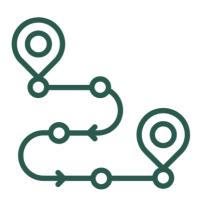


DIGITAL, INNOVATION, AND GREEN TECHNOLOGY PROJECT (DIGIT PROJECT)









REPUBLIC OF CROATIA MINISTRY OF SCIENCE, EDUCATION AND YOUTH

Donje Svetice 38, Zagreb 10 000, Croatia

DIGITAL, INNOVATION, AND GREEN TECHNOLOGY PROJECT (DIGIT PROJECT)

IBRD LOAN NO. 9558-HR

PROJECT ID: P180755



GUIDELINES FOR APPLICANTS CALL FOR PROPOSALS UNDER THE CHALLENGE PROGRAM

CALL REFERENCE NUMBER: DIGIT.2.1.02

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Abbreviations and Acronyms

AWU	annual work units
CSF	Croatian Science Foundation
DIGIT	Digital, Innovation, and Green Technology Project
E&S	environmental and social
EPO	European Patent Office
ESCOP	Environmental and Social Code of Practice
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESSQ	Environmental and Social Screening Questionnaire
EU	European Union
EUR	euro (currency)
FAQ	frequently asked questions
FTE	full-time equivalent
GDPR	General Data Protection Regulation
GOM	Grants Operations Manual
HEI	Higher education institution
IBRD	International Bank for Reconstruction and Development
IFC	International Finance Corporation
IP	Intellectual Property
MSEY	Ministry of Science, Education and Youth
NDS	National Development Strategy of the Republic of Croatia
OG	Official Gazette
PoC	Proof-of-Concept
PRI	Public research institute
PRO	Public research organization
RO	Research organization
S3	Smart Specialization Strategy 2029
SIPO	State Intellectual Property Office of the Republic of Croatia
SMEs	Micro, small, or medium-sized enterprises
ToC	Theory of Change
VAT	value added tax
WB	World Bank
WIPO	World Intellectual Property Organization

Definitions

In this document, the following terms and expressions are defined as follows:

- «Applicant» is a public entity that intends to submit or has submitted a project proposal to the funding program (in this case the Challenge program and this Call for proposals) under a grant scheme.
- «Baseline survey» is a questionnaire completed at the beginning of the application process to
 collect important baseline information about the applicant and partners, project proposal, and
 program feedback. This data helps assess the current capabilities of the applicants/partner,
 establishes a reference point for future evaluations, and provides insights for the impact
 assessment of the Call.
- «Beneficiary» is the signatory to the Grant Agreement, which receives the funding, claims costs, and takes complete responsibility for the proper implementation of the proposed project.
- «Call for proposals» or «Call» refers to an invitation for project funding issued by the Ministry
 of Science, Education and Youth (MSEY) and represents funding opportunity available
 through DIGIT Project. Direct financial contribution in the form of a grant is awarded to the
 beneficiaries through the Call to engage in activities that support the objectives of the DIGIT
 Project and policies related to digital transformation and green transition.
- «Concept note» is a concise preliminary document outlining the core idea, objectives, expected
 outcomes, methodology, and feasibility of a proposed project. It serves as the basis for an
 initial evaluation to determine its alignment with the Call and its suitability for further
 development.
- «Double funding» means eligible expenditures have not been previously financed by grants from any public source (including from the EU) nor will they be financed more than once besides this Call.
- «Effective collaboration» means collaboration between at least two independent parties to exchange knowledge or technology, or to achieve a common objective based on the division of labour where the parties jointly define the scope of the collaborative project, contribute to its implementation and share its risks, as well as its results. One or several parties may bear the full costs of the project and thus relieve other parties of its financial risks. Contract research and provision of research services are not considered forms of collaboration.
- «Experimental development» means acquiring, combining, shaping and using existing scientific, technological, business and other relevant knowledge and skills with the aim of developing new or improved products, processes or services, including digital products, processes or services, in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as for example super-computing, quantum technologies, block chain technologies, artificial intelligence, cyber security, big data and cloud or edge technologies). This may also encompass, for example, activities aiming at the conceptual definition, planning and documentation of new products, processes or services. Experimental development may comprise prototyping, demonstrating, piloting, testing and validation of new or improved products, processes or services in environments representative of real life operating conditions where the primary objective is to make further technical improvements on products, processes or services that are not substantially set. This may include the development of a commercially usable prototype or pilot which is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes. Experimental development does not include routine or

- periodic changes made to existing products, production lines, manufacturing processes, services and other operations in progress, even if those changes may represent improvements.
- «Full application» is a detailed project proposal submitted in the second stage of this Call, expanding on the Concept note with comprehensive descriptions of objectives, methodologies, timelines, resources, budget, and compliance with environmental, social, and ethical standards, aimed at demonstrating the project's excellence, potential, feasibility, and eligibility for funding.
- «Grant» refers to funding provided or proposed to be provided under the terms of a Grant Agreement, in accordance with the criteria and procedures outlined in the Grants Operations Manual (GOM) and Call for proposals issued by MSEY. It is awarded to an eligible Beneficiary for a project financing and is funded from the proceeds of the loan.
- «Grant Agreement» refers to an agreement entered into between the MSEY, Croatian Science Foundation (CSF), and a Beneficiary, for financing and implementing a project.
- «Grant scheme» collectively refers to the schemes or programs for extending grants to beneficiaries under sub-components 1.1, 1.2, 2.1, and 2.2 of the DIGIT Project following the GOM.
- «Industrial research» means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or aimed at bringing about a significant improvement in existing products, processes or services, including digital products, processes or services, in any area, technology, industry or sector (including, but not limited to, digital industries and technologies, such as supercomputing, quantum technologies, block chain technologies, artificial intelligence, cyber security, big data and cloud technologies). Industrial research comprises the creation of components parts of complex systems, and may include the construction of prototypes in a laboratory environment or in an environment with simulated interfaces to existing systems as well as of pilot lines, when necessary for the industrial research and notably for generic technology validation.
- «Mission» refers to a specific, ambitious, and measurable objective that addresses a defined societal or technological challenge within the scope of the Challenge program.
- «Partner» is an organization that collaborates with the applicant to jointly implement a project under the Challenge program.
- «Program» refers to the Challenge program under the DIGIT Project. This Call for proposals DIGIT.2.1.02 is published under this Program.
- «Project» means a project carried out by a Beneficiary using a grant under one of the grant schemes (in this case the Challenge program).
- «Research and knowledge-dissemination organization» or «research organization» refers to an entity (in case of this Call, higher education institutions, research institutes or other research institutions), irrespective of its legal status (public or private) or source of financing, whose primary goal is to independently conduct fundamental research, industrial research or experimental development, or to widely disseminate the results of such activities through teaching, publication, or knowledge transfer. Where such entity also engages in economic activities, the financing, the costs and the revenues of those economic activities must be accounted for separately. Entities that can exert a decisive influence over such an organization, for example as shareholders or members, may not enjoy preferential access to the results generated by it.

1. About the Challenge program and context of the Call

The Call for proposals under the Challenge program (hereafter: the Call) is financed by the Digital, Innovation, and Green Technology (DIGIT) Project. The DIGIT Project, a EUR 106 million initiative, aims to drive digital transformation and green transition across the economy, increase funding for industrial research and experimental development, and support the Croatian government in strengthening institutional capacity for delivering research and innovation policies. Funded through a World Bank loan signed in June 2023, the DIGIT Project is scheduled for completion by December 2028.

The Call is implemented under the Challenge program (hereafter: the Program), which is established to support the development of innovative solutions addressing large-scale and complex challenges in digital transformation and the transition to the net-zero economy, all requiring a mission-driven approach. A mission-oriented project involves any new or improved technological, social, or organizational solution (product, process, or service) that contributes to achieving the mission. The concept of mission-oriented research and development is not a "one size fits all" but is rather flexible and adaptable, emphasizing its goal-driven nature and focus on addressing specific societal needs. Its importance lies in its ability to align research and innovation efforts with overarching societal objectives, fostering sustainable development and economic growth.

This Call seeks high-quality, mission-driven projects from consortia of relevant entities, contributing to Croatia's digital transformation and green transition, as detailed in the following sections.

The Call follows a two-stage process, beginning with the submission of concept notes in the first stage, followed by the submission of full applications by shortlisted applicants in the second stage.

Applicants are invited to submit their Concept note project proposals under one of the defined challenges listed in Section 3.1 of this document.

Applicants should carefully review the Call documentation, including the accompanying annexes, as these documents provide essential clarifications and guidance for preparing their applications.

2. Legal framework and governance

A grant within this Call will be awarded to the Beneficiary in accordance with the conditions set forth in the:

- Project Appraisal Document (PAD) Digital, Innovation, and Green Technology Project -P180755¹:
- The Law on the Confirmation of the Loan Agreement between the Republic of Croatia and the International Bank for Reconstruction and Development for the Digital, Innovation, and Green Technology Project (Official Gazette (OG) 9/23)²;
- Environmental and Social Management Framework (ESMF)³;

¹ Project Appraisal Document (PAD), <u>link</u>

² Law on the confirmation of the Loan agreement between the Republic of Croatia and the International Bank for Reconstruction and Development for the "Digital, Innovation, and Green Technology" project (Official Gazette 9/23), link

³ Environmental and Social Management Framework, link

- Grants Operations Manual (GOM)⁴;
- Grant Agreement⁵.

The following national and EU legislation is relevant in the context of this Call:

- Law on Higher Education and Scientific Activity (OG 119/22);
- Bankruptcy Law (OG 71/15, 104/17, 36/22, 27/24);
- Law on Financial Operations and Pre-bankruptcy Settlement (OG 108/12, 144/12, 81/13, 112/13, 71/15, 78/15, 114/22);
- Companies Act (OG 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 111/12, 125/11, 68/13, 110/15, 40/19, 34/22, 114/22, 18/23, 130/23, 136/24);
- Corporate Income Tax Law (OG 177/04, 90/05, 57/06, 146/08, 80/10, 22/12, 148/13, 143/14, 50/16, 115/16, 106/18, 121/19, 32/20, 138/20, 114/22, 114/23, 152/24);
- Criminal Code (OG 125/11, 144/12, 56/15, 61/15, 101/17, 118/18, 126/19, 84/21, 114/22, 114/23, 36/24);
- Criminal Code (OG 110/97, 27/98, 50/00, 129/00, 51/01, 111/03, 190/03, 105/04, 84/05, 71/06, 110/07, 152/08, 57/11, 77/11, 143/12);
- Law on Prevention of Money Laundering and Terrorist Financing (OG 108/17, 39/19, 151/22)
- Law on Public Procurement (OG 120/16, 114/22);
- State Aid Act (OG 47/2014, 69/17);
- Law on the Implementation of the General Data Protection Regulation (OG 42/18);
- Ordinance on Simple and other Construction Works and Works (OG 112/17, 34/18, 36/19, 98/19, 31/20, 74/22, 155/23);
- Treaty on European Union and Treaty on the Functioning of the European Union (2016/C 202/01);
- Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market under of Articles 107 and 108 of the Treaty, including its subsequent amendments regulations (hereafter: Regulation (EU) No 651/2014);
- Communication from the Commission Framework for State Aid for Research and Development and Innovation (2022/C 414/01);
- Artificial Intelligence Act (Regulation (EU) 2024/1689).

In addition to the previously established regulations, all delegated and implementing acts adopted based under them also apply. For foreign partners, the relevant legislation is that of the country where their organization is registered.

The regulations applicable to this Call are those in force at the time of its publication. This means that the Guidelines for Applicants and annexes, and any relationships arising from the Call are subject to current legislation, including any laws and regulations that come into force later, as well as any subsequent amendments. Applicants are responsible to verify the applicable laws at the time of submitting their project proposal, as the regulations in force at the time of submission will apply.

The Ministry of Science, Education and Youth (hereafter: MSEY) oversees the entire DIGIT Project and manages each program. The MSEY is in charge of the execution of this Call, while the Croatian Science Foundation (hereafter: CSF) provides implementation support by conducting the selection process of project proposals, preparing and signing grant agreements (together with MSEY) (and any

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⁴ Grants Operations Manual (GOM), <u>link</u>

⁵ Annex A. Template of a Grant Agreement is part of Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project (Section 4.1.) of this Call for proposals

addendums, if applicable), monitoring and the implementation of projects.

3. Objectives and focus of the Call

3.1. Call objective and defined challenges

This Call will finance projects that demonstrate promising or proven innovative approaches to address the challenges of digital transformation or green transition. With the DIGIT Project, the Republic of Croatia adopts and implements innovative solutions that stimulate the economic growth and enhance innovation and technological advancement. The objective of this Call is the following:

• Development and implementation of innovative solutions that address major challenges in digitalization and green transition, aimed at improving industrial efficiency, competitiveness, and fostering stronger sectoral and technological connections.

The Call supports the development of solutions for complex challenges that require a mission-driven approach. Applicants must define a mission within one of the challenges that align with the Smart Specialization Strategy 2029⁶ (S3) and the National Development Strategy of the Republic of Croatia⁷, as outlined in Table 1.

Table 1. Challenges and topics

Challenge	Description	Alignment with strategic documents
Challenge 1: Digital Future Innovation Challenge	This challenge focuses on advancing digital technologies to foster innovation, efficiency, and connectivity across multiple sectors. The goal is to develop transformative solutions that strengthen industries, enhance public services, and build technological resilience, thereby securing a robust foundation for Croatia's digital future.	 Smart Specialization Strategy 2029 (S3): Submitted projects must contribute to at least one of the seven Thematic Priority Areas (TPAs) defined in the S3 Strategy: Personalized Healthcare: Enhancing the competitiveness of the healthcare sector through the development and delivery of personalized healthcare services. Smart and Clean Energy: Advancing competitiveness in the energy sector through the production and application of smart and clean energy. Smart and Green Transport: Developing solutions to improve competitiveness in the transport sector through smart and green mobility innovations. Security and Dual-Use – Awareness, Prevention,
Challenge 2: Green Horizons Innovation Challenge	This challenge aims to develop innovative practices and technologies that contribute to environmental sustainability and resilience. It focuses on advancing the net-zero transformation of industries and fostering sustainable industrial processes that minimize environmental impact and	 Response, Remediation: Enhancing competitiveness in the security sector through solutions focusing on awareness, prevention, response, and remediation for security incidents. Sustainable and Circular Food: Boosting competitiveness and sustainability in food production by focusing on high-value food products. Customized and Integrated Wood Products: Advancing the competitiveness and sustainability in the wood industry through the development of customized and integrated wood products. Digital Products and Platforms: Increasing competitiveness in the ICT sector by transitioning from

⁶ Smart Specialization Strategy 2029, <u>link</u>

⁷ National Development Strategy of the Republic of Croatia, link

enhance Croatia's climate resilience.

software services to innovative digital products and platforms.

National Development Strategy (NDS) 2030: In addition to aligning with S3 TPAs, projects must contribute to Development Direction 3: Green and Digital Transition, which includes the following areas:

- Ecological and energy transition for climate neutrality;
- Self-sufficiency in food production and the development of bioeconomy;
- Sustainable mobility;
- Digital transition of society and economy.

Applicant must define a clear mission within the selected challenge and demonstrate how the proposed project aligns with the identified strategic priorities outlined in S3 and NDS.

This Call is seeking projects focused on digital transformation and/or the green transition, where applicant and partners within the consortium will define their mission to address these areas. Projects should aim to contribute to higher-level outcomes, such as economic growth, environmental sustainability, or societal well-being. In this context, a mission is a specific, ambitious, and measurable goal set by the consortium that clearly outlines how the proposed project will help address one of the key challenges identified in this Call.

The main objective and expected outcomes are integrated into the Theory of Change (ToC), which serves as the logical framework for the Call, illustrated in Figure 1. The ToC outlines the expected immediate results, activities, and inputs required to achieve long-term effects. All projects must align with the ToC framework. Additionally, Table 2 explains the requirements for setting project-level indicators and targets. Applicants may propose additional indicators and targets for their projects on beyond those required in Table 2.

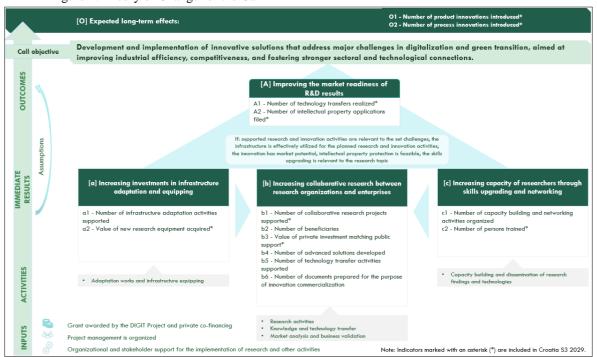


Figure 1. Theory of Change for the Call

Table 2: Results framework of the Call

Objective of the Call: Development and implementation of innovative solutions that address major challenges in digitalization and green transition, aimed at improving industrial efficiency, competitiveness, and fostering stronger sectoral and technological connections

Indicator label	Level	Indicator	Measurement unit	Deadline for completion	Note regarding the selection of indicators
	Impact	Number of product innovations introduced	product	Three years after project completion	
01	introduced to products are significantly. This include and materi- characteristi or may be ba- technologies. Indicator ac- challenges (to the market as a result of protection that introduce new goods improved existing ones in terms as significant improvements in teals, embedded software, easiers. Product innovations may us used on new applications or common. The common terms are the common terms are the common terms are the common terms are the common terms. The common terms are the common term	roject implementa or services to the s of their characteric chnical specification be of use or on e new knowledge binations of existing ording to the focus ransition).	tion. Innovative e market, new or astics or purpose. ons, components other functional or technologies ing knowledge or	Applicants need to select at least one impact indicator from group O and
	Impact	Number of process innovations introduced	process	Three years after project completion	set a target value for it at the project
02	introduced innovation is production equipment a unit costs of new or signi Indicator ac (digital trans	to the market as a result of the the market as a result of the implementation of a new of or delivery. This includes signad/or software. The goal of proproduction or delivery, to improficantly improved products. The chievement will be tracked by sformation or green transition).	project impleme r significantly imp gnificant changes ocess innovation n ove quality, or to pro-	ntation. Process roved method of in techniques, hay be to reduce roduce or deliver e set challenges	level.

[A] Specific	[A] Specific objective: Improving the market readiness of research and development results				
Indicator label	Level	Indicator	Measurement unit	Deadline for completion	Note regarding the selection of indicators
	Outcome	Number of technology transfers realized	technology transfer	One year after project completion	Applicants need to select at least one
A1	Description: The indicator measures transfers of research results (knowledge and technology) achieved through project implementation of the projects for the purpose of further development and/or use in the development and commercialization of new products (goods or services) or processes. The results of the projects can be transferred from the beneficiaries to other entities value for it at				

	in the form	of R&D agreements or intellectu	ual property licens	sing agreements,	the project
	or the establ	ishment of new enterprises.			level.
	Source of vo	erification: report and/or survey	in the post-implen	nentation period.	
		Number of intellectual		One year after	
	Outcome	property applications filed	application	project	
		property applications med		completion	
	Description	: The indicator measures the nur	nber of application	ns for intellectual	
A2	property, in	cluding patents, trademarks, ind	ustrial designs, et	c., submitted by	
A2	supported en	ntities involved in the implemen	tation of the proje	ct, which are the	
	result of res	search activities carried out wit	hin the framewor	k of the funded	
	project.				
	Source of vo	erification: report and/or survey	in the post-implen	nentation period,	
	document or	r link to a public source verifying	g the application s	tatus.	

[a] Output:	Increasing in	nvestments in infrastructure a	daptation and eq	uipping	
Indicator label	Level	Indicator	Measurement unit	Deadline for completion	Note regarding the selection of indicators
	Output	Number of infrastructure adaptation activities supported	infrastructure adaptation activity	Project completion	Applicants need to include indicator a1
a1	adaptation a activities reenhance its directions. Source of v	This indicator measures the activities supported by the grant fer to improving and adapting a functionality within its field of erification: Annual financial statementation reports and final	ts awarded under existing research work or to enab	the Call. These infrastructure to le new research	and set a target value at project level if the project proposal includes infrastructure adaptation.
	Output	Value of new research equipment acquired	EUR	Project completion	Applicants need to include
a2	research and includes all activities. It consumable activities. Source of vo.	: This indicator measures the linnovation equipment supporte apparatus, tools and devices ut does not include, for instance materials used for carrying or erification: Annual financial station reports and final reports.	d under the Call. sed directly for cee, chemical subsuit experiments of	R&D equipment onducting R&D stances or other r other research	indicator a2 and set a target value at project level if the project proposal includes equipment acquisition.

_			ative research between r identified challenges	esearch organiza	tions and enterp	rises to develop
Indicator label	Level		Indicator	Measurement unit	Deadline for completion	Note regarding the selection of indicators
	Output		mber of collaborative rch projects supported	project	Project completion	
b1	projects fund other ROs an	ded und nd ente	indicator measures the r der the Call and implement rprises. ion: Decision on project	ented by ROs in p	partnership with	Applicants do not include indicators b1 and b2 in the project proposal.
	Output		Number of beneficiaries	beneficiary	Project completion	Program managers will
b2	grants award of benefician green transit	escription: This indicator measures the number of beneficiaries receiving ants awarded under the Call. The indicator separately measures the number beneficiaries implementing projects related to digital transformation or the the ten transition and categorizes them by type (enterprises, ROs). **urce of verification:* Decision on project financing, implementation reports*				monitor the indicators at the Call level.
	Output		Value of private investment matching public support	EUR	Project completion	Applicants need to select
b3	supported pr amount is ca and other con value, which	rojects in alculate of the control o	ndicator measures the total in addition to the public full d by deducting public full ons from public sources, it les eligible and ineligible cion: Beneficiary statement	unds received und ands (including the f applicable) from project costs.	er the Call. The value of grants the total project	indicator b3 and set a target value for it at the project level.
	Output		Number of advanced solutions developed	advanced solution	Project completion	
b4	solutions de implementation the cardevelopment challenges. advanced to or operation.	evelope ion. The itegorie t of co The so be cons al envir	indicator measures the ed by the supported end indicator separately traces of digital or green. In the support of the end in the support of the end in the support of the end in	number of innover number of innover number of innover number of innoverse number of in	rative advanced in the project ed solutions fall tions refers to gital and green is sufficiently a a target market	Applicants need to select indicator b4 and set a target value for it at the project level.
	Output		Number of technology transfer	technology transfer	Project completion	Applicants
b5	through proj research res entities, for development	ults (kan the part and continued to the part	activities supported ndicator measures technology plementation. Technology nowledge and technology urpose of their further commercialization of nev activities may result in	logy transfer active transfer refers to y from the bene development and y products (good	vities supported to the transfer of ficiary to other for use in the or services) or	need to include indicator b5 and set a target value for it at the project level.

	intellectual propert enterprises.	ty licensing agreements	or in the establi	shment of new	
	Source of verificat	tion: Implementation repo	orts and final repor	rt.	
	Output	Number of documents prepared for the purpose of innovation commercialization	document	Project completion	Applicants need to select
b6	support the comm project implementa studies, and comm monitoring, a disag prepared using inter	indicator measures the numericalization of technologation. The documents incomercialization studies of agregated measure will transl capacities or through	gies and innovated clude market analor plans. As parack whether the cexternal services.	ions related to ysis, feasibility rt of indicator documents were	indicator b6 and set a target value for it at the project level.

[c] Output:	Increasing capacity	of researchers through	skills upgrading	and networking	
Indicator label	Level	Indicator	Measurement unit	Deadline for completion	Note regarding the selection of indicators
	Output	Number of capacity building and networking activities organized	activity	Project completion	Applicants need to include indicator c1 and set a target
c1	researchers' skills national collaborate trainings, conference	aber of activities organize and facilitate networking ors, ROs and the busines sees, expert meetings, collabilition: Implementation repo	with potential ir s sector. These a boration matchma	nternational and ctivities include king events, etc.	value for it at the project level if the project proposal includes capacity building and networking activities.
	Output	Number of persons trained	person	Project completion	Applicants need to include
c2	and partner staff) w	indicator measures the nuthon complete training or oution: Implementation reposition.	ther skill develop	ment activities.	indicator c2 and set a target value at the project level if the project proposal includes training activities.

3.2. Mission-driven approach

The mission-driven approach entails setting an ambitious and inspirational target with wide societal relevance that catalyzes innovation across sectors and economic actors. Missions are characterized by several key features, as outlined in the Table 3⁸. Applicants should adopt and apply these features when preparing their project proposals.

Table 3. Key characteristics of missions

Key characteristics of missions	Description
Clearly defined goals	Missions are anchored by a clearly defined societal or technological target, often expressed as percentage reductions or increases, or absolute goals
Large-scale operation	Missions operate on a broad scale, mobilizing significant public and/or private investments, with clearly expected societal and economic impacts
Transformative change	Mission-oriented initiatives focus on driving transformative change, often exploring groundbreaking solutions for market or policy needs
Cross-disciplinary involvement	Missions are often cross-disciplinary, involving diverse technologies, actors, and sectors, with solutions applicable across various industries and social contexts
Promoting collaboration	Mission-oriented initiatives encourage partnerships across sectors, such as academia, ROs and industry, ensuring solutions are grounded in real-world needs and have broad support
Impact and scalability	Mission-oriented solutions are designed to achieve measurable outcomes, with a focus on scalability and sustainability, amplifying their effects over time and across regions.

3.3. Instructions for defining missions for the Call

Applicants are responsible for independently defining their own missions within the selected challenge, either the Digital Future Innovation Challenge or the Green Horizons Innovation Challenge, and the corresponding topic(s).

By defining their own missions, applicants can align their projects with their vision and objectives, contributing meaningfully to the overarching goals of the Call while fostering innovation and creativity.

The Table 4 provides detailed instructions to guide applicants in developing a clear, impactful, and achievable mission for their project.

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⁸ For more detailed insights on the mission-oriented research and innovation approach, applicants are encouraged to refer to additional resources, such as relevant reference sources (e.g., Mission-Oriented Innovation Policy, Mazzucato, 2017, The design and implementation of mission-oriented innovation policies, OECD Science, technology and industry, 2021, Mission-oriented policy studies and reports, European Commission, etc.).

Table 4. Instruction for defining missions

Step	Description Description
	Select a challenge and topic(s): Identify the challenge and the corresponding
1. Choose and understand the	topics from the Call that your project aims to address.
challenge and corresponding	Deep dive: Familiarize yourself thoroughly with this challenge through
topic(s)	relevant strategic framework to understand its context, significance, and the
topic(s)	needs it entails.
2. Define the mission statement and align with Call objective and ToC framework	 Mission statement: Your mission statement should be a clear and concise declaration of the project's purpose and objective(s) within the chosen challenge. While defining your mission, ensure it aligns with the objective of the Call and the ToC framework by considering the following: Specific: Clearly define the problem you aim to solve within the context of the chosen challenge. Impactful: Highlight the potential societal, environmental, or economic benefits of your project. Achievable: Ensure the mission is realistic and attainable within the scope and timeframe of the Call. Innovative: Propose novel ideas or approaches to solve the identified problem. Collaborative: Encourage partnerships across sectors, including academia, ROs and industry. Sustainable: Consider long-term impacts, both socially and environmentally. Scalable: Design your solution in a way that allows for the expansion or replication in other regions or sectors.
	Example template: "Our mission is to [action] by [method] in order to
	[desired outcome] for [target group] within [challenge area]".
	Understanding the ecosystem is crucial for an effective mission.
3. Demonstrate understanding of the ecosystem	Stakeholder analysis: Identify the key stakeholders, including partners, endusers, and policymakers, and their roles in achieving your mission. Market analysis: Understand the current landscape of your challenge area, including existing solutions and how your project will offer innovative or different approach. Regulatory considerations: Be aware of any legal or regulatory requirements that might affect your project, such as data privacy or environmental standards.
	Stakeholder analysis: Identify the key stakeholders, including partners, endusers, and policymakers, and their roles in achieving your mission. Market analysis: Understand the current landscape of your challenge area, including existing solutions and how your project will offer innovative or different approach. Regulatory considerations: Be aware of any legal or regulatory requirements that might affect your project, such as data privacy or environmental standards.
	Stakeholder analysis: Identify the key stakeholders, including partners, endusers, and policymakers, and their roles in achieving your mission. Market analysis: Understand the current landscape of your challenge area, including existing solutions and how your project will offer innovative or different approach. Regulatory considerations: Be aware of any legal or regulatory requirements that might affect your project, such as data privacy or environmental standards. Define the expected outcomes and long-term impacts of your mission. Measurable goals: Set indicators to measure the progress of your project, in line with the results framework presented in Table 2. Applicants may propose additional indicators on top of those required in Table 2. Societal impact: Explain how defined mission will positively impact society (e.g., improving healthcare, reducing emissions, increasing digital inclusion, etc.). Economic impact: Consider how your mission will support economic growth (e.g., creating jobs, reducing costs, etc.).
of the ecosystem 4. Outline expected outcomes	Stakeholder analysis: Identify the key stakeholders, including partners, endusers, and policymakers, and their roles in achieving your mission. Market analysis: Understand the current landscape of your challenge area, including existing solutions and how your project will offer innovative or different approach. Regulatory considerations: Be aware of any legal or regulatory requirements that might affect your project, such as data privacy or environmental standards. Define the expected outcomes and long-term impacts of your mission. Measurable goals: Set indicators to measure the progress of your project, in line with the results framework presented in Table 2. Applicants may propose additional indicators on top of those required in Table 2. Societal impact: Explain how defined mission will positively impact society (e.g., improving healthcare, reducing emissions, increasing digital inclusion, etc.). Economic impact: Consider how your mission will support economic growth (e.g., creating jobs, reducing costs, etc.). Provide a clear plan on how you will execute your mission and include the
of the ecosystem 4. Outline expected outcomes	Stakeholder analysis: Identify the key stakeholders, including partners, endusers, and policymakers, and their roles in achieving your mission. Market analysis: Understand the current landscape of your challenge area, including existing solutions and how your project will offer innovative or different approach. Regulatory considerations: Be aware of any legal or regulatory requirements that might affect your project, such as data privacy or environmental standards. Define the expected outcomes and long-term impacts of your mission. Measurable goals: Set indicators to measure the progress of your project, in line with the results framework presented in Table 2. Applicants may propose additional indicators on top of those required in Table 2. Societal impact: Explain how defined mission will positively impact society (e.g., improving healthcare, reducing emissions, increasing digital inclusion, etc.). Economic impact: Consider how your mission will support economic growth (e.g., creating jobs, reducing costs, etc.). Provide a clear plan on how you will execute your mission and include the requested information in the Concept note and Full application forms.
4. Outline expected outcomes and impact	Stakeholder analysis: Identify the key stakeholders, including partners, endusers, and policymakers, and their roles in achieving your mission. Market analysis: Understand the current landscape of your challenge area, including existing solutions and how your project will offer innovative or different approach. Regulatory considerations: Be aware of any legal or regulatory requirements that might affect your project, such as data privacy or environmental standards. Define the expected outcomes and long-term impacts of your mission. Measurable goals: Set indicators to measure the progress of your project, in line with the results framework presented in Table 2. Applicants may propose additional indicators on top of those required in Table 2. Societal impact: Explain how defined mission will positively impact society (e.g., improving healthcare, reducing emissions, increasing digital inclusion, etc.). Economic impact: Consider how your mission will support economic growth (e.g., creating jobs, reducing costs, etc.). Provide a clear plan on how you will execute your mission and include the requested information in the Concept note and Full application forms. Methodology: Describe your approach, including research methods,
of the ecosystem 4. Outline expected outcomes	Stakeholder analysis: Identify the key stakeholders, including partners, endusers, and policymakers, and their roles in achieving your mission. Market analysis: Understand the current landscape of your challenge area, including existing solutions and how your project will offer innovative or different approach. Regulatory considerations: Be aware of any legal or regulatory requirements that might affect your project, such as data privacy or environmental standards. Define the expected outcomes and long-term impacts of your mission. Measurable goals: Set indicators to measure the progress of your project, in line with the results framework presented in Table 2. Applicants may propose additional indicators on top of those required in Table 2. Societal impact: Explain how defined mission will positively impact society (e.g., improving healthcare, reducing emissions, increasing digital inclusion, etc.). Economic impact: Consider how your mission will support economic growth (e.g., creating jobs, reducing costs, etc.). Provide a clear plan on how you will execute your mission and include the requested information in the Concept note and Full application forms. Methodology: Describe your approach, including research methods, technological developments, or pilot testing.
4. Outline expected outcomes and impact	Stakeholder analysis: Identify the key stakeholders, including partners, endusers, and policymakers, and their roles in achieving your mission. Market analysis: Understand the current landscape of your challenge area, including existing solutions and how your project will offer innovative or different approach. Regulatory considerations: Be aware of any legal or regulatory requirements that might affect your project, such as data privacy or environmental standards. Define the expected outcomes and long-term impacts of your mission. Measurable goals: Set indicators to measure the progress of your project, in line with the results framework presented in Table 2. Applicants may propose additional indicators on top of those required in Table 2. Societal impact: Explain how defined mission will positively impact society (e.g., improving healthcare, reducing emissions, increasing digital inclusion, etc.). Economic impact: Consider how your mission will support economic growth (e.g., creating jobs, reducing costs, etc.). Provide a clear plan on how you will execute your mission and include the requested information in the Concept note and Full application forms. Methodology: Describe your approach, including research methods,

	Resources needed: Outline the resources required, such as funding, personnel,		
	technology, and any specific expertise.		
	Successful missions are often built on strong partnerships.		
6. Foster collaboration and partnerships	Cross-sector collaboration: Engage with partners from different sectors, ensuring that each partner contributes unique expertise or resources. International cooperation: If applicable, consider partnerships with international organizations to bring broader perspectives or technologies into your mission. Community engagement: Involve end-users and communities early in the development process to ensure that solutions are practical and meet their needs.		
7. Ensure compliance with ethical standards	Adhering to ethical standards is crucial for building trust and ensuring the sustainability of your mission. Data privacy: Adhere to data protection regulations, to ensure security and confidentiality of participant's data. Ethical considerations: Address any ethical implications, such as potential biases in technology, impact on vulnerable groups, or environmental effects. Transparency: Maintain transparency in your objectives, methodologies, and stakeholder engagement to foster trust and credibility. Refer to Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project for detailed ethical guidelines.		
8. Prepare a compelling, high quality proposal (for Concept note and Full application stages) Compile a well-structured proposal for both the Concept note application stages. Follow templates: Adhere to provided formats and guidelines. Clear communication: Clearly articulate your mission and approach. References: Cite sources, studies, or precedents to support your validity.			

4. Evaluation of the Call

By applying to this Call, the applicant and partner(s) consent to the use of the complete application documentation and data collected during the evaluation of project proposals for the purpose of conducting an impact evaluation of the Call, regardless of whether they receive support. Access to this data will enable proper evaluation of the impact of the Call. This consent is given through the signed declarations by both the applicant and partners (Annex II. and Annex III. of this document).

Before submission of the Concept note, applicants and partners are required to complete a baseline survey. The indicative content of the baseline survey is available in Annex V. of this document, and the links for completion are provided in Section 12.1 of this document.

Annex V. provides the indicative content of the baseline survey, intended solely to inform applicants/partners about the information required. The baseline survey must be completed exclusively via the links provided. In the declarations by the applicant and partner (Annex II. and Annex III. of this document) the applicant/partner confirms they have fully completed the survey form. In cases where a partner was not included in the consortium in the Concept note project proposal but is participating in the Full application stage, the partner is also required to complete a baseline survey, which must be confirmed in the Declaration by the Partner (Annex XII).

This survey will collect data on the previous achievements of the applicant/partners related to research, development, innovation activities, and technology transfer. The responses gathered from the survey will be used to evaluate the impact of the Call.

If the MSEY decides to conduct an impact evaluation of the Call, surveys will be administered after project completion and in subsequent years, with the purpose of collecting data on the results achieved by the applicants/partners in comparison to the baseline situation reported during project submission. By applying to this Call, the applicant and partners commit to participating in these additional surveys, should the MSEY decide to conduct them, and consent to the use of collected data for impact evaluation purposes, regardless of whether they receive support or not. This consent is also provided through the signed declarations by the applicant and partners (Annex H. XI. and Annex H. XII. of this document). The MSEY will ensure that any future surveys do not create an undue administrative burden for respondents, also ensuring the adherence to the GDPR (General Data Protection Regulation) particularly with regards to purpose limitation and data minimization principles.

5. Eligible applicants

Eligible applicants are ROs, as listed below:

- Croatian public higher education institutions (HEIs) and public research institutes (PRIs),
 established in accordance with the Law on higher education and scientific activity (OG 119/22),
 that conduct research activities as defined in their statutes or other relevant acts proving their
 legal status;
- Croatian private HEIs and private research institutes, established in accordance with the Law on Higher Education and Scientific Activity (OG 119/22), that conduct research activities as defined in their statutes or other relevant acts proving their legal status;
- Other Croatian public research organizations (PROs) that conduct research activities as defined in their statutes or other relevant acts proving their legal status.

Note: For the definition and requirements for obtaining the status of a research organization under State aid rules, please refer to Annex E Guidelines related to the application of State aid rules of Annex I., which details the conditions for an entity to be considered a research organization.

Applicants must demonstrate that they are not in any exclusion situation at the time of application, as defined in the Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project (Section 1.1.).

An applicant may participate as a partner in other projects, provided they meet the eligibility criteria defined in Section 6 and 7 of these Guidelines.

6. Eligible partners and partnership formation

Applicants must implement the project in a mandatory partnership, forming a consortium with a minimum of three and a maximum of six members (including the applicant). The consortium must include at least one enterprise and one Croatian public or private higher education institution or research institute as partners, in addition to the applicant. In cases where an enterprise applying as a partner is an affiliated entity of a RO, for example, through ownership, control, or similar legal or financial ties, that is also part of the consortium (either as an applicant or a partner), the consortium must include at least one additional enterprise that is not affiliated with, nor established by, any RO. The consortium's composition must remain the same throughout both stages of the application process. In the event of changes to the composition of consortium members acting as partners in the Full application compared to the Concept note stage, the applicant must provide a justification for such changes in the Full

application form.

Eligible partners are **ROs** (public HEI, PRI, private HEI, private research institute and other PRO) as defined in Section 5.

Additionally, eligible partners are as follows:

A. ROs:

• **Scientific institutions from other countries**, that conduct research activities as defined in their statutes or other relevant acts proving their legal status.

Note: For the definition and requirements for obtaining the status of a research organization under State aid rules, please refer to Annex E Guidelines related to the application of State aid rules of Annex I., which details the conditions for an entity to be considered a research organization.

B. Enterprises:

- Micro, small, or medium-sized enterprises (SMEs) that meet the definition set out in Annex I of Commission Regulation (EU) No 651/2014 SME definition;
- **Large enterprises** that do not meet the definition set out in Annex I of Commission Regulation (EU) No 651/2014 SME definition.

Aid (grant funding) cannot be awarded to an enterprise that does not have a registered branch or establishment in the Republic of Croatia at the time of the aid payment. If it is determined that the enterprise does not have such a legal presence in the Republic of Croatia at the moment of payment, the Grant Agreement will be terminated and the related Award decision on funding annulled.

Croatian and foreign partners are eligible to participate in project consortia, provided they meet all requirements as outlined in Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project (Section 1.1.). Partners are expected to contribute expertise or resources that enhance the consortium's capacity to meet its objectives.

Regardless of the partner's role, the applicant/beneficiary assumes full legal and financial responsibility for project management and its implementation.

A consortium member acting as a partner may simultaneously participate as an applicant in another project, provided they meet the eligibility criteria defined in Section 5 and 7 of these Guidelines.

At the request of the CSF, a Partnership agreement concluded at the consortium level (between the applicant and all partners) must be submitted immediately before signing the Grant Agreement. This Agreement is not required during the Concept note and Full application submission stages. The minimum content requirements for the Partnership Agreement are detailed in Annex VIII.

7. Number of applications

The Call defines the maximum number of applications that each applicant and partner can submit, as outlined below.

7.1 Number of applications per applicant

The maximum number of applications per eligible applicant is as follows:

Applicants who are Croatian private higher education institutions, private research institutes, public higher education institutions (except universities with constituents without legal personality) or public research institutes may submit a number of project proposals (Concept notes and Full applications) based on the number of employees in their organization, as shown in Table 5. The relevant number of employees is determined by the last month for which salaries were paid prior to the application submission date, regardless of the number of hours worked by individual employees⁹.

Table 5. Maximum number of applications permitted to be submitted by public and private higher
education institutions and public and private research institutes

Number of employees at the applicant organization	Maximum number of applications per applicant
1-250	1
251-500	2
501-750	3
751+	5

- Croatian public university constituents without legal personality are allowed to submit applications at the constituent level, where each constituent may submit one (1) project proposal (Concept note).
- Other Croatian public research organizations are entitled to submit one (1) project proposal (Concept note), regardless of the number of employees.

7.2 Number of applications per partner

The maximum number of applications per eligible partner is as follows:

- Croatian private and public higher education institutions, and private and public research institutes may participate as partners in accordance with Table 5.
- Croatian public university constituents without legal personality may participate as partners in one (1) project proposal per constituent (Concept note).
- Other Croatian public research organizations may participate as partners in one (1) project proposal (Concept note).
- SMEs or large enterprises and scientific institutions from other countries may participate
 as partners in one (1) project proposal (Concept note).

Applicants must ensure that the number of project proposals (Concept notes and Full applications) submitted, as well as the number of participations as partners, does not exceed the specified limits. Limits in the number of project applications in the roles of applicant/partner are not cumulative (i.e.,

⁹ This information must be evident in the submitted JOPPD form (Report on income, personal income tax and surtax, and mandatory insurance contributions).

limits are applied separately for applicant and partner roles). If the limits for either the number of submitted project proposals or participation as a partner are exceeded, the CSF reserves the right to exclude project proposals from the grant award process.

8. Budget of the Call and the intensity of grant support

The budget allocation planned for this Call is EUR 15 million, with the minimum and maximum grant amounts shown in the Table 6.

Table 6. Budget of the Call

	Minimum grant amount (in EUR)	Maximum grant amount (in EUR)	Total allocation (in EUR)
2.000,000.00		4.000,000.00	15,000,000.00

Grants awarded to applicants and partners that meet the definition of a research organization as defined in the Communication from the Commission – Framework for State Aid for Research and Development and Innovation (2022/C 414/01), Chapter 1.3, point 16. (ff), are not considered state aid. In such circumstances, the grant intensity for eligible project costs may reach up to 100%, taking into account the maximum grant amount that can be awarded per project.

The grant intensity for eligible costs for research ROs is defined in Table 7.

Table 7. Intensity of grant for ROs

Research organizations	Intensity of grant	
Croatian research organizations	up to 100%	
Research organizations from other countries	up to 100%	

Grants awarded to partners that do not meet the definition of a research organizations under this Call will be considered state aid. Such aid will be granted in accordance with the State Aid Program, which will be published prior to the launch of Stage 2: Full application. Partners that do not meet the definition of a research organization may receive grants based on aid intensities for specific category of aid, as outlined in the following table. Based on these categories, the corresponding aid intensity for each eligible cost in the project budget (within Stage 2: Full application) must be applied, as specified in Table 10.

Table 8. Intensity of grant for enterprises by category of aid

Enterprises	Aid for research and development (industrial research and experimental development)
Croatian micro and small enterprises	up to 60%
Croatian medium-sized enterprises	up to 50%
Croatian large enterprises	up to 40%

Enterprise partners must submit proof of secured co-financing, in accordance with Table 14, after the Award Decision on funding and prior to signing the Grant Agreement.

Applicants and partners are required to review and apply the rules set out in the Annex E. Guidelines related to the application of state aid rules, which form part of Annex I.

9. Project duration

Projects should be scheduled to be completed within **36 months**. All project activities and payments should be completed by October 31, 2028.

10. Eligibility of projects, activities and costs

This section defines the eligibility requirements for the projects, including the types of eligible projects, activities that can be funded, and the specific costs that qualify for funding under the Call.

10.1. Eligible projects

The general eligibility criteria for projects are as follows:

- The mission proposed within the project aligns with the challenge defined in Call, adheres to the objective of the Call, and contributes to the results framework of the Call;
- The consortium structure, as defined in Sections 5 and 6 of the Guidelines for Applicants, is adhered to, ensuring that the consortium includes the appropriate combination of eligible applicant and partners required for project implementation, and that the number of participations by applicants and partners, when combined with other project proposals under this Call, must comply with the limits specified in Section 7 of these Guidelines;
- The project is implemented within an eligible geographical area, on the territory of the Republic of Croatia, except for activities carried out by a partner research organization from abroad and travel abroad;
- Project and research teams are planned in the project proposal;
- The project must not have started implementation before the submission of the project proposal in Stage 1: Concept note, except for the preparation of project-technical documentation, which may be incurred from December 1, 2023 onwards;
- The project is not physically or financially completed, nor will it be completed before the signing of the Grant Agreement;
- The project is ready to start activities, or has already started after the Concept note submission, with an anticipated duration of up to 36 months, ensuring that all activities and payments are completed by October 31, 2028;
- The project includes eligible activities and costs, with the understanding that during the Concept note submission stage, only rough budget estimates are required, whereas a detailed budget plan must be provided at the Full application submission stage;
- The project activities are neither listed on the International Finance Corporation (IFC) exclusion list of activities, nor otherwise excluded by the ESMF as described in Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project;
- The amount of requested grant is within the prescribed allowable amount of grant funds;
- The project respects the principle of non-cumulativeness, i.e. it does not represent double financing;
- The project is in accordance with Horizontal principles and Ethics as described in Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project;
- The project can be classified as having no more than moderate risk for environmental and social

impacts, based on the World Bank's environmental and social policies criteria and the ESMF (Section 32.3 Risk Classification Guidelines), as described in Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project. An Environmental and Social Screening Questionnaire (ESSQ) will be conducted for projects with available funding after the evaluation process is completed.

10.2. Eligible activities

Eligible activities are as follows:

- 1. Adaptation works and infrastructure equipping: This includes modifications and upgrades (small-scale adaptation works carried out in accordance with the Ordinance on simple and other construction works and works (OG 112/17, 34/18, 36/19, 98/19, 31/20, 74/22, 155/23)) to existing facilities (research infrastructure). It covers the procurement and the installation of necessary equipment to support mission-oriented research activities, ensuring that the physical infrastructure is capable of supporting innovative solutions.
- 2. Research activities (mandatory): Applicants are expected to base their project proposals on at minimum a validated proof-of-concept (PoC). Eligible activities involve conducting scientific research and developing new or improved mission-oriented solutions in digital transformation, and green transition. Eligible activities include industrial research and experimental development aimed at exploring new or existing products, processes, and services, such as prototype testing and pilot projects. Data collection and analysis support these efforts, while innovation and technology assessments evaluate the impact and scalability of emerging solutions. Together, these activities are essential for advancing technological progress and achieving the project's mission-driven objectives.
- **3.** Capacity building and dissemination of research findings and technologies: These activities focus on strengthening the skills and knowledge necessary for the effective implementation of mission-oriented projects. They include the dissemination of research findings and technologies through workshops, training sessions, and the development of collaborative platforms to promote the practical application of research outputs.
- **4. Knowledge and technology transfer (mandatory)**: This category covers involves activities related to the transfer of intellectual property (IP), licensing, and technology to ensure that innovations reach the market. Eligible activities include managing IP-related costs, such as patent fees and licenses, as well as facilitating technology transfer agreements.
- **5. Market analysis and business validation (mandatory)**: These activities include assessing the economic viability of research outcomes, developing commercialization strategies, conducting market analyses, and preparing other relevant documents to support the transition of developed solutions to the market.
- **6. Promotion and visibility (mandatory)**: Activities aimed at raising awareness of the project and its outcomes among stakeholders and the public. This includes organizing events, and other promotional activities to showcase the project's impact and relevance.
- **7. Project management activities (mandatory)**: Covering all administrative and managerial aspects necessary for the successful execution of the project, including planning, coordination, monitoring, and reporting. This also includes procurement activities. Effective project management ensures that the project stays on track, within budget, and achieves its objectives.

10.3. Eligible and ineligible costs

The project must not represent double funding. All the costs¹⁰ must meet the following criteria:

- They are incurred from the date of project proposal submission for Stage 1: Concept note and no later than October 31, 2028, except for the cost of preparing project-technical documentation, which may be eligible if incurred on or after December 1, 2023;
- They are connected with the project and specified in the budget plan of the project (submitted in Stage 2: Full application);
- They are identifiable and verifiable, particularly through being recorded in the accounting records of the applicant/partner and are determined according to the applicable accounting standards and generally accepted accounting principles; and
- They comply with the requirements of applicable tax and social legislation.

Only the costs explicitly listed in tables 9, 10, and 11 are eligible for funding under this Call.

The eligible costs for applicants/partners that are ROs from Croatia are outlined in Table 9.

Table 9. Eligible costs for applicants/partners that are ROs from Croatia

Activities	Eligible costs	Funding category
Adaptation works and infrastructure equipping	 Costs of preparing project-technical documentation for adaptation works; Costs of adaptation works in accordance with the Ordinance on simple and other construction works and works (OG 112/17, 34/18, 36/19, 98/19, 31/20, 74/22, 155/23); Costs of purchasing, renting, or upgrading instruments and research equipment (including furniture and IT equipment); Costs of purchasing software solutions. 	Grant for research organization
Research activities	 Personnel cost (including salaries for new recruitment and the engagement of existing research staff and support staff at applicant and partners (the calculation of these costs must comply with the methodology specified in Section 11 of this document); Costs of external research services necessary for the implementation of the project, if the research team cannot independently carry out certain activities; Depreciation costs of instruments and equipment necessary for the implementation of the project, but only to the extent and for the period during which they are used for the project. If these instruments and equipment are not used for the project during their entire useful life, only the depreciation costs incurred during the project period will be considered eligible, in accordance with generally accepted accounting principles. Depreciation costs are eligible only if public grant funds have not contributed to the acquisition of the depreciated assets. The calculation of depreciation must be based on the annual depreciation rates 	Grant for research organization

¹⁰ Applicants are required to briefly outline the key budget categories and estimated funding required for the project in the Stage 1 – Concept note of the application process considering the eligibility of costs. However, in the Stage 2: Full application, applicants must provide a detailed budget plan with costs that are fully in compliance with the eligibility criteria.

	 specified in paragraph 5, Article 12 of the Corporate Income Tax Law; Costs of materials and small inventory required for the project (e.g. chemicals, reagents, plastic accessories, samples) provided they are directly related to the implementation of the research activities of the project; Costs of knowledge and patents purchased or licensed from external sources at market prices, if they are necessary for the implementation of the project; Costs related to field research necessary for the implementation of research activities foreseen by the Call (per diems, travel, and accommodation expenses). Field research must take place within the territory of the Republic of Croatia. Each individual field research activity may last a maximum of 30 consecutive days, regardless of the number of researchers involved. 	
Capacity building and dissemination of research findings and technologies	 Costs associated with participating in events for networking with potential international and national collaborators, ROs and the business sector (conferences, trainings, expert meetings, events for finding collaborators, etc.) including travel expenses, accommodation expenses, per diems, registration fees, and similar costs; Cost for the training of researchers; Costs of dissemination of research and development results from the project (e.g. costs of publication of scientific papers, proofreading, registration fees, related travel costs, accommodation costs and per diems, costs of organization of workshops/conferences). 	Grant for research organization
Knowledge and technology transfer	 Fees paid to national or supranational offices for the protection of intellectual property (SIPO, EPO, WIPO, etc.); Costs of external consulting services and other expenses related to the transfer of knowledge and technologies, such as patent search fees, the development of an intellectual property protection strategy, licensing costs based on project results, and other expenses related to the verification and protection of intellectual property. 	Grant for research organization
Market analysis and business validation	 Costs of consultancy and equivalent services used exclusively for the project (e.g., costs of external services for conducting market analysis, preparing feasibility studies, and developing commercialization studies or plans). 	Grant for research organization
Promotion and visibility	 Cost of design and production of promotional materials, such as brochures, posters, and flyers; Costs of developing online and video content, including website pages; Costs associated with event organization; Costs of professional services for press releases, media outreach, and PR campaigns to enhance project visibility. 	Grant for research organization
Project management activities	 Personnel cost (salaries for the recruitment of new staff or engagement of existing administrative staff at the applicant and partners (the calculation of personnel costs must comply with the methodology specified in Section 11 of this document); Costs of consultancy services for project management; 	Grant for research organization

Costs of consultancy services for the preparation and implementation of procurement;
Indirect costs: may include administrative costs related to management, employment, accounting, utilities (cleaning, telephone, water or electricity) and other similar costs (calculated as a flat rate, up to 7% of all eligible costs) (applicable for each RO);
Contingency reserve: A contingency reserve of up to 10% of the total eligible costs (excluding the contingency reserve itself and indirect costs) may be included to address unforeseen expenses. The use of this reserve is subject to prior approval and is limited to justified and documented cases (applicable for applicants).

The eligible costs for partners classified as enterprises are outlined in Table 10.

Table 10. Eligible costs for partners classified as enterprises

Activities	Eligible costs	Funding category
Research	 Personnel cost (salaries for new recruitment and engagement of existing research staff and support staff at partners). The calculation of personnel costs must comply with the methodology specified in Section 11 of this document); Costs of contractual research (e.g., external research services necessary for the implementation of the project, if the research team cannot independently carry out certain activities); Costs of knowledge and patents purchased or licensed from external sources at market prices, if they are necessary for the implementation of the project; Depreciation costs of instruments and equipment necessary for the implementation of the project, provided they are used during the project period. If the instruments and equipment are not used for the project during their entire useful life, only the depreciation costs incurred during the project period will be considered eligible, in accordance with generally accepted accounting principles. Depreciation costs are eligible only if public grant funds have not contributed to the acquisition of the depreciated assets. The calculation of depreciation must be based on the annual depreciation rates specified in paragraph 5, Article 12 of the Corporate Income Tax Law; Costs of materials and small inventory required for the project (e.g. chemicals, reagents, plastic accessories, samples) if they are directly related to the implementation of the project's research activities; 	Aid for research and development (industrial research and experimental development)
Market analysis and business validation	• Costs of consultancy and equivalent services used exclusively for the project (e.g., costs of external services for conducting market analysis, preparing feasibility studies, and developing commercialization studies or plans).	Aid for research and development (industrial research and experimental development)
Project management activities	 Personnel cost (salaries for the recruitment of new staff or engagement of existing administrative staff at partners (the calculation of personnel costs must comply with the methodology specified in Section 11 of this document); Indirect and other costs: may include administrative costs related to management, employment, accounting, utilities (cleaning, 	Aid for research and development (industrial research and experimental development)

telephone, water or electricity), and other similar costs. Additionally, eligible costs include costs of participating in events for networking with potential international and national collaborators, ROs and the business sector (conferences, trainings, expert meetings, events for finding collaborators, etc.) such as travel expenses, accommodation expenses, per diems, and registration fees. Also, eligible costs include costs related to field research necessary for the implementation of research activities foreseen by the Call (per diems, travel, and accommodation expenses). Field research must take place within the territory of the Republic of Croatia. Each individual field research activity may last a maximum of 30 consecutive days, regardless of the number of researchers involved. Cost for training of researchers, dissemination of research and development results from the project (e.g. costs of publication of scientific papers, proofreading, registration fees, related travel costs, accommodation costs and per diems, costs for organizing workshops/conferences) (calculated as a flat rate, up to 15% of all eligible costs for each enterprise).

The eligible costs for partners from other countries are outlined in Table 11.

Table 11. Eligible costs for partners from other countries

Activity and category other costs	Eligible costs	Funding category
	• Costs of dissemination of research and development results from the	
Capacity	project (e.g. registration fees, related travel costs, accommodation	
building and	costs and per diems);	
dissemination	• Costs of participating in events for networking with potential	Grant for research
of research	collaborators, ROs and the business sector (conferences, trainings,	organization
findings and	expert meetings, events for finding collaborators, etc.) (e.g. travel	
technologies	expenses, accommodation expenses, per diems, registration fees,	
	etc.).	

Notes for applicants:

- Between 40% and 75% of the total eligible project costs within the budget must be allocated to the applicant. No individual partner may be allocated more than 40% of the total eligible project costs within the budget.
- Budget distribution should reflect the expertise, workload, and resource commitments of each consortium member, ensuring a fair and balanced allocation.
- Non-refundable VAT is considered an eligible cost. Applicants must increase each cost item in the budget by the amount of non-refundable VAT, where applicable.

The following costs are not eligible:

- Costs incurred before the date of project proposal submission (except for the cost related to the preparation of project-technical documentation, which may be eligible if incurred on or after December 1, 2023), and costs incurred after October 31, 2028;
- Purchase, rent, or leasing of land and existing buildings;
- Costs of construction works;
- Costs of external professional services if they are related to the adaptation works in accordance

with the Law on spatial planning and construction activities (OG 78/15, 118/18, 110/19);

- Cost of work and personal vehicles, as well as the cost of vessels used for commercial purposes;
- Second-hand equipment and instruments;
- Interest on debt, debt service charges and late payment charges;
- Bank charges, costs of guarantees and similar charges;
- Credits to third parties;
- Provisions for losses or potential future liabilities;
- Exchange losses;
- Refundable VAT;
- Fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the project; and
- Excessive or reckless expenditure.

11. Methodology for calculating personnel costs

The personnel costs for the project will be calculated using a unit cost per day-equivalent, ensuring consistency and transparency in budgeting and reporting. The methodology applies to both existing employees and newly hired staff working on the project.

The maximum number of eligible working days per person per year is 215 days.

11.1. Calculation of the daily rate

The daily rate for personnel costs is calculated using the following formula:

Daily rate =
$$\frac{\text{Total staff costs of the organization in the last closed full financial year x 1.2}}{\text{Annual work units in the last closed full finacial year}} \div 215$$

where:

- Total staff costs: The total employer cost for all staff members employed by the applicant or partner in the last closed financial year, increased by 20% to account for projected staff expenditure growth in the coming years. This includes gross salary level 2, which encompasses the total employee costs for the organization, including all contributions and taxes that the employer must cover to ensure the net amount is paid to the employee, including transport allowances and non-taxable costs, as reflected in the annual financial statements of the organization.
- Annual work units (AWU): The total number of full-time equivalent (FTE) employees working
 at the organization during the last closed financial year. One AWU corresponds to one full-time
 employee working the entire year, while part-time employees and those working for only part
 of the year are counted as fractions of an AWU.
- 215 days: The standard maximum number of eligible working days per full-time employee per year. One working day corresponds to 8 working hours.

The calculation of the daily rate is subject to cost eligibility verification and budget cleaning, during which applicants will be requested to provide supporting documentation used as the basis for the calculation.

11.2. Budgeting and cost allocation

Personnel costs in the project budget must be allocated collectively for all individuals working on a specific activity and per applicant and partners, not per individual employee. Each personnel cost item in the budget must specify the total number of daily rates required, without detailing the number of working days on the project for each individual staff member in cases where multiple individuals are working on the same activity. The engagement of each person in the project activity must be specified and described in the Full application form.

Personnel costs will be reported based on timesheets, which record the hours worked on the project and are converted into working days. Timesheets must be maintained for each employee working on the project and must be signed monthly by both the employee and the project manager. The total number of reported working days per person cannot exceed 215 per year.

The unit cost for personnel will be fixed for at least two years. Beneficiaries may request an update to the unit cost after two years, following the same calculation method.

12. Instructions for the submission of project proposals

This Call follows a two-stage application process that includes:

- Stage 1: Concept note The Call requires applicants to submit a summary of their project proposal, including specific implementation details in which they briefly present the following:
 - 1. Project information: title, objectives, activities, and target groups;
 - 2. Consortium information: details of the applicant and all partners involved;
 - 3. Project abstract: a high-level summary outlining the challenges addressed and intended outcomes:
 - 4. Project excellence: description of the mission statement, novelty, originality, and research methodology;
 - 5. Project potential: explanation of the project's impact, scalability, and sustainability;
 - 6. Project feasibility: key milestones, timeline, resource needs, and an indicative budget.
- Stage 2: Full application Full application is a detailed project proposal submitted in the second stage of this Call, expanding on the Concept note with comprehensive descriptions of objectives, methodologies, timelines, resources, budget, and compliance with environmental, social, and ethical standards, aimed at demonstrating the project's excellence, potential, feasibility, and eligibility for funding. Additionally, the Full application stage provides an opportunity for project proposals to be adjusted if necessary. However, such adjustments should be limited in scope, well-justified, and should not constitute a major deviation from the Concept note stage proposal. Changes in the Full application compared to the Concept note proposal are permitted only in the following areas:
 - **A.** Changes in consortium partners: Changes to consortium members acting as partners are permitted; however, the partner must comply with Section 6. *Eligible partners and partnership formation* and Section 7.2 *Number of applications per partner* of the Guidelines for Applicants. In the event of changes to partners within the consortium in the Full application stage, the number of participations of each partner must comply with the limits set for the Concept note stage. If it is determined that a newly introduced partner, being a Croatian private or public higher education institution or a private or

public research institute, is participating in more than one project proposal in the Full application stage, the applicant, on behalf of the partner, must submit, upon the request of the CSF, a document proving the number of employees in the month preceding the Full application project proposal submission, in order to verify the partner's participation limit in accordance with Table 5.

- **B.** Changes to the project and research team: It is possible to add new members to the project or research team at the Full application stage. However, the project manager (within the project team) and the principal investigator (within the research team) must remain the same in both stages of the application (Concept note and Full application).
- **C. Modification of the budget:** The budget submitted in the Concept note stage may be modified at the Full application stage. However, the budget must remain within the overall funding limits and comply with all eligibility rules defined in the Call documentation, including the required distribution of costs among the applicant and partners.

In both submission stages, the Concept note and the Full application, project proposals must be written and submitted in English via the application portal eDIGIT available on the website https://digit.mzom.hr/.

The application process for both stages is described in detail in Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project (Section 2.1.), and applicants are encouraged to review them thoroughly.

12.1. Instructions for the submission of project proposals - Stage 1: Concept note

The submission of the Concept note is the first stage in the two-stage application process. Please follow these instructions carefully to ensure your project proposal is properly submitted and considered:

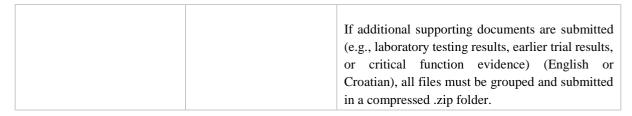
- Access the application portal eDIGIT: Applicants must create a user account on the designated portal eDIGIT if not already registered. This account will be used throughout the application process.
- 2. Complete the Concept note form: Log in to the portal and accurately fill out the Concept note form. The content of the Concept note is provided in Annex IV. of this document.
- 3. Complete the baseline survey: Applicants and partners must complete the baseline survey by following the relevant links:
 - ROs: https://croatiasurvey.qualtrics.com/jfe/form/SV 0DLKJwj2qmlkveC;
 - Enterprises: https://croatiasurvey.gualtrics.com/jfe/form/SV 8x1TpFmWXflBepE.

Completing the survey is mandatory before submitting the Concept note. Please note that it is not necessary to upload a .pdf version of the completed surveys, but you may keep one for your own records.

4. Upload the required documents as outlined in the table below.

Table 12. Submission of supporting documents (Stage 1: Concept note)

Document	Mandatory (yes/no)	Notes and document format
Declaration by the Applicant on participation in the Concept note stage	Yes	Completed, signed, and stamped Annex II. (.pdf format) (English)
Declaration by the Partner on participation in the Concept note stage	Yes	Completed, signed, and stamped Annex III. for each partner (.pdf or .zip format (if multiple documents are required)) (English)
JOPPD form(s) (A page(s))	Yes (only for Croatian private HEIs, private research institutes, public higher education institutions (exceptions are universities with constituents without legal personality) or public research institutes)	For the last month for which salaries were paid (based on employment contract) prior to the application submission date – signed document (.pdf format) (Croatian)
Supporting document(s) related to the validated proof-of-concept	Yes	 For the purpose of evaluating the sub-criterion Technological readiness of the innovative solution, submit a document (.pdf format) (English), with a maximum length of 5 pages. The document must include at minimum the following information: Briefly state concise description of the innovative concept. Description of the initial innovative concept and the expected improvements compared to the state of the art (e.g., in terms of cost, quality, speed, or other relevant parameters). Specification of the indicators/parameters used to validate the concept and the expected target values. Clear statement of the testing objective (e.g., functionality, performance, stability of the core component). Description of when, where, and how the testing was conducted (testing environment), including the methods, tools, or protocols used. Summary of the quantitative and/or qualitative results demonstrating the outcomes of the innovative concept testing. Charts, tables, and photos may be included if available. Conclusion and confirmation of the PoC: Was the core functionality validated? Provide a brief justification of why the results constitute a validated PoC, and clearly explain the achieved results in relation to the targeted parameters.



- 5. Review and finalize submission: Ensure all sections of the Concept note form are fully completed and that the Declaration by the Applicant and declarations by the partners are correctly filled out, signed and stamped. The applicant and partners must also submit the baseline surveys, supporting document(s) related to the validated proof-of-concept, and provide the JOPPD form as proof of employee count, where applicable. Incomplete proposals may be disqualified from the evaluation process.
- 6. Submit the Concept note: Once all required information and documents are prepared and uploaded, submit the Concept note via the portal. Ensure the submission is completed before the specified deadline. The project proposal can be submitted by a person authorized to represent the applicant or by the project manager, who must be an employee of the applicant.
- 7. Confirmation of submission: After successfully submitting the project proposal, the applicant will receive a submission confirmation. This confirmation should be retained as proof of submission.

Important notes:

- Submission deadline: Concept notes submitted after the deadline will not be accepted. It is advisable to complete the submission process well in advance of the deadline.
- Electronic submission only: All submissions must be made through the designated portal. E-mail or paper submissions are not accepted.
- Completeness and accuracy: The information provided in the Concept note must be complete and accurate. The MSEY or CSF may request additional information if needed.

12.2. Instructions for the submission of project proposals - Stage 2: Full application

The Full application submission follows the initial Concept note stage and requires comprehensive project details. The shortlisted applicants will receive an invitation to submit a project application for Stage 2: Full application. The following instructions must be followed:

- 1. Access the application portal eDIGIT: Use the same user account and registration details created during the Concept note submission stage to log in on the designated portal eDIGIT.
- 2. Complete the Full application form: Once logged in and fill out the Full application form with the detailed budget plan, ensuring all sections are accurately completed. The content of the Full application is provided in Annex VI. of this document.
- 3. Complete the baseline survey: Only partners who were not part of the consortium in the Concept note stage must complete the baseline survey by following the relevant links:
 - ROs: https://croatiasurvey.qualtrics.com/jfe/form/SV 0DLKJwj2qmlkveC;
 - Enterprises: https://croatiasurvey.qualtrics.com/jfe/form/SV-8x1TpFmWXflBepE.

Completing the survey is mandatory before submitting the Full application. Please note that it

is not necessary to upload a .pdf version of the completed surveys, but you may keep one for your own records.

4. Upload all required documents outlined in the table below.

Table 13. Submission of supporting documents (Stage 2: Full application)

Document	Mandatory (yes/no)	Notes and document format
Declaration of the Applicant on participation in the Full application stage	Yes	Completed, signed, and stamped (.pdf format) Annex XI. Declaration by the Applicant on participation in the Full application stage This form will be provided in Stage 2 of the application process (English).
Declaration by the Partner on participation in the Full application stage	Yes	Completed, signed, and stamped Annex XII. Declaration by the Partner on participation in the Full application stage for each partner (.pdf or .zip format (if multiple documents are required)) This form will be provided in Stage 2 of the application process (English).
CVs of key research team members	Yes	Completed for each key research team member (.pdf or .zip format) Annex XIII. Curriculum Vitae This form will be provided in Stage 2 of the application process (English).
Statute or other relevant act proving the legal status of the applicant/partner	Yes, if the latest version is not publicly available on the applicant's/partner's website	The statute (or an equivalent document) must be provided for each consortium member (applicant and partners) that is a research organization if it is not publicly available. The statute or equivalent document must be submitted as a signed and scanned document (.pdf or .zip format (if multiple documents are required)) (English or Croatian). If the original document is in a language other than English or Croatian, an unofficial translation into one of these languages is also required.
Annual financial statement or equivalent report of the enterprise	Yes, for enterprises	Enterprises must submit their annual financial statement or equivalent report. The submitted document should cover the last approved accounting period (.pdf, or .zip format (if multiple documents are required)) (English or Croatian). If the original document is in a language other than English or Croatian, an unofficial translation into one of these languages is required.
Group statement	Yes, for SMEs	SMEs are required to submit the Group statement, as provided in Annex IX. The submission should include the completed, signed, and stamped version in .pdf format, as well as the completed, unsigned version in .xls or .xlsx format. All documents must be submitted together in a .zip file (English).

- 5. Review and finalize submission: Carefully review the entire application and ensure all required fields and documents are completed and attached. Incomplete applications will not be considered.
- 6. Submit the Full application: Once all sections are complete and all documents are uploaded, submit the Full application via the portal. Ensure the submission is made before the deadline. The project proposal can be submitted by a person authorized to represent the applicant or by the project manager, who must be an employee of the applicant.

7. Confirmation of submission: Upon successful submission, the applicant will receive a submission confirmation. This confirmation serves as proof of submission and should be retained for future reference.

Before adopting an Award decision on funding and signing the Grant Agreement, applicants (only projects for which funds are available) need to prepare and submit documents as listed in the table below. These documents are not only subject to administrative verification (i.e., whether they have been submitted) but will also be assessed in terms of their substantive compliance with the requirements defined in this Call. Therefore, to be considered valid, each submitted document must fully comply with these requirements. Such compliance is a pre-condition for adopting the Award Decision on funding and signing the Grant Agreement. Incomplete or non-compliant documentation may result in exclusion from the grant award process.

Table 14. Submission of supporting documents before adopting an Award decision on funding and signing the Grant Agreement

Document	Mandatory (yes/no)	Notes and document format
Partnership agreement	Yes (before adopting an Award decision on funding)	Signed and stamped Partnership agreement (in .pdf format) concluded at the consortium level (signed by the applicant and all partners) (the minimum content requirements for the Partnership Agreement are detailed in Annex VIII.) (English).
Environmental and social screening questionnaire (ESSQ)	Yes (before adopting an Award decision on funding)	Completed ESSQ (Annex VII. of the Guidelines for Applicants), prepared by the applicant (.doc, or .docx format). If the ESSQ results indicate the need for specific environmental and social (E&S) instruments, the applicant will be responsible for preparing the required documentation (such as the Environmental and Social Management Plan (ESMP), ESMP Checklist, Environmental and Social Code of Practice (ESCOP)) before the Award decision is made (English).
Documentation related to salary calculation	Yes (before adopting an Award decision on funding)	 Acceptable documents: Annual financial statement, or equivalent report of the applicant and partners for the last approved accounting period, with clear indication of the salary expenditure amounts used for the calculation of the daily rate (.pdf format) (English or Croatian); If the annual financial statement, or annual consolidated financial statement (as applicable) does not include the number of employees at the organization expressed in FTE for the last closed financial year, the applicant/partners must provide an official document or a signed declaration confirming this information (.pdf format) (English or Croatian).
State aid request	Yes (before adopting an Award decision on funding)	Enterprise partner(s) must submit a completed State aid request (Annex X.), if applicable, based on the type of aid requested and/or the enterprise's eligible costs within the project. If more than one enterprise is participating in the project, each enterprise must submit a separate request (.pdf format) (English).

Acceptable forms of proof for the each enterprise partner must follow one of the three options below:

- Option 1: A bank statement showing an amount equal to at least 15% of the total project costs attributed to enterprise partner (including eligible and ineligible costs, excluding VAT), or
- Option 2: A loan agreement confirming secured financing for the partner's share of project costs. The loan amount must cover the difference between the total project costs of the enterprise partner (including eligible and ineligible costs, excluding VAT) and the requested grant amount for the enterprise partner, or
- Option 3: A combination of own funds and a loan may also be used to demonstrate secured financing. In this case, the supporting documents must include:
 - A bank statement showing an amount equal to at least 15% of the difference between the total project costs attributed to the enterprise partner (including eligible and ineligible costs, excluding VAT) and the loan amount, and
 - A loan agreement confirming secured financing for the enterprise partner's share of project costs. The loan amount must cover the difference between the total project costs of the enterprise partner (including eligible and ineligible costs, excluding VAT), the amount of own funds, and the requested grant amount for the enterprise partner.

Note: Each partner enterprise must provide proof of secured co-financing within 20 days from the Award decision on funding. The required document(s) must be provided in .pdf format (English or Croatian).

Proof of secured own funds for project co-financing

Yes (before signing the Grant Agreement)

13. Timetable and deadlines

The project proposal for Stage 1: Concept note can be submitted from June 9, 2025 (starting at 09:00) until July 14, 2025 (deadline for submission at 14:00). Project proposals submitted after the deadline for either stage will not considered for evaluation.

Applicants whose concept notes receive a positive evaluation will be are invited to submit a Full application (Stage 2). The deadline for submitting the Full application is 60 days from the start date for receiving project proposals.

The project proposal for Stage 2: Full application can be submitted from September 18, 2025 (starting at 11:00) until November 5, 2025 (deadline for submission at 14:00). Project proposals submitted after the deadline for either stage will not be considered for evaluation.

The indicative timetable and deadlines for both stages are outlined in the Table 15 below.

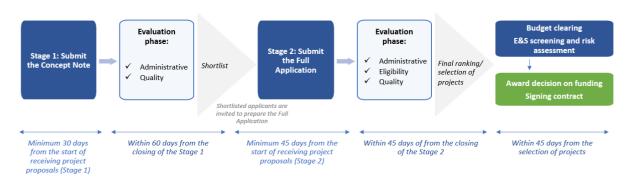
Table 15. Indicative timetable and deadlines

Indicative timetable and deadlines		
Stage 1: Concept note – start date for receiving project proposals	June 9, 2025, 9:00:00	
Stage 1: Concept note submission deadline	July 14, 2025, 14:00:00	
Stage 1: Concept note evaluation results	60 days from the closing of the Call (Stage 1)	
Stage 2: Full application – start date for receiving project proposals	September 18, 2025, 11:00:00	
Stage 2: Full application submission deadline	November 5, 2025, 14:00:00	
Stage 2: Full application evaluation results	45 days from the closing of the Call (Stage 2)	
Grant Agreement signing	45 days from the final ranking	

14. Grant award process

The grant award process, from the submission of the project proposal to the signing of the Grant Agreement, is illustrated in the chart below.

Figure 2. Grant award process



The project assessment process consists of two stages:

- Stage 1: Concept note In this stage, an administrative check and quality evaluation are conducted on the Concept note application package. Once the assessment is complete, applicants will be notified of the results. The highest-scoring 20% of project proposals, rounded to the nearest whole number, will be shortlisted. Shortlisted applicants will then be invited to submit a Full application, which will build upon and expand the Concept note.
- Stage 2: Full application In this stage, the Full application package undergoes an administrative check, eligibility check, and a quality evaluation. This stage culminates in final ranking and the selection of projects for funding. Before adopting an Award decision on funding, applicants (upon the CSF's request) must prepare and submit the following:
 - Environmental and social screening questionnaire (ESSQ) (Annex VII. of the Guidelines for Applicants). Only low and moderate risk activities are eligible for financing/awarded. If the ESSQ results indicate the need for specific E&S instruments, the applicant will be responsible for preparing the required documentation (such as the ESMP, ESMP Checklist, ESCOP) before the Award decision on funding is made. Failure to submit any of the required documents will result in the automatic rejection

- of the application, and an Award decision on funding will not be adopted.
- Other documentation in line with the requirements elaborated in Table 14.

Stages in the grant award process for this Call are explained in the Section 2. of the Annex I., and applicants are strongly encouraged to review it thoroughly.

15. Other information

Any questions regarding the Call must be submitted through the application portal, eDIGIT. Potential applicants can submit their questions by selecting the relevant Call (DIGIT.2.1.02) on the portal. The MSEY will address these questions through of a Frequently Asked Questions (FAQ) section. The FAQ will be published on the DIGIT Project website.

16. Data protection

The protection of personal data is governed by the provisions of the Law on the Implementation of the General Data Protection Regulation (OG 42/18).

Personal data collected includes information about the applicant or authorized representative (name, surname, OIB, email, phone number). During the grant award process, all personal information is kept confidential. Data related to stakeholders (name, surname, OIB, salary, etc.) involved in project implementation may also be collected. These data are processed for the purposes of project preparation, evaluation, implementation, and auditing.

Personal data may be shared:

- Within the bodies implementing and monitoring the DIGIT Project;
- With individuals authorized by the aforementioned bodies to perform specific services.

Access to personal data is restricted to those with a legitimate need for it.

Applicants and beneficiaries have the following rights regarding the protection of personal data:

- The right to access their personal data, i.e., the right to request confirmation of whether data are being processed and, if so, to request access and information on the processing as well as a copy of the processed personal data;
- The right to rectify inaccurate data and to supplement incomplete data;
- The right to request erasure of personal data if such data are no longer necessary for the purposes for which they were collected, if they have been unlawfully processed, or after the expiry of the data retention period;
- The right to restrict the processing of personal data;
- The right to object to the processing of personal data;
- The right to file a complaint with the Croatian Personal Data Protection Agency.

Personal data will be stored for as long as necessary to fulfill the purpose for which it was collected, and for no longer than five years after the closure of the DIGIT Project.

Contact:

• Contact details of the Data Protection Officer: <u>SzZOP@mzom.hr</u>, Donje Svetice 38, 10000 Zagreb, tel: +385 1 4594 294.

17. Grievance Redress Mechanism

The MSEY and CSF are responsible for the establishment of the Grievance Redress Mechanism (GRM) for receiving and facilitating the resolution of complaints and concerns presented by applicants, beneficiaries, and any individuals, groups, or communities who re affected, may be affected, or have an interest in the activities of the projects and the DIGIT Project.

The GRM is also intended to prevent and mitigate the risk of corruption, limit the risk of conflict between the beneficiary, contracted subjects (for works, services or goods), and the community, mitigate environmental and social risks and impacts, and allow stakeholders to provide practical suggestions and opinions to ensure that the Call remains accountable and transparent to the beneficiaries. The GRM is designed to capture complaints and refer them to the relevant sectors for resolution within reasonable time frames.

Contacts:

- Contact details of the MSEY GRM a) e-mail address: grmdigit@mzom.hr; or b) postal address: Ministarstvo znanosti, obrazovanja i mladih, Uprava za znanost i tehnologiju, Sektor za programe i projekte Europske Unije, Donje Svetice 38, 10000 Zagreb;
- Contact details of the CSF GRM a) e-mail address: grmdigit@hrzz.hr.

18. List of annexes

- 1) Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project 2nd revision
- 2) Annex II. Declaration by the Applicant on participation in the Concept note stage 1st revision
- 3) Annex III. Declaration by the Partner on participation in the Concept note stage -1^{st} revision
- 4) Annex IV. Concept note form 1st revision
- 5) Annex V. Indicative content of the baseline survey
- 6) Annex VI. Full application form 2st revision
- 7) Annex VII. Environmental and social screening questionnaire
- 8) Annex VIII. Minimum content requirements for the Partnership agreement
- 9) Annex IX. Group statement 1st revision
- 10) Annex X. State aid request
- 11) Annex XI. Declaration by the Applicant on participation in the Full application stage
- 12) Annex XII. Declaration by the Partner on participation in the Full application stage
- 13) Annex XIII. Curriculum Vitae