TCA financial mechanism – ideas for potential modalities for the future programme period 2028-2034

The objective is to have simplified financial/reporting approach on two levels:

1. **Lump-sum approach for the whole TCA budget allocated to the NAs (i.e. similar to Management fee approach)**
2. **For activity level to have unit costs/lump sum approach depending on the type of activities.**
3. **The approach of the 15% of overall TCA funds per NA alocated to staff costs as currently applied should be kept.**

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1. Simplification on the level of the whole National Agencies TCA budget allocation

The overall TCA budget should be managed as a lump-sum approach, similarly as the management fee of the NAs. This would mean that after the approval of the TCA plan in the Work programme, the overall TCA plan/budget should be managed/reported as a lump sum, so the NAs should report only on the achieved results and outcomes and not the real costs as currently.

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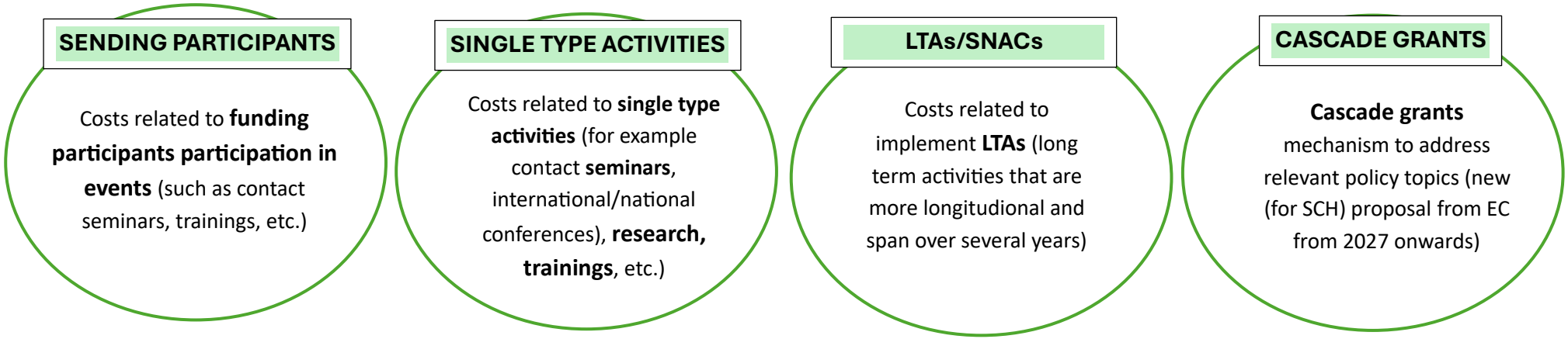
2. Simplification on the level of TCA activities

TCA activities within the education, training, youth and sports sectors are multifold, but can be in general split into four types of funding activities:



The **needs of the NAs and their national contexts are very different across Europe**, so it is of outmost importance that the **TCA funds remain flexible** for the NAs to ensure their most efficient and effective use to support the beneficiaries and the implementation of the Erasmus+ programme to achieve the Programme goals.

Therefore, some potential implementation options would be:

Type of activities	**Sending participants to events**	**Single type activities** (i.e. events, research, trainings, etc.),	**LTAs/SNACs**	**Cascade grants**
Recommended financial model:	**Unit-cost based funding** This would mirror the Erasmus+ mobility model, where funding is linked to the number of participants and duration of participation. Erasmus+ already extensively uses unit costs for travel, individual support, and organisational support. However, the amounts of unit-costs per participant should be flexible and can be defined flexibly by National Agencies, as long as they are based on relevant existing data and are fair and transparent criteria are used. **Possible budget categories** • Travel support (distance-band based) • Individual support (daily allowance) • Inclusion support	**Event-based lump sums** A lump-sum approach is increasingly used across Erasmus+ project actions and could be adapted to TCA events. Funding would be based on the scale and complexity of the activity rather than reimbursement of actual costs. The costs included in the calculation can include all NA costs related to the implementation of the activity as agreed between the NAs (including also the co-financing agreements among NAs).[1]	**Project/Multi-annual work-package-based lump sums** This could follow the approach used in Erasmus+ cooperation partnerships and policy-support actions, where funding is organised around work packages, milestones, and deliverables.	The design and eligibility conditions for these cascade grants (such as the duration of the activity, the selection process and the type of simplified application/reporting mechanism, the exact amount of the grant, etc.) can be defined flexibly by National Agencies, as long as fair and transparent criteria are used.

[1] There are varieties of how the activities within TCA are funded. For example, for the contact seminar TCA in some cases the organisers cover the accommodation and meals (in addition to the conference rooms and trainers' costs) within their organisational costs of the event. In this case these costs would be planned within the "TCA/NET lumpsum" approach and the participants would get covered only travel costs. In some other cases the organiser covers only conference rooms and

	• Preparatory support (where relevant) • Exceptional costs for participants with fewer opportunities			
Planning in the WPs	The NAs should identify the overall yearly amount planned for sending participants to events.	The NAs should justify the amount planned for the TCA activities (i.e. present basic financial calculation on the estimated costs).	The NAs should justify (i.e. present main work packages/milestones and financial calculation for the whole duration of the LTAs/SNACs.	The NAs should identify the overall yearly amount planned for the cascade grants. The approach (to ensure that is fair and transparent criteria are used) should be available to auditors within the Yearly Report audits.
Reporting in NAFR	The NAs should report on the content-related data (topics, types, etc ..) and main outcomes. The approach to definition of the unit costs (to ensure that they are based on relevant existing data and are fair and transparent criteria are used) should be available to auditors within the Yearly Report audits.	The NA should report on the outcomes of the activities (for example number. of participants, number of documents (studies etc).	The NA should report on the outcomes and results of the activities.	The NAs should report on the number of the cascade grants provided and provide and main outcomes. The approach to definition of the unit costs (to ensure that they are based on relevant existing data and are fair and transparent criteria are used) should be available to auditors

trainers – in this case the lump-sum costs of this activity would cover only conference rooms and trainers. And the "unit cost of sending participants" would cover also the accommodation costs of this individual.

				within the Yearly Report audits.

QUESTIONS FOR DISCUSSIONS

1) Do you consider the proposed funding models (unit costs, activity-based lump sums, work-package lump sums, cascade grants) feasible within your national context? What would be the benefit and what the challenges?
2) Should the TCAs and LTAs/SNACs be rather considered as a one single category? For LTAs/SNACs, multi-annual activities as well as large single activities, do you find the proposed work-package-based lump-sum model realistic and manageable, particularly from a planning and reporting perspective?
3) The cascade grants are being piloted as part of the TCA funds. Do you think they should be part of the TCA activities also in the future or should we look for the possibility to have them outside TCA?
4) If you could modify one aspect of the proposed financial mechanisms to better fit your national context, what would it be and why?