# IHI Call 5 Single-stage call Participation and Financial Rules

Magali Poinot, Team Leader Governance Antoine Juliens, Financial Manager Info Day, France, 23 October 2023



## The IHI Call 5 is a single-stage call

Open Call – Research & Innovation action (RIA) - Full Proposals (FP)

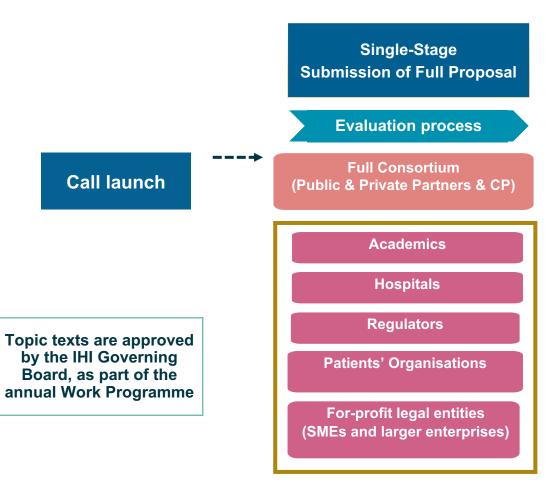
✓ Public and private actors self-assemble (such as academia, SMEs, large companies, regulators, etc.) and compete for funding.

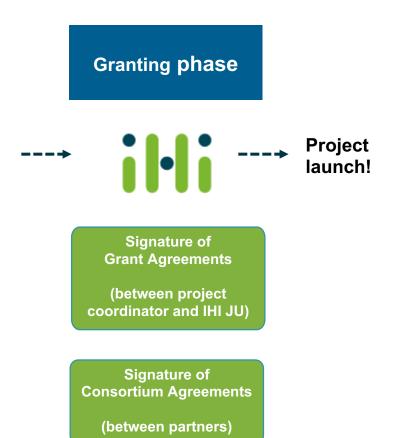
How to Find partners: You can use the <a href="https://example.com/lhtml/>
IHI portal until the call deadline.">IHI portal until the call deadline.</a>

- ✓ Applicant consortia will be assessed on the basis of the required expertise to reach the objectives of the submitted proposals (specific requirement described in the call topic text, including the public-private partnership requirement).
- ✓ Applicants might need to involve participants from different health sectors to meet the specific objectives.



## How does IHI work? single-stage procedure







# Call 5 single-stage Timelines

16 January 2024 17:00 Brussels time  Call Submission Deadline - Full Proposals (FP)

February 2024

Scientific evaluation

End March 2024

Information to the applicants - evaluation outcome

end - June 2024

 Grant Agreement Preparation (GAP) and GA signature



## Participation rules



## Participating in IHI Calls

Any legal entity, regardless its place of establishment, carrying out work relevant to the Call objectives may be part of applicant consortia

Same as Horizon Europe

But... not all participating entities are eligible for funding



#### General eligibility criteria

#### **Consortium composition (collaborative projects)**

- at least one independent legal entity established in a Member State, and
- at least two other independent legal entities each established either in a different Member State or an Associated Country.

#### **EU COUNTRIES**

- Member States (MS)
   including their outermost
   regions
- The Overseas Countries and Territories (OCTs) linked to the MS.

#### **NON-EU COUNTRIES**

- Countries associated to Horizor Europe (AC)
- Low and middle income countries: See <u>HE Programme</u> <u>Guide</u>.

#### COUNTRIES ASSOCIATED TO HORIZON EUROPE

- Countries associated to Horizon Association agreements produce legal effects
  - Transitional arrangements
  - UK applicants are treated as beneficiaries during the application process and as associated partners throughout the project implementation until the association comes into force (expected January 2024).
  - Switzerland is currently not covered by the transitional arrangement.



## Entities eligible to receive IHI funding



Any legal entity established in a Member State, Associated Country or Low and Middle Income Countries

See Horizon Europe programme guide





Third country to Horizon Europe legal entities are normally not eligible for receiving IHI funding

exceptional funding (recommended by experts evaluators) when it considers that their participation is essential



#### Eligibility for funding in single-stage Calls





#### EU restrictive measures

Special rules apply for entities from certain countries

- Given the invasion of Ukraine by Russia and the involvement of Belarus:
- Legal entities established in Russia, Belarus, or in non-government controlled territories of Ukraine are not eligible to participate in any capacity (beneficiaries, affiliated entities, associated partners, third parties giving in-kind contributions, subcontractors or recipients of financial support to third parties)

Same as Horizon Europe

- Council Implementing Decision (EU) 2022/2506 on measures for the protection of the Union budget against breaches of the principles of the rule of law in <u>Hungary</u> that took effect on 16 December 2022.
- No European funds are made available, directly or indirectly, to third parties that are public interest trusts established on the basis of the Hungarian Act IX of 2021 or any entity maintained by such a public interest trust. This concerns legal commitments involving Union funding e.g. related to: the purchase of goods, works or services; subcontracting; financial support to third parties; equipment renting or leasing; personnel seconded against payment
- You can find an indicative non –exhaustive list of affected entities (i.e. public interest trusts and entities maintained by them) under this <u>link</u>.



## Financial rules



#### **IHI Public Private Partnership**

Co-funding Principle (2021-2027)

1 EUR private Contribution

1 EUR Public Funding

Industry
1.2 Billion
EUR
in kind
contribution

IHI (EC)
1.2 Billion
EUR
Public
funding



## IHI Private members (PM)

Four Industry trade associations (EFPIA includes Vaccines Europe subgroup)







- EFPIA includes Vaccines Europe subgroup
- "Constituent entities": members of these associations
- Affiliated entities of the above entities (financial or legal link)



## Contributing Partners (CP)

- Any legal entities interested in supporting IHI JU's strategic and specific objectives in their specific areas of research without becoming full members
- Example :
  - JDRF Juvenile Diabetes Research Foundation (New York, Paris)
  - Welcome Trust, London
  - Bill & Melinda Gates Foundation, Seattle
- Application by submitting a letter to IHI Governing Board (GB) before the call deadline
- Their contribution (IKOP and/or FC) must fulfil the cost eligibility criteria (<u>Art 6 of MGA</u>)

More information on contributing partners on <u>IHI website</u>



#### IHI call 5

	EU Funding Maximum Budget	indicative Funding per proposal	Min 45% Contributions (IKOP,FC,IKAA)
Topic 1	30 million	12 à 15 million	
Topic 2	25 million	10 à 12 million	
Topic 3	40 million	10 à 13 million	
Topic 4	20 million	10 million	
Total Call 5	115 million		

Deadline: 16 Jan 2024 single Stage proposals



#### Minimum 45% contribution

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

#### Proposal Total eligible costs

Incurred by entities

#### Requesting funding

(sme, non-profit, patient organisations, academics,...)

#### **Hybrid:**

**Contributing in-kind** (IKOP) and/or cash and

**Requesting funding** 

(private members, contributing partners)

#### Not requesting funding

but contributing in-kind (IKOP) and/or cash

(private members, contributing partners)

Costs reimbursed

Costs not reimbursed

Costs covered by Public funds (EC)

**Private** funds (private members, contributing partners)









**IKAA** Not project eligible costs

(private members only)

## Eligible costs

Horizon Europe



## **Budget items**

No.	Particip ant legal name	Role	Personnel costs	cting costs	Pur	nt	 invoiced goods and services	ct	Eligibl	g Rate	contributi	generat	Financial contributio ns (FC) RECEIVED	contributio ns (FC)		resourc	

**Estimated eligible costs** 

Estimated EU contribution and other sources of financing

**IHI's specificities** 



#### 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 without a salary (unit cost) (distinction unit vs actual costs not made at proposal stage in budget table, only at Grant preparation stage)

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

- Beneficiary contracts a third party to work on <u>project tasks</u>
- Contractual link between subcontractor and beneficiary based on business conditions as it includes a <u>profit margin</u> for the subcontractor
- Selection of subcontractor: the beneficiary should follow its usual internal 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 <u>Unit cost</u> following the beneficiary's usual cost accounting practices
- Fulfill the general eligibility conditions (<u>Art 6 MGA</u>)



#### Indirect costs 25% (art 6.2 E in MGA)

 Fixed flat rate as 25% of the direct costs (excluding subcontracting costs and internally invoiced goods and services)

Calculated <u>automatically</u> for <u>all</u> beneficiaries



#### **IKOP** and **FC**

In-Kind contribution to Operational activities

FC: Financial Contributions



#### **IKOP**

- IKOP: Same eligibility as as Horizon Europe
  - Personnel costs
  - Subcontracting
  - Purchase costs
  - Indirect costs 25%



## Financial contributions (FC) paid

 <u>Cash paid</u> by a private member or a contributing partner to a beneficiary to support (a part of) its project eligible costs

- 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

#### Non-EU IKOP

- IKOP incurred in third countries <u>OUTSIDE</u> the EU or Horizon Europe associated countries
- the EU: 27 countries
- Third Countries Associated (AC) to Horizon Europe: (15.09.2023)
  - 17 HE associated countries: Albania, Armenia, Bosnia and Herzegovina, Faroe Islands, Georgia, Iceland, Israel, Kosovo, Moldova, New Zealand, Montenegro, North Macedonia, Norway, Serbia, Tunisia, Turkey, Ukraine
  - Ongoing agreements: Morocco, United Kingdom
- ➤ IKOP incurred in US, Switzerland, UK... is 'Non-EU' IKOP
- ➤ UK for call launched in 2024: <u>EU</u> IKOP



#### Non-EU IKOP

- Criteria: where the underlying activities are carried out. Does <u>not</u> take into account where the company is established.
  - e.g: company based in the US but activities carried out in <u>Germany  $\rightarrow$  EU IKOP</u> company based in Germany but activities carried out in the <u>US  $\rightarrow$  Non-EU</u> IKOP
- Programme level: Non-EU IKOP ≤ 20% total IKOP of private members and contributing partners (in all projects together)
- Project level: limit for IHI Call 5 is set at 30% non-EU
   If more than 30% → in case the proposal is selected (at grant preparation stage) non-EU should be reduced to maximum 30% and the minimum of 45% contribution maintained





## IKAA

In-Kind contribution to additional activities



#### IKAA in an IHI proposal

Only for private members, not for contributing partners

"Additional activities" must fulfil all below conditions:

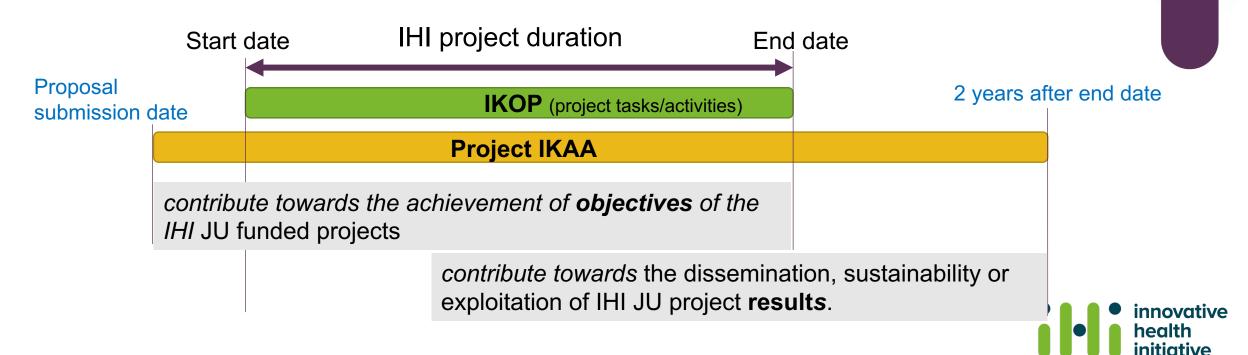
- 1. contribute towards the achievement of objectives of the IHI projects, <u>or</u> towards the dissemination, sustainability or exploitation of the IHI project results
- 2. not be funded by the IHI or any other Union funding programme
- 3. be carried out in the Union or in countries associated with HE
- 4. be described in the Annex on IKAA of the Proposal (using these Instructions)
- 5. not be project task(s) (i.e not IKOP as per DoA)





## IKAA versus IKOP

- IKOP: cost must incur during the project implementation
- IKAA: costs can incur between the date of <u>submission of the proposal</u> and <u>up to</u>
   2 years after project end date



#### IKOP vs IKAA

	I	KAA	IKOP							
	Project specific IKAA	Programme-specific IKAA								
Scope	Costs to implement AA th	at 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	` ′	Programme implementation.								
Contributors	Only private members		Both private members and contributing partners							
EU/ non-EU	Only EU		EU and non-EU							



#### IKOP vs IKAA

	IKAA		IKOP						
	Project specific IKAA	Programme-							
Reporting tool	· ·	port but in a	Activities and costs reported in the project Periodic Report, via the Funding and tenders Portal – same tool for all beneficiaries						
Reporting deadline and content		ring the last							
Audit Certification	All IKAA should be certified the matching. No minimum the Certification template avail website.	<u>hreshold</u> .	If <u>funding requested = 0</u> : Certificate on the statements of contributions (CCS) required at the end of the project if IKOP+FC ≥ EUR 430 000 (per beneficiary or affiliated entity).  If <u>requesting funding &gt; 0 (Hybrid)</u> : Certificate on the financial statements (CFS) required at the end of the project if requested IHI funding ≥ EUR 430 000 (per beneficiary or affiliated entity) and irrespectively of the amount of IKOP and FC provided to the project						

# one key Treshold

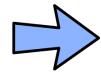
min 45% co-funding



#### Min 45% contribution co-funding

"Private members, their constituents or affiliated entities and contributing partners must contribute at least 45% of the action's eligible costs and costs for additional activities"

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



Annex on budget verifies automatically if your proposal reaches 45%

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



#### **Example**

Consortium Partner	Eligible Costs	Requested EU contribution	IKOP	IKOP Financial Contribution received		Total Contribution (IKOP + FC + IKAA)
University A	6,000,000	4,000,000	/	2,000,000	/	2,000,000
Hospital B	2,000,000	2,000,000	/	/	/	0
SME C	3,000,000	3,000,000	/	0	/	0
Private Member (EFPIA)	4,000,000	0	4,000,000	0	500,000	4,500,000
Private Member (Hydride)	3,000,000	1,000,000	2,000,000	0	0	2,000,000
TOTALS	18,000,000	10,000,000	6,000,000	2,000,000	500,000	8,500,000



**<sup>=</sup>** IKOP + FC + IKAA = 8.5 million / (18 million + 0.5 million )= 46 %

#### Min 45% contribution

- Coordinator of the proposal must submit a <u>Declaration</u> (Annex) to confirm that the required 45% contribution will be provided
- 45% can be reached with only one or two contribution type (e.g only with IKOP)
- Only private members and contributing partners can contribute to the 45%

(during GAP, IHI office checks if private members are indeed members and if contributing partners have been approved by the IHI GB).

- 45% must be maintained during project implementation
- > Prudent approach recommended for proposals: aim for 50%



#### Reference documents

- Model Grant Agreement (MGA) for Horizon Europe, including Annex 5 applicable to Jus
- <u>Draft AGA</u> annotated version of MGA (no annotations for Annex 5)
- Frequently asked questions for IHI Calls
- IHI guide for applicants
- IKAA guidelines
- Annex on budget for Call 5
- Guide for Contributing Partners



# More information Stay in touch



## Your contact points

#### **Today**

Do not be shy, raise your hands

#### **At the IHI Programme Office**

Queries on Call 5: applicants@ihi.europa.eu

#### At national level

French representatives at the IHI States' Representative Group (SRG)

Health National Contact Points (NCP)







ihi.europa.eu

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Thank you for your attention











