



Digital Europe Programme (DIGITAL)

Call for proposals

EU secure Quantum Communication Infrastructure
(DIGITAL-2021-QCI-01)

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CALL FOR PROPOSALS

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0. Introduction

This is a call for proposals for EU **action grants** in the field of Quantum Communication technologies under the **Digital Europe Programme (DIGITAL)**.

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

- Regulation 2018/1046 ([EU Financial Regulation](#))
- the basic act (Digital Europe Regulation 2021/694¹).

The call is launched in accordance with the 2021/2022 Work Programme² and will be managed by the **European Commission, Directorate-General for Communication, Networks, Content and Technology (DG CONNECT)**.

Topic DIGITAL-2021-QCI-01-DEPLOY-NATIONAL is an EU Synergy call. Grants can be linked with another grant funded from any other EU funding programme. The grants under both calls will be managed as linked actions.

The call covers the following **topics**:

- **DIGITAL-2021-QCI-01-INDUSTRIAL** – Create a European Industrial Ecosystem for secure QCI technologies and systems
- **DIGITAL-2021-QCI-01-DEPLOY-NATIONAL** – Deploying advanced national QCI systems and networks
- **DIGITAL-2021-QCI-01-EUROQCI-QKD** – Coordinate the first deployment of national EuroQCI project and prepare the large-scale QKD testing and certification infrastructure

Each project application under the call must address only one of these topics. Applicants wishing to apply for more than one topic, must submit a separate proposal under each topic.

We invite you to read the **call documentation** carefully, 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)
 - admissibility and eligibility conditions (including mandatory documents; sections 5 and 6)
 - criteria for financial and operational capacity and exclusion (section 7)

¹ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe programme (OJ L166, 11305.2021).

² Commission Implementing Decision C/2021/7914 of 10.11.2021 concerning the adoption of the multiannual work programme for 2021 - 2022 and the financing decision for the implementation of the Digital Europe Programme.

- 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 you will have to sign in order to obtain the grant (*including cost eligibility, payment schedule, accessory obligations, etc*).

1. Background

The security of current encryption technologies relies on computational hardness assumptions. In the near future advances in computing, combined with ever more sophisticated attacks from different sources, could put at risk the security of telecom and data communication networks. As a result, Europe's communications networks and the sensitive data that they transmit could become extremely vulnerable.

In order to find solutions to these issues, the Commission is working with Member States as well as the European Space Agency, towards the deployment of a secure quantum communication infrastructure (EuroQCI)³ spanning the whole EU, including its overseas territories, through its potential to contribute to the security requirements of the GOVSATCOM initiative⁴.

The EuroQCI will provide an unprecedented way of securing communications and data, integrating innovative and secure quantum products and systems into conventional communication infrastructures, by enhancing them with an additional layer of security based on quantum physics, i.e. quantum key distribution. Its aim will be to secure the EU's public communication assets, in particular critical infrastructure and encryption systems, against cyber threats. It will consist of a terrestrial component building on new and/or existing fibre communication networks linking strategic sites at national and cross-border level, complemented by a space component to cross-link and cover the whole EU. In order to further the EU's efforts to develop and deploy its strategic digital capacities and infrastructure, it will be built with EU technologies. The EuroQCI will be interoperable with or integrated in the secure space connectivity initiative that the Commission is also planning.

The actions supported by the Digital Europe programme are complemented by those developed through other EU programmes such as Horizon Europe and the Connecting Europe Facility, and by activities carried out by the ESA, complemented by actions supported with national, regional and private funds, and funding from the Recovery and Resilience Facility.

³<https://digital-strategy.ec.europa.eu/en/policies/european-quantum-communication-infrastructure-euroqci>

⁴ <https://www.euspa.europa.eu/european-space/govsatcom>

In the first two years of the EuroQCI's implementation, the activities funded by the Digital Europe programme will focus on the following four main areas:

- preparation for industrialisation of European quantum key distribution (QKD) systems with improved performance, and contributing to the development of Europe's industrial ecosystem for quantum communication technologies and systems;
- early deployment of advanced quantum networks supporting national quantum communication initiatives and their integration with existing communication networks
- deployment of a pan-European testing and certification infrastructure to assess the compliance of different European technologies, accelerating solution development, and ensuring trust in the EuroQCI;
- preparation and coordination of the large-scale deployment of the EuroQCI infrastructure.

2. Objectives — Scope — Outcomes and deliverables — KPIs to measure outcomes and deliverables — Targeted stakeholders — Type of action — specific topic conditions

DIGITAL-2021-QCI-01-INDUSTRIAL – Create a European Industrial Ecosystem for Secure QCI technologies and systems

Objectives

To prepare for the industrialisation and deployment of quantum communications infrastructure (QCI) technological and operational capabilities and advanced QCI networks essential for European cybersecurity, and contribute to the development of a European industrial QCI ecosystem, including a thriving SME sector. This support is needed to contribute to European technological autonomy in the highly strategic field of quantum communication technologies.

Scope

The action will focus on the following two priorities:

- Industrialisation of EU QKD devices, technologies and systems: prepare for industrialisation and for deployment (i.e. reaching TRL 8-9) quantum technology components for quantum key distribution that are stable, miniaturised and have competitive performance (e.g. cost-effective, exhibiting higher key exchange rates, link distances). QKD systems should enable scalability to multi-user network architectures and upgradability to future quantum information networks. Examples of such core technology components include quantum random number generators, photon sources, application and control software, etc. Work should also cover the integration of individual components and devices to larger, standalone QKD systems and their full testing and thus compliance to EU (ETSI/CENELEC) standards (including independent device protocols) and to EAL level 4 or above⁵, in view of their potential deployment in the EuroQCI initiative⁶. Work should also include an exploitation plan covering all the industrialisation and fabrication aspects of such devices, technologies, systems and processes underpinning the creation of an EU QKD supply chain.

⁵ Evaluation Assurance Level of the Common Criteria for Information Technology Security Evaluation (ISO/IEC 15408).

⁶ https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=60090

- QKD-based Telecom Network System production: Develop the full run system integration from EU QKD system (level 1) to Telecom network systems (level 2), key management (level 3) until cyber security system level (level 4). The level 4 quantum cybersecurity systems will then be integrated in traditional communication networks, assuring interoperability in a full multi-user end-to-end architecture. Upgradability to quantum information networks should be considered. Work should also cover the testing and certification/standards compliance of the complete QKD-based Telecom System in view of its deployment in the EuroQCI initiative.

Individual proposals should cover at least one of the above priorities. The final proposals selection for EU funding will ensure appropriate coverage of both priorities. At least 60% of the budget will be allocated to proposals addressing the first priority.

Outcomes and deliverables

- Mature QKD-based systems ready for integration and deployment in an operational telecom infrastructure;
- First fully functional telecom network systems managing quantum keys and assuring the interoperability between quantum and traditional cybersecurity systems, that ensure the secrecy and integrity of sensitive digital data in Europe

KPIs to measure outcomes and deliverables

Competitive quantum communication systems ready for industrialisation and deployment

Targeted stakeholders

Industry partners, including RTOs if relevant

Type of action

SME Support Actions — 50% and 75% (for SMEs) funding rate

 For more information on Digital Europe types of action, see Annex 1.

Specific topic conditions

- For this topic, security restrictions under Article 12(5) of the Digital Europe Regulation apply (*see sections 6 and 10 and Annex 2*)
- For this topic, following reimbursement option for equipment costs applies: depreciation and full cost for listed equipment (*see section 10*)
- For this topic, first exploitation obligations apply (*see section 10*)
- The following parts of the award criteria in section 9 are exceptionally NOT applicable for this topic:
 - extent to which the proposal addresses environmental sustainability and the European Green Deal goals, in terms of direct effects and/or in awareness of environmental effects

DIGITAL-2021-QCI-01-DEPLOY-NATIONAL – Deploying advanced national QCI systems and networks

Objectives

The objective of this topic is twofold. On one hand to deploy advanced national quantum systems and networks for testing quantum communication technologies and for integrating them with existing communication networks. On the other hand to use these quantum systems and networks for developing and testing use cases in support of national QCI initiatives in the context of the EuroQCI initiative. This support is needed to contribute to European technological autonomy in the highly strategic field of quantum communication technologies.

Scope

In each participating Member State, the project should include the following activities:

- Deploying advanced experimental quantum systems and networks combining the best of quantum and classical security technologies. Where possible, using pilot devices, technologies and systems developed and manufactured in the EU, in order to support their further development towards maturity and their compliance with the EuroQCI's security needs. Making these systems and networks widely available for undertaking and testing (in a number of real use cases) the functioning and the provision of very high security QKD components and systems, their interoperability and the end-to-end secure functioning of the system architecture.

The aim is to prepare the large-scale uptake and use of such systems and technologies, operating in traditional telecommunications networks⁷, by national stakeholders and their first use in advanced use cases in different application scenarios:

- targeting firstly public use cases by linking public authorities within the country;
- making these quantum networks available to industries operating the network's different layers contributing to developing national-based production chains for supplying critical quantum communication components and systems. This includes the integration of quantum and traditional cybersecurity systems in communication systems and networks (possibly also supported by post-quantum algorithms), which will be used to prepare for the future large-scale deployment of EuroQCI;
- making these quantum systems and networks available for educational purposes providing a training environment for technical and research staff as well as national users from public authorities or other organisations.
- Demonstrating first long-distance quantum communication networks (including, for example, quantum internet demonstrators) compatible with the overall EuroQCI system architecture, in order to prepare the large-scale deployment of a QCI spanning the EU;
- Where relevant, testing the interface between the QCI's space and terrestrial systems.

⁷ Including, where relevant, existing TESTA infrastructure.

- Cooperating and participating with other Member States in the deployment plan and strategic efforts towards designing and building an overall EuroQCI system architecture, including by exchanging lessons learned and experiences in building robust and fully secure QKD systems and networks.

Outcomes and deliverables

- First deployed QKD experimental networks integrated and operating with existing communication networks in several Member States and addressing different advanced use cases, stimulating the emergence of a fully-fledged and technologically autonomous European quantum communication industry and contributing to preparations for the full deployment of the EuroQCI
- A large number of trained users in quantum communication technologies and Member States ready for the design and deployment of next generation highly secure communication and data networks.

KPIs to measure outcomes and deliverables

Number of national QCI networks (involved countries)

Number of user end-points within each national QCI network

Targeted stakeholders

Public authorities in the Member States financing national players to implement the deployment

Type of action

Simple Grants — 50% funding rate

 For more information on Digital Europe types of action, see Annex 1.

Specific topic conditions

- For this topic, security restrictions under Article 12(5) of the Digital Europe Regulation apply (*see sections 6 and 10 and Annex 2*)
- For this topic, following reimbursement option for equipment costs applies: depreciation and full cost for listed equipment (*see section 10*)
- For this topic, first exploitation obligations apply (*see section 10*)
- The following parts of the award criteria in section 9 are exceptionally NOT applicable for this topic:
 - extent to which the proposal addresses environmental sustainability and the European Green Deal goals, in terms of direct effects and/or in awareness of environmental effects

DIGITAL-2021-QCI-01-EUROQCI-QKD - Coordinate the first deployment of national EuroQCI projects and prepare the large-scale QKD testing and certification infrastructure

Objectives

To coordinate the developments and findings of the national QCI projects; to prepare for the deployment of a flexible large-scale testing and certification QKD infrastructure that is in the service of all relevant actors of the participating Member

States; and to assess the full-scale compliance of different EU technologies with a view to their later integration in EuroQCI. This support is needed to contribute to European technological autonomy in the highly strategic field of quantum communication technologies.

Scope

- Prepare to deploy a large-scale testing and certification infrastructure for QKD devices, technologies and systems, facilitating their standardisation and accreditation at EU level. The infrastructure will define the requirements for a fully operational QKD infrastructure facility covering EU needs in terms of testing, experimentation, and validation of QKD devices, technologies and systems, with a view to their accreditation; (including the definition of mutual recognition criteria in security).
- Coordinate national QCI projects: support discussions on user requirements and use cases, and return of experience from the deployment of advanced national quantum systems and networks including on EU QKD components and systems; coordinate the activities for developing an EU QKD ecosystem and the industrialisation of QKD devices in the EU; support the discussions on the further development of the national deployment plans and strategic efforts, for achieving an overall EuroQCI system (spatial and terrestrial segments).

Outcomes and deliverables

- A full set of requirements for an operational QKD infrastructure facility covering EU needs in terms of testing, experimentation, and validation of QKD devices, technologies and systems, with a view to their standardisation and accreditation [within the first six months of the action];
- consolidated feedback from the national deployments at real scale, identifying the complementary activities (including technology developments) required to establish a complete the EU QKD ecosystem;
- a well-coordinated assessment of the first deployments of EuroQCI networks and systems for preparing the full deployment phase of EuroQCI.

KPIs to measure outcomes and deliverables

Definition of requirements for a large-scale testing and support for certification infrastructure

Targeted stakeholders

A consortium of RTOs and industry partners

Type of action

Coordination and Support Actions — 100% funding rate

 For more information on Digital Europe types of action, see Annex 1.

Specific topic conditions

- For this topic, security restrictions under Article 12(5) of the Digital Europe Regulation apply (see sections 6 and 10 and Annex 2)
- For this topic, following reimbursement option for equipment costs applies: depreciation and full cost for listed equipment (see section 10)

- For this topic, first exploitation obligations apply (*see section 10*)
- The following parts of the award criteria in section 9 are exceptionally NOT applicable for this topic:
 - extent to which the proposal addresses environmental sustainability and the European Green Deal goals, in terms of direct effects and/or in awareness of environmental effects

3. Available budget

The available call budget is **EUR 154 000 000**. This budget might be increased by maximum 20%.

Specific budget information per topic can be found in the table below.

Topic	Topic budget
1 – DIGITAL-2021-QCI-01-INDUSTRIAL	EUR 44 000 000
2 – DIGITAL-2021-QCI-01-DEPLOY-NATIONAL	EUR 108 000 000
3 – DIGITAL-2021-QCI-01-EUROQCI-QKD	EUR 2 000 000

We reserve the right not to award all available funds or to redistribute them between the call priorities, depending on the proposals received and the results of the evaluation.

4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	17 November 2021
<u>Deadline for submission:</u>	22 February 2022 – 17:00:00 CET (Brussels)
Evaluation:	14 March to 29 April 2022
Information on evaluation results:	End of May 2022
GA signature:	September 2022

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*)
- **mandatory annexes and supporting documents** (*to be uploaded*):
 - detailed budget table: not applicable
 - CVs of core project team: not applicable
 - activity reports of last year: not applicable
 - list of previous projects (key projects for the last 4 years): not applicable
 - **security issues table: applicable**
 - **ethics issues table: applicable**
 - **ownership control declaration: applicable**
 - for topic **DIGITAL-2021-QCI-01-DEPLOY-NATIONAL** a letter of authorisation from the authority in the relevant member state(s) stating that the consortium (or beneficiary in a mono-beneficiary grant) is responsible for developing the concerned national QCI network. If the authority itself participates in the consortium this letter is not needed.

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 **70 pages** (DIGITAL-2021-QCI-01-INDUSTRIAL and DIGITAL-2021-QCI-01-DEPLOY-NATIONAL) except for **Coordination and Support actions** (DIGITAL-2021-QCI-01-EUROQCI-QKD) with a maximum of **50 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)
- be established in one of the eligible countries, i.e.:
 - EU Member States (including overseas countries and territories (OCTs))
 - EEA countries (Norway, Iceland, Liechtenstein)

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.

Please be aware that **all topics of this call are subject to restrictions due to security**, therefore entities must not be directly or indirectly controlled from a country that is not an eligible country. **All entities⁸ have to fill in and submit a declaration on ownership and control.**

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 are not eligible, unless they are International organisations of European Interest within the meaning of Article 2 of the Digital Europe Regulation (i.e. international organisations the majority of whose members are Member States or whose headquarters are in a Member State).

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 for the protection of the EU financial interests equivalent to that offered by legal persons⁹.

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

Associations and interest groupings — Entities composed of members may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'¹⁰.  Please note that

⁸ Except for entities that are validated as public bodies by the Central Validation Service.

⁹ See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

¹⁰ For the definitions, see Articles 187(2) and 197(2)(c) EU Financial Regulation [2018/1046](#).

if the action will be implemented by the members, they should also participate (either as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

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)*¹¹ and entities covered by Commission Guidelines No [2013/C 205/05](#)¹²). 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).

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

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)

Due to restrictions due to security:

- for all topics: the proposals must relate to activities taking place in the eligible countries (*see above*)

Ethics

Projects must comply with:

- highest ethical standards and
- applicable EU, international and national law (including the [General Data Protection Regulation 2016/679](#))

Proposals under this call for proposals will have to undergo an ethics review to authorise funding and may be made subject to specific ethics rules (which become part of the Grant Agreement in the form of ethics deliverables, *e.g. ethics committee opinions/notifications/authorisations required under national or EU law*).

For proposals involving development, testing, deployment, use or distribution of AI systems, the ethics review will in particular check compliance with the principles of human agency and oversight, diversity/fairness, transparency and responsible social impact, while the experts performing the technical evaluation will assess the robustness of the AI systems (i.e. their reliability not to cause unintentional harm).

¹¹ 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](#).

¹² 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).

Security

Projects involving EU classified information must undergo security scrutiny to authorise funding and may be made subject to specific security rules (detailed in a security aspects letter (SAL) which is annexed to the Grant Agreement).

These rules (governed by Decision [2015/444](#)¹³ and its implementing rules and/or national rules) provide for instance that:

- projects involving information classified TRES SECRET UE/EU TOP SECRET (or equivalent) can NOT be funded
- classified information must be marked in accordance with the applicable security instructions in the SAL
- information with classification levels CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/ EU RESTRICTED, if required by national rules) may be:
 - created or accessed only on premises with facility security clearing (FSC) from the competent national security authority (NSA), in accordance with the national rules
 - handled only in a secured area accredited by the competent NSA
 - accessed and handled only by persons with valid personnel security clearance (PSC) and a need-to-know
- at the end of the grant, the classified information must either be returned or continue to be protected in accordance with the applicable rules
- action tasks involving EU classified information (EUCI) may be subcontracted only with prior written approval from the granting authority and only to entities established in an EU Member State or in a non-EU country with a security of information agreement with the EU (or an administrative arrangement with the Commission)
- disclosure of EUCI to third parties is subject to prior written approval from the granting authority.

Please note that, depending on the type of activity, facility security clearing may have to be provided before grant signature. The granting authority will assess the need for clearing in each case and will establish their delivery date during grant preparation. Please note that in no circumstances can we sign any grant agreement until at least one of the beneficiaries in a consortium has facility security clearing.

Further security recommendations may be added to the Grant Agreement in the form of security deliverables (*e.g. create security advisory group, limit level of detail, use fake scenario, exclude use of classified information, etc*).

Beneficiaries must ensure that their projects are not subject to national/third-country security requirements that could affect implementation or put into question the award of the grant (*e.g. technology restrictions, national security classification, etc*). The granting authority must be notified immediately of any potential security issues.

7. Financial and operational capacity and exclusion

Financial capacity

¹³ See Commission Decision 2015/544/EU, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

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 'Implementation' 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 the award criterion is positive, the applicants are considered to have sufficient operational capacity.

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

- general profiles (qualifications and experiences) of the staff responsible for managing and implementing the project
- description of the consortium participants

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

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 participate¹⁴:

- 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 misconduct¹⁵ (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).

Applicants will also be refused if it turns out that¹⁶:

- 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

¹⁴ See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).

¹⁵ 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.

¹⁶ See Article 141 EU Financial Regulation [2018/1046](#).

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


An **evaluation committee** (composed or 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 (*see sections 7 and 9*) and then ranked according to their scores.

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

Successively for every group of *ex aequo* proposals, starting with the highest scored group, and continuing in descending order:

- 1) Proposals focusing on a theme that is not otherwise covered by higher ranked proposals will be considered to have the highest priority.
- 2) The *ex aequo* proposals within the same topic will be prioritised according to the scores they have been awarded for the award criterion 'Relevance'. When these scores are equal, priority will be based on their scores for the criterion 'Impact'. When these scores are equal, priority will be based on their scores for the criterion 'Implementation'.
- 3) If this does not allow to determine the priority, a further prioritisation can be done by considering the overall proposal portfolio and the creation of positive synergies between proposals, or other factors related to the objectives of the call. These factors will be documented in the panel report.
- 4) After that, the remainder of the available call budget will be used to fund projects across the different topics in order to ensure a balanced spread of the geographical and thematic coverage and while respecting to the maximum possible extent the order of merit based on the evaluation of the award criteria.

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.

 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.

9. Award criteria

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

- **Relevance**
 - Alignment with the objectives and activities as described in section 2
 - Contribution to long-term policy objectives, relevant policies and strategies, and synergies with activities at European and national level
 - Extent to which the project would reinforce and secure the digital technology supply chain in the EU*
 - Extent to which the project can overcome financial obstacles such as the lack of market finance*
- **Implementation**
 - Maturity of the project
 - Soundness of the implementation plan and efficient use of resources
 - Capacity of the applicants, and when applicable the consortium as a whole, to carry out the proposed work
- **Impact**
 - Extent to which the project will achieve the expected outcomes and deliverables referred to in the call for proposals and, where relevant, the plans to disseminate and communicate project achievements
 - Extent to which the project will strengthen competitiveness and bring important benefits for society
 - Extent to which the project addresses environmental sustainability and the European Green Deal goals, in terms of direct effects and/or in awareness of environmental effects *

*May not be applicable to all topics (see specific topic conditions in section 2).

Award criteria	Minimum pass score	Maximum score
Relevance	3	5
Implementation	3	5
Impact	3	5
Overall (pass) scores	10	15

Maximum points: 15 points.

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

Overall threshold: 10 points.

Proposals that pass the individual thresholds AND the overall threshold will be considered for funding — within the limits of the available call budget. Other proposals will be rejected.

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:

- **between 24 and 30 months** for topic DIGITAL-2021-QCI-01-INDUSTRIAL and DIGITAL-2021-QCI-01-DEPLOY-NATIONAL
- **30 months** for topic DIGITAL-2021-QCI-01-EUROQCI-QKD.

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.

The following deliverables will be mandatory for all projects:

- additional deliverable on dissemination and exploitation, to be submitted in the first six months of the project

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):

- **between EUR 5.000.000 and EUR 15.000.000** per project for topic DIGITAL-2021-QCI-01-INDUSTRIAL
- **EUR 5.000.000** per project for topic DIGITAL-2021-QCI-01-DEPLOY-NATIONAL
- **EUR 2.000.000** per project for topic DIGITAL-2021-QCI-01-EUROQCI-QKD.

The grant awarded may be lower than the amount requested.

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 rate fixed in the Grant Agreement. This rate depends on the type of action which applies to the topic, *see section 2*. 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 and art 6*).

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.2 Internally invoiced goods and services
- 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 cost¹⁷: Yes
- travel and subsistence unit costs¹⁸: No (only actual costs)
- equipment costs:
 - depreciation + full cost for listed equipment
- other cost categories:
 - costs for financial support to third parties: not allowed
 - internally invoiced goods and services (costs unit cost according to usual cost accounting practices): Yes

¹⁷ 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).

¹⁸ 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).

- indirect cost flat-rate: 7% of the eligible direct costs.
- VAT: non-deductible VAT is eligible (but please note that since 2013 VAT paid by beneficiaries that are public bodies acting as public authority is NOT eligible)
- other:
 - in-kind contributions for free are allowed, but cost-neutral, i.e. they cannot be declared as cost
 - kick-off meeting: costs for kick-off meeting organised by the granting authority are eligible (travel costs for maximum 2 persons, return ticket to Brussels and accommodation for one night) only if the meeting takes place after the project starting date set out in the Grant Agreement; the starting date can be changed through an amendment, if needed
 - 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
 - EU Synergies call: Yes, costs can be charged to several EU Synergies grants, provided that the funding under the grants does not go above 100% of the costs and contributions declared to them (for topic DIGITAL-2021-QCI-01-DEPLOY-NATIONAL)
 - restrictions due to security:
 - country restrictions for subcontracting costs: Yes, subcontracted work must be performed in the eligible countries
 - eligible cost country restrictions: Yes, only costs for activities carried out in eligible countries are eligible

Reporting and payment arrangements

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

After grant signature, you will normally receive a **prefinancing** to start working on the project (float of normally 50% of the maximum grant amount; exceptionally less or no prefinancing). The prefinancing will be paid 30 days from entry into force/10 days before starting date/financial guarantee (if required) – whichever is the latest.

There will be one or more **interim payments** (with cost reporting through the use of resources report).

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 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)*

Ethics rules: *see Model Grant Agreement (art 14 and Annex 5)*

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

- background and list of background: Yes
- protection of results: Yes
- exploitation of results: Yes
- rights of use on results: Yes

- access to results for policy purposes: Yes
- access rights for the granting authority to results in case of a public emergency: Yes
- access rights to ensure continuity and interoperability obligations: No
- special IPR obligations linked to restrictions due to security:
 - exploitation in eligible countries: Yes
 - first exploitation obligation in eligible countries: Yes
 - limitations to transfers and licensing: Yes

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

- communication and dissemination plan: Yes
- dissemination of results: Yes
- additional communication activities: Yes
- special logo: No

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

- specific rules for PAC Grants for Procurement: No
- specific rules for Grants for Financial Support: No
- specific rules for blending operations: No
- special obligations linked to restrictions due to security:
 - implementation in case of restrictions due to security or EU strategic autonomy: Yes

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 EU Login 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 3 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
- Annexes (*see section 5*). Upload them as PDF file (single or multiple depending on the slots). Excel upload is sometimes possible, depending on the file type.

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).

Please also consult the Topic page regularly, since we will use it to publish call updates. (For invitations, we will contact you directly in case of a call update).

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: CNECT-QCI@ec.europa.eu

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

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). **Subcontracting** should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities). Subcontracting going beyond 30% of the total eligible costs must be justified in the application.

- **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 linked 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 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](#).

Annex 1**Digital Europe types of action**

The Digital Europe Programme will use the following actions to implement grants:

Simple Grants

Description: The Simple Grants are a flexible type of action used by a large variety of topics and can cover most activities. The consortium will mostly use personnel costs to implement action tasks, activities with third parties (subcontracting, financial support, purchase) are possible but should be limited.

Funding rate: 50%

Payment model: Prefinancing – (x) interim payment(s) – final payment

SME Support Actions

Description: Type of action primarily consisting of activities directly aiming to support SMEs involved in building up and the deployment of the digital capacities. This type of action can also be used if SMEs need to be in the consortium and make investments to access the digital capacities.

Funding rate: 50% except for SMEs where a rate of 75% applies;

Payment model: Prefinancing – (x) interim payment(s) – final payment

Coordination and Support Actions (CSAs)

Description: Small type of action (a typical amount of 1-2 Mio) with the primary goal to support EU policies. Activities can include coordination between different actors for accompanying measures such as standardisation, dissemination, awareness-raising and communication, networking, coordination or support services, policy dialogues and mutual learning exercises and studies, including design studies for new infrastructure and may also include complementary activities of strategic planning, networking and coordination between programmes in different countries.

Funding rate: 100%

Payment model: Prefinancing – (x) interim payment(s) – final payment

Grants for Procurement

Description: Type of action for which the main goal of the action and thus the majority of the costs consist of buying goods or services and/or subcontracting tasks. Contrary to the PAC Grants for Procurement (*see below*) there are no specific procurement rules (i.e. usual rules for purchase apply), nor is there a limit to 'contracting authorities/entities'. Personnel costs should be limited in this type of action; they are in general used to manage the grant, coordination between the beneficiaries, preparation of the procurements.

Funding rate: 50%

Payment model: Prefinancing - second prefinancing (to provide the necessary cash-flow to finance the procurements) – payment of the balance

PAC Grants for Procurement

Description: Specific type of action for procurement in grant agreements by 'contracting authorities/entities' as defined in the EU Public Procurement Directives

(Directives 2014/24/EU , 2014/25/EU and 2009/81/EC) aiming at innovative digital goods and services (i.e. novel technologies on the way to commercialisation but not yet broadly available).

Funding rate: 50%

Payment model: Prefinancing - second prefinancing (to provide the necessary cash-flow to finance the procurements) – payment of the balance

Grants for Financial Support

Description: Type of action with a particular focus on cascading grants. The majority of the grant will be distributed via financial support to third parties with special provisions in the grant agreement, maximum amounts to third parties, multiple pre-financing and reporting obligations.

Annex 5 of the model grant agreements foresees specific rules for this type of action regarding conflict of interest, the principles of transparency, non-discrimination and sound financial management as well as the selection procedure and criteria.

In order to assure the co-financing obligation in the programme, the support to third parties should only cover 50% of third party costs.

Funding rate: 100% for the consortium, co-financing of 50% by the supported third party

Payment model: Prefinancing - second prefinancing (to provide the necessary cash-flow to finance sub-grants) – payment of the balance

Framework Partnerships (FPAs) and Specific Grants (SGAs)

FPAs

Description: An FPA establishes a long-term cooperation mechanism between the granting authority and the beneficiaries of grants. The FPA specifies the common objectives (action plan) and the procedure for awarding specific grants. The specific grants are awarded via identified beneficiary actions (with or without competition).

Funding rate: no funding for FPA

SGAs

Description: The SGAs are linked to an FPA and implement the action plan (or part of it). They are awarded via an invitation to submit a proposal (identified beneficiary action). The coordinator of the FPA has to be the coordinator of each SGA signed under the FPA and will always take to role of single contact point for the granting authority. All the other partners of the FPA can participate in any SGA. There is no limit to the amount of SGAs signed under one FPA.

Funding rate: 50%

Payment model: Prefinancing – (x) interim payment(s) – final payment

Lump Sum Grant

Description: Lump Sum Grants reimburse a general lump sum for the entire project and the consortium as a whole. The lump sum is fixed ex-ante (at the latest at grant signature). The granting authority defines a methodology for calculating the amount of the lump sum. There is an overall amount, i.e. the lump sum will cover the beneficiaries' direct and indirect eligible costs. The beneficiaries do not need to report

actual costs, they just need to claim the lump sum once the work is done. If the action is not properly implemented only part of the lump sum will be paid.

Funding rate: 50%

Payment model: Prefinancing – second (third) prefinancing (as there is no cost reporting) – final payment

Annex 2**Eligibility restrictions under Articles 12(5) and (6) and 18(4) of the Digital Europe Regulation****Security restrictions Article 12(5) and (6)**

If indicated in the Digital Europe Work Programme, and if justified for security reasons, topics can exclude the participation of legal entities *established* in a third country or associated country, or established in the EU territory but *controlled* by a third country or third country legal entities (including associated countries)¹⁹.

This restriction is applicable for SO1 (High Performance Computing), SO2 (Artificial Intelligence) and SO3 (Cybersecurity), but at different levels.


- In the case of SO3, the provision is implemented in the strictest way. When activated, only entities established in the EU and controlled from EU MS or EU legal entities will be able to participate — with no exceptions.
- In SO1 and SO2, entities controlled by third countries or third country legal entities may be able to participate if they comply with certain conditions set up in the Work Programme. To that end, additional rules will be imposed on those legal entities, which need to be followed if they want to participate.

The activation of this article will make a number of specific provisions in the Grant Agreement applicable, such as country restrictions for eligible costs, country restrictions for subcontracting, and special rules for implementation, exploitation of results and transfers and exclusive licensing of results.

Strategic autonomy restrictions Article 18(4)

If indicated in the Digital Europe Work Programme, calls can limit the participation to entities *established* in the EU, and/or entities established in third countries associated to the programme for EU strategic autonomy reasons²⁰.

The application of this article will make a number of specific provisions in the Grant Agreement applicable, such as country restrictions for eligible costs, country restrictions for subcontracting, and special rules for implementation, exploitation of results and transfers and exclusive licensing of results.

 For more information, see *the Guidance on ownership control restrictions in EU grants*.

¹⁹ See Article 12(5) and (6) of the Digital Europe Regulation 2021/694

²⁰ See Article 18(4) of the Digital Europe Regulation 2021/694.