



IHI project proposals

Financial part

Webinar

History of changes	Date	
Version 1	26/06/2022	Webinar
Version 1.1	17/08/2022	Reviewed slides: 60 and 69 "IKAA ≤ 40% total (IKOP + IKAA)" replaced by "IKAA ≤ 40% total (IKOP + IKAA) from private members".

Gaëlle Lanckmans
Financial Officer (IHI JU)

Content of this webinar

- Budget table
- Key thresholds
- Industry contribution types (from Private members and Contributing partners)
 - IKOP (including non-EU IKOP)
 - Financial Contributions (FC)
 - IKAA
- Example of Budget table
- Questions & Answers

Budget table

		Prepare Budget table?
Single stage proposal		Yes
Two-stage call	Short proposal	No Only total requested EU contribution for the project should be specified
	Full proposal	Yes

Budget Table

3 - Budget

?

No.	Name of beneficiary	Country	Role	Personnel costs/€	Subcontracting costs/€	Purchase costs - Travel and subsistence/€	Purchase costs - Equipment/€	Purchase costs - Other goods, works and services/€	Internally invoiced goods and services/€ (Unit costs-usual accounting practices)	Indirect costs/€	Total eligible costs	Funding rate	Maximum EU contribution to eligible costs	Requested EU contribution to eligible costs/€	Max grant amount	Income generated by the action	Financial contributions	Other sources of funding - IKOP	Other sources of funding - Non-EU part of IKOP	Own resources	Total estimated income	IKAA

Screenshot from the proposal submission environment

Budget Table

For private members and contributing partners

Only for private members

N o.	Name of beneficiary	Co untry	Rol e	Per son nel costs	Subcontr acting costs	Purchase costs			Internally invoiced goods and services (Unit costs)	Indirect costs	Total eligible costs	Fund ing rate	Maxim um EU contribution to eligible costs	Reques ted EU contribution to eligible costs	Incom e generated by the action	Financi al contribu tions	IKOP In-kind contributions for operational activities	Non-EU IKOP	Own resou rces	Total estimat ed income	IKAA In-kind contributions for additional activities
						Travel and subsistence	Equip ment	Othe r goods, works and services													

Estimated eligible costs

Estimated EU contribution and other sources of financing

IHI's specificities

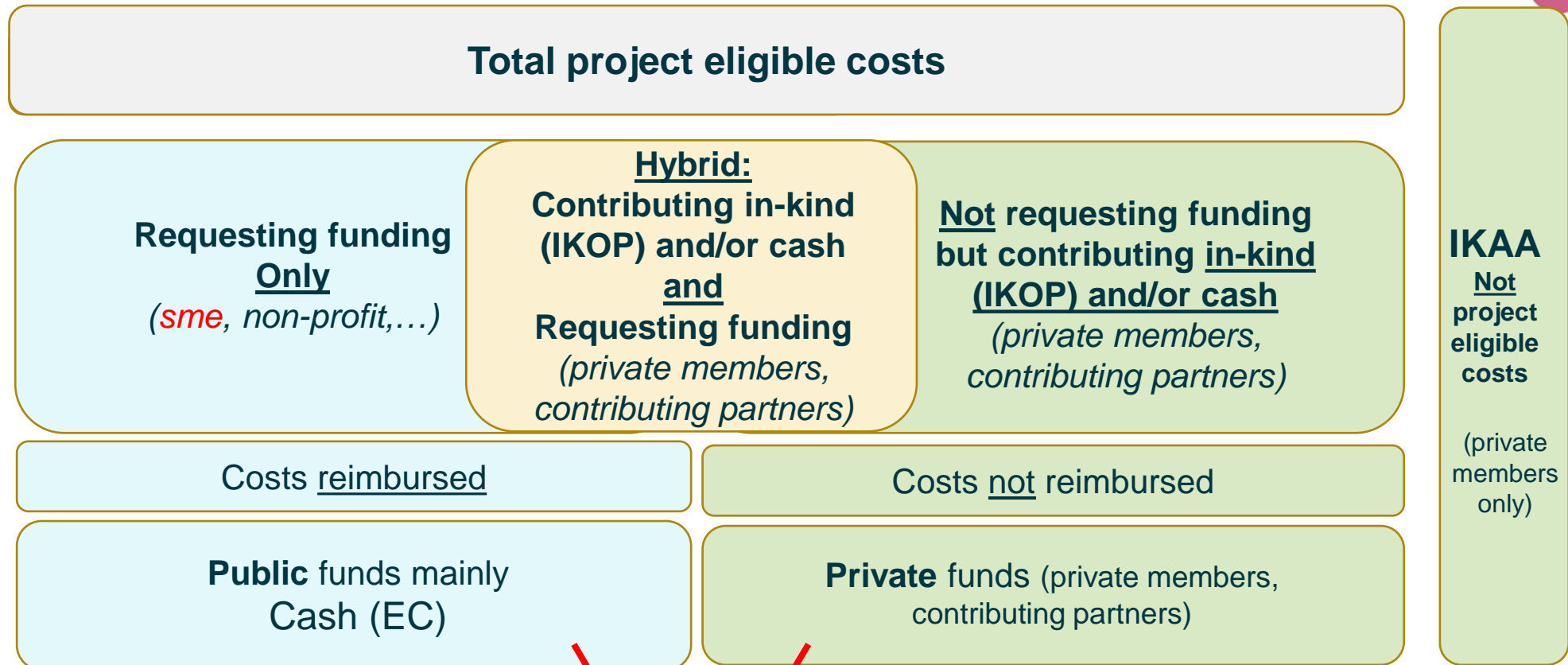
For all applicants





Estimated eligible costs

Estimated eligible costs



Co-funding principle

Types of costs categories

Personnel costs	Subcontracting costs	Purchase costs			Internally invoiced goods and services (Unit costs)	Indirect costs	Total eligible costs
		Travel and subsistence	Equipment	Other goods, works and services			

All costs must fulfill cost eligibility criteria ([Art 6 MGA](#)):

actual/real, recorded in the accounts, foreseen in the budget, necessary for the action, documented/auditable, etc.



Only eligible costs can be reimbursed or be considered as in-kind contribution (IKOP)

Personnel costs [\(art 6.2 A in MGA\)](#)

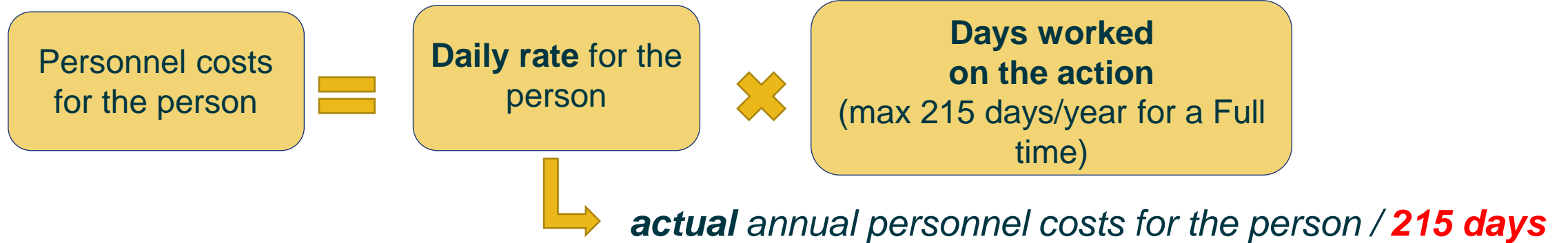
- Employees or equivalent (*fixed salary, employment contract*)
- Natural persons under direct contract other than an employment contract (*e.g in house-consultant*)
- Seconded personnel (persons employed and paid by a third party external to the project but put at the disposal of the Beneficiary against payment/for free) (*e.g University professor - researcher*)
- SME owners/natural persons that are not receiving a salary (unit cost) (*distinction unit vs actual costs not made at proposal stage in budget table, only at Grant preparation stage*)

Personnel costs

Cost of employee (most common case)

2 options:

1. Use of actual costs



2. Use of average personnel costs (unit cost) if according to beneficiary's usual cost accounting practices



Subcontracting costs [\(art 9.3 and art 6.2 B in MGA\)](#)

- Third party carrying out part of the work on project tasks for the Beneficiary
- Contract between subcontractor and Beneficiary
- Selection of subcontractor: follow your usual practice, ensure best value for money (or lowest price if appropriate), transparency, no conflict of interest
- No subcontracting allowed between beneficiaries

Purchase costs [\(art 6.2 C in MGA\)](#)

- Travel, accommodation and subsistence
- Equipment (depreciation cost – part used for the project)
- Other goods, works or services, if necessary to implement the project
 - normally limited in scope (not project tasks)
 - If to implement project tasks → considered as subcontracting

Internally invoiced goods and services

[\(art 6.2 D2 MGA\)](#)

- Goods or services that the beneficiary itself produces or provides to be directly used for the action (e.g: self-produced consumables, specific devices or facilities,...)
- Calculated as Unit cost following the beneficiary's usual cost accounting practices

Indirect costs [\(art 6.2 E in MGA\)](#)

- Fixed flat rate as 25% of the eligible direct costs (excluding subcontracting costs and internally invoiced goods and services)
- Calculated automatically for all beneficiaries (also companies providing IKOP ≠ under IMI2)



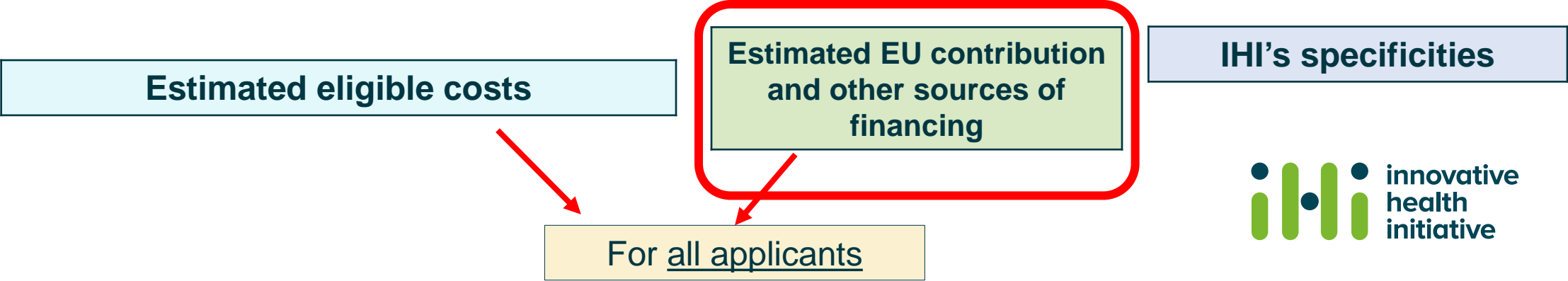
No indirect costs should be included in the other costs categories (no double counting allowed)

e.g: average personnel costs – if usual practice is to include indirect costs in FTE* rate
→ the rate must be recalculated to exclude indirect costs

Estimated EU contribution and other sources of financing

EU contribution and other sources of financing

N o.	Name of beneficiary	Co untry	Rol e	Per son nel costs	Subcontr acting costs	Purchase costs			Internally invoiced goods and services (Unit costs)	Indirect costs	Total eligible costs	Funding rate	Maximum EU contribution to eligible costs	Requested EU contribution to eligible costs	Income generated by the action	Financial contributions	IKOP In-kind contributions for operational activities	Non-EU IKOP	Own resources	Total estimated income	IKAA In-kind contributions for additional activities
						Travel and subsistence	Equipment	Other goods, works and services													



How are participants costs covered?



- Reimbursed by IHI (= EU contribution)?
- Covered with own resources?
- Covered by financial contributions received (other than from IHI)? (e.g: from private members, contributing partners)?

Several scenarios possible

- Can be with only one source of financing (e.g: only EU contribution)
- Can be with a combination
- Can be none (e.g: the entity not eligible for funding, or providing only IKOP)

Costs reimbursed by IHI (EU contribution)

Funding rate	Maximum EU contribution	Requested EU contribution
<p>Always 100% (Automatic)</p> <p><i>For all entities, even for entities <u>not eligible</u> for funding!</i></p>	<p>= Funding rate x total eligible costs (Automatic)</p>	<p>Amount of IHI funding requested to reimburse part/all project eligible costs</p> <p><i>(To encode manually)</i></p>

- 100% funding rate gives the wrong impression that all participants can get all their costs reimbursed **but it is not the case** because
 - Private members and contributing partners should bring at least **45% contribution to the project**
 - Some participants are not eligible for funding
(e.g: in two-stage calls: pre-identified private members/contributing partners, large companies with annual turnover > 500 M)

18 → Not all participants get (all) their costs reimbursed

Simplified budget example

Single-stage call proposals

Type of participant	Total eligible costs + ICAA	Funding rate	Reimbursed eligible costs	Contributions (IKOP,FC,ICAA)
'Public partners' (Universities, hospitals, SMEs, patient orgs, regulators..)	15 million	100%	15 million	0
Private members & contributing partners (requested funding = 0)	15 million	100%	0	15 million
Private members & contributing partners (<u>'Hybrid'</u>)	10 million	100%	5 million	5 million
Total	40 million	100%	20 million (50%) Public funds	20 million (50%) Private funds

Simplified budget example

Two-stage call Full proposal

Not eligible for funding: pre-identified private members and contributing partners
Large companies with annual turnover > 500 M

Type of participant	Total eligible costs + IKAA	Funding rate	Reimbursed eligible costs	Contributions (IKOP,FC,IKAA)
'Public partners' (Universities, hospitals, SMEs, patient orgs, regulators..)	20 million	100%	20 million	0
Pre-identified Private members and Contributing partners (not eligible for funding)	20 million	100%	0	20 million
Total	40 million	100%	20 million (50%) Public funds	20 million (50%) Private funds

EU Contribution

- Participants eligible for funding
 - ‘Public partners’ (SMEs, universities, hospitals,...) request full reimbursement
 - Hybrid participants: can request some funding but keeping in mind 45% contribution should be reached + it will decrease the funding available for the other participants
- Participants not eligible for funding → make sure no EU contribution is requested (even if tool allows it!) **IT tool is not smart**



**Who gets what part of funding?
Important to discuss and agree among
applicants**

Costs covered by financial contributions (FC)

- Amount expected to be received for the project, other than the EU contribution
- Includes FC received by Private Members or Contributing Partners
- Beneficiaries receiving a FC must ensure that the part of costs covered by the FC are manually deducted from the requested EU contribution (no double funding allowed)
- In Proposal part b (table 3.1k): Financial contributions to be explained:
 - private member/contributing partner paying the FC,
 - the FC amount,
 - the beneficiary receiving the FC and
 - the concerned project activities to carry out by the beneficiary with the received FC

Costs covered with own resources

- Amount expected of own resources the participant plans to use for the implementation of the project
- When total project eligible costs not entirely covered by EU contribution or financial contribution or both
- Always zero for private members and contributing partners (own resources = IKOP)

Simple example of sources of financing

Type of participant	Total eligible costs	Requested EU contribution	Financial contributions	Own resources
'Public partners' (Universities, hospitals, SMEs, patient orgs, regulators..)	20 million	10 million	5 million	5 million

- Check that all costs are 'covered' **but no profit**
- Total eligible costs = (requested EU + financial contributions + own resources)

IHI specificities

Budget Table

For private members and contributing partners

Only for private members

N o.	Name of beneficiary	Co untry	Rol e	Per son nel costs	Subcontr acting costs	Purchase costs			Internally invoiced goods and services (Unit costs)	Indirec t costs	Tota l eligi ble costs	Fund ing rate	Maxim um EU contrib ution to eligible costs	Reques ted EU contrib ution to eligible costs	Incom e gener ated by the action	Financi al contribu tions	IKOP In-kind contributions for operational activities	Non-EU IKOP	Own resou rces	Total estimat ed income	IKAA In-kind contributions for additional activities
						Travel and subsistence	Equip ment	Othe r goods, works and services													

Estimated eligible costs

Estimated EU contribution and other sources of financing






IHI's specificities

IHI Private members (PM)

- Founding members of IHI JU (together with the EC)
- **Four** Industry trade associations (EFPIA includes Vaccines Europe subgroup)



IHI Private members (PM)

Industry Trade Associations	Represents	Mission/Vision
	Pharmaceutical industry	To create a collaborative environment that enables our members to innovate, discover, develop and deliver new therapies and vaccines for people across Europe, as well as contribute to the European economy.
	Medical imaging, radiotherapy, health ICT and electromedical industries	Our industry provides safe and high quality products and services, which contribute to reducing health inequalities and enhance cost efficiency in healthcare systems. COCIR's key objective is to promote free worldwide trade of innovative medical technology while maintaining the competitiveness of the European medical imaging, radiotherapy, electromedical and health ICT industries.
	Medical Technology industry	Make innovative medical technology available to more people, while helping healthcare systems move towards a more sustainable path.
	Vaccine industry	(Subgroup of EFPIA) To support broad access to immunisation, enabling better protection of the health of individuals and the wider community throughout life, with both existing vaccines and those in development.
	Biotech industry	Committed to the socially responsible use of biotechnology to improve quality of life, to prevent, diagnose, treat and cure diseases, to improve the quality and quantity of food and feedstuffs and to move towards a biobased and zero-waste economy.

Contributing Partners (CP)

- Any organisation that wants to contribute to the IHI objectives without becoming a full member can apply
- Application: via 'letter of endorsement' to IHI Governing Board (GB)
- In letter: commit a certain contribution to a certain topic
- To be approved by the IHI GB

Contribution types

- **IKOP** - In-kind contributions to OPerational activities

Eligible costs incurred in implementing an IHI project

Include EU and non-EU IKOP

- **FC** - Financial contributions

Cash contributions to project beneficiary(ies) from the same consortium to support eligible costs for project implementation

- **IKAA** - In-kind contributions to Additional Activities

Costs for implementing additional activities

Private members can contribute IKOP, IKAA and FC.

Contributing partners can contribute IKOP and FC, not IKAA.

Private
members



Contributing
Partners



“Private members”

= “private members, their constituent or affiliated entities”

- **Private members:** industry trade associations (EFPIA (inc. Vaccines Europe)/ COCIR/ MedTech/EuropaBio)
- **Constituent entity:** member of one industry trade association (pays membership fees)
- **Affiliated entity:** entity that has a capital or legal link with a beneficiary (which is in this case a private member or a private member constituent entity)

Not a private member ? You cannot provide IKOP, IKAA, FC



One key threshold

Min 45% Industry contribution

*“Private members, their constituents or affiliated entities and contributing partners must contribute at least **45%** of the action’s eligible costs and costs for its additional activities”*

(IKOP + FC + IKAA) ≥ 45% of action’s (eligible costs + IKAA)

If threshold not reached collectively → (full) proposal NOT evaluated

Min 45% Industry contribution

- Coordinator of (full) proposal must submit a [Declaration](#)* (Annex) to confirm that the required 45% contribution will be provided
- 45% commitment should be maintained during project implementation
- 45% can be reached with only one or two contribution type (e.g only with IKOP)
- Need to be a private member or contributing partner to contribute to the 45%

E.g.: before Grant signature, IHI office will check if private members are indeed members and if contributing partners have been approved by the IHI GB.



- IKOP

In-Kind contribution for Operational activities


IKOP

- Only for private members and contributing partners
- Consist of eligible costs incurred in implementing project tasks
- Companies providing IKOP are subject to the same rights and obligations as any other beneficiary signing the GA
 - Same cost eligibility criteria (Art 6 of MGA)
 - Same costs types allowed
 - Same rules for project reporting ...

IKOP

- IKOP = Eligible costs for the action - requested IHI funding
- Make the calculation manually in the budget table
- Budget table: column 'IKOP' includes both **EU IKOP** and **non-EU IKOP**

Type of participant	Total eligible costs	Requested EU contribution	IKOP	Non-EU IKOP
Private members & Contributing partners <u>(Hybrid)</u>	15 million	5 million	10 million	2 million



Non-EU IKOP

- Eligible costs incurred in third countries OUTSIDE the EU or Horizon Europe associated countries
- the EU: 27 countries
- Third Countries Associated (AC) to Horizon Europe: (01.06.2022)
 - 13 HE associated countries: Armenia, Bosnia and Herzegovina, Georgia, Iceland, Israel, Kosovo, Moldova, Montenegro, North Macedonia, Norway, Serbia, Turkey, Faroe Islands
 - Ongoing agreements: Albania, Morocco, Tunisia, United Kingdom
 - Ukraine
 - Switzerland and UK:
 - currently not covered by an arrangement
 - If not AC at the time of the GA signature → IKOP is Non-EU

Non-EU IKOP

- Criteria: where the underlying activities are carried out. Does not take into account where the company is established.
e.g: company based in the US but activities carried out in Germany → EU IKOP
company based in Germany but activities carried out in the US → Non-EU IKOP
- **Non-EU IKOP ≤ 20% total IKOP** of private members and contributing partners at Programme level
- Project level: limit for IHI Call 1 and 2 is set at **100% non-EU**
If more than 20% → private member to liaise with Industry responsible office to ensure good monitoring at programme level



Financial Contributions (FC)

Financial contributions

- Cash paid to another beneficiary from the same consortium to support the eligible costs incurred by that beneficiary to implement the project
- Budget table:
 - No column 'FC paid' to be filled in by private member/contributing partner
 - FC paid are to be specified in the budget of the beneficiary(ies) receiving the FC (column 'Financial contribution' – slide 22)



- IKAA

In-Kind contribution for additional activities

IKAA Definition

“Additional activities” must fulfill all below conditions:

- Contribute to IHI JU's objectives and tasks;
- be set out in the IKAA Plan to be approved by the IHI Governing Board (following consultation of the advisory bodies - the SIP and the SRG);
- not be funded by the IHI JU or any other Union funding programme;
- be carried out in the Union or in countries associated with HE (i.e. cannot be non-EU);
- can be of two types:
 - Programme specific: contribute to the uptake of results from IHI/IMI2/IMI1 project or have a significant added value for the Union.
 - Project specific: contribute towards the achievement of objectives of IHI projects, or towards the dissemination, sustainability or exploitation of IHI project results.

Only for private members. Not for contributing partners.

IKAA threshold

- Total IKAA \leq **40% total** (IKOP + IKAA) from private members for the whole IHI Programme*

* includes both programme-specific IKAA and project-specific IKAA

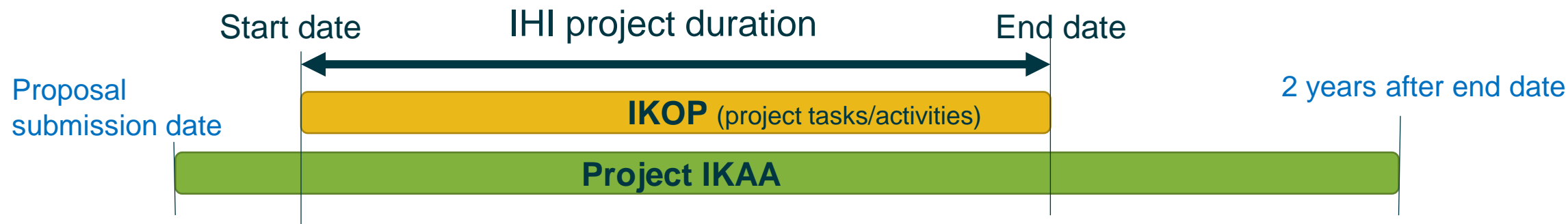
- Project level: no formal limitation

If more than 40%, private member to liaise with Industry responsible office to ensure good monitoring at programme level

Project-specific IKAA

Eligibility timeframe

- Costs may be incurred between the date of submission of the (full) proposal and up to 2 years after project end date

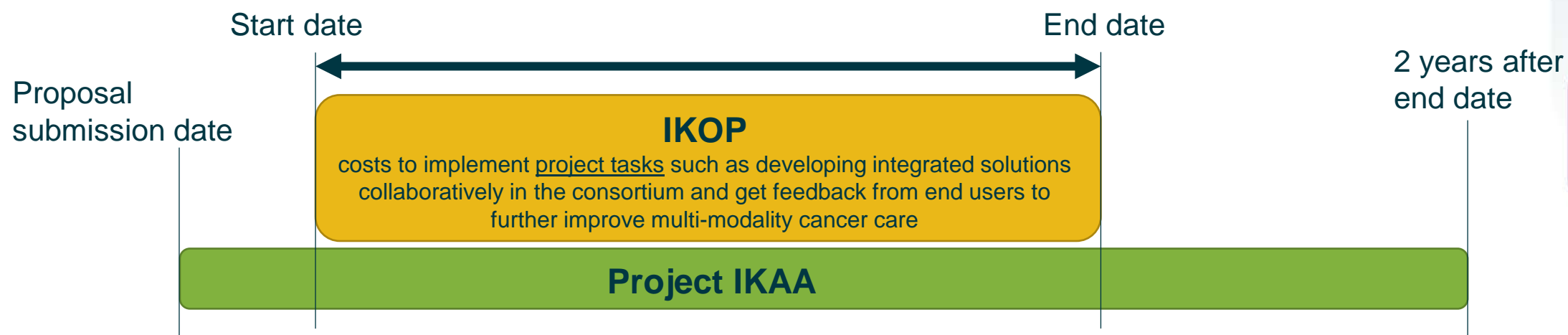


Project-specific IKAA versus IKOP

- IKOP: eligible costs in implementing project tasks/activities as described in the Description of the Action (DoA)
- IKAA: costs for additional activities that are not project tasks (i.e. not IKOP)
- It is up to the consortium to identify IKOP and IKAA for their respective project
- IKOP are eligible costs, so can be reimbursed by IHI (if Private members/Contributing partners eligible for funding)
- IKAA are non-eligible costs so can NOT be reimbursed by IHI

Project IKA – potential example

Project objectives: integrate diagnostic and predictive approaches to support multi-modality cancer care



Before project starts

costs for developing an image-guided radiation therapy device. The device will be used for the consortium activities and as a result will contribute to achieving the project's objectives.

During project implementation

costs for generating data from clinical trials using cancer treatments modalities (other than those of the project) which are used as independent datasets. These data will further contribute to verifying the usability of the integrated approach developed by the Project and help its finetuning (but the project activities will not depend on these specific datasets).

After project end

costs for developing a decision-making software tool that enables easier communication in the cancer care continuum and between stakeholders. This tool will contribute to the deployment/exploitation of the Project's outputs.

IKAA Cost valuation

- Costs are determined in compliance with the usual cost accounting practices of the private member
- In principle not subject to HE's eligibility rules unless the entity so requires and justifies (consistent approach across projects)
- IKAA can consist of any types of costs as far as it is necessary for the implementation of an additional activity (e.g. personnel costs, subcontracting costs, financial contributions, other direct costs, etc...)

Project-specific IKAA: Planning

- Additional activities to be specified in the IKAA Plan annexed to the (full) project proposal
- [Instructions](#) to fill in the [Annex on IKAA](#) are published on IHI website
- To be filled in by private members only (if applicable)
- Annex on IKAA will be checked by (full) proposal evaluators
 - Check if all conditions are fulfilled (slide 43), in particular:
 - AA contribute to project's objectives or to the dissemination, sustainability or exploitation of the project's results
 - AA are not project activities (i.e not IKOP)
 - AA carried out in the EU or HE Associated countries
- [IKAA guidelines](#) published on IHI website

Annex on IKAA in Project (full) Proposal

number in Project	Company name	Category of additional activities [please select]	Type of additional activities	<u>Confidential</u> Description of the additional activities	<u>Publishable</u> Description of the additional activities	Estimated period for the additional activity (before/during/after project implementation)	Link to IHI Project ([Free text] to explain how the AA contributes towards the achievement of objectives of the IHI project, or the dissemination, sustainability or exploitation of the IHI project results)	Estimated TOTAL value (Insert [amount] in EUR)
confidential	confidential	public	public	confidential	public	confidential*	public	<i>public</i>

*may be shared by the IHI GB with the SRG and the SIP if it is necessary to provide their opinion on the concerned AA

IKOP vs IKAA

	IKAA		IKOP
	Project specific IKAA	Programme-specific IKAA	
Scope	Costs to implement AA that are <u>not</u> project tasks		Eligible costs in implementing <u>project tasks</u> (as specified in Annex 1-DoA of the Grant Agreement)
Eligibility Timeframe	Costs incurred from (full) proposal submission date and up to 2 years after project end date.	Costs incurred during IHI JU Programme implementation. Costs must be incurred during the year foreseen in the annual IKAA Plan	Costs incurred during project implementation (from project start date to project end date)
Contributors	Only private members		Both private members and contributing partners IMI2: EFPIA/AP
EU/ non-EU	<u>Only EU</u>		EU and non-EU
Reporting tool	Activities and costs reported in a <u>separate tool</u> (to be developed by EC) Reporting template – under discussion at EC		Activities and costs reported in the project Periodic Report, via the Funding and tenders Portal – same tool for all beneficiaries IMI2: EFPIA/AP financial report in the SOFIA tool and technical report in project Periodic Report

IKOP vs IKAA

	IKAA		IKOP
	Project specific IKAA	Programme-specific IKAA	
Reporting deadline and content	Reporting due each year <u>by 31 May of year N+1</u> For the costs incurred during the last calendar year (1 January - 31 December of year N)		Reporting due <u>60 days</u> after the end of each reporting period For the costs incurred between the start date and the end date of each reporting period IMI2: EFPIA/AP reports and certify by 30 April each year
Affiliated entity(ies)	Reporting and Certification <u>together</u> for both main beneficiary (PM/CP) and its affiliated entity(ies)		<u>Separate</u> Reporting and Certification for main Beneficiary (PM/CP) and for its affiliated entity(ies) IMI2: EFPIA/AP reports and certifies the IKC of their affiliates (together)
Audit Certification	All IKAA should be certified to count for the matching. <u>No minimum threshold</u> . Certification template – under discussion at EC		If <u>funding requested = 0</u> : Certificate on the statements of contributions (CCS) required at the end of the project if $IKOP+FC \geq EUR\ 430\ 000$ (per beneficiary or affiliated entity). If <u>requesting funding > 0 (Hybrid)</u> : Certificate on the financial statements (CFS) required at the end of the project if requested IHI funding $\geq EUR\ 430\ 000$ (per beneficiary or affiliated entity) and irrespectively of the amount of IKOP and FC provided to the project IMI2: EFPIA/AP certification – no minimum threshold



- Budget table

Some practical examples



- # Example 1

Single stage call Proposal

EU funds available for targeted topic:	10,833,333
Matching needed by Private Members and Contributing partners contributions:	10,833,333*

*50% is a prudent approach but 45% of the action's (eligible costs + IKAA) is the formal minimum

Example 1 – single-stage call proposal

Step 1: Calculation of the contribution from Private Member and Contributing partners

(IKOP+FC+IKAA) needs to equal the total amount of EU funding available to consortium (EUR 10,833,333)

No	Participant type	Eligible Costs	Reimbursed Costs	IKOP	IKAA	FC	Contribution (IKOP+FC+IKAA) = EC funding available
A	Private members (Hybrid)	6,000,000	3,000,000	3,000,000	1,000,000	1,000,000	5,000,000
B	Private members (only IKOP)	2,000,000	0	2,000,000	1,333,333	0	3,333,333
C	Contrib. partner (Hybrid)	1,500,000	750,000	750,000	0	0	750,000
D	Private members (Hybrid)	1,500,000	750,000	750,000	1,000,000	0	1,750,000
	TOTALS	11,000,000	4,500,000	6,500,000	3,333,333	1,000,000	10,833,333

Example 1 – single-stage call proposal

Step 2: Calculation the remaining funding available for ‘Public partners’ (SMEs, Universities, ...)

- $[\text{Total contribution (IKOP+FC+IKAA)}] - [\text{Industry requested EU contribution}] = \text{EU funding left available}$
- Based on the EU funding that remains available, bring on board ‘Public partners’

No	Participant type	Contribution (IKOP+FC+IKAA)	Reimbursement Requested	Funding Remaining (Contribution – Reimbursement)
A	Private members (Hybrid)	5,000,000	3,000,000	2,000,000
B	Private members (only IKOP)	3,333,333	0	3,833,333
C	Contrib. partner (Hybrid)	750,000	750,000	500,000
D	Private members (Hybrid)	1,750,000	750,000	500,000
	TOTALS	10,833,333	4,500,000	6,333,333

Example 1 – single-stage call proposal

Step 3: Bring ‘Public partners’

Make sure the requested funding by ‘Public partners’ remains within the limits available (EUR 6,333,333)

Consortium Partner	Eligible Costs	Reimbursed Costs	IKOP	IKAA	FC	Total Contribution (IKOP+FC+IKAA)	Total Elig Costs + IKAA
Private A	6,000,000	3,000,000	3,000,000	1,000,000	1,000,000*	5,000,000	8,000,000
Private B	2,000,000	0	2,000,000	1,333,333	0	3,333,333	3,333,333
Private C	1,500,000	750,000	750,000	0	0	750,000	1,500,000
Private D	1,500,000	750,000	750,000	1,000,000	0	1,750,000	2,500,000
SME X	1,333,333	1,333,333	0	0	0	0	1,333,333
Large company Y	4,000,000	3,000,000	0	0	1,000,000	0	4,000,000
Hospital Z	2,000,000	2,000,000	0	0	0	0	2,000,000
TOTALS	18,333,333	10,833,333	6,500,000	3,333,333	1,000,000	10,833,333	21,666,666


‘Public partners’ = 100% of their costs reimbursed

* Normally not specified in the budget of Private A at proposal stage (see slide 41)

Example 1 – single-stage call proposal

Step 4: Ensure minimum 45% industry contribution is reached

Total Industry contribution (IKOP + IKAA + FC) \geq 45% of action's (eligible costs + IKAA)

Action's (eligible costs + IKAA)	= 21,666,666
Minimum Industry contribution (45%)	= 9,749,999 (45% of 21,666,666)
Total industry contribution (IKOP+FC+IKAA) = 10,833,333 (50%)	10,833,333 > 9,749,999 > 45% 

Consortium Partner	Eligible Costs	Reimbursed Costs	IKOP	IKAA	FC	Total Contribution (IKOP+FC+IKAA)	Total Elig Costs + IKAA
TOTALS	18,333,333	10,833,333	6,500,000	3,333,333	1,000,000	10,833,333	21,666,666

Example 1 – single-stage call proposal

Step 5: Budget table correctly balanced?

Eligible costs = Reimbursed costs* + IKOP

$$18,333,333 = 11,833,333 + 6,500,000$$


- to control that FC received have been deducted from the requested funding by 'public partners'
- to control eligible costs are all covered and there is no profit

* Reimbursed costs: requested EU contribution + own resources + FC

Consortium Partner	Eligible Costs	Reimbursed Costs	IKOP	IKAA	Total Contribution (IKOP+FC+IKAA)	Total Elig Costs + IKAA
TOTALS	18,333,333	10,833,333 + 1,000,000 (FC)	6,500,000	3,333,333	10,833,333	21,666,666

Example 1 – single-stage call proposal

Step 6: Check maximum 40% IKAA is not exceeded

IKAA \leq 40% total (IKOP + IKAA) from private members

Total IKOP from private members = 6,500,000 - 750,000 from 'Private C'
= 5,750,000

$3,333,333 / (5,750,000 + 3,333,333) = 0.367 \leq 40\%$



Consortium Partner	Eligible Costs	Reimbursed Costs	IKOP	IKAA	FC	Total Contribution (IKOP+FC+IKAA)	Total Elig Costs + IKAA
TOTALS	18,333,333	10,833,333	6,500,000	3,333,333	1,000,000	10,833,333	21,666,666

Example 2

Two-stage call Proposal

EU funds available for targeted topic:	8,333,333
Matching needed by Private Members and Contributing partners contributions:	8,333,333*

*50% is a prudent approach but 45% of the action's (eligible costs + IKAA) is the formal minimum

Short Proposal (stage 1 of two-stage Call)

- NO budget table
- Only total requested EU contribution should be specified

EU funds available for targeted topic:

8,333,333

Matching needed by Private Members and Contributing partners contributions:

8,333,333

- If Short proposal (SP) selected and ranked as first → start preparing the Full proposal (FP) together with the pre-identified industry consortium

Full Proposal (stage 2 of two-stage Call)

- All the contribution from private members & contributing partners is dedicated to the funding of 'Public partners'
- Entities NOT eligible for funding:
 - **Pre-identified** private members and contributing partners (in call text)
 - For-profit companies
 - with annual turnover \geq **EUR 500 millions** or
 - directly/indirectly controlling/or being controlled by for profit companies with an annual turnover \geq **EUR 500 million**

Example 2 – Full Proposal in two-stage call

Step 1: Calculation of the contribution from Private Member and Contributing partners

(IKOP+FC+IKAA) needs to equal the total amount of EU funding available to consortium (EUR 8,333,333)

No	Participant type	Eligible Costs	Reimbursed Costs	IKOP	IKAA	FC	Contribution (IKOP+FC+IKAA) = EC funding available
A	Private members (pre-identified)	3,000,000	0	3,000,000	1,000,000	1,000,000	5,000,000
B	Private members (pre-identified)	1,000,000	0	1,000,000	666,666	0	1,666,666
C	Contrib. partner (pre-identified)	500,000	0	500,000	0	0	500,000
D	Private members (pre-identified)	500,000	0	500,000	666,666	0	1,166,666
	TOTALS	5,000,000	0	5,000,000	2,333,333	1,000,000	8,333,333

Example 2 – Full Proposal in two-stage call

Step 2: Calculation the remaining funding available for ‘Public partners’ (SMEs, Universities, ...)

All the contribution from private members and contributing partners is dedicated to the funding of ‘public partners’ because pre-identified private members and contributing partners are not eligible for receiving funding

No	Participant type	Contribution (IKOP+FC+IKAA)	Reimbursement Requested	Funding Remaining (Contribution – Reimbursement)
A	Private members (pre-identified)	5,000,000	0	5,000,000
B	Private members (pre-identified)	1,666,666	0	1,666,666
C	Contrib. partner (pre-identified)	500,000	0	500,000
D	Private members (pre-identified)	1,166,666	0	1,166,666
	TOTALS	8,333,333	0	8,333,333

Example 2 – Full Proposal in two-stage call

Step 3: Bring ‘Public partners’

Make sure the requested funding by ‘Public partners’ remains within the limits available (EUR 8,333,333)


Consortium Partner	Eligible Costs	Reimbursed eligible Costs	IKOP	IKAA	FC	Total Contribution (IKOP+FC+IKAA)	Total Elig Costs + IKAA
Private A	3,000,000	0	3,000,000	1,000,000	1,000,000*	5,000,000	4,000,000
Private B	1,000,000	0	1,000,000	666,666	0	1,666,666	1,666,666
Private C	500,000	0	500,000	0	0	500,000	500,000
Private D	500,000	0	500,000	666,666	0	1,166,666	1,166,666
SME W	1,333,333	333,333	0	0	1,000,000	0	1,333,333
Large company X	500,000	0	0	0	0	0	500,000
Hospital Y	4,000,000	4,000,000	0	0	0	0	4,000,000
Non-Profit Z	4,000,000	4,000,000	0	0	0	0	4,000,000
TOTALS	14,833,333	8,333,333	5,000,000	2,333,333	1,000,000	8,333,333	17,166,666

* Normally not specified in the budget of Private A at proposal stage (see slide 41)

Example 2 – Full Proposal in two-stage call

Step 4: Ensure minimum 45% industry contribution is reached

Total Industry contribution (IKOP + IKAA + FC) \geq 45% of action's (eligible costs + IKAA)

Action's (eligible costs + IKAA)	= 17,166,666
<u>Minimum</u> Industry contribution (45%)	= 7,724,999 (45% of 17,166,666)
Total industry contribution (IKOP+FC+IKAA) = 8,333,333 (48%)	8,333,333 > 7,274,999 > 45% 

Consortium Partner	Eligible Costs	Reimbursed Costs	IKOP	IKAA	FC	Total Contribution (IKOP+FC+IKAA)	Total Elig Costs + IKAA
TOTALS	14,833,333	8,833,333	5,000,000	2,333,333	1,000,000	8,333,333	17,166,666

Example 2 – Full Proposal in two-stage call

Step 5: Budget table correctly balanced?

Eligible costs = Reimbursed costs* + IKOP

$$14,833,333 = 9,833,333 + 5,000,000$$



- to control that FC received have been deducted from the requested funding
- to control eligible costs are all covered and there is no profit

* Reimbursed costs: requested EU contribution + own resources + FC

Consortium Partner	Eligible Costs	Reimbursed Costs	IKOP	FC	IKAA	Total Contribution (IKOP+FC+IKAA)	Total Elig Costs + IKAA
TOTALS	14,833,333	8,333,333 + 500,000 (own resources)	5,000,000	1,000,000	2,333,333	8,333,333	17,166,666

Example 2 – Full Proposal in two-stage call

Step 6: Check maximum 40% IKAA is not exceeded

IKAA \leq 40% total (IKOP + IKAA) from private members

Total IKOP from private members = 5,000,000 - 500,000 from 'Private C'
= 4,500,000

$$2,333,333 / (4,500,000 + 2,333,333) = 0.34 \leq 40\%$$



Consortium Partner	Eligible Costs	Reimbursed Costs	IKOP	IKAA	FC	Total Contribution (IKOP+FC+IKAA)	Total Elig Costs + IKAA
TOTALS	14,833,333	8,833,333	5,000,000	2,333,333	1,000,000	8,333,333	17,166,666

Reference documents

- [Model Grant Agreement \(MGA\)](#) for Horizon Europe, including Annex 5 applicable to JUs
- [Draft AGA/](#) annotated version (annotations not available for Annex 5)
- [IKAA guidelines](#)



Thank you for your attention



applicants@ihi.europa.eu
finance@ihi.europa.eu



Co-funded by
the European Union