



Basic background document on Cofund for the Master Class on ERA-NET management, 25 and 26 June

From ERA-LEARN: <http://netwatch.jrc.ec.europa.eu/web/lp/learning-platform/p2p-in-h2020/background-information> :

ERA-NET Cofund under Horizon 2020 – the principles

ERA-NET Cofund under Horizon 2020 is designed to support public-public partnerships, including joint programming initiatives between Member States, in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as Union topping-up of a trans-national call for proposals. It is based on the merger of the former ERA-NET and ERA-NET Plus actions and is implemented by using 'programme co-fund actions'. It allows for programme collaboration in any part of the entire research-innovation cycle.

The main and compulsory activity of the ERA-NET Cofund under Horizon 2020 is the implementation of the co-funded joint call for proposals that leads to the funding of trans-national research and/or innovation projects (one co-funded call per Grant Agreement). In addition to the co-funded call the consortia may implement other joint activities including other joint calls without Union co-funding. The reimbursement rate for ERA-NET Cofund is 33%, as for the ERA-NET Plus actions under FP7.

The duration of ERA-NET Cofund actions is set at 5 years. During this time the consortium has to prepare and implement the call, select and negotiate the projects, finalise the projects including final payment to their beneficiaries. A shorter duration than 5 years is not feasible. It is possible to amend the grant agreement and allow for a longer duration, e.g. when consortia face problems in finalising the funded projects.

It is not any longer possible to support ERA-NETs with a Coordination and Support Action (CSA) and support only the networking. Only in exceptional cases it might be considered to support the preparation and structuring of specific emerging Public-Public Partnerships that demonstrate clear European added value.

What activities can be supported by ERA-NET Cofund?

ERA-NET under Horizon 2020 allows flexibility for the scope of activities (compulsory joint call with or without additional activities) and whether the MS contributions are made in cash (classical ERA-NET) or in kind (institutional funding ERA-NET) which are described below.

- Implementation of a single joint call, based on MS contribution in cash

ERA-NET Cofund can be used to implement only a single joint call for proposals (identical to the former ERA-NET Plus) with MS contribution in cash. The call is organised by national/regional funding agencies. The projects resulting from the call receive financial support from the national programmes on the basis of a grant agreement between the national programmes and the project participants (cascading grants).

The ERA-NET Cofund grant reimburses the direct costs of providing financial support to third parties for the trans-national projects, paid in accordance to national funding rules.

- Implementation of a single joint call, based on MS contribution in cash and additional activities

An ERA-NET Cofund consortium may carry out other activities in addition to the joint call receiving top-up funding. Where appropriate, additional partners which do not participate in co-funded call might be involved. The 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 (activities comparable to the ones of the FP7 ERA-NETs). The coordination cost is limited to those beneficiaries that carry out activities that go beyond the co-funded call.

In the case of a combination of the co-funded call with other activities the ERA-NET Cofund grant reimburses:

- direct costs of providing financial support to third parties for the trans-national projects, paid in accordance to national funding rules
- Coordination costs for additional activities (on the basis of unit costs per beneficiary per year, see below)

- Implementation of a single joint call, based on MS contribution in kind

In-kind contributions in ERA-NET calls have been rarely used under FP6 and FP7 (iMERA+, AERTOs). They were however always possible and interest on the side of the stakeholders has grown, since this approach would allow to target research areas that do not work on the basis of the classical cash ERA-NETs.

ERA-NET Cofund allows in the possibility, when justified by the research area and the underlying national programmes, to target governmental research organisations, with the co-funded call for proposals being based on in-kind contributions from their institutional funding. In this case the beneficiaries carry out the transnational projects resulting from their call for proposals themselves. It is strongly advised that a strategic choice for an ERA-NET based on in-kind contribution instead of cash contribution is made by the Commission services at the outset of the process, when they elaborate in dialogue with the Member States the ERA-NET topics in the Work Programme, depending on the research area and the underlying national programmes.

In these cases the ERA-NET Cofund grant will reimburse the costs of trans-national projects, implemented by the beneficiaries, on the basis of Horizon 2020 rules for eligible direct and indirect costs. The in-kind contributions are the resources allocated as direct expenditure in the selected trans-national projects that are not reimbursed by the Union contribution.

What are the conditions for the implementation of the co-funded call?

The consortium must provide financial support to trans-national projects or implement such projects (partially or fully) themselves in accordance with the following conditions:

The projects must be trans-national projects involving at least two independent entities from two different EU Member States or Associated Countries.

The projects must be selected following a joint trans-national call for proposals. The consortium must publish the joint call on a dedicated webpage and promote it at national/regional level via their usual channels of communications to potential proposers. The joint call shall remain open for the submission of proposals for at least 60 days. The consortium must formally notify the Commission of the call and its content at least 30 days before the expected date of publication.

The consortium must make the joint call through a two-step procedure:

- Step 1: review at national or trans-national level
- Step 2: single international peer review.

A two-step procedure is necessary to ensure that only entities that are eligible for funding under the national programmes involved in the joint are invited to step 2 and that consortia can balance the requested funding and available funding per participating state between step 1 and step 2.

In step 2, the consortium must evaluate proposals with the assistance of at least three independent experts, on the basis of the following award criteria:

- (a) Excellence;
- (b) Impact;
- (c) Quality and efficiency of the implementation.

Proposals must be ranked according to the evaluation results. The selection must be made on the basis of this ranking. 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. An independent expert as observer, to be appointed by the consortium, shall 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.

The consortium must take all lawful steps to ensure confidentiality of information and documents obtained during the evaluation and selection procedures of the joint call.

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.

The consortium must furthermore submit to the European Commission after the end of the evaluation information on each project selected for funding, including data on each participant and abstracts of the project proposal, in a format specified by the European Commission, for publication and evaluation purposes. This information must be updated at the end of the action (information on each funded project, including data on each participant and overview of the results).

How are the costs for the preparation, implementation and follow-up of the call covered?

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. This has already been applied by all ERA-NET Plus actions under FP7. These arrangements should be reflected in the Consortium Agreement.

How are coordination costs for additional activities reimbursed?

The principle of Horizon 2020 to apply a single reimbursement rate per action does not allow any longer reimbursing fully the coordination costs for ERA-NET actions. A 33% reimbursement rate of actual coordination was considered not feasible. After stakeholder consultation on the different options in 2012 the unit costs for coordination costs of additional activities was identified as the preferred option against the background of simplification and feasibility. The use of unit costs has to be authorised by a Commission Decision, supported by e.g. identification of the costs or categories of costs; description of the methods for determining the amounts, on the basis of statistical data or similar objective means. The unit costs for ERA-NET Cofund has been determined on the basis of 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).

On that basis the unit cost for eligible direct coordination costs of additional activities per beneficiary per year is fixed at EUR 29 000, to which the flat rate of 25% for indirect costs under Horizon 2020 is to be applied, as well as the reimbursement rate applicable to ERA-NET actions. As a consequence, the maximum reimbursement of direct and indirect costs of coordination of additional activities per beneficiary per year will be EUR 11 962,50.

The consequence for the consortia is that they have to find new arrangements for financing the action. The majority will be able to participate on the basis of the unit costs. Core participants (coordinator, WP leaders) will have to be financed by using part of the Union Contribution for the co-funding of the call to pay for central costs, and the consortium will have to replace the amounts jointly with additional national funding.

The new approach will lead to simplification, since the ERA-NET partners only have to plan and report the number of years in which they take part in additional activities. The unit costs will be paid on the basis of the number of years in which a partner took part in the activities (no financial reporting), with flexibility for the consortia to decide which partners use the coordination costs in which years. Important boundary condition: Beneficiaries that carry out trans-national projects partially or fully themselves cannot declare coordination costs for additional activities.

The total amount that can be allocated to coordination costs is limited. The Annex to the Work Programme specifies that the Union contribution to coordination costs should not exceed 20% of the total Union contribution to the action.

Who can participate?

The eligibility conditions for ERA-NET Cofund are similar to the ones under FP7.

ERA-NET Cofund actions support coordination and collaboration between Member States and their research and innovation programmes. Consequently participation in these actions 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.

In this regard 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.

The participation of programme managers including governmental research organisations has to be mandated by the national/regional authorities in charge (normally the responsible Ministry).

The minimum conditions for participation (three independent legal entities from three different Member States or associated countries) have 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 including additional joint calls without co-funding. 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.

Reporting and payment schedule

The default option for ERA-NET Cofund actions foresees two reporting periods and two pre-financing payments. The first reporting period covers the period until the end of the evaluation and selection. In this case the first pre-financing payment corresponds to 10%, and the second pre-financing payment to 80% of the total Union contribution.

Only in exceptional cases, when there are insufficient payments credits for the second pre-financing payment, three reporting period and three pre-financing payments will be foreseen in the Grant Agreement, with 10% for the first pre-financing payments and each 40% for the second and for the third pre-financing payment.

No interim payment is foreseen in the ERA-NET Cofund, but only pre-financing payments and payment of the balance at the end of the action to take into account the fact that eligible costs for support to third parties are normally only available after the end of the transnational projects.

Where to find more information?

A number of documents for Horizon 2020 provide important information for the ERA-NET Cofund actions; you find them [here](#):

The **General Annexes to the Work Programme 2014/15** include a description of ERA-NET Cofund and specific eligibility conditions and evaluation criteria.

A dedicated **Model Grant Agreement** has been designed for ERA-NET Cofund. It includes specific Annexes for the financial forms, a form for the commitment on availability of funds and model for the statement on the use of the previous pre-financing instalment.

Proposals have to be prepared with a **template** specific for ERA-NET Cofund.

Taken from : <http://netwatch.jrc.ec.europa.eu/web/lp/learning-platform/p2p-in-h2020/practical-documentation>

Practical documentation

A number of documents for Horizon 2020 provide important information for the ERA-NET Cofund actions.

Material provided by the EC:

- summary presentation on "[ERA-NET Cofund in Horizon 2020](#)";
- the [General Annexes to the Work Programme 2014/15](#) include a description of ERA-NET Cofund and specific eligibility conditions and evaluation criteria;
- a dedicated [Model Grant Agreement](#) has been designed for ERA-NET Cofund. It includes specific Annexes for the financial forms, a form for the commitment on availability of funds and model for the statement on the use of the previous pre-financing instalment. The [Annotated Model Grant Agreement](#) provides explanations on the main financial provisions of the MGA;
- proposals have to be prepared with a [template](#) specific for ERA-NET Cofund;
- a [self-evaluation form and check-list](#) for ERA-NET Cofund allow proposers to review their proposal against the evaluation criteria and main requirements before submission.

Material provided by ERA-LEARN:

- a table comparing [FP7 ERA-NET & FP7 ERA-NET Plus with H2020 ERA-NET Cofund](#) ;
- a practical explanation of main [financial principles under ERA-NET Cofund](#);
- [Guidelines for Independent Observers](#) for the co-funded call;
- a template for an [ERA-NET Cofund Consortium Agreement](#).
- a summary presentation on [In-Kind/ Institutional ERA-NET-COFUND-Projects](#)