



# Connecting Europe Facility (CEF)

## Call for proposals

CEF 2 Digital - 5G for Smart Communities  
CEF-DIG-2022-5GSMARTCOM

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## HEALTH AND DIGITAL EXECUTIVE AGENCY (HaDEA)

HaDEA B - Digital, Industry and Space  
HaDEA B1 - Connecting Europe Facility - Digital

### CALL FOR PROPOSALS

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## 0. Introduction

This is a call for proposals for EU **action grants** in the field of “5G for smart communities” under the Digital strand of the **Connecting Europe Facility (CEF)**.

The regulatory framework for this EU Funding Programme is set out in:

- Regulation 2018/1046 ([EU Financial Regulation](#))
- the basic act ([CEF Regulation 2021/1153](#)<sup>1</sup>).

The call is launched in accordance with the [2021-2025 Work Programme](#)<sup>2</sup> and will be managed by the European Health & Digital Executive Agency (HaDEA) (hereafter ‘the Agency’) on behalf of the European Commission.

The call covers the following **topic**:

- **CEF-DIG-2022-5GSMARTCOM-WORKS – 5G for Smart Communities - Works**

NOTE: The term ‘project’ used in the call documentation is synonymous to the term ‘action’ used in the CEF Regulation 2021/1153.

We invite you to read carefully the **call documentation** on the Funding & Tenders Portal Topic page, and in particular this Call Document, the Model Grant Agreement, the [EU Funding & Tenders Portal Online Manual](#) and the [EU Grants AGA – Annotated Grant Agreement](#).

These documents provide clarifications and answers to questions you may have when preparing your application:

- the [Call Document](#) outlines the:
  - background, objectives, scope, activities that can be funded and the expected results (sections 1 and 2)
  - timetable and available budget (sections 3 and 4)

<sup>1</sup> Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility (OJ L 249, 14.7.2021, p. 38–81).

<sup>2</sup> Commission Implementing Decision C(2021) 9463 final of 16 December 2021 concerning the adoption of the work programme for 2021-2023 and the financing decision for the implementation of the Connecting Europe Facility (CEF).

- admissibility and eligibility conditions (including mandatory documents; sections 5 and 6)
- criteria for financial and operational capacity and exclusion (section 7)
- evaluation and award procedure (section 8)
- award criteria (section 9)
- legal and financial set-up of the Grant Agreements (section 10)
- how to submit an application (section 11)
- the Online Manual outlines the:
  - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
  - recommendations for the preparation of the application
- the AGA — Annotated Grant Agreement contains:
  - detailed annotations on all the provisions in the Grant Agreement the successful applicants will have to sign in order to obtain the grant (*including cost eligibility, payment schedule, accessory obligations, etc.*).

## 1. Background

In line with Articles 8(4)a and 9(4)a of the CEF Regulation 2021/1153<sup>3</sup>, CEF Digital will support local innovators that rely on the new capabilities provided by 5G networks to deliver public services more efficiently, contributing in this way to economic progress as well as social cohesion, especially when the projects are located in sparsely populated, sub-urban or rural areas.

The CEF financial support should contribute to provide the underlying connectivity which is needed to enable the set-up of innovative solutions improving the provision of services by public authorities and providers of services of general interest (SGIs), or services of general economic interest (SGEIs). This support will help the entities in charge of the provision of those services to become "smarter", i.e. more efficient, resilient and able to adapt according to the evolving needs of citizens, the environment and the economy and society at large. The pilots deployed by the 5G PPP (Public Private Partnership) demonstrated the added value of 5G connectivity<sup>4</sup>.

By supporting local innovation in the provision of such services thanks to the deployment of 5G systems, this type of innovative solutions for "smart communities" will provide blueprints for digital innovation projects. The objective is to set examples for similar type of projects, which will spread and be replicated across Europe, while using other type of funding or financing opportunities (e.g. Recovery and Resilience Facility (RRF) or other programmes.)

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<sup>3</sup> Actions supporting the deployment of and access to very high-capacity networks, including 5G systems, capable of providing Gigabit connectivity in areas where socio-economic drivers are located.

<sup>4</sup> Examples that illustrate 5G use cases can be found on the website of the 5G PPP: <https://5g-ppp.eu/verticals/>

Already today, European cities have made efforts to develop the necessary platforms to provide services enabled by high-speed connectivity<sup>5</sup>. In parallel, the Digital Education Action Plan<sup>6</sup> has identified connectivity as a critical component for a high-performing digital education ecosystem. Tackling connectivity gaps is one of the key enabling factors suggested under the Structured Dialogue on digital education and skills with Member States. Similarly, recent studies show that healthcare centres need networks providing significant bandwidth to cover digital use cases integrating the use of electronic health records, real time medical imaging and patient health monitoring. Other use cases, such as emergency health monitoring and care in ambulances or continuous health monitoring and support outside healthcare facilities, could also benefit from the new capabilities brought by 5G connectivity.

The COVID-19-induced health crisis has further underlined the importance of state-of-the-art connectivity to support the functioning of public administrations as well as the provision of key public services, especially in rural areas. Coupling local demand for specific applications tailored to the socio-economic drivers providing those services with the availability of 5G connectivity funded under CEF Digital will pave the way for concrete 5G-enabled use cases, which will modernise specific sectors and unlock digital growth across Europe.

## **2. Objectives — Scope (including digital security requirements) — Expected impact**

### Objectives

The aim of this call is to support the early deployment of 5G-based systems that enable use cases for certain socio-economic drivers (SEDs). Within the context of this call, the targeted SEDs are public authorities exercising public powers and public or private entities entrusted with the operation of SGIs or SGEIs.

For guidance on whether a service is of general interest or general economic interest, applicants may refer to section 6 - Eligibility - Consortium composition. The ultimate responsibility to define what constitutes a SGI or SGEI lays with the Member States; however, the Commission has adopted guidance documents on the conditions applicable to public service compensation.

Projects funded under this call are expected to:

- a) Deploy 5G infrastructures capable of delivering leading-edge connectivity with characteristics (such as Gigabit performance, high-user-density, ubiquitous coverage, capacity to connect IoT devices, low latency and reliability) that are capable of supporting innovative ways of improving the provision of public services and SGIs or SGEIs;
- b) Where necessary, bundle the deployed 5G networks with a cloud-to-edge middleware stack<sup>7</sup> capable of supporting the data-intensive use cases and applications required by the involved SEDs.

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<sup>5</sup> Refer for example to [www.living-in.eu](http://www.living-in.eu) and the [Local Digital Twins workshop](#).

<sup>6</sup> COM/2020/624 final [https://ec.europa.eu/education/sites/education/files/document-library-docs/deap-communication-sept2020\\_en.pdf](https://ec.europa.eu/education/sites/education/files/document-library-docs/deap-communication-sept2020_en.pdf)

<sup>7</sup> See topic 2.2.1 of the [2021/2022 work programme of the Digital Europe Programme](#).

The call aims to support 5G best practices beacons in different sectors that can serve as templates for possible replication with other resources, national or EU, or under other programmes (in particular RRF).

These projects are indirectly expected to demonstrate the potential capabilities and benefits of 5G networks and therefore stimulate the wider and faster deployment and take up of 5G across Europe. Projects will also contribute to provide the foundation for the development of “lead markets” for 5G and cloud-to-edge systems, eventually relying on technologies and standards developed under other EU programmes, in particular the Digital Europe Programme and Horizon Europe.

Projects using open, disaggregated and interoperable technology solutions and which allow the emergence of a European ecosystem of 5G suppliers are encouraged.

The indicative size of the CEF contribution to the financing of each project is expected to be in the range of **EUR 300 000 to EUR 5 000 000** (see section 6). This range of project size is only indicative as the budget depends on the scope and objectives of the proposal and is based on the costs needed to achieve them.

### Scope

The CEF funding will cover the deployment of 5G infrastructure elements required to implement innovative use-cases by public authorities and SGI/SGEI providers. Proposals funded under the call are expected to rely on performance characteristics of the 5G technology that are indispensable to implement one or more use cases allowing the concerned public authority or SGI/SGEI provider(s) to deliver new or more efficient services.

CEF funding will support the network **infrastructure elements** of the project, both **active** (5G radio equipment) and **passive**<sup>8</sup> (when the installation and connection of additional base stations is necessary). As indicated below, a limited investment (indicatively in the order of 10% of the total eligible costs threshold) to complete or upgrade the interconnection of the project with public electronic communication networks is also eligible.

The **upgrade of existing infrastructure** which does not currently provide sufficient quality for the use case is in scope.

The deployment or upgrade of **backhaul** and access networks connecting the premises where the 5G-supported project will be deployed with public electronic communication networks is not the main focus of this call. In principle, a Gigabit access network connecting the project should either already exist or be planned in parallel to the project. However, the proposal may include a limited investment to complete or upgrade such access (indicatively in the order of 10% of the total eligible costs).

In addition, if necessary for the implementation of the use case, the project can include the interconnection to federated **cloud and edge computing infrastructures**<sup>9</sup>.

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<sup>8</sup> Active equipment could include antennas, base stations, small cells; Passive equipment could include masts, poles, building infrastructure, power cabling.

<sup>9</sup> In line with the CEF Regulation 2021/1153, the funding of these services itself is outside the scope of this call. Those services could be funded under other EU programmes or funding sources at regional, national or European level.

In both cases, backhaul/access networks and interconnection to cloud/edge computing infrastructures, such investments must be necessary to support the implementation of the 5G project related to the activity of the public authority or of the SGI/SGEI provider concerned by the proposal. Within this maximum 10% threshold, CEF funding cannot exceed the net cost incurred for the deployment of the backhaul/access network or cloud/edge computing infrastructure linked to the 5G use case in question.

CEF will finance the costs incurred in building infrastructure used to provide the 5G services to the eligible public administrations or public or private entities entrusted with the operation of SGIs or SGEIs, calculated on the basis of generally accepted cost accounting principles.

**Connectivity elements of mobile or fixed devices**, such as antenna equipment, transceivers and connected sensors, are eligible for funding.

Licenses and software for 5G connectivity are eligible for funding. However, (in line with the CEF Regulation 2021/1153), the application services layer and its related software services that make use of the supported network infrastructure are not within the scope of this call.

Projects will also need to demonstrate that **the infrastructure will be operated** in a forward-looking and future-proof way based on state-of-the-art protocols and standards (such as e.g. IPv6).

Proposals will need to justify the availability of the **necessary co-funding** for the 5G connectivity deployment as well as the financing of any costs linked to the execution of the whole 5G use case project (e.g. end-user devices, sensors, connectivity subscriptions etc.) that are not covered under this call.

The project must be located in an area where **no 5G network** able to provide the performance and quality of service needed by the supported use case is commercially available. For this reason, the description of the 5G innovative use case mentioned in the previous paragraph must be accompanied by a statement declaring that, after verification with each of the mobile network operators active in the area, the required 5G connectivity is not commercially available at the end-user location.

Furthermore, each proposal should be **supported by local and/or regional authorities** in the area where the deployment is foreseen. This support may take the form of supporting documents such as administrative letters, letters of intent, memoranda of understanding, or others and should include an indication of any plan for other type of public financial support for the roll-out of a 5G network in that specific area known to the abovementioned authorities.

Mobile Network Operator(s) that take part in the consortium should commit to not declare to the competent authorities any additional mobile coverage resulting from the implementation of the project to justify their **fulfilment of any applicable coverage obligation** (e.g. if they are subject to a coverage obligation attached to a spectrum licence).

Proposals supporting **use cases** in the **healthcare and education sector** will be considered as having a high impact. Such impact will be taken into account when evaluating the proposals under the "Priority and urgency of the action" award criterion (*see section 9*).

The description of the proposed **use case** must contain all the elements demonstrating its viability, the future availability of services and equipment required on top of the connectivity, the business plan, the technical architecture and the technology readiness level (TRL). If a public procurement procedure needs to be



launched by a beneficiary to achieve the project goals then this must be specified in the description.

The description of the use cases should include the provided service and demonstrate that it requires 5G connectivity.

The added value and scope of the innovations enabled by the 5G use cases will be taken into account in the evaluation of the proposals (*see section 9*).

If a proposal demonstrates more than one 5G-based use case, this will be taken into account positively in the assessment of its “impact” in the evaluation (*see section 9*).

Impact on **green policy** objectives, in particular in terms of reducing the carbon footprint, will be taken into account when evaluating proposals under “Impact” award criterion (*see section 9*).

In case of co-financing from national funds (including Cohesion Policy Programmes and the RRF) **State aid rules** within the meaning of Article 107(1) TFEU may apply (*see section 10 of the Work Programme for details*).

Without prejudice to the application of State Aid rules, it is expected that even for such national co-financing, the presence of State aid may be ruled out in some cases, notably in the absence of any economic activity when the network is deployed to be used exclusively by entities in the exercise of public powers or acting in their capacity as public authorities<sup>10</sup>. This can also be the case, for instance, when the network supports exclusively the provision of services by public hospitals that are an integral part of a national health service and or by education centres within the national education system, under certain conditions<sup>11</sup>.

If the presence of State aid cannot be excluded for such national co-financing, it could be considered under certain conditions compatible without the need of a notification, for instance in the case of networks rolled out for the exclusive use of end-users charged with the provision of SGEIs meeting certain conditions<sup>12</sup>. Outside those cases, a notification from the public authority to the European Commission might be required for other SGEI use cases<sup>13</sup>.

National co-financing that constitutes state aid can be considered compatible without the need of a notification if the supported infrastructure is located in an area without existing or planned 4G coverage and the project meets the conditions of article 52a of the General Block Exemption Regulation<sup>14</sup> or if a Decision declaring the measure compatible with the internal market has been adopted by the Commission.

As a general rule, the financed 5G infrastructure will be dedicated and used to support 5G services for the public authorities or SGI/SGEI socio-economic drivers that will

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<sup>10</sup> See section 2.2. of the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union, OJ C 262, 19.7.2016.

<sup>11</sup> Ibidem, sections 2.4. and 2.5.

<sup>12</sup> See for a description, the Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest Official Journal C8, 11.01.2012, [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111\(02\)](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111(02)) and the Commission Decision of 20 December on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest Official Journal L7, 11.01.2012, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32012D0021>.

<sup>13</sup> See the Communication from the Commission, European Union framework for State aid in the form of public service compensation (2011) Official Journal C8, 11.01.2012, [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111\(03\)](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111(03)).

<sup>14</sup> Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20210801> (consolidated version).

provide the innovative use cases. Under this scenario, all the costs directly linked to the provision of 5G services to the eligible SEDs can be taken into consideration. CEF co-financing shall not exceed what is necessary to cover the net cost incurred, as follows:

Where the 5G infrastructure in question is also used for providing services to other entities than the eligible socio-economic drivers, specific conditions will apply, during the lifetime of the project, notably<sup>15</sup>:

- The operator deploying the infrastructure shall maintain internal accounts that show separately the costs and revenues associated with the provision of 5G services to the eligible SEDs and those related to other activities (notably a use of the same 5G infrastructure to provide commercial services), as well as the parameters for allocating costs and revenues;
- The costs linked with investments, notably concerning infrastructure, shall be allocated per usage, and may only be taken into account for the purpose of CEF financing insofar as necessary for the provision of 5G services to the eligible SEDs;
- The costs linked to any activities outside the scope of the provision of 5G services to the eligible SEDs concerned shall cover all the direct costs, an appropriate contribution to the common costs and an adequate return on capital.

Proposals funded after this call may **include synergetic (ancillary) elements** relating to another sector of the CEF programme, i.e. energy and transport, if these synergetic elements allow to significantly improve the socio-economic, climate or environmental benefits of the action. CEF co-funding may be provided as long as the cost of these synergetic elements does not exceed 20% of the total eligible costs of the action.

Proposals should identify the **owner(s) of the infrastructure** supported by the project and describe the conditions of access to it, as well as the operational relationship(s) between the different participants in the value chain for providing services. Therefore, the proposal should describe the tariffs that the operator of the supported infrastructure charges for access to the providers of the 5G innovative use case and the methodology that it uses to calculate these tariffs: it will be taken into account in the evaluation of the “impact” award criterion (*see section 9*). In any case, the price charged by the entity operating the 5G funded infrastructure to the public authority or provider of the SGI/SGEIs for the 5G access service should not exceed the price charged under market conditions such as those prevailing in other competitive markets and should take into account the public funding received. The price charged should contribute to encourage to the maximum extent possible the use of the deployed capacity by its end-users.

The sustainability of the proposal will be taken into account in the “impact” award criterion (*see section 9*). Proposals should define post-project ownership and describe the mechanism(s) set in place for long term cooperation and sustainability and identify/describe the usage of the infrastructure beyond the project use cases and the project lifetime.

In order to accelerate the development of edge computing solutions, proposals should **foresee activities** to develop concepts and facilities for the interconnection of the

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<sup>15</sup> For more information, see the Communication from the Commission, European Union framework for State aid in the form of public service compensation (2011) Official Journal C8, 11.01.2012, p. 15-22, [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111\(03\)](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111(03))

newly deployed 5G services for smart communities with edge computing facilities and federated cloud infrastructures, as well as relevant operational digital platforms funded under the CEF Digital and the Digital Europe programmes.

For this purpose, some form of cooperation with the **Programme Support Action – “Integration of 5G with edge computing and federated cloud facilities”**, which accompanies the 5G corridors and 5G for smart communities’ deployment projects, should be foreseen. Proposals should also foresee cooperation with other relevant Programme Support Actions, in particular the *programme support action for “5G for Smart Communities”*, which will gather data and best practises from projects in order to create a set of “blueprints” that can be replicated at EU level under other funding programmes.

The project is expected to deliver not only the 5G connectivity infrastructure but also lead to a transformation in the provision of services by a public authority or a provider of SGIs or SGEIs within the duration of the project.

Even though the end-users may not be in charge of deploying the network infrastructure, they have to jointly apply to this call with the above-mentioned operator(s), describing (as part of Application Form Part B) the 5G innovative use case(s) they plan to develop.

### Digital security requirements

All the proposals submitted to this topic must include security declarations by participating entities, which confirm and demonstrate that the network technologies and equipment (including software and services) funded on the basis of the CEF programme comply with security requirements as specified in the present call text, in accordance with the applicable EU law, national law, and EU guidance on cybersecurity<sup>16</sup>. The content of these declarations will be assessed during the evaluation phase.

All participating legal entities will have to provide security guarantees approved by the Member State<sup>17</sup> in which they are established, on the basis of national law.

These guarantees, will certify that the legal entity:

- a) Exercises full control over its corporate structure and decision-making process in a manner that does not restrain or restrict in any way its ability to perform and complete the action and is not subject to foreign jurisdiction obligations that may undermine the security of the Union;
- b) Effectively prevents access by non-eligible third countries or by non-eligible third country entities to classified and non-classified sensitive information relating to the action;

<sup>16</sup> Such as: the Commission Recommendation (EU) 2019/534 of 26 March 2019 Cybersecurity of 5G networks, C/2019/2335; the Report on EU Coordinated Risk Assessment of the Cybersecurity of 5G Networks of 9 October, 2019; the Council Conclusions on the Significance of 5G to the European Economy and the Need to Mitigate Security Risks Linked to 5G of 3 December, 2019; the Cybersecurity of 5G networks - EU Toolbox of Risk Mitigating Measures of 29 January, 2020; and COM(2020)50 of 29 January 2020 on Secure 5G deployment in the EU – implementing the toolbox.

<sup>17</sup> The approval can be provided in the context of Art 11.6, which says: “To be eligible, proposals shall be submitted:(a) by one or more Member States; or (b) with the agreement of the Member States concerned, by international organisations, joint undertakings, or by public or private undertakings or bodies, including regional or local authorities. If the Member State concerned does not agree with a submission under point (b) of the first subparagraph, it shall communicate that information accordingly.”

c) Ensures that the results of the CEF funded action shall remain within the beneficiary/beneficiaries and shall not be subject to control or restrictions by non-eligible third countries or other non-eligible third country entities during the action and for a minimum period of three years after its completion;

d) The involved legal entity fulfils the strictest cybersecurity requirements imposed by national law, on the basis of the 5G toolbox and relevant EU law, of all the Member States where the deployed infrastructure is located.

Proposals for this topic, in the digital security section in the application form, must address the following risk scenarios and mitigating measures as described in the [5G networks EU Toolbox of risk mitigating measures](#):

- involvement of high risk suppliers (as defined in the [EU coordinated risk assessment on cybersecurity of 5G networks](#)); restrictions applied against such suppliers for critical and sensitive key assets and measures to avoid dependency on such high risk suppliers
- measures to promote supply chain resilience and strategic autonomy (in line with the [5G networks EU Toolbox of risk mitigating measures](#))
- security requirements for network operators (*e.g. strict access controls, rules on secure operation and monitoring, limitations on outsourcing of specific functions, etc.*)
- measures adopted to prevent unsolicited transfer to, or access by, third parties of the data (personal or non-personal) stored or transported in the context of the project.

Based on the security declarations in the proposals, as well as the evaluation carried out by independent experts, the Commission or the Agency, where appropriate, may carry out a follow-up assessment of the fulfilment of the security conditions in the declaration, including as regards the beneficiaries' suppliers and sub-contractors. Funding for actions or entities which do not comply with the conditions related to security may be suspended, terminated, or reduced at any time in accordance with the Financial Regulation.

For further background on security requirements, see sections 8.2, 8.3 and 8.4 as well as sections 2 (paragraph "*Strengthen cybersecurity and resilience*") and section 3.2.3 of the CEF Digital Work Programme.

### Expected impact

CEF funding support is expected to accelerate the take-up of 5G connectivity for the provision of innovative services and contribute to a wider deployment and take-up of 5G at the same time. Such services may help reboot the overall economy after the COVID crisis, as well as support the transition towards the smart provision of services in line with the objectives of the European Green Deal. Such 5G enabled innovation can include:

- IoT infrastructure and community services that require a flexible, low-latency, reliable, high-user-density connectivity infrastructure, e.g. through a combination of fibre and wireless connectivity (5G, small cells, and Wi-Fi) that is IPv6 enabled.

- 5G-based use cases that leverage new 5G characteristics, e.g.: higher bandwidth and ubiquitous coverage (eMBB), ultra-low latency (uRLLC), massive machine-type (mMTC)<sup>18</sup>.
- Process and data innovations that require connectivity infrastructures with advanced service features, e.g. quality of service guarantees enabled by edge computing facilities and support by network slicing.
- Projects using open, disaggregated, interoperable technology solutions and which allow the emergence of a European ecosystem of 5G suppliers.

In addition to the support for local innovation, the EU added value is also based on the dissemination of the experience gained through the early adoption of concrete 5G use cases. This will contribute to gaining insights and increasing maturity for 5G-based applications in different sectors. The projects are expected to contribute to the dedicated Programme Support Action (see Section 5.3 of the Work Programme).

The key performance indicator for this call will include the number of new users of the 5G networks and the number of 5G-based use cases enabled as a result of CEF Digital support.

Beneficiaries will be required to share their knowledge, achievements and lessons learnt, in order to demonstrate to citizens the benefits of 5G by providing concrete examples of 5G based use cases for public authorities or SGI/SEGEI providers.

It is expected that proposals funded under this call will stimulate a larger deployment and take up of 5G use cases. This could also possibly be supported under the RRF, replicating best practices. The synergy with RRF may encompass wider “local digital transition projects” in which the 5G connectivity would be (co-)funded under this call and the remaining modules that are not covered by this call (e.g. the deployment of local computing, data or other digital capacities and solutions) would be funded under RRF or other programmes.

In this call, the EU added value under the “Priority and Urgency” criterion (see *section 9*) will be addressed mainly by the synergy between projects and there is no requirement for one single project to deploy infrastructure in more than one Member State, hence a cross-border dimension is not required.

<sup>i</sup> For more information about the call, see [https://hadea.ec.europa.eu/calls-proposals\\_en](https://hadea.ec.europa.eu/calls-proposals_en).

### 3. Available budget

The available call budget is **EUR 50 000 000**. This budget might be increased provided that the total additional budget cumulatively allocated to the topic across all calls of the work programme is lower than 20% of the total budget of the multiannual plan.

We reserve the right not to award all available funds, depending on the proposals received and the results of the evaluation.

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<sup>18</sup> eMBB: enhanced Mobile Broadband; URLLC: Ultra-reliable low-latency communication; mMTC: Massive machine type communications.

#### 4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	12 October 2022
<u>Deadline for submission:</u>	<u>21 March 2023 – 17:00:00 CET</u> <u>(Brussels)</u>
Evaluation:	April-June 2023
Information on evaluation results:	July 2023
GA signature:	November 2023

#### 5. Admissibility and documents

Proposals must be submitted before the **call deadline** (see *timetable section 4*).

Proposals must be submitted **electronically** via the Funding & Tenders Portal Electronic Submission System (accessible via the Topic page in the [Search Funding & Tenders](#) section). Paper submissions are NOT possible.

Proposals (including annexes and supporting documents) must be submitted using the forms provided *inside* the Submission System (⚠ NOT the documents available on the Topic page — they are only for information).

Proposals must be **complete** and contain all the requested information and all required annexes and supporting documents:

- Application Form Part A — contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities) and the summarised budget for the project (*to be filled in directly online*)
- Application Form Part B — contains the technical description of the project (*to be downloaded from the Portal Submission System, completed and then assembled and re-uploaded*). *This description should contain the description of the infrastructure as well as the description of the use case(s).*
- Part C (*to be filled in directly online*) containing additional project data
- **mandatory annexes and supporting documents** (*to be uploaded*):
  - detailed budget table per Work Package (*template available in the Submission System*). The table should contain one or several dedicated work packages related to the use case(s).
  - activity reports of last year (unless exempted from operational capacity check; see *section 7*)
  - list of previous projects (key projects for the last 4 years) (*template available in Part B*)
  - timetable/Gantt chart (*template available in the Submission System*)
  - letters of support (MS agreement) (*template available in the Submission System; the list of MS contact points is published in the [HaDEA website](#)*)

- security declarations signed by the participating entities (*template available in the Submission System*)
- security guarantees approved by the respective Member States (*template available in the Submission System; the list of MS contact points is published in the [HaDEA website](#)*).  
 Exceptionally, should a Member State require more time to provide its approval, the applicants must submit, by the call deadline, a copy of the security guarantee and the acknowledgment of receipt of the request by the Member States. In this case, the security guarantees approved by the Member States must be sent by the proposal coordinator to [HADEA-CEF-DIGITAL-CALLS@ec.europa.eu](mailto:HADEA-CEF-DIGITAL-CALLS@ec.europa.eu) by 22 May 2023, 17:00:00 CEST (Brussels) at the latest, identified with the proposal ID in the email subject.
- self-declaration for any user of the planned funded 5G connectivity services that it is a public authority or a provider of Services of General Interest or Services of General Economic Interest (*to be uploaded in the Submission System in "Other annexes"*)
- self-declaration for any user of the planned funded 5G connectivity services that no 5G connectivity service ensuring sufficient performance and quality for the innovative use case(s) is available to them on the market (*to be uploaded in the Submission System in "Other annexes"*)
- self-declaration for any funded Mobile Network Operator that they will not count the coverage of the SGI provider(s) involved in the consortium against the fulfilment of their coverage obligation (if they are subject to any coverage obligation for example attached to a spectrum licence) (*to be uploaded in the Submission System in "Other annexes"*)
- letter from the local and/or regional authorities in the area where the deployment is foreseen to take place. This may take the form of administrative letters, letters of intent, memoranda of understanding, or similar support documents and include an indication that no plans for other type of public support for the roll out of a 5G network is known to the abovementioned authorities (*to be uploaded in the Submission System in "Other annexes"*)
- other annexes.

Please note that the amounts entered into the summarised budget table (filled in directly online) must correspond to the amounts calculated in the detailed budget table. In case of discrepancies, the amounts in the online summarised budget table will prevail.

At proposal submission, you will have to confirm that you have the **mandate to act** for all applicants. Moreover, you will have to confirm that the information in the application is correct and complete and that the participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc.). Before signing the grant, each beneficiary and affiliated entity will have to confirm this again by signing a declaration of honour (DoH). Proposals without full support will be rejected.

Your application must be **readable, accessible and printable**.

Proposals are limited to maximum **120 pages** (Part B). Evaluators will not consider any additional pages.

You may be asked at a later stage for further documents (*for legal entity validation, financial capacity check, bank account validation, etc.*).

For more information about the submission process (including IT aspects), consult the [Online Manual](#).

## 6. Eligibility

### Eligible participants (eligible countries)

In order to be eligible, the applicants (beneficiaries and affiliated entities) must:

- be legal entities (public or private bodies); and
- be established in one of the eligible countries, i.e.
  - EU Member States (including overseas countries and territories (OCTs))
  - countries associated to the CEF Programme ([list of participating countries](#))<sup>19</sup>

Beneficiaries and affiliated entities must register in the [Participant Register](#) — before submitting the proposal — and will have to be validated by the Central Validation Service (REA Validation). For the validation, they will be requested to upload documents showing legal status and origin.

Other entities may participate in other consortium roles, such as associated partners, subcontractors, third parties giving in-kind contributions, etc. (see *section 13*).

Moreover:

- participation in any capacity (as beneficiary, affiliated entity, associated partner, subcontractor or recipient of financial support to third parties) is limited to entities from eligible countries
- project activities (included subcontracted work) must take place in eligible countries (see *section geographic location below and section 10*)
- the Grant Agreement may provide for IPR restrictions (see *section 10*).

### Specific cases

Natural persons — Natural persons are NOT eligible (with the exception of self-employed persons, i.e. sole traders, where the company does not have legal personality separate from that of the natural person).

International organisations — International organisations<sup>20</sup> are eligible. The rules on eligible countries do not apply to them.

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees

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<sup>19</sup> See Art 5.2 of CEF Regulation 2021/1153: the third countries associated to CEF and entities established in those countries, may not receive financial assistance under CEF except where it is indispensable to the achievement of the objectives of a given project of common interest or a project in accordance with Article 7(1) of this Regulation and under the conditions set in the work programme.

<sup>20</sup> An 'international organisation' means an intergovernmental organisation (other than the EU) with legal personality under international public law (including specialised agencies — with or without legal personality — set up by international organisations and referred to in Article 156(1) EU Financial Regulation [2018/1046](#).



for the protection of the EU financial interests equivalent to that offered by legal persons<sup>21</sup>.

EU bodies — EU bodies (with the exception of the European Commission Joint Research Centre) can NOT be part of the consortium.

EU restrictive measures — Special rules apply for certain entities (*e.g. entities subject to [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)*<sup>22</sup> and entities covered by Commission Guidelines No [2013/C 205/05](#)<sup>23</sup>). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

**i** For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### Consortium composition

Proposals must be submitted by minimum 2 applicants (beneficiaries; not affiliated entities) including at least:

- an entity which deploys and operates mobile networks (hereafter referred to as “operator” or “MNO”) and
- a public authority or a provider of SGIs or SGEIs.

For this call for proposals, entities that provide connectivity services that are dedicated to clients, also referred to as “private networks” are eligible as operators.

Moreover, entities that do not have themselves the right to use the frequency spectrum should justify whether *e.g.*, they will use unlicensed spectrum or partner with an undertaking that has the right to use the necessary frequency spectrum.

### Service of General Interest (SGI) or Service of General Economic Interest (SGEI)

As described above in the Background and Scope sections, the end-users in this call should be either public authorities or entities providing an SGI or an SGEI.

Unless the Member State concerned has decided to introduce market mechanisms for their provision, activities that intrinsically form part of the prerogatives of official authority and are performed by the State are covered by this call (see examples<sup>24</sup>.)

<sup>21</sup> See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>22</sup> Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the [EU Sanctions Map](#).

<sup>23</sup> Commission guidelines No [2013/C 205/05](#) on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).

<sup>24</sup> Examples (non-exhaustive):

Health sector: In the health sector, projects could notably concern public hospitals and health centres that are an integral part of a national health service, are directly funded from social security contributions and other State resources and provide their services free of charge on the basis of universal coverage based on the principle of solidarity. See section 2.4. (Health Care) of the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union.

Education: Projects supporting centres of public education (*e.g.* schools, professional training centres and universities) organised within the national educational system funded and supervised by the State are equally eligible. See section 2.5. (Education and research activities) of the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union

Port authorities: As follows from the Commission's decision-making practice, public funding of port infrastructure favours an economic activity and is hence in principle subject to State aid rules and

Typically, this includes most activities linked to public administration but also activities such as the army, the police or air navigation and maritime traffic control and safety<sup>25</sup> (see also the State Aid part of *section 2*).

Other eligible service providers may vary according to each Member State.

The ultimate responsibility to define what constitutes a SGI/SGEI lays with each Member State but the Commission has adopted a number of guidance documents on the conditions applicable to public service compensation<sup>26</sup>.

### Eligible activities

Eligible activities are the ones set out in section 2 above.

Projects should take into account the results of projects supported by other EU funding programmes. The complementarities must be described in the project proposals (Part B of the Application Form).

Projects must comply with EU policy interests and priorities (*such as environment, social, security, industrial and trade policy, etc.*).

Financial support to third parties is not allowed.

### Geographic location (target countries)

Proposals must relate to activities taking place in the eligible countries (*see above*).

### Duration

Projects should normally range up to 36 months (extensions are possible, if duly justified and through an amendment).

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outside the CEF scope. However, investment for infrastructure that is necessary for activities that fall under the responsibility of the State in the exercise of its public powers are not subject to State aid control. For instance, maritime traffic control, firefighting, police and customs are in general of such non-economic nature and can be supported by CEF.

More examples may be found here: [Services of general interest | European Commission](#)

<sup>25</sup> For additional examples, see section 2.2. (Exercise of public powers) of the Commission Notice on the notion of State aid as referred to in Article 107(1) of the Treaty on the Functioning of the European Union [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719\(05\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719(05)&from=EN)

<sup>26</sup> For more information on SGEIs, see:

- The dedicated Commission webpage [https://competition-policy.ec.europa.eu/state-aid/legislation/sgei\\_en](https://competition-policy.ec.europa.eu/state-aid/legislation/sgei_en)
- the Communication from the Commission on the application of the European Union State aid rules to compensation granted for the provision of services of general economic interest, Official Journal C8, 11.01.2012, p. 4-14, [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111\(02\)](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111(02))
- the Commission Decision of 20 December on the application of Article 106(2) of the Treaty on the Functioning of the European Union to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest, Official Journal L7, 11.01.2012, p. 3-10, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32012D0021>
- the Communication from the Commission, European Union framework for State aid in the form of public service compensation (2011) Official Journal C8, 11.01.2012, p. 15-22, [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111\(03\)](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52012XC0111(03))
- the Commission Staff Working Document "Guide to the application of the European Union rules on state aid, public procurement and the internal market to services of general economic interest, and in particular to social services of general interest", SWD(2013) 53 final/2, [https://ec.europa.eu/competition/state\\_aid/overview/new\\_guide\\_eu\\_rules\\_procurement\\_en.pdf](https://ec.europa.eu/competition/state_aid/overview/new_guide_eu_rules_procurement_en.pdf)

### Project budget

Project budgets (maximum grant amount) are expected to be indicatively between EUR 300 000 and EUR 5 000 000 per project.

## **7. Financial and operational capacity and exclusion**

### Financial capacity

Applicants must have **stable and sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.

The financial capacity check will be carried out on the basis of the documents you will be requested to upload in the [Participant Register](#) during grant preparation (*e.g. profit and loss account and balance sheet, business plan, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc.*). The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for all beneficiaries, except:

- public bodies (entities established as public body under national law, including local, regional or national authorities) or international organisations
- if the individual requested grant amount is not more than EUR 60 000.

If needed, it may also be done for affiliated entities.

If we consider that your financial capacity is not satisfactory, we may require:

- further information
  - an enhanced financial responsibility regime, i.e. joint and several responsibility for all beneficiaries or joint and several liability of affiliated entities (*see below, section 10*)
  - prefinancing paid in instalments
  - (one or more) prefinancing guarantees (*see below, section 10*)
- or
- propose no prefinancing
  - request that you are replaced or, if needed, reject the entire proposal.

 For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### Operational capacity

Applicants must have the **know-how, qualifications** and **resources** to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature).

This capacity will be assessed together with the 'Quality' award criterion, on the basis of the competence and experience of the applicants and their project teams, including operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time the task implementation starts.

If the evaluation of this award criterion is positive, the applicants are considered to have sufficient operational capacity.

Applicants will have to show their capacity via the following information:

- description of the consortium participants
- applicants' activity reports of last year
- list of previous projects (key projects for the last 4 years).

Additional supporting documents may be requested, if needed to confirm the operational capacity of any applicant.

Public bodies, Member State organisations and international organisations are exempted from the operational capacity check.

### Exclusion

Applicants which are subject to an **EU exclusion decision** or in one of the following **exclusion situations** that bar them from receiving EU funding can NOT participate<sup>27</sup>:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts)
- in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts)
- guilty of grave professional misconduct<sup>28</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision making- or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#) (including if done by persons having powers of representation, decision making- or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision making- or control, beneficial owners or persons who are essential for the award/implementation of the grant).

<sup>27</sup> See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).

<sup>28</sup> Professional misconduct includes: violation of ethical standards of the profession, wrongful conduct with impact on professional credibility, false declarations/misrepresentation of information, participation in a cartel or other agreement distorting competition, violation of IPR, attempting to influence decision-making processes or obtain confidential information from public authorities to gain advantage.

Applicants will also be refused if it turns out that<sup>29</sup>:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information
- they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

## 8. Evaluation and award procedure

The proposals will have to follow the **standard submission and evaluation procedure** (one-stage submission + one-step evaluation).

An **evaluation committee** (assisted by independent outside experts) will assess all applications. Proposals will first be checked for formal requirements (admissibility, and eligibility, *see sections 5 and 6*). Proposals found admissible and eligible will be evaluated (for each topic) against the operational capacity and award criteria (3 phases: individual evaluation, consensus phase and panel review) and then ranked according to their scores (*see sections 7 and 9*).

For proposals with the same score (within a topic or budget envelope) a **priority order** will be determined according to the following approach:

1. Score obtained under the 'Priority and urgency' criterion
2. Score obtained under the 'Maturity' criterion
3. Score obtained under the 'Catalytic effect' criterion
4. Score obtained under the 'Impact' criterion
5. Score obtained under the 'Quality' criterion.

All proposals will be informed about the evaluation result (**evaluation result letter**). Successful proposals will be invited for grant preparation; the other ones will be put on the reserve list or rejected. Proposals that are below the budget threshold (i.e. passed, but not ranked high enough to receive funding) will be awarded a Seal of Excellence.

**⚠️ No commitment for funding** — Invitation to grant preparation does NOT constitute a formal commitment for funding. We will still need to make various legal checks before grant award: *legal entity validation, financial capacity, exclusion check, etc.*

**Grant preparation** will involve a dialogue in order to fine-tune technical or financial aspects of the project and may require extra information from your side. It may also include adjustments to the proposal to address recommendations of the evaluation committee or other concerns. Compliance will be a pre-condition for signing the grant.

If you believe that the evaluation procedure was flawed, you can submit a **complaint** (following the deadlines and procedures set out in the evaluation result letter). Please note that notifications which have not been opened within 10 days after sending are considered to have been accessed and that deadlines will be counted from opening/access (*see also [Funding & Tenders Portal Terms and Conditions](#)*). Please also be aware that for complaints submitted electronically, there may be character limitations.

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<sup>29</sup> See Article 141 EU Financial Regulation [2018/1046](#).

## 9. Award criteria

The **award criteria** for this call are as follows:

- **Priority and urgency:** evaluating correspondence of the proposal with the sectoral policy objectives and priorities, measuring its EU added-value and, where applicable, assessing the possible synergies with other sectors or CEF Digital topics and, where applicable, ensuring a geographical balance of the CEF digital support in the respective area. (5 points)
- **Maturity:** assessing the maturity of the action in the project development. The criterion will measure, among others, i) the readiness/ability of the project to start by the proposed start date and to complete by the proposed end date, ii) the status and planning of the contracting procedures and the necessary permits, and iii) information on the availability of the financial resources needed to complement the CEF investment. (5 points)
- **Quality:** evaluating the soundness of the implementation plan proposed, both from the technical and financial point of view, the architecture and design approach, the organisational structures put in place (or foreseen) for the implementation, the risk analysis, the control procedures and quality management and the communication strategy. Moreover, when applicable, it will also assess the information related to the operations/maintenance strategy proposed for the completed project. (5 points)
- **Impact:** assessing, when applicable, the economic, social, competition and environmental impact, including the climate impact, and other relevant externalities. This criterion may be substantiated by a Cost Benefit Analysis (CBA), in which case the evaluation will look at the soundness, comprehensiveness, and transparency of the analysis as well as proposed means to monitor its impact. The criterion will also assess, where applicable, the safety, security, cybersecurity of electronic communication networks, interoperability and accessibility aspects of the proposal, innovation and digitalisation, its cross-border dimension, and contribution to network integration and territorial accessibility, including particular for Outermost Regions and islands. Moreover, the criterion will assess, where applicable, potential complementarities with other public funding programmes. (5 points)
- **Catalytic effect:** evaluating the effect of the EU financial assistance on the realisation of the project, for instance by overcoming a financial gap generated by insufficient commercial viability, high upfront costs or the lack of market finance, increasing the capacity to mobilise differentiated investments sources, improving the quality of the project or accelerating the overall investment plan. (5 points).

Award criteria	Minimum pass score	Maximum score
Priority and urgency	3	5
Maturity	3	5
Quality	3	5
Impact	3	5
Catalytic effect	3	5
<b>Overall (pass) scores</b>	<b>15</b>	<b>25</b>

Maximum points: 25 points.

Individual thresholds per criterion: 3/5, 3/5, 3/5, 3/5 and 3/5 points.

Overall threshold: 15 points.

## 10. Legal and financial set-up of the Grant Agreements

If you pass evaluation, your project will be invited for grant preparation, where you will be asked to prepare the Grant Agreement together with the EU Project Officer.

This Grant Agreement will set the framework for your grant and its terms and conditions, in particular concerning deliverables, reporting and payments.

The Model Grant Agreement that will be used (and all other relevant templates and guidance documents) can be found on [Portal Reference Documents](#).

### Starting date and project duration

The project starting date and duration will be fixed in the Grant Agreement (*Data Sheet, point 1*). Normally the starting date will be after grant signature. Retroactive application can be granted exceptionally for duly justified reasons — but never earlier than the proposal submission date.

Project duration: up to 31.12.2026 (extensions are possible, if duly justified and through an amendment).

### Milestones and deliverables

The milestones and deliverables for each project will be managed through the Portal Grant Management System and will be reflected in Annex 1 of the Grant Agreement.

Beneficiaries will also be invited to check and update information about output indicators.

### Form of grant, funding rate and maximum grant amount

The grant parameters (*maximum grant amount, funding rate, total eligible costs, etc*) will be fixed in the Grant Agreement (*Data Sheet, point 3 and art 5*).

Project budget (maximum grant amount): projects of any budget are admitted. The grant awarded may be lower than the amount requested.

⚠ Please be aware that you may be asked to request an amendment to reduce the grant awarded if your project encounters major delays during the project implementation. If you do not comply with this request, we may have to terminate the grant (*see art 32*).

The grant will be a budget-based mixed actual cost grant (actual costs, with unit cost and flat-rate elements). This means that it will reimburse ONLY certain types of costs (eligible costs) and costs that were *actually* incurred for your project (NOT the *budgeted* costs). For unit costs and flat-rates, you can charge the amounts calculated as explained in the Grant Agreement (*see art 6 and Annex 2 and 2a*).

The costs will be reimbursed at the funding rates fixed in the Grant Agreement and following the rules set out in Article 15(4) of the CEF Regulation 2021/1153: indeed, the scope of this call as described above is to connect public authorities or providers of Services of General (economic) interest with fifth generation mobile networks (5G). Since these end-users are all Socio-economic drivers according to the definition of Article 2(s) of the CEF 2 Regulation and since 5G is an element of Gigabit connectivity, all the projects will implement the Gigabit connectivity of Socio-economic drivers, so all projects comply with the condition of Article 15(4)(b).

Therefore, **the maximum co-funding rate is 75% for all projects of this call and for all costs categories** ('project funding rate'). Applicants must ensure they chose the maximum co-funding rate of 75% when filling in the budget information in the Submission System.

Grants may NOT produce a profit (i.e. surplus of revenues + EU grant over costs). For-profit organisations must declare their revenues and, if there is a profit, we will deduct it from the final grant amount (*see art 22.3*).

Moreover, please be aware that the final grant amount may be reduced in case of non-compliance with the Grant Agreement (*e.g. improper implementation, breach of obligations, etc.*).

#### Budget categories and cost eligibility rules

The budget categories and cost eligibility rules are fixed in the Grant Agreement (*Data Sheet, point 3, art 6 and Annex 2*).

*Budget categories for this call:*

- A. Personnel costs
  - A.1 Employees, A.2 Natural persons under direct contract, A.3 Seconded persons
  - A.4 SME owners and natural person beneficiaries
- B. Subcontracting costs
- C. Purchase costs
  - C.1 Travel and subsistence
  - C.2 Equipment
  - C.3 Other goods, works and services
- D. Other cost categories
  - D.1 Financial support to third parties
  - D.3 Synergetic elements
- E. Indirect costs



*Specific cost eligibility conditions for this call:*

- personnel costs:
  - average personnel costs (unit cost according to usual cost accounting practices): Yes
  - SME owner/natural person unit cost<sup>30</sup> : Yes
- subcontracting costs:
  - country restrictions for subcontracting costs: Yes, subcontracted work must be performed in the eligible countries or target countries
- travel and subsistence unit cost<sup>31</sup>: No (only actual costs)
- equipment costs: full cost
- other cost categories:
  - costs for financial support to third parties: not allowed
  - studies: No
  - synergetic elements: Yes
  - works in outermost regions: No
  - land purchases: No
- indirect cost flat-rate: 0% of the eligible direct costs (categories A-D, except volunteers costs, if any)
- VAT: VAT is NOT eligible
- other:
  - in-kind contributions for free are allowed, but cost-neutral, i.e. they cannot be declared as cost
  - project websites: communication costs for presenting the project on the participants' websites or social media accounts are eligible; costs for *separate* project websites are not eligible
  - eligible cost country restrictions: Yes, only costs for activities carried out in eligible countries or target countries are eligible
  - other ineligible costs: Yes, costs related to purchase of land

Note that there can be cases where the public authority or the provider of SGIs or SGEIs which participate in the consortium may not incur any eligible cost if the deployment of all the supported network infrastructure is undertaken by the MNO. However, the smart community end-user (public authority/SGEI/SGI) may incur eligible costs if they deploy connected devices or participate in the project management or use case design.

*Reporting and payment arrangements*

The reporting and payment arrangements are fixed in the Grant Agreement (*Data Sheet, point 4 and art 21 and 22*).

<sup>30</sup> Commission [Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7715).

<sup>31</sup> Commission [Decision](#) of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

After grant signature, you will normally receive a **prefinancing** to start working on the project (up to **50%** of the maximum grant amount). The prefinancing will be paid 30 days from entry into force/financial guarantee (if required — whichever is the latest).

There will be **one or more interim payments** (with detailed cost reporting).

In addition, the granting authority may request one or more progress reports not linked to payments.

**Payment of the balance:** At the end of the project, we will calculate your final grant amount. If the total of earlier payments is higher than the final grant amount, we will ask you (your coordinator) to pay back the difference (recovery).

All payments will be made to the coordinator.

⚠ Please be aware that payments will be automatically lowered if one of your consortium members has outstanding debts towards the EU (granting authority or other EU bodies). Such debts will be offset by us — in line with the conditions set out in the Grant Agreement (*see art 22*).

Please note that you are responsible for keeping records on all the work done and the costs declared.

### Prefinancing guarantees

If a prefinancing guarantee is required, it will be fixed in the Grant Agreement (*Data Sheet, point 4*). The amount will be set during grant preparation and it will normally be equal or lower than the prefinancing for your grant.

The guarantee should be in euro and issued by an approved bank/financial institution established in an EU Member State. If you are established in a non-EU country and would like to provide a guarantee from a bank/financial institution in your country, please contact us (this may be exceptionally accepted, if it offers equivalent security).

Amounts blocked in bank accounts will NOT be accepted as financial guarantees.

Prefinancing guarantees are formally NOT linked to individual consortium members, which means that you are free to organise how to provide the guarantee amount (*by one or several beneficiaries, for the overall amount or several guarantees for partial amounts, by the beneficiary concerned or by another beneficiary, etc*). It is however important that the requested amount is covered and that the guarantee(s) are sent to us in time to make the prefinancing (scanned copy via Portal AND original by post).

If agreed with us, the bank guarantee may be replaced by a guarantee from a third party.

The guarantee will be released at the end of the grant, in accordance with the conditions laid down in the Grant Agreement.

### Certificates

Depending on the type of action, size of grant amount and type of beneficiaries, you may be requested to submit different certificates. The types, schedules and thresholds for each certificate are fixed in the grant agreement (*Data Sheet, point 4 and art 24*).

### Liability regime for recoveries

The liability regime for recoveries will be fixed in the Grant Agreement (*Data Sheet*

*point 4.4 and art 22).*

For beneficiaries, it is one of the following:

- limited joint and several liability with individual ceilings — *each beneficiary up to their maximum grant amount*
- unconditional joint and several liability — *each beneficiary up to the maximum grant amount for the action*

or

- individual financial responsibility — *each beneficiary only for their own debts.*

In addition, the granting authority may require joint and several liability of affiliated entities (with their beneficiary).

#### Provisions concerning the project implementation

Security rules: *see Model Grant Agreement (art 13 and Annex 5)*

IPR rules: *see Model Grant Agreement (art 16 and Annex 5):*

- rights of use on results: Yes

Communication, dissemination and visibility of funding: *see Model Grant Agreement (art 17 and Annex 5):*

- communication and dissemination plan: No
- additional communication and dissemination activities: Yes
- special logos: No

Specific rules for carrying out the action: *see Model Grant Agreement (art 18 and Annex 5):*

- Member State information: Yes
- specific rules for digital infrastructure projects: Yes
- durability: Yes
- specific rules for blending operations: No

#### Other specificities

n/a

#### Non-compliance and breach of contract

The Grant Agreement (chapter 5) provides for the measures we may take in case of breach of contract (and other non-compliance issues).

📌 For more information, see [AGA — Annotated Grant Agreement](#).

### **11. How to submit an application**

All proposals must be submitted directly online via the Funding & Tenders Portal Electronic Submission System. Paper applications are NOT accepted.

Submission is a 2-step process:

### a) **create a user account and register your organisation**

To use the Submission System (the only way to apply), all participants need to [create an EULogin user account](#).

Once you have an EULogin account, you can [register your organisation](#) in the Participant Register. When your registration is finalised, you will receive a 9-digit participant identification code (PIC).

### b) **submit the proposal**

Access the Electronic Submission System via the Topic page in the [Search Funding & Tenders](#) section (or, for calls sent by invitation to submit a proposal, through the link provided in the invitation letter).

Submit your proposal in 4 parts, as follows:

- Part A includes administrative information about the applicant organisations (future coordinator, beneficiaries, affiliated entities and associated partners) and the summarised budget for the proposal. Fill it in directly online
- Part B (description of the action) covers the technical content of the proposal. Download the mandatory word template from the Submission System, fill it in and upload it as a PDF file
- Part C containing additional project data. To be filled in directly online.
- Annexes (*see section 5*). Upload them as PDF file (single or multiple depending on the slots; the budget table can be uploaded as Excel file).

The proposal must keep to the **page limits** (*see section 5*); excess pages will be disregarded.

Documents must be uploaded to the **right category** in the Submission System otherwise the proposal might be considered incomplete and thus inadmissible.

The proposal must be submitted **before the call deadline** (*see section 4*). After this deadline, the system is closed and proposals can no longer be submitted.

Once the proposal is submitted, you will receive a **confirmation e-mail** (with date and time of your application). If you do not receive this confirmation e-mail, it means your proposal has NOT been submitted. If you believe this is due to a fault in the Submission System, you should immediately file a complaint via the [IT Helpdesk webform](#), explaining the circumstances and attaching a copy of the proposal (and, if possible, screenshots to show what happened).

Details on processes and procedures are described in the [Online Manual](#). The Online Manual also contains the links to FAQs and detailed instructions regarding the Portal Electronic Exchange System.

## **12. Help**

As far as possible, ***please try to find the answers you need yourself***, in this and the other documentation (we have limited resources for handling direct enquiries):

- [Online Manual](#)
- FAQs on the Topic page (for call-specific questions in open calls; not applicable for actions by invitation)
- [Portal FAQ](#) (for general questions).

- Call information on the [HaDEA website](#).

Please also consult the Topic page regularly, since we will use it to publish call updates.

#### *Contact*

For individual questions on the Portal Submission System, please contact the [IT Helpdesk](#).

Non-IT related questions should be sent to the following email address: [HADEA-CEF-DIGITAL-CALLS@ec.europa.eu](mailto:HADEA-CEF-DIGITAL-CALLS@ec.europa.eu). Please submit your questions<sup>32</sup> no later than 10 days before the submission deadline. Questions received after 13 February 2023 may not be answered.

Please indicate clearly the reference of the call and topic to which your question relates (*see cover page*).

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<sup>32</sup> Interested applicants are invited to see first if a question is already answered from the existing FAQs published on the Funding & Tenders Portal.

## 13. Important

### ⚠ IMPORTANT

- **Don't wait until the end** — Complete your application sufficiently in advance of the deadline to avoid any last minute **technical problems**. Problems due to last minute submissions (*e.g. congestion, etc.*) will be entirely at your risk. Call deadlines can NOT be extended.
- **Consult** the Portal Topic page regularly. We will use it to publish updates and additional information on the call (call and topic updates).
- **Funding & Tenders Portal Electronic Exchange System** — By submitting the application, all participants **accept** to use the electronic exchange system in accordance with the [Portal Terms & Conditions](#).
- **Registration** — Before submitting the application, all beneficiaries, affiliated entities and associated partners must be registered in the [Participant Register](#). The participant identification code (PIC) (one per participant) is mandatory for the Application Form.
- **Consortium roles** — When setting up your consortium, you should think of organisations that help you reach objectives and solve problems.

The roles should be attributed according to the level of participation in the project. Main participants should participate as **beneficiaries** or **affiliated entities**; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. **Associated partners** and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding).

- **Coordinator** — In multi-beneficiary grants, the beneficiaries participate as consortium (group of beneficiaries). They will have to choose a coordinator, who will take care of the project management and coordination and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be coordinator.
- **Affiliated entities** — Applicants may participate with affiliated entities (i.e. entities with legal or capital link to a beneficiary which participate in the action with similar rights and obligations as the beneficiaries, but do not sign the grant and therefore do not become beneficiaries themselves). They will get a part of the grant money and must therefore comply with all the call conditions and be validated (just like beneficiaries); but they do not count towards the minimum eligibility criteria for consortium composition (if any).
- **Associated partners** — Applicants may participate with associated partners (i.e. partner organisations which participate in the action but without the right to get grant money). They participate without funding and therefore do not need to be validated.
- **Consortium agreement** — For practical and legal reasons it is recommended to set up internal arrangements that allow you to deal with exceptional or unforeseen circumstances (in all cases, even if not mandatory under the Grant Agreement). The consortium agreement also gives you the possibility to redistribute the grant money according to your own consortium-internal principles and parameters (for instance, one beneficiary can reattribute its grant money to another beneficiary). The consortium agreement thus allows you to customise the EU grant to the needs inside your consortium and can also help to protect you in case of disputes.

- **Balanced project budget** — Grant applications must ensure a balanced project budget and sufficient other resources to implement the project successfully (*e.g. own contributions, income generated by the action, financial contributions from third parties, etc*). You may be requested to lower your estimated costs, if they are ineligible (including excessive).
- **No-profit rule** — Grants may NOT give a profit (i.e. surplus of revenues + EU grant over costs). This will be checked by us at the end of the project.
- **No double funding** — There is a strict prohibition of double funding from the EU budget (except under EU Synergies actions). Outside such Synergies actions, any given action may receive only ONE grant from the EU budget and cost items may under NO circumstances declared to two different EU actions.
- **Completed/ongoing projects** — Proposals for projects that have already been completed will be rejected; proposals for projects that have already started will be assessed on a case-by-case basis (in this case, no costs can be reimbursed for activities that took place before the project starting date/proposal submission).
- **Combination with EU operating grants** — Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and you make sure that cost items are clearly separated in your accounting and NOT declared twice (see [AGA — Annotated Model Grant Agreement, art 6.2.E](#)).
- **Multiple proposals** — Applicants may submit more than one proposal for *different* projects under the same call (and be awarded a funding for them).

Organisations may participate in several proposals.

BUT: if there are several proposals for *very similar* projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).

- **Resubmission** — Proposals may be changed and re-submitted until the deadline for submission.
- **Rejection** — By submitting the application, all applicants accept the call conditions set out in this Call Document (and the documents it refers to). Proposals that do not comply with all the call conditions will be **rejected**. This applies also to applicants: All applicants need to fulfil the criteria; if any one of them doesn't, they must be replaced or the entire proposal will be rejected.
- **Cancellation** — There may be circumstances which may require the cancellation of the call. In this case, you will be informed via a call or topic update. Please note that cancellations are without entitlement to compensation.
- **Language** — You can submit your proposal in any official EU language (project abstract/summary should however always be in English). For reasons of efficiency, we strongly advise you to use English for the entire application. If you need the call documentation in another official EU language, please submit a request within 10 days after call publication (for the contact information, see *section 12*).

- **Transparency** — In accordance with Article 38 of the [EU Financial Regulation](#), information about EU grants awarded is published each year on the [Europa website](#).

This includes:

- beneficiary names
- beneficiary addresses
- the purpose for which the grant was awarded
- the maximum amount awarded.

The publication can exceptionally be waived (on reasoned and duly substantiated request), if there is a risk that the disclosure could jeopardise your rights and freedoms under the EU Charter of Fundamental Rights or harm your commercial interests.

- **Data protection** — The submission of a proposal under this call involves the collection, use and processing of personal data. This data will be processed in accordance with the applicable legal framework. It will be processed solely for the purpose of evaluating your proposal, subsequent management of your grant and, if needed, programme monitoring, evaluation and communication. Details are explained in the [Funding & Tenders Portal Privacy Statement](#).