

EUROPEAN DEFENCE FUND

Frequently asked questions (FAQ)

This file is updated with new Q&As on a regular basis. Please consult the following web page regularly to be sure you have the latest available version:

https://ec.europa.eu/defence-industry-space/calls-tenders/european-defence-fund-edf-2021-calls-documentation-submission-forms-and-guidance_en

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Affiliated entities

Question

As an affiliated entity to a beneficiary, can I also participate in the action as a beneficiary and member of the consortium?

Answer

Yes, you can participate either as a beneficiary (member of the consortium) or as an affiliated entity to the beneficiary you are linked to. However, you cannot participate as a subcontractor of that beneficiary.

If, you decide to participate as a beneficiary, you need to declare your entity as a beneficiary (BE) in Annex 1&2 to the *Submission form*, and not as an affiliated entity (AE). The affiliation between your entity and the other beneficiary will need to be indicated in Part A of the *Submission form* (“Links with other participants”).

When making your choice, you should keep in mind the impacts on the calculation of the SME/midcap bonus, the notion of cross-border cooperation in the meaning of the award criterion 5, and the joint liability between a beneficiary and its affiliated entities.

Question

As an affiliated entity to a beneficiary, can I participate in the action as a subcontractor?

Answer

As mentioned in Appendix 2 Section 5 of the *Guide for applicants*, you cannot participate as a subcontractor of the beneficiary you are affiliated to, but you can participate as a subcontractor of another beneficiary.

Associated countries and overseas countries and territories

Question

In the document *2021 calls for proposals and conditions for the calls* (up to v1.3), it is written that the participation of associated countries “*is limited to legal entities established in the Kingdom of Norway pending the adoption of the COUNCIL DECISION on the position to be adopted on behalf of the European Union, within the EEA Joint Committee concerning an amendment to Protocol 31 to the EEA Agreement, on cooperation in specific fields outside of the four freedoms*”.

Is the participation to the EDF of legal entities established in the Kingdom of Norway now decided?

Answer

Even if not yet published in the Official Journal of the EU, the Council Decision has been adopted (see [here](#)) and Norway can from now on be considered as a full eligible associated country to the European Defence Fund. This will be reflected in a revised version of the *2021 calls for proposals and conditions for the calls*.

Question

Are the entities established in overseas countries or territories eligible for EDF funding?

Answer

Yes, they are eligible for EDF funding subject to the rules and objectives of the Fund and to possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.

The overseas countries or territories and Member States to which they are linked are: Aruba (Netherlands), Greenland (Denmark), New Caledonia (France), French Polynesia (France), Saint Pierre and Miquelon (France), French Southern and Antarctic Lands (France), Wallis and Futuna (France), Saint Barthélemy (France), Bonaire Sint Eustatius and Saba (Netherlands), Curaçao (Netherlands), Sint Maarten (Netherlands).

Associated partners

Question

As an entity established outside the Union and outside Norway, can I participate in EDF funded actions?

Answer

Yes, you can participate in an EDF funded action as an ‘associated partner’, without receiving funding and subject to the conditions set out in article 9(6) of the EDF Regulation. Please refer to the *Guide for applicants* Chapter 2, Part A sup, Section 1.2 (page 28 in v1.0) for more information.

Control

Question

As an entity established in the EU or in Norway, but controlled by a non-associated third country or a non-associated third-country entity, can I participate in EDF funded actions?

Answer

Yes, you can participate in an EDF funded action:

- either as a 'beneficiary', an 'affiliated entity' or a 'subcontractor involved in the action', eligible for funding. Your participation to the action as a 'beneficiary', as an 'affiliated entity' or as a 'subcontractor involved in the action' is subject to the conditions set out in article 9(4) of the EDF Regulation (provision of guarantees approved by the country in which your entity is established). Please refer to the *Guide for applicants* Chapter 2, Part A sup, Section 1.1 (pages 25-27 in v1.0) for more information;
- or as an 'associated partner', but without receiving funding. Your participation to the action as an 'associated partner' is subject to the conditions set out in article 9(6) of the EDF Regulation. Please refer to the *Guide for applicants* Chapter 2, Part A sup, Section 1.2 (page 28 in v1.0) for more information.

Financial aspects

Question

Is the EDF partly pre-financing the projects or do the applicants have to advance the necessary financial contribution?

Answer

For all the 2021 EDF calls for proposals, a pre-financing will be paid from the Fund upon signature of the grant agreement.

Then, depending on the duration of the action, the beneficiaries of an actual costs grant may request the reimbursement of their eligible costs actually incurred and receive an interim payment after the pre-financing. The rest of the eligible costs actually incurred will be reimbursed with the final payment.

Regarding lump sum grants, and depending on the duration of the action, in addition to the pre-financing, an interim payment could take place upon completion of the work of the relevant reporting period.

Question

How (existing) testing facilities, test beds and testing equipment can be charged to a project under the EDF? Is verification or certification needed in the proposal?

Answer

Costs of equipment constituting 'testing facilities, test beds and testing equipment' can be charged in the budget of the action up to:

- the depreciation costs accounted for in the accounts of the applicant concerned in accordance with the beneficiary's usual accounting practices and with international accounting standards; or
- the leasing costs accounted for in the accounts of the applicant concerned up to the depreciation costs of the equipment (no financial fees charged),

and for the period of use in the action and according to the rate of actual use of the equipment for the purposes of the action.

Where the cost of this equipment has already been fully reimbursed by the EU budget (cost charged under another eligible activity or action funded by the EU budget), no further depreciation cost can be charged (only maintenance).

There is no specific eligibility constraints on the type of testing facilities. This is without prejudice to the general eligibility conditions laid down in Article 9, 20(3) and 23(2) of the EDF Regulation. The question of the adequacy of the proposed solutions is taken into account at proposal evaluation stage.

Security

Question

Employees may be required to handle classified information for the purpose of the implementation of the action. Shall they hold a valid security clearance at the time of the submission of the proposal?

Answer

The possession of a valid security clearance may indeed be required to handle classified information for the purpose of the implementation of the action in accordance with the applicable Commission or national security rules. The possession of a Personnel Security Clearance (PSC) might be required at proposal submission time only if the proposal itself constitutes a classified document, depending on the applicable national security rules.

In case the implementation of the action requires handling of classified information and depending on the associated security classification levels (consolidated during the Grant Agreement Preparation):

- employees dealing with classified information may be requested to hold a PSC issued by the country of origin of the employees; and
- facilities in which such information is handled may be requested to hold a Facility Security Clearance (FSC).

In such case, as the processes to get valid PSC and FSC can be time consuming, they should be launched as soon as possible.

Question

As a company established in the EU or in Norway that employs non-EU and non-Norwegian personnel and is not subject to control by a non-associated third country or a non-associated third-country entity, can those employees participate in an EDF funded action that involves the generation of classified information?

Answer

Pursuant to Article 27 of the EDF Regulation, the Member States on whose territory the beneficiaries are established may decide to establish a specific security framework. Otherwise, the Commission will establish the necessary security framework in accordance with Commission decision 2015/444.

In case the Member States would establish the specific security framework, it will be up to the Member States to give the necessary instruction concerning the possession of adequate Personnel Security Clearance (PSC) for non-EU and non-Norwegian personnel.

In case the security framework is established under Commission decision 2015/444, the following provisions apply:

- the PSC is not required for handling classified information up to EU RESTRICTED;
- a PSC granted by the appropriate national authorities is required for handling classified information above EU RESTRICTED. The Commission requests confirmation of this requirement to the competent national authorities of which the personnel concerned are citizens. In the case of non-EU and non-Norwegian citizens working for EU or Norwegian companies, the national authorities on whose territory the beneficiary is established may grant a PSC for the concerned personnel. Example: a Canadian citizen living and working in Germany may, on the request of the employer, obtain a PSC from the German authorities.

This is without prejudice to the general eligibility conditions laid down in Article 20(3) and 23(2) of the EDF Regulation.

Call-specific questions

Question

In the call topic EDF-2021-DIS-RDIS-AMD, in the “specific challenge” section, what do you mean by “Proposals should balance R&T efforts in the following areas”?

Answer

This sentence should be interpreted as “Proposals should address R&T in one or more of the following areas”.

Question

In the document *2021 calls for proposals and conditions for the calls* (v1.3 and previous), there seems to be inconsistencies regarding the ‘development’ or ‘research’ nature of the call EDF-2021-ENERENV-D and its associated topics.

Can you clarify if this is a call for research or for development actions?

Answer

We confirm that, in line with the adopted EDF work programme, the call EDF-2021-ENERENV-D is a call for development actions. The associated call topic IDs are EDF-2021-ENERENV-D-EEMC, EDF-2021-ENERENV-D-NGES and EDF-2021-ENERENV-D-PES.

This will be corrected in a revised version of the document.