



CALL FOR PROPOSALS

Pilot Project: Research on reduction of CO₂ emissions in steel production

1. INTRODUCTION

The European Commission adopted on 25/04/2019¹ a financing decision for a pilot project to stimulate research on reduction of CO₂ emissions in steel production. The pilot project has been proposed by the European Parliament and adopted in the General Budget of the European Union for the financial year 2019².

With the Communication ‘Steel: Preserving sustainable jobs and growth in Europe’ COM(2016)155, the European Commission stressed the importance to invest in a sustainable steel industry. The Commission also underlined the need to maintain a robust industrial base in Europe, in order to make the economy flourish while preserving sustainable jobs and keeping a competitive position on global markets.

In 2018, the Commission presented its Communication³ ‘A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy’. The strategy shows how Europe can lead the way to climate neutrality by investing into ambitious and realistic technological solutions, empowering citizens, and aligning action in key areas such as industrial policy, finance, or research – while ensuring social fairness for a just transition. The strategic long-term vision is also in line with the Paris Agreement objective to keep the global temperature increase to well below 2°C and pursue efforts to keep it to 1.5°C. On the road to a climate neutral economy, one of the strategic priorities is putting industrial modernisation at the centre of a fully circular economy, reaping first mover benefits by modernising existing installations and investing in new carbon neutral economy compatible technologies and systems.

The steel industry is one of the biggest industrial emitters of CO₂. Therefore, large investments in innovation and in integrated breakthrough technologies in this industry are crucial for achieving EU’s climate and energy targets, boosting competitiveness of industry and giving a first mover advantage to European companies in the global scene. Accelerating the transition to a low-carbon competitive economy is indeed a challenging necessity, but it is also an opportunity for Europe, as stated in the Commission Communication ‘Accelerating Clean Energy Innovation’ COM(2016)763.

¹ C(2019)3019.

² OJ L 67, 7.3.2019.

³ COM(2018)773.

The first step – identifying technical barriers for upscaling carbon direct avoidance techniques (via hydrogen and electric steelmaking) and smart carbon usage (via process integration, carbon capture utilisation and carbon capture and storage, when feasible) – has been initiated under the EU Research and Innovation framework⁴. However, the large-scale demonstration of these technological routes requires large investments, from research to commercialization. In fact, the current technological routes do not allow to fully achieve the expected CO₂ reductions. The non-technical barriers are also worth to be explored.

The next step is to put in place a new low-carbon steel value-chain that will transform the European Union into a lead provider of low-carbon products, services and advanced technologies in steelmaking. To help the steel sector to achieve these objectives, it is necessary to give incentive to develop breakthrough technology as well as to scale-up the best technologies currently available only at prototype level. The deployment of breakthrough technologies needs to be supported by consistent public and private investments. Therefore, exploring new synergy of funds is considered necessary to provide the critical mass needed for such large investments.

2. OBJECTIVES

The pilot project aims at exploring the feasibility of implementing breakthrough technology options, deployment paths and investment strategies for clean steelmaking in Europe with almost zero CO₂ emissions. Based on this analysis, it should identify which investment steps could be de-risked by EU support from relevant funding programmes (notably the Research Fund for Coal and Steel (RFCS), the assets of the European Coal and Steel Community (ECSC) i.L., Horizon Europe, the Innovation Fund, the Fuel Cells and Hydrogen Joint Undertaking, the Bio-Based Industries Joint Undertaking and EU Invest, among others) taking into account the specific funding requirements and conditions of the abovementioned instruments. In this context, ways of optimising synergy of EU policies and funding must be investigated and corresponding financial engineering schemes proposed.

Specific Challenge

Identify and accelerate the deployment of breakthrough technology routes for almost zero CO₂ steel production commercial demonstration by 2030 in Europe.

Scope

Although the pilot project primarily addresses the steel sector, it should not limit its scope to this sector or to other energy intensive industries only. It should also look at technology solutions stemming from other sectors, identifying technology spill overs from non-related sectors. The pilot project will require close collaboration with relevant European think-tanks, technology and research centres, industrial associations, steel producers, private investors and civil society organisations, as well as with the European

⁴ For instance, see the synopsis of steel projects co-funded under RFCS from 2003 to 2017: https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/research-fund-coal-and-steel-rfcs_en#documents. See also CORDIS database (<https://cordis.europa.eu/projects/en>) and the website of RFCS-2017 ongoing project ‘LowCarbonFuture’ (<https://www.lowcarbonfuture.eu/>). The website summarizes, evaluates and promotes projects and knowledge dealing with CO₂ mitigation in iron and steelmaking. “LowCarbonFuture” will also generate a roadmap stating research needs for breakthrough technologies to guide the EU steel industry towards the EU climate goals.

institutions (European Parliament, European Council and European Commission), national and regional public bodies.

The activities carried out by the pilot project must include:

- 1) Analysis and summary of promising technology routes, resulting from research projects globally (EU projects, national or regional funding, third country funding).

Prioritization of the most promising technology routes adjusted to the main steel plants in Europe⁵, complemented by a technology roadmap describing the milestones, timing and value chains needed to produce clean steel in Europe⁶.

Identification of decarbonisation pathways by 2030 and 2050 in consultation with industry and stakeholders to ensure private sector's commitment. In addition, non-financial barriers to investments in low-carbon technologies have to be identified and analysed.

- 2) Identification of investments and of innovative funding mechanisms⁷ needed to achieve the reductions specified at point (1).
- 3) Assessment of the impacts of technologies to be implemented, the optimal industrial sites and of the needed investments. The assessment shall be structured in accordance with the EU Better Regulation guidelines⁸.

The assessment will include a cost-benefit analysis exploring the three following options: no use⁹ of the European Coal and Steel Community (ECSC) assets, partial use of the ECSC assets and full use of these assets. In addition, the analysis has to assess if, how and why the EU should take action (including the costs of non-action).

- 4) Organization of two interactive workshops with external stakeholders and one large final public event to present and disseminate the project's results.

Expected impact

⁵ Covering at least 80% of emissions.

⁶ The technology roadmap should build, among others, on the VUB/IES' study 'Industrial Value Chain: A bridge Towards a Carbon Neutral Europe' (<https://www.ies.be/node/4758>) and the 'Decarbonisation Pathways' produced by Eurelectric (<https://www.eurelectric.org/decarbonisation-pathways/>). The technology roadmap should advance critical comments and further improvements of the studies developed insofar, focusing on those abovementioned.

⁷ This also includes exploring synergy of EU funding programmes (as the Research Fund for Coal and Steel (RFCS), the assets of the European Coal and Steel Community i.L (ECSC), Horizon Europe, the EU Innovation Fund, the Fuel Cells and Hydrogen Joint Undertaking, the Bio-Based Industries Joint Undertaking, EU Invest).

⁸ See, for example, "Better Regulation: guidelines and toolbox": https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en.

The Impact Assessment has the main aim to gather evidence in order to support policy-making. In so doing, it verifies the existence of a possible problem and its scale, analysing its causes and consequences. Thereafter, it sets the objectives to be achieved. It also identifies and consults all the affected actors. Finally, it presents solutions and multiple options to achieve the set objectives, comparing these options with regard to their effectiveness, efficiency, coherence, relevance and EU added value.

⁹ In accordance with Art. 1 of Protocol 37 on the Financial Consequences of the Expiry of the ECSC Treaty and on the RFCS, the use of the assets of the ECSC are intended to finance 'research in the sectors related to the coal and steel industry'.

The pilot project will:

- Provide ambitious and realistic solutions to the EU steel industry, the energy intensive industries and other sectors to overcome technical and non-technical barriers towards strong reduction of CO₂ emissions in order to meet the EU climate targets by 2030 and beyond.
- Provide insights from relevant stakeholders on how to make the best from EU new initiatives to decarbonize steelmaking. This will also contribute to EU leadership in this strategic industrial area.
- Promote R&D initiatives in the field of clean steelmaking by improving the synergy and sequencing of EU policies.

3. INDICATIVE TIMETABLE

	Stages	Date and time or indicative period
a)	Publication of the call	7 th May 2019
b)	Deadline for submitting applications	9th July 2019
c)	Evaluation period	July 2019
d)	Information to applicants	August / September 2019
e)	Signature of grant agreement or notification of grant decision	November 2019
f)	Starting date of the action	December 2019

4. BUDGET AVAILABLE

The budget earmarked for the financing of project is EUR 1 247 660 (one million two hundred forty seven thousand six hundred and sixty Euro).

The Commission expects to fund one single proposal.

The Commission reserves the right not to distribute all the funds available.

5. ADMISSIBILITY REQUIREMENTS

In order to be admissible, applications must be:

- sent no later than the deadline for submitting applications referred to in section 3;
- submitted (see section 15) using the application form (Part A) and electronic submission system available at <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>;
- readable, accessible and not protected for printing;
- must include the following forms:
 - Form B1 – Description of the proposal
 - Form B2 – Technical Annex
 - Form B3 – Bar Chart

If any of the required forms and sub-forms is missing, the proposal will be declared inadmissible; and

- drafted in one of the EU official languages. In order to facilitate assessment by the evaluators, applicants are encouraged to draft their proposal in English. If application forms are filled in a language other than English, please include an English version of the proposal's abstract in the Technical Annex (Form B2). Note that, in any case, the online submission forms for Part A and the templates for Part B are only available in English.

Failure to comply with those requirements will lead to rejection of the application.

6. ELIGIBILITY CRITERIA

A proposal will only be considered eligible if at least two legal entities, independent¹⁰ from each other and established in at least two different EU Member States, participate in the project as direct beneficiaries¹¹.

A check on the admissibility and eligibility of the proposals is carried out by the Commission before the evaluation. Applicants of inadmissible and/or ineligible proposals will be informed in due time about the decision of the Commission not to proceed with the evaluation of such proposals. They will not be given the possibility to improve the proposals in order to make it admissible and eligible for the current call. A proposal may be declared ineligible also at a later stage of the evaluation process, should evidence arise of non-compliance with the admissibility and eligibility criteria given above.

6.1 Eligible applicants

Any undertaking, public body, research organisation or higher and secondary education establishment, or other legal entity, including natural persons, established within the territory of an EU member state may participate and apply for financial assistance, provided that they intend to carry out a relevant activity in the framework of this Pilot Project 'Research on reduction of CO₂ emissions in steel production' or can substantially contribute to such an activity.

Any undertaking, public body, research organisation or higher and secondary education establishment, or other legal entity, including natural persons, in candidate countries are entitled to participate without receiving any financial contribution under the Pilot Project.

Any undertaking, public body, research organisation or higher and secondary education establishment, or other legal entity, including natural persons, from third countries are entitled to participate without receiving any financial contribution under the Pilot Programme, provided that such participation is in the interest of the European Union.

For applicants established in the UK:

Please note that until the UK leaves the EU, EU law continues to apply to and within the UK, when it comes to rights and obligations; this includes the eligibility of UK legal entities to fully participate and receive funding. This also applies to the Pilot Project

¹⁰ Two legal entities shall be regarded as independent of each other where is neither under the direct or indirect control of the other or under the same direct or indirect control as the other. For this purpose, control may, in particular, take either of the following forms:

- (a) the direct or indirect holding of more than 50 % of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
- (b) the direct or indirect holding, in fact or in law, of decision- making powers in the legal entity concerned.

The following relationships between legal entities shall not in themselves be deemed to constitute controlling relationships:

- (a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50 % of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;
- (b) the legal entities concerned are owned or supervised by the same public body.

¹¹ Subcontractors and linked third parties are not considered direct beneficiaries in the project.

‘Research on reduction of CO₂ emissions in steel production’.

Please be aware however that the eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to be eligible to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 50 of the grant agreement.

6.2 Eligible activities

The following types of activities are eligible under this call for proposals:

- Studies, analyses, mapping projects;
- Research covering investigative or experimental work;
- Conferences, seminars;
- Awareness and dissemination actions;
- Actions aiming at the creation and improvement of networks, exchanges of good practices.

6.3 Implementation period

The duration of the action is maximum 18 months.

Applications for projects scheduled to run for a longer period than the maximum duration specified in this call for proposals will not be accepted.

7. EXCLUSION CRITERIA

7.1 Exclusion

The applicants selected for funding will be required to provide a declaration on their honour during the grant agreement preparation phase. The declaration on their honour will certify that they are not in one of the situations referred to in Articles 136(1) and 141 FR, by filling in the relevant form (template in annex of the call for proposals).

The authorising officer responsible shall exclude a person or entity from participating in award procedures governed by the Financial Regulation or from being selected for implementing Union funds where that person or entity is in one or more of the following exclusion situations:

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under EU or national laws or regulations;
- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;

- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful intent or gross negligence, including, in particular, any of the following:
- (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of eligibility or selection criteria or in the performance of a contract, a grant agreement or a grant decision;
 - (ii) entering into agreement with other applicants with the aim of distorting competition;
 - (iii) violating intellectual property rights;
 - (iv) attempting to influence the decision-making process of the Commission during the award procedure;
 - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
- (i) fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
 - (ii) corruption, as defined in Article 4(2) of Directive (EU) 2017/1371 or Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA, or corruption as defined in the applicable law;
 - (iii) conduct related to a criminal organisation, as referred to in Article 2 of Council Framework Decision 2008/841/JHA;
 - (iv) money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council;
 - (v) terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
 - (vi) child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;

- (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
- (g) It has been established by a final judgement or final administrative decision that the applicant has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
- (h) it has been established by a final judgement or final administrative decision that an entity has been created with the intent referred to in point (g);
- (i) for the situations referred to in points (c) to (h) above, the applicant is subject to:
 - (i) facts established in the context of audits or investigations carried out by European Public Prosecutor's Office after its establishment, the Court of Auditors, the European Anti-Fraud Office or the internal auditor, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
 - (ii) non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
 - (iii) facts referred to in decisions of persons or entities being entrusted with EU budget implementation tasks;
 - (iv) information transmitted by Member States implementing Union funds;
 - (v) decisions of the Commission relating to the infringement of Union competition law or of a national competent authority relating to the infringement of Union or national competition law; or
 - (vi) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

7.2 Remedial measures¹²

If an applicant declares one of the situations of exclusion listed above (see section 7.1), it must indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to correct the conduct and prevent further occurrence, compensation of damage or payment of fines or of any taxes or social security contributions. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) of section 7.1.

7.3 Rejection from the call for proposals

The authorising officer shall not award a grant to an applicant who:

- a. is in an exclusion situation established in accordance with section 7.1¹³; or

¹² Article 136(7) FR

¹³ Article 106 FR

- b. has misrepresented the information required as a condition for participating in the procedure or has failed to supply required information; or
- c. was previously involved in the preparation of calls for proposal documents where this entails a distortion of competition that cannot be remedied otherwise.

The same exclusion criteria apply to affiliated entities.

Administrative sanctions (exclusion)¹⁴ may be imposed on applicants or affiliated entities where applicable, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

If a proposal has been declared inadmissible or ineligible and is therefore not retained for evaluation, the Commission will inform the applicant in due time, explaining the reasons for rejection. If the applicant considers that his/her proposal complies with the rules on admissibility and eligibility, s/he may file a complaint to challenge the rejection decision. The complaint must be filed within 30 days after receiving the rejection letter by the Commission via the following website:

<https://webgate.ec.europa.eu/redress-frontoffice/work.iface>

You will automatically receive an acknowledgement of receipt. If the Commission considers that the complaint is founded, following the recommendations of the admissibility and eligibility review committee if needed, the Commission must accept the proposal, send it for evaluation and notify the complainant.

7.4 Supporting documents

Proposals are only evaluated if they are considered admissible and eligible. A proposal will only be considered admissible if it complies with all the conditions referred in section 5.

8. SELECTION CRITERIA

8.1 Financial capacity

The applicant shall have stable and sufficient sources of funding to maintain his or her activity throughout the period for which the grant is awarded and to participate in its funding.

Financial capacity will be verified following the procedure in Article 196 of the Regulation (EU, Euratom) 2018/1046 (Financial Regulation)¹⁵.

Applicants must be aware that the grant agreement will not be signed until the situation of each beneficiary is cleared on the two following issues:

¹⁴ Article 138 FR

¹⁵ Should the financial capacity of an applicant is found to be insufficient the Commission may either reject the application or decide to accept the proposal and:

- offer a grant without pre-financing;
- offer a grant with pre-financing in instalments;
- offer a grant with pre-financing, subject to submission of a pre-financing guarantee;
- impose unconditionally and irrevocably on all beneficiaries, where appropriate, the principle of joint and several financial liability.

- the complete validation of the references of the legal entity (legal name, legal form, address, registration number, VAT number) and the allocation of powers within the legal entity (LEAR and LEAR extended mandate) which must be made on the basis of supporting documents required by the Research Executive Agency (REA);

- for private law legal entities: the assessment of the financial capacity of the beneficiary which is also done by the Research Executive Agency (REA) on the basis of the most recent approved annual accounts (balance sheet and profit & loss account). Those documents must be uploaded to the Funding and Tender Portal.

The objective is to ensure that the beneficiary will have the financial resources to carry out the tasks allocated to it until the end of the project. Where the ratios based on the net worth asset and on the annual result of the entity are not satisfactory, an in depth assessment is made by the Authorising Officer to consider whether pre-financing guarantees must be provided or the consortium be modified. Therefore, beneficiaries are requested to follow carefully this process managed by the Research Executive Agency and answer in a timely manner to its mail requests send to the contact person to the mail address declared at the time of the PIC registration (Personal Identification Code of each beneficiary).

Failure to submit the necessary documents to verify the financial capacity of the applicant via the Funding and Tender Portal within the deadline established either in this call or by REA when requesting additional documents will result in not proceeding to the next step in the grant procedure, namely, examining the proposal towards award criteria.

A complete explanation is available on the Funding and Tender Portal: http://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/applying-for-funding/register-an-organisation/registration-of-organisation_en.htm

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/lev/h2020-rules-lev-lear-fvc_en.pdf

8.2 Operational capacity

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed action.

The operational capacity of the applicant should be described in Part B of the project proposal.

9. PROPOSAL PREPARATION AND SUBMISSION

The submission process consists of the following six steps.

		Description	Responsible
Step 1	LOGIN	Access to the Funding and Tender Portal	Project Coordinator
Step 2	FUNDING SCHEME	Selection of Funding Programme, Topic, Type of Activity and Technical group	Project Coordinator
Step 3	CREATE DRAFT	Creation of a new draft proposal	Project Coordinator
Step 4	PARTIES	Selection of partners	Project Coordinator
Step 5	EDIT PROPOSAL	Preparation of the technical content, of the administrative information and of the budgetary aspects of the proposal.	All partners
Step 6	SUBMIT	Final submission of the proposal	Project Coordinator

General user manuals on the submission of proposals are also at the following links:

http://ec.europa.eu/research/participants/data/support/sep_usermanual.pdf

http://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/applying-for-funding/submit-proposals_en.htm

Although mainly intended for submission of proposals under the Horizon 2020 programme, these documents provide an exhaustive overview and a step-by-step guide of the submission process, which applies for the most part also to the submission of this call for proposals.

The proposition is organised in several parts:

Part A (Administrative Forms)

The Administrative Forms (referred to in the following as Part A) appear as a single online pdf file with editable fields automatically created by the submission system.

Form A1. The first section of Part A (General Information) provides an overview of the proposal. Please, notice that the fields ‘Research Objective’ and ‘Technical Group’ displayed in this form are not relevant for this call for proposals. However, in order to avoid any obstruction to the proposal’s submission, please fill in the abovementioned fields (‘Research Objective’ and ‘Technical Group’) by selecting one of the pre-filled options made available by the form.

Forms A2. The second section of Part A (Administrative data of participating organisations) has to be filled in with additional information and contact details of each participant, including information on dependencies with other participants. This part can be filled in either by each participant for his/her own organisation or by the Project Coordinator on behalf of the participants.

Form A3. The third section of Part A (Budget for the proposal) has to be filled in by the Project Coordinator and should give an overview of the costs foreseen by each participant (and its linked third parties, if any) per cost category.

Part B

Part B is the core part of the proposal as it includes the description of the state-of-the-art, the work plan, the operational capacity of the consortium, some budgetary aspects, and any other element that the applicants may consider useful in view of the evaluation of their proposal.

Applicants are recommended to give the highest consideration to this part. In case the proposal is successful at the evaluation and the consortium will be invited to enter in the Grant Agreement preparation phase in view to sign a Grant Agreement with the Commission, most of the information provided in Part B will become contractual obligations. No possibility will be given during the preparation of the Grant Agreement to modify substantial elements of the proposal, such as the planned work, the deliverables, the composition of the consortium, the nature and extent of the claimed costs etc., except for obvious clerical errors.

Therefore, the proposal will be evaluated as submitted and, if important information is missing or not convincing, or shortcomings are found, this will result in a low scoring of the proposal. Applicants are advised to become familiar already at this stage with the evaluation criteria.

Part B consists of a set of pdf files (the so-called Forms B) that have to be uploaded by the Project Coordinator and should follow the given format. Templates of these forms are available for download from the Funding and Tender Portal. These templates are MS Word documents and must be converted to pdf before uploading.

The forms in Part B should be filled in preferably in English as this will be the working language during the evaluation. If these forms are written in a language other than English, please include an English version of the proposal's abstract in the Technical Annex (Form B2). Note that, in any case, the online submission forms for Part A and the templates for Part B are only available in English.

Required forms:

- For every proposal, 3 pdf files must be uploaded: Forms B1, B2 and B3.

Form B1

Form B1 (Proposal Description) should contain:

- A proposal summary
- A list of ongoing and closed projects (e.g. FP and RFCS), international literature of major relevance to the objectives of the proposal, and a clear indication of the proposal's added value to what

has been already achieved to date at both European and worldwide level. Any mention of information that is not yet part of the public domain (i.e. reference to projects whose final report is not yet public) should allow the reader to reach an exhaustive understanding of the relevant findings.

- A description of the pilot project, with indication of its main aspects, the global approach of the pilot project and a brief overview of the work plan, as well as any other element that the applicants consider useful for a proper evaluation of the proposal. The description should be concise and structured in order to facilitate an easy understanding of all the main aspects and issues at stake.
- A description of the individual partners of the consortium, highlighting their operational capacity (in terms of, e.g., experience, skills, facilities, staff, resources) to carry out the proposed action. Subcontractors and linked third parties should also be described.

Required format for Form B1:

- the given template should be used (file B1_Proposal_Description.docx available in Funding & Tender Portal under "download templates").
- it has to be uploaded to Funding & Tender Portal as single pdf file, max file size is 10 MB;
- the minimum font size allowed is 11 points.

Form B2

Form B2 (Technical Annex) describes the work plan for the execution of the proposed action. If the proposal is retained for funding, it will become an Annex to the Grant Agreement and will define the contractual technical obligations of the participants. It includes the following sub-forms:

- Form B2-1 should explain the objectives of the whole project, in max 1 page;
- Form B2-2: for each work package, it should explain the objectives, the activities to be carried out in order to achieve these objectives, as well as the responsibilities and overall commitment (in terms of person months) of the participants. The responsibility for each deliverable should be also clearly identified, as well as the interdependencies of tasks and work packages. Contributions from subcontractors and linked third parties should be described.

The comprehensive overview of the project (State of the Art, problem, proposed approach and outcome) should constitute a separate deliverable with an indicative delivery date shortly after the project starting date (i.e. Month 4-6). The comprehensive overview will form the reference basis for the project monitoring after the first 4-6 months period.

Please do not classify any of the reports i.e. Periodic or Final Reports as deliverables in the Technical Annex;

Required format for B2:

- the given template should be used (file B2_Technical_Annex.docx available in Funding and Tender Portal. The information provided should strictly follow the format given, without attaching any additional documents in whatever form (e.g. additional annexes, appendices, supporting letters etc.).
- Forms B2-1 and B2-2 should be bundled consecutively into one single pdf file to be uploaded to Funding and Tender Portal as Form B2; max file size is 20 MB;
- there is no page limit for Form B2; the minimum font size allowed is 11 points.

Form B3

Form B3 (bar chart): should indicate the scheduling for each task in each work package and the commitment (in terms of person months) of each participant, subcontractor and linked third party.

Required format for B3:

- the given template should be used (file B3_Technical_Annex.docx available in Funding and Tender Portal. The information provided should strictly follow the format given, without attaching any additional documents in whatever form (e.g. additional annexes, appendices, supporting letters etc.).
- it has to be uploaded to Funding & Tender Portal as single pdf file, max file size is 10 MB;
- the minimum font size allowed is 11 points.

10. AWARD CRITERIA

Eligible applications/proposals will be assessed on the basis of the following criteria:

Excellence	Impact	Quality and Efficiency of the Implementation
Clarity and pertinence of the objectives, credibility of the proposed approach, soundness of the concept and quality of the proposed activities.	Effectiveness of the proposed measures to exploit and disseminate the project results, to communicate the project, and to manage data where relevant. Expected impacts in delivering activities related to the political participation and	Coherence and effectiveness of the work plan, including appropriateness of the allocation of tasks and resources, complementarity of the participants within the consortium (when relevant), and appropriateness of the management structures and procedures, including risk

	codetermination of the younger and older generations in Europe.	and innovation management.
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Evaluation scores will be awarded for the criteria, and not for the different aspects listed in the above table. Each evaluation criterion shall be marked on a six-point scale from 0 to 5 indicating the following:

0 - the proposal fails to address the issue under examination or cannot be judged against the criterion due to missing or incomplete information.
 1 - poor; 2 - fair; 3 - good; 4 - very good; 5 - excellent.

A minimum threshold of 3 shall be set for all the criteria. Any proposal, which fails to achieve one of the threshold scores, shall be rejected. The overall threshold, applying to the sum of the three individual scores, will be 10.

Submitted proposals are evaluated by the Commission services with the assistance of independent external experts acting as evaluators. Changes in the proposal are no longer possible after the cut-off date and any additional documentation provided by the applicants after this date will be disregarded, unless the Commission expressly asks the applicants to provide this information, e.g. to clarify any obvious clerical errors on their part (e.g. omission to submit evidence or information on a non-substantial element of the proposal)¹⁶.

If the applicant wants to withdraw a proposal after the closure of the call, s/he should inform the Commission through the functional mailbox indicated in Section 15.

11. LEGAL COMMITMENTS

In the event of a grant awarded by the Commission, a grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the beneficiary, as well as the procedure in view to formalise the obligations of the parties.

The applicants understand that submission of a grant application implies acceptance of the general conditions attached to this call for proposals. These general conditions bind the beneficiary to whom the grant is awarded and shall constitute an annex to the grant decision.

12. FINANCIAL PROVISIONS

12.1 Form of the grant¹⁷

The grant will take the form of 'reimbursement of eligible costs actually incurred' for the following categories of costs: personnel, subcontracting and other direct and indirect costs.

¹⁶ When clarifying obvious clerical errors, the Commission will not take into account new information provided by the applicants if this would substantially change the proposal.

¹⁷ Articles 125 and 194(1)(c) FR

Also see Art. 6 of the Research Fund for Coal and Steel (RFCS) Model Grant Agreement (MGA), adopted on 26/08/2015 8 (MGA). A copy of this MGA is available on the Funding and Tender Portal, in the section dedicated to the general RFCS documentation:

https://ec.europa.eu/research/industrial_technologies/pdf/rfcs/rfcs_mga-multi.pdf

The grant will be defined by applying a maximum financing rate of **100%** to the eligible costs actually incurred and declared by the beneficiary.

Conditions for compliance of the beneficiary's usual cost accounting practices:

The beneficiary must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:

- (a) the cost accounting practices that are used must constitute the usual cost accounting practices of the beneficiary. The beneficiary must apply those practices in a consistent manner, based on objective criteria irrespective of the source of funding (EU financing or other);
- (b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and
- (c) the categories of costs used for the purpose of determining the costs declared do not include any ineligible costs or costs already covered by other forms of grant.

12.1.1 Reimbursement of costs actually incurred¹⁸

The grant will be defined by applying a financing rate of 100% of the action's eligible costs incurred and declared by the beneficiary.

For details on eligibility of costs, please refer to section 12.2.

Eligible costs must be declared under the following forms ('forms of costs'):

- a) for direct personnel costs ('staff costs') as actually incurred costs ('actual costs');
- b) for direct costs of subcontracting: as actually incurred costs (actual costs);
- c) for other direct costs: as actually incurred costs (actual costs);
- d) for indirect costs: on the basis of a flat-rate. See Section 12.2.2 of the present Call for Proposal.

12.2 Eligible costs¹⁹

Eligible costs shall meet all the following criteria:

- they are incurred by the beneficiary.
- they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;
 - The period of eligibility of costs will start as specified in the grant agreement.
 - If a beneficiary can demonstrate the need to start the action before the agreement is signed, the costs eligibility period may start before that signature. Under no circumstances can the eligibility period start before the date of submission of the grant application.
- they are indicated in the estimated budget of the action;
- they are necessary for the implementation of the action which is the subject of the grant;

¹⁸ See Art. 6 of RFCS MGA

¹⁹ Article 186 FR. Also see Art. 6 of RFCS MGA

- 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 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.

The same criteria apply to costs incurred by the affiliated entities.

Eligible costs may be direct or indirect.

Important: the description of the eligible costs given in this chapter is written in accordance with a Research Fund for Coal and Steel (RFCS) Model Grant Agreement (MGA), adopted on 26/08/2015 (MGA).

A copy of this MGA is available on the Funding and Tender Portal, in the section dedicated to the general RFCS documentation:

https://ec.europa.eu/research/industrial_technologies/pdf/rfcs/rfcs_mga-multi.pdf

Any reference made in this Call for Proposal to the RFCS MGA has to be intended as reference to the Model Grant Agreement as described above. Applicants are strongly advised to become familiar with the rules for eligible costs as explained at Article 6 of the RFCS MGA, and to prepare the budget for their proposals accordingly.

Be aware that, for proposals recommended for funding, costs not complying with the definition of eligible costs given in this section will be rejected during the preparation of the Grant Agreement and the EU contribution will be reduced accordingly.

12.2.1. Eligible direct costs

The eligible direct costs for the action are those costs which:

with due regard to the conditions of eligibility set out above, are identifiable as specific costs directly linked to the performance of the action and which can therefore be booked to it directly. Please, make reference to Article 6 of RFCS MGA.

The recommended methods for the calculation of direct personnel costs are provided in RFCS MGA Article 6(2)(A).

12.2.2. Eligible indirect costs (overheads)²⁰

Indirect costs are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

Indirect costs are eligible if they are declared on the basis of the flat-rate of 35% of the eligible direct personnel costs.

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

²⁰ See Art. 6(2) E of the RFCS MAG.

12.3 Ineligible costs²¹

The following items are not considered as eligible costs:

- a) return on capital and dividends paid by a beneficiary;
- b) debt and debt service charges;
- c) provisions for losses or debts;
- d) interest owed;
- e) doubtful debts;
- f) exchange losses;
- g) costs of transfers from the Commission charged by the bank of a beneficiary;
- h) costs declared by the beneficiary under another action receiving a grant financed from the Union budget. Such grants include grants awarded by a Member State and financed from the Union budget and grants awarded by bodies other than the Commission for the purpose of implementing the Union budget. In particular, beneficiaries receiving an operating grant financed by the EU or Euratom budget cannot declare indirect costs for the period(s) covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action.
- i) contributions in kind from third parties;
- j) excessive or reckless expenditure;
- k) deductible VAT;
- l) costs incurred during suspension of the implementation of the action (see Article 49 of RFCS MGA)
- m) Travel costs and related subsistence allowances.

12.5 Balanced budget²²

The budget must be drawn up in euros.

Applicants for whom costs will not be incurred in euros should use the exchange rate published on the Infor-euro website available at:

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

12.6 Calculation of the final grant amount²³

The final amount of the grant is calculated by the Commission at the time of the payment of the balance. The calculation involves following steps described at Articles 5(3) and 5(4) of the RFCS Model Grant Agreement.

12.7 Reporting and payment arrangements²⁴

12.7.1 Payment arrangements

The beneficiary may request the following payments provided that the conditions of the grant agreement are fulfilled (e.g. payment deadlines, ceilings, etc.).

Please, refer to Article 21 of RFCS MGA.

²¹ See Art. 6(5) of RFCS MGA.

²² Article 196(1)(e) FR. Also see Annex 2 of the RFCS MGA.

²³ See Article 5(3) and 5(4) of the RFCS MGA.

²⁴ Articles 115, 202 and 203 FR. See Article 20 and 21 of the RFCS MGA.

The payment requests shall be accompanied by the documents provided below and detailed in the grant agreement:

Payment request ²⁵	Accompanying documents ²⁶
A pre-financing payment corresponding to 40% of the maximum grant amount	(a) signed agreement (b) if applicable, bank guarantee (see section 12.7.2)
An interim payment corresponding to 40% of the maximum grant amount.	(a) technical report on progress approved by the Commission (b) financial report including information on the Use of Resources approved by the Commission (c) financial guarantee (see section 12.7.2)
<p>Payment of the balance</p> <p>The Commission will establish the amount of this payment on the basis of the calculation of the final grant amount (see section 12.5 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Commission through a recovery order²⁷.</p>	<p>(a) final technical report and preparation of impact assessment (b) final financial statement (c) summary financial report including information on the Use of Resources (d) if applicable, a certificate on the financial statements and underlying accounts (e) an operational verification report</p> <p>All of the above approved by the Commission</p>

In case of a weak financial capacity, section 8.1 above applies.

12.7.2 Pre-financing guarantee²⁸

Please, refer to Article 21(1) of the RFCS MGA.

12.8 Other financial conditions

a) Non-cumulative award²⁹

An action may only receive one grant from the EU budget.

Under no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate in the grant application the sources and amounts of Union funding received or applied for the same action or

²⁵ Article 115 FR

²⁶ Article 203(2) FR

²⁷ Article 115(2) FR

²⁸ Articles 152 and 153 FR

²⁹ Article 191 FR. Also see Article 20(5) of the RFCS MGA.

part of the action or for its (the applicant's) functioning during the same financial year as well as any other funding received or applied for the same action.³⁰

b) Non-retroactivity³¹

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate in the grant application 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 application³².

c) Subcontracting³³

Subcontracting may cover only a limited part of the action. The beneficiaries must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests. Characteristics of subcontracting:

- Based on 'business conditions'; this means that the subcontractor charges a price, which usually includes a profit (this distinguishes it from 'linked third parties').
- Subcontractor works without the direct supervision of the beneficiary and is not hierarchically subordinate to the beneficiary (this distinguishes it from action tasks implemented by in-house consultants)
- Subcontractor's motivation is pecuniary, not the research work itself. The subcontractor is paid by the beneficiary in exchange for its work
- Responsibility towards the EU/Euratom for the subcontracted work lies fully with the beneficiary. The beneficiary remains responsible for all its rights and obligations under the GA, including the tasks carried out by a subcontractor. Subcontracts should in particular foresee that intellectual property generated by a subcontractor reverts to the beneficiary (so that it can meet its obligations towards the other beneficiaries in the GA and respect the other obligations of the GA).
- Subcontractor has no rights or obligations towards the Commission/Agency or the other beneficiaries (it has no contractual relation with them).

The beneficiaries must ensure that the subcontractors comply with certain obligations:

- avoiding conflicts of interest,
- maintaining confidentiality,
- promoting the action and give visibility to the EU funding,
- liability for damages.

³⁰ Article 196(1)(f) FR

³¹ Article 193 FR

³² Article 205 FR

³³ See Art.13 of the RFCS MGA

In order to be able to fulfil these obligations, best practice is that the beneficiaries impose contractual arrangements on the third parties. Another obligation is the compliance with national procurement rules when choosing the subcontractor. Beneficiaries that are ‘contracting authorities’ or ‘contracting entities’ (within the meaning of the EU public procurement Directives 2004/18/EC and 2004/17/EC — or any EU legislation that replaces these Directives) must moreover comply with the applicable national law on public procurement. These rules normally provide for a special procurement procedure for the types of contracts they cover.

Other provisions:

- Subcontracting between beneficiaries is NOT allowed in the same grant agreement. All beneficiaries contribute to and are interested in the action; if one beneficiary needs the services of another in order to perform its part of the work it is the second beneficiary who should declare the costs for that work;
- Subcontracting to affiliates is NOT allowed, unless they have a framework contract or the affiliate is their usual provider, and the subcontract is priced at market conditions. Otherwise, these affiliates may work in the action, but they must be identified as linked third parties and declare their own costs;
- Coordination tasks of the coordinator cannot be subcontracted (e.g. monitor of the implementation of the action, intermediary for communication, review of reports, submission of deliverables, distribution of funds);
- for existing framework contracts or subcontracts the name of the subcontractor should be indicated (because it is known). Moreover, these (sub) contracts must have complied with best value-for-money and absence of conflict of interests at the time of their award.

d) Financial support to third parties³⁴

Not Applicable.

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 grant is used.

In this respect, beneficiaries are required to give prominence to the name and emblem of the European Commission on all their publications, posters, programmes and other products realised under the financed project.

To do this they must use the text, the emblem and the disclaimer available at http://europa.eu/about-eu/basic-information/symbols/flag/index_en.htm

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

³⁴ See Art. 15 of the RFCS MGA.

13.2 By the Commission

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Commission will publish the following information:

- name of the beneficiary
- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level if he/she is domiciled within EU or equivalent if domiciled outside EU,
- subject of the grant,
- amount awarded.

Upon a reasoned and duly substantiated request by the beneficiary, 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 beneficiaries.

14. PROCESSING OF PERSONAL DATA³⁵

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to **General Data Protection Regulation (EU) 2016/679**³⁶. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by **DG Research and Innovation** (acting as data controller).

Personal data may be registered in the Early Detection and Exclusion System by the Commission, should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of Regulation (EU, Euratom) 2018/1046³⁷. For more information see the Privacy Statement on:

https://ec.europa.eu/info/data-protection-public-procurement-procedures_en.

15. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 3.

No modification to the application is allowed once the deadline for submission has elapsed.

³⁵ See Art. 39 of RFCS MGA.

³⁶ OJ L 119, 4.5.2016 (<https://eur-lex.europa.eu/eli/reg/2016/679/oj>)

³⁷ OJ L 193, 30.7.2018, p. 1–222

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>)

Proposals are evaluated as submitted. Changes in the proposal are no longer possible after the cut-off date and any additional documentation provided by the applicants after this date will be disregarded, unless the Commission expressly asks the applicants to clarify any obvious clerical errors on their part (e.g. omission to submit evidence or information on a non-substantial element of the proposal)³⁸.

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

Electronic submission

Applicants are requested to log in at the European Commission Funding and Tender Portal (link: <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>) and follow the procedure for submitting an application.

Applications sent by fax, by postal email, hand-delivered or by e-mail will not be accepted.

Contacts

For any questions please contact:

European Commission

DG Research & Innovation, Unit D.4 – Coal and Steel

RTD-STEEL-COAL@ec.europa.eu

16. ANNEXES:

- Application form
- Model grant agreement
- Declaration on Honour

³⁸ When clarifying obvious clerical errors, the Commission will not take into account new information provided by the applicants if this would substantially change the proposal.