



# **Guidelines for sub-grant applicants**

**Sub-grant title: Smart City Solutions**

**Contracting authority: *European Business and Innovation Centre (BIC) in Málaga***

**SME4SMARTCITIES: A\_A.1.2\_0355**

**Reference: SME4SMARTCITIES-CfP-Málaga-Spain-03**

**Deadline for submission of concept note application: 31 May 2022**

## Corrigenda notice:

From	To	Date of corrigendum
The deadline for submission of the concept note step of the application is <b>23 November 2021</b> at 18:00 CET.	The deadline for submission of the concept note step of the application is 02 December 2021 at 18:00 CET.	23 November 2021
Section 6: Evaluation and selection of applications	Section 6: Evaluation and selection of concept note applications	22 February 2022
	Section 7: Evaluation and selection of full applications.  Details have been provided for the opening and administrative checks and the verification of eligibility.	22 February 2022
Full Application Selection Criteria Grid	Criteria has been modified for the section 2. design of the action to reflect cross-border regional cooperation between applicants.  An extra evaluation criterion 6. Participation in training and co-creation activities has been added.	22 February 2022
Only the full applicants with a score of at least 60 overall and at least a score of 15 in criteria 1 'Relevance of the action' will be considered for pre-selection.	Only the full applicants with a score of at least 60 overall and at least a score of 10 in criteria 1 'Relevance of the action' and at least a score of 10 in criteria 2 'Design of the action' will be considered for pre-selection.	22 February 2022
Successful sub-grantee applicants (second step) are expected to be notified in April 2022.	Successful sub-grantee applicants (second step) are expected to be notified in July 2022.	22 February 2022
8.2 Indicative timetable	Updated timetable based for second step procedures	22 February 2022
Table 1: Preliminary descriptions of urban challenges and the territories where Smart City solutions are sought	Table 1: Detailed urban challenge	09 March 2022
Section 2: Objectives and outcomes of the call for sub-grants	The following sentences have been removed from section 2:	09 March 2022

	<p>Applicants should ensure they send their concept note applications tackling up to two urban challenges to the SME4SMARTCITIES partner based in the same country as the applicant is established. Applicants should refer to section 5.3 for further details.</p> <p>The SME4SMARTCITIES project partners have identified the following urban challenges, for which successful applicants will be expected to provide innovative and technological solutions.</p>	
Section 3 Financial Allocation	Regarding the overall indicative amount per Call, the following sentence has been added with reference to the Smart City Solutions – Genoa (Italy): the indicative overall amount of 60 000 EUR will be split into equal parts among the two challenges defined in section 2.	09 March 2022
Section 3 Financial Allocation	Regarding the size of the subgrants, the maximum amount per subgrant has been changed to 40.000 EUR for all Smart City Solutions Call for proposals and to 30.000 EUR for the Call for proposals to Genoa (Italy)	09 March 2022
Section 5.6. Deadline for submission of full applications	<p>The following sentences have been removed from section 5.6:</p> <p>The exact deadline for the submission of full applications will be indicated in the letter sent to the lead applicants pre-selected through the 1st step of the process. The indicative opening of the full application submission will be January 2022 – March 2022.</p> <p>The following sentence has been added in section 5.6:</p> <p>The deadline for submission of the full application step of the application is 31 May 2022 at 18:00 CET.</p>	09 March 2022

Section 11 List of Annexes	The referencing of the annexes included in the list has been updated for the documents to be submitted in the full application.	09 March 2022
Section 11 List of Annexes	A note has been included regarding the De minimis declaration, as one declaration is required per applicant in the case of full applications submitted by a consortium of entities.	09 March 2022
Annex 5 Standard Sub-grant Contract, Article 4 on Reporting and Payment arrangements	The article has been modified and a new clause (4.3) has been added.	09 March 2022
Section 7 Evaluation and selection of full applications	The following sentences have been added to the section: in the case of the Call of Proposals to the Smart City Solutions - Genoa (Italy), in which 2 challenges have been defined, two lists will be drawn up with a ranking for each challenge.	9 March 2022

## Table of Contents

<b>1</b>	<b><i>Background.....</i></b>	<b>5</b>
<b>2</b>	<b><i>Objectives and outcomes of the call for sub-grants.....</i></b>	<b>7</b>
<b>3</b>	<b><i>Financial allocation .....</i></b>	<b>9</b>
<b>4</b>	<b><i>Eligibility criteria .....</i></b>	<b>9</b>
<b>5</b>	<b><i>How to apply and the procedures to follow .....</i></b>	<b>17</b>
<b>6</b>	<b><i>Evaluation and selection of concept note applications.....</i></b>	<b>19</b>
<b>7</b>	<b><i>Evaluation and selection of full applications.....</i></b>	<b>21</b>
<b>8</b>	<b><i>Notification of the Results of the evaluation .....</i></b>	<b>25</b>
<b>9</b>	<b><i>Conditions for payment .....</i></b>	<b>25</b>
<b>10</b>	<b><i>Ownership and Transfer conditions.....</i></b>	<b>25</b>
<b>11</b>	<b><i>List of annexes.....</i></b>	<b>26</b>

These guidelines set out the rules for the submission, selection and implementation of the actions financed under this call, in conformity with the applicable ENI CBC MED Programme rules, available at <http://www.enicbcmed.eu/home>.

## 1 BACKGROUND

### ENI Programme Background

The European Union is made up of 28 Member States who have decided to gradually link together their know-how, resources and destinies. Together, during a 50-year period of expansion, they have built a zone of stability, democracy, and sustainable development whilst maintaining cultural diversity, tolerance and individual freedoms. The European Union is committed to sharing its achievements and its values with countries and peoples beyond its borders. The 2014-2020 ENI CBC Mediterranean Sea Basin Programme is a multilateral Cross-Border Cooperation (CBC) initiative funded by the European Neighbourhood Instrument (ENI).

The Programme objective is to foster fair, equitable, and sustainable economic, social and territorial development, which may advance cross-border integration and enhance participating countries' territories and values. The following 13 countries have taken part in the Programme: Cyprus, Egypt, France, Greece, Israel, Italy, Jordan, Lebanon, Malta, Palestine, Portugal, Spain, Tunisia. The Managing Authority (JMA) is the Autonomous Region of Sardinia (Italy).

For more information, please visit: [www.enicbcmed.eu](http://www.enicbcmed.eu)

### Project Background

As cities continue to grow, so is the number of challenges they are facing. Environmental, economic or social emerging issues call for new and unproven urban solutions. The increasing need for urban innovation will result in the development of a significant number of smart cities initiatives, creating new business opportunities for Mediterranean SMEs. If we want our cities to be efficiently managed and more liveable for communities, public authorities and SMEs must work together to come up with the best technological solutions.

### The smart city model

A Smart City is a city well performing in 6 characteristics, built on the 'smart' combination of endowments and activities of self-decisive, independent and aware citizens.



Figure 1: the European Smart Cities Model 3.0 (2014)

#### Box 1: What is an SME?

*The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million<sup>1</sup>.*

SME4SMARTCITIES (Mediterranean SME working together to make cities smarter), an EU-funded project under the ENI CBC MED Programme, aims at making this collaboration possible by reinforcing the capacities of the main actors involved. The project has a total budget of 2.4 million €, of which the EU has contributed 2.1 million €. The consortium includes partners from Spain, Palestine, Italy and Israel. SME4SMARTCITIES has established two support groups, made up of cities and SMEs from the project partner countries. The SMEs and Cities support groups provide feedback on various project activities.

More specifically, the main objectives of the SME4SMARTCITIES project are:

1. To support the Mediterranean technological and innovative SMEs in the development of new products and services that answer in a more efficient, smart and sustainable way to the urban challenges faced by the Mediterranean cities.
2. To improve Mediterranean SMEs' competitiveness, their internationalization opportunities and their capability to create new knowledge resulting from cross-border cooperative processes (between SMEs and with their potential buyers: the cities).
3. To improve Mediterranean cities competitiveness and the efficiency of their governance and use of resources through the improvement of their skills and knowledge for developing innovative and sustainable responsible procurement and through their involvement in innovation processes.

<sup>1</sup> Article 2, COMMISSION RECOMMENDATION of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C (2003) 1422) [JO L 124 20.5.2003]. SME user guide<sup>1</sup> for the definition: SME definition: [https://ec.europa.eu/regional\\_policy/sources/conferences/state-aid/sme/smedefinitionguide\\_en.pdf](https://ec.europa.eu/regional_policy/sources/conferences/state-aid/sme/smedefinitionguide_en.pdf).

## 2 OBJECTIVES AND OUTCOMES OF THE CALL FOR SUB-GRANTS

The **objective** of the Smart City Solutions call for sub-grant proposals is to support SMEs in developing innovative and technological solutions to major urban challenges faced by Mediterranean cities participating in the project.

This call for sub-grant applications includes a two-step process to assess applicants; an initial concept note step and a full application step. Applicants should refer to section 5 on the details of each application step.

Partners of the SME4SMARTCITIES project are launching individual calls for proposals to tackle the urban challenges identified in their territories. Applicants should ensure they send their concept note applications tackling up to two urban challenges to the SME4SMARTCITIES partner based in the same country as the applicant is established. Applicants should refer to section 5.3 for further details.

The SME4SMARTCITIES project partners have identified the following urban challenges, for which successful applicants will be expected to provide innovative and technological solutions.

*Table 1: Detailed description of the urban challenge.*

**Reference: SME4SMARTCITIES-CfP-Málaga-Spain-03**

**Title: Easy and safe usage of electric vehicles**

**City/es launching the challenge and that will implement a pilot of the solution for its testing: Málaga**

Nowadays, the use of electric vehicles in company fleets is becoming more and more frequent. Different proposals are promoting the use of these vehicles by employees during non-working hours, in order to optimize the use of vehicles and reduce CO2 emissions.

The sharing use of electric vehicles (EV) brings different challenges that have to be solved to make it easy and safe. On the one hand, it is important to facilitate that any user can recharge the EV in an as comfortable way as possible and preferably at home, so it means that recharge can be done mainly at night, or somewhere it is needed, in different charging available slots (type 1, type 2, Schuko, CCS, CHAdeMO). This is a challenge since currently charging systems and devices do not have a standard that allows them to be used by all types of EVs; For this reason, the challenge is proposed to provide the sharing vehicle with a "universal" portable charging adapter, which can be plugged into any domestic electrical slot for slow charging of the vehicle, or in other different charging stations. That is, those users who take the car home and live in an area where there are no chargers or they are different, can recharge it at home or nearby.

On the other hand, in the current times marked by the COVID protocols, some technology is necessary to sterilize and disinfect the interior of the car after use, quickly, economically, and efficiently, since it will be used by another user the next day, avoiding that the user has to take the cloth, because maybe he will not do it.



As a complement to the previous proposals, it is considered convenient to incorporate into existing APPs for the management of shared vehicles, precise information on the vehicle's disinfection status or on whether or not it has a universal recharging kit.

The financing by SME4SMARTCITIES for the resolution of these three aspects related to the shared use of vehicles in order to do it easier and safer, will allow companies or organizations for sharing the electric vehicles of their fleet together with employees or other users. In this way, the H2020 MEISTER developed in Malaga project could be completed in these unsolved aspects.

#### **SPECIFICATIONS:**

##### **To take in account for the proposed solutions (in general):**

Improving the environment, easy to use by final users, open source software, as cheap as possible, replicability in other EVs, short time of implementation. Regarding the disinfection of the EVs, it has to be automated, not performed by specialist.

The solutions have to be implemented in only one of the vehicles with the aim to be replicated in the rest of the fleet in the future.

The APP already used could be completed with other applications, included the information of the disinfection system.

##### **Vehicles specifications:**

- **Number of EVs of the municipal fleet:** 20 vehicles used by Municipality personnel only.
- **Charging system:** Mennekes
- **Type of EVs:** Mitsubishi eMiev
- **Batteries autonomy:** 120 km
- **Software:** There is an APP that you can download through Google Play called MEISTER that has been developed under the MEISTER (European) project by its coordinator
- **Hardware:** No TIC hardware installed in the cars.

As part of the sub-grant application process, the project aims to facilitate training and co-creation activities for SMEs pre-selected in the first concept note step to enhance innovative and cross-border urban developments.

Finally selected applicants of the Smart City Solutions call will be provided with support for the conceptual, design and marketing testing phases of product development.

#### **Expected Outcomes**



To support the design and development of innovative and technological urban solutions and develop skills for applying to public procurement opportunities in the Mediterranean market, pre-selected applicants in the concept note step will express their commitment to participating in the following activities supported by SME4SMARTCITIES:

1. A dedicated **training programme**, including:
  - a. An online training course covering more than 50 topics;
  - b. An online coaching and support service for SMEs;
  - c. Webinars and workshops joining together SMEs, civil servants and Smart City experts.
2. **Co-creation and co-innovation activities** enabling cross-border cooperation between SMEs & cities of the participating territories, including:
  - a. Assistance for matchings between the pre-selected SMEs and between them and technology developers (e.g., R&D centres, technological centres, universities);
  - b. Entrepreneurial missions to project territories, or suitable online alternatives depending on the COVID-19 pandemic situation;
  - c. Information exchange with cities and/or public buyers of solutions from the project territories.

A maximum of 60 SMEs will be pre-selected through all the SME4SMARTCITIES Smart City Solutions calls for proposals. Through the training programme and co-creation and co-innovation activities, the overall indicative amount of support that is expected to be provided to each pre-selected SME on average will be 6.684 EUR.

Only those applicants successful in the initial concept note step will be invited for the 2nd full application step. Final selected applicants (following the 2nd full application step) will be awarded sub-grants and will be expected to develop Smart City solutions for those urban challenges identified faced by Mediterranean cities.

### 3 FINANCIAL ALLOCATION

The overall indicative sub-grant amount made available under all the SME4SMARTCITIES Smart City Solutions calls for proposals is 300 000 EUR.<sup>2</sup> The contracting authorities reserve the right not to award all available funds.

For each SME4SMARTCITIES call for proposals, the overall indicative sub-grant amount made available is:

- Smart City Solutions - Murcia (Spain): 40 000 EUR
- Smart City Solutions - Palestine: 80 000 EUR
- Smart City Solutions - Málaga (Spain): 40 000 EUR

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<sup>2</sup> The budget amount is subject to the approval of the major change procedure by the ENI CBC Med Programme.  
Guidelines for sub-grant applicants – SME4SMARTCITIES

- Smart City Solutions - Genoa (Italy): 60 000 EUR, split into equal parts among the two challenges defined in section 2
- Smart City Solutions - Kfar Saba, Tel Aviv and Eilat (Israel): 80 000 EUR

#### Size of sub-grants

Any grant requested in the full application under this call for proposals must fall between the following **minimum and maximum amounts**:

- **minimum amount: EUR 15.000 per subgrant;**
- **maximum amount: EUR 40.000 per subgrant**, except for the Smart City Solutions call for proposals to **Genoa (Italy)** which is **30.000 EUR**.

## 4 ELIGIBILITY CRITERIA

There are three sets of eligibility criteria, relating to:

(1) the actors:

- The '**lead applicant**', i.e., the entity submitting the application form,
- if any, its **co-applicant(s)** (where it is not specified otherwise the lead applicant and its co-applicant(s) are hereinafter jointly referred as '**applicant(s)**'),

(2) the activities:

- Type of activities for which the sub-grant may be awarded;

(3) the costs:

- Types of cost that may be taken into account in setting the amount of the sub-grant.

### 4.1 Eligibility of applicants (i.e. lead applicant and co-applicant(s))

#### **Lead Applicant**

(1) In order to be eligible for a grant, the applicants must:

- Be a legally constituted SME (micro, small and medium-sized enterprises), as per the definition provided by the European Union<sup>3</sup> which is indicated in Box 1 in section 1 **and**

<sup>3</sup> COMMISSION RECOMMENDATION of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C (2003) 1422) [JO L 124 20.5.2003]

- be established in one of the ENI CBC MED programme's eligible and adjoining territories within one of the SME4SMARTCITIES project partner countries.<sup>45</sup> Please see below for a table summarizing the eligible territories and countries.
  - be directly responsible for the preparation and management of the action with the co-applicant(s), not acting as an intermediary **and**
  - for applicants from Spain and Italy, not be recipient of State Aid through other grants or financing support from Italy in excess of 200.000 euro over a period of three years. In this regard, a *De minimis declaration* is to be signed and submitted by applicants from these two countries as per Annex 3.
- (2) Applicants, and persons who have powers of representation, decision-making or control over the applicants and the affiliated entities are informed that, should they be in one of the situations of early detection or exclusion according to article 52.2.vi of the ENI CBC Implementing Rules<sup>6</sup>, personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the early detection and exclusion system, and communicated to the persons and entities concerned in relation to the award or the execution of a grant contract.

In the declaration included in the sub-grant concept note application form, applicants must declare that they are not in any of these situations.

To carry out the activities related to this sub-grant, the lead applicant may act individually or with co-applicant(s).

If awarded the sub-grant contract, the lead applicant will become the sub-grantee, who is the main interlocutor of the Contracting Authority awarding the sub-grant. It may represent and act on behalf of any other co- sub-grantee (if any) and coordinates the design and implementation of the action.

### **[Co-applicant(s)]**

The concept note step of the call is not open to co-applicants. However, applicants having submitted a concept note may join another applicant and become a co-applicant in the full application step.

Co-applicants participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant.

Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant himself.

Co-applicants must sign the mandate in the sub-grant full application form.

<sup>4</sup> See the ENI CBC MED cooperation area for the full list of eligible and adjoining territories <https://www.enicbcmmed.eu/index.php/about-us/cooperation-area>. See the SMES4SMARTCITIES website <https://www.enicbcmmed.eu/projects/sme4smartcities> for the list of participating countries. Please note that the Jordanian partner has hereby withdrawn from the project.

<sup>5</sup> With regard to Israeli entities, please follow Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205, 19.7.2013, p. 9).

<sup>6</sup> EC Regulation 897/2014.

If awarded the sub-grant contract, the co-applicant(s) (if any) will become co-sub-grantee(s) in the action (together with the sub-grantee).

*Table 2: Eligible and adjoining territories of the SME4SMARTCITIES project. Please note this is a summary of the information contained in the ENI CBC MED website and is subject to their updates.*

Country	Eligible and Adjoining Territories
Spain	Andalucia, Catalonia, Comunidad Valenciana, Murcia, Islas Baleares, Ceuta, Melilla, Extremadura, Castilla La Mancha, Aragon
Palestine	Whole country
Italy	Basilicata, Calabria, Campania, Lazio, Liguria, Puglia, Sardegna, Sicilia, Toscana, Molise, Abruzzo, Marche, Umbria, Emilia Romagna, Piemonte
Israel	Whole country

#### 4.2 Eligible actions: actions for which an application may be made

##### Definition

An action is composed of a set of activities.

##### Duration

The initial planned duration of the action, comprising of the development and testing of the Smart City Solutions, may not exceed 7 months. The exact duration of the development and testing of the Smart City Solutions will be dependent on the date of signature of the sub-grant contract.

##### Sectors or themes

The actions carried out by the successful applicants will be applicable to the Smart City model (Figure 1).

The actions contributing to the final product or service will be applicable to the urban challenges as described in Table 1.

##### Location

The applicant for the 2<sup>nd</sup> full application step must select one of the country challenges for the development of their Smart City solution. Actions must take place in the territory linked to the selected urban challenge as described in Table 1.

Cross-border collaboration activities to develop country-specific challenges will be encouraged.

##### Types of action

Financed activities cannot commence prior to the award of the sub-grant.

The sub-grant will be used to develop Smart City solutions for the identified urban challenges faced by Mediterranean cities.

#### Types of activity

The fixed list of eligible activities under the sub-grant are the following:

- Entrepreneurial missions and cross-border partnership development
- Purchase of necessary equipment to develop products and/or services
- Works and manufacturing of prototypes, products and/or services
- Research and studies in smart city solutions
- Development of promotional strategies and materials
- Translation of outputs, including promotional materials

#### Number of applications and sub-grants per applicant(s)

##### 1<sup>st</sup> step (concept note):

- Applicants may not submit more than one concept note.

##### 2<sup>nd</sup> step (full application form):

- The lead applicant may not submit more than one full application under all calls for proposals released by the SME4SMARTCITIES project for Smart City Solutions.
- The lead applicant may be a co-applicant in another full application at the same time.
- A co-applicant may be the co-applicant in up to two full applications under all calls for proposals released by the SME4SMARTCITIES project for Smart City Solutions.
- A co-applicant may not be awarded more than 60.000 € from sub-grants under all calls for proposals released by the SME4SMARTCITIES project for Smart City Solutions.

#### *4.3 Eligibility of costs: costs that can be included in sub-grant budget proposals*

The sub-grant shall take the form of reimbursement of costs. 100% of eligible costs will be financed by the SME4SMARTCITIES project.

Only eligible costs can be covered by the sub-grant. The categories of costs that are eligible and non-eligible are indicated below. The budget is both a cost estimate and an overall ceiling for eligible costs.

The applicant will refer to chapter 7 of the ENI CBC Med programme's Project Implementation Manual (PIM) on financial management for further details of eligible costs and supporting documents for expenditure verification, eligible indirect costs and ineligible costs.<sup>7</sup>

#### Eligible direct costs

To be eligible under this call for proposals, costs must comply with the provisions of Articles 3 and 9 of the sub-grant contract.

Expenditure verification(s) referred to in Articles 10, 11 and 12 of the sub-grant contract will be carried out by the auditor contracted by the SME4SMARTCITIES project partner based in the same country as the sub-grantee.

In the second step of the application process, the applicant will use the budget (Annex 5) to provide a detailed estimated budget based on unit costs covering all or certain specific categories of the following eligible costs which have been identified by the Contracting Authority:

1. **Human resources:** costs related to the actual time worked for the implementation of the Smart City Solution by the permanent or temporary (ad hoc recruited) employees of the sub-grantee(s). They include total number of person-days expected to be needed to develop the Smart City solutions. Details regarding all eligible and ineligible human resources costs and supporting justifying documents are found in section 7.1.2 of the PIM. Amounts estimated in detailed budget proposals for human resources will not exceed 30% of the total direct costs.
2. **Travel and subsistence:** costs incurred by staff or any other person taking part in the Smart City Solution and having a clear link with the solutions' activities. These costs should neither exceed those normally borne by the sub-grantee(s) according to its internal rules and regulations nor the EC per diem rates published at the time of the travel.<sup>8</sup> There are 2 types that can be requested based on actual costs:
  - a. Travel costs (which include fuel, mileage reimbursements, taxis or car rentals and public transportation).
  - b. Subsistence costs for visits requiring overnight stay (which include accommodation, meals, local travel within the place of mission and sundry expenses).

Details regarding all eligible and ineligible travel and subsistence costs are found in section 7.1.3 of the PIM.

3. **Small-scale infrastructures and investments:** defined as basic facilities and installations providing services needed for Smart City Solutions implementation. Small-scale infrastructures and investments (e.g. solar, organic waste treatment plants, etc.) are expected to have been carefully described and justified in the the application and the budget forms. Public works for

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<sup>7</sup> Chapter 7 on Financial Management from the ENI Programme's Project Implementation Manual can be accessed online <http://www.enicbmed.eu/projects/support-to-implementation> .

<sup>8</sup> EC per diem rates are available at the following link: [https://ec.europa.eu/international-partnerships/system/files/per-diem-rates-20200201\\_en.pdf](https://ec.europa.eu/international-partnerships/system/files/per-diem-rates-20200201_en.pdf)

restoring/adapting existing infrastructures - to be exploited for project activities implementation – are considered eligible in this cost category as well. Details regarding all eligible and ineligible infrastructure costs and supporting justifying documents are found in section 7.1.4 of the PIM.

4. **Small equipment:** defined as purchasing or long-term renting of equipment and durables (new or used) specifically identified and exclusively devoted for the purpose of the Smart City Solutions, as well as the costs of services for their transportation and installation, provided that they correspond to market rates. These must be carefully described and justified in the application and the budget forms. Details regarding all eligible and ineligible equipment costs are found in section 7.1.5 of the PIM.
5. **External services:** these are costs paid on the basis of contracts or written agreements, against invoices or requests for reimbursement to external service providers who are subcontracted to carry out certain tasks/activities linked to delivery of the Smart City Solutions. Details regarding all eligible and ineligible external services costs and supporting justifying documents are found in section 7.1.6 of the PIM.

#### Eligible indirect costs

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must not exceed 7 % of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the sub-grant contract. The lead applicant may be asked to justify the percentage requested before the sub-grant contract is signed. However, once the flat rate has been fixed, no supporting documents need to be provided.

#### Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the applicants and financed by another action or work programme receiving a European Union grant;
- purchases of land or buildings;
- currency exchange losses;
- duties, taxes and charges, including VAT, except when non-recoverable under the relevant national tax legislation unless otherwise provided in appropriate provisions negotiated with partner countries, as per the provisions of the related Financing Agreement;<sup>9</sup>
- loans to third parties;
- fines, penalties and expenses of litigation;
- contributions in kind;

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<sup>9</sup> For details on VAT and tax provisions set in Financing Agreements (FA), the potential applicants may refer to the specific national provisions.



#### 4.4 Ethic clauses and Code of Conduct

##### a) Absence of conflict of interest

The applicant must not be affected by any conflict of interest and must have no equivalent relation in that respect with other applicants or parties involved in the actions. Any attempt by an applicant to obtain confidential information, enter into unlawful agreements with competitors or influence the evaluation committee or the project Lead Beneficiary / partner during the process of examining, clarifying, evaluating and comparing applications will lead to the rejection of its application and may result in administrative penalties.

##### b) Respect for human rights as well as environmental legislation and core labour standards

The applicant and its staff must comply with human rights. In particular and in accordance with the applicable act, applicants who have been awarded contracts must comply with the environmental legislation including multilateral environmental agreements, and with the core labour standards as applicable and as defined in the relevant International Labour Organisation conventions (such as the conventions on freedom of association and collective bargaining; elimination of forced and compulsory labour; abolition of child labour).

##### **Zero tolerance for sexual exploitation and sexual abuse:**

The European Commission applies a policy of 'zero tolerance' in relation to all wrongful conduct which has an impact on the professional credibility of the applicant.

Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other forms of intimidation shall be prohibited.

##### c) Anti-corruption and anti-bribery

The applicant shall comply with all applicable laws and regulations and codes relating to anti-bribery and anti-corruption. The project Lead Beneficiary / partner and the Programme bodies reserve the right to suspend or cancel the sub-grant if corrupt practices of any kind are discovered at any stage of the award process or during the execution of the contract. For the purposes of this provision, 'corrupt practices' are the offer of a bribe, gift, gratuity or commission to any person as an inducement or reward for performing or refraining from any act relating to the award of a contract or execution of a contract already concluded.

##### d) Breach of obligations, irregularities or fraud

The project Lead Beneficiary / partner and the Programme bodies reserve the right to suspend or cancel the procedure, where the award procedure proves to have been subject to breach of obligations, irregularities or fraud. If breach of obligations, irregularities or fraud are discovered after the award of the contract, the project beneficiary may refrain from concluding the contract.

##### e) Visibility

Sub-grant applicants must comply with the objectives and priorities and guarantee the visibility of the EU financing (see the [Communication and Visibility Requirements for EU External Actions](#)).

## 5 HOW TO APPLY AND THE PROCEDURES TO FOLLOW

### 5.1 Submitting Applications

This call for sub-grant applications includes a two-step process to assess applicants; an initial concept note step and a full application step. Separate instructions and forms are available for both the concept note (Annex 1) and full application steps (Annex 4).

The group of pre-selected applicants from the concept note step will have the opportunity to benefit from training and co-creation activities as described in section 2 of the guidelines with other pre-selected applicants through the concept note step of calls for proposals launched in the other project territories of the SME4SMARTCITIES project. The proposed training and co-creation activities and the skills and knowledge gained will be particularly important when submitting a full application. Applicants will express their commitment to participate in training and co-creation activities in the concept note application form.

Applicants successful in the first step of the process will be invited to submit a full application in a subsequent stage.

Applicants must complete both application forms carefully and as clearly as possible. Any error related to the points listed in the checklist of the application forms or any major inconsistency may lead to the rejection of the application. Clarifications will only be requested when information provided is unclear and thus prevents the project's evaluation committee from conducting an objective assessment.

All application documents, including the concept note and full application forms and annexes, must be submitted through the online platform set up to receive applications (<https://sme4smartcities.oncat.eu/home>). Applicants must register on the online platform to upload applications. Please see below the list of annexes to submit for each step of the application.

Hand-written applications will not be accepted. Paper / printed versions submitted by post or other means will not be accepted. Applicants must apply in English.

### 5.2 Information about applications

Questions may be sent no later than 10 days before the deadlines of the concept note step and full application step through the dedicated online platform <https://sme4smartcities.oncat.eu/home>, indicating clearly the reference of the call for sub-grants.

The Contracting Authority has no obligation to provide clarifications to questions received after this date. Replies will be given no later than 5 days before the deadline for both the concept note step and full application step.

To ensure equal treatment of applicants, the Contracting Authority cannot give a prior opinion on the eligibility of applicants, co-applicants, or an action.

No individual replies will be given to questions. All questions and answers as well as other important notices to applicants during the course of the evaluation procedure, will be published on the website (<https://sme4smartcities.oncat.eu/home>) as the need arises. It is therefore advisable to consult the above-mentioned websites regularly in order to be informed of the questions and answers published.

### 5.3 Concept note content

Sub-grant applicants are invited to submit an application for the concept note step using the instructions and concept note application form annexed to these guidelines (Annex 1).

The concept note step of the call is not open to co-applicants. Applicants having submitted a concept note may join another applicant and become co-applicant in the full application step

Please note that:

1. In the concept note, applicants must provide a brief description of their approach to tackling up to two **of the urban challenges** as identified in Table 1, covering all the areas described in these guidelines. The description should focus on the relevance of the proposed product or service in terms of the priorities of this call for sub-grantees and the operational capacity and experience of the applicant. Successful first-step applicants will be offered the opportunity to attend co-creation activities and training with other SMEs.
2. Only the concept note form and relevant annexes will be evaluated. It is therefore of utmost importance that this document contains **ALL relevant information** concerning the action. **No additional annexes should be sent.**
3. Applicants should submit their applications through the call for proposals corresponding to the eligible country their SME is established in. For applicants established in the Region of Murcia, applications should be submitted through the call for proposals labelled “Murcia”. For applicants established in the Region of Andalusia, applications should be submitted through the call for proposals labelled “Málaga”. For applicants established in any other eligible and adjoining Spanish territory, applications can be submitted to either of the two Spanish CfPs.

### 5.4 Deadline for submission of concept notes

**The deadline for submission of the concept note step of the application is 02 December 2021 at 18:00 CET.**

Any application submitted after the deadline will be rejected.

Applicants must verify that their application is complete using the checklist included in the sub-grant application form (Annex 1). Incomplete applications may be rejected.

Pre-selected applicants (first step) are expected to be notified in **January 2022.**

### 5.5 Full application content

Lead applicants invited to submit a full application following pre-selection of their concept note must do so using the full application form annexed to these guidelines (Annex 4).

Please note that:

1. In the full application, lead applicants must provide a detailed budget in relation to the eligible costs of the action (Annex 5).
2. In the full application, lead applicants must provide a detailed description of the product or service that **will address one urban challenge** as identified in Table 1, covering all the areas described in these

guidelines. In addition to the relevance of the proposed product or service, the full applications should include details regarding the objectives, outputs and impacts per beneficiary. Lead applicants must describe a detailed timeline and methodology of the activities implemented and detail the sustainability of the final output.

3. In the full application, applicants must apply to the call for proposals corresponding to the urban challenge they intend to tackle, regardless of which call for proposals was applied to and which urban challenges were addressed in the concept note step by the lead applicant (and any co-applicants if applicable).
4. Only the full application form and relevant annexes will be evaluated. It is therefore of utmost importance that this document contains **ALL relevant information** concerning the action. **No additional annexes should be sent.**

#### 5.6 Deadline for submission of full applications

The deadline for submission of the full application step of the application is 31 May 2022 at 18:00 CET.

Applicants must verify that their application is complete using the checklist included in the sub-grant application form. Incomplete applications may be rejected.

Any application submitted after the deadline will be rejected.

Successful sub-grantee applicants (second step) are expected to be notified in **July 2022**.

## 6 EVALUATION AND SELECTION OF CONCEPT NOTE APPLICATIONS

### STAGE 1: OPENING & ADMINISTRATIVE CHECKS OF THE CONCEPT NOTE

During the opening and administrative check, the following will be assessed:

- If the deadline has been met. Otherwise, the application will be automatically rejected.
- If the concept note satisfies all the criteria specified in the checklist of the concept note instructions (Annex 1). This also includes an assessment of the eligibility of the applicant. If any of the requested information is missing or is incorrect, the application may be rejected on that **sole** basis and the application will not be evaluated further.

### STAGE 2: VERIFICATION OF ELIGIBILITY OF THE APPLICANTS

The eligibility verification will be performed on the basis of the supporting documents submitted along with the concept note application form (Annexes 2 and 3).

- Annex 2 is the SME Declaration of Honour, Legal Status Declaration and Financial Self-Check Tool. Applicants must provide as part of Annex 2 the results of the European Union Financial Self-Check tool.
- Applicants from Spain and Italy must submit Annex 3, a *de minimis* declaration, to confirm they have not been a recipient of State Aid through other grants or financing support from Italy in excess of 200.000 euro over a period of three years.

- Any missing supporting document or any incoherence between the declaration by the applicant and the supporting documents may lead to the rejection of the application on that sole basis.
- The eligibility of applicants will be verified according to the criteria set out in Section 4.1 of the present Guidelines.

Only applications from applicants compliant with eligibility requirements will be considered for evaluation (STAGE 3).

### STAGE 3: EVALUATION OF THE CONCEPT NOTE APPLICATION

The concept notes that pass this check will be evaluated on operational capacity of the applicants and the proposed approach to solving the selected urban challenges.

Concept note applications will be examined and evaluated by evaluation committees based in the Contracting Authority's organisation.

Each evaluation committee for the concept note step will be comprised of three staff members of the Contracting Authority who have adequate technical capacity to assess applications and are independent from applicants.

The concept notes will receive an overall score out of 60 using the breakdown in the evaluation grid below. The evaluation will also check on compliance with the instructions on how to complete the concept note, which can be found in Annex 1.

#### **Concept Note Selection Criteria Evaluation Grid**

	<b>Maxi. score</b>
<b>1. Operational capacity of the applicant</b>	<b>40</b>
1.1 Does the applicant have practical experience of Smart City themes and/or other urban challenges in the project's countries and territories?	20
1.2 Does the applicant have sufficient in-house experience of project management developing products with similar complexity and/or characteristics?	10
1.3 Does the applicant have experience participating in innovation co-creation activities and / or international cooperation projects?	5
1.4 Does the applicant have past experience developing environmentally sustainable products or services?	5

<b>2. Relevance of the intended approach</b>	<b>20</b>
2.1 How relevant is the proposed approach to solve the selected urban challenge(s) with respect to the Smart City sector?	10
2.2 How relevant are the applicants' planned / existing capacities or products or services in solving the particular urban challenge(s) in the chosen country(ies) and territory(ies)?	10
<b>Total</b>	<b>60</b>

Applicants will have their concept note applications evaluated as follows:

- The Contracting Authority based in the same country as the SME (see Section 5.3 for details on Spanish-based SMEs) will evaluate section 1 of the evaluation grid.
- The Contracting Authority(ies) corresponding to the urban challenge(s) as selected by the applicant will evaluate section 2 of the evaluation grid.

Once all concept notes have been assessed, a list will be drawn up with the applications ranked according to their total score.

Only the concept notes with a score of at least 30 overall and at least a score of 20 in criteria 1. 'Operational capacity of the applicant' will be considered for pre-selection.

Applicants who describe their approach to tackling more than one of the identified urban challenges will have their overall concept note scores ranked according to the highest scoring evaluation of the urban challenges tackled in section 2.

Applicants will receive a letter indicating the reference number of their application and the respective results. The pre-selected applicants will subsequently be invited to submit full applications.

## **7 EVALUATION AND SELECTION OF FULL APPLICATIONS**

### **STAGE 1: OPENING & ADMINISTRATIVE CHECKS OF THE FULL APPLICATION**

During the opening and administrative check, the following will be assessed:

- If the submission deadline has been met. Otherwise, the application will automatically be rejected.
- If the full application satisfies all the criteria specified in the full application checklist (Annex 4, Instructions). This includes an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the application may be rejected on that sole basis and the application will not be evaluated further.
- If the full application form (Annex 4) is duly signed.

## STAGE 2: VERIFICATION OF ELIGIBILITY OF THE APPLICANTS

The eligibility verification will be performed on the basis of the following supporting documents submitted along with the full application form:

- The *de minimis* declaration (Annex 6). Following the support provided by the SME4SMARTCITIES project to pre-selected applicants after the concept note step and any other support received, applicants from Spain and Italy must again submit Annex 6, a *de minimis* declaration, to confirm they have not been a recipient of State Aid through other grants or financing support from Italy in excess of 200.000 euro over a period of three years.
- Financial identification form. The model will be filled in with the bank and account holder details and will be certified by the bank to which the payments will be made. This bank should be located in the country where the applicant is established. Applicants should attach a copy of a bank statement from at least 3 months before the full application submission.
- Any missing supporting document or any incoherence between the declaration by the applicant and the supporting documents may lead to the rejection of the application on that sole basis.

## STAGE 3: EVALUATION OF THE FULL APPLICATION

The full applications that pass stages 1 and 2 of the full application evaluation will be further evaluated on their quality, including the relevance and design of the proposed solution, the proposed budget and capacity of the applicants and co-applicants.

They will be evaluated using the evaluation criteria in the evaluation grid below.

### Full Application Selection Criteria Evaluation Grid

	Maxi. score
<b>1. Relevance of the action</b>	<b>30</b>
1.1 How relevant is the action to solving the selected urban challenge?	10
1.2 How relevant is the proposal to the particular needs and constraints of the target Mediterranean territory?	10
1.3 How does the proposal respond to the relevant and specific needs of identified stakeholders at a country and territorial level?	10
<b>2. Design of the action</b>	<b>30</b>



2.1 Is the action proposed by a consortium of two or more pre-selected SMEs (a lead applicant and at least a co-applicant)?	5
2.2 ( <i>Applicable if 2.1 has been answered “yes”</i> ) Are the SMEs applying from at least two different eligible countries?	5
2.2 Does the proposal and applicant(s) demonstrate an innovative approach to the proposed product or service?	10
2.3 Is the action plan for implementing the action clear and feasible? Is the timeline realistic and does(do) the applicant(s) have access to equipment, where necessary to develop the solution within the timeframe?	10
<b>3. Operational capacity of the lead and co-applicants</b>	<b>20</b>
3.1 Do the lead applicant and co-applicant(s) have practical experience of Smart City themes and/or other urban challenges in the chosen country and territory?	10
3.2 Does the applicant have sufficient in-house experience of project management and technical experience developing products with similar complexity and/or characteristics?	10
<b>4. Sustainability of the action</b>	<b>10</b>
4.1 Is the action likely to have multiplier effects, including scope for replication, extension, capitalisation on experience and knowledge sharing?	5
4.2 Are the expected results of the proposed action environmentally sustainable? (e.g. improving resource efficiency, waste reduction, use of renewable energy and Circular Economy methods, reduction of CO2)	5
<b>5. Budget and cost-effectiveness of the action</b>	<b>10</b>
5.1 Are the activities appropriately reflected in the budget?	5
5.2 Is the ratio between the estimated costs and the expected results satisfactory?	5

<b>6. Participation in training and co-creation activities<sup>10</sup></b>	<b>15</b>
6.1 Have the lead applicant and co-applicants (if any) submitted the assessment form after completing the online Smart City training course? <i>(6 points are awarded if all applicants have submitted the assessment form and 3 points are awarded if at least 1 applicant of a consortium did submit the form)</i>	6
6.2 Have the lead applicant and co-applicants (if any) participated in at least one entrepreneurial mission (and related “business meeting event”) in project territories? <i>(6 points are awarded if all applicants have participated in at least one mission and 3 points are awarded if at least 1 applicant of a consortium did participate in at least one mission)</i>	6
6.3 Have the lead applicant and co-applicants (if any) participated in the project matching activities? <i>(3 points are awarded if all applicants have participated in the project matching activity and 3 points are awarded if at least 1 applicant of a consortium did participate in the project matching activity)</i>	3
<b>Total</b>	<b>115</b>

Only the full applicants with a score of at least 60 overall and at least a score of 10 in criteria 1 ‘Relevance of the action’ and at least a score of 10 in criteria 2 ‘Design of the action’ will be considered for selection.

After the evaluation, a table will be drawn up listing the applications ranked according to their score. In the case of the Call of Proposals to the Smart City Solutions - Genoa (Italy), in which 2 challenges have been defined, two lists will be drawn up with a ranking for each challenge. In addition, a reserve list will be drawn up following the same criteria. This list will be used if more funds become available during the validity period of the reserve list.

Full applications will be examined and evaluated by a centralised evaluation committee composed of:

- 1 representative of each of the SME4SMARTCITIES project partners (5 in total)
- At least 2 representatives of the SMEs and / or Cities project support groups

<sup>10</sup> Applicants will have the opportunity to upload the results of their online test and attendance certificates for business meetings and project matching activities on the dedicated online platform for receiving applications.  
 Guidelines for sub-grant applicants – SME4SMARTCITIES

## 8 NOTIFICATION OF THE RESULTS OF THE EVALUATION

### 8.1 Content of the decision

Applicants will be informed in writing of the Contracting Authority's decision concerning their application and, if rejected, the reasons for the negative decision. An applicant believing that it has been harmed by an error or irregularity during the award process may lodge a complaint.

### 8.2 Indicative timetable

	DATE
<b>1. Launch of the call for concept notes</b>	26 October 2021
<b>3. Deadline for submission of concept notes</b>	02 December 2021
<b>4. Information to applicants on the concept note evaluation</b>	January 2022
<b>5. Commencement of training and co-creation activities between pre-selected applicants</b>	February 2022
<b>6. Invitation to pre-selected applicants to submit full applications</b>	March 2022
<b>7. Deadline for submission of full application form</b>	May 2022
<b>8. Information to applicants on the full application form evaluation</b>	July 2022
<b>9. Contract signature</b>	July 2022

*This indicative timetable refers to provisional dates and may be updated by the Contract Authority during the procedure. In such cases, the updated timetable will be published on the dedicated online platform <https://sme4smartcities.oncat.eu/home>.*

## 9 CONDITIONS FOR PAYMENT

Following the decision to award a sub-grant, the sub-grantee will be offered a contract based on the standard sub-grant contract (see Annex 8 of these guidelines).

After signing the contract:

- a pre-financing (60% of the grant) will be paid to the sub-grantee.
- the remaining 40% of the grant contract amount will be disbursed after a positive assessment by the internal committee of the SME4SMARTCITIES project partner in the region where the action is taking place of the final product or service and expenditure verification checks.

## 10 OWNERSHIP AND TRANSFER CONDITIONS

The sub-grant beneficiaries will be sole owners of the Smart City solutions enabled through the Call. In accordance with Article 16 of the standard sub-grant contract (Annex 8), ownership of, and title and intellectual and industrial property rights to, the products or services of the Smart City Solutions call will be vested in the sub-grant beneficiaries. The final beneficiaries of the products and services developed through the Smart City Solutions call will be the municipalities.

Sub-grant beneficiaries located in EU Member States may implement activities in Mediterranean Partner Countries (Israel, Palestine) involving equipment, vehicles and supplies. The equipment, vehicles and supplies paid for by the budget for the action must be transferred to the municipalities being final recipients of the action, at the latest when submitting the report.

## 11 LIST OF ANNEXES

### DOCUMENTS TO BE COMPLETED

1. Concept note step

**Annex 1:** Concept note application form

**Annex 2:** SME Declaration of Honour, Legal Status Declaration and Financial Self-Check Tool<sup>11</sup>

**Annex 3:** De minimis declaration (only for applicants from Spain and Italy).

1. Full application step

**Annex 4:** Full application form

**Annex 5:** Estimated budget form

**Annex 6:** De minimis declaration (only for applicants from Spain and Italy) (one declaration per applicant in the case of applications submitted by consortiums).

**Annex 7:** Financial identification form<sup>12</sup>

### DOCUMENTS FOR INFORMATION

**Annex 8:** Standard sub-grant contract

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<sup>11</sup> The form containing the SME Declaration of Honour, Legal Status Declaration and Financial Self-Check Tool must be accompanied by the justifying documents detailed in the form.

<sup>12</sup> With the financial identification form, applicants should attach a copy of a bank statement from at least 3 months before the full application submission.