



# Digital Europe Programme (DIGITAL)

# Call for proposals

Cloud Data and TEF (DIGITAL-2022-CLOUD-AI-03)

> Version 1.0 15 September 2022

HISTORY OF CHANGES				
Version	Publication Date	Change	Page	
1.0	15.09.2022	<ul> <li>Initial version (new MFF).</li> </ul>		

EU Grants: Call document (DEP): V1.0 - 15.09.2021



#### EUROPEAN COMMISSION

Directorate-General for Communications Networks, Content and Technology

CNECT.R– Resources and Support CNECT.R.5 – Programme Implementation

#### CALL FOR PROPOSALS

#### **TABLE OF CONTENTS**

0.	Introduction
1.	Background
2.	Objectives — Scope — Outcomes and deliverables — KPIs to measure outcomes and deliverables — Targeted stakeholders — Type of action and funding rate — Specific topic conditions
	DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES - Large-scale pilots for cloud-to-edge based service solutions
	Objectives
	Scope
	Outcomes and deliverables
	KPIs to measure outcomes and deliverables10
	Targeted stakeholders
	Type of action and funding rate10
	Specific topic conditions10
	DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY - Data space for mobility (deployment)11
	Objectives
	Scope
	Outcomes and deliverables12
	KPIs to measure outcomes and deliverables
	Targeted stakeholders
	Type of action and funding rate13
	Specific topic conditions
	DIGITAL-2022-CLOUD-AI-03-DS-MANUF - Data space for manufacturing (deployment)14
	Objectives
	Scope14
	Outcomes and deliverables15
	KPIs to measure outcomes and deliverables16
	Targeted stakeholders
	Type of action and funding rate17
	Specific topic conditions17
	DIGITAL-2022-CLOUD-AI-03-DS-MEDIA - Data space for media (deployment)17
	Objectives
	Scope
	Outcomes and deliverables

	KPIs to measure outcomes and deliverables	21
	Targeted stakeholders	21
	Type of action and funding rate	21
	Specific topic conditions	21
	DIGITAL-2022-CLOUD-AI-03-DS-SMART - Data space for smart communities (deployment)	22
	Objectives	22
	Scope	22
	Outcomes and deliverables	24
	KPIs to measure 'Outcomes and deliverable'	25
	Targeted stakeholders	25
	Type of action	25
	Specific topic conditions	25
	DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND - Deployment of the AI-on-demand platform	26
	Objectives	26
	Scope	26
	Outcomes and deliverables	27
	KPIs to measure outcomes and deliverables	28
	Targeted stakeholders	28
	Type of action and funding rate	28
	Specific topic conditions	28
3.	. Available budget	29
4.	. Timetable and deadlines	30
5.	. Admissibility and documents	30
6.	. Eligibility	31
	Eligible participants (eligible countries)	31
	Consortium composition	33
	Eligible activities	33
	Geographic location (target countries)	34
	Ethics	34
	Security	35
7.	. Financial and operational capacity and exclusion	36
	Financial capacity	36
	Operational capacity	36
	Exclusion	37
8.	. Evaluation and award procedure	38
9.	. Award criteria	39
10	0. Legal and financial set-up of the Grant Agreements	40
	Starting date and project duration	40
	Milestones and deliverables	40
	Form of grant, funding rate and maximum grant amount	40
	Budget categories and cost eligibility rules	41
	Reporting and payment arrangements	43
	Prefinancing guarantees	44
	Certificates	44

Liability regime for recoveries	44
Provisions concerning the project implementation	44
Other specificities	45
Non-compliance and breach of contract	45
11. How to submit an application	46
12. Help	47
13. Important	48
Annex 1	51
Annex 2	54

#### **0. Introduction**

#### This is a call for proposals under the **Digital Europe Programme (DIGITAL)**.

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

- Regulation 2018/1046 (<u>EU Financial Regulation</u>)
- the basic act (Digital Europe Regulation 2021/694<sup>1</sup>).

The call is launched in accordance with the 2021-2022 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 **topics**:

- **DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES** Large-scale pilots for cloud-to-edge based service solutions
- **DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY** Data space for mobility (deployment)
- DIGITAL-2022-CLOUD-AI-03-DS-MANUF Data space for manufacturing (deployment)
- DIGITAL-2022-CLOUD-AI-03-DS-MEDIA Data space for media (deployment)
- DIGITAL-2022-CLOUD-AI-03-DS-SMART Data space for smart communities (deployment)
- **DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND** Deployment of the AI-ondemand platform

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.

 $<sup>^1</sup>$  Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe programme for the period 2021-2027 (OJ L166, 11.05.2021).

 $<sup>^2</sup>$  Commission Implementing Decision C/2021/7914 of 10.11.2021 concerning the adoption of the Work Programme for 2021-2022 and the financing decision for the implementation of the Digital Europe Programme.

We invite you to read the **call documentation** carefully, and in particular this Call Document, the Model Grant Agreement, the <u>EU Funding & Tenders Portal Online</u> <u>Manual</u> and the <u>EU Grants AGA — Annotated Grant Agreement</u>.

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

- the <u>Call Document</u> 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 <u>Online Manual</u> outlines the:
  - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
  - recommendations for the preparation of the application.
- the <u>AGA Annotated Grant Agreement</u> 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

Specific Objective 2 of the Digital Europe Programme aims to reinforce the EU's core Artificial Intelligence (AI) capacities as a crucial driver for the digital transformation of the public and private sectors. The EU data strategy outlined the importance of building a thriving ecosystem of private 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 fund infrastructures, 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 first two years of implementation of the Digital Europe Programme:

- The deployment of cloud-to-edge infrastructure and services compliant with EU rules, notably on security, data protection and privacy and environmental aspects. Open-source by default, they will ensure fluid data flows. Completing the picture, the deployment of the Testing and Experimentation Facility for edge-AI will support the green transition with support to advanced low-power computing technologies. Such facility should be a role model in showing effective ways to comply with existing legislation, and taking into account relevant codes of conduct and guidelines.
- The deployment of a Data for EU strand with a focus on building 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. The objective is the creation of data infrastructure with tailored governance mechanisms that will enable secure and cross-border access to key datasets in the targeted thematic areas. Focus will be on data spaces for Green deal, smart communities, mobility, manufacturing, agriculture, cultural heritage, health, media, skills, language technologies, financial sector, public administrations and tourism. Data spaces will be supported by a Data Space Support Centre in order to guarantee coordination between the various initiatives and guarantee that data could be accessed across different sectors. The centre will ensure the best use of the cloud-to-edge infrastructure and services to serve the needs of these data spaces.
- The deployment of AI reference testing and experimentation facilities with a focus on four prioritized application sectors (i.e. health, smart communities, manufacturing, and agriculture) (see also the Coordinated Plan on Artificial Intelligence 2021 Review). These facilities will provide common, highly specialised resources to be shared at European level. In addition, the AI-ondemand platform will be consolidated as a catalogue of AI-based resources and marketplace, for trustworthy AI tools made in Europe for both private and public sector use.

The participation is open to all eligible entities as established by Article 18 of the Digital Europe Programme, in particular public sector as well as private sector organisations including SMEs and NGOs.

All topics under this section are subject to the provisions of Article 12(6) of the Digital Europe Programme Regulation. The topics under Specific Objective 2 are closely interconnected within each area of intervention (for example, individual Testing and Experimentation Facilities (TEFs) benefit from common AI tools) as well as between the three intervention areas (for example, Artificial Intelligence is closely linked to the EU data and cloud initiatives, while the data spaces will provide a major source of data for AI-based applications and development as well as links to critical infrastructures, which must operate securely). These links require that the approach towards Article 12(6) must be systematic, i.e. it must take into account not only situations where given action is sensitive from the perspective of the security interest of the Union in itself, but also when it can affect the sensitivity of other actions.

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

DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES - Large-scale pilots for cloud-to-edge based service solutions

#### <u>Objectives</u>

Large-scale pilot projects will be launched aiming at the deployment at scale of innovative, sustainable, secure and cross-border cloud-to-edge based services applied in a set of well-chosen application sectors. These deployments will serve the double objective of, first, being the first actual concrete implementations and deployments of the middleware platform and its different open source middleware solutions (see topic 2.1.1) serving the needs of a specific application sector and use case and the gained experience should feedback into this separate process. Diversity, both in geography and use cases, of the retained large scale pilot projects will therefore be key in testing the versatility and robustness of the platform. The second objective is to deploy additional cloud-to-edge services that are particularly innovative and/or not (yet) of enough general interest to be procured for the common good (as in topic 2.1.2).

The pilot projects would have to be co-designed and co-created in close cooperation between all the involved stakeholders representing well both the supply and the demand side and addressing concrete services and solutions.

The selected projects should act as showcases for the whole of the Union, providing concrete examples of how they could be taken up and implemented in other application sectors by clearly demonstrating the added-value they bring.

#### <u>Scope</u>

The projects consist of the large-scale rollout of several of the following advanced 'cloud-to-edge' services across the EU:

- Edge cybersecurity services, notably for shared edge resources
- Highly secured, low latency local edge services running on green infrastructures that enable federated Artifical Intelligence and
- Ultra-secure and ethical standards compliant data management such as through scalable blockchain based services.
- Predictive analytics and data visualisation services;
- Edge-cloud native multi-tenancy This list of services should not be seen as closed.

The retained projects need to ensure that:

- they are built over the cloud-to-edge middleware platform made available under 2.1.1
- they are hybrid, i.e. that they truly cover at least cloud and edge computing and, where possible, more (far-edge or High Performance Computing)
- they track their environmental performance, with a view to allowing an energy-efficient and sustainable data management
- they are accompanied by an appropriate monitoring system to measure the uptake of cloud-to-edge based services and their associated data flows
- they coordinate among them and with (i) the Alliance for industrial data, edge and cloud, (ii)- the European data spaces, (iii)- the Data Space Support Centre to ensure, through a common reference governance framework, the reuse by other actors of the federated cloud-to-edge based services they develop;

In selecting the pilot projects, the Commission will adopt a portfolio approach, trying to maximise:

- Different use cases in the public sector or of general public interest. Taken together, the retained project portfolio should ideally address the health sector, the mobility sector (in particular the 5G corridors supported under the Connecting Europe Facility 2 programme), the common data spaces supported under section 2.2, public administrations, and smart cities and communities
- Different geographies, i.e. deployments that cover at least three Member States (and ideally many more), while keeping in mind that some use cases can be very local
- Different services, i.e. deployments that address several of the services described above.

In selecting the pilot projects, the Commission will adopt a portfolio approach, trying to maximise:

- Different use cases in the public sector or of general public interest. Taken together, the retained project portfolio should ideally address the health sector, the mobility sector (in particular the 5G corridors supported under the Connecting Europe Facility 2 programme), the common data spaces supported under section 2.2, public administrations, and smart cities and communities
- Different geographies, i.e. deployments that cover at least three Member States (and ideally many more), while keeping in mind that some use cases can be very local
- Different services, i.e. deployments that address several of the services described above.

The Commission will aim at selecting one pilot project in each of the above mentioned application sectors: i.e., the highest-scored project will be retained per sector, provided it is above the threshold in all the evaluation criteria. Should these conditions not be met for a particular sector, the Commission will revert to selecting a project whose use case is in a sector already covered by another better-scored project and that best complements the portfolio approach described above. Furthermore, the Commission will consider how much the deployments:

- involve Small and Medium-size Enterprises
- contribute, in line with the objective of the Green Deal, to a climate neutral, energy-efficient and sustainable cloud-to-edge service offering, and contribute to the greening of the computing industry while enabling the green transition of other sectors. In line with the Berlin declaration on Digital Society and Value-Based Digital Government27, the use of open source software is strongly encouraged as well as making relevant parts of that open source software available for broader exploitation by various public and private ecosystems.

#### Outcomes and deliverables

The project should produce at least one of the following outcomes:

- Reinforced European supply of resilient, competitive, distributed, green and secure cloud-to-edge based services.
- Wider and easier access, shorter time-to-delivery and higher sustainability of public and commercial services supplied to citizens and businesses including notably SMEs across the EU.
- Rapid deployment of EU-wide common data spaces.

Deliverables:

- Secured edge services, reaching a comparable level of maturity and resilience as traditional cloud environments
- Highly secured, low latency local edge services running on green infrastructures that enable federate AI
- Ultra-secured and ethical standards compliant data management such as through scalable blockchain based services
- Predictive analytics and data visualisation services
- Edge services with high performance and reliability, able to rapidly deploy new applications, and executing multiple intensive workloads stemming from different concurrent users.

#### KPIs to measure outcomes and deliverables

Progress should be demonstrated by qualitative and quantitative KPIs, demonstrators, benchmarking and progress monitoring. The proposal should define a set of methodologies and kits of specific quantitative and qualitative KPIs to enable appropriate control of the implementation progress of the pilot.

The consortium should also propose relevant indicators (including industry and service relevant KPIs) for measuring the final usage and impact of the pilot. These indicators should be accompanied by target values.

#### Targeted stakeholders

The consortium may include partners from the public sector, cloud providers, cloud users, NRENs, industrial associations, etc. At least a relevant industrial partner linked with the sector the pilot is addressing (health, mobility, common data space, etc.) should be included.

The consortium should composition should contribute to reinforce European Digital sovereignty and provide adequate EU coverage for the initial role out of the pilot.

#### 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)

## **DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY - Data space for mobility** (deployment)

#### <u>Objectives</u>

The objective is to contribute to the further development of the common European mobility data space announced in the Data Strategy and the Sustainable and Smart Mobility Strategy, built and operated in full compliance with existing EU legislation in the mobility and transport sectors.

The specific aim is to support the creation and deployment through real-life implementation projects of a technical infrastructure combined with governance mechanisms that will facilitate easy access to and sharing of key data resources in this area, including across borders. This will be based on and in full alignment with existing and upcoming mobility and transport initiatives (some of which are regulated) that organise the sharing of data for both passengers and freight in the domains and become an integral part of the emerging European data and cloud services infrastructure.

The project(s) will contribute to the development of innovative services and applications and support policymaking by helping make available, share and reuse data for sustainable urban mobility indicators (SUMI) and for traffic and travel information in urban and regional areas..

#### <u>Scope</u>

The awarded project(s) will deploy an operational data space allowing participants to make data available and accessible in a machine-readable format, and to share data in a controlled, simple and secure way. This will allow building a large amount of accurate and reliable data that could be used *inter alia* for artificial intelligence. Where relevant, projects should make data accessible via the National Access Points and reuse existing data already accessible on the National Access Points. The project(s) will have to address the two following areas:

- support sustainable urban mobility planning and management and enable innovative services and applications by making available and accessible in machine-readable format data for EU sustainable urban mobility indicators, such as greenhouse gas emissions, congestion, road safety, commuting travel times and modal split in line with the EU definition and methodology<sup>1</sup>.
- make traffic and travel information at urban level available and accessible in a machine-readable format, in line with the Intelligent Transport Systems (ITS) Directive 2010/40/EU and in particular the Delegated Regulation (EU) 2015/962 on real-time traffic information services (and the revised version 2022/670 which will apply from 2025) and Delegated Regulation (EU) 2017/1926 on multimodal travel information services (and its revision that is planned to be adopted in 2023).

Activities should primarily focus on the real-world deployment of data space building blocks through use cases based on mobility data sharing. They can be accompanied by activities related the digitalisation of processes in order to implement data space building blocks, make data available for the use cases and make sure that future updates are made digitally. Project(s) will have to demonstrate a clear European dimension and should involve at least cities or regions in three different eligible countries (i.e. Member States or Associated countries) sharing common objectives.

In case several projects are selected, projects will have to closely align with each other and rely on coherent approaches. They will need to take into account the work of the preparatory action for the data space for mobility under the first call of DIGITAL<sup>2</sup> and use as much as possible the common building blocks identified by this action. During the duration of this preparatory action, the project(s) will need to actively liaise with it to ensure alignment, notably regarding the work on the common building blocks. The action should help maintain and upgrade common European mobility data space building blocks, notably to reflect the lessons learnt from the supported use cases and ensure their operation and sustainability beyond the end of the action.

The project(s) will also have to fully comply with the European Data Spaces Technical Framework. They can profit from and use the smart middleware platform and tools that will be developed under topic 2.1.1. of the DIGITAL Work Programme 2021-2022. They will also have to coordinate and collaborate with other projects participating in the deployment of sectoral data spaces and the Data Spaces Support Centre in order to allow integration of existing standards and to ensure interoperability and portability across infrastructure, applications and data.

#### Outcomes and deliverables

The project(s) will have to deliver the following outputs:

- Deployment through use cases of soft technical infrastructure and governance mechanisms facilitating the access to and sharing of mobility and transport data in a simple, secure and controlled way.
- Facilitating access to a larger amount of accurate and reliable data in machinereadable format in the following areas: (i) data for EU sustainable urban mobility indicators and (ii) traffic and travel information at urban level, and ensure a strategy and adequate means are in place so that data is updated throughout its life cycle after the project ends.
- Development of a European ecosystem of data providers and users adopting and making use of common building blocks to share data, including both public (e.g. cities, public transport authorities, regions) and private actors (e.g. transport providers, SMEs, manufacturers, digital service providers) in at least 3 European countries.

The project(s) will contribute to the following outcomes:

- Digitised processes and improved decision-making for cities and public transport authorities making use of shared data, for example to track progress towards set policy goals, to evaluate the effectiveness and impact of urban mobility policies, and to identify areas where additional action may be required.
- Development of new or improved applications, services, products, processes by industry, in particular SMEs, supported by viable business models, due to increased access to and sharing of transport and mobility data.
- Increased environmental performance, notably due to improved monitoring and measurement of greenhouse gas emissions and to the development of more sustainable mobility and transport services.
- Reinforced data sovereignty in the mobility and transport sector by ensuring that data exchange takes place within a framework of trust and transparency,

where collaboration creates the foundation within which self-determined exchange of data can take place thanks to an open framework driven by European actors.

The project(s) should contribute to climate objectives and collect evidence on their contribution to these objectives.

#### KPIs to measure outcomes and deliverables

- Maturity, reliability and security of the common technical infrastructure building blocks deployed;
- Amount and types of data made available in machine-readable format thanks to the deployment project(s);
- Adoption of the common technical infrastructure and governance mechanisms by different types of participants (e.g. cities, public transport authorities, mobility service providers, SMEs) across the European Union;
- Services, products and processes developed or improved due to the use of the common European mobility data space;
- Net gains in environmental performance enabled by the common European mobility data space deployment project(s).

#### Targeted stakeholders

The consortium should involve both data providers and mobility data users, both public and private. It should include at least cities or regions in three different eligible countries (i.e. Member States or Associated countries) and business(es) in the mobility and transport sector.

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)
- The following parts of the award criteria in section 9 are exceptionally NOT applicable for this topic:
  - extent to which the project would reinforce and secure the digital technology supply chain in the Union
  - extent to which the proposal can overcome financial obstacles such as the lack of market finance

## **DIGITAL-2022-CLOUD-AI-03-DS-MANUF** - Data space for manufacturing (deployment)

#### <u>Objectives</u>

Data sharing among manufacturing companies and with (service) providers will be increased by the deployment of two data spaces of the manufacturing industry, which will demonstrate how sharing industrial data improves company operations.

Manufacturing data spaces and their AI-based analytics and optimisation applications can influence company-internal processes as well as processes across organisations. On the basis of the preparatory actions (esp. EU DATA SP4CE<sup>3</sup>), the main objective is to deploy two operational data spaces across value chains in the manufacturing sector, which enable companies in different user roles (e.g. supplier, client, service provider) to interact with large amounts of industrial data across their organisational borders. The first data space will address agile supply chain management and execution across a large set of supply chain stakeholders, and the second one dynamic asset management and predictive/prescriptive maintenance, unlocking deep industrial data for trustworthy and reliable value-added services by parties outside a production site, such as machine tool manufacturers and integrators, improving production line operations.

#### <u>Scope</u>

The action calls for the deployment of two operational data spaces of the manufacturing industry, building on the work and results of the preparatory actions. Both discrete manufacturing and process industry are envisaged. The projects should have sufficient activities to lead to sustainability at the end of the action, in line with the business plans and blueprints proposed in the preparatory actions mentioned above.

Such data spaces will offer a secure and trustworthy way of making data usable between supplier and user companies on the basis of voluntary agreements. 'Embryonic' data spaces that are used by a significant amount of manufacturing companies should be scaled up to a European level. Their data sharing shall be deepened, expanded, and enlarged with other organisations, and gradually integrated into the Data Space Technical Infrastructure. The data spaces for manufacturing must be operated and coordinated by companies, an industrial association or a non-profit organisation demonstrating their capacity to act as trustworthy data brokers and to continue operations beyond the end of the action.

The actions need to target one of these two specific complementary data spaces for manufacturing:

• Performing agile supply chain management and execution by continuously monitoring and exchanging status data on e.g. purchase orders, sales orders, inventory levels, order progress, demand forecasts, use of raw materials,

<sup>&</sup>lt;sup>3</sup> This is the Preparatory Action selected in the DIGITAL-2022-CLOUD-AI-01 call. EU DATA SP4CE consortium members may participate in this call, their participation, though, will not be considered as an advantage for the project.

chemicals and energy and supply, etc. across the value chain. End users are different tiers in a supply chain (suppliers, OEMs, and customers).

• Carrying out dynamic asset management and predictive/prescriptive maintenance by continuously monitoring and exchanging data on machine status, breakdowns, downtimes, service orders, etc. End users are machine users, machine vendors, maintenance service providers, and remanufacturers.

In addition, the actions need to address the following mandatory activities:

- Bringing together relevant stakeholders to industrial data agreement(s) on design, reuse, recycling, and environmental impact and indicators for continuous monitoring and exchange of data on product performance and reuse, material content and origin, feedback to design, product recycling, product remanufacturing, etc. The work should demonstrate data-based sustainable business models and the benefits of data sharing for the organisations participating in the value chains.
- Carrying out further actions needed to effectively track and report resource use (e.g. CO<sub>2</sub>) from a manufacturer's perspective in going forward. Actions should preferably target data sharing for circularity in line with the Circular Economy Action plan (COM(2020) 98 final).

The actions for the deployment of these two data spaces for manufacturing will have to gradually make use and be in full compliance with the European Data Spaces Technical Framework. They will test and can profit from the smart cloud-to-edge middleware platform and tools that will be developed under topic "DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES - Large-scale pilots for cloud-to-edge based service solutions". They will also have to coordinate and collaborate with other projects participating in the deployment of the data space, the Data Spaces Support Centre and the governance body identified by the preparatory action EU DATA SP4CE. This coordination shall lead to the integration of existing standards and ensure interoperability and portability across infrastructure, applications and data.

Furthermore, the actions implementing the Data Spaces for Manufacturing are encouraged to cooperate with the European Digital Innovation Hubs for a broad uptake by the industry as well as the Testing and Experimentation Facility for Manufacturing to define European test and training data sets and to provide support in their establishment.

#### Outcomes and deliverables

**The two selected actions** will each deploy a data space for the manufacturing industry at scale, continuing to be available after the end of the project, that will build on and be integrated with the data space technical infrastructure, delivering industrial data sharing among manufacturing companies and with (service) providers, thanks to agreements on common rules for access to data and fair compensation. The solutions must be characterized by a high degree of user-orientation in terms of trustworthiness, data sovereignty of the companies and manageability. Particularly SMEs will benefit from larger sets of industrial data to broaden their offers in terms of products and services, with the support of the European Digital Innovation Hubs.

Actions will address one of the following expected outcomes:

• Supply chain operations are more flexible, circular, effective and efficient, with a higher degree of managed inventory levels, more timely deliveries between organisations, better resilience to interruptions of delivery channels, and enhanced cost controls.

• Asset management and maintenance operations demonstrate higher performance, with better insight on asset criticality, reduced overall downtimes and maintenance costs, extended machine usage periods, and new service models.

As part of the actions addressing one of the expected outcomes above, the organisation(s) operating the data spaces will deliver good practices for data sharing agreements such as code of conduct and contract template enabling such a degree of trust that brings together a sizeable number of manufacturing companies.

Furthermore, stakeholders in these actions will agree on approaches and explore ideas for circularity, on how to improve design, reuse, repair, remanufacturing, recycling, and environmental impact by data sharing and demonstrate benefits of the first generation of the product passports for all involved stakeholders as well as for sustainability. Interoperability of data within this data space will be designed such that cross-sectoral interoperability can be easily achieved in the future.

To ensure a balanced portfolio covering all envisaged data spaces for manufacturing, grants will be awarded to actions not only in order of ranking but also to at least one action per expected outcome, provided that the applications attain all thresholds. The EU estimates that an EU contribution of around EUR 8 million would allow these outcomes to be addressed appropriately. Nonetheless, this does not preclude submission and selection of a proposal requesting different amounts.

#### KPIs to measure outcomes and deliverables

- Percentage increase in number of organisations participating in the Data Space based on shared governance since project start
- Number, and geographic distribution, of connected data providers offering data sets based on the standards and conditions identified by the network.
- Data volume shared in the network, volume of data effectively used multiple times
- Number of data generating assets effectively connected to data spaces
- Percentage of data for which metrics for data quality are applied
- Case studies of demonstrated Return on Investments (RoI) of data space deployment
- Level of adoption of models incentivising businesses (financially and nonfinancially) to constantly keep data up-to-date
- Number of data space service providers offering analytics based on the solutions identified by the network.
- Share of supplier/customer interactions having undergone automation
- Share of SMEs among data providers and data users

The consortium should also propose relevant indicators (including industry and service relevant KPIs) for measuring the expansion of usage and impact of the data space.

Indicators should be accompanied by target values.

#### Targeted stakeholders

Consortium should include at least suppliers and users as well as service providers, any other organisation (such as data brokers, data stewards, data integrators) participating in data interoperability activities and organisations

#### Type of action and funding rate

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

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

#### Specific topic conditions

- For this topic, security restrictions under Article 12(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, first exploitation obligations apply (see section 10)]
- The following parts of the award criteria in section 9 are exceptionally NOT applicable for this topic:
  - extent to which the proposal can overcome financial obstacles such as the lack of market finance

#### **DIGITAL-2022-CLOUD-AI-03-DS-MEDIA - Data space for media (deployment)**

#### <u>Objectives</u>

The main objective is to **set up and deploy a secure and trusted data space** to enable media organisations active in all media sub-sectors<sup>4</sup> to cooperate by sharing and accessing data in a mutually advantageous manner and in full compliance with the data protection legislation. By providing the means for enhanced data-based collaboration, the data space should **open new opportunities** for the media sector with a view to innovating, transforming and addressing existing and new challenges of the digital economy (such as regaining competitiveness in the face of online platforms).

The data space should combine a **technical infrastructure** with **governance mechanisms** to ensure an easy and secure cross-border access to key datasets in the media sector. **Data interoperability** will be a key characteristic of the infrastructure. The data space should deploy **trust** mechanisms (such as security and privacy by design) and develop data services matching European values, in particular **ethics, equality and diversity**.

The data space infrastructure should **boost the re-use of data for innovative content** (for example, in entertainment, education, and news) production, curation,

<sup>&</sup>lt;sup>4</sup> For the purposes of this document, "media sub-sector" refers to a general public media sector branch such as but not limited to publishing, news, audio-visual services, broadcasting, radio, film, creative industries, gaming, advertising, XR.

circulation and distribution across Europe. The data should be available to both public service media and commercial media operators, whether large or small, start-ups or established players.

The media data space should be designed in such a way as to encourage the **EU** media stakeholders to embrace data-driven business models and pool together increasing sets of data and collaborate to set up new products and formats targeting expanded audiences in multiple languages. By providing access to larger datasets, the media ecosystem would be better equipped to scale up.

In line with the European Data Strategy, the media data space should **connect subdataspaces from various media related sectors** to form and look for links with other European data spaces, as relevant.

#### <u>Scope</u>

The general scope, features and principles of a common European data space are to be found in the <u>Commission Staff Working Document on Common European Data</u> <u>Spaces</u>.

The media data space will comprise the following three layers:

#### 1. Infrastructure

The infrastructure layer plays a fundamental role in this initiative. It will deploy, for the entire media value chain, the enabling technologies and underlying structural components to design, implement and operate a robust data space, as well as the required elements for data governance, cooperation readiness and setting of standards. More specifically, the project will, among others, define the conditions for sharing and using the data, including intellectual property (IP) and licensing options (including fees, if any), data models and metadata schemes, data protection, privacy, competition rules, workflow management and transaction functionalities.

The media sector comprises a number of heterogeneous fields and sub-sectors. Therefore, several sub-spaces are likely to be initial building blocks for the European media data space, such as news media, audio-visual content sharing, immersive content (through XR technologies), film production and gaming. Consequently, special emphasis should be put on interoperability (semantic, technical and IP) and creation of connections between these sub-areas through credible governance and coordination systems, and appropriate technical architecture reflecting these different building blocks.

In order to ensure the medium and long-term re-use of data of the media data space, content formats and metadata structures will take account, to the extent possible, of the use of European open source, international or pan-industry-accepted standards.

The media data space will make use of EU computing and/or storage infrastructure.

#### 2. Applications, tools and services

For the pooling, processing and sharing of data, the project will see to the development of technical and innovative tools to operationalise the platform, including, for example, modules and cloud-based services for automatic translation, neutral search, editing tools, data analysis, workflow tools, transaction mechanisms, social media interaction, news aggregation and content-driven modules.

The media data space will provide tools and services such as, but not limited to tools for media data transaction preserving data ownership, tools for data analytics, services for financial transactions based on the data usage (e.g. using blockchain), data format transformation services (where applicable), services for immersive content creation (including AI elements), services to develop income from advertising/subscription/copyright/other licenses, services to facilitate access to computing resources for creative SMEs.

#### 3. Data

Creators, producers, and distributors host relevant media data, such as content, meta-data or audience data. This data, as well as other types of data on users' behaviours, can be shared within the media data space. This might be useful to create content better tailored to consumer needs and distribute it more efficiently. Other examples of data that could be shared include user consumption data, 3D animation models, production meta-data, trained AI models.

The media data space should aim at offering data in as many EU official languages and media markets as possible.

The stakeholders will agree on the relevant data formats to be used for data exchange within the media data space and with other data spaces.

The media data space should overall support the curation, joint-production and circulation of news and media content and its adaptation to different audience targets and consumer preferences.

#### Synergies and interconnections

The project selected for the deployment of the European media data space will be in full compliance with the European Data Spaces Technical Framework and will make use of the SIMPL middleware<sup>5</sup>. It will also liaise with the Data Spaces Support Centre<sup>6</sup> (see topic DIGITAL-2021-CLOUD-AI-01-SUPPCENTRE) and the Alliance for Industrial Data, Cloud and Edge<sup>7</sup>. It will coordinate and collaborate with other projects in the European common data space ecosystem This will ensure the integration of existing standards, the interoperability and portability across infrastructure, applications and data.

Synergies with the work done by the <u>European Digital Media Observatory</u> and its national hubs for online content distribution and findability will also be established.

Furthermore, the project should explore links with other data spaces (e.g. data spaces for cultural heritage, tourism, languages) or produced by creative/ industrial sectors (e.g. fashion, design, retail, automotive).

The selected proposal should create synergies, to the extent possible, with the results of any EU-funded actions that could be useful for the development of a common

<sup>&</sup>lt;sup>5</sup> <u>Simpl: cloud-to-edge federations and data spaces made simple | Shaping Europe's digital future (europa.eu)</u>

<sup>&</sup>lt;sup>6</sup> <u>Digital Europe Work Programme</u>, item 2.2.2.1 Data Spaces Support Centre

<sup>&</sup>lt;sup>7</sup> <u>https://digital-strategy.ec.europa.eu/en/policies/cloud-alliance</u>

European media data space, for example <u>HORIZON-CL4-2021-HUMAN-01-06</u>: <u>Innovation for Media, including eXtended Reality (IA)</u>, Moreover, it will seek to include any relevant national or regional media initiatives meant to pool, share and process media-related data across organisations in the Member States.

#### Outcomes and deliverables

#### Outcomes

- Strengthen the competitiveness of the media industry at global level through an expanding data-based cooperation between players of all sizes and through innovative solutions meant to ultimately bring in new growth perspectives for the media companies<sup>8</sup>.
- Improve the availability, quality and interoperability of data both within the media ecosystem and across sectors.
- Facilitate the emergence of new business models and their uptake by traditional and new media, thereby improving citizens' access to broadly sourced information,
- Contribute to Europe's digital autonomy, as well as strengthen citizens' participation in the public sphere by offering them to access online media content of their choice, from around the EU and in multiple languages.

#### Deliverables

- An EU-based cloud-hosted interoperable infrastructure for the media industry, which should be designed based the inputs of the broad stakeholder community and on the concept of a common European data space described in the Staff Working Document<sup>9</sup>, as well as in compliance with the European Data Spaces Technical Framework.
- The deployment of a variety of applications, tools and services to allow for the pooling, processing and sharing of data by an open number of media organisations across the EU, as well as for the federation of energy-efficient and trustworthy cloud capacities and related services. The project will also offer services to facilitate access to computing resources for creative SMEs.
- Interconnections with similar existing data spaces within the Union, to the extent possible, and integration of the digital solutions for media developed under EU-funded programmes.
- A sandbox environment and interface services to foster pilots and host innovative media services developed through initiatives other than Digital Europe, such as Horizon 2020 and Horizon Europe will be developed.

<sup>&</sup>lt;sup>8</sup> Media and Audiovisiual Action Plan, Action 4

<sup>&</sup>lt;sup>9</sup> <u>https://digital-strategy.ec.europa.eu/en/library/staff-working-document-data-spaces</u>

- The creation of a data governance framework adapted to the media ecosystem and compatible with the relevant EU legislation, which determine, in a transparent and fair way, the rights of access to and processing of the data.
- The development of a business plan to secure the sustainability and the enlargement of the media data space in the context of its integration into the EU's growing data space environment.

#### KPIs to measure outcomes and deliverables

Applicants are invited to describe in the proposal the concrete methodology that they will put in place and the full range of activities contemplated for each of the objectives presented. The work plan should detail how the project objectives will be achieved and provide concrete milestones, as well as relevant KPIs for each objective.

The KPIs will include, at least:

- Number of relevant media stakeholders, including SMEs, coming from different EU and associated countries participating in the media data space initiative
- Number of media sub-sectors represented by stakeholders (target should be at least 2)
- Number of datasets (content, data and metadata) available to produce new products and formats, in different EU languages and EU markets

#### Targeted stakeholders

The Consortium will ideally be composed of a mix of representative partners coming from among the technology providers and tech start-ups on one hand, while ensuring, on the hand, the representativeness of the media ecosystem, to the largest extent possible, i.e. public and private European publishers, broadcasters, radios, advertising companies, media SMEs, content creators and start-ups, producers and distributors.

#### Type of action and funding rate

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

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

#### Specific topic conditions

- For this topic, 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)
- The following parts of the award criteria in section 9 are exceptionally NOT applicable for this topic:
  - extent to which the proposal can overcome financial obstacles such as the lack of market finance

 extent to which the proposal addresses environmental sustainability and the European Green Deal goals, in terms of direct effects and/or in awareness of environmental effects

### **DIGITAL-2022-CLOUD-AI-03-DS-SMART - Data space for smart communities** (deployment)

#### <u>Objectives</u>

The preparatory actions for the data space for smart communities topic 2.2.1.2.1 of the Work Programme will result in the creation of a multi-stakeholder data governance scheme, a blueprint based on common principles and the identification of a set of priority datasets. In order to operationalise and start deploying this data space, the blueprint needs to be validated with real-life pilots, in particular through an **integrated cross-sector approach** that will exploit the strengths of advanced digital technologies such as local data platforms, AI, advanced data analytics, digital twins, high performance computing and cloud computing. Such technologies and their combined use can help cities to increase their resource efficiency and climate change mitigation action and provide further services that can significantly improve the quality of life of their citizens.

In order to validate the **principles of the data space for smart communities defined in the blueprint** topic 2.2.1.2.1 of the Work Programme and demonstrate the use of the selected cross-sectoral datasets, a number of **pilots will be launched in focus areas relevant to the European Green Deal**, and in line with the New European Bauhaus<sup>10</sup> philosophy. The pilots should be on large scale and with good EU-wide geographical coverage and allow the federation of these datasets and related services through the SIMPL smart middleware platform<sup>11</sup>, also verifying the requirements on the study case on the Data Space for Smart Communities.

Activities in this topic will therefore build on those developed in topic 2.2.1.2.1 of the Work Programme, on a large scale and with good geographical coverage, to build EU capacity for connecting data from all relevant domains, following specific sectorial legislation. They will also contribute to the fine-tuning and improving of the blueprint via continuous feedback. This Data Space should include both public and private data holders, using open standards-based tools and supported by the common middleware platform (see section 2.1.1). It should also create synergies with the project resulting from topics 2.2.1.2.3, topic 5.1.2 on Living-in.EU, topic 5.2 on the New European Bauhaus, and relevant Missions, in particular the *EU Climate-Neutral and Smart Cities* and *EU Climate Adaptation* Missions.

#### <u>Scope</u>

The **data space for smart communities** will consist of existing local data ecosystems and relevant stakeholders, as well as a list of priority datasets (static, real-time and historic datasets with cross-domain significance and usage), linked to

<sup>&</sup>lt;sup>10</sup> <u>https://europa.eu/new-european-bauhaus/index\_en</u>

<sup>&</sup>lt;sup>11</sup><u>https://digital-strategy.ec.europa.eu/en/news/simpl-cloud-edge-federations-and-data-spaces-made-simple</u>

environmental and climate-related challenges. The pilots will use these datasets for cross-domain services (from simple information services to most complex AI-enabled ones) in cities and communities running on top of an open standards-based (and ultimately MIMplus<sup>12</sup>-compliant) local data infrastructure. The pilots will need to demonstrate the benefits of a cross-sectoral approach to smart city data management.

The action will fund a consortium that will select participants and administer the funding for the 10-12 pilots. The consortium and participants will represent relevant supply and demand-side stakeholders to foster innovation among a large number of EU cities and communities. The pilots will comply with the data space for smart communities blueprint principles and when appropriate use existing standards and follow sectorial legislation<sup>13</sup>. Pilots should cooperate in their impact assessment and generate a common understanding of progress towards the Green transition<sup>14</sup>. Following the pilots and building on the blueprint, the consortium should publish a 'Data and Knowledge Pack' and any other useful knowledge material to promote and facilitate a city or community's participation in the dataspace and should ensure that its content is made available to a wide range of stakeholders (including, but not limited to the relevant Horizon Missions, the Intelligent Cities Challenge, the Livingin.eu signatories, the Digital Public Buyers' community, the network of EDIH, the Common Services Platform participants and others). In addition, the pilots should ensure compatibility with the principles of the New European Bauhaus and liaise with the project implementing Digital Solutions in support of the New European Bauhaus (see topic 5.1.4) when relevant.

The action will support between 10-12 cross-sector pilots through cascading grants to third party consortia, each managed by a small consortium from more than one Member State and involving at least 1 city in each Member State. Pilots should exploit data available from the data space for smart communities and propose new ones. It should increase the value of the data space by creating new data services from the combination of at least two heterogeneous areas specified below (but can also include other European Green Deal domains):

- predictive traffic management/sustainable mobility planning, establishing also synergies with the mobility data space (see topic 2.2.1.3) and making use of the Sustainable Urban Mobility Indicators, where appropriate.
- data-services related to weather, climate and extreme weather events to facilitate risk prevention, disaster resilience as well as climate change adaptation;
- management of energy flows in a city/community specific context and in conjunction with other sectors;
- zero pollution actions (e.g., air, water, soil pollution or waste);

<sup>&</sup>lt;sup>12</sup> Living-in.EU's MIMs Plus initiative finalized – Focus on ensuring scalability, shareability and sustainability of solutions, services and data | Living in EU

<sup>&</sup>lt;sup>13</sup> In particular rules governing sectorial data spaces and sectorial legislations addressing data accessibility and exchange

<sup>&</sup>lt;sup>14</sup> Preferably using existing relevant frameworks for this assessment.

 and any other domain falling under the New European Bauhaus initiative (urban design, building management, public services, nature-based solutions, amongst others)

In order to increase the impact and exploit synergies with the Testing and Experimentation Facilities (TEFs), these pilots would be required to minimise investment in infrastructure by executing their activities as much as possible on the available TEFs infrastructure<sup>15</sup> and make any newly created AI service available via trusted application catalogues and marketplace(s)<sup>16</sup>. The action should also address rules for ethical AI-enabled solutions at the local level, create AI algorithm registries and define sets of rules that the services should comply with. Relevant European Digital Innovation Hubs (EDIH) may also be used for the validation pilots.

The action should also establish links to those Horizon Europe missions that work with communities and cities as key implementing partners (e.g. Mission on Climate Neutral and Smart Cities and Mission on Adaptation to Climate Change), which would provide significant opportunities to test, experiment and up-scale the input to, and use of, the data space with local partners.

The awarded consortium will work in partnership with the Data Spaces Support Centre (see topic 2.2.2.1) in order to ensure alignment with Smart Middleware Platform developed under topic 2.1.1 and the rest of the ecosystem of data spaces in section 2.2.1 thereof:

- The data space reference architecture, building blocks and common toolboxes to be used;
- The common standards, including semantic standards and interoperability protocols, both domain-specific and crosscutting;
- The data governance models, business models and strategies for running data spaces.

All pilots should include sufficient budget for data sharing in the dataspace for smart communities. The pilots should, from the start, plan on replication and scaling, as well as include generic features and re-usable (open) technologies. They should involve industry players with business curiosity to create new citizen-centric service offerings and revenue models.

The (AI-enabled) local data services should be piloted in a minimum of 2 cities or communities from at least 2 different Member States (minimum one city per Member State) within each pilot and be easily portable.

The pilots will strengthen data interoperability across different application sectors of relevance to cities and promote adoption of existing results and TEFs by cities and communities at EU level. Where relevant, they should also link with existing EU-wide smart cities marketplaces to make AI-based applications developed in the pilots make them widely accessible.

Outcomes and deliverables

<sup>&</sup>lt;sup>15</sup> Where any additional infrastructure is needed in the pilots, it should, to the largest possible degree, be usable beyond these pilots in line with the testing and experimentation facilities context.

<sup>&</sup>lt;sup>16</sup> One such market place can for example be https://smart-cities-marketplace.ec.europa.eu/ or the https://oascities.org/catalogue/

- An **innovative and federated smart communities' dataspace**, including a large number of EU communities, supported by middleware service solutions.
- 10 to 12 cross-sector **operational data pilots** with long-term sustainability prospects covering the whole EU.
- An updated version of the "data space for smart communities blueprint" created under topic 2.2.1.2.1 of the Work Programme taking into account the lessons learned by the pilots projects.
- A **refined long-term (economic) sustainability plan** for the *data space for smart communities.*
- **`Data and Knowledge Pack'** and relevant knowledge resources to promote and enable widespread participation in the smart communities data space.

#### KPIs to measure 'Outcomes and deliverable'

- Number of cities or communities (geographical coverage) involved in the pilots
- Number of priority data sets validated as part of the cross-sectoral pilots
- Number of re-usable services made available to wide range of cities and communities in the EU

#### Targeted stakeholders

The consortium should include signatories of the Living-in.eu declaration. It may also link with beneficiaries of the Intelligent Cities Challenge and relevant Horizon missions.

The pilots should comprise representatives from the public sector at different levels (local, regional, national), industry (mix of global IT service providers and innovative SMEs), academia, civil society and citizens (for example through Citizen Science).

#### *Type of action*

Grants for Financial Support. 100% funding rate.

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

#### Specific topic conditions

- For this topic, security restrictions under Article 12(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 apply: 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)

#### DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND - Deployment of the AI-ondemand platform

#### **Objectives**

The objective of this action is to develop and deploy the AI-on-demand platform, building on the results from the project implementing the AI-on-demand preparatory action<sup>17,</sup> providing the requirements and underlying mechanisms for such platform.

#### <u>Scope</u>

The awarded project will develop and deploy the AI-on-demand platform in close cooperation with the project implementing the preparatory action, taking into account the proposed requirements and mechanisms to optimise the impact of the AI-on-demand platform.

The platform will gather all the AI resources (algorithms and tools), and make them available to the potential users, businesses and public administration, with the necessary services to facilitate their integration. Activities shall build on results from the preparatory action, as well as previous relevant projects such as the AI-on-demand ecosystem under H2020 (AI-on-demand platform<sup>18</sup> and ICT-49 projects<sup>19</sup>) and Horizon Europe (AI-on-demand platform<sup>20</sup>), and the European Language Grid initiated under Horizon 2020. In addition, the platform should mobilise the European innovators to provide their products and services on the platform. The platform should become the reference for any user (industry or public service), a one-stop-shop to access AI tools to integrate into solutions, products, and services: a common good and market place for AI resources.

It will implement mechanisms defined in the preparatory action and further cooperate with the corresponding actions running in parallel to interconnect with the cloud-to-edge infrastructure, HPC resources, the data spaces, European Digital Innovation Hubs (EDIHs), and the Testing and Experimentation Facilities (TEFs) – providing the TEFs with relevant AI and related resources, and hosting the results once validated in the TEFs, as applicable.

The platform will play the role of a central marketplace for AI tools, and a service layer providing support to users (incl. public administrations) for integration of AI solutions. In addition, it will bring the latest AI tools and solutions to the level of industrial standard requirements (code validation, quality check, licensing and security), connect to computing resources (e.g. HPC, cloud from this programme), data resources (e.g. data spaces from this programme, also datasets for training and validation), promote trustworthy AI development and deployment, facilitate the

<sup>17</sup> Preparatory actions for the AI-on-demand platform

<sup>18</sup> Topic ICT-26-2018-2020

<sup>19 &</sup>lt;u>Topic ICT-49-2020</u>

<sup>20</sup> Topic HORIZON-CL4-2021-HUMAN-01-02

implementation of public procurement in AI, enable the mapping and networking of AI practitioners across Europe, as well as raise awareness about best practices and success stories of AI applications in various domains. The AI-on-demand platform will also develop use-cases factory/library to support its activity, stimulate the AI market and reinforce the AI ecosystem, including the involvement of investors, venture capital, business angels, etc. Specific attention will be given on guaranteeing that the resources on the platform respect the ethics guidelines issued by the High Level Expert Group on AI and the European AI Alliance and support the European regulatory framework.

The platform will build a solid support layer of integration services, enabling industries and public administrations to incorporate AI solutions to their IT and business processes. This support layer can eventually rely on a business partner network covering the totality of the EU and EEA countries. This task may involve financial support to third parties, in line with the conditions set out in section 10 of this document. Selection of these partners should aim at a maximum geographical and sectorial coverage.

#### Outcomes and deliverables

#### Outcomes

- Increased visibility to trustworthy innovations, in particular those made in Europe.
- Easy access to AI tools by public administrations and European industry (in particular SMEs).

#### Deliverables

- The European AI-on-demand platform, including:
  - $\circ\,$  A visible and secure catalogue of trustworthy AI resources made in Europe
  - A one-stop shop to access AI tools for European industry and public administrations
  - A reference and trusted marketplace for trustworthy AI resources
  - A platform embedding a quality stamp recognised and accepted by the European industry and public administrations.
  - Services in support of the public procurement of AI solutions
  - Specialised services to boost the implementation of AI projects, including the creation of a business partner network to support the integration of AI resources for industry and public administration users.
  - A professional collaborative and networking environment for innovators, including connections with specialised investors, venture capitalists, business angels, etc...
  - Interconnections to computing resources, data spaces (using the SIMPL<sup>21</sup> platform when appropriate) and Testing and Experimentation Facilities developed under this programme
  - Established links with the network of EDIHs to provide access of AI tools to SMEs and the public administration throughout Europe.
  - An interactive Landscape tool to actively collect and intuitively visualise the European AI ecosystem (including AI powered robots).

<sup>21 &</sup>lt;u>Simpl: cloud-to-edge federations and data spaces made simple</u>

• A coordinated governance mechanism, integrating all projects taking part of the AI-on-demand ecosystem (H2020, Horizon Europe, Digital Europe), in view of the future sustainability of the AI on demand platform.

#### KPIs to measure outcomes and deliverables

- Number of AI Assets in the platform: a/ Total number; b/ specific to SMEs; c/ specific to Public Administrations.
- Number of the members of the platform: a/ Total number; b/ SMEs; c/ Public Administrations.
- Number of active (contributing) members of the platform.
- Number of support services targeted to SMEs and Public Administrations.
- Number of downloaded assets by type.
- Number of total and external participants in workshops and events.
- Number of entities covered by the Landscape tool.
- Validation of the sustainability plan by a representative set of the relevant stakeholders (incl. end users)
- Intensity indicator of the platform members interactions and exchanges
- Size of the business partner network (validated number of integrators, geographical and sectorial reach)

#### Targeted stakeholders

The consortium should include a relevant representation of the European Industrial sectors, including SMEs, but not limited to these. This representation should take into account either the supply side (AI providers) as the demand side (Industry AI consumers)

#### Type of action and funding rate

Coordination and Support Actions -100% funding rate

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

#### Specific topic conditions

- For this topic, security restrictions under Article 12(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)
- The following parts of the award criteria in section 9 are exceptionally NOT applicable for this topic:
  - extent to which the project would reinforce and secure the digital technology supply chain in the Union
  - extent to which the proposal can overcome financial obstacles such as the lack of market finance

#### 3. Available budget

The available call budget is **EUR 118.000.000**. This budget might be increased by maximum 20%.

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

Торіс	Topic budget
DIGITAL-2022-CLOUD- AI-03-PILOTS-CLOUD- SERVICES	EUR 40.000.000,00
DIGITAL-2022-CLOUD- AI-03-DS-MOBILITY	EUR 8.000.000,00
DIGITAL-2022-CLOUD- AI-03-DS-MANUF	EUR 16.000.000,00
DIGITAL-2022-CLOUD- AI-03-DS-MEDIA	EUR 8.000.000,00
DIGITAL-2022-CLOUD- AI-03-DS-SMART	EUR 18.000.000,00
DIGITAL-2022-CLOUD- AI-03-AI-ON-DEMAND	EUR 28.000.000,00

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

imetable and deadlines (indicative)		
Call opening:	29 September 2022	
Deadline for submission:	<u>24 January 2023 – 17:00:00 CET</u> <u>(Brussels)</u>	
Evaluation:	March 2023	
Information on evaluation results:	May 2023	
GA signature:	October 2023	

#### 5. Admissibility and documents

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

Proposals must be submitted **electronically** via the Funding & Tenders Portal Electronic Submission System (accessible via the Topic page in the <u>Search Funding &</u> <u>Tenders</u> section)

Proposals (including annexes and supporting documents) must be submitted using the forms provided *inside* the Submission System ( $^{1}$  NOT the documents available on the Topic page — they are only for information).

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

- Application Form Part A contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities) and the summarised budget for the project (to be filled in directly online)
- Application Form Part B contains the technical description of the project (to be downloaded from the Portal Submission System, completed and then assembled and re-uploaded)
- **mandatory annexes and supporting documents** (to be uploaded):
  - detailed budget table/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) for following topics:

DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES

DIGITAL-2022-CLOUD-AI-03-DS-SMART

DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY

DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND

- ownership control declaration: applicable for following topics:

### DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES

#### DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY

#### DIGITAL-2022-CLOUD-AI-03-DS-MANUF

#### DIGITAL-2022-CLOUD-AI-03-DS-SMART

#### DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND

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** except for **Coordination and Support Actions** where the maximum is **50 pages** (Part B). Evaluators will not consider any additional pages.

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

For more information about the submission process (including IT aspects), consult the <u>Online Manual</u>.

#### 6. Eligibility

#### Eligible participants (eligible countries)

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

- be legal entities (public or private bodies)
- be established in one of the eligible countries, i.e.:
  - EU Member States (including overseas countries and territories (OCTs))
  - non-EU countries (except for topics with restrictions; *see below*):
    - listed EEA countries and countries associated to the Digital Europe Programme or countries which are in ongoing negotiations for an association agreement and where the agreement enters into force before grant signature (together 'DEP associated countries', see list of participating countries<sup>(M)</sup>)<sup>22</sup>

Beneficiaries and affiliated entities must register in the <u>Participant Register</u> — 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.

<sup>&</sup>lt;sup>22</sup> Proposals including entities from countries which are in ongoing negotiations for an association agreement that does not enter into force before the signature of the grant might be declared ineligible. In those cases the consortium will be asked to replace the participant concerned (or redistribute the tasks between the other participants). If this is not possible and the consortium cannot propose any other acceptable solution, the proposal will have to be rejected.

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

Please note however that following topics of this call are **subject to restrictions due to security reasons** (see section 2):

#### DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES

#### DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY

#### DIGITAL-2022-CLOUD-AI-03-DS-MANUF

#### DIGITAL-2022-CLOUD-AI-03-DS-SMART

#### DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND

Therefore, entities must not be directly or indirectly controlled from a country that is not an eligible country. All entities<sup>23</sup> have to fill in and submit a declaration on ownership and control.

Moreover:

- participation in any capacity (as beneficiary, affiliated entity, associated partner, subcontractor or recipient of financial support to third parties) is limited to entities established in eligible countries.
- In addition, in order to be eligible, all participants from associated countries (except EEA countries) and all entities established in the EU or EEA territory but *controlled* by a third country or third country legal entities (including DEP associated countries), have to present an adequate guarantee approved by the country they are established in, to comply with the conditions set out in the Work Programme Annex 3.
- project activities (included subcontracted work) must take place in eligible countries (see section geographic location below and section 10)
- the Grant Agreement may provide for IPR restrictions (see section 10).

#### Specific cases

Natural persons — Natural persons are NOT eligible (with the exception of selfemployed 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>24</sup>.

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

<sup>&</sup>lt;sup>23</sup> Except for entities that are validated as public bodies by the Central Validation Service.

<sup>&</sup>lt;sup>24</sup> See Article 197(2)(c) EU Financial Regulation 2018/1046.

Associations and interest groupings — Entities composed of members may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'<sup>25</sup>. A 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 *(see above)* may participate in the call and can sign grants if the negotiations are concluded before grant signature (with retroactive effect, if provided in the agreement).

EU restrictive measures — Special rules apply for certain entities (*e.g. entities subject* to <u>EU restrictive measures</u> 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>26</sup> and entities covered by Commission Guidelines No <u>2013/C 205/05<sup>27</sup></u>). 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 <u>Rules for Legal Entity Validation, LEAR Appointment and</u> <u>Financial Capacity Assessment</u>.

#### Consortium composition

Proposals must be submitted by:

#### for topic DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND :

 minimum 4 independent applicants (beneficiaries; not affiliated entities) for 3 different eligible countries

for topics:

#### DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES

#### DIGITAL-2022-CLOUD-AI-03-DS-MANUF

#### DIGITAL-2022-CLOUD-AI-03-DS-MEDIA

#### DIGITAL-2022-CLOUD-AI-03-DS-SMART

#### DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY

 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.

<sup>&</sup>lt;sup>25</sup> For the definitions, see Articles 187(2) and 197(2)(c) EU Financial Regulation <u>2018/1046</u>.

Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the <u>EU Sanctions Map</u>.
 Commission guidelines No <u>2013/C 205/05</u> on the eligibility of Israeli entities and their activities in

<sup>&</sup>lt;sup>27</sup> Commission guidelines No 2013/C 205/05 on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).

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 **DIGITAL-2022-CLOUD-AI-03-DS-SMART and DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND** for grants 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 describe the results to be obtained.

Geographic location (target countries)

Due to restrictions due to security (for all topics except DIGITAL-2022-CLOUD-AI-03-DS-MEDIA):

 the proposals must relate to activities taking place in the eligible countries (see above)

#### <u>Ethics</u>

Projects must comply with:

- highest ethical standards and
- applicable EU, international and national law (including the <u>General Data</u> <u>Protection Regulation 2016/679</u>).

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).

#### <u>Security</u>

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  $2015/444^{28}$  and its implementing rules and/or national rules) provide for instance that:

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

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

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

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

<sup>&</sup>lt;sup>28</sup> See Commission Decision 2015/544/EU, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

#### 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 <u>Participant Register</u> 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 <u>Rules for Legal Entity Validation, LEAR Appointment and</u> <u>Financial Capacity Assessment</u>.

#### **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) for topics as indicated in section 5 – mandatory annexes
- 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>29</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)
- quilty of grave professional misconduct<sup>30</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant.
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decisionmaking 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 refused if it turns out that<sup>31</sup>:

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

<sup>&</sup>lt;sup>29</sup> See Articles 136 and 141 of EU Financial Regulation 2018/1046.

<sup>&</sup>lt;sup>30</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. <sup>31</sup> See Article 141 EU Financial Regulation <u>2018/1046</u>.

 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'.
- 3) If this does not allow to determine the priority, a further prioritisation can be done by considering the overall proposal portfolio and the creation of positive synergies between proposals, or other factors related to the objectives of the call. These factors will be documented in the panel report.
- 4) After that, the remainder of the available call budget will be used to fund projects across the different topics in order to ensure a balanced spread of the geographical and thematic coverage and while respecting to the maximum possible extent the order of merit based on the evaluation of the award criteria.

All proposals will be informed about the evaluation result (**evaluation result letter**). Successful proposals will be invited for grant preparation; the other ones will be put on the reserve list or rejected.

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

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

If you believe that the evaluation procedure was flawed, you can submit a **complaint** (following the deadlines and procedures set out in the evaluation result letter). Please note that notifications which have not been opened within 10 days after sending are considered to have been accessed and that deadlines will be counted from opening/access (see also <u>Funding & Tenders Portal Terms and Conditions</u>). Please also

be aware that for complaints submitted electronically, there may be character limitations.

#### 9. Award criteria

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

#### - Relevance

- Alignment with the objectives and activities as described in section 2
- Contribution to long-term policy objectives, relevant policies and strategies, and synergies with activities at European and national level
- Extent to which the project would reinforce and secure the digital technology supply chain in the EU\*
- Extent to which the project can overcome financial obstacles such as the lack of market finance\*

## - Implementation

- Maturity of the project
- Soundness of the implementation plan and efficient use of resources
- Capacity of the applicants, and when applicable the consortium as a whole, to carry out the proposed work

## – Impact

- Extent to which the project will achieve the expected outcomes and deliverables referred to in the call for proposals and, where relevant, the plans to disseminate and communicate project achievements
- Extent to which the project will strengthen competitiveness and bring important benefits for society
- Extent to which the project addresses environmental sustainability and the European Green Deal goals, in terms of direct effects and/or in awareness of environmental effects \*.

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

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

Maximum points: 15 points.

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

Overall threshold: 10 points.

Proposals that pass the individual thresholds AND the overall threshold will be considered for funding — within the limits of the available 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 <u>Portal Reference Documents</u>.

Starting date and project duration

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

Project duration:

- for topic DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES: between 24 and 36 months
- for topic DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY: between 24 and 36 months
- for topic DIGITAL-2022-CLOUD-AI-03-DS-MANUF: between 24 and 48 months.
- for topic DIGITAL-2022-CLOUD-AI-03-DS-MEDIA: 36 months.
- for topic DIGITAL-2022-CLOUD-AI-03-DS-SMART: 36 months.
- for topic DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND: 48 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

The following deliverables will be mandatory for projects in topic DIGITAL-2022-CLOUD-AI-03-DS-SMART:

 The pilots awarded via financial support to third parties should produce a yearly report of their progress along all their tasks, including datasets used, contributions to de Data Space, refinement of the blueprint and local and general lessons

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-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES: between EUR 8 million and EUR 10 million per project
- for topic DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY: between EUR 4 million and EUR 8 million per project
- for topic DIGITAL-2022-CLOUD-AI-03-DS-MANUF: EUR 8 million per project
- for topic DIGITAL-2022-CLOUD-AI-03-DS-MEDIA: EUR 8 million per project
- for topic DIGITAL-2022-CLOUD-AI-03-DS-SMART: EUR 18 million per project
- for topic DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND: EUR 28 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 (for topics DIGITAL-2022-CLOUD-AI-03-DS-SMART and DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND)
- D.2 Internally invoiced goods and services
- E. Indirect costs

Specific cost eligibility conditions for this call:

- personnel costs:
  - average personnel costs (unit cost according to usual cost accounting practices): Yes
  - SME owner/natural person unit cost<sup>32</sup>: Yes
- travel and subsistence unit costs<sup>33</sup>: No (only actual costs)
- equipment costs:
  - depreciation (for topic DIGITAL-2022-CLOUD-AI-03-DS-SMART)
  - depreciation + full cost for listed equipment (for topics DIGITAL-2022-CLOUD-AI-03-PILOTS-CLOUD-SERVICES, DIGITAL-2022-CLOUD-AI-03-DS-MOBILITY, DIGITAL-2022-CLOUD-AI-03-DS-MANUF, DIGITAL-2022-CLOUD-AI-03-DS-MEDIA, DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND)
- other cost categories:
  - costs for financial support to third parties: allowed for following topics:
    - for topics **DIGITAL-2022-CLOUD-AI-03-DS-SMART**:
      - maximum amount per third party EUR 1 000 000; 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 of at least 2 cities/communities in two different eligible countries. The amount per consortium should be up to EUR 1 500 000 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.
    - for topic **DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND**:
      - maximum amount per third party EUR 200.000; 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.

<sup>&</sup>lt;sup>32</sup> Commission <u>Decision</u> of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7715).

<sup>&</sup>lt;sup>33</sup> Commission <u>Decision</u> 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).

- The requested amount for financial support to third parties cannot exceed 15% of the total grant amount.
- internally invoiced goods and services (costs unit cost according to usual cost accounting practices): 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 (for all topics except DIGITAL-2022-CLOUD-AI-03-DS-MEDIA)
    - eligible cost country restrictions: Yes, only costs for activities carried out in eligible countries are eligible (for all topics except DIGITAL-2022-CLOUD-AI-03-DS-MEDIA)
  - 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 **50%** of the maximum grant amount; exceptionally less or no prefinancing). The prefinancing will be paid 30 days from entry into force/10 days before starting date/financial guarantee (if required) – whichever is the latest.

There will be one or more **interim payments** (with cost reporting through the use of resources report). There will be one or more **additional prefinancing payments** linked to a prefinancing report for topic DIGITAL-2022-CLOUD-AI-03-DS-SMART.

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

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

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

## <u>Certificates</u>

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 (for all topics except DIGITAL-2022-CLOUD-AI-03-DS-MEDIA)
  - first exploitation obligation in eligible countries: Yes for topics DIGITAL-2022-CLOUD-AI-03-DS-MANUF, DIGITAL-2022-CLOUD-AI-03-DS-SMART, DIGITAL-2022-CLOUD-AI-03-AI-ON-DEMAND
  - limitations to transfers and licensing: Yes (for all topics except DIGITAL-2022-CLOUD-AI-03-DS-MEDIA)

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).

If For more information, see <u>AGA — Annotated Grant Agreement</u>.

## **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 <u>create</u> <u>an EU Login user account</u>.

Once you have an EULogin account, you can <u>register your organisation</u> 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 <u>Search Funding &</u> <u>Tenders</u> 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 <u>IT Helpdesk</u> <u>webform</u>, 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 <u>Online Manual</u>. 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)
- <u>Portal FAQ</u> (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 <u>IT</u><u>Helpdesk</u>.

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

#### \rm 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 <u>Participant Register</u>. The participant identification code (PIC) (one per participant) is mandatory for the Application Form.
- **Consortium roles** When setting up your consortium, you should think of organisations that help you reach objectives and solve problems.

The roles should be attributed according to the level of participation in the project. Main participants should participate as **beneficiaries** or **affiliated entities**; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. **Associated partners** and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). **Subcontracting** should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities). Subcontracting going beyond 30% of the total eligible costs must be justified in the application.

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

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

Organisations may participate in several proposals.

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

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

- Transparency In accordance with Article 38 of the <u>EU Financial Regulation</u>, information about EU grants awarded is published each year on the <u>Europa website</u>. This includes:
  - o beneficiary names
  - o 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 cashflow 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 cashflow 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 cashflow 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: 50%

**Payment model:** Prefinancing – second (third) prefinancing (as there is no cost reporting) – 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>34</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 EU MS or EU legal entities will be able to participate — with no exceptions.
- In SO1 and SO2, entities controlled by third countries or third country legal entities may be able to participate if they comply with certain conditions set up in the Work Programme. To that end, additional rules will be imposed on those legal entities, which need to be followed if they want to participate.

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

## Strategic autonomy restrictions Article 18(4)

If indicated in the Digital Europe Work Programme, calls can limit the participation to entities *established* in the EU, and/or entities established in third countries associated to the programme for EU strategic autonomy reasons<sup>35</sup>.

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

For more information, see <u>Guidance on participation in DEP, HE, EDF and CEF-DIG</u> <u>restricted calls</u>.

<sup>&</sup>lt;sup>34</sup> See Article 12(5) and (6) of the Digital Europe Regulation 2021/694

<sup>&</sup>lt;sup>35</sup> See Article 18(4) of the Digital Europe Regulation 2021/694.