

**Science Europe Press Release: *for immediate release***

**Horizon 2020: Getting the Cost System Right**

(Brussels, 4 June 2013) As the ‘Triologue’ negotiations over the Rules for Participation for Horizon 2020 continue, Science Europe stresses that it is essential that the outcome of the debate is an appropriate funding regime which represents real simplification for participants. There is an urgent need for clarification on the funding model; this includes a clear definition of what constitutes ‘direct’ and ‘indirect’ costs, as well as a ‘full cost’ alternative to flat-rate funding.

‘Direct costs’ are those directly linked to the activities carried out specifically for the research project, while ‘indirect costs’ or ‘overheads’ are costs that arise for participating organisations related to the general running of operations. For Horizon 2020, what constitutes an eligible cost in either category is yet to be defined. It is essential to know this prior to an informed decision on the funding model being made.

Science Europe is also in favour of retaining an option for reimbursement on the basis of full costs, alongside the proposed flat-rate model, for those organisations that choose to use this, and have an accounting system that allows them to do so. This view is in line with what has been expressed by a number of other associations in recent days, including the European Universities Associations (EUA) and the European Association of Research and Technology Organisations (EARTO).

“Accounting for the spending of Horizon 2020 funding has to be as simple, and as little prone to errors, as possible” say Science Europe members in their Position Statement ‘Horizon 2020: Excellence Counts’, released in November last year. “Accepting nationally-approved accounting practices implemented by participants ensures consistency, reduces the source of errors and simplifies the management of projects for the beneficiaries”.

“Moreover”, adds the Statement, “beneficiaries who have been implementing analytical accounting systems, consistent with policy guidelines issued by the European Commission, which allow them to clearly identify the real costs of a project, should have the option of declaring, and claiming on the basis of, those costs”.

*Science Europe is an association of 51 Research Performing Organisations from 26 countries, representing around €30 billion per annum. It was founded in October 2011 with the aim of promoting the collective interests of members and providing them with a platform to collaborate at both policy and activity level.*

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