



CALL FOR PROPOSALS – COS-WP2014-3-15.02

**Maximising synergies
between tourism, high-end and creative industries -**

**Cooperation project to develop and/or promote a European cultural
route around luxury goods
(pilot phase)**

1. INTRODUCTION – BACKGROUND

1.1. EU policy framework

The Treaty on the functioning of the European Union (TFEU) provides that the Union shall complement the action of the Member States in the tourism sector, in particular by promoting the competitiveness of that sector (Art. 195 TFEU).

In order to maintain Europe's tourism leadership, the European Commission adopted in 2010 an Action Plan which first action is to “develop a coherent strategy for diversifying the promotion of tourist services and capitalise on Europe's common heritage”.¹

The Commission is implementing this Action Plan notably through the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020)², which aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

The COSME work programme for 2014 foresees a call for proposals to exploit synergies between tourism and high-end and creative industries.

Indeed, small and medium-sized enterprises (SME) play a crucial role in reaching the objectives of the Europe 2020 Strategy³. 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.

¹ “Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe”, [COM\(2010\)352](#).

² Regulation (EU) No 1287/2013 of 11 December 2013 (Official Journal of the European Union 2013/L 347/33)

³ COM (2010) 2020 final of 3 March 2010.

The contracting authority is the Executive Agency for Small and Medium-sized Enterprises⁴ (hereinafter referred to as "EASME"). EASME is, *inter alia*, entrusted by the European Commission with the implementation of parts of the COSME programme and the Horizon 2020 programme.

1.2. Context and background

Various initiatives in favour of the development of European cultural routes have been put in place over the years. The Commission for instance support the "Cultural Routes" programme of the Council of Europe⁵. The Commission also regularly organise events around European cultural / industrial heritage tourism⁶ and award grants for the development or improvement of such Routes.⁷

A report on "Tourism and the creative economy" prepared by the OECD underlines the role of the creative industries in the knowledge economy, the shift from "cultural tourism" to "creative tourism" and the opportunities for generating added value from the emerging relationship between tourism and the creative industries⁸.

Many European high-end/luxury industries⁹ are among the most creative ones (fashion, perfumes, ...). Their world reputation should be further exploited to increase tourist flows around niche products and contribute to the competitiveness of the European tourism industry.

Some pilot projects exploiting similar synergies at transnational level have been funded by the EU Competitiveness and Innovation Programme (CIP), but did not involve high-end industries. These include two Large Scale Demonstrators - Limes and Cultways¹⁰ - aimed at "providing mobile services for tourists in close collaboration with local tourism agencies, authorities and businesses in rural areas with valuable but under-exploited cultural heritage".

2. OBJECTIVE(S) – THEME(S) – ACTIVITIES - OUTPUTS

2.1 General objective

Following previous initiatives, the Commission has therefore decided to test the possibility of developing synergies between the tourism and the high-end industries at European level through this call for proposals. It aims at funding the development and promotion of a (new) European Route around one high-end product.

⁴ 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).

⁵ www.coe.int/routes.

⁶ Cf. "Crossroads of Europe", exhibition on European Cultural Routes at the European Parliament in February 2014, http://ec.europa.eu/enterprise/sectors/tourism/cultural-routes/index_en.htm

⁷ Calls "supporting the enhancement and promotion of transnational thematic tourism products" focusing on sustainable tourism in Europe. http://ec.europa.eu/enterprise/sectors/tourism/sustainable-tourism/index_en.htm and calls to support trans-national Cultural-Tourism products http://ec.europa.eu/enterprise/sectors/tourism/cultural-routes/index_en.htm

⁸ To be released after the summer of 2014 - <http://www.oecd.org/cfe/tourism/review-tourism-creative-industries.htm>.

⁹ High-end industries and luxury industries are used here as synonymous.

¹⁰ <http://www.mobilise-europe.mobi/large-scale-demonstrators-real-live-testing/>

This call complements regional and national policies by supporting trans-European cooperation aimed at designing innovative transnational products capitalising on European shared cultural and/or industrial heritage, with a view to contributing to diversify European tourism offer.

The call's specific objectives are to:

- facilitate exchanges of good practices, the development of networks and of discussion platforms between public decision-makers and the private sector, in the fields of cultural and industrial tourism.
- facilitate and stimulate public-private partnerships and the integration of enterprises of the cultural tourism sector into regional development strategies;
- improve the quality of the European tourism offer by a strengthened cross-border cooperation; and/or
- strengthen the management skills of public or private bodies in charge of developing thematic tourism products.

2.2 Description of the work

2.2.1. The theme

The theme of this call falls under "transnational cultural or industrial heritage related tourism products". The priority is on "*product development*" and "*promotional phases*"¹¹.

For this test phase, the call is open to three high-end products which have been selected on the basis of their economic potential and capacity to diversify European offer during the low/medium season in a wide range of Members States:

- perfume,
- chocolate,
- jewellery.

2.2.2. Eligible activities

Applicants are free to propose any kind of action in line with this call's objectives such as: market analysis leading to the identification of a common theme related to the European cultural or industrial heritage; mapping of attractions/sites/destinations and tourism and cultural services that could be linked to the identified theme; identification of additional partners, key stakeholders and sponsors; business plan based on an analysis of the "carrying capacities" along the identified transnational product, networking, awareness raising, etc.

Any project directly or indirectly contrary to EU policy or against public health, human rights, citizen's security or freedom of expression will however be rejected.

The expected result is the development and/or promotion of a European Route crossing over at least 5 Member States and showing key steps of the product's value chain. The Route is expected to cover the historical and contemporary dimensions (how Europeans used to and are cooperating, competing, ...).

For instance, a Route around the European perfume heritage would allow tourists to get acquainted with the fragrance industry history, but also with its current value chain.

¹¹ Particular attention will be given to the viability and sustainability of the project as well as the extent to which project can be taken up by others (see section on award criteria).

Producing exceptional perfumes with an international reputation requires indeed the participation of many actors across Europe for the collection / production of synthetic and natural aroma chemicals such as amber or rose oil; the design of perfume bottles and packaging; the compounding of these chemicals; The Route might therefore combine perfume museums, meeting with flower producers working for the perfume industry, company visits and meetings with their “nez” (i.e. the creative person who assembles scents to create perfumes).

A route around jewellery could encompass the visit of emblematic jewellery quarters or heritage walks, jewellery museums, ..., but also benefit from the input of leading jewellery design schools (a way to underline the creativity of this high-end sector).

2.2.3. General requirements

In their proposals, applicants are requested to clearly explain the actions they will set up for the development and promotion of the proposed European route around the high end product they would have chosen.

In order to ensure good structuring and clarity of the project, applicants are requested to divide the actions into work packages, each work package having objectives, a description of work, deliverables, milestones and performance indicators. To do so, a template "Description of Work" is provided together with the call.

Upon implementation or after completion of the project, the coordinator will have to submit the following reports (in English):

- 1 interim technical implementation report, after 6 months following the start date of the action;
- 1 final technical implementation report (including all deliverables) and financial statement including a consolidated statement and a breakdown between each beneficiary.

3. INDICATIVE TIMETABLE

	Stages	Date and time or indicative period
a)	Publication of the call	16 June 2014
b)	Deadline for submitting applications	16 September 2014
c)	Evaluation period	October 2014
d)	Information to applicants	November 2014
e)	Signature of grant agreements	January 2015
f)	Starting date of the action	February 2015

Maximum duration of action is: 12 months.

Applications for projects scheduled to run for a longer period than that specified in this call for proposals will not be accepted.

4. BUDGET AVAILABLE

The total budget earmarked for the co-financing of projects is estimated at EUR 400,000.

The maximum grant per project will be EUR 400,000. The EASME expects to fund one proposal.

The EU grant is limited to a maximum co-funding rate of 75% of **eligible costs**.

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

5. ADMISSIBILITY REQUIREMENTS

- Applications must be submitted no later than the deadline for submitting applications referred to in section 3.
- Applications must be submitted as explained in section 14.
- Applications must be drafted in one of the EU official languages.

Failure to comply with those requirements will lead to the rejection of the application from the outset and without any evaluation process.

6. ELIGIBILITY CRITERIA

6.1. Geographical eligibility

Only applications from legal entities established in one of the following countries are eligible:

- EU Member States
- Countries participating in the COSME programme under Article 6 of the COSME Regulation¹².

6.2. Applicants' eligibility

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 national law. They must belong to one of the following categories and be active in the tourism, creative or high-end sectors, or any other field that is strictly related to the object of the proposal:

- Public authorities¹³ and their networks or associations at international, national, regional and local level.
- Training and education establishments or research centres;

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.

¹³ For the purpose of this call, public authorities at national, regional and local level are ministries, regions, provinces, departments, municipalities, city councils and communes.

- Destination management organisations and their networks/associations;
- Travel Agents and Tour Operators and their umbrella associations;
- Chambers of commerce, industry and crafts or similar bodies and their umbrella associations;
- Non-profit / Non-governmental organisations;
- International, European and national associations active in the field of tourism and related fields;
- Private bodies (SMEs¹⁴ ...).

The applicant must be the lead organisation of a consortium of partners¹⁵ submitting a joint proposal. The applicant will be the coordinator. The applicant and its partners must satisfy the same eligibility criteria.

The consortium (i.e. the applicant plus its partners) must be composed of

- a minimum of five different legal entities mentioned separately in the grant agreement and having tasks clearly defined in the technical proposal and the budgetary annex;
- covering at least five eligible countries as specified in point 6.1.

The consortium must include at least one public authority (as defined above) and two SMEs.

Legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation, may take part in the action as affiliated entities, and may declare eligible costs as specified in section 11.2.

For that purpose, applicants shall identify such affiliated entities in the application form.

By way of exception, application may be submitted by **one** applicant, whether established specifically or not for the action, provided that:

- it is formed of minimum five legal entities from minimum 5 eligible countries, complying with the eligibility, non-exclusion and selection criteria set out in this call for proposals, and implementing together the proposed action;
- the application identifies the said entities.

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:

- 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

¹⁴ For the purpose of this call, SME is defined as a company engaged in economic activities and having less than 250 employees, with a turnover of less than € 50 million or a balance sheet total of less than € 43 million (http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm).

¹⁵ In what follows “partners” are to be understood as any potential co-signatory of the future grant agreement subject to this call, and as proposed by the applicant.

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 RAO 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 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 Regulation¹⁶.

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 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.

The same exclusion criteria apply to affiliated entities.

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 Regulation¹⁷, filling in the relevant form.

8. **SELECTION CRITERIA**

8.1. Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out. The

¹⁶ Regulation (EU, Euratom) No 966/2012 of the European Parliament and council of 25.10.2012

¹⁷ Regulation (EU, Euratom) No 966/2012 of the European Parliament and council of 25.10.2012

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

a) Low value grants (\leq EUR 60 000):

- a declaration on their honour.

b) Grants \geq EUR 60 000:

- a declaration on their honour and,

EITHER

- the profit and loss account, the balance sheet for the last financial year for which the accounts were closed;
- 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.

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

In the case of legal entities forming **one** applicant, as specified in section 6.2, the above requirements apply to those entities.

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 necessary to complete the proposed action. In this respect, applicants have to submit a declaration on their honour, and the following supporting documents:

- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation;
- a lists of previous projects and activities performed and connected to the policy field of a given call or to the actions to be carried out;

In the case of legal entities forming **one** applicant, as specified in section 6.2, the above requirements apply to those entities.

9. AWARD CRITERIA

Eligible applications will be assessed on the basis of the following criteria:

EVALUATION CRITERIA AND WHAT THEY MEAN CONCRETELY	MAX. SCORE
1. Relevance of the actions in view of the objectives of the call	35
To what extent does the project use a project use high-end perfume / chocolate / jewellery to develop a touristic product? Is it presented as a Route?	
Is the proposed route telling a European story? i.e. how Europeans (used to) cooperate, compete or fight each other.	
To what extent do the expected results of the project contribute to diversification of European tourist services / products (originality) and better valorisation of Europe's common heritage? To what extent is the project consistent with European policies in the tourism sector?	
To what extent do the proposed activities contribute to better understand European history, culture and values?	
2. Visibility	10
To what extent will EU support to the project or activity be publicised?	
To what extent this type of action would reflect positively on the image of the EU and the Commission?	
3. Impact	20
To what extent would the project benefit local tourism, local communities, etc.? To what extent would it improve the image of destinations involved in the project?	
Is the project likely to have multiplier effects? e.g. potential replication and extension of the project, foreseen cooperation with other regional, national and European level initiatives, ...	
Does the proposal include more than one letter of support from Ministries and/or European public organisations in charge of tourism, regional development, spatial planning, culture or other field strictly related to the object of the proposal?	
To what extent is the initiative likely to continue after the end of EU financing?	
4. Quality	25
To what extent has the project been well thought out or prepared? (e.g. supported by a market analysis, a business plan ...)?	
How clear and feasible is the plan of action? To what extent are the project partners well-chosen and their tasks properly allocated (different types of partners, relevance of the partners to the project, degree of involvement of the partners, clear distribution of tasks)?	
How coherent, appropriate and practical are the activities proposed?	
To what extent does the project innovate? E.g. revitalisation or development of original tourism products / experiences (creative activities for visitors ...); use of creative technologies (online game, digital marketing, viral advertising, ...), etc.	
How coherent and robust are the project processes and structures? (management structure, coordination mechanisms, countervailing measures to reduce risks ...)	
How well described and realistic are the proposed performance indicators?	
5. Budget and Cost-effectiveness	10
To what extent is the budget clear and detailed? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is the minimum necessary for the operation to be completed?	
Do the probable results stand in a reasonable relationship to the amount of the grant? (Is the project offering value for money? Conversely, is it possible to implement the project and its deliverables with the proposed budget?)	
To what extent are there better ways of achieving the expected results?	
Maximum total score	100

In order to be considered for funding 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.

10. LEGAL COMMITMENTS

In the event of a grant awarded by the Agency, a grant agreement, drawn up in euro and detailing the conditions and level of funding, will be sent to the beneficiary, as well as the procedure in view to formalise the obligations of the parties.

11. FINANCIAL PROVISIONS

11.1. General Principles

a) Non-cumulative award

An action may only receive one grant from the EU budget.

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate the sources and amounts of Union funding received or applied for the same action or part of the action as well as any other funding received or applied for the same action.

b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the 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

c) Co-financing

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

Co-financing of the action may take the form of:

- the beneficiary's own resources,
- income generated by the action,
- 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.

d) Balanced budget

The estimated budget of the action 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 [in the Official Journal of the European Union] [on the Infor-euro website available at

e) Implementation contracts/subcontracting

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC¹⁸ or contracting entities in the meaning of Directive 2004/17/EC¹⁹ shall abide by the applicable national public procurement rules.

Sub-contracting, i.e. the externalisation of specific tasks or activities which form part of the action as described in the proposal must satisfy the conditions applicable to any implementation contract (as specified above) and in addition to them the following conditions:

- it 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 be clearly stated in the proposal.

f) Financial support to third parties

The applications for this action may not envisage provision of financial support to third parties.

11.2. Funding forms

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

➤ **Maximum amount requested**

The EU grant is limited to a maximum co-funding rate indicated in section 4. Consequently, part of the total eligible expenses entered in the estimative budget must be financed from sources other than the EU grant (see section 11.1c).

➤ **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 incurred by third parties and duly supported by accounting documents;
- or, in the absence of such documents, the costs generally accepted on the market in question.

¹⁸ Directive 2004/18/EC on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts.

¹⁹ Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

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 beneficiary of a grant which meet all the following criteria:

- ✓ they are incurred during the duration of the action , with the exception of costs relating to final reports and audit certificates;

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

If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. 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 action;
- ✓ they are necessary for the implementation of the action which is the subject of the grant;
- ✓ they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the 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.

The same criteria apply to the affiliated entities.

Eligible direct costs

The eligible direct costs for the action 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 and which can therefore be booked to it directly, such as :

- the costs of personnel working under an employment contract with the 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 applicant's usual policy on remuneration. Those costs may include additional remuneration, including payments on the basis of supplementary contracts regardless of their nature, provided that it is paid in a consistent manner whenever the same kind of work or expertise is required and independently from the source of funding used;
- 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.) provided that these costs are in line with the beneficiary's usual practices,
- costs of travel (for meetings, including kick-off meetings where applicable, conferences etc.), provided that these costs are in line with the beneficiary's usual practices on travel,
- the depreciation costs of equipment or other assets (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;
- costs of consumables and supplies, provided that they are identifiable and assigned to the action/project;
- costs entailed by implementation contracts awarded by the beneficiaries for the purposes of carrying out the action/project, provided that the conditions laid down in the grant agreement are met;
- costs arising directly from requirements linked to the implementation of the 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;
- non-deductible value added tax ("VAT").

Eligible indirect costs (overheads)

A flat-rate amount of 7% of the total eligible direct costs of the action, is eligible under indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action.

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

Applicants's attention is drawn to the fact that in the case of organisations receiving an operating grant, indirect costs are not eligible under specific actions.

➤ **Ineligible costs**

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- any bank costs charged by the bank of a beneficiary on the transfers from the Agency;
- costs declared by a 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 beneficiary who already receives an operating grant financed from the Union budget during the period in question;

- contributions in kind;
- excessive or reckless expenditure;
- any costs incurred during a suspension of the action
- others (in accordance with the relevant legal base).

➤ **Calculation of the final grant amount**

The final amount of the grant to be awarded to the beneficiary is established after completion of the action or work programme, upon approval of the request for payment containing the following documents:

- a final report providing details of the implementation and results of the action;
- the final financial statement of costs actually incurred;
- a certificate on the financial statements for each beneficiary, if it requests a total contribution of 325.000 € or more as reimbursement of actual costs.

EU grants may not have the purpose or effect of producing a profit within the framework of the action. **Profit shall be 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. In this respect, where a profit is made, the EASME shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action.

11.3. Payment arrangements

A pre-financing payment corresponding to 50% of the grant amount will be transferred to the beneficiary within 30 days of the date when the last of the two parties signs the agreement, provided all requested guarantees have been received.

The EASME will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 11.2 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the EASME through a recovery order.

11.4. Pre-financing guarantee

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

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 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.

To do this they must use the text, the emblem and the disclaimer in accordance with the details provided in the grant agreement.

12.2. By the EASME

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an 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 when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level²⁰ if he/she is domiciled within EU or equivalent if domiciled outside EU,
- subject of the grant,
- amount awarded.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall 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 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 45/2001²¹ 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 data. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by the Head of Unit A.1 of the EASME. Details concerning the processing of personal data are available on the [privacystatement](http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf) at:
http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf.

²⁰ European Union Official Journal L 39, 10 February 2007.

²¹ European Union Official Journal L 8, December 2001, p. 1

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 EASME, should the beneficiary be in one of the situations mentioned in:

- the Commission Decision 2008/969 of 16.12.2008 on the Early Warning System (for more information see the Privacy Statement on:

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 on

http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm)

14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 5.

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

Applicants will be informed in writing about the results of the selection process.

➤ Electronic submission

Applicants are requested to log in at http://ec.europa.eu/easme/cosme_en.htm and follow the procedure for submitting an application.

➤ Contacts

The EASME is available to answer questions relating to the content of the present call for proposals. All questions related to this call must be sent by e-mail to EASME-COSME-HIGH-END-CALL-2014@ec.europa.eu .

Only questions sent to the above mentioned functional mailbox will be answered. Answers will only be published periodically and within a reasonable period of time on http://ec.europa.eu/easme/cosme_en.htm