

TUTORIAL FUNDING RATES

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DEFIS.R.2 Financial Management
and Internal Control

EU funding rates: Research vs Development

- RESEARCH – 100%
- DEVELOPMENT – activity based % funding rate – CO-FINANCING
- EDF is an activity-based programme for development actions: actions are composed of different activities financed at different rates.
- Funding rate mechanism to incentivise participation of SMEs and mid-caps, synergies with other EU initiatives.

MGA

5.3 Funding rate

- Individual funding rates and maximum amounts per beneficiary and reporting period are set out in Annex 2e.

EU funding rates: Research vs Development

RESEARCH

Activity type	EU funding rate
Generating knowledge	100%
Integrating knowledge	100%
Studies	100%
Design	100%

DEVELOPMENT

Activity type	EU baseline funding rate
Integrating knowledge	65%
Studies	90%
Design	65%
Prototyping	20%
Testing	45%
Qualification	70%
Certification	70%
Increasing efficiency	65%

BONUS


EU maximum funding rate
100%
100%
100%
55%
80%
80%
80%
100%

EU funding rates: Research vs Development

RESEARCH

Activity type	EU funding rate
Generating knowledge	100%
Integrating knowledge	100%
Studies	100%
Design	100%

Funding rate of the activity applies to:

- All beneficiaries
- All costs categories included in the activity

DEVELOPMENT

Activity type	EU baseline funding rate
Integrating knowledge	65%
Studies	90%
Design	65%
Prototyping	20%
Testing	45%
Qualification	70%
Certification	70%
Increasing efficiency	65%

BONUS
→

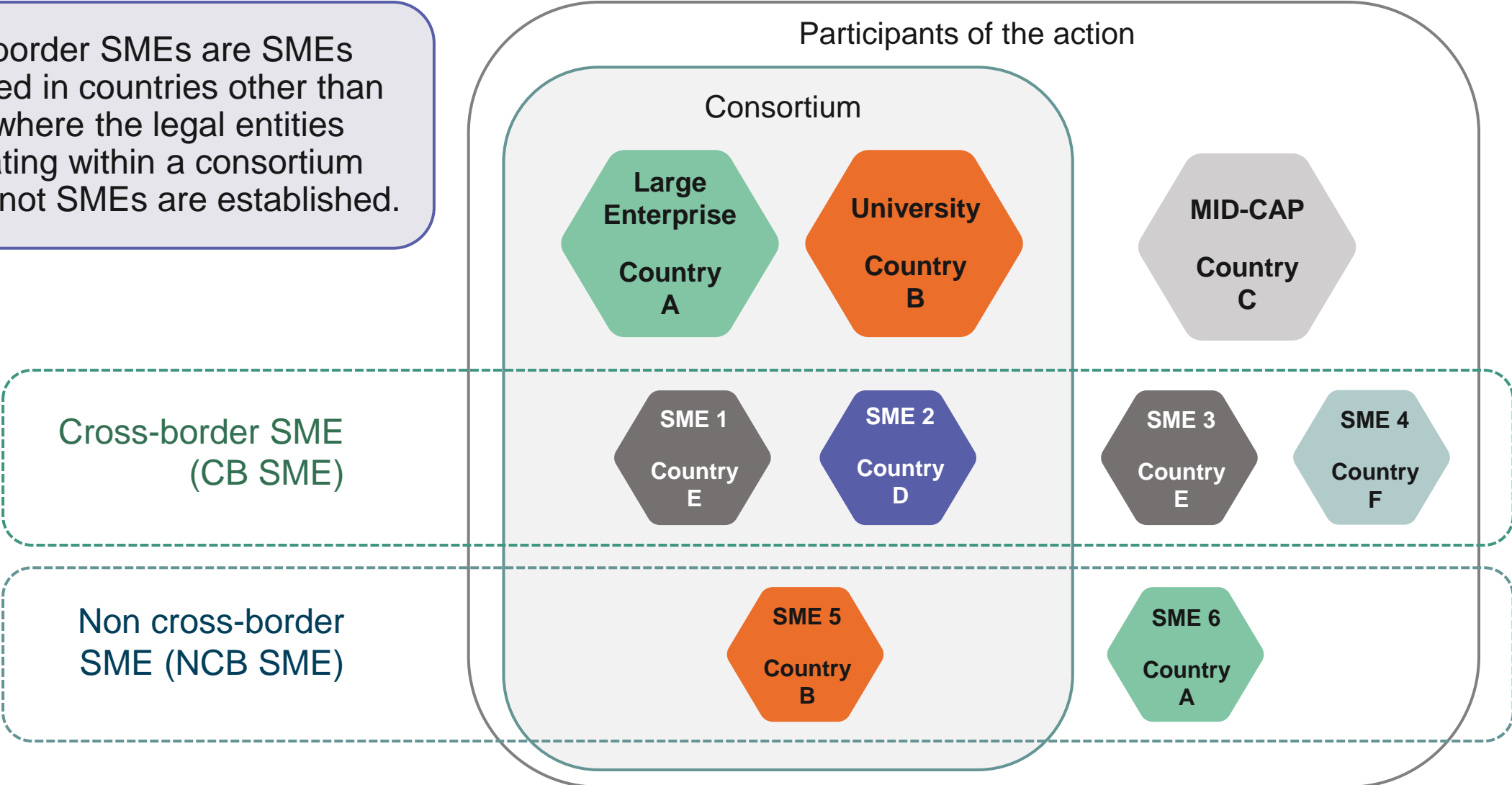
EU maximum funding rate
100%
100%
100%
55%
80%
80%
80%
100%

The bonus system: development actions

CONDITION FOR APPLICATION	VALUE OF THE BONUS
PESCO Bonus	
Action developed in context of the Permanent Structured Cooperation (PESCO)	+10% for all activities in the action
'Mid-cap' bonus	
% eligible costs allocated to 'Midcaps' established in the EU (or NO) \geq 15%	+10% for the activity
SME Bonus	
% eligible costs allocated to 'SMEs' established in the EU (or NO) \geq 10%	% of eligible costs allocated to ' non cross-border SMEs ' established in the EU or NO (maximum 5%) + 2 x % of eligible costs allocated to ' cross-border SMEs ' established in the EU or NO

Cross-border and non-cross-border SMEs

Cross-border SMEs are SMEs established in countries other than those where the legal entities cooperating within a consortium which are not SMEs are established.



The bonus system: example

Project

Consortium of 4 types of beneficiaries

Activity type: **Prototyping**

No link with PESCO

Bonus calculation

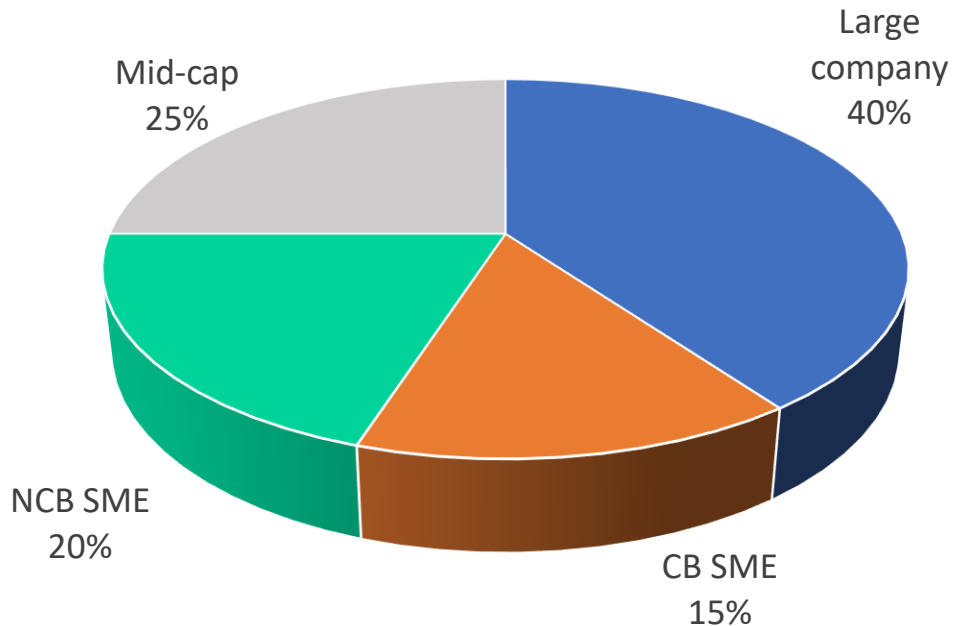
Activity type	EU baseline funding rate
Prototyping	20%

BONUS



EU maximum funding rate

% eligible costs



#EUDefenceIndustry

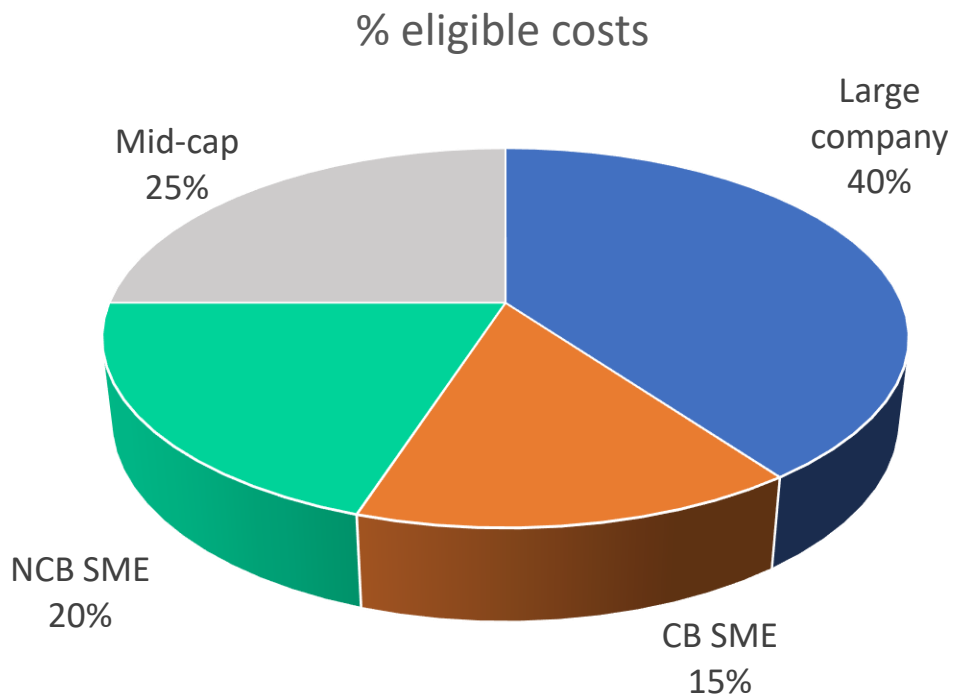
The bonus system: example

Project

Consortium of 4 types of beneficiaries

Activity type: **Prototyping**

No link with PESCO



Bonus calculation

Activity type	EU baseline funding rate	BONUS	EU maximum funding rate
Prototyping	20%	→	

PESCO: No

0 %

Mid-cap: Eligible costs \geq 15 %

10 %

SME: Eligible costs \geq 10 %

NCB: Eligible costs = 20 %

5 %

CB: Eligible costs = 15 %

30 %

Total

45 %

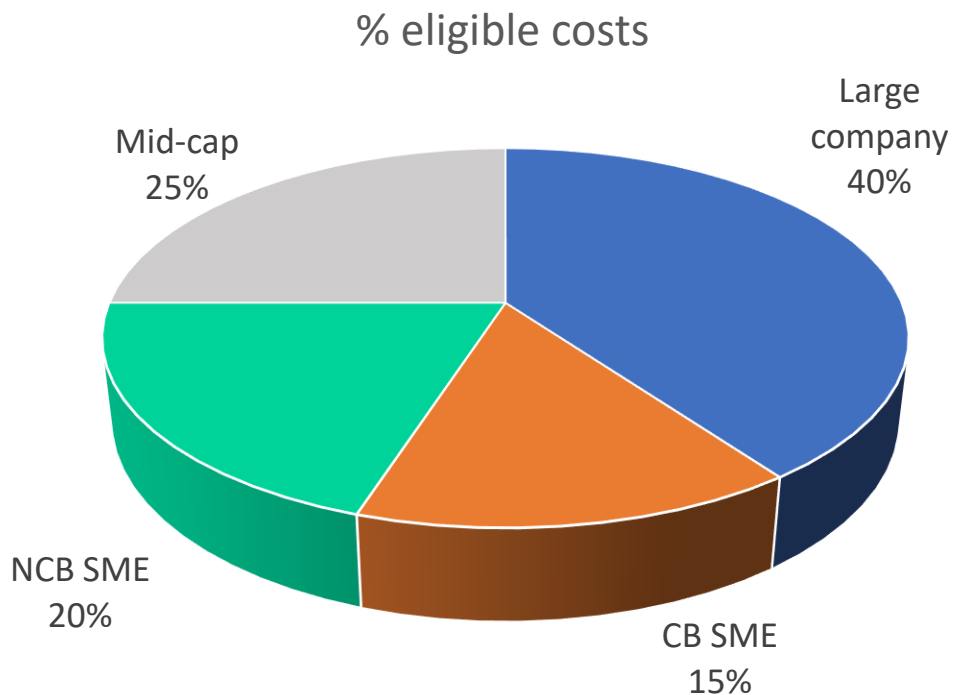
The bonus system: example

Project

Consortium of 4 types of beneficiaries

Activity type: **Prototyping**

No link with PESCO



Bonus calculation

Activity type	EU baseline funding rate
Prototyping	20%

BONUS



EU maximum funding rate
55%

PESCO: No

0 %

Mid-cap: Eligible costs \geq 15 %

10 %

SME: Eligible costs \geq 10 %

NCB: Eligible costs = 20 %

5 %

CB: Eligible costs = 15 %

30 %

Total

~~40 %~~

Total BONUS

35 %



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**MANY
THANKS
FOR YOUR
ATTENTION**