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RESEARCH FUND FOR COAL AND STEEL

Research Programme Information Package

Part 3 – General Conditions

DISCLAIMER

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This Part sets out the General Conditions applicable to calls and activities funded under the Research Programme of the RFCS.

1 Submission

All proposals must be submitted **electronically** via the Funders & Tenders Portal electronic submission system (accessible via the topic page in the [Search Funding & Tenders](#) section). Proposals must be **complete** and contain all parts and mandatory annexes and supporting documents.

The application form will have two parts (see Part 4 - Guide for Applicants and Manual for the Evaluation and Selection of proposals for more details):

- **Part A** (to be filled in directly online) contains administrative information about the applicant organisations (future coordinator and beneficiaries and affiliated entities), the summarised budget for the proposal and call-specific questions;
- **Part B** (template to be downloaded from the Portal submission system, completed and then assembled and re-uploaded as a PDF in the system) contains the technical description of the project.

Annexes and supporting documents will be directly available in the submission system and must be uploaded as PDF files (or other formats allowed by the system).

Proposals should be designed to stay as close as possible to the award criteria. The application form will help to achieve this.

When submitting the proposal, the coordinator will have to confirm that they have the mandate to act for all applicants. Moreover, they will have to confirm that the information in the application is correct and complete and that all participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc.). Before signing the grant, each participant will have to confirm this again by signing a declaration of honour. Proposals not complying with these requirements will be rejected.

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

2 Admissibility

2.1 General admissibility

Applications must be submitted before the call deadline.

Applications must be submitted electronically via the Funding & Tenders Portal electronic submission system (accessible via the RFCS topics pages in the [Funding & Tenders Search](#) section). Paper submissions or via any other means are NOT possible.

Applications must be submitted using the forms provided *inside* the electronic submission system. The structure and presentation must correspond to the instructions given in the forms.

Applications must be complete and contain all parts and mandatory Annexes and supporting documents (see Part 4 – Manual and Guide).

Applications must be readable, accessible and printable.

2.2 Page limits

In addition to the above admissibility conditions, page limits will apply to parts of applications. The page limits, and sections subject to limits, will be clearly shown in the application templates in the Funding & Tenders Portal electronic submission system.

The page limit is distributed across the application forms as follows:

- a maximum of 1 page *per participant* in Form B1.1 (“Participants description”);
- a maximum of 16 pages in Form B1;
- a maximum of 35 pages in Form B2;
- a maximum of 2 pages in Form B4 Annex.

If an application exceeds the limits, there will be an automatic warning and invitation to resubmit a version that conforms to these limits. After the call deadline, excess pages will be automatically made invisible, and will not be taken into consideration by the evaluators.

3 Eligibility

3.1 Eligible activities

Eligible activities are the ones described in the Call conditions.

Across the whole RFCS, the following activities may be eligible for grants.

Research projects (RPJ) — Research projects shall be intended to cover investigative or experimental work with the aim of acquiring further knowledge to facilitate the attainment of specific practical objectives such as the creation or development of new products, production processes or services.

Pilot and Demonstration projects (PDP)

Pilot projects shall be characterised by the construction, operation and development of an installation or a significant part of an installation on an appropriate scale and using suitably large components with a view to examining the potential for putting theoretical or laboratory results into practice and/or increasing the reliability of the technical and economic data needed to progress to demonstration stage, and in certain cases to industrial and/or commercial stage.

Demonstration projects shall be characterised by the construction and/or operation of an industrial-scale installation or a significant part of an industrial-scale installation with the aim of bringing together all the technical and economic data in order to proceed with the industrial and/or commercial exploitation of the technology at minimum risk.

Pilot and Demonstration projects aim to bridge the gap between Research and Innovation.

Accompanying measures (AM) — accompanying measures shall relate to the promotion of the use of knowledge gained or to the organisation of dedicated workshops or conferences in connection with projects or priorities of the research programme.

Prizes – Only applicable to activities to be funded under the Call for the Clean Steel Partnership.

3.2 Consortium composition

Different criteria apply to the composition of consortia for different types of activities.

For *Research Projects*, at least **three**, for *Pilot and Demonstration projects* and for *Accompanying Measures* at least **two**, legal entities that are independent¹ from each other and established in at least two different EU Member States, must participate in the project as direct *beneficiaries* (see below 3.5 – Modalities of participation).

3.3 Entities eligible to participate

Any undertaking, public body, research organization or higher or secondary education establishment, or other legal entity are eligible to participate.

‘Legal entity’ means any natural or legal person created and recognized as such under national law, EU law or international law, which has legal personality and which may, acting in its own name, exercise rights and be subject to obligations, or an entity without legal personality.

3.4 Financial conditions of participation

Eligible entities established in different countries are eligible to participate at different conditions. Specifically:

Member States

Eligible entities established within the territory of a Member State may participate in the Research Programme and apply for financial assistance, provided that they intend to carry out an RTD activity or can substantially contribute to such an activity.

Candidate countries

Eligible entities established in candidate countries shall be entitled to participate without receiving any financial contribution under the Research Programme, unless otherwise

¹ Two legal entities shall be regarded as independent of each other where neither is 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.

provided under the relevant European Agreements and their additional Protocols, and in the decisions of the various Association Councils.

Third countries

Eligible entities established in third countries shall be entitled to participate on the basis of individual projects without receiving any financial contribution under the Research Programme, provided that such participation is in the European Union's interest.

3.5 Modalities of participation

Eligible entities from *Member States* may participate either as beneficiaries or as third parties, according to one of the modalities, defined in the General Model Grant Agreement for the RFCS - Multi & Mono 2021 (MGA): affiliated entities, subcontractors and third parties giving in-kind contributions to the action.

Eligible entities from *Candidate countries* may participate as beneficiaries / affiliated entities / subcontractors (if it is provided that they can receive funding) or as third parties giving in-kind contributions to the action.

Eligible entities from *Third Countries* can participate in the action as 'associated partners' and as 'third parties giving in-kind contributions to the action'.²

Entities performing a substantial part of the work (i.e. action tasks) should be beneficiaries, and not third parties.

The part of the action delivered by all third parties must be set out in the description of the action and their costs, if eligible, must be included in the estimated budget for the action.

3.6 Affiliated entities

Affiliated entities (i.e. entities linked to a beneficiary³ which participate in the action with similar rights and obligations to the beneficiaries, but which do not sign the Grant Agreement and therefore do not become beneficiaries themselves) are allowed, if they fulfil the eligibility conditions.

'Affiliated entity'

² Articles 9.1 and 9.2, RFCS MGA 2021.

³ Article 187, EU Financial Regulation [2018/1046](#).

1. [a) entities forming the sole beneficiary in accordance with paragraph 2;

(b) entities that satisfy the eligibility criteria and that do not fall within one of the situations referred to in Articles 136(1) and 141(1) e.g. fraud cases and that have a link with the beneficiary, in particular a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation. Section 2 of Chapter 2 of Title V shall apply also to affiliated entities.

2. Where several entities satisfy the criteria for being awarded a grant and together form one entity, that entity may be treated as the sole beneficiary, including where the entity is specifically established for the purpose of implementing the action to be financed by the grant.

3. Unless otherwise provided in the call for proposals, entities affiliated to a beneficiary may participate in the implementation of the action, provided that both of the following conditions are fulfilled: (a) the entities concerned are identified in the Grant Agreement; (b) the entities concerned abide by the rules applicable to the beneficiary under the Grant Agreement with regard to: (i) eligibility of costs or conditions triggering the payment; (ii) rights of checks and audits by the Commission, OLAF, the EPPO and the Court of Auditors. Costs incurred by such entities may be accepted as eligible costs actually incurred or may be covered by lump sums, unit costs and flat-rate financing]

- under the direct or indirect control of the beneficiary or
- under the same direct or indirect control as the beneficiary or
- directly or indirectly controlling the beneficiary.

‘Control’ may take any 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.

However, the following relationships between legal entities shall not in themselves 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.

Affiliated entities cover not only the case of parent companies or holdings and their daughter companies or subsidiaries and vice-versa, but also the case of affiliates between themselves (e.g. entities controlled by the same entity).

3.7 Subcontracting

Subcontracting may cover only a limited part of the action.⁴ 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 Grant Agreement, 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).
- Subcontractors have no rights or obligations towards the REA or to other beneficiaries (it has no contractual relation with them).

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

- avoiding conflicts of interest,
-

⁴ MGA Article 6.2 Subcontracting costs, p. 25.

- maintaining confidentiality,
- promoting the action and give visibility to the EU funding,
- guarantee liability for damages.

In order to be able to fulfil these obligations, best practice is for beneficiaries to 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 2014/23/EC, 2014/24/EC and 2014/25/EC) 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.

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

4 Financial capacity, operational capacity and exclusion

4.1 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.

A financial capacity check will be done on the basis of the documents uploaded in the [Participant Register](#) during the grant preparation stage (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 the coordinator if the requested grant amount is equal to or greater than EUR 500 000, except for:

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

If needed, it may also be done for the other applicants, including affiliated entities. If the financial capacity is structurally guaranteed by another legal entity, the financial capacity of that legal entity will be verified.

If the granting authority considers that the financial capacity is not satisfactory, they may require:

- further information;
- an enhanced financial responsibility regime, i.e. joint and several responsibility of affiliated entities (see Annex G); and
- prefinancing paid in instalments;

or

- propose no prefinancing;
- request that the applicant concerned is replaced or, if needed, reject the entire proposal.

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

4.2 Operational capacity

Applicants must have the know-how, qualifications and resources to successfully implement their tasks in the project and contribute their share (including, when appropriate, sufficient experience in EU/transnational projects of comparable size).

An assessment of operational capacity will be carried out during the evaluation of the award criterion ‘Quality and efficiency of the implementation’. It will be based on the competence and experience of the applicants and their project teams, including their operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain the necessary competence and experience by the time the tasks are implemented.

If the evaluation of this award criterion leads to a score above the applicable threshold, then the applicants are considered to have sufficient operational capacity.

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

Public bodies and Member State organizations are exempted from the operational capacity check.

4.3 Exclusion

Applicants that are subject to EU administrative sanctions (i.e. exclusion)^{5 6} or are in one of the following exclusion situations¹⁶ that bar them from receiving EU grants can NOT participate:

- 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);
- they are in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant’s debts);
- they are guilty of grave professional misconduct (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);

⁵ See Article 136 EU Financial Regulation [2018/1046](#).

⁶ See Articles 136 and 141 EU Financial Regulation [2018/1046](#).

- they are guilty of fraud, corruption, having 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);
- they have shown significant deficiencies in complying with their 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);
- they are guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#) (including if done by persons having powers of representation, decisionmaking or control, beneficial owners or persons who are essential for the award/implementation of the grant); or
- they have created under a different jurisdiction an entity 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 if⁷:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information; or
- 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).

⁷ See Article 141 EU Financial Regulation [2018/1046](#).

5 Award criteria

5.1 Criteria

If admissible and eligible, the proposals will be evaluated and ranked against the following award criteria, depending on the eligible activity: 'Excellence', 'Impact' and 'Quality and Efficiency of the implementation'. The following aspects will be taken into account, to the extent that the proposed work corresponds to the description in the Programme.

Excellence	Impact	Quality and efficiency of the implementation
<ul style="list-style-type: none"> • Clarity and pertinence of the project’s objectives, and the extent to which the proposed work is ambitious and goes beyond the state of the art. • Extent to which they match the themes, priorities and objectives of the Call and of the Research Programme; • Soundness of the proposed methodology, including the underlying concepts, models, assumptions, inter-disciplinary approaches. 	<ul style="list-style-type: none"> • Credibility of the pathways to achieve the expected outcomes and impacts specified in the work programme, and the likely scale and significance of the contributions from the project. • Suitability and quality of the measures to maximise expected outcomes and impacts, as set out in the dissemination and exploitation plan, including communication activities. 	<ul style="list-style-type: none"> • Quality and effectiveness of the work plan, assessment of risks, and appropriateness of the effort assigned to work packages, and the resources overall. • Capacity and role of each participant, and the extent to which the consortium as a whole brings together the necessary expertise.

5.2 Scores and weighting

Evaluation scores will be awarded for each of these criteria. Each criterion will be scored out of 5. Final scores will be awarded with increments of 0.25 points. The threshold for individual criteria will be 3. The overall threshold, applying to the sum of the three individual scores, will be 10.

For annual RFCS calls, additional bonus point(s) may be granted to proposals that address the annual priority in the relevant topic (see Part 2 - Calls).

Eligible proposals in the order of merit within the limits of the available call budget for Coal and for Steel will be funded. Other eligible proposals will be placed on a reserve list. Further information on the evaluation process and related guidance at the application stage is found in Part 4 - Guide for Applicants and Manual for the Evaluation and Selection of proposals.

6 Procedure

6.1 Evaluation procedure and ranking – single-stage submission procedure

Proposals will be checked for formal requirements (admissibility and eligibility) and then evaluated for each sector/objectives separately by an evaluation committee composed of independent external experts for award criteria (see Part 4 - Guide for Applicants and Manual for the Evaluation and Selection of proposals) and then ranked according to their final score.

For proposals with the same score within a single budget envelope a method to establish the priority order will be determined.

- 1) Proposals will be prioritised according to the scores they have been awarded for the criterion ‘Impact’.
- 2) When these scores are equal, priority will be based on scores for ‘Excellence’ and lastly ‘Quality’.
- 3) In case of a tie of for two or more proposals with equal total score (i.e. if they have exactly the same scores under each criterion):
 - i. the proposal with the highest percentage of participants of private for profit organisations will be ranked first.
 - ii. the proposal with the highest percentage of budget assigned in the proposal to private for profit organisations will be ranked first.

Starting from the top of the relevant ranking list, funding will be allocated to proposals that have passed all evaluation thresholds according to the requested EU contribution, until the available budget for the current call and for corresponding sector is assigned in such a way that the next eligible proposal in the ranking list cannot be funded.

At the end of the evaluation process, an Evaluation Summary Report (ESR) will be produced by the REA, with indication and justification of scores for each criterion. The ESR will be sent to applicants in due time to inform.

In case of failure at any of the stages of the procedure, please see the provision in Chapter 7 below.

6.2 Decision Process prior to Grant Agreement signature

A Grant Agreement can only be signed by the REA on one side and the legal representative of the coordinating organisation on the other side:

- after presentation of the results to the Advisory Groups;

- after approval of the ranking list by the Coal and Steel Committee (COSCO) of Member States representatives if there are actions where the estimated amount of the EU contribution is equal to or more than EUR 0,6 million (Article 41(a) of Decision 2008/376/EC);
- after the relevant Award Decision is adopted by the European Commission.

6.3 Invitation to Grant Agreement Preparation and process up to Signature

If a proposal is in the MAIN list of proposals to be funded, the consortium will be invited to enter in the Grant Agreement Preparation phase in view to sign a Grant Agreement with the REA.

Neither placement on the MAIN list nor invitation to the Grant Agreement preparation stage constitute a formal commitment that the REA will fund the project.

After the adoption of the formal Award Decision on the proposals which can receive funding various legal checks are required before the grant can be awarded, such as legal entity validation, financial capacity, exclusion check, among others. Only signature of Grant Agreement by the REA constitutes a commitment to funding.

6.4 Indicative timetable for evaluation and for the signature of the Grant Agreement

Unless otherwise stated in the specific call conditions, the timing for evaluation and grant preparation is as follows:

- information on the outcome of the evaluation: around 6 months from the deadline for submission;
- indicative date for the signing of Grant Agreements : around 9 months from the deadline for submission.

7 Review procedure and redress mechanisms

7.1 Failed submission

If applicants think that the submission of their proposal has failed due to a fault in the Electronic Submission System, the coordinator may file a complaint through the IT Helpdesk on the Funding & Tenders Portal, explaining the circumstances and attaching a copy of the proposal with the time stamp prior to the call deadline and, if available, evidence of the failure/problem.

Complaints must be filed within four days of the cut-off date, if not they will not be taken into account.

In order for a complaint to be upheld, the IT audit trail (application SEP Submission log files and access log files of the EC IT-systems involved) must show that there was a technical problem at the EC side which prevented the coordinator from submitting (or resubmitting) the proposal.

Complainants will be notified about the outcome of the treatment of their complaint as soon as possible and at latest within 30 days following the reception of the complaint. In exceptional and justified cases, if a decision cannot be reached in this term, they will receive a holding reply.

If, based on the evidence, it is determined that the complaint is founded, the proposal will be considered as correctly submitted and will be evaluated. The proposal will be evaluated on the basis of the PDF files provided by the complainant (in the last version before the call deadline) OR if the complainant cannot justifiably provide this, of the last version stored in the IT system. The version must be determined via the 'PDF files attributes' showing the date and time of creation and last modification.

7.2 Rejection further to the eligibility and admissibility check

If a proposal has been declared inadmissible or ineligible and is therefore not retained for evaluation, the REA will inform the coordinator of the proposal, explaining the reasons for rejection.

If a coordinator considers that their proposal complies with the rules on admissibility and eligibility, they may file a complaint to challenge the rejection decision.

The complaint must be filed within 30 days of the reception of the rejection letter by the REA, using the functional mailbox address given in Part 4 – Guide and Manual.

If, based on the evidence, it is determined that the complaint is founded, following the recommendations of the Admissibility and Eligibility Review Committee if needed, the REA will accept the proposal, send it for evaluation and notify the complainant.

7.3 Rejection further to the evaluation by independent experts

At the end of the evaluation, coordinators will be informed of the outcome of the evaluation for their proposal. They receive a copy of the Evaluation Summary Report (ESR), which includes the comments and scores of the evaluators. If a coordinator considers that the evaluation of their proposal was not carried out in accordance with the provisions of the Financial Regulation and/or of the procedures set in the present RFCS Research Programme Information Package, they may file a complaint to request an Evaluation Review procedure. The Evaluation Review covers only the procedural aspects of the evaluation and does not call into question the judgment of the evaluators. Therefore it does not cover the evaluators' assessments of the quality of the proposal.

In order for a complaint to be eligible, it must be filed by the coordinator within 30 days from the date on which they were informed of the evaluation result. The complaint must flag any shortcomings in the evaluation procedure, be related to the evaluation of a specific proposal and be based on the information contained in the ESR, possibly with reference, as the case may be, to the conditions of the call for proposals, the evaluation rules etc. concerned.

If, based on the evidence, the Evaluation Review determines that the complaint is founded, and following a recommendation of the Evaluation Review Committee, the proposal will be sent to full or partial re-evaluation. Re-evaluations will be based on the proposal as it was originally submitted in accordance with the conditions and requirements of the Call to which it was submitted (no additional information is admissible). The score of the re-evaluation will be the final score for the proposal (it can also be lower than the one awarded originally).

The complainant cannot request a second Evaluation Review.

The Evaluation Review will normally have no impact on the proposals originally selected, nor on the time-to-grant of those proposals.

8 Other conditions

Several conditions included in the MGA and its Annexes have direct relevance at the application stage and during the life of the grant. Attention is drawn to the following provisions. However, applicants and beneficiaries are strongly advised to also consult the MGA conditions before they submit an application.

8.1 Ethics

The action must be carried out in line with the highest ethical standards and the applicable EU, international and national law on ethical principles.

Specific ethics rules are set out in Annex 5 of the MGA.

8.2 Gender mainstreaming

Beneficiaries must take all measures to promote equal opportunities between men and women in implementing the action and, where applicable, in line with their gender equality plan. They must aim to achieve, to the extent possible, a gender balance at all levels of personnel assigned to the action, including at supervisory and managerial level.

8.3 Technology Readiness Levels

Where Call conditions require a specific Technology Readiness Level (TRL), the following definitions apply, unless otherwise specified:

TRL 1 — Basic principles observed

TRL 2 — Technology concept formulated

TRL 3 — Experimental proof of concept

TRL 4 — Technology validated in a lab

TRL 5 — Technology validated in a relevant environment (industrially relevant environment in the case of key enabling technologies)

TRL 6 — Technology demonstrated in a relevant environment (industrially relevant environment in the case of key enabling technologies)

TRL 7 — System prototype demonstration in an operational environment

TRL 8 — System complete and qualified

TRL 9 — Actual system proven in an operational environment (competitive manufacturing in the case of key enabling technologies, or in space)

8.4 Dissemination and exploitation

In addition to the provisions in the MGA, the following specific provisions in the MGA will apply to all grants awarded under this work programme:

- Comprehensive Overview of the project (State of the Art, problem, proposed approach and expected outcome) submitted within 6 months from the starting date of the action;
- Public publishable report submitted together with the last periodic report, which will be shared with the Technical Groups and should be updated (if needed) by applicants following Technical Groups recommendations via the Funding & Tenders Portal Continuous Reporting tool.
- Beneficiaries must provide (digital or physical) access to data or other results needed to validate the conclusions of scientific publications, to the extent that their legitimate interests or constraints are safeguarded (and unless they already provided their open access at publication).

8.5 Proper implementation of the action

(Article 11 MGA).

8.6 Conflict of interest

(Article 12 MGA).

8.7 Confidentiality and security (EU-classified information)

(Article 13 and Annex 5 MGA).

8.8 Data protection

(Article 15 MGA).

8.9 Intellectual Property Rights, results, access rights and rights of use

(Article 16 and Annex 5 MGA).

In addition to the standard provisions, the following specific provisions will apply to all grants awarded under the Research Programme:

If requested by the granting authority, beneficiaries must grant non-exclusive licences to their results - for a limited period of time specified in the request and on fair and reasonable conditions - to legal entities that need the results to address a public emergency. These legal entities must commit to rapidly and broadly exploiting the resulting products and services on fair and reasonable conditions. This provision will apply up to 10 years after the end of the action.

Unless stated otherwise in the specific call conditions, beneficiaries must, up to 4 years after the end of the action, inform the granting authority if the results could reasonably be expected to contribute to European or international standards.

The granting authority may, up to 10 years after the end of the action, object to a transfer of ownership or to the exclusive licensing of results.

9 Legal and financial set-up of the Grant Agreement

The Grant Agreement will set out the framework for the grant and its terms and conditions, particularly concerning deliverables, reporting and payments. The applicable model with the complete text of the provisions is available on the RFCS page, together with the call documentation.

9.1 Starting date and project duration

The project's starting date and duration in months will be fixed in the Grant Agreement (Data Sheet, point 1). Normally, the starting date will be after the grant has been signed. More guidance on suggested duration and start dates is found in Part 2 – Calls for proposals and in Part 4 – Guide and Manual.

A starting date before grant signature (therefore retroactive) can be agreed exceptionally for duly justified reasons.

Extensions will be possible only exceptionally, for duly justified reasons and upon prior agreement of the granting authority.

9.2 Milestones and deliverables

The milestones and deliverables for each project will be managed through the grant management system in the Portal and are reflected in Annex 1 of the Grant Agreement.⁸

9.3 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 article 5*).

The project budget is provided in EUR. The amount of the grant awarded may be lower than the amount requested.

9.4 Eligible costs

'Eligible costs' are costs that meet the following criteria:

- (a) for actual costs:

⁸ Also see Data Sheet, point 4.

- (i) they must be actually incurred by the beneficiary;
 - (ii) they must be incurred within the duration of the project with the exception of costs relating to the submission of the periodic report for the last reporting period and the final report;
 - (iii) they must be indicated in the estimated budget for the action;
 - (iv) they must be incurred in connection with the action according to the description of the action and must be necessary for its implementation;
 - (v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices;
 - (vi) they must comply with the applicable national law on taxes, labour and social security, and
 - (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency;
- (b) for unit costs (direct personnel costs of owners of small and medium sized enterprises who are working on the action and who do not receive a salary and for beneficiaries that are natural persons not receiving a salary)
- (i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2:
 - (ii) the units must:
 - be actually used or produced by the beneficiary in the period set out in Article 4 (with the exception of units relating to the submission of the final periodic report, which may be used or produced afterwards; see Article 21 MGA)
 - be necessary for the implementation of the action and
 - (iii) the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 20 MGA).
- (c) for flat-rate costs:
- (i) they must be calculated by applying the flat-rate set out in the estimated budget for the action, and
 - (ii) the costs (actual costs or unit costs) to which the flat-rate is applied must comply with the conditions for eligibility set out there.

9.5 Budget categories and cost eligibility rules

Eligible costs shall be broken down into the following four categories:

- Direct personnel costs (staff costs);
- Direct costs of subcontracting;
- Other direct costs;
- Indirect costs.

‘Direct costs’ are costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs.

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

9.5.1 Direct personnel costs (Staff Costs)

Types of direct personnel costs:

A.1 Personnel costs are eligible, if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action (**‘costs for employees (or equivalent)’**). They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

They may also include additional remuneration for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- (a) it is part of the beneficiary’s usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

A.2 The costs for natural persons working under a direct contract with the beneficiary other than an employment contract or seconded by a third party against payment are eligible personnel costs, if:

- (a) the person works under the beneficiary’s instructions and, unless otherwise agreed with the beneficiary, on the beneficiary’s premises;
- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

A.3 (not applicable to the RFCS Research Programme)

A.4 Costs of owners of beneficiaries that are small and medium-sized enterprises ('SME owners'), who are working on the action and who do not receive a salary are eligible personnel costs, if they correspond to the amount per unit set out in the estimated budget for the action multiplied by the number of actual days worked on the action.

A.5 Costs of 'beneficiaries that are natural persons' not receiving a salary are eligible personnel costs, if they correspond to the amount per unit set out in the estimated budget for the action multiplied by the number of actual days worked on the action.

9.5.1.1 Calculation of personnel costs

Personnel costs must be calculated by the beneficiaries as follows:

([daily rate for the person] *multiplied by* [number of day-equivalents worked on the action (rounded up or down to the nearest half-day)])

The daily rate must be calculated as:

[annual personnel costs for the person divided by 215]

The number of day-equivalents declared for a person must be identifiable and verifiable.

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

The 'daily rate' is one of the following:

- (a) for personnel costs of SME owners or beneficiaries that are natural persons declared on the basis of **unit costs**, the daily rate is the daily rate set out in the estimated budget for the action (see A.4 and A.5 above).
- (b) for personnel costs declared as actual costs: the daily rate is the amount calculated as follows:

[actual annual personnel costs for the person] divided by [number of annual productive days]

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

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

- (i) 'fixed number of days': 215 days for persons working full time (or corresponding pro-rata for persons not working full time);

- (ii) ‘individual annual productive days’: the total number of days worked by the person in the year for the beneficiary, calculated as follows:

[annual workable days of the person (according to the employment contract, applicable collective labour agreement or national law)] plus [overtime worked] minus [absences (such as sick leave and special leave)]

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

If the contract (or applicable collective labour agreement or national working time legislation) does not allow to determine the annual workable days, this option cannot be used;

- (iii) ‘standard annual productive days’: the standard number of annual days generally applied by the beneficiary for its personnel in accordance with its usual cost accounting practices. This number must be at least 90% of the ‘standard annual workable days’.

If there is no applicable reference for the standard annual workable days, this option cannot be used.

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

As an alternative, beneficiaries may calculate the daily rate per month, as follows:

[actual monthly personnel costs for the person] divided by [number of annual productive days / 12]

using the personnel costs for each month and (one twelfth of) the annual productive days calculated according to either option (i) or (iii) above, i.e.:

- fixed number of days or
- standard annual productive days.

Time spent on parental leave may not be deducted when calculating the daily rate per month. However, beneficiaries may declare personnel costs incurred in periods of parental leave in proportion to the time the person worked on the action in that financial year.

If parts of a basic remuneration are generated over a period longer than a month, the beneficiaries may include only the share which is generated in the month (irrespective of the amount actually paid for that month).

Each beneficiary must use only one option (per full financial year or per month) for each full financial year.

9.5.1.2 Records for days worked for the action

The beneficiaries must show the actual days worked, with reliable time records (i.e. time-sheets) either on paper or in a computer-based time recording system.

Time records must be dated and signed at least monthly by the person working for the action and his/her supervisor.

If the time-recording system is computer-based, the signatures may be electronic (i.e. linking the electronic identity data (e.g. a password and user name) to the electronic validation data, with a documented and secure process for managing user rights and an auditable log of all electronic transactions).

Time records should include:

- the title and number of the action, as specified in the GA;
- the beneficiary's full name, as specified in the GA;
- the full name, date and signature of the person working for the action;
- the number of days worked for the action in the period covered by the time record;
- the supervisor's full name and signature;
- a reference to the action tasks or work package described in Annex 1, to easily verify that the work carried out matches the work assigned and the person-months reported to the action;
- a brief description of the activities carried out, to understand and show what work was carried out.

Information included in timesheets must match records of annual and sick leave taken, and work-related travel.

As an exception, for persons working exclusively on the action, there is no need to keep time records, if the beneficiary signs a declaration confirming that the persons concerned have worked exclusively on the action.

A template for time-sheets is available at:

http://ec.europa.eu/research/participants/data/ref/other_eu_prog/common/tpl/report/eu-grants-time-sheet_en.docx

This template is not mandatory; beneficiaries may use their own model, provided that it fulfils the minimum conditions and it contains at least the information detailed above.

9.5.2 Other direct costs

9.5.2.1 Equipment

The depreciation costs of equipment (new or second-hand) as recorded in the beneficiary's accounts are eligible, if they are

- purchased specifically for the action or before the action starts but not fully depreciated, and
- purchased under a procedure ensuring the best value for money or, if appropriate, the lowest price and avoiding any conflict of interests, and
- written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

The costs of renting or leasing equipment are also eligible, if they do not exceed the depreciation costs of similar equipment and do not include any financing fees.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

9.5.2.2 Other good, works and services⁹

Purchases of other goods, works and services must be calculated on the basis of the costs actually incurred by the beneficiary, and be directly related to the implementation of the project ("operating costs"). Such costs, including related duties, taxes and charges such as non-deductible value added tax (VAT)¹⁰ are eligible if the other goods, works and services are purchased specifically for the action.

They shall be limited to: raw materials; consumables; energy; transportation of raw materials, consumables, equipment, products, feedstock or fuel; the maintenance, repair, alteration and transformation of existing equipment; IT and other specific services; the rental of equipment; analysis and tests; dedicated workshop organisation; certificate on financial statements and bank guarantee; protection of knowledge and assistance from third parties.

The beneficiaries must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests.

⁹ See Art. 34 of [Decision 2008/376/EC](#) and MGA Art. 6.2.C3.

¹⁰ Value added tax (VAT) is eligible as direct cost only if it is non recoverable according to Art. 126(3)(c) of the Financial Regulation.

9.5.3 Indirect Costs

Indirect costs are eligible, if they are declared, at a flat-rate of 35% of the eligible direct personnel costs.¹¹

9.5.4 Ineligible Costs

Some costs may be ineligible according to Art. 6.3 MGA.

9.6 Reporting & payment arrangements

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

After signature, the consortium will normally receive prefinancing to start work on the project. This is 40% of the average EU funding per reporting period (i.e. maximum grant amount/number of periods); exceptionally, there may be less or no prefinancing.

The MGA also foresees the possibility of one or more interim payments and of one payment of the balance at the end of the project. If applicable, interim payments are linked to a periodic report, depending on the duration of the project.

In case the REA estimates, on the basis of a detailed analysis, that the financial capacity of a participant presents a financial risk for the EU, it may ask for one or several bank guarantees to cover the prefinancing.

The total amount of pre-financing and interim payments will not exceed 90% of the maximum grant amount.

All payments will be made to the coordinator, who will transfer the relevant budget quotas to the individual beneficiaries without any unjustified delay.

At the end of the project, the consortium will submit a report on the basis of which the final grant amount will be calculated. If the total of earlier payments is higher than the final grant amount, the beneficiaries concerned (or the coordinator) will be asked to pay back the difference ('Recovery').

¹¹ See Art. 35 of [Decision 2008/376/EC](#) and the RFCS MGA.

9.7 Other provisions

9.7.1.1 Certificates

Depending on the size of the grant amount and on the type of beneficiaries, beneficiaries may be required to submit a certificate on the financial statements. The thresholds for this certificate are fixed in the Grant Agreement (*Data Sheet, point 4 and article 24*).

9.7.1.2 Liability regime for recoveries

The liability regime for recoveries is that of individual financial responsibility. Each beneficiary is solely liable for their own debt (and the debt of other beneficiaries/its affiliated entities, if any) (*Data Sheet point 4.4 and article 22*).

9.7.1.3 Non-compliance and breach of contract

The Grant Agreement provides for the measures that may be taken in case of breach of contract (and other violations of law).