



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

SUPPORT PROGRAM FOR APPLIED RESEARCH AND
KNOWLEDGE (SPARK)

CALL REFERENCE NUMBER: DIGIT.2.1.03 – **2ND REVISION**

September 2026

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Abbreviations and Acronyms

AWU	annual work units
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
GRM	Grievance Redress Mechanism
HAMAG-BICRO	Croatian Agency for SMEs, Innovation and Investments
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
PAD	Project Appraisal Document
R&D	research and development
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 private entity that intends to submit or has submitted a project proposal to the funding program (in this case the Pre-commercial Digital and Green R&D Support program and this Call for proposals) under a grant scheme.
- «Application» is a detailed project proposal submitted to this Call with comprehensive descriptions of objectives, timelines, resources, budget, and compliance with environmental, social, and ethical standards, aimed at demonstrating the project's excellence, potential, feasibility, and eligibility for funding.
- «Baseline survey» is a questionnaire completed at the beginning of the application process to collect important baseline information about the applicant, project proposal, and program feedback. This data helps assess the current capabilities of the applicants, 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.
- «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.
- «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 project financing and is funded from the proceeds of the loan.
- «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. This may also include, 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.
- «Grant Agreement» refers to an agreement entered into between the MSEY, Croatian Agency for SMEs, Innovation and Investments (HAMAG-BICRO), 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.
- «Program» refers to the Pre-commercial Digital and Green R&D Support 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 Pre-commercial Digital and Green R&D Support 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 Program and Focus of the Call

The Call for proposals *Support Program for Applied Research And Knowledge (SPARK)* (hereafter: the Call) is financed by the Digital, Innovation, and Green Technology (DIGIT) Project. The DIGIT Project, a EUR 106 million initiative funded through a World Bank loan signed in June 2023, aims to drive digital transformation and green transition across the economy, increase funding for industrial research and experimental development, and strengthen institutional capacity for delivering research and innovation policies in Croatia. The Project is scheduled for completion by December 2028.

This Call is implemented under the *Pre-commercial digital and green R&D support* program (hereafter: the Program), which addresses a persistent funding gap for higher-risk, early to mid-stage R&D activities within Croatia's research and innovation ecosystem. Existing support instruments have predominantly targeted lower-risk, later-stage development and commercialization, resulting in limited support for experimental development, particularly in digital and green technologies. In response, the Program provides targeted and flexible funding for experimental R&D projects that are not yet ready for market uptake or conventional innovation financing.

The Call is structured into two thematic groups, reflecting different implementation approaches and technology focus areas:

- **Group A: Digital R&D**, supporting activities focused on the integration and application of digital technologies to enhance productivity, efficiency, and overall economic performance. This includes (but is not limited to) use and advancement of technologies such as artificial intelligence, data analytics, advanced software solutions, automation, Internet of Things (IoT), digital platforms, etc.
- **Group B: Green R&D**, supporting projects that apply green, circular, or environmentally sustainable solutions and advancing them towards demonstration and commercialization readiness. This includes (but is not limited to) energy efficiency, renewable energy, circular economy, sustainable materials, waste reduction, low-carbon processes, etc. All projects under this group should demonstrate a contribution to climate mitigation or adaptation and compliance with EU taxonomy of sustainable activities.

Each project must be clearly attributed to one of the two thematic groups.

All projects should demonstrate they do not significantly harm any of the environmental objectives:

(a) climate change mitigation; (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control; (f) the protection and restoration of biodiversity and ecosystems.¹

The Call follows a one-stage application process, requiring the submission of full project proposals.

2. Objectives and Budget of the Call

The objective of this Call is to support the development of innovative digital and green technologies, products, and processes. By supporting demand-driven development and reducing the risks associated with early and mid-stage innovation, the Call contributes to the creation of a pipeline of solutions aligned with Croatia's digital transformation and green transition priorities. It also reinforces cross-cutting objectives such as environmental responsibility, energy efficiency, and digital inclusion, contributing to a more resilient and future-ready economy.

At the Call level, progress will be monitored using the following **key indicators**:

- Number of beneficiaries of grants for pre-commercial R&D;
- Number of developed product, process, and/or service innovations related to green and digital technologies.

Applicants must align their project proposals with the Smart Specialization Strategy (S3) 2029 and the National Development Strategy of the Republic of Croatia.

The total budget allocation planned for this Call is EUR 10 million, divided into two thematic groups: Digital R&D and Green R&D.

Applicants must clearly indicate under which thematic group they are applying. The minimum and maximum grant amounts per application are shown in the table below.

Table 1. Budget of the Call

Thematic group	Minimum grant amount (in EUR)	Maximum grant amount (in EUR)	Total allocation (in EUR)
Group A: Digital R&D	80,000.00	150,000.00	5,000,000.00
Group B: Green R&D	100,000.00	300,000.00	5,000,000.00

3. Theory of Change and Results Framework

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 which serves as the logical framework of the Call and defines the link between inputs, activities, outputs, and expected long-term effects. Additionally, Table 2. explains the requirements for setting project-level indicators and targets. Applicants may propose additional indicators and targets for their projects beyond those required in Table 2.

Figure 1. Theory of Change for the Call

¹ In line with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

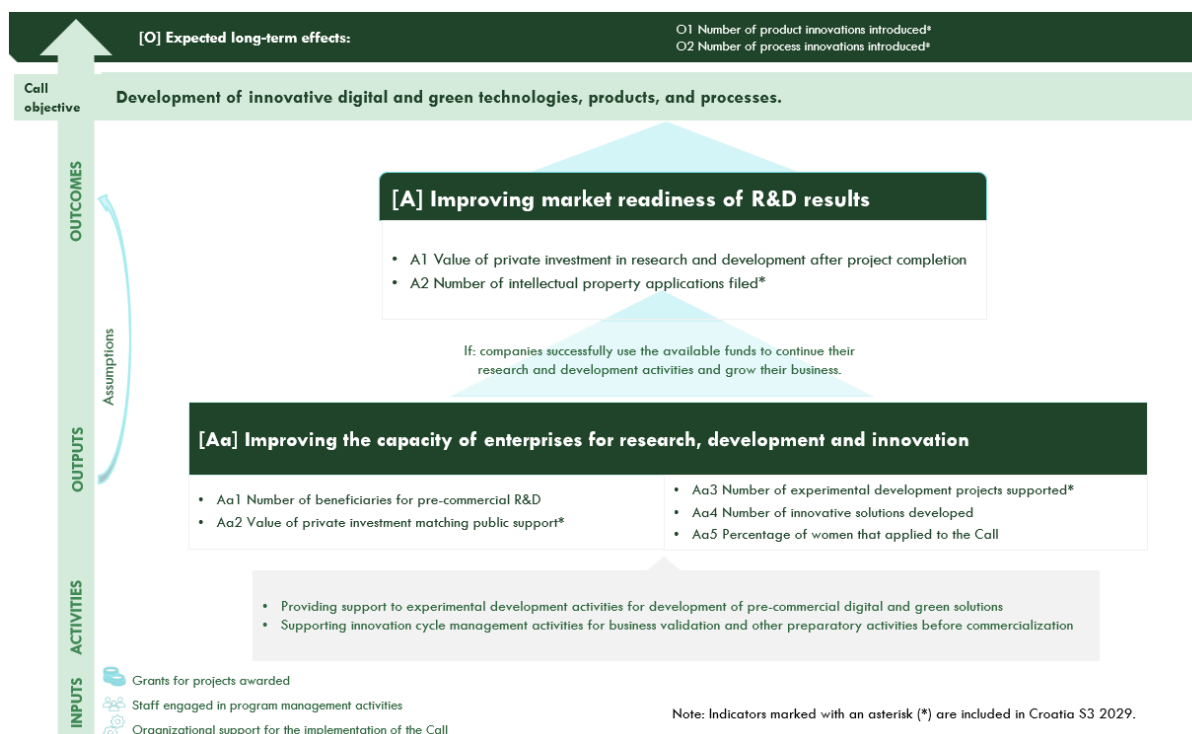


Table 2. Results framework of the Call

Objective of the Call: Development of innovative digital and green technologies, products, and processes					
Indicator label	Level	Indicator	Measurement unit	Deadline for completion	Note regarding the selection of indicators
O1	Impact	Number of product innovations introduced	product	Three years after project completion	Applicants must select at least one impact indicator (O1 or O2) and set a target value for it at the project level (mandatory).
	Description: The indicator measures the number of new innovative products introduced to the market as a result of project implementation. Innovative products are those that introduce new goods or services to the market, new or significantly improved existing ones in terms of their characteristics or purpose. This includes significant improvements in technical specifications, components and materials, embedded software, ease of use or other functional characteristics. Product innovations may use new knowledge or technologies or may be based on new applications or combinations of existing knowledge or technologies. Indicator achievement will be tracked according to the focus area of the set challenges (digital transformation or green transition). Source of verification: report and/or survey during the post-implementation period.				
O2	Impact	Number of process innovations introduced	process	Three years after project completion	
	Description: The indicator measures the number of new process innovations introduced to the market as a result of project implementation. Process innovation is the implementation of a new or significantly improved method of				

	production or delivery. This includes significant changes in techniques, equipment and/or software. The goal of process innovation may be to reduce unit costs of production or delivery, to improve quality, or to produce or deliver new or significantly improved products. Indicator achievement will be tracked by focus area of the set challenges (digital transformation or green transition). Source of verification: report and/or survey during the post-implementation period.	
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[A] Specific objective: Improving market readiness of R&D results					
Indicator label	Level	Indicator	Measurement unit	Deadline for completion	Note regarding the selection of indicators
A1	Outcome	Value of private investment in research and development after project completion	EUR	One year after project completion	Applicants must include these indicators in the project proposal and set a target value for it at the project level (mandatory).
	Description: This indicator measures the total amount of private funds invested by the beneficiary and/or external private investors in further research and development activities building on the project results after its completion. This includes investments aimed at scaling, commercializing, or further improving the developed solution. The indicator reflects the project’s ability to attract follow-on private financing and ensure the sustainability and continued development of innovation beyond the period of public support. Source of verification: report and/or survey during the post-implementation period.				
A2	Output	Number of intellectual property applications filed	application	One year after project completion	Applicants may include this indicator in the project proposal and set a target value for it at the project level (not mandatory).
	Description: This indicator refers to the number of IP applications, including patents, registered trademarks, industrial designs, and similar, filed by supported entities involved in the project, resulting from the research activities carried out under the funded project. Source of verification: final report, survey in the post-implementation period, document or link to a public source indicating the status of the application.				
Aa1	Output	Number of beneficiaries of grants for pre-commercial R&D	beneficiary	Project completion	Applicants are not required to include this indicator in the project proposal. The MSEY will monitor this indicator at the Call level.
	Description: The indicator measures the number of unique legal entities that receive financial support through grants for pre-commercial research and development activities during the reporting period, regardless of legal form or ownership. Indicator achievement will be tracked separately based on thematic group selected (digital or green). Source of verification: Grant Agreement, Implementation reports and final report.				
Aa2	Output	Value of private investment matching public support	EUR	Project completion	

	Description: This indicator measures the total value of private contributions in supported projects. The amount represents the additional funding beyond public support provided through the program. It is calculated by subtracting the amount of public funding (including the value of grants and other contributions from public sources, if applicable) from the total project value, which includes both eligible and ineligible project costs (without ineligible VAT). Source of verification: Grant Agreement, Implementation reports and final report.				
Aa3	Output	Number of experimental development projects supported	project	Project completion	
	Description: This indicator refers to the experimental development projects supported through the implementation of the program which means acquiring, combining, shaping, and using existing scientific, technological, business, and other relevant knowledge and skills for the purpose of developing new or improved products, processes, or services. It may also include activities aimed at the conceptual definition, planning, and documentation of new products, processes, or services. Source of verification: Grant Agreement, Implementation reports and final report.				
Aa4	Output	Number of innovative solutions developed	Solution	Project completion	Applicants must include these indicators in the project proposal and set a target value for it at the project level (mandatory).
	Description: This indicator measures the number of innovative solutions in the pre-commercial phase, developed by the supported entities involved in the project implementation. The solution is considered developed when it is sufficiently advanced to be considered for implementation or deployment in a target market or operational environment. This must be demonstrated during project implementation through the development and testing of a functional prototype, the piloting of a service or process, or equivalent validation of the solution in a real-life or simulated setting. The indicator separately tracks which developed solutions fall into the categories of digital or green. Source of verification: final report.				
Aa5	Output	Percentage of women that applied to the Call	Project	Project submission deadline	
	Description: This indicator measures the share of women entrepreneurs (owners, CEOs, research team lead) who applied for support under this Call. It reflects efforts to promote gender balance and inclusiveness within the national innovation ecosystem by encouraging women-led enterprises and researchers to participate in research and innovation activities. Source of verification: Application form.				
					Applicants do not include the indicator in the project proposal. Program managers will monitor the indicator at the Call level.

4. Eligible applicants

Eligible applicants are **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.

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

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.

An applicant may participate as a partner in other projects, provided they meet the eligibility criteria defined in Section 4 of these Guidelines.

5. Eligible partners and partnership formation

Applicants may implement the project either individually or in partnership, with **a maximum of two (2) other project partners**.

In case there are two partners in a project, besides the applicant, one of them must be RO and the other must be an enterprise.

Eligible partners on the project may include:

a) Research organizations (ROs):

- **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 higher education institutions 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.

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.**

Partners are eligible to participate in the project, 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 project'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 partner may simultaneously participate as an applicant in another project, provided that it meets the eligibility criteria defined in Section 4 of these Guidelines.

Signed Partnership Agreement must be submitted as part of project application in project proposal submission stage. The minimum content requirements for the Partnership Agreement are detailed in

Annex IX.

Aid (grant funding) cannot be awarded to an entity 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 partner 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 decision on funding annulled.

6. Number of applications

Each applicant may submit **one (1) project proposal** under this Call.

Each enterprise or RO can participate as partner in maximum three (3) project proposals.

Applicants must ensure that the number of submitted project proposals does not exceed the specified limits. If the limits regarding the number of proposals submitted are exceeded, the MSEY reserves the right to exclude project proposals from the grant award process. In such cases, proposals will be excluded based on the chronological order of submission, with priority given to those submitted earlier.

7. Project duration

Duration of projects is as follows:

- **Group A: Digital R&D** – up to 16 months,
- **Group B: Green R&D** – up to 22 months.

All project activities and related payments must be completed by October 31, 2028. Applicants must ensure that the proposed timeline aligns with this final implementation deadline.

In exceptional cases, implementation period may be extended, but no later than October 31, 2028.

8. 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.

8.1. Eligible projects

The general eligibility criteria for projects are as follows:

- The project aligns with the objective of the Call, contributes to the results framework of the Call, and includes mandatory project indicators;
- The project can be clearly attributed, with clear description of the solution and results, to one of the two thematic groups targeted by the Call (digital or green);
- The project proposal does not include any of the activities that significantly harm any of the environmental objectives: (a) climate change mitigation; (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control; (f) the protection and restoration of biodiversity and ecosystems, in line with Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable

investment, and amending Regulation (EU) 2019/2088.

- The project proposal demonstrates its contribution to climate mitigation or adaptation and compliance with EU taxonomy of sustainable activities (applicable for project proposals submitted to Group B: Green R&D).
- The partnership, if applicable, must comply with the conditions defined in Sections 5 of this document. This includes ensuring that the project is implemented either by a single eligible applicant or in partnership with one or two eligible partners, and that the number of project proposals submitted as an applicant does not exceed the limits defined in Section 6;
- The project is implemented within an eligible geographical area, on the territory of the Republic of Croatia, except travel abroad;
- The project must not have started implementation before the submission of the project proposal;
- 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 commence implementation, with a planned duration of up to 16 for Group A and up to 22 months for Group B months, ensuring that all activities and related payments are completed no later than October 31, 2028;
- The project includes eligible activities and costs;
- 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 2.3 Risk Classification Guidelines), as described in Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project.

8.2. Eligible activities

Activities should focus on advancing solutions from initial validation or early development toward pilot implementation and demonstration in real-life settings.

Eligible activities include:

- 1. Research activities (mandatory):** These activities aimed at advancing the project from existing research toward practical application and pilot implementation:
 - Experimental development to further refine and adapt the proposed innovation, including prototypes, service delivery models, methodologies, applications, or platforms, contributing to development of innovative digital and green technologies, products, and processes.
- 2. Innovation cycle management activities:** These activities include business validation and external services related to market analysis, assessing the economic viability of research outcomes, feasibility studies, and product development strategies; consulting related to the management of intellectual property; verification of assumptions and analysis related to the

target use, users and the market for the solutions developed; development of a commercialization plan; or preparing other relevant documents to support the transition of developed solutions to the market.

3. **Dissemination of research findings and technologies:** These activities focus on the dissemination of research findings and technologies through participation and organization of events and workshops, publication costs, and similar.
4. **Promotion and visibility:** 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.
5. **Project management activities:** 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.

8.3. Eligible and ineligible costs

The project must not represent double funding. All the costs² must meet the following criteria:

- They are incurred from the date of project proposal submission and no later than October 31, 2028;
- They are connected to the project and comply with the rules set out in the Call documentation;
- 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 Table 3 are eligible for funding under this Call, while the following costs are not eligible:

- Costs incurred before the date of project proposal submission, and costs incurred after October 31, 2028;
- Purchase, rent, or leasing of land and existing buildings;
- Costs of adaptation and 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.

The following cost categories are eligible for funding, provided they are directly related to the implementation of project activities as defined in Section 8.2 and are incurred by the applicant and

² Applicants must provide a project budget plan (within Application form) with costs that are fully in compliance with the eligibility criteria.

partner (if applicable).

The eligible costs are outlined in Table 3.

Table 3. Eligible costs for applicants and partners

Activities	Eligible costs	Aid for research and development (experimental development)	Aid for research and development (experimental development) (effective collaboration or wide dissemination of results, art 25. of GBER)
Activity 1. Research activities (mandatory)	- Personnel cost: researchers, technicians and other supporting staff to the extent employed on the project (salaries for new recruitment and engagement of existing staff). The calculation of personnel costs must comply with the methodology specified in Section 10 of this document); - Costs of contractual research (external research services) necessary for the implementation of the project if the research team cannot independently carry out certain activities (up to 10% of total direct eligible project costs) (eligible only for applicant); - Costs of knowledge and patents purchased or licensed from external sources at market prices, if they are necessary for the implementation of the project (up to 10% of total direct eligible project costs) (eligible only for applicant). Additional cost category eligible only for enterprises: - 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. Additional cost category eligible only for research organizations:	1. Croatian micro and small enterprises – up to 45% 2. Croatian medium-sized enterprises - up to 35% 3. Croatian large enterprises (eligible as partners only) up to 25%	1. Croatian micro and small enterprises – up to 60% 2. Croatian medium-sized enterprises - up to 50% 3. Croatian large enterprises (eligible as partners only) up to 40%

	Costs of purchasing, renting, or upgrading instruments and research equipment (including furniture and IT equipment).		
Activity 1. Research activities Activity 2. Innovation cycle management activities Activity 3. Dissemination of research findings and technologies Activity 4. Promotion and Visibility Activity 5. Project management activities	- Indirect costs (calculated for each applicant/partner (if applicable), at a flat rate of 20% of total direct eligible project costs allocated for Activity 1 for the same applicant/partner). These costs may include: - additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project (Activity 1), - 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), (Activity 2), - cost for dissemination of research and development results from the project (e.g. costs of publication of scientific papers, proofreading, registration fees, participation at conferences and related travel costs, accommodation costs and per diems, costs for organizing workshops/conferences) (Activity 3), - costs for promotion and visibility (e.g. 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) (Activity 4), - administrative staff costs, costs of consultancy services for project management and costs of consultancy services for the preparation and implementation of procurement (Activity 5).	1. Croatian micro and small enterprises – up to 45% 2. Croatian medium-sized enterprises - up to 35% 3. Croatian large enterprises (eligible as partners only) up to 25%	1. Croatian micro and small enterprises – up to 60% 2. Croatian medium-sized enterprises - up to 50% 3. Croatian large enterprises (eligible as partners only) - up to 40%

Notes for applicants/partners:

- If the project is implemented in partnership, at least 60% of the total eligible costs must be allocated to the applicant.**
- Where project results are widely disseminated through conferences, publications, open-access repositories, or free/open-source software, costs related to dissemination (as defined in Table 3.) shall not be eligible for enterprises, in line with applicable State aid rules.**
- If project involves effective collaboration:**
 - with research organisation: research organisation must be allocated at least 10% of the total eligible costs,**

- **between enterprises, at least one of which is an SME: no single enterprise bears more than 70% of the total eligible costs.**
- The above conditions for effective collaboration must be clearly demonstrated in the proposal, including the distribution of tasks, costs, and rights to results.
- Budget distribution should reflect the expertise, workload, and resource commitments of applicant and partner (if applicable), 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.

9. Aid intensity

NOTE: The overall grant intensity on project level, after applying the co-funding rates for each enterprise and RO involved, may not exceed 60% of eligible costs.

Grants awarded to enterprises

Grants awarded to enterprises (as applicants or partners) will be considered state aid. Such aid will be granted in accordance with the State Aid Program, which will be published Call website.

Table 4 outlines the categories of aid for enterprises. Based on these categories, the corresponding aid intensity for each eligible cost in the project budget must be applied, as specified in Table 4.

Applicants and partner(s) (if any) are required to review and apply the rules set out in Annex E. Guidelines related to the application of state aid rules, which form part of Annex I.

Table 4. Intensity of grant for enterprises by category of aid

Enterprises	Aid for research and development (experimental development)	Aid for research and development (experimental development) (effective collaboration and wide dissemination of results, art 25. of GBER)
Croatian micro and small enterprises	up to 45%	up to 60%
Croatian medium-sized enterprises	up to 35%	up to 50%
Croatian large enterprises (eligible as partners only)	up to 25%	up to 40%

The grant intensity rates listed in last column apply only if project envisages effective collaboration or wide dissemination of results, art 25. of GBER.

Grants awarded to research organizations

Grants awarded to 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%.

10. 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.

10.1. Calculation of the daily rate

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

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

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.

In cases where the applicant did not have any employees in the previous financial year, the daily rate for personnel costs shall be calculated based on the payroll(s) for the month preceding the submission of the project proposal, adjusted to reflect the equivalent annual salary level.

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.

10.2. Budgeting and cost allocation

Personnel costs in the project budget must be allocated collectively for all individuals working on a specific activity, 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 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.

11. Instructions for the submission of project proposals

This Call follows a one-stage application process. Project proposals must be prepared and submitted in English through the eDIGIT application portal, available on the official website:

<https://digit.mzom.hr/>.

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

Please follow these instructions carefully to ensure your project proposal is properly submitted and considered:

1. 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 Application form: Log in to the portal and accurately fill out the Application form. The content of the Application form is provided in Annex IV. of this document.
3. Complete the baseline survey: Applicants must complete the baseline survey by following the relevant link: https://croatiasurvey.qualtrics.com/jfe/form/SV_bIOsNtgdGDCIDxA

Completing the survey is mandatory before submitting the project proposal. 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. The indicative content of the Baseline survey is provided in Annex V. of this document.

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

Table 5. Submission of supporting documents

Document	Mandatory (yes/no)	Notes and document format
Declaration by the Applicant	Yes	Annex II. – Completed, signed, and stamped (.pdf format) (English).
Declaration by the Partner	Yes (if project envisages partnership, for each partner involved)	Annex III. – Completed, signed, and stamped (.pdf format) (English). – submitted for each partner included
CVs of research team members	Yes	Annex VI. – Completed for each research team member which will be involved in project implementation (.pdf or .zip format) (English).
Annual financial statement or equivalent report of the enterprise	Yes (for each enterprise involved as applicant/partner)	Enterprise must submit their latest available 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). Note: In cases where the company was established in the current year, submission of the annual financial statement for the previous accounting period is not required. However, it is necessary to submit either a provisional financial statement or a declaration containing a good-faith estimate (in the form of a business plan) prepared during the financial year. This business plan should cover the entire period (financial year) until the entity begins generating revenue. Financial projections of the profit and loss account, balance sheet, and expected number of employees in the company, accompanied by a narrative section

		describing the company's core activities and its expected market position, are considered the minimum requirements of the business plan. The document must be dated and signed by the person authorized to represent the company.
Statute or other relevant act proving the legal status of the partner	Yes, if the latest version is not publicly available on the partner's website (if project envisages partnership, and the partner is a research organization)	The statute (or an equivalent document) must be provided for partner 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).
Group statement	Yes (for each SME involved as applicant/partner)	Each SME is required to submit the Group statement, as provided in Annex VIII. 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).
Partnership Agreement	Yes (if project envisages partnership)	Signed and stamped Partnership agreement (in .pdf format) concluded at the consortium level (signed by the applicant and partner(s)) (the minimum content requirements for the Partnership Agreement are detailed in Annex IX.) (English).
Environmental and social screening questionnaire (ESSQ)	Yes	Completed Environmental and Social Screening Questionnaire (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 ESCOP, ESMP Checklist or ESMP) before publishing any tender documentation (English)
Project budget	Yes	Completed Annex X., submitted in xls or .xlsx format

5. Review and finalize submission: Carefully review the entire application and ensure all required fields and documents are completed and attached. Incomplete project proposals will not be considered.
6. Submit the project proposal: Once all sections are complete and all documents are uploaded, submit the project proposal 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 6. Submission of supporting documents before adopting an Award decision on funding and signing the Grant Agreement

Document	Mandatory (yes/no)	Notes and document format
Documentation related to salary calculation	Yes (before adopting an Award decision on funding)	Acceptable documents: Annual financial statement, or equivalent report of the applicant 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).
Proof of secured own funds for project co-financing (applicable only to the applicant and each enterprise partner)	Yes (before signing the Grant Agreement)	Acceptable forms of proof for each enterprise 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 the enterprise (including eligible and ineligible costs, excluding VAT), or - Option 2: A loan agreement confirming secured financing for the applicant's/partner's share of project costs. The loan amount must cover the difference between the total project costs of the enterprise (including eligible and ineligible costs, excluding VAT) and the requested grant amount for that enterprise; or - Option 3: A combination of own funds and a loan may 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 (including eligible and ineligible costs, excluding VAT) and the loan amount; and - A loan agreement confirming secured financing for the applicant's/partner's share of project costs. The loan amount must cover the difference between the total project costs of the enterprise (including eligible and ineligible costs, excluding VAT), the amount of own funds, and the requested grant amount. Note: Each 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).
Certified (solemnized) blank promissory note	Yes (before signing the Grant Agreement)	Before signing the Grant Agreement, applicants must submit a certified (solemnized) blank promissory note in the amount of at least the approved grant amount, i.e. the first available promissory note amount

		exceeding the approved grant amount shall be used. The blank promissory note shall serve as a security instrument for the recovery of funds in cases of non-compliance with contractual obligations (e.g. ineligible costs identified, unspent advance payments, termination of the Agreement, etc.). Submission of the promissory note is also a prerequisite for the disbursement of advance payment funds.
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12. Timetable and deadlines

The project proposal can be submitted from 15 June, 2026 (starting at 9:00) until ~~18 September~~ **25 September** 2026 (deadline for submission at 12:00). 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 7 below.

Table 71. Indicative timetable and deadlines

Indicative timetable and deadlines	
Start date for receiving project proposals	15 June 2026, 9:00:00
Project proposal submission deadline	18 September 25 September 2026, 12:00:00
Project proposal evaluation results	60 days from the closing of the Call
Grant Agreement signing	45 days from the final ranking

13. Grant award process

For this Call, funding will be provided to the projects that meet administrative, eligibility and quality criteria and rank highest based on the points scored. The process from the submission of project proposal to the signing of the Grant Agreement is illustrated in the following chart.

Figure 2. Grant award process



After the submission of project proposals and before adopting an Award decision on funding, applicants (upon the MSEY's request) must prepare and submit documents as listed in Table 6.

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.

14. Evaluation of the Call

By applying to this Call, the applicant consents to the use of 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 or not. Access to this data will enable a proper evaluation of the Call's impact. This consent is given through a signed declaration by the applicant (Annex II.).

Before submitting a project proposal, the applicant is required to complete a baseline survey.

Annex V. of this document outlines the indicative content of the baseline survey. The baseline survey must be completed exclusively via the link provided. The applicants confirm in the declarations that they have fully completed the survey form.

This survey will collect data on the previous achievements of the applicant related to research and development activities. The responses gathered 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 compared to the baseline situation reported at project submission. By applying to this Call, the applicant commits 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 declaration by the applicant (Annex II.). The MSEY will ensure that any future surveys do not create an undue administrative burden for respondents, ensuring adherence to the General Data Protection Regulation (GDPR) particularly with regards to purpose limitation and data minimization principles.

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.2.1.03) on the portal. The MSEY will address these questions through 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 details of the Data Protection Officer: SzZOP@mzom.hr, Donje Svetice 38, 10000 Zagreb, tel: +385 1 4594 294.

17. Grievance Redress Mechanism

The MSEY is responsible for the establishment of the Grievance Redress Mechanism (GRM) for receiving and facilitating the resolution of grievances³, complaints⁴ and concerns presented by applicants, beneficiaries, and any individuals, groups, or communities who are 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.

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.

18. 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 - P180755⁵;
- 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 9/23)⁶;

³ Grievance: a claim raised by an individual or group whose livelihood, health and safety, cultural norms and heritage are considered to have been adversely affected by a project activity which, if not addressed effectively, may pose a risk to operations (through stakeholder actions such as access road blockages) and the livelihood, well-being or quality of life of the claimant(s). The grievance mechanism described in this section includes both complaints and grievances.

⁴ Complaint: an expression of dissatisfaction that is related to an impact caused by a project activity, which has affected an individual or group. Adversely, the interests of an individual or group and the individual or group want a proponent or operator (or contractor) to address and resolve it (e. g. problems related to dust deposition, noise or vibration). A complaint is normally of a less serious nature than a grievance.

⁵ Project Appraisal Document (PAD), [link](#)

⁶ 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](#)

- Environmental and Social Management Framework (ESMF)⁷;
- Grants Operations Manual (GOM)⁸;
- Grant Agreement⁹.

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

- 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);
- Law on Financial Operations and Pre-bankruptcy Settlement (OG 108/12, 144/12, 81/13, 112/13, 71/15, 78/15, 114/22);
- Bankruptcy Law (OG 71/15, 104/17, 36/22, 27/24);
- 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, 52/25);
- 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 Higher Education and Scientific Activity (OG 119/22);
- Law on Public Procurement (OG 120/16, 114/22);
- State Aid Act (OG 47/14, 69/17);
- Law on the Implementation of the General Data Protection Regulation (OG 42/18);
- 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.

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 for verifying the applicable laws at the time of submitting their project proposal, as the regulations in force at the time of submission will apply.

The MSEY oversees the entire DIGIT Project, manages the grant scheme, and is responsible for the execution of this Call, selection process and preparation of grant agreements (and any addenda, if applicable), while the Croatian Agency for SMEs, Innovation and Investments (HAMAG-BICRO) provides support through implementation monitoring of selected projects.

⁷ Environmental and Social Management Framework, [link](#)

⁸ Grants Operations Manual (GOM), [link](#)

⁹ 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

19. List of Annexes

- 1) Annex I. Conditions for the preparation and implementation of projects within the DIGIT Project
- 2) Annex II. Declaration by the Applicant
- 3) Annex III. Declaration by the Partner
- 4) Annex IV. Application form
- 5) Annex V. Indicative content of the baseline survey
- 6) Annex VI. Curriculum Vitae
- 7) Annex VII. Environmental and social screening questionnaire
- 8) Annex VIII. Group statement
- 9) Annex IX. Minimum content requirements for the Partnership Agreement
- 10) Annex X. Project budget