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2020

ERA-NET COFUND Calculating Unit Costs

An overview and practical examples
October 2016

- ❖ **Eligible costs and EC contribution**
- ❖ **Calculation of Unit Costs**
- ❖ **Example**
- ❖ **Summary**

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)

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
Total	10.000.000	10.000.000		3.300.000

❖ 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
Total	10.000.000	25	725.000	181.250	10.906.250		3.599.063

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



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

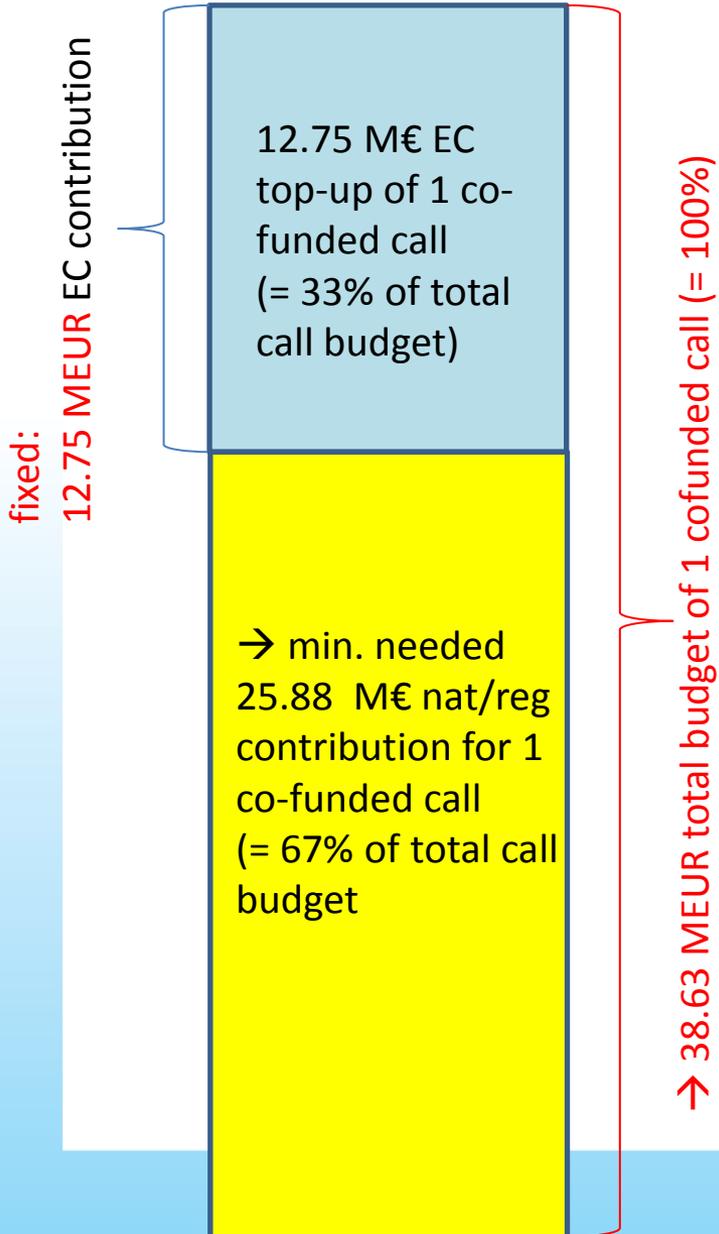
- For a consortium of N partners, the overall theoretical maximum amount of "unit costs" during 5 years is therefore $N \times 59,812.50 \text{ €}$.
- The reimbursement of coordination cost is limited to those beneficiaries that carry out activities that go beyond the co-funded call; depending on the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

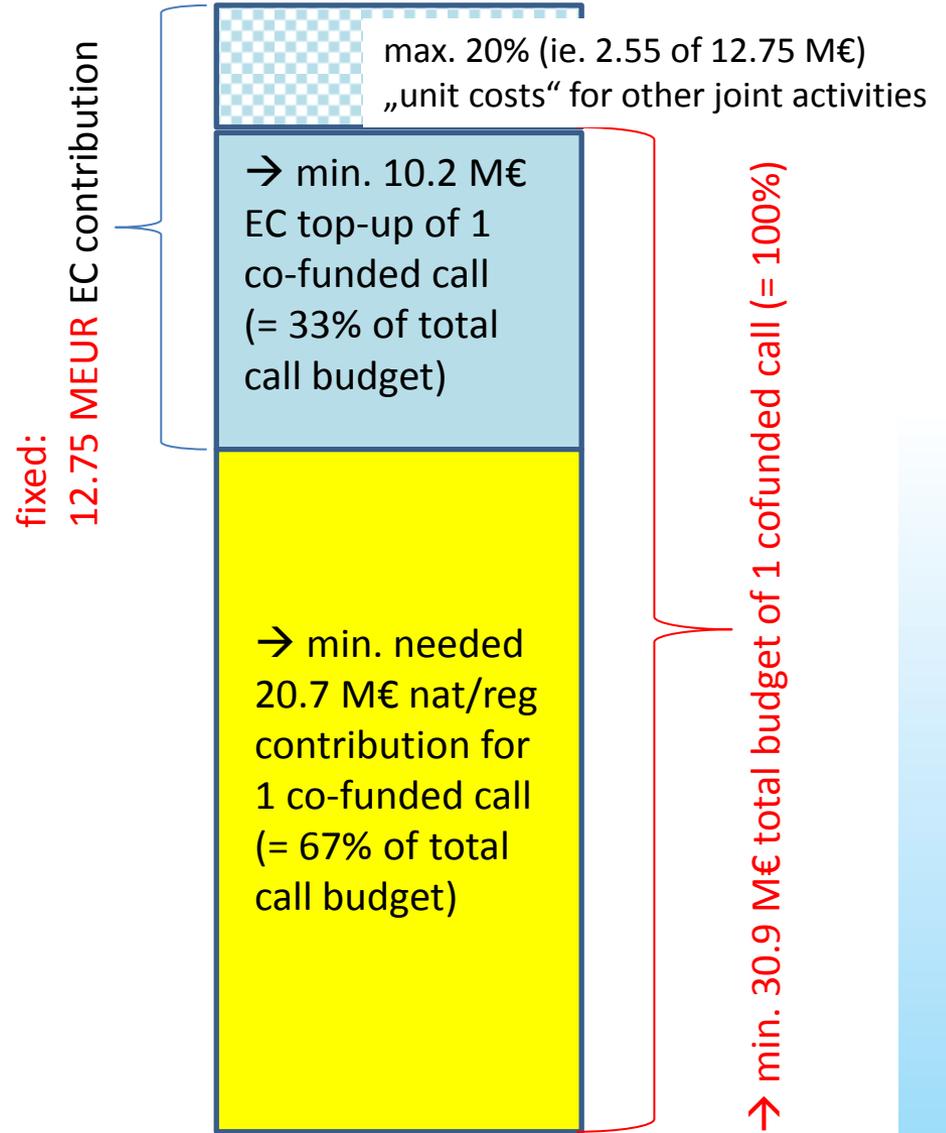
Example M-ERA.NET 2:

- 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

Option A:



Option B:



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 (1st Pre-financing , 2nd 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

- ❖ 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 additional activities no Unit Costs can be declared
- ❖ 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 (=1st pre-financing , 2nd pre-financing, payment of the balance)

- ❖ 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