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Call for proposals

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

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

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0. Introduction

This is a call for proposals to submit proposals for EU **action grants** in the field of artificial intelligence under the **Digital Europe Programme (DIGITAL)**.

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

- Regulation 2018/1046 ([EU Financial Regulation](#))
- the basic act (Digital Europe Regulation [2021/694](#)¹).

The call is launched in accordance with the 2023/2024 Work Programme² 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-2024-AI-ACT-06-INNOV - EU AI Innovation Accelerator preparatory action**
- **DIGITAL-2024-AI-ACT-06-SANDBOX - AI regulatory sandboxes: EU-level coordination and support**
- **DIGITAL-2024-AI-ACT-06-TESTAI - Pilot action for the establishment of future Union Testing Facilities in AI**

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

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

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

- the [Call Document](#) outlines the:
 - background, objectives, scope, outcomes and deliverables, KPIs to measure outcomes and deliverables, targeted stakeholders, type of action and funding rate and specific topic conditions (sections 1 and 2)
 - timetable and available budget (sections 3 and 4)
 - admissibility and eligibility conditions (including mandatory documents; sections 5 and 6)
 - criteria for financial and operational capacity and exclusion (section 7)
 - evaluation and award procedure (section 8)
 - award criteria (section 9)
 - legal and financial set-up of the Grant Agreements (section 10)

¹ Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme (OJ L 166, 11.5.2021, p. 1).

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

- how to submit an application (section 11).
- the Online Manual outlines the:
 - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
 - recommendations for the preparation of the application.
- the AGA — Annotated Grant Agreement contains:
 - detailed annotations on all the provisions in the Grant Agreement you will have to sign in order to obtain the grant (*including cost eligibility, payment schedule, accessory obligations, etc*).

1. Background

1. The AI Act and the AI Office

The EU is soon to adopt the world's first comprehensive regulatory framework for trustworthy AI, the 'AI Act'. The AI Act provides legal certainty and enhances the uptake of trustworthy AI solutions by focusing its regulatory requirements on high-risk applications. Moreover, it sets proportionate rules for general-purpose AI models, with a focus on models with a systemic impact, giving downstream providers the confidence to adopt and integrate these models in their AI applications. Ultimately, The AI Act should guarantee the safety and fundamental rights of people and businesses using AI, while boosting AI uptake, investment, and innovation across the EU. The goal of the actions below is to prepare and facilitate the implementation of specific aspects of the AI Act.

The effective implementation and enforcement of the AI Act also requires a governance framework to coordinate and build up central expertise at Union level. For this reason, the Commission established the European Artificial Intelligence Office (AI Office) on 24 January 2024. The AI Office is primarily one of coordination and support for what concerns the enforcement of the obligations on AI systems. On the other hand, it is exclusive power to enforce the obligations on General-Purpose AI models and systems. The actions described below will have important implications for the work of the AI Office and should therefore seek to establish open channels for input and collaboration.

2. AI Innovation Accelerator preparatory action

The AI Act is the first cross-cutting piece of legislation dealing directly with the use of AI systems and following a risk-based approach: the new rules establish obligations for providers and users depending on the level of risk of AI systems. In this context, the objective of this topic is to support the acceleration of innovation and trustworthy AI in the EU by providing a range of services and tools to providers of AI systems, in particular SMEs, and national competent authorities to prepare for and facilitate compliance with the different types of obligations of the newly created legislation.

3. AI regulatory sandboxes: EU-level coordination and support

AI is a rapidly developing family of technologies that requires novel forms of regulatory oversight and a safe and controlled space for experimentation. To ensure that the EU legal framework promotes innovation, is future-proof and resilient, the AI Act creates a common framework for AI regulatory sandboxes and obliges EU Member States to establish at least one AI regulatory sandbox at national level. The AI Act defines regulatory sandboxes as concrete and controlled frameworks set up by a

competent authority under the AI Act which offers providers or prospective providers of AI systems the possibility to develop, train, validate and test, where appropriate in real world conditions, an innovative AI system, pursuant to a sandbox plan for a limited time under regulatory supervision. Regulatory sandboxes could be established in physical, digital or hybrid form and may accommodate physical as well as digital products. The envisaged AI regulatory sandboxes are expected to facilitate the development and testing of innovative AI systems under regulatory oversight before these systems are placed on the market or otherwise put into service in the EU. They should be widely available across the EU and in particular respond to the needs of Small and Medium Sized Enterprises (SMEs) that should have priority access as long as they fulfil the legibility and selection criteria.

The national competent authorities and the participants are expected to focus on the issues that raise legal uncertainty for providers of innovative AI systems. Competent authorities should provide, as appropriate, guidance, supervision, and support within the sandbox with a view to identifying risks, testing mitigation measures and their effectiveness in relation to the obligations and requirements of the AI Act and, where relevant, other Union and Member States legislation supervised within the sandbox. Authorities should give to participants bespoke guidance on regulatory expectations and how to fulfil the obligations set out in the AI Act and may exercise their discretionary powers with the objective of supporting innovation in AI. To the extent the participants respect the terms and conditions and the sandbox plan and follow in good faith the guidance, they should not be sanctioned with administrative fines. The competent authority will provide participants with a written proof of the activities successfully carried out in the sandbox and an exit report detailing those activities and the related results and learning outcomes. Providers may use such documentation to demonstrate the compliance with the AI Act through the conformity assessment process or relevant market surveillance activities.

The responsibility to organise the AI regulatory sandboxes lies with the Member States' competent authorities responsible for the AI Act supervision and enforcement. To fulfil this obligation, Member States can establish a regulatory sandbox independently, jointly with competent authorities from other Member States, or participate in an existing one insofar this participation provides equivalent level of national coverage for the participating Member State. Regional or local sandboxes may also be established. Lastly, the European Data Protection Supervisor may also establish an AI sandbox for the EU institutions, bodies and agencies that develop innovative AI systems in-house or procure such systems from the market.

Where appropriate, national competent authorities establishing AI regulatory sandboxes should cooperate with other relevant authorities, including those supervising the protection of fundamental rights with a view to clarifying the interplay and enabling the supervision of other relevant Union legislation in the sandboxes. Involvement of other actors within the AI ecosystem is also encouraged, such as national or European standardisation organisations, notified bodies, testing and experimentation facilities, research and experimentation labs, European Digital innovation hubs and relevant stakeholder and civil society organisations.

To ensure uniform implementation across the Union and economies of scale, the Commission is empowered to adopt common rules for the modalities and functioning of the AI regulatory sandboxes. The Commission should also provide Member States' competent authorities with technical support, advice and tools and create a single interface containing all relevant information.

Within this context, the overall role of the 'AI regulatory sandboxes: EU-level coordination and support' action will be to support the EU Member States and national competent authorities in establishing and operating the AI regulatory sandboxes, as well as to coordinate their work at the EU level and ensure synergies with existing AI initiatives. For the full list of objectives and deliverables see Section 2.

4. EU AI testing support structures

The AI Act would rely for its enforcement part on the so-called market surveillance system, which is common to all EU product safety legislation and which has been recently further reinforced and streamlined through [Regulation \(EU\) 1020/2019](#).

Market surveillance provisions concern the competence of the national authorities in monitoring and controlling the market to make sure that rules are respected and that no serious issues arise. In particular, Market surveillance authorities would be empowered, regardless of the country of establishment of the providers, to take measures in relation to products liable to compromise health and safety and/or to products that do not conform to EU harmonisation legislation. Market surveillance authorities have the power to adopt a wide spectrum of enforcement measures to address cases of non-compliance, including, for instance, the withdrawal or the recall of a system.

In that context and in order to support Member States in their surveillance activities, Article 68a of the AI Act introduces an obligation for the European Commission to designate one or more EU AI testing support structures to perform the tasks listed under Article 21(6) of Regulation (EU) 1020/2019 in the area of AI. The main objective of this topic is therefore to launch a pilot project to prepare for the implementation of the concept of EU AI testing support facilities and define the requirements for a full-scale operation of these testing facility.

5. Other relevant EU initiatives

The European Commission is currently carrying out or planning to carry out various initiatives supporting the implementation of the AI Act. For example, it already published a first AI standardisation request and is working with European Standardisation Organisations, industry and civil society to support the development of technical specifications in support of the AI Act. In cooperation with Member States, the Commission has also been supporting the implementation of pilot AI regulatory sandboxes. The Spanish AI regulatory sandbox is the first such pilot action.

The actions below should take into account and build on relevant Commission initiatives that offer services and/or support for the development and deployment of AI technologies. These include the AI Pact, the testing and experimentation facilities (TEFs), the AI factories, European Digital Innovation Hubs (EDIHs), and the AI-on-demand-platform (AIoDP). Coordination and cooperation should be sought also with other relevant AI laboratories and testing facilities at national level.

6. Security restrictions

This action will be subject to Article 12(6) of Regulation (EU) 2021/694 for the following reasons: The action is expected to play an instrumental role in the support to the development of systems that will be compliant with the future Regulation on AI, including in particular for what concerns the requirements introduced for high-risk systems. As per the AI Act proposal, this category of systems should include AI systems used for the management and operation of critical infrastructure, as well as AI systems used by law enforcement authorities for activities that are highly

sensitive. The participation of non-EU entities entails the risk of such sensitive data and information being subject to legislation or pressure that obliges those non-EU entities to disclose this information to non-EU governments. Therefore, based on the outlined security reasons, this topic will be subject to article 12(6) of Regulation (EU) 2021/694. This does not exclude the participation of legal entities established in associated countries and legal entities that are established in the Union but are controlled from third countries, where they meet the conditions defined in this Work Programme.

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

DIGITAL-2024-AI-ACT-06-INNOV - EU AI Innovation Accelerator preparatory action

Objectives

The action is expected to fulfil the following objectives:

- foster AI innovation and competitiveness, facilitate regulatory compliance with the AI Act and improve legal certainty for innovators;
- speed up access to the EU market for innovative AI systems by creating a single digital space containing all the information needed to understand and comply with the AI Act;
- promote the results of relevant Commission AI-related initiatives that offer services and/or support for the development and deployment of AI technologies;
- assess future additional needs to support implementation of the AI Act.

Scope:

This topic should focus on the creation of guidance, tools, software, online courses and technical specifications to enable easy implementation of the AI Act by companies, particularly SMEs, and public entities.

The awarded proposal from this topic is expected to collaborate closely with the awarded proposal on AI regulatory sandboxes. In particular, the latter should rely on draft tools, metrics and guidelines developed under this topic to test them in practice with providers of AI systems in a pilot phase of the AI regulatory sandboxes under the supervision of competent authorities. At the same time the testing experience in the sandboxes should serve to test and update the deliverables under this action.

All final materials, frameworks and tools developed and validated under this action will be made publicly available and may be used by any provider or user of AI system.

To build on synergies with other initiatives supported by the EU, this action should establish contacts with the AI Office, the TEFs, the AI-on-Demand platform, AI factories, and EDIHs, in order to work out which existing resources can be offered jointly to AI innovators and which resources would have to be built in the future.

Close cooperation should also be pursued with international and European Standardisation Organisations (in particular CEN³ and CENELEC⁴) to take into account progress in the development of AI standards and use them as a basis for the development of the action.

Outcomes and deliverables (and preliminary timeline):

Deliverables for this topic should include notably:

- the creation of materials and training courses designed to understand easily and facilitate compliance with the AI Act (these could include, but should not be limited to, summaries and training material of the AI Act, of the relevant standards, of the European Commission’s guidance documents, and of other related technical and legal documents);
- the development of process frameworks, virtual infrastructure, tools, metrics and benchmarks for compliant development and validation of AI systems against the AI Act requirements (e.g. for data quality, accuracy, robustness, safety), including through prototype(s) of software solutions for legal compliance; this should also include best practices and technical tools for marking of AI-generated content where gaps are identified;
- the release of a digital tool supporting providers of AI systems in classifying their AI system in accordance with the levels of risks envisaged in the AI Act;
- the development of self-assessment tool/software for conformity assessment, risk management and post market-monitoring, specifically adapted to the needs of SMEs;
- the provision of personalised technical and legal support to SMEs and public authorities to use the frameworks, tools and infrastructure developed under this action, including to provide ad hoc replies to inquiries in relation to the AI Act (this could include, for instance, the development of online training and awareness-raising material targeted at providers and users of AI systems in relation to relevant requirements and obligations under the AI Act);
- the establishment of a single digital platform and infrastructure to act as a “one-stop shop” for any company or public authority seeking to understand and comply with the requirements of the AI Act, and to make available to the public the frameworks, tools, guidance documents and online courses developed as part of this action and the AI regulatory sanboxes action.

•
The deliverables of this topic should be closely aligned with the implementation timetable of the AI Act and developed in close collaboration with the Commission services (including notably the AI Office). The development of the single digital platform should be a priority. This platform should be regularly updated with relevant information and documents.

Targeted stakeholders:

³ European Committee for Standardization.

⁴ European Committee for Electrotechnical Standardization.

This topic should focus mainly on under-resourced companies, in particular SMEs and start-ups, and under-resourced public authorities developing high-risk AI services/products or general-purpose AI models as defined by the AI Act, in particular for what concerns any personalised services and support actions. In addition, the digital platform created should also act as interactive platform facilitating the communication between the national competent authorities organising the sandboxes (see topic on regulatory sandboxes below) and potential participants to sandboxes.

Type of action and funding rate:

Grant for procurement – 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, following reimbursement option for equipment costs applies: full costs only (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*

DIGITAL-2024-AI-ACT-06-SANDBOX, AI regulatory sandboxes: EU-level coordination and support

Objectives:

This action aims at providing support and coordination at EU level for AI regulatory sandboxes established under the future AI Act. The action is expected to contribute to the following high-level objectives:

- foster AI innovation and competitiveness, improve legal certainty for innovators and facilitate regulatory compliance with the AI Act and other relevant Union legislation supervised in the AI regulatory sandboxes;
- accelerate access to the EU market for innovative AI systems by providing a safe regulatory space for innovation and removing barriers in the sandboxes, with a particular focus on SMEs, including start-ups;
- promote wide accessibility of the AI regulatory sandboxes across the EU Member States, common approaches and coordination in their implementation, economies of scale and scale up of AI innovation projects at EU level;
- foster the competent authorities' oversight capacity and understanding of the opportunities, emerging risks and the impacts of AI use;
- contribute to evidence-based regulatory learning by analysing the experiences accumulated in the AI regulatory sandboxes and support the collecting and sharing of best practices and lessons learnt and make them widely available.

Scope:

While the obligation to establish AI regulatory sandboxes lies with the Member States and their national competent authorities, this action will play a critical role in providing technical support, advice, tools and common frameworks for the effective establishment and operation of AI regulatory sandboxes and cross-border cooperation at EU level. Currently, the entry into force of the AI Act is foreseen for Q2 2024, which would imply that the Member States would need to establish the AI regulatory sandboxes and make them fully operational no later than end of Q2 2026. As such, this action should focus on a number of EU-level coordination and support activities to assist Member States in setting up and running the AI regulatory sandboxes in accordance with the relevant provisions of the AI Act.

The action should develop **common frameworks, tools and processes** to support competent authorities under the AI Act in the practical establishment, implementation, operation and supervision of the AI regulatory sandboxes. It should also propose a framework for coordination at EU level and cross-border cooperation, including, as appropriate, communication channels to facilitate exchanges and sharing of information among the competent authorities and to enable joint sandboxes between multiple Member States. This also should include **supplementary supporting infrastructure/services** such as training, technical and legal support services for the national competent authorities establishing the sandboxes, and their coordination at EU level.

As a next step, together with the competent authorities, the action should **organise a pilot testing** of the sandbox material, tools and processes produced under this action, as well as the draft compliance material and tools produced by the AI Innovation Accelerator preparatory action to be tested by AI providers in the sandboxes. The testing should be organised under the supervision of national competent authorities and enable the scaling-up of the results observed in the sandbox environment to the wider market. The testing should seek to improve the deliverables and align them more closely to the needs of innovators and in particular SMEs and start-ups.

This action should also **gather evidence for the objective of regulatory learning** and to further improve the guidance documents and tools referenced in the paragraph above. It should collect best practices and lessons learnt, especially in relation to the wider implementation of the AI Act and contribute, where possible, to the development of guidance and other supporting material to be prepared by the Commission for the implementation of the AI Act and its regular review.

As a horizontal requirement for the implementation of all deliverables, the awarded proposal should collaborate with the EU AI Innovation Accelerator preparatory action. In particular, it should rely on draft tools, metrics and guidelines developed under the AI Innovation Accelerator preparatory action, while testing them in the sandboxes and updating them. It should also publish all information about the AI regulatory sandboxes as well as the deliverables under this action and the material produced in the sandboxes on the 'single online platform', which is to be created by the AI Innovation Accelerator preparatory action. The awarded proposal should make itself available to be consulted by the AI Innovation Accelerator during the development of the said platform and closely cooperate and provide all necessary input to fulfil its obligations under this action.

All activities under this action should build on the experience and the deliverables from pilot regulatory sandboxes and best practices in the implementation of other regulatory sandboxes (e.g. finance, energy, data etc.). To build on synergies with other initiatives supported by the EU, this action should establish contacts with TEF, the AI-on-Demand platform, the AI factories, EDIHs, EuroHPC, and EDICs focused on

AI to work out which existing resources can be offered jointly to AI innovators and which resources would have to be built in future. Close cooperation should also be pursued with international and European Standardisation Organisations (in particular CEN111 and CENELEC112) to take into account progress in the development of AI standards and use them as a basis for the development of the action.

Outcomes and deliverables (and preliminary timeline):

For each of the strands of activities listed in the scope, the proposal selected for funding will be required to demonstrate that they have provided the deliverables and outcomes below. The outcomes and deliverables should be developed in close collaboration with the Commission and closely aligned with the timeline for the AI Act regulatory sandboxes that must be fully operational no later than 2 years after the AI Act enters into force.

1. Ideally in the first 10 months, develop **common guidelines, frameworks, processes, and tools** for the competent authorities that cover all relevant steps in the practical establishment, operation and supervision of the AI regulatory sandboxes in line with all provisions in the AI Act and the implementing rules. These deliverables should be developed in English and be simple, intelligible, clearly communicated to reduce the burden and facilitate the participation of SMEs and start-ups with limited legal and administrative capacities and facilitate the work of competent authorities and strengthen their capacities. They should be provided in a digital format, interoperable, easy to use and, where appropriate, designed in an interactive manner.

These deliverables should be prepared in consultation with the national contact points and competent authorities, providers of AI systems, SMEs and start-ups, the EC, and other relevant stakeholders. The needs and the potential challenges foreseen by competent authorities and AI providers, in particular SMEs and start-ups, should be collected and taken into account. The deliverables should build on best practices in other sandboxes and lessons learnt from relevant sandbox pilots, while taking due account of the special needs, objectives and all principles and modalities of the AI regulatory sandboxes, as provided in the AI Act. The deliverables should provide flexibility to the Member States, while promoting effective cross-border collaboration and coordination at EU level and ensuring the proposed processes are fit for purpose, not burdensome and streamlined across the Union to avoid fragmentation and ensure that participation in an AI regulatory sandbox is mutually and uniformly recognised across the Union.

2. Provide **supplementary supporting infrastructure/services** such as training, technical and legal support services for the competent authorities establishing the sandboxes, and their coordination at EU level, including, as appropriate, communication channels to facilitate exchanges.
3. Ideally, in the first 16 months, organise **the practical testing of the common guidelines, frameworks, processes, and tools** developed by this action as well as those developed by the AI Innovation Accelerator preparatory action to be tested by providers of AI systems under the supervision of competent authorities in the AI regulatory sandboxes (including in a pilot phase) to support their compliance with the AI Act and to update and future proof the deliverables and support regulatory learning.
4. By the end of the action, provide an **analysis of the accumulated experience** in the sandboxes and take it into account in the update of deliverables and

prepare recommendations and lessons learnt for policymakers and practitioners.

- By the end of the action, **publish all developed material and tools on the single online platform developed by the AI Innovation Accelerator action** and propose a **communication strategy** for the long-term promotion of the sandboxes and their results.

KPIs (to measure outcomes and deliverables):

The action should deliver, at a minimum, on the following KPIs, but the applicant may propose further options and targets to be included:

| Key Performance Indicator | Target Value |
|--|----------------------|
| Number of Member States organising or participating in an AI regulatory sandbox, including percentage of joint sandboxes established by more than one Member State | All 27 Member States |
| Number of providers that joined the AI regulatory sandboxes in testing phase | At least 60 |
| Percentage of start-ups and SMEs that joined the AI regulatory sandboxes in testing phase | At least 40% |
| Number of authorities and other stakeholders consulted in the creation of deliverables 1 & 2 | 40 |

The contractor should also seek to assess and develop KPIs that the national competent authorities could use and issue recommendations on how to put them into practice. Apart from those already mentioned above, these could include:

- Lowering cost for compliance
- Accelerating time to access the market
- Reducing regulatory complexity and facilitating access to additional support infrastructure and services for providers of AI systems participating in the sandboxes

Targeted stakeholders:

Governance structure:

The AI regulatory sandboxes action should seek to establish a close collaborative relationship with the AI Innovation Accelerator preparatory action, as a consequence of the many deliverables that are to be developed jointly as per their respective tasks outlined in the call. This could be done, for example, by including a representative of the AI Innovation Accelerator preparatory action in the governance of the AI regulatory sandboxes action.

Other stakeholders to involve in the action, when deemed necessary:

Primary:

- Providers of AI systems (in particular start-ups and SMEs)
- National competent authorities and the European Data Protection Supervisor
- Authorities supervising the protection of human rights to be associated in the sandboxes

Secondary:

- AI Board (as envisaged in the AI Act)
- Research and experimentation labs (incl. Testing and Experimentation Facilities)
- AI Scientific Panel (as envisaged in the AI Act)
- EU initiatives: AIoDP, EDIHs, data spaces, Euro HPC, EDICs, AI Pact, etc.
- National and European standardisation organisations
- Notified bodies
- Civil society organisations
- Other sectoral sandboxes

Type of action and funding rate:

Coordination and Support Action – 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, following reimbursement option for equipment costs applies: depreciation only (*see section 10*)
- For this topic, first exploitation obligations apply (*see section 10*)
- For this topic, access rights to ensure continuity and interoperability 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*

DIGITAL-2024-AI-ACT-06-TESTAI, Pilot action for the establishment of future Union Testing Facilities in AI

Objectives:

The main objective of this action is to launch a pilot project to prepare the implementation of the concept of “EU AI testing support structures” and define the requirements for a full-scale operation of these testing facilities (after the pilot phase).

Scope:

Article 68a of the AI Act introduces an obligation for the European Commission to designate one or more EU AI testing support structures to perform the tasks listed under Article 21(6) of [Regulation 1020/2019](#) in the area of AI. Based on this Article, EU AI testing support structures would be primarily intended to: provide technical and scientific advice, develop new techniques for analysing systems, ensure the reliability of testing of AI products, as well as test products at the request of market surveillance authorities, the AI Office or the Commission. Moreover, these testing support structures should provide their services solely to market surveillance authorities, the Commission or other government or intergovernmental agencies.

Outcomes and deliverables (and preliminary timeline):

On the basis of the requirements of the AI Act and the ongoing work aiming at developing corresponding standards (further to the standardisation request⁵ issued by the Commission and addressed to CEN-CENELEC), this topic should perform the following tasks:

- developing an approach to the implementation of the requirements on EU AI testing support structures, including notably the approach to the testing of the compliance of AI systems with the requirements introduced by the AI Act, as well as the expertise and infrastructure requirements of future EU AI testing support structures;
- carrying out preliminary testing of AI systems (to validate the proposed approach);
- providing independent technical or scientific advice at the request of the Commission, the AI Office, or Member States market surveillance authorities;
- organising workshops and other activities fostering collaboration and exchange of information between Member States market surveillance authorities in preparation of the implementation of the AI Act;
- conducting initial and further training courses for the benefit of the staff of market surveillance authorities of Member States and the Commission,
- in the context of activities of standardization organizations, including notably CEN/CENELEC JTC 21, contributing to the development of standards to verify and validate AI systems against the AI Act's requirements for High-Risk scenarios, whether stand alone or integrated in regulated products and services.

More specifically, deliverables for this topic should include notably:

- a tested and validated suite of testing procedures and tools to be used in a future full-scale;
- training material for market surveillance authorities;
- recommendations for the long-term establishment of EU AI testing support structures.

Targeted stakeholders:

⁵ See C(2023)3215 - [https://ec.europa.eu/transparency/documents-register/detail?ref=C\(2023\)3215](https://ec.europa.eu/transparency/documents-register/detail?ref=C(2023)3215)

This topic should focus on the needs of market surveillance authorities of Member States, the AI Office and the Commission.

Type of action and funding rate:

Coordination and Support Action grant – 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, following reimbursement option for equipment costs applies: depreciation only (see section 10)
- For this topic, first exploitation obligations apply (see section 10)
- For this topic, access rights to ensure continuity and interoperability 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 estimated available call budget is **EUR 9 500 000**.

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

| Topic | Topic budget |
|---|---------------|
| DIGITAL-2024-AI-ACT-06-INNOV - EU AI Innovation Accelerator preparatory action | EUR 6 000 000 |
| DIGITAL-2024-AI-ACT-06-SANDBOX — AI regulatory sandboxes: EU-level coordination and support | EUR 2 000 000 |
| DIGITAL-2024-AI-ACT-06-TESTAI — Pilot action for the establishment of future Union Testing Facilities in AI | EUR 1 500 000 |

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

4. Timetable and deadlines

| Timetable and deadlines (indicative) | |
|---|--|
| Call opening: | 29 February 2024 |
| <u>Deadline for submission:</u> | <u>29 May 2024 – 17:00:00 CET</u> <u>(Brussels)</u> |
| Evaluation: | June-July 2024 |
| Information on evaluation results: | July-August 2024 |
| GA signature: | February 2025 |

5. Admissibility and documents

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

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

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

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


- Application Form Part A — contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities) and the summarised budget for the project (*to be filled in directly online*)
- Application Form Part B — contains the technical description of the project (*to be downloaded from the Portal Submission System, completed and then assembled and re-uploaded*)
- **mandatory annexes and supporting documents** (*templates available to be downloaded from the Portal Submission System, completed, assembled and re-uploaded*):
 - detailed budget table/calculator: not applicable
 - CVs of core project team: not applicable
 - activity reports of last year: not applicable
 - list of previous projects (key projects for the last 4 years) (*template available in Part B: **applicable for all topics***)
 - ownership control declarations (including for associated partners and subcontractors): **applicable for all topics**

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

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

Proposals are limited to maximum **70 pages** (DIGITAL-2024-AI-ACT-06-INNOV), except for **Coordination and Support Actions** (DIGITAL-2024-AI-ACT-06-SANDBOX and DIGITAL-2024-AI-ACT-06-TESTAI) 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 [Online Manual](#).

6. Eligibility

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

Eligible participants (eligible countries)

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

- be legal entities (public or private bodies)
- be established in one of the eligible countries, i.e.:
 - EU Member States (including overseas countries and territories (OCTs))
 - non-EU countries:
 - EEA countries (Norway, Iceland and Liechtenstein)
 - other countries associated to the Digital Europe Programme ([list of participating countries](#))⁶

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

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

- Entities must not be directly or indirectly controlled from a country that is not an eligible country unless they comply with the requirements to guarantee⁷ the protection of the essential security interests of the Union and the Member States and to ensure the protection of classified documents information as set out in the relevant work programme (conditions for foreign controlled entities - guarantees)⁸.

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

Specific cases

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

⁶ Subject to a positive assessment by the Commission on the replies to their associated country security questionnaire – see Annex 2

⁷ See guarantee template in the annex to the application form for ownership and control declaration

⁸ See 9.3. Appendix 3 – Implementation of Article 12(5) and 12(6) of the work programme for the guarantee conditions

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

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees for the protection of the EU financial interests equivalent to that offered by legal persons⁹.

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

Associations and interest groupings — Entities composed of members may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'¹⁰. ⚠️ Please note that if the action will be implemented by the members, they should also participate (either as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

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

Following the [Council Implementing Decision \(EU\) 2022/2506](#), as of 16th December 2022, no legal commitments (including the grant agreement itself as well as subcontracts, purchase contracts, financial support to third parties etc.) can be signed with Hungarian public interest trusts established under Hungarian Act IX of 2021 or any entity they maintain.

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

EU restrictive measures — Special rules apply for certain entities (*e.g. entities subject to [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)*¹¹). 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](#)

n/a

[Eligible activities](#)

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

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

¹¹ Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the [EU Sanctions Map](#).

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

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

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

Financial support to third parties is not allowed

Geographic location (target countries)

Due to restrictions due to security:

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

Ethics

Projects must comply with:

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

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

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

Security

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

These rules (governed by Decision [2015/444](#)¹² and its implementing rules and/or national rules) provide for instance that:

- projects involving information classified TRES SECRET UE/EU TOP SECRET (or equivalent) can NOT be funded
- classified information must be marked in accordance with the applicable security instructions in the SAL
- information with classification levels CONFIDENTIEL UE/EU CONFIDENTIAL or above (and RESTREINT UE/ EU RESTRICTED, if required by national rules) may be:
 - created or accessed only on premises with facility security clearance

¹² See Commission Decision 2015/444/EU, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

(FSC) from the competent national security authority (NSA), in accordance with the national rules

- handled only in a secured area accredited by the competent NSA
- accessed and handled only by persons with valid personnel security clearance (PSC) and a need-to-know
- at the end of the grant, the classified information must either be returned or continue to be protected in accordance with the applicable rules
- action tasks involving EU classified information (EUCI) may be subcontracted only with prior written approval from the granting authority and only to entities established in an EU Member State or in a non-EU country with a security of information agreement with the EU (or an administrative arrangement with the Commission)
- disclosure of EUCI to third parties is subject to prior written approval from the granting authority.

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

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

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

7. Financial and operational capacity and exclusion

Financial capacity

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

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

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

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

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

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

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

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

Operational capacity

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

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

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

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

- general profiles (qualifications and experiences) of the staff responsible for managing and implementing the project
- description of the consortium participants
- list of previous projects (key projects for the last 4 years; *template available in Part B*).

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

Exclusion

Applicants which are subject to an **EU exclusion decision** or in one of the following **exclusion situations** that bar them from receiving EU funding can NOT participate¹³:

- 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)

¹³ See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).

- guilty of grave professional misconduct¹⁴ (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- guilty of irregularities within the meaning of Article 1(2) of EU Regulation [2988/95](#) (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).

Applicants will also be rejected if it turns out that¹⁵:

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

8. Evaluation and award procedure

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

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

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


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

¹⁴ 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.

¹⁵ See Article 141 EU Financial Regulation [2018/1046](#).

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

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

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

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

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

9. Award criteria

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

1. Relevance

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

2. Implementation

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

3. Impact

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

*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 [Portal Reference Documents](#).

Starting date and project duration

The project starting date and duration will be fixed in the Grant Agreement (*Data Sheet, point 1*). Normally the starting date will be after grant signature. A retroactive

starting date can be granted exceptionally for duly justified reasons — but never earlier than the proposal submission date.

Project duration:

- for topic **DIGITAL-2024-AI-ACT-06-INNOV**, EU AI Innovation Accelerator preparatory action: between 12 and 24 months
- for topic **DIGITAL-2024-AI-ACT-06-SANDBOX**, AI regulatory sandboxes: EU-level coordination and support: 24 months
- for topic **DIGITAL-2024-AI-ACT-06-TESTAI**, Pilot action for the establishment of future Union Testing Facilities in AI: 24 months

Extensions are possible, if duly justified and through an amendment.

Milestones and deliverables

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

The following deliverables will be mandatory for all projects:

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

Form of grant, funding rate and maximum grant amount

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

Project budget (maximum grant amount):

- for topic **DIGITAL-2024-AI-ACT-06-INNOV**, EU AI Innovation Accelerator preparatory action: EUR 6 000 000 per project
- for topic **DIGITAL-2024-AI-ACT-06-SANDBOX**, AI regulatory sandboxes: EU-level coordination and support: EUR 2 000 000 per project
- for topic **DIGITAL-2024-AI-ACT-06-TESTAI**, Pilot action for the establishment of future Union Testing Facilities in AI: EUR 1 500 000 per project.

The grant awarded may be lower than the amount requested.

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

The costs will be reimbursed at the funding rate fixed in the Grant Agreement. This rate depends on the type of action which applies to the topic (*see section 2*).

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

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

Budget categories and cost eligibility rules

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

Budget categories for this call:

- A. Personnel costs
 - A.1 Employees, A.2 Natural persons under direct contract, A.3 Seconded persons
 - A.4 SME owners and natural person beneficiaries
- B. Subcontracting costs
- C. Purchase costs
 - C.1 Travel and subsistence
 - C.2 Equipment
 - C.3 Other goods, works and services
- D. Other cost categories
 - D.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)¹⁶: Yes
 - SME owner/natural person unit cost¹⁷: Yes
- travel and subsistence unit costs¹⁸: No (only actual costs)
- equipment costs:
 - depreciation (for topics DIGITAL-2024-AI-ACT-06-SANDBOX; DIGITAL-2024-AI-ACT-06-TESTAI)
 - full cost (for topic DIGITAL-2024-AI-ACT-06-INNOV)
- other cost categories:
 - costs for financial support to third parties: not allowed
 - internally invoiced goods and services (unit cost according to usual cost accounting practices)¹⁹: Yes
- indirect cost flat-rate: 7% of the eligible direct costs (categories A-D, except volunteers costs and exempted specific cost categories, if any).

¹⁶ [Decision](#) of 29 June 2021 authorising the use of unit costs based on usual cost accounting practices for actions under the Digital Europe Programme.

¹⁷ Commission [Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7115).

¹⁸ Commission [Decision](#) of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

¹⁹ [Decision](#) of 29 June 2021 authorising the use of unit costs based on usual cost accounting practices for actions under the Digital Europe Programme.

- 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)
 - eligible cost country restrictions: Yes, only costs for activities carried out in eligible countries are eligible (for all topics)
 - other ineligible costs: No.

Reporting and payment arrangements

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

After grant signature, you will normally receive a **prefinancing** to start working on the project (float of normally **80%** of the maximum grant amount; exceptionally less or no prefinancing). The prefinancing will be paid 30 days from entry into force/10 days before starting date/financial guarantee (if required) – whichever is the latest.

There will be one or more **interim payments** (with cost reporting through the use of resources report). For topic **DIGITAL-2024-AI-ACT-06-INNOV** there could be more than one **prefinancing 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 also note that you are responsible for keeping records on all the work done and the costs declared.

Prefinancing guarantees

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

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

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

Prefinancing guarantees are normally requested from the coordinator, for the consortium. They must be provided during grant preparation, in time to make the prefinancing (scanned copy via Portal AND original by post).

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

The guarantee will be released at the end of the grant, in accordance with the conditions laid down in the Grant Agreement (*art 23*).

Certificates

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

Liability regime for recoveries

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

For beneficiaries, it is one of the following:

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

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

Provisions concerning the project implementation

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

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

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

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

- access to results for policy purposes: Yes
- access to results in case of a public emergency: Yes
- access rights to ensure continuity and interoperability obligations: Yes (for topic DIGITAL-2024-AI-ACT-06-SANDBOX and DIGITAL-2024-AI-ACT-06-TESTAI)
- special IPR obligations linked to restrictions due to security:
 - exploitation in eligible countries: Yes (for all topics)
 - first exploitation obligation in eligible countries: Yes (for all topics)
 - limitations to transfers and licensing: Yes (for all topics)

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

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

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

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

Other specificities

n/a

Non-compliance and breach of contract

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



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

11. How to submit an application

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

Submission is a **2-step process**:

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

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

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

b) **submit the proposal**

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

Submit your proposal in 3 parts, as follows:

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

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

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

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

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

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

12. Help

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

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

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

Contact

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

Non-IT related questions should be sent to "[Write to us](#)"

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

13. Important



IMPORTANT

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

The roles should be attributed according to the level of participation in the project. Main participants should participate as **beneficiaries** or **affiliated entities**; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. **Associated partners** and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). **Subcontracting** should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities). Subcontracting going beyond 30% of the total eligible costs must be justified in the application. This limit for subcontracting is not applicable for grants for procurements (topic **DIGITAL-2024-AI-ACT-06-INNOV**).

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

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

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

This includes:

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

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

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

Annex 1

Digital Europe types of action

The Digital Europe Programme uses the following actions to implement grants:

Simple Grants

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

Funding rate: 50%

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

SME Support Actions

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

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

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

Coordination and Support Actions (CSAs)

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

Funding rate: 100%

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

Grants for Procurement

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

Funding rate: 50%

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

PAC Grants for Procurement

Description: PAC Grants for Procurement (PACGP) are a specific type of action for procurement in grant agreements by 'contracting authorities/entities' as defined in the EU Public Procurement Directives (Directives 2014/24/EU , 2014/25/EU and 2009/81/EC) aiming at innovative digital goods and services (i.e. novel technologies on the way to commercialisation but not yet broadly available).

Funding rate: 50%

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

Grants for Financial Support

Description: Grants for Financial Support (GfS) have a particular focus on cascading grants. The majority of the grant will be distributed via financial support to third parties with special provisions in the grant agreement, maximum amounts to third parties, multiple pre-financing and reporting obligations.

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

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

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

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

Lump Sum Grants

Description: Lump Sum Grants (LS) reimburse a general lump sum for the entire project and the consortium as a whole. The lump sum is fixed ex-ante (at the latest at grant signature). on the basis of a methodology defined by the granting authority (either on the basis of a detailed project budget or other pre-defined parameters). The lump sum will cover all the beneficiaries' direct and indirect costs for the project. The beneficiaries do not need to report actual costs, they just need to claim the lump sum once the work is done. If the action is not properly implemented only part of the lump sum will be paid.

Funding rate: 100%/50%/50% and 75% (for SMEs)

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

Framework Partnerships (FPAs) and Specific Grants (SGAs)

FPAs

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

Funding rate: no funding for FPA

SGAs

Description: The SGAs are linked to an FPA and implement the action plan (or part of it). They are awarded via an invitation to submit a proposal (identified beneficiary action). The consortium composition should in principle match (meaning that only entities that are part of the FPA can participate in an SGA), but otherwise the implementation is rather flexible. FPAs and SGAs can have different coordinators ; other partners of the FPA are free to participate in an SGA or not. There is no limit to the amount of SGAs signed under one FPA.

Funding rate: 50%


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

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

If indicated in the Digital Europe Work Programme, and if justified for security reasons, topics can exclude the participation of legal entities *established* in a third country or DEP associated country, or established in the EU territory but *controlled* by a third country or third country legal entities (including DEP associated countries)²⁰.

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

- In the case of SO3, the provision is implemented in the strictest way. When activated, only entities established in the EU AND controlled from the EU will be able to participate; entities from associated countries (which are normally eligible) can NOT participate — unless otherwise provided in the Work Programme.
- In SO1 and SO2, entities established in associated countries and entities controlled from non-EU countries may participate, if they comply with the conditions set out in the Work Programme (usually:
 - for the associated countries: be formally associated to Digital Europe Programme and receive a positive assessment by the Commission on the replies to their associated country security questionnaire. Currently none of the associated countries have passed the assessment yet.
 - for the participants: submission of a guarantee demonstrating that they have taken measures to ensure that their participation does not contravene security or EU strategic autonomy interests).

 EEA countries (and participants from EEA countries) are exempted from these restrictions (and additional requirements) because EEA countries benefit from a status equivalent to the Member States.

In order to determine the ownership and control status, participants²¹ will be required to fill in and submit an [ownership control declaration](#)* as part of the proposal (and later on be requested to submit supporting documents) (see [Guidance on participation in DEP, HE, EDF and CEF-DIG restricted calls](#)).

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

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

Thus:

²⁰ See Article 12(5) and (6) of the Digital Europe Regulation [2021/694](#).

²¹ Beneficiaries and affiliated entities, associated partners and subcontractors — except for entities that are validated as public bodies by the Central Validation Service.

- participation in any capacity (as beneficiary, affiliated entity, associated partner, subcontractor or recipient of financial support to third parties) is also limited to entities established in and controlled from eligible countries
- project activities (included subcontracted work) must take place in eligible countries
- the Grant Agreement provides for specific IPR restrictions.

Strategic autonomy restrictions Article 18(4)

If indicated in the Digital Europe Work Programme, calls can limit the participation to entities *established* in the EU, and/or entities established in third countries associated to the programme for EU strategic autonomy reasons²².

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

 For more information, see [Guidance on participation in DEP, HE, EDF and CEF-DIG restricted calls](#).

²² See Article 18(4) of the Digital Europe Regulation [2021/694](#).