



European Defence Fund (EDF)

Information Day focused on 2021 Calls for proposals

15 September 2021 – Broadcast from Brussels

**Directorate-General for
Defence Industry and Space**



What is the EDF?



DEFIS-EDF_VIDEO

Welcome & Introduction

François ARBAULT - Director for Defence industry at DG DEFIS

Opening remarks by Timo PESONEN - Director General for Defence Industry and Space



Info Day – Agenda

09.00-09.30	Welcome & Introduction Opening remarks (Timo Pesonen - Director General of DG DEFIS)
09.30-09.35	Sli.do procedure (event code: #EDF)
09.35-09.50	Key principles of the EDF Regulation
09.50-10.35	Overview of EDF 2021 calls for proposals Q&A
10.35-10.45	<i>Break</i>
10.45-12.30	Evaluation of the proposals and Grant agreements preparation Q&A
12.30-14.00	<i>Lunch break</i>
14.00-15.00	Costs and financial aspects Q&A
15.00-15.10	<i>Break</i>
15.10-16.55	Preparation of proposals and submission process Q&A
16.55-17.15	Concluding remarks and wrap-up

Sli.do procedure

Monique IDIRI

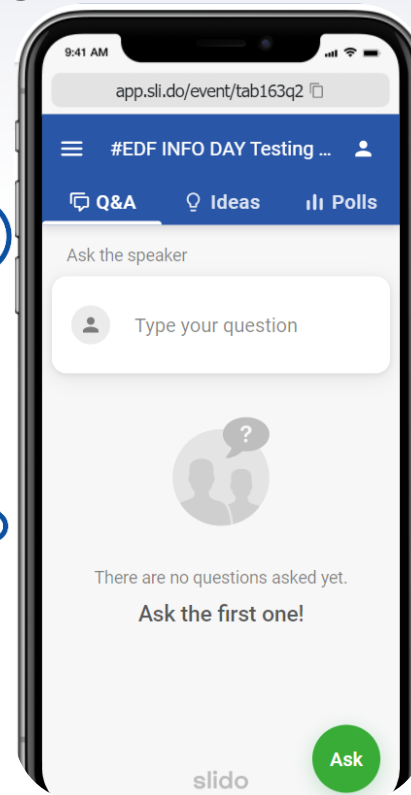


SLIDO for questions and survey

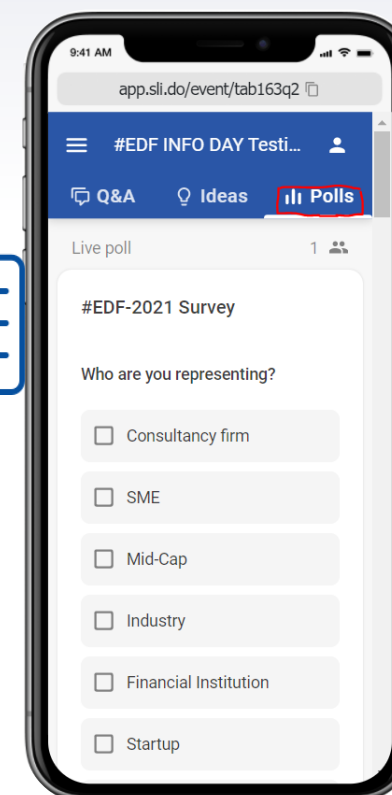
- From your laptop or desktop go to slido.com and enter the Event code: #EDF
- Or scan directly this QR code with your smartphone



and/or



Send questions anytime



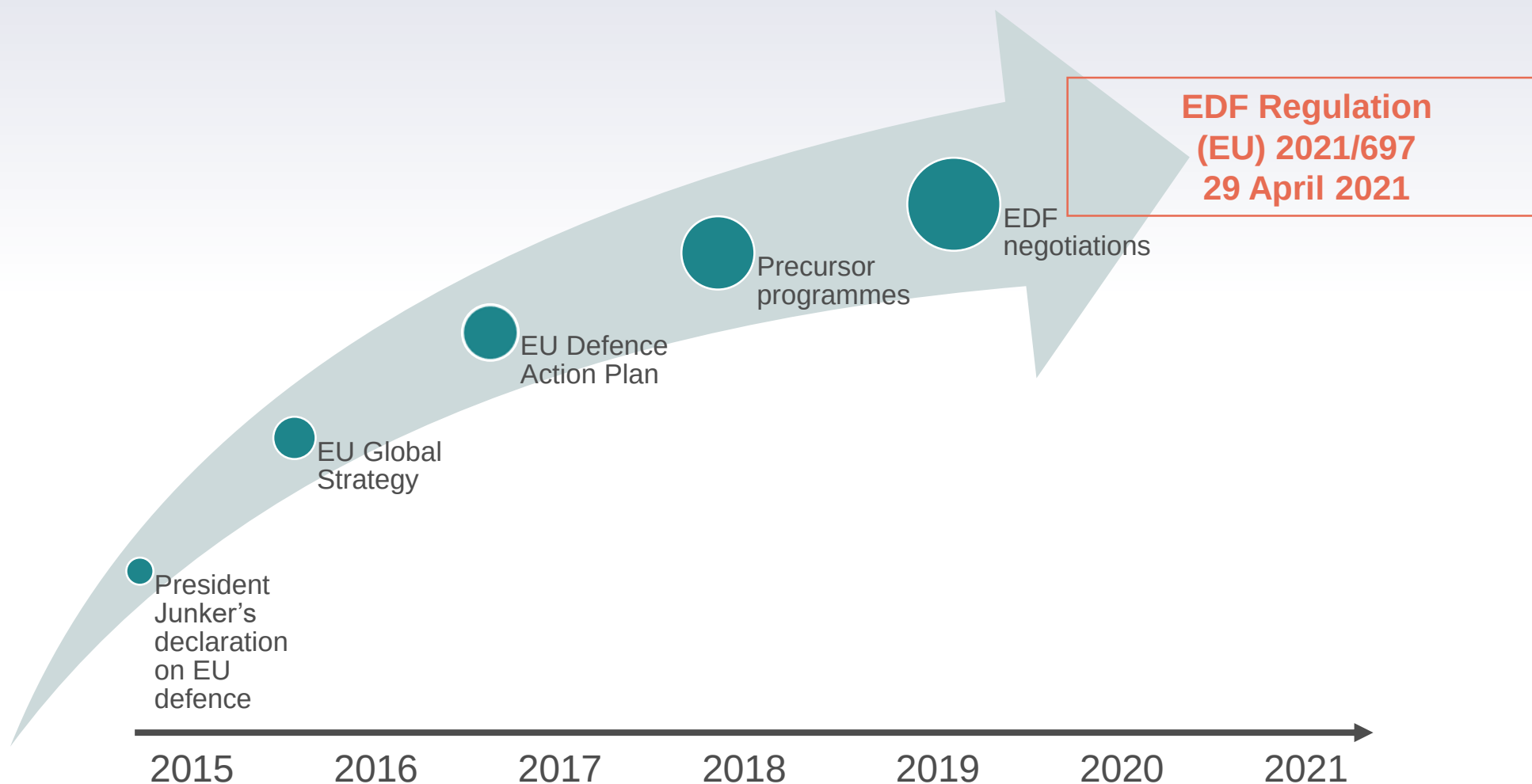
Survey

Key principles of the EDF Regulation

Michael ALCANTARA

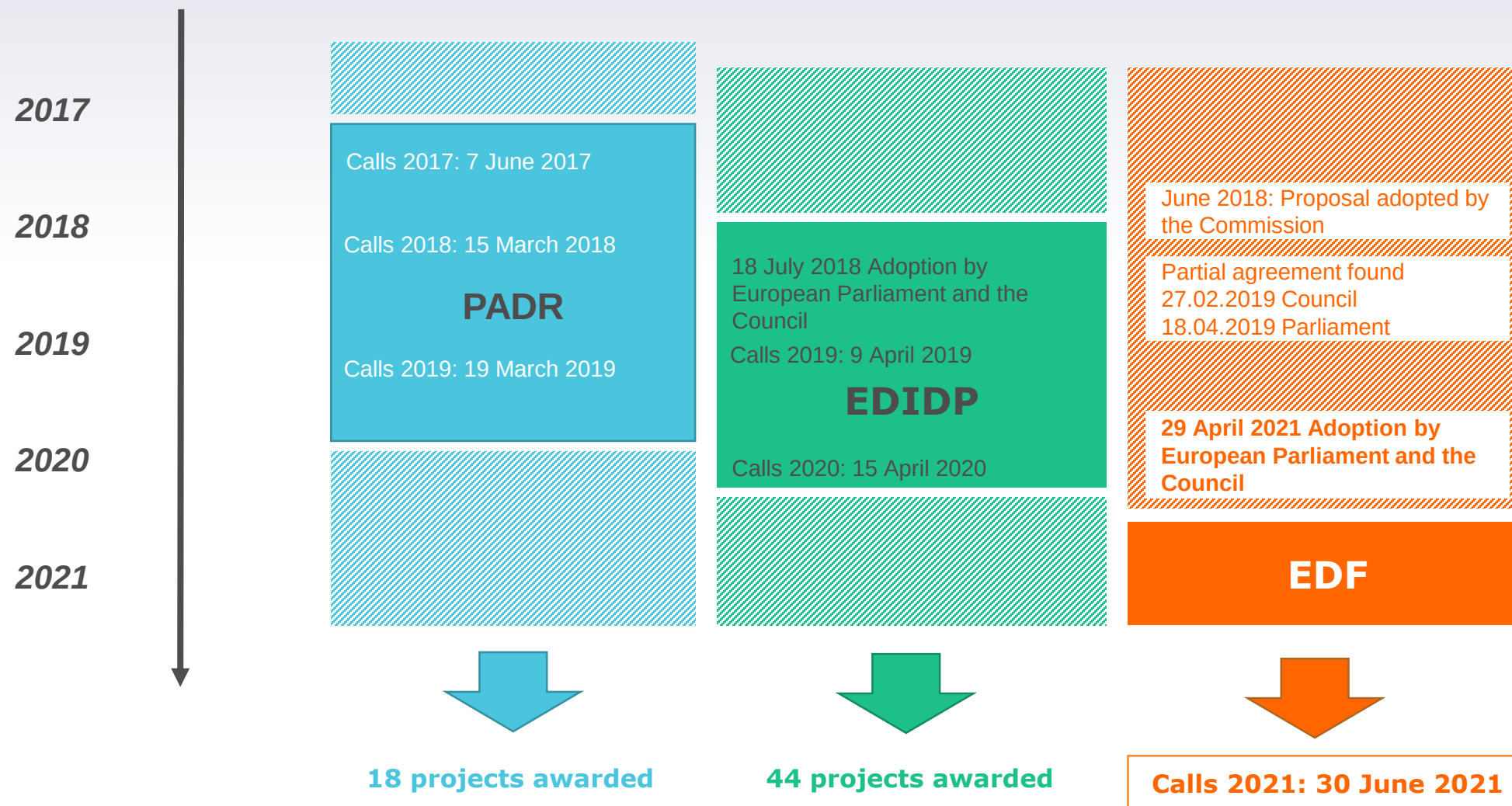


European Defence Fund: background





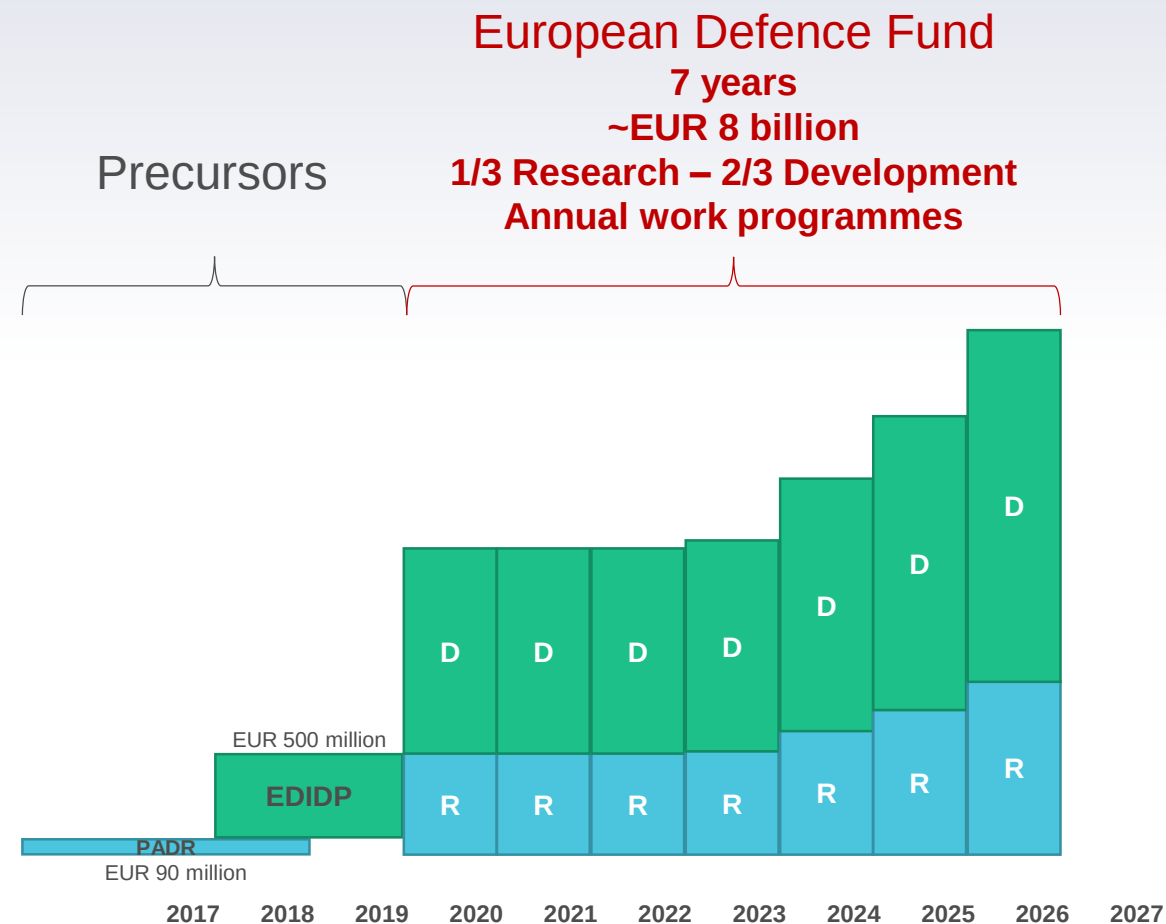
Paving the way for the European Defence Fund





The European Defence Fund: key facts

- **Continuity** with precursors but a **step change in means and ambition:**
 - **Four times higher annual budget**
 - **Integrated** research (R) and development (D) windows
 - **Balance:** cooperation/competition & large capabilities/innovation
- *Open for EEA countries (Norway is associated)*
- *Security-based participation conditions for third countries controlled entities*





The European Defence Fund: general objectives

- Supports **collaborative and cross-border projects in research and development** on defence technologies and capabilities
- Contributes to the **competitiveness and innovation capacity** of the EDTIB, including by encouraging **participation of SMEs** and other actors that are usually not active in the defence domain
- Contributes to **reducing fragmentation** of the Europe defence and industrial landscape
- Helps **maximising the outcome of defence expenditure** (*i.e.* spending more, better and together)
- Strengthens **Europe's resilience and its strategic autonomy**, notably by **reducing EU technological dependencies** on third countries



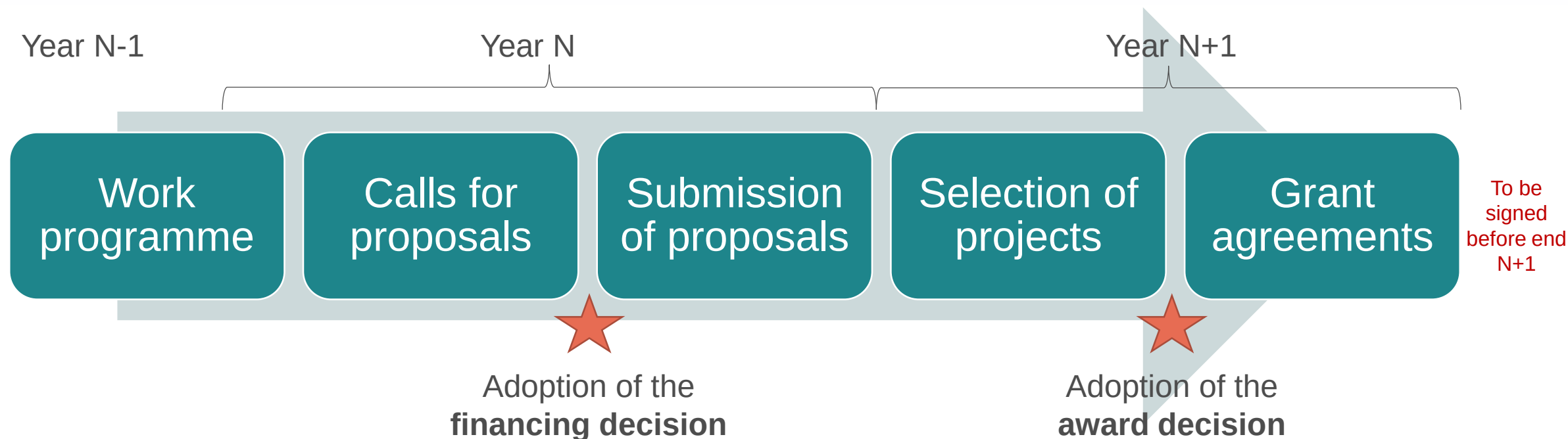
The European Defence Fund: general principles

- **Demand is mainly driven by the Member States**
- Need to be **selective**
- **Complementarity and consistency with priorities** commonly agreed by Member States and other EU defence initiatives and NATO
- Need to target projects that **bring real strategic and economic benefit for Europe**, are game changers for EU armed forces and would not materialise if not undertaken jointly
- Need to ensure **continuity** of already funded and completed actions
- Important for EDF to be **inclusive** and to offer fair opportunities for companies of all sizes from all Member States and associated countries
- Support to **innovation**: 4%-8% of the EDF budget must be dedicated to **disruptive technologies**
- Seek **synergies** with other EU programmes: avoid unnecessary duplications in funding and trigger cross-fertilisation
- No EDF support for actions that lead to defence capabilities prohibited by international law



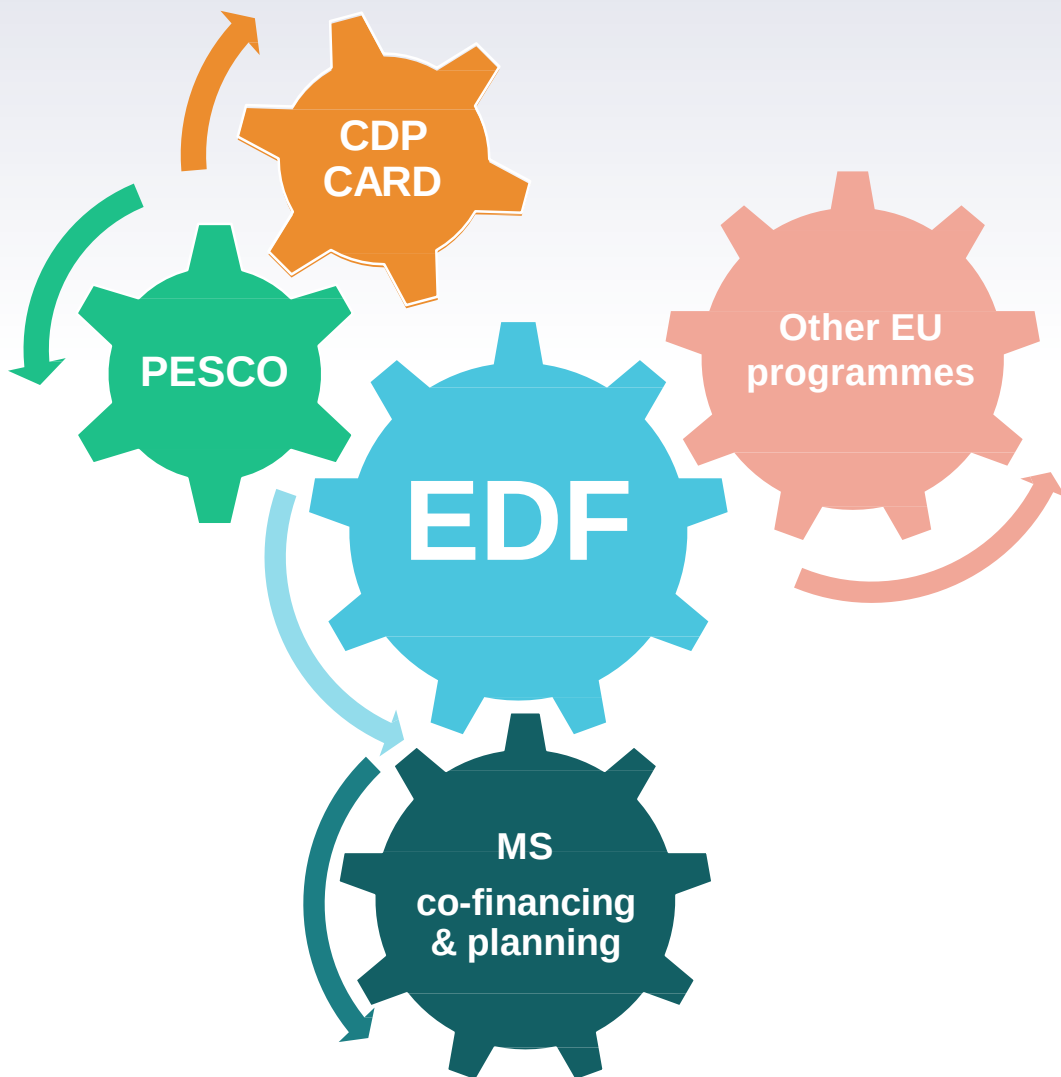
The European Defence Fund: life cycle

- Annual work programmes and calls for proposals
- **Double comitology: Programme Committee** to give opinion on the annual work programme to be adopted by the Commission and on the selection of projects to be funded following the calls for proposals





Articulation with other EU initiatives and programmes



- EDF annual Work programmes **informed by:**
 - **Capability Development Plan (CDP):** consistency with commonly agreed priorities
 - **Coordinated Annual Review on Defence (CARD):** opportunities for collaborative R&D
 - **Permanent Structured Cooperation (PESCO) projects**
 - **Synergies and complementarity** with other EU programmes

Overview of EDF 2021 calls for proposals

Marco DETRATTI & Stella OLDENBURGER



EDF 2021 Work Programme structure

15 categories of actions

23 calls for proposals
37 topics (R+D)

Submission deadline
9 December 2021

Total budget
€1.2 billion



Defence medical response, Chemical Biological Radiological Nuclear (CBRN), biotech and human factors

68.5M€ - 2 calls / 2 topics



Information Superiority

70M€ - 1 call / 1 topic



Advanced passive and active sensors

38M€ - 1 call / 2 topics



Cyber

33.5M€ - 2 calls / 2 topics



Naval combat

103.5M€ - 2 calls / 3 topics



Space

50M€ - 1 call / 2 topics



Digital transformation

5.5M€ - 2 calls / 2 topics



Energy resilience and environmental transition

133M€ - 1 call / 3 topics



Materials and components

40M€ - 1 call / 2 topics



Disruptive technologies

70M€ - 1 call / 4 topics + open call



Air combat

190M€ - 2 calls / 2 topics



Air and missile defence

100M€ - 1 call / 1 topic



Ground combat

160M€ - 2 calls / 2 topics



Force protection and mobility

50M€ - 1 call / 1 topic

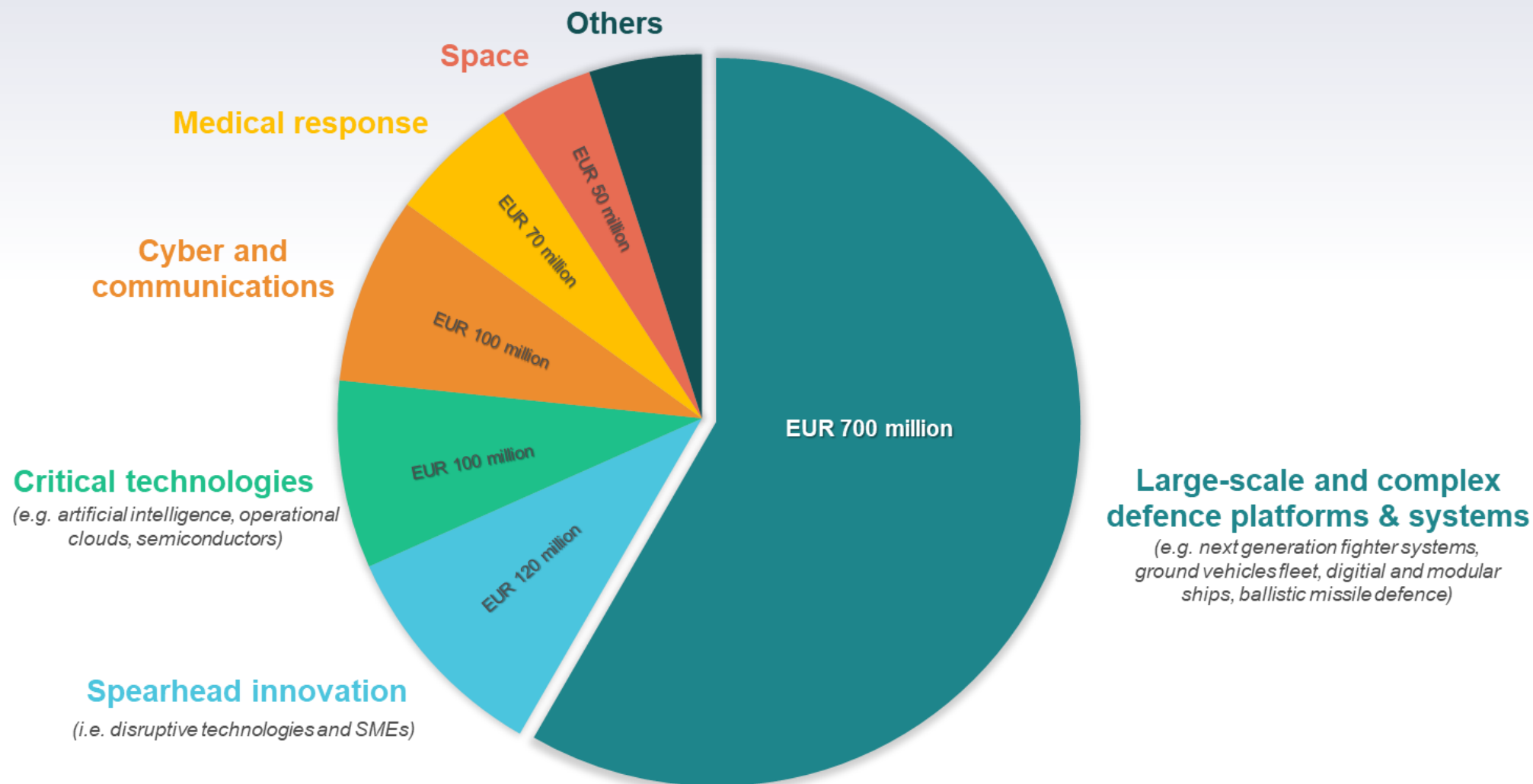


Open calls for innovative defence technologies

53.5M€ - 2 calls



EDF 2021 Budget breakdown overview





EDF 2021 Calls structure

- Naming convention: EDF-2021-Category of action acronym-R/D-Topic name acronym
 - Each call includes one or more topics to be covered by the call budget
 - Each proposal shall be submitted against one topic ⚠
 - Each topic structured in sections
 - Specific Challenge: context setting and description problem/shortfall to be solved/addressed (capability, technology, operational,...)
 - **Scope**
 - **Targeted Activities (*)**
 - Functional requirements
 - Expected Impact
- ⚠ **Mandatory⁽⁺⁾ (i.e. Action eligibility)**
- Compliance evaluated in award criteria

(*) Article 10(3) of EDF regulation: a) generating knowledge; b) integrating knowledge; c) studies; d) design; e) prototyping; f) testing; g) qualification; h) certification; i) increasing efficiency

⁽⁺⁾ Unless otherwise specified in the section



EDF 2021 Topics: Mandatory parts

Scope:

- Main expected action outputs
- Other high level specificities (e.g. max duration, subsystems to be included, operational environment, technologies to be considered, targeted platforms....)

Targeted Activities:

- Specific selection per topic (and type of action) among those listed in Article 10(3) of EDF regulation
- Specific deliverables/tasks/implementation options: e.g. specific deliverables/tasks (e.g. CONOPS/architecture definition),, implementation of demonstrators, targeted prototypes, definition of the type of testing,....
- Optional upstream or downstream activities (when specified): only taken into account in award criteria (NO ELIGIBILITY)

Research

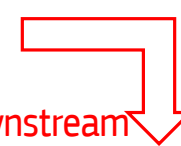
- a) Generate Knowledge
- b) Integrate Knowledge
- c) Study
- d) Design
- e) Prototyping
- f) Testing
- g) Certification
- h) Qualification
- i) Increasing efficiency

Upstream activities



Targeted activities

Downstream activities



Development



EDF 2021 Topics: requirements and impact



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Functional requirements:

- General and specific technical requirements;
- Functionalities/capacities to be included;
- Standards and interfaces to be addressed;
- SWAP and other performance (Size, Weight, Power consumption, range, etc.);
- ...
- Note: No functional requirements for the OPEN calls

Expected impact:

- Contribution to specific defence capabilities
- EU Industrial competitiveness
- EU Market ecosystem
- EU Strategic autonomy
- Technology progress
- ...

Taken into account as part of the award criteria
(e.g. criteria 1, 2, 3, 4, 7)



EDF 2021 Calls and Topics (I)



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Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-AIR Air Combat	Research 40M€	R-NGRT: Next generation rotorcraft technologies <i>Studies</i>	Up to one action may be funded
	Development 150M€	D-EPE: Enhanced pilot environment for air combat; <i>Studies (+upstream)</i>	Several actions, addressing different topics may be funded
		D-CAC: European interoperability standard for collaborative air combat. <i>Studies and Design (+upstream)</i>	
EDF-2021-AIRDEF Air and missile defence	Development 100M€	D-EATMI: endo-atmospheric interceptor-concept phase <i>Studies (+upstream or downstream)</i>	Up to one action may be funded



Latest Release of EDF 2021 Call text (v1.4) published on 09 September 2021





EDF 2021 Calls and Topics (II)

Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-GROUND Ground Combat	Research 10M€	R-IW: Improved warheads. <i>Generate knowledge, Integrate knowledge, Studies and Design</i>	Up to one action may be funded
	Development 150M€	D-FMGV: Future modular ground vehicles and enabling technologies, including green technologies; <i>Design, Prototyping and Testing (+upstream or downstream)</i>	Several actions, addressing different topics may be funded
		D-UGVT: Unmanned ground vehicle technologies; <i>Studies, Design and Prototyping (+downstream)</i>	
		D-3CA: BLOS collaborative close combat architecture <i>Studies, Design, Prototyping and Testing (+upstream or downstream)</i>	



EDF 2021 Calls and Topics (III)



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Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-PROTMOB Force protection and mobility	Development 50M€	D-SS: Development of full-size demonstrators for soldier systems <i>Studies, Design, Prototyping and Testing (+upstream or downstream)</i>	Several actions, addressing different topics may be funded
		D-DMM: Development of a digital system for the secure and quick exchange of information related to military mobility. <i>Studies, Design, Prototyping and Testing (+upstream or downstream)</i>	
EDF-2021-NAVAL Naval Combat	Research 33,5M€	R-DSSDA: Digital ship and ship digital architecture <i>Studies and Design (+upstream)</i>	Specific Budget per topic: • 29M€ DSSDA • 14,5M€ SSHM
		R-SSHM: Ship Structural Health Monitoring <i>Studies and Design (+upstream)</i>	
	Development 60M€	D-MMPC: Modular and multirole patrol corvette; <i>Studies and Design (+upstream)</i>	Up to one action may be funded



EDF 2021 Calls and Topics (IV)

Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-C4ISR Information Superiority	Development 70M€	D-HAPS: High-altitude platform systems <i>Studies and Design (+upstream or downstream)</i>	Several actions, addressing different topics may be funded
		D-COMS: Robust defence multi-dimensional communications <i>Studies, Design, Prototyping and Testing (+upstream or downstream)</i>	
EDF-2021-SPACE Space	Development 50M€	D-SGNS: Space and ground-based NAVWAR surveillance <i>Studies, Design, Prototyping and Testing</i>	- Several actions, addressing different topics may be funded - Avoid overlaps with dual-use initiatives - Specific eligibility conditions (SGNS) in case of access to PRS information (Decision No 1104/2011/EU)
		D-EPW : European protected waveform and accompanying technologies <i>Studies and Design</i>	



EDF 2021 Calls and Topics (V)

Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-CYBER Cyber	Research 13,5M€	R-CDAI: Cyber Defence and Incidence Management with artificial intelligence <i>Generate knowledge, Integrate knowledge, Studies and Design</i>	- Several actions, addressing different solutions may be funded - Avoid overlaps with dual-use initiatives
	Development 20M€	D-IECTE: Improved efficiency of cyber trainings and exercises <i>Studies, Design, Prototyping and Testing</i>	- Up to one action may be funded - Avoid overlaps with dual-use initiatives
EDF-2021-DIGIT Digital transformation	Research 18,5M€	R-FL: Frugal learning for rapid adaptation of AI systems <i>Generate knowledge (+downstream)</i>	Several actions addressing different solutions may be funded
	Development 40M€	D-MDOC: Military multi-domain operations cloud. <i>Studies and Design (+upstream or downstream)</i>	Up to one action may be funded



EDF 2021 Calls and Topics (VI)

Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-ENERENV Energy resilience and environmental transition	Development (*) 133M€	D-EEMC: Energy independent and efficient systems for military camps <i>Studies (+upstream or downstream)</i>	Several actions, addressing different topics may be funded
		D-NGES: Next generation electrical energy storage for military forward operation bases; <i>Studies and Design (+upstream or downstream)</i>	
		D-PES: Alternative propulsion and energy systems for next generation air combat systems <i>Studies (+upstream or downstream)</i>	Avoid overlaps with dual-use initiatives
EDF-2021-MATCOMP Materials and components	Research 40M€	R-PHE: Materials and structures for enhanced protection in hostile environments <i>Generate knowledge and Studies (+other research)</i>	Several actions, addressing different topics may be funded
		R-RF: Advanced RF components <i>Integrate knowledge, Studies and Design</i>	

(*) Corrected in EDF 2021 call text v1.4



EDF 2021 Calls and Topics (VII)



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Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-MCBRN Defence medical support, CBRN, biotech and human factors	Research 18,5M€	R-CBRNDIM: Detection, identification and monitoring (DIM) of CBRN threats <i>Generate knowledge and Integrate knowledge (+downstream)</i>	Several actions, addressing different solutions may be funded
	Development 50M€	D-MCM (*): Defence Medical Countermeasures <i>Studies and Design (upstream and downstream desired)</i>	Several actions, addressing different solutions may be funded
EDF-2021-SENS Advanced passive and active sensors	Research 38M€	R-IRD: Infrared detectors <i>Generate knowledge and Studies</i>	Several actions addressing different topics may be funded
		R-RADAR: Advanced radar technologies <i>Generate knowledge, Integrate knowledge, Studies and Design</i>	

(*) Updated in EDF 2021 call text v1.4



EDF 2021 Calls and Topics (VIII)



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Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-DIS Disruptive technologies for defence applications	Research 60M€	RDIS-QSENS: Quantum technologies <i>Generate knowledge, Integrate knowledge, Studies and Design</i>	Several actions, addressing different topics
		RDIS-NLOS: Non-line-of-sight optical sensors applications <i>Generate knowledge, Integrate knowledge and Studies</i>	
		RDIS-OTHR Over-the-horizon radars applications <i>Integrate knowledge, Studies and Design (+upstream)</i>	≥2 entities from 2 MS/AC
		RDIS-AMD (*): New materials and technologies for additive manufactured defence applications <i>Generate knowledge</i>	Lump Sums

(*) Updated in EDF 2021 call text v1.4



Disruptive technologies for defence

*'Disruptive technology for defence' means an enhanced or completely new technology that **brings about** a **radical change**, including a paradigm shift in the concepts and conduct of **defence affairs** such as by replacing existing defence technologies or rendering them obsolete'*

EDF Regulation Article 2 (13)



beyond incremental progress

system-wide consequences

with a concept for use and application

- Flexibility to welcome smaller consortia
- Award criteria mention 'potential of disruption'
- This year only research calls
- Thematic calls and open call



EDF 2021 Calls and Topics (IX)

Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-OPEN Open calls for innovative and future-oriented defence solutions	Research 10M€	RDIS: Research disruptive technologies for defence <i>Generate knowledge (+upstream)</i>	• Several actions • ≥2 entities from 2 MS/AC • Max 4M€ per action • Lump sums • Business coaching for SMEs
	Research 17,5M€	R-SME: Research on innovative and future-oriented defence solutions <i>One or more Generate knowledge; Integrate knowledge; studies; design</i>	• Several actions • Lump sums • Max 4M€ per action • Business coaching for SMEs
	Development 36M€	D-SME: Development on innovative and future-oriented defence solutions. <i>One or more among all with at least one from design and beyond</i>	

One open call on disruptive technologies for defence



Open call on disruptive technologies for defence

EDF-2021-OPEN-RDIS





EDF 2021 Calls and Topics (X)

Categories of Action	Calls/ Budget	Topics / Targeted activities	Comments
EDF-2021-OPEN Open calls for innovative and future-oriented defence solutions	Research 10M€	RDIS: Research disruptive technologies for defence <i>Generate knowledge (+upstream)</i>	• Several actions • ≥2 entities from 2 MS/AC • Max 4M€ per action • Lump sums • Business coaching for SMEs
	Research 17,5M€	R-SME: Research on innovative and future-oriented defence solutions <i>One or more among all eligible activities for research actions. No Studies alone.</i>	• Several actions • Lump sums • Max 4M€ per action • Business coaching for SMEs
	Development 36M€	D-SME: Development on innovative and future-oriented defence solutions. <i>One or more among all eligible activities for development actions with at least one from Design and beyond</i>	

Two dedicated open calls for SMEs



Open calls OPEN-R-SME and OPEN-D-SME

Call topic	Total contribution	OPEN-X-SME specific conditions	Topic specific conditions
OPEN-R-SME	€ 17,5 million	• Several actions per call • Max €4 million per action • Lump sum • Up to 30% funding in subcontracting per beneficiary • Successful SME beneficiaries may be offered Business Coaching	• Consortium of SMEs and research organisations. • Coordinator has to be an SME. • Up to 40% of funding to research organisations • One or more activities eligible for R • Cannot cover study alone
OPEN-D-SME	€ 36 million		• Only SMEs can be beneficiaries • One or more activities eligible for D • At least one activity 'Design' or beyond



Business coaching in the EDF for SME

- Successful SME beneficiaries may be offered Business Coaching (if successful in the open calls EDF-2021-OPEN-RDIS/R-SME/D-SME)
- Coaches guide SMEs in their business challenges
- Coaching offered for a period of two years



- Reduce the time from research to development, or from development to the market
- Boost growth of SME



Call for experts

To assist the Commission in the **technical evaluation, ethics screening and financial assessment** of the proposals submitted to the EDF 2021 calls

Expertise in technical areas, ethics or in financial assessment of **defence related activities**

Missile defence
Warheads



Sonar, radar, optical,...
Sensor data fusion
Quantum sensors



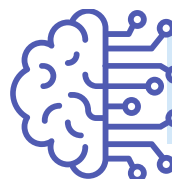
C4 ISR
SDR
Signal
transmission



CBRN medical countermeasures
CBRN detection



Protection
Soldier systems

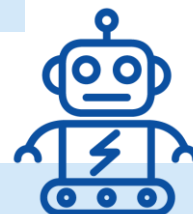


AI, evaluation of AI
Integrated circuits

Cyber Defence
Exercises and trainings



Unmanned Systems
Manned-Unmanned Teaming



Synthetic fuels
batteries



Mobility, Logistics
Military bases



Shipbuilding
Naval architecture



Collaborative combat, Fire support,
Armoured vehicles, Camouflage, PNT,
Electronic warfare, Aircraft configurations, ...





Profile:

No Conflict of Interest

Be available for one or two weeks

Expertise

Excellent language and drafting skills (English)

In possession of Personal Security Clearance (PSC), issued by the relevant National Security authority

→ **Registration**

→ If selected, proposal to sign an **expert contract**

→ Participation in the **evaluation**

Payment for the services and travel/accommodation expensed



How to register as a defence expert

1. At any time: Register or **update** your profile in the EU experts database

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/work-as-an-expert>

with relevant **fixed and freetext keywords**

2. Send an email with your CV + registration number to ec-edf-experts@ec.europa.eu

For more information, visit our website:

https://ec.europa.eu/defence-industry-space/calls-tenders/defence-industry-call-experts-assist-european-commission-evaluation-proposals_en

The screenshot shows the European Commission's 'Funding & tender opportunities' page. The header 'Funding & tender opportunities' is circled in red. Below the header, the 'WORK AS AN EXPERT' menu item is highlighted in yellow, with a red arrow pointing to it. The main content area is titled 'Work as an expert' and contains text about the European Union's appointment of external experts. A video player is visible on the left. On the right, there is a 'News' section with two articles. At the bottom, a blue button labeled 'Register as expert' is highlighted with a red arrow. The text 'As new expert, you will be first requested to create your' is partially visible below the button.



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Questions and answers

OVERVIEW OF EDF 2021 CALLS FOR PROPOSALS



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Break – 10 min

Will resume at 10.45

with Evaluation of the proposals and Grant agreements preparation

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16.55-17.15	Concluding remarks and wrap-up

Evaluation of the proposals and Grant agreements preparation

- General workflow, Admissibility conditions and Exclusion grounds
- Eligibility conditions
- Ethics, Selection criteria
- Award criteria
- After the evaluation

Ngandu MUPANGILAI & Nuria MARINAS-ROJO

Inge CEUPPENS & Francisco CASALDUERO & Sandro CALARESU

Evaluation of the proposals and Grant agreements preparation

- General workflow, Admissibility conditions and Exclusion grounds
- Eligibility conditions
- Ethics and Selection criteria
- Award criteria
- After the evaluation

Ngandu MUPANGILAI



Evaluation of proposals based on the assessment of 6 conditions and criteria by the Evaluation Committee (Commission) with the assistance of independent experts





Admissibility Conditions - formal requirements related to the submission and presentation of proposal



Submitted before the call deadline (9 December 2021 – 17.00 CET)



Submission forms and supporting documents need to be provided as searchable pdf files, unless otherwise specified

Funding & tender opportunities



Submitted electronically via the Funding & Tenders Portal Electronic Submission System

Buongiorno
Hola **Guten Tag**
Bonjour **Ahoi**

Proposal in one of the official languages of the Union (English language is encouraged)



Proposals (w/annexes and supporting documents) must be complete and submitted using the forms

1 Proposal = 1 Topic

Each proposal must only be submitted against one topic



Exclusion criteria - determine if applicants and affiliated entities falls under exclusion grounds

- Article 136 of the Regulation 2018/1046 applies
- **Exclusion grounds:**
 - Bankruptcy, insolvency, being in an arrangement with creditors, suspension of its business activities, etc.
 - breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law
 - grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession
 - fraud, corruption, conduct related to a criminal, money laundering or terrorist financing, terrorist offences or offences linked to terrorist activities, child labour or other offences concerning trafficking in human beings
 - significant deficiencies in complying with main obligations in the implementation of a legal commitment financed by the budget
 - irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95 (infringement of a provision of Community law [...] which has, or would have, the effect of prejudicing the general budget of the Communities or budgets managed by them [...])
 - Creation of an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations

Evaluation of the proposals and Grant agreements preparation

- General workflow, Admissibility conditions and Exclusion grounds
- **Eligibility conditions**
- Ethics and Selection criteria
- Award criteria
- After the evaluation

Nuria MARINAS-ROJO



Eligibility of entities participating in the action

Beneficiaries/recipients

- Members of the consortium / signatories of the GA
- **Need to fulfil eligibility req.**
- **Can claim their own costs**

Affiliated entities

- Third parties with a legal/capital link with beneficiary that can implement part of the action in their own name
- **Need to fulfil same eligibility req.**
- **Can claim their own costs**

Subcontractors involved in the action

- Subcontractors with a direct contractual relationship to beneficiary;
- Other subcontractors to which at least 10% of the total eligible cost of the action is allocated;
- Subcontractors which may require access to classified information to carry out the action.
- **Need to fulfil same eligibility req.**
- **Beneficiary/affiliated entity can charge invoice as subcontracting costs**



Eligibility of entities participating in the action

Associated partners

- Entities established outside the territory of the Union or Norway
- Entities controlled by a non-EU/non-Norway country/ entity

→ **Work packages cannot be allocated to them**

→ **Need to fulfil different eligibility conditions**

→ **Costs not eligible for funding**

Other subcontractors and suppliers

→ **Do not need to fulfil any eligibility conditions**

→ **Beneficiary/affiliated entity can charge their invoice as subcontracting costs or other direct costs**



Eligibility of entities participating in the action

Consortia: at least three eligible entities established in at least three different MS/AC (exception: calls for disruptive technologies: at least two – EDF-2021-XXX-RDIS)

- Only legal entities
- **Established** in the territory of the Union* (EU) or of Norway (AC)
- **Infrastructure, facilities, assets and resources located** in the Union /Norway (**Annex 7**) – unless no competitive substitutes in EU/Norway
- **Executive management structures** established in the Union/Norway
- **Non-controlled** by non-EU/non-Norway country / entity

* Includes Outermost Regions and OCTs



Eligibility of entities participating in the action

EU-control derogation: entities established in the EU/Norway but controlled by non-EU/non-Norway country/entity can participate in the action **IF** conditions relating to **security and defence interests of the Union** and its **Member States** are met:

- No risk in the ability to perform the action (security of supply)
- Sensitive information not accessible to non-EU/non-Norway country/entity (security of information)
- No transfer of IP (IPR remains in the EU/Norway)

Guarantees approved by Member States/Norway required: measures in place must be substantiated



Eligibility of entities: control

- **Control:** ability to exercise a **decisive influence** on an entity, directly or indirectly through one or more intermediate entities
- **Decisive influence:** possibilities available to shareholders to **influence strategic business decisions** of the entity:
 - Appointment and removal of senior management
 - Budget
 - Business plan
 - Investments
 - Market-specific decisions

Annex 6: applicants must provide all relevant information for the assessment of control



Eligibility of entities - control

Elements of control:

Examples:

Supporting documents:

Ownership structure



Rights or options held by third-country shareholders



- Shareholders agreement, Articles of association, Statutes
- Information of individual ultimate owners that detain at least 5% of capital or voting rights
- Last three shareholders meetings (listed)

Corporate governance



Representation of third-country persons in decision-making bodies



- Shareholders agreement, MoU among shareholders, Articles of association, Statutes
- Description of decision-making procedures, composition

Commercial links



Economic dependence on commercial cooperation with third-country shareholder



- Information on third-country entities (e.g. contracts, cooperation agreements) with contractual relationship which can give control over it

Financial links



Financial dependence on third-country shareholder's contribution



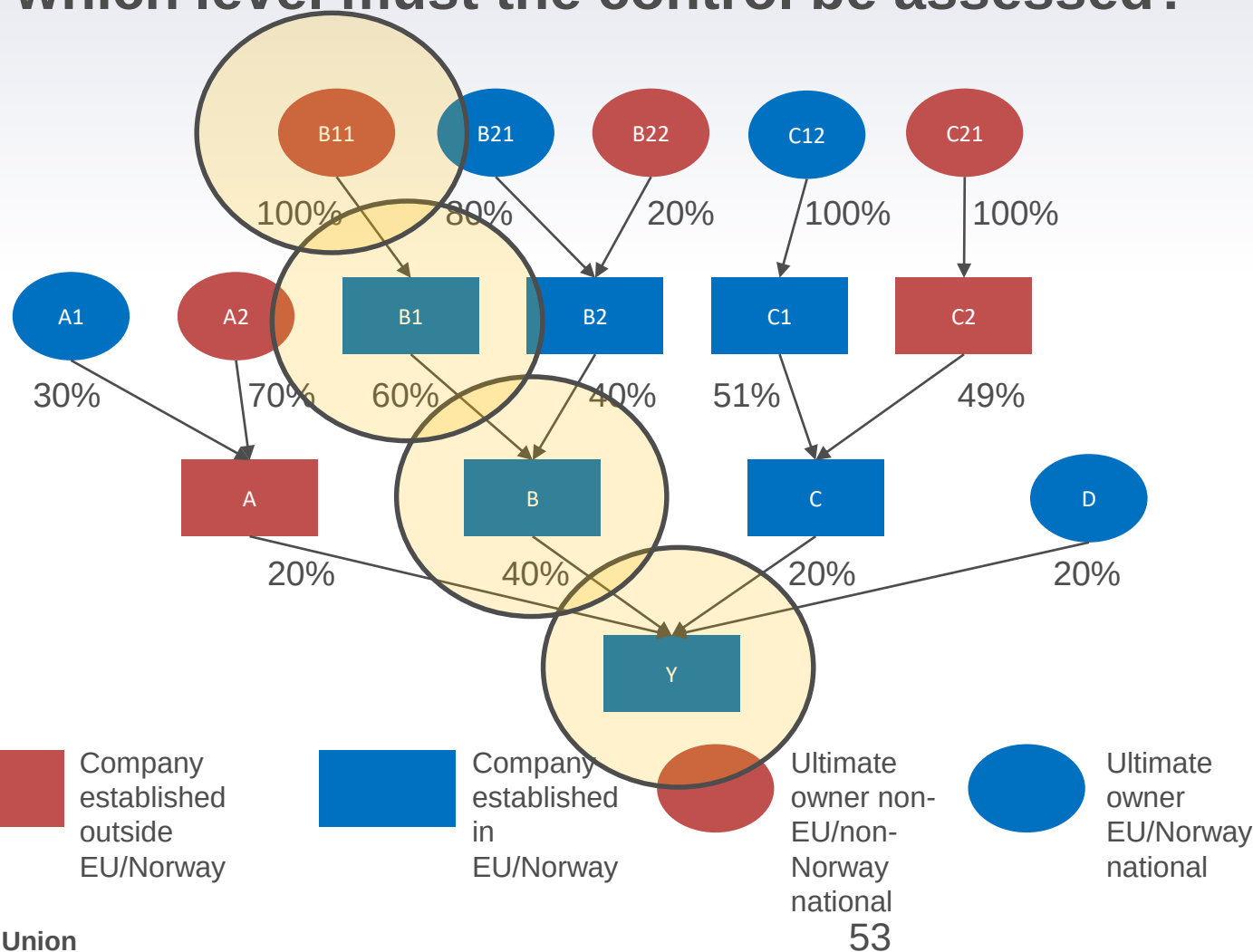
- Information on shareholders providing financing, indicating type (equity, bonds, loans...) and absolute and relative volume to undertaking's balance sheet



Eligibility of entities - control



At which level must the control be assessed?



Needs to be assessed at the level of the **ultimate owners.**

Ultimate owners are always natural persons (except in cases of public entities) who ultimately control the entity



Eligibility of actions

An action must:

- correspond to the **topic** against which is submitted
- address **new defence products or technologies or upgrade of existing ones**
- cover one or more of the **following activities**:

Activities	Eligibility	
	Research action	Development action
generating knowledge	Yes	No
integrating knowledge	Yes	Yes
studies	Yes	Yes
design	Yes	Yes
prototyping	No	Yes
testing	No	Yes
qualification	No	Yes
certification	No	Yes
increasing efficiency	No	Yes



Eligibility of actions

- **Ineligible:** products/technologies which use, development or production is prohibited by **applicable international law**
- **Ineligible: Lethal autonomous weapons** *without the possibility for meaningful human control over selection and engagement decisions when carrying out strikes against humans**
- Background and generated foreground **IP** shall **not be subject to any control or restriction** by non-EU/non-Norway countries/entities (**Annex 4**)

** without prejudice to the possibility of providing funding for actions for the development of early warning systems and countermeasures for defensive purposes*



Eligibility of actions

Development actions only

- **Costs** of the action not covered by Union support are to be covered by other means of financing (e.g. **Member States/Norway co-financing**)
- **Design** activities must be based on **harmonized defence capability requirements** jointly agreed by at least two Member States or Norway
- **System prototyping and beyond:**
 - must be based on **common technical specifications** jointly agreed by the Member States or Norway that are to co-finance or that intend to jointly procure the final product or to jointly use the technology
 - at least two Member States or Norway need to show their **intention to procure** the final product or to use the technology in a coordinated way, including through joint procurement where applicable.



Eligibility of actions – call-specific conditions

- ***Call EDF-2021-OPEN-Research***

- **Consortium:** composed of small and medium-sized enterprises (SMEs) or research organisations (eligibility). Coordinator must be an SME.
- **Research organisations** within the consortium cannot exceed 40% of total eligible costs of proposed action
- For each member of the consortium and each affiliated entity, subcontracting will be strictly limited to 30%

- ***Call EDF-2021-OPEN-Development***

- **Consortium:** composed of small and medium-sized enterprises (SMEs) only (eligibility)
- For each member of the consortium and each affiliated entity, subcontracting will be strictly limited to 30%

- ***Topic EDF-2021-SPACE-D-SGNS***

- Additional eligibility conditions in case access to Galileo PRS information



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Questions and answers

EVALUATION:

- General workflow, Admissibility conditions, Exclusion grounds
- Eligibility conditions



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Evaluation of the proposals and Grant agreements preparation

- General workflow, Admissibility conditions and Exclusion grounds
- Eligibility conditions
- **Ethics and Selection criteria**
- Award criteria
- After the evaluation

Inge CEUPPENS



Ethics: the Ethics Issues Table

Ethical by design

- Proposal should be 'ethical by design'



Consult the document *How to complete your ethics self-assessment*

- Information to be included in Part A-sup of submission form
- References to part B of the submission form or external documents where needed

Fill in the ethics issues table

- A self-assessment of 10 main questions with sub-questions
- Only issues relevant and applicable to the proposal require further inputs
- Includes items concerning content of the activity (what) and the performance of the activity (how)
- Risk mitigation actions/proof of licenses where applicable



Ethics Evaluation

Pre-screening of all proposals

Identification of proposals that contain ethical issues, by Commission staff

Screening

Only proposals that have been identified to include ethical issues

Commission assisted by independent experts

No scoring – no impact on ranking list

Possible outcomes: ethics clearance/ conditional ethics clearance

Evaluation against award criteria

Ethics assessment

Where needed, further ethics assessment can be performed

When in screening phase further issues arise

With independent experts

Rejection of proposal is possible after two ethics assessment panels



Selection Criteria

Financial Capacity

Demonstrate stable and sufficient sources of funding to maintain activity throughout the duration of the grant and to participate in the funding of the action.



REA Validation

Assess applicant's (and affiliated entities') capacity to complete the proposed action



Operational Capacity

Demonstrate professional competencies and qualifications required to complete the proposed action



Information to be included in Part B and support documentation



Financial Capacity

- Checks performed by the Research Executive Agency (REA) Validation services
- Documents to be provided in the Participant Register

Balance sheet and profit & loss account for the last financial year for which the accounts were closed

Audit report produced by an approved external auditor for applicants requesting more than EUR 750 000 of Union financial support

Statutory audit required by EU/national law:

- YES: submit
- NO: self-declaration

Certify/Validate last 3 financial years

Document NOT required for:

- Public Bodies
- International Organizations
- Natural persons in receipt of education support/ in need and receipt of direct support





Operational Capacity

- Declaration on Honour
- Part B (narrative)



Description of the entity (Annex 7)

- Profile and area of expertise relevant to the action



List of projects/products (Annex 7)

- Related to the task to be performed
- Year/duration/value/role of applicant



Facilities, assets and resources (Annex 7)

- Labs, tools, software
- Personnel expertise/know how
- For LUMP SUM: CVs of team involved in the action

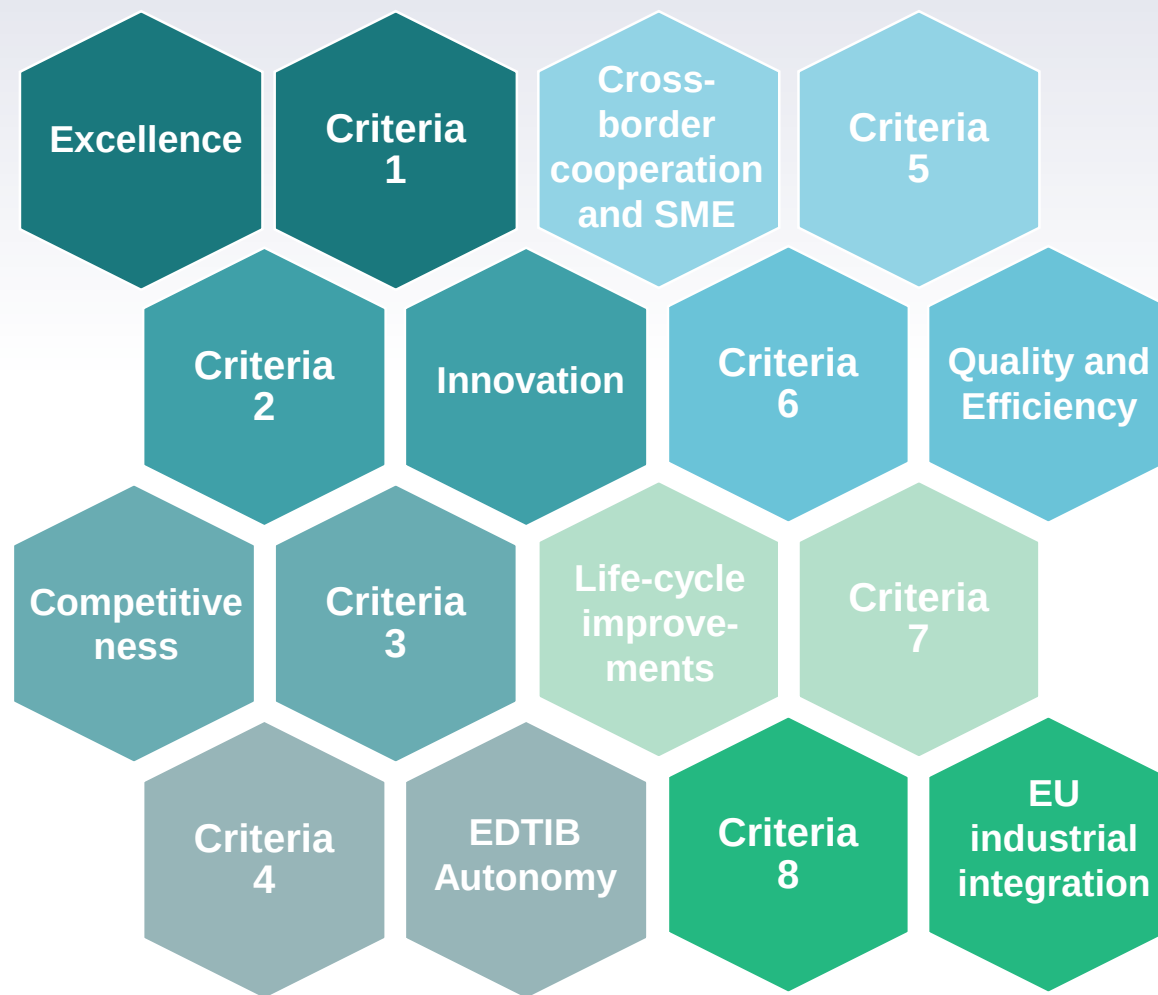
Evaluation of the proposals and Grant agreements preparation

- General workflow, Admissibility conditions and Exclusion grounds
- Eligibility conditions
- Ethics and Selection criteria
- **Award criteria**
- After the evaluation

Francisco CASALDUERO



Award Criteria



Research actions: Criteria 1 to 6

Development actions: Criteria 1 to 8

Assessment based on:

- ✓ Part A, A Sup and Annexes
- ✓ Part B
- ✓ Supporting documents



Criterion 1: Excellence



*Contribution to excellence or potential of disruption in the defence domain, in particular by showing that the expected results of the proposed action present **significant advantages over existing defence products or technologies***

- Double weighting for both Research and Development actions
- Part B
- Excellence of the overall concept and soundness of the proposed solution
- Compliance with the call text (specific challenge, scope, targeted activities, functional requirements and expected impact); aspects not related to eligibility
- Advantage (strategic, technological or operational) over existing defence products or technologies; potential of disruption (*) in the defence domain

(*) refer to the definition of 'disruptive technologies for defence' in the Guide for applicants



Criterion 2: Innovation



Contribution to the **innovation and technological development** of the European defence industry, in particular by showing that the proposed action includes ground-breaking or novel concepts and approaches, new promising future technological improvements or the application of technologies or concepts previously not applied in defence sector, while avoiding unnecessary duplication

- Double weighting for Research actions and single weight for Development actions
- Part B
- Innovation potential, ground breaking concepts (products, services, business model...), new technological applications to defence sector
- Take due account (and integration with) past/ongoing activities (if applicable)
- Spin-off to other defence applications/products



Criterion 3: Competitiveness



*Contribution to the competitiveness of the European defence industry by showing that the proposed action is a demonstrably **positive balance of cost-efficiency and effectiveness** thus creating new market opportunities across the Union and beyond and accelerating the growth of companies throughout the Union.*

- Single weighting for both Research and Development actions
- Part B
- Competitive advantage of the product/technology/solution vis-a-vis existing or planned solutions
- Potential to accelerate the growth of companies (including market analysis)



Criterion 4: EDTIB Autonomy



*Contribution to the autonomy of the European Defence Technological Industrial Base (EDTIB), including by **increasing the non-dependency** on non-Union sources and strengthening security of supply, and to the security and defence interests of the Union in line with the priorities referred to in Article 3*

- Single weighting for Research actions and double weighting for Development actions
- Part B
- Increasing the Union's industrial and technological non-dependency
- EU security of supply
- Contribution to defence capability priorities agreed by MS (e.g. CDP, regional priorities...)



Criterion 5: Cross Border Cooperation



*Contribution to the creation of **new cross-border cooperation** between legal entities established in Member States or associated countries, in particular **SMEs and mid-caps with a substantial participation** in the action, as recipients, subcontractors or as other legal entities in the supply chain, and which are established in Member States or associated countries other than those where the legal entities cooperating within a consortium which are not SMEs or mid-caps are established.*

- Double weighting for both Research and Development actions
- Qualitative assessment in part B. Quantitative information on SME and mid-caps participation in Annexes 1 and 8.
- Creation of new cross-border cooperation in particular targeting SME and mid-caps (information on on-going and past cooperation for activities on the same field to be included in Annex 7)
- Planned future cross-border cooperation
- Extent and added value of SME and mid-caps contribution to the action



Criterion 6: Quality and Efficiency



Quality and efficiency of the carrying out the action

- Single weighting for both Research and Development actions
- Part B
- All aspects related to Project Management: work packages, milestones, deliverables, risks, schedule, interactions between activities
- Structures and procedures including decision making
- Consortium resources and allocation of tasks



Criterion 7: Life-cycle improvements



The contribution to **increasing efficiency across the life cycle** of defence products and technologies, including cost-effectiveness and the potential for synergies in the procurement, maintenance and disposal processes.

- Only for Development actions and with single weighting
- Part B
- Assessed for all development actions (even if not covering activity type i) increasing efficiency)
- Improvements compared to existing solutions as regards production, operation, in-service support...
- Simplification of processes or combination with existing ones



Criterion 8: EU industrial Integration



*The contribution to the further **integration of the European defence industry** throughout the Union through the demonstration by the recipients that Member States have undertaken to jointly use, own or maintain the final product or technology in a coordinated way.*

- Only for Development actions and with single weighting
- Part B and supporting documents (e.g. Letter of Intent)
- Assessed for all development actions (also in cases in which the joint use/ownership/... is not an eligibility criteria as per the activities (e) prototyping to (h) certification)
- Number of Member States
- Contribution to integration of EU defence Market and increase cooperation



Scoring and weighting

Predefined scale; each criterion scored from 0 to 5 (half points allowed)

0	The proposal fails to address the criterion or cannot be assessed due to missing or incomplete information.
1	Poor. The criterion is inadequately addressed, or there are serious inherent weaknesses.
2	Fair. The proposal broadly addresses the criterion, but there are significant weaknesses.
3	Good. The proposal addresses the criterion well, but a number of shortcomings are present.
4	Very Good. The proposal addresses the criterion very well, but a small number of shortcomings are present.
5	Excellent. The proposal successfully addresses all relevant aspects of the criterion. Any shortcomings are minor.

Different individual weights for Research or Development actions

	Weighting	
	Research actions	Development action
Criterion 1	x2	x2
Criterion 2	x2	x1
Criterion 3	x1	x1
Criterion 4	x1	x2
Criterion 5	x2	x2
Criterion 6	x1	x1
Criterion 7	<i>Not applicable</i>	x1
Criterion 8	<i>Not applicable</i>	x1

- Overall score: weighted sum of individual scores normalised to 15 (i.e. proposal score from 0 to 15)
- **Overall Threshold set to 10 out of 15** - no threshold for individual criteria



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Questions and answers

EVALUATION

- Ethics and Selection criteria
- Award criteria



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Evaluation of the proposals and Grant agreements preparation

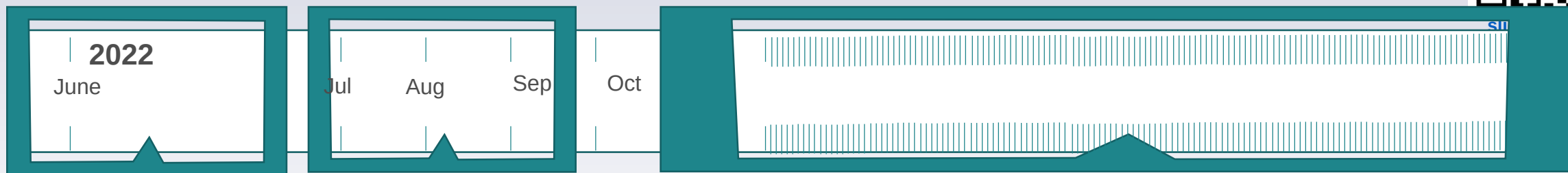
- General workflow, Admissibility conditions and Exclusion grounds
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- Ethics and Selection criteria
- Award criteria
- After the evaluation

Sandro CALARESU



EDF 2021 Calls - Indicative timeline





$T_0 - (1-2 \text{ days})$

T_0

$T_0 + 3 \text{ months}$

$T_0 + 15 \text{ to } 75 \text{ months}$

Information letter
to all proposals

- Main List**
✓
- Reserve List**
Used when ML proposal failed to sign GA
- Below Threshold**
Overall score below 10/15
- Ineligible**
Failed to meet eligibility criteria

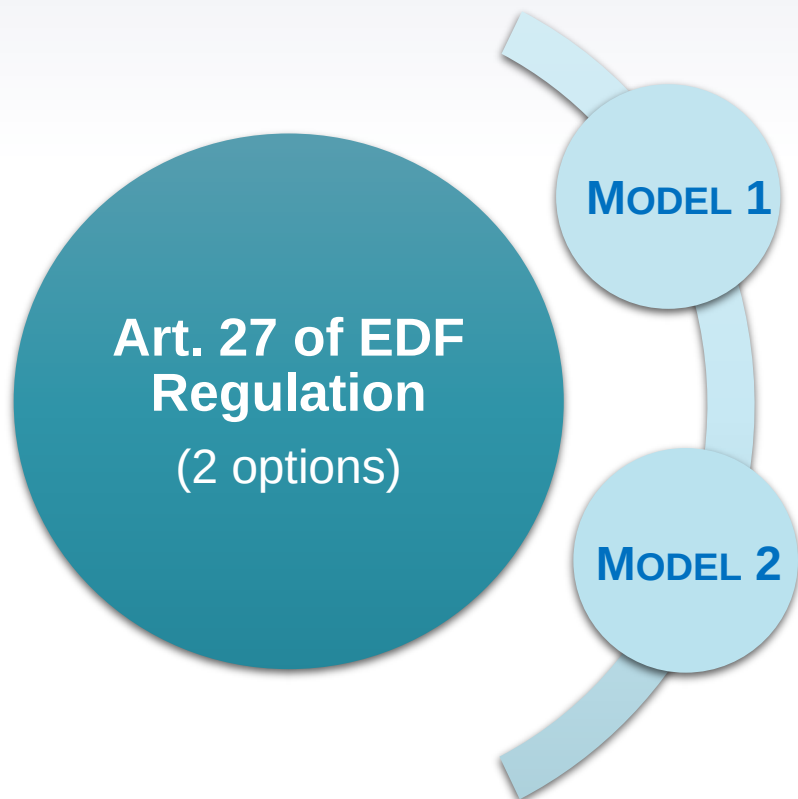


Definition of the
Security
Framework



Security Framework for EDF actions

Protection and Handling of Classified information related to the actions (i.e. Programme Security Instructions, PSI^(*) and annexes)



Under European Commission authority (in accordance with Commission Decision 444/2015)

Under authority of Member States in which the recipients are established (in accordance with National rules)

- Established during the GAP
- Needs to be in place before the signature of the GA
- Integral part of the GA through the Annex 5 of the Grant Agreement (Security Aspects Letter, SAL)

(*) EDF PSI template will be finalised and published approx. in October 2021



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Questions and answers

AFTER THE EVALUATION



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Lunch break – 1h30

Will resume at 14.00

with Costs and financial aspects

09.00-09.30	Welcome & Introduction Opening remarks (Timo Pesonen - Director General of DG DEFIS)
09.30-09.35	Slido procedure (event code: #EDF)
09.35-09.50	Key principles of the EDF Regulation
09.50-10.35	Overview of EDF 2021 calls for proposals Q&A
10.35-10.45	Break
10.45-12.30	Evaluation of the proposals and Grant agreements preparation Q&A
12.30-14.00	Lunch break
14.00-15.00	Costs and financial aspects Q&A
15.00-15.10	Break
15.10-16.55	Preparation of proposals and submission process Q&A
16.55-17.15	Concluding remarks and wrap-up

EUROPEAN DEFENCE FUND – INFO-DAY 2021

Costs and financial aspects

- Eligible / ineligible costs
- Indirect costs
- EU funding rates
- Type of grants

Bruno NGUYEN & Carlos ARSUAGA-CARRERAS

Costs and financial aspects

- Eligible / ineligible costs
- Indirect costs
- EU funding rates
- Type of grants

Bruno NGUYEN



Eligible costs / Ineligible costs

- Eligibility: specific approach of what EU budget can finance
 - ➔ Expenses which are necessary for the implementation of action
- Eligibility criteria defined in the Financial Regulation and in the specific legal basis
 - ➔ Valid for **direct and indirect costs...**
 - ➔ ...and **for actual cost or lump sum grants** (a lump sum is fixed on the basis of estimated actual eligible costs at the end of the action)



Eligible costs / Ineligible costs

What are the costs which can be reimbursed by EDF budget?

Mix between:

- The generic definition of the Financial Regulation (**Article 186 FR**)
[Financial regulation applicable to the general budget of the Union - Publications Office of the EU \(europa.eu\)](#)
- Limitations from the EDF legal basis
- Additions made by the Commission in the EDF Call documents



The definition of the Financial Regulation

Article 186(3) FR

3. Eligible costs **actually incurred** by the beneficiary, as referred to in point (b) of the first subparagraph of Article 125(1), shall meet **all of the following criteria**:
- (a) they are incurred during the **duration of the action** or of the work programme, with the exception of costs relating to final reports and audit certificates;
 - (b) they are **indicated in the estimated overall budget** of the action or work programme;
 - (c) they are **necessary for the implementation of the action** or of the work programme which is the subject of the grant;
 - (d) they are **identifiable and verifiable**, in particular being **recorded in the accounting records** of the beneficiary and **determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary**;
 - (e) they **comply with the requirements of applicable tax and social legislation**;
 - (f) they are **reasonable, justified**, and comply with the principle of sound financial management, in particular regarding economy and efficiency.



The definition of the Financial Regulation

Article 186(3) FR

- Actual costs = ‘*actually incurred*’ (ex-post vision)
 - No provision
 - No contingencies
- Spent ‘*during the duration of the action*’
 - Starts on or after the (1st day of the month following) grant agreement signature (exception, if justified by the applicant that the action needs to start before that date)
 - Ends at the date fixed in the grant agreement (exception for the costs of final report (including cost of CFS)) → request amendments if more time is needed for good reasons



The definition of the Financial Regulation

- *‘Indicated in the estimated overall budget’*
 - The grant amount never increases
 - Budget transfers are possible, but amendments are required to create a new budget item, invite a new subcontractor or modify the scope of activities with higher co-financing rates
- *‘Necessary for the implementation of the action’*

The Commission rejects on this basis expenses which have nothing to do with the action (in direct or indirect costs)



The definition of the Financial Regulation

- *‘Identifiable and verifiable’ & legal*
 - Booked in the accounts and determined in accordance with the national accounting standards and the usual business practices of the beneficiary (depreciation, remuneration)
 - In compliance with tax and social legislation
- *‘Comply with sound financial management’*
 - The Commission rejects on this basis expenses which are excessive...
 - ...or those which do not comply with economy and efficiency (acquisition of goods & services and subcontracting through a procedure ensuring best value for money)



Limitations from the EDF Legal basis

Consider the restrictions to the eligibility of costs provided by:

- Articles 7 and 10.6 of EDF regulation (Ethics, guide for applicants page 30)
- Articles 9.5 and 9.6 (cost of infrastructure and assets located outside an EDF participating country)
- Article 20.3 of EDF regulation (ownership/control of the action's results by a non-EDF participating country)



Additions in the Call documents

According to the *Guide for applicants*, are eligible:

- **The cost of a bank guarantee** required by the Commission before pre-financing payment is an eligible cost

Private entities must check their financial capacity before applying: [LFV Simulation \(europa.eu\)](https://europa.eu/lfv/simulation)

- **Costs relating to the submission of the final report**, including the cost of certificate of financial statements (CFS, for actual cost grants where the requested grant for the applicant is > EUR 406 000 if 25% flat rate for indirect costs; otherwise EUR 325 000)



Eligible costs / Ineligible costs

- List of ineligible costs per nature (non-exhaustive) in the guide for applicants: appendix 2, section 8, page 124

[European Defence Fund – EDF 2021 calls documentation, submission forms and guidance \(europa.eu\)](#)

- For actual cost grant: the Commission works only with eligible costs (final grant amount). Declare all costs spent for the action in the final financial statement.

Costs and financial aspects

- Eligible / ineligible costs
- Indirect costs
- EU funding rates
- Type of grants

Bruno NGUYEN



Indirect costs in EDF

- What are indirect costs?
- How indirect costs are reimbursed in EDF?
- What are the conditions to opt for the '*actual indirect cost*' regime?



Definition of indirect costs

- Costs that are not directly linked to the action
- Commission applies a strict interpretation of the direct link (no use of any proxy)



Costs not directly linked to the action



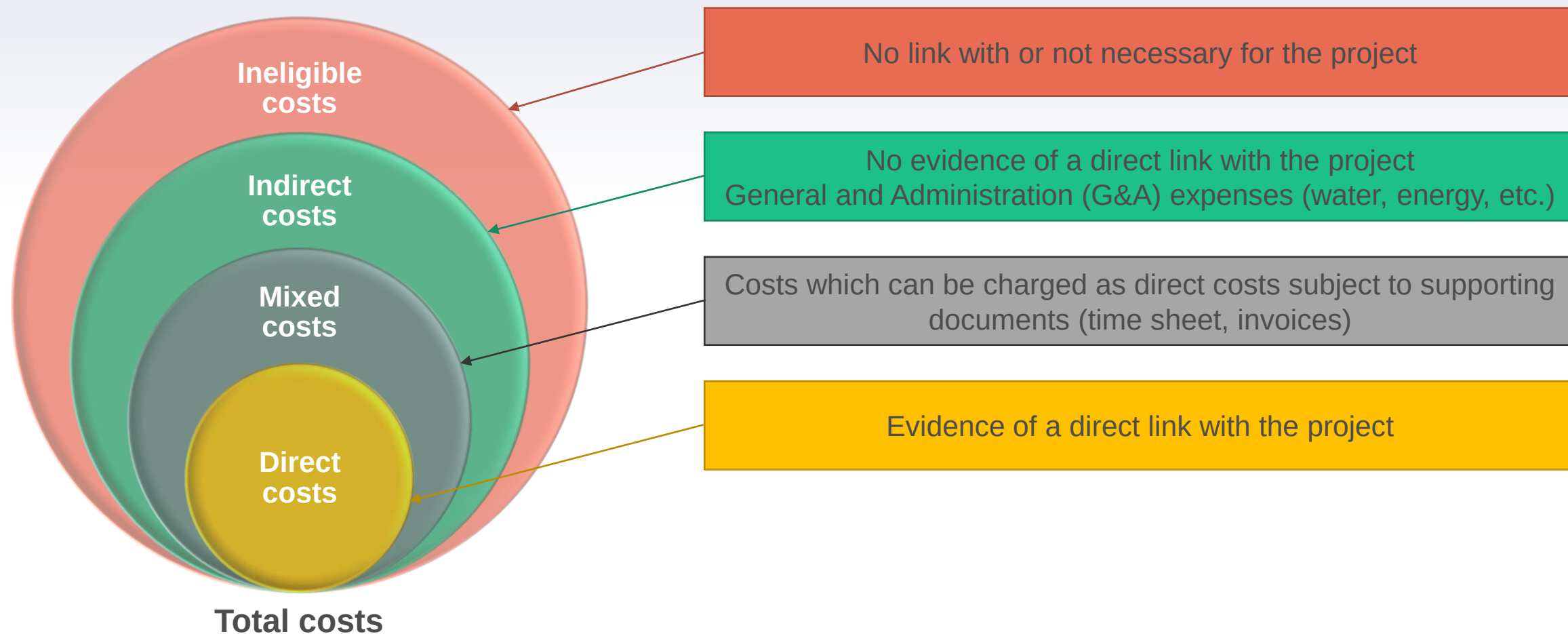


Strict interpretation of the direct link

- An allocation key based on m^2 is not considered precise enough to qualify costs like energy/heating as direct
- However, part-time involvement in the project is accepted if supported by a detailed time-sheet



Strict interpretation of the direct link





Indirect costs in EDF

Art 15



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Two possibilities:

- 25% of the eligible direct costs, excluding subcontracting (like in EDIDP and PADR)

By default regime (no need to opt). Simplification, a flat rate does not need justification.

Or

- Possibility to opt for more than 25%: **optional ‘actual indirect costs’ regime**



Conditions for the optional regime

Option is:

- **open to each applicant** (no restriction per call* or type of entity) disregarding the choice of another applicant in the same consortium
- chosen **at the application stage** (specific appendix to Annex 1&2 to the submission form, see Guide for Applicants, section 9.9.6 page 134)
- made **on a project basis** and for the whole duration of the action
- subject to the **validation by the relevant national authority** that the calculation of the indirect costs was made according to a methodology accepted at national level for comparable activities in the defence domain

* To be confirmed for lump sums



Conditions for the optional regime

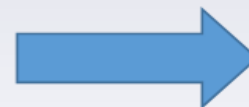


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Cost of the project for the applicant (summary of the usual accounting practices)	
	References in General chart of accounts
.../... (please detail the nature of the costs)	
Labour costs	
Subcontracting costs	
Materials	
Other direct costs (services, depreciation of equipment, travel....)	
.../...	
= Direct costs	amount in €
.../... (please detail the nature of the costs)	
.../...	
.../...	
= Indirect costs linked to projects globally	amount in €
.../... (please detail the nature of the costs)	
.../...	
.../...	
= General and Administrative expenses (G&A)	amount in €
Total Costs of the Project (TCP)	Amount in €

Ineligible costs for National Authorities	.../... .../...
---	--------------------

For the national authority	
As described above, the total Costs of the Project (TCP) has been calculated in accordance with the usual cost accounting practices of the applicant. These accounting practices are accepted by our services for comparable activities of the applicant in the defence domain	
Name, title, function	Signature and stamp
Date	



Differences
Please explain in Part 1 (description of the accounting practices of the applicant for the calculation of the indirect costs) the adjustments made from your cost accounting practices in order to present the budget included in the application (Annex 2)

Cost of applicant in the action and under EU rules (summary of Annex 2 to the application)	
	References in General chart of accounts
A - Personal costs	
B - Travel and subsistence	
C - Subcontracting costs	
E - Other direct costs	
E1 - Equipment	
E2 - Other goods, works and services	
= Eligible direct costs of the action	Amount in €
F - Indirect costs	
.../... Please detail the nature of the costs to allow the assessment of their eligibility	
.../...	
.../...	
.../...	
.../...	
.../...	
= Eligible indirect costs of the action	Amount in €
Estimated Eligible Costs of the Action (EECA)	
Ineligible costs (Article 186 Financial Regulation)	VAT if the applicant can recoup it Contingencies & provisions Export compliance costs...

For the accounting officer of the organisation	
As described above, the Estimated Eligible Costs of the Action (EECA) are displayed following the budget template of the Commission. They only contain eligible costs within the meaning of the Financial Regulation.	
Name,	Signature
Date	

The red part above is an example, you can modify it to suit with your accounting practices

Costs and financial aspects

- Eligible / ineligible costs
- Indirect costs
- EU funding rates
- Type of grants

Carlos ARSUAGA-CARRERAS



EU funding rates in EDF: general principles

- EDF is an activity-based programme → EU funding depends on activities included in action
- Within an action: one or more funding rates
- Within an activity type: same funding rate for
 - All beneficiaries participating in the activity
 - All eligible costs included in the activity

Action (project)
Activity type 1
EU funding rate 1
Activity type 2
EU funding rate 2
...



EU funding rates: research vs development

Research actions

Activity type	EU funding rate
Generating knowledge	100%
Integrating knowledge	100%
Studies	100%
Design	100%

Development actions

Activity type	EU baseline funding rate		EU maximum funding rate
Integrating knowledge	65%		100%
Studies	90%		100%
Design	65%		100%
Prototyping	20%	Bonuses ➔	55%
Testing	45%		80%
Qualification	70%		80%
Certification	70%		80%
Increasing efficiency	65%		100%

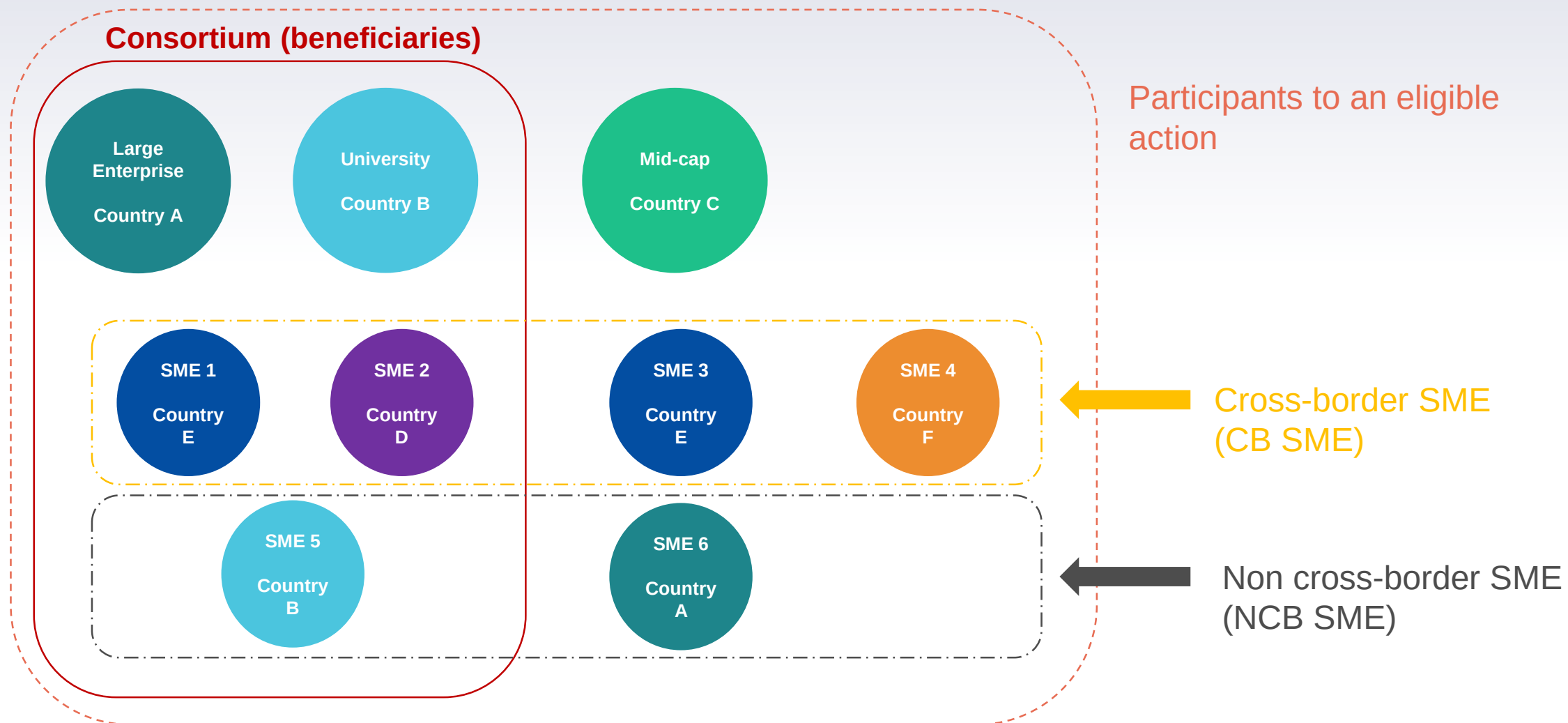


The bonus system for development actions

Condition for application	Value of the bonus
PESCO Bonus	
Action developed in context of PESCO	+10% for all activities in the action
'Mid-cap' bonus	
% eligible costs allocated to 'Midcaps' established in the EU (and NO) $\geq 15\%$	+10% for the activity
SME Bonus	
% eligible costs allocated to 'SMEs' established in the EU (and NO) $\geq 10\%$	% of eligible costs allocated to 'non cross-border SMEs' established in the EU and NO (maximum 5%) + 2 x % of eligible costs allocated to 'cross-border SMEs' established in the EU and NO



Cross-border and non-cross-border SME for SME Bonus





The bonus system: example

Assumptions

- Activity type: **design**
- **No PESCO**

Consortium	% eligible costs
Large company	40
CB SME	10
NCB SME	25
Mid-cap	25

Bonus calculation

- **PESCO: 0%**

- **Mid-cap:**

25% eligible costs ≥ 15



→ +10%

- **SME:**

35% eligible costs ≥ 10



→ $\overbrace{+25}^{\text{NCB}} + \overbrace{2 \times 10}^{\text{CB}} = +25\%$
+5

Total EU funding: $\underbrace{65}_{\text{Baseline}} + \underbrace{10}_{\text{Mid-cap}} + \underbrace{25}_{\text{SME}} = 100\%$



Funding rate & bonus: points of attention

- **Activities and work packages:**
 - Possible: one activity implemented through 1 or more WP
 - Not possible: one WP addressing more than 1 activity
- **Management and coordination** (WP1) → Activity type **Studies**
- **Bonuses** established separately **for each activity** (except PESCO)
- **All participants** in the action (beneficiaries, affiliated entities, subcontractors) can be taken into account to establish the bonuses if **identified in proposal** (Annex 1 & 2)
- Templates for Annex 1 & 2 (budget) to submission form **automatizes the computation of the funding rates & bonus** on the basis of the information and costs inputs by the applicants

Costs and financial aspects

- Eligible / ineligible costs
- Indirect costs
- EU funding rates
- **Type of grants**

Carlos ARSUAGA-CARRERAS



Type of grants in EDF 2021

- **Two types** of grants in EDF 2021: **actual costs & lump sums**
- A **different** model grant agreement (**MGA**) for each
- Type of grant is **established by the Commission for each call**:
 - All projects funded under a specific call are implemented with the same MGA
 - Not possible for applicants to chose (at proposal stage) or change during GAP
- Calls using lump sums (4): EDF-2021-DIS-RDIS, EDF-2021-OPEN-RDIS, EDF-2021-OPEN-R and EDF-2021-OPEN-D
- Calls using actual costs (19): all the others



Actual costs vs lump sums: differences (i)

	ACTUAL COSTS	LUMP SUMS
PROPOSAL	- Summary budget - Detailed info requested <u>only on selected</u> items (subcontracting, other direct costs)	- Detailed budget (+ appendix to Annex 3) - Information on the team implementing action (Annex 7)
EVALUATION & GAP	Correction of obvious budget mistakes	- In depth assessment of budget proposal by Commission & external experts - Request of supporting documents (salary slips, offers, etc.) via coordinator - Establishment of lump sum amounts (per WP & per beneficiary) in the GA



Actual costs vs lump sums: differences (ii)

	ACTUAL COSTS	LUMP SUMS
IMPLEMENTATION	• Payment upon: ○ completion of work ○ incurred costs reported • EU Cost eligibility rules apply • Technical desk checks and reviews • Need to keep proof of completion of work (deliverables, technical documents, etc.) • Financial desk checks and audits • Need to keep time sheets, salary slips, invoices for equipment and subcontracting, etc.	• Payments upon completion of work only • Only technical checks and reviews are possible • Only need to keep proof of completion of work (deliverables, technical documents, etc.)



Actual costs vs lump sums: common points

- **Same evaluation criteria** for lump sum calls and actual costs calls
- **Most provisions of both MGAs are the same:** IPR, confidentiality and security, proper implementation of the action, ethics, etc.
- **Same payment scheme:** pre-financing – interim payment – final payment
- Payments are made at the end of **reporting periods** and upon approval of a **periodic report**



Focus on lump sums payments

	WP1	WP2	WP3	WP4	Total
Coo	250.000			50.000	300.000
Ben 2		250.000	350.000	50.000	650.000
Ben 3	100.000	100.000		50.000	250.000
Ben 4		120.000		50.000	170.000
Total	350.000	470.000	350.000	200.000	1.370.000

← Annex 2 GA

	WP1	WP2	WP3	WP4
Coo	Completed			Initiated
Ben 2		Completed	Completed	Not initiated
Ben 3	Completed	Not initiated		Not initiated
Ben 4		Completed		Completed

← State of play at end of reporting period

Payment: $\begin{matrix} \downarrow \text{green} \\ 350.000 \end{matrix} + \begin{matrix} \downarrow \text{red} \\ 0 \end{matrix} + \begin{matrix} \downarrow \text{green} \\ 350.000 \end{matrix} + \begin{matrix} \downarrow \text{red} \\ 0 \end{matrix} = 700.000 \text{ €} \rightarrow \text{Paid to coordinator}$



Final remarks and additional resources

- **Lump sums grants** represent a **significant simplification** potential:
 - Slightly higher effort at proposal and GAP stage...
 - ... but major reduction of administrative burden during project implementation (and afterwards)
- **Focus on performance:** shift from financial management & cost control to technical work and achievement of results
- Methodology to establish lump sums in Authorising Decision
- Further information in **GfA and FAQ** at DG DEFIS website: [European Defence Fund – EDF 2021 calls documentation, submission forms and guidance \(europa.eu\)](https://european-defence-fund.europa.eu/2021-calls-documentation-submission-forms-and-guidance)



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Questions and answers

COSTS AND FINANCIAL ASPECTS

- EU funding rates
- Type of grants



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Break – 10 min

Will resume at 15.10

with Preparation of proposals and submission process

09.00-09.30	Welcome & Introduction Opening remarks (Timo Pesonen - Director General of DG DEFIS)
09.30-09.35	Slido procedure (event code: #EDF)
09.35-09.50	Key principles of the EDF Regulation
09.50-10.35	Overview of EDF 2021 calls for proposals Q&A
10.35-10.45	Break
10.45-12.30	Evaluation of the proposals and Grant agreements preparation Q&A
12.30-14.00	Lunch break
14.00-15.00	Costs and financial aspects Q&A
15.00-15.10	Break
15.10-16.55	Preparation of proposals and submission process Q&A
16.55-17.15	Concluding remarks and wrap-up

Preparation of proposals and Submission process

Guillaume GALTIER



Evolutions compared to EDIDP

- **Online submission process** (Funding & Tender Portal)
 - Open since 9 September 2021
- **New set of Submission forms**
 - Some to be filled in **online**, some other to be filled in **offline**
 - **Macro-enabled files** for some of the Annexes
 - Latest versions of *Submission forms*, *Calls and conditions*, *Guide for applicants* and FAQ available on a dedicated DG DEFIS web page (accessible from the F&T portal)
- **Do not wait for the last moment to get familiar with the forms and the submission process!**
 - You can save application drafts on the F&T portal and resume any time before final submission deadline



Submission forms and process

- **Part A – administrative part**

To be filled out directly online

- **Part A Sup – supplementary information to part A**

- **Annex 1** - Increase in the funding rate (bonus) and quantitative assessment of eligible costs allocated to SMEs and mid-caps established in the Union or in associated countries (macro-enabled file common with Annex 2)
- **Annex 2** - Budget table (macro-enabled file common with Annex 1), including an Appendix for applicants and affiliated entities opting for the actual indirect costs
- **Annex 3** - Declaration on honour for the applicants and affiliated entities, including an Appendix for applicants and affiliated entities applying for a call implemented through lump sums grants
- **Annex 4** - Pre-existing information (background information) linked to non-associated third countries or non-associated third-country entities
- **Annex 5** - Industry-related information on applicants, affiliated entities and subcontractors having a direct contractual relationship with an applicant
- **Annex 6** - Declaration of ownership and control (macro-enabled file)
- **Annex 7** - Description of infrastructure, facilities, assets and resources used for the purpose of the action – Operational capacity
- **Annex 8** - Mid-cap self-assessment form (macro-enabled file)

- **Part B – description of the action**

Forms to download and filled out offline

- **Supporting documents**

Upload on F&T portal as a single encrypted zip file

Password(s) used for encryption to be sent at: DEFIS-EDF-PROPOSALS-PWD@ec.europa.eu



Part A – Administrative part

Information to be filled out directly online in the F&T portal

- Basic information on the proposal (acronym, title, duration, free keywords, abstract)
- Declarations
- Administrative information on applicants, affiliated entities and associated partners
 - **All declared participants need to register their entity to get a PIC**
- Simplified budget table



Part A Sup – Supplementary information v1.2

Information to be filled out offline

- Questions related to eligibility of the applicants, affiliated entities and of the consortium in a whole as well as of subcontractors involved in the action and of associated partners
- Questions related to the eligibility of the action
- Ethics issues table
- Call-specific questions regarding eligibility of participants (EDF-2021-OPEN-R/D and calls requiring access to PRS information)
- Additional justification regarding budget information (subcontracting, travel and subsistence)
- Submission format: searchable pdf



Annex 1&2 – Budget tables v1.3

- Macro-enabled Excel file (do not wait last moment to test it!)
- **Detailed budget tables generated automatically** according to information provided (call & topic, participants, activities & WP, indirect costs regime, PESCO)
 - Different workflow for “actual costs” and “lump sum” grants
 - **Bonus calculation** (development actions only) and **quantitative information for award criterion 5** computed automatically
- Must contain all estimated eligible costs of the proposed action (including costs for subcontracting) and estimated costs for associated partners (if any)
- Includes completeness and consistency checks: does not substitute your own checks and further assessment by the Commission
- You need to provide both xlsx and pdf exported files with your application



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v1.0

Appendix to Annex 1&2 – Actual indirect costs

- To be filled in by each applicant or affiliated entity opting for the **actual indirect costs** regime
- Consists in:
 - a word **questionnaire** to explain methodology used
 - an excel template showing how indirect costs should be detailed and presented (**correspondence table**)
- Both parts need to be duly completed, signed (including by national authorities) and provided with your application before the submission deadline
 - Format: pdf for the questionnaire and pdf + xlsx for the table



Annex 3 – Declaration on honour (DoH) v1.1

- 3 types of declaration
 - One for the coordinator only
 - One for each applicant (including the coordinator as an applicant)
 - One for each affiliated entity (if any)
- **1 appendix** to be included in the declaration of each applicant and affiliated entity applying for calls implemented through **lump sums** grants
 - Includes additional information regarding methodology used to establish personal costs
- Provide signed declarations as pdf files



Annex 4 – IPR on background information v1.0

- Needed for eligibility check
- List IPR needed to perform the action that is not originating from EU or Norway
- Provide information about origin
- Provide information about rights that participants have, demonstrating that they can perform the proposed work
- Justify that the use of this IPR will **not lead to restriction or control by non-associated countries/entities** over the results of the action
- Provide duly completed file(s) as pdf



Annex 5 – Industry related information v1.0

Expected from all applicants but will not impact evaluation of the proposal

Objectives

- To **map EU's dependencies in the Aerospace and Defence (ASD) Ecosystem** (*dependency screening*);
- To **monitor, report, and to evaluate** whether **the European Defence Fund** has achieved its objectives (*impact tracking*);
- To **sustain the EU Observatory of Critical Technologies** set up to foster supply-chain resilience (*technology “blind spots” detection*);
- To **support the industry (EDTIB) policy-related work of DG DEFIS**.



Annex 5 – Industry related information v1.0

Means - a “tick-the-box exercise” on selected elements, encompassing:

- Your entity’s **role in the supply chain**;
- Your **products/services**;
- Your **use of** selected key:
 - **Technologies**;
 - **Skills**; and
 - **Materials**.

Submission format: xlsx



Annex 6 – Declaration of ownership and control^{v1.0}

- Macro-enabled Excel file (do not wait last moment to test it!)
- Information **needed to assess eligibility (control)** of:
 - applicants
 - affiliated entities
 - subcontractors involved in the action
- Requested supporting documents to be attached (pdf expected) directly in the form
- Includes completeness and consistency checks: does not substitute your own checks and further assessment by the Commission
- You need to provide, for each participant, both xlsx and pdf exported files with your application



Annex 7 – Operational capacity and resources v1.0

Needed to assess:

- **Eligibility** of each applicant, affiliated entity and subcontractor involved in the action
 - Location of infrastructure, facilities, assets and resources used to carry out the action
- **Operational capacity** of each applicant and affiliated entity
 - Past experience in similar tasks
 - For lump sum grants: detailed information about each participant (1 page max) and their role in the project
- Proposal against **award criterion 5** (qualitative aspects)
 - New cross-border cooperation
- **EDF performance indicators** (no impact on evaluation of proposal)
 - Background information stemming from previously EU funded projects
 - Newcomer in research activities with defence applications
- Provide as pdf file(s)



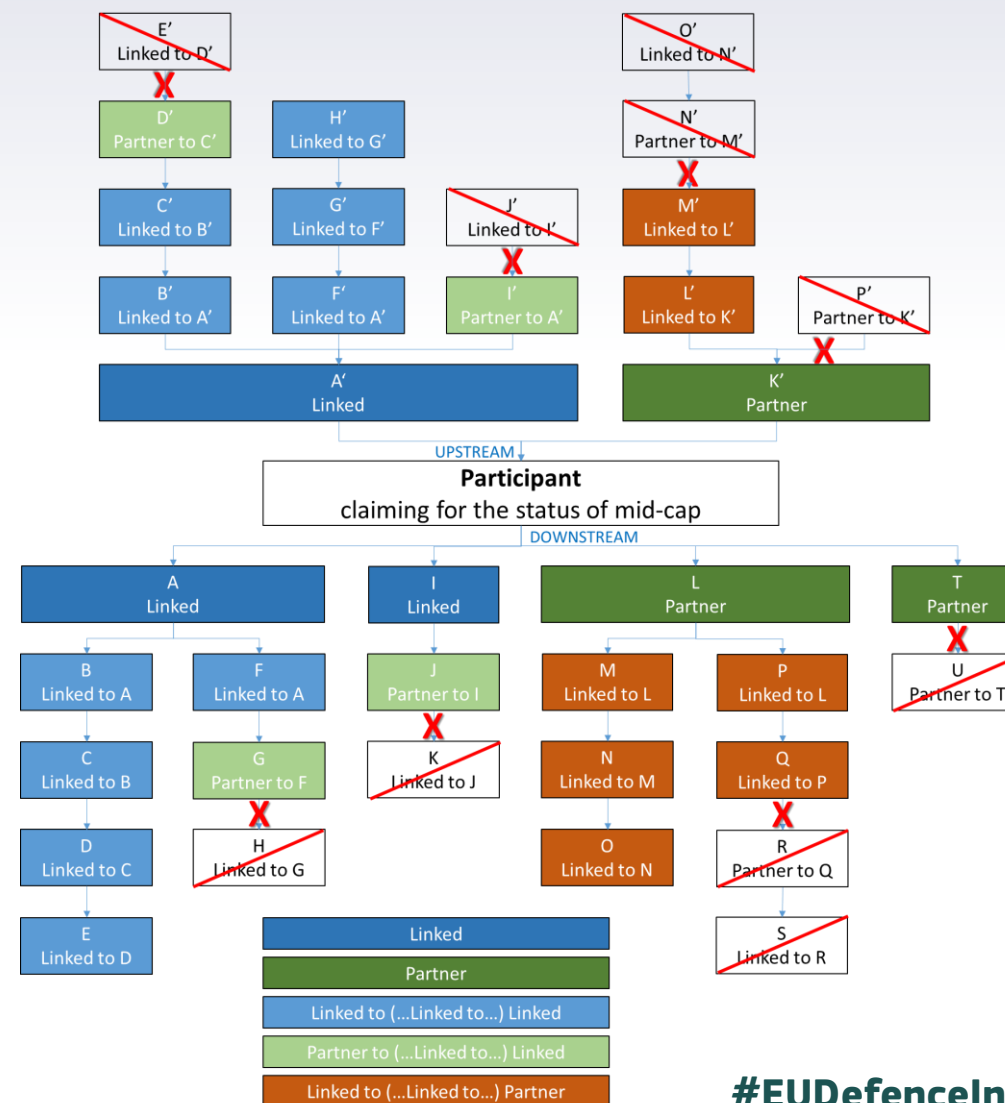
Annex 8 – Mid-cap self-assessment form v1.0

- Macro-enabled Excel file (do not wait last moment to test it!)
- Needed for **each participant claiming the mid-cap status** to:
 - Assess proposal against **award criterion 5** (both for Research and Development calls)
 - Each applicant, affiliated entity and subcontractor involved in the action
 - Assess eligibility to **mid-cap bonus** (Development calls only)
 - Each applicant, affiliated entity, and their direct subcontractors
- Includes completeness and consistency checks: does not substitute your own checks and further assessment by the Commission services
 - Final validation will be performed by the REA validation services after submission of the proposal
- You need to provide, for each participant claiming the mid-cap status, both xlsx and pdf exported files with your application



Annex 8 – Mid-cap self-assessment form v1.0

- Make sure that data used for headcount of staff and financial amounts:
 - are consolidated (entity concerned + linked/partner enterprises)
 - relate to the current financial year
- **Nota:** Be aware that your entity will not be considered a mid-cap if 25 % or more of the capital or voting rights are directly or indirectly controlled, jointly or individually, by one or more public bodies.





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Part B – Description of the action v1.11

Information to be filled out offline

- Summary and **detailed description** of the proposed action (Section 6)
 - Use templates provided!
- Focus on each of the **award criteria** (Section 7)
- Description of each **work package** (Section 8)
 - Use template provided.
 - Start new WP on new page.
- **Respect page limits:** pages exceeding limits will be made invisible to the evaluators
 - 60 pages for Section 6+7 for Research actions / 64 pages for Development actions
 - Maximum 2 pages for each WP in Section 8



Supporting documents

- Needed (in addition to information provided in Participants portal, Submission forms and Annexes) to assess **eligibility of participants and action**
- To be provided with the application **before the submission deadline**
 - Some of these documents require approval/signature by national authorities → **anticipate**
 - In specific cases, additional documents may be requested after submission of the proposal
- Summary list provided in *Guide for applicants*
- Expected format: searchable pdf files
 - No template provided



Supporting documents

- Eligibility of the participants:
 - Management structure established in EU or Norway
 - Evidence in case infrastructure, facilities, assets and resources located outside EU and Norway
 - Graph with chain of control (useful for Annex 6 and also for Annex 8)
 - Derogation regarding control (guarantees approved by national authorities)
 - Associated partners (to substantiate justification)



Supporting documents

- Eligibility of the action:
 - **Co-financing** by Member States or Norway, or by other stakeholders if costs not fully covered by EU funding (development actions only)
 - **Harmonised defence capability requirements** (design) and **common technical specifications** (prototyping +) (development actions only)
 - derogation regarding harmonised defence capability requirements / common technical specifications
 - **Intention to procure** (development actions only)
 - Additional evidence regarding **absence of control or restriction on the results** by non-associated countries/entities



In practice (dynamic demonstrations)

- Submission process
- Annex 1&2 (actual costs – lump sum)



Useful links

- [General information on the EDF \(DG DEFIS website\)](#)
- [EDF Regulation \(and Financial Regulation\)](#)
- [EDF work programmes](#)
- [EDF Calls on the *Funding and Tender portal*](#) (where to apply)
- [EDF Submission forms and Conditions for applying to the calls](#) (revised versions published)
- [EDF Guide for applicants](#) (**v1.1 to be published soon after the InfoDay**)
 - [Corporate guidance on *How to complete your Ethics self-assessment*](#)
- [EDF FAQ](#) (updated on a regular basis)
- [EDF Info Day](#) (access to recorded video)
- Remaining questions regarding application? → DEFIS-EDF-PROPOSALS@ec.europa.eu



How to search for partners?

- Partner search tool on the [Funding & Tender portal](#)
 - Register and subscribe to each topic of interest
- EDF brokerage / matchmaking events organised at:
 - Union level (16&17 September 2021)
 - Multinational or national level
- Partnership opportunities on the [Enterprise Europe Network \(EEN\)](#)
- Regional or national contact points:
 - [European Network of Defence related Regions](#) (ENDR)
 - In a near future: EDF National Focal Points (NFP)



Questions and answers

PREPARATION OF PROPOSALS AND SUBMISSION PROCESS



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Concluding remarks and wrap-up

Sylvia KAINZ-HUBER - Head of unit DG DEFIS/A2

EDF Implementation, Programming and SME support



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Networking event

	16 Sept	17 Sept
am	Brokerage session (9.00-12.30)	Matchmaking sessions (8.00-20.00)
pm	Matchmaking sessions (14.00-20.00)	

Thanks for your attention and enjoy the networking event!

Don't forget to answer the survey on slido!

It will just take 1 min of your time
and help us improve



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