



Brussels, 19.3.2019  
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**COMMISSION DECISION**

**of 19.3.2019**

**on the financing of the 'Preparatory action on Defence research' and the adoption of the  
work programme for 2019**

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## on the financing of the 'Preparatory action on Defence research' and the adoption of the work programme for 2019

THE EUROPEAN COMMISSION,

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

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, 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<sup>1</sup>, and in particular Article 58(2)(b) and Articles 110, 125 and 181 thereof,

Whereas:

- (1) In order to ensure the implementation of the 'Preparatory action on Defence research' ('the Preparatory Action') it is necessary to adopt an annual financing decision, which constitutes the annual work programme for 2019. Article 110 of Regulation (EU, Euratom) 2018/1046 ('the Financial Regulation') establishes detailed rules on financing decisions.
- (2) Pursuant to Article 62(1)(c) of Regulation (EU, Euratom) 2018/1046, indirect management is to be used for the implementation of the Preparatory Action.
- (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 unit costs is necessary to simplify the calculation of grant amounts, to significantly decrease the workload of both the beneficiaries and the Commission as well as to accelerate payment procedures.
- (4) The use of lump sums is appropriate to simplify the calculation of grant amounts, to significantly decrease the workload of both the beneficiaries and the Commission as well as to accelerate payment procedures, and should therefore be authorised for specific activities funded under the Preparatory Action.
- (5) The use of unit costs including personnel costs of owners of small and medium-sized enterprises (SME) and natural persons not receiving a salary should therefore be authorised for the activities funded under the Preparatory Action.
- (6) As the Preparatory Action addresses research, it attracts the same population of beneficiaries as the Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020). For the sake of consistency and administrative simplification for the beneficiaries, as far as possible, the same rules should be applied to the Preparatory Action as in the Horizon 2020 programme. It is therefore appropriate to allow for the reimbursement of indirect costs at a flat rate of 25% and for the

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<sup>1</sup> OJ L 193, 30.07.2018, p.1

application of the same unit costs for the SME owners and natural persons not receiving a salary.

- (7) It is necessary to allow for the payment of interest due for late payment on the basis of Article 116(5) of Regulation (EU, Euratom) 2018/1046.
- (8) In order to allow for flexibility in the implementation of the work programme, it is appropriate to allow changes that should not be considered substantial for the purposes of Article 110(5) of the Financial Regulation.

HAS DECIDED AS FOLLOWS:

*Article 1*  
*The work programme*

The annual financing decision, constituting the annual work programme for the implementation of the 'Preparatory action on Defence research' for 2019, as set out in the Annex 1, is adopted.

*Article 2*  
*Union contribution*

The maximum Union contribution for the implementation of the programme for 2019 is set at EUR 25 000 000 and shall be financed from the appropriations entered in the budget line 02.047703 of the general budget of the Union for 2019.

The appropriations provided for in the first paragraph may also cover interest due for late payment.

*Article 3*  
*Methods of implementation and entrusted entities or persons*

The implementation of the actions carried out by way of indirect management, as set out in the Annex 1, shall be entrusted to the European Defence Agency.

*Article 4*  
*Lump sums*

The use of grants in the form of lump sums contribution is authorised for the actions subject to the call for proposals FDDT-OPEN-03-2019 'Challenging the future' under the Preparatory action for Defence research, for the reasons and under the conditions set out in the Annex 2.

*Article 5*  
*Unit costs*

Personnel costs of the owners of SMEs participating in actions of the 'Preparatory action on Defence research' who do not receive a salary, and other natural persons who do not receive a salary, may be reimbursed on the basis of a unit cost under the conditions set out in Annex II to Commission Decision C(2018) 1383.

Direct eligible personnel costs of entities participating in the 'Preparatory action on Defence research' may be reimbursed on the basis of unit costs determined according to the beneficiary's usual cost accounting practices under the conditions set out in Annex II to Commission Decision C(2018) 1383.

*Article 6*  
*Flat rates*

The indirect eligible costs of the grants awarded under the 'Preparatory action on Defence research' shall be determined by applying a flat rate of 25 % of the total direct eligible costs, excluding direct eligible costs for subcontracting.

*Article 7*  
*Flexibility clause*

Cumulated changes to the allocations to specific actions not exceeding 20% of the maximum contribution set in the first paragraph of Article 2 of this Decision shall not be considered to be substantial for the purposes of Article 110(5) of Regulation (EU, Euratom) 2018/1046, where those changes do not significantly affect the nature of the actions and the objective of the work programme.

The authorising officer responsible may apply the changes referred to in the first paragraph. Those changes shall be applied in accordance with the principles of sound financial management and proportionality.

Done at Brussels, 19.3.2019

*For the Commission*  
*Elżbieta BIENKOWSKA*  
*Member of the Commission*