ERA-NET Cofund in practice:
Financial Aspects, Consortium Agreement, Additional A...
An overview and practical examples

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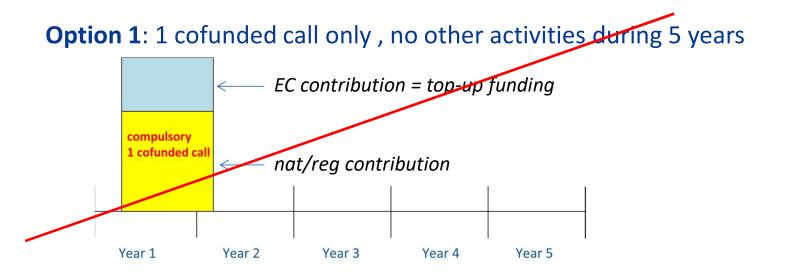 - ❖ examples
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- ❖ **Summary**

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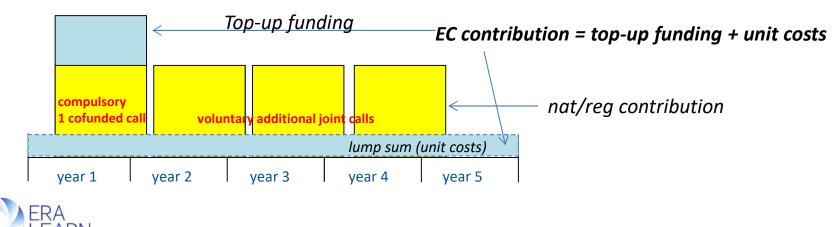## - financial aspects - basics

❖ 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.)

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

EC contribution = top-up funding

compulsory
1 cofunded call

nat/reg contribution

Year 1   Year 2   Year 3   Year 4   Year 5

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

Top-up funding

EC contribution = top-up funding + unit costs

compulsory
1 cofunded call

voluntary additional joint calls

nat/reg contribution

lump sum (unit costs)

year 1   year 2   year 3   year 4   year 5

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❖ 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 in the 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)

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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 [1]) 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:

(b) … *additional (reserve) national call contribution. It is requested to have a total of at least 20% reserve amounts to reduce the risk of not fully implementing the requested EU contribution. These amounts are not be confused with funds for a possible additional, non-cofounded call. The total of column (b) should amount to at least 20% of the total of column (a).*

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)
Total						

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

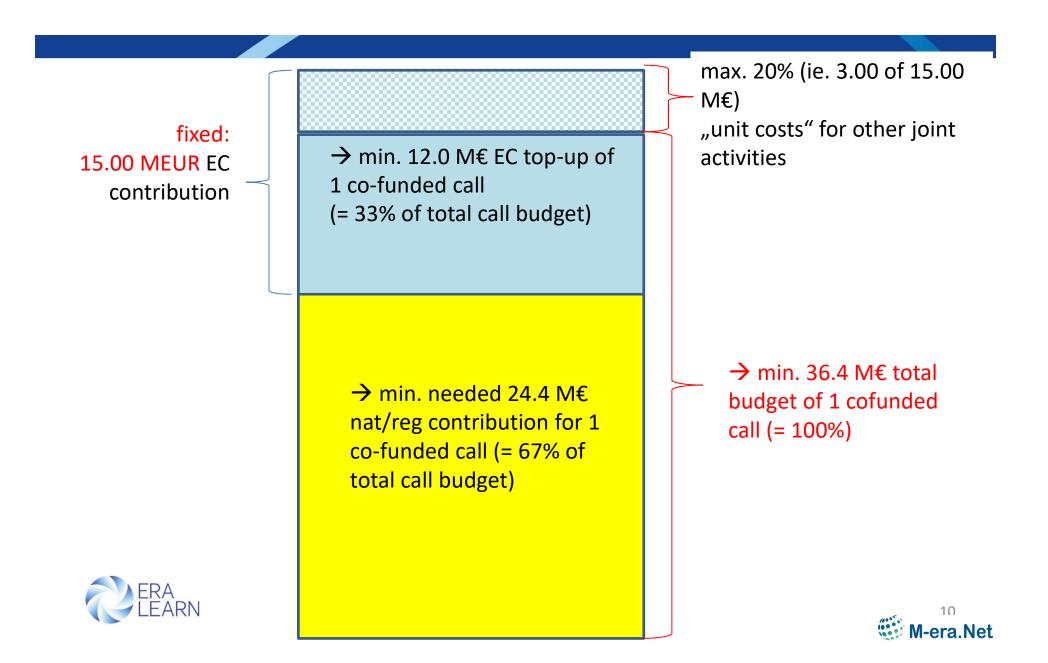|	
regional commitment BELGIUM-WALLONIA *(EU member)*	1.340.000 €
national commitment FRANCE *(EU member)*	1.340.000 €
national commitment SOUTH AFRICA *(third country eligible for EC funding)*	1.340.000 €
regional commitment *(struct.funds)* REGIONE CALABRIA *(EU member but uses ESIF)*	1.000.000 €
national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

[1]Eligible for funding: http://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2018-2020/annexes/h2020-wp1820-annex-ga_en.pdf

- ❖ 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 and **cannot exceed 33%** but it **can actually become less than 33%** depending on the real 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.

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CE-NMPB-41-2020: fixed max. 15.00 M€ EC contribution

fixed:
15.00 MEUR EC
contribution

→ min. 12.0 M€ EC top-up of
1 co-funded call
(= 33% of total call budget)

max. 20% (ie. 3.00 of 15.00 M€)
„unit costs" for other joint activities

→ min. needed 24.4 M€ nat/reg contribution for 1 co-funded call (= 67% of total call budget)

→ min. 36.4 M€ total budget of 1 cofunded call (= 100%)

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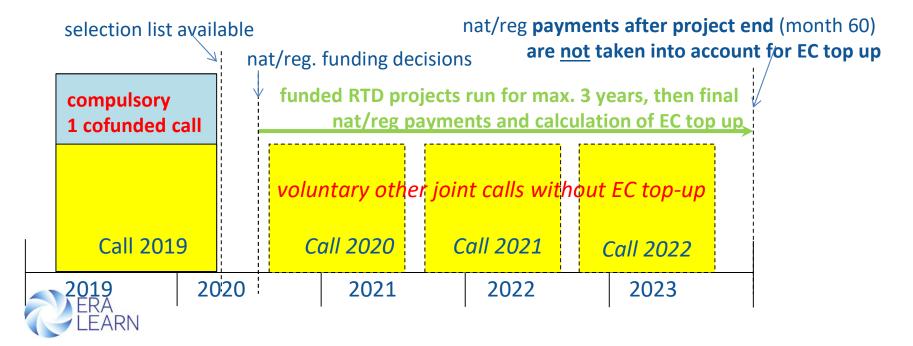M-era.Net

facts:
- ❖ (preliminary) nat./reg. commitments are due at the time of H2020 proposal submission
- ❖ total duration ERA-NET COFUND 60 months
- ❖ RTD projects funded from the cofunded call **must be completely paid before month 60**

Recommendations for the 1 cofunded call:
- o funding decisions not later than month 18
- o selection list not later than month 15
- o call launch not later than month 3

selection list available

nat/reg **payments after project end** (month 60) **are not taken into account for EC top up**

nat/reg. funding decisions

funded RTD projects run for max. 3 years, then final nat/reg payments and calculation of EC top up

compulsory 1 cofunded call

voluntary other joint calls without EC top-up

Call 2019

Call 2020

Call 2021

Call 2022

2019   2020   2021   2022   2023

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**ERA-NET COFUND in practice
- implementation costs**

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.

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:** Actual 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

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ERA-NET COFUND
Implementation Costs:

❖ Example Option: Eligible costs

Beneficary	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
Total	**10.000.000**	**25**	**725.000**	**181.250**	**10.906.250**		**3.599.063**

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

❖ Example Option 2: Use of funding – Black box

Beneficary	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
Total	869.000	130.000	100.063	1.099.063
	EC funding left for transnational projects			2.500.000

- 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

❖ 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

Beneficary	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
Total	**869.000**	**130.000**	**100.063**	**1.099.063**

EC funding left for transnational projects			2.500.000

Total EC funding needed			3599063

Cost reported at the end of the Cofund Action

Beneficary	Personal Cost	Travel Costs	Other Costs	Total
1	195.000	20.000	50.000	265.000
2	129.000	20.000		149.000
3	240.000	50.000	20.063	310.063
4	340.000	20.000		360.000
5	130.000	23.000	30.000	183.000
Total	**1.034.000**	**133.000**	**100.063**	**1.267.063**

EC funding left for transnational projec			2.500.000

Total EC funding needed			3.767.063
Difference			- 168.000

❖ 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.

❖ Example Option 1: Use of funding – Black box

Beneficary	Implementation costs	Unit costs funding	Total Amount of EC contribution for Beneficary
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
Total	800.000	299.063	1.099.063
		EC funding left for transnational projects	2.500.000

- 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.

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

❖ Example Option 3: Use of funding – Black box

Beneficary	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
Total	299.063	1.099.063	800.000

❖ 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

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

Beneficary	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
Total	800.000	130.000	930.000
	Reserve fund for additional activities		169.063
	Total implementation Costs		1.099.063
EC funding left for transnational projects			2.500.000
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

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

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:**

    ❖ **eligibility for 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:**
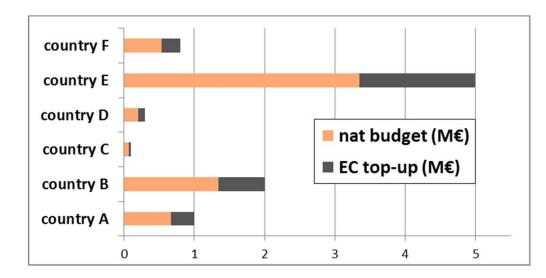
        https://www.era-learn.eu/support-for-p2ps/era-net-cofund/era-net-cofund-under-h2020-practical-information/implementing-an-era-net-cofund-action

❖ **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**
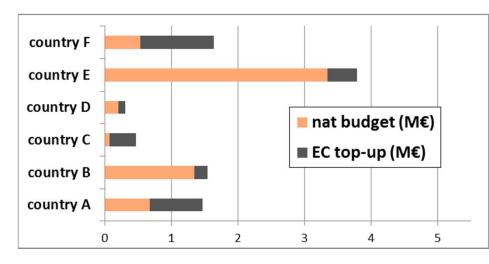all nat/reg budgets are topped-up by the same factor

\+ : fixed return

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

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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 might regard that 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)

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

o a helpful tool for this calculation can be found here:
https://www.era-learn.eu/documents/ec_top_up_distribution.xlsx

ERA-NET COFUND networks usually apply 2 funding modes to distribute EC Top-Up:

Mixed Mode

- used by the majority of ERA-NET Co-fund networks
- a certain percentage of the EU Top-up is put into a "balancing pot"; this percentage is usually 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 some ERA-NET Co-fund networks
- no fixed individual return rate

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- In the EC-cofunded call the ranking list must be strictlyfollowed :

  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

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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

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ERA-LEARN support
for establishing selection list & distribution of EC contribution

1) input: ranking list (template allows >40 organisations)

Insert your ranking list data and your budget data in the blue Excel cells

Ranking List — Funding Agencies eligible for EC top-up funding

nat/reg committed budget Funding Agency:

proposal ID	Proposal acronym	total requested funding	Evaluation score	Nr	Agency 1 (2.000.000)	Agency 2 (1.500.000)	Agency 3 (1.000.000)	Agency 4 (300.000)	Agency 5 (1.000.000)	Agency 6 (400.000)	Agency 7 (4.000.000)	Agency 8 (1.000.000)	Agency 9 (2.000.000)	Agency 10 (400.000)	Agency 11 (500.000)	Agency 12 (500.000)	Agency 13 (300.000)	Agency 14 (324.000)	Agency 15 (500.000)	Agency 16 (400.000)	Agency 17 (250.000)	Agency 18 (728.000)
A1	Test Project 1	838.394	13,5	1		352.144														250.000		
A2	Test Project 2	660.000	13,5	2																		
A3	Test Project 3	645.000	13,5	3																		
A4	Test Project 4	1.520.920	13	4		351.400							1.169.520									
A5	Test Project 5	377.125	13	5																		197.729
A6	Test Project 6	648.500	13	6																		
A7	Test Project 7	376.762	13	7									141.057									
A8	Test Project 8	515.428	12,5	8																		200.000
A9	Test Project 9	900.000	12,5	9																		
A10	Test Project 10	1.158.765	12,5	10									149.003									
A11	Test Project 11	571.260	12,5	11									100.000									131.260
A12	Test Project 12	815.000	12,5	12									150.000									
A13	Test Project 13	337.313	12,5	13									218.836									
A14	Test Project 14	1.162.000	12,5	14																		
A15	Test Project 15	575.430	12,5	15									174.000									
A16	Test Project 16	694.969	12,5	16									195.000						249.969			
A17	Test Project 17	611.800	12,5	17				198.800														
A18	Test Project 18	462.969	12,5	18					263.094													199.875
A19	Test Project 19	331.172	12,5	19						200.000												
A20	Test Project 20	645.000	12	20									140.000		45.000							
A21	Test Project 21	530.081	12	21										130.110					199.979			
A22	Test Project 22	1.639.600	12	22							1.349.600		150.000					140.000				
A23	Test Project 23	825.880	12	23																		
A24	Test Project 24	523.000	12	24																		
A25	Test Project 25	983.832	12	25		529.439																
A26	Test Project 26	597.719	12	26																322.719	200.000	
A27	Test Project 27	897.838	12	27							648.345								249.493			
A28	Test Project 28	792.866	12	28	99.254																	
A29	Test Project 29	476.996	12	29																		59.550
A30	Test Project 30	343.000	12	30						93.000												
A31	Test Project 31	449.762	11,5	31																		199.762
A32	Test Project 32	632.500	11,5	32																		200.000
A33	Test Project 33	1.041.423	11,5	33			755.119															
A34	Test Project 34	542.124	11,5	34			400.500															
A35	Test Project 35	785.000	11,5	35																		
A36	Test Project 36	1.413.323	11,5	36			220.082					1.193.241										
A37	Test Project 37	425.884	11,5	37													203.600					
A38	Test Project 38	464.000	11,5	38				200.000					150.000						114.000			
A39	Test Project 39	495.000	11,5	39									105.000									
A40	Test Project 40	1.126.822	11,5	40				199.800					150.000									
A41	Test Project 41	521.750	11,5	41				175.000					174.000									172.750
A42	Test Project 42	514.791	11	42						149.400												
A43	Test Project 43	648.848	11	43									0									
A44	Test Project 44	319.960	11	44						199.960								120.000				
A45	Test Project 45	570.000	11	45														70.000				
A46	Test Project 46	441.023	11	46									219.000				131.742					90.281
A47	Test Project 47	515.833	11	47									173.000									
A48	Test Project 48	923.495	11	48					273.495								300.000					
A49	Test Project 49	597.000	11	49					181.000				166.000									
A50	Test Project 50	615.090	11	50			465.090						150.000									
A51	Test Project 51	549.663	11	51									150.000								150.000	
A52	Test Project 52	1.107.102	10,5	52									149.680									
A53	Test Project 53	283.688	10,5	53																		199.688
A54	Test Project 54	1.279.000	10,5	54	120.000																	
A55	Test Project 55	749.961	10,5	55																		
A56	Test Project 56	400.000	10,5	56																		100.000
A57	Test Project 57	870.000	10,5	57																		

ERA-LEARN support
for establishing selection list & distribution of EC contribution

2) identify funding gaps

for establishing selection list & distribution of EC contribution

3) agree on mixed mode details and identify number of funded projects

50% of EC top-up is used for Gap Filling

EC top-up used to cover (parts of) the network activities (implementation costs) — 500.000

Max Top Up in Grant Agreement for call — 10.000.000

50% of EC top-up is allocated proportionally (juste retour)

If cells in column "I" turn RED there is no EC-funding available anymore.

Nr	proposal	Proposal ac	total req	Evaluation sc	Need of EC Funding	Eligible Total for	TOP UP	Available Top Up	Agency 1	Agency 2	Agency 3	Agency 4	Agency 5	Agency 6	Agency 7	Agency 8	Agency 9	Agency 10	Agency 11
1	A1	Test Project 1	838394	13,5	138.335	838.394	276.670	-361.665		58.104									
2	A2	Test Project 2	660000	13,5	247.235	1.498.394	494.470	-252.765		58.104									
3	A3	Test Project 3	645000	13,5	353.660	2.143.394	707.320	-146.340		58.104					0				
4	A4	Test Project 4	1520920	13	604.612	3.664.314	1.209.224	104.612		116.085					192.971				
5	A5	Test Project 5	377125	13	659.825	3.998.939	1.319.650	159.825		116.085					192.971				
6	A6	Test Project 6	648500	13	742.077	4.497.439	1.484.155	242.077		116.085					192.971				
7	A7	Test Project 7	376762	13	804.243	4.874.201	1.608.486	304.243		116.085					192.971		23.274		
8	A8	Test Project 8	515428	12,5	889.289	5.389.629	1.778.578	389.289		116.085					192.971		23.274		
9	A9	Test Project 9	900000	12,5	1.037.789	6.289.629	2.075.578	537.789		116.085					192.971		23.274		
10	A10	Test Project 10	1158765	12,5	1.228.985	7.448.394	2.457.970	728.985		116.085					192.971		47.860		
11	A11	Test Project 11	571260	12,5	1.323.243	8.019.654	2.646.486	823.243		116.085					192.971		64.360		
12	A12	Test Project 12	815000	12,5	1.457.718	8.834.654	2.915.436	957.718		116.085					192.971		89.110		
13	A13	Test Project 13	337313	12,5	1.513.375	9.171.967	3.026.749	1.013.375		116.085					192.971		125.218		
14	A14	Test Project 14	1162000	12,5	1.705.105	10.333.967	3.410.209	1.205.105		116.085					192.971		125.218		
15	A15	Test Project 15	575430	12,5	1.750.419	10.608.597	3.500.837	1.250.419		116.085					192.971		153.928		
16	A16	Test Project 16	694969	12,5	1.865.088	11.303.566	3.730.177	1.365.088		116.085					192.971		186.103		
17	A17	Test Project 17	611800	12,5	1.966.035	11.915.366	3.932.071	1.466.035		116.085		32.802			192.971		186.103		
18	A18	Test Project 18	462969	12,5	2.042.425	12.378.335	4.084.851	1.542.425		116.085		32.802	43.411		192.971		186.103		
19	A19	Test Project 19	331172	12,5	2.175.955	12.709.507	4.194.137	1.518.183		116.085		32.802	43.411	33.000	192.971		186.103		
20	A20	Test Project 20	645000	12	2.370.055	13.354.507	4.406.987	1.536.933		116.085		32.802	43.411	33.000	192.971		209.203		7.425
21	A21	Test Project 21	530081	12	2.624.511	13.884.588	4.581.914	1.457.403		116.085		32.802	43.411	33.000	192.971		209.203	21.468	7.425
22	A22	Test Project 22	1639600	12	2.895.045	15.524.188	5.122.982	1.727.937		116.085		32.802	43.411	33.000	415.655		233.953	21.468	7.425
23	A23	Test Project 23	825880	12	3.186.396	16.350.068	5.395.522	1.709.127		116.085		32.802	43.411	33.000	415.655		233.953	21.468	7.425
24	A24	Test Project 24	523000	12	3.272.691	16.873.068	5.568.112	1.795.422		116.085		32.802	43.411	33.000	415.655		233.953	21.468	7.425
25	A25	Test Project 25	983832	12	3.435.023	17.856.900	5.892.777	1.957.754		203.442		32.802	43.411	33.000	415.655		233.953	21.468	7.425
26	A26	Test Project 26	597719	12	3.588.343	18.379.619	6.065.274	1.976.931		203.442		32.802	43.411	33.000	415.655		233.953	21.468	7.425
27	A27	Test Project 27	897838	12	3.820.520	19.277.457	6.361.561	2.041.041		203.442		32.802	43.411	33.000	522.632		233.953	21.468	7.425
28	A28	Test Project 28	792866	12	4.380.012	20.070.323	6.623.207	1.743.194	16.377	203.442		32.802	43.411	33.000	522.632		233.953	21.468	7.425
29	A29	Test Project 29	476996	12	4.508.441	20.547.319	6.780.615	1.772.174	16.377	203.442		32.802	43.411	33.000	522.632		233.953	21.468	7.425
30	A30	Test Project 30	343000	12	4.773.786	20.890.319	6.893.805	1.620.019	16.377	203.442		32.802	43.411	48.345	522.632		233.953	21.468	7.425
31	A31	Test Project 31	449762	11,5	5.014.798	21.340.081	7.042.227	1.527.429	16.377	203.442		32.802	43.411	48.345	522.632		233.953	21.468	7.425
32	A32	Test Project 32	632500	11,5	5.286.160	21.972.581	7.250.952	1.464.791	16.377	203.442		32.802	43.411	48.345	522.632		233.953	21.468	7.425
33	A33	Test Project 33	1041423	11,5	5.603.417	22.829.004	7.533.571	1.430.155	16.377	488.102		32.802	43.411	48.345	522.632		233.953	21.468	7.425
34	A34	Test Project 34	542124	11,5	6.145.541	23.371.128	7.712.472	1.066.931	16.377	888.602		32.802	43.411	48.345	522.632		233.953	21.468	7.425
35	A35	Test Project 35	785000	11,5	6.592.331	24.156.128	7.971.522	879.191	16.377	888.602		32.802	43.411	48.345	522.632		233.953	21.468	7.425
36	A36	Test Project 36	1413323	11,5	7.009.298	25.569.451	8.437.919	928.621	16.377	1.108.684		32.802	43.411	48.345	719.516		233.953	21.468	7.425
37	A37	Test Project 37	425884	11,5	7.265.176	25.995.335	8.578.461	913.284	16.377	1.108.684		32.802	43.411	48.345	719.516		233.953	21.468	7.425
38	A38	Test Project 38	464000	11,5	7.374.724	26.459.335	8.731.581	856.846	16.377	1.108.684		98.800	43.411	48.345	719.516		258.703	21.468	7.425
39	A39	Test Project 39	495000	11,5	7.456.409	26.954.335	8.894.931	938.521	16.377	1.108.684		98.800	43.411	48.345	719.516		276.028	21.468	7.425
40	A40	Test Project 40	1126822	11,5	7.980.448	28.081.157	9.266.782	786.334	16.377	1.108.684		298.800	43.411	48.345	719.516		300.778	21.468	7.425
41	A41	Test Project 41	521750	11,5	8.356.908	28.602.907	9.438.959	582.052	16.377	1.108.684		473.600	43.411	48.345	719.516		329.488	21.468	7.425
42	A42	Test Project 42	514791	11	8.746.950	29.117.698	9.608.840	361.891	16.377	1.108.684		473.600	43.411	72.996	719.516		329.488	21.468	7.425
43	A43	Test Project 43	648848	11	9.021.354	29.766.546	9.822.960	301.606	16.377	1.108.684		473.600	43.411	72.996	719.516		329.488	21.468	7.425
44	A44	Test Project 44	319960	11	9.210.518	30.086.506	9.928.547	218.029	16.377	1.108.684		473.600	43.411	242.360	719.516		329.488	21.468	7.425
45	A45	Test Project 45	570000	11	9.310.058	30.406.506	10.000.000	189.942	16.377	1.108.684		473.600	43.411	242.360	719.516		329.488	21.468	7.425
46	A46	Test Project 46	441023	11	9.458.211	30.847.529	10.000.000	41.789	16.377	1.108.684		473.600	43.411	242.360	719.516		365.623	21.468	7.425
47	A47	Test Project 47	515833	11	9.628.707	31.340.362	10.000.000	-128.707	16.377	1.108.684		473.600	43.411	242.360	719.516		394.168	21.468	7.425
48	A48	Test Project 48	923495	11	9.723.333	31.913.857	10.000.000	-223.333	16.377	1.108.684		473.600	88.537	242.360	719.516		394.168	21.468	7.425
49	A49	Test Project 49	597000	11	10.232.724	32.510.857	10.000.000	-732.724	16.377	1.108.684		654.600	88.537	242.360	719.516		554.896	21.468	7.425
50	A50	Test Project 50	615090	11	10.847.814	33.125.947	10.000.000	-1.347.814	16.377	1.573.774		654.600	88.537	242.360	719.516		704.896	21.468	7.425
51	A51	Test Project 51	549663	11	11.397.477	33.675.610	10.000.000	-1.897.477	16.377	1.573.774		654.600	88.537	242.360	719.516		854.896	21.468	7.425

ERA-LEARN support
for establishing selection list & distribution of EC contribution

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"

Please fill in the % of EC top-up which you will use for gap filling

Percentage of EC top-up funding used for gap filling   50

Please insert the amount which will be taken from the EC top-up to cover (parts of) the implementation costs

EC top-up used to cover (parts of) the network activities (implementation costs)   500.000

	Agency 1	Agency 2	Agency 3	Agency 4	Agency 5	Agency 6	Agency 7	Agency 8	Agency 9	Agency 10	Agency 11	Agency 12
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	500.00
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 fu	Evaluation score	projec funde
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	yes
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

read me   "rank": your input only here!   cum   avail   need   100% gap-fill   75% gap-fill   50% gap-fill   Results & charts   optional results   optional results2

ERA-NET COFUND in practice
- Consortium Agreement

CA - Overview

❖ The consortium agreements (CA) 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 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)

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CA - 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.

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CA - Financial provisions (I)

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

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CA - 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

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CA - Call implementation

- ❖ 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

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ERA-NET COFUND in practice
- Additional Activities – Unit Costs

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**

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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

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- 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 x 11,962.50 € = 59,812.50 € assuming that this partner participates in other joint activities every year during 5 years

Year 1	Year 2	Year 3	Year 4	Year 5
N1 participants in other joint activities	N2 participants in other joint activities	N3 participants in other joint activities	N4 participants in other joint activities	N5 participants in other joint activities

total eligible "unit costs" = (N1+N2+N3+N4+N5) x 11962.5 EUR

- For a consortium of N partners, the overall theoretical maximum amount of "unit costs" during 5 years is therefore N x 59,812.50 €.

- 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

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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 €

- 43 beneficiaries = 41 x 5 x 11962.50 € + 2 x 4 x 11962.50 € = 2,452,312.50 € (assuming that 41 partners participate in additional joint activities over 5 years and 2 partners over 4 years)

- → total unit costs = 2,548,012.50 € < 2,550,000.00 € → OK

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

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

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)

ERA-NET COFUND

Summary

Summary

❖ The total EC contribution is based on **eligible costs**.

❖ The EC funding rate for ERA-NET COFUND is <u>up to</u> **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 <u>**eligible costs**</u> for calculating the EC contribution and <u>the **real use**</u> 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**.

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Summary

❖ The Consortium Agreement should take into account potential unexpected events –**be flexible** !

❖ risks can be reduced by careful planning of the ERA-NET Cofund in general and the cofunded call in particular

❖ 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.

❖ 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"

❖ budget planning should not be too tight: reserve a higher call budget and fund more transnational projects than needed

❖ 4 main options to cover the implementation costs have been applied by P2P so far.

❖ agree on periodic internal reporting of costs to monitor the financial implementation of the ERA-NET Cofund

❖ be aware that a reduction of eligible costs will result in a reduction of the EC funding

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Summary

❖ 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 x 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 (=1st Pre-financing , 2nd Pre-financing, Payment of the balance)

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Conclusions

❖ 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.

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Links

❖ ERA-NET COFUND: Guidelines & Practical Documentation:
https://www.era-learn.eu/support-for-p2ps/era-net-cofund

❖ ERA-NET COFUND: FAQ:
https://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/era-net_en.htm

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