



# Single Market Programme (SMP COSME)

## Call for proposals

Affordable Housing Initiative  
(SMP-COSME-2021-HOUS)

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## EUROPEAN INNOVATION COUNCIL AND SMEs EXECUTIVE AGENCY (EISMEA)

EISMEA.I – Innovation ecosystems, SMP / Entrepreneurship and Consumers  
I.02 – SMP / COSME Pillar

### CALL FOR PROPOSALS

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## 0. Introduction

This is a call for proposals for EU **action grants** in the field of social and affordable housing in the context of the European Green Deal under the Competitiveness of Enterprises and SMEs part of the **Single Market Programme (SMP - COSME)**.

The regulatory framework for this EU Funding Programme is set out in:

- Regulation 2018/1046 ([EU Financial Regulation](#))
- the basic act (Single Market Programme Regulation (EU) 2021/690 <sup>1</sup>).

The call is launched in accordance with the 2021-2024 COSME Work Programme<sup>2</sup> and will be managed by the **European Innovation Council and SMEs Executive Agency (EISMEA)** ('Agency').

The call covers the following **topic**:

- **SMP-COSME-2021-HOUS-01 — Affordable Housing Initiative**

We invite you to read the **call documentation** on the Funding & Tenders Portal Topic page carefully, and in particular this Call Document, the Model Grant Agreement, the [EU Funding & Tenders Portal Online Manual](#) and the [EU Grants AGA — Annotated Grant Agreement](#).

These documents provide clarifications and answers to questions you may have when preparing your application:

- the [Call Document](#) outlines the:
  - background, objectives, scope, activities that can be funded and the expected results (sections 1 and 2)
  - timetable and available budget (sections 3 and 4)
  - admissibility and eligibility conditions, criteria for financial and operational capacity and exclusion (sections 5, 6 and 7)
  - evaluation and award procedure (section 8)
  - award criteria (section 9)
  - legal and financial set-up of the Grant Agreements (section 10) how to submit an application (section 11)
- the [Online Manual](#) outlines the:
  - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
  - recommendations for the preparation of the application
- the [AGA — Annotated Grant Agreement](#) contains:

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<sup>1</sup> Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (OJ L 153, 3.5.2021, p.1).

<sup>2</sup> Annex II to Commission Implementing Decision C(2021) 3046 final of 06.05.2021 concerning the adoption of the work programme for 2021-2024 and the financing decision for the implementation of the Single Market Programme (SMP – COSME Pillar).

- detailed annotations on all the provisions in the Grant Agreement you will have to sign in order to obtain the grant (*including cost eligibility, payment schedule, accessory obligations, etc.*).

You are also encouraged to visit the [EISMEA](#) website to consult the list of projects funded previously.

## 1. Background

In 2019, the European Commission presented its new growth strategy, the European Green Deal, set out to make Europe the first climate-neutral continent by 2050, boosting the economy, improving people's health and quality of life, caring for nature, and leaving no one behind. In September 2020, the action plan to deliver the Green Deal has been communicated, with the aim to reduce EU greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Actions are on their way in all sectors of the industry, including buildings, and the updated 2020 European industrial strategy<sup>3</sup> has laid out a plan for how the EU's world-leading industry could lead the twin green and digital transitions, drawing on the strength of its traditions, its businesses and its people to enhance its competitiveness.

A refurbished and improved building stock in the EU will help pave the way for a decarbonised and clean energy system, as buildings consume around 40% of energy and are responsible for 36% of energy related EU greenhouse gas emissions<sup>4</sup>. But only 1% of buildings undergo energy efficient renovation every year, so effective action is crucial to meeting the energy and environmental targets and making Europe climate-neutral by 2050. Currently, roughly 75% of the building stock is energy inefficient, yet almost 85-95% of today's buildings will still be in use in 2050.

Affordable and social housing<sup>5</sup> are confronted with two main challenges: a decline in stocks and quality of dwellings (supply); and the need for accommodation (demand) due to demographic changes and urban/rural imbalances. This situation leads to market failures, increasing social welfare problems and inequalities (spatial segregation leading to democratic crisis, poor access to job markets, to education, services), carbon footprint of buildings, bearing heavy costs for the society due to homelessness and housing exclusion (public health, social protection, emergency housing solutions, violence, poverty etc.) as 34 million people across the European Union live in energy poverty.

An addition challenge is decreasing investment levels in housing sector. In the European Union, 800 000 social housing homes require renovation per year, which represent about 5%<sup>6</sup> of the total of social housing stock, and 450 000 new social homes are needed per year, calling for an additional EUR 57 billion per year<sup>7</sup>, while the share of expenditure on housing and community amenities of EU Member States kept decreasing from 0.9% to 0.6%, i.e. from EUR 109.6 billion to EUR 91 billion in the 2001-2018

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<sup>3</sup> [Communication from the Commission to the European Parliament, the Council, The European Economic and Social Committee and the Committee of the Regions, "Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe's recovery", COM\(2021\)350 of 05.05.2021 \(https://ec.europa.eu/info/sites/default/files/communication-new-industrial-strategy.pdf\).](https://ec.europa.eu/info/sites/default/files/communication-new-industrial-strategy.pdf)

<sup>4</sup> These figures refer to the use and operation of buildings, including indirect emissions in the power and heat sector, not their full life cycle. The embodied carbon in construction is estimated to account for about 10% of total yearly greenhouse gas emissions worldwide, see IRP, Resource Efficiency and Climate Change, 2020, and UN Environment Emissions Gap Report 2019.

<sup>5</sup> Definitions of the stock of affordable and social housing vary across MS. For statistics purpose, investments in affordable housing can be defined as "*Housing and community amenities (under the Eurostat code GF 06), out of which you can identify different expenditures such as housing development or other community development services and Housing (GF 1006) under the general social protection function (GF 10). This mainly includes social protection payments to households and in some cases the cost for running some (limited) social housing programmes*": Eurostat (2017), Government finance statistics database. <http://ec.europa.eu/eurostat/web/government-financestatistics/data/database>.

<sup>7</sup> and <sup>6</sup> Report of the High-Level Task Force Social Infrastructure in Europe (2018).

period. Overall, 0.6% of GDP is the average amount European governments spend on housing and social exclusion subsidies<sup>8</sup>.

Investment in social and affordable housing, through renovations, including deep renovation, and construction of new buildings, can address these issues by **reducing energy poverty** and housing costs, bringing long-lasting societal benefits, such as reduced energy bills, leading to reduced energy poverty, **improved health and comfort**, quality living areas and districts and **bring resilience** in the face of climate events and price shocks. Furthermore, investing in social and affordable housing is a beneficial countercyclical economic measure that **generates** economic return in terms of **employment** during low economic conjuncture, is less expensive than during economic upturn and **boosts** productivity of companies operating in the construction ecosystem, which represents an added value of EUR 904 billion, employs around 22 million people and is composed mainly (over 95%) of SMEs.

Modernising the housing stock will also **support skills development and transfer** in the construction sector, as 4 million qualified jobs together with upskilling of existing staff is required for **achieving** not only the **green**, but also the **digital transformation** of our society, starting from the places we live, using smart home equipment and digital tools, integration of smart systems and appliances and supporting a better integration of buildings in the energy system, in smart districts and cities. It will lead to cost and resource savings; full-scale digitalization of the AEC<sup>9</sup> sector in ten years will lead to 13-21% of savings during engineering and construction, and 10-17% during operation.<sup>10</sup>

The Blueprint initiative in the construction sector, planned for 2021, is expected to develop skills responses to technology deployment and innovation, to prepare a new generation of digitally aware multi-skilled workers, and help the sector to attract its fair share of young talents, to contribute to improving the image of the sector and to become a sector rewarding professional and vocational careers, with much safer and healthier conditions.

In the updated 2020 New Industrial Strategy released on 5th of May 2021, fourteen industrial ecosystems<sup>11</sup> have been identified and their different needs and challenges analysed, such as the proximity and social economy ecosystem. This ecosystem encompasses social infrastructure - mainly social housing – providers, along with local SMEs operating personal and contact services, small shops, bars and restaurants, repair, cleaning and maintenance services, as well as civil security services (fire fighters, police forces, emergency teams, etc.). The Covid-19 crisis highlighted the value of social economy actors to support vulnerable groups facing (potential) job-loss, difficulties to access affordable housing, as well as their value to build more inclusive, quality and liveability interventions in communities, districts and neighbourhoods in urban, suburban, as well as rural and remote areas, and increasing growth and job opportunities by fostering local value loops that encourage more local production, sharing and other circular business models.

Strengthening the competitiveness of these **industrial ecosystems** combined with investment in a modern social and affordable housing sector is key to achieve the climate-neutrality objective by 2050 and boost digital and technological transformation of SME's in several industrial ecosystems beyond the Proximity/Social economy

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<sup>8</sup> Eurostat, 2018.

<sup>9</sup> Architecture, Engineering and Construction.

<sup>10</sup> Boston Consulting Group 2016. Digital in engineering and construction- the transformative power of BIM.

<sup>11</sup> SWD(2021) 351, Annual Single Market Report 2021 identifies the following 14 industrial ecosystems: 1. Aerospace & Defence, 2. Agri food, 3. Construction, 4. Cultural and Creative Industries, 5. Digital Industries 6. Electronics, 7. Energy Intensive Industries, 8. Energy-Renewables, 9. Health, 10. Mobility-Transport/Automotive, 11. Proximity, Social Economy and Civil Security, 12. Retail, 13. Textiles, 14. Tourism. Further ecosystems may be identified and their delineation adapted based on stakeholders dialogues and changing realities.

ecosystem, such as Construction, Renewable Energy and Electronics with spill-overs to Health, Retail and Creative industries.

The EU mobilized an ambitious recovery plan – Next Generation EU – of EUR 750 billion, backed with a reinforced EU budget for the period 2021-2027.

The Recovery and Resilience Facility, **with EUR 672.5 billion, will spearhead investments and reforms in Member States to boost recovery and the green and digital transitions.** A minimum of 37% of expenditure would be targeted to climate-related expenditure and can support renovation investment and energy efficiency-related reforms across Member States. **“Renovate”** has been identified as one of the seven flagship areas for which the Commission strongly encourages Member States to put forward investment and reform plans projects included in their national Recovery and Resilience Plans<sup>12</sup>, by providing incentives to renovate the existing stock of buildings, in particular public buildings as well as social infrastructure and housing, in order to alleviate energy poverty through reduced energy and water bills and improve affordability of housing and living conditions.

Moreover, on 14 October 2020, the Commission published a **strategy** to trigger a **Renovation Wave for Europe**<sup>13</sup>, aiming to at least double the current low renovation rates in the EU by breaking down long-standing barriers to energy and resource-efficient renovation, supporting fresh investment over a sustained period starting from public and less efficient buildings, spurring digitalisation and creating employment and growth opportunities across the renovation supply chain.

The **Affordable Housing Initiative** is part of this strategy: *“In order to guarantee that local social housing projects have access to all necessary technical capacity, the Commission will launch the **Affordable Housing Initiative in 2021**. It will pilot **100 lighthouse renovation districts** in a smart neighbourhood approach and provide blueprints for replication, setting liveability and latest innovations at the forefront. It will mobilise cross-sectoral project partnerships linking them to local actors, including from the social economy, to promote efficient, circular and modular processes, social engagement models to empower residents, inclusive and accesible developments and cultural innovation.”*

The Affordable Housing Initiative is also embedded as key action to serve the principle 19 “Housing and assistance for the homeless” of the **European Pillar of Social Rights**<sup>14</sup>.

Furthermore, the Affordable Housing Initiative is fully aligned with the **Cohesion Policy 2021-2027** objectives, in particular:

- objective 1, **Smarter Europe**, through innovation, digitisation, economic transformation and support to small and medium-sized businesses
- objective 2, **Greener, carbon free Europe**, implementing the Paris Agreement and investing in energy transition, renewables and the fight against climate change
- objective 4, a more **Social Europe**, delivering on the European Pillar of Social Rights and supporting quality employment, education, skills, social inclusion and equal access to healthcare

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<sup>12</sup> Support from other EU programmes, such as InvestEU, the Connecting Europe Facility, LIFE and Horizon Europe as well as national funds can also be combined with the Recovery and Resilience Facility.

<sup>13</sup>COM(2020) 662 final of 14 October 2020.

<sup>14</sup> The European Pillar of Social Rights in 20 principles | European Commission (europa.eu).

- objective 5, **Europe closer to citizens**, by supporting locally-led development strategies and sustainable urban development across the EU.

Cohesion Policy further **supports locally-led development strategies** and **empowers local authorities in the management** of the funds. The urban dimension of Cohesion Policy is strengthened with **8% of the ERDF dedicated to sustainable urban development**, a new **European Urban Initiative** will be set up that supports innovative actions, capacity and knowledge building, policy development and communication on sustainable urban development.

The proposed **Just Transition Mechanism (JTM)** also aims to alleviate the social and economic costs of the transition to climate neutrality, focusing on the territories, industries and workers who will shoulder the biggest transition challenges. Its first pillar, the Just Transition Fund, with a proposed allocation of EUR 17.5 billion, has energy efficiency and circular economy investments as its eligibility areas.

The Affordable Housing Initiative is also closely linked to the recommendations of the citizens' initiative "Housing for all"<sup>15</sup>, the opinions on housing by the Committee of Regions<sup>16</sup>, the European Economic and Social Committee<sup>17</sup>, and the two resolutions of the European Parliament on "Maximising the energy efficiency potential of the EU building stock"<sup>18</sup> and on "Decent and Affordable Housing for All"<sup>19</sup> respectively adopted on 17 September 2020 and on 21 January 2021.

Finally, the Affordable Housing Initiative is built in synergy with other European programmes, initiatives and partnerships, notably:

- the **New European Bauhaus** aiming to combine design, sustainability, accessibility, affordability and investment in order to help deliver the European Green Deal. The core values of the New European Bauhaus are thus sustainability, aesthetics and inclusiveness.
- the **Housing Partnership** of the **Urban Agenda** for the EU, which has, from 2015 to 2018, analysed the challenges faced by Member States, regions, cities, and social and affordable housing providers throughout Europe, whether public, cooperative or private. The conclusions are included in a set of 12 substantial actions and recommendations by the "Housing Partnership Action Plan"<sup>20</sup>, which was presented during the 'Housing for All' international conference in Vienna on 4 December 2020.

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<sup>15</sup> [https://europa.eu/citizens-initiative/initiatives/details/2019/000003\\_en](https://europa.eu/citizens-initiative/initiatives/details/2019/000003_en).

<sup>16</sup> Towards a European Agenda for Housing, CoR, adopted on 01/12/2017.

<sup>17</sup> Universal access to housing that is decent, sustainable and affordable over the long term, adopted on 18/09/2020.

<sup>18</sup> [https://www.europarl.europa.eu/doceo/document/TA-9-2020-0227\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-9-2020-0227_EN.html).

<sup>19</sup> [https://www.europarl.europa.eu/doceo/document/A-9-2020-0247\\_EN.html](https://www.europarl.europa.eu/doceo/document/A-9-2020-0247_EN.html).

<sup>20</sup> [https://ec.europa.eu/futurium/en/system/files/ged/final\\_action\\_plan\\_euua\\_housing\\_partnership\\_december\\_2018\\_1.pdf](https://ec.europa.eu/futurium/en/system/files/ged/final_action_plan_euua_housing_partnership_december_2018_1.pdf).

## 2. Objectives — Themes and priorities — Activities that can be funded — Expected impact

### SMP-COSME-2021-HOUS-01 — Affordable Housing Initiative

#### *Objectives*

This call for proposals seeks to provide support, capacity building and networking for local industrial partnerships, with the ambition **to pilot 100 lighthouse renovation districts under the Affordable Housing Initiative.**

In order to achieve this, the call will set up one **European Affordable Housing Consortium** (hereafter “the consortium”) to support SMEs, including social enterprises, to collaborate with public authorities and (social) housing providers, in order to implement renovation projects targeting social and affordable housing, to upskill and reskill and integrate the latest digital, environmental and social innovative solutions targeting social and affordable housing and district renovation, and identify **technology needs and developments.** The consortium will facilitate the collaboration, networking, knowledge transfer and exchanges of best practices.

The consortium shall gather representatives of SMEs active in the sectors of social housing and construction, such as construction, electronics, renewables, housing associations and cooperatives, social rental agencies and companies, social services and healthcare, culture & creative industries together with representatives of public authorities, financial institutions and/or representatives of financial institutions. Public private partnerships should be the core of the consortium. Other organizations, such as scaling-up support organizations, such as technology centers, science parks, research institutes, fab labs, (digital) innovation hubs, creative hubs, social service providers and recognized architects, SME intermediaries, and social economy stakeholders, associations of tenants and residents, can also be part of the consortium.

The consortium shall also disseminate successful projects and help identify **opportunities** and overcome **challenges** to renovation of social and affordable housing districts; it shall provide recommendations for **sustainable financing, better regulation and standards** to facilitate provision and renovation of social and affordable housing, which could build on previous recommendations and conclusions that were drawn by related European initiatives on housing and sustainable urban development, such as the Housing Partnership Action Plan under the Urban Agenda for the European Union.

#### *Themes and priorities (scope)*

For the purpose of this call, the following terminology applies:

**Local industrial partnerships** gather SMEs, housing providers and local public authorities. Target SMEs could be active in (1) the construction ecosystem, (2) renewables ecosystem, (3) digital industries ecosystem and (4) electronics ecosystem producing (advanced) Green, Digital and other technologies for the housing sector. Similarly, it shall provide opportunities for SMEs that operate (5) proximity, social economy and civil security ecosystem: social housing services and other social services that are active in housing districts, for example, incubation, and entrepreneurship support, but also (6) retail ecosystem last group of relevant SMEs are those belonging to the (7) Health and (8) culture & creative culture industries ecosystem as these might be crucial for co-creative and aesthetic aspects of renovation<sup>21</sup>.

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<sup>21</sup> Refer to SWD(2021) 351 final for a definition of the industrial ecosystems identified in the European Industrial Strategy : [https://ec.europa.eu/info/sites/default/files/swd-annual-single-market-report-2021\\_en.pdf](https://ec.europa.eu/info/sites/default/files/swd-annual-single-market-report-2021_en.pdf).



**Lighthouse Districts** are defined as renovation projects at district scale targeting social and affordable housing. Renovation projects shall follow an integrated approach meaning that they include one of the three following features:

- use technologies, such as digital, smart energy efficient solutions, circular and modular renovation tool-kits and eco-design, use of renewables as energy sources to improve energy efficiency, sustainability of the district;
- use people-centered business models (energy communities, common spaces, co-investment in renovation, frameworks to empower residents, such as co-investing and resident owned services, integration of circular economy approaches<sup>22</sup>), innovative financial models, promote social innovation, access to health and social services, opportunities for social economy enterprises, improving social inclusion and fighting energy poverty;
- experiment co-creation and engagement practices for renovation at district level, engaging several disciplines (creative, green, digital, mobility) as a link to the New European Bauhaus;

The **renovated housing units** of the lighthouse districts shall remain affordable and the lighthouse districts shall serve as best examples to be replicated towards other districts in Europe and to deliver blueprints for local industrial cooperation.

The European cross-sectoral consortium set up under this call for proposals shall deliver on **three main priorities**:

Priority 1: Support to local industrial partnerships for implementing the lighthouse districts;

Priority 2: Create a hub of expertise, networking and knowledge transfer for affordable and social housing districts renovation;

Priority 3: Provide advice towards sustainable financing, better regulation and standards for renovation targeting social and affordable housing districts.

Activities that can be funded (scope):

1. Awareness raising and promotion

The implementation strategy shall propose a communication and promotion plan and provide concrete examples of how to effectively raise awareness, disseminate information on the opportunities and reach a maximum number of potential local industrial partnerships. Communication activities should in particular target relevant business organisations and other bodies supporting businesses and start-ups, as well as housing providers, cooperatives and associations, and local authorities as appropriate.

The consortium must demonstrate that they have appropriate access to the stakeholders of the local industrial partnerships. These activities should be focused so as to ensure that the local industrial partnerships who will receive support from the initiative will implement lighthouse districts.

To ensure that support is channelled across all Member states, and different communities, including urban, suburban and rural areas, communication channels and materials must be designed for different target groups, in terms of governance of the housing sector, the quality of the housing stock, the existing initiatives and governance models in the field of urban development at national and local level.

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<sup>22</sup> See the 2020 guidance document “Circular Economy principles for buildings’ design” <https://ec.europa.eu/docsroom/documents/39984>.

Other means of awareness-raising are also encouraged.

2. Organising knowledge transfer, capacity building and networking activities for local industrial partnerships.

This must be done in particular through the below list of compulsory activities to be undertaken by the consortium (the list is not exhaustive; the Consortium is invited to propose additional activities on top of the compulsory ones in the list):

- Putting in place a strategy to identify SMEs, housing providers and local authorities willing to engage in renovation projects at district scale targeting affordable and social housing and facilitate the cooperation between them for the creation of the local industrial partnerships and implementation of lighthouse districts;
- Identifying, documenting and promoting best practices as well as policies and initiatives at EU, national and local level aiming at addressing shortages of skills, knowledge and models to renovate affordable and social housing at district-level, as well as fostering multi-stakeholder partnerships (between industry, social partners, financial intermediaries, public authorities) in the area of the construction/social housing sector.
- Organising collaborative workshops, individual and group coaching, peer to peer learning, meeting with experts, boot camps, physical and online training courses, webinars, focus groups, seminars and other forms of support to SMEs, housing providers and local authorities in various areas (e.g. ready to market sustainable solutions/materials, certifications, standards, state aid, procurement, financing, facilitating contacts with investors and business partners, match making...);
- Providing technical support necessary for the above mentioned activities.

3. Facilitating access to funding, financial and technical assistance to local industrial partnerships for implementing the 100 lighthouse districts

3.1 Information on Access to Funding

The consortium shall identify the potential sources of funding the lighthouse districts and facilitate the access to these opportunities for SMEs, housing providers and local public authorities. It shall provide support to help create investment and project pipelines in affordable housing renovation and explore financing options, putting cost neutrality, affordability of renovated units, social inclusion and empowerment of residents at the forefront.

This must be done in particular through the below list of compulsory activities to be undertaken by the consortium (the list is not exhaustive; the Consortium is invited to propose additional activities on top of the compulsory ones in the list):

- Develop tools, such as handbooks, training tools, workshops, webinars, etc., to guide the members of the local industrial partnerships towards access to European funds and programmes. Several European funds can be mobilized for renovation projects targeting social and affordable housing at district-level, such as the REACT-EU, the European Regional Development Fund, the European Social Fund, the Modernisation Fund, InvestEU, the European Fund for Strategic Investments. The *Recovery and Resilience Facility Scheme* also offers opportunities for district renovation targeting social and affordable housing, which could facilitate implementation of lighthouse districts aligned with national strategies;
- Establishing close contacts with financial and banking institutions, such as the European Investment Bank and the Council of Development Bank as well as other financial institutions, which invest in renovation of social and affordable housing

and liaise with them in particular to support local industrial partnerships to access to funding opportunities they offer;

- Exploring the potential of mobilising private capital investments, such as the potential of social and green bonds, and facilitating their access for members of local industrial partnerships. Several reports and initiatives, notably at European level can constitute the basis for such approach, in particular, the recommendations and work of the Smart Finance for Smart Building Initiative<sup>23</sup> and the Private Finance for Energy Efficiency (PF4EE)<sup>24</sup>. The Mortgage Credit Directive<sup>25</sup> and the Consumer Credit Directive<sup>26</sup>, and the regulation 2019/2033 also provide opportunities to adequately reflect a possible lower credit risk of sustainable financial products<sup>27</sup>, which could be looked into;
- Facilitating the creation of project pipelines to tap into the potential of instruments, funds and programmes for district renovation targeting social and affordable housing, put in place e.g. by the European Investment Bank (i.e. ELENA), the European Energy Efficiency Fund, the Council of Development Bank. The partnership could facilitate access to these instruments, notably through facilitating aggregation of lighthouse district projects for larger scale intervention;
- Financial advisory to members of local industrial partnerships to make complex financing arrangements for renovation at district level going beyond energy efficiency, including social innovation, access to social and local services, empowerment of residents;
- National or local funding opportunities targeting urban regeneration projects at district level could also be investigated on case by case basis, according to the needs of the local industrial partnerships;
- As lighthouse districts can have a strong research and experimentation aspect for building renovation, the consortium can also investigate and facilitate access to funding opportunities at European level under Horizon Europe and Smart Cities call.

### 3.2 Technical assistance and capacity building

The consortium shall provide technical assistance to implement the lighthouse districts or to provide local industrial partnerships with such support. This must be done in particular through the below list of compulsory activities to be undertaken by the consortium (the list is not exhaustive; the Consortium is invited to propose additional activities on top of the compulsory ones in the list):

- Mapping of relevant initiatives, actors, opportunities and barriers for technical assistance open to members of the local industrial partnerships for renovation of social and affordable housing districts;
- Identifying specific needs of SMEs, housing providers and local public authorities to implement renovation of social and affordable housing at district level;
- Technical assistance to members of local industrial partnerships for use of advanced technologies, practices, innovations and smart solutions<sup>28</sup> related to the wide construction aspects in the lighthouse districts, also industrialised

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<sup>23</sup>[https://ec.europa.eu/info/news/smart-finance-smart-buildings-investing-energy-efficiency-buildings-2018-feb-07\\_en](https://ec.europa.eu/info/news/smart-finance-smart-buildings-investing-energy-efficiency-buildings-2018-feb-07_en).

<sup>24</sup> <https://pf4ee.eib.org>.

<sup>25</sup> Directive 2014/17/EU of the European Parliament and the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (OJ L 60, 28.2.2014, p. 34–85).

<sup>26</sup> Directive 2008/48/EC of the European Parliament and the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ L 133, 22.5.2008, p. 66–92).

<sup>27</sup> See EaDaPP, Final results of the correlation analysis between energy efficiency and risk, 2020.

<sup>28</sup> Such as: resource efficiency, smart home equipment, smart mobility, modular renovation tool-kits, eco/green architecture, horticulture, collective energy generation and district batteries system, sustainable renovations, and construction, proposed by European SMEs, and their uptake in the lighthouse districts.

solutions/packages, green materials, sustainable products, etc. based on the taxonomy requirements<sup>29</sup> as well as addressing various social aspects at district level to ensure that the renovated units remain affordable (e.g. social innovation and frameworks to empower residents, e.g. co-investing, resident owned service).

- Support and advice to local industrial partnerships to push renovation projects to go the extra mile by efficient use of state of the art technologies, models to empower residents and improve participation/ownership as well as liveability, access to local and social services, active aging and living, social inclusion, cultural innovation, smart cities and mobility, local artists and designers, energy communities, etc.
- Training for upskilling and reskilling the workforce of SMEs in the broad field of construction, including on deep renovation.
- Support for project implementation of the lighthouse districts.

A wide range of financial and technical assistance tools are also available at EU level under some of the programmes and instruments mentioned above (InvestEU, ELENA, LIFE, Technical Support Instrument<sup>30</sup>). The consortium can also provide tailor-made expertise directly or through meetings with experts, workshops, seminars, online and physical (when and if possible), training courses, bootcamps, and other means, based on the needs of the local industrial partnerships.

The consortium is responsible for putting in place a support scheme for local industrial partnerships to help them to access technical assistance support and identify the most appropriate delivery methodologies, using innovative approaches to teaching and learning, as well as an integrated use of ICTs (e.g. blended learning, simulators, etc.), and open resources (online toolkits, handbooks). The consortium must also identify ways to implement innovative support and assistance methods to respond to the needs of specific target groups, including local industrial partnerships operating in urban as well as suburban and rural areas across all the European Union.

#### 4. Develop blueprints for replication to deliver successful lighthouse districts

The consortium shall develop blueprints including options and/or methods to deliver the lighthouse districts tackling different aspects, called below modules, from financial set-up and project implementation to technical advice to go the extra mile in sustainability, technology and digital applications, livability and social inclusiveness.

The consortium may propose other blueprints, both in the proposal as well as in the implementation of the project in order to meet the needs of the local industrial partnerships.

Blueprints for replication must also find ways on how to tackle the following issues of the below list (the list is not exhaustive; the Consortium is invited to propose additional blueprints to be developed on top of the compulsory ones in the list):

- **Project implementation modules** (targeting partnership between SMEs, local/regional authorities and other partners such as financial institutions, civil society organizations:
  - Tackle temporary accommodation during renovation period
  - Deliver SME-friendly, innovation and partnership procurement targeting social housing
  - Attract and include private capital (e.g. use social and green bonds) as a source for funding lighthouse districts
  - Ensure cost-neutrality for residents after the renovation operation

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<sup>29</sup> [EU taxonomy for sustainable activities | European Commission \(europa.eu\)](https://ec.europa.eu/euro-observatory/en/eu-taxonomy-for-sustainable-activities).

<sup>30</sup> [Technical Support Instrument \(TSI\) | European Commission \(europa.eu\)](https://ec.europa.eu/euro-observatory/en/technical-support-instrument-tsi).

- Team up with local authorities for the uptake of new technologies targeting social and affordable housing
  - Tackle renovation of multi-apartment blocks, including multi-ownership challenges
  - Architectural and design approaches that allow in individual housing buildings to address a combination of purposes: housing, economic, leisure, nature, etc.
- **Social innovation related modules:**
- Target audience composition: how to combine different target groups such as intergenerational, single parents, people in need, people with disabilities, but also income-related combinations or other aspects that counteract segregated housing.
  - Ensure co-creation (priority for residents' engagement models) in the process of renovating social and affordable homes
  - Develop different models of co-ownership or shared ownership of accommodation or certain utilities such as energy, shared mobility services, equipment, etc.
  - Set links with the New European Bauhaus and other urban development strategies that promote co-creation and co-design of "housing neighborhood of tomorrow", combining social, ecological and economic purpose.
  - Consider the role of mediators and mediation techniques to align different interests that might promote or hamper district renovations.
- **Technical modules:**
- Put in place modular building systems
  - Maximize circularity in renovation and construction of the districts
  - Ensure energy efficiency at district-level by combining different sources of energy and respecting regulatory requirements
  - Tackle split incentives
  - Digitize social housing service provision (for example, customer relations, energy monitoring, waste collection) in an affordable, adaptable and purpose driven manner
  - Approaches for spatial planning and urban planning of districts to make a combination of purposes possible (housing, economic, leisure, nature, etc.)
  - Exploration of projects' aggregation
  - Promote industrialized packages (standardised renovation solutions)

Each blueprint will need to cover the following horizontal aspects:

- financial model and financial feasibility
- the regulatory framework (multi-level governance of EU/national/regional/local regulations or any necessary policy action)

Blueprints must include different options for achieving goals that respond to local/regional needs and must be adapted to different contexts across countries and regions in the European Union and participating countries.

The consortium may link with public authorities to overcome barriers for renovation of social and affordable housing and propose topics for blueprints. The consortium may also use different tools (e.g. webinars, focus groups) to ensure the quality of the blueprints and that they are adapted to the different local and regional needs.

5. Disseminate results: blueprints and advice for sustainable financing, better regulation and standards

The consortium shall act as a knowledge hub for sharing:

- Blueprints for replication that could facilitate the delivery of the lighthouse projects as described in the previous section;
- Recommendations for sustainable financing tools or changes to policies impacting funding opportunities for social housing or facilitating private investment into social and affordable housing (Basel agreement, mortgage credit directive<sup>31</sup>, Regulation (EU) 2015/760 on European long-term investment funds<sup>32</sup>, prudential requirements of investment firms regulation 2019/2033<sup>33</sup>, etc.);
- Socially responsible regulation, policies, standards and practices, in regards to state aid, services of general economic interest, performance-based public procurement, socially-responsible governance model, etc.

The consortium shall provide in the proposal a clear plan for dissemination of the above-mentioned results, including the activities and their timing, tools and channels to ensure that the results and benefits will be spread effectively to the stakeholders, enterprises, housing associations, cooperatives and policy makers. This initial dissemination plan will be fine-tuned and further elaborated as the implementation of the project goes along.

The dissemination strategy shall aim at reaching a wide, varied and specifically identified target audience. In this regard, the contractor shall establish and keep relations with stakeholders, including multipliers. Innovative communication and dissemination actions in order to reach a broad group of stakeholders should be proposed.

The consortium may consider using various stakeholders and their umbrella organizations as multipliers, such as social providers, for this purpose and/or identify stakeholders able to disseminate the results in cascade to individual users of the materials produced.

For that purpose, the initiative may liaise with relevant EU policy actions, instruments, initiatives and projects relevant for funding and implementing the lighthouse districts such as: Energy poverty observatory, Sustainable Energy Investment Forums, Cities Action for Sustainable Housing, EU Prize for Contemporary Architecture (in particular awarded housing renovation projects), URBACT, URBIS, Urban Innovative Actions, Intelligent Cities Challenge, Sustainable Energy Investment Forums, High level forum on construction, ERHIN, European Covenant for Mayors, European Cluster Collaboration Platform, European Enterprise Network, Digital Innovation Hubs, KETs, LIFE; with other programmes that are supportive for the delivery of district renovations (i.e. Horizon Europe, Regional Development and New Cohesion); and with national, regional, local public and private initiatives in the field. This list is not exhaustive and the consortium is encouraged to liaise with other relevant organisations.

The consortium shall also build interlinkages with the New European Bauhaus (NEB) and ensure proper synergies between the Affordable Housing Initiative and the NEB

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<sup>31</sup> [Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation \(EU\) No 1093/2010 \(OJ L 60, 28.2.2014, p. 34–85\).](#)

<sup>32</sup> [European long-term investment funds \(ELTIFs\) - Regulation \(EU\) 2015/760 | European Commission \(europa.eu\).](#)

<sup>33</sup> [Regulation \(EU\) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations \(EU\) No 1093/2010, \(EU\) No 575/2013, \(EU\) No 600/2014 and \(EU\) No 806/2014 \(OJ, L 314, 5.12.2019, p. 1–63\).](#)

Community.

The consortium can organize meetings with stakeholders to get their expert opinion at various stages of the development of the Initiative. Meetings should also be a chance to communicate about the Initiative, the opportunities it offers for SMEs, for housing associations and cooperatives, and local public authorities.

**The above mentioned eligible activities can be implemented in the following ways:**

- webinars, workshops, seminars to exchange good practices, round tables;
- studies, surveys, publications, in particular focusing on legal and regulatory aspects, as well as best practices that can support provision and renovation of affordable and social housing (state aid, public procurement) and providing recommendations for sustainable financing for affordable and social housing;
- training activities, training tools, bootcamps;
- developing support services for SMEs, social housing providers, local authorities to apply for EU funding for renovation at district-level, including toolkits, templates, manuals and other support material;
- actions aiming at creating and improving connections to stakeholders in inclusive and social, setting up of networks;
- meeting with experts;
- awareness and dissemination actions amongst the local industrial partnerships, SMEs, local authorities, social housing providers, energy communities, cooperatives, about opportunities on funding (EU, national or other funds) but also financial advisory or technical assistance;
- gathering, production and diffusion of relevant information materials;

This list is not exhaustive and applicants are encouraged to use new, innovative and experimental ways of achieving the objectives set under this call for proposals.

### Expected impact

The expected impact is to contribute to strengthening expertise, knowledge and networking for urban regeneration projects targeting affordable and social housing following a district-level and integrated approach embedded in locally-led development strategies. Results expected are to reinforce transformation towards a sustainable building stock and smart development of housing (in case of affordable district areas) by supporting renovation projects to 'go the extra mile' in terms of technologic, green, social and digital innovative methods, tools and processes.

Expected results consist in:

- Improved access to innovations and services by focusing on re-skilling, tools, pooling of resources and joint investments for SMEs operating in several industrial ecosystems (construction, proximity and social economy, digital, renewable, electronics, retail, creative and cultural industries, to get access and apply cutting-edge technologies, in renovation projects.
- Improved presence of SMEs in the significant opportunities offered by MS recovery strategies focussing on social and affordable housing and in the renovation market in general.

It is also expected to better identify and overcome issues to increase SME presence in the renovation of affordable and social housing market, facilitate the creation of local long term partnerships involving SMEs for urban regeneration at district-level, as well as better sharing of ideas/experiences/best practices and improved capacity building in the field of construction and renovation of affordable and social housing districts.

It is expected to raise awareness of good examples of local industrial cooperation, human-centered business models and successful projects targeting renovation of affordable and social housing at district-level.

Finally, it is expected to contribute to the implementation of urban development following the 2021-2027 cohesion policy objectives.

A robust set of key performance indicators should be used for reporting and monitoring, with a duly justified methodology. Proposals should put forward and explain a monitoring and reporting strategy, with appropriate indicators to measure outputs, outcomes and longer term impacts that match the proposed set of actions.

Key performance indicators to be used for reporting and monitoring (the list is not exhaustive and indicates the minimum of indicators to be used. Additional key performance indicators can be put forward):

- Number of blueprints for replication produced;
- Number and geographic spread of supported local industrial partnerships;
- Number and geographic spread of supported lighthouse districts in the planning phase or already in the development phase
- Number and geographic spread of SMES benefitting from the services provided by the Partnerships
- Number of good practices identified and recommendations formulated for better standards;
- Number of identified possible additional funding opportunities for innovative products or services targeting social and affordable housing;
- Number of established contacts/relationships between social housing providers/local authorities and SMEs/start-ups;
- Number of seminars, workshops, focus groups and other events organized and number of attendants from public and private entities;

### **3. Available budget**

The available call budget is **EUR 1 200 000**.

The Agency expects to fund one proposal.

We reserve the right not to award all available funds or to redistribute them between the call priorities, depending on the proposals received and the results of the evaluation.



#### 4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	15 July 2021
<u>Deadline for submission:</u>	<u>20 October 2021 – 17:00:00 CET</u> (Brussels)
Evaluation:	October-December 2021
Information on evaluation results:	December 2021
GA signature:	February 2022

#### 5. Admissibility and documents

Proposals must be submitted before the **call deadline** (see *timetable section 4*).

Proposals must be submitted **electronically** via the Funding & Tenders Portal Electronic Submission System (accessible via the Topic page in the [Search Funding & Tenders](#) section). Paper submissions are NOT possible.

Proposals (including annexes and supporting documents) must be submitted using the forms provided *inside* the Submission System (⚠ NOT the documents available on the Topic page — they are only for information).

Proposals must be **complete** and contain all the requested information and all required annexes and supporting documents:

- Application Form Part A — contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities) and the summarised budget for the project (*to be filled in directly online*)
- Application Form Part B — contains the technical description of the project (*to be downloaded from the Portal Submission System, completed and then assembled and re-uploaded as PDF in the system*)
- **mandatory annexes and supporting documents** (*to be uploaded as PDF files*):
  - Detailed budget table (*mandatory excel template available in the Submission System*)
  - CVs (short outlines) of core project team (qualifications and experience) - *free format, no template is provided.*
  - activity reports of last year: not applicable
  - list of previous projects (key projects for the last 4 years) - *template is provided in the Portal Submission System.*
  - short description of each of the consortium participants (including their affiliates) in order to demonstrate that it meets the eligibility criteria, as these are elaborated under Section 6, “Eligibility” - *free format - no*

*template is provided.*

Please note that the amounts entered into the summarised budget table (filled in directly online) must correspond to the amounts calculated in the detailed budget table. In case of discrepancies, the amounts in the online summarised budget table will prevail.

At proposal submission, you will have to confirm that you have the **mandate to act** for all applicants. Moreover you will have to confirm that the information in the application is correct and complete and that the participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc.). Before signing the grant, each beneficiary and affiliated entity will have to confirm this again by signing a declaration of honour (DoH). Proposals without full support will be rejected.

Your application must be **readable, accessible and printable**.

Proposals are limited to **50 pages** (Part B). Evaluators will not consider any additional pages.

You may be asked at a later stage for further documents (*for legal entity validation, financial capacity check, bank account validation, etc.*).



For more information about the submission process (including IT aspects), consult the [Online Manual](#).

## **6. Eligibility**

### *Eligible participants (eligible countries)*

In order to be eligible, the applicants (beneficiaries and affiliated entities) must:

- be established in one of the eligible countries, i.e.:
  - EU Member States (including overseas countries and territories (OCTs))
  - non-EU countries:
    - listed EEA countries and countries associated to the COSME part of the Single Market Programme or countries which are in ongoing negotiations for an association agreement and where the agreement enters into force before grant signature ([list of participating countries](#))
- be legal entities forming a consortium, including (the list of type of entities **is exhaustive**):
  - non-profit organisations (private or public);
  - public authorities (national, regional, local);
  - universities or educational institutions;
  - international organisations;
  - non-governmental organisations;
  - European umbrella organisations;
  - business support organisations;
  - research centres;
  - profit making entities.

In addition, each beneficiary must have members established in and/or represent at least **18 different eligible countries** - with the exception of financial institutions, representatives of financial institutions, investors and investment funds. The latter must have members established in and/or represent and/or operate in at least **five different eligible countries**. If more than one of such financial entities participates in the consortium, this requirement applies to all of them together.

Additional information regarding the type of eligible entities is provided under the section "Consortium composition".

Beneficiaries and affiliated entities must register in the [Participant Register](#) — before submitting the proposal — and will have to be validated by the Central Validation Service (REA Validation). For the validation, they will be requested to upload documents showing legal status and origin.

Other entities may participate in other consortium roles, such as associated partners, subcontractors, third parties giving in-kind contributions, etc. (*see section 13*).

### *Specific cases*


Exceptional funding — Entities from other countries (not listed above) are exceptionally eligible, if the granting authority considers their participation essential for the implementation of the action.

Natural persons — Natural persons are NOT eligible.

International organisations — International organisations are eligible. The rules on eligible countries do not apply to them.

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees for the protection of the EU financial interests equivalent to that offered by legal persons<sup>34</sup>.

EU bodies — EU bodies (with the exception of the European Commission Joint Research Centre) can NOT be part of the consortium.

Associations and interest groupings — Entities composed of members may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'<sup>35</sup>.  Please note that if the action will be implemented by the members, they should also participate as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

Countries currently negotiating association agreements — Beneficiaries from countries with ongoing negotiations (*see list above*) may participate in the call and can sign grants may participate as from the entry into force of these agreements if the negotiations are concluded before grant signature (with retroactive effect, if provided in the agreement).

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>36</sup> and entities covered by Commission Guidelines No [2013/C 205/05](#)<sup>37</sup>). Such entities are not eligible to

<sup>34</sup> See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>35</sup> For the definitions, see Articles 187(2) and 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>36</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](#).

<sup>37</sup> Commission guidelines No [2013/C 205/05](#) on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).

participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

**i** For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### Consortium composition

Proposals must be presented by consortia composed of at least **five partners** being beneficiaries (not affiliated entities), which comply with the following conditions:

- Within the consortium, there must be expertise on housing policy areas, including social housing, financial project design for provision and renovation of housing and building renovation.
- At least one partner has members operating within the social housing sector (housing providers, housing associations, housing cooperatives, social housing providers).
- At least one partner has members operating within the construction sector.
- At least one has members operating within the renewable energy sector, with an experience in affordable, green, and participatory energy production.
- At least one partner has members which are public authorities, including cities (densely populated areas), towns and suburbs (intermediate density areas) and local administrative units in rural areas (thinly populated areas)<sup>38</sup>.
- At least one financial institution<sup>39</sup> or representative of financial institution.

The participation of organisations that have members which are global, national, regional, local associations of tenants, homeowners, individual private landlords and/or co-owners of tenants would be an asset.

A short description of each of the consortium participants has to be provided in order to demonstrate that it meets all of the above eligibility criteria. (see section 5 - Mandatory Annexes and Supporting documents; *free format - no template is provided*).

### Eligible activities

Eligible activities are the ones set out in section 2 above.

Projects should take into account the results of projects supported by other EU funding programmes. The complementarities must be described in the project proposals (Part B of the Application Form).

Projects must comply with EU policy interests and priorities (*such as environment, social, security, industrial and trade policy, etc.*).

Financial support to third parties is not allowed.

### Geographic location (target countries)

Proposals must relate to the activities taking place in the eligible countries (*see above*).

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<sup>38</sup> [Background - Degree of urbanisation - Eurostat \(europa.eu\)](#).

<sup>39</sup> Organisation engaged in the business of dealing with financial and monetary transactions, investing, lending, blending, and/or financial advisory.

### Duration

Project should normally range between **24 and 36 months** (extensions are possible, if duly justified and through an amendment).

### Project budget

Project budgets (maximum grant amount) are expected to be around EUR 1 200 000, but this does not preclude the submission/selection of proposals requesting other amounts.

## **7. Financial and operational capacity and exclusion**

### Financial capacity

Applicants must have **stable and sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.

The financial capacity check will be carried out on the basis of the documents you will be requested to upload in the [Participant Register](#) during grant preparation (*e.g. profit and loss account and balance sheet, business plan, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc*). The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for all beneficiaries, except:

- public bodies (entities established as public body under national law, including local, regional or national authorities) or international organisations
- if the individual requested grant amount is not more than EUR 60 000.

If needed, it may also be done for affiliated entities.

If we consider that your financial capacity is not satisfactory, we may require:

- further information
  - an enhanced financial responsibility regime, i.e. joint and several responsibility for all beneficiaries or joint and several liability of affiliated entities (*see below, section 10*)
  - prefinancing paid in instalments
  - (one or more) prefinancing guarantees (*see below, section 10*)
- or
- propose no prefinancing
  - request that you are replaced or, if needed, reject the entire proposal.

 For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### Operational capacity

Applicants must have the **know-how, qualifications** and **resources** to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature).

This capacity will be assessed together with the 'Quality' award criterion, on the basis of the competence and experience of the applicants and their project teams, including operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time the task implementation starts.

If the evaluation of the award criterion is positive, the applicants are considered to have sufficient operational capacity.

Applicants will have to show their capacity via the following information:

- CVs (short outlines) of core project team (qualifications and experience) - *free format, no template is provided*;
- list of previous projects (key projects for the last 4 years) - *template is provided in the Portal Submission System*;
- short description of each of the consortium participants (including their affiliates) in order to demonstrate that it meets the eligibility criteria, as these are elaborated under Section 6, "Eligibility" - *free format - no template is provided*.

Additional supporting documents may be requested, if needed to confirm the operational capacity of any applicant.

### Exclusion

Applicants which are subject to an **EU exclusion decision** or in one of the following **exclusion situations** that bar them from receiving EU funding can NOT participate<sup>40</sup>:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts)
- in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts)
- guilty of grave professional misconduct<sup>41</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)

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<sup>40</sup> See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).

<sup>41</sup> Professional misconduct includes: violation of ethical standards of the profession, wrongful conduct with impact on professional credibility, false declarations/misrepresentation of information, participation in a cartel or other agreement distorting competition, violation of IPR, attempting to influence decision-making processes or obtain confidential information from public authorities to gain advantage.

- guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#) (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).

Applicants will also be refused if it turns out that<sup>42</sup>:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information
- they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

## 8. Evaluation and award procedure

The proposals will have to follow the **standard submission and evaluation procedure** (one-stage submission + one-step evaluation).


An **evaluation committee** (assisted by independent outside experts) will assess all applications. Proposals will first be checked for formal requirements (admissibility, and eligibility, *see sections 5 and 6*). Proposals found admissible and eligible will be evaluated against the operational capacity and award criteria (*see sections 7 and 9*) and then ranked according to their total scores.

For proposals with the same score (within a topic or budget envelope) a **priority order** will be determined according to the following approach:

Successively for every group of *ex aequo* proposals, starting with the highest scored group, and continuing in descending order:

- 1) The *ex aequo* proposals within the same topic will be prioritised according to the scores they have been awarded for the award criterion 'Relevance'. When these scores are equal, priority will be based on their scores for the criterion 'Impact'. When these scores are equal, priority will be based on their scores for the criterion 'Quality'.
- 2) If this does not allow to determine the priority, a further prioritisation can be done by considering the overall project portfolio and the creation of positive synergies between projects, or other factors related to the objectives of the call. These factors will be documented in the panel report.

All proposals will be informed about the evaluation result (**evaluation result letter**). Successful proposals will be invited for grant preparation; the other ones will be put on the reserve list or rejected.

 No commitment for funding — Invitation to grant preparation does NOT constitute a formal commitment for funding. We will still need to make various legal checks before grant award: *legal entity validation, financial capacity, exclusion check, etc.*

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<sup>42</sup> See Article 141 EU Financial Regulation [2018/1046](#).



**Grant preparation** will involve a dialogue in order to fine-tune technical or financial aspects of the project and may require extra information from your side. It may also include adjustments to the proposal to address recommendations of the evaluation committee or other concerns. Compliance will be a pre-condition for signing the grant.

If you believe that the evaluation procedure was flawed, you can submit a **complaint** (following the deadlines and procedures set out in the evaluation result letter). Please note that notifications which have not been opened within 10 days after sending are considered to have been accessed and that deadlines will be counted from opening/access (see also [Funding & Tenders Portal Terms and Conditions](#)). Please also be aware that for complaints submitted electronically, there may be character limitations.

## 9. Award criteria

The **award criteria** for this call are as follows:

- **Relevance:** clarity and consistency of project, objectives and planning; extent to which they match the themes and priorities and objectives of the call; contribution to the EU strategic and legislative context; European/trans-national dimension; impact/interest for a number of countries (EU or eligible non-EU countries); possibility to use the results in other countries; potential to develop mutual trust/cross-border cooperation (30 points)
- **Quality:**
  - **Project design and implementation:** technical quality; logical links between the identified problems, needs and solutions proposed (logical frame concept); methodology for implementing the project (concept and methodology, management, procedures, timetable, risks and risk management, monitoring and evaluation); feasibility of the project within the proposed time frame; cost effectiveness (sufficient/appropriate budget for proper implementation; best value for money) (30 points)
  - **Project team and cooperation arrangements:** quality of the consortium and project teams; appropriate procedures and problem-solving mechanisms for cooperating within the project teams and consortium (30 points)
- **Impact:** ambition and expected long-term impact of results on target groups/general public; appropriate dissemination strategy for ensuring sustainability and long-term impact; sustainability of results after EU funding ends (10 points).

Award criteria	Minimum pass score	Maximum score
Relevance	16	30
Quality — Project design and implementation	16	30
Quality — Project team and cooperation arrangements	16	30
Impact	6	10
<b>Overall (pass) scores</b>	<b>70</b>	<b>100</b>

Maximum points: 100 points.

Individual thresholds per criterion: 16/30, 16/30, 16/30 and 6/10 points.

Overall threshold: 70 points.



Proposals that pass the individual thresholds AND the overall threshold will be considered for funding — within the limits of the available call budget. Other proposals will be rejected.

## **10. Legal and financial set-up of the Grant Agreements**

If you pass evaluation, your project will be invited for grant preparation, where you will be asked to prepare the Grant Agreement together with the EU Project Officer.

This Grant Agreement will set the framework for your grant and its terms and conditions, in particular concerning deliverables, reporting and payments.

The Model Grant Agreement that will be used (and all other relevant templates and guidance documents) can be found on [Portal Reference Documents](#).

### Starting date and project duration

The project starting date and duration will be fixed in the Grant Agreement (*Data Sheet, point 1*). Normally the starting date will be after grant signature. Retroactive application can be granted exceptionally for duly justified reasons — but never earlier than the proposal submission date.

Project duration: between 24 and 36 months (extensions will be possible only exceptionally, for duly justified reasons and through an amendment).

Activities should start on February 2022.

### Milestones and deliverables

The milestones and deliverables for each project will be managed through the Portal Grant Management System and will be reflected in Annex 1 of the Grant Agreement.

### Form of grant, funding rate and maximum grant amount

The grant parameters (*maximum grant amount, funding rate, total eligible costs, etc.*) will be fixed in the Grant Agreement (*Data Sheet, point 3 and art 5*).

Project budget: *see section 6 above*. The grant awarded may be lower than the amount requested.

The grant will be a budget-based mixed actual cost grant (actual costs, with unit cost and flat-rate elements). This means that it will reimburse ONLY certain types of costs (eligible costs) and costs that were *actually* incurred for your project (NOT the *budgeted* costs). For unit costs and flat-rates, you can charge the amounts calculated as explained in the Grant Agreement (*see art 6 and Annex 2 and 2a*).

The costs will be reimbursed at the funding rate fixed in the Grant Agreement (**90%**).

Grants may NOT produce a profit (i.e. surplus of revenues + EU grant over costs). For-profit organisations must declare their revenues and, if there is a profit, we will deduct it from the final grant amount (*see art 22.3*).

Moreover, please be aware that the final grant amount may be reduced in case of non-compliance with the Grant Agreement (*e.g. improper implementation, breach of obligations, etc.*).

### Budget categories and cost eligibility rules

The budget categories and cost eligibility rules are fixed in the Grant Agreement (*Data Sheet, point 3, art 6 and Annex 2*).

*Budget categories for this call:*

- A. Personnel costs
  - A.1 Employees, A.2 Natural persons under direct contract, A.3 Seconded persons
  - A.4 SME owners and natural person beneficiaries
- B. Subcontracting costs
- C. Purchase costs
  - C.1 Travel and subsistence
  - C.2 Equipment
  - C.3 Other goods, works and services
- D. Other cost categories : No
- E. Indirect costs

*Specific cost eligibility conditions for this call:*

- personnel costs:
  - SME owner/natural person unit cost: Yes
- travel and subsistence unit cost: Yes
- equipment costs: depreciation
- other cost categories:
  - costs for financial support to third parties: not allowed
- indirect cost flat-rate: 7% of the eligible direct costs (categories A-D, except volunteers costs, if any)
- VAT: non-deductible VAT is eligible (but please note that since 2013 VAT paid by beneficiaries that are public bodies acting as public authority is NOT eligible)
- other:
  - in-kind contributions for free are allowed, but cost-neutral, i.e. they cannot be declared as cost
  - kick off meeting: costs for kick-off meeting organised by the granting authority are eligible (travel costs for maximum 2 persons, return ticket to Brussels and accommodation for one night) only if the meeting takes place after the project starting date set out in the Grant Agreement; the starting date can be changed through an amendment, if needed
  - project websites: communication costs for presenting the project on the participants' websites or social media accounts are eligible; costs for *separate* project websites are not eligible
  - other ineligible costs: No

*Reporting and payment arrangements*


The reporting and payment arrangements are fixed in the Grant Agreement (*Data Sheet, point 4 and art 21 and 22*).

After grant signature, you will normally receive a **prefinancing** to start working on the project (float of normally **70%** of the maximum grant amount; exceptionally less or no prefinancing). The prefinancing will be paid 30 days from entry into force/10 days before starting date/financial guarantee (if required) – whichever is the *latest*.

There will be one **interim payment** (with detailed cost reporting).

**Payment of the balance:** At the end of the project, we will calculate your final grant amount. If the total of earlier payments is higher than the final grant amount, we will ask you (your coordinator) to pay back the difference (recovery).

All payments will be made to the coordinator.

 Please be aware that payments will be automatically lowered if one of your consortium members has outstanding debts towards the EU (granting authority or other EU bodies). Such debts will be offset by us — in line with the conditions set out in the Grant Agreement (*see art 22*).

Please note that you are responsible for keeping records on all the work done and the costs declared.

### Prefinancing guarantees

If a prefinancing guarantee is required, it will be fixed in the Grant Agreement (*Data Sheet, point 4*). The amount will be set during grant preparation and it will normally be equal or lower than the prefinancing for your grant.

The guarantee should be in euro and issued by an approved bank/financial institution established in an EU Member State. If you are established in a non-EU country and would like to provide a guarantee from a bank/financial institution in your country, please contact us (this may be exceptionally accepted, if it offers equivalent security).

Amounts blocked in bank accounts will NOT be accepted as financial guarantees.

Prefinancing guarantees are formally NOT linked to individual consortium members, which means that you are free to organise how to provide the guarantee amount (*by one or several beneficiaries, for the overall amount or several guarantees for partial amounts, by the beneficiary concerned or by another beneficiary, etc.*). It is however important that the requested amount is covered and that the guarantee(s) are sent to us in time to make the prefinancing (scanned copy via Portal AND original by post).

If agreed with us, the bank guarantee may be replaced by a guarantee from a third party.

The guarantee will be released at the end of the grant, in accordance with the conditions laid down in the Grant Agreement.

### Certificates

Depending on the type of action, size of grant amount and type of beneficiaries, you may be requested to submit different certificates. The types, schedules and thresholds for each certificate are fixed in the grant agreement (*Data Sheet, point 4 and art 24*).

### 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).

#### Provisions concerning the project implementation

IPR rules: *see Model Grant Agreement (art 16 and Annex 5):*

- list of background: No
- rights of use on results: Yes
- access rights to ensure continuity and interoperability obligations: Yes

Communication, dissemination and visibility of funding: *see Model Grant Agreement (art 17 and Annex 5):*

- communication and dissemination plan: Yes
- additional communication and dissemination activities: Yes

Specific rules for carrying out the action: *see Model Grant Agreement (art 18 and Annex 5):*

- specific rules for PPI Grants for Procurement: No

#### Other specificities

n/a

#### Non-compliance and breach of contract

The Grant Agreement (chapter 5) provides for the measures we may take in case of breach of contract (and other non-compliance issues).



For more information, see [AGA — Annotated Grant Agreement](#).

### **11. How to submit an application**

All proposals must be submitted directly online via the Funding & Tenders Portal Electronic Submission System. Paper applications are NOT accepted.

Submission is a 2-step process:

#### **a) create a user account and register your organisation**

To use the Submission System (the only way to apply), all participants need to [create an EULogin user account](#).

Once you have an EULogin account, you can [register your organisation](#) in the Participant Register. When your registration is finalised, you will receive a 9-digit participant identification code (PIC).

## b) **submit the proposal**

Access the Electronic Submission System via the Topic page in the [Search Funding & Tenders](#) section (or, for calls sent by invitation to submit a proposal, through the link provided in the invitation letter).

Submit your proposal in 3 parts, as follows:

- Part A includes administrative information about the applicant organisations (future coordinator, beneficiaries, affiliated entities and associated partners) and the summarised budget for the proposal. Fill it in directly online
- Part B (description of the action) covers the technical content of the proposal. Download the mandatory word template from the Submission System, fill it in and upload it as a PDF file
- Annexes (*see section 5*). Upload them as PDF files.

The proposal must keep to the **page limits** (*see section 5*); excess pages will be disregarded.

Documents must be uploaded to the **right category** in the Submission System otherwise the proposal might be considered incomplete and thus inadmissible.

The proposal must be submitted **before the call deadline** (*see section 4*). After this deadline, the system is closed and proposals can no longer be submitted.

Once the proposal is submitted, you will receive a **confirmation e-mail** (with date and time of your application). If you do not receive this confirmation e-mail, it means your proposal has NOT been submitted. If you believe this is due to a fault in the Submission System, you should immediately file a complaint via the [IT Helpdesk webform](#), explaining the circumstances and attaching a copy of the proposal (and, if possible, screenshots to show what happened).

Details on processes and procedures are described in the [Online Manual](#). The Online Manual also contains the links to FAQs and detailed instructions regarding the Portal Electronic Exchange System.

## **12. Help**

As far as possible, ***please try to find the answers you need yourself***, in this and the other documentation (we have limited resources for handling direct enquiries):

- [Online Manual](#)
- FAQs on the Topic page (for call-specific questions in open calls; not applicable for actions by invitation)
- [Portal FAQ](#) (for general questions).

Please also consult the Topic page regularly, since we will use it to publish call updates. (For invitations, we will contact you directly in case of a call update).

### *Contact*

For individual questions on the Portal Submission System, please contact the [IT Helpdesk](#).

Non-IT related questions should be sent to the following email address: [EISMEA-SMP-COSME-ENQUIRIES@ec.europa.eu](mailto:EISMEA-SMP-COSME-ENQUIRIES@ec.europa.eu). Any question should be submitted at the latest on **14 October 2021 - 17.00 CET** (Brussels).

Please indicate clearly the reference of the call and topic to which your question relates (see cover page).

### 13. Important



#### IMPORTANT

- **Don't wait until the end** — Complete your application sufficiently in advance of the deadline to avoid any last minute **technical problems**. Problems due to last minute submissions (*e.g. congestion, etc.*) will be entirely at your risk. Call deadlines can NOT be extended.
- **Consult** the Portal Topic page regularly. We will use it to publish updates and additional information on the call (call and topic updates).
- **Funding & Tenders Portal Electronic Exchange System** — By submitting the application, all participants **accept** to use the electronic exchange system in accordance with the [Portal Terms & Conditions](#).
- **Registration** — Before submitting the application, all beneficiaries, affiliated entities and associated partners must be registered in the [Participant Register](#). The participant identification code (PIC) (one per participant) is mandatory for the Application Form.
- **Consortium roles** — When setting up your consortium, you should think of organisations that help you reach objectives and solve problems.

The roles should be attributed according to the level of participation in the project. Main participants should participate as **beneficiaries** or **affiliated entities**; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. **Associated partners** and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). **Subcontracting** should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities). Subcontracting going beyond 30% of the total eligible costs must be justified in the application.

- **Coordinator** — In multi-beneficiary grants, the beneficiaries participate as consortium (group of beneficiaries). They will have to choose a coordinator, who will take care of the project management and coordination and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be coordinator.
- **Affiliated entities** — Applicants may participate with affiliated entities (i.e. entities linked to a beneficiary which participate in the action with similar rights and obligations as the beneficiaries, but do not sign the grant and therefore do not become beneficiaries themselves). They will get a part of the grant money and must therefore comply with all the call conditions and be validated (just like beneficiaries); but they do not count towards the minimum eligibility criteria for consortium composition (if any).
- **Associated partners** — Applicants may participate with associated partners (i.e. partner organisations which participate in the action but without the right to get grant money). They participate without funding and therefore do not need to be validated.
- **Consortium agreement** — For practical and legal reasons it is recommended to set up internal arrangements that allow you to deal with exceptional or unforeseen circumstances (in all cases, even if not mandatory under the Grant Agreement). The consortium agreement also gives you the possibility to redistribute the grant money according to your own consortium-internal principles and parameters (for instance, one beneficiary can reattribute its grant money to another beneficiary). The consortium agreement thus allows you to customise the EU grant to the needs inside your consortium and can also help to protect you in case of disputes.

- **Balanced project budget** — Grant applications must ensure a balanced project budget and sufficient other resources to implement the project successfully (*e.g. own contributions, income generated by the action, financial contributions from third parties, etc.*). You may be requested to lower your estimated costs, if they are ineligible (including excessive).
- **No-profit rule** — Grants may NOT give a profit (i.e. surplus of revenues + EU grant over costs). This will be checked by us at the end of the project.
- **No double funding** — There is a strict prohibition of double funding from the EU budget (except under EU Synergies actions). Outside such Synergies actions, any given action may receive only ONE grant from the EU budget and cost items may under NO circumstances declared to two different EU actions.
- **Completed/ongoing projects** — Proposals for projects that have already been completed will be rejected; proposals for projects that have already started will be assessed on a case-by-case basis (in this case, no costs can be reimbursed for activities that took place before the project starting date/proposal submission).
- **Combination with EU operating grants** — Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and you make sure that cost items are clearly separated in your accounting and NOT declared twice (*see [AGA — Annotated Model Grant Agreement, art 6.2.E](#)*).
- **Multiple proposals** — Applicants may submit more than one proposal for *different* projects under the same call (and be awarded a funding for them). Organisations may participate in several proposals. BUT: if there are several proposals for *very similar* projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).
- **Resubmission** — Proposals may be changed and re-submitted until the deadline for submission.
- **Rejection** — By submitting the application, all applicants accept the call conditions set out in this Call Document (and the documents it refers to). Proposals that do not comply with all the call conditions will be **rejected**. This applies also to applicants: All applicants need to fulfil the criteria; if any one of them doesn't, they must be replaced or the entire proposal will be rejected.
- **Cancellation** — There may be circumstances which may require the cancellation of the call. In this case, you will be informed via a call or topic update. Please note that cancellations are without entitlement to compensation.
- **Language** — You can submit your proposal in any official EU language (project abstract/summary should however always be in English). For reasons of efficiency, we strongly advise you to use English for the entire application. If you need the call documentation in another official EU language, please submit a request within 10 days after call publication (for the contact information, *see section 12*).