



# **Digital Europe Programme (DIGITAL)**

## Call for proposals

Cloud, data and artificial intelligence  
(DIGITAL-2024-AI-B-06)

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**EUROPEAN COMMISSION**  
 Directorate-General for Communications Networks, Content and Technology  
 CNECT.R – Resources and Support  
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## CALL FOR PROPOSALS

### TABLE OF CONTENTS

0. Introduction .....	5
1. Background.....	6
2. Objectives — Scope — Outcomes and deliverables — KPIs to measure outcomes and deliverables — Targeted stakeholders — Type of action and funding rate — Specific topic conditions .....	6
DIGITAL-2024-AI-B-06-LANGUAGE - Alliance for Language Technologies.....	6
Objectives .....	7
Scope.....	7
Outcomes and deliverables .....	8
KPIs to measure outcomes and deliverables.....	8
Targeted stakeholders.....	8
Type of action and funding rate .....	8
Specific topic conditions.....	8
3. Available budget .....	9
4. Timetable and deadlines .....	9
5. Admissibility and documents .....	9
6. Eligibility.....	10
Eligible participants (eligible countries).....	10
Consortium composition .....	12
Eligible activities.....	12
Geographic location (target countries).....	13
Ethics.....	13
Security.....	13
7. Financial and operational capacity and exclusion.....	14
Financial capacity .....	14
Operational capacity .....	15
Exclusion .....	15
8. Evaluation and award procedure .....	16
9. Award criteria.....	17
10. Legal and financial set-up of the Grant Agreements.....	18
Starting date and project duration .....	18
Milestones and deliverables.....	18
Form of grant, funding rate and maximum grant amount.....	19
Budget categories and cost eligibility rules.....	19

Reporting and payment arrangements.....	21
Prefinancing guarantees .....	21
Certificates .....	21
Liability regime for recoveries .....	22
Provisions concerning the project implementation.....	22
Other specificities .....	23
Non-compliance and breach of contract .....	23
11. How to submit an application.....	23
12. Help .....	24
13. Important .....	25
Annex 1 .....	28
Annex 2 .....	31

## O. Introduction

This is a call for proposals for EU action grants in the field of 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](#)<sup>1</sup>).

The call is launched in accordance with the 2023/2024 Work Programme<sup>2</sup> 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-AI-B-06-LANGUAGE - Alliance for Language Technologies**

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, 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:

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<sup>1</sup> 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).

<sup>2</sup> Commission Implementing Decision **C/2023/8620 final of 14.12.2023** concerning the adoption of the work programme for 2023-2024 and the financing decision for the implementation of the Digital Europe Programme.

- 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 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<sup>3</sup> outlines 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 planned in the fourth year of implementation of the Digital Europe Programme:

- Continuation of activities in the area of cloud-to-edge infrastructure and service by providing support to stakeholders for the use of Simpl, developed under the first work programme, and by planning a new action for the deployment of joint 5G edge nodes by telecom operators.
- 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 infrastructure and services, that are accessible to businesses and the public sector across the EU that were initiated in the first work programme. The Commission is investing in common European data spaces in strategic economic areas and areas of public interest, such as health, the Green Deal, energy and transport.
- Besides the continuation of the work on AI reference testing and experimentation facilities, new actions are also introduced aiming to support the preparation of the implementation of the future AI Act, the deployment of AI-powered systems for eHealth, including in conjunction with emerging technologies such as quantum sensing, and the development of the different layers of VR/AR worlds for communities, moving towards an ecosystem of networked Local Digital Twins across the EU. Finally, in its fourth year of programming, Digital Europe will also fund the formation of a language technologies ecosystem for the development and deployment of innovative large language AI foundation models.

**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-AI -B-06-LANGUAGE - Alliance for Language Technologies**

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<sup>3</sup> COM/2020/66 final

### Objectives

The advent of generative AI, exemplified by models like ChatGPT, represents a transformative moment in technological innovation. Yet, most of the advances come from regions outside Europe and do not cover all languages equally.

Building an ecosystem around large language and AI models in Europe will provide better autonomy for the use and sharing of European data and will reduce the **EU's** dependence on technologies from outside Europe.

Through federating Member States' efforts, this action will directly contribute to preserving the linguistic and cultural diversity in Europe while effectively **implementing the European Common Data Infrastructure and Service MCP's** objectives in the area of language technologies. By providing the necessary data and model adaptation capacities, the action will have a strong impact on the deployment of large language foundation models and their applications such as generative AI. This federated effort will be established around two work strands.

This call addresses the first work strand which will support the language data collection and the adaptation of existing large language foundation models to specific languages, domains or industries, so as to support the onboarding of the latest language technologies by European actors.

### Scope

Data: Leveraging on the Common European Language Data Space and other relevant Data Spaces, this activity will, in compliance with the applicable legislation (e.g. Copyright Directive (EU) 2019/790 and GDPR Regulation (EU) 2016/679), gather the necessary language data (text, audio, image and other modalities) from a broad array of European industrial, academic and institutional actors, and provide data in sufficient quality and quantity to build large language foundation models, ensuring a coherent coverage of all the official languages of the Member States as well as the most socially and economically relevant ones. This will also include providing data required to adapt such large language foundation models to specific languages, domains or industries. The action will also provide a repository of existing European Large Language foundation models as well as models adapted to specific languages, domains or industries. Once sufficiently advanced, the consortium may consider working on a future copyright infrastructure and related issues to allow efficient use of language and other data, while taking into account the interests of the rightsholders.

Fine-tuning:

- This activity will also provide large language models fine-tuned to specific languages, domains or industries as a result of further training of large language foundation models on specific language data. This process involves adapting, evaluating and optimizing foundation models for specific languages, domains or industries. It will facilitate the efficient deployment of these models across various industries, requiring less task-specific data compared to building models from scratch, which is particularly advantageous for SMEs. The action will also include the support for the ongoing maintenance and enhancement of these models, ensuring their adaptability to evolving tasks and domains over time.
- In addition, this activity will also provide, including through Financial Support to Third Parties, dedicated support and services, in particular for SMEs, to facilitate the fine-tuning of available models. This support and services will provide third parties with an infrastructure to fine-tune and evaluate existing models for their purpose.

The EuroHPC Joint Undertaking would provide access to their facilities for the adaptation and fine-tuning of the models when necessary.

### Outcomes and deliverables

- Increased accessibility to language data for the development and adaptation of large language foundation models, in consideration of issues linked to data privacy and security, as well as potential risks of disinformation.
- A repository of families of existing large language foundation models for public and industrial reuse in the EU.
- A repository of families of large language models fine-tuned to specific languages, domains or industries.
- Infrastructure and services for models fine-tuning.

### KPIs to measure outcomes and deliverables

- Number of language datasets newly made available within the project, including metrics on diversity and coverage of languages, domains, and industries in the datasets.
- Number of downloads and satisfaction levels from users utilizing the datasets.
- Number of large language foundation models newly made available within the project, including metrics on diversity and coverage of languages, domains, and industries in the datasets.
- Number of downloads and satisfaction levels from users utilizing the large language foundation models.

### Targeted stakeholders

The consortium that will carry out this action should be composed by representatives of Member States; public and private organisations, SMEs, RTOs; entities with access to large compute capacities; public and/or private data providers, such as the media or publishing industry.

### Type of action and funding rate

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(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 and full cost for listed equipment (*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
<b>DIGITAL-2024-AI-B-06-LANGUAGE</b> — Alliance for Language Technologies	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:	1 <sup>st</sup> August 2024
<u>Deadline for submission:</u>	<u>26<sup>th</sup> September 2024 – 17:00:00 CEST (Brussels)</u>
Evaluation:	October-November 2024
Information on evaluation results:	December 2024
GA signature:	February 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*).



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:
    - EEA countries (Norway, Iceland and Liechtenstein)
    - other countries associated to the Digital Europe Programme ([list of participating countries](#))<sup>4</sup>

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

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<sup>4</sup> Subject to a positive assessment by the Commission on the replies to their associated country security questionnaire – see Annex 2

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<sup>5</sup> 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)<sup>6</sup>.

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<sup>7</sup>.

**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'**<sup>8</sup>.  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 retroactive and covers both the part of the programme and the year when the call was launched).

Following the [Council Implementing Decision \(EU\) 2022/2506](#), as of 16<sup>th</sup> 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

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<sup>5</sup> See guarantee template in the annex to the application form for ownership and control declaration

<sup>6</sup> See 9.3. Appendix 3 – Implementation of Article 12(5) and 12(6) of the work programme for the guarantee conditions

<sup>7</sup> See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>8</sup> For the definitions, see Articles 187(2) and 197(2)(c) EU Financial Regulation [2018/1046](#).

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)*<sup>9</sup>). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

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

### Consortium composition

Proposals must be submitted by:

- minimum 3 independent applicants (beneficiaries; not affiliated 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 in 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 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

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<sup>9</sup> Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the [EU Sanctions Map](#).

describe the results to be obtained.

### 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 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](#)<sup>10</sup> 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

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<sup>10</sup> 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).

- 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

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<sup>11</sup>:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including **procedures for persons with unlimited liability for the applicant's debts**)
- in breach of social security or tax obligations (including if done by persons with **unlimited liability for the applicant's debts**)
- guilty of grave professional misconduct<sup>12</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child

<sup>11</sup> See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).

<sup>12</sup> Professional misconduct includes: violation of ethical standards of the profession, wrongful conduct with impact on professional credibility, false declarations/misrepresentation of information, participation in a cartel or other agreement distorting competition, violation of IPR, attempting to influence decision-making processes or obtain confidential information from public authorities to gain advantage.

- 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<sup>13</sup>:

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

## 8. Evaluation and award procedure

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

An evaluation committee (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'**.


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<sup>13</sup> See Article 141 EU Financial Regulation [2018/1046](#).



- 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 \*.

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


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:

- between 24 and 36 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

#### 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):

- EUR 20 000 000 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)<sup>14</sup>: Yes
  - SME owner/natural person unit cost<sup>15</sup>: Yes
- travel and subsistence unit costs<sup>16</sup>: No (only actual costs)
- equipment costs:
  - depreciation + full cost for listed equipment (for all topics)
- other cost categories:
  - costs for financial support to third parties: allowed for grants or similar:
    - maximum amount per third party EUR 60 000, unless a higher amount is required because the objective of the action would otherwise be impossible or overly difficult to achieve and this is duly justified in the Application Form
    - not exceeding 60% of the total grant amount for this budget category.
  - internally invoiced goods and services (unit cost according to usual cost accounting practices)<sup>17</sup>: 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:

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<sup>14</sup> [Decision](#) of 29 June 2021 authorising the use of unit costs based on usual cost accounting practices for actions under the Digital Europe Programme.

<sup>15</sup> Commission [Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7115).

<sup>16</sup> Commission [Decision](#) of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

<sup>17</sup> [Decision](#) of 29 June 2021 authorising the use of unit costs based on usual cost accounting practices for actions under the Digital Europe Programme.

- 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
- 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 80% 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 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:
  - 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 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: 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 EU Login 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) consists 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)<sup>18</sup>.

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. Currently none of the associated countries have passed the assessment yet.
  - 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 (and participants from EEA countries) are exempted from these restrictions (and additional requirements) because EEA countries benefit from a status equivalent to the Member States.

In order to determine the ownership and control status, participants<sup>19</sup> 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:

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<sup>18</sup> See Article 12(5) and (6) of the Digital Europe Regulation [2021/694](#).

<sup>19</sup> Beneficiaries and affiliated entities, associated partners and subcontractors — except for entities that are validated as public bodies by the Central Validation Service.

- 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.
- 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<sup>20</sup>.

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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<sup>20</sup> See Article 18(4) of the Digital Europe Regulation [2021/694](#).