DIH4AI OPEN CALL 2

GUIDE FOR APPLICANTS

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Content

1. Introduction to DIH4AI

The DIH4AI ("AI on-demand platform for regional interoperable Digital Innovation Hubs Network") project aims at building a network of AI-on-demand innovations and collaboration platforms, supporting joint development and provision of ecosystem-business-technology-transformation services through a sustainable network of regional DIHs specialized in AI and targeting local SMEs and local tech governmental agencies. The DIH4AI regional platforms are by design interoperable with the pan-EU AI4EU platform thanks to an interoperability framework operating at Portal, Data and Cloud levels, allowing SME-DIH-EU virtuous bi-directional collaborations at the level of shared AI resources, AI-oriented standard data models and ontologies, AI-ready FAIR datasets, AI-driven user interaction and services (Software-as-a-Service: SaaS) and AI-compatible advanced computation facilities (Platform-as-a-Service: PaaS, and Intelligence-as-a-Service: IaaS).

Financial Support to Third Parties (FSTP) is foreseen, on one hand, for the incorporation of third-party DIHs which will enlarge the AI DIH network further than its 5 original regions –this is, the base regions of the 5 Project participants which are constituted as DIHs–. Also, notably, and as part of the ICT-49-2020 (IA) call considerations, SMEs will also be able to take advantage of the platform and experiments of the project and the Open APIs provided on top of them, towards enhancing the DIH4AI compliant systems with additional functionalities and features. In particular, as listed in the call text, DIH4AI should address the complementarity of the project's achievements and its experimentations. The targeted types of activities that will be offered to attract the involvement of third parties, the rationale behind them with respect to the project goals, as well as the general profile and eligible criteria of the candidate third parties are also provided.

The 5 participant DIHs in the DIH4AI Project, on the other hand, are developing a series of Intra-DIH experiments, providing support to the SMEs within their ecosystem through the development of services inscribed within the METHODIH tool, specifically, the L-BEST Portfolio, which is defined as:

- **Legal and Ethical AI** services.
- **Business** services.
- **Ecosystem building** services.
- **Skills development** services.
- **Technology and Data** services.

Also, a series of Cross-DIH Inter-European experiments will take place, in which one SME not only receives support from the DIH from within its constituency; but relies as well in a third partner, another DIH, who would probably act as host of the Experimental Facility in which the solution is tested on-site.

DIH4AI will exploit this FSTP opportunity as a means of attracting SMEs to the project, as user and validators of the project´s SME-oriented experiments through AI regional DIHs. In particular, DIH4AI will provide financial support for SME-driven experiments in various economic areas involving users, AI providers and relevant DIHs, as mediators, associated with each other, in mini-consortia with a three-fold objective:

> ➢ To develop and experiment highly innovative applications in any AI domain, of the ones listed in Section 2.2 – Technological Topics.

> ➢ To test and validate the previously mentioned DIH L-BEST Service Pipeline in the "AI Providers" [and, possibly, "AI Users"] Customer Journeys.

> ➢ To evaluate the feasibility of integrating the newly-created solutions in the AI4EU Portal, Catalogue and Repositories.

Thus, and in summary, the activities supported by the DIH4AI Open Call 2 include:

- AI Innovative applications experimentation in any domain of AI and Cognitive Science (see Section 2.2 – Technological Topics).

- Support by local / Regional DIHs through the provision of L-BEST Services Pipeline.

- Active participation of technology users (SMEs or Public Organisations).

- Feasibility analysis of integration with AI4EU Platform and Catalogue.

Through their participation in this project, third parties will find complementary funding for the full implementation of their experiments.

The DIH4AI project holds two Open Calls, the first Open call was held in M9 and it must be highlighted that the objectives for these Open Calls are to attract aset of additional 20 (10 for each call) DIH-driven and SME-oriented experiments to complementDIH4AI in the extension of the current AI DIH ecosystem and related experiments.

2. Objectives of the 2nd Call

2.1 Context

In 2019, SMEs accounted for 99,8% of all enterprises in the EU-28 non-financial business sector and accounted for the majority of the increase in value added (60%) – EU Annual Report on SMEs, (November 2019). In the last years, the EC acknowledged that a number of areas require immediate action at EU level to ensure that:

- SMEs will increase Europe´s competitiveness in the AI landscape leaving no SME behind.
- New technologies and AI-based products, processes and services are based on European ethical values.
- SMEs get fast, trusted and secure links to data assets, AI methods and tools that can be used expediently and build on digital sovereignty.

These considerations are also extendible to public bodies aiming to digitalize their processes through AI technologies. Digital Innovation Hubs (DIHs) are a fundamental European instrument that has emerged over the last decade to address these limitations and encourage the uptake of AI across the economy. Most likely, the most known programme is the European Digital Innovation Hub (EDIH) call.

The main objective of this Call is to extend the DIH Network ecosystem to more regions, additionally to the 5 Regional DIHs who participate in the Consortium (Bavaria, South Netherlands, Paris Region, Czechia, Saxony-Anhalt), either directly, by ensuring the participation of around 10+10 more DIHs from different European Regions in the two waves of Open Call Experiments; or indirectly, through community building activities with the final aim to have more than 30 AI DIHs engaged.

Another important part of the DIH4AI mission is to establish the most needed link between the DIH Regional engines and the AI4EU Pan-EU service platform power, in order to ignite a virtuous Cross-Sectorial European economy of intelligence for SMEs at scale. Precisely the SME-friendly AI vision that DIH4AI aims at fulfilling. Thus, the interoperability of the solutions and its potential final integration in the on-demand AI4EU platform should also be envisaged from the proposal.

The First Open Call was launched in M9 of the DIH4AI Project and the beneficiaries of the open call were SMEs from any Member State or Associated country, that participated in the projects and experiments, under the coordination of a local DIH. So, mini-consortia of maximum 3 partners were allowed, but they should include at least one SME and at least one DIH. It must be pointed out that this Second Open Call will be launched in M22 and also the beneficiaries of the open call will be SMEs from any Member State or Associated country, that will participate in the projects and experiments, under the coordination of a local DIH. So, mini-consortia of maximum 3 partners will be allowed too and also, they should include at least one SME and at least one DIH.

As it was done with the First Open Call, the Second Open Call will be launched using the designed website and will remain open for, at least, 2 months. It must be highlighted that; the organization of the Open Calls needs a preparation phase related to administrative procedures that have to be put in place to deal with the supporting calls guidelines and other administrative topics. The plan is to perform dissemination activities to provide the best visibility to the Open Calls making use of the network and experience of the consortium participating in this project.

2.2 Technological Topics

The Financial Support to Third Parties will be reserved for those AI and/or users SMEs associated in mini-consortia with non-profit research institutes and DIHs willing to extend and improve the DIH4AI catalogue of advanced AI components and tools and/or participate in innovative experiments in the domain of AI, as previously mentioned.

The technological topics in the scope of DIH4AI Open Call are in the area of AI for Industry. As an example, we could mention the following:

- **Vision Intelligence, Machine and Computer Vision**: the ability, by the machines, to be self-aware of their environment, by, for example, being able to automatically recognize and detect physical objects, defects, scenes, products, etc.
- **Machine Learning and Deep Learning**: these technologies, based on algorithms or artificial neural networks, respectively, permit the acquisition of new knowledge by systems based on the consumption of data, without these systems, or models, being necessarily programmed explicitly for it.
- **Neural network applications**: circuits in which, based on excitatory and inhibitory connections established by the model via the consumption of data, inputs can be correlated with probable outputs. These can be used for predictive modelling, adaptive control and other kinds of applications where these networks can be trained via datasets.
- **Advanced Planning and Forecasting**: concerns the elaboration of techniques related to data-driven analytics and prediction models. The solutions are usually quite complex and shall be optimized in multidimensional space and time. Vision Intelligence and Decision-making is also very closely linked to this technological topic.
- **Natural Language Processing (NLP)**: the automatic interpretation and manipulation of natural language, such as speech and text, by software.
- **Machine Translation**: machine translation is a sub-field of computational linguistics that focuses on the use of software to automatically translate text or speech from one language to another.
- **Multi-Modal Human-AI Interaction**: this topic includes facilitating the interaction between the computer systems and their users, with finalities the development of virtual assistants or chatbots so as to help and guide the user in making a decision, filling a form, etc., and other applications such as searching documents, scheduling appointments, etc., depending on the Sector in which it is applied.
- **Knowledge Representation and Reasoning**: it is a field of AI which studies how a computer platform can represent the information within complex systems and tasks. For instance, the development of software which includes models for common sense physics, causality, intentions, etc., are included in this area.
- **Expert and Decision-Support Systems**: this topic relies on developing systems for gathering and analyzing evidence, identifying and diagnosing problems, proposing possible courses of action and evaluating such proposed actions. The aim of the AI techniques embedded in an intelligent Decision Support Systems is to enable these tasks to be performed by a computer, while emulating human capabilities as closely as possible. Examples of specialized intelligent decision support systems include Flexible manufacturing systems (FMS), intelligent marketing decision support systems and medical diagnosis systems.

In addition to the technological topics above, the scope of DIH4AI Open Call also includes experiments in the field of Trustworthy AI, that is:

- **Trustworthy AI**: this topic includes all types of experiments related to the implementation of the Trustworthy AI principles for AI set by the High-Level Expert Group on AI established by the European Commission[1]. This may include, for example: technical tools or methods to test the compliance towards all these principles or only specific ones; the performance of assessments on all principles or specific ones; the test and analysis of the use of the ALTAI assessment[2] on a specific AI application; the test or development of certification measures and procedures for Trustworthy AI; the development and test of methodologies, assets, tools for a broader adoption of Trustworthy AI; the development of a specific AI application in one of the above areas of AI for Industry in a Trustworthy-by-design approach.

2.3 Verticals and Sectorial Areas of application

Experiments from many sectorial areas are allowed to participate in the DIH4AI Open Call 2. More specifically, this call is directed to the following ones:

- **Agrifood**: The role of AI in the food industry is becoming increasingly important due to its ability to help save food, improve the hygiene of production sites, and support the processing equipment in the preparation of dishes; therefore, there are many cases of use of Artificial intelligence and Machine Learning in the Food Industry. Automated systems can, in a few seconds, collect hundreds of data sets on a single food product and quickly make an assessment of it. A system, for example, can collect and process data from hundreds of individual ingredients, as they move quickly on a conveyor belt; these systems can significantly reduce labour costs and waste[3]. This Sectorial area is not only limited to Food Industry, but also to Precision Farming: AI-driven sensors that will inform farmers (or machines) when is the optimal time to fertilize, irrigate, plant or harvest. Precision Farming comprises making adept use of AI technologies in order to manage crops, water, fields, irrigation, soil template for high yielding crop produce; minimize the harmful effects of pesticide farming on the environment; it also makes farming more accurate and controlled to manage crop cycles and helps to manage and raise the livestock effectively.

- **Earth Observation**: AI can create pathways to the collection of information about the Earth, through remote sensing techniques, and its eventual analysis, parameter correlation and interpretation. Satellites provide us with vast quantities of data, over 150 TeraBytes per day, which is not always processed efficiently[4]. There are tremendous opportunities that can come from AI research, which has great potential in terms of improving our knowledge of planetary interactions, such as physical, biological, chemical, and anthropological interactions. On the other hand, not only it decisively helps with Meteorology Forecasting and Climatology (with a special focus on Climate Change), but it greatly supports research in areas such as Oceanography, Agriculture, Ecology and the Environment, and Infrastructure.

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[1] Ethics Guidelines for Trustworthy AI. European Commission. 2019. Link available here.

[2] Assessment List for Trustworthy Artificial Intelligence (ALTAI) for self-assessment. European Commission. 2020. Link available here.

[3] Di Vaio, A., Boccia, F., Landriani, L., Palladino, R. Artificial Intelligence in the Agri-Food System: Rethinking Sustainable Business Models in the COVID-19 Scenario. University of Naples "Parthenope". Sustainability 2020, 12, 4851. June 2020.

[4] The European Space Agency. 2021. Link available here.

- **Finance and Insurance**: the interest in AI in Financial Sector is increasing, like in other industries. It is estimated that 75% of banks with over $100 billion in assets are implementing AI technologies[5]. Another estimation states that banking and other financial service companies can generate more than $250 billion in value by applying AI technologies in their financial processes[6]. There is still a long way for AI models to be widely used in financial services. For example, historical bias can be an issue in automated credit scoring. AI models could take into account variables like gender, race, or profession, which may have been used historically in credit applications. Banks need to monitor models to avoid such situations. Although the integration of AI into finance and insurance needs further development, the benefits definitely outweigh the potential costs. AI technologies will help banks and other institutions accelerate their processes with reduced cost and error while ensuring data security and compliance.

- **Manufacturing**: AI and industrial automation have advanced considerably in the recent years. Development in ML techniques, advances in sensors and therefore, the growth of computing capabilities has helped produce a brand-new generation of robots. AI helps allows machines to automatically gather and extract data, acknowledge patterns, learn and adapt to new things or environments through Machine Intelligence, Learning and speech recognition. AI helps manufacturers in:
  - Creating rapid, data-driven decisions.
  - Facilitating enhanced production outcomes.
  - Advancing process effectiveness.
  - Minimizing operational costs.
  - Facilitating superior scalability.
  - Supporting product development.

- **Public Administration**: the public sector may also make use of Artificial Intelligence technologies, often used to improve efficiency and decision making, foster positive relationships with citizens and business, or solve specific problems in critical fields, such as health, fraud detection and tax evasion, transportation and security, statistics, etc. These AI solutions include the ones that are used to support the public services and engagement – the provision of services to the citizens and businesses, and to facilitate communication with the general public and its participation. Additionally, solutions could also focus on internal management improvement. These AI use cases are used to assist in the management of the internal organization, such as human resources, procurement, ICT systems or other utilities.

- **Energy**: for several years now, the energy sector has been developing huge amount of data regarding the consumption of the different energy resources available. It must be pointed out that the AI technologies are increasingly being adopted by all the companies that belong to this sector due to its ability to help energy suppliers and end-consumers to reduce and optimize their consumption of these resources as there is a willingness to contribute to reduce the CO_2 emissions and greenhouse effects. Moreover, and taking into account the Sustainable Develement Goals [7], specifically the Climate action goal,

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[5] Magana, G. *AI in Banking*. Business Insider Intelligence. October 2020.

[6] McKinsey & Company. 2020. Link available here.

[7] https://www.undp.org/sustainable-development-goals

AI techniques are key to the energy transition because the solutions could be used by companies to help them optimize the use of energy and also end-consumers, which are more aware of the Climate change could benefit from the development of the Machine Learning techniques, as they can be more conscious of their energy consumptions.

3. Timeline and Key dates

The key dates of the DIH4AI Open Call 2 are as follows, and featuring in Table 1 and Table 2:

Table 1. Key dates for the DIH4AI Open Call 2

Activity	Dates
Call opening	17/10/2023
Call closing	16/12/2023, at 17:00 CET
Assignation of external Evaluators	17/12/2022 – 15/01/2023
Evaluation of proposals	16/01/2023 – 28/02/2023
Communication of results	01/03/2023 – 04/03/2023
Sub-Grant Agreements signature	05/03/2023 – 30/04/2023
Execution of Experiments	01/05/2023 – 31/10/2023

Table 2. DIH4AI Open Call 2 timeline

	M22	M23	M24	M25	M26	M27	M28	M29	M30	M31	M32	M33	M34	M35	M36
Publication of the Open Call	■														
Promotion of the Open Call		■	■												
Evaluation and Selection of Experiments				■	■										
Signature of agreements with the mini-consortia						■	■								
Execution of Experiments								■	■	■	■	■	■		
Final check - Final follow-up														■	■

4. Requirements. Who can apply?

4.1 Eligibility Criteria

1. Applicants must be legal entities established in countries eligible for participation in EC H2020 projects[8]:

2. Applicants need to be registered and have a Participant Identification Code (PIC).

3. DIH4AI beneficiaries or their subsidiary or parent companies cannot apply to this call.

4. Each mini consortium must consist of, at least, 1 DIH, and maximum 2 additional partners.

5. The experiment must be led by a Technology Provider SME or start-up with knowledge and background on the AI domain.

6. The participating DIH(s) must be enrolled in the EC DIH catalogue[9] or present a plan for successful enrolment by the end of the experiment.

7. DIHs should, from the writing of the proposal, envisage the development and provision of services within the experiment, with a strong focus on supporting the SME or start-up in the fields of: Training and Skills Development and Technical Scouting and Mentoring ('S' and 'T' categories, respectively, of the DIH4AI L-BEST Service Portfolio).

8. Each proposal can request a maximum contribution of 100 000 € in this Open Call.

9. Each participant shall represent, at least, 15% of the funding of a proposal.

10. Involved SMEs shall sign an SME declaration.

11. Applicants shall not have any potential conflict of interest with the selection process and during the implementation of the project. All cases of potential conflict of interest will be assessed case by case.

12. The topic of the experiment must cover the ones foreseen in Section 2.2 – Technological Topics.

13. Proposals must be submitted in English.

4.2 Requirements of the eligible consortia

Taking into account the needs of the DIH4AI project, the combined need of extending the AI4EU platform by developing new solutions on Artificial Intelligence domains, from one side, and counting on the DIHs for providing support to SMEs in raising the maturity of their products and solutions, in this case related to the field of AI, the Management Board of the Project has agreed

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[8] Applicable documentation:

https://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2018-2020/annexes/h2020-wp1820-annex-a-countries-rules_en.pdf

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-list-ac_en.pdf

[9] JRC Catalogue available here.

to accept only mini-consortia to be eligible for the DIH4AI Open Calls. Specifically, the following types of Consortia are admitted:

- **Type A**, oriented to reinforce the **Intra-Regional experiments**, in particular, the provision of Skills development and Technology Provision and Data Management services, the mini-consortium shall be formed by:
  o An AI Technology Provider SME or start-up, who leads the experiment, and should be the main IPR and exploitation rights owner of the solution, and the coordinator of reporting the Project Consortium by submitting the needed documentation, etc.
  o Its Regional DIH, who will provide the SME with the delivery of services related to Skills development and Technical support and mentoring.
  o *Optionally, an End-User SME, or a Policy Maker can finalize the mini-consortium. This third tentative participant will be the one in charge of validating the developed solution*.
- **Type B**, performed in order to support the DIH network creation (in relation to **Cross-DIH Inter-Regional experiments**), in which more than one DIH provide at least one service in collaboration, the mini-consortium should be composed of:
  o An AI Technology Provider SME or start-up, who performs than leads the experiment, and should be the main IPR and exploitation rights owner of the solution, and the coordinator of reporting the Project Consortium by submitting the needed documentation, etc.
  o Its Regional DIH, who provides the SME of services related to Skills development and Technical support and mentoring.
  o Another DIH, likely an Experimental Facility owner, who also provides training and technical mentoring, and at the same time, will help with the testing and validation in order to ensure that a fine-tuned, marketable solution has been developed.

4.3 Additional Requirements

Applicants must clearly indicate in their proposal the results they intend to achieve and how to measure their impact providing a set of measurable Key Performance Indicators (KPIs) to be validated during the contract negotiation phase. This is a mandatory requirement for any proposal.

5. Submission of proposals

All submissions must be made by 17:00 CET, 16th December, 2022.

The central component of proposal submission is the uploading of a PDF-document (whose size must not exceed 5,0 MB), compliant with the Template for proposals and the instructions on the proposal structure given below.

Proposals must be submitted in English. The main section of the proposal must not exceed 10 pages in length, with text no smaller than 11-point Calibri (body) font. Thus, with the inclusion of the cover page, the administrative data page and the page dedicated to references and lists of figures and tables, the maximum page count is 13 pages (excluding Annexes, where the applicants can include Letters of Interest, or other documentation they consider relevant). This leaves only **10 pages for** the body of the proposal (including the **Summary, Concept, AI sector relevance, potential impact and exploitation plans, Description of the workplan, Background and qualification and Justification of costs and resources**).

Proposals will be truncated to this page count and the independent expert evaluators will only be provided with the truncated version.

Proposal submission is exclusively in electronic form, as in Figure 1, using the proposal submission tool accessible via the DIH4AI Open Call web-site: https://dih4ai.ems-innovalia.org/
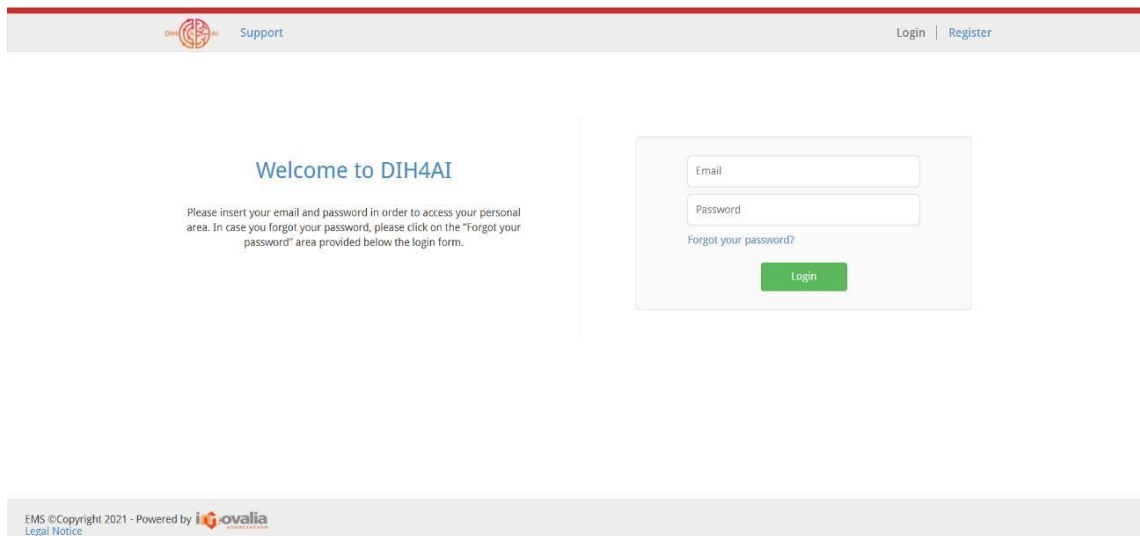
Figure 1. Home page of EMS platform for the DIH4AI Open Calls

Once the Proposal is completed, click "Submit". Applicants will have the chance to submit new versions of their proposal as many times as they wish before the call closure. Only the last version submitted before the deadline will be considered in the evaluation.

An acknowledgement of receipt will be sent out via email to all successfully submitted Proposals, as soon as possible after the closure of the call. However, this receipt will not be proof that the Proposal is eligible for evaluation.

6. Proposal evaluation and selection

6.1 Evaluation criteria

The call for third-parties support is addressed to AI and or user SMEs either alone or associated in mini-consortia with non-profit research institutes, as defined in the EU law: (EC recommendation 2003/361/EC as published in the Official Journal of the European Union L 124, p. 36 of 20 May 2003), eligible for Horizon 2020, except for the consortium's partners and other parties that may have conflicts of interest.

As part of the launch of the call, the consortium (through its management bodies) may opt to address the second open call to particular categories of digital and/or manufacturing SMEs either alone or associated in mini-consortia with non-profit research institutes, according to their domains. The decision for this takes into account the overall strategy of the project and considerations associated with how to best meet the project objectives.

The criteria for financial support will include:

a) **Excellence and Innovation**: The relevance to DIH4AI's objectives and scope, including complementarity to the project's technical areas of specialization (i.e., in terms of its Scientific and Technological Excellence) and domains of the DIH4AI Network.

b) **Impact, including Industrial relevance and Business strategy**: Its impact on the AI sector needs, the development of AI in Europe, DIH4AI ecosystem and DIH4AI's goals and objectives. Alignment to the Conditions and Objectives outlined above in Section 2 – Objectives of the 2nd Call, in terms of assessing the relevance of the Technological Topic and eventual economical Sector of Application will be considered as part of this Criterion.

c) **Implementation and Deployment of resources**: The ability of the third party to implement the experiments and/or integrate its new services, on the basis of the team and company profile, background infrastructures, experience, but also based on its proposed implementation plan.

Additionally, the Evaluators will positively take into account the proposals who clearly address the feasibility of the eventual integration of their solutions in the AI4EU Portal, as giving continuity to the AI-on-demand platform is one of the priorities of the Consortium.

At the time of evaluating the proposals, **a balance shall be maintained among the Intra-DIH and Cross-Regional Experiments**. This is because, as stated, the DIH4AI Project intends to go further the 5 regions it is initially covering.

The financial support will be given upon presentation of specific deliverables by the selected partners. Each proposal must be by consortia made of at least one SME and one DIH, as per the cases presented below. Single applicants are not allowed, as explained in Section 4 – Requirements. Who can apply?.

6.2 Evaluation scoring

Evaluation scores will be awarded for each of the criteria. Each criterion will be scored out of 5 and decimal numbers can be given. The second criterion, Impact and Industrial relevance, will

have a threshold of 4; while for the first and last a threshold of 3 will apply. The overall threshold, applying to the sum of the three individual scores, will be 10, out of a grand total of 15. If two or more proposals are tied with the same overall score, priority will be given as illustrated in Table 3 below:

Table 3. Ranking in case of equal scoring, and minimal thresholds

Criterion	Priority, in case of a tie	Threshold for funding eligibility
Excellence and Innovation	2	3 out of 5
Impact, including Industrial relevance and Business strategy	1	4 out of 5
Implementation and Deployment of resources	3	3 out of 5

External experts who will be appointed and approved by the DIH4AI consortium will be in charge of selecting the third parties that will develop the solutions over the experiments within the DIH4AI framework.

Each proposal will be assessed according to the three criteria presented in Section 6.1 – Evaluation criteria, through the usual 0-5 score scales for H2020:

- 0: The proposal fails to address the criterion under examination or cannot be judged due to missing or incomplete information;
- 1 (Poor): The criterion is addressed in an inadequate manner, or there are serious inherent weaknesses;
- 2 (Fair): While the proposal broadly addresses the criterion, there are significant weaknesses;
- 3 Good The proposal addresses the criterion well, although improvements would be necessary;
- 4 (Very Good): The proposal addresses the criterion very well, although certain improvements are still possible;
- 5 (Excellent): The proposal successfully addresses all relevant aspects of the criterion in question.

The final approval of the selected third parties to receive financing will be done by the DIH4AI PCC/TCC, considering the best fit to the specific project objectives and possible conflict of interest issues.

7. Funding and reporting

7.1 Eligible costs

Each proposal must include the detail of the budget. The eligible costs for the Experiments consist of:

- Personnel Costs
- Equipment Costs
- Travel expenses
- Software licenses
- Subcontracting
- Indirect costs (25% of direct costs)

After the proposal is submitted and funded, a Lump Sum cost reporting system is to be followed. This kind of funding simplifies to the minimum the efforts dedicated to cost reporting, allowing the Open Call beneficiaries to dedicate the maximum of their efforts to the technical work. The costs shall be exclusively dedicated to the development and execution of the Experiment and the elaboration of deliverables defined below in Section 7.2 – Reporting and deliverables.

The funding of Third Parties must follow the same principles as used for existing project beneficiaries of DIH4AI, which receives European Commission funding as an "Innovation Action". Thus, for-profit companies (technology provider SMEs, for instance) will receive 70% funding of eligible costs arising; while non-for-profit institutions will be allocated the 100% of the approved costs.

7.2 Reporting and deliverables

The administrative tasks for the funded third parties including cost and activity reporting obligations and related templates will be provided during the negotiation and contracting phase. DIH4AI will apply the experiment maturity levels methodology in the implementation of the selected projects.

In order to demonstrate that their experiments have reached a required maturity level, funded third parties will be requested to submit a deliverable at M2 at M6 of the execution of their experiment, including, in each one of the cases, the content specified in Table 4.

Table 4. Experiments Maturity level

Status of experiment development	Timing	Experiment deliverables
Experiment Milestone 1	M2 of the experiment execution	- Technical specifications - Architecture and Data Pipeline definition - Detailed Plan for the Implementation of the Experiment - Detailed Plan for the Integration and Testing
Experiment Milestone 2	M6 of the experiment execution	- Description of the Experimentation and measurement of the Technical and Business KPIs - Detail on Dissemination activities and the Exploitation Plan
Experiment Milestone 3	M8: Deployment and Exploitation	(the deliverables and progress are approved by the Coordinators)

7.3 Funding Scheme

The following payment scheme will apply:

- M0 pre-financing: Max. 40% of the budget, according to cost statement, at the signature of the Sub-Grant Agreement.
- Mid-term payment (M6): Max. 40% of the budget, at the end of the development phase on M6, once the third party has produced all the relevant documentation specified in the contract, deliverables and material for dissemination regarding Experiment Milestone 2, as indicated in Section 7.2 – Reporting and deliverables, as well as cost statements for the relevant financial period, and the contractor (POLIMI), after discussion with the Consortium, has accepted them. Moreover, the participation in an event for dissemination purpose is mandatory.
- Third and Final payment (M8): Max. 20% of the budget, according to cost statement, at the final installation and approval of the dissemination, communication, exploitation material by the project coordinator, at M8 and in relation to Experiment Milestone 3.