



# **Connecting Europe Facility (CEF)**

## Call for proposals

CEF Digital - Backbone connectivity for Digital Global Gateways

(CEF-DIG-2023-GATEWAYS)

Version 1.0  
17 October 2023



HISTORY OF CHANGES			
Version	Publication Date	Change	Page
1.0	17.10.2023	Initial version	



## HEALTH AND DIGITAL EXECUTIVE AGENCY (HaDEA)

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

### CALL FOR PROPOSALS

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## 0. Introduction

This is a call for proposals for EU **action grants** in the field of “Backbone connectivity for Digital Global Gateways” under the Digital strand of the **Connecting Europe Facility (CEF)**.

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

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

The call is launched in accordance with the [2021-2023 Work Programme](#)<sup>2</sup> and will be managed by the European Health & Digital Executive Agency (HaDEA) (hereafter ‘the Agency’).

The call covers the following **topics**:

- **CEF-DIG-2023-GATEWAYS-WORKS - Backbone connectivity for Digital Global Gateways – Works**
- **CEF-DIG-2023-GATEWAYS-STUDIES - Backbone connectivity for Digital Global Gateways - Studies**

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.

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

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

<sup>2</sup> Commission Implementing Decision C(2023) 2533 final of 19 April 2023 amending Implementing Decision C(2021) 9463 on the financing of the Connecting Europe Facility – Digital sector and the adoption of the multiannual work programme for 2021-2025 and its Annex.

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

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

- the [Call Document](#) outlines the:
  - background, objectives, scope, activities that can be funded and the expected results (sections 1 and 2)
  - timetable and available budget (sections 3 and 4)
  - admissibility and eligibility conditions (including mandatory documents; sections 5 and 6)
  - criteria for financial and operational capacity and exclusion (section 7)
  - evaluation and award procedure (section 8)
  - award criteria (section 9)
  - legal and financial set-up of the Grant Agreements (section 10)
  - how to submit an application (section 11)
- the [Online Manual](#) outlines the:
  - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
  - recommendations for the preparation of the application
- the [AGA — Annotated Grant Agreement](#) contains:
  - detailed annotations on all the provisions in the Grant Agreement the successful applicants will have to sign in order to obtain the grant (*including cost eligibility, payment schedule, accessory obligations, etc.*).

## 1. Background

In her State of the EU speech on 15 September 2021, Commission's President Ursula von der Leyen stated that the European Union will provide strategic connectivity for all territories of the Union through Global Gateway partnerships. The importance of the Global Gateway policy was further emphasised in the President's 2022 address.

It is of outmost importance to ensure that the European Union is connected with "*quality infrastructure, connecting goods, people and services around the world*". The Union has therefore the ambition to provide trusted digital connectivity within and between its Member States as well as towards its partners worldwide.

A high-quality backbone connectivity is required to reach the ambitious connectivity targets of the Union to provide gigabit speed to all households and 5G coverage to all populated areas by 2030, particularly including e.g. islands being EU territories.

In line with article 9(4) (d) of the CEF Regulation 2021/1153, this call will support the deployment of new or the significant upgrading of existing backbone networks, including submarine cables, within and between Member States, and between the Union and third countries, such as the actions listed in Part V point 3, of the Annex,

as well as other actions supporting the deployment of backbone networks referred to in that point.

The increasing geopolitical importance of backbone connections between the EU and third countries is highlighted in recent bilateral discussions and agreements such as the Memorandum of Cooperation between EU and Japan of the 3 July 2023<sup>3</sup> to support secure and resilient submarine cable connectivity.

The Russian war of aggression against Ukraine created an increased need for secure and trusted backbone connectivity in the area. The recent association of Ukraine and Moldova to the CEF programme will enable project promoters from those countries to apply for EU funding for projects of common interest in the transport, energy and digital sectors, further improving connectivity with the EU<sup>4</sup>.

This call aims to contribute, directly to the increased performance, capacity and resilience of the backbone networks concerned, and indirectly of the networks located inside the territory of Member States that rely on such backbone capacity. This will furthermore address the annual exponential increase of data traffic.

This backbone connectivity may be provided with the best-suited technology, including submarine cables and satellite ground stations. In addition, support may also concern the inter-connection of backbones with networks located inside the supported territories.

Backbone connectivity plays an essential role in ensuring very-high capacity and performance (in terms of resilience, security, redundancy and latency) of digital connectivity throughout the EU, in particular for islands and Member States with coastlines, including the Outermost Regions (ORs<sup>5</sup>) and Overseas Countries and Territories (OCTs<sup>6</sup>). They are also crucial in providing efficient international connectivity of strategic importance such as linking the EU with its trading and research partners around the globe.

The capacity and resilience of this overall network of backbone infrastructure benefit all users. Even those in landlocked Member States benefit from the routing of traffic via international submarine cable systems. It is therefore necessary for the EU to secure the competitive availability, reliability and resilience of such vital infrastructures. In particular, EU support is needed to address market failures and contribute to making specific projects possible, which would not be achieved by market forces alone.

CEF Digital will support the deployment of backbone networks addressing connectivity needs, such as:

- (1) Connecting all territories of the EU including its Outermost Regions (ORs).
- (2) Supporting the specific needs of Member States which are islands themselves or have islands as part of their territory.
- (3) Intermeshing backbones interconnecting major points of connectivity in the EU.
- (4) Addressing the specific needs of Overseas Countries and Territories (OCTs) in the EU.
- (5) Ensuring international connectivity to EU partners worldwide as a basis for European digital autonomy.
- (6) Promoting synergy projects addressing other objectives of CEF Digital.

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<sup>3</sup> <https://ec.europa.eu/newsroom/dae/redirection/document/96834>

<sup>4</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_23\\_3061](https://ec.europa.eu/commission/presscorner/detail/en/ip_23_3061)

<sup>5</sup> Outermost Regions [https://ec.europa.eu/regional\\_policy/en/policy/themes/outermost-regions/](https://ec.europa.eu/regional_policy/en/policy/themes/outermost-regions/)

<sup>6</sup> Overseas Countries and Territories [https://ec.europa.eu/international-partnerships/where-we-work/overseas-countries-and-territories\\_en](https://ec.europa.eu/international-partnerships/where-we-work/overseas-countries-and-territories_en)

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

### **2.1 CEF-DIG-2023-GATEWAYS-WORKS – Backbone connectivity for Digital Global Gateways - Works**

#### Objectives

The objective of this call is to support the deployment of strategic networks as part of the Digital Global Gateway Strategy of the EU, contributing to strengthen the quality of connectivity within the Union as well as with third countries. This call is technology neutral. The applicants should justify that their proposal provides the best technology suited for the call objectives, which may include submarine cables systems, satellite infrastructures and connectivity to internet exchange points.

By supporting the targeted deployment of such connectivity, CEF Digital will have a positive impact not only on strengthening the connectivity capacity, but also on stimulating commercial offers of connectivity.

Access to backbone connectivity in EU Member States differs significantly. In certain regions a lack of adequate backbone connectivity may have an impact on the development of and service provided by access networks and generate possible imbalances in the prices of services, both for network operators in these regions, as well as for the users.

In particular, the connectivity situation for Member States that are themselves islands and/or have islands as part of their territory differs significantly from other Member States. For some remote territories such as islands, Outermost Regions and Overseas Countries and Territories, commercial prices and other conditions of backbone connectivity may hinder the full participation of both users and enterprises in the digital European economy.

Furthermore, the infrastructures connecting remote territories may be ageing or insufficient, which poses risks to the resilience of those regions, both from an economic and social point of view, especially in case of insufficient redundancy and available capacity of other alternative infrastructures to connect the regions.

In such areas, market forces alone may not provide answers to all of these challenges. As a result, certain areas may remain underserved or experience higher prices for access to backbone connectivity.

#### Scope

This topic will support the deployment of backbone connectivity for routes within Member States (including OCTs), between Member States (including OCTs), and between Member States (including OCTs) and third countries:

- (1) where there is a lack of redundancy on a route. This is typically the case of routes which are not served by at least two present or credibly planned backbone infrastructures; or
- (2) where existing or credibly planned backbone infrastructure cannot reliably satisfy the demand, taking into account, the increase in demand linked to ongoing or credibly planned investments in the upgrade of access networks in territories concerned. The utilisation of existing capacity as well as the expected lifetime of existing backbone networks are among the elements that may be taken into account to justify such a market failure and the urgency of intervention; or
- (3) where despite the presence of a backbone infrastructure providing sufficient capacity and guaranteeing the necessary redundancy, in the absence

of credible plans from alternative operators to enter the market, the users in the served territories suffer (or could suffer in the absence of adequate regulatory remedies) from suboptimal services or prices compared to those offered in more competitive but otherwise comparable areas or routes. This could be the case for instance if the backbone infrastructure or a substantial part of it is in the hands of an operator which according to a competent national regulatory authority has significant market power in the relevant market.

Only in projects concerning territories (e.g. small islands, hard to reach mountainous regions or territories with limited population density) where backbone connectivity needs can be served using satellite infrastructure, will this technology be taken into account when assessing the lack of redundancy.

In case of co-funding from national funds (including Cohesion Funds and the RRF) State aid rules apply (see section 10 of the Work Programme for details<sup>7</sup>).

Proposals under this topic shall address works, with the possibility to include studies within the overall works proposals or parts of a bigger project, provided that the applicant submits only one part of a bigger project per call.

For works, the total project costs required to construct and deliver the described networking solution for the foreseen system lifetime, from end to end, including cable landing stations and the connectivity towards them will be covered under this call. In the case of satellite backbone solutions, only the costs linked to the construction of satellite ground stations and their interconnection with local networks are within the scope of the call.

Costs related to an “Indefeasible Right of Use (IRU)” would normally be classified as *rental/leasing of the equipment/infrastructure/asset* according to the full cost option foreseen under Article 6.2.(c)(2) of the MGA, but may be exceptionally assimilated to the costs of purchasing equipment, infrastructure or other asset where the rental/lease is concluded effectively for the lifetime of the equipment during which it will be fully depreciated if justified by: (1) the nature of the action, (2) the context of the use of the equipment or assets and (3) its contribution to the achievement of the specific policy objective of the Call. Every situation will require a case-by-case assessment. The proposal must include some form of infrastructure building or upgrading, equipment installation or deployment, in addition to costs corresponding to the IRU.

In any case, the assessment of the quality of the proposal will consider the infrastructure to be built or upgraded.

Any costs for operating the infrastructure during its lifetime and extra components at the landing sites not required for the basic end-to-end connectivity such as data centres, hosting facilities and other services will be excluded under the call. Exceptionally, costs covering construction of the local access network can be eligible in order to take advantage of the reinforced backbone infrastructure, in areas where there is no access network capable of supporting gigabit connectivity and when such infrastructure is unlikely to be developed in the near future. Project costs may include ancillary costs required to construct the local access network if these solutions address the identified market failure and provide a sufficient step change. In such a case, costs related to the deployment or significant improvement of the access

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<sup>7</sup> In particular, Article 52b(4).(d) of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187 26.6.2014, p. 1) declares compatible under certain conditions, without the need of a notification and Decision from the Commission, the co-financing with State aid of certain cross-border sections of a submarine cable network financed under this call or awarded a Seal of Excellence as described in Section 8.



network must not exceed 5% of the entire project costs. Costs related to integrating sensors into a submarine cable system (e.g. smart cables) are in the scope of this call.

Activities identified as studies<sup>8</sup> are also eligible for funding under this topic when included in the Works proposal. This includes the preparatory work required prior to signing a contract with a supplier, such as marine ground surveys for submarine cables and application for required permits.

Activities of studies should be executed in separate work packages and can then benefit from the funding rate specific for studies (see Form of grant, funding rate and maximum grant amount). Note that the higher funding rate for **works** in outermost regions (see Form of grant, funding rate and maximum grant amount) does not apply to studies activities if included in the same proposal.

Activities to be performed in the territory of third countries (target countries) or in international waters, are also eligible (article 16 (a) of the CEF Regulation) if considered indispensable for the achievement of the objectives a given project of common interest (article 8, article 9 (4) (d) and Annex Part V.3<sup>9</sup> of CEF Regulation).

Beneficiaries can include (local) operators, utilities, (local) authorities, investors and vendors i.e., entities supplying hardware (including cables, equipment, devices) or systems (including software) that are essential for the performance of the action.

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

All proposals must describe, in section 0 of the application form, the ownership of the supported infrastructure after completion of the project and describe the mechanism that will be used to provide services, including business models. In particular, any arrangements foreseen to guarantee the provision of services on a non-discriminatory basis to access seekers, as well as the operational relationship(s) between the different participants in the value chain for providing services should be elaborated in the proposal.

The evaluation of proposals shall prioritise those offering the higher level of wholesale access to third parties. Proposals must therefore include also in section 0 of the application form a description of whether or how they intend to provide such wholesale access. Amongst others, this description may indicate the range of access products, the duration of the access, the method to determine access prices and the business model implemented (wholesale only or others). These elements will be taken into account in the evaluation of the proposal, in particular to assess its expected impact on competition.

To demonstrate their sustainability, projects need to present their financial analysis. The proposals must describe, under the financial gap of the application form part B, whether the project (or the bigger project) has other sources of public or private funding, as well as the potential to generate revenues over the lifetime of the

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<sup>8</sup> Article 2(r) of the Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility (OJ L 249, 14.7.2021, p. 38–81).

<sup>9</sup> "Furthermore, actions supporting deployment of backbone networks, including with submarine cables across Member States and between the Union and third countries or connecting European islands, pursuant to Article 9(4), point (d), are also supported in order to provide necessary redundancy for such vital infrastructure, and to increase the capacity and resilience of the Union's digital networks."

infrastructure. The financial analysis must be supported by the calculation sheets (see: section 5, mandatory documents, financial spreadsheet).

### Digital security requirements

The proposals under this topic are subject to **strict exclusion of non-EU controlled entities**, under Article 11(4) of the CEF Regulation 2021/1153<sup>10</sup>. The assessment of the foreign (non-EU) control will be addressed in principle during the evaluation of proposals and at the latest during the grant agreement preparation. Participants will be requested to submit an ownership control questionnaire for this purpose to determine their control status. They will also be requested to submit supporting documents in order for the Commission to determine that the entities are not controlled by third countries or nationals of third countries or by entities established in third countries.

In case the ownership control assessment concludes that an entity established in the EU is neither EU nor non-EU controlled, this entity will be notified of the outcome of the assessment and shall be eligible to participate under the condition that the entity provides security guarantees, approved by the Member State of establishment, within 30 days of the receipt of the notification or before 30 September 2024 (whichever is earliest). These guarantees will certify that the legal entity:

- a) Is not subject to non-eligible third country jurisdiction obligations that may undermine the security of the Union;
- b) Ensures that the results of the CEF funded action shall remain within the beneficiary/beneficiaries and shall not be subject to control or restrictions by non-eligible third countries or other non-eligible third country entities during the action and for 10 years after its completion.

All the proposals submitted to this topic must include **security declarations** by the participating entities<sup>11</sup>, which confirm and demonstrate that the network technologies and equipment (including software and services) funded by the project will comply with security requirements as specified in the present call text, in accordance with the applicable EU law, national law, and EU guidance on cybersecurity<sup>12</sup> and indicate that no security sensitive equipment or services deployed or used within the proposal will be procured from third country suppliers<sup>13</sup>, and that effective measures are in place to address underlying security issues<sup>14</sup>, including, wherever relevant, measures to avoid

<sup>10</sup> Art. 11 (4) of the CEF Regulation 2021/1153 states: “The work programmes may provide that legal entities established in third countries associated to the CEF in accordance with Article 5, and legal entities established in the Union but directly or indirectly controlled by third countries or nationals of third countries or by entities established in third countries, are not eligible to participate in all or some of the actions under the specific objectives set out in Article 3(2), point (c), for duly justified security reasons. In such cases, calls for proposals and calls for tenders shall be restricted to entities established, or deemed to be established, in Member States and directly or indirectly controlled by Member States or by nationals of Member States.”

<sup>11</sup> In line with Council Decision (EU) 2021/1764 of 5 October 2021, persons and entities established in overseas countries and Territories (OCTs) are eligible for funding subject to the rules and objectives of the CEF and possible arrangements applicable to the Member State to which the relevant overseas country or territory is linked.

<sup>12</sup> Such as: the Commission Recommendation (EU) 2019/534 of 26 March 2019 Cybersecurity of 5G networks, C/2019/2335; the Report on EU Coordinated Risk Assessment of the Cybersecurity of 5G Networks of 9 October, 2019; the Council Conclusions on the Significance of 5G to the European Economy and the Need to Mitigate Security Risks Linked to 5G of 3 December, 2019; the Cybersecurity of 5G networks - EU Toolbox of Risk Mitigating Measures of 29 January, 2020; COM(2020)50 of 29 January 2020 on Secure 5G deployment in the EU – implementing the toolbox; and [Commission Communication on the Implementation of the 5G cybersecurity Toolbox C\(2023\)4049 of 15 June 2023](#).

<sup>13</sup> According to the EU coordinated risk assessment, the risk profiles of individual suppliers can be assessed based on several factors. These factors include the likelihood of interference from a third country. This is one of the key factors specified in paragraph 2.37 of the EU coordinated assessment.

<sup>14</sup> In particular, telecom operators may rely on third party entities to perform certain tasks, such as the maintenance and upgrade of the networks and software, as well as other outsourced managed services, in addition to the supply of network equipment. This may constitute a source of security risk.

falling under foreign jurisdiction obligations, or third country influence. The content of these declarations will be assessed during the evaluation phase.

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

- involvement of high risk suppliers (as defined in the [EU coordinated risk assessment on cybersecurity of 5G networks](#) and addressed by [Commission communication on the implementation of the 5G cybersecurity toolbox](#)); restrictions applied against such suppliers for critical and sensitive key assets, and measures to avoid dependency on such high risk suppliers;
- measures to promote supply chain resilience and strategic autonomy (in line with the [5G networks EU Toolbox of risk mitigating measures](#))<sup>15</sup>;
- security requirements for the involved network operators (*e.g. strict access controls, rules on secure operation and monitoring, limitations on outsourcing of specific functions, etc.*);
- measures adopted to prevent unsolicited transfer to, or access by third parties to data (personal or non-personal) stored or transported via the project infrastructure.

Concerning infrastructures connecting the EU with **third countries** and pursuant to Article 5 (2) and Article 11(5) of the CEF Regulation, legal entities established in associated third countries or in other third countries shall exceptionally be eligible to receive Union financial support under the CEF where this is indispensable for the achievement of the objectives of a given project of common interest and conditional on submitting a declaration, approved by the connected associated third country or other third country, providing guarantees that certify that the involved legal entity:

- a) Exercises full control over its corporate structure and decision-making process in a manner that does not restrain or restrict in any way its ability to perform and complete the action and is not subject to foreign jurisdiction obligations that may undermine the security of the Union;
- b) Effectively prevents access by non-eligible third countries or by non-eligible third country entities to classified and non-classified sensitive information relating to the action;
- c) Ensures that the results of the CEF funded action shall remain within the beneficiary/beneficiaries and shall not be subject to control or restrictions by non-eligible third countries or other non-eligible third country entities during the action and for 10 years after its completion;
- d) Fulfils the cybersecurity requirements set out in the 5G cybersecurity toolbox.

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

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Thus, a thorough security assessment may also be required of the risk profile of the suppliers tasked with these services, in particular when these tasks are not performed in the EU.

<sup>15</sup> Principles underlined in the 5G cybersecurity toolbox and the related measures apply mutatis-mutandis to backbone infrastructures.


It is also expected that proposals under this topic will be developed in the context of agreements between the EU and the concerned third countries being connected to the EU.

For further background on security requirements, please see sections 8.2, 8.3 and 8.4 as well as sections 2.2 (paragraph “Strengthen cybersecurity and resilience”) and section 4.3.3 of the CEF Digital Work Programme.

### Expected impact

The expected benefits go beyond those directly related to supported projects and contribute to bridging the digital divide and ensuring widespread access to Gigabit networks for all EU citizens and businesses. Moreover, this connectivity infrastructure can cross-facilitate the implementation of other topics supported under CEF Digital, such as the availability of HPC-related facilities, etc.

Key performance indicators for this topic will include: i) the total length of the backbone or, for wireless solutions, the distance between transmission/reception stations, and ii) the additional (significant) transmission capacity created as a result of the projects supported by CEF. For submarine cables the number of fibre pairs, the current capacity per fibre pair, as well as the technology chosen and whether the system is repeated or unrepeated should be mentioned in the proposal, too.

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

## **2.2 CEF-DIG-2023-GATEWAYS-STUDIES – Backbone connectivity for Digital Global Gateways - Studies**

### Objectives

The objective of this call is to support the deployment of strategic networks as part of the Digital Global Gateway Strategy of the EU, contributing to strengthen the quality of connectivity within the Union as well as with third countries. This call is technology neutral. The applicants should justify that their proposal provides the best technology suited for the call objectives, which may include submarine cables systems, satellite infrastructures and connectivity to internet exchange points.

By supporting the targeted deployment of such connectivity, CEF Digital will have a positive impact not only on strengthening the connectivity capacity, but also on stimulating commercial offers of connectivity.

Access to backbone connectivity in EU Member States differs significantly. In certain regions a lack of adequate backbone connectivity may have an impact on the development of and service provided by access networks and generate possible imbalances in the prices of services, both for network operators in these regions, as well as for the users.

In particular, the connectivity situation for Member States that are themselves islands and/or have islands as part of their territory differs significantly from other Member States. For some remote territories such as islands, Outermost Regions and Overseas Countries and Territories, commercial prices and other conditions of backbone connectivity may hinder the full participation of both users and enterprises in the digital European economy.

Furthermore, the infrastructures connecting remote territories may be ageing or insufficient, which poses risks the resilience of those regions, both from an economic and social point of view, especially in case of insufficient redundancy and available capacity of other alternative infrastructures to connect the regions.

In such areas, market forces alone may not provide answers to all of these challenges. As a result, certain areas may remain underserved or experience higher prices for access to backbone connectivity.

### Scope

This topic will support studies for the deployment of backbone connectivity for routes within Member States (including OCTs), between Member States (including OCTs), and between Member States (including OCTs) and third countries which can fit within the scope described in Section 2.1 (CEF-DIG-2023-GATEWAYS-WORKS).

Proposals under this topic shall address studies including the preparatory work required prior to signing a contract with a supplier, such as marine ground surveys for submarine cables and application for required permits.

Activities to be performed in the territory of third countries (target countries) or in international waters, are also eligible (article 16(a) of the CEF Regulation) if considered indispensable to the achievement of the objectives of a given project of common interest in line with CEF Regulation (Article 8, Article 9(4) (d) and Annex Part V.3<sup>16</sup>).

Beneficiaries can include (local) operators, utilities, (local) authorities, investors and vendors i.e., entities supplying hardware (including cables, equipment, devices) or systems (including software) that are essential for the performance of the action.

### Digital security requirements

**Non-EU controlled entities** are in general excluded to participate in this call (Article 11 (4) of the CEF Regulation 2021/1153<sup>17</sup>). The assessment of the foreign (non-EU) control will be addressed in principle during the evaluation of proposals and at the latest during the grant agreement preparation. Participants will be requested to submit an ownership control questionnaire for this purpose to determine their control status. They will also be requested to submit supporting documents in order for the Commission to determine that the entities are not controlled by third countries or nationals of third countries or by entities established in third countries.

In case the ownership control assessment concludes that an entity established in the EU is neither EU nor non-EU controlled, this entity will be notified of the outcome of the assessment and shall be eligible to participate under the condition that the entity provides security guarantees, approved by the Member State of establishment, within 30 days of the receipt of the notification or before 30 September 2024 (whichever is earliest). These guarantees will certify that the legal entity:

- a) Is not subject to non-eligible third country jurisdiction obligations that may undermine the security of the Union;
- b) Ensures that the results of the CEF funded action shall remain within the beneficiary/beneficiaries and shall not be subject to control or restrictions by

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<sup>16</sup> "Furthermore, actions supporting deployment of backbone networks, including with submarine cables across Member States and between the Union and third countries or connecting European islands, pursuant to Article 9(4), point (d), are also supported in order to provide necessary redundancy for such vital infrastructure, and to increase the capacity and resilience of the Union's digital networks."

<sup>17</sup> Art. 11 (4) of the CEF Regulation 2021/1153 states: "The work programmes may provide that legal entities established in third countries associated to the CEF in accordance with Article 5, and legal entities established in the Union but directly or indirectly controlled by third countries or nationals of third countries or by entities established in third countries, are not eligible to participate in all or some of the actions under the specific objectives set out in Article 3(2), point (c), for duly justified security reasons. In such cases, calls for proposals and calls for tenders shall be restricted to entities established, or deemed to be established, in Member States and directly or indirectly controlled by Member States or by nationals of Member States."

non-eligible third countries or other non-eligible third country entities during the action and for 10 years after its completion.

Concerning infrastructures connecting the EU with **third countries**, in line with Articles 5(2) and 11(5) of the CEF Regulation, legal entities established in associated third countries or other third countries shall exceptionally be eligible to receive Union financial support under the CEF where this is indispensable for the achievement of the objectives of a given project of common interest and conditional on submitting a declaration, approved by the connected associated third country or other third country, providing guarantees that certify that the involved legal entity:


- a) Exercises full control over its corporate structure and decision-making process in a manner that does not restrain or restrict in any way its ability to perform and complete the action and is not subject to foreign jurisdiction obligations that may undermine the security of the Union;
- b) Effectively prevents access by non-eligible third countries or by non-eligible third country entities to classified and non-classified sensitive information relating to the action;
- c) Ensures that the results of the CEF funded action shall remain within the beneficiary/beneficiaries and shall not be subject to control or restrictions by non-eligible third countries or other non-eligible third country entities during the action and for 10 years after its completion.

It is also expected that proposals under this topic will be developed in the context of agreements between the EU and the concerned third countries being connected to the EU.

For further background on security requirements, please see sections 8.2, 8.3 and 8.4 as well as sections 2.2 (paragraph “Strengthen cybersecurity and resilience”) and section 4.3.3 of the CEF Digital Work Programme.

### Expected impact

The expected benefits go beyond those directly related to supported projects and contribute to bridging the digital divide and ensuring widespread access to Gigabit networks for all EU citizens and businesses. Moreover, this connectivity infrastructure can cross-facilitate the implementation of other topics supported under CEF Digital, such as the availability of HPC-related facilities, etc.

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

### **3. Available budget**

The available call budget is **EUR 90 000 000**. This budget might be increased provided that the total additional budget cumulatively allocated to the topic across all calls of the work programme is lower than 20% of the total budget of the multiannual plan.

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

Topic	Topic budget
CEF-DIG-2023-GATEWAYS-WORKS	<b>EUR 75 000 000</b>
CEF-DIG-2023-GATEWAYS-STUDIES	<b>EUR 15 000 000</b>

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

#### 4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	17 October 2023
Deadline for submission:	<u>17 January 2024 – 17:00:00 CET</u> (Brussels time)
Evaluation:	February - April 2024
Information on evaluation results:	July 2024
GA signature:	October 2024

#### 5. Admissibility and documents

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

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

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

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

- Application Form Part A — contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities) and the summarised budget for the project (*to be filled in directly online*)
- Application Form Part B — contains the technical description of the project (*to be downloaded from the Portal Submission System, completed, then assembled, and re-uploaded*)
- Part C (*to be filled in directly online*) containing additional project data
- **mandatory annexes and supporting documents** (*to be uploaded*):
  - detailed budget table per WP (*template available in the Submission System*)
  - activity reports of last year (unless exempted from operational capacity check; see *section 7*)
  - list of previous projects (key projects for the last 4 years) (*template available in Part B*)
  - timetable/Gantt chart (*template available in the Submission System*)

- letters of support (MS agreement) (*template available in the Submission System; the list of MS contact points is published in the [HaDEA website](#)*)
- ownership control questionnaire (*including for subcontractors and associated partners, template available in the Submission System*)
- security declarations signed by the participating entities (*template available in the Submission System*)
- security guarantees approved by the respective authorities of the associated third country or other third country, in case of third country entities participation (*template available in the Submission System*).

Exceptionally, should a third country require more time to provide its approval, the applicants must submit, by the call deadline, a copy of the security guarantee and the acknowledgment of receipt of the request by the third country. In this case, the security guarantees approved by the third country must be sent by the proposal coordinator to [HADEA-CEF-DIGITAL-CALLS@ec.europa.eu](mailto:HADEA-CEF-DIGITAL-CALLS@ec.europa.eu) by 18 March 2024, 17:00:00 CET (Brussels) at the latest, identified with the proposal ID in the email subject.

- declaration from the coordinator, on behalf of the consortium, that the planned backbone infrastructure addresses a market failure in terms of lack of redundancy, capacity or another type of market failure as described in section 2 (*to be uploaded in the Submission System in "Other annexes"*)
- business plan financial spreadsheet (*for works proposals, template available in the Submission System*)
- other annexes.

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

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

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

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

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

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

## 6. Eligibility

*[Eligible participants \(eligible countries\)](#)*



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

- be legal entities (public or private bodies)
- 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*):
    - countries associated to the CEF Programme or countries which are in ongoing negotiations for an association agreement and where the agreement enters into force before grant signature ([list of participating countries](#))<sup>18</sup>

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

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

Please note however that this call is subject to restrictions due to security reasons. This means that only the following countries are eligible: EU Member States.

Moreover:

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

### *Specific cases*

*Exceptional funding* — Entities from other countries (not listed above) are exceptionally eligible for projects of common interest, if the granting authority considers their participation essential for the implementation of the action.

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

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<sup>18</sup> See Art 5.2 of CEF Regulation 2021/1153: the third countries associated to CEF and entities established in those countries, may not receive financial assistance under CEF except where it is indispensable to the achievement of the objectives of a given project of common interest or a project in accordance with Article 7(1) of this Regulation and under the conditions set in the work programme. In addition, the eligibility of associated countries is conditional to the entry into force of the Association Agreement by ratification by the respective national parliaments.

*International organisations* — International organisations<sup>19</sup> are eligible. The rules on eligible countries do not apply to them.

*Entities without legal personality* — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees for the protection of the EU financial interests equivalent to that offered by legal persons<sup>20</sup>.

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

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 [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)<sup>21</sup> and entities covered by Commission Guidelines No [2013/C 205/05](#)<sup>22</sup>). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

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

### *Consortium composition*

There are no specific eligibility conditions concerning consortium composition for this call.

### *Eligible activities*

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

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

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

Financial support to third parties is not allowed.

### *Geographic location (target countries)*

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

### *Duration*

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<sup>19</sup> An 'international organisation' means an intergovernmental organisation (other than the EU) with legal personality under international public law (including specialised agencies — with or without legal personality — set up by international organisations and referred to in Article 156(1) EU Financial Regulation [2018/1046](#).

<sup>20</sup> See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>21</sup> Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the [EU Sanctions Map](#).

<sup>22</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 normally be up to 36 months (extensions are possible, if duly justified and through an amendment).

### Project budget

Project budgets (maximum grant amount) should not be higher than EUR 20 000 000 per project for the works topic and EUR 5 000 000 per project for the studies topic. Those projects can be part of a bigger project. A higher amount may be accepted if duly justified by the applicants.

## 7. Financial and operational capacity and exclusion

### Financial capacity

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

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

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

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

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

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

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

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

### Operational capacity

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

This capacity will be assessed together with the 'Quality' award criterion (see Section 9 – Award criteria), on the basis of the competence and experience of the applicants and their project teams, including operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time the task implementation starts.

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

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

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

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

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

### Exclusion

Applicants which are subject to an **EU exclusion decision** or in one of the following **exclusion situations** that bar them from receiving EU funding can NOT participate<sup>23</sup>:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts)
- in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts)
- guilty of grave professional misconduct<sup>24</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making- or control, beneficial owners or persons who are essential for the award/implementation of the grant)

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<sup>23</sup> See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).

<sup>24</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.

- guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#) (including if done by persons having powers of representation, decision-making- or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making- or control, beneficial owners or persons who are essential for the award/implementation of the grant).

Applicants will also be refused if it turns out that<sup>25</sup>:

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

## 8. Evaluation and award procedure


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

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

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

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

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

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

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<sup>25</sup> See Article 141 EU Financial Regulation [2018/1046](#).

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

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

## 9. Award criteria

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

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

improving the quality of the project or accelerating the overall investment plan. (5 points)

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

Maximum points: 25 points.

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

Overall threshold: 15 points.

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

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

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

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

### Starting date and project duration

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

Project duration: See Section 6 above.

### Milestones and deliverables

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

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

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

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

Project budget (maximum grant amount): See section 6 above.



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

The costs will be reimbursed at the funding rates fixed in the Grant Agreement (maximum **50%** for the costs of studies, maximum **70%** for the costs of works in outermost regions, and maximum **30%** for all other costs categories ('project funding rate')).

You can apply for a higher project funding rate if your project concerns:

- strong cross-border dimension<sup>26</sup>: maximum 50%.

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

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

#### *Budget categories and cost eligibility rules*

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

*Budget categories for this call:*

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

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<sup>26</sup> According to Article 15(4) of the CEF Regulation, a cross-border project entails the deployment of backbone networks between Member States, and between the Union and third countries. Applicants must therefore describe in the application form Part B, Section 1.3, the cross-border dimension of the project, i.e. which countries are involved and the geographical area on which the deployed infrastructure would have an impact (for instance in terms of enabling new cross-border services, strengthening trade relations, improving mobility, etc.).



- D.1 Financial support to third parties
- D.2 Studies
- D.3 Synergetic elements
- D.4 Works in outermost regions
- 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>27</sup>: Yes
- subcontracting costs:
  - country restrictions for subcontracting costs: Yes, subcontracted work must be performed in the eligible countries or target countries
- travel and subsistence unit cost<sup>28</sup>: No (only actual costs)
- equipment costs: full cost
- other cost categories:
  - costs for financial support to third parties: not allowed
  - studies: Yes
  - synergetic elements: Yes
  - works in outermost regions: Yes
  - land purchases: No
- indirect cost flat-rate :0% of the eligible direct costs (categories A-D, except volunteers costs, if any)
- VAT: VAT is NOT eligible
- other:
  - in-kind contributions for free are allowed, but cost-neutral, i.e. they cannot be declared as cost
  - project websites: communication costs for presenting the project on the participants' websites or social media accounts are eligible; costs for *separate* project websites are not eligible
  - eligible cost country restrictions: Yes, only costs for activities carried out in eligible countries or target countries are eligible
  - other ineligible costs: Yes, costs related to purchase of land

 Please be aware that in case of significant changes to the circumstances that have an impact on the project budget, you may be asked to request an amendment to

<sup>27</sup> Commission [Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7715).

<sup>28</sup> Commission [Decision](#) of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

reduce the maximum grant amount. If you do not comply with this request, we may have to terminate the grant and reduce it from our side (*see art 32*).

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

### 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. The amount will be established based on the grant type or estimated project duration at the time of grant signature and will be up to 30% of the maximum grant amount. The prefinancing will be paid 30 days from entry into force/financial guarantee (if required — whichever is the latest).

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

In addition, for Works topic, you will be expected to submit one or more progress reports not linked to payments.

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

All payments will be made to the coordinator.

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

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

### Prefinancing guarantees

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

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

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

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

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

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

### Certificates

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

### Liability regime for recoveries

The liability regime for recoveries will be fixed in the Grant Agreement (*Data Sheet point 4.4 and art 22*).

For beneficiaries, it is one of the following:

- limited joint and several liability with individual ceilings — *each beneficiary up to their maximum grant amount*
  - unconditional joint and several liability — *each beneficiary up to the maximum grant amount for the action*
- or
- individual financial responsibility — *each beneficiary only for their own debts*.

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

### Provisions concerning the project implementation

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

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

- rights of use on results: Yes

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

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

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

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

- special obligations linked to restrictions due to security
  - implementation in case of restrictions due to security: Yes

### Other specificities

n/a

### Non-compliance and breach of contract

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

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

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

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

Submission is a 2-step process:

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

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

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

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

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

Submit your proposal in 4 parts, as follows:

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

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

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

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

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

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

## 12. Help

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

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

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

### Contact

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

Non-IT related questions should be sent to the following email address: [HADEA-CEF-DIGITAL-CALLS@ec.europa.eu](mailto:HADEA-CEF-DIGITAL-CALLS@ec.europa.eu). Please submit your questions<sup>29</sup> no later than 10 days before the submission deadline. Questions received after 10 January 2024 may not be answered.

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

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<sup>29</sup> Interested applicants are invited to see first if a question is already answered from the existing FAQs published on the Funding & Tenders Portal.

## 13. Important



### IMPORTANT

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

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

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

- **Balanced project budget** — Grant applications must ensure a balanced project budget and sufficient other resources to implement the project successfully (*e.g. own contributions, income generated by the action, financial contributions from third parties, etc*). You may be requested to lower your estimated costs, if they are ineligible (including excessive).
- **No-profit rule** — Grants may NOT give a profit (i.e. surplus of revenues + EU grant over costs). This will be checked by us at the end of the project.
- **No double funding** — There is a strict prohibition of double funding from the EU budget (except under EU Synergies actions). Outside such Synergies actions, any given action may receive only ONE grant from the EU budget and cost items may under NO circumstances declared to two different EU actions.
- **Completed/ongoing projects** — Proposals for projects that have already been completed will be rejected; proposals for projects that have already started will be assessed on a case-by-case basis (in this case, no costs can be reimbursed for activities that took place before the project starting date/proposal submission).
- **Combination with EU operating grants** — Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and you make sure that cost items are clearly separated in your accounting and NOT declared twice (see [AGA — Annotated Model Grant Agreement, art 6.2.E](#)).
- **Multiple proposals** — Applicants may submit more than one proposal for *different* projects under the same call (and be awarded a funding for them).  
Organisations may participate in several proposals.  
BUT: if there are several proposals for *very similar* projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).
- **Resubmission** — Proposals may be changed and re-submitted until the deadline for submission.
- **Rejection** — By submitting the application, all applicants accept the call conditions set out in this this Call Document (and the documents it refers to). Proposals that do not comply with all the call conditions will be **rejected**. This applies also to applicants: All applicants need to fulfil the criteria; if any one of them doesn't, they must be replaced or the entire proposal will be rejected.
- **Cancellation** — There may be circumstances which may require the cancellation of the call. In this case, you will be informed via a call or topic update. Please note that cancellations are without entitlement to compensation.
- **Language** — You can submit your proposal in any official EU language (project abstract/summary should however always be in English). For reasons of efficiency, we strongly advise you to use English for the entire application. If you need the call documentation in another official EU language, please submit a request within 10 days after call publication (for the contact information, see *section 12*).

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

This includes:

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

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

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