GUIDE FOR PROPOSERS

DG INFORMATION SOCIETY AND MEDIA

TransEuropean Telecommunication Networks

Call for proposals 2006/1

(Specific information for the preparation of proposals for the eTEN call for proposals 2006/1 published in the Official Journal of the European Union on 17 February 2006).

Call identifier eTEN/2006/1

Contents

I. PREFACE

This Guide for Proposers describes how to prepare a proposal for the eTEN call 2006/1. It contains the instructions, forms and information required to prepare a complete proposal.

It also describes various support services and contains references to other documents, reports, forms and software tools that are of assistance in the preparation of proposals.

Documents that constitute, together with this Guide, the Information package for the eTEN call 2006/1, and which you need to consult during the preparation of your proposal, are:

The eTEN Work Programme 2006 provides a detailed description of the content and objectives of the eTEN programme. It indicates which types of actions are open for the call and explains the six themes the proposals are expected to address, including the key issues identified for 2006. Next, it provides information on the available funding regimes and on the formal requirements for participation by legal entities, both from the point of view of originating country and from the point of view of their role in a consortium. It continues by outlining the different criteria that will be used to evaluate the proposals and by describing the evaluation and selection procedures. It concludes with a global timetable and budgetary information. The two annexes contain a glossary of eTEN-related terms and links to background information.

> ***Note:*** *An excerpt of the workprogramme 2006 is attached to this guide as annex 8. It contains text passages of the Workprogramme, which are directly relevant for the 2006 call for proposals. This excerpt has been created for the convenience of proposers and can serve as a first reference for questions but it does NOT replace the complete eTEN workprogramme 2006 document, which is the only valid legal reference document*

Call for Proposals, as published in the Official Journal of the European Union (in all official languages) and on the eTEN web-site, describes the areas and actions open for proposals and where and when to submit your proposal.

The Workprogramme 2006 and the call for proposals take legal precedence over this Guide for Proposers. This Guide for Proposers assumes that the reader has fully acquainted himself with the eTEN Workprogramme 2006 and the Call for Proposals.

Documents recommended for reading are:

The Evaluation Guide which lays out the evaluation process based on the criteria as defined in the Workprogramme.

The model grant agreements for eTEN projects, with annexes, which specify the terms and conditions to which your consortium will be expected to agree if your proposal is selected for funding. The basic model grant agreements are not negotiable.

> *NOTE: in accordance with the new Financial Regulation the term "grant agreement" has replaced the term "contract" and the term "beneficiary" has replaced the term "contractor" used in the past.*

All these documents, together with additional background documents on the legal base of the eTEN programme and the Commission procedures are available at the eTEN web site, http://europa.eu.int/eten

DISCLAIMER: This Guide for Proposers is intended to help proposers prepare their submissions. It does not supersede the rules and conditions laid out, in particular, in Council and Parliament Regulations and Guidelines concerning the eTEN programme (formerly known as TEN-Telecom programme), the eTEN Work Programme 2006 and the Call for proposals and in the Financial Regulation applicable to the General Budget of the European Communities

II. INTRODUCTION

II.1 General Information

The eTEN programme supports, by means of grants, some of the activities necessary for the market validation and/or deployment of certain trans-European electronic services in the European Union. The service should already exist, at least as a tested and working prototype; the information content of the service must be available, if relevant.

eTEN is open to legal entities from the 25 member states of the European Union, as well as Bulgaria and Romania, and may be open to legal entities from Iceland, Liechtenstein and Norway as contracting parties to the EEA Agreement subject to timely establishment of the relevant legal base (see eTEN web site for further information).

Entities from other countries may be allowed to participate if their participation is deemed of special, significant importance, but they will not receive community support (grants).

Consortia submitting proposals must consist of a minimum of two independent, registered, legal entities from different EU-25 Member States[1] intending to participate as signing beneficiaries (<u>not as members</u>[2]) of the grant agreement with the Commission.

The co-ordinator of the consortium must be a legal entity established in one of the EU-25 Member States.

Project proposals should cover part of the natural process of service rollout and should also be an integral part of the activities of the organisations submitting the proposals. They should not be written for the sole purpose of obtaining an eTEN grant. They should serve existing or recently identified needs in the user population and their emphasis should be on service provision rather than the exploitation of novel technology.

The submission of a proposal to an eTEN call for proposals involves a considerable amount of work, especially for the co-ordinator, and should not be entered into without full consideration of the necessary resources. The principal requirement is to bring together a stable group of capable partners who are all committed to the deployment of an e-service.

All partners should be aware, at the outset, of each other's business intentions concerning the service. The co-ordinator leads the group and has the responsibility to keep all of the partners informed of the group's progress and intentions. Prior to any commitment to submit a proposal the group must discuss, decide, identify and commit to roles; realistically estimate required personnel and finance; and define a realistic 'business' target that addresses a real need. After agreement the proposal is drafted and circulated to all partners until a final version is agreed. All partners must be committed to the submission and to the participation in the project.

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1 According to the eTEN legal base this eligibility criterion must be satisfied from **the 25 EU Member States**. Accordingly, legal entities from countries, which are not part of the EU 25, but participate under a Memoranda of Understanding in eTEN (Romania, Bulgaria, as well as possibly Iceland, Liechtenstein and Norway), do not count in regard to this eligibility criterion.

2 The eTEN grant agreement provides for non-signing project participants, which are called "members" (see section II.4 for further details.), which do not count in regard to this eligibility criterion.

All partners in a consortium must be legally established entities and have the financial and personnel resources to participate in the proposed project. All partners in the consortium must agree to the submission of the proposal and to participate in the project, should it be selected for funding.

Using the format described in this guide, the proposals must be prepared and submitted via the electronic tools for the preparation and submission of proposals that available via the eTEN web-site.

Project costs must be calculated in accordance with the conventions in the proposal forms. All costs should be actual costs; as an example, commercial charges for personnel or notional charges for voluntary staff are not accepted; only actual, recorded salary costs are accepted. The 'Total Investment Cost' upon which the maximum grant amount is calculated should be justified and credible.

Proposals must be submitted electronically through the Electronic Proposal Submission System (EPSS) before the deadline stated in the call.

By submitting the proposal the co-ordinator declares that (s)he is acting on behalf of the consortium, all of whom

- are aware of the proposal;
- agree with its content and submission;
- have the necessary internal authorizations to participate;
- are not subject to a prejudicial legal or financial situation and have not been found guilty of grave professional misconduct.

The co-ordinator must be in possession of supporting legal and financial documents (see section III.3). The European Commission reserves the right in case of non-compliance with these conditions to eliminate the proposal at any time from the evaluation / negotiation process.

Action types and themes
In response to the eTEN call for proposals 2006/1, the following type of proposals can be submitted (see eTEN Workprogramme 2006):

1. Initial Deployment proposals
2. Market Validation proposals

And address any one or more of the following themes:

- eGovernment,
- eHealth
- eInclusion,
- eLearning,
- Trust & Security,
- Services supporting SMEs.

Evaluation and Selection timetable
The evaluation process of proposals received in response to the 2006 call is planned in June/July 2006. The evaluation results for each proposal in the format of Evaluation Summary Reports (ESRs) will be sent to its co-ordinator by August 2006. This notification does not imply or prejudge in any way a decision on funding or rejection. It is sent for feedback only. Proposers with one or more evaluation (award) scores below threshold may conclude that they will not be selected for funding since their project has not achieved minimum quality scores.

The selection process following the evaluation (which includes consultations of the Commission services and of the Member State representatives followed by a Decision by the Commission) should be completed in October 2006. The formal selection decision involving either an invitation for negotiations, a notice of placement on a reserve list, or rejection of the proposal for reason of insufficient budget or for insufficient quality will be sent to the co-ordinator. Contract negotiations of successful proposals will therefore begin in October 2006 with contracts targeted to being signed in the period December 2006 through March 2006.

II.2 Structure of a proposal

A proposal has two parts. Full details about preparing these parts are described in Annexes 1 and 2 of this guide. Part A is the same for all proposal types. Part B differs for some of the proposal types.

Part A is a set of forms which collect necessary administrative information about the proposal and the proposers, e.g. proposal name, proposers' names and addresses, brief description of the work, total funding requested divided by partners and cost categories, agreement of national authority etc. By submitting the proposal the consortium agrees that this information may be encoded in a structured database for further computer processing to produce statistics, evaluation reports, etc., to support the evaluators and the Commission services during the evaluation process, and also to generate reports for negotiation.

Part B contains a description of the proposed project, including for example the project phase(s), the nature of the proposed work; the reasons for carrying out the work; the benefits that will accrue; the participants and their roles, and an estimate of the total investment required to complete the project as a whole. It should describe the service clearly and contain a deployment strategy and a complete and realistic work plan.

Any additional material sent to the Commission (company brochures, non-financial supporting documents and reports, videos etc.) will be disregarded and not submitted to the evaluation.

All information that the proposers wish to be taken into consideration in the evaluation must be contained in Parts A and B.

II.3 Consortium Composition

Please refer to section II.1 for information on accessibility of eTEN to different nationalities.

Proposers should ensure that all stakeholders, with particular emphasis on stakeholders from the public sector, are present in the consortium in order to achieve the best possible potential for sustainable deployment. The ideal consortium for an eTEN project includes all the players in the value chain necessary for implementing the service, its set-up, deployment and sustainable operation. Different members of the value chain can be public administrations by whom or under whose responsibility the services are provided, technology companies, service contributors, service deployers, communities to whom the service is directed, and other users, beneficiaries and customers of the potential service. The consortium must have at least one participant responsible for deploying the service and at least one significant user with a sufficiently high profile to serve as an influential example of good practice. Particular emphasis is placed on stakeholders from the public sector in this regard. Organisations that are committed to future deployment of the service are encouraged to participate in the project in the role of members of the consortium (see II.4).

Consortia must have the expertise and resources (personnel, equipment, finances) necessary for success and these should be convincingly integrated to form a coherent action. All the participants must have the financial means to carry their co-financing share of the project and have an adequate number of staff to implement the project. It is essential to have the adequate and skilled project management resources available. The participants must be committed to the tasks assigned to them and there must be sufficient expertise between participants to ensure that all tasks can be properly executed.

II.4 Roles of Participants

The participants in a project may take the following roles:

- Co-ordinating beneficiary (co-ordinator)
- Beneficiary
- Member
- Sub-contractor

The co-ordinator is the leader of the consortium and bears overall project management responsibility. The co-ordinator has overall responsibility for the management of the project aided by a common commitment of all the participants to the successful management of the project. The co-ordinator acts as the conduit for all communications between the Commission and the proposal/project from its submission to its conclusion. The co-ordinator organises and manages the submission of a proposal. S/he coordinates the discussions within the consortium that leads to the preparation of the proposal. S/he collects all of the documents needed and ensures that the decision makers in each of the participants have read the proposal; agree to its content and are aware and in agreement that the proposal will be submitted to the eTEN call for proposals 2006/1. The co-ordinator is a beneficiary, who is subject to supplementary rights and obligations towards the Commission, due to his functions as liaison between the participants and the Commission, being responsible for collecting, integrating and submitting project deliverables, and for distributing the funds received from the Commission. The responsibilities of the co-ordinator are described in the eTEN model grant agreement.

The beneficiaries are the main partners in the consortium in terms of technical and financial contribution to the work and signatories to the grant agreement with the Commission. The co-ordinator is a beneficiary with specific additional rights and obligations (see above). They are jointly and severally responsible towards the Commission for carrying out the work under the grant agreement. They have full and equal rights to the ownership and exploitation of the results of the projects.

The members contribute technically and financially to the project, but <u>do not sign the grant agreement with the Commission and do not count towards meeting the eligibility criterion of minimum consortium composition (see II.3)</u>. They must sign a membership agreement as defined by the Commission directly with one of the beneficiaries. Each beneficiary must ensure that its members shall comply with the grant agreement as if they were beneficiaries. The beneficiaries are technically and financially responsible for their members according to the contractual obligations. Members do not have full and equal rights to the ownership and exploitation of the results of the projects. The rights and obligations of members are defined in the membership agreement.

Subcontractors function as service providers to a beneficiary, or a member, under a service contract, which has to be established and run according to the relevant national and European laws (e.g. call for tender legislation). Costs for subcontracting can be eligible for funding, if in accordance with the grant agreement in force. Subcontractors are not expected to financially invest in the project, and therefore do not benefit from any intellectual property rights arising from it. The consortium cannot depend upon a sub-contractor for a key competence or critical contribution to the project. Subcontracting of project coordination tasks is **not** allowed.

Consortium agreements should be concluded between the participants if they deem it necessary for the completion of the work. The consortium agreements may not infringe on the rights and obligations set out in the Commission grant agreement. Consortium agreements normally cover those areas in regard to the project, which are not specifically defined in the grant agreement, e.g.: the exploitation of the results arising from the project. Consortium agreements can be particularly useful in projects involving a large number of participants. The Commission must be informed of consortium agreements.

II.5 Funding Principles

(Please see Annex 5 for more details on cost models, eligible cost, cost categories and eTEN funding limits)

Project Phases

eTEN divides the life cycle of an e-service into **four project phases**:

1. Research & Development
2. Market Validation
3. Initial Deployment
4. Full Deployment

Of those four project phases, eTEN supports only the Market validation and Initial Deployment phases (see Annex 4 for more details)**.**

Total Investment Cost

Total Investment Cost comprises

- for <u>Market Validation projects:</u> the costs of the actions to be carried out by the grant beneficiaries during the lifetime of the Market Validation study as described in the technical annex of the grant agreement plus the costs of the actions to be carried out by the grant beneficiaries during a subsequent Initial Deployment Project.
- for <u>Initial Deployment projects</u>: the costs of the actions to be carried out by the grant beneficiaries during the lifetime of the Initial Deployment Project as described in the technical annex of the grant agreement, plus the cost of a preceding Market Validation study, if it was funded by the eTEN programme.

<u>Investment costs incurred in the Research and Development Phase or after the Initial Deployment Phase are never taken into account.</u>

The investment cost comprises all costs that are necessary for the set-up of the service (including all tangible investments necessary for the service), and <u>excludes all recurring costs that result from the operation of the service and investments relating to real estate</u>. In addition, intangible investments (acquisition of licenses or patents, studies, organisation set-up, etc.) can be taken into account if they are clearly essential to the rollout of the proposed service.

The investment costs are to be presented in the proposal using the format of the investment table (see Annex 2). For the purpose of this calculation, the investment costs are taken into account at their full value, and depreciation is not applied. It should be noted that the calculation of the total investment costs may contain items which are not regarded as eligible costs. Therefore, in most cases the amount of total investment costs will be larger than the sum of the eligible costs for the two project phases fundable under eTEN.

Eligible Costs

Eligible costs are actual costs incurred for the work under the project, exclusive of VAT. In general, these are the costs necessary for the achievement of the aims of the project and incurred within its duration. They must be regarded as acceptable by the Commission; be determined in accordance with the accounting principle based on historic costs and the normal internal accounting rules of the beneficiary; be recorded in the accounts or in the tax documents of the beneficiary no later than the completion date of the grant agreement; and must exclude any profit.

Forms and Limits of Community Contribution

The total amount of Community funding for the Market Validation phase of a service shall not exceed 10% of the estimated total investment cost.

The total amount of Community funding for the Initial Deployment phase of a service shall not exceed 30% of the estimated total investment cost.

Aid for projects will take the following form:

Market Validation Projects

- Co-financing of the eligible costs incurred by individual consortium partners operating under the full cost (FC) model up to a maximum of 50%.
- Co-financing of the eligible costs incurred by individual consortium partners operating under the additional cost (AC) model up to a maximum of 100%[1].

The total amount of Community funding will be limited to a ceiling of 10% of the estimated total investment cost.

Initial Deployment Projects

Co-financing of the *eligible costs* incurred by individual consortium partners up to a maximum of 30% of the estimated total investment cost.

If the market validation of the service was funded by a previous eTEN Market Validation project, then the calculation of the maximum funding level has to take into account the cost and received funding of the market validation phase.

The application of the funding rules forms part of the evaluation process. Consequently proposals must contain realistic estimates for the total investment costs and the eligible costs for the phase, and an overview of the expected receipts of the project, including direct revenue and contributions from third parties (public or private). The costs estimates must not be excessive; they must be detailed and supported by explanations on the methods applied to calculate them, so that it is possible for the Commission and the experts during the evaluation to verify that they are based on sound principles. Proposals not providing this information do not meet award criterion A5 and therefore cannot be selected for funding.

[1] Under the AC model only additional cost are funded. Recurring cost (e.g. personnel cost of permanent staff) are not eligible for funding and overheads are limited to 20%. (see also annex 5)

II.6 Proposal Language

Proposals may be prepared in any official language of the European Union. If your proposal is not in English, a translation of the full proposal would be of assistance to the evaluators. An English translation of the abstract must be included in Part A of the proposal.

II.7 National Agreement

It is necessary to get the agreement of the National Authority in the country of legal residence of the co-ordinating organisation confirming that the project is in the common interest as stipulated in eTEN Work Programme 2006. Failure to do so will render the proposal ineligible for funding for reason of not meeting eligibility criterion E4.

To obtain the agreement, the co-ordinator must contact the National Authority in his Member State. The list of National Authorities is published on the eTEN web site (see also IV.).

Approval of the National Authority is granted to the project in writing or by oral communication. The process of granting the approval is at the discretion of the National Authority. The co-ordinator must fill out form A4 in Part A to indicate the date, the method by which the agreement was given and by whom.

The purpose of the national agreement is not to give an assessment on the quality of the proposal. This will be done by the Commission, assisted by independent experts, during the evaluation process. The national agreement is only used to signal the approval of the Member States on the common interest nature of the project. The National Authorities are not obliged to give any feedback on the overall quality of the proposal to the proposers at this point.

III. SUBMISSION OF PROPOSALS

III.1 General

The main work of a consortium in preparing a proposal will be the agreement of the technical description of the work and the allocation of tasks within the consortium. The co-ordinator must coordinate and check all input e.g. that the personnel efforts and costs are reasonable for the different tasks, that the correct cost model is used by each partner etc.

The consortium must also obtain the National Agreement mentioned in II.7.

Besides generating the actual proposal, the co-ordinator must also collect and compile additional legal and financial information from all consortium partners (see III.3).

All proposals must be submitted to the Commission electronically using the Electronic Proposal Submission System (EPSS).

III.2 The Proposal

Both, part A and part B of the proposal must be submitted. Incomplete proposals are ineligible and will not be evaluated. The Electronic Tools for preparation and submission will do some (but not all) automated checking on the completeness of the proposal.

Proposal Part A must conform to annex 1 of this Guide. The EPSS (see III.5) allows each partner to input its own data and generate the forms electronically in the required format

Proposal Part B must be prepared with a word processor following the correct template (attached to this guide and also available via EPSS) and converted into PDF format before submission.

Using only PDF format for online submission of Part B - Why?
This format of text documents is supported by the vast majority of computer platforms; it bears a minimum risk of viruses; it is self-compressing. Allowing any possible format would require that the Commission maintain an arsenal of software and even then readability could not be guaranteed in 100% of the cases. The other advantage of saving as a PDF file is that the contents are “locked” and the original formatting (margins, page breaks, etc.) will always be maintained when the file is printed (WYSIWYG).

Using only PDF format for online submission of Part B- How?
The possibility of converting a text file into PDF is integrated into some word processors. In case this is not implemented in the word processor you are using, you can download special conversion software (commercial software or downloadable freeware) from the web. Conversion into PDF is the last step in preparing a document for submission; since PDF documents are then locked, they cannot be edited like normal text files.

III.3 Legal and financial documents

These documents <u>do not form part of the actual proposal</u>, but must be in the possession of the co-ordinator at the time of proposal submission. The Commission can request them at any time during the evaluation / negotiation process. Failure to comply with this request can lead to the proposal's removal from the evaluation / negotiation process.

The co-ordinator must collect:

<u>From each participant (beneficiary and member):</u>

- A written commitment (signed by an authorised person) to participate in the project and explicitly declaring the organisation is not subject to a prejudicial legal or financial situation and has not been found guilty of grave professional misconduct.
- A copy of its legal registration document or other proof of legal status, if no legal registration document exists (e.g. for public authorities, universities etc.)

<u>And, in addition, from each beneficiary, which is not a public institution:</u>

- Financial accounts for the previous two years, if they exist (e.g. in the case of a start-up company this might not be the case)
- A financial viability sheet including financial indicators. This sheet is to be produced via the financial viability tool (FVT) available on the eTEN website.
  The FVT is a web application which takes as input the most recent profit and loss figures and generates an overview including three basic financial indicators (see annex 3). A paper copy must be printed of the output, **signed** by the responsible financial officer and sent to the co-ordinator.

III.4 Pre-registration

Pre-registration of proposals helps to plan the evaluation process. It is done automatically while registering in order to receive the necessary access to the EPSS (login names and passwords).

The information provided at this stage is only indicative and will not be taken into account for the actual evaluation of the proposal. Only the last proposal submitted before the closing deadline will be evaluated.

III.5 Electronic Preparation and Submission of Proposals

Proposals for this call have to be prepared and submitted online as an electronic proposal by means of the web-based Electronic Proposal Submission System (**EPSS**, see also annex 7), which is accessible **via the eTEN website**.

<u>Paper submission of proposals is not possible.</u>

The electronic preparation and submission of proposals provides the following advantages:

- Decentralized data input by partners under control of the co-ordinator
- Standard IT platform – any computer with Internet Connection and Internet Browser
- Multiple submissions of same proposal are possible – only latest version will be taken into account
- It is possible to submit first version well in advance of deadline and subsequent versions as they improve

The proposal can be modified and (re-)submitted up until the closure of the call. Each subsequent submission overwrites the previously submitted version (earlier versions are not archived).

Once the deadline has passed, however, no further (re-)submissions are accepted. The last version of your proposal received before the deadline is the one which will be processed.

Shortly after each electronic submission the co-ordinator will receive an automatically generated email confirming the submission. This is an informal message, which gives evidence that a proposal has been submitted (comparable to the receipt of a registered mail delivery). It does not replace the official 'Acknowledgement of Receipt', mentioned in section III.6.

III.6 Deadline for reception

Proposals must be submitted to the Commission through the EPSS system before the call deadline, at which time the access to the EPSS for this call will close:

- **Submission has to be explicitly initiated by the co-ordinator in the EPSS system when the proposal is ready for submission (uploading of part A and B is not enough!).**
- The submission process takes time (includes e.g. automated validation of forms, internet communication time etc.) and can fail (if the forms are not correctly filled or the consortium setup is not eligible).
- **Submission time is the time when the submission process has finished successfully**.

For the call for proposals 2006/1 the deadline is Friday 19 May, at 16:00 Brussels local time. Proposers are reminded that it is their own responsibility to ensure the timely submission of their proposal.

Failure of a proposal submission to complete successfully in time for any reason (including communications delays, validation errors, etc.) is not acceptable as an extenuating circumstance. Proposals which have not been successfully submitted through the EPSS before the deadline will not be accepted for evaluation.

If the upload / submission of a proposal is initiated too near to the close of the call, there is a considerable risk that it can not be submitted in time ➔ Do NOT wait to the last day of the call to initiate the submission procedure.

III.7 Acknowledgement of receipt

Within two weeks after the close of call the Commission will despatch an Acknowledgement of Receipt by email to the proposal co-ordinator (the individual named as "person in charge" on the A2 form of the co-ordinator). **Please verify that this e-mail address is correct**.

The sending of an Acknowledgement of Receipt by the Commission does not imply that a proposal has been accepted as eligible for evaluation.

Proposers, who have not received an Acknowledgement of Receipt by the end of Friday 2 June, 2006 should urgently contact the eTEN Helpdesk (see section IV.)

The automatically generated e-mail message returned by the EPSS system confirming the submission after pressing the "submit" button does not constitute an Acknowledgement of Receipt.

IV. SUPPORT TO PROPOSERS

Links to all the necessary information to prepare a proposal are available on the eTEN web page http://europa.eu.int/eten
Proposers should periodically check this for latest information

In case of questions on the Work programme, this call for proposals, the software tools, etc. the following sources for information are recommended, in the order in which they appear.

eTEN Frequently Asked Questions
A list of Frequently Asked Questions will be published on the eTEN web site

EPSS helpdesk and user guides
This software related technical helpdesk treats all technical questions on the use of the electronic proposal submission system (EPSS).

Email: support@epss-fp6.org
Phone: +32 2 233 37 60

The EPSS user guide is available via the eTEN website and via the EPSS system itself.

National Contact Points
eTEN supports a network of National Contact Points (NCPs), which can be helpful to organisations from their country both in general advice (particularly on preparing proposals and directing the proposers to the right Community programme) and in finding partners from other countries. Organisations should contact the NCP of their own country for further information. The list of NCPs is published on the eTEN web site.

eTEN Help Desk

Email: infso-eten@cec.eu.int
Fax: +32 2 29 61 740

Commission contact persons for eTEN call 2006/1
From the TEN web pages, proposers can download a list of names and contact details of Commission officials representing each of the themes addressed in this call. These contact persons will be able to assist with specific questions on the scope of the call and contractual matters.

Additional sources of information:

eTEN Information Days
The eTEN programme and the NCPs organise Information Days, where those interested in proposing may attend for a presentation of the eTEN programme and its priorities, to obtain documentation, to ask questions and to meet potential consortium partners.

The latest information on planned Information Days is obtainable on the eTEN web site.

Partner search facilities
For partner search facilities, see the eTEN website and/or contact the NCPs.

ANNEX 1: PROPOSAL FORMS A1-A4 AND INSTRUCTIONS

Please note that the proposal forms are only included for reference information on how to fill the respective forms in the Electronic Proposal Submission System (EPSS). They are not meant to be used to produce paper proposals, as paper proposals are not accepted in this call for proposals.

Proposal Submission Forms

EUROPEAN COMMISSION
eTEN

Trans-European
Telecommunications Networks

eTEN-2006-1

A1

Proposal Number [1]		Proposal Acronym [2]	

GENERAL INFORMATION ON THE PROPOSAL

Proposal Title [3] (max. 200 char.)					
Action Type [4]		*Call Identifier*	eTEN-2006-1	*Theme Identifier [5]*	
Project phase duration [6]			*Project phase cost [7]*		
Requested EC Contribution in EUR [8]			*Total investment cost in EUR [9]*		
Free keywords [10]					

Abstract [11] (max. 2000 char.)

By submitting the proposal **the co-ordinator declares** that (s)he is acting on behalf of the consortium, all of whom 1) are aware of the proposal 2) agree with its content and submission 3) have the necessary internal authorizations to participate 4) are not subject to a prejudicial legal or financial situation and have not been found guilty of grave professional misconduct; that (s)he is in possession of all necessary legal and financial information for all participants. The European Commission reserves the right in case of non-compliance with these conditions to eliminate the proposal at any time from the evaluation / negotiation process.

Proposal Submission Forms

EUROPEAN COMMISSION

ETEN
Trans-European
Telecommunications Networks

A2

Proposal Number [1]		Proposal Acronym [2]	

INFORMATION ON PARTICIPANTS

Participant number [28]		*Participant role* [29]		*Linked to participant* [30]	

Participant organisation

Organisation legal name [12]	
Organisation short name [13]	

Legal address [14]

PO Box		*Postal Code*		*Cedex*	
Street name and number [15]					
Town [15]		*Country* [15]			
Internet homepage					

Legal Status GOV, INO, JRC, PUC, PRC, EEIG, PNP [16]		*Number of employees* [17]		*Annual turnover* [18]		*Annual Balance sheet total* [19]	
Is the organisation a Small or Medium-Sized Enterprise (SME)? [20]						YES/NO	
Are there dependencies between the organisation and (an) other participant(s)? [21]						YES/NO	

If yes, participant number		*If yes, participant short name*	
Character of dependence SG, CLS, CLB [22]			
If yes, participant number		*If yes, participant short name*	
Character of dependence SG, CLS, CLB [22]			
If yes, participant number		*If yes, participant short name*	
Character of dependence SG, CLS, CLB [22]			

Person in charge [23]

Name		*First name(s)*	
Title [24]		*Sex: Female=F, Male=M* [25]	
Department/Faculty/Institute/ Laboratory name			

Address (if different from above) [14]

PO Box		*Postal Code*		*Cedex*	
Street name and number					
Town [15]		*Country* [15]			
Phone 1 [26]		*Phone 2* [26]			
e-mail		*Fax* [26]			

Previously submitted similar proposals or signed contracts? [27]	YES/NO	
If yes, programme name(s) and year		
If yes, proposal number(s) or contract number		

Proposal Submission Forms

EUROPEAN COMMISSION

eTEN
Trans-European
Telecommunications Networks

A3

Proposal Number [1]		*Proposal Acronym* [2]	

Financial Information

														Total		
Participant role [29]	*No* [28]	*Linked to* [30]	*Short name* [13]	*Organisation Country*	*Person days*	*Personnel*	*Durable Equipment*	*Consumables*	*Travel*	*Computing*	*Subcontracting*	*Other specific costs*	*Overheads*	*Costs*	*Cost Model* [31]	*Requested Community Contribution* [31]
CO	1															
CO	1		Co-ordination													
CO	1		CO Total													
(Sub-)Total																

Proposal Submission Forms

EUROPEAN COMMISSION

eTEN

Trans-European
Telecommunications Networks

A4

Proposal Number		Proposal Acronym	

NATIONAL AUTHORITY			
Name of the authority [32]			
Country [15]			
Contact person for the authority [33]			
Name		*Position*	
Telephone No [26]		*Fax No* [26]	
Email			
Date of the agreement		*Method of the agreement* [34]	
Comments (maximum 2000 characters) [35]			

How to complete the proposal submission forms A1-A4

Introduction

This section provides guidance on how to complete the attached administrative forms. These forms will be an integral part (‘Part A’) of your proposal.

Proposers have to use the EPPS system for electronic preparation and submission of proposals.

How to complete the forms

- The co-ordinator fills in forms A1, A3 and A4
- The participants (Co-ordinator, beneficiaries and members) fill in one A2 form each.
- Subcontractors are <u>not</u> required to complete any forms.

Forms A1-A4: Explanations (Field numbers refer to forms)

1 Proposal number

The proposal number will be assigned by the Commission on submission so **please leave the field empty**.

2 Proposal Acronym

Provide a short title or acronym of no more than 20 characters, to be used to identify the proposal. The same acronym should appear on each page of the proposal (part A and part B) in order to prevent errors during its handling.

3 Proposal Title

Give a title no longer than 200 characters that should be understandable also to the non-specialist in your field.

4 Action Type

Insert the project phase, either:

MV (<u>market validation),</u>
ID (<u>initial deployment)</u>

5 Theme identifier

Please input the main theme identifier. In case your proposed project applies to more than one theme, please describe this in the free keywords field. The theme identifiers are mentioned in the call text and explained in the workprogramme.

Possible Values for this field in the eTEN call text 2006/1

- eGovernment
- eHealth
- eInclusion
- eLearning
- Trust and Security
- Services supporting SMEs

6 Project phase duration

Please insert the duration of your project in months.

Typical durations are up to 18 months for Market Validation projects, and up to 36 months for Initial Deployment projects. However these are only indications and should not be considered as constraints.

7 Project phase cost

Please insert the estimated cost for your project (market validation, or initial deployment). The cost should be expressed in EUR, rounding up to the nearest EUR.

8 Requested EC contribution

Please insert the EC contribution requested for your project. The cost should be expressed in EUR, rounding up to the nearest EUR.

See section II.5 and annex 5 for details on how to calculate the EC contribution.

9 Total investment cost

Please insert the total investment cost for your project in EUR. **Instructions on how to calculate the total investment cost can be found in Annex 5**. Please note that these instructions need to be followed strictly.

10 Free keywords

This allows you to freely choose keywords describing your project (maximum 100 characters including spaces, commas, etc.). Projects which apply to more than one theme should describe this in this field

11 Abstract

You should not use more than 2000 characters, including spaces and punctuation. The abstract should, at a glance, provide the reader with a clear understanding of the objectives of the proposal and how the objectives will be achieved and their relevance to the objectives specified in the eTEN Work Programme 2006. It should describe what the proposed service is, who are the users, who will implement it, what is the technology used and whether the service proposed is a new service or an improvement to an existing service. Services to be validated and/or deployed in eTEN are expected to exist in at least a prototype version at the time of submission of the proposal. The abstract must clearly indicate the current status.

The abstract will be used as the short description of the proposal in the evaluation process and in communications to the eTEN Management Committee and other interested parties. It must therefore be short and precise. Please use plain typed text, avoiding formulae and other special characters. The abstract should be in English even if the proposal is written in another language.

12 Organisation legal name

Official name of participant organisation, i.e. the name under which the participant is registered in the official trade register.

13 Organisation short name

The short name chosen by the participant for this proposal (and other EU-funded projects, if appropriate). This short name should normally not be more than 20 characters and should be used in all documents relating to this proposal.

14 Address data

Fill in only the fields forming your complete postal address (e.g. if the P.O. Box is sufficient, you do not have to give a street name). If your address is specified by an indicator of location other than a street name and number, please insert this instead.

15 Town and Country

Insert the name of the town and country as commonly used. The electronic submission system will provide you with the respective list of countries to choose from.

16 Legal status

Please choose one of the abbreviation from the list below, according to the following explanations:

GOV: Governmental
(local, regional, national, public or governmental organisations e.g. libraries, hospitals, schools.

INO: International Organisation
(i.e. an international organisation established by national governments);

JRC: Joint Research Centre
(the Joint Research Centre of the European Community);

PUC: Public Commercial Organisation
(i.e. commercial organisation established and owned by a public authority);

PRC: Private Commercial Organisation including Consultant
(i.e. any commercial organisations owned by individuals either directly or by shares);

EEIG: European Economic Interest Group;

PNP: Private Organisation, Non Profit
(i.e. any privately owned non-profit organisation).

Please note: If the organisation is a **European Economic Interest Group** you have to add a sheet to the consortium description in part B of the proposal **listing the members of the group (legal names, addresses, dependencies).** This is necessary to verify if the proposal meets the eligibility criterion of minimum partnership.

17 Number of employees

Please indicate the number of employees in full-time equivalent in your organisation at the moment of the proposal submission.

18 Annual turnover

This field does not have to be filled out by universities or other public organisations. For other organisations, information from the most recent accounting year should be used. Please express the annual turnover in whole EUR. The figure should be for the legal organisation as a whole, not just the department carrying out the work.

19 Annual Balance Sheet total

This field does not have to be filled out by universities or other public organisations. For other organisations, please indicate the total assets or total liabilities according to the latest balance sheet of your organisation. The figure should be for the legal organisation as a whole, not just the department carrying out the work.

20 Small or Medium Sized Enterprise (SME)

To be regarded as an SME, an enterprise must have:

1. less than 250 full time equivalent employees

and

2. an annual turnover not exceeding EUR 50 million **or** an annual balance sheet total not exceeding EUR 43 million,

and

3. must not be owned by 25% or more by a company which is not an SME and does not have a holding of 25% or more in another enterprise.

There are certain exceptions for condition 3. In case of doubts please refer to the full legal definition, which can be found at: http://europa.eu.int/scadplus/leg/en/lvb/n26026.htm

If all the above conditions apply to the organisation insert YES, otherwise NO.

21 Dependencies between participants

Two participants (legal entities) are dependent on each other where there is a controlling relationship between them:

- A legal entity is under the same direct or indirect control as another legal entity,

or

- A legal entity directly or indirectly controls another legal entity,

or

- A legal entity is directly or indirectly controlled by another legal entity.

Control:

Legal entity A controls legal entity B if:

- A, directly or indirectly, holds more than 50% of the share capital or a majority of voting rights of the shareholders or associates of B,

or

- A, directly or indirectly, holds in fact or in law the decision-making power in B

Direct or indirect holding of more than 50% of the nominal value of the issued share capital in a legal entity or a majority of voting rights of the shareholders or associates of the said entity by public investment corporations, institutional investors or venture-capital companies and funds shall not in itself constitute a controlling relationship.

Ownership or supervision of *legal entities* by the same *public body* shall not in itself give rise to a controlling relationship between them.

22 Character of dependence

Insert the appropriate abbreviation according to the list below to characterise the relation between your organisation and the other participant(s) you are related with:

SG: Same group: if your organisation and the other participant are controlled by the same third party

CLS: Controls: if your organisation controls the other participant

CLB: Controlled by: if your organisation is controlled by the other participant

23 Person in charge

Please insert in this section the data of the main project manager or team leader in charge of the proposal for the participant. For participant number 1 (the co-ordinator), this will be the person the Commission will contact on all issues concerning this proposal. This person must be authorized by the organisation he represents to coordinate the proposal and to commit the organisation.

24 Title
For example: Prof., Dr., Mr., Ms., etc.

25 Sex
For the person in charge please indicate with an F for female or an M for male as appropriate. This information is collected for statistical purposes.

26 Phone and fax numbers
Please insert the full numbers including country and city/area code (example +32-2-2991111).

27 Previously submitted proposals or signed contracts
If your organisation has

- previously submitted a similar proposal to eTEN or another Community programme
- participated (or still participates) in a similar project with eTEN or another Community programme

then the programme name and year and proposal numbers or contract numbers must be indicated.

28 Participant number
The number allocated by the consortium to the participant for this proposal. The **co-ordinator** of a proposal is always **number one**.

29 Participant role
The following roles can be chosen: CO (Co-ordinator), CR (Beneficiary), MB (member). For the definitions, see section II.4 in the guide for proposers.

30 Linked to participant
If the participant role is member, than please indicate here the number of the beneficiary it is linked to (see section II.4 in the guide for proposers). Note: a member can only be linked to a partner of role CR or CO, not to another member.

31 Requested Community contribution and cost models
(see also Annex 5)

The **Community grant** to be requested for a proposal depends on the type of project, the cost model applicable to each participant, the costs for the different activities and the total Investment cost.

The **cost models** to be applied by the participants must be chosen according to the following instructions:

FC: a full-cost model in which all actual and eligible direct and indirect costs may be charged to the grant agreement. This model is the default model applicable to all project participants.

AC: an additional cost model in which only eligible direct costs that are additional to the recurring costs and eligible indirect costs may be charged to the grant agreement. This model is only available to non-commercial or non-profit organisations established under private or public law and international organisations which do not have an accounting system that allows the share of their direct and indirect costs relating to the project to be distinguished.

More information on the cost models can be found in the model grant agreements.

The A3 form must be filled out for co-ordinator and all the participants, taking into account all the cost categories allowed in the eTEN grant agreement. For further description of the cost categories and cost models, please see section II.5 and Annex 5.
The figures should be expressed in EUR, rounded to the nearest full amount.

For the co-ordinator, please fill in all normal project-related costs (including for project management) on the first row. Cost related to financial and administrative co-ordination (see the further definition in Annex 5) should be filled in the second row. Please also sum up the total co-ordination costs on the third row.

32 Name of the authority
Please indicate the name of the National Authority that has given you the national agreement for this proposal. The list of national authorities is published on the eTEN website.

33 Contact person for the authority
Please indicate the name and position of the person acting on behalf of the national authority, who has given you the national agreement.

34 Method of the agreement
Please indicate the method by which you have obtained the national agreement: oral or written.

35 Comments
Please comment shortly on the national agreement. Give more details on how it was obtained (e.g. by phone, meeting, email, letter etc.) and add any other comment you wish to bring to the attention of the Commission in this regard.

ANNEX 2: TEMPLATES FOR PART B

Part B must be generated following this template.
<u>Each page</u> of part B **must** be
- numbered (preferably in the format “page X of Y”)
- headed with the acronym you have chosen for your proposal.

<u>Each section</u> (A-I) must be started on a new page

The format of Part B for Initial Deployment (ID) Projects and Market Validation (MV) Projects are set out in this Annex.

<u>Part B consists of the following main sections:</u>

A. **Title page**
B. **Table of Contents**
C. **Project Profile**
D. **Project description**
E. **Sustainability and financing**
F. **Relation to eTEN programme objectives**
G. **Project workplan**
H. **Project consortium**
I. **Project management**

Note: The short information given in the Project Profile (section C) needs to be substantiated in detail in the rest of the proposal (sections D – I)

A: Title page

A separate page with the following information:

PROPOSAL PART B

eTEN call for proposals 2006/1

eTEN Main Theme addressed	-
Other themes addressed (if applicable)	-

Proposal acronym:_________________________

Proposal full title: ____

Proposal draft number and date of preparation: ________________________________

List of participants with co-ordinator first: (please use same order as in form A3)
Co-ordinator:
Partner :
Partner:

B: Table of Contents

(Generate a table of contents on this page)

C: PROJECT PROFILE (Short, precise, verifiable) – **maximum 2 pages**

Proposal Acronym: Type (MV/ID):
Proposal Title:

Information on the targeted service	
Describe the proposed service in maximum three sentences.	
Who will be the owner / provider / maintainer of the service?	
Who will be the actual users of the service?	
How will it be used (describe the typical usage case from users point of view)?	
How will the service be sustained? Who will pay the cost? (e.g. end-user / public authority /mixed model etc.)	
What technology will be used ?(hardware, software, delivery channels)	
Does the service need specific content? If yes, how is it provided, who provides it?	
Information on the project phase	
How many users will the service be validated with (MV project) / deployed to (ID project)?	
Where will it be validated / deployed? (List all locations and the number of estimated users per location - should sum up to the figure above)	
For MV projects, when does the actual market validation start (after any adaptation / customization work needed) on each location? (list all locations with the estimated start date e.g. M3 for month 3, M4 for month 4 etc.)	

Information on what already exists	
A **technically tested prototype** of the service exists – to be validated as service (only possible for MV projects)	Yes/No
A **running service** already exists • to be replicated and market validated in different environment (MV project) • to be initially deployed (ID project)	Yes/No
Describe the existing prototype / service and highlight any necessary adaptation work to transform it into the targeted service (as described above). If necessary distinguish between different locations.	
If prototype exists (for MV projects)	
	Where and how has it been tested? (give exact locations and circumstances)
	When has it been tested and for how long?
	With how many users has it been tested?
	What were the main results of the tests?
If running service exists:	
	Where is it running?
	How many users does the service currently have?
	Who is the owner / provider / maintainer of the running service?
	How is it currently sustained?

D: Project description

D.1. Overall description:

Describe clearly:

- the targeted service as it is to be market validated or initially deployed (the purpose of the service; what the service does and how; the technology used)
- the rationale for the provision of the service
- the objectives (stated in a measurable and quantifiable form) of the project
- the expected results or outcome of the project and how are these measured
- who will use the service under which circumstances and where
- who will provide the service and how will it be sustained
- what are the required inputs necessary for the service to operate (e.g. content) and how, and by whom, will they be delivered to the service
- the deployment strategy (including exploitation and/or dissemination plans) and its adequateness to ensure sustainable deployment of the project results.
- the prototype or running service as it exists now (the starting point of the work)
- how the targeted service is positioned in the current service environment (what comparable services exist, how does the targeted service fit in, what is the added value of the targeted service in comparison with existing services).
- possible factors or dependencies that prejudice the success of the project
- the work foreseen in the proposed project and its timescale

D.2. Market validation details [FOR MARKET VALIDATION PROPOSALS]

Describe clearly:

- **what** is to be validated under real market conditions (e.g. business model, user acceptance, viability under different legal systems etc.). Note that technical validation of the service **can not be supported** by eTEN (a technically tested prototype or running service must exist already).
- the validation methodology. **How** the market validation will be done (including how the work will be carried out)
- **where** is the validation to take place (list all locations and explain if applicable which aspects of the service are validated in which location and why)
- a clear quantification of **how many** users in each test site are participating in the validation trials
- a clear **timing** for validation trials in each location and an explanation of how many trials are planned to be executed during the validation in each test site.

> **NOTE: Adaptation and customization should be completed and the market validation trials started at the latest after the end of month 3 of the project. Later start dates of the trials must be specifically and convincingly justified.**

D.2. Initial deployment details [FOR INITIAL DEPLOYMENT PROPOSALS]

- Provide a clear and concise description of the existing service from the users' point of view
- Describe what is the starting point for the work to be carried out and the state of affairs in the respective service environment (describe the competing / existing services)

D.3. Technical description of the service setup:

Describe clearly:

- the state of the art of the technologies and their application for the field covered by the proposal.
- the architecture of the system, identifying the main building blocks.
- The technology components (and products) need to be clearly identified (hardware/software/delivery channels) as well as any other system that it will interact with.
- The completeness of the service setup in terms of operational requirements such as security, scalability, service management.
- [FOR MARKET VALIDATION PROPOSALS ONLY]: **the details** of any required adaptation or customisation activities together with the reasons for their necessity (e.g. localisation, translation, work needed to conform to the requirements of national legislation, etc.)

E: Sustainability and financing

E.1. Outline sustainability plan

Describe clearly and give convincing justifications where estimates are involved:

- the target users of the proposed service and the estimated size of the target population (including explanations for this estimate and supporting evidence from market studies etc.)
- the reasons why the users would want to use the proposed service
- the benefits of the service including a comparison between the present situation and the situation when the service is available
- how the service will be sustained in the near and far term (including a credible outline of costs and revenue expectations and any other source of funding or investment)
- in cases where the further development of the proposed service depends on external factors, such as political decisions, legal restrictions, certifications, product dependencies etc… these factors must be declared and assessed.

E.2. Viability Risks

The potential risks to the viability of the service should be listed and explained. Possible actions to be taken to respond to, or mitigate, the risks should be described.

E.3. Investment plan

(The investment cost and how it is calculated is described in section II.V and in Annex 5 of this document.)

Give an overview of the estimated investment cost using the template below. Additionally explain these cost items in sufficient detail to assess whether they are justified and credible.

For initial deployment projects the projected investments need to be specified by milestone. Milestones are not mandatory for market validation projects (in this case the related columns can be deleted and only the total given).

Categories of cost :	**MS1[1]**	**MS2**	**MS3**	**MS4**	**MS5**	**MS6**	**MS7**	**TOTAL (EUR)**
Specific Studies and Validation exercises (SPECIFY)								0
Immaterial Investment (SPECIFY BY CATEGORY)								0
Equipment (SPECIFY)								0
Other material investment (SPECIFY)								0
TOTAL Investment for the initial market deployment								0
% EU Contribution								0
Partners' contribution in kind								0
Partners' contribution in cash								

[FOR MARKET VALIDATION PROPOSALS ONLY]: Breakdown and substantiate the investment table above by listing and describing the contribution of each individual partner

E.4 Budget
Provide in this section the rationale for the costs given for each participant in form A3.

For personnel cost only the actual daily rate needs to be given here, as the rationale on the amount of effort should be given in the project work plan.

For "durable equipment", "consumables", "travel", "computing", "subcontracting" and "other specific cost" detailed breakdown and rationale must be given here (how are they estimated, why are they necessary).

F: Relation to eTEN programme objectives and to EU policies

F.1. Proposal alignment with eTEN workprogramme
Explain clearly how the proposed project's objectives contribute to the objectives of eTEN programme and the targeted theme(s) as described in the Work Programme.

Additionally justify the following requirements separately

F.2. Effect of eTEN support
Describe the reasons why eTEN funding is necessary to successfully launch the project. Please state why private sector or public entities involved in the project are not prepared to provide all the resources needed to execute the project. Please also describe whether you have made attempts to obtain external funding from other sources.

[1] Milestones as from start of the project. Milestones are compulsory only for initial deployment projects.

F.3. Public interest

Explain clearly the importance of the proposed service in terms of its public interest and its anticipated impact. Give the rationale for Community contribution.

F.4. Trans-European nature

Describe the ability of the consortium to support the trans-European deployment of the proposed service. Outlined possible barriers to Trans-European deployment together with the methods by which they will be addressed. Describe the role of each of the consortium partners in different Member States. Give the reason for selecting these particular countries for the proposed service. Describe the added value in carrying out the work at a European level; indicate what account is taken of other national or international activities.

F.5. Interoperability/ Security / Privacy / Standardization

State clearly how interoperability between products and services from different sources will be ensured and, where appropriate, how interconnection and interoperability of networks and services will be achieved. State any security and privacy issues involved in the proposal and/or the nature of the proposed service, and, if so, how they are addressed in the proposal.

The main standards being used should be identified. The proposal must (where applicable) clearly identify where a proprietary approach is used and the reasons for its use.

Proposals addressing problems connected with standardisation or regulation, should explain what these problems are and how they will be addressed.

F.6. Inclusiveness and Accessibility of the service

Describe the inclusiveness and accessibility of the service, both by its nature and the way it shall be provided

F.7. Contribution to other EU policies

Explain how the proposal contributes to the overall goals of any other EU policies addressed by the proposal (e.g. internal market, quality of life, health and safety, improving new skills and employment prospects, improving the competitiveness of the SMEs, preserving the environment, etc.).

G: Project workplan

The workplan should be complete and realistic, describing all the necessary tasks and their relationship to the project objectives. It should contain only the necessary tasks, and show how the estimates for the effort for each of the tasks are produced. It should provide a realistic timetable for the project and describe clearly the distribution of tasks and responsibilities between the partners. A clear role should be assigned to each of the partners in the project.

The proposed project work should be divided into distinct work packages that correspond to the logical phases of the project, each with a separate description and a designated work package leader (the work package leader should be the partner for whom it is most logical to be leading, e.g. because of his role in the project, his interest, his status etc.)

The number of Work Packages used must be appropriate to the complexity of the work and the overall value of the proposed project. Each Work Package should be a major sub-division of the proposed project and should also have a verifiable end-point (normally a deliverable or an important milestone in the overall project).

The results of the project are called ‘deliverables’. These may be physical (reports, software, etc.); operational (attainment of a deadline, inclusion of an additional deployment partner, etc.); or other (publication of a web site, a consortium decision, etc.).

The planning should be sufficiently detailed to justify the proposed effort and allow progress monitoring by the Commission – the day-to-day management of the project by the consortium may require a more detailed plan.

Note:

- Two mandatory work packages are required: Project management and Project dissemination.
- A basic market analysis including competition analysis and user requirement analysis should be foreseen during the first 3 months (to be included in an appropriate work package).
- There is a number of mandatory deliverables, which are already included in the deliverable template below.

G.1. Work plan introduction

Explain the structure of this plan and the overall methodology used to achieve the objectives

G.2. Work packages summary tables

Note that the figures in these tables must equal the corresponding figures in the cost breakdown table (form A3).

Two tables need to be created:

- The first table summarises the time, deliverables, and person-days allocated for the implementation of each work package.

Table 1: Work package overview:

Work package No.	Title	Start Month	End Month	Deliver ables	Total person-days per WP
WP 1	Project Management				
WP 2	Dissemination				
-					
TOTAL					

- The second table lists the person-days allocated to each participant for each work package.

Table 2: Work package efforts:

Work package No	Co-ordinator	Partner 2	Partner 3	…	…	Total
WP 1						
WP 2						
…						
Total						

If there are participants using the additional cost model in the project, an extra line of the table must show the efforts of permanent staff, which are not part of the eligible cost and are not taken into account for the eligible project costs.

Work package No	Co-ordinator	Partner 2	Partner 3	…	…	Total
WP 1						
WP 2						
…						
Total						
Permanent Staff (AC partners only)						

G.3. Timing and dependencies of Work packages

Describe the timing and dependencies of work packages e.g. through a GANTT chart.

G.4. Individual work package table

Use one table for each Work Package

<table>
<tr><td colspan="5">WORK PACKAGE No. :</td></tr>
<tr><td colspan="5">Title:</td></tr>
<tr><td colspan="5">WP Leader:</td></tr>
<tr><td>Start month:</td><td></td><td>End month :</td><td colspan="2"></td></tr>
<tr><td colspan="2">Total person-days for work package:</td><td colspan="3"></td></tr>
<tr><td colspan="2">Person-days per participant for work package</td><td></td><td colspan="2"></td></tr>
<tr><td colspan="2">Participant 1 Name:</td><td>Person-days:</td><td colspan="2"></td></tr>
<tr><td colspan="2">Participant 2 Name:</td><td>Person-days:</td><td colspan="2"></td></tr>
<tr><td colspan="2">-</td><td>-</td><td colspan="2"></td></tr>
<tr><td colspan="2">-</td><td>-</td><td colspan="2"></td></tr>
<tr><td colspan="5">Objectives and approach
Provide a concise description of the objectives to be achieved within the work package and how these objectives will be pursued. Use quantifiable and verifiable elements. Refer to the tasks to be carried out (see below).</td></tr>
<tr><td colspan="5">Tasks
Provide a short description of the work involved in all tasks in the work package. State the participant responsible for each task. State the amount of effort (in person-days) per participant and task. A table may be used.</td></tr>
<tr><td>Participant Name:</td><td>Task:</td><td colspan="3">Person-days:</td></tr>
<tr><td>Participant Name:</td><td>Task:</td><td colspan="3">Person-days:</td></tr>
<tr><td>-</td><td>-</td><td colspan="3">-</td></tr>
<tr><td colspan="5">Results
List results of work package and how these will be assessed</td></tr>
<tr><td colspan="5">Deliverables
List Deliverable Numbers and Titles. Detailed deliverable descriptions are not needed here.</td></tr>
<tr><td colspan="5">Dependencies
Describe Dependencies with other work packages.</td></tr>
<tr><td colspan="5">Contribution to Project Objectives
Describe how the WP and its deliverable(s) should contribute to the project objectives.</td></tr>
</table>

G.5. Deliverables

Complete the following table:

Deliverables					
Deliverable Number	**Title and short description**	**Due date or periodicity**	**Type** (a)	**Distribution** (b)	**WP Ref.** (c)
	Quarterly Management report	Quarterly	R	C	Management
	Final Report – confidential	End of project	R	C	Management
	Final Report – public	End of project	R	P	Management
	Project Web site and project logo	M3 or earlier	O	P	Dissemination
	Project Mid Term workshop	midterm	O	P	Dissemination
	Project Final Event/workshop	End of project	O	P	Dissemination

Notes

(a) PR = Prototype; R = Report; SP = Specification, O = Other.

(b) P = Public, for wide dissemination (public deliverables shall be of a professional standard in a form suitable for print or electronic publication);

C = Confidential, limited to project participants. Irrespective of the status, all reports and deliverables must be made accessible to the other project participants and the responsible European Commission services.

(c) Corresponding to the specific WP they refer to.

[For Initial Deployment Projects Only] Milestones

Complete a table for each of the milestones

MILESTONE Nr. _________ / Title: ______________________________ **Planned month:** **Cost of the investment to reach the milestone (per participant):** Participant 1 (Name): Participant 2 (Name): -
Deliverables available for the milestone: **Criteria for go/no go decision:** **Investment components necessary to achieve the milestone:** - equipment - training - software - contents - other (to be specified)

G.6. Dissemination / Communication Plan

The project Dissemination work package needs to target the 'showcasing' of pilot services and the demonstration of concrete achievements at national, regional and local level. It should include as a minimum two dissemination workshops / communication events (mid- and end project), relevant press work (press conference, press releases, press clippings, etc.), as well the setup and maintenance of a project web site.

Describe in more detail the activities planned in the dissemination work package and its intended impact, especially in view of impact on national/regional/local/European level.

H: Project consortium

H.1. Overall description

Describe the consortium; clearly indicating the co-ordinator, all of the participants of the consortium (including sub-contractors, where already identified) and the role of each in the proposed project.

The composition of the consortium should be justified, in terms of presenting its capabilities for the tasks to be carried out in the project phase and in terms of its capabilities for continuing to the deployment phase.
If a structural change of partnership is expected to take place for the deployment phase, this should be explained.
Please also explain any existing working relationships between the participants and any possible legal basis for the co-operation (co-ownership, memorandums of understanding, Licensing agreements, IPR or membership agreements or other types of consortium agreements).

H.2. Partner details and function

Create a section for each beneficiary and member:

H.2.x Partner <name>

<Short name>	*<Legal name>*	*<Type>*	*<Country>*
Financial evaluation: …….	Co-financing capacity: ……	Equity: ……	

Type: "**CO**", "**CR**" or "**MB linked to <short name of responsible beneficiary**"
Financial indicators (line 2): The financial indicators (resulting from the FVT tool, see annex 3) do not have to be filled for public institutions and members.

Describe in free text format:

- Function or business of partner and role in the project
- Previous experience or role in the domain of the proposal
- Role of project in the operation or business of the partner

Include the CVs of main individuals to be involved in the project

In the case of a European Economic Interest Group (or a similar grouping under national law) the members of the group must also listed (legal names, addresses, dependencies).

I: Project management

Describe clearly:

- The organisation, management and decision-making structure of the project and indicate to whom the roles are assigned
- the procedures to be used in the consortium for reaching internal consensus
- the mechanisms for conflict resolution;
- the provisions for handling of the results (including confidentiality, exploitation, possible IPR issues, etc…);
- the approach towards quality control and assurance (including the method of peer review).
- the risk management approach

ANNEX 3: FINANCIAL VIABILITY TESTING

Introduction

The purpose of this annex is to describe the methodology for the financial viability testing for the eTEN programme[1]. It is concentrated on this special issue of the proposal preparation phase, evaluation phase and if successful in grant agreement preparation phase.

Methodology Summary

Objectives

The financial viability test has two objectives:

a) To secure the financial contribution of the European Communities against loss in case of a project failure.

b) To make sure that all beneficiaries in a project have the necessary resources to perform their part of the project properly, completely and without unnecessary delays. The need to establish this before evaluation and conclusion of the grant agreement is based on past experience with projects that have been considerably delayed or completely failed, when one or more of their beneficiaries had to stop contributing or to withdraw, when their financial resources were consumed.

Scope of financial viability testing

<u>For government agencies and public entities</u>, it is generally assumed that they do not enter into contractual obligations without securing the budget necessary to perform their tasks. Therefore, <u>financial viability checking is not performed</u> for these entities. An entity is considered public when 50% or more of its share capital is owned by public organisation.

<u>For private legal entities, including private non-profit organisations</u>, it is regular business to take certain financial risks. The Commission wants to establish in advance, how big the risks of the private beneficiaries are, and therefore <u>performs financial viability tests</u> on these organisations. This is regardless of whether the private organisation is commercial or non-profit.

Methodology

For each applicable beneficiary, three steps have to be done in the financial viability testing procedure:

(1) Collection of data

(2) Analysis of financial data

(3) Judgement and recommendations

[1] The methodology used for the financial viability checking in eTEN is based on the same principles and tools as used by DG INFSO for other programmes, i.e. the IST programmes.

The three steps are described in more detail in the subsequent sections.

Collection of data

The basic information on the financial situation of the beneficiaries shall be taken from their audited or published balance sheets and profit and loss statements. This information shall be produced by the beneficiaries via the financial viability tool (FVT) available on the eTEN website. Each beneficiary should insert in the financial viability tool their most recent basic information on the financial situation taken from their audited or published balance sheets and profit and loss statements. Having inserted the information in the LVT and run the evaluation, **the beneficiary must print a paper copy of the Evaluation results page, have it signed by the Financial Officer of the organisation and send it to the co-ordinator.**

It should be noted that in case the proposal is reaching the negotiation stage, additional information and supporting documents to substantiate the data will be requested. Beneficiaries involved in IST or other European shared-cost projects should provide accurate and updated information on the total of their own contribution in all on-going projects during the duration of eTEN project time period.

Analysis of financial data

The Financial Viability Tool (FVT) provides a risk analysis which concentrates for each legal entity on two risk factors:

(i) the overall financial situation; a weak financial situation may indicate an increased risk of bankruptcy therefore requiring security for the Commission's pre-financing.

(ii) the co-financing capacity; weak co-financing capacity indicates that a legal entity may not be able to fulfil it's contractual obligations for the execution of the work (unless alternative resources are made available to them and excluded from the analysis can be demonstrated).

Judgement and recommendations

Essentially three situations that need attention can be distinguished: weak financial evaluation, weak co-financing evaluation and weak financial and co-financing evaluation.

Proposers should note that if one of the parameters is weak, this does not necessarily mean the partner will be excluded. There might be good reasons, from the project point of view, to have that organisation involved although protective measures may be needed in the form of financial guarantees or reduced participation.

In the case of weak financial evaluation there is a specific risk that beneficiaries will not be in a position to work under the "going concern principle". As a result, the Commission may require financial protective measures which may include a financial guarantee for the advance payment, withholding the advance payment or confirmation of a sufficient capital increase. In any case, a consortium partner with a weak financial position will not be accepted as co-ordinator.

Beneficiaries with a weak co-financing capacity will be requested to show that they have additional financial resources sufficient to finance their share of the project costs. Such resources can stem from shareholder loans, recent increase in capital or guarantees of a parent company to provide the necessary resources to its affiliate in case the latter would fail to comply with its contractual obligations. It could also stem from the companies' own resources, in the case that the net worth is larger than the organisation's share in projects/proposals. Beneficiaries, who fail to provide justifications acceptable to the Commission, will have their participation reduced substantially in line with their estimated financial co-financing capacity and, in extreme cases, will not be allowed to participate.

The Evaluation Results Page of the FVT tool

(To be printed, signed by the financial officer and sent to the co-ordinator)

EVALUATION RESULTS	
Financial Evaluation	
Co-Financing Capacity	
Equity	

Miscellaneous Data			
Organisation Name:	Your organisation	Closing Date:	31/12/1999 (dd/mm/yyyy)
Currency:	EURO	Euro Conversion Rate	1

Assets		Liabilities		Profits and Loss	
1. Subscribed capital unpaid	0	**4. Capital and reserves**	0	6. Turnover	1
2. Fixed assets	0	4.1. Subscribed capital	0	7. Variation in stocks +/-	0
2.1. Intangible fixed assets	0	4.2. Reserves	0	8. Other operating income	0
2.2. Tangible fixed assets	0	4.3. Profit and loss brought forward	0	9. Costs of material & consumables	0
2.3. Financial assets	0	4.4. Profit and loss brought forward for the financial year +/-	0	10. Other operating charges	0
3. Current assets	0	**5. Creditors**	0	11. Staff costs	0
3.1. Stocks	0	5.1.1 Long term non-bank debt	0	**12. Gross operating profit**	1
3.2.1. Debtors due within one year	0	5.1.2. Long term bank debt	0	13. Depreciation and value adjustments on non-financial assets	0
3.2.2. Debtors due after one year	0	5.2.1. Short term non-bank debt	0	**14. Net operating profit**	1
3.3. Cash at bank and in hand	0	5.2.2. Short term bank debt	0	15. Financial income and value adjustments on financial assets	0
3.4. Other current assets	0	**Total liabilities**	0	16. Interest paid	0
Total assets	0			17. Similar charges	0
				18. Profit/loss on ordinary activities	1
				19. Extraordinary income and charges +/-	0
				20. Taxes on profits	0
				21. Profit/loss for the financial year	1

Cost Share			
Participant Own Share (in period)	0	Participant Own Share (annual)	0

We confirm our agreement with the submission of this eTEN proposal and the correctness of the figures above.

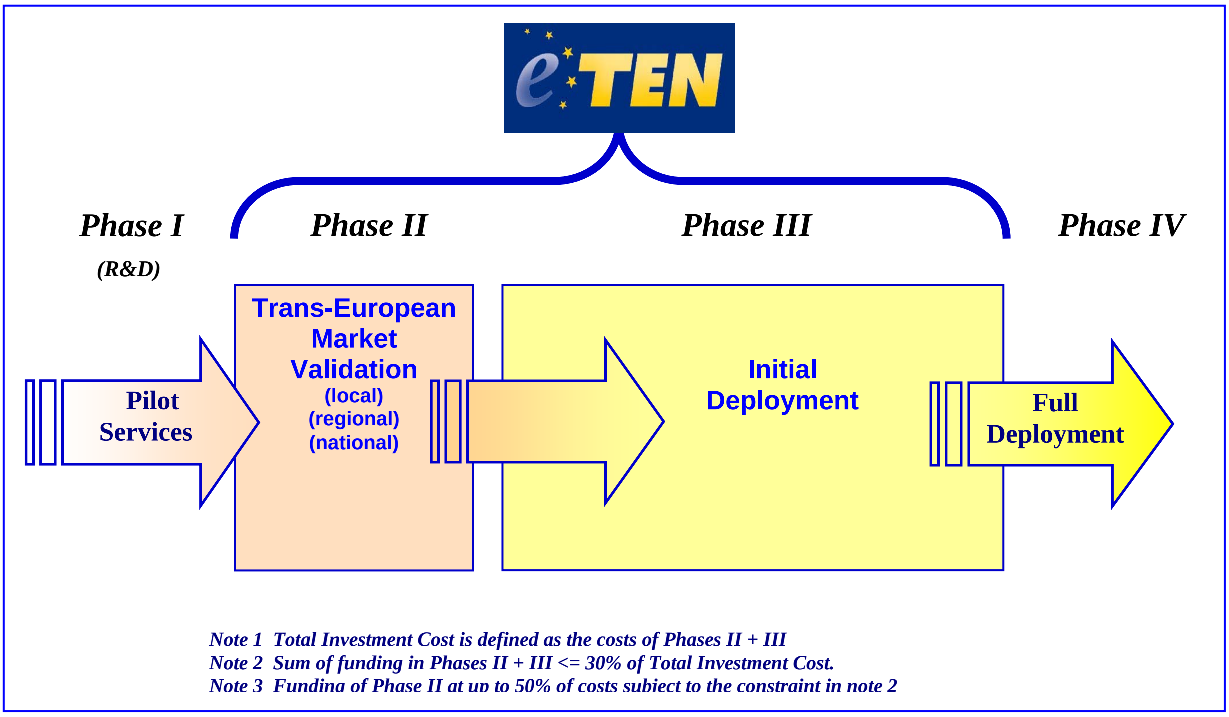
Date: 11-Mar-2004 **Signature:** ....

ANNEX 4: PROJECT PHASES FUNDED BY ETEN

eTEN funds market validation studies for potential e-services and funds the initial deployment of e-services that are in the common interest. eTEN does not fund research and development nor does it fund 'full-scale' deployment.

All systems and services proposed for eTEN funding should be based on existing or mature technology (which can be commercially available), i.e., it should be possible to demonstrate at least the fully developed and tested prototype service at the proposal phase. All R&D work, as described below, should be completed on both the technical and content aspects of the system and service (in certain exceptional cases, where a proposed service requires development work and the evaluators agree that the eventual service is worthy of eTEN grant –aid, this must be done before the start of the market validation phase and financed fully by the beneficiaries themselves). Therefore the proposals should not include major development efforts, apart from minor adaptation prior to market testing, of the original system or service on the basis of user feedback or technical advance, and apart from customisation of the service for Trans-European use as outlined in the sections below (e.g. localisation, translation, work needed to conform to the requirements of national legislation, etc.).

A project resulting in a service can be considered as passing through several phases from initial conception and research resulting in a pilot service up to sustained operation serving users. eTEN addresses two phases of this process, the validation phase where a technically mature service is tested in the market and a deployment report is completed, prior to a decision to deploy; and the initial deployment phase where a service is launched under operational conditions.



Types of Project

The four phases leading to the provision of an e-service are described in the following sections to assist potential proposers differentiate between tasks that are, and are not, eligible for eTEN funding.

R&D phase

The eTEN programme does not fund research and development (R&D). This is defined as creative work undertaken on a systematic basis in order to increase the stock of knowledge and the use of this stock of knowledge to devise new applications. It is differentiated from other activities by an appreciable element of novelty and the resolution of scientific and/or technological uncertainty. It covers three broad activities: basic research, applied research, and experimental development.

When calculating the costs of potential eTEN projects one source of difficulty is locating the cut-off point between experimental development and the related activities required for marketing and deployment on a Trans-European basis. This section provides guidance on how proposers should do this. It also explains a number of *minor adaptations* prior to market testing of the original system or service that could be included in the proposal. These adaptations would typically follow from user feedback or technical advance and customization of the service for trans-European use. Generally, these adaptations would be expected to be finished by month 3 of the project. Any delay beyond month 3 does require a clear and convincing justification.

Experimental development is systematic work, drawing on existing knowledge gained from research and/or practical experience, which is directed to producing and installing new systems and services, or to improving substantially those that already exist. This type of activity is not eligible for funding.

However, if the system or service is substantially developed and the primary objective is to develop markets, to do pre-launch planning, or to get the system or service working smoothly then this latter work is considered eligible for funding.

Construction and testing of prototypes falls within the scope of R&D and is not eligible for funding. A prototype is an original model constructed to include all the technical characteristics and performances of the new system or service up to the point where the design and any necessary modifications to the prototype have been completed and testing in the original context has been satisfactorily performed.

However, the work after successful testing of the original prototype necessary to test and adapt it in its new, Trans-European environment is eligible for funding. This work constitutes customisation or localisation and is understood in the context of eTEN to be the tailoring of the service in response to all aspects, technology, content and society related, of the new environment of the service that differ from the original specification. This may include some different requirements of the users of the service; the technical integration of the service into the new process environment; and the adaptation of the service to different organisational structures. It may also include internal configuration of the service to tailor it to match the new requirements.

The enhancements or modifications due to this customisation should preserve, where possible, the system integrity, in other words the use, manner of use, users and purpose of the service should remain unchanged, except in the case of a transfer of a service to a different user type. In addition the functionality of the system should not undergo any further development or transformation beyond that required for customisation.

Other activities that are eligible for funding include:

- Start-up activities that may include service modifications and trial production even if this implies some further design and engineering.
- Design for the preparation of service production. This may cover activities aimed at defining procedures; technical specifications; and operational features necessary to the Trans-European development and marketing of new systems and services.
- Software-related activities such as work on enhancements and solutions to technical problems related to Trans-European deployment.
- Studies relating to social systems using established methodologies.

Market Validation projects

Market validation is the testing of the viability (economic, social, administrative, etc.) of a service. It is not the technical or functional validation of a service. Project proposals in this phase must start from an existing operational or fully developed and tested prototype system or service. This phase is typically of up to 18 months duration and should be focused on description and demonstration of the service, identification of the users or target population, user feedback, success criteria and peer reviews. Therefore, a feasibility / market validation project based on the eTEN Work Programme 2004 will consist of the following elements:

- Demonstration of a pilot or operational service (involving a significant number of users in real life conditions), including at least two Member States.
- Peer review of the service, including dissemination activities. Peer reviews can be arranged in the form of a series of workshops / seminars / discussion groups.
- Feedback documented by the project from the user population, including the description of specific barriers to overcome prior to initial deployment.
- Drafting of a deployment report and incorporating the results of the peer review and user feedback and outlining the actions needed for deployment.
- Final report documenting the findings of the project, enumerating the barriers and challenges for the administrations for deployment and including a business/investment plan as a composite part of the reporting.

The end result of a market validation project should be the demonstration of feasibility via practical pilots, demonstrating and validating the precise conditions to be fulfilled for subsequent deployment.

Market Validation Project Structure

This validation phase aims at preparing a **deployment plan** that clarifies project management thinking about future Trans-European market deployment and sets out a plausible case to secure project internal or external financing.

The deployment report must be formulated from the viewpoint of partners, investors or public decision-makers. It should describe the proposed service and should demonstrate its soundness and sustainability. It should include the following basic categories of information:

- user population (size, state of development, type of customers and competitors, Trans-European dimension),
- service definition

- how the service will be sustained, e.g. the reasons why a customer would pay for it or a service provider deliver it for free,
- cost and benefits of the service for all the actors in the value chain,
- management and management control systems necessary to roll-out the service, as part of a consolidated consortium,
- financing requirements to launch the service and the impact that Community aid might have on it,
- Timing for initial and full deployment.

Initial Deployment

This phase covers the initial rollout of the service and is typically of up to 36 months in duration. Project proposals in this phase must start from an existing operational or fully developed and tested prototype system or service. They must present a convincing deployment plan with full details for the initial operational deployment and also showing the development strategy for the full service. This is typically the case of existing services that are being extended at Trans-European level.

The size or scope of an initial deployment project depends upon a number of factors. The chief among these is the investment that the consortium is willing to make. However, other considerations, such as the minimum potential user or customer population and the minimum number of 'test sites' that are necessary to provide the information needed to proceed to full deployment will influence the structure of a proposal and will need to be decided. Other considerations, such as revenue flows (where applicable), will also influence the size and scope of the initial deployment. The deployment and business plans should present a realistic view of the role, use and potential uptake of the proposed e-service.

The kinds of projects that can be considered as deployment are:

- <u>Service replication</u>. eTEN supports the roll out of services on a Trans-European basis. This Trans-European concept is a crucial element of eTEN and needs to be fully understood in terms of the practical barriers that prevent the roll out of services across national and regional borders. These barriers can be physical but, in the context of informatics applications and services, these barriers are more often ones of language, standardisation, interoperability (application and service level), localisation of services, and replication of services. These are the practical barriers to deployment that need to be addressed by the projects that wish to replicate an existing service on a Trans-European basis. Conversion of existing good practice services to open source solutions may be considered under this heading if it would enhance Trans-European roll out and offer clearly defined socio-economic benefits.

- <u>New service</u>. This refers to a first deployment of a new solution or service. This may be based on new technology or the exploitation of research results, or on the adaptation of existing and operational services and applications to a new domain.

The outcome of this phase is the achievement of the initial deployment of a new service or application, which will lead to full commercial or public operation. An outline roadmap for the final deployment should be included in all proposals.

Full Deployment

The eTEN programme does not fund full deployment. Defining the cut-off point between 'initial' deployment and full deployment can sometimes present difficulties when preparing proposals. Unlike in the case of R&D and market validation, the difference depends more on the response of the users or customers to the service than to the purpose of the work undertaken and the novelty or otherwise of the components of the service.
It depends primarily on the perceptions of the intending proposers. They must first decide the scale of their investment in initial deployment - how much they are willing to risk. This will be influenced by the timescale of revenues from the service or the full public availability of the service. They should define the size of the target user population and the number of deployment sites that will be needed to test and refine the service sufficiently prior to full-scale launch. Their judgement as to the scope of the project will be examined during the evaluation and will be accepted or refined during negotiations with the Commission if the proposal is accepted for funding.

ANNEX 5: COST: MODELS, ELIGIBILITY, CATEGORIES AND ETEN FUNDING LIMITS

[Revised Version of March 8, 2006]

Note: *Complete details of eligible costs are provided in the model grant agreements available for download on the eTEN web site, http://europa.eu.int/eten)*

In this annex, the general principles and the cost categories used in the calculation of eligible costs are explained. The explanations are derived from the provisions of the model grant agreement that will be used for the selected projects. They do not override the provisions of the grant agreement.

1. Cost Models

For eTEN grant agreements, the normal cost model to be applied is the full cost model. According to this model, all costs of the beneficiary are recorded in their accounting system, following the principle of historic costs. This accounting system will allow the ability to determine the actual amounts of the costs incurred for the project and to determine the eligible costs according to the categories detailed below. The recorded and accepted eligible costs will be funded at the rate defined in the grant agreement.

A different cost model (the 'additional cost' model) can be used if agreed by the Commission in the exceptional case of non-commercial or non-profit organisations that do not have an accounting system that allows their direct and indirect costs relating to the project to be distinguished. These organisations may be allowed to use the additional cost model where they cannot provide records on the full costs from their own accounts. In this cost model, only direct additional costs are taken into account. These are reimbursed at a rate of up to 100%. Direct additional costs are eligible direct costs additional to the normal recurring costs of the beneficiary and not covered by any other source of funding. These costs are recorded in the beneficiary's accounts.

In practice, the additional cost model differs from the full cost model in the following two aspects:

- Personnel costs for permanent staff are not eligible;
- An overhead flat rate of 20% of direct costs (excluding subcontracting) or lower is used.

The use of the additional cost model is restricted to institutions fulfilling the conditions described above. They may be requested to provide evidence for their choice of cost model. Proposers are advised to seek advice from their accountant prior to selecting the additional cost model.

2. General principles of eligible cost

The EU contribution to eTEN grant agreements is calculated on the basis of actual costs that will be incurred for the work under the project. The budget included in the proposal is an estimate of such costs. As value-added tax is not part of the eligible costs, and will not be taken into account for Community funding, no VAT can be included in the estimated costs in the proposals. In general, the costs shall fulfil the following conditions:

- be necessary for the project;
- be incurred during the duration of the project;

- be determined in accordance with the accounting principle based on historic costs and the usual internal rules of the beneficiary, provided that they are regarded as acceptable by the Commission;
- be recorded in the accounts or in the tax documents no later than the completion date of the grant agreement;
- exclude any profit margin.

3. Cost Categories

Personnel costs

The costs (e.g. remuneration, pensions and other employment costs, etc.) of the actual hours worked by the persons directly carrying out the work under the project. Such persons must be:

- directly employed by the beneficiary in accordance with his national law;
- under the beneficiary's sole supervision;
- remunerated in accordance with the normal practices of the beneficiary provided these are acceptable to the Commission.

Consultants working full time on the premises of the beneficiary, for cost statement presentation purposes, should be included in personnel costs and clearly identified. Other consultants not working full time on the premises of the beneficiary must be included in sub-contracting.

For participants using the full cost system, costs for all staff (permanent or temporary) working on the project may be charged. For participants using the additional costs system, personnel costs for the permanent staff of the beneficiary may not be charged to the project. Eligible personnel costs are limited to the actual costs of the personnel employed on the project and are restricted to staff working under one of the contract types listed below:

- a temporary contract for Community projects;
- a contract which depends upon external funding additional to the normal recurring funding of the participant. In this case, the costs charged to this contract must exclude any costs borne using such recurring funding.

The costs of the administrative support to carry out the project are normally included as part of the overheads and not in personnel costs. The only exception to this is for co-ordination costs that can only be charged by the co-ordinating partner, as explained in the corresponding section.

The three elements that must be used to calculate the total personnel costs that can be charged to the project are:

- working time to be charged must be recorded in time sheets throughout the duration of the project. The person in charge of the work designated by the beneficiary should certify the records at least once a month. Even though the costs for permanent staff cannot be charged to the project for the additional cost case, their working time must be recorded. All working time must be recorded, not just the time devoted to the project;
- remuneration costs charged should be taken from the payroll account and should be the total gross remuneration plus the employer's portion of social charges (e.g. holiday pay, pension contributions, health insurance and social security payments);
- remuneration costs can be calculated individually for each staff member or as an average by category of staff (the method should however fairly represent actual labour costs);

In the case of “work contracts”, the costs excluding VAT should be taken from the invoice received for the work performed. Invoices should indicate the project on which the persons have worked, the tasks carried out and the hours spent.

Productive time is the total hours worked, excluding holidays, personal time, sick leave, or other allowances. In order to obtain an hourly rate, the salary costs must be divided by the productive time. Total productive hours can be obtained either on the basis of actual hours recorded in time sheets or on the basis of standard hours. In the latter they should represent the total workable hours based on the contract of employment less a provision for non-chargeable time such as holiday and sick leave (these must correspond to the actual situation of the beneficiary). Where productive hours are calculated based on standard hours, working time charged to the project should exclude overtime. On average, the Commission considers a figure of about 210 days or 1680 hours per full-time employee per year to be reasonable.

Durable Equipment

Durable equipment charged to the grant agreement must be specifically required for the project, have an expected life equal to or greater than the duration of the work under the grant agreement and must be capitalised in the books of the beneficiary according to the national accounting rules. The equipment can be purchased or leased. The allowable costs for leased equipment shall not exceed any allowable costs for its purchase.
The costs to be charged to the grant agreement shall be calculated according to the following formula:

A/B x C x D

A = the period in months during which the durable equipment is used for the project after invoicing,

B = the depreciation period for the durable equipment: 36 months for computer equipment costing less than EUR 25 000 or 60 months for other equipment,

C = the actual cost of the durable equipment,

D = the percentage of usage of the durable equipment for the project.

Subcontracting

A part of the work can be subcontracted, but it is recommended that the use of external consultants should be allowed only for special work, which cannot be carried out by the in-house personnel of the beneficiaries. This means in particular that legal entities with insufficient personnel must not participate in cost sharing grant agreements as beneficiaries.

The cost of subcontractors should be reasonable and reflect the normal price of the market. Subcontracts are to be awarded to the tender offering best value for money, i.e. the one offering the best price-quality ratio, in compliance with the principles of transparency and equal treatment for potential beneficiaries, care being taken to avoid any conflict of interests.

Subcontracts, which either cumulatively exceed 20% of the estimated eligible costs of the beneficiary or which exceed €100.000 are subject to prior written agreement of the Commission. Where sufficient detailed data is already known, this should be included in the Technical Annex to the grant agreement. In providing its agreement to subcontracts, either as part of the Technical Annex or through the prior approval procedure, the Commission will give due consideration to the nature of the tasks to be outsourced. Subcontracting should only be used in case of specific needs.

Beneficiaries should limit outsourcing to the minimum. It should be noted that, as a rule, participants already participating in a grant agreement as beneficiaries or Members cannot also participate in the same grant agreement as subcontractors of other participants.

Travel and Subsistence
Actual travel and related subsistence costs, based on the internal rules of the beneficiary, may be considered as a cost of the project. The prior approval of the Commission Services in charge of the programme shall be required for any destination outside the EU.

Consumables
Consumables shall relate to the purchase, fabrication, repair or use of any materials, goods or equipment and software which:

- do not have a life expectancy greater than the duration of the work under the grant agreement;
- are not placed in the inventory of durable equipment of the beneficiary;
- are not treated as capital expenditure in accordance with the accounting conventions and policies of the beneficiary.

This category of costs covers access rights or licences for software but does NOT include office supplies, mailing, utilities, etc. which must be covered in the overheads category. No direct charge shall be made for consumables where it is the usual practice of the beneficiary to include these costs in actual overheads.

Computing
Computing costs may be charged as a direct cost where:

- the beneficiary can provide a detailed justification of these costs;
- a computer cost centre exists in which all the computer costs (direct and indirect) are recorded;
- a computer register is maintained which can substantiate the total usage of the computer service charged to the projects.

Without these three fundamental sources of information, it is not possible to calculate an acceptable chargeable computer rate. Otherwise computer costs must be included as overheads in the appropriate section. No direct charge shall be made for computing costs where it is the usual practice of the beneficiary to include these in actual overheads.

Protection of Knowledge
The costs associated with protecting knowledge can be charged to the project with the prior approval of the Commission.

Other specific costs
All other specific project costs, which cannot be included under the previous classifications of direct costs, may only be charged with the prior written approval of the Commission. These costs include such items as seminars, workshops, conferences, charges for financial guarantees required by the Commission, etc. These should be significant costs, be clearly identified at the beginning of the project, and be supported by invoices or other records.

Indirect Cost

Overheads include all the indirect general costs incurred to employ, manage, accommodate and support the direct personnel performing the work of the project (i.e. administration, management, salaries of support staff, depreciation of buildings and general equipment, accommodation and maintenance, telephones, heating, lighting, electricity, postal service etc.). Overheads must be detailed according to the beneficiary's accounting principles. Only such costs that are actually related to the work done for the project may be contained in the overhead calculation. This excludes especially such costs as mentioned below in the section on co-ordination costs.

Participants using the additional costs system are allowed to charge a flat-rate amount of 20% of the direct costs, excluding the costs of subcontracting. A lower percentage may be used according to the internal rules of the participants.

Coordination cost

Coordination costs may only be claimed by the co-ordinator. They may include costs falling under the following categories of costs:

- personnel: remuneration of administrative personnel for performing administrative and financial co-ordination tasks for a specific project;
- durable equipment, consumables and computing: expenditure used strictly for co-ordination purposes in the project;
- travel and subsistence: related to administrative personnel performing co-ordination tasks specific to the project;
- other specific costs: project specific co-ordination costs other than those charged under the categories mentioned above;

Co-ordination costs do not give rise to overheads.

Non-allowable costs

The following costs are not allowed:

- costs related to capital employed;
- provisions for future losses or liabilities;
- interest owed;
- provisions for doubtful debts;
- resources made available to a participant free of charge;
- value of contributions in kind;
- unnecessarily high, extravagant or wasteful cost
- indirect taxes and duties, including VAT
- entertainment or hospitality expenses, except such reasonable expenses accepted by the Commission as being absolutely necessary for carrying out the grant agreement;
- any costs related to the preparation of the proposal for the projects;
- any costs related to other projects;
- marketing (except for initial deployment projects), sales and distribution costs for products and services;

4. Calculation Examples for eTEN funding limit

The following example illustrates the application of the rules determining the maximum amount of funding. The example is simplified, and is using only total amounts for the cost categories. Proposers should keep in mind that in actual proposals the estimates have to be substantiated and detailed to allow verification.

At the time of negotiation of the grant agreement, partners will have to demonstrate that the "no profit rule" is observed by showing the forecast balance of expenditure and receipts. The documentation required will be described in the **Guide for preparation of grant agreement.** This guide will be available for download from the eTEN website before the close of the call**.**

Example - total investment cost:
In order to set-up the service, the total investment cost amounts to 10.000.000 EUR. The investment cost comprises a market validation and a study, investments in tangible assets and several categories of intangible investments. The total investment cost also comprises items that would <u>not</u> be eligible costs in a project, e.g. marketing campaigns. The investment costs are shown in the table below.

Investment categories	**Amount in €**
1. **Specific studies and validation exercises** Market Validation: 1.000.000 € Study: Legal aspects: 1.000.000 €	2.000.000
2. **Material Investment (purchase value)**	
Technical equipment	4.000.000
Durable office equipment	500.000
Other material investment Print Shop Equipment 250.000 € Call Centre Equipment 250.000 €	500.000
3. **Intangible Investment**	
Marketing campaigns	500.000
Training	500.000
Acquisition/development of contents	550.000
Translations	200.000
Software integration	550.000
Software licenses	500.000
Legal issues and IPR	100.000
Set-up of organisational structure	100.000
Total Investment Cost (for both phases)	**10.000.000**
Maximum Funding for Market Validation (10%)	**1.000.000**
Maximum Funding for the entire project (30%)	**3.000.000**

As indicated in the last row of the table, the maximum funding for the service, regardless of the phases supported by eTEN, must not exceed the amount of 3.000.000 EUR. This limits the total funding of the entire service, comprising all phases funded by eTEN and all participants in the project. For the market validation phase, funding is limited to 1.000.000 EUR.

Example #1 - Market Validation Proposal:
For this service, a proposal for a market validation project is presented. The eligible costs of the market validation amount to 500.000 EUR, as shown in the table below. In this example, all costs are shown in a single table; in a real proposal the costs have to be presented for **each partner separately**.

Eligible Costs of the Market Validation Phase	
Cost category	**Amount €**
Personnel cost:	500.000
Subcontracting:	100.000
Durable equipment (depreciation charge):	100.000
Computing cost:	100.000
Overheads:	200.000
Total eligible costs	**1.000.000**
Maximum Phase Funding (50%)	**500.000**

As indicated in the last row of the table, the maximum funding for the market validation phase is limited to 500.000 EUR.

In order to calculate the maximum allowable funding for the project phase, the two funding limits have to be taken into account.

(1) Limit: 10% of total investment cost	1.000.000 €
(2) Limit: 50% of study cost	500.000 €
(3) Maximum allowable funding	**500.000 €**

Example #2 - Initial Deployment without funded Market Validation:
Based on the same calculation of total investment cost, a proposal for the Initial Deployment Phase is presented below in the case where a market validation has not been funded by eTEN.

The costs of the market validation of 1.000.000 Euro must not be taken into account. Therefore the total investment cost in this case equals 9.000.000 Euro.

The total funding for the entire service is limited to 30% of the total investment cost, i.e. to 2.700.000 EUR.

An estimate for the eligible cost of the initial deployment project is presented in the table below. A first approximation of the possible Community funding for the whole project is that the project eligible costs can be funded pro rata up to 30% for FC partners and up to 100% for AC partners. Individual funding rates of partners may be different, as long as the total is within the limits.

In the example given below all partners are working under the FC model and are requesting 30% funding.

Eligible Costs of the Initial Deployment Phase	
Cost category	**Amount €**
Personnel cost:	1.000.000
Subcontracting:	500.000
Durable equipment (depreciation	6.000.000

charge):	
Computing cost:	500.000
Overheads:	500.000
Total eligible costs	**8.500.000**
Requested Project Funding (30% of eligible cost of FC partners)	**2.550.000**

Limit: 30% of total investment cost	2.700.000 €
Requested project funding	2.550.000 €

In this example the requested project funding of € 2,550.000 is within the limits of the ceiling, which is defined by 30% of total investment cost (2.700.000 EUR).

Example #3 - Initial Deployment after funded Market Validation:
If a consortium presents a proposal for the **Initial Deployment** phase, **after** previous funding by the eTEN programme of the Market Validation phase, the funding received for the previous phase has to be taken into account for the funding limit calculated according to rule (1). As the total funding for the entire service must not exceed 30% of the total investment cost, the amount already received during the market validation has to be subtracted from the limit, to obtain the maximum amount allowed for the initial deployment phase.

The allowable funding limit for the initial deployment phase is calculated below:

Limit: 30% of total investment cost	3.000.000 €
Funding received for market validation	-500.000 €
Limit: allowable funding for initial deployment	**2.500.000 €**

For this example, it is assumed that the estimated eligible costs for the initial deployment project are the same as in the previous example (8.500.000 EUR) with only FC partners all requesting 30%, such that the proposed project funding will also be the same (2.550.000 EUR).

Limit: 30% of total investment cost (3.000.000 €) minus funding received for market validation (500.000 €)	2.500.000 €
Requested project funding (based on the first approximation of up to 30% of eligible cost)	2.550.000 €
Maximum allowable funding	**2.500.000 €**

In this case, the requested project funding is higher than the maximum allowable funding defined by the 30% limit of total investment cost. Therefore, the requested funding in the proposal needs to be reduced to be below 2.500000 € and the individual funding rates have to be adjusted accordingly to stay within this limit.

ANNEX 6: CHECKLIST OF PROPOSAL CONTENT FOR EVALUATION

The purpose of this check-list is to help proposers in drafting their proposal from the viewpoint of evaluation. It does not substitute the requirement to have read and understood the contents of the Call for Proposals, eTEN workprogramme 2006 and the Guide for Proposers 2006/1.

The following should be checked

- Is the proposal complete (parts A and B in the correct format)?
- Does the composition of the consortium comply with the rules?
- Are all of the partners legally and financially sound?
- Does the co-ordinator have adequate financial resources to guarantee the funding?
- Do all of the consortium partners have adequate financial and human resources?
- Has the National Agreement been given?
- Is the appropriate cost model used for each consortium partner?
- Has the project budget of each partner been reviewed by an accountant or similar professional
- Has the financial viability tool (FVT) been used by all beneficiaries? Is the signed output in the possession of the co-ordinator? Has the co-ordinator listed the resulting financial indicators in part B of the proposal?
- Has the co-ordinator collected all necessary legal and financial documents from the individual partners?

Can all of the evaluation criteria be sufficiently addressed <u>based only on the text of the proposal</u>? *(Answer each of the sub points with at least one sentence and then check that these issues are all described in sufficient detail and with supporting evidence in Part B of the proposal; additionally it could be beneficial to let an outside expert read the proposal, answer all the questions and give grades according to the procedure described in the work-programme)*

A1) <u>*Nature of the proposed service*</u>

a) The alignment with the objectives of the work programme and the addressed theme(s)

b) The importance of the proposed service in terms of its public interest and its anticipated impact.

c) The rationale for Community contribution and benefits compared to existing service solutions.

A2) <u>*Deployment Potential*</u>

a) The maturity of the technical solution, i.e. the R&D phase of the service is complete and a prototype pilot service exists.

b) Completeness of the service in terms of operational requirements.

c) The demonstrated capability and commitment of the partnership to deploy the service and sustain its operation on a trans-European level. Attention should be given to the involvement of all relevant stakeholders (including users) and appropriate support by public entities, where possible.

d) The viability of the service beyond the phases of work sponsored by the Community, demonstrated by appropriateness of the respective forecast deployment plan and business case.

e) Potential for wider service deployment beyond the scope of the proposal.

A3) *Contribution to EC policies*

a) Inclusiveness and accessibility of the service, both by its nature and the way it shall be provided.

b) The extent of the Trans-European dimension of the service(s).

c) The contribution of the proposal to socio-economic policies; to the implementation or the evolution of other EU policies; and to standardisation and regulation in the area addressed by the proposal.

d) The appropriate attention to security and privacy issues; the appropriate use of interoperable platforms; open standards and open-source components.

A4) *Planning*

a) Adequacy of the chosen methodology to achieve the goals of the proposed project; and for market validation projects: the validation objectives, assumptions and decision criteria and the methodology to obtain the relevant data.

b) Clear work plan with well-defined work packages, schedule, partner roles, deliverables and validation.

c) Effectiveness of the management approach.

d) Effectiveness of dissemination plan, especially in view of impact at European level.

A5) *Use of resources*

a) Appropriateness of the financial package including the allocation of resources in view of the achievement of the objectives of the proposal.

b) The credibility of the overall investment plan, including the estimation of the total investment costs and the expected revenues or benefits.

c) Credibility and justification of project cost estimates based on realistic prices and labour cost.

ANNEX 7: ONLINE PREPARATION AND SUBMISSION (EPSS)

The following instructions briefly outline the principal steps for online proposal preparation and submission. A detailed “EPSS Online preparation and submission guide” is available via the eTEN site.

The online EPSS is a Web-based system, i.e. you do not have to install special software on your computer. You only need a standard Web browser and a username and password. All the data that you upload is securely stored on a Web server, to which only the participants in the proposal have access (not even the Commission before submission), providing a common online workspace for the preparation of the proposal.

Request for username and password (by the proposal co-ordinator):

- Go to the EPSS start page via the “call for proposal” section of the eTEN website.
- Register, fill in the registration form and submit it. This form asks for a few brief details about the proposal, to assist the Commission in planning the evaluation[1].
- The EPSS will send you by return email a username and password as proposal co-ordinator. They will also send a (different) username and password for your partners. In case of problems in receiving these, contact the EPSS helpdesk (see section IV.).
- If you make an error concerning the choice between online or offline preparation, you can abandon this registration and register again
- The usernames and passwords are linked to only one proposal (for the call and for the instrument you have chosen). For each proposal you want to prepare you have to register again.

Using the EPSS (co-ordinator):

Once you have received your username and password, you can start building a proposal. Access to the system is again via the eTEN website or by the direct link, which is provided in the same email as the usernames and passwords. By entering your co-ordinator username and password you will now reach the EPSS main menu for your proposal. At the first login, you will be invited to reset your own password and the other partner’s password.

As a co-ordinator you can then:

- set up (and modify) your consortium by adding/removing partners
- complete all Part A forms
- download the document template for writing Part B of the proposal, and when it is completed, upload the finished Part B
- submit the complete proposal Part A and Part B.

Using the EPSS (partners):

The other participants in the proposal receive the partner username and password directly from the co-ordinator. There is only one username/password combination for all partners. It is the responsibility of the co-ordinator to supervise that each partner is only editing his own A2 form.

For entering the EPSS see above. As a partner (not co-ordinator) they can:

- complete their own A2 form

[1] Please complete as many fields as possible, even if only with preliminary data - the information is only indicative and does not involve you in any commitment

- download the document template for writing Part B of the proposal, in order to assist the co-ordinator in preparing it (however only the co-ordinator can upload the finished version)
- view the whole proposal.

Submitting the proposal online

Completing the Part A forms in the EPSS and uploading a Part B does **not** yet mean that your proposal is submitted. **Once there is a consolidated version of the proposal the co-ordinator must expressly submit it by pressing the "SUBMIT" button.** Only the co-ordinator is authorised to submit the proposal. Please note that the submission process takes time and can fail (if the forms are not correctly filled or the consortium setup is not eligible).

On submission, the EPSS performs an automated validation on some aspects of the proposal (e.g. confirms if mandatory fields are completed) and informs the co-ordinator of any apparent problems with the proposal. This automated validation does not replace the more detailed eligibility check later carried out by the Commission.

All files are also subject to a check for viruses. Files which are found to contain viruses will not be accepted, the co-ordinator will instead receive a message to remove the virus and to try submission again. Also files which are found subsequently to be unreadable or unprintable cannot be evaluated.

Note that there is a 10 Mbyte limit to the total size of proposal file (Part A and Part B) which may be submitted. Excessively large files will not be accepted, the co-ordinator will instead receive a message to reduce the size of the file and try again.

If successfully submitted, the co-ordinator receives a message that indicates that the proposal has been submitted. The co-ordinator may continue to modify the proposal and submit revised versions overwriting the previously one (by pressing the "SUBMIT button" each time!) right up until the call closure.

For the proposal Part B you are requested to use exclusively PDF ("portable document format", compatible with Adobe version 3 or higher, with embedded fonts). Other file formats will not be accepted by the system. Also zipped or otherwise compressed archives will not be accepted - as PDF is self-compressing there is nothing to be gained by zipping.

Only a single PDF file comprising the complete Part B can be uploaded. Unless specified in the call, any further files with annexes or additional information (company brochures, supporting documentation, reports, audio, video, multimedia etc.) will be rejected.

ANNEX 8: EXTRACT OF WORKPROGRAMME 2006 + GLOSSARY

This is an extract of the 2006 WP. Its purpose is to help proposers in quickly finding the parts of the workprogramme, which are directly relevant for the eTEN call for proposals 2006/1 and its evaluation. *Text which is not directly relevant to the call for proposal has been deleted. Such deletions are marked by "[………]"* *The full eTEN workprogramme 2006 can be found at the eTEN website*

Introduction

[………]

<u>**The eTEN Workprogramme 2006 focuses on deployment of services in the public interest and optimising their trans-European dimension and impact. To achieve these aims special attention will be given in 2006 to increasing the *deployment potential* of projects.**</u>

Objectives for 2006

[………]

- The principles of an inclusive information society should be considered in all services supported by eTEN.
- Provide support for new challenges and innovative approaches to services in the public interest including organisational aspects, and actions that increase their effectiveness and enhance their deployment and impact. Each project is required to include participation of the full range of users and other stakeholders and to explore further deployment beyond the project itself with a wider group of potential adopters.
- Provide support for communicating project results including 'showcasing' pilot services and demonstrating concrete achievements at national, regional and local level.

Programme Operation

The eTEN programme works by providing funding to trans-national consortia who aim to implement services in the areas supported by the programme. eTEN funding is awarded through calls for proposals, calls for tenders and direct grants. The calls for proposals address certain <u>*phases*</u> (see below) of service provision. The calls for tenders and common interest preparatory activities aim to determine the future directions of the Programme and improve its impact and efficiency.

Project phases

The full-scale provision of a service passes through several phases:

i. initial conception and research that results in a pilot or *prototype service*;

ii. a market validation phase where a prototype or technically mature service is tested in the market and a deployment plan and report is prepared prior to a decision to provide the service;

iii. an initial deployment phase where a service is launched under fully operational conditions;

iv. full deployment (sustained operation and provision of the service).

<u>eTEN addresses the market validation (ii) and initial deployment (iii) phases of this process.</u> It does this by means of the two Action Types funded under calls for proposals. It is important to note that all proposed services to be validated or deployed must already exist as a fully developed and tested prototype service when the proposal is made. eTEN can not support R&D but proposals can include minor adaptations prior to market testing the service. However<u>, all R&D and technical development work on the system and service must have been completed prior to submission of a proposal.</u>

Calls for Proposals

(Further information on the Action Types and their funding modalities may be found in the eTEN Guide for Proposers 2006 available for download from the eTEN website.)

eTEN projects are to ensure the sustainable operation of the service. Consequently, project proposals submitted to eTEN should be part of the natural process of service preparation and deployment and should also be an integral part of the activities of the organisations submitting the proposals. In the case of public services, the proposals should also have the support and involvement of the relevant public administrations, as their presence is a crucial factor towards achieving a successful service deployment after eTEN project funding is completed.

Action type 1: Initial Deployment

eTEN Initial Deployment projects help to launch services in a real life environment. They would normally be proposed as:

- a follow-on from a preceding market validation phase, irrespective of how it was funded (privately, nationally or EU) and would draw on the findings of the validation.
- The Trans-European deployment / replication of an operational service established in one member state in (an)other member state(s). (Note: An example could be the extension of a service from a border region in one state to a neighbouring region in the second state).

Effective initial deployment will take into account factors such as the differences in regulatory, administrative and cultural environments and language (localisation); back-office functions and the organisation and processes underlying services; and resource and experience sharing, system design and software exchange/sharing and co-operative deployment between public administrations.

Initial deployment projects must share the experiences they gain through the project with the broader community concerned by including a work package that will undertake appropriate information and dissemination activities.

Funding: - Co-financing of the *eligible costs* incurred by individual consortium partners up to a maximum of 30% of the estimated total investment cost[1].

<u>All six eTEN themes are open to Initial Deployment proposals through the eTEN 2006 call for proposals</u>.

Action type 2: Market Validation

Market validation projects test the feasibility of the deployment of a service. The prototype of the service should already exist. Activities of market validation (which may include several iterations) typically include:

- Market tests and adaptation of the service to market conditions.
- Demonstration of an operational service involving a significant number of users in real life conditions.
- Peer review of the service and user feedback, including dissemination activities.
- A deployment report outlining the actions needed for deployment, including a sustainable business/investment plan.

Validation is undertaken via practical pilots that demonstrate and establish the precise conditions to be fulfilled and the specific barriers to be overcome for subsequent deployment. It aims at preparing a deployment plan and establishing a plausible case for sustainable financing.

Funding: Co-financing of the eligible costs incurred by individual consortium partners operating under the full cost model up to a maximum of 50% of their total. Co-financing of the eligible costs incurred by individual consortium partners operating under the additional cost model up to a maximum of 100% of their total. This funding will be limited to a ceiling of 10% of the estimated total investment cost[2].

<u>All six eTEN themes are open to Market Validation proposals through the eTEN 2006 call for proposals</u>.

Themes

Six thematic areas are defined that are to be addressed by proposals of Action types 1 and 2. Proposals can address, if appropriate, one or more themes. A re-emphasis of the evaluation criteria to select projects in these themes will adapt them to the priorities of i2010.

<u>Common Requirements</u>

All proposals must address a number of common policy aspects. The extent to which proposals meet this requirement will be taken into account in the *evaluation*. [………] All proposals should clearly and expressly address how they will take these criteria into account and in particular explain how they address interoperability. In order to be eligible for community funding, all proposals must be consistent with competition policy in the Union. Possible competition issues must be clearly explained in the business model. This business model must also demonstrate how the service will achieve sustainable operation. The "eTEN Guide for Proposers 2006" provides specific guidance on how to prepare a proposal,

[1] The total investment cost is defined as the total costs for the Market Validation and Initial Deployment phases. The method of calculation is provided in the Glossary.

Theme 1: eGovernment includes electronic services provided by or for public administrations at all levels (local, regional, national, European); services which facilitate citizen participation in democratic processes; as well as services which support government process transformation.

The general objective is to realise seamless and inclusive eGovernment, enabling administrations, citizens, social partners, Non-Governmental Organisations (NGOs), businesses, suppliers, and other public sector bodies in the European Union to interact with ease and efficiency. More specifically the aims are: improving the quality and take-up of public services; reducing the administrative burden of citizens and businesses; broadening participation in democratic processes and public debate; improving effectiveness and efficiency of public administrations; and transfer/replication of successful services and good practice between administrations.

Theme 2: eHealth includes patient centred services and citizen (prevention) services that will help reaching an effective provision for the highest quality of healthcare at the point of care. This includes electronic services that promote health and help prevent illness; that improve access, increase quality and/or cost-efficiency of healthcare delivery and are adapted to support patient mobility and demographic change, taking advantage of medical and ICT advances.

The objectives are: to provide higher quality delivery of health care for citizens, to deploy services helping citizens to be appropriately informed to actively participate in the decisions concerning their own health care, to deploy online health systems, telemedicine and homecare - favouring the use of smart cards, to facilitate improved access to services, and to deploy cross border services using professional and patient identification as well as medication summary.

Theme 3: eInclusion includes provision of public services and solutions that bridge the “digital divide” and strengthen the European social model to contribute to overcoming socio-economic, physical, educational, geographic, age, language, cultural, gender or other barriers; and to avoid new forms of "digital exclusion".

The objectives are focussed on the provision of services accessible to the particular needs of disadvantaged groups and less favoured areas, the promotion of independent living and of participation of all segments of the European population in the Knowledge Based Society.

Theme 4: eLearning includes the use of multimedia technologies, the internet and other delivery channels to improve the quality of learning by facilitating access to resources and services and the provision of collaborative and remote interactions.

The objectives are the deployment of services that support lifelong learning and improve the inclusion of groups who would otherwise be excluded because of their location, gender, age, disability etc; services to assist learners acquire key skills and improve their employability; systematic support for learners and managers of learning processes; integrating ICT into education and training systems and implementing learner-centred services based on sound pedagogical principles with emphasis on quality, access, usability and openness.

Theme 5: Trust and Security includes services contributing to raising the level of trust and confidence in the information society and the e-economy by reducing the risks for citizens and businesses related to misuse of resources and data through the internet, in order to remove obstacles preventing their full participation in the Information Society.

The objective is the deployment of services with higher levels of security, authenticity, confidentiality and privacy for communications and transactions, services supporting the security governance of the internet or contributing to a culture of security. Of particular interest are services using digital identities, solutions improving protection against spamming and other attacks on the network level, early warning systems for network security incidents and services helping to limit the damage caused by loss or theft of identity tokens, services exploiting trust and security features of IPv6.

Theme 6: Services supporting SMEs includes services that facilitate the full participation of *SMEs* in the economy and their interaction with their working environment including all actors (e.g employees, customers, suppliers, partners, public authorities).

The objective, which takes into account the Kok Report[1] on supporting SME creation, is to increase the competitiveness of SMEs by promoting the deployment of and facilitating access by SMEs or networks of SMEs to services of public interest[2]; access to eBusiness solutions targeted at the SMEs community as a whole; access to, and use of, new forms of work (in particular facilitating cooperative work, job sharing and coordination for an efficient organisation of part-time work), business and commerce (going beyond horizontal information services and virtual market places) from which they may otherwise be excluded because of the current size of their business.

Making a Proposal

eTEN will publish a call for proposals in the Official Journal of the European Union in early 2006. Guidelines for the preparation of proposals and other information for proposers will be available from the eTEN website. (http://europa.eu.int/eten). The level of funding depends on the type of project.

Proposals should be submitted **electronically** in accordance with the procedure defined in the call text. In order to establish that the proposals are in the common interest, a statement to this effect is required from the *National Authority* of the Member State of origin of the proposal co-ordinator (list published on the eTEN website).

Participation of other countries

Calls are open to proposals from legal entities in the 25 EU Member States, Bulgaria and Romania, and may be open to proposals from Iceland, Liechtenstein and Norway as contracting parties to the EEA Agreement subject to timely establishment of the relevant legal base (see eTEN web site for further information).

The Community may allow participation of entities from other countries to projects where such participation is of mutual interest and ensures the interoperability of services. Such requests for participation will be decided on a case-by-case basis and will not receive Community funding.

Structure of Consortium

For Initial Deployment and Market Validation (Actions Types 1 and 2) consortia must be comprised of:

- **a minimum of two independent, registered, legal entities from different EU Member States[3] intending to participate as signing beneficiaries (not as members[4]) of the grant agreement with the Commission**.
- **The co-ordinator of the consortium must be a legal entity established in one of the EU member states.**

1 Facing the Challenge: The Lisbon strategy for growth and employment. Report from the High Level Group chaired by Wim Kok, November 2004.

2 For instance, the European e-Business Support network

3 According to the eTEN legal base this eligibility criterion must be satisfied from the 25 EU Member States. Accordingly, countries party to Memoranda of Understanding for participation in eTEN do not contribute to this eligibility criterion. Non signing participants (members) also do not contribute to this eligibility criterion.

4 The eTEN grant agreement provides for non signing beneficiaries, which are called “members”. See glossary for further details.

Proposers should ensure that all stakeholders, with particular emphasis on stakeholders from the public sector, are present in the consortium in order to achieve the best possible potential for sustainable deployment. The ideal consortium for an **eTEN** project includes all the players in the *value chain* necessary for implementing the service, its set-up, deployment and operation. Different actors in the value chain can be public administrations by whom or under whose responsibility the services are provided, technology companies, service contributors, service deployers, communities to whom the service is directed, and other users, beneficiaries and customers of the potential service. The consortium must have at least one participant responsible for deploying the service. Organisations that are committed to future deployment of the service but do not wish to participate as signing beneficiaries are encouraged to participate in the project as members of the consortium.

Consortia must have sufficient expertise and resources (personnel, equipment, finances) necessary to carry out the proposed project and these should be convincingly integrated to form a coherent action. All the participants must have the financial means to carry their co-financing share of the project and have an adequate number of staff to implement the project. It is essential to have the adequate and skilled project management resources available. The participants must be committed to the tasks assigned to them and there must be sufficient complementarity between participants to ensure that all tasks can be adequately addressed. **In the case of market validation, proposers should also indicate how they propose to proceed beyond the validation phase in order to achieve sustainable deployment.**

Structure of Proposals

The eTEN Guide for Proposers 2006 contains full details on how to make a proposal to a call for proposals which should be structured in two parts:

Part A is a set of forms which collect basic information about the proposal and the proposers, e.g., proposal name, proposers' names and addresses, brief description of the work, total funding requested, etc.

Part B contains a description of the service life-cycle (phases (ii) and (iii) in Project Phases, page 4) in which the proposers intend or have decided to invest, together with the estimated implementation and financial projection plans. This section must include an estimate of the total investment required to complete phases (ii) and (iii) (Market Validation and Initial Deployment). Since the maximum funding available is determined by the overall investment, this estimate must be fully justified. The proposer must explain the calculation in sufficient detail to enable it to be verified during the evaluation process.

This part also identifies the project phase for which a Community contribution is requested. This can be either the market validation phase or the project initial deployment phase. This section of the proposal shall include all the information required for the evaluation of applications for financial aid.

Part B contains two mandatory activities (work packages): Project management and Project dissemination. The latter receives increased emphasis in 2006 as a consequence of the increased importance of deployment.

Evaluation and Selection of proposals

The evaluation of proposals will be based on the principles of transparency and of equal treatment. It will be carried out by the Commission with the assistance of independent experts. Each submission will be assessed on the basis of the evaluation criteria, which are divided in three categories: eligibility criteria, award criteria and selection criteria. Only proposals meeting the requirements of the eligibility criteria shall be evaluated further. The description of these criteria is presented below.

After the evaluation of the individual proposals, they will be divided into two lists, one each for initial deployment and market validation, and ranked within the lists according to their quality which will determine the order of priority for funding.

The initial deployment proposals deemed appropriate for funding will have priority for funding up to an indicative amount of 60% of the budget allocated to the call for proposals. The residual budget after the initial deployment proposals have been funded (i.e. an indicative 40%) will be allocated to the market validation proposals deemed appropriate for funding in the order of priority of that list.

Eligibility criteria for proposals

On receipt, all proposals will be subject to an eligibility check, to ensure that they conform to the requirements of the call, and to the submission procedure.
The following must be complied with:

- E1) Timely submission as specified in the eTEN Call for Proposals.
- E2) Submission of a complete proposal.
- E3) Compliance of the consortium composition to the rules set out in this work programme.
- E4) Provision of a declaration by applicants that they are not subject to a prejudicial legal or financial situation and have not been found guilty of grave professional misconduct.
- E5) Declaration of the National Authority of the co-ordinator that the proposal is in the common interest (form A4 in the Guide for Proposers).

Proposals have to reach the Commission at the latest on the closing date and at the time specified in the published call for proposals. Proposals not meeting the closing deadline will not be accepted for evaluation.

A declaration covering point (E4) will be required. As a first measure it will be made clear in the submission documents that all partners make this declaration.

The fulfilment of criterion (E5) is based on the submission, as part of the proposal documentation, of a form indicating the agreement of the assigned national authority in the Member State of the co-ordinator (see eTEN web site).

In addition to the above, proposals will be assessed in terms of their conformity to the programme. In the case where a proposal is considered out of scope, it will be submitted to independent expert examination. After consideration of the results of this examination, the Commission services will decide whether the proposal will be further evaluated.

Award criteria for proposals

Award criteria are grouped in five categories described below. Proposers are required to explain in a systematic manner within their proposal, how their consortium responds to each award sub-criterion. Further instructions, a checklist and format for providing this information are included in the Guide for Proposers 2006.

A1) *Nature of the proposed service*

a) The alignment with the objectives of the work programme and the addressed theme(s)
b) The importance of the proposed service in terms of its public interest and its anticipated impact.

c) The rationale for Community contribution and benefits compared to existing service solutions.

A2) *Deployment Potential*

a) The maturity of the technical solution, i.e. the R&D phase of the service is complete and a prototype pilot service exists.

b) Completeness of the service in terms of operational requirements.

c) The demonstrated capability and commitment of the partnership to deploy the service and sustain its operation on a trans-European level. Attention should be given to the involvement of all relevant stakeholders (including users) and appropriate support by public entities, where possible.

d) The viability of the service beyond the phases of work sponsored by the Community, demonstrated by appropriateness of the respective forecast deployment plan and business case.

e) Potential for wider service deployment beyond the scope of the proposal.

A3) *Contribution to EC policies*

a) Inclusiveness and accessibility of the service, both by its nature and the way it shall be provided.

b) The extent of the Trans-European dimension of the service(s).

c) The contribution of the proposal to socio-economic policies; to the implementation or the evolution of other EU policies; and to standardisation and regulation in the area addressed by the proposal.

d) The appropriate attention to security and privacy issues; the appropriate use of interoperable platforms; open standards and open-source components.

A4) *Planning*

a) Adequacy of the chosen methodology to achieve the goals of the proposed project; and for market validation projects: the validation objectives, assumptions and decision criteria and the methodology to obtain the relevant data.

b) Clear work plan with well-defined work packages, schedule, partner roles, deliverables and validation.

c) Effectiveness of the management approach.

d) Effectiveness of dissemination plan, especially in view of impact at European level.

A5) *Use of resources*

a) Appropriateness of the financial package including the allocation of resources in view of the achievement of the objectives of the proposal.

b) The credibility of the overall investment plan, including the estimation of the total investment costs and the expected revenues or benefits.

c) Credibility and justification of project cost estimates based on realistic prices and labour cost.

Scoring and thresholds for award criteria

A score will be applied to each of the five award criteria. If a proposal fails to achieve one or more of the threshold scores (see below), it will be nevertheless be evaluated on all criteria in order to provide feedback to the consortium, should they wish to resubmit to a subsequent call for proposals.

For each award criteria a score from 0 to 5 is given:

- 0 - the proposal fails to address the criterion under examination or cannot be judged against the criterion due to missing or incomplete information.
- 1 - Inadequate
- 2 - Fair
- 3 - Good
- 4 - Very good
- 5 - Excellent

The respective thresholds for the award criteria are:

Criterion	Threshold
A1	3
A2	3
A3	3
A4	3
A5	3

Based on the scores of the individual award criteria, a total score will be calculated for each proposal and the list of proposals for each Action Type (Market Validation and Initial Deployment) will be ranked on that basis. In the case of proposals with equal scores, their scores for the award criteria will be used to differentiate them by taking account of the scores in A1, A2, A3 and A4 in descending order of priority.

Selection criteria for proposals

Selection criteria are initially applied on the basis of the information supplied in the proposal. If this identifies weaknesses (e.g. in terms of their financial capacity) compensating actions such as financial guarantees or other mitigating measures may be considered. Successful proposals called to negotiations will be the subject of a formal legal and financial validation as a requirement to the issuing of a grant agreement.

S1) *Financial and operational capacity to carry out the project*

Proposers must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out. They must have the:

a) Capacity to co-finance the proposed project as demonstrated by the company accounts. An assessment tool, to rate financial capacity, will be made available to intending proposers on the eTEN website for the duration of the call.

b) Capacity to allocate adequate human resources to carry out the project in question. In particular, proposals in which any partners request unjustified significant third party assistance will risk rejection on this criterion.

S2) *Professional competencies and qualifications*

Proposers must demonstrate professional competencies and qualifications required to complete the proposed project. They must provide:

a) Documented relevant experience in the field of the proposed action (e.g. technical, commercial and financial expertise or references to previous or ongoing projects).

Implementation plan and rejected proposals

Following evaluation of the proposals the Commission draws up the implementation plan containing the priority list of proposals in view of negotiation for possible funding, a reserve list of proposals to be negotiated if budget should become available and the list of proposals that are to be rejected for lack of budget or lack of quality (failure to meet one or more of the award criteria thresholds).

In drawing up the implementation plan, the Commission takes into account the scores and ranking of the proposals from the evaluation, the eTEN programme priorities and the available budget.

Following an appropriate consultation of the Commission services and of the eTEN Committee a final decision on the implementation plan is taken by the Commission. Immediately after this decision, the co-ordinators of all the proposals are informed in writing about the outcome of the evaluation for their proposal. The co-ordinators for the proposals on the priority list are invited to negotiation.

[………]

Timetable

1. The Commission plans to launch one call for proposals on the basis of the eTEN Work Programme 2006 with the timetable as outlined below:

    - The call for proposals is anticipated to be published in February, 2006[1] covering Action Types 1 and 2. It will be open for 3 calendar months from the date of its publication in the Official Journal.
    - The Commission, assisted by independent experts, will evaluate the proposals one month after closure of the call.
    - The evaluation report will be presented to the Member States' eTEN Committee for its opinion two months after closure of the call.
    - Following the opinion of the eTEN Committee the Commission will decide upon the list of proposals to be funded.
    - After adoption of the decision, the grant agreement negotiations will start. The Commission aims to finalise grant agreement negotiations within 8 months after the closure of the call.
    - The implementation of the projects will start after finalisation of the negotiations.

[………]

Indicative Budget

[………]

[1] The Director General responsible may open the call for proposals up to one month before or one month after this date

- The indicative budget allocated to the 2006 eTEN Call for Proposals is 45.6M€. It is intended to indicatively allocate this to successful Initial Deployment (Action Type 1) and Market Validation (Action Type 2) proposals in the ratio 60% / 40%.

[………]

Further information

For further information related to this programme and a current list of the *eTEN National Contact Points* and delegates to the eTEN Committee please refer to the eTEN Website at http://europa.eu.int/eten

[………]

Workprogramme GLOSSARY

Additional cost model	Cost calculation model based on the additional costs for participating in an eTEN project, as opposed to the model based on full (integral) costs (*full cost model*). The additional cost model is only applicable to *beneficiaries* who do not have the accountancy system necessary for the full cost model. Further information can be found in the eTEN Guide for Proposers 2006
Application	A system or service offering access to information through telecommunications and information technologies and/or a means of performing transactions.
Beneficiary	Signatory to the *grant agreement* with the European Commission
Business plan	A complete analysis of the market viability of a venture, from its conception, to its management and control, up to the financial requirements to launch it and the expected revenues and benefits from its operation.
Call for Proposals	As published in the Official Journal. Opens parts of a work programme for proposals, indicating what types of actions are required. A provisional timetable for such Calls is included in each work programme
CERT/CSIRT	Computer Emergency Response Teams / Computer Security Incident Response Teams These are centres of Internet security expertise. They provide information and training on all aspects of ICT security. They define and document the nature and scope of a computer security incident response (CSIR), deal with computer security incidents and vulnerabilities and publish security alerts.
Cross-Border	‘Cross-border’ is used in this document in the sense of official, international co-operation and collaboration between local or regional administrations across national borders of eTEN participating countries, usually for the provision of services by an administration in one country to residents of another country. It has usually evolved to deal with practical problems in day-to-day public administration. The co-operation can range from informal, to being based on agreements corresponding to the national legal systems involved. The European Union Cross-Border Regions or ‘Euroregions’ serve as examples.
Demonstration site	A demonstration site is the real or virtual location where one attempts to prove the viability of services. It facilitates the validation, involvement of users, possibilities to create market opportunities and eventual exploitation.
Deployment	The construction and operation of the application to offer the services in a real life environment.

Deployment potential	The likelihood that a service will be able to move to *sustainable deployment* after Community support has ended. This likelihood is assessed during the evaluation (Criteria A2) on the basis of information in the proposal
EC	European Commission
eCONTENT & eCONTENT+	eContent is a market oriented programme which aims to support the production, use and distribution of European digital content and to promote linguistic and cultural diversity on the global networks (for further details refer to http://www.cordis.lu/econtent/
eEurope 2005	This action plan provides a favourable environment to give everyone the opportunity to participate in the global information society. eEurope 2006 aims to stimulate secure services, applications and content based on a widely available broadband infrastructure. (for further details refer to http://europa.eu.int/eeurope/2006)
Eligible costs	These are costs accepted by the Commission as being reimbursable. They are described in the 'Guide for Proposers'. It should be noted that eligible costs do not include recurring operational costs, and any operating profit generated by the service during the project duration must be deducted.
eTEN Committee also referred to as the eTEN Management Committee	Committee representing the EU Member States in the eTEN Programme. (Officially known as the TEN Financial Committee or the TEN Guidelines Committee, depending on its role). The eTEN Committee is consulted in all matters relating to the eTEN Programme. It delivers formal opinions, prior to decision by the Commission, on the eTEN Workprogrammes and the granting decisions following calls for proposals. Its legal base is found in Articles 8 and 9 of Decision No 1336/97/EC and in Article 17 of Council Regulation (EC) No 2236/95. For further information see the eTEN website
EU	European Union
European e-Business Support Network (eBSN)	The European Commission established the European e-Business Support Network for SMEs (eSBN) with the vision of strengthening dialogue between different e-business initiatives at European level. The main objective of eSBN is to federate e-business experts in Europe and to share experience and good practice in support of e-business for SMEs. Info: http://www.e-bsn.org/portal/home.do
European Social Model	The basic supposition of the European Social Model is that economic and social progress must go hand in hand. In other words, economic growth must must be accompanied by social cohesion. It is defined in the 'White Paper on Social Policy' (European Commission, 1994) as a set of common values, namely the commitment to democracy, personal freedom, social dialogue, equal opportunities for all, adequate social security and solidarity towards the weaker individuals in society.
Evaluation	The process by which proposals are, or are not, retained with a view to selection as projects. Evaluation is conducted through the application of eligibility, award and selection criteria identified in a work programme. The evaluation is conducted by the Commission assisted by independent experts.
FP6	Sixth Framework Programme for Research and Technological Development Info: http://europa.eu.int/comm/research/fp6/index_en.html
Full cost model	Cost calculation model based on the full for participating in an eTEN project, as opposed to the model based on *additional costs* (additional cost model). The full cost model is the model to be used by default and is mandatory for all *beneficiaries* who have the accountancy system capable of calculating full costs of activities. Further information can be found in the eTEN Guide for Proposers 2006.
Generic Service	A service, either conversational, messaging, retrieval or groupware, of direct usage for a large number of users, which provide common tools for development and implementation of applications, whilst aiding their interoperability.
Grant agreement	Agreement between the Commission and the *beneficiaries* setting out the conditions of the awarding of Community *grants*.

Grants	Grants are direct financial contributions covered by a written agreement, by way of donation, from the Community budget in order to finance either an action intended to help achieve an objective forming part of a European Union policy; or the functioning of a body which pursues an aim of general European interest or has an objective forming part of a European Union policy.
I2010	The Commission proposes a new strategic framework, i2010 – European Information Society 2010, laying out broad policy orientations. It promotes an open and competitive digital economy and emphasises ICT as a driver of inclusion and quality of life. A key element of the renewed Lisbon partnership for growth and jobs, i2010 will build towards an integrated approach to information society and audio-visual media policies in the EU.
IDABC, IDABC eGovernment Observatory	IDABC stands for the Interoperable Delivery of European eGovernment Services to public Administrations, Businesses and Citizens. IDABC is the follow-up programme of IDA. Further information can be found at http://europa.eu.int/IDABC/
Inclusiveness	Inclusiveness relates to equal access to the Information Society to support independent living for all. In the context of eTEN it is the measure by which a service is both technically and economically accessible to all.
Initial Deployment	The first step into *deployment* following the functional, technical and market validation of a service.
Interoperability	Interoperability means the ability of information and communication (ICT) systems and of the business processes they support to exchange data and to enable the sharing of information and knowledge
IST	Information Society Technologies. A thematic priority for Research and Development under the Specific Programme "Integrating and strengthening the European Research Area" in the Community Sixth Framework Programme. (FP6) Further information can be found at http://www.cordis.lu/ist/about/about.htm
Market validation	All activities related to an application/service project aiming at evaluating its technical, economic and financial characteristics.
Member	A participant in a consortium who is not a signatory to the grant agreement with the Commission (beneficiary). For more information on the roles of participants please consult the Guide for Proposers available at the eTEN Website.
Multiple platforms	The concept of multiple platforms refers to the simultaneous accessibility of services through different networks, terminal devices and interfaces with comparable user interfaces and user friendliness. Examples of platforms are: PC's, PDA's, telephone (mobile and fixed), messaging services, etc.
National Authority	In the context of the eTEN programme these are the offices of the national representatives to the eTEN Member States' committees or their delegates. The list of National Authorities is published on the eTEN website http://europa.eu.int/information_society/activities/eten/cf/user_new/display.cfm?s_usertype=MCM_MAIN&order=nationality_name-asc
NCP	eTEN national contact point. See list on eTEN web site. http://europa.eu.int/information_society/activities/eten/cf/user_new/display.cfm?s_usertype=NCP&order=nationality_name-asc
OJ	Official Journal of the European Union
Open Source software	An open source software is a software distributed freely with its code, allowing anyone to access, to study, to redistribute and to change it. It must be distributed under a license recognised by the Open Source Initiative (www.opensource.org) or the Free Software Foundation (FSF) (www.fsf.org).
Open Source solutions	Open Source solutions are services based on the use of open standard which have an *open source software* reference implementation.

Open standards	For a standard to be considered open, it must at least be: adopted and maintained openenly and its further development be based on consensus or majority decisions, fully published and available for use, re-use, copying and distribution without constraints for free or for a nominal charge. Its intellectual property must be made irrevocably available on a royalty-free basis Source: European Interoperability Framework http://europa.eu.int/idabc/3761
Pilot site	A pilot site is the real or virtual location where one attempts to deploy, test and modify services based on new technologies.
Prototype Service	In the context of eTEN a *service* is considered to exist in the prototype state if it has been validated (proven) technically and functionally in a field trial but has not been subject to a market validation. This may be demonstrated by reports of the field trial(s) describing the nature of the service (functionality, targeted user groups, candidate-providers, etc) and the trial results in terms of delivery, feedback of users and providers, etc. In eTEN, the phase following the prototype phase is the *market validation* phase.
Potential economic viability	Refers to the general and long-term socio-economic net benefits of the project, rather than its mere financial profitability and economic profitability.
Replication of services	In the context of eTEN, replication is the *market validation* of a *service* in another market (or city / region / country) than the one in which it was originally (market-) validated or deployed. In order to be eligible for eTEN support, the effort of replication must extend beyond mere "copying" of a service, and include adaptations to the specific markets into which replication will take place. This added dimension (also identified with the term *"localisation"*) may address issues of language, culture, regulatory boundary conditions, back-office requirements, etc.
Safer Internet Action Plan	The Safer Internet Action Plan promoting safety on the Internet is the European Union's response to tackling the controversial issue of illegal, harmful and racist content on the Internet. It provides funding for activities to deal with illegal and harmful content, as part of a coherent approach by the European Union. Further information can be found at http://europa.eu.int/ISPO/iap/.
Service	A transaction by electronic means between a service provider and a service user. Services cover a wide range of interactivity, from relatively simple one way information services to complex, highly interactive services and a wide range of "trans-Nationality", from local, via regional and international to trans- and pan-European. In the context of eTEN services will be favoured with higher levels of interactivity, trans-nationality and public interest.
Service of common interest	The expression "Services of common interest" stems from the EU Treaty. The concept refers to joint activities that may apply to several policy areas and several member states.
Service of public interest	Services in the Public Interest are services that are of widespread benefit in a social or economic sense. They address public sector needs; are non-discriminatory; are of interest to several Member States; and can apply to one or several policy areas. Their role is deemed essential for increasing the quality of life for all citizens and for overcoming social exclusion and isolation. Public administrations are normally involved in the production and delivery chain of the service.
SME	An enterprise that satisfies the criteria laid down in the Commission Recommendation of April 3, 1996 concerning the definition of small and medium size enterprises (OJ L 107, 30.4.1996, p. 4)has no more than 250 employees; has annual turnover of no more than 40 million Euro; is independent.
Socio-economic net benefits	Capacity of a project to generate net benefits for society at large, whether captured or not by the market, and quantifiable in monetary terms or not. It allows for the inclusion of qualitative factors in the final judgement of a project.

Sustainable Operation / Deployment	Operation / Deployment (of a service) in an (expected) continuous mode, not relying on temporary subsidies or other ad hoc support, but entirely funded and supported by the entities normally involved in the production and use of the service.
Total investment cost (Market Validation)	Total investment cost is comprised of the costs of the actions to be carried out by the grant beneficiaries during the lifetime of the Market Validation study as described in the technical annex of the grant agreement plus the costs of the actions to be carried out by the grant beneficiaries during a subsequent Initial Deployment Project. For Market Validation projects only an estimate of the costs of the Initial Deployment phase is known. This estimate of the total investment cost is agreed at grant agreement negotiation and is valid for the duration of the Market Validation study irrespective of any outcome of the project that might revise it upwards or downwards. Market Validation Funding is bound by three rules: • Full Cost partners are funded at up to 50% of their eligible cost. • Additional Cost partners are funded at 100% of their eligible additional costs plus an overhead contribution. • The maximum funding cannot exceed 10% of the total investment cost as estimated at negotiation time.
Total investment cost (Initial Deployment)	Total Investment Cost of an Initial Deployment Project is comprised of the costs of the actions to be carried out by the grant beneficiaries during the lifetime of the Initial Deployment Project as described in the technical annex of the grant agreement, plus the cost of a preceding Market Validation study if it occurred and if it was funded by the eTEN programme. Initial Deployment funding is bound by three rules: • The maximum combined Community funding of the initial deployment phase and market validation phase (if it occurred and was funded by the eTEN programme) cannot exceed 30% of the total investment cost. • Initial Deployment funding is paid pro-rata to the eligible project costs up to 30% of the total investment cost. • The grant-aid to additional cost (AC) partners is calculated as above but is limited to a ceiling of 100% of additional costs plus an overhead contribution.
Trans-European	A project conceived to satisfy needs existing in several Member States. As a general rule, projects shall be implemented in several Member States but implementation in a single Member State is allowed if it contributes to a broader trans-European interest.
Value chain	This includes all participants involved in the deployment of a service, from the developers, through service and content providers to users. It can comprise all types of entities such as commercial and public organisations, non-profit associations and citizens.