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2020

ERA-NET COFUND EC Top-up distribution

An overview and practical examples
October 2016

- ❖ **EC Top-up calculation**
- ❖ **EC Top-up distribution**
- ❖ **Avoidance of gaps in the ranking list**
- ❖ **Summary**

This overview is focusing on the cash-based COFUNDS.

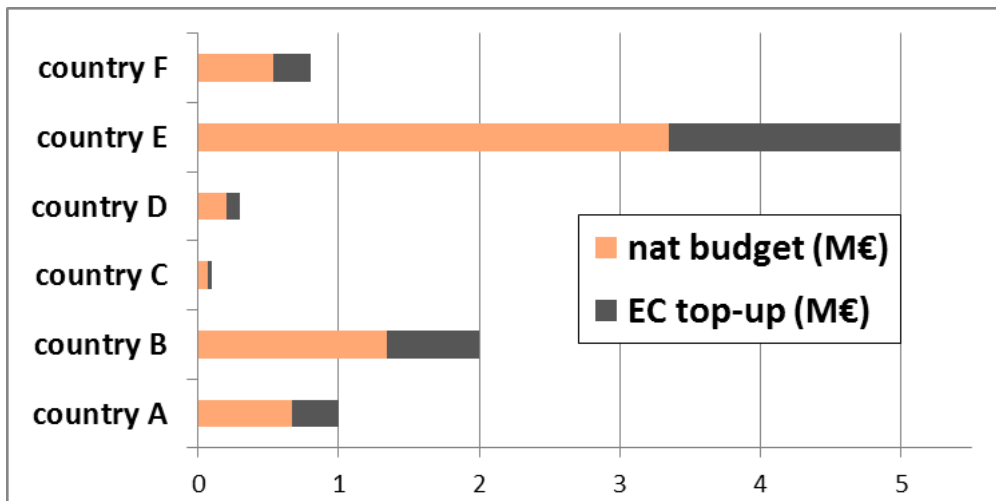
- ❖ The co-funded call is topped up with EC contribution.
- ❖ The EC funding rate for ERA-NET COFUND is up to 33%.
- ❖ Example:

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
Total	10.000.000	10.000.000		3.300.000

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

- ❖ **EC rule: It is up to the consortium to decide how the EC top-up to the cofunded call is distributed.**

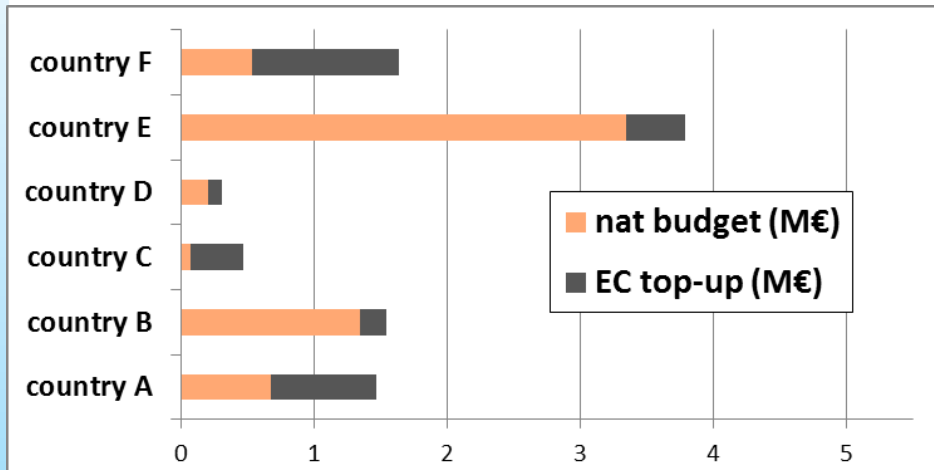
Option 1: 100% of the EC top-up is used as a **VIRTUAL common pot** all nat/reg budgets are topped-up by the same factor



+ : fixed return

- : small budgets will still be small budgets even with EC top up → these are risks in the ranking list.

Option 2: 100% of the EC top-up is used as a **REAL common pot**
the entire EC top-up is used to fill gaps in the ranking list, no matter which countries



+ : most effective gap filling mechanism

- : the resulting individual nat/reg top-up factors cannot be predicted and will range from 0% to any upper limit → some partners will find this unfair.

Option 3: mixed mode

the EC top-up is used both as a virtual and as a real common pot

+ fixed return AND gap filling

- if the gap filling percentage is low the flexibility is reduced tremendously

Examples:

80% of EC contribution is used to top-up nat/reg budgets by a constant factor (virtual common pot)	20% of EC contribution is used to fill gaps (real common pot)
65% of EC contribution is used to top-up nat/reg budgets by a constant factor (virtual common pot)	35% of EC contribution is used to fill gaps (real common pot)
25% virtual common pot	75% of EC contribution is used to fill gaps (real common pot)

→ the consortium decides which proportion is likely to deliver the most convenient result (=max. number of funded proposals AND fixed return)

○ a helpful tool for this calculation can be found here:

<https://www.era-learn.eu/manuals-tools/call-implementation/funding-decisions/distribution-and-monitoring-of-funds/ERANET Plus Distribution Table for Funds 20131002.xlsx>

so far* ERA-NET COFUND networks apply 2 funding modes to distribute EC Top-Up:

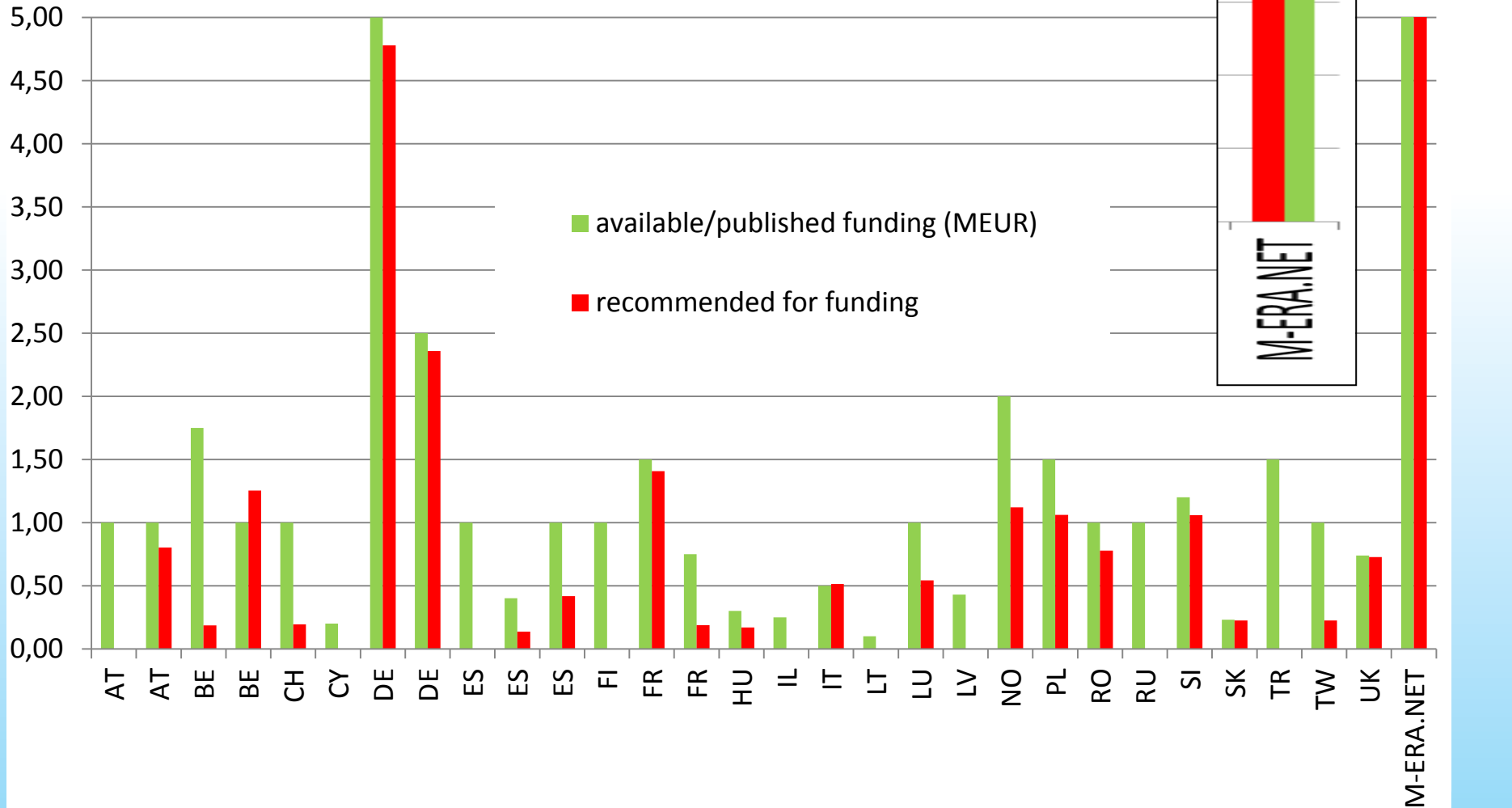
Mixed Mode

- used by around 70% of ERA-NET Co-fund networks
- a certain percentage of the EU Top-up is put into a “balancing pot”; this percentage is currently in the range of 30-50%
- the rest is allocated to funding organisations in agreed fixed percentage
- some networks even increased the budget for balancing purposes to fund as many projects as possible from the ranking list

Real Common pot

- used by around 30% of ERA-NET co-funded projects
- no fixed individual return rate

Example: M-ERA.NET Call 2013: only 61 % of committed nat/reg budget was spent



ERA-NET Cofund: avoid gaps in ranking list (I)

- In the EC-cofunded call the ranking list must be followed strictly:
EC rule: „Proposals must be ranked according to the evaluation results. The selection must be made on the basis of this ranking”
- the evaluation of the cofunded call must result in a ranking list which is 100% accepted among the call partners. Gaps in the selection list must be avoided.
- eliminate all proposals that have no chance for funding already in the pre-proposal phase
- commit sufficient national/regional budgets to the call: funding must be balancing the nat/reg funding requests

ERA-NET Cofund: avoid gaps in ranking list (II)

To avoid an unbalanced oversubscription:

- plan the call carefully: ensure appropriate national/regional budgets from the beginning
- The likely demand of the respective research community can be estimated based on former calls or similar activities.
- think about rules for applicants to limit their number of participations
- Limit the number of proposals to be invited to the full proposal stage (approx. 2-3.5 times the respective national/regional budget)
- Increase the national/regional budget after the pre-proposal phase

- ❖ the EC funding rate for ERA-NET COFUND is up to 33%.
- ❖ it is up to the consortium to decide how the EC top-up funding for the cofunded call is distributed
- ❖ most of the ERA-NET COFUND networks use the mixed mode system: a certain percentage of the EC Top-up is set aside as a “balancing pot”
- ❖ funding gaps in the ranking list must be avoided
- ❖ detailed call planning and committing appropriate national/regional budgets is the most important factor to avoid unbalanced oversubscription.

- ❖ 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