

Annex 2 – Financial Aspects

Entrepreneurship Training and Education Call

EIT Health

Munich | 14 February 2022

A.2. Financial Aspects: Funding rates and model

Minimum requirements with regards to co-funding

The EIT Health funding model seeks to align, pool and leverage our community's innovation investments. In order to meet these objectives, EIT Health applies a funding model whereby the EIT's overall financial contribution for the entire portfolio does not exceed a certain threshold (in 2022: 80% on average) of our community's overall resources / costs.

Therefore, beneficiaries should be able to co-fund their own activities and co-finance their own costs.

The EIT's financial contribution is provided in the form of a grant, and EIT funding rates differ between partner types. The co-funding rates fix the minimum amounts of co-funding per beneficiary type.

The different co-funding rates will depend on the type of beneficiary (for-profit vs. not-for-profit):

- All for-profit beneficiaries (with a legal form classified as "private" and "business") must contribute minimum 50% co-funding (maximum funding rate / reimbursement rate of 50%) of all costs for all projects or activities of the EIT Health portfolio.
- All not-for-profit beneficiaries must contribute a minimum 20% co-funding (maximum funding rate / reimbursement rate of 80%) of all costs for all projects or activities of the EIT Health portfolio.

The terms "for-profit" or "not-for-profit" are based on the organisation's self-assessment when filling the Legal Entity Form, a mandatory step for entities wishing to receive an EU grant. A "non profit legal entity" means a legal entity which by its legal form is non-profit-making or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

Furthermore, EIT Health considers beneficiaries with a legal form classified as "Tech Transfer", "Cluster", "NGO", "Education", "Research", "Municipality/City" or "University Hospital/Hospital" as being "not-for-profit" oriented organisations. Therefore, these types of beneficiaries must contribute a minimum 20% co-funding.

Exception for SMEs participating in the Start-up Amplifier instrument

Small- and medium-sized enterprises (SMEs) that participate in the start-up Amplifier instrument are exempted from the co-funding rules described above. Such beneficiaries do not have to bring co-funding.

Please note that this applies only to the SME applying as Start-up Amplifier in a Start-up driven Innovation project. It does not apply to SMEs participating in other programmes or

beneficiaries other than SMEs participating in the Start-up Amplifier instrument.

All beneficiaries are allowed and encouraged to offer more co-funding than their minimum.

Flexibility to ‘shift co-funding’ and offer more than minimum

In order to offer a certain level of flexibility, EIT Health allows the shifting of co-funding between beneficiaries within the same activity or project:

It is possible for a beneficiary to offer a higher amount/rate of co-funding (lower reimbursement rate) to allow another beneficiary within the same activity or project to request a lower co-funding amount/rate (higher reimbursement rate) as long as the total co-funding of the activity or project is not below the overall “technical” minimum.

The shift of co-funding is only allowed between beneficiaries within the same activity or project. A shift of co-funding between activities and projects is not allowed. **No partner’s co-funding can exceed their own costs.**

Example of co-funding shifts			
	Partner 1 (for-profit)	Partner 2 (for-profit)	Partner 3 (not-for-profit):
Cost structure (total activity costs)	€100,000	€250,000	€350,000
Step 1			
Technical co-funding minimum: €245,000	€50,000 (50% of total costs)	€125,000 (50% of total costs)	€70,000 (20% of total costs)
Step 2			
Option 1: Co-funding shift without increasing the overall co-funding amount	€30,000	€200,000	€15,000
Option 2: Co-funding shift with increasing the overall co-funding amount to €290,000	€30,000	€200,000	€60,000

Definition of Co-Funding and Reimbursement Rate

“Co-Funding” is defined as the difference between eligible activity costs and requested EIT Grant
“Reimbursement Rate” is the share of EIT Health activity costs that will be financed by the EIT:

Examples (using numbers from example above):

Option 1: Co-funding Shift without increasing

Partner 1: total EIT Health activity costs of €100,000 and co-funding of €30,000

- EIT contribution of 70,000 EUR and reimbursement rate of 70%

Partner 2: total EIT Health activity costs of €250,000 and co-funding of €200,000

- EIT contribution of €50,000 and reimbursement rate of 20%

Partner 3: total EIT Health activity costs of €350,000 and co-funding of €15,000

- EIT contribution of 335,000 EUR and reimbursement rate of 95,7%