



# Horizon 2020

## ERA-NET Cofund actions

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*Research &  
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## The presentation will cover:

- The Definition of ERA-NET and Programme Cofund in the legal documents of Horizon 2020
- Who can participate?
- The different types of ERA-NET Cofund actions
- The co-funded call
- The other activities of an ERA-NET
- The financing of the ERA-NET

## Definition of ERA-NET in Horizon 2020 (Article 26)

Public-public partnerships may be supported either within, or across, the priorities set out in Article 5(2), in particular through:

(a) an **ERA-NET instrument using grants** to support public-public partnerships in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as Union topping up of no more than one joint call a year and of actions of a transnational nature;

For the purposes of point (a), top-up funding shall be conditional on the **demonstration of added value of the action at Union level** and on prior indicative **financial commitments in cash or in kind of the participating entities to the joint calls and actions**. The ERA-NET instrument may include, where possible, an objective to harmonise rules and implementation modalities of the joint calls and actions. It may also be used in order to prepare for an initiative pursuant to Article 185 TFEU.

## Type of action used for ERA-NET: Programme Cofund

(Rules for participation, Article 2 – Definitions)

*(16) 'programme co-fund action' means an action funded through a grant **the main purpose of which is supplementing individual calls or programmes** funded by entities, other than Union funding bodies, managing research and innovation programmes.*

*A programme co-fund **action may also include complementary activities** of networking and coordination between programmes in different countries;*

# Programme co-fund: Common features

**Public programmes** (funded by national/regional authorities or public procurers), or

**Programmes for training, mobility, career development**

→ Actions have to be of a **transnational nature**

→ Based on **cash** contributions or **in-kind** contributions

→ Grant to 3<sup>rd</sup> Parties: Beneficiaries apply their **national funding rules**

→ **Reimbursement rate** defined in the **Work Programme**

# Programme co-fund: Typology of actions

'programme co-fund action' means an action funded through a grant the main purpose of which is supplementing individual calls or programmes funded by entities, other than Union bodies, managing research and innovation programmes



**ERA-NET Cofund**  
**PCP/PPI Cofund**



**Marie-Sklódowska-Curie Cofund**  
**European Joint Programmes**  
**(2014/15: EURATOM/EFDA)**

## **FP6: ERA-NET**

Funding of costs related to the coordination of national research programmes, 100% reimbursement rate for coordination and management costs



## **FP7: ERA-NET and ERA-NET Plus**

ERA-NET: as under FP6  
ERA-NET Plus: co-funding of a single joint call for trans-national proposals, 33% reimbursement rate for the costs of funding the projects



## **Horizon 2020: ERA-NET Cofund**

Co-funding of a single joint call for trans-national proposals, in addition other joint activities including other joint calls without Union co-funding, 33% reimbursement rate

# ERA-NET Cofund – main features

**ERA-NET Cofund: implementation of a co-funded joint call for proposals** (compulsory, one co-funded call per Grant Agreement)\*

**EU contribution:** mainly a proportional contribution to total public funding of the joint call

**Additional EU contribution to coordination costs on the basis of a unit costs** for additional activities including additional calls without top-up funding

**Stable reimbursement rate:** ERA-NET Plus reimbursement rate from FP7 (33%) applies

**Co-funded calls:** proposal evaluation and selection according to Horizon 2020 standards

\* ERA-NETs based on a Coordination and Support Action (CSA) are no longer possible. Only in exceptional cases it might be considered to support the preparation and structuring of specific emerging P2Ps that demonstrate clear European added value.



# Who can participate ? (I)

- **Eligibility conditions ERA-NET Cofund similar to ERA-NET under FP7.**
- Participation is limited to entities that can fully participate in joint calls and other actions between national and regional programmes.
- Participants in ERA-NET Cofund actions must be research funders: legal entities owning or managing public research and innovation programmes.
- **Programme Owners** are typically national/regional ministries/authorities responsible for defining, financing or managing research programmes carried out at national or regional level.
- **Programme Managers** are typically research councils or funding agencies or other national or regional organisations that implement research programmes under the supervision of the programme owners. Their participation has to be mandated by the national/regional authorities in charge (normally the responsible Ministry).

## Who can participate? (II)

- **Minimum conditions for participation** (three independent legal entities from three different Member States or associated countries): to be fulfilled by the entities participating in the joint trans-national call for proposals.
- Any **third country** can in principle participate in the co-funded call as well as in the other activities. The standard H2020 rules apply for the funding of the third countries.
- **Sole participants** may be eligible if the above-mentioned specific conditions for eligible ERA-NET Cofund partners are satisfied. A sole participant forming a sole legal entity shall explicitly indicate which of its 'members' are either programme owners or programme managers in the proposed action, and indicate for these members the respective national/regional programmes which are at the disposal of the proposed ERA-NET Cofund action.
- Only in addition to the minimum conditions, and if justified by the nature of the action, **programmes funded by other entities** (international programmes, foundations or other non-public programmes) may participate.

## A. Implementation of a single joint call (MS contribution in cash)

- Call for proposals organised by national/regional funding agencies
- Activities: call preparation, implementation and follow-up
- **Eligible costs:** financial support paid to third parties

## B. Implementation of a single joint call (MS contribution in cash) and additional activities

- Call and activities as in A.
- Additional joint activities including additional joint calls without Union top-up funding.
- **Eligible costs:** financial support paid to third parties and coordination costs for additional activities (unit costs per beneficiary per year).

## C. Implementation of a single joint call (MS contribution in kind)

In exceptional cases

- Call for proposals organised by governmental research organisations
- Beneficiaries carry out the projects resulting from the call themselves
- **Eligible costs:** costs of trans-national projects on the basis of Horizon 2020 rules
- In-kind contributions: non-reimbursed expenditure

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# Co-funded call: Rules for providing support to or implementation of trans-national projects

**(Important: these are conditions for costs to be eligible!)**

The beneficiaries must

**provide financial support to trans-national projects**

or

**implement such projects (partially or fully) themselves**

The proposals/projects must

- be **transnational projects** (at least two independent entities from two different EU Member States or associated countries)
- be selected following a joint transnational **call for proposals, two-step procedure**
- be evaluated in step 2, with the assistance of at least **three independent experts**, on the basis of excellence, impact, quality and efficiency of the implementation
- be ranked according to the evaluation results, and **selected in the order of the ranking list(s)**

# Co-funded call – conditions & deliverables

After the end of the evaluation the consortium must submit to the Commission the following:

- (a) the ranking list(s) of the projects;
- (b) the observers' report on the evaluation;
- (c) the joint selection list of the projects to be funded, and
- (d) from each consortium partner participating in the joint call, a formal and duly signed commitment on availability of funds for the selected projects.

In addition:

- a) After the **end of evaluation** information on each project selected for funding (data on each participant and abstracts of the project proposal),
- b) At the **end of the action**: information on each funded project (data on each participant and overview of results).

**Important: The conditions for call implementation for the co-funded call do not apply to additional calls without Union top-up funding.**

## Co-funded call – practical issues

- **Choice of the funding mode** to ensure selection according to ranking
  - good practice: mixed mode
  - real common pot: possible
- Use of **step 1 to balance requested and available funding**
- Possibility to use **more than one call topic**
  - dedicated budgets per topics, multiple ranking lists or
  - use expert panel to adjust scores and create single ranking list
- Only **proposals with identical scores at the threshold of available funding** may be selected according to the availability of funds in order to maximise the number of selected projects.
  - choice of half scores / vs. full scores
- **Independent expert as observer**: appointed by the consortium, to assess the conformity of the implementation of the joint call and, in particular, review the proper implementation of the independent international peer review and the establishment of the ranking list of trans-national projects.
- Possibility of **centralised management** of grant agreements
- **Make use of good practice documented by ERA-LEARN!**

# Financing of the co-funded call

## Annex to the Workprogramme, chapter on ERA-NET:

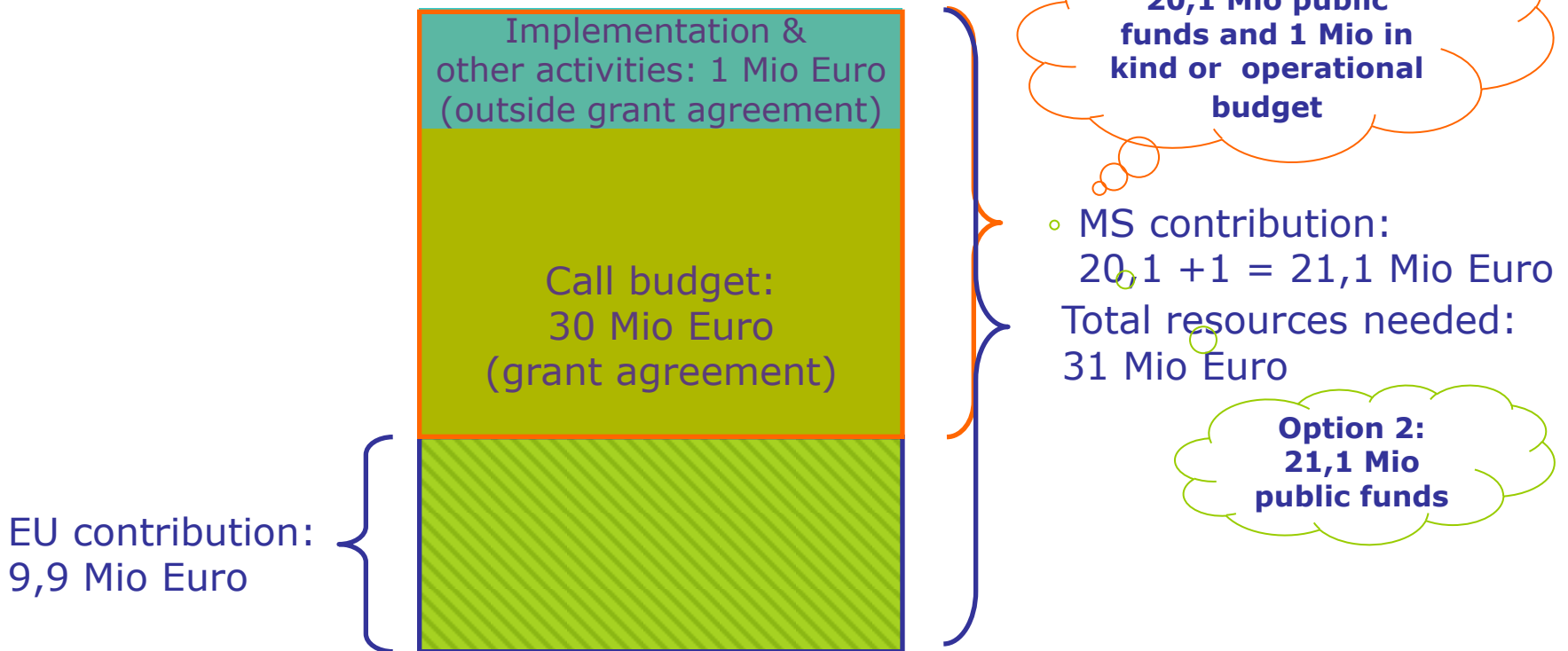
*"No costs for activities related to the preparation, implementation and follow-up of the co-funded call are eligible.*

*The consortium may however choose to use part of the Union contribution to support their activities as long as the corresponding costs are not declared as eligible and the Union contribution does not exceed 33% of partners' funding of trans-national projects and unit costs for additional activities.*

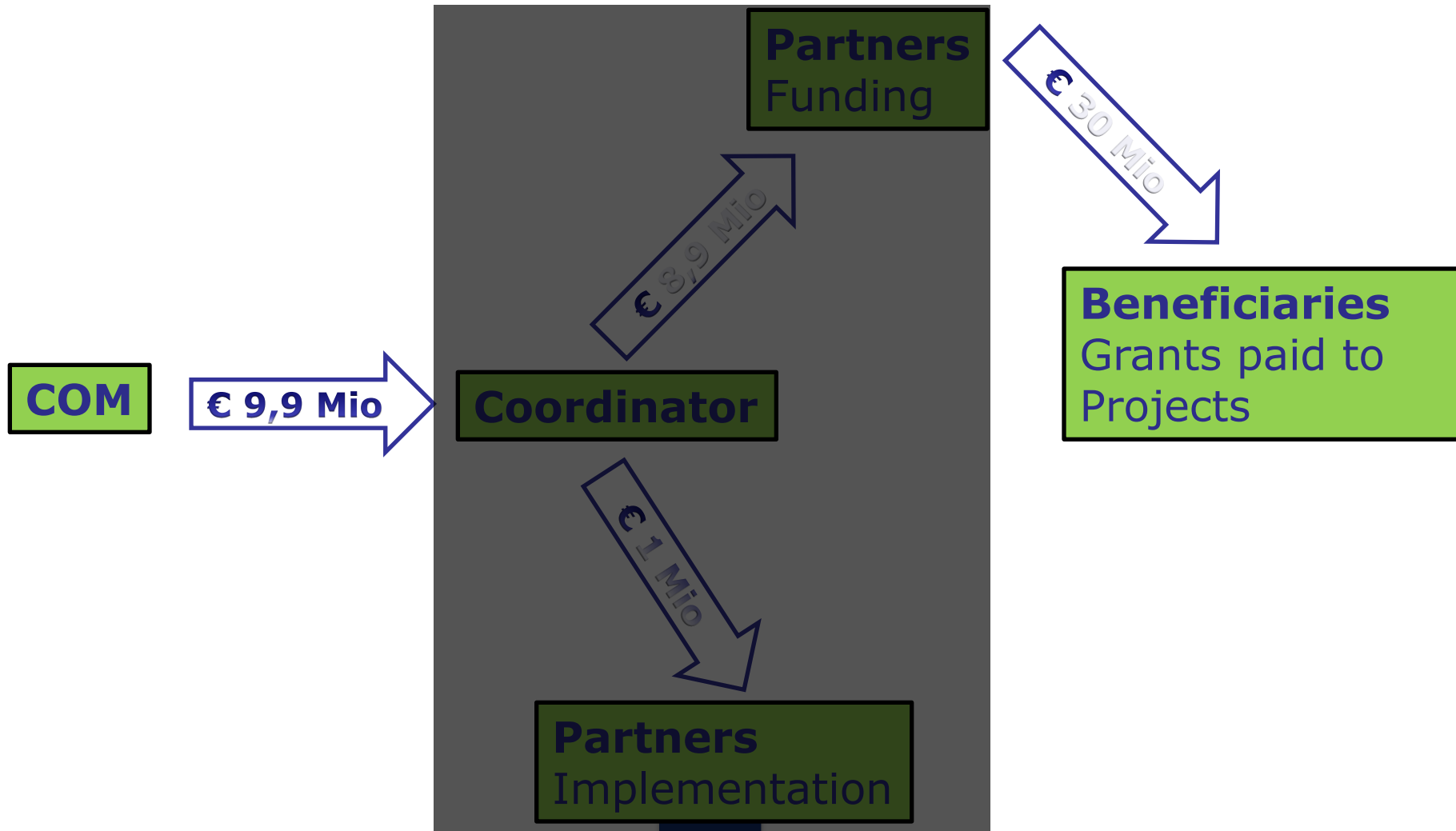
*This means in practice that they have to replace any Union contribution that is used to support their activities with additional national contributions to the funding of trans-national projects."*



# Financing of the co-funded call



## Example: cash-flow





European  
Commission

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## ERA-NET Cofund: optional additional activities

- ERA-NET Cofund consortia **may carry out other activities in addition** to the call receiving top-up funding.
- **Option is normally defined in the call text**, e.g.: *"Proposers are encouraged to implement other joint activities including additional joint calls without EU co-funding"*.
- **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 Union top-up funding (**typical ERA-NET FP7 activities**).
- **Additional partners might be involved** which do not participate in co-funded calls.
- The coordination cost for the other activities takes the form of a **unit cost per beneficiary year** and is limited to those beneficiaries that carry out activities that go beyond the co-funded call.
- Proposers have to **demonstrate the appropriateness of the overall coordination costs** for the proposed additional activities.

## Costs actually incurred vs. Unit Costs

*"Unit costs shall cover all or certain specific categories of eligible costs which are clearly identified in advance by reference to an amount per unit."*

- pre-defined fixed amount per unit
- no financial reporting on costs occurred, only reporting on the "generating event"

- Principle of Horizon 2020: a single reimbursement rate per action.
- Consequence: it is not any longer possible to fully reimburse the coordination costs for ERA-NET actions with 33% reimbursement rate of actual costs.
- Stakeholder consultation on the different options at the conference 13 June 2012.

**→ The unit costs for coordination costs of additional activities was identified as the preferred option against the background of simplification and feasibility.**

# Reimbursement of costs on the basis of unit costs

Use of unit costs has to be authorised by a Commission Decision, supported by at least:

- a) justification concerning the appropriateness of such forms of financing ...;
- b) identification of the costs or categories of costs covered by lump sums, unit costs or flat-rate financing, which shall exclude ineligible costs under the applicable Union rules;
- c) description of the methods for determining lump sums, unit costs or flat-rate financing, and of the conditions for reasonably ensuring that the no-profit and co-financing principles are complied with and that double financing of costs is avoided. Those methods shall be based on:
  - I. **statistical data or similar objective means**; or
  - II. a beneficiary-by-beneficiary approach, by reference to certified or auditable historical data of the beneficiary or to its usual cost accounting practices.

**COMMISSION DECISION C(2013) 8200 final** of 10.12.2013  
authorising the use of reimbursement on the basis of unit costs for ERA-NET  
Cofund actions under the Horizon 2020 Framework Programme

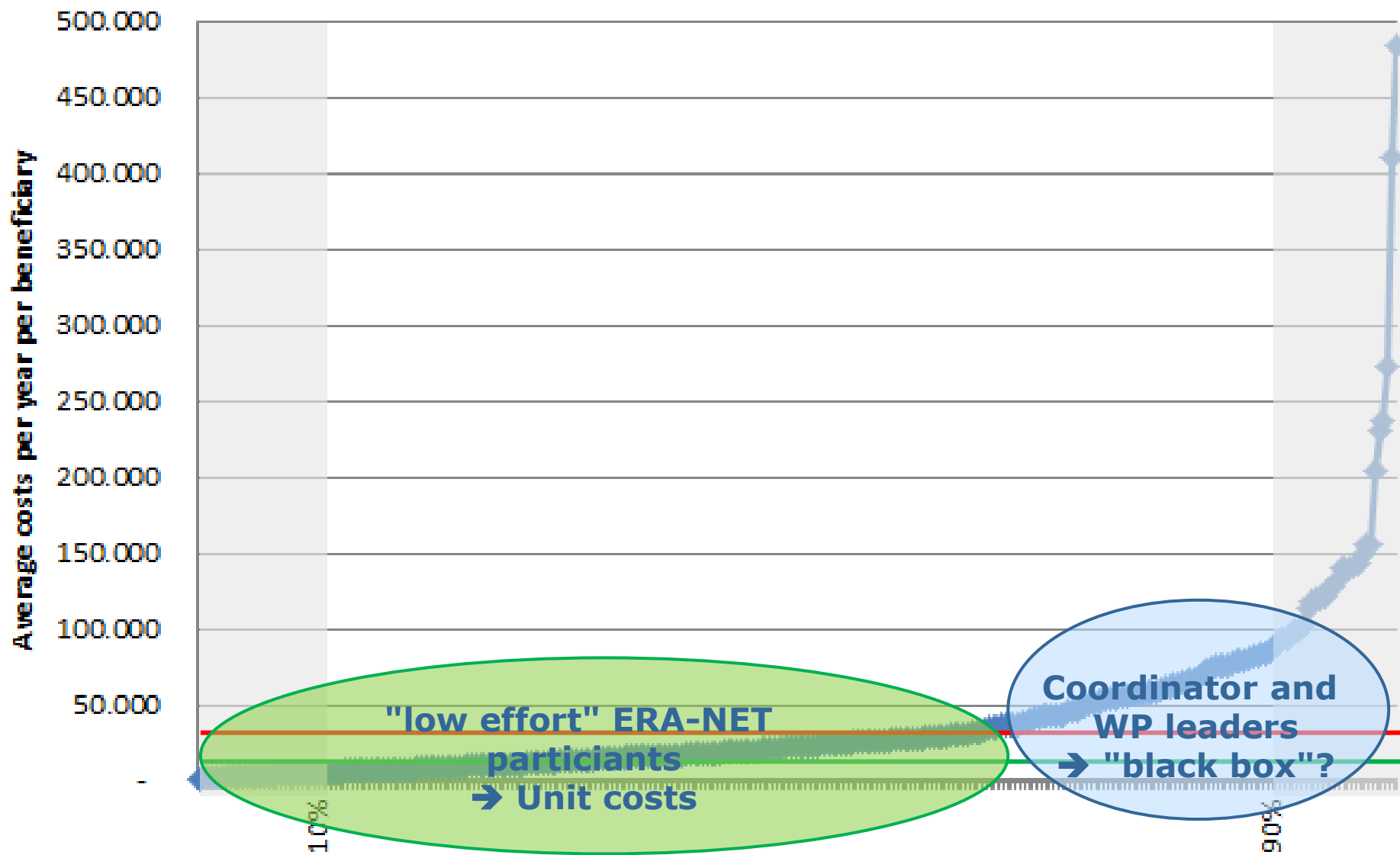
## ERA-NET Cofund: unit costs for additional activities

- Based on historical data of a representative sample (around 30%) of the 71 ERA-NET projects under FP6 (Coordination costs declared and approved for the final payment).
- 7% indirect costs were deducted, extreme amounts were excluded
- Resulting average amount of direct costs for coordination is EUR 29 783., which includes marginal costs for subcontracting of around 4,5%
- **Unit costs for coordination costs per beneficiary per year: EUR 29 000**
- The flat rate of 25% for indirect costs under Horizon 2020 is applied as well as the reimbursement rate applicable to ERA-NET actions (normally 33%).

→ **Maximum reimbursement per beneficiary per year of EURO 11 962,50.**

→ **Annex WP H2020:** Union contribution to coordination costs for additional activities should not exceed 20% of the total Union contribution to the project.

→ Beneficiaries carrying out the trans-national project themselves cannot claim coordination costs.





## Example: M-ERA.NET

### Costs statement first periodic report (34 partners)

- 9 partners with less than EUR 5.000 Union contribution
- 19 partners with less than EUR 12.000 Union contribution
- 28 partners with less than EUR 25.000 Union contribution
- Only 4 partners with higher Union contributions  
[EUR]: 32.361, 56.849, 66.303, 88.106
- And of course the coordinator: EUR 121.274

**→ 28 out of 34 partners should easily be able to cover their participation with the unit cost!**

# ERA-NET Cofund: financing of the action

**Example: Union contribution specified in the WP: € 5 million**

- Up to €1 million for coordination costs, e.g. 16 partners receive 5 years coordination costs, or 20 partners receive 4 years coordination costs.
- Contribution to the funding of projects: € 4 million  
→ call budget € 12,21 million.
- How much can be used by the consortium for the preparation, implementation and follow-up of the call as well as management of the consortium?
  - not defined by the European Commission
  - **internal decision of the consortium**
  - rule of thumb: 5-10% of the call budget (ERA-LEARN)
  - resulting in up to € 1,2 million

**Important: Amount, internal distribution, replacement with additional national funding etc. is an agreement only between the consortium partners!**

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- be ranked according to the evaluation results, and **selected in the order of the ranking list(s)**

# ERA-NET Cofund with institutional funding

- Beneficiaries in the Grant Agreement: Governmental research organisations (as "*programme managers*"), nominated by the respective ministry/public authority ("*programme owners*") to participate in the ERA-NET
- Call is an internal competition between consortia of the participating organisations
- Eligible costs: expenditure of the beneficiaries for the implementation of the transnational projects (H2020 conditions, direct costs plus 25% flat rate for indirect costs)
- Main differences compared to the classical cash-based ERA-NET:
  - Ensure selection according to ranking list: additional "guarantee" amount instead of mixed mode financing model
  - Step 1 of the Call pre-identifies specific topics for which proposals can be submitted → Proposals compete for the best topics
  - (normally) no grant agreement for the individual projects → has to be reflected in the consortium agreement

**Examples: iMERA+ (ERA-NET Plus on metrology research)  
ÆRTOs (ERA-NET for governmental research organisations)**

# Combinations of cash / in-kind contributions?

- **Strongly advised: strategic choice between the two models**, depending on the research area and the underlying national programmes.  
→ **will normally be specified in the workprogramme**
- A **combination of cash and in-kind contributions** in the same ERA-NET Cofund actions may be reasonable for the following two scenarios:
  - (a) The governmental research organisations open the call to other entities, for which they have to set aside a certain amount in cash. They therefore implement the projects only partially themselves, another part is implemented by third parties that receive financial support.
  - (b) Some participating states participate via institutional funding of governmental research organisations and others fund the same type/area of research programmes via open calls for proposals.
- **Discouraged:** cash and in-kind contributions (funding agencies and governmental research organisations participating) from the same country.
  - Need to exclude the institutional participants from applying to the cash part
  - Complexity of implementation (possible conflict of interest in the consortium, complex funding modes needed, problem of consortia with some partners having a grant agreement with a funder, and others not etc.)

# ERA-NET Cofund MGA – forms of costs

## A. direct costs related to trans-national projects

A.1 Direct costs of providing financial support to third parties implementing trans-national projects

A.2 Direct costs for the implementation of trans-national projects by the beneficiaries

A.2.1 Direct personnel costs for the implementation of trans-national projects by the beneficiaries

A.2.2 Direct costs of subcontracting for the implementation of trans-national projects by the beneficiaries

A.2.3 Other direct costs for the implementation of trans-national projects by the beneficiaries

ERA-NET  
"cash"

ERA-NET  
"in-kind"

B. direct coordination costs for of additional activities (unit cost)

C. indirect costs (25% flat rate) (excluding support to third parties, subcontracting etc.)

## Important documents for proposers

### ERA-NET Co-fund provisions

- Grant Agreement and Annexes
- *Annotated GA*
- Annex to the WP 2014/15
- Proposal submission forms and templates
- *Guidelines, FAQ*

## Preparation for the launch of the first calls

- Additional promotion via ERA-LEARN & NETWATCH
- Launching event 16 January 2014, Brussels
- Workshops, Trainings, national events



# A look backwards: user recommendations at previous events

- Call implementation is the core activity and important linking element for consortia, with ERA-NET plus clearly as incentive, but complexity of contractual implementation
- Other activities: equally important, need to keep networks alive and provide networking budget for all partners
- Need for more flexible type of ERA-NETs, allowing users to adapt it according to their needs and evolve on their way
- Partners/ associated partners to join in for specific activities/periods of time
- Continuous funding for networking a reduced level to give long term perspective
- Simplify and limit reporting requirements
- Strong preference for costs reimbursement: Output based for the call and unit costs for networking

# A look backwards: user recommendations at previous events and **situation under H2020**

- Call implementation is the core activity and important linking element for consortia, with ERA-NET plus clearly as incentive, but complexity of contractual implementation → **Emphasis on co-funding of calls**
- Other activities: equally important, need to keep networks alive and provide networking budget for all partners → **Consortia decide**
- Need for more flexible type of ERA-NETs, allowing users to adapt it according to their needs and evolve on their way  
→ **Flexibility to define activities beyond co-funded call**
- Partners/ associated partners to join in for specific activities/periods of time  
→ **Variable geometry for activities over duration**
- Continuous funding for networking a reduced level to give long term perspective → **Unit costs for networking**
- Simplify and limit reporting requirements  
→ **Default 2 RP, single financial reporting**
- Strong preference for costs reimbursement: Output based for the call and unit costs for networking → **Approach chosen under H2020**

## Summary: main differences compared to FP7

- Compulsory element of the co-funded call
- Flexibility for the consortium to decide on the financing of the call budget and its implementation and management
- Large degree of flexibility for consortia to decide on additional activities
- Simplified reimbursement of costs with unit costs for additional activities
- Possibility to use ERA-NET for institutional programmes / in-kind contributions
- Tailor-made Model Grant Agreement, annexes, forms, proposal templates (see afternoon presentations)
- Simplified reporting with 2RP and a single financial reporting

# Thank you for your attention!

## Any questions?

### **Contact**

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