



## **Frequently Asked Questions - FAQ**

**for Horizon2020 call SCC 1 – 2014/2015: Smart Cities and Communities solutions integrating energy, transport, ICT sectors through lighthouse (large scale demonstration - first of the kind) projects**

[http://ec.europa.eu/research/participants/data/ref/h2020/wp/2014\\_2015/main/h2020-wp1415-energy\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/wp/2014_2015/main/h2020-wp1415-energy_en.pdf)

### **How many lead cities should there be?**

Projects should be realised in 2 – 3 lead cities or communities ("lighthouses"). Proposals with a larger number of cities shall not be deemed ineligible, yet might be less favourably evaluated on account of compactness of the consortium.

Therefore, during the evaluation of the proposals, projects with concentrated action in only 2-3 lead cities and 2-3 follower cities might receive a higher scoring.

### **How many follower cities should there be?**

Each project should involve 2 - 3 follower cities. This is an indication and other constellations are feasible. However, concentrated action in the sense above is preferred. As a reminder, follower cities are expected to significantly contribute to the requirements engineering stage of solution development and commit to replicating it given a successful conclusion of the project.

### **Can suburban cities be follower cities of their central city?**

This call is for cities and communities and a metropolitan area or an agglomeration could be considered as one city and community. Similarly one neighbourhood in a city cannot be the follower of another neighbourhood in the same city.

### **How many countries should be covered by the consortium members?**

At least three independent legal entities shall participate in an action; these legal entities shall each be established in a different Member State or associated country.

### **Can entities from outside the EU participate?**

Non-EU entities can in principle be part of a consortium led by an EU partner which includes at least three independent legal entities established in three different Member States or associated countries that already signed the association agreement for H2020. See also [fact sheet: International Participation in Horizon 2020 and FP7](#).

### **Are follower cities eligible for funding?**

Yes, follower cities are in principle eligible for funding. Given their different role, a share of around 10% of the total project budget for the combined budget for all follower cities together would be considered as adequate.

### **What are eligible costs?**

The basic requirements of eligible costs are that they must be:

- Actually incurred;
- Incurred over duration of the Action;
- Budgeted in Annex I and necessary for carrying out the Action;
- Identifiable (recorded in the accounts of the Beneficiary, determined in accordance with applicable accounting standards and laws, and with the beneficiary's usual cost accounting practices);
- Economic.

The use of scale of Unit Costs for the Buildings component should be calculated according to the formula:

Standard cost in euro to save 1 kWh x estimated total kWh saved per m<sup>2</sup> per year x standard payback period in years

E.g. if the refurbishment of a building results in energy savings of 100 kWh/m<sup>2</sup>/year (assumption for the calculation), the payback period (standard figure to be used in the calculation) is 10 years, and the standard cost in euro to save 1 kWh (standard figure to be used in the calculation) is 0,1€kWh, then

0.1€kWh x 100kWh/m<sup>2</sup>/year x 10 years = 100€/m<sup>2</sup> eligible cost.

For details on eligible costs please refer to the Model Grant Agreement at:

[http://ec.europa.eu/research/participants/data/ref/h2020/mga/gga/h2020-mga-gga-multi\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/mga/gga/h2020-mga-gga-multi_en.pdf)

### **What are ineligible costs?**

Ineligible costs' are:

- costs that do not comply with the conditions for eligible costs as indicated above;
- costs related to return on capital;
- debt and debt service charges;
- provisions for future losses or debts;
- interest owed;
- doubtful debts;
- currency exchange losses;
- bank costs charged by the beneficiary's bank for transfers from the Commission/Agency;
- excessive or reckless expenditure;
- deductible VAT;
- costs incurred during suspension of the implementation of the action.

As general principle, Actions cannot generate profit to any participant, and do not alleviate the valid procurement rules of public authorities.

**Does each leading city need to be 'leading' in each technology (i.e. transport, energy or ICT) and/or can some cities be leading in one technology and 'following' in another technology sector?**

Each leading city has to be committed to lead the implementation of the "full integrated project" as systemic solutions breaking the sectorial silos are being called for, e.g. it must not be that the transport part is deployed in one city and the energy part in another. However, it can well be that one city is more knowledgeable on energy and the other is more knowledgeable on transport.

**How should private entities be involved in the development process?**

Private entities should be involved in the project. Certain aspects of the projects could however be implemented through public procurement but the majority by the companies in the consortium. Please note in the first case the private entities would not invest, but make profit from this project, therefore this option should be reserved for minor aspects and only if the expertise cannot be found in the consortium.

**What is the difference between this H2020 Call for Proposals and the Invitation for Commitments of the European Innovation Partnership on Smart Cities and Communities?**

This H2020 Call is about the funding of lighthouse projects as described in the call text. The Invitation for Commitment is not linked to any funding instrument, but is primarily about learning, exchange and synergy creation between new partners.