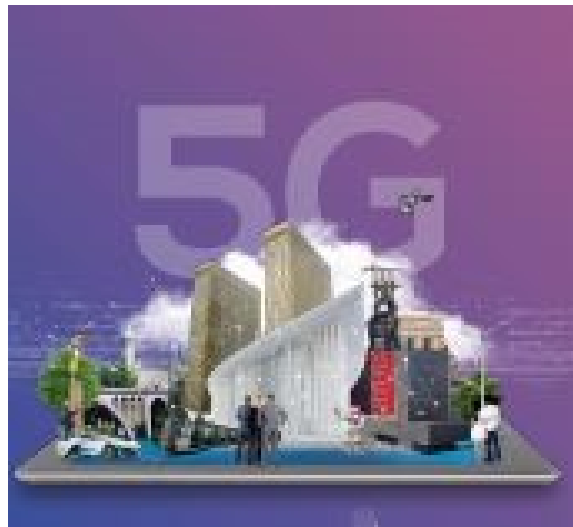


# 5G

## Call for Projects - FAQ



- Release 1.0: 06.08.2019
- Release 2.0: 30.08.2019

### General considerations:

- Questions were rephrased or corrected in case of grammatical mistakes
- Similar questions were merged or combined in order to increase the readability of the answers.
- Question/responses added since v1.0 are highlighted in yellow in the document for better readability. Questions remain structured according to their relation to the sections of the CfP.
- Additional questions were addressed but require concertation with partner ministries. Answers to these questions will be published in a later v3.0.

## 1. Scope of the call for project

### 1.1. Thematic scope

**Q: Does the CfP only target technological projects?**

A: No, the CfP also addresses other types of projects, still, these shall rely on 5G or related/equivalent technologies.

**Q: Industrial research definition includes lab demos or prototypes. Is proof of network infrastructure from operators needed for this case?**

A: It will depend on the precise project whether it makes sense to limit it to lab demos or prototypes or whether it already makes sense to also include field test. However, the focus of the call being on pilot projects based on the actual use of 5G or equivalent networks, the testing of demos and prototypes under realistic conditions is ideally also done in an actual network infrastructure.

**Q: Are purely social projects possible?**

A: Yes, projects are not required to be of commercial use only.

### 1.2. Geographical scope

**Q: Are projects only eligible if operated within the pioneering zones mentioned in the national 5G strategy?**

A: No. These pioneering zones are very suitable for the operation of pilot projects, but are not the only suitable zones. An ideal pioneering zone can host several pilot projects in parallel and / or subsequently.

### 1.3. Project applicants and partnerships

**Q: Can universities and public research institutes lead proposals?**

Yes.

**Q: What is the definition of a young, small and large enterprise?**

A: A young enterprise is an enterprise that was created within the last 5 years.

Small and medium-sized enterprises (SMEs) are defined in the EU recommendation 2003/361. The main factors determining whether an enterprise is an SME are:

- staff headcount
- either turnover or balance sheet total

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

These ceilings apply to the figures for individual firms only. A firm that is part of a larger group **needs to include staff headcount/turnover/balance sheet data of the entire group.**

For more details: [The revised User Guide to the SME definition](#)

**Q: Can you confirm that not only small companies / start-ups are eligible, but also larger international technology companies (present in Luxembourg)?**

A: Yes, large companies are eligible too.

**Q: What type of legal entity should the consortium be of? And should it be established before or at the moment of the application?**

A: The CfP does not impose nor suggest a specific form in which the consortium should be formalised.

For the project submission, a simple memorandum of understanding might suffice. Latest for the signing of the grant agreement a formal consortium agreement needs to be handed in.

**Q: In a consortium, do we have to make conventions between all the partners?**

A: All partners forming a consortium shall be signing the consortium agreement. A project might include additional partners, but which are not core to the project (who are subcontractors,...). It is up to the applicants to decide about the consortium members.

**Q: In case of 2 similar projects, did **[should read "will"]** you make a link between these 2 project leaders?**

A: The CfP does not foresee that similar projects shall be merged.

**Q: How many organisations have expressed interest in taking part?**

A: The CfP does not include a "pre-registration", so a concrete number of organisations interested in taking part cannot be given.

## 1.4. Level of co-funding

### **Q: Is the level of co-funding always 50%**

A: No. The applicant can submit projects with levels of co-funding that are lower than the maximum level foreseen in this call.

- *A higher level of percentage is possible for certain types of projects (as described in section 1.4.).*
- *A lower percentage of co-funding than the maximum level possible can be considered an advantage over similar projects with a higher percentage of co-funding.*

### **Q: RFP provides no information on the total budget available in this RFP. Given this and the above clarification, it can then be estimated how many projects will be selected for co-funding in this Call.**

A: With release of v1.2. of the call for projects, this information is provided. See in section 2.4. for the amounts.

### **Q: How can non-profit organizations complement the 5G funding to reach a fully funded model? Can in-kind contributions (e.g. lab infrastructures) be used for this?**

A: All sources of private funding can be used to complement the public co-funding. However any additional public funding will have to be added in the calculation of the co-funding rate on the side of the public contribution.

In-kind contributions from entities that are part of the public sector cannot be considered for cofinancing.

### **Q: Could you support us for the infrastructure?**

Yes. Please refer to section 2.3.4 of the CfP for the necessary details. As an example, the set up of a signalling antenna could be supported within the co-funding. But it should either be clearly documented and reasonable to use the equipment only for the purpose of the project (and therefore consider it to 100% in the budget), or it should be clear to what extent (percentage over time and/or percentage of use over project duration) the equipment is used and therefore only consider this pro-rate of the equipment cost in the project.

### **Q: Is the co-funding rate for the young, medium enterprises and start-up related to a certain level of turnover rate already gained during the last three years?**

A: Yes. Since the annual turnover is (like the staff headcount or the annual balance sheet) one of the decisive criteria for defining an enterprise as small- or medium-sized, and this in return being decisive for the maximal co-funding rate, the co-funding rate may indeed be related to the annual turnover of the three last years (the criteria need to be respected for two of the three last years). See above the answer on the question “what is the definition of a young, small and large enterprise?”.

**Q: In case of a consortium, how are the co-funding rates calculated? According to all members/lead or ...?**

In case of a consortium, the state aid rules need to be respected for each individual member. While the project will have its overall co-funding rate, the final decision on the public co-funding will be based on the specific individual consortium member (its legal situation, its own assets, the requested amount).

In the application form, the budget is to be detailed per consortium member (section 3.3.3., as in form v.1.2). Additionally, applicants can differentiate the individual assets and the resulting co-funding rate in the “funding summary” (section 1.3. as in form v.1.2).

**Q: How will the SMC-5G-team identify the project as Industrial Research? Could you please, specify some basic criteria that will recognise the project as the Industrial Research? Do we need to follow these criteria to simplify your project positioning?**

A: The criteria for identifying a project as falling under the type of “industrial research” are explained in section 1.5 (at the bottom of page 5) in the CfP. This is the official definition as laid out by the European Commission and this is therefore also the definition that will be used during the evaluation of the projects. Project applicants are deciding under which category of project / research their project shall be considered. This categorisation will be checked during the evaluation process.

The European Commission further details “industrial research”: it comprises the creation of components parts to 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 small scale pilot lines to test and validate the manufacturing method performance, when necessary for the industrial research and notably for generic technology validation. Industrial research usually corresponds to Technology Readiness Levels 2-4<sup>1</sup>.

**Q: "Section 1.5, Level of co-funding, of the Call for Project states: “The consortium can obtain 15% for projects whose outcomes will be largely disseminated through conferences, publications or by the publication of free or open software”:**

- Can you please specify what it means “largely disseminated”. For example, is there a minimum number of events where the results must be presented? Is there a geographical and or time constraint? e.g. only events in Europe for 1 year after the project ends.
- In terms of costs, dissemination will happen after the project ends. Are these costs going to be covered by SMC, or they have to be paid by the consortium?
- Finally, how do we justify these additional 15%? Do we have to present a list of events/activities/publications where we are going to disseminate the results?"

*[answer currently in review]*

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<sup>1</sup> [https://en.wikipedia.org/wiki/Technology\\_readiness\\_level#In\\_the\\_European\\_Union](https://en.wikipedia.org/wiki/Technology_readiness_level#In_the_European_Union)

**Q: Is the funding rate applicable fixed by partner or by the consortium?**

A: *[answer currently in review]*

**Q: Is the maximum amount of 200K EUR per partner for project duration only applicable to young enterprises and startups?**

A: *[answer currently in review]*

**Q: Own contribution: can we consider as eligible own contribution the following type of contributions or mix of them:**

- in-kind contribution (personnel working on the project and covered directly by institution / company)
- depreciation costs of purchased equipment (even before the project start) and used for the purpose of project (depreciated over the life of the project)?
- It is mentioned in the guidelines that the financing of costs through additional funding sources is possible (unless the funding sources exclude each other), so can we consider the synergy with FNR funded research projects as possible own contribution (the 35% of total project costs)?

A: *[answer currently in review]*

## Availability of frequencies

**Q: When will be the frequencies be auctioned? Or will they even be auctioned?**

A: The allocation of 5G spectrum is not part of the CfP. Information and decisions regarding the spectrum allocation in Luxembourg will be published on the website of the ILR ([www.ilr.lu](http://www.ilr.lu))

## 1.5. Other permissions

## 1.6. Non-disclosure and publication of project outcomes

**Q: What steps are proposed about preserving the confidentiality of submissions for projects, on the Ministry/assessing team side? Will the assessors sign NDAs?**

A: Yes, all **external** people working on the evaluation of the CfP will sign a non-disclosure agreement (NDA). **Civil servants also have to preserve confidentiality. It is recommended to indicate clearly in the submitted documents what information is confidential.**

**There will however be a press release referring to the projects retained for funding.**

## 1.7. Evaluation of the impact on the environment

**Q: The impacts on the environment (EMF) requirements are not clear for this project. [...] Which assumptions we should take?**

A: Network operators will need to request the necessary authorisations from the competent authorities.

One of the objectives of the pilot projects is to gain more experience in assessing and measuring electromagnetic fields generated by 5G networks. Selected pilots will be used for elaborating appropriate methodologies in order to facilitate the introduction of 5G while appropriately limiting the exposition of the public to electromagnetic waves.

## 1.8. Diligent budget reporting and documentation

## 2. Eligible projects

### 2.1. Service layer

### 2.2. Network layer

#### 2.2.1. Network topology and architecture

**Q: Is the use of 5g NR equipment mandatory for the proposed project?**

A: No. The CfP is technologically neutral, but the chosen technology should be equivalent to 5G, as described in the CfP (e.g. in the introduction and in section 2.1.).

**Q: Will the use of a spectrum in band 3410-3700 be authorized to put a project in place, and if yes, how long?**

A: The ILR could issue temporary test licenses. But once spectrum allocation for 5G has been done, the spectrum might not be available any longer for test purposes. Network operators will then use the spectrum granted under the 5G licenses and pilots can be further pursued using regular licences.

**Q: Do participants need to just specify who shall provide the layer of infrastructure - or also show proof of agreement with the specific infrastructure provider?**

A: Applicants should hand in a proof of such an agreement: letter of support, collaboration agreement,... The eventual costs of such an underlying infrastructure should also be visible in the project budget and ideally should not be an unconfirmed estimate.

#### 2.2.2. Network coverage

### 2.3. Project management layer

#### 2.3.1. Work packages and responsibilities

**Q: Is the partner co-funding rate fixed/global per project, is it per Work Package depending on the type of activity in each work package?**

A: This can depend on the structure of the project. The co-funding rate is checked on an overall level: all work packages combined. For the purpose of compliance with European state aid rules, the criteria for the co-funding rate also has to be checked on the level of project partners that are



economic undertakings. An entity performing non-commercial activities might have a higher co-funding rate.

### 2.3.2. Objectives

### 2.3.3. Project timeline

**Q: Can a project have a delayed start (for example start after one year)? This could be due to a current lack of products / solutions availability or maturity.**

Yes. If the initially planned starting date can't be met, the project leader can inform the SMC about this. If this late start also requires an extension of the project end to a later moment, the project leader shall request a change of project dates. This can be granted as referred to in section 1.2 of the CfP.

### 2.3.4. Budget and funding

**Q: The allocated budget for this project of 4M euro is it for 2019? What is the allocated budget for 2020?**

A: The announced 4 M € is allocated in the 2019 budget of the SMC. The public budget for the year 2020 is not voted yet. Projects handed in with this CfP and that will have expenses over the coming years only, still will be considered on the initial amount of 4 M €.

**Q: Can we apply if we already started the project we will submit? Will the funding be only on the milestones after submission is accepted?**

A: In order to be eligible, the project shall not have started before it is handed in. For a project that has not yet started before the handing in of the project, the eligibility of costs shall start by 1.10.2019.

**Q: How shall we budgetise equipment that could be used after the project, but we have no certainty about it yet (e.g. no spectrum allocation)?**

A: In principle, the cost of equipment being considered for co-financing is corresponding to the depreciation over the duration of the project. If the applicant considers that the equipment cannot be used any more at the end of the project, the equipment might be fully depreciated already by the end of the project. In many cases there will however still be a terminal value to be considered (can the equipment be sold to someone else?). If the subsequent use of certain equipment is uncertain, the applicant could base the estimated depreciation rate on the most probable scenario while submitting the project. The equipment shall be budgeted using the most likely occurring assumption.

However, at the end of the project, the value of the equipment might have to be reassessed (by the project applicant or another authority) and the final co-financing amount could be adjusted. In any case, the treatment of the equipment for co-financing should be in line with the accounting practices

of the applicant. It also has to be noted that the grant agreement will allow to claim lower co-funding than initially granted, while the opposite (higher co-funding than initially granted) will not be possible.

**Q: After a project was granted for funding. How and when will the funds be claimed to SMC?**

A: The applicants will pre-finance their expenses and then hand in the project expenses at the end of the project to claim the allocated funds.

**Q: Is cofunding that has to go through a parallel evaluation process (eg FNR) considered a weakness/risk for the 5g proposal?**

A: It will neither a weakness of nor a risk for the project. Of course one same cost cannot be subsidised twice.

**Q : The aim of our project is to generate revenues in the future through different services. Are we obliged to already detail these revenues?**

*[answer currently in review]*

**Q : Regarding costs, what about overhead? Is there a limit? e.g. 25% of direct costs as in H2020 programs.**

*[answer currently in review]*

### 2.3.5. Appointed human resources

### 2.3.6. Management capability

**Q: Can one applicant submit more than 1 project**

A: Yes. But the applicant should also prove that he is able to handle and manage the projects that it is submitting.

### 2.3.7. Risk assessment and risk management

**Q: If the applicant is only building an application and since there are no 5G network deployed today, how can these applications be tested?**

A: We expect that by the time the CfP has been evaluated, there are test beds available. Project applicants are therefore invited to contact network operators since this in return also helps network

operators to better identify the need for network development and for setting up the appropriate test environments.

### 3. Administrative details

#### 3.1. Identification of project applicants

**Q: It is not clear whether international cooperation is allowed or not.**

A: The document makes no reference to Luxembourg-based companies only. Applicants from any country can apply. To be eligible, a project has to display an impact within the Luxembourg ecosystem. In section 3.1. of the CfP a support letter of network partner / network supplier and in section 1.3. the geographical scope to be explained in the application is explained.

**Q: No limit of project submissions per partner is specified in the RFP.**

A: Indeed, there is no such limit mentioned in the CfP. In section 3.1. it is specified that a consortium can submit one or more proposals. The same applies also to single applicants. In case of multiple projects getting submitted, the applicants have to be aware that during evaluation projects will be screened upon uniqueness (section 3.1.), upon available and appropriate human resources (section 2.3.5.) and upon decent management capabilities (section 2.3.6.). *In other words: a single applicant, especially from a small entity) submitting a long list of projects will have to prove being able to handle these projects.*

**Q : How can one differentiate between a project partner and a consortium partner ?**

A : The decision or choice whether a partner shall be part of a project consortium or whether he is a “simple” partner, e.g. in the form of a subcontractor is of the sole discretion of the project applicant (lead applicant). It is also possible to associate partners (as “simple” partner or as consortium partner if there is no direct financial implication into the project).

**Q : In case two partners agree on a possible collaboration, would a simple letter of support would be sufficient?**

A: The applicant is free to decide how to formalise its relation with its partners. A simple letter could suffice. For the sake of the evaluation of the project, the relation between project partners should be clear and understandable to external evaluators and clearly documented and consistent all along the submitted documents.

**Q: It was said that the consortium shall be presented as [by] the one leading applicant. How will the SMC-5G-Trial Team identify the consortium members? Do you need a list of agreements? MOUs? What is the consortium definition criteria in the scope of the 5G Call for Projects?**

A: It is the duty of the project applicants to identify and specify its consortium members. The CfP specifies e.g. the following information to be provided during the application:

- A budget detailed by consortium member (section 2.3.4.)
- An explanation on how the consortium management is intended to be (section 2.3.6.)

- Eventual dependencies between consortium members (section 3.1.1.)

The application form further states a memorandum of understanding or (draft) consortium agreement in the list of documents that shall be submitted in the annexes. Applicants are free to define their level of collaboration since the CfP does not impose a specific definition or collaboration scheme of a consortium.

**Q: Can we base our consortium agreement on the model provided by DESCA or MCARD?**

A: Yes. Please note that also these models are drafts and that its authors don't assume any warranty or responsibility. The use of such text in total or in part is under the users own responsibilities.

### 3.1.1. Financial capacity and applicant details

**Q: Do public institutions also need to provide financial information (point 5.4)? If yes, what exactly (as it's different from public sector)?**

A: If the public institutions (e.g. research institutes) are already providing financial monitoring information to other Luxembourg ministries, a detailed financial information is not required during the project submission.

### 3.2. Declaration of honour

**Q: As a public institutions how are we supposed to fill out the declaration of honor in those points that do not apply to a public organization?**

A: The form mentions "organisation/enterprise" in its third line. Here, "organisation" also refers to public organisations. While editing the document, you might also mention "*hereby certify that the public institution X*", for as long as it clearly indicates the status of the applicant.

The reference to the bloc exemption regulation and the positioning of small, medium and large enterprises (around the end the declaration) can be deleted for those applicants that are no enterprises, as indicated in the corresponding footnote.

**Q : Regarding intellectual property rights : To whom these rights are attributed at the end of the project?**

A : The Luxembourg State does not request a transfer of intellectual property rights in return for co-financing. Any IP rights may stay with the applicant or consortium members. Nevertheless it is highly recommended that the project applicant and the project partners clarify the attribution of IP rights before the submission of a project. The project applicants may indicate the chosen IP regime in their application.

## 4. Submission and grant awarding process

**Q: Do evaluation experts have academic, industrial or innovation background? Are there any sub-criteria and weighting? Will we receive the detailed reviews?**

A: The Experts Committee is going to be composed of experts from the academia, from business background and from the area of innovation. The sub-criteria and the weighting are meanwhile published on the CfP webpage. The final review of the project will be communicated to the project applicants on request.

**Q: The inclusion of national experts in the evaluation process might create conflicts of interest. How is this addressed?**

A: The experts will mainly be international experts. If still one expert has a conflict of interest for one particular project, the expert will be able to indicate this at an early stage and he then will be excluded for evaluating or rating of this particular project.

**Q: What happens with proposals that are not selected, but kept as part of the Wishlist? Are those going to be automatically selected for the next Call for Projects? Or they will be selected if additional funding is obtained before the next Call for Projects?**

A: Projects which will not be immediately retained for funding, but that will be retained for a reserve list might get contacted if the grant formalization of other projects results in an additional availability of budget. There is currently no automatic transfer of applications possible for the next call for projects, since the second call for projects is not released yet. Please note that the submitted but not retained projects might evolve over time, or that the next call for project might have different priorities.

### 4.1. Instructions for drafting the proposal

### 4.2. CfP timeline

**Q: Do we need to submit the entire dossier by 31.09.2019? Or can we send only the application form of 30 pages max and the Addendums and Annexes can be provided later?**

A: It is mandatory to submit all information requested in the central application form by 31.09.2019. If supporting documents or annexes relevant to the grant decision are missing or erroneous and have to be handed in at a later stage, this will not automatically exclude the project, but it can result for instance in a later start of the eligibility of the project costs, delay the grant decision or lead to the negative evaluation and the subsequent rejection of the project.

### 4.3. Contact Details

### 4.4. Submission deadline and delivery method

**Q: Does the SMC eventually plan a 2<sup>nd</sup> call for projects in Q1/2020?**

A: Yes, the SMC intends to launch a second call for projects in Q1/2020.

**Q: No draft grant agreement is provided within the RFP. It would be helpful if such draft agreement was provided together with the RFP data package.**

A: *A first draft of the grant agreement is foreseen to be released by August 2019.*