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Digital Transformation of Industrial Ecosystems

Frequently Asked Questions

European Digital Innovation Hubs

Version 6.4 – 19 January 2024

Disclaimer:

This document aims to give answers to the most frequently asked questions related to European Digital Innovation Hubs under the Digital Europe Programme. It does not replace the Model Grant agreement, Digital Europe Regulation, the Digital Europe Work Programme 2021-22, and the text of the Call for Proposals, which are the official references.

The European Commission cannot be held liable for any of the views expressed in this document.

For specific questions, please contact CNECT-DIH@ec.europa.eu

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1.0	30 June 2020	First version of the FAQ document

Information sources	You are invited to consult the following sources of information, which are also referenced in the text of this document:
Work Programme 2021-2023	https://europa.eu/!GcRDpB
Description of the call “Initial Network of European Digital Innovation Hubs” on the “Funding & tender opportunities” portal	https://europa.eu/!HNkG6X
Call Documents	Call 1: https://europa.eu/!THQtpT Call 3: https://europa.eu/!B4HYQW Call 4: https://europa.eu/!jd8Vrg
Regulation establishing the Digital Europe Programme	https://europa.eu/!KYQMdB
Model Grant Agreement for the Digital Europe programme	https://europa.eu/!nxBvjj
Annotated Model Grant Agreement – AMGA	https://europa.eu/!4KGHKX
Online Manual for the “Funding & tender opportunities” portal	https://europa.eu/!3fnFgG
Amendment guidance: Online manual - Section 3.3.2	When https://europa.eu/!3xM3CV How https://europa.eu/!3fnFgG
DMA Reporting Tool with FAQ	https://europa.eu/!9Twnyx
KPI Reporting Tool with FAQ	https://europa.eu/!dc7dyX
List of contact persons in Member States	https://europa.eu/!4wvBng
Catalogue of European Digital Innovation Hubs, SoEs and Digital Innovation Hubs	https://europa.eu/!xtp3Vy

Recording and presentations from the Cycle of workshops on European Digital Innovation Hubs

<https://europa.eu/!Ru66Tv>

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Please note: whenever the text refers to a “Member State”, this should be interpreted as a “Member State or Associated Country”.

A. Grant Management

A.1. Are costs for separate project websites eligible?

Costs for separate project websites to publicise your EDIH project are not recommended and not eligible under the Digital Europe programme.

If you need webspace to display your project, please use the “mini-site” functionality of the Digital Transformation Accelerator (DTA). This functionality will allow you to create a dedicated space for your EDIH project, where you can control the content and publishing cycle and where your content will be managed and archived after the end of the project.

By contrast, costs for web platforms or portals that are part of the EDIH activities (i.e. online tools to interact with stakeholders and with functionalities that go beyond the publication of content; e.g. offering forms, comments, forums, mailing lists, online courses, news coming from SMEs, administrations or other customers) are eligible.

The European Commission was faced with the problem that many web sites developed by EU-funded projects stayed active well beyond the life of the project, reporting outdated information which could be misleading or even become a reputation risk for the European institutions. This happened especially for Horizon 2020 or FP7 research projects. For this reason, simple web sites which are used only to publish static information are not considered eligible costs anymore. If this is what is needed, the mini-site functionality of the DTA should be used, or the information should be published on the web site of the coordinator of the project (which is supposed to exist and be maintained independently from the project). In this way, there is some guarantee that the web site will not become a “zombie”, which nobody maintains but is still accessible on the web 10 years after the end of the project.

On the other hand, if the web site is used to engage actively with customers, then it is a tool needed for the project. In this case we call it “web portal” and its costs are eligible.

A.2. Do the hubs have to report currency exchange rate profit or interest on any pre-financing as income of the project?

No. Currency exchange rate profit and interest on any pre-financing from the Commission does not constitute income from the supported operation and consequently should not appear in the ‘Financing’ part of the estimated budget.

A.3. Can an EDIH offer financial rewards in Hackathons?

The costs related to financial rewards or prizes are not eligible for the EDIHs because it does not fit in any of the possible cost categories. The cost category financial support to third parties is not foreseen in EDIHs and this is where such prizes fall under.

However you can offer, as a prize, a service provided by your EDIH project, for example, a

training course, test before invest, access to finance, etc.

A.4. Are we allowed to make changes to budget during the course of the project?

Budget transfers up to 20% are allowed with no need to execute a grant amendment. We suggest in this case to inform the project officer with a message in the funding and tender portal. Of course, large budget transfer, which very likely include also transfer of activities, should be discussed with the project officer, and will probably need a grant amendment.

A.5. How exactly can the eligible personnel costs be calculated (e.g. taking into account 215 days equivalent = 1.0 full-time equivalent)?

Please see the [Annotated Model Grant Agreement](#) article 6.2A. You should take care to ensure the usual accounting practices of your country and company.

A.6. How will the project's income be handled within the project? Will they be part of the project or will they be dealt with separately as they cover the project's overheads and ineligible costs?

The income generated by the project will be handled within the project, to be declared as co-funding, the principle of no profit must be followed. See also C18 and C19 below.

A.7. Do we have Financial Support to 3rd parties (FSTP) under the Digital Europe Programme?

FSTP is not applicable for EDIHs.

A.8. What is the official EU Commission definition for the term “Public Service Organisation”?

The public sector that the EDIH aims to support are public administrations as well as public sector organization active in areas of public interest, such as health and care, education, judiciary, customs, transport, mobility, energy, environment, cultural and creative sectors (art. 8 [DIGITAL regulation](#)). Such public sector organisations are characterised by their establishment as legal entity, with the specific purpose of meeting needs in the general interest, not having an industrial or commercial character and financed for the most part by the State, regional or local authorities (see Article 2 of the Interoperable Europe Act article 2 (1) Directive 2019/1024 for a formal definition).

A.9. What is the EU Commission definition for Small Mid-cap and Large Mid-cap?

Small Mid-cap An enterprise within the meaning of Article 1 of the Title I of the Annex of the Commission SME Recommendation which has *up to 499 employees* calculated in accordance with Articles 3, 4, 5 and 6 of the Title I of the Annex of the Commission SME Recommendation, and is not a micro, small or medium-sized enterprise as defined in the Commission SME Recommendation.

Large Mid-cap An enterprise, as defined in Article 1 of the Title I of the Annex of the Commission SME Recommendation whose *number of employees is between 500 and 3,000* (with staff headcount calculated in accordance with Articles 3, 4, 5 and 6 of the Title I of the Annex of the Commission SME Recommendation).

Both Small and Large Mid-Cap companies are eligible for financial support under the Digital

Europe Programme.

A.10. How and when should we implement an amendment?

When – Amendment guide:

https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/amendment-guide_en.pdf

How - Online manual guidance: Amendments Section 3.3.2

https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/om_en.pdf

A.11. How do we report on the costs and which templates to use for the periodic management reports?

The management reporting part itself is partly done on the Sygma platform and partly a document to upload. The project costs are uploaded directly into the system, which will be made available when the periodic reporting period is finished.

The DIGITAL report template is available here: [periodic-report_dep_en.pdf \(europa.eu\)](#) . Annex 4 to the Grant Agreement gives also the template for the consolidated overview of the costs.

General rules are the same for Horizon and Digital; actually the annotated grant amendment is valid for all the EU funding programmes 2021 – 2027. Please see the Annotated Model Grant Agreement – AMGA - <https://europa.eu/!4KGHKX>

A.12. When should the deliverables and milestones be reported in the system?

Deliverables should be uploaded in the portal on or before the due date. In case there are problems, the project officer will be ready to discuss a possible rescheduling. However, all the deliverables must be available a reasonable time before the date of the review meeting, to allow time for the expert reviewers and the project officer to assess them.

A.13. When should the cost of Communication activities be reported?

Communication activities should be reported in the period it is incurred and should be continuous throughout the life cycle of the project.

A.14. What is the requirement for continuous reporting?

The reporting should be in line with the reporting periods in the Grant agreement which is normally month 18 and 36. Even if you have continuous reporting to the national authorities every 3 months you are still required to submit a unique report (periodic report) at month 18 and month 36 covering that period.

A.15. What are the Dissemination Activities and what should be included in the Dissemination and exploitation plan?

The “dissemination and exploitation plan” is a mandatory deliverable in EU funded projects. In general, objectives of EU funded projects include making knowledge and results publicly

available, and to make concrete use of the project results. Considering the objectives of an EDIH, many activities can be considered dissemination. Examples: awareness-raising events, courses, trainings, “road shows”, participation to conferences etc. For a precise definition, we suggest looking at the help page for Horizon Europe:

https://rea.ec.europa.eu/dissemination-and-exploitation_en#what-is-dissemination-and-exploitation. Also the link to the documentation in the funding and tender portal

<https://webgate.ec.europa.eu/funding-tenders-opportunities/pages/viewpage.action?pageId=1867974> and to download the publication <https://op.europa.eu/en/publication-detail/-/publication/58ad3394-0a63-11ee-b12e-01aa75ed71a1/language-en/format-PDF/source-287940279>

Please also read ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY in the Annotated Model Grant Agreement – AMGA

<https://europa.eu/!4KGHKX>.

A.16. If we start with a task before or finish later than the date indicated in the Grant will this be a problem

Yes you can of course start a task earlier than foreseen. Minor differences between the initial plan and the actual timing of activities are normal, but please contact your project officer if you have doubts or if will affect the overall outcomes of the project.

A.17. Do you recommend the use of the EMDESK Tool for managing projects?

EMDESK is a well know product for the management of grants. It is developed by a private company. Of course, you can use it, but it is certainly not mandatory and not officially endorsed by the European Commission. Please consider that it is mandatory for all EDIHs to use the KPI reporting tool available in the EDIH network page and to upload the deliverables etc in the Compass system, so you should carefully consider if a further tool is needed.

B. Grant Agreement Preparation process

B.1. Some of the EDIHs partners received the request to upload additional financial, legal and Lear documents but some partners have not received the request. Is this ok?

Our legal and financial validation services, are currently working on all entities in the system that have not got valid legal and financial status. Only beneficiaries whose details are not valid or are outdated will be contacted by them and asked to provide legal or financial documents.

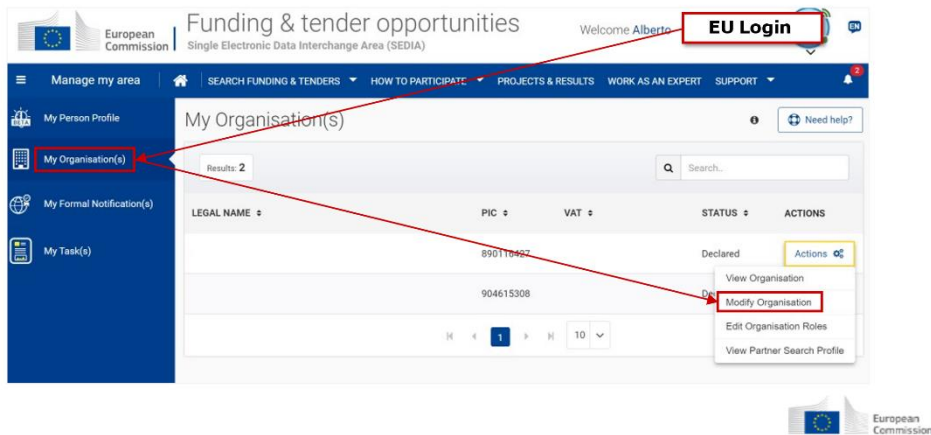
Some partners who are public bodies will not be asked to provide financial documentation.

B.2. Where/how do we check the status of our Legal Entity, LEAR and Financial validation status?

You need to log into the Participant Portal to check your company’s status to ensure that there is no request for documents outstanding. <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/participant-register>

A Validation services Presentation on Legal Entity, LEAR and Financial validation requests is available on this link <https://europa.eu/!jyn47b>

How to log in the Participant Register



B.3. What does the PIC status "sleeping" mean?

It means that the participant has been contacted by REA to provide information, but has not answered. Sleeping status applied for participants that are considered non responsive. Once documents are uploaded the “sleeping” status will be removed.

B.4. Validation services have asked for the Financial and Legal documents to be uploaded within 5 days, Do they count 5 days without the weekend?

Yes, please count 5 days without the weekend i.e. 5 working days

B.5. Will the FCA (Financial Capacity Assessment) be required for all the participants of the consortiums?

Unlike for Horizon Europe, FCA is required for all beneficiaries receiving above 60.000 EUR (EU contribution) who are not exempt. You may also find further details in the "Call document" in the section of "Financial Capacity".

B.6. What are the financial capacity requirements for the coordinator and other beneficiaries of an EDIH?

The coordinator should have the **financial capacity sufficient to manage the EU funding**. The rules for the evaluation of the financial capacity can be found in the online manual [om_en.pdf \(europa.eu\)](#) and in the specific guidance document for legal entity validation [rules-lev-lear-fca_en.pdf \(europa.eu\)](#) A self-assessment tool to verify if an entity satisfies such criteria is available here: [LFV Simulation \(europa.eu\)](#).

In case the planned coordinator does not meet the financial criteria that the European Commission considers necessary to manage the grant, it is recommended to assign the role of coordinator to another beneficiary which meets the required criteria (please consider that public bodies or Member State organisations do not need a financial capacity assessment). As an alternative, it is possible to provide appropriate financial guarantees (which of course could have an extra cost).

B.7. I have tried several times to upload the requested documents (pdf file) for financial capacity but have been unsuccessful. What should I do?

It might be that the documents /annual accounts exceed the size to upload. In this case, please try to split and upload them in PDF again, or to reduce the PDF size (this can be done also using online tools). We should be able to see the pages correspond + check on the signature. You may want to add a comment with your documents. If you are still not able to upload the documents for the FCA via the financial capacity tab for some technical issues, you can do it exceptionally from the "documents" tab in the participant register, sending us in addition an informative message via participant register, so we will be able to trace the documents and reclassify them internally

B.8. Who needs a bank account?

The Bank account is only necessary for the Coordinator

B.9. What changes can be made to the proposal?

Changes to the proposal should be limited (only adjustment from the ESR), or correction of clerical errors, or any of the adjustments needed because of a change of consortium, .

B.10. What changes can be made to the Consortium?

The consortium should in principle remain the same. However, when it is needed to make a change this should be justified and agreed with the project officer. For that purpose please send an email to the Functional Mailbox CNECT-DIH@ec.europa.eu with a clear reference to the project. **The project officer will answer you if this change is accepted.** If you need to add affiliated entities to the consortium you should in addition include a proof of the link between the beneficiary and affiliate.

B.11. What happens if a beneficiary withdraws?

In case a beneficiary withdraws, the withdrawal letter of this beneficiary should be attached in the system.

B.12. What supporting documents are required for Affiliated partners?

If you have affiliated partners you need to upload in the system a document which proves the link between beneficiary and affiliate.

B.13. Do we have to put a fixed starting date?

In case you do not put a date, your starting date will be the 1st day of the month after grant signature. As the precise date of the grant signature cannot be guaranteed, it is strongly recommended to put a fixed starting date, but please note that in this case you need to complete the 'Justification' section in the system.

B.14. Can the starting date be prior to the signature of the GA?

Yes, a fixed start date (normally in the future, but can also be in the past) is allowed. If the project starts before the signature of the Grant Agreement, the consortium does so at their own risk. A fixed start date needs a justification in the system.

B.15. How many reporting periods and when should they be?

There should be 2 reporting periods: one at month 18 and one at month 36.

B.16. Should the project reviews and deliverables be synchronised with the reporting periods?

Yes, a project review should happen around 6 weeks after the end of a reporting period. The deliverables will be evaluated during that project review. The Deliverable should be uploaded before the review so that the external reviewers have time to read them.

B.17. Should the Annex I Part B include a 'History of changes'?

Yes, it is very important all changes are recorded, it gives a trace from the transition from proposal to a grant.

B.18. Do we have to modify now the text of the proposal in order to include the experts' comments ?

Yes you adapt the text about which the ESR comment was made.

B.19. If my project starts early, before the grant signature, can I make it longer than 36 months, to make sure that it ends at the same date that the other EDIH projects?

The [workprogramme](#) states that the duration of the EDIH projects will be 36 months.

At this date, we cannot have a clear visibility of the timing of the second phase of the EDIH network, in 3 years from now. Certainly, the many projects starting in 2022 or early 2023 will have different end dates, and the 2025 call will take this into account.

In any case, it will always be possible to modify the project duration with a grant amendment, which is a very simple procedure. We suggest to postpone any such decision to the second part of the project, after the month-18 review.

B.20. Who manages the "Security" tab in the grant preparation system? This is on "yellow" for our project but apparently read-only.

Security is not applicable, so no need to touch it.

B.21. What is a Seal of Excellence?

For the European Commission, an SoE proposal is a high-quality proposal that, if funded, will be part of the EDIH network. There are no further conditions, apart from respecting the original proposal (changes of details are of course allowed). The responsibility for funding is not with the EC. As they are not funded from the Digital Europe Programme it is the responsibility of the Member States and Associated Countries to decide how to support them.

B.22. Should the local / regional government provide an official statement of support, to guarantee that they will provide co-financing for the candidate hub?

No, the European Commission requires only a proof of the designation of the EDIH from the Member State.

In the proposal, the EDIH consortium should explain from which other sources they will get the co-financing to complement funding received from DIGITAL.

B.23. Should I include common project costs like management and communication in the calculation of the price list?

The price list is an administrative tool needed to assign a fair value to the services provided to SMEs in terms of state aid.

So, you should include in it all the services that you plan to provide during the project, and for each service all the costs incurred in the provisioning of the service (e.g., for a training course: the preparation of the course, the overhead, a percentage of the management and communication costs of the project, and finally the cost to deliver the course). At the end, you divide the cost by the number of SMEs that are likely to ask for it, and this gives you the price of the service for the price list.

In practical terms, if you have separate workpackages for each type of service and for common activities like management and communication, you can simply add a proportion of the cost of the common activities to the cost of each service workpackage, and this will give you the total cost of the service for the price list (of course, to be divided by the number of SMEs that will use the service according to your estimates).

The price list should simply be the best possible approximation of the “fair value” of a service in terms of state aid.

C. Financial issues

C.1. What changes can be made to the Requested EU funding?

Requested EU funding should not be higher than mentioned in the invitation letter. Please note that in some cases the project will have a reduced budget compared to what was requested in the proposal.

C.2. What changes can be made to the Budget?

If you need to make changes to the budget you should explain it and ask approval of the project officer by sending an email to the Functional Mailbox CNECT-DIH@ec.europa.eu with reference to the project.

C.3. What counts as co-financing of 'the other 50%'?

The European Union funds up to 50% of the proposed costs for an EDIH for the duration of the grant. The other 50% can be made up of a combination of national funding, regional funding, and/or contributions from the private sector.

Member States or regional authorities can provide cash contributions to an EDIH, e.g. regular payments to support the operation of the hub. This could be part of an existing, ongoing agreement, or part of a newly received agreement (“national grant”).

In all those cases, the DIGITAL proposal should also describe the national work which would count as the other 50%.

This should be described in the activities and in the budget table, e.g. all 10 people working for the EDIH should be reported (the 5 ones in the context of the national activity and the 5 ones because of the DIGITAL grant), or costs that covers the goods and services that the beneficiary itself produced or provided should be reported as “internally invoiced goods and services”.

Only the national activities carried out during the period of the DIGITAL grant and that are in scope of an EDIH are eligible, and the no-profit principle needs to be applied. The beneficiary should not receive more funding than the action costs.

In case the national funding is based on a source with an origin in the EU, such as the European Regional Development Funds (ERDF) or Recovery and Resilience Funds the two grants (DIGITAL and the national one) should be linked as a synergy action, and in the case of ERDF all eligible expenditure should be declared first to the Managing Authority of the ERDF grant.

The private sector may provide contributions as well in addition to public cash. If an EDIH decides to accept contributions from the private sector, it needs to ensure that access to the EDIH is open to all users and granted on transparent and non-discriminatory terms. If the services to the SMEs are not provided for free, the own contribution of the SME can also serve as the other 50%.

Beneficiaries may also contribute part of the other 50% from their own resources.

C.4. Does an in-kind contribution count as co-financing of the 'the other 50%'?

The In-kind contributions (AGA - Art. 9.2) is a non-financial resources made available free of charge by third parties. The in-kind contributions can be used in the project, but it is not an eligible cost. Therefore, it cannot be used as 50% co-financing.

Example: A civil servant working as a professor in a public university is also working for the EDIH. His university is not part of the consortium, but his working hours are provided as an

in-kind contribution. In this case, his working hours will not count as the other 50% but he will be an additional labour source.

On the other hand, if the university is part of the consortium, then the cost of the working hours can be charged to the project, and

- 50% will be paid by DIGITAL,
- the other 50% can be considered as co-financing.

C.5. How will the 50% funding work in practice? What will the Commission pay?

Each EDIH will be monitored by the EU: On a regular basis (every 18 Months), a review meeting will be held, in which the hub will discuss achievements and costs incurred. The European Commission, supported by external experts, will assess the action, and, upon acceptance, will assess whether the submitted costs are eligible for the reporting period and pay 50 % of those costs.

In practice, a part of the EU financing will be provided at the beginning of the project as “pre-financing”. This will allow the hub to finance their initial expenses until the first review. The advance payment will be around 50-% of the EU funding.

C.6. If we have two separate contracts for funding for the EDIH (one with the EU and one national contract) can we open only one financial reporting account for both projects?

For EC funding it is okay if there is one accounting system.

C.7. Do we need to separate the costs or show the national funding in separate budget lines?

Digital Europe Programme will pay 50% of the eligible costs and for this we don't need separate budget lines. The national funding will follow their own rules, we cannot judge the needs for the national funding.

In case the co-financing comes from another EU budget source (Synergy grants), the principles for synergy grants (no more than 100% funding, projects linked in the grant agreement, sequence of payments) have to be followed.

C.8. How to calculate the depreciation costs for past investments in hubs (equipment and facilities)?

Depreciation cost of existing equipment is an eligible cost but the usual accounting practices needs to be applied. Please consult the Annotated GA, Article 6.2.C.2 Equipment, page 63. <https://europa.eu/!4KGHKX>

If an equipment is already 100% depreciated, it cannot be declared in the EDIH project for depreciation.

You could consider then the usage of “internally invoiced goods and services” to cover the goods and services that the beneficiary itself produced or provided.

C.9. To what extent do contracts between Member States and EDIHs need to follow the funding rules of the EU?

Under the grant agreement with the EU, the budget outlined in the proposals from hubs consists of total direct costs, and 7% of indirect costs, giving an amount of total costs. The EU will reimburse up to 50% of those total (eligible) costs. In addition, as part of a hub's proposal to the European Union, the sources of financing for the other 50%, as a minimum has to be convincingly detailed. After evaluation, upon successful selection, the EDIH establishes a grant agreement with the EU, formally putting into contract the above. FAQ C.3 indicates that 'the other 50%' may come from a combination of national funding, regional funding, and/or contributions from the private sector. It is likely that the EDIH will have an agreement with its Member State and/or regional authority, either a new or an existing one. This is between the Member State and/or regional authority and the hub; the European Commission is not a party here and therefore does not need to see the details of those agreements.

The contracting parties have a lot of flexibility in defining such agreements. For instance, a Member State may want to finance a higher overhead percentage than the EU, or items or additional activities not eligible for EU financing. Contracting parties are not allowed to make any profit in case the no-profit rule is selected in the grant agreement. For the calculation of the profit, only the EU grant and the revenues of the beneficiary from the action (e.g. from the sale of results, such as products, services and publications, conference fees) are taken into account. Grants from other donors for the activities of the beneficiary are not considered.

In case of combination of funding from two different EU funding sources (e.g. ERDF or RRF co-financing), further details might be needed to ensure that the double funding exception of the EU Financial Regulation can be applied.

All in all, EDIHs are encouraged to refer to the reporting instructions mentioned in the AGA (annotated grant agreement) as well as our related FAQs. Ultimately, however, it is responsibility of each EDIH to make sure to comply with these rules and implement them, considering the usual national/company's accounting practice.

C.10. What are the typical ranges (in %) for funding going to personnel costs, equipment/facilities, etc.?

Each EDIH decides the spending on investments in equipment/facilities and personnel costs, depending on its specific circumstances. The Commission therefore does not want to put any hard constraints in the form of typical ranges for expenditure. As a matter of illustration, this topic has been discussed during the Stakeholder Forum in Madrid in November 2019, and the audience then reported that they expected to invest 50-75% in personnel costs, 10-25% in equipment for the hub and 5-10 % in travel costs (5-10%). For more information see the [Report from the event](#).

C.11. How to combine DIGITAL co-funding with ERDF, RRF or any other not centrally managed programme? (50% from DIGITAL + 50% Member State co-financing from any of these programmes, "synergy funding")

To prepare the cofunding, the EC will organise a coordination meeting between the Managing

Authorities of ERDF and RRF to agree on funding rates, eligibility period, project duration, reporting periods.

The consortium proposing an EDIH which will make use of synergy funding will indicate this in its proposal. Once this proposal has been selected to become an EDIH the consortium will be involved in the preparation of two grant agreements, which will be linked to each other and marked as synergy grant; one grant agreement with the DIGITAL programme, and the other one with the Managing Authority. Both projects have the same starting date, and this might involve a retroactive starting date of one of the grants.

Both sides of the grant will be managed according to the normal processes.

Payments: It is of utmost importance for the case of **ERDF that the expenditure is declared to the managing authority first**. Under no circumstances should costs be first included in a payment application under the directly managed grant as this would render them ineligible for the other fund. Once the managing authority has received the costs declaration, the beneficiary/coordinator will also upload in eGrants a copy of the declaration submitted to the managing authority.

In the case of **RRF** there is no specific order of declaring the expenditure.

C.12. Should EDIHs offer services for free? Can EDIHs charge their customers?

It is up to the EDIH to determine if they want to provide services for free or at a subsidised price. It is however highly recommended to provide services to the public sector (for their non-economic activities) for free; otherwise they need to use laborious procurement processes to make use of the service.

As a general rule, the EDIH decides their pricing strategy which is best suited to support SMEs and public administrations in their area. The fact that the hub is required to be a “non-profit” entity nonetheless permits generating revenue from some activities, to be reinvested in other activities, as long as the hub does not make a profit overall.

C.13. Can an EDIH invest money to improve their facilities, or should all the public money go to services provided to SMEs and public sector?

An EDIH can certainly use the public funding to improve their facilities, e.g., to set up a testing facility for a specific technology, to acquire computing capacities that will be offered to SMEs, or to develop a training course or service. Such investments should be reasonable and justified, and in line with the business plan of the EDIH outlining the target services; in other terms, an EDIH cannot spend all the public money only to improve their facilities without offering any service to their customers. A reasonable investment, aiming at improving the services that customers will receive, is certainly possible and will need to be reflected in the price list of services.

Please note that investments in buildings are not eligible costs under the Digital Europe Programme.

C.14. What are the eligible costs of an EDIH?

The EDIHs will have two types of eligible costs: direct and indirect costs.

Direct costs: e.g. purchase of hardware or software, depreciation of hardware or software, personnel costs of the EDIH for delivering digital transformation services, travel costs for hubs and local stakeholders to work with other hubs, subcontracting

Indirect costs = overheads = 7% of direct costs

Please see the ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS on the [Annotated Model Grant Agreement](#).

C.15. Can an EDIH charge overheads?

Yes.

The grant will cover the beneficiaries' direct and indirect eligible costs; indirect costs (overheads) are foreseen to be 7% of the direct costs.

C.16. What happens after the 3 years of the DIGITAL grant?

The EDIHs will get a grant from the DIGITAL programme covering 3 years (36 months), which will normally start from the date of signature of the grant, but can even start from an earlier date (not earlier than the date of submission of the proposal) if the hub wants to start operations earlier.

After the 3 years, the DIGITAL programme foresees that all the operating EDIHs will be invited to submit a new proposal for a new grant; the proposals will be evaluated and, if above threshold, will get a new grant. In principle, there will be no interruption in the operations as the new grant will start immediately after the end of the previous one.

As the financial commitment has not yet been defined, we cannot give further information at this stage.

C.17. Can EDIHs be co-financed with other EU funds?

It depends on the legal provisions of the other funds, whether they allow for “synergies” and whether the EDIH's activity is within the scope of these funds.

C.18. If an EDIH charges a price to an SME for a service, it will make a profit, so the EDIH project will have an income generated by the project. Can the declared income be identified as part of the 50% co-financing of EDIH?

Yes, the income generated by the projects can be considered as part of the co-financing.

For the cost declarations, as the EDIH project cannot make profit, any income declared above the 50% co-financing would reduce the maximum EU contribution.

C.19. Are there any restrictions to earn revenues to cover part of the co-funding of consortium partners?

Yes, the income generated by the projects can be considered as part of the co-financing.

However, please note that an EDIH cannot make any profit, thus in case total contributions (EU + national + income) are beyond the total costs of the project, the applicants should reduce the contributions they request.

C.20. In the Application Form where should co-funding by the countries be included?

In the Application Form - Part A, the co-funding by the countries should be included in the Budget Table.

You must ensure a balanced project budget and sufficient other resources to implement the project successfully. For that, you have to fill the following columns, according to the source of the funding:

- Income generated by the project
- Financial contributions (e.g. ERDF, RRF)
- Own contributions (e.g. contributions from partners)

3 - Budget

No.	Name of beneficiary	Country	Role	Personnel costs - without volunteers / EUR	Personnel costs - volunteers / EUR	Subcontracting costs/ EUR	Purchase costs - Travel and subsistence/ EUR	Purchase costs - Equipment/ EUR	Purchase costs - Other goods, works and services/ EUR	Indirect costs/ EUR	Total eligible costs/ EUR	Estimated eligible contributions/ EUR	Ineligible costs/ EUR	Total estimated project costs and contributions/ EUR	Maximum EU contribution on eligible costs/ EUR	Requested EU contribution on eligible costs/ EUR	Max grant amount/ EUR	Income generated by the project/ EUR	In kind contributions/ EUR	Financial contributions/ EUR	Own resources/ EUR	Total estimated project income/ EUR	
1				0	0	0	0	0	0			0	0	0		0.00	0.00	0	0	0	0	0	0.00
Total																							

In the Application Form - Part B, Section 1.4 Financial obstacles, you have to describe and explain how your proposal triggers co-investments by Member States, regional authorities, and private sector.

C.21. Should the subsidies granted within the EDIHs be viewed as not directly linked to any supplies for the purposes of VAT? – question from Poland

In some cases, services supplied by EDIHs to their customers are taxable transactions that are subject to VAT. The condition for transactions to be taxable is that they are made “for consideration”, meaning that those who provide the goods or services receive a compensation in return. While an EDIH typically provides its services for free, there are specific cases in which the EU grant that the EDIH receives to offer its services could legally be treated as the consideration for those services (so-called “third-party consideration”) and, as a result, the services would be taxable transactions and subject to VAT. It does not matter whether the EDIHs supply the services themselves or whether they involve subcontractors because the relevant contractual agreements are between the subcontractor and the EDIH and the EDIH and the customer.

Whether the EU grant is a “third-party consideration” for the service supplied by an EDIH and, hence, subject to VAT, is assessed on a case-by-case basis and primarily depends on the contractual arrangements. The competent tax authority is responsible to make such assessment and collect the VAT.

In [the VAT Directive](#), only goods and services supplied for consideration within the territory of a Member State by a taxable person acting as such will be subject to VAT. For transactions to be taxable, it is also necessary for there to be a direct link between the supply and the consideration. Subsidies are not, in general, taxed except where if these are directly linked to the price of a transaction.

As settled in the call for proposal the EDIH provides services free of charge (or for a reduced price) to third parties and its activities are subsidised in part by the Commission and in part by the Member State in which it is located. In the call we require a list of prices to determine the value of the service received (for state aid purposes) and since the real price will be 0 or at least a reduced price we cannot consider it as the price of a transaction, therefore not to be taxed.

If a Member State wants to tax subsidies, it should be able to qualify the subsidy as a third-party consideration with a view to justify its position. Such a position could however only be sustained if a particular part of the overall subsidies received is attributable to a specific supply made based on pre-determined criteria.

C.22. How do we manage country-specific personnel costs and contracts? (e.g.: “Taxe d’apprentissage” in FR, “co.co.co.” in IT, “Transitiegeld” in NL)”

Please see the attached list for advise on how to treat the country specific personnel costs and contracts.

https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_list-country-specific-issues_en.pdf

C.23. Can we offer Financial support to Companies for other countries?

Under Digital Europe Programme (DEP), if the companies are from another Member State or an Associated Country to DEP, they are entitled to receive support. If they are not from a MS or an associated Country they are not eligible.

C.24. How should we report conferences and training courses in the system?

In the KPI reporting system of the portal you can report two main types of activities:

- “**services**” provided to customers - these have a price defined in the price list, and the customers of the EDIH (except public administrations) have to declare the corresponding state aid.
- “**events**” – these are activities for which it does not make sense to define a price, mainly because the price would be very low and it would not be practical to manage state aid for very small amounts.

When you organise a conference, training course or an event with a high number of people it can be reported in the KPI system as an event and not as a service. You can add the number of the participants, but you do not need to assign a value to each of them. In terms of price list, the value is zero. In this way the participants do not have to worry about state aid rules. From a project budget point of view, it can be reported as a communication activity.

D. State Aid

For a general introduction to State aid and to the General Block Exemption Regulation (GBER) please refer to: https://ec.europa.eu/competition/state_aid/overview/index_en.html

and to https://competition-policy.ec.europa.eu/state-aid/legislation/regulations_en

D.1. Is the support provided by Member State subject to State aid control?

Yes. When state aid is provided for a full pass on to the EDIHs' users, it does not need to be notified to the Commission when it is granted to EDIHs in line with the [GBER Regulation](#) (for example under Article 28 GBER: Aid for Innovation Advisory Services, Article 25 of the GBER: support for RDI projects) or the [de minimis Regulation](#). In this regard, it is understood that EDIHs will fully pass on all the State aid to their users and any State aid left at the level of EDIHs will have to be recovered or MSs must make sure that any aid left at the level of the EDIH fulfils the compatibility conditions set out in Article 27 of the GBER on support for innovation clusters.

Under Art 28 of the GBER, SME users accessing EDIHs services can benefit from State aid passed on by the EDIHs in the form of charges below market prices. In particular, Art 28 (4) the GBER states "In the particular case of aid for innovation advisory and support services the aid intensity can be increased up to 100% of the eligible costs provided that the total amount of aid for innovation advisory and support services does not exceed EUR 200.000 per undertaking within any three year period." On this basis, any SME would be allowed to use the EDIH services/functions for free or at reduced price up to a maximum value/aid element of EUR 200.000. Therefore, in their proposal, each EDIH should present a price list, based on market prices if these exist, and display the available reductions it plans to offer to SMEs. If market prices do not exist, then the prices should be based on the full costs incurred by the EDIH in providing these services and a reasonable profit. The price list would apply to all stakeholders but SMEs and public sector could receive the services for free or at reduced costs. For SMEs this is possible as long as the GBER limit of EUR 200.000 per three year period is respected. With a view to the threshold set out in Art 28 of the GBER per user, EDIHs should inform the SMEs about the amount of reductions they benefitted from, on an annual basis.

Furthermore, Art 25 of the GBER may be used to grant EDIHs users – both large undertakings and SMEs - access below market prices, if the users need to access EDIH services in the context of a research and development project. The proportion of the market price paid by such users, which may also be supported by State aid, depends on the category of the research activity concerned and whether the user is an SME or a large enterprise (see Art. 25 of the [GBER Regulation](#) for aid intensities applicable to support for RDI activities). In order to ensure that all State aid granted initially to EDIHs is fully passed on to the users, detailed accounting records need to be maintained by EDIHs to account for the State aid it has received to be transferred to the users.

The EDIHs need to also ensure (in their accounting records) that any amounts of aid that are provided to the EDIHs to benefit their own activities (for example aid granted under Article 27 of the GBER) are clearly separated from the outset, from the amounts which are to be fully passed on to the final users in the form of reduced access prices.

D.2. Why do we need a price list? How can we identify fair prices?

The price list is necessary to evaluate, in terms of State Aid rules, the value of the services provided to SMEs. It represents the value the customer receives, even if the service is given for a lower amount or for free. The difference between the actually paid price by the SME

and the value of the service according to the price list is the amount of aid the SME has received. For every grant, the amount of funding received should be passed on integrally to the customers of the EDIH. In principle, at the end of the project the total value of the services delivered to the customers should match the total funds received by the EDIH.

Example: let's assume that SME A has received for free, from EDIH A, a total of 60 days of testing a certain robot, and that each day has a value of 500€ in the price list, equivalent to the average market value for similar services. In our example, the share of the funding by MS in the total budget is 40%, so only 40% of the price will be considered state aid, since the part provided by DIGITAL or private funding is not state aid.

Price list for EDIH A			
Description of service	Market price	Unit of measure	Reduced price offered to SMEs
Testing a robot	500€	Day	0€

In this case, the state aid received by SME A will be calculated as $60 \times 500€ = 30000€ \times 40\% = 12000 €$.

As a second example, let's assume that SME B received the same days of experimenting with a robot from EDIH B, which asks SMEs to pay 50% of the cost.

Price list for EDIH B			
Description of service	Market price	Unit of measure	Reduced price offered to SMEs
Testing a robot	500€	Day	250€

In this case, the state aid received by SME B will be calculated as $60 \times 250€ = 15000€ \times 40\% = 6000€$.

See the more detailed explanation in Question **Error! Reference source not found.**

D.3. [How can we update the initial version of price list specified in the Description of the Action Annex 1?](#)

In the Call for proposals there is a reference to the price list stating that in case the price list needs to be modified in terms of e.g., new services, updated prices or discount conditions, the new price list is to be included in the periodic report. Therefore, please inform the EC about every change and provide a copy in the communications section of the portal. Once the new price list has been reported to the EC the PO will evaluate the level of changes and if an amendment is required e.g. if the update results in significant changes to the KPIs it may need an amendment. The updated prices have to be justified by the market situation, or in case market prices do not exist, the list prices are justified by the full costs incurred by the EDIHs. In any case if you have an amendment open for another reason you should always update the Description of Work Part B with the most up-to-date Price List.

D.4. Can EDIH services be complemented by innovation or digitalisation vouchers, under state aid rules?

Vouchers may not be used to complement funding of the EDIH action. The proposed scheme of state aid for EDIHs, in which SMEs already receive benefits in the form of services provided below market price from the EDIH, does not allow further subsidising through vouchers. Nevertheless, vouchers have proven to successfully support SMEs and may therefore be used in other actions than EDIHs.

D.5. State aid to the hubs is described as aid to innovation clusters (GBER Art. 27), is this relevant?

All public funding (MS+DIGITAL grants) is to be passed on to the final beneficiaries (SMEs and public sector organizations) in the form of free or discounted EDIH services. In this case, the EDIH does not receive state aid, but it passes it on to its users. However, in case the aid is not fully passed on to EDIHs users, the EDIH is said to benefit from State aid and should nevertheless consider to fulfil the conditions outlined in GBER Art. 27.

D.6. What is required in terms of accounts and bookkeeping related to state aid?

SME, through self-declaration, states that it is not an undertaking in difficulty and that the amount of state aid received over the last three years for Innovation Advisory Services (or any other State aid article used) is not more than the allowed limit. They also take note of the amount of state aid involved by using the service of the hub.

MS report the amount of state aid provided to their EDIH(s) in their annual state aid report/national register of state aid.

EDIHs need to keep detailed accounting records to account for the State aid it has received to be transferred to the users, including foreign SMEs. No need to include this in the national register of state aid.

A recent update to the “de minimis” regime entered into force on January 1, 2024, introduced an obligation on Member States for a central register from January 1, 2026: “Information in the central register shall contain the identification of the beneficiary, the aid amount, the granting date, the granting authority, the aid instrument and the sector involved on the basis of the statistical classification of economic activities in the Union (‘NACE classification’). The central register shall be set up in such a way as to enable easy public access to the information whilst ensuring compliance with the Union rules on data protection, including through the pseudonymisation of specific entries where necessary”

D.7. ERDF and Digital Europe funds can be combined to finance an EDIH. Fund coming from ERDF would be considered as state aid?

Yes.

D.8. As the services will be free of charge or subsidised for SME, have they to be considered as state aid?

In Art 28 (4) the GBER states “In the particular case of aid for innovation advisory and support services the aid intensity can be increased up to 100% of the eligible costs provided that the total amount of aid for innovation advisory and support services does not exceed EUR 200.000

per undertaking within any three year period. ” On this basis, any SME would be allowed to use the above services/functions up to a maximum value of €200,000 within any three-year period, cumulatively over all EDIHs having supplied a service to this SME (or said otherwise, independently of the Member States in which the EDIH is located).

D.9. As the services will be free of charge or subsidised for public sector organisations, have they to be considered as state aid?

There is no aid at the level of public sector organizations if aid is given for non-economic activities. Non-economic activities are further clarified in the 2016 Notice. If a public sector organization carries out both type of activities, separation of accounts is strictly necessary and state aid considerations apply to the economic activities.

D.10. Would the aid for SMEs and public sector organisation fall under the Art.28 GBER regime or the “de minimis” regime?

It can fall under the two regimes, whatever is more beneficial. Art 28 creates a separate threshold and has no links to “de minimis”. A recent update to the “de minimis” regime entered into force on January 1, 2024, has increased the “de minimis” ceiling to EUR 300 000 per Member State per undertaking over any period of 3 years.

D.11. What about mid-caps, can they benefit from Art.28 GBER?

No, Art 28 GBER is limited to SMEs. Midcaps can benefit from “de minimis” however.

D.12. An SME receives a service from the EDIH. The service price is evaluated at X€. Must the SME count X€ to be the state aid received, or is it only 50% of X€, which is the part that is actually subsidised by the Member State?

The service price is not ‘evaluated’ individually, the hub sets the price list. The state aid is only the up to 50% contribution by the MS. Therefore, the price list should reflect this and show at least the state aid share of the eligible costs for that service.

D.13. What if the EDIH has an industrial partner or other sources of income?

If the EDIH has an industrial partner, one should look at the motivation of the partner. Is the partner making a donation or does the partner gain some financial or non-financial advantage from being a partner. The unconditional in-kind investment from industry is not state aid and hence has no impact on the 200k€ GBER ceiling. The EDIH should function as a not-for-

profit organisation, and any sources of income they have should be reinvested in strengthening its functioning.

D.14. What if e.g. a Belgian SME goes to an EDIH in Spain to receive a free service? Do they have to declare that service as part of the 200K€?

Art 28 of the GBER applies per undertaking, not per country. It focuses on aid for services as such; regardless of the funding Member State. Therefore, the state aid part of the free service received in Spain counts for the 200k€ GBER limit.

On the contrary, the [“de minimis” regulation](#) applies per undertaking per Member State.

D.15. Can a SME or public sector organization receive other innovation support services in parallel?

Yes, as long as the ceilings of [GBER](#) Article 28 are respected, i.e. max 200,000€ over the last three years.

E. Digital Maturity – Key Performance Indicators – Innovation Radar

E.1. How, when and by whom will the Digital Maturity be accessed? Will the DMA tool be by the SME themselves (incl. in national language) or shall it be done by the EDIH staff?

The digital maturity of an SME or PSO (assisted by an EDIH) will be measured by completing a questionnaire (by tracing the evolution of their digital maturity level):

- from T0 (a point of time not longer than 6 months prior to EDIH support start)
- to T1 (a point of time not longer than 3 months after EDIH support has been substantially delivered)
- and to T2 (a further point of time not earlier than 18 months and not longer than 24 months after EDIH support has been substantially delivered)

Guidance material related to the DMA can be found in the Knowledge Hub section of the portal under Guidance Materials.

Here are some links for the DMA/services reporting on the DTA.

DMA for SMEs: <https://european-digital-innovation-hubs.ec.europa.eu/knowledge-hub/guidance-documents/dma-tool-smes-guidance-material>

DMA for PSOs: <https://european-digital-innovation-hubs.ec.europa.eu/knowledge-hub/guidance-documents/dma-tool-psos-guidance-material>

DMA Framework & overview: <https://european-digital-innovation-hubs.ec.europa.eu/knowledge-hub/guidance-documents/overview-digital-maturity-assessment-dma>

The questionnaire is available in all the EU official languages.

E.2. Is it allowed for an SME or public organization to receive similar services (e.g. test before invest) from two EDIHs? What about different services? Does it have to go through the DMA process again?

There is nothing in the regulation that prohibits an organization from being helped by two EDIHs. However, this has to be analyzed on a case-by-case basis to understand the reason behind it.

If an EDIH does not have the expertise to help an organization, another EDIH can provide a different service to the same organization. In this case both EDIHs should identify this organization as a client in the EDIH portal.

Regarding the DMA questionnaire the following solutions should be followed (and applied with common sense, on a case by case bases):

- If the services provided by the two EDIHs are complementary and provided at the same time (simultaneously), only one DMA questionnaire should be filled. The two EDIHs can decide who should help the organisation to fill the DMA, maybe the EDIH with more contact with the organisation, or the EDIH that is providing the main service.
- If the two EDIHs are providing the services in two different periods (the first service in 2023 and the second service in 2024 for example) then two DMA questionnaires should be filled (one for each service provided).

E.3. An EDIH foresees coaching and mentoring sessions concerning access to finance. Additionally, tailor-made, in-depth consultations on submission of proposals, attraction of private capital, etc. Should these services be included in the DTA through completion of the DMA tool, since they are not part of the core test-before-invest services offered by the EDIH?

The DMA tool must be used before any substantial intervention by EDIHs to measure their customers' digital maturity (and not only to the core test-before-invest services).

If the access to finance services will have an impact in the digital maturity of an organization, the DMA questionnaire will have to be filled. For example, if an organization will have access to funds (through the access to finance service) to buy digital machinery this will have an impact in their digital maturity and therefore the DMA tool should be used.

If the funds will be used to hire new employees, then, in principle, this will not have a direct impact in the digital maturity of the organization, so a DMA questionnaire is not required.

E.4. How will the role of innovation in public services be assessed?

The JRC developed a separate maturity assessment for the public sector which is available on the EDIH Network website <https://europa.eu/WtHr3V>.

E.5. How and where should we report our KPIs?

The KPI reporting tool is available on the EDIH Network portal. All information and guidance documents are available [here](#). Please note that it is mandatory for all EDIHs to use this tool and to upload the deliverables etc in the Compass system.

E.6. What happens if you as an EDIH are not able to meet the KPIs?

Your project will be reviewed by external experts and the situation will be assessed at the mid term and final reviews. A possible solution could be an extension of the project duration.

E.7. Will the KPIs be measured against the expected outcomes according to application section 3.1? Does it have any consequences if those figures are not reached?

During the review meeting at month 18 and at the end of the project, the results in terms of KPI will be compared to the expected outcomes. There is no automatic mechanism in case KPI are not met (no automatic reduction of funding), but of course the consortium is expected to explain the reasons for any difference between the planned outcomes and the actual outcomes.

E.8. Innovation Radar requires a lot of sensitive data of the companies. How to deal with this issue?

The Innovation Radar is a data-driven methodology to deliver intelligence about EU-funded innovations & innovators, the market readiness and disruptive potential.

The aim is to make it easier to discover high potential opportunities in, and market impact of EU programme portfolios (Horizon, LIFE, Digital Europe Programme).

The Innovation Radar methodology will only be used when an EDIH detects a potential innovation that could benefit from being in the Information Radar database. In this case, the responding organisation (SME) will be invited to respond to the IR questions ad hoc, in order to assess the “market maturity indicator” and the “market creation potential indicator” of their innovations via the methodology proposed by the IR.

F. Collaboration and other topics

F.1. What happens to intellectual property generated with the support of an EDIH?

When an EDIH supports an SME, any IPR generated should in principle rest with the SME. The relation between EDIH and SME should be seen as a service relation between e.g. a consultant and their clients, where there is typically no IPR transfer from customer to consultant when the client further develops a product or service following the advice of a consultant.

Other forms of IPR sharing could be emerging from the networking of EDIHs. A relevant document here is the [“Blueprint for cross-border collaboration among DIHs”](#) by the [AI Digital Innovation Hubs Network](#). The document identifies several scenarios of cooperation between DIHs, and provides suggestions on how to manage cooperation agreements including provisions on IPR and financial compensation.

F.2. Can collaborations with other hubs be established after the signature of the grant with the European Commission?

Yes. Actually, we expect that most collaborations will start after the network of EDIHs has started operation, as new opportunities will be identified.

These could be (e.g.), one-off collaborations to solve a specific problem for a customer, structured sub-networks of hubs which share resources or best practices, or long-term bilateral collaborations. While most of the work of a hub should be focused on supporting local SME and public administration, the European Commission encourages also collaboration with other hubs since that might bring European added value.

G. Defining the list of candidate EDIHs

G.1. What are the requirements for the designation of EDIHs from Member States?

The [DIGITAL regulation](#) mentions: “For the purpose of establishing the network referred to in paragraph 1 of this Article, each Member State shall designate candidate entities in accordance with its national procedures, administrative and institutional structures through an open and competitive process, on the basis of the following criteria:

- (a) the appropriate competences related to the activities of the European Digital Innovation Hubs referred to in paragraph 6 of this Article and competences in one or several areas identified in Article 3(2);
- (b) the appropriate management capacity, staff and infrastructure necessary to carry out the activities referred to in paragraph 6 of this Article;
- (c) the operational and legal means to apply the administrative, contractual and financial management rules laid down at Union level; and
- (d) the appropriate financial viability corresponding to the level of Union funds it will be called upon to manage and demonstrated, where appropriate, through guarantees issued preferably by a public authority.

There are no further requirements for the process, except that every candidate EDIH that submits a proposal to the restricted call has to include a proof that they have been designated by their Member State to the proposal.

G.2. Should all the partners of the EDIH be identified during the designation?

Most countries have completed a selection process based on a national expression of interest to select the core partners of the designated EDIHs. These core partners will then complete the consortium and develop a full proposal for the European call. Only the coordinator needs to be officially designated by their country, and the Commission will check if the coordinator of the submitted proposal is among the designated ones by a country. In case of significant change of the consortium with respect to the national call, for instance a merge of two candidate entities, coordination should happen with the Member State of Associated country involved.

G.3. Should at least one EDIH have a focus on AI? And on agriculture?

As mentioned in the [White Paper on Artificial Intelligence](#), “the Commission will work with Member States to ensure that at least one digital innovation hub per Member State has a high degree of specialisation on AI”. This means that at least one candidate EDIH per Member State needs to have the capability to support SMEs and/or the public sector with AI applications relevant for their business.

The [Declaration of cooperation](#) on “A smart and sustainable digital future for European agriculture and rural areas” mentions as an action to “ensure that agriculture is covered as an area of expertise in at least one digital innovation hub in each Member State, which could be a dedicated agri-food digital innovation hub or a more general one”. This can be an EDIH or a different innovation hub, which is funded from national, regional or other sources. In any case, collaboration with the EDIH network will be foreseen through the events organised by the Digital Transformation Accelerator.

G.4. What is the difference between a Digital Innovation Hub (DIH) and a European Digital Innovation Hub (EDIH)?

“**Digital Innovation Hubs**” are one-stop-shops that help companies to become more competitive with regard to their business/production processes, products or services using digital technologies. Please note that this is not a formal or legal definition.

The **DIH Catalogue** is available on <https://europa.eu/Bd3b6c> under ‘**Funded by other initiatives**’ is **based on self-declarations** of organisations that consider themselves Digital Innovation Hubs and have been confirmed by EC.

“**European Digital Innovation Hubs**” are the organisations which:

1. have been designated by their country as candidate EDIH,
2. have submitted a proposal to the EU call,
3. have been evaluated above threshold.

In most cases, these hubs have received a grant of the Digital Europe Programme that funds them at 50%, while the other 50% is provided by the Member State. However, Member States can decide to finance hubs through other means (e.g., by using funds from the Recovery and Resilience Facility). A hub will be a “European Digital Innovation Hub” as long as it meets the three conditions above.

G.5. Should an EDIH focus on one technology only or must it have a broad basic knowledge in digital technologies?

EDIH should have or develop a dedicated expertise, based on the available local strengths and the current and emerging needs of the local industry or public sector. Depending on the structure and needs of the region, this may mean specialising in one technology and one sector, but often a combination of different topics will make sense. In addition to specialists with sound knowledge of a technology, generalists and change managers may also be required to provide digital transformation expertise. This means that in the subsequent advice following a digital maturity assessment, the expert can evaluate the technological possibilities, knowing the current trends and market developments and provide access to the appropriate technical experts.

An EDIH cannot cover all the possible digital technologies potentially needed by local companies and public sector. Whenever needed, an EDIH can ask for the support of other EDIHs, subcontract experts or put the SME or public administration through to a relevant specialised centre in other parts of the Digital Europe Programme, e.g. on supercomputing. The focus should always be on how best to serve the regional economy with an appropriate matrix of sectors and technologies – the consortia have to make the right choice depending on the needs.

G.6. What about “national” EDIHs?

The scope of an EDIH, as defined in the [workprogramme text](#), is to provide services based on a specific focus/expertise, which will support the local private and public sector with their digital and green transformation.

In a small Member State, a national hub can easily cover the entire country.

In large Member States, it is obviously not possible for a single hub to be physically close to local companies in the entire country. In this case, a candidate EDIH aiming to cover the entire (large) Member State should explain how they plan to support local companies as well.

G.7. What information should Member States and Associated Countries provide about the designated EDIHs?

They should provide a proof of designation, which the candidate EDIH will attach to the submitted proposal.

MS and AC can use any format they prefer. It is recommended that the official name of the EDIH and the coordinator is clearly identified in the proof of designation. .

See also chapter 1.1 of the [workprogramme text](#).

G.8. Who can be part of an EDIH consortium?

Typically, an EDIH will be a consortium of several entities. Apart from the coordinator, which has to be officially designated by the Member State or Associated Country, any legal entity can be part of the consortium.

An EDIH must have a not-for-profit objective; if a commercial company is part of an EDIH, they should declare that for the activities covered by the grant they apply a not-for-profit objective, i.e. all money earned by them or donated to them is used for pursuing the EDIH's objectives and for keeping the EDIH running.

An EDIH typically has a regional/local focus, and therefore the consortium will normally be based on the work of local actors. Actors such as EEN nodes or clusters can also be included

in an EDIH to ensure the coherence of the interventions at the local level. It is however not an obligation, as the same effect could be achieved with other means, and double funding should be avoided. More guidance about the delineation between EEN and EDIHs and Clusters is available here: [Guidance note_EEN-EDIH-clusters_12032021_FINAL.pdf \(europa.eu\)](#).

It may happen that – for instance – a certain research institute has unique expertise that is useful in several regions; in this case, it is preferable that the research institute becomes part of only one EDIH, and provides services to the other EDIHs in the same country or in other countries through the network of EDIHs.

The objective of the network of EDIH is to guarantee a plurality of actors, rather than having a few institutions providing services to all the hubs.

However, the same legal entity can formally be part of two or more EDIHs; this allows (e.g.) different departments of the same institutions to be partners of two different hubs, to which they contribute with expertise in different areas.

G.9. How to interpret the “not-for-profit” objective of an EDIH?

Not-for-profit means that the beneficiaries should declare that for the activities covered by the grant they apply a not-for-profit objective, i.e. all money earned by them or donated to them is used in pursuing the EDIH’s objectives and keeping it running.

It is not a requirement that any or all of the organisations that make up the EDIH are non-profit organisations. As clarified in [G.8](#), commercial or for-profit organisations can be part of an EDIH.

During financial reporting, an EDIH declares its costs. The financial statements must detail the eligible costs and contributions for each budget category and, for the final payment, also the revenues generated by the action over the whole period of activity. Further information is available in the Digital Europe [Model Grant Agreement](#) (MGA).

Example 1

An EDIH gets EU funding of 1.5 M€ for a 3.0 M€ total budget, 3 years contract. In addition, the EDIH receives a national grant of the same amount, 1.5 M€. According to the grant agreement, the EDIH will support 100 SMEs.

- a) At the end of the grant agreement, the EDIH supported 100 SMEs. During execution of the project, the EDIH decided to request a fee of 10.000 Euro to 30 SMEs, and no fee to 70 other SMEs. Its costs were 3.0 M€, and its revenues were 1.5 M€ (national grant) + 0.3 M€ (income from SMEs). The EDIH made a profit of 0.3 M€. Due to the no-profit rule, the EU funding is reduced by 0.3 M€.*
- b) At the end of the grant agreement, the EDIH supported 120 SMEs. During execution of the project, the EDIH decided to request a fee of 10.000 Euro to the 20 additional SMEs, and no fee to the 100 SMEs. Its costs were 3.2 M€, and its revenues were 1.5 + 0.2 M€. The EDIH made no profit.*

Example 2

An EDIH gets EU funding of 1.5 M€ for a 3.0 M€ total budget, 3 years contract. The EDIH receives no other funding. According to the grant agreement, the EDIH will support 100 SMEs. At the end of the grant agreement, the EDIH supported 100 SMEs. During execution of the project, the EDIH decided to request a fee of 15.000 Euro to the SMEs. Its costs were 3.0 M€, and its revenues were 1.5 M€. The EDIH made no profit.

G.10. What is a cross-border transnational EDIH?

Cross-border hubs target SMEs and public sector entities operating in border regions. As such, they are meant to support European cross-border cooperation between adjacent regions of different countries to promote integrated and harmonious regional development between neighbouring land and maritime border regions. See <https://interreg.eu/>

From a financing point of view, each Member State provides financial support for the entities legally established in its country, which is matched by an equal support from the European Commission, within the limits allocated to each MS.

Similarly, in the designation phase, each involved Member State designates the entities legally established in the MS, explaining the intention to build a cross-border EDIH.

In the restricted call, the candidate cross-border EDIH submits one joint proposal for the entire consortium, in which its legal entities are designated by the MS concerned.

For further information, see sections 1.7 and 6.2 of the document “European Digital Innovation Hubs in Digital Europe Programme”.

G.11. Is the number of EDIH in Member States established by the European Commission?

No. Only the budget allocated from the Digital Europe programme is fixed. Within that budget, the Member State can decide to support a larger number of smaller hubs or a smaller number of larger hubs.

The European Commission suggests a minimum and maximum number of hubs considering a minimum operating budget for a hub around 1M€/year (including both Digital Europe and National funding), which will allow the structure to operate effectively and efficiently.

In case one or more hub proposals are evaluated above threshold in the EU call, but cannot be funded due to lack of budget, they will receive the label “Seal of excellence”. The Member State can decide to finance them from other budgetary sources (e.g., Recovery and Resilience Facility if anticipated in the national plans, or ERDF). Those hubs will be full members of the network of European Digital Innovation Hubs.

G.12. Will it be possible to modify the grant of the European Commission?

The services requested to the hub will very likely change over time, because of different market needs and new requirements from the SMEs and the public sector.

In this context, amendments to the grant signed by the hub and the European Commission are therefore possible.

Each EDIH will have a contact person in the European Commission, who will be responsible for following the activities and discussing any necessary changes.

H. From candidate EDIH to selected EDIH

H.1. How will proposals in the restricted call be evaluated?

The evaluation process will be broadly similar to the one used in other European programmes (e.g. Horizon 2020), with two important differences:

- It will be open only to entities designated by their Member States
- The budget will be allocated per country, so proposals for a Member State will not compete with proposals from other Member States.

All proposals will be evaluated by an evaluation committee, composed of independent external experts, using the selection criteria described below. The experts may not have conflicts of interests with the proposals they evaluate. The EC has asked the Member States to propose experts. The idea is that at least one of the evaluators reading a specific proposal will be chosen from the list of proposed experts by the concerned Member State.

For more information, please refer to the Call document Section 8 and 9.

H.2. How will the European Commission ensure that the selected EDIHs geographically cover the whole EU?

Geographical coverage is ensured by the ranking process of the evaluation. Section 8 of the Call document explains this in detail.

As an example, it may happen in a county ranked list that Proposal A with a certain score, geographical coverage, and specialisation coverage will not be ranked, whereas Proposal B with a lower score, but a different geographical and/or specialisation coverage will be ranked. This is needed to ensure variety in the network.

Rank	Proposal	Score	Geographical focus	Specialisation
1	C	13	South-West region	Industry 4.0
2	B	11	Northern region	Agriculture
no rank	A	12	South-West region	Industry 4.0

Proposals which do not reach the minimum required quality, and are evaluated with a score below threshold, will not be ranked.

Proposals which are evaluated above threshold but are not ranked for lack of available budget will receive a “seal of excellence”. Member States may decide to fund those proposals by using other funds than those provided by the Digital Europe programme; e.g., **the Recovery and Resilience Facility if anticipated in the national plan, national and/or regional funds.**

In the example of the table above, proposal “A” would receive the “seal of excellence”.

H.3. Which calls are planned during the first 3 years of the Digital Europe Programme?

In year 1 of the Digital Europe Programme, the European Commission ran a restricted call for proposals, reserved for the designated EDIHs. All the EDIH proposals evaluated above threshold and ranked in the ranked list (see Question B.2) were selected. All the selected EDIH proposals got a contract for 3 years, with the opportunity to reapply, at the end of the contract, for an extension, until the end of the Digital Europe Programme.

In year 2, for Member States which have not used the entire budget from the DIGITAL programme and still have a “gap” in the network, a second restricted call was launched. This call was reserved for the pre-selected candidate EDIHs which will extend the geographical/technological coverage of the network and were not selected in year 1, for instance because they did not meet the evaluation threshold. All the selected EDIHs got a contract under the same conditions.

A restricted [call for Associated Countries](#) to Digital Europe Programme was opened on December 20th 2023 and will close on April 10th 2024. The objective is to expand the network of EDIHs, covering all regions of the European Union and Associated Countries, including the EU outermost regions.

H.4. How will EDIH performance be monitored?

As EDIHs across Europe have similar objectives regarding supporting SMEs and/or public sector administrations in their digital transformations, all EDIHs are requested to use a minimum set of common Key Performance Indicators. These are detailed in the Call document, on Page 8 and 9. A reporting tool and appropriate guidance on how to manage and report the indicators is available [here](#).

Similar to other EU-funded projects, the performance of the EDIH will be assessed during periodic review meetings, in which external experts will advise the European Commission in assessing the results of the action. A review report will identify possible problems and solutions, or suggestions to improve the services provided.

Each EDIH will get a contact person (a project officer) in the European Commission who will follow the project.

H.5. How do you select experts that are qualified for the job?

The European Commission hires external experts as evaluators in all the EU-funded programmes. Experts are selected from the Commission database (<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/work-as-an-expert>).

Anyone interested in working as an expert should register on the above link and include the keyword Digital Innovation Hubs in their profile. We have also asked Member States and Associated Countries to provide names of knowledgeable experts.

The selection of experts for an evaluation is a complex process that takes into account the individual expertise of experts, the matching between proposals and experts, and the need to guarantee a diverse population of experts in terms of affiliation, origin, gender, age, etc.

All the proposals will be evaluated by a panel composed of at least three experts with at least one from the country of the proposal.

H.6. What happens after the selection of successful proposals?

After the selection, the successful proposals will be invited to prepare a grant agreement to be signed by the European Commission and the legal representatives of the hub. The process will be very similar to the one used e.g. for Horizon 2020 projects.

While an EDIH could be a single legal entity, we expect that in most cases an EDIH will be a consortium of several legal entities. All the legal entities have to be validated in the

Commission register. The coordinator is the main contact point for any communication between the Commission and the EDIH.

The European Commission will finance up to 50% of the costs of the hub; with the remaining 50% to be financed by private funding and/or each Member State according to their administrative rules.

The Commission funds will be transferred to the coordinator, and the coordinator will distribute the funds to the other partners as needed and in line with the internal agreement.

H.7. Can an EDIH have partners in different countries?

Yes, in the case of a “cross-border transnational hub” as described above.

In the most common cases, we expect that all the partners of an EDIH are legal entities registered in the same Member State, as the budget is allocated separately for each Member State.

H.8. How should the EDIH proposal be drafted?

The template of the proposal will be available through the proposal submission system. A proposal can be updated as many times as needed before the deadline; the latest submission will be evaluated.

The template provides the necessary guidance that should be followed. Please find below some additional suggestions for European Digital Innovation Hubs.

Section 1.1. Objectives and activities

- *Explain your focus as a European Digital Innovation Hub, (e.g. the geographical scope, sector(s) and application areas you target, the technologies you cover, etc.), and how this responds to demand of SMEs and/or the public sector.*
- *Explain how you will set up and/or operate a European Digital Innovation Hub and will make available the relevant experimentation facilities. Explain how you will build on ongoing activities and existing infrastructures, if appropriate.*
- *Explain the services and competences you can offer and under what conditions, such as test before invest; skills and training; support to find investments; innovation ecosystem and networking opportunities. Define their associated price; this will constitute the price list necessary for determining the amount of aid passed on SMEs.*
- *Explain how your proposal relates to other parts of the Digital Europe Programme, e.g. planned collaboration mechanisms with other European Digital Innovation Hubs and the competence / excellence centres of HPC, AI and cybersecurity and how do you plan to use the capacities built up in the context of Digital Europe Programme.*

Section 1.2 Contribution to long-term policy objectives

- *Your proposal should be in line with main EU policy objectives, such as a Europe fit for the digital age, the Green Deal, etc. Your proposal should support national and/or regional digitalisation policy objectives, relevant smart specialisation strategies, etc.*
- *Describe any other regional, national or international activities which will be linked with the project.*
- *Describe the foreseen collaboration with Enterprise Europe Network and Startup Europe.*
- *Describe how you could support the European Commission with the implementation of specific sectorial, SME or eGovernment policies.*

Section 1.4 Financial obstacles

- *Describe and explain how your proposal triggers co-investments by Member States, regional authorities, and private sector.*
- *Describe and explain how your proposal would support SMEs and public administrations in overcoming financial obstacles*

Section 2

- *Follow the guidance given in the proposal template*

Section 3.1 Expected outcomes and deliverables – Dissemination and Communication

- *Key Performance Indicators – specific targets for the KPIs mentioned in the Call document*
- *Communication and outreach measures tailored to the needs of your specific target audiences*

Section 3.2 Competitiveness and benefits for society

- *Define the short, medium and long-term effects of the project.*
- *How will the target groups benefit concretely from the project and what would change for them in terms of their digital maturity?*
- *How will the project stimulate innovation and explain how you will deal with Intellectual Property that is generated via your services, possibly together with other EDIHs, SMEs, public authorities, etc.*

Section 3.3 Environmental sustainability and contribution to the European Green Deal goals

- *Describe how the innovations supported by the EDIH can improve the environmental sustainability of economic activities (e.g., by improving existing processes or by enabling new solutions).*
- *Describe any potential direct or indirect impact on the goals of the European Green Deal, e.g.: reduction of carbon emissions, better use of resources, reduced pollution, support of circular economy, more efficient processes.*

H.9. What is the maximum length of a proposal? Can instructions be removed from the proposal template?

The proposals are submitted in the participant portal as a “Part A”, which contain structured information, a mandatory “Part B” which is a textual document containing the detailed technical description of the proposal, and a number of annexes.

The templates for Part B (file name “**Tpl_Application Form (Part B) (DEP)**”) and for the other annexes can be downloaded from the portal, clicking on the link “Download part B templates”.

For the EDIH call, the only mandatory annex is the “Proof of MS designation” (highlighted in red in the portal together with the Part B), while the other annexes are optional.

Part B, depending on the details of the relevant call document **can have a maximum length of 50 or 70 pages.**

The minimum font allowed is **Arial 10** (except where the template uses a different font) and the margins (top, bottom, left and right): at least **15 mm** (not including headers & footers).

There is no rule for the space inter-lines and before and after a table.

Proposers should remember to present their application as readable, accessible and printable.

The instructions in the template mention explicitly **“Please do NOT delete any instructions in the document.”**

The reason is that the instructions are useful for the evaluators, as they make the document self-contained and understandable without the need to check external documentation. This is why we ask to leave the relevant instructions in the text.

However, the template document is valid for any call under the Digital Europe programme, so **it contains many sections which are not applicable to the EDIH call** and do not bring any added value. **It is possible to delete these sections, and we advise proposers to do it.**

Namely:

- The entire **page 2 “Important notice”** can be removed;
- Section **“1.3 Digital technology supply chain”** is not applicable for EDIH and can be removed;

- In section “**4.2 Work Packages and activities**”, the instructions “*For very simple projects, it is possible [...]*” and “*Work packages covering financial support to third parties [...]*” are not applicable for EDIH and can be removed;
- In section “**4.2 Work Packages and activities**”, when copying the template for Workpackage 1 to create the other work packages, there is **no need to also copy the instructions**;
- In section “**4.3 Timetable**”, the table “Timetable (projects up to 2 years)” can be deleted, and in the table “Timetable (projects of more than 2 years)” the columns for year 4 and year 5 can be deleted;
- The section “**5. OTHER - 5.1 ETHICS**” can be deleted **only if** relevant ethics information is uploaded in the portal as “Ethics issues table”. Otherwise use this section to declare that ‘no ethical issues are identified in the proposal’.
- The section “**5. OTHER - 5.2 SECURITY**” can be deleted. In principle it is not necessary to upload the Security Issues Table unless activities proposed will have an impact on the security of the European Union. Usually this should not be the case of EDIHs but it is still possible. In case it is relevant for your specific proposal, please upload in the portal a “Security issues table”.

We recommend writing a proposal **as concise as possible**, focusing on the information that evaluators need to fairly evaluate your proposal and avoiding generic text or repetitions of the objectives of the call.

H.10. Should an EDIH proposal include collaboration activities with other EDIHs?

While most of the work (and the budget) of an EDIH will be dedicated to local SME and public administration, it is also necessary to collaborate with other hubs of the network .

All EDIH are requested to participate in the general activities of the network, such as the “train the trainer” events and the networking events that will be organised by the Digital Transformation Accelerator. Moreover, it is expected that further opportunities for collaborations will be identified over time, either as “one-off” collaborations on a specific subject or as more structured collaborations on certain themes through sub-networks.

If, at proposal time, potential collaborations with other hubs are already known, these should be described in the proposal text; however, it is expected that in most cases the collaboration opportunities will be identified only after the hubs have been selected or started their operations.

Each hub should foresee budget for collaborations and networking events. While the amount will depend on many factors, like the size and specialization of the hubs, we consider the following as reasonable examples:

- 15 to 30 “train the trainer” event per year, in the form of online workshops of 2-4 hours each;
- 2 to 4 online or physical events per year for sharing best practices within sub-networks, each event 2-8 hours;
- one annual EDIH event per year, in the form of 2-day event in hybrid format (physical and online);
- one-off collaborations: on average 5-20 % of your customers will need support from other EDIHs, and 5-20% of the total amount of customers you can help will come through referral of other EDIHs.

In the proposal, it is possible, but not required, to include Letters of Intent or Memorandum of Understanding (MoU) for collaborations when they are already known.

As a general rule, each hub will bear their own costs for collaboration activities between different hubs.

H.11. Is it possible to establish collaborations with entities outside the European Union and Associated Countries?

In principle yes, e.g. it is possible to organise joint training events or visits. However, the funding provided from the Digital Europe Programme cannot be used to finance entities outside of the European Union and Associated Countries to the Digital Europe Programme.

H.12. How many partners should be in an EDIH?

An EDIH could be a single legal entity, or be a consortium of several legal entities. In most cases, we expect the latter.

The consortium should contain the core organisations that will ensure the daily operation of the EDIH. All partners should have a valid role, and the resources to carry out the work. Subcontracting may be used to involve on an occasional basis organisations from the ecosystem around the core EDIH.

H.13. How should ethical issues be addressed in an EDIH proposal?

Specific guidance is given in the document [How to Complete your Ethics Self-Assessment](#).

As the EDIH will often be an intermediary and will help their customers to make use of digital technology, the potential ethical implications should also be dealt with in a correct manner. Therefore, the proposal should address the processes foreseen to manage any ethical implications of digital technologies introduced to their customers' business. As an example, the hub could decide to appoint an ethical adviser or an ethical advisory board with an oversight role on the activities.

H.14. Can an EDIH start operating before the grant with the European Commission is signed?

Yes, an EDIH project can have a start date prior to the signature of the grant, but it cannot be earlier than the date of the latest submission of the proposal. The costs will be eligible only from the starting date.

Of course, this is a risk for the hub, as there is no guarantee that the proposal will be selected.

H.15. Is there a template for the Consortium Agreement or any guidelines on what the document should contain?

There is no official template for the Consortium Agreement, as it is something outside of the control of the European Commission.

It is possible to find easily on the Internet several templates developed by different organisations, most of them tailored for Horizon 2020 or Horizon Europe. We would suggest looking at those developed by national agencies and offices.

The call document contains the following information:

“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.”

H.16. Can the "List of previous projects" section in the proposal template be deleted?

Actually the “List of previous projects” is not mandatory, but it can be relevant to demonstrate the experience of your organization if, in the past, you have done projects on (e.g.) technology transfer, training, or any or the actions typical for an EDIH.

It should not be in the Part B, but uploaded as separate document in the portal – see the presentation of the second info day.

<https://digital-strategy.ec.europa.eu/en/events/second-information-day-digital-europe-programme-call-establish-network-european-digital-innovation> (slide 28)

H.17. Which type of deliverables should be included in the workpackage description? Should each individual course, event, workshop etc. be an individual deliverable?

We suggest you describe each broad TYPE of training / event / workshop as a deliverable. As an example, you can have a deliverable “Cybersecurity courses for SMEs” and another deliverable “Advanced manufacturing technologies for SMEs”. Then, each one of these deliverables will mean in practice organising several similar events, possibly at different dates and with different customers, focused on the same subject. Example: Introduction to Cybersecurity, Cybersecurity certification, Hands-on Cybersecurity assessment, [...].

H.18. Does the Declaration of Ownership/Control apply to the EDIH call?

This is not applicable for EDIH, as presented on the 2nd info day.

See slide 27 on <https://ec.europa.eu/newsroom/dae/redirection/document/81983>