

## **CALL FOR PROPOSALS**

**24.ISE.CP.140**

**Proofs of concept aimed at enhancing circularity in defence applications**

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## 1. CONTEXT

### 1.1. Overview

The present Call for Proposal with its annexes provides the Applicants with the terms and conditions to be respected in order to submit a proposal and participate to the grant procedure.

**NOTA BENE: Interested parties are invited to read carefully everything below in order to ensure that applications are complete and compliant with the call for proposal's terms and conditions when submitted.**

### 1.2. Introduction

Contributing to the efficiency and effectiveness of military operations while simultaneously addressing the objectives of the EU Green Deal, the European Defence Agency (EDA) leads several sustainable defence initiatives. Among them, the Agency operates the [Incubation Forum for Circular Economy in European Defence \(IF CEED\)](#), with the objective to extend the benefits of the circularity concepts and their implementation to the defence domain.

Based on the principles of Circular Economy, the goals of IF CEED are to:

- incubate and implement collaborative projects;
- enable transnational innovative solutions and new business models by harvesting the advantages of circularity for defence, including funding available at European level;
- generate proposals to mitigate defence sector's environmental impact.

Within IF CEED, together with experts from Ministries of Defence, industry, research-and-technology organisations, academia and other relevant stakeholders, EDA has analysed the specific needs to improve circularity in defence within eight areas:

- Critical Raw Materials
- Circular Additive Manufacturing
- Circular Materials for Textiles
- Sustainable Ecodesign
- EMAS Uptake Strategy
- Green Procurement
- Circular Data
- Spare Parts Management.

### 1.3. Legal basis of the call

This call is based on the LIFE Regulation 2021/783 and the Contribution Agreement concluded between the European Union, represented by the European Commission, and the EDA on Developing the Incubation Forum on Circular Economy in European Defence (IF CEED 2) signed on 25 September 2023.

In this framework, EDA is launching a call for proposals to develop proofs of concept aimed at enhancing circularity in defence applications via so-called "starter projects".

## 2. OBJECTIVES AND SCOPE OF THE CALL

## 2.1. Objective and expected outcome of the call for proposals

As a result of the incubation work performed so far, IF CEED has identified a total of 15 topics/project ideas, as described [here](#)<sup>1</sup>. One of the current objectives of IF CEED is to implement them.

As part of this effort, the **present call for proposals has the objective to select so-called “Starter Projects” aimed at developing Proofs of Concepts - or similar tangible results - in line with the scope of these same topics/project ideas.**

By addressing actions linked to military applications, “starter projects” will therefore contribute to enhance the benefits of circularity in defence by executing a first step of implementation of project ideas covered by the successful proposals, which will receive funding in the form of grants financed by IF CEED 2 budget, which is co-funded by the LIFE Programme of the European Union and by EDA budget.

“Starter projects” must bring a substantiated progress beyond the state of the art via technological progress, novel character of the use case addressed and/or development of new tools (including but not limited to IT applications and training material).

Applicants may suggest any methodology that meets the general objective of the call for proposals. Tangible results expected from “starter projects” include but are not limited to:

- Parts and/or products and/or representative samples with recycled content and associated technical information on processes and testing (e.g. for critical raw materials, additive manufacturing, textiles);
- IT application or low-level prototype (e.g. for design, spare parts management, secure transmission of information);
- Application of IT tools or organisational processes to military use cases;
- Training programme and/or pilot course.

## 2.2. Scope and areas of activities of the call for proposals

Proposals must address activities in the scope of the following topics/project ideas:

- A. Circularity of titanium & additive manufacturing
- B. Mining Critical Raw Materials (CRM) from end-of-life military devices
- C. Sustainable replacement of hard chrome/chromates solutions with CRM-free coatings
- D. Circular energy-efficient polymer additive manufacturing
- E. Circular deployable additive manufacturing
- F. Military (smart) textile waste recycling and valorisation: advanced textiles for defence
- G. Recycling / re-use / recovery of high value fibers from soldier personal protective equipment
- H. Development of smart modular protective clothing system for military applications using safe-and-sustainable by design principles
- I. EMAS certification uptake at experimental test range(s)
- J. EMAS principles - training course and monitoring
- K. Defence Green Procurement training
- L. Circular management of spare parts from decommissioned assets
- M. Guidelines for environmental evaluation in defence applications

Within this list, a proposal can cover the scope of one or more of the aforesaid topics, by selecting one or more areas to be considered.

The proposals must explicitly mention which topic/project idea(s) is(are) addressed by the foreseen activities by indicating its letter (from A to M).

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<sup>1</sup> <https://eda.europa.eu/what-we-do/eu-policies/if-ceed/project-ideas>

*NB: activities linked to the topics/project ideas “Green Procurement Knowledge Platform” and “Digital Product Passport (DPP) for Armour Inserts” are excluded from the scope of this call for proposals.*

### 2.3. Core Activities

For the purpose of this call the following activities (belonging to one or more of the areas described above in section 2.2) are considered **core** to the project: activities on which the achievement of the objectives of the action directly depends.

### 2.4. Deliverables and reports

During the implementation of the action the beneficiaries are expected to submit a number of deliverables including documents, demonstration parts and IT tools.

The following deliverables are expected to be submitted in digital format (.docx for the reports, .xlsx for potential annexes presented as tables; .pptx for presentations; other formats accepted if compatible) during the implementation of the grant agreements:

- 1) periodic (quarterly) reports on the execution of the starter projects, summarising the tasks executed, main results, tasks foreseen for the next quarter, information on potential issues in the execution;
- 2) a final report detailing the results, deliverables of the starter project as well as a description of the proposed way ahead (next steps, exploitation, dissemination);
- 3) a public summary of the project and its results, in the form of a presentation (5-10 slides).

The relevance and impact of foreseen deliverables will be part of the evaluation of the proposals.

### 2.5. Project Workflow

A kick-off meeting will be organised to review the project management plan in detail. Then, in a mid-term review (Month 6), the beneficiaries will be invited to report on the execution of the project and precise the way ahead, by also sharing perspectives on the exploitation of the results beyond the end of a project.

## 3. TIMETABLE

This call for proposals shall be conducted according to the following timetable:

	Stages	Date/time or indicative period
a)	<b>Publication of the call</b>	<b>17 October 2024</b>
b)	Deadline for request for clarifications	8 November 2024
c)	Publication of the clarifications	12 November 2024
d)	<b>Deadline for submitting applications</b>	<b>18 November 2024 17:00 CET</b>
e)	Evaluation period	November - December 2024 (indicative)
f)	Information to applicants on the outcome of the evaluation	January 2025 (indicative)

	<b>Stages</b>	<b>Date/time or indicative period</b>
<b>g)</b>	<b>Signature of the grant agreement</b>	<b>March 2025 (indicative)</b>

**Indicative duration of the action** under (each) grant agreement: **1 year**.

A duration of 12 months is considered adequate to meet the objectives of the call for proposals. Proposals for a duration exceeding 15 months will not be considered.

**Starting date** for the action is the first day of the month following the signature of the Grant Agreement. The incurred costs will be considered eligible as of that date provided that they fulfill all eligibility conditions set out in the grant agreement.

Exceptionally, the starting date for the action can be before the Grant Agreement signature. In such a case the cost incurred may be considered eligible provided that the applicant(s) can demonstrate the need for starting the action prior to signature of the Grant Agreement<sup>2</sup>. In order for the granting authority to check that the above conditions are met the applicant(s) shall:

- notify EDA of the date when action needs to start,
- justify reasons for 'early start of the action',

either directly in the proposal or in subsequent formal letter sent to the EDA (before the grant agreement signature).

Approval of the 'early start of the action', if granted, will be communicated to the applicant(s) through a formal EDA letter and the costs will be considered eligible only if the applicant will be awarded a grant and the eligibility conditions of the Grant Agreement are met. In the Grant Agreement the 'starting date' of the action will be set accordingly.

NOTA BENE: In case of starting date of the action before the Grant Agreement signature, only costs incurred after the date of the proposal submission can be considered eligible subject to the fulfilment of the conditions above.

## 4. EU FINANCING

**Maximum overall budget** allocated for EU financing under this action: **EUR 800.000,00**

**Indicative number of projects to be funded: up to 5 projects**

**Maximum EU financing amount** for each project: **Up to EUR 300.000,00**

**Minimum EU financing amount for each project: EUR 75.000,00**

**Maximum co-financing rate** of eligible costs: **95%**

Publication of the call does not guarantee the availability of funds for the above action and it places no obligation on EDA to award grants to any applicant.

<sup>2</sup> Article 196(2) of the Financial Regulation



EDA reserves the right to award a grant of less than the amount requested by the applicant. In such a case, the applicant(s) will be asked either to increase their co-financing, propose other co-financing means or to decrease the total costs without altering the substance of the proposal. Grants will not be awarded for more than the amount requested.

## 5. ROLES AND TASKS OF APPLICANT(S)

### 5.1. Entities involved in the activities subject to the proposal

The proposal shall clearly identify the entities (legal persons) to be involved in the activities subject to the proposal, being the applicant (s) (including **coordinator and co-applicants**) as well as any third parties, such as **affiliated entities and subcontractors** and their contributions to the implementation of the proposal under the grant agreement. Parties' participation in the project will be subject to the requirements as laid down in this Call for Proposals.

### 5.2. Coordinator

The group of co-applicants will form a consortium and each co-applicant will become consortium member. The consortium members (multi-beneficiaries) should choose amongst them a lead organisation, referred to as the "Coordinator".

The coordinator submits the application on behalf of the consortium and will be the intermediary for all communication between the co-beneficiaries and EDA as well as responsible for supplying all documents and information to EDA in due time upon request.

The grant agreement shall be signed by the coordinator of the successful consortium, provided that a mandate (Annex IV of the grant agreement) has been provided to it by each co-applicant. Such mandates shall be annexed to the grant agreement.

The coordinator will also be responsible for distribution of payments received from EDA to the co-beneficiaries.

### 5.3. Co-applicant(s)

Each co-applicant will be considered as co-beneficiary if the proposal is selected for award. Before signature of the grant agreement, all applicants within the consortium shall agree upon appropriate arrangements between themselves for the proper performance of the specific actions.

Co-applicants shall immediately inform the coordinator of any event which can substantially affect or delay the implementation of the action. The coordinator will inform EDA in accordance with the grant agreement and will ensure compliance with all the terms and conditions provided in the draft grant agreement.

**The coordinator and all co-applicants forming the consortium must satisfy the eligibility criteria.**

### 5.4. Affiliated entities

Legal persons having a legal or capital link with the applicant(s), which is neither limited to the action nor established for the sole purpose of its implementation, may take part in the action as affiliated entities, and may declare eligible costs. For that purpose, the applicant(s) shall identify such affiliated entities in the application forms and in the proposal.

**Each affiliated entity shall have to comply with the same eligibility and non-exclusion criteria as those applying to the applicant(s) and submit the same forms, including the forms proving the financial and operational capacity (see section 9.1 and 9.2 below).**

### 5.5. Associated partners

Associated partners are entities which cooperate with a beneficiary, are identified in the Grant Agreement and participate in the implementation of the action tasks attributed to them in Annex 1 to the Grant Agreement. They may not charge costs or contributions to the action and the costs for their tasks are not eligible (Article 9.1 of the Draft Grant Agreement).

### 5.6. Third parties giving in-kind contributions to the action

Other third parties may provide in-kind contributions to the action. This can take the form of personnel, equipment, other goods, works and services, etc. which are necessary for the implementation but free-of-charge for the beneficiary.

Third parties giving in-kind contributions do not implement any action tasks but shall be identified in Annex 1. They may not charge costs or contributions to the action and the costs for the in-kind contributions are not eligible (Article 9.2 of the Draft Grant Agreement).

### 5.7. Subcontractors

Subcontracting<sup>3</sup> refers to contracts concluded for the externalisation of specific tasks or activities which form part of the action.

**The beneficiaries remain solely responsible for the implementation of the action. Subcontracting is not allowed among the beneficiaries/affiliated entities in the project.**

**Please note that the applicants must have the necessary operational capacity to perform the project themselves.** The operational capacity will be assessed at the time of the evaluation of the proposal (please see section 9.2 below).

Subcontracting of specific tasks or activities (i.e. the externalisation) which form part of the action as described in the proposal must satisfy the conditions applicable to any implementation contract (as specified above) and in addition to them the following conditions:

- a. it may only cover the implementation of a limited part of the action and **shall in no case cover coordination duties in the consortium and core activities as described in Section 2.3;**
- b. it must be justified having regard to the nature of the action and what is **necessary for its implementation;**
- c. it must be clearly **stated in the proposal.**

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<sup>3</sup> Article 208 of the Financial Regulation

The beneficiaries must award the subcontract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the relevant documentation for the event of an audit. The sub-contract shall be awarded in accordance with the conditions set in the grant agreement. Entities acting in their capacity of contracting authorities in the meaning of Directive 2014/24/EC<sup>4</sup> or contracting entities in the meaning of Directive 2014/25/EC<sup>5</sup> shall abide by the applicable national public procurement rules.

**The subcontracted tasks must be set out in the description of the action (i.e. form B1 and Annex I to the grant agreement) and the estimated costs of subcontracting must be stated in the estimated budget (Annex VI to the Call for Proposals and Annex 2 to the Grant Agreement).** However, approval of subcontracting by EDA (whether at the time of the evaluation of proposal or later during the implementation of the action) does not automatically mean that the related costs will be considered eligible and reimbursed. The costs will need to comply with the eligibility criteria indicated in the grant agreement (see also point 2.8 in section 12.2.3 below) in order for them to be reimbursed.

Any recourse to subcontracting if not provided *ex ante* in the Description of the Action (Annex I to the Grant Agreement) shall be communicated to EDA for approval in accordance with the provisions of the signed Grant Agreement.

**It is not necessary to have already selected subcontractors at the time the proposal is submitted.**

## 6. ADMISSIBILITY REQUIREMENTS

**APPLICATIONS MUST COMPLY WITH ALL OF THE ADMISSIBILITY REQUIREMENTS SET OUT IN THIS SECTION.**

Applications must comply with all of the following conditions in order to be admissible:

- Applications must be sent no later than the deadline for submitting applications referred to in section 3 and 17,
- Applications must be submitted in writing, using the submission set described in section 16,
- Applications must be drafted in one of the EU official languages with a preference to English. For further information please refer to section 17 below,
- Applications must respect the maximum rate for EU co-financing<sup>6</sup>.

## 7. ELIGIBILITY CRITERIA

**APPLICANTS MUST COMPLY WITH ALL OF THE ELIGIBILITY CRITERIA SET OUT IN THIS SECTION.**

<sup>4</sup> Directive 2014/24/EC on public procurement and repealing Directive 2014/18/EC.

<sup>5</sup> Directive 2014/25/EC on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC.

<sup>6</sup> Proposals exceeding the applicable maximum EU co-financing rate for this call (see section 4) shall not be considered further and will be rejected.

## 7.1. Eligible applicants

- Legal persons established<sup>7</sup> in one of the EU Member States

Corporate bodies must be properly constituted and registered under their applicable law. When an applicant does not have a legal personality, a physical person must be designated to provide the legal responsibility.

**The coordinator (see section 5.2) and all co-applicants (see section 5.3) forming the applicant consortium, as well as the affiliated entities (see section 5.4) shall satisfy the same eligibility criteria.**

EU restrictive measures — Special rules apply for certain entities (*e.g. entities subject to [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)*<sup>8</sup>). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

## 7.2. Multi-beneficiary proposal - Structure of the consortium

The coordinator will submit the proposal on behalf of the consortium.

**The proposal must be submitted by a consortium composed of at least two (2) entities, from at least two eligible countries, out of which:**

- the coordinator and the co-applicants shall be legal persons.

The grant agreement shall be signed by the coordinator of the successful consortium, provided that a mandate (Annex IV of the grant agreement) has been provided to it by each co-applicant. Such mandates shall be annexed to the grant agreement.

Certain supporting documents proving compliance with the eligibility criteria need to be provided. For the list please see section 16 below.

**Applicant(s) may participate in multiple applicant consortia if the actions covered in the respective Technical Proposals (B1 form) are different from each other in order to comply with the principle of non-cumulative financing and award.**

## 8. EXCLUSION CRITERIA

**APPLICANTS MUST COMPLY WITH ALL OF THE EXCLUSION CRITERIA SET OUT IN THIS SECTION.**

<sup>7</sup> Established should be understood as having a registered office, central administration or principal place of business in one of these countries.

<sup>8</sup> Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the EU Sanctions Map.

Article 137, 138, 139, 140, 141, 142, 143, 144 of the Financial Regulation<sup>9</sup> shall apply to applicants.

### 8.1. Exclusion from participation

Exclusion criteria are specified in the standard **Declaration of Honour (A4 Form)** of this call and apply to all applicants **and all affiliated entities** (see section 5.4).

### 8.2. Exclusion from award

Applicants will not be granted EU funds if, in the course of the grant award procedure, they:

- are in exclusion situation established in the A4 form;
- have misrepresented the information required by EDA as a condition of participation in the grant award procedure or fail to supply this information upon request by EDA;
- were previously involved in the preparation of the call for proposal documents where this entails a distortion of competition that cannot be remedied otherwise;
- are a Restricted Person and fall under the scope of subject to EU Restrictive Measures in the list published at [www.sanctionsmap.eu](http://www.sanctionsmap.eu). In case of discrepancies between ‘[sanctionsmap.eu](http://www.sanctionsmap.eu)’ and the restrictive measures published in Official Journal of the EU, the latter prevails.

Administrative and financial penalties may be imposed on applicants that are guilty of misrepresentation.

## 9. SELECTION CRITERIA

**APPLICATIONS MUST COMPLY WITH ALL OF THE SELECTION CRITERIA SET OUT IN THIS SECTION.**

### 9.1. Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is carried out. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application by each applicant and affiliated entity (thresholds shall apply to each applicant):

- a Declaration of Honour (A4 Form) and,
- a duly filled in form available at [LFV Simulation \(europa.eu\)](http://LFV.Simulation.europa.eu) and in Annex A.5 (financial capacity check explanations) to fill in and sent back together with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form. For newly created legal persons, a business plan might replace the above documents..

On the basis of the documents submitted, if EDA considers that financial capacity is not satisfactory and in any other case EDA may deem it appropriate, it may:

- request further information;
- propose a grant agreement without pre-financing;
- propose a grant agreement with a lower percentage of a pre-financing;

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<sup>9</sup> REGULATION (EU, Euratom) 2024/2509 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast)

- propose a grant agreement with a pre-financing covered by a bank guarantee (see section 12.4 below);
- reject the application.

The verification of the financial capacity **shall not apply to:**

- public bodies, including a Member State's organisations;
- international organisations;
- persons or entities applying for interest rate rebates and guarantee fee subsidies where the objective of those rebates and subsidies is to reinforce the financial capacity of a beneficiary or to generate an income.
- Low value grants (i.e. if an applicant is requesting an EU contribution lower than or equal to EUR 60 000<sup>10</sup>).

## 9.2. Operational capacity (B2 Form)

The applicant(s) shall demonstrate a balanced expertise in the areas needed to carry out the activities defined in section 2 above.

Applicants must show they have the **operational (technical and management) capacity** to complete the activities to be supported by this Call for Proposals and must **demonstrate their capacity to manage the activities** corresponding to the size of the project for which the grant is requested.

## 10. AWARD CRITERIA

Applications will be assessed on the basis of the following criteria. When assessing the below award criteria, the evaluation committee shall use the elements indicated below for each criterion.

AWARD CRITERIA	MAX. SCORE	MIN SCORE
<b>1. Relevance and viability of the proposed approach</b>	<b>25</b>	<b>12.5</b>
<u>Sub-criterion 1.1: Relevance of the proposal to the objectives of the call and aspects of circularity in defence</u> This sub-criterion will assess: <ul style="list-style-type: none"> <li>- how the proposed activities match in detail with the specific objectives of one or several project ideas;</li> <li>- the relevance of the proposal to the military context</li> <li>- the extent to which the proposal relates to the different aspects of circularity (ecodesign, extension of lifetime, recycling, use of recycled content, repair/retrofit/remanufacturing, training).</li> </ul>	5	
<u>Sub-criterion 1.2: Viability, rationality and innovativeness of the proposed methodology</u> This sub-criterion will assess the methodology with regard to: <ul style="list-style-type: none"> <li>- The soundness of the overall intervention logic (Concept and methodology);</li> <li>- The robustness of the baseline of the project in terms of state-of-the-art, already existing solutions;</li> </ul>	20	

<sup>10</sup> Please refer to Article 2.43 of the Financial Regulation

<ul style="list-style-type: none"> <li>- The innovative character of the proposal, in terms of technological progress, novel character of the use case addressed and/or development of new tools.</li> <li>- The realistic character of quantitative targets set out the project from a technical perspective (e.g. % of recycled content in (semi)product, mechanical performance, reduction of use of hazardous substances, number of people trained).</li> </ul>		
<b>2. Impact of the proposed activities</b>	<b>25</b>	<b>12.5</b>
<u>Sub-criterion 2.1: Expected impact, respectively 5 and 10 years after the project</u>  This criterion will assess both the expected impact resulting from the action and the robustness of the underlying assumptions regarding: <ul style="list-style-type: none"> <li>- environmental gains and mitigation of environmental effects</li> <li>- military operational benefits</li> <li>- business impact and size of the market</li> </ul> by providing for example quantitative measures or other indicators	20	
<u>Sub-criterion 2.2: Credibility and effectiveness of the measures for the exploitation of project results</u> Credibility of measures for the exploitation of project results, including but not limited to: <ul style="list-style-type: none"> <li>- up-scale by public or private actors or through mobilising larger investments or financial resources;</li> <li>- replication in the same or other sectors or places.</li> </ul>	5	
<b>3. Implementation, coherence and effectiveness of the work plan</b>	<b>30</b>	<b>15</b>
<u>Sub-criterion 3.1: Feasibility of the work plan</u> This sub-criterion will assess the coherence and appropriateness of the activities for achieving the proposed outcomes by assessing: <ul style="list-style-type: none"> <li>- work breakdown and schedule management</li> <li>- deliverables</li> <li>- milestones</li> </ul>	25	
<u>Sub-criterion 3.2: Quality of the proposed risk management</u>  This sub-criterion will assess the Identification of risks and mitigation measures applied to the work foreseen in the proposal	5	
<b>4. Quality of the resources deployed in relation to the objectives envisaged</b>	<b>20</b>	<b>10</b>
<u>Sub-criterion 4.1: Composition of the project team</u> – in terms of expertise, skills and responsibilities and appropriateness of the management structure	10	
<u>Sub-criterion 4.2: Appropriateness and transparency of the budget and resources and their consistency with the work plan</u>	10	
<b>Maximum total score</b>	<b>100</b>	<b>Minimum total score 60</b>

If a total score lower than **60** points or a score lower than **50%** for any of the above four criteria is obtained, the proposal will not be evaluated further and will be rejected.

## 11. LEGAL COMMITMENTS

Applicants are reminded:

**The successful applicants shall be bound by the Special and General Conditions of the draft grant agreement. Submission of a grant application (proposal) implies the acceptance of these Special and the General Conditions (see Annex 2 of the Grant Agreement). This also includes the obligation of the provision of accurate, sincere and complete information within the context of this grant procedure including but not limited to filling out the provided forms with true, correct and complete data representing the real status of the applicant.**

In the event of a grant awarded by EDA following this call, a grant agreement drawn up in Euro and detailing the conditions and level of funding will be sent to the coordinator of the consortium, alongside a description of the procedure in view to formalise the obligations of the parties.

The coordinator, representing the awarded consortium, on the basis of duly provided powers of attorney (Mandate – Annex IV of the grant agreement) shall sign 2 (two) copies of the original agreement.

**In case EDA requests the below documents<sup>11</sup> the applicant shall make them available to EDA within the relevant deadlines. EDA reserves the right to cancel the award and/or the grant agreement signature process and re-allocate the budget in case of untimely submission. In particular:**

- (1) All supporting documents pertaining to the Declaration of Honour (A4 form) for each co-applicant (and affiliated entity if the case may be) in due time upon request by EDA after the receipt of such request;**
- (2) Signed grant agreement by the coordinator accompanied by the mandate – Annex IV of the grant agreement for each co-applicant at the latest 1 (one) month after the coordinator's receipt of the grant agreement for signature.**

## 12. FINANCIAL PROVISIONS

When preparing their proposal, applicants shall observe the elements described in the following sub-sections for calculating the required budget for the implementation of their project.

### 12.1. General principles

#### Non-cumulative award

Each action may give rise to the award of only one grant from the budget to any applicant.

In no circumstances shall the same costs be financed twice by the European Union budget.

Applicants have to inform EDA immediately of any multiple applications and multiple grants relating to the same action. The applicants shall inform about sources and amounts of EU funding received or applied for the same action or for part of the action. Applicants shall indicate if they receive EU funding for their functioning during the financial year in which the action takes place.

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<sup>11</sup> Please refer to section 16.4



Non-retroactivity<sup>12</sup>

No grant may be awarded retroactively for actions already completed.

A grant may be awarded for an action which has already begun, provided the applicant can demonstrate the need to start the action before the grant agreement is signed. In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application.

Co-financing<sup>13</sup>

Grants shall involve co-financing, which implies that the resources necessary to carry out the action shall not be provided entirely by EU contribution. EU financing may not cover 100% of the total costs of the action.

Co-financing of the action may take the form of:

- the awarded beneficiary's own resources,
- income generated by the action,
- financial contributions from third parties.

Co-financing may also take the form of in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the awarded consortium as the corresponding costs are not eligible.

No-profit rule<sup>14</sup>

EU grant may not have the purpose or effect of producing a profit within the framework of the action or the work programme of the beneficiary<sup>15</sup>.

For this purpose, **profit is defined as a surplus of the receipts over the eligible costs incurred by the beneficiaries**, when the request is made for payment of the balance. Where such a surplus occurs, EDA is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred by the beneficiaries to carry out the action.

Balanced budget<sup>16</sup>

The estimated budget of the action is to be attached in excel format to the application form following the model provided in the Form C1.

It must have revenue and expenditure in balance. The amounts must be expressed in **Euro** with maximum two decimals.

Applicants (and affiliated entities) with general accounts in a currency other than the euro must convert costs incurred in another currency into euro at the average of the daily exchange rates published in the C series of *Official Journal of the European Union*, determined over the corresponding reporting period (available at <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>).

If no daily Euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion must be made at the average of the monthly accounting rates established by the Commission and published on its website determined over the corresponding reporting period.

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

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<sup>12</sup> Article 196 of the Financial Regulation

<sup>13</sup> Article 193 of the Financial Regulation

<sup>14</sup> Article 195 of the Financial Regulation

<sup>15</sup> The no-profit principle shall not apply to actions indicated in Article 195 (3) of the Financial Regulation.

<sup>16</sup> Article 199 (1) e) of the Financial Regulation

Applicants and affiliated entities with general accounts in Euro must convert costs incurred in another currency into Euro according to their usual accounting practices

For awarded projects, the final payment will be based on the final financial report at the end of the project and supporting documents, taking into account any previous pre-financing and interim payment(s).

#### Financial support to third parties

The applications for this action may not envisage provision of financial support to third parties.

## **12.2. Funding form**

EDA grants are calculated on the basis of a detailed estimated budget indicating clearly the costs that are eligible for EU funding. The grant amount may neither exceed the eligible costs nor the amount requested. Amounts are indicated in euro.

### *12.2.1. Maximum amount requested*

**The EU grant is limited to a maximum co-funding rate of 95% of eligible costs incurred in the implementation of the specific actions taking into account the maximum grant amount referred to in section 4.**

Consequently, part of the total eligible expenses entered in the estimated budget must be financed from sources other than the EU grant.

### *12.2.2. Eligible costs of the grant*

- A) Costs actually incurred by the beneficiary of a grant which meets all the following criteria:
- they are incurred during the duration of the action, as indicated in the grant agreement, with the exception of costs relating to the preparation of the final reports and audit certificates;
  - they are indicated in the estimated budget of the action;
  - they are necessary for the implementation of the action, in accordance with the description of the action, attached to the grant agreement;
  - they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
  - they comply with the requirements of applicable tax and social legislation;
  - they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

The same criteria apply to the affiliated entities.

- B) Costs declared on the basis of an amount of EUR per unit as specified in Annex 2a to the Grant Agreement - Additional information on unit costs and contributions (if applicable) for the beneficiaries which satisfy any of the following two criteria:
- personnel costs of owners of small and medium-sized enterprises (SME) who do not receive a salary;

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action/project with the corresponding accounting statements and supporting documents<sup>17</sup>.

**Please note that the exact scope of the eligibility of costs is defined in the grant agreement, which will be signed by the successful applicant(s).**

### 12.2.3. Eligible direct costs

The eligible direct costs for the action are those costs which, **with due regard for the conditions of eligibility set out above**, are identifiable as specific costs directly linked to the performance of the action.

When preparing the proposal, applicants shall observe the elements described in the following sub-sections for calculating the necessary budget for the implementation of their project. The following categories of costs can be considered as **eligible direct costs**:

**1. Personnel costs** are:

- 1.1 cost of personnel working under an employment contract
- 1.2 costs of natural persons working under a contract with the beneficiaries other than an employment contract
- 1.3 unit costs of owners of SMEs<sup>18</sup> who do not receive a salary

**2 Other direct costs** are:

- 2.1 cost of travel and related subsistence allowances<sup>19</sup>
- 2.2 costs for equipment and other assets specifically procured for the action
- 2.3 costs for equipment or other assets not procured specifically but directly used for the action – depreciation costs
- 2.4 the costs for rental or lease of equipment or other assets
- 2.5 the cost of using technical facilities or laboratories
- 2.6 costs of consumables and supplies
- 2.7 costs arising directly from requirements imposed by the grant agreement

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<sup>17</sup> Reference to additional information on unit costs and contributions can be found at the following links:

[https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/additional-information-on-unit-costs-and-contributions\\_en.pdf](https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/additional-information-on-unit-costs-and-contributions_en.pdf)

<sup>18</sup> For unit costs of SMEs owners not receiving a salary please refer to the Annex 2a to the Draft Grant Agreement and the [Commission Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7115).

<sup>19</sup> For unit costs please refer to the [Commission Decision](#) of 12 January 2021 authorising the use of unit costs for

, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

- 2.8 costs entailed by subcontracts
- 2.9 costs of financial support to third parties [not-applicable]
- 2.10 duties, taxes and charges

## 1. Personnel costs

- 1.1 the **costs of personnel** working under an employment contract with the beneficiaries or an equivalent appointing act and assigned to the action (including civil servants and other personnel of national administrations to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken), comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the beneficiaries' usual policy on remuneration. Those costs may also include additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;

Personnel costs must be calculated by the applicants/beneficiaries as follows:

*{(Hourly rate multiplied by a number of actual hours worked on the action), plus for non-profit legal entities: additional remunerations to personnel assigned to the action}.*

The total number of hours declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate. Therefore, the maximum number of hours that can be declared for the grant are:

*{Number of annual productive hours for the year minus the total number of hours declared by the beneficiaries, for that person for that year, for other EU or Euratom grants}*

The 'hourly rate' is calculated as follows:

*{actual annual personnel costs for the person divided by the number of annual productive hours}*

The beneficiaries must use the annual personnel costs and the number of annual productive hours for each financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly rate of the last closed financial year available.

For the 'number of annual productive hours', the beneficiaries may choose one of the following:

- (i) 'fixed number of hours': 1720 hours for persons working full time (or corresponding pro-rata for persons not working full time);
- (ii) 'individual annual productive hours': the total number of hours worked by the person in the year for the beneficiaries *{annual workable hours of the person plus overtime worked minus absences}*. If the contract (or applicable collective labour agreement or national working time legislation) does not allow to determine the annual workable hours, this option cannot be used;
- (iii) 'standard annual productive hours': the standard number of annual hours generally applied by the beneficiaries for its personnel in accordance with its usual cost accounting practices. This number must be at least 90% of the 'standard annual workable hours'. If there is no applicable reference for the standard annual workable hours, this option cannot be used.

'Annual workable hours' - means the period during which the person must be working, at the employer's disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.

For all options, the actual time spent on parental leave by a person assigned to the action may be deducted from the number of annual productive hours.

**Important:**

Activities that **cannot** be deducted for the calculation of the annual productive hours and that cannot be charged to the project are Sales and marketing; Preparation of proposals; Administrative time (often means "unsold" time).

1.2 The **costs of natural persons working under a contract with the beneficiaries other than an employment contract** (e.g. in-house consultants) may be assimilated to such costs of personnel, provided that the following conditions are fulfilled:

- there must be a **direct contract** between the natural person (individual) and the beneficiaries;
- the natural person works under the instructions of the beneficiaries and unless otherwise agreed with the beneficiaries through a teleworking agreement, in the premises of the beneficiary;
- the result of the work belongs to the beneficiaries;
- the costs are not significantly different from the costs of personnel performing similar tasks under an employment contract with the beneficiaries; and
- The remuneration must be based on working hours, rather than on delivering specific outputs/products. (This implies that the beneficiaries must keep records of the hours worked for the action.) Costs of natural persons working under a direct contract for a beneficiary must be calculated according to the formula: hourly rate multiplied by the number of actual hours worked on the action where hourly rate:
  - a. if the contract specifies an hourly rate: this hourly rate must be used;
  - b. if the contract states a fixed amount for the services of the natural person and the number of hours to be worked: this global amount must be divided by the number of hours to be worked for the beneficiary under that contract.

1.3 unit costs of **owners of SMEs who do not receive a salary**

The eligible direct personnel costs declared by beneficiaries that are SMEs for their owners not receiving a salary shall be based on a unit cost per day-equivalent worked on the *action* to be calculated as per the Annex 2a to the Draft Grant Agreement and the [Commission Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7115)<sup>20</sup>.

<sup>20</sup> Please note that being natural persons not eligible for this call, the part of Commission Decision of 20 October 2020 (C(2020)7115) referring to natural person beneficiaries without salary does not apply to this call.

The total number of day-equivalents declared in EU grants, for a person for a year, cannot be higher than 215.

**Important:**

Timesheets have to be kept from the very beginning of the project to justify the declared actual day-equivalents worked on the *action*. EDA may require them to verify the request for payment validity.

## 2. Other direct costs

Other costs in general: **only costs of those items which are directly linked to the performance of the operation, identifiable and assigned to the action shall be considered under this heading.**

Those costs should include the costs of implementation contracts for ancillary services, goods etc. needed to carry out the project (e.g. dissemination of information, specific evaluation, translations, reproduction...), including the purchase of consumables and supplies. They do not cover contract that implies any externalisation of activities included in the action described in the proposal, which should be included instead as subcontracting in the relevant form.

Please note that the fact that the costs are specific to the action is the key factor that makes these costs eligible for European Union funding. More general office supplies, stamps or other stationary is comprised of the indirect costs and cannot be considered under this heading.

**All documents supporting the above costs (e.g. invoices, timesheets for the use of equipment, technical facilities or laboratories) have to be kept from the very beginning of the project. The EDA will require them to verify the request for payment validity.**

### 2.1 costs of travel and related subsistence allowances<sup>21</sup> for employees provided that these costs are in line with the beneficiaries' usual practices on travel;

Only the costs for the employee's travel and subsistence allowances can be introduced in the budget form. Travel costs of external service providers, if applicable, are to be included in their contracts.

Subscription fees to conferences or events, where relevant, should be included in C1 form (travel costs).

Reimbursement of travel costs can be requested for meetings, European conferences, etc. provided that they are in line with the usual practices of the beneficiaries, to be included in the Grant Agreement and pre-approved by EDA. The travel policy of the beneficiaries must be made in writing and apply to all business trips of the organisation. Alternatively, in the case when a beneficiary has not formalised an internal travel policy or established travel practice, they should not exceed the scales approved annually by the European Commission.

<sup>21</sup> For unit costs please refer to the [Commission Decision](#) of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

In all cases, the costs reported should comply with the principle of economy and efficiency, meaning that travelling should be performed by the most direct and most economical route;

The costs reported should comply with the following:

- travel by the most direct and most economical route;
- travel by rail: first class;
- travel by air: economy class, unless a cheaper fare can be used (e.g. Apex);
- travel by car: reimbursed on the basis of the equivalent first-class rail fare.

Flat-rate subsistence allowances cover all subsistence expenses during travel, including hotels, restaurants and local transport (taxis and/or public transport). They apply for each day of a mission at a minimum distance of 100 km from the normal place of work in the context of the project forming the subject of the grant agreement.

Please note that tips will not be considered as eligible costs.

Beneficiaries who want to declare travel costs as eligible costs of the project will have to provide the following information for each travel:

- Names or functions of the people involved;
- Journey and dates (even tentative);
- Purpose of the travel (this must refer clearly to one activity of the project);
- Subsistence costs: the total number of days of the travel x flat rate subsistence allowance (per diem) or an estimate of the real costs per day (per person);
- Cost of travel (estimation).

All necessary supporting documents, in accordance with the beneficiaries' travel policy, have to be kept from the very beginning of the project (e.g. travel tickets, boarding passes, invoices from the travel agency, etc.) EDA will require them to verify the validity of the request for payment. For the per diem allowances, no supporting documents are required; only a declaration of the applicant on the applicable per diem in its organisation is needed.

2.2 **for equipment and other assets** (new or second-hand) **procured** specifically for the action and in accordance with Article 6.2 of the grant agreement:

**a) the full purchase costs** provided that they are treated as capital expenditure in accordance with the tax and accounting rules applicable to the beneficiaries and are recorded in the fixed assets account of its balance sheet OR the purchase in itself is the purpose of the action [**not-applicable to this call**]

or

**b) the respective depreciation costs** provided that the asset has been purchased in accordance with the conditions applicable to implementation contracts and that it is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiaries.

2.3 **costs for equipment or other assets** (new or second-hand) not procured specifically but **directly used** for the action in **proportion to the usage for the action and only during its duration as depreciation costs** recorded in the accounting statements of the beneficiaries over the period of implementation

of the action, provided that the asset is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiaries.

Only depreciation for equipment which is strictly necessary for the purposes of carrying out the action can be charged as direct costs. This thus excludes any computer equipment, office material, furniture, etc. that the applicant needs for his daily activities and that will be normally covered by indirect costs.

Only the portion of the equipment's depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project can be taken into account by EDA.

- 2.4 **the costs for rental or lease of equipment or other assets only to the portion of use and limited to the duration of the action**, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;
- 2.5 when **using technical facilities or laboratories the above rules (2.2) to (2.4) for eligibility of costs apply accordingly**;
- 2.6 **costs of consumables and supplies**, provided that they are purchased in accordance with the conditions applicable to the award of contracts necessary for the implementation of the action and are directly assigned to the action;
- 2.7 **costs arising directly from requirements imposed by the grant agreement** (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the conditions applicable to the award of contracts necessary for the implementation of the action;
- 2.8 **costs entailed by subcontracts**, concluded for the externalisation of specific tasks or activities which form part of the action **as described in the proposal**, provided that the conditions applicable to implementation contracts are met;

Please refer to Section 5.7 for further details.

- 2.9 **costs of financial support to third parties: not-applicable to this call**;
- 2.10 **duties, taxes and charges** paid by the beneficiaries, notably non-deductible value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the Grant Agreement. In particular, only non-deductible VAT is eligible, except for the activities which the beneficiaries that are public bodies engage in as public authorities (prerogatives of public powers under national law).
- 2.11 **Volunteers costs** — Volunteers costs are not applicable to this call.



#### 12.2.4. *Eligible indirect costs*

A flat-rate amount of 7% of the total eligible direct costs of the action excluding subcontracting costs<sup>22</sup> is eligible under indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project.

Indirect costs may not include costs entered under another budget heading.

Indirect costs are not eligible for beneficiaries that receive an operating grant.

#### 12.2.5. *Non-eligible costs*

In addition to any other costs which do not fulfil the conditions set out above, the following costs shall not be considered eligible:

- a. return on capital or return generated by an investment;
- b. debt and debt service charges;
- c. provisions for future losses or debts;
- d. interest owed;
- e. doubtful debts;
- f. currency exchange losses;
- g. bank costs charged by the beneficiary's bank for transfers from the EDA;
- h. costs declared by the beneficiaries in the framework of another action receiving a grant financed from the EU budget (including grants awarded by a Member State and financed from the EU budget and grants awarded by the European Commission or other EU bodies than EDA for the purpose of implementing the EU budget); in particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary which already receives an operating grant financed from the EU budget during the period in question;
- i. contributions in kind from third parties;
- j. excessive or reckless expenditure;
- k. deductible VAT;
- l. participation by any staff of the European Union institutions in the action
- m. costs incurred during the suspension of the implementation of the action;
- n. cost categories explicitly excluded in the work programme/call.

#### 12.2.6. *Calculation of the final amount of the grant*

The draft grant agreement annexed to this Call for proposals specifies the calculation of the final grant and the payment arrangements. Applicants' attention should particularly focus on the General Conditions of the draft agreement, where the eligibility conditions of costs are described. The EU grant may not have the purpose or effect of producing a profit<sup>23</sup> within the framework of the action.

The final amount of the grant to be awarded to the consortium is established after completion of the action and upon approval of the request for payment containing the following documents<sup>24</sup> [including relevant supporting documents where appropriate]:

- a final report providing details of the implementation and results of the action;
- the final financial statement of costs actually incurred,

<sup>22</sup> Indirect costs = 7% \* (total eligible direct costs - subcontracting)

<sup>23</sup> See section 12.1 of this Call for Proposal.

<sup>24</sup> Art. 205 and 206 of the Financial Regulation

➤ [where applicable, a certificate on the financial statements of the action and underlying accounts<sup>25</sup>].

The authorising officer may also waive the obligation to provide a certificate of the financial statements and underlying accounts where an audit has been or will be directly done by EDA’s own staff or by a body authorised to do so on its behalf, which provides equivalent assurances about the costs declared.

### 12.3. Payment arrangements

Arrangements for pre-financing payment corresponding to 50% of the grant amount will be further detailed in the grant agreement (see Point 4.2 of the Data Sheet and Article 22).

An interim payment shall be paid to the applicant or to the coordinator (in case there is a consortium the coordinator receives the interim payment on behalf of the consortium) and is intended to cover the expenditure on the basis of a request for payment when the action has been partly carried out.

Payment	Amount	Reporting period	Note
Pre-financing payment	50%	N/A	
Final payment	Balance between total requested EU contribution and previous payments	Final Review	Based on the actual requested contribution (i.e. actual expenditure).

EDA will establish the amount of the final payment to be made to the coordinator (who receives it on behalf of the consortium) on the basis of the calculation of the final grant amount (see section 12.2.6 above). If the total of earlier payments is higher than the final grant amount, the coordinator (in case of consortium) will be required to reimburse the amount paid in excess by EDA through a recovery order<sup>26</sup>.

Please refer to the grant agreement for the terms and conditions of the payment arrangements (see Articles 21 and 22). A periodic report including a technical and financial part shall be submitted as part of the request of payment.

### 12.4. Pre-financing guarantee

A pre-financing guarantee for up to the same amount as the pre-financing may be requested, on a case by case basis, in order to limit the financial risks linked to the pre-financing payment. The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by a joint and several guarantee by a third party or by an irrevocable and unconditional joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

<sup>25</sup> Art. 206 (4) of the Financial Regulation

<sup>26</sup> Article 101, 115 and 206 of the Financial Regulation

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or payments of balances to the beneficiary, in accordance with the conditions laid down in the grant agreement.

### 12.5. Liability regime for recoveries

The liability regime for recoveries will be fixed in the Grant Agreement (Data Sheet point 4.4 and art 22). For beneficiaries, it is one of the following:

- limited joint and several liability with individual ceilings — each beneficiary up to their maximum grant amount
- unconditional joint and several liability — each beneficiary up to the maximum grant amount for the action or
- individual financial responsibility — each beneficiary only for their own debts. In addition, the granting authority may require joint and several liability of affiliated entities (with their beneficiary).

## 13. PUBLICITY

### 13.1. By the Beneficiaries

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the allocated grants are used.

In this respect, beneficiaries are required to give prominence to the name and emblem of EDA and of the European Union and the LIFE logo (LIFE logo: [\\_EN-Co-funded-by-the-EU\\_l.jpg](#)) on all their publications, posters, programmes and other products realised under the grant agreement.

If this requirement is not fully complied with, the grant may be reduced in accordance with the provisions of the grant agreement.

### 13.2. By EDA

EDA will publish the following information:

- a. name of the awarded applicant (in case of multi-beneficiaries- name of the consortium) and its beneficiary/beneficiaries;
- b. address of the beneficiary (legal persons);
- c. the subject of the grant agreement;
- d. amount awarded.

Upon a reasoned and duly substantiated request by the applicants (or coordinator representing the consortium in case of multi-beneficiary project), the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiary.

## 14. OWNERSHIP

**The attention of the applicants is drawn to the draft grant agreement, which stipulates the ownership regime of the results generated by the action.**

## 15. PROTECTION OF PERSONAL DATA

If processing your reply to the Call for Proposals involves the recording and processing of personal data (such as your name, address and CV), such data will be processed by EDA in accordance with Regulation (EU) No 2018/1725<sup>27</sup>, pursuant to Article 31 of Council Decision (CSFP) 2015/1835.

Unless indicated otherwise, personal data will be processed by EDA solely for evaluation purposes in accordance with the specifications of the call for proposals. Details concerning the processing of your personal data are available in the privacy statement at:

<http://www.eda.europa.eu/docs/default-source/procurement/privacy-statement.pdf>

You are informed that for the purposes of safeguarding the financial interest of the Union, your personal data may be transferred to EDA's Internal Auditor, to the College of Auditors, to the European Commission, to the European Anti-Fraud Office (OLAF), to the European Court of Auditors (ECA) or to any other body to ensure the adequate implementation of Checks and Audits (Article 25 of the draft Grant Agreement in Annex V to the Call for Proposals).

Personal data may be registered in the Early Detection and Exclusion System (EDES) if you are in one of the situations mentioned in Article 138 of the Regulation (EU, Euratom) No 2024/2509 of the European Parliament and the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast). For more information see the Privacy Statement on:

[https://ec.europa.eu/info/sites/default/files/about\\_the\\_european\\_commission/eu\\_budget/privacy\\_statement\\_edes\\_january\\_2021\\_en.pdf](https://ec.europa.eu/info/sites/default/files/about_the_european_commission/eu_budget/privacy_statement_edes_january_2021_en.pdf)

## 16. PREPARATION AND STRUCTURE OF THE PROPOSAL, FORMS AND SUPPORTING DOCUMENTS

### 16.1. Preparation of the Proposals

Proposals shall be prepared in accordance with the scope of the Call (section 2.2), with a clear definition of the roles (Form A1), demonstrating that the consortium is composed of all the necessary competencies needed to achieve the objectives of the Call (section 2.1).

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 17.

Applicants will be informed in writing about the results of the selection process.

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<sup>27</sup> Regulation (EU) No 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p.39) .

## 16.2. Structure of the Proposals

Proposals must be **readable, accessible and printable**.

Proposals shall include the following:

Administrative Proposal (A1-A5)	Technical Proposal and Operational Capacity Form (B1, B2)	Financial Proposal (C1)
A1: Consortium Composition A2: Coordinator profile A3: Co-Applicant profile A4: Declaration of honour A5: Financial capacity assessment Relevant supporting documents	B1: Technical proposal B2: Operational capacity form	C1: Preliminary estimated Budget (Annex IV to the Call - Estimated budget for the Action)

### 16.2.1. Administrative Proposal (A1-A5)

#### **Administrative Proposal (A1-A5):**

A1 – Consortium Composition

A2 – Coordinator profile

A3 – Co-Applicant profile

A4 – Declaration of honour

A5 – Financial capacity assessment

The A5 form shall be filled in by clicking the link included in Annex A5 (available at LFV Simulation: <https://ec.europa.eu/research/participants/lfv/lfvSimulation.do>), downloading a copy to be submitted as part of the proposal.

The following supporting documents shall be provided:

#### **The coordinator:**

- Financial information form (FIF) and corresponding supporting documents:
  - FIF can be downloaded from the following website: [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/financial\\_id/financial\\_id\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm)
  - FIF must either include the bank's stamp and signature on the form itself or FIF must be accompanied by the relevant bank statement

#### **The coordinator:**

- Legal entity form (LEF) and corresponding supporting documents:
  - A specific LEF form in all official languages of the EU can be downloaded from the following website (use of the English form is preferred): [https://ec.europa.eu/info/publications/legal-entities\\_en](https://ec.europa.eu/info/publications/legal-entities_en)
  - In addition to the above:
    - **private legal person(s) shall provide:** extract from the official journal, copy of articles of association, extract of trade or association register and a copy of the certificate of liability to VAT (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required);

- **public legal person(s) shall provide:** a copy of the resolution, law, decree or decision establishing the public body, or as an alternative, any other official document establishing the public legal person by the national authorities may be submitted.

EDA reserves the right to request the LEF and its supporting documents for all applicants and any affiliated entities at any stage of the evaluation process.

### **16.2.2. Technical Proposal and Operational Capacity form (B1-B2)**

B1 – Technical Proposal

B2 – Operational capacity form

#### **Technical Proposal and Operational Capacity form (B1-B2):**

B1 – Technical proposal. The applicant(s) are requested to at least:

- a) Provide detailed information on the mission and objectives of the project proposal and link it to the specific objectives of the call.
- b) Provide a detailed description of the proposed implementation of the project, including foreseen key activities, information on state-of-the-art, existing solutions and innovativeness as well as set (technical) targets to measure the outcomes.
- c) Provide a detailed description of the expected impact of the project, including environmental benefits and mitigation of environmental effects, military operational benefits, business impact and market size as well as measures for the exploitation of the project results. Quantitative impact measurements and other indicators should be included where possible.
- d) Provide a preliminary version of the work plan, that will define inter alia the project workflow, the main milestones, tasks and deliverables.
- e) Provide a preliminary risk assessment, including technical implementation and business-related risks.
- f) Describe the foreseen composition of the project team and link competence of team members to objectives and foreseen activities for the proposal.
- g) Describe the resources planned for the execution of the activities.

A template for the application is provided.

B2 – Operational capacity form:

Applicants must prove in this form they have the **operational technical capacity** to complete the activities presented in their proposal.

In particular:

- Applicant(s) shall have must have a relevant technical competence and a high degree of specialisation in the areas pertaining to the activities subject to the proposal.

The technical proposal and operational capacity form (B1-B2 Forms) constitutes the core of your proposal. These forms shall be submitted using the template provided with this call, consisting of a list of headings. It is recommended to follow this structure when presenting the technical content. The templates are designed to highlight those aspects that will be assessed against the evaluation criteria. They cover, among other things, the nature of the proposed work, the participants and their roles in the proposed project, and the impact that might be expected to arise from the proposed work. Additional information or descriptive document may be provided by applicants as an annex.

Technical proposals (including any annexes) are limited to maximum **40 A4 (21x29,7 cm) pages**. Evaluators will not consider any additional pages.

**Character and page limits:**

- page limit: 40 pages
- supporting documents can be provided as an annex and do not count towards the page limit
- minimum font size — Arial 10 points.
- margins (top, bottom, left and right): at least 15 mm (not including headers & footers).

**16.2.3. Financial Proposal (C1)**

C1 – Preliminary Budget

The C1 form shall be submitted in excel (.xls) format.

**Please note that figures shall be indicated in C1 form. In case figures are indicated in other forms, please include a cross reference only. If inconsistencies are present between C1 and other forms the figures in C1 form will prevail.**

**16.3. Forms and Supporting Documents**

**The following documents need to be signed by the authorised representative:** form A4.

The signature can be either:

- blue ink on paper
- Qualified electronic signature: please see conditions specified in section 17.

The table below provides an overview of Forms which shall be **submitted by the applicants**. Every **actor specified below is responsible to fill them duly in** (coordinator and/or co-applicants and/or an affiliated entity). The table below reflects on who has to fill out what kind of forms. This information shall be reflected in the cover page of the A forms prepared by the single applicant/coordinator.

Forms/Documents	Single applicant/Coordinator	Co-applicant	Affiliated entity
A1 – A2 – B1	X		
A3		X	
A4 – A5 – B2 – C1	X	X	X
FIF and supporting documents	X		
LEF and supporting documents	X	X	X

**16.4. Documents which may be requested during the course of the evaluation or after award by EDA**

Supporting documents related to Declaration of Honour (Form A4):

- For situations described in point (5) (a), (c), (d), (f), (g) and (h) of the Form A4, a recent extract from the judicial record or, failing that, an equivalent document recently issued by a judicial or administrative authority in the country of establishment of the entity showing that those requirements are satisfied.
- For the situations described in point (5) (a) and (b) of the Form A4, recent certificates issued by the competent authorities of the country of establishment. These documents must provide evidence covering all taxes and social security contributions for which the entity is liable, including for example, VAT, company tax (legal persons only) and social security contributions. Where any document described above is not issued in the country concerned, it may be replaced by a sworn statement

made before a judicial authority or notary or, failing that, a solemn statement made before an administrative authority or a qualified professional body in its country of establishment.

## 17. SUBMISSION OF PROPOSALS

**Proposals must be submitted in accordance with the formal requirements and by the deadline set in this section.**

**The applicants are not allowed - in any respect - to change the scope and the content of the proposal(s), till the signature of the grant agreement. However, if there is a need to clarify certain aspects or for the correction of clerical mistakes, EDA may contact the applicant for this purpose during the evaluation process.**

The proposal may be submitted in any of the official languages of the European Union with a preference to **English version**. If the proposal is submitted in a language other than English, the applicant shall submit an English translation of the technical proposal together with the proposal.

### 17.1. Submission of the proposal

Proposals shall be **solely** submitted by e-mail to the following e-mail address: [24.ISE.CP.140@eda.europa.eu](mailto:24.ISE.CP.140@eda.europa.eu). Proposals sent to a different e-mail address, proposals sent on paper or by fax will be non-admissible.

**The deadline for the receipt of proposals ("Receipt Time Limit") is 18 November 2024, at 17h00 (Brussels time).**

Following submission of a proposal to the above e-mail address, applicants will receive a proposal receipt confirmation in their mailbox. This receipt is considered as the proof of compliance with the deadline (Receipt Time Limit).

The proposal must be attached to the e-mail which has to be received within the "Receipt Time Limit" indicated above. For all documents to be submitted by applicants to EDA grant procedures, blue ink (= handwritten) signature or equivalent is required. In this context, "equivalent" signature is defined as a qualified electronic signature (QES) used within the EU and recognised as equivalent to a handwritten one in the corresponding EU Member State. Please use the Trusted List Browser (<https://webgate.ec.europa.eu/tl-browser/#/>) to verify if the e-signature solution used by your company has been granted a qualified status by a national competent authority as indicated in the national 'trusted lists' of the EU Member State.

Receipt after the deadline shall lead to the non-admissibility of the proposal and its exclusion from the award procedure for this grant agreement.

Make sure you submit your proposal on time: applicants are advised to start completing their proposal early and not to wait until the last moment (Receipt Time Limit) to submit their proposals. To avoid any complications with regard to late receipt/non receipt of proposals within the deadline, please ensure that your proposal is submitted several hours before the deadline.

Please inform EDA whether you intend to submit a proposal, by sending an e-mail at the following e-mail address: [Grant@eda.europa.eu](mailto:Grant@eda.europa.eu)



Note: In case the Declaration of Honour is signed in blue ink, the applicant shall send the original by post, mail, express mail or commercial courier to EDA premises not later than the deadline for submission of the proposals. This deadline is therefore respected even if the Declaration of Honour is received by the EDA after this deadline under the condition that it was sent before the deadline. The evidence of the date of dispatch shall be constituted by the postmark or the date of the deposit slip, to the address indicated below.

## 18. EVALUATION OF PROPOSALS, AWARD AND RESERVE LIST

### 18.1. Evaluation of Proposals

All applications will be examined and assessed by an Evaluation Committee. The assessment of each proposal will be based on the information provided by the applicants in the proposal submitted in reply to the call for proposals. The information will be assessed in light of the admissibility, eligibility, exclusion, selection and award criteria set out in the Call for Proposals.

The Evaluation Committee may ask an applicant to provide additional information or to clarify the supporting documents submitted in connection with the application, in particular in the case of evident material errors.

At the end of the evaluation:

- the best proposal(s) will be proposed for the award,
- placed on the reserve list in case of not available funding,
- rejected, stating the reasons for rejection.

After the completion of the evaluation, applicants will be informed in writing about the results of the evaluation.

### 18.2. Award of the grant agreement

EDA may invite the applicant(s), whose proposal has been recommended for the award by the Evaluation Committee, to introduce minor adjustment to the proposal. In that case, the applicant would receive a letter setting out the proposed modifications. The modified proposal shall address the modification proposed by EDA **only**. This phase will not lead to a re-evaluation of the proposal.

A decision to reject an application can be based on the following grounds:

- the application does not comply with the admissibility criteria as set out in section 6 above;
- the application does not comply with the eligibility criteria as set out in section 7 above;
- the applicant(s) does(do) not comply with the exclusion criteria as set out in section 8 above;
- the applicant(s) does(do) not comply with the financial capacity as specified in section 9.1 above;
- the applicant(s) does(do) not comply with the operational capacity as specified in section 9.2 above;
- the proposal has not reached the minimum scores as indicated in the award criteria detailed in section 10 above;
- the score obtained by the proposal is not ranked amongst the best proposals considered for the award.

The applicant (coordinator) may submit any observations concerning the grant procedure to the granting authority by email at [Grant@eda.europa.eu](mailto:Grant@eda.europa.eu). If the applicant believes that there was maladministration he

can lodge a complaint to the European Ombudsman for alleged maladministration within two years of the date when he became aware of the facts on which the complaint is based (see <http://www.ombudsman.europa.eu>).

The court responsible for hearing annulment procedures is the General Court of the European Union:

General Court  
Rue du Fort Niedergrünwald  
L-2925 Luxembourg  
tel.: (+352) 4303 1      fax: (+352) 4303 2100  
e-mail: [GeneralCourt.Registry@curia.europa.eu](mailto:GeneralCourt.Registry@curia.europa.eu)  
URL: <http://curia.europa.eu>

### 18.3. Reserve list

EDA may place proposals – which were not considered for award of the grant due to inferior score – on a reserve list. Should additional budgetary appropriations become available, the applicants will be informed according to their ranking on the reserve list about the potential award of the grant.

## 19. CONTACTS

Contacts between EDA and potential applicants can only take place in certain circumstances and under the following conditions:

### **Before the final date for submission of proposals:**

- At the request of the applicant, EDA may provide clarifications solely for the purpose of clarifying the nature of the call. The request cannot be made after 8 November 2024.
- Any requests for clarifications must be made in writing only to the contact details stated below.
- EDA may, on its own initiative, publish corrigenda in case of inaccuracy, omission or other clerical error in the text of the call for proposals.
- Any additional information including that referred to above will be published on EDA internet page (<https://eda.europa.eu/procurement>) on which the call for proposals is published.

### **After the deadline for submission of proposals:**

- If clarification is requested or if obvious clerical errors in the proposal need to be corrected, EDA will contact the applicant provided the terms of the proposal are not modified as a result.
- If EDA finds that the proposal, chosen for the award, could be improved by minor adaptations (see Section 18.2 above).

### **Contact details for the call:**

EDA: Procurement and Contracts Department

E-mail address: [Grant@eda.europa.eu](mailto:Grant@eda.europa.eu)

Office address: European Defence Agency, Rue des Drapiers, 17-23, B-1050 Ixelles, Belgium

**REMINDER:** when sending any correspondence to EDA, please refer in the subject (of the email or of the letter) to the relevant reference number of the Call: **24.ISE.CP.140** – the failure of doing so might delay the timely response of EDA.

## 20. ANNEXES

ID	Document Title
Annex I	A1-A4 forms
Annex II	A5 Form
Annex III	B1-B2 forms
Annex IV	C1 form - Estimated Budget for the Action (Annex 2 to GA)
Annex V	Draft Grant Agreement
Annex VI	Unit costs rates (Annex 2a to GA)

## 21. DEFINITIONS, ABBREVIATIONS

Term/Abbreviation	Description/Definition
CRM	Critical Raw Materials
EMAS	Eco Management Audit Scheme