

## RFCS BIG TICKET CALL 2023 – FRAGENBEANTWORTUNG

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Untenstehend eine Beantwortung von gesammelten Fragen der österreichischen Stakeholder, gestellt durch FFG an REA am 20.2.2023, Beantwortung erfolgt durch REA am 2.3.2023

### Question 1:

**Is the mentioned maximum 18 Mio. Euro grant a hard limit or can this be considered being a moving threshold? If the later holds true and 18 Mio. are for orientation only, what are specific conditions and prerequisites under which a project can apply for more than 18. Mio funding? Is a large pilot project of 40 Mio. costs, seeking 20 Mio. grant formally eligible? If so, how is this made public in the evaluation process?**

As indicated in the Call document section 6. Eligibility – Project budget, the expected range of projects budgets (requested grant amount) is indicative and ‘does not however preclude the submission/selection of a proposal requesting other amounts.’ Therefore, a large pilot project of 40 ME is eligible. However, please note that the experts will be requested to evaluate whether the scale and significance of the project contribution to the expected outcomes and impacts are appropriate (Impact criterion) and whether the claimed financial resources are clearly described, well defined and appropriate in relation to the project objectives and their implementation (Quality and efficiency of the implementation criterion).

### Question 2:

**With regard to the following statement in the call text (p. 15): “The grant awarded may be lower than the amount requested.”: Who is in charge of lowering the requested funding? Do you advise a project of e.g. 60 Mio. Euro cost to reduce the funding rate and apply for a 18 Mio. grant themselves or would the funding be reduced by REA to 18 Mio € during the evaluation process?**

During the evaluation process budget overestimations and other forms of ineligible costs are highlighted by the expert evaluators, their observations form the basis for the negotiation that follows the evaluation and this might lead to lowering the grant amount requested. As indicated in A1, please remember that experts are requested to evaluate also, whether the claimed financial resources are appropriate in relation to the project objectives and their implementation (Quality and efficiency of the implementation criterion). Regarding the financial size of any proposal, this is up to the consortia to estimate the overall budget and their own contribution.

### Question 3:

**Referring to the following sentence on page 11 of the call text: “Applicants may submit proposals for either Pilot or Demonstration projects (see Art. 15 and Art. 16 of Council Decision 2008/376/EC3).”: Does this mean that it is no allowed to hand in a proposal that covers both a pilot and a demo or a project where a pilot plant is scaled up into a demonstration plant in the course of the project?**

Applicants, when addressing the call objectives, can submit proposals for a Pilot project where the demonstration plan is foreseen to be developed along the project implementation.

### Question 4:

**Large Demonstrators can exceptionally apply for 18 Mio. Euro funding. Given that the referenced definition of Art. 16 mentions “construction” and “operation” but not “development”, does this mean that Large Demonstrator Projects are expected to exclude the development of an installation or a significant part of an installation? Can large Pilot Plants that also include a development phase also exceptionally apply for 18 Mio. Euro funding? Can large demonstrator projects apply in all of the mentioned Call objectives. E.g. objective 1, “...supports research and technological development to demonstrate and improve near-zero-carbon steel production processes with a view to raising product quality and increasing productivity.” As “technological development” is mentioned, does that mean that only pilot plant projects can apply, or would demonstration plants be eligible as well?**

Pilot and demonstration projects can apply throughout all the call objectives.

Regarding article 16 “A demonstration project shall be characterised by the construction and/or operation of an industrial-scale installation or a significant part of an industrial-scale installation (...)”, this includes development activities to be completed and qualified by the end of the project for an industrial-scale installation or a significant part of it.

In relation to the project budget (requested grant amount) as indicated in the Call document section 6. Eligibility – Project budget, the expected range of projects budgets is indicative and ‘does not however preclude the submission/selection of a proposal requesting other amounts.’ This applies for both pilot and demonstration projects. As already stated above, please remember that experts will be requested to evaluate whether the scale and significance of the project contribution to the expected outcomes and impacts are appropriate (Impact criterion) and whether the claimed financial resources are clearly described, well defined and appropriate in relation to the project objectives and their implementation (Quality and efficiency of the implementation criterion).

**Question 5:**

**According to the information provided during the info day on Monday 30th January, co-financing of a project is not possible. Could you please provide us with a link to the underlying specifications and definitions of “co-financing” in the RFCS context? Does the statement from the info day mean that national funding programs may not be used to increase the RFCS’s funding rate of 50% even though national rules might allow that. We assume that this does not include a real cost split into separate project parts and their financing via separate funding schemes (e.g. RFCS funding & national funding for two connected, but separately financed project parts)? We further assume that a sequencing of funding is allowed (e.g. Start with RFCS funding for demonstrators and a follow-up funding afterwards)?**

Please receive enclosed a note on the question.

Note on cumulative funding:

Cumulative funding is not allowed. According to Article 191(1) of the Financial Regulation “each action may give rise to the award of only one grant from the budget to any one beneficiary, except where otherwise authorized in the relevant basic acts”. Therefore, within the current RFCS legal framework it is not possible to exceptionally allow for cumulative funding.

According to the RFCS Call document, based on the EU corporate model template: “No double funding — There is a strict prohibition of double funding from the EU budgets.....any given action may receive only ONE grant from the EU budget and cost items may under NO circumstances declared to two different EU actions.”

Regarding the co-financing principle, it implies that part of the action or of the operational expenditure of a body is to be funded by the beneficiary or covered by contributions other than those made from the Union budget. This principle is also intended to ensure that beneficiaries maintain a certain degree of financial independence from Union funding while increasing and diversifying the resources from which the action may benefit.

In RFCS, RPJ and DPD grants awarded for an action cannot fund the entire cost of the action. This means that the co-financed share may take the form of the beneficiary’s own resources, of revenue generated by the action or work programme or of financial contributions or contributions in kind provided by third parties (Article 190 of the Financial Regulation).

In all cases, costs declared are ineligible if declared under another EU grant (i.e. double funding under Article 6.3 of the MGA RFCS).

This includes:

- costs funded directly by other EU Programmes managed by the European Commission or EU executive agencies;
- costs managed/funded/awarded by Member States but co-funded from the EU budget (e.g. Structural Funds, RRF, etc);
- costs for grants awarded/funded/managed by other EU, international or national bodies and co-funded with EU funds (e.g. Joint Undertakings, Article 185 TFEU bodies).

Therefore, there is a distinction between EU funding, EU-supported national funding, and purely national funding.

For instance, if a cost item is funded at 50% by RFCS, it is considered as already funded and the other 50% cannot be funded by another EU grant or national grant with EU contribution due to double-funding constraints. This is in line with the principle of co-financing e.g. the EU finances part of the costs, up to eligible amounts (in this case 50%).

However, this does not apply to purely national funding with no EU link. In that case, there would be no double funding, and the remaining 50% of the cost item could be financed by purely national funding ('third party'). As mentioned above, the amounts of co-financing by source are to be estimated in advance in the budget annexed to the grant application.

Please note, on the question you raise on 'separate project parts': proposals are evaluated as a whole, as submitted. If the capacity of the proposal to meet its objectives is conditional on later or even concurrent funding that is not certain at the time of submission, the project is likely to receive a very low score in the evaluation. It does not matter if the co-financing by EU-independent national funds is horizontal (i.e. it contribute to the same cost item); or vertical (i.e. contribute to other, separate cost items).

Sequencing is allowed.

#### **Question 6:**

**With regard to the following statement in the call text (p.15): "Projects of longer duration may be accepted in duly justified cases. Extensions are possible, if duly justified and through an amendment.": Are extensions only possible in case of "force majeure" or can internal operational reasons justify a project extension? Could you provide us with examples of cases that are justifiable for application of longer project duration?**

A6: During the grant preparation (negotiation phase) changes aiming at improving the proposal are possible. REA staff will take the recommendation of the expert into consideration. Please beware that the only change that is not possible is to increase the overall EU contribution. After the grant signature, at any moment in time, in case of a change of circumstances which do not allow to implement the project in accordance with the schedule set out in the grant agreement (e.g. change of the description of the action, change of beneficiary/affiliated entity, etc), the project can be adapted through an amendment of the grant agreement, which includes also the possibility of requesting an extension of the project duration. Each request of amendment will have to be duly justified and a decision will be made on a case by case basis.

**Question 7:**

**In JT-6 the “repurposing of former coal mines and coal-related infrastructure including power supply services” is addressed. Does this include the repurposing of old coal fired power plants as well?**

A7: Activities related to the repurposing of coal power plants (either operating or closed) are considered within the scope of the RFCS programme. Please note that during the evaluation process the viability of the pathways to achieve the expected outcomes and impacts specified in the call will be assessed under the impact criterion.

**Question 8:**

**Is the Consortium Agreement mandatory and a precondition for the Grant Agreement? Does REA want to see a signed CA and if so at what point in time of the application process?**

A8: A Consortium agreement is mandatory. It sets up legal agreement between participants on project management/project outcomes and allows applicants to deal with exceptional or unforeseen circumstances (Call document section 13. Important). The Consortium agreement should be signed before signing the Grant Agreement. However, it is not compulsory to provide a copy to our services.