



## **ERA-NET COFUND in practice**

- financial aspects**
- selection list**
- Consortium Agreement**
- additional joint activities**

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Implementing ERA-NET Cofund  
Berlin, 21-22 September 2017

## ❖ Financial Aspects

- ❖ general aspects
- ❖ eligible costs and funding
- ❖ implementation costs

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## ❖ Summary



## **ERA-NET COFUND in practice - financial aspects**

An overview and practical examples  
September 2017

## ERA-NET COFUND general financial aspects (1)

- ❖ ERA-NET COFUND has the **central and compulsory element of implementing one substantial joint call with EC top-up funding (cofunded call)**.
- ❖ In addition to the 1 cofunded call there is the possibility to implement **additional joint activities** (other joint calls, events etc.) which are fixed in the grant agreement.
- ❖ The **financial contributions** of Member States can be **in-cash or in-kind contributions**. **This overview is focusing on the cash-based COFUNDS.**

## ERA-NET COFUND general financial aspects (2)

### Option 1:

1 cofunded call (contribution in cash) only, no additional joint activities during 5 years:

→ EC contribution = top-up funding for the 1 cofunded call

### Option 2:

1 cofunded call (cash-based) + additional joint activities (e.g. other joint calls):

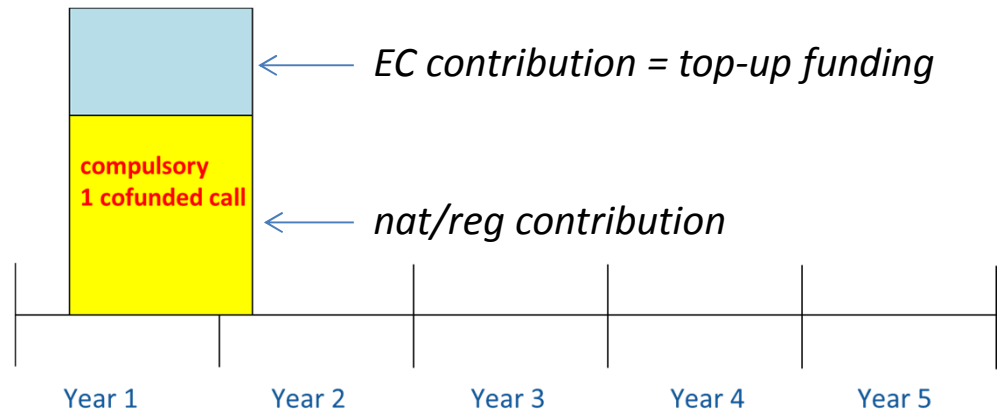
→ EC contribution = a) top-up funding for the 1 cofunded call

+

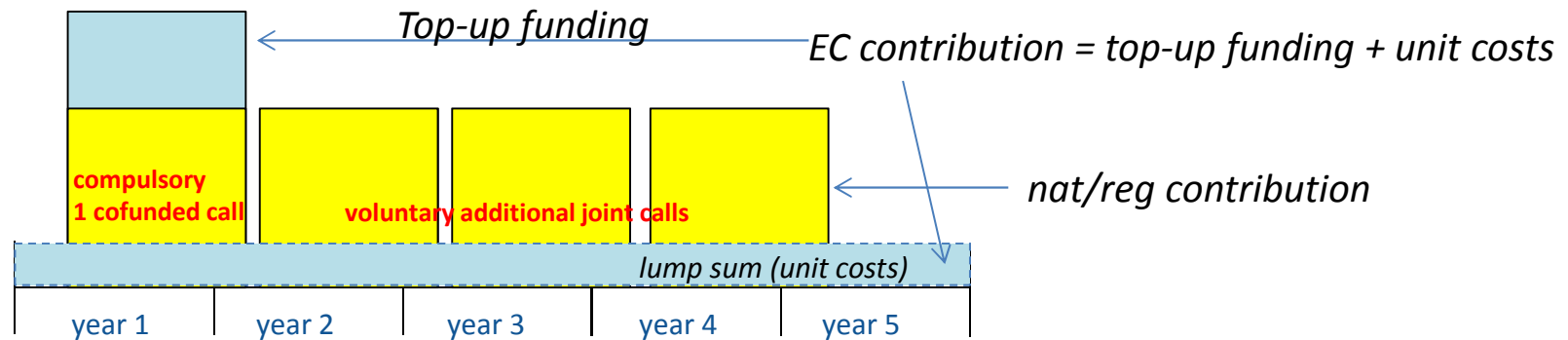
b) lump sum (unit costs) for additional joint activities

[ **Option 3:** 1 cofunded call (contribution in kind) ... only in exceptional cases] – more information in “In-Kind/ Institutional ERA-NET-COFUND-Projects”-Presentation (<https://www.era-learn.eu/manuals-tools/p2p-in-h2020/practical-documentation> )

### Option 1: 1 cofunded call only , no other activities during 5 years



### Option 2: 1 cofunded call + other joint activities (e.g. other joint calls)



## ERA-NET COFUND eligible costs and EC contribution(1)

- ❖ The EC contribution is calculated on the basis of the eligible costs.
- ❖ There are 3 types of eligible costs:
  - a) direct costs related to transnational projects;
  - b) direct coordination costs for of additional activities;
  - c) indirect costs.

a) = the total funding transferred to the transnational projects funded from the 1 cofunded call

b) = a lump sum of 29.000 € per beneficiary per year (so-called Unit Costs) if a beneficiary is involved in additional activities

c) = a flat rate of 25% on top of the Unit Costs b)

## eligible costs and EC contribution (2)

The EC contribution is max. 33% (*or less!*) of the total eligible costs.

❖ Example without additional activities:

Beneficiary	Direct costs of providing financial support to third parties related to transnational projects	Total eligible costs	Reimbursement rate	EC contribution
1	2.000.000	2.000.000	33%	660.000
2	2.000.000	2.000.000	33%	660.000
3	2.000.000	2.000.000	33%	660.000
4	2.000.000	2.000.000	33%	660.000
5	2.000.000	2.000.000	33%	660.000
<b>Total</b>	<b>10.000.000</b>	<b>10.000.000</b>		<b>3.300.000</b>

❖ Example with additional activities:

Beneficiary	Direct costs of providing financial support to third parties related to transnational projects	Units (ie. years)	Total Unit Costs	Indirect costs	Total eligible costs	Reimbursement rate	EC contribution
1	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
2	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
3	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
4	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
5	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
<b>Total</b>	<b>10.000.000</b>	<b>25</b>	<b>725.000</b>	<b>181.250</b>	<b>10.906.250</b>		<b>3.599.063</b>



# ERA-NET-COFUND

## Calculation of EC contribution (1)

The max. EC contribution is calculated on the basis of the preliminary nat./reg. commitments from EU member states & associated states & third countries eligible for EC contribution (see list of countries <sup>1</sup>) at the time of submitting the proposal.

The EC funding rate for ERA-NET COFUND is up to 33%. However, in case of relatively high nat./reg. commitments and a relatively small EC contribution (fixed in the H2020 work programme) the actual EC funding rate could be less than 33%.

### Template for ERA-NET COFUND proposals:

Participant number	Country – short name	(a) Initial national call contribution [€]	(b) indicative possible additional national call contribution (optional) [€]	(c) Requested EU Contribution [€]	Minimum total call budget [€] (a + c)	Maximum total call budget [€] (a + b + c)
<b>Total</b>						

<sup>1</sup>Eligible for funding: [http://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2016-2017/annexes/h2020-wp1617-annex-a-countries-rules\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2016-2017/annexes/h2020-wp1617-annex-a-countries-rules_en.pdf)

## ERA-NET-COFUND Calculation of EC contribution (2)

Some third countries (high-income countries) can participate but their commitments are not considered for calculating the EC contribution<sup>1</sup>. Structural funds (ESIF) are also not eligible for EC top-up funding. Example:

national commitment AUSTRIA ( <i>EU member</i> )	1.340.000 €
regional commitment BELGIUM-WALLONIA ( <i>EU member</i> )	1.340.000 €
national commitment FRANCE ( <i>EU member</i> )	1.340.000 €
national commitment SOUTH AFRICA ( <i>third country eligible for EC funding</i> )	1.340.000 €
regional commitment ( <i>struct.funds</i> ) REGIONE CALABRIA ( <i>EU member but uses ESIF</i> )	1.000.000 €
national commitment CHINA ( <i>third country not eligible for EC funding</i> )	1.000.000 €
national commitment TURKEY ( <i>H2020 associated state</i> )	1.340.000 €
national commitment USA ( <i>third country not eligible for EC funding</i> )	1.000.000 €
<b>→ total national/regional commitments</b>	<b>9.700.000 €</b>
<b>but: total funding EU members + associated states + elig. 3<sup>rd</sup> countr.</b>	<b>6.700.000 € (=67%)</b>
<b>→ max. EC contribution (based on EU MS + AS + elig. 3<sup>rd</sup> c.)</b>	<b>3.300.000 € (=33%)</b>
<b>Total contributions EU MS + AS + elig. 3<sup>rd</sup> c. + EC top-up</b>	<b>10.000.000 € (=100%)</b>
<b>Total call budget</b>	<b>13.000.000 €</b>

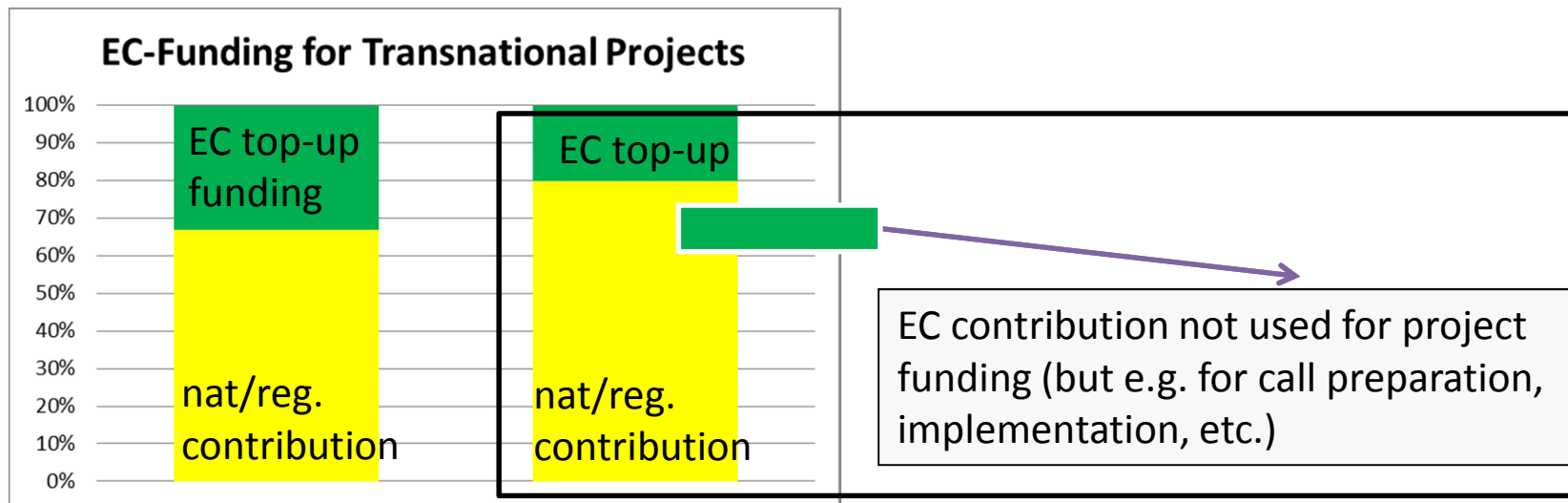
→ to receive an EC contribution of 3.3 M€ the national/regional committed funding from EU members + associated states + eligible third countries must be at least 6.7 M€.

<sup>1</sup>Eligible for funding: [http://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2016-2017/annexes/h2020-wp1617-annex-a-countries-rules\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2016-2017/annexes/h2020-wp1617-annex-a-countries-rules_en.pdf) 10

## ERA-NET COFUND

### Use of EC contribution (1)

- ❖ The calculation of the EC contribution is always based on the eligible costs but **the actual use of the EC contribution is up to the consortium.**
- ❖ The practical terms of using the EC contribution - often called “black box” – are defined in the Consortium Agreement.
- ❖ The maximum EC contribution **cannot exceed** the absolute amount defined in the Grant Agreement but it **can actually become less** than 33% depending on the absolute national/regional contributions.
- ❖ The consortium can decide to use part of the EC contribution to cover the implementation cost of the ERA-NET COFUND; in this case the EC funding rate related to transnational projects will decrease correspondingly; the gap has to be filled with additional national/regional project funding.



Example (without additional activities):

	€	%	€	%
Nat/reg funding for transnational projects	6.700.000	67%	7.500.000	75%
EC top-up funding for transnational projects	3.300.000	33%	2.500.000	25%
<b>Total</b>	<b>10.000.000</b>	<b>100%</b>	<b>10.000.000</b>	<b>100%</b>
	<b>Implementation costs</b>		<b>800.000</b>	

Don't mix up the basis for the EC contribution (ie. the eligible costs) and the use of the EC contribution.

## ERA-NET COFUND Implementation Costs

- ❖ It is up to the consortium to agree on how to cover the implementation costs
- ❖ ERA-LEARN identified in a study 4 main options which are in use by the existing ERA-NET COFUND networks
- ❖ These 4 options are included in the template for an ERA-NET COFUND Consortium Agreement
- ❖ In the following slides these 4 options are presented in detail.

## Implementation Costs (and use of EC funding)

### Overview:

#### 4 main options have been identified/applied by consortia:

- ❖ **Option 1:** Only a defined group of parties may claim implementation costs. The EC contribution for Unit costs and the related indirect costs will be paid to each of the parties according to their involvement in additional activities.
- ❖ **Option 2:** Costs of each party are calculated. These costs are subtracted from the EC contribution .
- ❖ **Option 3:** Each of the parties contributes with its Unit Costs and a specific additional agreed budget to the implementation costs
- ❖ **Option 4:** Implementation costs are covered with the EC contribution (Unit costs and EU-Top-up), travel/subsistence budget is foreseen for attending network meetings; reserve fund for additional activities



# ERA-NET COFUND

## Implementation Costs: Option 1 (1)

- ❖ Only a defined group of parties may claim implementation costs. The EC financial contribution for Unit costs and the related indirect costs will be paid to each of the parties according to their involvement in additional activities.
- ❖ Example Option 1: Eligible costs

Beneficiary	Total funding for the Trans-national Projects	Units	Unit Costs in Total	Indirect Costs	Total Eligible Costs	EC Funding Rate	EC Funding
1	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
2	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
3	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
4	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
5	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
<b>Total</b>	<b>10.000.000</b>	<b>25</b>	<b>725.000</b>	<b>181.250</b>	<b>10.906.250</b>		<b>3.599.063</b>

## ERA-NET COFUND Implementation Costs: Option 1 (2)

### ❖ Example Option 1: Use of funding – Black box

Beneficiary	Implementation costs	Unit costs funding	Total Amount of EC contribution for Beneficiary
1	200.000	59.813	259.813
2		59.813	59.813
3	100.000	59.813	159.813
4		59.813	59.813
5	500.000	59.813	559.813
<b>Total</b>	<b>800.000</b>	<b>299.063</b>	<b>1.099.063</b>
	<b>EC funding left for transnational projects</b>		<b>2.500.000</b>

- From the total EC funding (3.599.063 €) 800.000 € are taken to cover the implementation costs.
- Unit cost funding is transferred to each beneficiary as foreseen (299.063 €).
- The remaining 2.500.000 € of the EC funding is used for transnational projects.





# ERA-NET-COFUND Implementation Costs: Option 1 (3)

## ❖ Advantages:

- ❖ efforts of beneficiaries highly active in implementing the COFUND are reimbursed (call secretariat, coordination ...).
- ❖ Each beneficiary gets unit costs funding to cover travel costs and agreed efforts.
- ❖ because of the unit costs there might be higher motivation to take part in the additional activities; no involvement = no payment
- ❖ a part of the EC contribution is available for the transnational projects, which is in particular helpful to fill gaps in the ranking list.

## ❖ Disadvantage:

- ❖ There might be insufficient financial contribution when a beneficiary has to revoke or a transnational project fails etc.:

Beneficiary	Implementation costs	Unit costs funding	Total Amount of EC contribution for Beneficiary	Beneficiary	Total funding for the Trans-national Projects	Units	Unit Costs in	Indirect Cost	Total Eligible Costs	EC Funding Rate	EC Funding
1	200.000	59.813	259.813	1	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
2		59.813	59.813	2	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
3	100.000	59.813	159.813	3	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
4			-	4			-	-	-	33%	-
5	500.000	59.813	559.813	5	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
<b>Total</b>	<b>800.000</b>	<b>239.250</b>	<b>1.039.250</b>	<b>Total</b>	<b>8.000.000</b>	<b>20</b>	<b>580.000</b>	<b>145.000</b>	<b>8.725.000</b>		<b>2.879.250</b>
<b>EC funding left for transnational projects</b>			<b>2.500.000</b>								
<b>Total EC funding needed</b>			<b>3.539.250</b>								
				<b>Difference</b>							
				<b>- 660.000</b>							



## ERA-NET COFUND Implementation Costs Option 2 (1)

❖ Option 2: Costs of each party are calculated. These costs are subtracted from the EC contribution.

❖ Example Option 2: Eligible costs

Beneficiary	Total funding for the Trans-national Projects	Units	Unit Costs in Total	Indirect Costs	Total Eligible Costs	EC Funding Rate	EC Funding
1	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
2	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
3	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
4	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
5	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
<b>Total</b>	<b>10.000.000</b>	<b>25</b>	<b>725.000</b>	<b>181.250</b>	<b>10.906.250</b>		<b>3.599.063</b>

## ERA-NET COFUND Implementation Costs Option 2 (2)

### ❖ Example Option 2: Use of funding – Black box

Beneficiary	Personal Costs	Travel Costs	Other Costs	Total
1	190.000	20.000	50.000	260.000
2	129.000	20.000		149.000
3	240.000	50.000	20.063	310.063
4	180.000	20.000		200.000
5	130.000	20.000	30.000	180.000
<b>Total</b>	<b>869.000</b>	<b>130.000</b>	<b>100.063</b>	<b>1.099.063</b>
	<b>EC funding left for transnational projects</b>			<b>2.500.000</b>

- From the total EC funding (3.599.063 €) 1.099.063 € are taken to cover the implementation costs.
- Unit cost funding (299.063 €) is not transferred to the beneficiaries separately – the cost calculation is based on real expenditures
- The remaining 2.500.000 € of the EC funding is used for transnational projects



# ERA-NET COFUND Implementation Costs Option 2 (3)

## ❖ Advantages:

- ❖ Implementation costs are calculated as real cost (similar to CSA in FP7)
- ❖ Differences in salaries can be covered in a realistic way; no over- or under-payment.
- ❖ Each beneficiary is reimbursed according to its efforts

## ❖ Disadvantages:

- ❖ There might be insufficient financial contribution when a beneficiary has to revoke or a transnational project fails etc. similar to option 1
- ❖ The real expenses are only available at the end of the project meaning that the budget available for transnational projects is unclear – this might result in insufficient financial contribution for the beneficiaries:

Calculation					Cost reported at the end of the Cofund Action				
Beneficiary	Personal Costs	Travel Costs	Other Costs	Total	Beneficiary	Personal Cos	Travel Costs	Other Costs	Total
1	190.000	20.000	50.000	260.000	1	195.000	20.000	50.000	265.000
2	129.000	20.000		149.000	2	129.000	20.000		149.000
3	240.000	50.000	20.063	310.063	3	240.000	50.000	20.063	310.063
4	180.000	20.000		200.000	4	340.000	20.000		360.000
5	130.000	20.000	30.000	180.000	5	130.000	23.000	30.000	183.000
<b>Total</b>	<b>869.000</b>	<b>130.000</b>	<b>100.063</b>	<b>1.099.063</b>	<b>Total</b>	<b>1.034.000</b>	<b>133.000</b>	<b>100.063</b>	<b>1.267.063</b>
<b>EC funding left for transnational projects</b>				<b>2.500.000</b>	<b>EC funding left for transnational projec</b>				<b>2.500.000</b>
<b>Total EC funding needed</b>				<b>3599063</b>	<b>Total EC funding needed</b>				<b>3.767.063</b>
<b>Difference</b>								<b>-</b>	<b>168.000</b>

## ERA-NET COFUND Implementation Costs Option 3 (1)

- ❖ Option 3: Each of the parties contributes with its Unit Costs and a specific additional agreed budget to the implementation costs
- ❖ Example Option 3: Eligible costs

Beneficiary	Total funding for the Trans-national Projects	Units	Unit Costs in Total	Indirect Costs	Total Eligible Costs	EC Funding Rate	EC Funding
1	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
2	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
3	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
4	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
5	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
<b>Total</b>	<b>10.000.000</b>	<b>25</b>	<b>725.000</b>	<b>181.250</b>	<b>10.906.250</b>		<b>3.599.063</b>

## ERA-NET COFUND Implementation Costs Option 3 (2)

### ❖ Example Option 3: Use of funding – Black box

Beneficiary	Unit costs funding	Share of Implementation costs	Payment
1	59.813	219.813	160.000
2	59.813	219.813	160.000
3	59.813	219.813	160.000
4	59.813	219.813	160.000
5	59.813	219.813	160.000
<b>Total</b>	<b>299.063</b>	<b>1.099.063</b>	<b>800.000</b>

- ❖ Unit cost funding are seen as part of the payment of each beneficiary for the implementation cost – 299.063 EURO
- ❖ From the total EC funding (3.599.063 EURO) 3.300.000 € is used for the transnational projects



## ERA-NET COFUND Implementation Costs Option 3 (3)

### ❖ Advantages:

- ❖ Most of the funding is used for the transnational projects – longer ranking list, more projects will get funding
- ❖ As the use of the funding is the same as the basis for the calculation (eligible costs) there is no risk of insufficient financial contribution associated.

### ❖ Disadvantages:

- ❖ Each beneficiary has to pay for the implementation costs
- ❖ It might be hard to agree on the amount each partner has to pay (balancing larger and smaller countries, etc.)

## ERA-NET COFUND Implementation Costs Option 4 (1)

- ❖ Implementation costs are covered by EC contribution (Unit costs and EU-Top-up funding), travel/subsistence budget is foreseen for attending network meetings; reserve fund for additional activities
- ❖ Example Option 4: Eligible costs

Beneficiary	Total funding for the Trans-national Projects	Units	Unit Costs in Total	Indirect Costs	Total Eligible Costs	EC Funding Rate	EC Funding
1	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
2	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
3	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
4	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
5	2.000.000	5	145.000	36.250	2.181.250	33%	719.813
<b>Total</b>	<b>10.000.000</b>	<b>25</b>	<b>725.000</b>	<b>181.250</b>	<b>10.906.250</b>		<b>3.599.063</b>



## ERA-NET COFUND Implementation Costs Option 4 (2)

### ❖ Example Option 4: Use of funding – Black box

Beneficiary	Implementation Costs	Travel Costs	Total
1	200.000	20.000	220.000
2		20.000	20.000
3	100.000	50.000	150.000
4		20.000	20.000
5	500.000	20.000	520.000
<b>Total</b>	<b>800.000</b>	<b>130.000</b>	<b>930.000</b>
	Reserve fund for additional activities		169.063
	Total implementation Costs		1.099.063
<b>EC funding left for transnational projects</b>			<b>2.500.000</b>
Total EC funding needed			3.599.063

- From the total EC funding (3.599.063 €) 1.099.063€ are taken to cover the implementation cost
- Unit cost funding (299.063 €) is not transferred to the beneficiaries separately instead of that travel costs are calculated for each partner and a reserve fund for additional activities is created.
- The remaining 2.500.000 € of the EC funding is used for transnational projects



## ERA-NET COFUND Implementation Costs Option 4 (3)

### ❖ Advantages:

- ❖ Calculation is closer to real expenditures but not as open as in option 2 (CSA-like style)
- ❖ Travel cost budget allows parties to attend the meeting without charging personal costs – more budget is available for the transnational projects (longer ranking list, more projects will get funding)
- ❖ A reserve fund helps to balance unforeseen expenditures and the involvement in additional activities

### ❖ Disadvantages:

- ❖ There might be insufficient financial contribution when a beneficiary has to revoke or a transnational project fails etc. – similar as in option 1 or 2



## **ERA-NET COFUND in practice - selection list & distribution of the EC contribution**

An overview and practical examples  
September 2017

## ERA-NET COFUND selection list & distribution of EC contribution

- ❖ **the selection list is the key issue for financial management; the EC contribution (top-up + unit costs) is tied to the selection list**
- ❖ EC Rule: Proposals must be ranked according to the evaluation results; the selection must be made on the basis of this ranking.
- ❖ **When agreeing on the selection list & the final distribution of the EC contribution the following should be considered:**
  - ❖ top-up is generated by spending nat/reg funding
  - ❖ the longer the list of funded projects the higher the EC contribution
  - ❖ not all nat/reg contributions qualify for top-up calculation
  - ❖ unit costs = max 20% of total EC contribution
  - ❖ network implementation costs to be funded through unit costs and/or top-up funding
  - ❖ need for the certificate of a financial statement (audit)
- ❖ the consortium agrees on the most suitable funding mode to achieve a satisfactory selection list and distribution of EC contribution
- ❖ **ERA-LEARN support for establishing the selection list & for calculating the distribution of the EC contribution is available:**  
[https://www.era-learn.eu/manuals-tools/p2p-in-h2020/practical-documentation/EC\\_TOP\\_UP\\_Distribution.xlsx](https://www.era-learn.eu/manuals-tools/p2p-in-h2020/practical-documentation/EC_TOP_UP_Distribution.xlsx)







## 4) calculate:

- total EC contribution;
- allocated individual top-up;
- coverage of network implementation costs;
- needs for audit certificates

Fill in the blue cells only !! Do not change the rest of the table !! Only use the "rank"

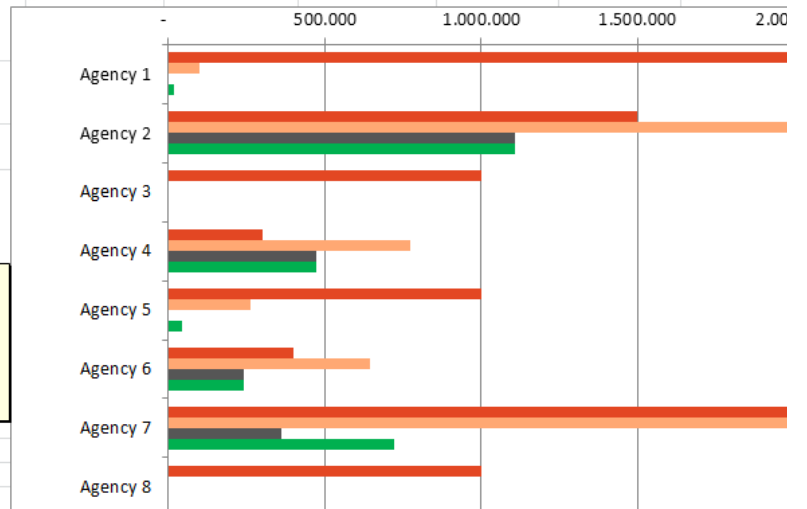
Percentage of EC top-up funding used for gap filling	Please fill in the % of EC top-up which you will use for gap filling											
	Agency 1	Agency 2	Agency 3	Agency 4	Agency 5	Agency 6	Agency 7	Agency 8	Agency 9	Agency 10	Agency 11	Agency 12
EC top-up used to cover (parts of) the network activities (implementation costs)	500.000											
nat/reg committed call budget	2.000.000	1.500.000	1.000.000	300.000	1.000.000	400.000	4.000.000	1.000.000	2.000.000	400.000	500.000	500.000
Cumulative requested funding	99.254	2.608.684	-	773.600	263.094	642.360	4.360.706	-	2.215.896	130.110	45.000	335.34
Additional budget needed to fund selected transnational projects	-	1.108.684	-	473.600	-	242.360	360.706	-	215.896	-	-	-
EC top-up funding received	16.377	1.108.684	-	473.600	43.411	242.360	719.516	-	365.623	21.468	7.425	55.33
EC top-up funding received (% of own contribution)	16,50%	73,91%	#DIV/0!	157,87%	16,50%	60,59%	17,99%	#DIV/0!	18,28%	16,50%	16,50%	16,50
Audit needed	-	1	-	-	-	-	1	-	1	-	-	-

Max EC top-up according to Grant agreement	10.000.000	Reserve	41.789
Total EC top-up needed to fill gaps and juste retour	9.458.211		
Check: can implementation costs be covered by EC top-up ?	Yes		
Check: EU top-up funding needed for gap filling and parts of EC top-up used to cover (parts of) the network implementation costs are do not exceed the max. EC contribution (Grant Agreement)	Yes		

Please fill in the EU-Top-Up (max.) fixed in the Grant agreement  
Calculation see "Read me"

Insert here, if you want to fund this project - no gap possible here - not counting for EU-TOP-UP Calculation

Nr	proposal ID	Proposal acronym	total requested funding	Evaluation score	project funded
1	A1	Test Project 1	838.394	13,5	yes
2	A2	Test Project 2	660.000	13,5	yes
3	A3	Test Project 3	645.000	13,5	yes
4	A4	Test Project 4	1.520.920	13	no
5	A5	Test Project 5	377.125	13	yes
6	A6	Test Project 6	648.500	13	yes
7	A7	Test Project 7	376.762	13	yes







## **ERA-NET COFUND in practice - Consortium Agreement**

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- ❖ The consortium agreements should be signed before the grant agreement. They cover issues that will or may arise during the project.
- ❖ The **template for an ERA-NET Cofund Consortium Agreement** on [www.era-learn.eu](http://www.era-learn.eu) is based on the DESCA Model but adapted according to the ERA-NET Cofund needs.
  - ❖ Governance structure (structure, procedures, decision taking)
  - ❖ Financial provisions (Payments, budgeting, insufficient financial contribution of the EC, Cost of Certificates of the Financial Statement)
  - ❖ Call implementation (selection process, use of EU-Top-Up funding for transnational projects, ranking list, conflicts of interests, contractual obligations towards EC on selection, contractual obligations for projects funded in the joint call)



## Governance structure (structure, procedures, decision taking)

### General governance structure:

General Assembly , Executive Board , **Call Secretariat** , The Coordinator

### Voting rules

- ❖ DESCA: Each Member of a Consortium Body present or represented in the meeting shall have one vote
- ❖ ERA-NET Cofund Examples:
  - ❖ One vote for each network member / One vote per country / One vote per funding programme/one vote if two partners act as an "institutional couple"
  - ❖ Distinguish between call and other topics: E.g.: In the case of decisions regarding the Joint Call or the additional calls, voting rights are limited to those network member taking part in the respective call.

**Budgeting:** 4 Options are included in model

- ❖ Implementation costs
- ❖ Unit costs
- ❖ Support to trans-national projects
- ❖ National/ regional budget of the co-funded joint call
- ❖ Payment Schedule - a liquidity plan is recommended  
(<https://www.era-learn.eu/manuals-tools/p2p-in-h2020/practical-documentation>)

## Financial provisions (II)

- ❖ The EC financial contribution might change as it is based on actual costs
- ❖ In the unlikely case that the **EC contribution is not sufficient** there should be an agreed procedure in the CA

What might happen:

- less EU-Top-up funding than expected for the Joint Call
  - less funding for one or more of the selected trans-national projects
  - a Funding Agency has to revoke after the ranking list is fixed
  - no EC financial contribution at all
- 
- ❖ **Cost of Certificates of the Financial Statement**
  - Option 1: each party covers the related costs for the Certificate of the Financial Statement
  - Option 2: Reserve Fund for Certificates of the Financial Statement

- ❖ Evaluation of pre-proposals: central scientific evaluation, national assessment
- ❖ Limited oversubscription:
  - ❖ The selected pre-proposals should not exceed the proposed total individual national/regional budget of the Joint Call by more than xx times
  - ❖ Obligation to commit higher national/regional budget
- ❖ Use of EU-Top-up funding for transnational projects: Common Pot, Balancing Pot (Mixed Mode)
- ❖ Conflicts of interests
- ❖ Contractual obligations towards EC on selection
- ❖ Contractual obligations for projects funded in the Joint Call



## **ERA-NET COFUND in practice - Additional Activities**

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## Additional Activities: definiton

- ❖ Additional Activities have to be related to the coordination of public research and innovation programmes and should focus on the preparation and implementation of joint activities including additional calls without EC top-up funding.
- ❖ Additional Activities have to be defined in the ERA-NET COFUND proposal in separate work packages



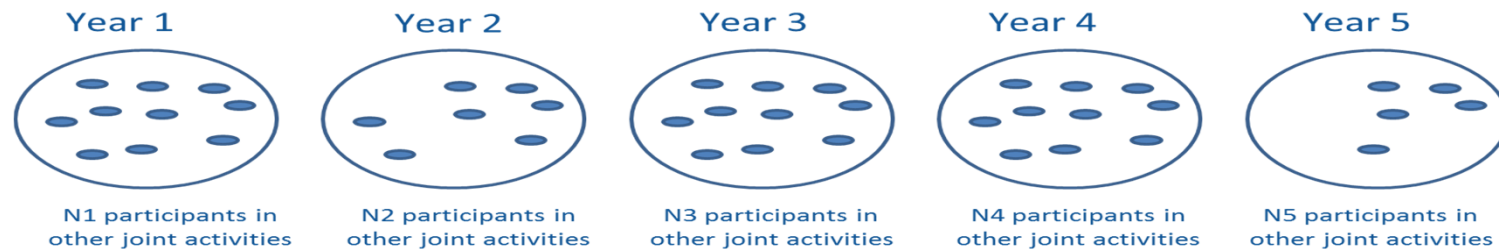


## Additional Activities: examples

- ❖ These activities could be (for any P2P network):
  - ❖ Mapping national/trans-national activities
  - ❖ Foresight and common vision
  - ❖ Strategic Research Agenda / Implementation Plan
  - ❖ Additional joint calls
  - ❖ Knowledge sharing amongst researchers
  - ❖ Mobility and Training of Researchers / activities promoting early career scientists and young
  - ❖ Research Infrastructures
  - ❖ Stakeholder involvement
  - ❖ Dissemination/ Up-Take of research results
  - ❖ Widening Participation (activities related to extending cooperation with less active EU countries)
  - ❖ Internationalisation (activities related to extending cooperation to third / non-EU countries)
  - ❖ Monitoring and evaluation/assessment activities both in relation to the network itself or the co-funded projects
  - ❖ Other activities that support the alignment of national programmes

## ERA-NET COFUND Unit Cost Calculation (1)

- Funding concerning Unit costs for Additional Activities is 11,962.50 € per 1 partner per 1 year → the max amount per partner in a 5-year ERA-NET Cofund is therefore  $5 \times 11,962.50 \text{ €} = 59,812.50 \text{ €}$  assuming that this partner participates in other joint activities every year during 5 years



$$\text{total eligible "unit costs"} = (N1+N2+N3+N4+N5) \times 11962.5 \text{ EUR}$$

- For a consortium of N partners, the overall theoretical maximum amount of "unit costs" during 5 years is therefore  $N \times 59,812.50 \text{ €}$ .
- The reimbursement of coordination cost is limited to those beneficiaries that carry out activities that go beyond the co-funded call; depending on the real (reported) number of participations in additional activities the total could be less

**EC rule:** the total amount used for coordination of additional joint activities cannot exceed 20% of the total EC contribution

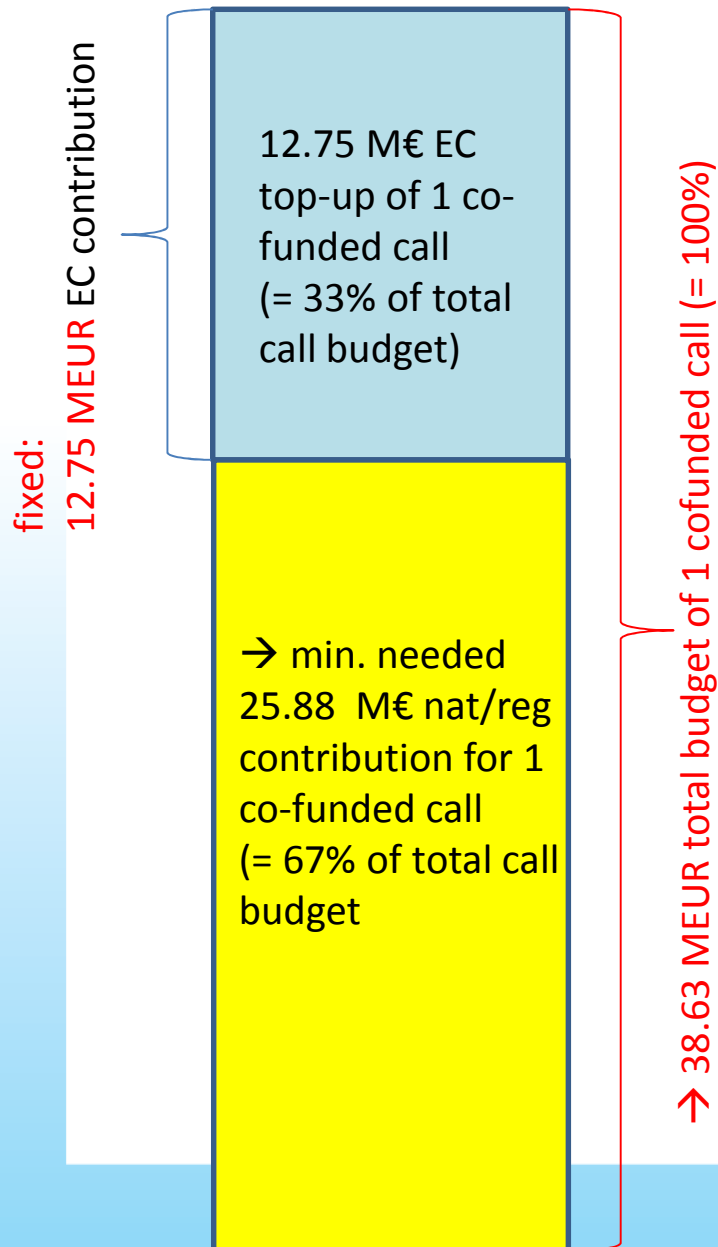
### Example M-ERA.NET 2:

- EC contribution = 12,750,000.00 €
- Max amount available as “unit costs” (=20%) = 2,550,000.00 €
- 41 beneficiaries = max. 41 x 59812.50 € = 2,452,312.50 € (assuming that all 41 partners participate in additional joint activities every year)
- → total unit costs = 2,452,312.50 € < 2,550,000.00 € → OK

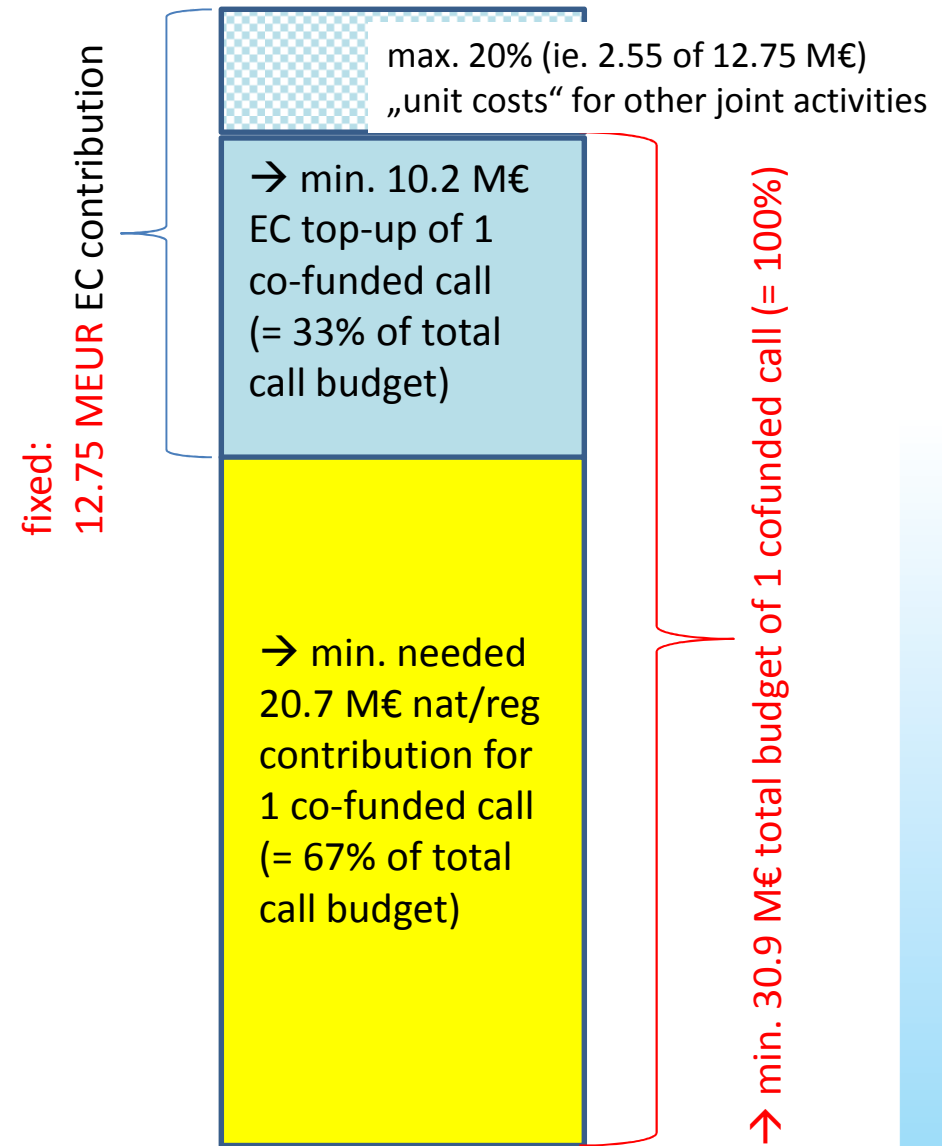
# NMP-14-2015: fixed max. 12.75 M€ EC contribution

# ERA-NET COFUND Example

## Option A:



## Option B:



**potential problem:**

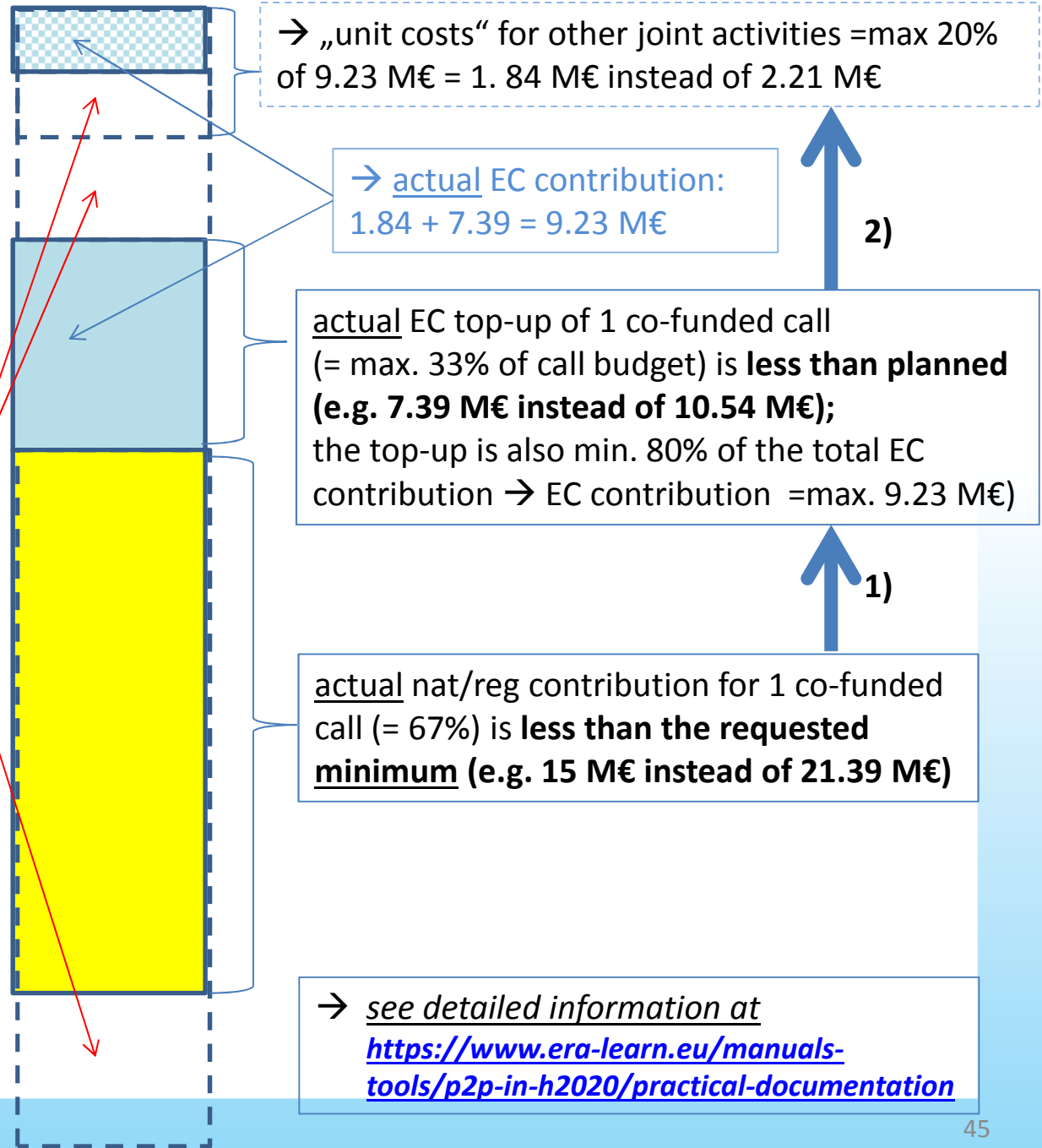
**the actually spent nat/reg funding is less than expected (e.g. imbalance between partners, lack of proposals after stage 1) AND less than the minimum needed**

→ this will reduce the EC top-up and consequently the max 20% unit costs.

example: real nat/reg funding is only 15 M€ (instead of committed 21.39 M€)

→ EC contribution cannot exceed 9.23 M€

→ **mitigation measure:** initial nat/reg commitments should be higher than the theoretical minimum





## Additional activities: internal reporting of Unit Costs

**EC Rule:** Adequate records and other supporting documentation to prove the number of units declared are needed.

- The consortium has to report on the involvement of the beneficiaries in additional activities

If a beneficiary is not involved in the additional activities unit cost cannot be declared.

The EC funding related to Unit Costs is paid together with the EC Top-Up funding (1<sup>st</sup> Pre-financing , 2<sup>nd</sup> Pre-financing, Payment of the balance)

**Current Practice:** ERA-NET COFUND developed reporting forms for the consortium to report on the involvement in additional activities or has a clear overview who participated in the additional calls



## **ERA-NET COFUND Summary**

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- ❖ The total EC contribution is based on eligible costs.
- ❖ The EC funding rate for ERA-NET COFUND is up to 33%.
- ❖ Additional activities are refunded with lump sums = Unit Cost funding
- ❖ The consortium is free to define the real use of the EC contribution in the Consortium Agreement.
- ❖ There are 2 views: The eligible costs for calculating the EC contribution and the real use of the EC contribution.
- ❖ If part of the EC top-up funding is used to cover the implementation costs (in addition to unit costs, if applicable) the resulting funding rate for transnational projects will be less than 33% and the difference has to be covered by additional national/regional contributions.



- ❖ The EC funding can be used as agreed in the consortium – “black box”.
- ❖ There are 4 main options to cover the implementation costs.
- ❖ Less risk is associated with those options using less EC funding for implementation costs.
- ❖ It is advisable to define a way how to deal with unforeseen events related to financial aspects (partner revoke, transnational project fails...)

- ❖ Funding concerning Unit costs = 11,962.50 € per 1 partner per 1 year
- ❖ For a consortium of N partners, the overall theoretical maximum amount of “unit costs” during 5 years is therefore  $N \times 59,812.50$  €.
- ❖ The total amount used for coordination of “other” joint activities cannot exceed 20% of the total EC contribution
- ❖ Adequate records and other supporting documentation to prove the number of units declared are needed.
- ❖ If a beneficiary is not involved in the additional activities Unit cost cannot be declared for him
- ❖ The consortium has to report on the involvement of the beneficiaries in additional activities
- ❖ The funding for Unit Costs is transferred together with the other payments (=1<sup>st</sup> Pre-financing , 2<sup>nd</sup> Pre-financing, Payment of the balance)

- ❖ 85% of the total EC contribution will be paid (2 pre-financings) before any national/regional payments to funded projects are due.
- ❖ National/regional funding organisations have to advance 15% of the EC contribution to the funded transnational projects, to be reimbursed by the EC after the final report (month 60+2) is accepted by the EC.
- ❖ The real EC contribution will be calculated at the end of the ERA-NET COFUND project (month 60+2) based on the real nat./reg. funding paid to projects from the 1 cofunded call and can be smaller but can never be larger than originally requested
  - **for safety reasons it is advisable to commit as much as possible and aim to receive & fund as many proposals as possible**
- ❖ All nat./reg. payments to RTD projects from the cofunded call must be completed within 60 months; later payments will not be topped-up.
  - **the timing of the call procedures including all phases must be carefully designed to avoid surprises at the end of 5 years.**

- ❖ ERA-NET COFUND: Guidelines & Practical Documentation:  
<https://www.era-learn.eu/manuals-tools/p2p-in-h2020/practical-documentation>
- ❖ ERA-NET COFUND: FAQ:  
[http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/era-net\\_en.htm](http://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/era-net_en.htm)