

REIMBURSEMENT GUIDELINES FOR FUSION FOR ENERGY (F4E) GRANTS

These guidelines concern the implementation of the articles in relation to the upper funding limits, respectively Article II.14 of the Model Grant Agreement for single beneficiaries and article II.15 of the Model Grant Agreement for multiple beneficiaries.

1.) General rule for determining the appropriate rate of reimbursement

The Grant funding instrument is applicable to those cases in which there is a common and shared interest by a beneficiary and F4E for the successful completion of an action. In a grant action, ownership of the resulting intellectual property remains with the beneficiary and as a consequence the responsibility over the final results remains shared. The contribution provided by F4E in funding the action for achieving the final result gives F4E the unlimited right to use these results.

Full cost reimbursement (maximum 100%) by F4E may only apply to those costs which are incurred by the beneficiary/ies because of F4E's involvement. All the costs which the beneficiary would have incurred anyway for the successful performance of the action may be reimbursed by F4E at either a maximum of 40% or a maximum of 70% depending on the nature of the activities.

2.) Definitions of cost types and their maximum funding rate of eligible cost

a. Research and Development activities (R&D) – 40% or 70%

R&D activities are those directly aimed at creating new knowledge, new technology, and products, including scientific coordination. These activities are associated with the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new components, processes or services or for bringing about a significant improvement in existing components, processes or services.

As a general rule, all R&D costs are reimbursed at maximum 40% by F4E up to the overall ceiling indicated in the call for proposals. In specific cases, however, where the applicant would have to purchase durable equipment and assets or ancillary services (durable prototypes, engineering, design, etc.) for the successful performance of the R&D action, F4E may increase its reimbursement rate from this general maximum 40% level to maximum 70% while remaining within the overall ceiling indicated in the call for proposals.

In this case, applicants will include in their proposals a detailed list of the costs which they request to be reimbursed at maximum 70%, justifying the reason why these expenses (purchases) are necessary for achieving the action's success. F4E will then analyse the requests and inform applicants of which costs are not accepted as eligible for the maximum 70% funding rate and thus request a revised proposal from the applicant.

Only those costs which have been approved by F4E as eligible for this higher funding rate will be reimbursed at maximum 70%.

b. Demonstration activities – 40% or 70%

Demonstration activities are designed to prove the viability of new technologies that offer a potential economic advantage, but which cannot be commercialised directly (e.g. testing of products such as mock-ups and prototypes). These activities are associated with the acquiring, combining, shaping and using of existing scientific and technological and other relevant knowledge and skills. The activities may comprise producing drafts, prototypes, pilot projects, mock-ups, designs and drawings.

As a general rule, all Demonstration costs are reimbursed at maximum 40% by F4E up to the overall ceiling indicated in the call for proposals. In the specific cases, however, where the applicant would have to purchase durable equipment and assets or ancillary services (durable prototypes, engineering, design, etc.) for the successful performance of the Demonstration action, F4E may increase its reimbursement rate from this general maximum 40% level to maximum 70% while remaining within the overall ceiling indicated in the call for proposals.

In this case, applicants will include in their proposals a detailed list of the costs which they request to be reimbursed at maximum 70%, justifying the reason why these expenses (purchases) are necessary for achieving the action's success. F4E will then analyse the requests and inform applicants of which costs are not accepted as eligible for the maximum 70% funding rate and thus request a revised proposal from the applicant.

Only those costs which are approved by F4E as eligible for the higher funding rate will be reimbursed at maximum 70%.

c. Management activities – 100%

Management activities include the legal, financial, planning, contractual (including subcontractor) and administrative management necessary to implement the action including obtaining certificates on the financial statements and on the methodology and costs relating to financial and technical audits. In case of multiple beneficiaries the costs related to the management of the consortium agreement can also be claimed. The management costs may also include costs necessary to organise a call-for-proposal/call-for tender to choose a subcontractor.

The costs related to the coordination of the consortium concern the administrative coordination and thus can never include costs for the coordination related to the implementation of the R&D and demonstration activities. Such costs related to "scientific coordination", may only be reimbursed at maximum 40%. Most of the **project meetings** are scientific meetings and have to be charged as a scientific (RTD) activity.

In case of single beneficiaries, management costs are generally supposed to be lower as there is only one beneficiary. However in case the action involves coordination with third parties or subcontractors, these costs could be higher.

As a general rule, management costs also include identification of intellectual property in a way which is specific to F4E needs (e.g. assistance for the preparation of the background declaration, assistance for the preparation of a "freedom to operate" report, identification of IP assets from third parties needed to implement the action, etc.).

→ ***There is no limit of costs or percentage of funding which can be used for management activities. However, like all costs, in order to be eligible, they must comply with the conditions regarding eligible costs, set out in Article II.12/13 of Grant Agreement for single and multiple beneficiaries (actual, economy, efficiency, etc.).***

Notwithstanding the above, if a single beneficiary estimates more than 5 % or a consortium estimates more than 10 % of the financial contribution (for R&D, demonstration & other specific activities) as management costs, the higher amount should be explained and further justified in detail in the proposal.

→ ***Costs will be in all cases reimbursed according to the purpose of the activity, and not to the nature of it. In particular, regarding travels, rates will depend on the main purpose of the travel: i.e., meetings, travel and subsistence costs concerning the implementation of R&D and Demonstration activities are reimbursed maximum 40%; travel and subsistence costs regarding e.g. the administrative management of the consortium fall under "management activities" and are reimbursed maximum 100%.***

Example:

In a grant action with five sub-tasks involving four beneficiaries, Beneficiary "A" is the coordinator of all tasks in the Action; in this respect it is in charge of:

- a) the overall technical and scientific coordination of the consortium;
- b) administrative co-ordination of the consortium;
- c) compilation of the certificates on the financial statements and the provision of its own financial certificate;
- d) implementation of sub-tasks one and two;

For the above scenario, the following reimbursement rates apply:

- a) For its technical and scientific coordination of the project: maximum 40% (e.g. drafting of technical minutes, organisation of technical progress meetings, etc.);
- b) For the administrative co-ordination of the consortium: maximum 100%;
- c) For its management costs related to the certificate on financial statements: maximum 100%;
- d) For its R&D work: maximum 40% or maximum 70% according to Article II.14 of the Model Grant Agreement for single beneficiaries and article II.15 of the Model Grant Agreement for multiple beneficiaries

d. "Other specific activities"

Other specific activities are those that are not covered by R&D, Demonstration or Management activities.

The two main requirements for costs to fall under this category are:

- "other": activities not part of R&D, Demonstration or Management
- "specific": specifically required (and identified) by F4E

Those "other specific activities" shall be identified upfront in the call for proposals / letter to unique beneficiary. They should be explicitly included in Annex A (Technical Specifications) and/or Annex B (Quality Assurance Management Specifications) to the Grant Agreement.

These activities may concern, for example:

- **Activities linked to IPR, Exploitation and Dissemination.**
Specific dissemination actions requested by F4E: for example the establishment of a website; the presentation of the project during conferences or workshops; the drafting of a scientific publication including, if applicable, the payment of a fee for its publication; the establishment and maintenance of an online material database; the preparation, publication and dissemination of design and/or test standards for use by the ITER community; the preparation, publication and dissemination of design manuals, etc.
 - Promotion of the exploitation of the action's generated IPR¹ when requested explicitly by F4E (for example feasibility studies for the creation of spin-offs or "take up" activities regarding the assessment, trial and validation of promising, but not yet established technologies and solutions).
- **Activities linked to Quality Assurance (QA).**
QA costs not concerning the establishment of a general purpose QA system by the beneficiary/ies, but only concerning implementation of additional (in many cases special) QA related to the action covered by the Grant Agreement.
- **Activities linked to Training.**

¹ Remark: Actual commercial exploitation and any concrete preparation thereof (as opposed to the above-mentioned feasibility studies or "take up" activities), as well as related activities (e.g. marketing) cannot receive funding.

As for instance the organization of training courses upon specific and explicit request by F4E, for personnel from fusion-related entities (including F4E, ITER IO, other DA, etc.). This may also include the organization of workshops and conferences with purely training purposes.

- Activities linked to **Travel**.
In order for travel activities to be eligible under the “other specific activities” costs category, they need to be clearly specified in F4E call for proposals documentation; e.g. travel to a supplier indicated by F4E to supervise the manufacturing of a component. Travels to attend progress meetings are not eligible; they need to be claimed under the relevant category of costs depending on the nature of the scientific and technical work (R&D or Demonstration activities).
- Monitoring activities explicitly requested by F4E (e.g. **the monitoring of a separate procurement contract**);
- Logistics and transportation costs explicitly requested by F4E (e.g. **shipment of a sample or prototype to a laboratory or test facility specified by F4E**);
- Manufacturing or purchase of non-durable equipment and assets explicitly requested by F4E and where the beneficiary has neither previous nor subsequent interest and benefit from the purchase or manufacture. This applies to equipment, non-durable prototypes or samples where:
 - the ultimate objective from the grant is the test programme and its results, or the prototypes and samples are required by F4E to validate design decisions and specifications with respect to F4E’s eventual manufacturing and installation in ITER;
 - there is no remaining or residual accounting value of the item at end of grant (i.e., its accounting value is fully consumed and/or amortised within the life of the grant);
 - with respect to prototypes and samples, the manufactured or purchased item cannot be used to qualify either the item or a particular supplier for subsequent series manufacturing phase. Such prototyping shall be done by F4E; and
 - with respect to equipment, and based on the above-mentioned requirements, it is not expected that the item will be used by the beneficiary for other applications, objectives or facilities outside the scope of F4E’s grant. If, however, the item were to be used for other applications, objectives or facilities outside the scope of F4E’s grant, the beneficiary shall only claim the recorded and proportional usage cost incurred/used for the sole purpose of achieving the objectives of the grant.

→ ***Those costs should of course comply with all the other requirements for eligibility according to Article II.12 / 13 of the Grant Agreements for single and multiple beneficiaries (actual, economic, for the sole purpose of achieving the objectives of the action, etc..)***

3.) Applicability of Guidelines

Please refer to the version number and F4E publication date provided in the header of this document. These guidelines:

- Shall apply to calls or requests for proposals that are initiated after the F4E publication date of the present Guidelines; and
- With regard to signed on-going grant agreements and FPAs, may be applied
 - only after a formal written agreement has been concluded between the beneficiary(ies) and F4E; and
 - only to those eligible costs that are incurred by the beneficiary(ies) after the entry into force of such formal written agreement (e.g., grant amendment).

Annex: Overview Table

Research + Demonstration

- Scientific and technical project management/coordination
 - System coordination and engineering
 - Logistic, handling and transportation
 - Scientific coordination and monitoring of subtasks and work-packages (including the activities as the coordinator);
 - Supervision of project progress milestones and project global critical path;
 - Scientific review of the work performed by the partners including scientific deliverables and the coordination of internal progress reports;
 - Monitoring of progress within work packages, deliverables and milestones and the work plan, including the verification of quality requirements and consistency control;
 - Research risk management;
 - Preparation of the scientific part of the reports and deliverables to be submitted to F4E;
 - Conflict resolving relating to technical and organisational issues;
 - Preparation of scientific meetings (drawing up the agenda, the minutes, travel arrangements);
 - Activities related to the participation in scientific decision making bodies such executive committees, scientific advisory boards and steering committees
- Research, development and demonstration design activities
 - Design and development.
 - Fundamental and applied analysis tasks
 - Process research and engineering
 - Production research and engineering
 - Instrumentation research and engineering
- Manufacturing, integration and assembly
 - Component manufacturing
 - Component integration
 - Assembly
- Testing and verification
 - Research and development testing and evaluation.
 - Demonstration and qualification testing and evaluation.
 - Acceptance testing and evaluation.
 - Operational testing and evaluation.
 - Testing and verification mock-ups and prototypes.
 - Testing and evaluation support.
 - Test facilities.
- Operational activities
 - Assembly, installation and verification on site.
 - Technical support.
 - Site construction
 - Site conversion
- Action-specific instrumentation and equipment
 - Test and measurement equipment
 - Support and handling equipment
 - Tooling

- Facilities and site management
 - Construction, conversion, expansion
 - Equipment acquisition and modernization
 - Maintenance
 - Initial spares and repair parts
- Data management
- Basic/standard quality assurance
 - Compliance to generic quality standards (e.g. ISO)
 - Compliance to applicable national safety/health standards

Other specific activities

- Specific quality assurance.
 - Special quality
 - Special safety provisions
 - Special reliability provisions
- Data dissemination upon F4E request
- Monitoring of a separate procurement contract
- Special logistic, handling and transportation needs
- Training upon F4E request

Management activities

- Project management
 - Legal/administrative
 - Contractual management
 - IPR management
- Project control
 - Planning (e.g. Purchase of Primavera licences)
 - Financial (e.g. Audit certificates)
- Organising a call or a tender to choose a new beneficiary or subcontractor.