Bilateral Fund Open Call #1

Guideline for Budget design and implementation

1. Purpose of this Guideline

This document provides guidance to support applicants in preparing the budget for initiatives submitted under the Bilateral Fund Open Call #1.

It aims to ensure that budgets are clear, coherent and compliant with the applicable rules.

This document does not replace the Regulation on the implementation of the EEA Grants 2021-2028 and the Bilateral Fund Manual, which remain the reference documents for eligibility rules, financial provisions and procedures. Applicants must consult the Regulation and Manual for full details.

2. Key Principle: Activity-Based Budgeting

The budget must be activity-based. This means that:

- all costs must be directly linked to the activities described in the application;
- the budget must be structured according to those activities, and
- travel activities must be budgeted separately from other activities.

Each activity must present a clear and justified set of costs.

3. Types of Costs and Funding Modalities

Different types of costs apply depending on the nature of the activity and its geographical scope.

3.1 National Travel (Actual Costs)

In the case of travel by Portuguese entities within Portugal, expenditure is normally presented based on actual costs, and the legal framework governing the payment of subsistence and travel allowances to Public Administration employees applies, as set out in Decree-Law No. 106/98 of 24 April, and related legislation.

Eligible costs include:

i) Travel:

- public transport (second class); or
- private vehicle (rate per km in accordance with the subsistence allowance table), where justified, with tolls and parking also eligible;
- exceptionally, vehicle hire (rate per km in accordance with the subsistence allowance table), with tolls and parking, where dully justified.

Fuel expenses **are not** eligible.

Unless duly justified, distances are calculated based on the place of work.

ii) Accommodation (where an overnight stay is required):

- hotel accommodation up to 3 stars or equivalent.

iii) Subsistence allowances:

- calculated in accordance with the applicable legal framework (Decree-Law No. 106/98 of 24 April);

- the date and time of departure and return must be indicated.

Supporting documents include:

- the journey undertaken and itinerary (for private vehicle expenses);
- invoice or equivalent supporting document;
- proof of payment; and
- where necessary, the relevant public procurement procedure.

The standard Portuguese Public Administration travel log form, or equivalent documentation with the same level of detail, must be completed.

Donor States (national travel)

For travel carried out by entities from the Donor States within their respective countries, the same types of expenditure are eligible, in accordance with the rules in force in the respective country. Expenditure must be supported by an auditor's report.

Example

A promoter based in Lisbon plans two working meetings in Porto over two days, involving two team members. They travel by train (departure at 09:00 on day 1; return at 18:00 on day 2).

The budget must reflect:

- 2 round-trip 2nd class tickets;
- 2 rooms for 1 night at a hotel (up to 3 stars);
- Subsistence allowances (100% of the daily reference value for day 1 + 25% of daily reference value for day 2).

Supporting documents include:

- the procedure for the acquisition of the public transportation tickets and hotel;
- invoices and proof of payment;
- travel log form;
- proof of payment of subsistence allowances;
- proof of attendance of meetings in Porto.

3.2 International Travel (Unit Costs)

International travel, for round trips on different days, must be budgeted using unit costs. Unit cost applies to both Portuguese and foreign entities.

Exceptionally, in cases where only a one-way trip or return trip is necessary, or only accommodation is required, the actual incurred costs must be presented, proven by evidence of the trip, invoice or equivalent expense document, proof of payment and, where necessary, its public procurement procedure.

Calculation of unit costs

Unit costs correspond to a fixed amount per person/participation and may include:

- international travel expenses;
- accommodation;
- subsistence.

i) Travel (distance-based)

Unit costs for international travel refer to a fixed amount per participant per journey, based on the distance travelled between the point of origin and the final destination. Travel distances must be calculated using the European Commission's distance calculator.

ii) Accommodation

Correspond to a fixed amount per night and, when applied, no additional accommodation costs may be reimbursed.

iii) Subsistence

- correspond to an amount per 24-hour period per participant, depending on the destination;
- the amount of unit costs to be declared must be calculated by rounding to the nearest whole number of days;
- cover meals and other ancillary expenses (such as local transport costs).

Both accommodation and subsistence unit costs follow the amounts established in the European Commission table in force at the date of the launch of the relevant call, for initiatives under calls for Proposals.

Important rule

When unit costs are applied **no additional reimbursement** for the same cost categories is allowed.

Supporting documents

- travel evidence (check-in documents);
- proof of attendance at the respective activity (photos, attendance lists and/or other evidence).

Example

A participant from an organisation in Aveiro travels to Bergen to attend a conference, with a duration of 4 days (including 3 overnight stays).

- distance Aveiro-Bergen: approximately 2,400 km, corresponding to €429 according to the European Commission table.
- unit accommodation cost per night in Norway: €145
- unit subsistence cost per day in Norway: €80

Amount payable for distance travelled (between 1,601km and 2,500km)	**Accommodation (3 nights):**	**Subsistence (4 days):**	**Total**
429€	145€ x 3 = 435€	80€ x 4 = 240€	**1,104€**

This activity must be proved by submitting evidence of the travel and participation in the conference for the 4 days.

3.3 Other activities (Lump sums)

Other types of activities must be budgeted using lump sums which corresponds to the total estimated cost of delivering an activity, based on all necessary inputs.

Key principles

- each activity must present a justified total cost based on its associated expenses;
- the eligibility of the cost will be assessed based on its rationale;
- payment will be conditional upon full implementation of the activity and achievement of the agreed results;
- partial results will not correspond to a partial payment.

Example

An initiative includes organising a workshop in Portugal:

- a room with at least 50 seats;
- 5 speakers;
- live streaming and recording.

To this end, it foresees the need to rent a space, the design of posters and flyers, payment of 2 speakers, a catering and streaming services, specifying the estimated value for each item in the budget proposal. The activity has a total estimated cost of €16,000.

At the end, the managing entity will verify only the completion of the activity with the exact results proposed. In this example, the €16,000 would be considered eligible on the condition that there is proof of organization of a workshop in Portugal, for the public in a room with at least 50 seats, with at least 5 speakers, that was streamed live and later available for visualization.

4. Partners' Costs

Where partners are involved, their costs must:

- be clearly identified; and
- be included in the relevant activity budgets.

5. Other Eligible Actual Costs

Exceptionally, and if duly justified and proposed on the application, other actual incurred costs may be accepted.

6. Final Remarks

Applicants must ensure that:

- all costs are necessary, reasonable and justified;
- the budget is coherent with the proposed activities;
- all applicable rules are respected.

For detailed rules and eligibility criteria, applicants must consult the Bilateral Fund Manual.