Digital Europe Programme (DIGITAL)

Call for proposals

Cloud, Data and Artificial Intelligence

DIGITAL-2024-CLOUD-DATA-AI-07

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EUROPEAN COMMISSION
Directorate-General for Communications Networks, Content and Technology

CNECT.C– Digital Excellence and Science Infrastructure
CNECT.C.C3 - Technologies for Smart Communities

CALL FOR PROPOSALS

TABLE OF CONTENTS

0. Introduction

This is a call for proposals for EU **action grants** in the field of **Cloud, Data and Artificial Intelligence** 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 2021/694[1]).

The call is launched in accordance with the 2023-2034 Work Programme[2] and will be managed by the **European Commission, Directorate-General for Communication, Networks, Content and Technology (DG CONNECT)**.

The call covers the following **topic**:

− **DIGITAL-2024-CLOUD-DATA-AI-07-DIGITALTWIN** - Towards networked Local Digital Twins in the EU

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:

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[1] Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme (OJ L 166, 11.5.2021, p. 1).
[2] Commission Implementing Decision C2023/1862 final of 24.03.2023 concerning the adoption of the work programme for 2023-2024 and the financing decision for the implementation of the Digital Europe Programme.

  – background, objectives, scope, outcomes and deliverables, KPIs to measure outcomes and deliverables, targeted stakeholders, type of action and funding rate and specific topic conditions (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)

  – 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).

You are also encouraged to visit the Digital Europe Programme website to consult the list of projects funded previously.

1. Background

The Specific Objective 2 of the Digital Europe Programme aims to reinforce the EU's core Artificial Intelligence (AI), Cloud to Edge Computing and Data capacities as a crucial driver for the digital transformation of the public and private sectors. The EU Data Strategy[3] outlined the importance of building a thriving ecosystem of private and public actors to generate economic and societal value from data, while preserving high privacy, security, safety and ethical standards. It announced that the Commission will invest in a High Impact Project that will foster and exploit innovative, secure, energy efficient cloud-to edge capabilities, data-sharing tools, architectures and governance mechanisms for thriving data-sharing and Artificial Intelligence ecosystems. To reach these objectives, three main interlinked work strands are foreseen in the third and fourth years of implementation of the Digital Europe Programme:

- Continuation of activities in the area of cloud-to-edge infrastructure and services.

- The deployment of a Data for EU strand with a focus on deploying sectorial common data spaces, based on the above federated cloud-to-edge

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[3] Communication from the Commission, A European strategy for data; COM/2020/66 final

infrastructure and services that are accessible to businesses and the public sector across the EU that were initiated in the first WP.

- The continuation of work on AI reference testing and experimentation facilities with a focus on coordination of AI sectorial facilities that were established in the first WP (i.e. health, smart communities, manufacturing, and agriculture). (Section 2.3)

The sole topic of this call **DIGITAL-2024-CLOUD-DATA-AI-07-DIGITALTWIN** - Towards networked Local Digital Twins in the EU, contributes to the three workstrands (see Section 2).

This topic will be subject to article 12(6) of Regulation (EU) 2021/694 for the following reasons. The LDT will offer modelling and simulation services linked to several critical city infrastructures such as energy supply and consumption, traffic information, urban management etc. relying on sensitive data, which could then be exposed to vulnerabilities and impact public order. Indeed, these services and infrastructures might be at risk of malicious action by individuals, groups or regimes that would attempt to compromise, distort, or disclose data, thus compromising the availability of the service and the integrity of the information/data used for/within that service. Moreover, the participation of non-EU entities entails the risk of such sensitive data and information being subject to legislation or pressure that obliges those non-EU entities to disclose this information to non-EU governments. Therefore, based on the outlined security reasons, the action is subject to Article 12(6) of Regulation (EU) 2021/694. This does not exclude the participation of legal entities established in associated countries and legal entities that are established in the Union but are controlled from third countries, where they meet the conditions defined in this Work Programme.

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

DIGITAL-2024-CLOUD-DATA-AI-07-DIGITALTWIN - Towards networked Local Digital Twins in the EU

Objectives

Building on the Data Space for Smart Cities and Communities and the EU Local Digital Twin (LDT) Toolbox[4], both supported by the WP 2021-2022, and in synergy with the action "Developing CitiVerse" (see section 2.3.2 of DEP WP 2024), the main objective of this action is to consolidate existing results and move towards an ecosystem of mature LDT-based infrastructures and services across the EU to help cities and communities achieve economies of scale to access and deploy data platform and LDT-based services.

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[4] Part of the procurement was launched end of 2023. For details see Procurement for the development of the Local Digital Twins toolbox | Shaping Europe's digital future (europa.eu)

These and future actions regarding LDTs are contributing to the effective implementation of a Multi Country Project (MCP). This will take the form of a European Digital Infrastructure Consortium (EDIC)[5] entitled "Networked Local Digital Twins towards the CitiVerse".

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[5] European Digital Infrastructure Consortium (EDIC) | Shaping Europe's digital future (europa.eu)

EU cities and communities are evolving towards digital communities at a different pace; this topic is proposing three complementary activities to help them achieve economies of scale when using and implementing urban data platforms, Local Digital Twins (LDTs) and AI-based solutions. Previous DEP WPs supported the creation of an EU Data Space for Smart Cities and Communities (and its validation via pilots) and action 2.3.2, "Developing CitiVerse" of DEP WP 2024, pioneers innovative services using immersive technologies. Under the WP 2021-22, the Commission also launched procurement actions to support the development of a LDT toolbox in the EU. These procurements aim to furnish a foundational set of components and tools, equipped with advanced features, to facilitate the creation of Local Digital Twins and bolster urban management capabilities. However, more effort is needed to create a pan-European ecosystem of data and digital twin-based infrastructures that can connect and scale up towards a future "EU CitiVerse". To realize this objective, there is a crucial need to foster the advancement of common LDT-based solutions and infrastructure tailored to the shared requirements of EU cities and communities, encompassing both urban and rural areas. This entails establishing connections among them and enhancing their capabilities with pioneering services for urban planners and citizen's engagement. To address the different maturity level of cities and communities, this action will help (1) connect, whenever possible through SIMPL[6], and further develop already existing, and foreseen, LTD-based infrastructures and services, (2) gain a critical mass of smart communities' data sets, as well as (3) deploy, test, and add more complex AI-based elements to the LDT toolbox, addressing the needs of digitally advanced smart communities.

The action is divided in three objectives, each to be achieved through a separate work strand:

• Objective 1: **Technical inter-connection of existing LDTs:** Developing and connecting existing urban data platforms and LDTs-based infrastructure from cities and communities that already have a LDT in place, to create national cloud-based and data-driven infrastructure offering Digital Twin advanced services. These advanced services will be offered to cities and communities of different size and levels of maturity, and become the basis for a EU "federation" of LDTs potentially linked through the SIMPL middleware platform. Reinforced interoperability through the aggregation of LDTs at a larger scale (cross sectors, cross cities, and cross borders) will help to scale up the EU common data sets and open-source solutions. It will also pave the way for less advanced cities and communities who wish to join the existing EU LDT ecosystem and national cloud-based infrastructure for urban data platforms and LDTs.

Objective 2: **Creation of LDTs based on common needs:** Developing open-source pilots for LDTs offering advanced services in new sectoral areas fundamental for cities, based on shared needs of cities and communities that already have a local data platform and/or a LDT and want to expand them with new real-life use case services and services. These new sectoral LDTs will address several key policy scenarios and urban management areas such as urban development, city mobility, climate change mitigation, optimising energy grids, mitigating air pollution, managing waste, and enhancing water resource management.

These services should strive to enhance urban management, serving as the basis for well-informed decision-making processes and fostering meaningful interaction among citizens.; reduce risks, costs, and downtime; enhance efficiency, resilience and sustainability of LDT platforms and enable new value creation. Furthermore, it will foster the creation of common LDT infrastructures, creating cooperative service platforms for smaller communities' collective use,

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[6] SIMPL: Streamlining cloud-to-edge federations for major EU data spaces | Shaping Europe's digital future (europa.eu)

maintenance of LDT tools for the needs of cities and communities, collaborative data spaces, including access to high end services like high-performance computing, trustworthy AI, and key technological initiatives at EU level.

• Objective 3: **Adding new advanced AI-based tools to the LDTs toolbox**: Complementing the EU LDT toolbox launched under WP2021-22 with additional more advanced AI-based and innovative open-source components underpinning novel use cases and emerging services, as highlighted by initiatives such as GenAI4EU e.g. generative AI models, virtual worlds, adaptable multi-sector considerations, advanced simulation and modelling approaches including bottom-up self-organised models. The AI services should be developed and tested within existing cities/communities and be transferable to other contexts.

These objectives will be implemented through three work strands by a single project that will provide cascading funding to third parties through a single or several calls, as deemed appropriate.

Scope

The selected proposal will manage a community of projects selected by cascading funding mechanism. The work of these projects will be implemented through three main work strands:

• Work strand 1: Federate existing urban data platform and LDTs-based infrastructure from cities and communities that already have a LDT in place to create national cloud-based infrastructure for smart Communities, by sharing available resources among individual initiatives. This will lay down the foundations for a trans-national EU LDT ecosystem and advanced services. When connecting LDTs, and their related data sets, projects should align with the smart cloud-to-edge middleware platform SIMPL to achieve interoperability and make use of horizontal initiatives available under the Digital Europe programme such as the Data Space for Smart Communities' blueprint, the EU data cloud infrastructure, and the EU LDT toolbox. This can be done by forging alliances among cities and communities that have already established Local Digital Twins (LDTs) to consolidate their urban data platforms. By federating these existing infrastructures, we can establish the foundation for deploying a national cloud-based infrastructure customized for smart communities. This approach enables cities and communities at varying levels of technological advancement to participate and benefit from the shared resources and expertise. As a result, less technologically advanced cities and communities can seamlessly integrate into the ecosystem, fostering inclusivity and driving collective progress towards smarter, more resilient communities. Through resource-sharing among individual initiatives across the EU, we can effectively scale up and enhance the capabilities of these platforms, fostering collaboration and synergy to drive innovation and sustainable development.

• Work strand 2: Customising advanced Digital Twin services by developing and piloting solutions and sectoral LDTs based on common policy needs of cities and communities where interoperability and collaboration are to be enhanced. These pilots will address several policy scenarios (for key urban areas) such as urban development, city mobility, optimising energy grids, mitigating climate related problems, managing waste, and enhancing efficient water resource management.

The customised Digital Twin services should be tested in real-life conditions and expand the EU LDT ecosystem by making use of and expanding the EU LDT toolbox catalogue. The pilots should aim at including at the following activities:

a. Designing real life use cases for urban planners based on open and interoperable data sets across sectors. The use of these data sets should follow requirements of the Data Space for Smart Cities and Communities' blueprint[7];

b. Building and deploying the pilot services on LDT platforms at city/community level with real use case data;

c. Provide and package the technical solutions supporting LDT-based customised services as open source and make it available to the EU LDT toolbox catalogue.

• Work strand 3: Add new advanced AI-based components to the forthcoming EU LDT toolbox to address the needs of cities/communities:

a. Develop and deliver new AI-based services such as generative AI to create simulations, predictive models and forecast in a variety of sectors and use cases amongst which address the objectives of the New European Bauhaus, public services, and communities' resilience.

b. Develop and deliver solutions for designing, optimising, and testing urban policies in dynamic complex environments with several interwoven sectors (e.g., traffic volume and pollution levels). AI classical optimization may be complemented with self-organised bottom-up solutions that will offer the necessary adaptability and robustness.

c. Develop and deliver new complex AI-based services related to citizens' engagement, with or without the use of eXtended Reality technology to address aspects of the New European Bauhaus initiative and implement a sustainable, democratic, and citizen-centric CitiVerse.

d. Provide and package the AI-based components into an out-of-the-box solution so that they be reused and become part of the EU LDT toolbox catalogue.

To maximize the scale-up and reusability of the new services, these should be designed in such a way that they can be adopted by LDT-based architectures of different maturity levels. Contributions from pilots to different city maturity levels will be strongly sought for during the selection of pilots.

The budget for this topic is 20 million Euro; one single project will be sought for. Within the open call for cascading grants, the selected project should ensure that at least 85 % of the budget is allocated to the cascading funding, from which at least 30 % is allocated to work strand 1 activities; at least 30 % to work strand 2 and at least 15 % to work strand 3. The indicative duration of the action will be 42 months.

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[7] DS4SSCC Inventory

Outcomes and deliverables

Expected outcomes and deliverables of these three working strands are:

- An EU ecosystem of LDTs sharing a common interoperability blueprint, addressing joint repositories, capacity building actions and cooperative approaches coordinated by the consortium managing the community of pilots.

- An increase in the number of national infrastructures for urban data platforms and digital twins, anchoring advanced services compatible with the EU data cloud infrastructure, and reusing interoperable and open-source tools from the EU LDT toolbox.

- New technical solutions of the EU LDT toolbox supporting LDT-based customised services in several policy scenarios and key urban management areas.

- New AI-based solutions extending and supplementing the catalogue of the EU LDT toolbox for cities and communities.

- Increasing and maturing the AI services offering in the public domain with new predictive modelling services and immersive solutions, paving the way to the CitiVerse.

KPIs to measure outcomes and deliverables

- Number of LDTs using the Data Space for Smart Cities and Communities' blueprint.
- Number of national and local platforms and LDTs with services compatible with SIMPL, with the EU data cloud infrastructure and reusing tools from the LDT toolbox.
- Number of new AI-based services in addition to those already in the LDT toolbox.
- Number of new predictive modelling services including immersive solutions for the citizens.

Targeted stakeholders

Public and private entities such as (but not limited to): public administrations (national, regional, and local level), the EDIC "Networked Local Digital Twins towards the CitiVerse", technology developers and suppliers, research and academia.

It is important to note, due to the type of action chosen, that members of a potential consortium cannot be beneficiaries of the cascading fund.

Type of action and funding rate

Grants for Financial Support — 100% funding rate

The budget for this topic is 20 million Euro; one single project will be sought for. Within the open call for cascading grants, the selected project should ensure that at least 85 % of the budget is allocated to the cascading funding, from which at least 30 % is allocated to work strand 1 activities; at least 30 % to work strand 2 and at least 15 % to work strand 3. The indicative duration of the action will be 42 months.

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

Specific topic conditions

- For this topic, security restrictions under Article 12(6) of the Digital Europe Regulation apply *(see sections 6 and 10 and Annex 2)*

- For this topic, multi-beneficiary applications are mandatory and specific conditions for the consortium composition apply *(see section 6)*

- For this topic, following reimbursement option for equipment costs applies: depreciation only *(see section 10)*

- For this topic, financial support to third parties is allowed *(see section 10)*

- For this topic, first exploitation obligations apply *(see section 10)*

3. Available budget

The estimated available call budget is **EUR 20 000 000**.

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

Topic	Topic budget
DIGITAL-2024-CLOUD-DATA-AI-07-DIGITALTWIN	**EUR 20.000.000**

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:	04 July 2024
Deadline for submission:	21 November 2024 – 17:00:00 CET (Brussels)
Evaluation:	December 2024- January 2025
Information on evaluation results:	March – April 2025
GA signature:	August 2025

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** *(templates available to be downloaded from the Portal Submission System, completed, assembled and re-uploaded)*:

– detailed budget table/calculator: 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) *(template available in Part B): applicable***

– **ownership control declarations (including for associated partners and subcontractors): applicable**

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** (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)*.

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

6. Eligibility

Applications will only be considered eligible if their content corresponds wholly (or at least in part) to the topic description for which they are submitted.

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))
- non-EU countries (Norway, Iceland, Liechtenstein):
- listed EEA countries and countries associated to the Digital Europe Programme (list of participating countries)

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 note that this call is subject to restrictions due to security reasons:

- Entities must not be directly or indirectly controlled from a country that is not an eligible country unless they comply with the requirements to guarantee[8] the protection of the essential security interests of the Union and the Member States and to ensure the protection of classified documents information as set out in the relevant work programme (conditions for foreign controlled entities - guarantees)[9].

For more information, **see Annex 2.**

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 persons[10].

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'[11]. ⚠️ Please note that 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).

Countries currently negotiating association agreements — Beneficiaries from countries with ongoing negotiations for participating in the programme *(see list of participating countries above)* may participate in the call and can sign grants if the negotiations are concluded before grant signature and if the association covers the call (i.e. is

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[8]   See guarantee template in the annex to the application form for ownership and control declaration
[9]   See 9.3. Appendix 3 – Implementation of Article 12(5) and 12(6) of the work programme for the guarantee conditions
[10] See Article 197(2)(c) EU Financial Regulation 2018/1046.
[11] For the definitions, see Articles 187(2) and 197(2)(c) EU Financial Regulation 2018/1046.

retroactive and covers both the part of the programme and the year when the call was launched).

Following the Council Implementing Decision (EU) 2022/25066, as of 16th December 2022, no legal commitments (including the grant agreement itself as well as subcontracts, purchase contracts, financial support to third parties etc.) can be signed with Hungarian public interest trusts established under Hungarian Act IX of 2021 or any entity they maintain.

Affected entities may continue to apply to calls for proposals. However, in case the Council measures are not lifted, such entities are not eligible to participate in any funded role (beneficiaries, affiliated entities, subcontractors, recipients of financial support to third parties). In this case, co-applicants will be invited to remove or replace that entity and/or to change its status into associated partner. Tasks and budget may be redistributed accordingly. 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)[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*.

Consortium composition

Proposals must be submitted by:

for topic DIGITAL-2024-CLOUD-DATA-AI-07-DIGITALTWIN:

A consortium of at least 3 applicants (beneficiaries; not affiliated entities) and which complies with the following conditions:

minimum 3 independent entities from 3 different eligible countries

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 allowed for grants or similar forms of support under the following conditions:

  − the calls must be open, published widely and conform to EU standards concerning transparency, equal treatment, conflict of interest and

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[12] 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.

confidentiality

− the calls must be published on the Funding & Tenders Portal, and on the participants' websites

− the calls must remain open for at least two months

− if call deadlines are changed this must immediately be published on the Portal and all registered applicants must be informed of the change

− the outcome of the call must be published on the participants' websites, including a description of the selected projects, award dates, project durations, and final recipient legal names and countries

− the calls must have a clear European dimension.

Your project application must clearly specify why financial support to third parties is needed, how it will be managed and provide a list of the different types of activities for which a third party may receive financial support. The proposal must also clearly describe the results to be obtained.

Geographic location (target countries)

Due to restrictions due to security 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 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).

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 clearance (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 clearance may have to be provided before grant signature. The granting authority will assess the need for clearance 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 clearance.

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

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[13] See Commission Decision 2015/444/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 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
- list of previous projects (key projects for the last 4 years; *template available in Part B*).

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 participate[14]:

- 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[15] (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 EU Regulation 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 rejected if it turns out that[16]:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information

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[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.

– 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 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 will be 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:

1. 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

2. 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

3. 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**.**

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 budget (i.e. up to the budget ceiling). 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. A retroactive starting date can be granted exceptionally for duly justified reasons — but never earlier than the proposal submission date.

Project duration:

– for topic DIGITAL-2024-CLOUD-DATA-AI-07-DIGITALTWIN: 42 months

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

– periodic progress reports at the end of every reporting period and final report at the end 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):

– for topic DIGITAL-2024-CLOUD-DATA-AI-07-DIGITALTWIN: EUR 20 million per project

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.1 Financial support to third parties
    - 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)[17]: Yes
    - SME owner/natural person unit cost[18]: Yes

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[17] Decision of 29 June 2021 authorising the use of unit costs based on usual cost accounting practices for actions under the Digital Europe Programme.

[18] 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

- travel and subsistence unit costs[19]: No (only actual costs)
- equipment costs:
- depreciation
- other cost categories:
  - costs for financial support to third parties:
    - maximum amount per third party EUR 500 000; amounts of more than 60 000 EUR per third party are necessary because the nature of the actions under this call is such that their objectives would otherwise be impossible or overly difficult to achieve
    - minimum 85% of the EU grant should be devoted to financial support to third parties.
    - the recipients of financial support to third parties have to form a consortium including at least 2 cities/communities in two different eligible countries. The maximum amount per consortium is EUR 1 000 000 EUR.
    - The recipients of financial support to third parties have to co-finance the activity by minimum 50% of the total costs of the pilot.
  - internally invoiced goods and services (unit cost according to usual cost accounting practices)[20]: Yes
- indirect cost flat-rate: 7% of the eligible direct costs (categories A-D, except volunteers costs and exempted specific cost categories, if any).
- 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
  - restrictions due to security:
    - country restrictions for subcontracting costs: Yes, subcontracted work must be performed in the eligible countries

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natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7115).

[19] 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).

[20] Decision of 29 June 2021 authorising the use of unit costs based on usual cost accounting practices for actions under the Digital Europe Programme.

  – eligible cost country restrictions: Yes, only costs for activities carried out in eligible countries are eligible

  – other ineligible costs: No.

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 **20-50 %** of the maximum grant amount depending on the initial needs of the project, 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 **additional prefinancing payments** linked to a prefinancing 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 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 also 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 normally requested from the coordinator, for the consortium. They must be provided during grant preparation, 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 *(art 23)*.

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 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:

  — first exploitation obligation in eligible countries: 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 dissemination obligations: No

— 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: Yes

- 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 "Write to us".

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).

- **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).

- **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 cumulation of funding/no double funding** — It is strictly prohibited to cumulate 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 be declared under two EU grants. If you would like to nonetheless benefit from different EU funding opportunities, projects must be designed as different actions, clearly delineated and separated for each grant (without overlaps).

- **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 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 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 the others (or they 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 uses the following actions to implement grants:

Simple Grants

Description: Simple Grants (SIMPLE) 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: SME Support Actions (SME) are a 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: Coordination and Support Actions (CSAs) are a 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: Grants for Procurement (GP) are a special type of action where 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: PAC Grants for Procurement (PACGP) are a 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: Grants for Financial Support (GfS) have 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

Lump Sum Grants

Description: Lump Sum Grants (LS) 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). on the basis of a methodology defined by the granting authority (either on the basis of a detailed project budget or other pre-defined parameters). The lump sum will cover all the beneficiaries' direct and indirect costs for the project. 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: 100%/50%/50% and 75% (for SMEs)

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

Framework Partnerships (FPAs) and Specific Grants (SGAs)

FPAs

Description: FPAs establish 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 consortium composition should in principle match (meaning that only entities that are part of the FPA can participate in an SGA), but otherwise the implementation is rather flexible. FPAs and SGAs can have different coordinators ; other partners of the FPA are free to participate in an SGA or not. 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

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 DEP associated country, or established in the EU territory but *controlled* by a third country or third country legal entities (including DEP associated countries)[21].

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 the EU will be able to participate; entities from associated countries (which are normally eligible) can NOT participate — unless otherwise provided in the Work Programme.

- In SO1 and SO2, entities established in associated countries and entities controlled from non-EU countries may participate, if they comply with the conditions set out in the Work Programme (usually:

  - for the associated countries: be formally associated to Digital Europe Programme and receive a positive assessment by the Commission on the replies to their associated country security questionnaire.

  - for the participants: submission of a guarantee demonstrating that they have taken measures to ensure that their participation does not contravene security or EU strategic autonomy interests).

⚠ EEA countries benefit from a status equivalent to the Member States.

In order to determine the ownership and control status, participants[22] will be required to fill in and submit an ownership control declaration*as part of the proposal (and later on be requested to submit supporting documents) *(see Guidance on participation in DEP, HE, EDF and CEF-DIG restricted calls)*.

In addition, where a guarantee is required, the participants will also have to fill in the guarantee template*, approved by the competent authorities of their country of establishment, and submit it to the granting authority which will assess its validity.

The activation of these restrictions will also 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.

Thus:

- participation in any capacity (as beneficiary, affiliated entity, associated partner, subcontractor or recipient of financial support to third parties) is also limited to entities established in and controlled from eligible countries

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[21] See Article 12(5) and (6) of the Digital Europe Regulation 2021/694.

[22] Beneficiaries and affiliated entities, associated partners and subcontractors — except for entities that are validated as public bodies by the Central Validation Service.

- project activities (included subcontracted work) must take place in eligible countries

- the Grant Agreement provides for specific IPR restrictions.

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 reasons[23].

The activation of these restrictions 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 Guidance on participation in DEP, HE, EDF and CEF-DIG restricted calls*.

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[23] See Article 18(4) of the Digital Europe Regulation 2021/694.