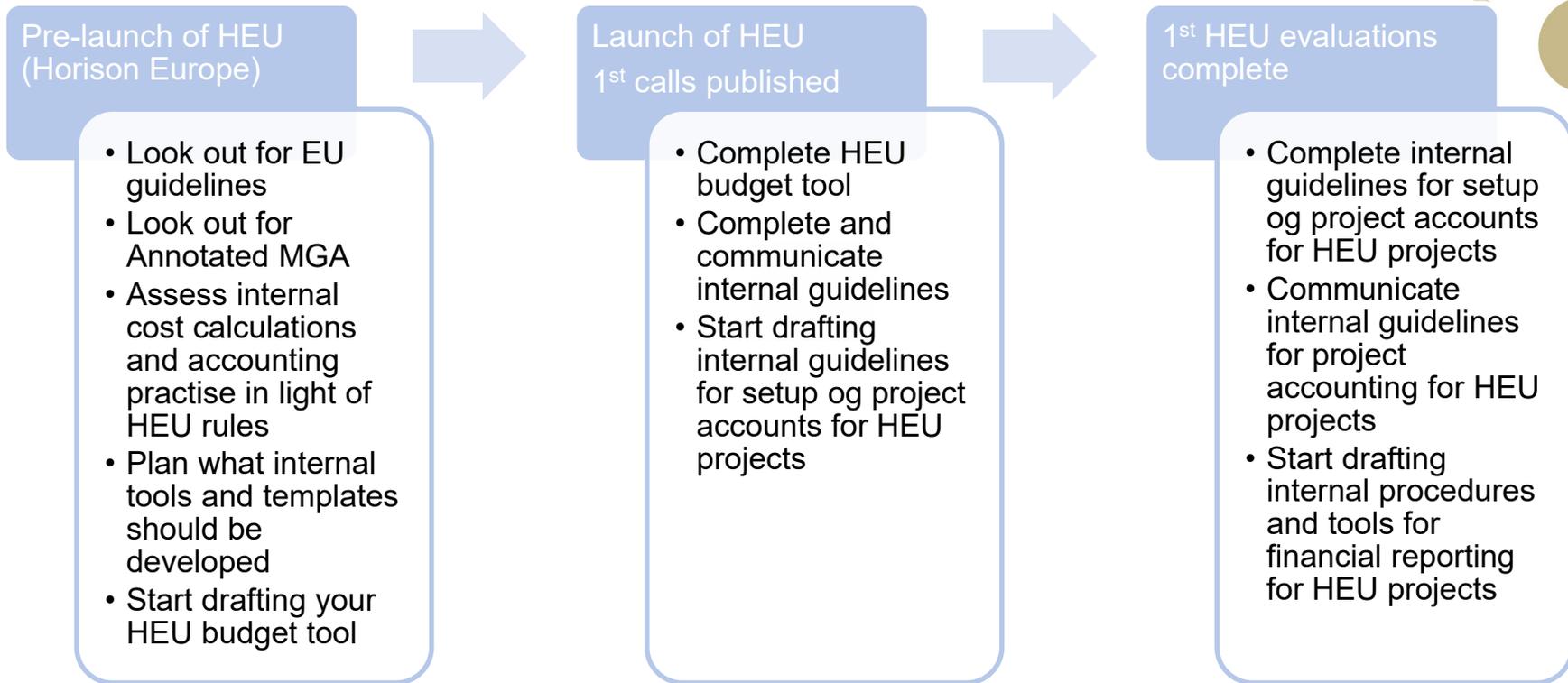


- Different funders
- Different EU funders
- Different EU programmes
- Different funding schemes
- Different programme generations
- Different stages of the project life-cycle

The project life-cycle perspective



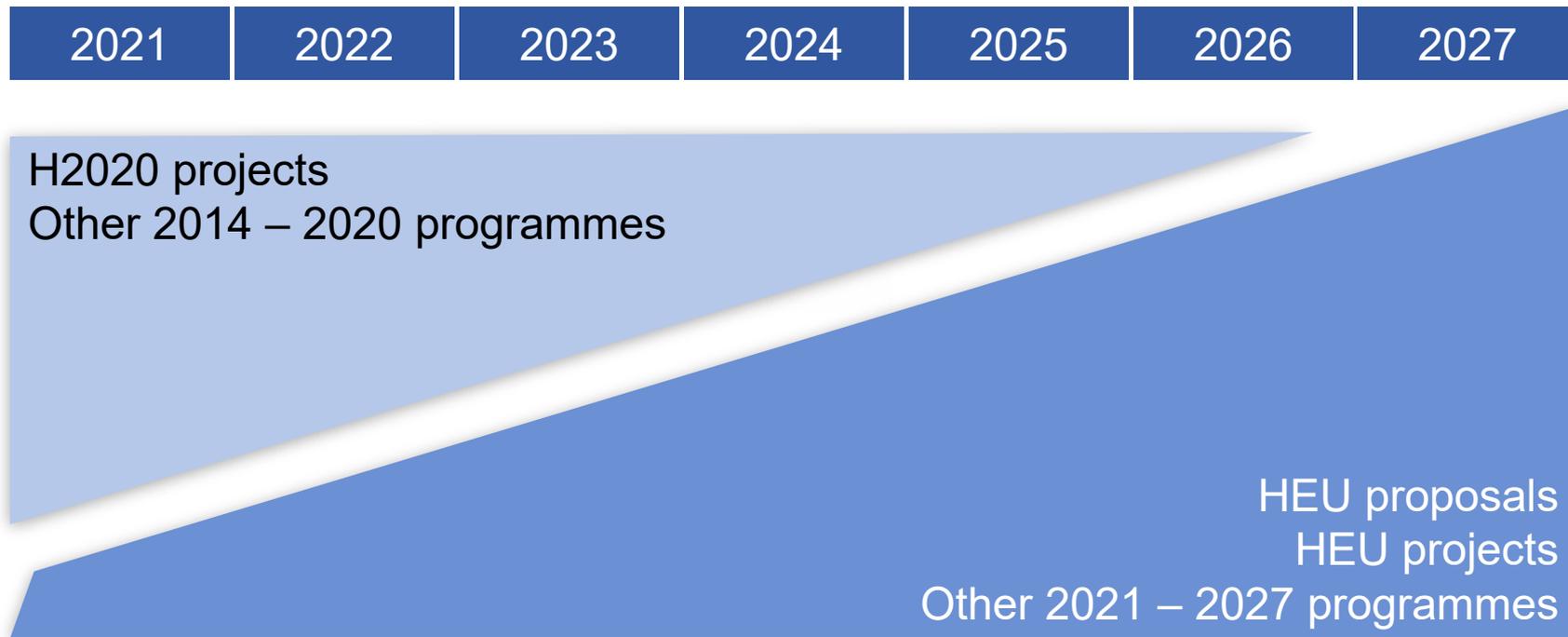
Short term vs. longer term preparations



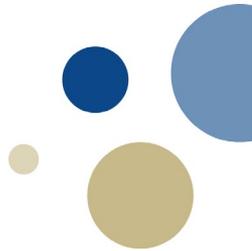
From variety to uniformity?

- 2014 – 2020 programming period:
 - Different Grant Agreements, rules, forms, etc. for different EU funding programmes
- 2021 – 2027 programming period:
 - Harmonisation across EU funding programmes

Gradual transition

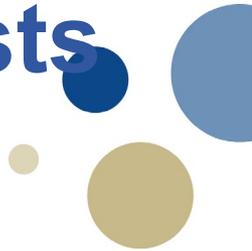


Timesheets or no timesheets?



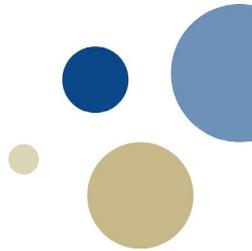
- H2020:
 - Timesheets required or strongly recommended
- HEU (Horizon Europe):
 - Monthly declarations on days spent on the project
 - Generally accepted
 - Expected to be widely adopted?
 - Timesheets still accepted
 - But hours must be converted to days
- How to manage mixed requirements in portfolio?
- Source of confusion?
- Affecting motivation to complete timesheets for remaining H2020 projects?

Calculation of direct personnel costs



- Different records of amount of effort
 - Timesheets for H2020 projects
 - Monthly declarations of days worked for HEU projects
- Different calculation methods
- Different cost data to be used for unfinished years
- Separate tools for H2020 and HEU projects?
- Different cost calculation procedures?

Internally invoiced goods and services



- H2020:
 - Internal unit costs must exclude indirect costs
 - 25% to be added for indirect costs
- HEU:
 - Usual accounting practise to be more easily accepted
 - Internal unit costs deemed to include indirect costs
 - Indirect costs according to the beneficiary's own usual accounting practise and calculations
- How to keep track of this across projects?
- Calculate corrected rates, depending on the project?
- Change the beneficiary's usual accounting practise?

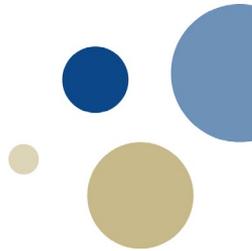
Lump sum funding (1)

- No financial reporting or financial audits
 - **BUT:**
- Budget calculations at the proposal stage much more critical
- Budget negotiations between beneficiaries at the proposal stage more critical
- Financial knowledge, skills and staff capacity must be redirected
 - from the project implementation stage
 - to the proposal stage
- Precondition for approved EU funding:
 - EU funding only when the entire WP is completed and accepted

Lump sum funding (2)

- Consortium risk
 - There is a need to trust partners during the proposal stage
 - Budget calculations
 - Budget negotiations
 - There is a need to trust partners during project implementation
 - One underperforming partner is enough to threaten the WP
 - Either other partners have to take over, or no EU funding for that WP
 - Only “play” with old friends?
 - Increased obstacle to entry for partners you do not know?
 - Increased obstacle to partners from countries with low participation?

Lump sum funding (3)

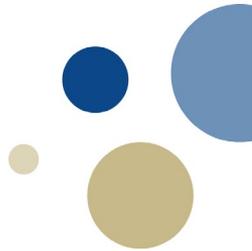


- Risk-minimizing project structure
 - One WP per partner per reporting period
 - Minimization of financial risk due to under-performing partners
 - Incentives for a project structure which is sub-optimal from a project management perspective
 - Artificial project structure
 - Not necessarily minimization of risk from the point of view of project implementation
- More detailed guidelines regarding WP structure to come?

Budget tables

- 2014 – 2020 programming period:
 - Variety of budget tables across EU programmes
- 2021 – 2027 programming period:
 - More common budget formats across EU programmes
- Need for internal tools to calculate correct budgets for programmes that the organisation applies for
 - Eligible cost items
 - Correct amounts
 - Appropriate cost categories

Financial statements?



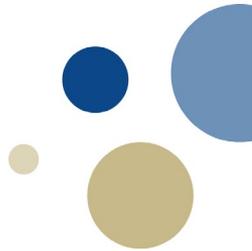
- 2014 – 2020 programming period:
 - Variety of financial statement forms across EU programmes
- 2021 – 2027 programming period:
 - More uniform reporting formats across EU programmes?
- Need for internal tools to produce correct reports for the programmes that fund the organisation's projects
 - Eligible cost items
 - Correct amounts
 - Appropriate cost categories

Conclusions



- Simplification may be coming
- Transition period in the meantime
- Mix of rules for old and new programmes
- Need for internal procedures and tools for both generations for programmes
- Risk of confusion
 - Which rules, tools and procedures apply in this case?

Thank you!



Thank you for your attention!