



Brussels, 30.7.2024
C(2024) 5328 final

COMMISSION DECISION

of 30.7.2024

amending Decision C(2020)7115 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme

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amending Decision C(2020)7115 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme

THE EUROPEAN COMMISSION,

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 (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 ('Financial Regulation')¹, and in particular Articles 125 and 181 thereof,

Whereas:

- (1) Commission Decision C(2020)7115 established the method to determine the unit cost under any action or work programme based on appropriations under the post 2020 multiannual financial framework. However, the resulting value of the unit cost has proven to be too low in comparison with the remuneration levels generally received by the SME owners for their professional activities. This comparison has been significantly worsened by the unpredictably high inflation rates in 2022.
- (2) Decision C(2020)7115 should therefore be amended.

HAS DECIDED AS FOLLOWS:

Article 1

The Annex to Decision C(2020)7115 is replaced by the Annex to this Decision.

Article 2

The new unit cost shall apply for calls or other procedures opened after the entry into force of this Decision.

Done at Brussels, 30.7.2024

For the Commission

Iliana IVANOVA

Member of the Commission

¹ OJ L 193, 30.7.2018, p. 1.



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ANNEX

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to the

Commission Decision

amending Decision C(2020)7115 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme

ANNEX

HISTORY OF CHANGES		
VERSION	PUBLICATION DATE	CHANGE
1.0	20.10.2020	Initial version – Decision C(2020) 7115 final
2.0		Amendment of the Decision C(2020) 7115 final increasing the unit cost for SME owners and natural persons not receiving a salary compared to unit costs under Marie Skłodowska-Curie actions.

1. Form of financing and categories of costs covered

In accordance with Article 181(7) of the Regulation (EU, Euratom) 2018/1046 ('Financial Regulation'), recipients of Union funds may declare personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme implemented under direct or indirect management on the basis of unit costs.

The amounts of the unit costs to be declared by the beneficiaries shall be calculated in accordance with section 3.

2. Justification

2.1. Nature of the supported actions

The European Commission is committed to implementing simplification measures to make its funding programmes more attractive and more accessible to beneficiaries. This applies in particular for the range of programmes that aim at supporting small and medium-sized enterprises (SMEs).

Where SMEs and natural persons participate as beneficiaries in EU actions and perform tasks in accordance with the grant agreement, they – or for SMEs – their owners, should receive support for the work carried out, even if the value of the work is not registered as a salary cost in their accounts because it does not result from an employment contract.

The funding on the basis of a unit cost is justified due to the difficulty to support SME owners who do not receive a salary and other natural persons who do not receive a salary for their personal involvement in the implementation of the actions. This difficulty is due to the fact that, in the absence of a salary, there is no actual cost recorded in the accounts of the beneficiary related to the work of these persons or the cost does not qualify as costs for employees.

2.2. Risks of irregularities and fraud and costs of control

Because these unit costs assign a definite value to the costs declared, using established formula based on the Marie Skłodowska-Curie actions (MSCA) rates, which have proven to be resistant to irregularities, the risk of errors or irregularities in declaring the correct amounts for reimbursement are considered lower.

The use of unit costs is relevant to the value of the costs which are reimbursed for the work done. How the time worked is declared would be the same in actions using these unit costs as compared to using actual costs. Because of this, it is not considered that there is any additional risk of fraud in using these unit costs.

Moreover, to protect against irregularity and fraud, the Commission will verify at the time of preparation of the grant, during the implementation of the action or afterwards (through checks, reviews or audits), compliance with the conditions to charge the unit cost, as well as the correct application of the formula.

Lastly, because the beneficiary does not have to demonstrate the value of the underlying units declared, and because the granting authority will not have to verify or control such data, the costs of control in using these unit costs will be lower as compared to using actual costs.

2.3. Justification on why an output or result-based approach is not possible or appropriate

The purpose of this Decision is to authorise the use and define amounts of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary, as provided for in Article 181(7) of the Financial Regulation. In that context, the Financial Regulation has already defined the scope of the unit costs as personnel costs – which by their nature are input-based. While it cannot be excluded that these unit costs could be used in actions for which the eligible costs might be reimbursed from the Union budget using an output or result-based simplified form of contribution, it is neither possible nor appropriate to base the unit costs in this Decision on outputs or results.

3. Methodology to determine and update the amounts

The FP7 and Horizon 2020 programmes allowed for the declaration of direct personnel costs for SME owners who do not receive a salary and other natural persons who do not receive a salary on the basis of unit costs corresponding to those applicable under the Marie Curie actions and Marie Skłodowska-Curie actions respectively. This was considered justified because the Marie Curie unit costs were considered equivalent to a salary for researchers.

During the 2014-2020 funding period, the use of these unit costs was also authorised for other non-research Union programmes under the same conditions as for Horizon 2020. This was because the amounts were accepted as being a reliable reference for the notional value of work carried out by an SME owner working on actions under other funding programmes.

Based on this experience, this Decision extends the possibility to use this system to all programmes.

The approach as adopted under Horizon 2020 and other funding programmes shall continue to be used, i.e. a unit cost based on the living allowances for experienced researchers under the Postdoctoral Fellowships, as specified in Commission Decision C(2013)8194 authorising the reimbursement on the basis of unit costs under Marie Skłodowska-Curie actions within the Horizon 2020 Framework Programme (2014-2020).

However, this approach needs to be updated for the post 2020 multiannual financial framework to bridge the gap with the current levels of remuneration of SME owners and the labour market. Experience gathered over FP7 and Horizon 2020 has shown that most SME owners working for their own companies occupy managerial positions. While the Marie Curie unit costs are considered equivalent to a salary for employees working in research actions, they do not reflect the higher remuneration inherent to management posts.

Based on data published by Eurostat¹ for 2018 (most recent available), the mean hourly gross earnings of managers in EU Member States was about 46 % higher than the average of the mean hourly gross earnings of professionals² and technicians³. Similarly, statistics published by the Belgium *Direction générale Statistique (Statbel)*⁴ for year 2020 show that in Belgium (country correction coefficient 100 %), the average salary for managers in the group accounting for research and development entities is also around 46 % higher than the average salaries paid in the research and development sector⁵. Therefore, it can be considered that the unit cost under Marie Skłodowska-Curie actions (EUR 5 990) must be increased by 46 % to reflect the higher remuneration linked to the managerial position of the SME owners.

The eligible direct personnel costs declared by beneficiaries that are SMEs for their owners not receiving a salary and by beneficiaries that are natural persons not receiving a salary shall therefore be based on a unit cost per day-equivalent worked on the action to be calculated as follows:

{EUR 8.745,4, multiplied by the relevant country-specific correction coefficient⁶, divided by 18 days}.

NB: This amount will be automatically updated in line with the Marie Skłodowska-Curie unit cost. Therefore, updates to the amount of EUR 8.745,4 will be calculated by taking the updated unit cost amount for living allowance for postdoctoral fellowships for MSCA actions, to be found in the [Marie Skłodowska-Curie unit cost authorising decision](#)⁷, and increasing it by 46% as above. The revised unit costs for SME owners and other natural persons not receiving a salary will then apply for all calls or other procedures opened after the update comes into effect.

The Commission considers that this amount is a reliable reference for the value of work carried out by an SME owner under any funding programme.

The value of the work of the SME owners and natural persons not receiving a salary shall be determined by multiplying the unit cost by the number of day-equivalents worked on the action.

The total number of day-equivalents declared in EU grants, for a person for a year, cannot be higher than 215.

4. No-profit and co-financing principles and absence of double financing

The methodology described in Section 3 complies with the principles of sound financial management, co-financing and absence of double funding as required by the Financial Regulation.

¹ <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/ddn-20210527-1>

² According to the International Standard Classification of Occupations 'ISCO-88', 'professionals' include notably physicists, mathematical and engineering science professionals, life science and health professionals and college, university and higher education teaching professionals. 'Technicians' include notably 'physical, engineering science, life and health technicians.

³ $28.6 / ((21.4 + 17.8) / 2) = 1,46$

⁴ <https://statbel.fgov.be/fr/themes/emploi-formation/salaires-et-cout-de-la-main-doeuvre/salaires-mensuels-bruts-moyens#news>

⁵ $7\,213 / 4\,944 = 1,459$

⁶ The coefficient is that which applies for unit costs for post-doctoral fellowships under Marie Skłodowska-Curie actions and can be found in the MSCA actions work programme under Horizon Europe.

⁷ Available at: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/horizon/guidance/unit-cost-decision_he-msca_en.pdf.

Sound financial management is ensured by basing the unit costs on existing unit costs which represent a reliable reference for the value of the work carried out by SME owners, which in turn will be adapted to each participating country.

Co-financing of the unit cost will be taken into account ex post by applying the usual co-financing rates of the relevant programme to the unit costs declared. Verification of the absence of double funding is facilitated through:

- (1) the clear identification of the categories of eligible costs covered by the unit costs under this decision
- (2) the normal procedure for checking the absence of double funding under grants implemented by the Commission or an executive agency when these unit costs are used.



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THE EUROPEAN COMMISSION,

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 (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 Union¹, and in particular Articles 125 and 181 thereof,

Whereas:

- (1) Article 181(7) of 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 provides for the use of unit costs for personnel costs of SME owners and other natural persons who do not receive a salary for the work carried out by themselves under an action or work programme.
- (2) Since such personnel costs would be eligible for many Union programmes, it is appropriate to adopt one Commission Decision authorising the use of unit costs for such costs under any action or work programme based on appropriations under the post 2020 Multi-annual financial framework

HAS DECIDED AS FOLLOWS:

Sole Article

The use of eligible costs declared by recipients of Union funds on the basis of unit costs is authorised for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme based on appropriations under the post 2020 Multi-annual financial framework, for the reasons and under the conditions set out in the Annex.

For actions implemented in direct management, the responsible authorising officer shall use the unit costs authorised by this Decision where personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves are considered eligible under the award procedure.

¹ 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).

For actions implemented in indirect management, the entrusted entity may use the unit costs as authorised by this Decision, in accordance with the provisions set out in the relevant contribution agreement.

Done at Brussels, 20.10.2020

For the Commission
Johannes HAHN
Member of the Commission



Brussels, 20.10.2020
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Commission Decision

authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme

ANNEX

1. Form of Union contribution and categories of costs covered

In accordance with Article 181(7) of the Financial Regulation, recipients of Union funds may declare personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme implemented under direct or indirect management on the basis of unit costs.

The amounts of the unit costs to be declared by the beneficiaries shall be calculated in accordance with point 3.

2. Justification

2.1. Nature of the supported actions

The European Commission is committed to implementing simplification measures to make its funding programmes more attractive and more accessible to beneficiaries. This applies in particular for the range of programmes that aim at supporting small and medium-sized enterprises (SMEs).

Where SMEs and natural persons participate as beneficiaries in EU actions and perform tasks in accordance with the grant agreement, they – or for SMEs – their owners, should receive support for the work carried out, even if the value of the work is not registered as a salary cost in their accounts.

The funding on the basis of a unit cost is justified due to the difficulty to support SME owners who do not receive a salary and other natural persons who do not receive a salary for their personal involvement in the implementation of the actions. This difficulty is due to the fact that, in the absence of a salary, there is no actual cost recorded in the accounts of the beneficiary related to the work of these persons.

2.2. Risks of irregularities and fraud and costs of control

The use of a unit cost to calculate the direct personnel costs for SME owners and other natural persons who do not receive a salary shall reduce the risk of irregularities, overstatements and fraud since they will be calculated in accordance with an established formula based on the Marie Skłodowska-Curie actions (MSCA) rates which have proven to be resistant to irregularities and fraud.

The Commission will verify at the time of preparation of the grant, during the implementation of the action or afterwards (through checks, reviews or audits), compliance with the conditions to charge the unit cost, as well as the correct application of the formula.

2.3. Justification on why an output or result-based approach is not possible or appropriate

The purpose of this Decision is to authorise the use and define amounts of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary, as provided for in Article 181(7) of Regulation (EU, Euratom) No 2018/1046. In that context, the Financial Regulation has already defined the scope of the unit costs as personnel costs – which by their nature are input-based. While it cannot be excluded that these unit costs could be used in actions for which the eligible costs might be reimbursed from the Union budget using an output or result-based simplified form of contribution, it is neither possible nor appropriate to base the unit costs in this Decision on outputs or results.

3. Method to determine and update the amount of the Union contribution in the form of unit costs

The FP7 and Horizon programmes allowed for the declaration of direct personnel costs for SME owners who do not receive a salary and other natural persons who do not receive a salary on the basis of unit costs corresponding to those applicable under the Marie Curie actions and Marie Skłodowska-Curie actions respectively. This was considered justified because the Marie Curie unit costs were considered equivalent to a salary for researchers.

During the 2014-2020 funding period, the use of these unit costs was also authorised for other non-research Union programmes under the same conditions as for Horizon 2020. This was because the amounts were accepted as being a reliable reference for the notional value of work carried out by an SME owner working on actions under other funding programmes. The use of Marie Curie and Marie Skłodowska-Curie unit costs (living allowances) has therefore proven to be appropriate to achieve the policy objective of ensuring proper participation of SMEs across a range of EU programmes and to guarantee the principle of equal treatment of beneficiaries.

Based on this experience, this Decision extends the possibility to use this system to all programmes. The approach as adopted under Horizon 2020 and other funding programmes shall continue to be used, i.e. a unit cost for experienced researchers under the Postdoctoral Fellowships, as specified in Commission Decision C(2013)8194 authorising the reimbursement on the basis of unit costs under Marie Skłodowska-Curie actions within the Horizon 2020 Framework Programme (2014-2020). The Commission considers that this amount represents a reliable reference for the value of work carried out by an SME owner under any funding programme.

Revised unit costs for SME owners and other natural persons not receiving a salary shall be applied as of from the entry into force of any update of the unit costs authorised under a future Commission Decision authorising the reimbursement on the basis of unit costs under Marie Skłodowska-Curie actions within the Horizon Europe Framework Programme (2021-2027). Updated unit costs should only apply for calls or other procedures launched after the update comes into effect.

The eligible direct personnel costs declared by beneficiaries that are SMEs for their owners not receiving a salary and by beneficiaries that are natural persons not receiving a salary shall be based on a unit cost per day-equivalent worked on the action to be calculated as follows:

{EUR 4 880¹, multiplied by the relevant country-specific correction coefficient², divided by 18 days}.

The value of the work of the SME owners and natural persons not receiving a salary shall be determined by multiplying the unit cost by the number of day-equivalents worked on the action.

The total number of day-equivalents declared in EU grants, for a person for a year, cannot be higher than 215.

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

¹ This amount may be updated in line with any authorising or amending Decision covering costs for experienced researchers under the Postdoctoral Fellowships in Marie Skłodowska-Curie actions for the 2021-2027 MFF period.

² The co-efficient is that which applies for unit costs for post-doctoral fellowships under Marie Skłodowska-Curie actions and can be found in the MSCA actions work programme under Horizon Europe.

The methodology described in Section 3 complies with the principles of sound financial management, co-financing and absence of double funding as required by the Financial Regulation.

Sound financial management is ensured by basing the unit costs on existing unit costs which represent a reliable reference for the value of the work carried out by SME owners, which in turn will be adapted to each participating country.

Co-financing of the unit cost will be taken into account ex post by applying the usual co-financing rates of the relevant programme to the unit costs declared. Verification of the absence of double funding is facilitated through i) the clear identification of the categories of eligible costs covered by the unit costs under this decision and ii) the normal procedure for checking the absence of double funding under grants implemented by the Commission or an executive agency when these unit costs are used.