DeremCo - De & Remanufacturing for Circular Economy Investments in the Composite Industry

1st Open Call

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1. About DeremCo

DeremCo is an I3 project financed under the Interregional Innovation Investments **call I3-2021-INV1** with the aim to enhance post-use composite product management in the circular economy. With a focus on precision and effectiveness, DeremCo. seeks to establish demand-driven Circular Economy solutions for fiber-reinforced plastics, emphasizing cost-effective reuse for the creation of high-value products. To meet consumer requirements DeremCo employs **two circular pilot strategies**:

i) mechanical demanufacturing and hybrid reprocessing, and
ii) thermo-chemical demanufacturing and textile reprocessing.

It plans to implement **14 composite re-use cases** in various regions *Austria (Upper, Lower and Carinthia), Basque Country (Spain), Centro (Portugal), Italy (Lombardy, Lazio, Umbria), Flanders (Belgium), Länsi-Suomi (Finland), Slovenia (Estern and Western),* testing their sustainability in economic, social, and environmental aspects.

1.1. Financial support to third parties (FSTP) in DeremCo

The purpose of financial support to third parties (FSTP) under I3 is to:

1) meet further testing, validation and demonstration needs emerged during the implementation of the project;
2) explore opportunities for cross sectorial replication (use of the same material in different application sectors)
3) maximise the exploitation of project results in the same sector (including cross border exploitation and commercialisation)
4) attract SMEs to participate in cross border value chains, completing the value chains of the companies belonging to the consortium
5) define the expected results of the sub-projects funded via cascading funding
6) complete the investment portfolio of DeremCo project

In order to increase the effectiveness and the impact of DeremCo, business model a specific FSTP grant scheme is implemented in the framework of this I3 project.

The FSTP reinforces DeremCo demonstration activities through the following specific objectives:

- developing **new circular business models in the composite sector** by leveraging DeremCo's **inter-regional prototypes,** combining different Key Enabling Technologies (KETs);
- fostering **new technological solutions** driven by SMEs.

In both cases, the solutions are aimed at reaching higher Technology Readiness Levels (TRLs) to enhance the profitability and viability of the DeremCo business cases.

The grant scheme includes **2 different Open Calls**. The first Open Call will be **launched the 19th of June 2024** and is the subject of the present document. The second open call is expected to be launched in **the last quarter of 2024**.

2. General information

2.1. Who can apply

Beneficiaries of the 1st Open Call are **SMEs[1] participating individually or in small consortia** (maximum 3 SMEs) with legal headquarters or operative offices in one of the **following EU regions and countries**:

***Austria**: Carinthia, Upper, Lower Austria),*

***Belgium**: Flanders*

***Finland**: Länsi-Suomi*

***Italy**: Lombardy, Lazio and Umbria*

***Slovenia**: Estern and Western Slovenia*

***Spain**: Basque Country,*

***Portugal**: Centro*

Legal entities willing to participate to the 1st Open Call must be officially established in one of the eligible Regions at the **moment of the submission of their application**. A specific document proving their establishment will have to be submitted together with the application.

In view of promoting synergies, cross fertilization and exploitation, DeRemCo encourage the participation of SMEs involved in other I3 projects. Evidence on similar of complementary S3 priorities in involved regions will justify the relevance of the application. In this case at least one entity must be established in the regions belonging to DeRemCo consortium.

DeremCo consortium partners or any other entity with potential conflict of interest are not considered as eligible. [2]

Legal entities can participate to the 1st Open Call individually or in consortia (up to 3 legal entities).

In case of consortia, all members must be an SME.

SME status can be checked by applicants through the following link: https://bitly.ws/36q35

2.2. Activities that can be funded

Activities need to be coherent with EU priorities defined by the I3 call and must contribute to DeremCo objectives.

The DeremCo 1st Open call will support projects, proposing **innovative solutions in line with the overarching goals of DeremCo**, showing high **Technology Readiness Level (TRL>7).**

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[1] As defined in EU law (EC recommendation 2003/361/EC, Official Journal of the European Union L 124, p. 36, 20 May 2003).

[2] A Conflict of Interest is a situation where the impartial and objective implementation of the Agreement with the beneficiaries of the Open Call could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest.

Projects including activities not in line with the DeremCo objectives or with low TRL will be considered as not eligible.

In particular the project are expected to focus on one of the **3 main areas**: advancement of **materials treatment** (input), **process improvement** (process), and the development of **novel solutions for diverse applications** (output).

- **Input:**
  New/improved materials to be treated with DeremCo technologies, including PA, rGF matt, technical fibers (glass, carbon, aramid, etc.), Carbon fiber, and components made by Polyester resin filled with Long glass fiber, Natural fiber composites.
- **Processes:**
  Complementary technologies, incorporating IT solutions. Specific parts of the process targeted for improvement include Waste processing and preparation for recycling, Reprocessing processes, Injection molding, Mixing technology, RTM/Vacuum Infusion/Closed Molding Processes, rCF yarn, Weaving, Compounding methods, and Plasticization processes.
  Some DeremCo facilities will be accessible for testing purposes.
- **Output:**
  Novel products or solutions utilizing DeremCo materials, with applications in High-performance products (mechanical, thermal, etc.), Furniture sector (private and public), Exhibit and retail sector, Caravaning, Building, outdoor furniture and Construction.
  The most promising areas for implementing these new solutions are identified as Nautical, Furniture, Automotive (including micro-mobility), Medical, Electromechanical, and Construction.

A non-exhaustive list of **potential activities** that can be included in the projects presented by the FSTP beneficiaries is:

- trial and testing endeavors,
- the acquisition and testing of raw materials other than those supplied by DeremCo partners,
- market research,
- demonstration in real/operational environment, small and/or large scale;
- exploitation activities in new application sectors (cross-fertilisation).

More details about innovative solutions required by DeremCo partners and the related technical constraints which will be funded with the 1st call are provided in Annex 1 – technical specifications.

2.3 Duration of the project

The maximum duration of each project is **6 months** with no extensions. Projects with a duration of more than 6 months will be considere as not eligible.

3. Budget available

3.1. Total budget available for the first open call

The overall amount of the DeremCo budget dedicated to the 1st open call of the FSTP mechanism corresponds to **EUR 660.000.**

3.2. Maximum grant amount per project

A maximum amount of **EUR 60.000** *(Euro sixty thousand*) per legal entity. This means that in case of projects submitted by a consortium of two applicants, the total budget of the project can be up to EUR 120.000; in case of three applicants, the total budget of the project can be up to EUR 180.000.

3.3. Funding rate

Project costs specified in the application form are **100% funded** by the FSTP: 70% is provided through the EU-financing and the remaining 30% is provided through co-funding by the DeremCo partners.

3.4. Funding scheme

This FSTP is implemented in the form of "**lump sum funding"**, which offers a simplified approach to funding, reducing administrative and financial errors and removing obligations on reporting actual costs incurred by projects.

Monitoring of beneficiaries will focus on **achievement of expected results** and **successful implementation of planned activities** of the projects rather than on detailed cost accounting.

The beneficiaries must describe the resources mobilised for the fixed lump sum foreseen in the framework of the present call.

3.4.1. Eligible costs

There is no particular cost category restriction for the implementation of such activities (e.g. personnel costs, subcontracting costs, purchase costs, travel costs, etc.).

Payments under the **Lump Sum funding** do not depend on a successful outcome, but on the **completion of activities**. No financial accounting and reporting is foreseen for beneficiaries.

However, contractual obligations foreseen by the Grant Agreement also apply to third parties receiving the support (See section "7 Obligation of the beneficiaries" in this document). Recipient of the financial support need to keep records and in case of audit, they must provide information to the grant authority and access to relevant documentation to the auditors.

This means that documents such as Time-sheets, Pay-slips or contracts, Invoices are not needed. Beneficiaries are required to make available just **documents proving that the work was done as detailed in their action plans**. Beneficiaries will have to present a **detailed budget** at the application stage**,** assocaited to their **action plan to define and justify the amount requested with lhe lump sum**.

The proposed **costs estimation in the budget**:

- must be in line with applicants' normal practices
- must be reasonable / not excessive
- must be in line with the activities proposed

- are subject to the basic eligibility rules of I3[3]

These **costs and categories of costs** may be the following:

- Direct personnel costs: employees or equivalent (resolved by staff category); natural persons under direct contract; seconded persons; SME owners and natural person beneficiaries
- Direct subcontracting costs
- Direct purchase costs: travel and subsistence; equipment; other goods, works and services

Double funding (e.g. in case of SMEs involved in other I3 projects) for the same activities will not be eligible.

4. Submission of applications

The open call is published widely and in conformity to EU standards concerning equal treatment, conflict of interest and confidentiality.

Applications for the 1st open call must be submitted exclusively through the **dedicated webpage** (https://deremco.meta-group.com/apply) and is open at least for 2 months, within the following application period:

- from **19/06/2024 (opening of the call) to 04/09/2024 (deadline of the call)**

To submit their projects, applicants will have to use the **templates** available on the website (Annex 2 – Proposal template). All applications have to be submitted in English.

Evidence about their **legal status** (demonstrating their eligibility) must be also provided with their application. Such document can be provided also in original language.

In case of technical problems with the submission of applications, please write to: deremco@meta-group.com

Application presented with different modalities than those described here will be rejected.

5. Evaluation criteria

The consortium will use a **transparent methodology** to select companies to be included in the portfolio of investments via FSTPs.

At the end of the application period, eligible applications will be evaluated by a pool of at least **3 independent experts**. Applications which are not matching eligible criteria will not be evaluated.

Eligibility

a) SME status

b) Being established in one of the eligible Regions (see section 2.1)c) Application received within the call deadline

[3] https://eismea.ec.europa.eu/programmes/interregional-innovation-investments-i3-instrument_en#i3-instrument-under-the-european-regional-development-fund-erdf

SMEs partner of DeremCo consortium are not eligible for FSTP support.

Evaluated projects reaching the minimum quality threshold (35 points) will be ranked based on their total quality score.

Results of the evaluation procedure will be communicated to the applicants through the provided contacts within **30 working days** from the deadline of the call.

Best ranked projects will be awarded with the requested amount, within the total available budget for that specific call.

A **maximum total budget of EUR 660.000** will be distributed during the 1st call. Budget which will not be consumed during the 1st call will be added to the budget dedicated to the 2nd call (EUR 600.000).

For the 1st call, projects included in the **ranking list but not funded** due to budget limitations will be included in a **reserve list**.

Projects included in the reserve list (during the 1st call) will be contacted at the opening of the 2nd call. They will be requested to confirm their interest to resubmit and to update their application, in case technical requirements have changed for the 2nd call.

Any legal entity can receive funding only once.

Evaluation

Technical criteria that are considered for the evaluation are:

Relevance:

- Coherence of the proposed project with the DeremCo objectives and DeremCo partners' business objectives including progress beyond the state of the art (max 10 points)
- Consistency with the value chains of the industrial partners (max 5 points)
- Complementarity with other innovation actions and I3 projects (max 2 points)

Quality:

- Technical-financial feasibility of the action plan (max 12 points)
- Soundness and credibility of the marketing plan (max 7 points)
- Credibility (technical/operational capacity and experience) of the applicant (max 7 points)

Potential Impact

- Market potential (max 10 points)
- Social, territorial and environmental impact (max 5 points)
- Impact on "Less Developed Regions" (max 2 points)[4]

CA maximum score of 60 points can be attributed to each applicant.

Proposals not reaching a **minimum technical threshold** of **35 points** will be rejected.

[4] https://eur-lex.europa.eu/eli/reg/2021/1058/oj

Outcomes of the open call will be published on participants' websites, including the description of selected projects, award dates, duration, of the sub- projects, final recipient legal names, countries.

Non eligible or non-successful applicants can eventually send a complaint or a redress request to deremco@meta-group.com no later than 10 days starting from the publication of the call outcomes.

5.1. Gender policy

DeremCo partners promote gender equality at different levels. This includes also the FSTP mechanism.

In particular, in case of applications receiving the same score during the evaluation procedure, those including the highest rate of women within their teams will be preferred.

6. Distribution of the financial support

Payments of the awarded grants will be made by bank transfer from the DeremCo partner META Group.

70% of the total grant will be provided to each beneficiary as **pre-financing** within **10 working days** from the signature of the Grant Agreements.

The balance will be paid at the end of the project activities upon submission and approval of a final technical report.

7. Obligations of the beneficiaries

When signing their specific grant agreements/contracts, the recipients will accept the contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) of the I3 Model Grant Agreement (https://shorturl.at/lrwzN).

Moreover, recipients will have to submit a **technical report** at **mid-project** and at the **end of the project**, detailing progresses made with their activities, compliance with the scheduled action plan, achievements and deliverables obtained, eventual delays in the implementation of activities. The **final report** of the projects shall include the description of the **impact of the supported investment on the value chain**.

A **technical mentor** will be assigned to each funded project to support and facilitate collaboration with the DeremCo partners.

Technical mentors assigned to each recipient will monitor that the technical part and objectives of the project are being achieved. Fondazione Politecnico di Milano will support technical mentors in the monitoring of the advancement of the projects.

The support provided by each consortium partners to FSTP beneficiaries (including the value of the services received by earch cascading SME) will be monitored by META Group and Fondazione Politecnico.

A deviation from the initial action plan or failing in obtaining the expected results could lead to a contractual breach, precluding recipients from receiving the final payment.

Moreover, in case of serious breach of obligations from recipients, META Group may claim back part or the entire pre-financing.

All recipients may be subject to **checks, reviews, audits and investigations** from META Group or DeremCo coordinator.. Moreover, the DeremCo granting authority, the OLAF, the EPPO, the ECA can exercise their rights of checks, reviews, audits and investigations towards all recipients of the FSTP grants.

The beneficiaries of FSTP will also commit themselves to participate to at lest one of the **dissemination or communication events** organised by DeremCo. Costs for the participation to such event are not reimbursed separately by DeremCo but can be included in the budget of the project.

8. Administrative support to applicants

The DeremCo partner responsible for the present administrative procedure is META Group. For any clarification and/or information please contact: deremco@meta-group.com

9. IPR

The beneficiary of the sub-grant will retain the **ownership of their background knowledge** declared in the specific consortium agreement/contract.

The DeremCo partners involved in the implementation of the submitted projects will retain the ownership of their **background knowledge** declared in the specific agreement/contract.

If the background is subject to the rights of a third party, the beneficiary or the DeremCo partners must ensure that it is able to comply with its obligations.

The specific agreement/contract that disciplines the IPR on the results coming out from the collaboration between the beneficiary or the DeremCo partners (**foreground knowledge**) will be defined and signed BEFORE the collaboration begins. Such an agreement/contract will be customized on a case by case basis, according to the specific activities included in the proposed action plans and the expected engagement of the beneficiary or the DeremCo partners in the collaboration.

As a general condition, **results will be owned by the actors** (the beneficiary and the DeremCo partners) **that generate them** and if it is not possible to establish their respective contribution, a **joint ownership agreement** will be signed by the actors.

If an agreement is not reached before the collaboration begins, the grant might not be assigned to the beneficiary.

The beneficiary and the DeremCo partners must adequately **protect their results** for an appropriate period and with appropriate territorial coverage if protection is possible and justified.

The beneficiary and the DeremCo partners must ensure that the results of their collaboration are not subject to control or other restrictions by a Country (or entity from a country) that is not one of the eligible countries or target countries set out in the call conditions, neither they may transfer *ownership of their results or grant licenses* to third parties which are established in countries which are not eligible countries or target countries set out in the call conditions.

The beneficiary and the DeremCo partners must grant **access to their results** — on a **royalty-free** basis — to the granting authority and other EU institutions, for non-commercial and non-competitive use.

10. GDPR

Pursuant the article 15.2 of DeremCo Grant Agreement and in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/67928), the recipients must ensure that the **personal data** is:

- processed lawfully, fairly and in a transparent manner in relation to the data subjects
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed - accurate and, where necessary, kept up to date
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the data is processed and
- processed in a manner that ensures appropriate security of the data.

The recipients may grant their personnel access to personal data only if it is strictly necessary for implementing, managing and monitoring the Agreement. The recipients must ensure that the personnel is under a confidentiality obligation.