

KCA guidelines

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Background

There has been a lot of uncertainty among partners around KCAs, KIC Complementary Activity. This document seeks to bring clarity to the concept, and to provide a set of guidelines that should be used by partners at the time of preparing proposals and grant reporting.

The concepts and guidelines included in this document complement the following documents:

- Article 2.3 of the Framework Partnership Agreement
- EIT's Methodology for calculation of the KICs' global expenditure and respect of 25% maximum rate of the ETI financial contribution (dated 19 December 2012)

This document will no longer be valid when EIT provides renewed guidelines on KCAs.

Definition

KCAs are activities that have a link with a KAVA, but which are not financed by EIT. As the name indicates, they complement a KAVA, and they are usually funded directly by partners, or through national/ regional sources.

Difference between KCA and co-funding

The main difference between a KCA and partner co-funding is that KCAs are KIC **activities** (which are not paid by the EIT), while co-funding is primarily **funding (money)** brought in by the partners (own or other sources)

Criteria that needs to be met

- There needs to be a direct thematic and timing link between the KCA and the KAVA. This link needs to be explained in the reporting phase.
- KCA needs to be identifiable and verifiable (invoices, time sheets, etc. that allow accounting and control procedures to reconcile the cost declared with the accounting books). Indirect costs of these KCAs might be acceptable as long as they are in line with the relevant funding body providing the KCA funding.
- KCAs mustn't be funded by EIT (regardless of the KIC) – By definition, KCAs mustn't be EIT-funded, hence KAVA that was financed by EIT in the past mustn't be used as a KCA in a new project, as this does not meet the criteria that it should not be EIT funded.
- KCAs to be included in EIT RawMaterials KAVAs are eligible from the EIT RM designation date, i.e. 9 December 2014 and until and including the year being reported.

- A KCA can be used for more than one KAVA in one year, or over several years, provided there is no double counting and the partner can prove that there is no double-counting.
- If a KCA is being used for a KAVA, it cannot be double counted for another KAVA. This rule applies to KAVAs from different KICs.
- KIC partner must be able to provide evidence that KCAs costs occurred, and this might be subject to an audit initiated by EIT RM or EIT

Examples of valid KCAs

- A partner who does not manufacture devices, but buys devices/ equipment for a lab that will be involved in a KAVA.
- Use of lectures as KCAs are allowed, provided there is a direct link between the KCA and the KAVA, that the calculation method can be provided and the other criteria are met.
- Use of projects as KCAs, e.g. in case a method of teaching (like specific e-learning modules) has been developed that is being used in EIT RM education KAVAs
- Overhead costs in an organization, when these are above the 25% limit allowed by H2020 if there is a “Certificate on the Methodology for calculating indirect costs” (or similar) validated by an external auditor and proof that the costs are above 25%.

KCAs from Task Partners

Only KIC partners will bring KCAs into a KAVA project. If a RIS Task Partner brings a KCA, this would be reported as “owned” by the Task Partner patron, with a clear indication in the description field of who the Task Partner owning this KCA is.

In this case, during the reporting period, the actual costs reported for the KCA will be provided by the RIS task partner to the task partner patron. The task partner patron will keep the details of the cost breakdown in case of an audit.

KCA calculation

KCAs count for the whole duration of a KAVA project, so the ratio that matters in the end is the KAVA: KCA ratio for the whole KAVA, and not counted on a yearly basis. However, in multi-year projects, projects, or partners in a project, who provide less KCA funds than originally planned one year need to make sure that they provide the balance in the next year, otherwise EIT will have the right to recover the funds until the overall ratio is met.

This ratio is calculated based on this formula:

KAVA funding requested : Partner co-funding + KCA

KCA withdrawal

If a partner withdraws from a KAVA and receives no funding, they do not need to provide the KCAs originally allocated to the project, and can be used instead for another project. However, the existing KAVA must still meet the required ratio (the missing KCA amount will need to be brought in by another partner in the KAVA).

Contrary to KAVA costs where the liability is with the single KIC partner the liability for KCAs is with the whole KAVA consortium. So in case the required ratio is not met, e.g. after an audit, and funding is cut based on this, the liability is with the whole KAVA consortium and deduction will be applied at a KAVA level.

If a KAVA is cancelled with no costs incurred, there is no need to report on KCAs, and these can be used instead for another project.

KCA auditing

KCAs can be audited by EIT, EIT RawMaterials or whoever they may assign for such a task. Like any other KAVA items, the audit can take place up to five years after project completion.