



EUROPEAN COMMISSION

Executive Agency for Small and Medium-sized Enterprises (EASME)

Brussels,
ARES (2014)

Corrigendum to Call for proposals COS-WP2014-2-01 COSME Enterprise Europe Network 2015/2020

concerning the establishment of the Enterprise Europe Network: Growth-oriented business support services improving competitiveness and access to markets for EU enterprises

Hereby we would like to inform applicants and potential applicants to the “Call for proposal COS-WP2014-2-01 COSME Enterprise Europe Network 2015/2020” on the publication of a corrigendum. The aim is to modify the following main points:

First the scope of the call is reduced to focus only on the award of Framework Partnerships to successful applicants and the conclusion of Framework Partnership Agreements with them (FPA). The first specific grants will be awarded at a later stage based on separate invitations to submit a proposal sent to successful applicants. The specific grant agreements (SGA) will be signed after the award of the specific grants.

Second, the deadline for submission of proposals is extended to 3 June 2014 whereas the indicative date for the signature of the FPA is postponed to October 2014.

Third, some changes of substance have been made in section 11.2 Form of grants

Please note that a new version of the call for proposals dated 8 April 2014 is published and replaces and supersedes the old one published on 22 January 2014.



EUROPEAN COMMISSION

Executive Agency for Small and Medium-sized Enterprises (EASME)

Call for proposals

COS-WP2014-2-01

Version 8-Apr-2014

COSME Enterprise Europe Network
2015/2020

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Enterprise Europe Network: Growth-oriented business support services improving competitiveness and access to markets for EU enterprises

1. INTRODUCTION – BACKGROUND

Small and medium-sized enterprises (SME)¹ play a crucial role in reaching the objectives of the Europe 2020 Strategy². Whereas they are considered as crucial engines for growth and job creation, their competitiveness is affected by a limited exploitation of international opportunities and innovation prospects in the Single Market and beyond.

In this context, the Programme for the competitiveness of enterprises and small and medium-sized enterprises (2014-2020), hereinafter referred to as COSME³, aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

Article 10 of the COSME Regulation states that the European Commission shall support the Enterprise Europe Network⁴ (hereinafter referred to as "the Network") and describes three major activities of the Network:

- various advisory services for SMEs⁵;
- the facilitation of cross-border partnerships of enterprises;
- and the provision of a communication channel between SMEs and the EU.

Furthermore it stipulates that the Network could deliver services on behalf of other Union programmes, provided these fund the additional actions. The European Commission is requested to coordinate the different sources of funding. The implementation of the Network in the Member States shall avoid duplication of activities in accordance with the principle of subsidiarity.

Within the framework of the European Commission's policy towards SMEs and innovation, the Network shall provide integrated support services increasing the competitiveness of SMEs and facilitating access to business development opportunities in the Single Market and beyond. It will aim to become a true one-stop-shop for business and innovation support along the entire value

¹ For the purpose of this call, the European definition of an SME is applied. See Commission Recommendation C (2003) 1422 of 6 May 2003 (Official Journal of the European Union OJ L 124/36 of 20.05.2013).

² COM (2010) 2020 final of 3 March 2010

³ Regulation (EU) No 1287/2013 of 11 December 2013 (Official Journal of the European Union 2013/L 347/33 of 20 December 2013)

⁴ The Enterprise Europe Network was originally established in 2008 under the Competitiveness and Innovation Programme (2007-2013).

⁵ Advisory services of the Network include: provision of information and advisory services on Union initiatives and law; support for the enhancement of management capacities to increase the competitiveness of SMEs; support aimed at improving SMEs' financial knowledge, including information and advisory services on funding opportunities, access to finance and related coaching and mentoring schemes; measures to increase SME access to energy efficiency, climate and environmental expertise; and promotion of Union funding programmes and financial instruments (including the Horizon 2020 programme in cooperation with national contact points and the Structural Funds)

chain, providing its services in the wider context of and in line with the Europe 2020 strategy and specific EU programmes and initiatives aimed at small and medium sized enterprises⁶.

Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)⁷ – also recognises the Network as a main support instrument for innovation in SMEs. It therefore envisages a reinforced link with the Network to provide innovation support services as well as information and advisory services such as mentoring, coaching and partner search activities for SMEs wishing to develop cross-border innovation projects.

To implement the requirements arising from the COSME regulation while following the European Union's intention to reduce administrative burden, the Network will be subject to lighter administrative procedures while maintaining high standards of quality and professionalism.

The contracting authority is the Executive Agency for Small and Medium-sized Enterprises (hereinafter referred to as "EASME"), which, from 1st January 2014 replaces and supersedes the Executive Agency for Competitiveness and Innovation (EACI).⁸ EASME is, *inter alia*, entrusted by the European Commission with the implementation of parts of the COSME programme and the Horizon 2020 programme.⁹

Important notice: *The Horizon 2020 programme makes provision for the Network as a provider of specific innovation support services. Applicants are therefore required to demonstrate their capacity to provide the required services.*

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- *To this end, the implementation strategy required as part of the proposal should include a clear concept that demonstrates the proposer's intention and capacity to deliver the specific innovation support services defined in the guide for applicants.*
- *However, the preliminary work programme for the period 2015-2016, which applicants will also submit as part of their proposal, shall not include any reference to these services. ~~Instead, those consortia that are awarded a framework partnership agreement (see section 10.1) as a result of the present call will be invited at a later stage to submit a separate work programme for the period 2015-2016 outlining the activities planned to deliver these specific innovation support services.~~*

Further details and a description of the required specific innovation support services are given in the guide for applicants.

⁶ The policy background is laid out in the following documents: Commission Communication "An integrated industrial policy for the globalised era, putting competitiveness and sustainability at centre stage" (COM (2010) 614 final); Commission Communication "Think Small First – A Small Business Act for Europe" (COM (2008) 394 final and COM (2011) 78 final); 'Small Business, Big World— a new partnership to help SMEs seize global opportunities' (COM (2011) 702 final); A Stronger European Industry for Growth and Economic Recovery (COM(2012) 582 final); Entrepreneurship 2020 Action Plan (COM(2012) 795 final)

⁷ Regulation (EU) No 1291/2013 of 11 December 2013 (Official Journal of the European Union 2013/L 347/104 of 20 December 2013)

⁸ EASME was set up by Commission implementing decision 2013/771/EU of 17.12.2013 "establishing the Executive Agency for Small and Medium Size Enterprises and repealing decisions 2004/20/EC and 2007/372/EC" (Official Journal of the European Union L 341 of 18.12.2013).

⁹ See Article 3 of the above-mentioned Commission implementing decision.

2. SCOPE - OBJECTIVES – ACTIVITIES

2.1. Scope of the call

The purpose of this call is ~~twofold~~:

~~To~~ establish the Enterprise Europe Network for the period 2015-2020 by selecting the organisations that will make up the Network. To this end the Agency will :

~~To sign grant agreements with~~ To conclude Framework Partnership Agreements (hereinafter “FPAs”) with the organisations that make up the Network in order to cover the activities of the first two years of operations of the Network (1 January 2015 to 31 December 2016) ~~to be funded by the COSME programme.~~ long term partnership.

To this end a Applicants will submit ~~the following main documents:~~

~~An~~ **implementation strategy** for the period 2015 – 2020 (six years). This document should define the broad strategic approach and explain how the specific objectives and operational requirements laid down in the present call and in the guide for applicants will be addressed.;

~~They will also submit an indicative/ preliminary~~ work programme covering the first two years of operations to be funded by the COSME programme. It should translate the implementation strategy into concrete and detailed activities in the period 2015-2016 ~~and include an estimated budget for those two years.~~

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2.2. Objectives

~~2.2. Objectives~~

The Network aims to contribute to the objectives of the COSME programme by facilitating access to European and international markets for European SMEs and by providing growth-oriented, integrated business and innovation support services that help strengthen the competitiveness and sustainability of European enterprises. The Network will primarily address European SMEs that seek to exploit new opportunities in the Single Market, but also in third countries.

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The Network will foster the development of internationally competitive companies and will stimulate the innovation capacities of European SMEs. It will promote EU policies and programmes and provide a link between SMEs and EU policy making. Finally it will ensure the visibility, recognition and local awareness of its activities.

The Network will therefore help to improve the environment for entrepreneurial activities and promote entrepreneurial culture in the European Union.

2.3. Activities

In order to achieve the above objectives the Network will engage in the following activities:

Service activities

- Advice, support and information services;
- Cross-border partnership services for business cooperation, technology transfer and innovation and research;

- SME feedback activities;
- Specific activities in the context of innovation support (Horizon 2020)¹⁰.

Enabling activities

- Promotion of the Network and communication activities;
- Network building and reinforcing the Network.

The organisations that make up the Network ("Network partners") are expected to

- Provide easy-to-access integrated services in close proximity to SMEs;
- Maintain and continuously improve the professionalism of the services provided by the Network; and strive to achieve excellence in the services provided to SMEs and in all related Network activities;
- Raise the awareness of SMEs about European Union policy issues and act as a communication channel for the European Commission with European SMEs, thereby supporting the implementation of European legislation and stimulating knowledge transfer and the exchange of good practices between consortia;
- Promote and inform SMEs about the services offered by the Network;
- Promote and give sufficient room to the Network's distinct brand and visual identity, thereby ensuring a high degree of visibility for the Network throughout the geographic area covered in the proposal;
- Use the common tools and methodologies provided for the Network by the EASME and contribute to the establishment of an internal 'network identity';
- Ensure that the services provided in the context of ~~this call for proposals~~ [the Framework Partnerships](#) are consistent with and embedded in the wider regional business and innovation support environment. To this end, a degree of cooperation with other regional stakeholders is required.

The Network's services shall be provided in an integrated way allowing easy access for SMEs to them.

3. TIMETABLE

Implementation period

The activities shall start on 1 January 2015.

Indicative timetable

	Stages	Date and time or indicative period
a)	Publication of the call	22 January 2014
b)	-Information day for applicants in Brussels	6 February 2014

¹⁰ This type of activities has to be included in the implementation strategy but not in the [preliminary work programme 2015-2016](#) of activities under COSME. See the notice in section 1.

c)	Deadline for submitting applications (Brussels time)	15 May 2014, 17:00h <u>23 June 17:00 (Brussels time)</u>
d)	Evaluation period	May-June to August 2014
e)	Information to applicants <u>on the outcome of the evaluation</u>	September 2014
f)	Signature of grant agreement <u>FPAs</u>	From November 2014 <u>on October 2014</u>
g)	Starting date of the action	1 January 2015

4. AVAILABLE INDICATIVE BUDGET AND FUNDING OF PROJECTS

The indicative total budget earmarked for the Network in the COSME programme (2014 to 2020) is 336 M€. However, the available amount for the specific grants may only be known annually, after adoption of the EU annual budget.

~~The total EU contribution to the projects under this call for the period 1 January 2015 to 31 December 2016 is estimated at 93 M€¹⁴.~~

The ~~above amounts~~indicative budget refers to the participation of organisations from the Member States of the EU. Additional amounts ~~will~~may be made available ~~for~~through contributions from other countries participating in the COSME programme under Article 6 of the COSME Regulation.

In addition to the indicative budget from the COSME programme, the Network may benefit from funding under the Horizon 2020 programme. The corresponding indicative budget for a certain year is specified in the work programme of the year published on the Research & Innovation Participant Portal.

The allocation of the available EU funding budget to individual consortia under the Framework Partnership Agreements will essentially be based on the population of the geographic area covered ~~in the proposal~~by the Network partners and will also take into account the cost of living in the country and the resources needed to ensure the operation of a basic service.

The EASME reserves the right not to distribute all the funds available.

Funding per project

~~The EU funding rate for each partner and therefore for each consortium as a whole may vary between 40% and 60%. It shall never exceed 60% of the total eligible costs.~~

5. ADMISSIBILITY REQUIREMENTS

- Applications must be sent no later than the deadline for submitting applications referred to in section 3;

¹⁴ Subject to approval of the budget 2015 by the budgetary authority of the European Union.

- Applications must be submitted in conformity with the procedures set out in section 14;
- Applications must be drafted in one of the official languages of the EU.

Failure to comply with those requirements will lead to the rejection of the application.

6. ELIGIBILITY CRITERIA

6.1. Eligible ~~countries~~organisations

Applicant organisations must be fulfil the two following conditions:

(i) They must be legal entities. They can be fully or partly public or private bodies; private bodies must be properly constituted and registered under the national law;

(ii) They must be established

- in EU Member States;
- or in countries participating in the COSME programme under Article 6 of the COSME Regulation¹².

Organisations established in other third countries are not eligible for funding under this call for proposals. A separate cooperation framework for these third countries will be established.

~~6.2 Eligible organisations~~

~~Applicant organisations must be legal entities. They can be fully or partly public or private bodies; private bodies must be properly constituted and registered under the law.~~

~~6.3—2 Consortia and geographic area covered~~

Each project proposal will refer to a clearly defined geographic area.

In most cases, the project will be run by consortia made up of organisations in the geographic area to be covered (the organisations are referred to as host organisations). In some cases a single organisation may be responsible for the project in its geographic area. In both cases, the proposal must ensure the provision of the full range of services described in the guide for applicants.

¹² The following groups of countries are eligible for participation in COSME:

- a. European Free Trade Association (EFTA) countries which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA Agreement, and other European countries when agreements and procedures so allow;
- b. acceding countries, candidate countries and potential candidates in accordance with the general principles and general terms and conditions for the participation of those countries in the Union's programmes established in the respective Framework Agreements and Association Council Decisions, or similar arrangements;
- c. countries falling within the scope of the European neighbourhood policies, when agreements and procedures so allow and in accordance with the general principles and general terms and conditions for the participation of those countries in the Union's programmes established in the respective Framework Agreements, Protocols to Association Agreements and Association Council Decisions.

In most countries, it is expected that the typical area covered by a proposal corresponds more or less to NUTS1 regions¹³. While consortia are expected to serve the entire area covered by them, individual partner organisations within a consortium may be assigned smaller geographic areas (for example at NUTS2 level), provided that this does not result in any service gaps in the full area covered by the proposal.

Should the NUTS1 level not correspond to domestic structures, coverage of alternative geographical areas of comparable size may be considered. Consortia in smaller countries with several NUTS1 regions may also consider a nationwide coverage, provided this contributes to a higher degree of efficiency and accessibility. For the same reason, consortia spanning across several regions may be acceptable in larger countries.

6.4–3 Eligible activities

The activities [proposed in the implementation strategy](#) should contribute to the objectives set out in section 2. A detailed description of expected Network activities is given in the Guide for applicants.

All ~~projects-activities proposed in the implementation strategy submitted under this call for proposals~~ must be strictly non-profit making and shall not have any immediate commercial objective.

7. EXCLUSION CRITERIA

7.1. Exclusion from participation

Applicants will be excluded from participating in the call for proposals procedure if they are in any of the following situations:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify including by decisions of the EIB and international organisations;
- (d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the grant agreement is to be performed;
- (e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any

¹³ Regulation (EC) No 1059/2003 of 26 May 2003 (Official Journal of the European Union L 154/1 of 21.06.2003)

other illegal activity, where such an illegal activity is detrimental to the Union's financial interests;

- (f) they are currently subject to an administrative penalty referred to in Article 109(1) of the Financial Regulation¹⁴.

7.2. **Exclusion from award:**

Applicants will not be granted financial assistance if, in the course of the grant award procedure, they:

- (a) are subject to a conflict of interest;
- (b) are guilty of misrepresentation in supplying the information required by the European Commission as a condition of participation in the grant award procedure or fail to supply this information;
- (c) find themselves in one of the situations of exclusion, referred to in section 7.1.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

7.3. **Supporting documents**

Applicants must sign a declaration on their honour certifying that they are not in one of the situations referred to in articles 106(1) and 107 to 109 of the Financial Regulation¹⁵. They will fill in the relevant form.

8. **SELECTION CRITERIA**

The selection of applicants will be based on their financial and operational capacity to implement the proposed [project implementation strategy](#).

8.1. **Financial capacity**

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the [implementation](#) period ~~during which the action is being carried out~~ referred to in section 3. ~~The EASME may reject organisations from a proposed consortium if they do not fulfil those criteria.~~

The applicants' financial capacity will be assessed on the basis of the following supporting documents ~~to be submitted with the application~~:

~~a) Low value grants (≤ EUR 60 000):~~

~~- a declaration on their honour.~~

~~b) Grants ≥ EUR 60 000:~~

~~- a declaration on their honour and,~~

~~EITHER~~

- ~~➤ the profit and loss account, the balance sheet for the last [two](#) financial years for which the accounts were closed;~~

¹⁴ Regulation (EU, EURATOM) No 966/2012 of 25 October 2012 (Official Journal of the European Union L 298 of 26.10.2012)

¹⁵ See above.

- for newly created entities, the business plan might replace the above documents.

OR

- the table provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

e)b) _____ Grants \geq EUR 750 000, in addition:

- an audit report produced by an approved external auditor certifying the accounts for the last two financial years available.

In the event of an application grouping several applicants (consortium), the above thresholds apply to each applicant.

~~On the basis of the documents submitted, if the authorising officer considers that financial capacity is not satisfactory, he may:~~

- ~~➤ request further information;~~
- ~~➤ propose a grant agreement without pre-financing;~~
- ~~➤ propose a grant agreement with a pre-financing paid in instalments;~~
- ~~➤ propose a grant agreement with a pre-financing covered by a bank guarantee (see section 11.4 below);~~
- ~~➤ where applicable, require the joint and several financial liability of all the co-beneficiaries;~~
- ~~➤ reject the application.~~

8.2. Operational capacity

Applicants must have the professional competencies as well as appropriate qualifications to complete the proposed ~~work programme~~ implementation strategy.

They must be able to fulfil the requirements for organisations and staff (**employees**) laid down in the guide for applicants. The EASME may ~~exclude-reject~~ organisations from a proposed consortium if they do not fulfil the criteria specified in these requirements.

Applicants must be directly responsible for the preparation, management and implementation of the project, not acting as an intermediary.

9. AWARD CRITERIA

~~Eligible a~~Applications ~~from applicants~~ that ~~have passed~~ comply with the eligibility, non-exclusion and selection phase-criteria will ~~enter the evaluation phase~~ be evaluated against the award criteria. The award criteria and the maximum score of each will be as follows:

- | | |
|---|----|
| - Relevance | 30 |
| - Quality | 30 |
| - Impact | 15 |
| - Visibility | 10 |
| - Budget and cost Ressources -effectiveness _____ | 15 |

The award criteria are further elaborated in the guide for applicants.

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In order to be considered for the funding award of a framework partnership, proposals will need to have passed an overall threshold of 70% in terms of total score. In addition, thresholds of 50% will be applied to each of the five individual award criteria described above in order to ensure a consistent minimum quality for all award criteria. Proposals will be ranked according to their total score.

~~The application will comprise an implementation strategy for the full six year duration of the Network and a work programme covering the first two years of operation of the Network. These two parts will be evaluated together, combining an assessment of capacity with the particular business support activities proposed in response to the call.~~

The EASME will draw up the final ranking based on the total number of points received by each proposal, in priority order of all the proposals evaluated which passed the required thresholds and considering its objective of complete geographic coverage without duplication of activities in any geographic area.

~~Following At the end of the award decision evaluation procedure, all applicants will receive a formal notification of the results of the evaluation of their proposal an evaluation summary report containing details of the evaluation of their proposal. Unsuccessful applicants will subsequently receive a formal notification of the decision not to retain their proposal.~~

10. LEGAL COMMITMENTS AGREEMENTS WITH SUCCESSFUL APPLICANTS

The Network is managed by EASME under powers delegated by the European Commission.

10.1. Types of agreements Framework Partnership Agreements (FPAs)

~~Following the award decision, the Agency EASME will sign with the each successful applicants consortium -an FPA covering the period of six years (2015-2020). It will lay down the general rules of the contractual relationship applicable to the cooperation between the Agency EASME and the beneficiary Network partners and will include in an annex the approved implementation strategy. The FPA in itself is not a legal financial commitment and does not oblige the EASME to necessarily award grants to Network partners.~~

~~Following this, the Agency will issue an invitation to submit a proposal. This invitation will be addressed only to the beneficiaries of a FPA and will give rise lead to the signature of Specific grant Agreements (SGAs) for successive periods of two years. The SGAs will contain a work programme attached and an indicative budget. Two separate agreements will be signed with successful applicants:~~

- ~~• Firstly, a framework partnership agreement (FPA) covering a period of six years (2015–2020). It will lay down the general rules of the contractual relationship between the EASME and the beneficiary and will include in an annex the approved implementation strategy;~~

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- ~~Secondly, a specific grant agreement (SGA) covering the activities of the years 2015-2016. It will contain all provisions governing the grant itself. The approved work programme and budget will be included in an annex.~~

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~~Together, these documents specify the contractual terms and conditions to which successful applicants are expected to adhere and define the respective roles, rights and obligations of Network partners, consortium coordinators and the EASME. The specific grant agreement will be based on a detailed work programme with clear activities and targets for the results.~~

~~The work programmes submitted by successful applicants may be subject to an adjustment process. This may for example be the case if the total requested grant exceeds the available budget or if individual aspects need to be adapted to ensure full consistency with the objectives, quality standards and procedures of the Network. Such adjustment procedures shall fully respect the principles of transparency and equal treatment. The final work programme will constitute an annex to the first specific grant agreement.~~

~~The EASME reserves the right to award a lower grant than the amount requested by the applicants. The grant will never exceed the requested amount.~~

10.2. **Successive specific grant agreements**

~~Following signature of the FPAs, the EASME may invite each consortium of Network partners to submit proposals for the award of specific grants. The first invitation is expected to be addressed to Network partnersconsortia shortly after signature of the FPAs and to cover the implementation of 2015-2016 activities.~~

~~If their proposals are positively evaluated, consortia of Network partners will be awarded specific grants. The EASME and the successful consortia will sign specific grant agreements in accordance with the procedures and conditions specified in the Framework Partnership Agreements.~~

~~Successive For the award of specific grants agreements for the periods after 31 December 2016, may be concluded with each consortium in accordance with the procedures and conditions specified in the framework partnership agreement. The performance in terms of delivery of the services and activities included in the work programme of over the previous period will be an important factor.~~

In 2018, the EASME, assisted by external experts, will conduct a mid-term review of the performance of Network partners. The review will focus on compliance with the Network's quality standards, on the services delivered to client companies and on the attainment of the targets for the output and outcome indicators. Consortia will be informed of the methodology and the criteria to be used for the review well in advance. In the event that a consortium or certain partners of a consortium do not pass the review the EASME may terminate the FPA or the participation of an organisation in the FPA in accordance with the provisions of the FPA.

11. FINANCIAL PROVISIONS APPLICABLE TO THE SPECIFIC GRANTS

~~**11. For the sake of transparency, this section presents the financial provisions governing the award of specific grants under the Framework Partnerships awarded following the call for proposals. Nevertheless, the purpose of this call for proposals is not the award of specific grants for actions.**~~

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11.1. General Principles

a) Non-cumulative award

Each action may give rise to the award of only one grant from the budget to any one beneficiary.

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, ~~when submitting a proposal for a specific grant, applicants~~ Network partners will have to inform the EASME immediately of any multiple applications and multiple grants relating to the same action. The ~~Network partners applicant shall will~~ Network partners will inform about sources and amounts of EU funding received or applied for the same action or for part of the action. ~~The Network partners will~~ Applicants shall indicate if they receive EU funding for their functioning during the financial years in which the action takes place.

b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

A specific grant may be awarded to Network partners for an action which has already begun provided ~~the applicant~~ they can demonstrate the need to start the action before the specific grant agreement is signed. In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the ~~grant application~~ proposal to EASME following its invitation.

c) Co-financing

Co-financing means that the resources which are necessary to carry out the action ~~or the work programme~~ may not be entirely provided by the EU grant.

Co-financing of the action ~~or of the work programme~~ may take the form of:

- the Network partners' beneficiary's own resources;
- income generated by the action ~~or work programme~~;
- financial contributions from third parties.

~~Co-financing may also take the form of in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary or to the consortium. The corresponding costs are not eligible. The value of such contribution cannot cover the complete amount of co-financing.~~

~~Beneficiaries shall supply evidence of the co-financing provided.~~

d) Non-profit rule

The EU grant may not have the purpose or effect of producing a profit within the framework of the action ~~of the work programme of the beneficiary~~.

~~Where a profit is made, the EASME is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred. For this purpose, profit shall be defined as a surplus of the receipts over the eligible costs incurred, when the request for payment of the balance is made.~~

e) Balanced budget

~~The estimated budget of the action or work programme is to be attached to the application form. It must have revenue and expenditure in balance.~~

~~The budget must be drawn up in euros.~~

~~Applicants, who foresee that costs will not be incurred in euros, are invited to use the exchange rate published on the Infor-euro website available at http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.efm.~~

f)e) **Implementation contracts/sub-contracting**

Where the implementation of the specific action ~~or the work programme~~ requires the award of procurement contracts (implementation contracts), the ~~beneficiary~~ Network partners must will have to award the contract to the bid offering best value for money or the lowest price (as appropriate), ~~in compliance with the principles of transparency and equal treatment.~~ The Network partners will have to ~~beneficiary shall~~ avoid conflicts of interests and retain the documentation for the event of an audit. If those conditions are not fulfilled, the costs of contracts will be ineligible.

~~In the event of procurement exceeding € 60.000, the authorising officer responsible may require beneficiaries to abide by special rules based on rules contained in the Financial Regulation and determined with due regard for the value of the contracts concerned, the relative size of the EU contribution in relation to the total cost of the action and the risk. Such special rules shall be included in the grant decision or agreement.~~

Network partners~~Entities~~ acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC¹⁶ or contracting entities in the meaning of Directive 2004/17/EC¹⁷ ~~shall will have to~~ abide by the applicable national public procurement rules.

Sub-contracting for the purpose of the specific action

Sub-contracting refers to contracts concluded for the externalisation of specific tasks or activities which form part of the action/~~work programme as described in the proposal~~. Such contracts must satisfy the conditions applicable to any implementation contract (as specified above) and in addition to them the following conditions:

- sub-contracting may only cover the implementation of a limited part of the action;
- it must be justified having regard to the nature of the action and what is necessary for its implementation;
- it ~~must will have to~~ be clearly stated in the proposal submitted following invitation from the EASME.

Sub-contracting does not limit the responsibility of Network partners~~beneficiaries~~ for the implementation of the specific action. The Network partners ~~beneficiary/ies~~ should have the necessary capacity to perform ~~the project~~the activities. Only tasks that are not core business of the Network partners ~~beneficiary organisation~~ can be sub-contracted to e.g. consultants.

¹⁶ Directive 2004/18/EC on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (Official Journal of the European Union L 134 of 30 April 2004)

¹⁷ Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (Official Journal of the European Union L 134 of 30 April 2004)

In-house consultants will need to be categorised as sub-contractors. However, under certain conditions specified in the [specific grant](#) agreement, in-house consultants may be categorised as [staffpersonnel](#).

It is not necessary to have already selected sub-contractors at the time the proposal is submitted.

~~The cost of contractors not selected in accordance with the applicable rules for procurement will not be eligible.~~

11.2. [Funding forms of specific grants](#)

~~The funding form will be a combination of the following forms for the different headings:~~

- ~~✓ reimbursement of the eligible costs incurred by determining the standard annual productive hours for the costs of the personnel;~~
- ~~✓ reimbursement of the eligible costs actually incurred for sub-contracting costs and for other direct costs;~~
- ~~✓ reimbursement on the basis of unit costs for Travel and Subsistence costs (€ 5.000 * number of full time equivalents)¹⁸;~~

~~flat rate financing for overheads/indirect costs (25% of total direct costs except direct costs of sub-contracting)¹⁹. The [specific grants shall](#) will take the form of reimbursement of up to 60% of the following eligible costs:~~

- ~~– costs actually incurred or declared on the basis of unit costs [declared on the basis of determined in accordance the partner's](#) Network partner's usual cost accounting practices for direct personnel costs;~~
- ~~– costs actually incurred for travel and subsistence costs, sub-contracting costs and other direct costs;~~
- ~~– costs declared by the [Network](#) partners on the basis of a flat-rate financing for indirect costs.~~

~~Mixed financing grants are calculated on the basis of a detailed estimated budget indicating clearly the costs that are eligible for EU funding. The grant amount will neither exceed the eligible costs nor the amount requested. Amounts are indicated in euros.~~

~~➤ [Maximum amount requested](#)~~

~~The maximum funding rate is 60% of the total eligible costs.~~

~~Consequently, part of the total eligible expenses entered in the estimated budget must be financed from sources other than the EU grant (see section 11.1e).~~

~~➤ [Contributions in-kind](#)~~

~~The external co-financing may be made up of contributions in-kind in order to cover other costs necessary to carry out the project. Such contributions must not exceed:~~

- ~~– either the costs actually borne and duly supported by accounting documents;~~

¹⁸ Subject to the adoption of a Commission Decision

¹⁹ idem

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~~—or, in the absence of such documents, the costs generally accepted on the market in question.~~

~~In kind contributions shall be presented separately in the estimated budget to reflect the total resources allocated to the action. Their unit value is evaluated in the provisional budget and shall not be subject to subsequent changes.~~

~~In kind contributions shall comply with national tax and social security rules.~~

➤ **Eligible costs**

Eligible costs are costs actually incurred by the Network partner beneficiary of a grant which meet all the following criteria:

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- ✓ they are incurred during the duration of the specific action~~—or of the work programme~~, with the exception of costs relating to final reports and audit certificates;

The period of eligibility of costs will start as specified in the specific grant agreement.

If the Network partners a beneficiary can demonstrate the need to start the specific action before the specific grant agreement is signed, expenditure costs incurred before the signature may be authorised before the grant is awarded eligible. Under no circumstances can the eligibility period start before the date of submission of the grant application (see section 11.1b).

- ✓ they are indicated in the estimated budget of the specific action~~—or work programme~~;
- ✓ they are necessary for the implementation of the specific action~~—or of the work programme which is the subject of the grant~~;
- ✓ they are identifiable and verifiable, in particular being recorded in the accounting records of the Network partner beneficiary and determined according to the applicable accounting standards of the country where the Network partner beneficiary is established and according to the usual cost accounting practices of the Network partner beneficiary;
- ✓ they comply with the requirements of applicable tax and social legislation;
- ✓ they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

~~The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action/project with the corresponding accounting statements and supporting documents.~~

Eligible direct costs

The eligible direct costs for the action/ work programme are those costs which, **with due regard for the conditions of eligibility set out above**, are identifiable as specific costs directly linked to the performance of the action or the work programme and which can therefore be booked to it directly, such as:

- the costs of personnel working under an employment contract with the Network partner applicant or equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the aNetwork partner applicant's usual policy on remuneration;

- costs of the personnel of national administrations to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken;
- subsistence allowances for meetings, including kick-off meetings where applicable, conferences, etc.;
- costs of travel for meetings, including kick-off meetings where applicable, conferences, etc.

~~— depreciation cost of equipment (new or second hand): only the portion of the equipment's depreciation corresponding to the duration of the action/project and the rate of actual use for the purposes of the action may be taken into account by the EASME, (or if the call does not follow the above general rule, indicate on what basis the depreciation cost of equipment will be accepted);~~

~~— costs of consumables and supplies, provided that they are identifiable and assigned to the action/project;~~

- costs entailed by implementation contracts / sub-contracts awarded by the [Network partners/beneficiaries](#) for the purposes of carrying out the [specific action/project](#), provided that the conditions [laid down in the grant agreement or grant decision described above](#) are met;

- costs arising directly from requirements linked to the implementation of the [specific action/project](#) (dissemination of information, specific evaluation of the action, translations, reproduction);

- costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where required;

- costs relating to external audits where required in support of the requests for payments;

- ~~value added tax ("VAT") is not eligible non-deductible VAT -~~

Eligible indirect costs (overheads)

A flat-rate amount of 25% of the total eligible direct costs of the [specific action](#) except direct subcontracting costs, is eligible ~~under as~~ indirect costs; (representing the [part of Network partner's/beneficiary's](#) general administrative costs which can be regarded as chargeable to the [specific action/project](#)).

Indirect costs may not include costs entered under another budget heading.

➤ **Ineligible costs**

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the EASME charged by the bank of a beneficiary;

- costs declared by a ~~Network partner beneficiary~~ and covered by another action receiving a European Union grant. In particular, indirect costs shall not be eligible under a grant for an action awarded to a ~~Network partner beneficiary who which~~ already receives an operating grant financed from the Union budget during the period in question;
- excessive or reckless expenditure.
-
- ~~others (in accordance with the relevant legal base).~~

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11.3. Final grant amount and payment arrangements

The specific grant agreement will specify the calculation of the final grant and the payment arrangements.

~~The EU grant may not have the purpose or effect of producing a profit within the framework of the action. Where a profit is made, the EASME is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred. For this purpose, profit is defined as a surplus of the receipts over the eligible costs incurred by the beneficiary, when the request is made for payment of the balance. Where such a surplus occurs, the EASME is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred by the beneficiary.~~

11.4. Pre-financing guarantee

Subject to risk analysis, any beneficiary, which has been awarded a grant, may be required to lodge a guarantee for up to the same amount as the pre-financing in order to limit the financial risks linked to the pre-financing payment.

~~The purpose of this guarantee is to make a bank or a financial institution, a third party or the beneficiaries of an action who are parties to the same grant agreement, stand as irrevocable collateral security for, or first call guarantor of, the grant beneficiary's obligations.~~

~~The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in a third country, the authorising officer responsible may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.~~

~~The guarantee may be replaced by a joint and several guarantee by a third party or by a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.~~

~~The guarantee shall be released as the pre-financing is gradually cleared against interim payments or payments of balances to the beneficiary, in accordance with the conditions laid down in the grant agreement.~~

12. PUBLICITY

12.1. By the beneficiaries

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the [specific](#) grant is used.

In this respect, beneficiaries are required to give prominence to the name and emblem of the European Commission on all their publications, posters, programmes and other products realised under the co-financed project. Detailed instructions are included in the Guide for applicants.

12.2. By the EASME

All information relating to grants awarded in the course of a financial year ~~shall~~ will be published on ~~an~~ the [dedicated](#) internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The EASME will publish the following information:

- name of the beneficiary;
- address of the beneficiary;
- subject of the grant;
- amount awarded.

Upon a reasoned and duly substantiated request by the [Network partner beneficiary](#), the publication ~~shall~~ will be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the [Network partner beneficiaries](#).

13. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data²⁰. The personal data requested in the context of this call will be processed with the sole aim of evaluating the application and will not be used for any other purpose. It will be treated in accordance with the privacy statement published at <http://een.ec.europa.eu/about/tendersandcalls>.

Personal data may be registered in the Early Warning System (EWS) only or both in the EWS and Central Exclusion Database (CED) by the Accounting Officer of the European Commission, should the [Network partner beneficiary](#) be in one of the situations mentioned in:

- the Commission Decision 2008/969 of 16.12.2008²¹ on the Early Warning System (for more information see the Privacy Statement at:

²⁰ Official Journal of the European Union L 8/1 of 12.01.2001.

²¹ As amended by Commission Decision of 17 June 2011 (Official Journal of the European Union C 180/11 of 21 June 2011)

http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm);

or

- the Commission Regulation 2008/1302 of 17.12.2008 on the Central Exclusion Database (for more information see the Privacy Statement at http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm).

14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Preparation of proposals

Applicants will find all relevant documents and links for the submission of proposals on the website of DG Enterprise & Industry at http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/index_en.htm.

Submission of proposals

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 3. Proposals must be submitted electronically via the Research & Innovation “Participant Portal”. Access to the submission tool is provided on the page referred to in the previous paragraph.

No modification to the application is allowed once the deadline for submission has elapsed. However, if there is a need for additional information, for clarification of certain aspects or for the correction of clerical mistakes, the EASME may contact the applicant for this purpose during the evaluation process.