



COSME Programme

Call for Proposals

Training for SME-friendly policies in Central Purchasing Bodies (CPBs)

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Table of Contents

1.	INTRODUCTION AND BACKGROUND	4
1.1.	Introduction	4
1.2.	Policy Context.....	4
2.	OBJECTIVE(S) – THEME(S) – ACTIVITIES – OUTPUTS	4
2.1.	OBJECTIVES	4
2.2.	THEMES AND PRIORITIES	5
2.3.	TYPE OF ACTIVITIES	5
2.4.	OUTPUT OR DELIVERABLES	6
2.5.	INDICATORS.....	6
3.	TIMETABLE.....	6
4.	BUDGET AVAILABLE AND FUNDING OF PROJECTS.....	6
5.	ADMISSIBILITY REQUIREMENTS.....	7
6.	ELIGIBILITY CRITERIA	7
6.1.	Eligible applicants.....	7
6.2.	Eligible consortia.....	8
7.	EXCLUSION CRITERIA.....	8
7.1.	Exclusion	8
7.2.	Remedial measures.....	9
7.3.	Rejection from the call for proposals.....	9
7.4.	Supporting documents.....	10
8.	SELECTION CRITERIA.....	10
8.1	Financial capacity.....	10
8.2	Operational capacity.....	11
9.	AWARD CRITERIA	11
10.	LEGAL COMMITMENTS.....	13
11.	ADMINISTRATIVE REVIEW PROCEDURES.....	13
12.	FINANCIAL PROVISIONS	14
12.1	General principles	14
12.2	Funding forms	15
12.3	Payment arrangements:	18
12.4	Pre-financing guarantee.....	19
13.	REPORTING REQUIREMENTS:.....	19
14.	PUBLICITY	19
14.1	By the beneficiaries	19
14.2	By EASME 20	
15.	DATA PROTECTION.....	20
16.	PROCEDURE FOR THE SUBMISSION OF PROPOSALS	20
17.	ANNEXES:.....	21

1. INTRODUCTION AND BACKGROUND

1.1. Introduction

Small and medium-sized enterprises (henceforth called "SMEs") play a crucial role in reaching the objectives of the Europe 2020 Strategy¹. 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)², hereinafter referred to as "COSME", aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

The Executive Agency for Small and Medium-sized Enterprises³ (hereinafter referred to as "EASME" or the "Agency") is entrusted by the European Commission with the implementation, *inter alia*, of parts of the COSME programme.

In this respect, this call for proposals, managed by EASME, implements parts of the COSME Work Programme 2017, as last amended on 6 July 2017⁴.

1.2. Policy Context

Public procurement represents 14% of the EU's GDP. In order to tackle the fiscal consolidation requirements, EU member states are increasingly recurring to the aggregation of demand via specialised bodies called Central Purchasing Bodies (henceforth called "CPBs"). These bodies operate at national, regional or sectorial level (e.g. in the health sector) and procure for the corresponding level of government.

CPBs are hence large scale buyers as they manage large calls (via framework agreements) used by all relevant public authorities to procure certain goods or services. However, aggregating demand may lead to larger volumes, and therefore CPBs may unintentionally reduce SMEs' access to public procurement markets. Against this backdrop it is regarded as essential that CPBs buying practices are more adapted to the particular needs of SMEs.

Furthermore, large procurement volumes of CPBs can impact SMEs in other policy areas on an EU, national and regional level (e.g. fostering the development of innovation).

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

2.1. OBJECTIVES

The objective of this action is to strengthen the capacity of personnel working for large public buyers (i.e. CPBs) to ensure SMEs' access to large public procurement markets, as well as to strengthen the capacity of SMEs to bid for large calls for tenders.

The centralisation of public procurement functions may impact on the broader market, at a local, regional and European level. Training of personnel of CPBs to understand and manage public procurement rules, design of call for tenders and strategic role of public procurement is therefore imperative.

¹ COM (2010)2020 final of 3 March 2010 "Europe 2020. A strategy for smart, sustainable and inclusive growth".

² Regulation (EU) No 1287/2013 of 11 December 2013 (Official Journal of the European Union L 347/33 of 20.12.2013).

³ EASME was set up by Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the Executive Agency for Small and Medium-sized Enterprises and repealing Decisions 2004/20/EC and 2007/372/EC (Official Journal of the European Union L 341/73 of 18.12.2013).

⁴ Commission Implementing Decision C(2017) 4563 of 6.7.2017 amending Commission Implementing Decision C(2017) 1042 concerning the adoption of the work programme for 2017 and the financing for the implementation of the programme for the competitiveness of enterprises and small and medium-sized enterprises.

A training programme that seeks to strengthen the capacity of CPB personnel will focus on how to aggregate markets for public procurement. This training programme will help personnel to manage markets, and in particular, to assist with the inclusion of SMEs in public procurement competitions.

Moreover, CPBs will be invited to actively contribute to achieving other policy objectives, such as environmental friendly purchase, supporting the re-introduction of workers currently excluded from the labour market, fostering the development of innovative products and services. Therefore, the training must also address issues such as green procurement, social procurement and innovative procurement.

2.2. THEMES AND PRIORITIES

The priority of the training programme will be on newly or to be established CPBs in the EU and/or COSME participating countries⁵, e.g. CPBs in countries whose procurement systems are structurally weak and/or new or to be established such as Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Latvia, Malta, Poland, Romania, Slovakia, and Slovenia.

2.3. TYPE OF ACTIVITIES

The scope of activities to be carried out by the beneficiary shall include:

2.3.1 Organisation and management of a training programme for staff working in CPBs (in the EU Member States and/or COSME participating countries⁶)

The proposal has to describe the organisation and management of the training course. This includes the definition of the content and the duration of the training programme, the provision of the training material, and its overall management. The Commission/EASME will make some basic training material available, which may be used.

The targeted duration of the training programme should be between 5 weeks and 2 months, and can be split in two periods. A part of the training programme may be given online.

2.3.2 Selection of suitable trainers teaching CPB personnel

The trainers must come from academia and from an established CPBs operating at national level. Trainers must be fluent in English, as the training course will be provided in English. At least half of all training sessions must be provided by experienced staff working for CPBs.

2.3.3 Promotion and communication of the training programme

The proposal has to describe the promotion of the training programme towards personnel of CPBs. The target is to have 30-35 CPBs staff members participating in the training programme.

2.3.4 Selection of the participants in the training programme

Participants in the training programme must work in a CPB operational at national, regional, or sectorial level, or from newly established or to be established CPBs. Their application must be accompanied by a letter of support from their CPB. In case of oversubscription, EASME and the European Commission has to be consulted on the selection. Overall, priority should be given to staff from countries from countries with high numbers of newly or to be established CPBs such as Bulgaria, Croatia, Czech Republic, Greece, Hungary, Italy, Latvia, Malta, Poland, Romania, Slovakia, and Slovenia.

2.3.5 Support for selected participants

The proposal must include a viable concept to support selected participants to attend centralised training sessions. This includes a dedicated budget line for the reimbursement of certain costs for the selected

⁵ The updated list of eligible third countries is available on the following webpage: http://ec.europa.eu/growth/smes/cosme/index_en.htm.

participants for the duration of the training. This may also comprise the reimbursement of some travel expenditures if deemed necessary.

2.4. OUTPUT OR DELIVERABLES

The applicant must come up with a set of outputs and deliverables, which will facilitate the evaluation of the proposal. The following outputs and deliverables will have to be produced and targets need to be set in the proposal:

- Training sessions organised for CPB personnel
- Personnel of CPBs in EU Member States and COSME participating countries who completed the training programme and increased their knowledge and understanding of procurement.
- Establishment of a pool of highly skilled public procurement officials working in CPBs who have taken part in the programme.
- Development of a comprehensive and well-structured curriculum for a training programme targeting personnel of CPBs.
- A guide book describing the curriculum and how the training programme was organised, including all tools and sources used. The guide book must cover all learning modules, part of the developed curriculum.
- Dissemination strategy for the proposed training programme and the methodology to be developed.

2.5. INDICATORS

The applicant needs to set performance indicators, which will allow for the evaluation and monitoring of the proposed action. In addition to the applicant's indicators, the proposal must include the following performance indicators:

- Total number of participants in the training courses
- Total number of organisations sending staff to the training course
- Number of countries included in the training course
- Level of satisfaction and feedback from participants of the training course

3. TIMETABLE

<i>Stages</i>	<i>Dates</i>
a) Deadline for submitting applications	3 October 2017 - 17:00h Brussels time
b) Evaluation period*	October – November 2017
c) Information to applicants*	December 2017
d) Signature of grant agreements*	January 2018
e) Starting date of the action*	January 2018

* *indicative*

4. BUDGET AVAILABLE AND FUNDING OF PROJECTS

The total budget earmarked for the co-financing of projects is estimated at **EUR 350.000,00**.

The maximum grant per project will be **EUR 350.000,00**.

EASME expects to fund **one proposal**.

The grant is limited to a maximum reimbursement rate of **90 % of eligible costs**.

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

5. ADMISSIBILITY REQUIREMENTS

The following requirements must be complied with:

- Applications must be submitted no later than the deadline for submitting applications referred to in section 3;
- Applications must be submitted in writing, using the electronic system specified in section 16;
- 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.

Incomplete applications may be considered inadmissible. This refers to the requested administrative data, the proposal description and requested grant amount, and any supporting documents specified in this call for proposals.

6. ELIGIBILITY CRITERIA

6.1. Eligible applicants

The following types of organisation are eligible:

- Central Purchasing Bodies⁷;
- International organisations;
- Universities or educational institutions;

Applicants must be legal entities. In order to assess the applicants' eligibility, EASME will request supporting documents from applicants.

Affiliated entities, i.e. 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 applicants** in order to declare eligible costs.

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

- EU Member States;
- Countries participating in the COSME programme⁸ pursuant to Article 6 of the COSME Regulation⁹.

⁷ Central Purchasing Bodies operate at national, regional or sectorial level (e.g. in the health sector) and procure for the corresponding level of government.

⁸ For more information on countries associated to the COSME programmes see: <http://ec.europa.eu/DocsRoom/documents/21365>.

⁹ The following groups of countries are eligible for participation in COSME according to Article 6 COSME Regulation:

- 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;

For British applicants: Please be aware that eligibility criteria must be complied with for the *entire* duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 34.3.1(b) of the grant agreement.

6.2. Eligible consortia

Applicants must form a consortium of at least 2 organisations. The consortium must include at least one university or educational institution and an established Central Purchasing Body operating at national level.

Eligible consortia must be composed entirely of organisations defined as eligible applicants (see section 6.1. above).

6.3 Implementation period

- activities must start between 1 January 2018 and 1 May 2018;
- activities are to be completed by 31 December 2018;
- the project's duration must be between 6 months and 12 months.

7. EXCLUSION CRITERIA

7.1. Exclusion

The authorising officer shall exclude an applicant from participating in call for proposals procedures where:

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, where its assets are being administered by a liquidator or by a court, where it is in an arrangement with creditors, where its business activities are suspended, or where it is in any analogous situation arising from a similar procedure provided for under national laws or regulations;
- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the authorising officer is located or those of the country of the performance of the contract;
- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:
 - (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract, a grant agreement or a grant decision;
 - (ii) entering into agreement with other applicants with the aim of distorting competition;
 - (iii) violating intellectual property rights;
 - (iv) attempting to influence the decision-making process of the Agency during the award procedure;
 - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;

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.

The updated list of eligible third countries is available on the following webpage: http://ec.europa.eu/growth/smes/cosme/index_en.htm. Proposals from applicants in Article 6 countries may be selected provided that, on the date of award, agreements have been signed setting out the arrangements for the participation of those countries in the programme.

- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
- (i) fraud, within the meaning of Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
 - (ii) corruption, as defined in Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, and in Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the law of the country where the contracting authority is located, the country in which the applicant is established or the country of the performance of the contract;
 - (iii) participation in a criminal organisation, as defined in Article 2 of Council Framework Decision 2008/841/JHA;
 - (iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council;
 - (v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
 - (vi) child labour or other forms of trafficking in human beings as defined in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;
- (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95.
- (g) for the situations of grave professional misconduct, fraud, corruption, other criminal offences, significant deficiencies in the performance of the contract or irregularity, the applicant is subject to:
- (i) facts established in the context of audits or investigations carried out by the Court of Auditors, OLAF or internal audit, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
 - (ii) non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
 - (iii) decisions of the ECB, the EIB, the European Investment Fund or international organisations;
 - (iv) decisions of the Commission relating to the infringement of the Union's competition rules or of a national competent authority relating to the infringement of Union or national competition law.
 - (v) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

7.2. Remedial measures

If an applicant declares one of the situations of exclusion listed above (see section 7.4), it should indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to prevent further occurrence, compensation of damage or payment of fines. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) of section 7.1 .

7.3. Rejection from the call for proposals

The authorising officer shall not award a grant to an applicant who:

- a. is in an exclusion situation established in accordance with section 7.1;
- b. has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information;
- c. was previously involved in the preparation of calls for proposal documents where this entails a distortion of competition that cannot be remedied otherwise.

The same exclusion criteria apply to linked third parties. Administrative and financial penalties may be imposed on applicants, or linked third parties where applicable, who are guilty of misrepresentation.

7.4. Supporting documents

Applicants must provide a **declaration on their honour** certifying that they are not in one of the situations referred to in Articles 106(1) and 107 FR, by filling in the relevant form attached to the application form accompanying this call for proposals.

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 or the year for which the grant is awarded and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents:

- 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.

- c) Grants for an action \geq EUR 750 000, in addition:

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

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

The above-listed documents will have to be provided at later stage, via the electronic submission tool and only upon request of EASME.

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 12.4 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 the following supporting documents below:

- curriculum vitae (CV), preferably in European CV format (<http://europass.cedefop.europa.eu>) or description of the profile of the main persons primarily responsible for managing and implementing the different activities of the action. The CV should be accompanied, where appropriate, (like in the field of research and education) by a list of relevant publications/projects managed);
- a summary table indicating the persons that will make up the core team responsible for the project with their qualifications and competences. A template is included in the application forms;
- the organisations' activity reports or any other similar document;
- a list of previous projects and activities performed and connected to the policy field of the call for proposals. More precisely, at least one member of the consortium must have experience of at least 5 years with regard to centralisation of public procurement. ;
- a description of the technical equipment, tools or facilities and patents at the disposal of the applicant in relation to the proposal;

9. AWARD CRITERIA

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

<i>Criteria</i>	<i>Max. score</i>
<p>Relevance of the actions in view of the objectives of the call (<i>meeting objectives of the call; appropriate results; appropriate partnership: competences and European dimension</i>)</p> <ul style="list-style-type: none"> ▪ What is the importance of the proposed action in relation to the priorities identified in the call? ▪ To what extent are the activities proposed by the applicant strategically chosen to meet the objectives of this call? ▪ How relevant is the project proposed in view of the objectives of the call? 	30

<ul style="list-style-type: none"> ▪ How well does the project fit with the expectations/needs of the identified target group? ▪ How strategically chosen are the project partners (relevance of the partners to the project)? ▪ To what extent do the proposed activities, composition of the partnership and the selected target group(s) demonstrate a European added value? ▪ Is there any complementarity between the proposed project and other actions being taken at European level? 	
<p>Quality of the proposed actions (<i>clear and feasible description of actions; appropriate allocation of resources, including management</i>)</p> <ul style="list-style-type: none"> ▪ How clear, coherent and ambitious is the work plan for the overall action, and in particular for the training programme proposed? This includes: <ul style="list-style-type: none"> - Content of the training programme - Duration of the training programme and its overall organisation - Accessibility of training programmes - Logistics for the participants ▪ How appropriate, practical and innovative are the activities proposed (including the internal plan of action/work packages)? ▪ To what extent is the work plan clearly defined in terms of schedule, milestones and deliverables? ▪ Is there a logical link between identified needs, specific objectives, proposed actions and expected results? Is this link well described and justified? ▪ How suitable is the contribution of each partner to the activities proposed? ▪ Is the level of effort (hours and budget) appropriate, per work package, per task and per partner considering their skills and responsibilities? ▪ To what extent can the methodology and management set up be effective and ensure the high quality of the action proposed? 	30
<p>Impact on target audience (<i>appropriate impact indicators; dissemination; project continuation</i>)</p> <ul style="list-style-type: none"> ▪ Is the proposal suggesting clear, realistic and practical impact indicators? To what extent does the project contribute to creating a real, measurable impact (including the number of proposed participants in the training programme)? ▪ To what extent is the project likely to have a tangible impact on the target groups? ▪ How effective, innovative and convincing are the promotional and communication activities? Does the proposal contain a comprehensive communication strategy (including number of activities planned to promote 	20

<p>the action)?</p> <ul style="list-style-type: none"> Are there multiplying effects expected? To what extent does the proposal include elements of follow-up and transferability (including lessons learnt and good practices) at EU level? Are concrete measures planned in order to ensure that the project can be continued after the termination of EU funding? 	
<p>Cost-effectiveness (<i>coherence, detail and clarity between actions proposed and budgeted resources</i>)</p> <ul style="list-style-type: none"> To what extent the detailed budget is coherent with the work plan of the proposal? To what extent is the budget clear and detailed, as well as effective, to implement the action? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is reasonable in relation to the expected results? To what extent is the proposed expenditure necessary for the implementation of the project? Do the expected results stand in a reasonable relationship to the amount of the grant? Does the budget seem justified when compared to the expected impact? 	20
TOTAL	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 individual award criterion** 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 EASME, a grant agreement drawn up in euro and detailing the conditions and level of funding, will be sent to the applicant, as well as the information on the procedure to formalise the agreement of the parties.

Please note that the award of a grant does not establish an entitlement for subsequent years.

The authorising officer may draw a reserve list of proposals that have passed the above thresholds. In the event that the original budget of the action is increased or that selected proposal(s) fail to conclude the grant agreement, a grant may be awarded to proposals from the reserve list, following their order on the ranking list in accordance with the scores obtained.

11. ADMINISTRATIVE REVIEW PROCEDURES

Unsuccessful applicants may request the review of the admissibility and eligibility procedure and the evaluation procedure with regard to their proposal as specified in section V of the Guide for applicants.

12. FINANCIAL PROVISIONS

12.1 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 or for its functioning during the same financial year as well as any other funding received or applied for the same action.¹⁰

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. It may take the form of:

- the beneficiary's own resources;
- income generated by the action;
- financial contributions from third parties.

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 which foresee that costs will not be incurred in euros, are invited to use the exchange rate published on the Info-euro website available at:

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm.

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.

¹⁰ Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (Official Journal of the European Union L 94, 28.3.2014, p. 65).

In the event of procurement exceeding EUR 60 000, the beneficiary must abide by special rules as referred in the grant agreement annexed to the call. Moreover the beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2014/24/EU¹¹ or contracting entities in the meaning of Directive 2014/25/EU¹² shall abide by the applicable national public procurement rules. The beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

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.

Applications may not envisage provision of financial support to third parties.

12.2 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 EU contribution requested**

The EU contribution is limited to a maximum reimbursement rate of eligible costs 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 12.1c).

➤ **Eligible costs**

'Eligible costs' shall meet all the following criteria:

- ✓ they are incurred by the beneficiary;
- ✓ 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 12.1 b).

- ✓ they are indicated in the estimated budget of the action;

¹¹ Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (Official Journal of the European Union L 94, 28.3.2014, p. 65).

¹² Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (Official Journal of the European Union L 94, 28.3.2014, p. 243).

- ✓ 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.

In addition for **unit costs**:

- ✓ the number of actual units must comply with the following conditions:
 - the units must be actually used or produced during the duration of the action;
 - the units must be necessary for implementing the action or produced by it, and
 - the number of units must be identifiable and verifiable, in particular supported by records and documentation.

Further details are included in the model grant agreement.

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 :

A. Direct personnel costs

Types of eligible personnel costs

A.1 Personnel costs are eligible if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action ('**costs for employees (or equivalent)**'). They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

They may also include **additional remuneration** for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- (a) it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

A.2 The **costs for natural persons working under a direct contract** with the beneficiary other than an employment contract or **seconded by a third party against payment** are eligible personnel costs, if:

- (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

The costs of the personnel of **national administrations** are eligible 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;

Further details of the calculation of personal costs included in the model grant agreement.

B. Direct costs of subcontracting (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if the conditions set out in the grant agreement are met.

C. Other direct costs

C.1 Travel costs and related subsistence allowances (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if they are in line with the beneficiary's usual practices on travel.

C.2 The depreciation costs of equipment, infrastructure or other assets (new or second-hand) as recorded in the beneficiary's accounts are eligible, if they were purchased in accordance with the conditions set out in the grant agreement and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

The **costs of renting or leasing** equipment, infrastructure or other assets (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.

C.3 Costs of other goods and services (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible, if they are purchased specifically for the action and in accordance with the conditions set out in the grant agreement.

Such goods and services include, for instance, consumables and supplies, dissemination, protection of results, certificates on the financial statements (if they are required by the Agreement), translations and publications.

D. Eligible indirect costs (overheads)

Indirect costs are costs that are not directly linked to the action implementation and therefore cannot be attributed directly to it.

Indirect costs are eligible if they are declared on the basis of the flat-rate of 7% of the eligible direct costs.

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

Applicants's attention is drawn to the fact that in the case of beneficiaries receiving an operating grant¹³ financed by the EU or Euratom budget, they cannot declare indirect costs for the period covered by the operating grant unless they can demonstrate that the operating grant does not cover any costs of the action.

➤ Ineligible costs

- (a) costs related to return on capital;

¹³ For the definition, see Article 121(1)(b) of Regulation 2015/1929 of the European Parliament and of the Council amending Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1): '**operating grant**' means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

- (b) debt and debt service charges;
- (c) provisions for future losses or debts ;
- (d) interest owed;
- (e) doubtful debts;
- (f) currency exchange losses;
- (g) bank costs charged by the beneficiary's bank for transfers from the Agency;
- (h) excessive or reckless expenditure;
- (i) deductible VAT;
- (j) costs incurred during suspension of the implementation of the action;
- (k) in-kind contributions provided by third parties;
- (l) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period, unless they can demonstrate that the operating grant does not cover any costs of the action.;
- (m) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);
- (n) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies.

Further details are included in the model grant agreement.

➤ **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, 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 must detail all eligible costs (actual costs, unit costs and flat-rate costs);
- ✓ a certificate on the financial statements of the action for each beneficiary or linked third party, if
 - it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and
 - the maximum EU contribution indicated, for that beneficiary or linked third party in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

In the event of non-execution or clearly inadequate execution of an activity planned in the work programme annexed to the grant agreement, the final grant will be reduced accordingly.

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.

12.3 Payment arrangements:

Pre-financing payment

A **pre-financing payment** corresponding to **70 % 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.

Final payment

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 12.2 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 EASME through a recovery order.

12.4 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 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.

13. **REPORTING REQUIREMENTS:**

Beneficiaries will be requested to submit the following reports:

- one technical progress report must be submitted 3 weeks prior to the start of the training course. The report will not be linked to a payment request.
- one final technical and financial report, linked to the request for the payment of the balance.

Further details are included in the model grant agreement.

14. **PUBLICITY**

14.1 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.

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement.

In addition to the text and logo relevant to the EU programme, the authorising officer will provide beneficiaries with a disclaimer stating that the EU is not responsible for the views displayed in the publications and/or in conjunction with the activities for which the grant is used.

14.2 By 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.

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 level¹⁴ 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.

15. 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 45/2001¹⁵ 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 proposals 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 privacy statement at: http://ec.europa.eu/research/participants/data/support/legal_notice/h2020-ssps-grants_en.pdf.

Personal data may be registered in the Early Detection and Exclusion System (EDES) should the beneficiary be in one of the situations mentioned in Article 106(1) and 107 of the Financial Regulation 966/2012¹⁶ (for more information see the Privacy Statement on: http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_edes_en.pdf).

16. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

Proposals must be submitted in accordance with the requirements of section 5 and by the deadline specified under section 3.

➤ Electronic submission

Applicants are requested to go to <http://ec.europa.eu/easme/en/cosme-eu-programme-competitiveness-enterprises-and-small-and-medium-sized-enterprises-smes> and follow the procedure for submitting an application.

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.

¹⁴ Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) (Official Journal of the European Union L 39 of 10.02.2007).

¹⁵ Official Journal of the European Union L 8/1 of 12.01.2001.

¹⁶ <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A32012R0966>.

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

➤ **Contacts**

EASME is available to answer questions relating to the content of the present call for proposals. All questions must be sent by e-mail to EASME-COSME-TSMFRIEND@ec.europa.eu;

Answers will be published at <https://ec.europa.eu/easme/en/cosme> .

17. ANNEXES:

- Guide for Applicants
- PartB Technical Annex 1 Description of Work template
- PartB Technical Annex 2 Budget template
- Model grant agreement