



European Commission
Enterprise & Industry Directorate General

CALL FOR PROPOSALS

Preparatory action

"ERASMUS for young entrepreneurs" ENT/ERA/10/411

GRANT PROGRAMME 2010

The present call for proposals is composed of a set of Grant Submission Documents, which form an integral part of this call:

The call for proposals,
The Guide for Submission
The Submission Set

The terms set out in the call for proposals document shall take precedence over those in the other parts of the Grant Submission Documents.

TABLE OF CONTENTS

| | | |
|------|---|----|
| 1. | CONTEXT | 3 |
| 2. | OBJECTIVE OF THE CALL..... | 3 |
| 2.1. | OBJECTIVE | 3 |
| 2.2. | DESCRIPTION OF ACTIVITIES ENVISAGED..... | 4 |
| 2.3. | DELIVERABLES | 10 |
| 3. | TIMETABLE | 12 |
| 4. | EU FINANCING | 13 |
| 4.1. | CO-FINANCING AND JOINT AND SEVERAL RESPONSIBILITY..... | 13 |
| 4.2. | SUBCONTRACTING | 14 |
| 4.3. | PAYMENT ARRANGEMENTS | 14 |
| 4.4. | CORRECT ENCODING OF COST ITEMS IN THE ESTIMATED BUDGET | 14 |
| 5. | ELIGIBILITY..... | 15 |
| 5.1. | GEOGRAPHICAL ELIGIBILITY | 15 |
| 5.2. | LEGAL STATUS ELIGIBILITY | 15 |
| 5.3. | EXCLUSION CRITERIA..... | 16 |
| 5.4. | ELIGIBLE PROPOSALS | 16 |
| 6. | SELECTION..... | 17 |
| 6.1. | APPLICANTS' FINANCIAL CAPACITY TO COMPLETE THE PROPOSED ACTION..... | 17 |
| 6.2. | APPLICANTS' OPERATIONAL CAPACITY TO COMPLETE THE PROPOSED ACTION..... | 17 |
| 7. | AWARD..... | 18 |
| 8. | SUBMISSION OF PROPOSALS | 19 |
| 9. | CONTACTS | 21 |
| 10. | ANNEX 1 SUBMISSION SET | 21 |
| 11. | ANNEX 2 GUIDE FOR SUBMISSION..... | 21 |
| 12. | ANNEX 3 EVALUATION CRITERIA..... | 21 |
| 13. | ANNEX 4 DRAFT GRANT AGREEMENT | 22 |
| 14. | ANNEX 5 TEMPLATES AND INSTRUCTIONS FOR THE STRUCTURE OF THE PROPOSAL..... | 22 |
| 15. | ANNEX 6 MAXIMUM MONTHLY ASSISTANCE TO NEW ENTREPRENEURS..... | 22 |

INTERESTED PARTIES ARE INVITED TO READ CAREFULLY THE BELOW INSTRUCTIONS, AND TO USE THE QUESTIONNAIRE PROVIDED IN CHAPTER II OF THE GUIDE FOR SUBMISSION IN ORDER TO ENSURE THAT APPLICATIONS ARE COMPLETE WHEN SUBMITTED.

1. CONTEXT

In June 2008 the Commission adopted the 'Small Business Act' for Europe (SBA)¹, recognising the central importance of small and medium-sized enterprises (SMEs) in the EU economy. Now for the first time there is a comprehensive SME policy framework for the EU and its Member States. The SBA aims to improve the overall approach to entrepreneurship, to irreversibly anchor the 'Think small first' principle in policy-making from regulation to public service, and to promote the growth of SMEs by helping them tackle the remaining problems which hamper their development.

One aim of the SBA is to "create an environment in which entrepreneurs can thrive and entrepreneurship is rewarded" (Principle I of the SBA). As a concrete follow-up to this aim, in 2008 the Commission organised a call for proposals under the pilot project 'ERASMUS for Young Entrepreneurs' (ENT/ERA/08/311). Of the projects proposed, 25 were selected for award 24 are European partnerships to encourage exchanges (mobility) of new entrepreneurs and one project delivers support, coordination and networking of the European partnerships and their activities.² The projects started in December 2008 and will end in June 2010.

In 2009 the Commission launched a second call for proposals, under the preparatory action "ERASMUS for Young Entrepreneurs" (ENT/ERA/09/311). The 32 projects selected for award included 31 European partnerships organising the mobility exchanges and one organisation for support, coordination and networking of the European partnerships and their activities³.

Building on these previous actions, Commission Decision C(2010) 1685 of 15 March 2010 provides a budget of €4 300 000 to be granted to bodies in the Member States active in supporting enterprises and organising, on the basis of a grant agreement, exchanges between new and potential entrepreneurs and existing entrepreneurs in another Member State.

2. OBJECTIVE OF THE CALL

2.1. OBJECTIVE

This call for proposals aims to help new EU entrepreneurs enrich their experiences as well as learn and network by spending periods in enterprises run by experienced entrepreneurs in other EU Member States. The overall objective of the preparatory action is to enhance the entrepreneurship, internationalisation and competitiveness of European SMEs and potential start-up entrepreneurs and newly established micro and small enterprises in the EU

By awarding grants to promote the mobility of new entrepreneurs, the Commission's specific objectives are:

- To provide on-the-job-training for new entrepreneurs in small and medium-sized enterprises (SMEs) elsewhere in the EU in order to facilitate a successful start-up and development of their business ideas,

1 COM (2008) 394 of 25/6/2008.

2 The list of projects has been published at http://ec.europa.eu/enterprise/entrepreneurship/support_measures/erasmus/erasmus_2008_awarded_projects.pdf

3 The list of projects has been published at: http://ec.europa.eu/enterprise/policies/sme/files/support_measures/erasmus/erasmus_2009_awarded_projects_en.pdf

- To foster sharing of experience and information between entrepreneurs on the obstacles and challenges of starting up and developing their businesses,
- To enhance market access and identification of potential partners for new and established businesses in other EU countries,
- To support networking between entrepreneurs from different Member States by building on knowledge and experience from other European countries.

The following types of action will be supported:

• **Lot 1: Organisations enhancing and facilitating the mobility of new entrepreneurs**

The purpose of this lot is to select a number of projects submitted by public or private entities, individually or in partnerships composed of at least two entities from one or several Member States (hereafter: Intermediary Organisations (IOs)) They will be required to cooperate with all other organisations and authorities involved in the Programme, enabling new entrepreneurs to take part in mobility activities as agreed. They will receive support from the support office selected under Lot 2 (see below).

• **Lot 2: Support, coordination and networking linked to the activities mentioned in Lot 1**

The purpose of this lot is to select a single body that will coordinate the activities of the bodies funded under Lot 1. This support office will be required to cooperate closely with the European Commission and the European partnerships and Intermediary Organisations selected under Lot 1 (see above).

The expected outputs of the present call of the preparatory action are:

- support for a number of Intermediary Organisations
- around 1200 new entrepreneurs will stay with and learn from a host entrepreneur in another EU Member State
- creation of new businesses, joint ventures and spin-off companies
- further development of a network of new entrepreneurs, host entrepreneurs and intermediary organisations.
- enhancement of the international activities of host entrepreneurs

The Commission will monitor and evaluate the results of the preparatory action to decide whether to continue with it in future years.

2.2. DESCRIPTION OF ACTIVITIES ENVISAGED

The Flash Eurobarometer survey⁴ and the feasibility study⁵ on the 2008–2009 pilot project ‘ERASMUS for Young Entrepreneurs’ explored what the main stakeholders would like to get out of the mobility scheme. They revealed that the core work to be done is relationship building between new entrepreneurs (NE) and host entrepreneurs (HE).

4 The results of the survey can be downloaded at http://ec.europa.eu/enterprise/entrepreneurship/support_measures/erasmus/eurobaro.htm

5 The results of the study have been published at http://ec.europa.eu/enterprise/entrepreneurship/support_measures/erasmus/feasability.htm

A NE is defined as someone in the early stages of becoming an entrepreneur. This definition means that the preparatory action should be targeted primarily at new entrepreneurs (i.e. 'would-be entrepreneurs' or 'wannabes') intending to set up an enterprise, without excluding those who have already started their own one — but no more than three years ago.⁶ The planned or existing enterprises can be in any sector. They must comply with the EU-level definition of a micro or small enterprise⁷. NEs should strengthen their entrepreneurial skills by learning, through a stay with a host entrepreneur in another Member State, from the development and management of the host entrepreneur's existing enterprise, and enhance their own business project on this basis. They must demonstrate an eager motivation to learn, a sound commitment to create and/or develop their own business, and a viable, well prepared and documented business idea. They need to show the specific 'entrepreneurial' characteristics of someone who seeks to capitalise on new and profitable endeavours or businesses — usually with considerable initiative. The NE should also demonstrate vision, commitment and the readiness to take risks when embarking on this stay and finding the funds to cover the associated costs.

The HE should be a successful entrepreneur (the owner of a micro or small enterprise, or someone directly involved in entrepreneurship at SME board level)⁸ with an ambition to share his/her entrepreneurial experience and profit from the contributions that a NE from another country can make to their business. HEs should be very experienced with SMEs and be committed to developing NEs' entrepreneurial skills.

The relationship between NE and HE — each having their permanent residence⁹ in a different EU Member State — is meant to be a period of contact and collaboration between peers founded upon mutual interests and benefits. An eligible relationship will involve a stay of the NE of between one month and six months with the HE. The total stay may be spread over a longer overall period of no more than 12 months. Within this time span the relationship may well be activated over a number of shorter time slots (minimum 1 week per slot) during which the actual visit of the NE to the HE takes place (with the maximum duration of all slots together not to exceed six months). This should leave both NE and HE enough flexibility to manage their needs in terms of time and resources.

The Intermediary Organisations selected under Lot 1 have the task of organising these relationships.

IOs will have proven expertise and responsibility in enterprise support and will be in close contact with NEs and HEs. The IOs' main task is to arrange successful matchings between NEs and HEs and to ensure that all necessary services are provided (such as programme promotion, information about the programme, induction of NEs, validation of applications, arranging contracts, logistical support etc.). Furthermore the NE's IO has the task of ensuring that the NE receives advice on financial assistance for the stay and help in accessing it.

A successful relationship is defined as a relationship between a NE and a HE arranged with the help of one or more IO(s), which has been communicated to the Commission before the start date of the stay abroad and has fulfilled all the requirements as agreed upon by HE, NE and IOs.

The Support Office (SO) selected under Lot 2 will contribute to the overall coherence and consistency of the work done by the IOs. It will help to develop a real pan-European scope of the mobility scheme. If possible, the SO should be set up at European level to work in close cooperation with the Commission, the IOs and the existing Support Office (SO). Its main tasks include guidance,

6 The 3-year limit on the existence of an enterprise does not apply to a new entrepreneur who has taken over a family business. However in this case the transfer of the family business to the new entrepreneur must have taken place not more than three years ago.

7 As defined at http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm.

8 See previous footnote.

9 For the purposes of this programme, "permanent residence" is defined as:

- The place where the company of the entrepreneur is registered, if the entrepreneur has a registered company.
- In case of a company with several establishments in different EU Member States, the country where the entrepreneur has his permanent residence for tax purposes,
- The place where the entrepreneur has spent 6 months or more in the course of the last 12 months, if the entrepreneur does not have a registered company.

assistance and monitoring of IOs, maintaining and updating the central website¹⁰, coordinating information and promotion. It should also ensure the quality of the mobility scheme.

The procedure for setting up an eligible relationship will be as follows:

- (1) Within one month after entering into force of the grant agreement IOs register the staff responsible for the implementation of the project in the online Erasmus for Young Entrepreneurs IT tool.¹¹
- (2) Using the online Erasmus for Young Entrepreneurs IT tool, a NE will submit an application to an IO (normally the IO of his/her region in his/her country of residence, but other IOs can be chosen under specific circumstances¹²). NEs will provide evidence of their entrepreneurial characteristics (entrepreneurial profile, CV, educational/vocational background, business plan, language skills etc.) and motivation to complete a period abroad with an experienced host entrepreneur.
- (3) Within a maximum of 14 calendar days applications are checked by the NE's IO. If necessary, the IO requests clarifications or additional information and upon receipt of those validates the application.
- (4) Either spontaneously or in response to an invitation from an IO or an NE, HEs send a submission to an IO (normally the IO of their region or country of residence), using the online Erasmus for Young Entrepreneurs IT tool. In their submission they demonstrate their willingness and capability to receive an NE, and to share information and experience with the NE.
- (5) Within a maximum of 14 calendar days submissions are checked by the IO(s), who validates it or puts it on hold and requests further information. Suitable HEs will be invited to join a network of successful entrepreneurs.
- (6) Suitable NEs and HEs are matched by the IOs responsible, using the online Erasmus for Young Entrepreneurs IT tool. The matching process includes ensuring that the NE receives advice on financial assistance for the stay and help in accessing it. After this matching and advice on financial feasibility, the relationships are agreed and communicated to the Commission via the online Erasmus for Young Entrepreneurs IT Tool.
- (7) Within a maximum of 7 calendar days the selected NE, HE and the IOs responsible are invited to sign online the Erasmus for Young Entrepreneurs commitment.¹³ It specifies the duration and objectives of the stay, the description of the work/learning project, the plan of activities and the expected outcome. The NE's IO and the NE define in a separate agreement the financial conditions and legal implications. This will stipulate that the NE cannot make any profit from the financial assistance, which is intended simply to cover the travel, accommodation and subsistence costs which the NE incurs for this mobility action. As such, the NE will need to declare their real expenditure for travel, accommodation and subsistence, as well as any third party contributions to the costs of the stay abroad. Such third party contributions will be taken into account when determining the financial assistance paid to the NE under this project. The NE's IO is responsible for keeping evidence of the NE's real expenditure incurred for their stay abroad and providing effective control and management mechanisms to enforce the no-profit rule¹⁴. Under no circumstances can the financial assistance paid to the NE be

10 See www.erasmus-entrepreneurs.eu.

11 The IT tool is accessible via www.erasmus-entrepreneurs.eu.

12 E.g. if there is no IO present in the country of residence, if the entrepreneur is residing temporarily in other EU Member State or any other circumstances which would be assessed by the Commission as acceptable.

13 The Erasmus for Young Entrepreneurs commitment is annexed to the Users' Guide that can be downloaded at http://ec.europa.eu/enterprise/entrepreneurship/support_measures/erasmus/ and is part of the Erasmus for Young Entrepreneurs IT tool.

14 NOTE: A Commission Decision has been requested to allow the payment of lump sums for the financial assistance for mobility actions under the frame of the Erasmus for Young Entrepreneur Preparatory Action. These lump sums will correspond to the maximum monthly contribution per country stated in Annex 6. The adoption of this Commission Decision will imply that

higher than the NE's real costs for travel, accommodation and subsistence while staying with the HE. The financial assistance paid to NEs is independent from the compensation that the HE might pay to the NE for the work the latter has done when staying with the HE. The amount of the financial assistance for NE's cannot exceed the monthly amounts per country stated in Annex 6 (including travel costs).

- (8) The NE participates in a pre-departure induction course providing information on the mobility scheme, inter-cultural learning and relevant EU-level information on topics such as the internal market, European law issues, the European Enterprise Network, SOLVIT etc. The NE's IO will organise this induction course using general modules produced by the Support Office (SO), tailored to the specific needs of each relationship. The IOs will contribute to ensure that any obstacles to the mobility of the new entrepreneurs are minimised in the territory for which they are responsible.
- (9) The NE's IO will be responsible for delivering the financial assistance paid from the Commission grant to the NE. The NE's IO is responsible for ensuring that the financial assistance together with any third party support for travel, accommodation and subsistence costs is based on real expenditure incurred by the NE and does not generate a profit for the NE¹⁵. Before the stay starts, the NE's IO will proceed to an advanced payment to the NE of at least 50% of the agreed financial assistance.
- (10) Upon arrival and during the stay abroad the NE will receive support and advice from the IO responsible on the HE's side.
- (11) After completion of the period abroad, the NE and the HE submit reports on standard forms to the IOs responsible, which will evaluate the reports and forward them to the SO. In their activity reports to the SO IOs will identify obstacles to the mobility of new entrepreneurs and make suggestions on how to reduce them. The SO will be responsible for the analysis of IOs' reports, the monitoring and quality control of the preparatory action and for informing the Commission.

As a minimum requirement, we expect the project proposals submitted under this call to describe the following activities in detail:

A. Lot 1: Intermediary Organisations enhancing and facilitating the mobility of new entrepreneurs

(a) Informing and screening NEs

Sufficient interest is expected from potential NEs, but it will still be necessary to raise awareness, provide promotional information to specific target groups and give general guidance to applicant NEs. Furthermore, it will be necessary to screen and advise applicants to ensure a high quality of applications and, in particular, to gauge how committed the applicants are to setting up a business (entrepreneurial motivation, business plan).

(b) Promotion and engagement of HE

Applicants need to describe the proposed communication and promotion measures, particularly among relevant business organisations and other bodies that are active in the field of business support and start-ups, to effectively raise awareness, disseminate information on the mobility scheme and reach a maximum number of potential HEs who can be convinced to take part in the action. The EU sponsorship of the project should be made clearly visible.

(c) Assessing applications from NEs and HEs

no proof of expenditure will be required for the payment of the financial assistance to the New Entrepreneurs. However a proof of the performance of the exchange will be required. Should the proposal be adopted before the signature of the corresponding grants, a special clause will be included in the grant agreements to allow the implementation of these lump sums.

The Commission has developed the online Erasmus for Young Entrepreneurs IT tool whereby NEs and HEs can apply for the action. Applicants are invited to describe how they would check the quality and eligibility of applications.

(d) Matching the relationships

The process of successfully matching NEs and HEs will be a key element of the mobility scheme and will be helped by using the online Erasmus for Young Entrepreneurs IT tool. Matching will be considered successful if it leads to a 'successful relationship' as defined above (see point 2.2). Intermediary Organisations are invited to describe how they plan to identify the best matches, support contacts and monitor relationships before and during the stay abroad. Intermediary organisations also need to describe how they intend to help NEs gain access to sources of financial assistance to cover costs related to a stay with a HE (indicating such sources where possible, and providing details of them) other than the Erasmus for Young Entrepreneurs grant and how they intend to advise NEs on such sources.

(e) Information and induction

Applicants are invited to describe what kind of information and induction they would organise and offer to NEs and how they intend to deliver this information and induction.

(f) Management of contracts and commitments

Once the relationship has been agreed, the IOs concerned have to ensure that all parties involved (NE, HE, IOs) sign the Erasmus for Young Entrepreneurs Commitment. In addition, the sending IO and the NE must sign an agreement specifying the tasks, responsibilities, financial conditions and legal implications.¹⁶ Applicants should describe how they would arrange this in an efficient and effective way, allowing for potential amendments, compliance with the no-profit rule and the handling of payments and reports.

(g) Logistical support

IOs are expected to offer local assistance to visiting NEs during stays with HEs. Applicants are invited to describe what services they plan to offer to address practical questions (housing, transport, insurance, etc.) and what mechanisms will be put in place to avoid problems and potential conflicts.

(h) Financial assistance

The purpose of the financial assistance issued to NEs by the IOs that are sending them to the HE is to support the cost of their stay. The IO to which the NE applied is expected to give the NE financial assistance paid from Commission grants, provided that the relationship between NE and HE has been communicated to the Commission. The IO will be responsible for correct management of this financial assistance, including advanced payment to NEs and verification of the NE's expenditure on travel, accommodation and subsistence¹⁷, and compliance with the no-profit rule. Further details will need to be given in the agreement mentioned above (see item (f)).

The Commission has set the maximum monthly amounts of financial assistance per country in Table 1 (see Annex 6). Applicants should describe how they intend to organise the management and control of this financial assistance in an efficient and effective way, including avoidance of any financial abuse.

(i) Quality control and evaluation

The aim is to achieve a mobility scheme of high quality. Applicants should describe the measures they will take to ensure high quality, ensuring compliance with the Erasmus for Young Entrepreneurs commitment as agreed by all parties involved, fulfilment of reporting requirements and evaluation of the relationships created.

16 An agreement template can be downloaded at www.erasmus-entrepreneurs.eu

17 See footnote 14

(j) Active networking

Applicants should describe how they will actively network with the other participants in the action, which will include taking part in five network meetings in Brussels within the duration of the grant agreement (travel and accommodation costs will have to be covered by each participant himself/herself). Regional cooperation of Intermediary Organisations should also be envisaged, e.g. with regards to promotion activities.

(k) Reporting

The projects selected under Lot 1 are expected to report regularly to the SO on their activities, matching relationships, problems encountered and solutions implemented. The applicants should describe how they intend to organise this reporting in an efficient and effective way.

B. Lot 2: Support, coordination and networking linked to the activities mentioned in Lot 1

(a) Marketing and promotion

Proposals should give details of the actions envisaged to ensure effective marketing and promotion of the mobility scheme, particularly at European level. Proposals should mention which communication channels will be used and what kind of cooperation is envisaged with existing actors and networks, in particular with the existing Support Office. Furthermore, the SO should help coordinate the publicity activities of the Intermediary Organisations. This publicity should make the EU support for the project clearly visible.

Marketing and promotion activities will include the moderation of existing and new profiles and discussion forums in social and professional on-line networks.

(b) Guidance and support

Proposals should give details of how the applicants plan to develop the existing guidance material and other standard documentation (such as agreement template, tools for quality commitment, translations) for the Intermediary Organisations under Lot 1, including any other relevant support services (such as help desk, frequently asked questions, support for solving problems and conflicts etc.).

(c) Coordination and quality control

Applicants should describe how they intend to contribute to the coordination of the activities assisted under Lot 1 at a European level and to ensuring their quality. The aim is to implement the action in a coherent and consistent way and make sure that mobility support activities between the various Intermediary Organisations are possible. Five network meetings are planned in Brussels for the duration of the grant agreement allowing contact and exchange of information and experience between all participating Intermediary Organisations assisted under Lot 1.

(d) Updating of central website

Proposals need to provide detailed information on the maintenance and updating of the multilingual central website www.erasmus-entrepreneurs.eu that will help promote the mobility scheme, attract interested NEs and HEs and allow them to make online applications and submissions. The proposal should include input on how the existing online Erasmus for Young Entrepreneurs IT tool can be developed further and become a central management tool for IOs and the Commission.

(e) Further development of online training material

Since training of NEs is an important quality element, proposals need to contain detailed information on the action that the applicant intends to take to develop attractive and user-friendly high-quality training modules on important EU-related business subjects (such as the internal market, European standards, EU commercial and contract law, EU-level business support tools, inter-cultural learning etc.) that can be used by the IOs for the pre-departure induction courses and online by NEs before or during their stay abroad.

(f) Networking

One of the expected outputs of the preparatory action is the creation of a network of intermediary organisations. Applicants should describe what assistance they intend to provide to help create such a network and, in particular, at the five network meetings scheduled to take place in Brussels. Networking meetings are foreseen to be held in March and September 2011 and in March 2012. Two other networking meetings will be fixed within the duration of the action (travel and accommodation costs must be covered by the participants themselves).

(g) Reporting and monitoring

IOs will be obliged to report on a regular basis to the SO on their activities, matching relationships, problems encountered and solutions implemented. Applicants are invited to describe the reporting mechanism (i.e. compilation of reports, analysis, feedback, proposals for solutions, involvement of the Commission in case of major difficulties etc.) that will enable stakeholders and the Commission to monitor progress and make any adaptations that prove necessary.

(h) Organisation of a Business Plan Contest for Host and New Entrepreneurs.

The SO will organise a business plan contest for teams formed by a Host and a New Entrepreneur who have been /are involved in a relationship. Applicants should describe how they will implement the logistics of the contest (e.g. promotion, participation rules, etc.), including an award ceremony (which might be included in another event organised for (or including) the promotion of the programme). The corresponding budget should be foreseen in the proposal, including payment of the prizes to the winners and finalists, corresponding to the following table:

| Ranking | Amount per entrepreneur | Total |
|-------------|-------------------------|----------|
| 1st | 5.000 € | 10.000 € |
| 2nd | 3.000 € | 6.000 € |
| 3rd | 2.000 € | 4.000 € |
| 4th to 10th | 1.000 € | 14.000 € |
| Total | 17.000 € | 34.000 € |

The SO will organise the evaluation of the submitted business plans, with the assistance of suitable experts which will be approved by the Commission. The contest shall be organised in line with the rules set out in article 160d of the Implementing Rules to the Financial Regulation applicable on the general budget of the European Union (see footnotes 17 and 18).

2.3. DELIVERABLES

This call for proposals is expected to result in around 1200 successful relationships between NEs and HEs.

This implies the following deliverables:

- Lot 1: Intermediary Organisations enhancing and facilitating the mobility of new entrepreneurs:
 - Involving approximately 50 to 80 entrepreneurs in a successful relationship, either as New or as Host Entrepreneurs. When submitting their proposal, applicants should take into account that the number of New Entrepreneurs that a given project can finance is limited by the

financial contribution which can be paid to third parties as per the Financial Regulation applicable to the general budget of the European Union¹⁸ and its Implementing Rules¹⁹.

- Offering assistance and support to NEs who are visiting a HE covered by the Intermediary Organisation, including the financial assistance as referred to in 2.2. A (h) above;
- Participating in five network meetings in Brussels (each beneficiary or partnership must cover the travel and accommodation costs for its representative(s));
- Producing and submitting the contractual reports set out in annexes 4 and 5 to this call for proposals;
- Producing and submitting a report on the promotion activities carried out and the impact in the number of registrations achieved.
- Producing and submitting a comprehensive final implementation report, describing the work undertaken and the obstacles encountered, and making recommendations on how to improve the mobility scheme for new entrepreneurs in the future.

In order to facilitate and speed up validation by the Commission, the report on promotion activities and the final implementation report, if they are not written in English, French or German, should be accompanied by a summary in one of these three languages.

The assessment of the deliverables and the subsequent acceptance of efforts and costs claimed by the participants will be done on the basis of the achievement of the objectives stated in the proposal.

- Lot 2: Support, coordination and networking linked to the activities mentioned in Lot 1
 - tools, material and events for marketing and promotion, coordination and quality control, and reporting;
 - maintenance and improvement of the existing website on the mobility scheme for new entrepreneurs (with a link to the Commission's online Erasmus for Young Entrepreneurs IT tool);
 - moderation of on-line profiles and groups;
 - improvement of existing online training material and development of new material;
 - organisation of and participation in five network meetings in Brussels involving representatives of all active projects (travel and accommodation costs to be covered by the projects' representatives themselves).
 - a comprehensive final implementation and evaluation report: describing the work done and the obstacles encountered, and suggesting how to improve the mobility scheme for new entrepreneurs in the future. To make it easier and faster for the Commission to validate the final implementation report, it should be accompanied by a summary in English, French or German if it is not written in one of those three languages.

18 A consolidated version can be found at <http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R1605-20070101-en.pdf>.

19 A consolidated version can be found at <http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R2342-20070501-en.pdf>.

3. TIMETABLE

(1) Scheduled start-up date for the action: 1st February 2011.

(2) Maximum duration of action is:

Lot 1: 21 months

Lot 2: 25 months.

(3) No applications will be accepted for projects scheduled to run for longer periods than those specified in this call for proposals.

However, if after the signing of the agreement and the start of the project it becomes impossible for the beneficiary, for fully justified reasons beyond his control, to complete the project within the scheduled period, an extension to the eligibility period for projects awarded under Lot 1 (Intermediary Organisations) may be granted. A maximum extension of three additional months will be granted, if requested before the deadline specified in the agreement. The maximum duration will then be 24 months.

The intention is to inform applicants of the outcome of the award procedure no later than the month of November 2010.

The period of eligibility of costs will start on the day the contract is signed by the last of the parties. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the agreement is signed. Under no circumstances can the eligibility period start before the date of submission of the grant application.

The indicative calendar for projects co-financed under this call for proposals is as follows:

| | |
|--|---------------------------|
| Information, promotion, and website update | February 2011 –April 2011 |
| 1 st network meeting | March 2011 |
| Assembling applications, matching relationships and signing agreements and quality commitments | April 2011–August 2012 |
| 2 nd network meeting | September 2011 |
| Induction, start of NE's stays abroad and of logistical support to NE/HE | May 2011–August 2012 |
| 3 rd network meeting | April 2012 |
| End of placements | September 2012 |
| Submission of final implementation reports of Lot 1 | January 2013 |
| Submission of final implementation report of Lot 2 | April 2013 |

4. EU FINANCING

The **maximum budget** allocated from the Commission Decision C(2010) 1685 of 15 March 2010 (financing decision) for this call for proposals is: € 4,300.000.

Indicative number of projects:

Lot 1 on Intermediary Organisations: an estimated 25 to 40 projects

Lot 2 on support, co-ordination and networking: one project

- EU co-financing rate of eligible costs, applicable for both Lot1 and Lot 2: 90 %
- European Union co-financing ceiling per project:

Lot 1 on Intermediary Organisations:

The **maximum funding by the Commission will be up to €180 000** per partnership and up to **€150 000** per individual applicant (also refer to 'legal status eligibility' laid down in section 5.2). The maximum amount of financial support that may be paid to third parties from a European partnership or public authority project is €100 000, with a maximum of €6 600 per third party (i.e. per NE). Table 1 (Annex 6) should be used to calculate the monthly assistance to be paid to NEs. Under no circumstances will the Commission accept an amount beyond the eligibility ceiling of €1 100 for monthly financial assistance paid to the NE by the IO for the calculation of the financial contribution.

The direct financial assistance paid to the NE must be justified by proof of his/her expenditure for travel, accommodation and subsistence for staying with the HE. Each applicant and – if applicable – his partner organisations is responsible for checking such proof of expenditure and keeping evidence of it.²⁰

Lot 2 on support, coordination and networking: €350 000

The EU co-financing rate in percentage of eligible costs and the EU co-financing ceiling in Euros are to be considered as maxima. Proposals received that present a budget with a EU co-financing beyond any of the above maxima will be considered ineligible. Please refer to section 5 below.

Proposals with a EU co-financing beyond any of the above two maxima will be ineligible. Please refer to section 5 below.

- Please note that one action may give rise to the award of only one grant from the European Union budget to any one beneficiary.
- EU financing can never cover 100 % of the costs of an action.
- The Commission reserves the right to award a grant of less than the amount requested by the applicant. In such a case, beneficiaries proposed for award will be proposed either to increase their co-financing, propose other co-financing means or to decrease the total costs without altering the substance of the proposal. Grants will not be awarded for more than the amount requested.
- The publication (on the Internet site and/or in the Official Journal) does not guarantee the availability of funds for the above action.
- The Commission grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of receipts over costs. The amount of the grant will be reduced by the amount of any surplus.

4.1. CO-FINANCING AND JOINT AND SEVERAL RESPONSIBILITY

The beneficiary shall supply evidence of the co-financing provided. It can be provided either by way of own resources, or in the form of financial transfers from third parties, or by contribution in kind. For this call for proposals, the Commission accepts co-financing in kind, if considered necessary or appropriate. In such

²⁰ See footnote 14.

cases the value of such contributions cannot cover all the necessary co-financing. Please refer to the Guide for Submission, chapter IV for further details.

At least 5 % of the total cost of the action must be covered by co-financing other than contribution in kind.

In case where a multi-beneficiary agreement is possible or required, all partners shall agree upon appropriate arrangements between themselves for the proper performance of the action.

In particular, they shall accept the joint and several responsibility for any amount due to the Commission by anyone of them as stipulated in article II.18 of the grant agreement.

The final grant agreement shall be signed by each participating co-beneficiary unless a power of attorney is conferred to the appointed co-ordinator (Form A/4 of the submission set).

4.2. SUBCONTRACTING

Only a limited part of the project may be subcontracted, i.e. up to 10 % of the eligible costs within Lot 1 and up to 30% of eligible costs within Lot 2.

Subcontracting does not limit the responsibilities of beneficiaries.

Please note that the beneficiary(ies) has(have) to have the necessary capacity to perform the project. Only tasks that are not core business can be sub-contracted to consultants.

Please refer to the guide for submission (page 29) for further details on subcontracting.

4.3. PAYMENT ARRANGEMENTS

The draft grant agreement annexed to this call for proposals (see annex 4) specifies the payment arrangements in article I.4 (for single beneficiary agreements) and article I.5 (for multiple beneficiary agreements). **The agreements are attached for information only, and should not be submitted with the proposal.**

Your attention is in particular drawn to part B of the General Conditions, article II.14, where the eligibility of costs is described. These costs are also further explained in chapter VI of the Guide for Submission.

4.4. CORRECT ENCODING OF COST ITEMS IN THE ESTIMATED BUDGET

Important note for the preparation of the estimated budget! The following cost items shall be included in form B/1.2D (miscellaneous):

Concerning Lot 1: financial assistance paid to third parties (cost heading 1.2d): this heading can cover financial assistance paid to new entrepreneurs in support of the costs linked to their expenditure for travel, accommodation and subsistence when staying with the host entrepreneur in another Member State; the maximum monthly amounts indicated in Annex 6 to this call for proposals should be used for the calculation of the costs.

Concerning Lot 2: Amounts paid to entrepreneurs as awards in the frame of contests as well as amounts to be paid to experts evaluating the submitted documents and expenditure associated to the organisation of an award event are to be included here.

5. ELIGIBILITY

APPLICATIONS MUST COMPLY WITH ALL OF THE ELIGIBILITY CRITERIA SET OUT IN THIS SECTION.

5.1. GEOGRAPHICAL ELIGIBILITY

Only applications from legal entities established in an EU Member State are eligible.

5.2. LEGAL STATUS ELIGIBILITY

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 co-ordinator.

Lot 1 only

1. Applicants may act individually or in a consortium with partner organisations. In the submission set, you will find two different types of grant agreement for reference. Consortia should be composed of at least two independent legal entities from one or several EU Member States²¹.
2. Participation in more than one proposal is excluded.
3. Partners of the lead organisation must satisfy the same eligibility criteria as those for applicants; the applicant will be the coordinator.

Lot 2 only:

4. Applicants shall act individually.

Lot 1 and Lot 2:

5. Applicants must correspond to the definition of the following target organisations: any public or private entity whose core activity is in the field of business support can participate in this call for proposals. This may in particular include:
 - public authorities responsible for or active in the fields of economic affairs, enterprise, business support or related issues
 - chambers of commerce and industry, chambers of handicrafts or similar bodies
 - business support organisations, start-up centres and incubators
 - business associations and business support networks
 - public and private entities offering business support services.
6. Corporate bodies must be properly constituted and registered under the law. If a body or organisation is not constituted under the law, a physical person must be designated to provide the legal responsibility.

The EU financing may be used to extend and/or strengthen already existing activities for the mobility of new entrepreneurs, provided that these activities and their implementation respect the above-mentioned eligibility

²¹ However see also award criterion ‘1. Relevance’ which includes geographical coverage (Annex 3)

criteria. The EU funding may be combined with non-EU funding, provided that the total operation complies with the rules stipulated by the Financial Regulation applicable to the general budget of the European Union²² and its Implementing Rules²³.

5.3. EXCLUSION CRITERIA

By using the “Exclusion Criteria Form” (form D attached to the “Submission Set) applicants shall declare on their honour that they are not in one of the situations referred to in Articles 93 and 94 of the Financial Regulation.

Please note that, according to articles 96 and 114 of the Financial Regulation applicable to the general budget of the European Communities and according to article 134b of the Commission Regulation (EC, Euratom) n° 2342/2002 of 23 December 2002²⁴ laying down detailed rules for the implementation of Council Regulation (EC, Euratom) n° 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities²⁵, administrative and financial penalties may be imposed by the Commission on applicants who are excluded in relation to points a) to h) of the form in question.

5.4. ELIGIBLE PROPOSALS

Applications must comply with the following conditions in order to be eligible for a grant:

1. Applications must be signed, dated and complete, using the standard submission set. All forms must be submitted in their original form with original signatures;
2. Applications must be submitted timely, in conformity with the specifications for the submission of proposals (see point 8 below);
3. Only projects that are strictly non-profit-making and/or whose immediate objective is non-commercial shall be eligible.
4. Applications must respect the maximum EC contribution as laid out in section 4.
5. Applications must respect the maximum duration of projects (see section 3).
6. Applications must be in line with the scheduled start date (see section 3).

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

22 A consolidated version can be found at <http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R1605-20070101-en.pdf>

23 A consolidated version can be found at <http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R2342-20070501-en.pdf>.

24 As amended by Commission Regulation 1261/2005 of 20 July 2005, Commission Regulation 1248/2006 of 7 August 2006 and Commission Regulation 478/2007 of 23 April 2007

25 As amended by Council Regulation 1995/2006 of 13 December 2006

6. SELECTION

The following sets out the basis for the evaluation of applicants' capacities in relation to the action. Please refer also to chapter IV of the Guide for Submission for further details.

6.1. APPLICANTS' FINANCIAL CAPACITY TO COMPLETE THE PROPOSED ACTION

Applicants must show they have stable and sufficient sources of funding to ensure the continuity of their organisation throughout the project and, if necessary, to play a part in financing it.

6.2. APPLICANTS' OPERATIONAL CAPACITY TO COMPLETE THE PROPOSED ACTION

Lot 1 and Lot 2:

Applicants must show they have the **operational (technical and management) capacity** to complete the operation to be supported and must **demonstrate their capacity to manage scale activity** corresponding to the size of the project for which the grant is requested. In particular, the **team responsible** for the project/operation must have **adequate professional qualifications and experience**.

Lot 2 only:

Applicants must prove their capacity to co-ordinate projects at European level.

7. AWARD

An evaluation of the quality of proposals, including the proposed budget, will be carried out in accordance with the evaluation criteria set out in annex 3 to this call for proposals.

In the case of Lot 1, the Commission will award grants to the highest ranked proposals included in a merit list, up to the maximum budget available for this action. **The Commission will ensure, to the maximum possible extent, that at least one intermediary organisation (IO) is awarded a grant in each Member State, with the exception of France, Germany, Italy, Poland, Romania, Spain, and the United Kingdom (hereafter “the most populated countries”) where the minimum number of IOs targeted will be 3.**

For this purpose, the Commission will follow the procedure outlined below to draw up the merit list:

1. The proposals having passed the corresponding thresholds will be included in a list of ranked proposals in descending order of scores
2. The highest scoring proposal will be ranked first in the merit list.
3. The next highest scoring proposal will be ranked below in the merit list, in descending order of scoring, provided that:
 - i. They cover at least one country not covered by the proposal ranked above them in the merit list, or
 - ii. They complete the number of IOs targeted for the most populated countries.

Should it not comply with these criteria, it will be moved to the following position in the merit list.

4. Once all countries have been awarded with at least one intermediary organisation, or three in the case of the most populated countries, the proposals remaining in the list of ranked proposals will be included below in the merit list according to their scores.

The Commission reserves the right to constitute a reserve list of non awarded proposals that obtained a final score superior to the thresholds mentioned in Annex 3). Applicants entered on the reserve list shall be deemed to have been rejected until the Commission notifies that a grant will finally be awarded or that the proposal is definitively rejected. Proposals on the reserve list will be considered definitively rejected if they receive no information before the 31 March 2011. Proposals on the reserve list may be awarded if a proposal that has been proposed for award fails to accept the award or if the Commission decides to allocate extra funding to an action from a reserve list.

In the case of Lot 2, the Commission will award a single grant to the highest scoring proposal that can be implemented with this grant.

The complete selection and evaluation procedure is described in the Guidelines for Evaluation.

Please note that, in case of award, the beneficiary authorises the Commission to publish the following information in any form and medium, including via the Internet:

- beneficiary's name and address,
- subject and purpose of the grant,
- amount granted and the percentage of the action's total cost covered by the funding.

The complete selection and evaluation procedure is described in chapter IV of the Guide for Submission in annex 2.

8. SUBMISSION OF PROPOSALS

Please note that electronic submissions are not allowed for this call.

Please consult chapter I of the Guide for Submission for the modalities of preparing the proposal.

The instructions and templates on how to prepare the description of the project are attached in Annex 5 to the present call for proposals. The information given in Annex 5 supersedes the information given in chapter 5 of the Guide for Submission.

Furthermore, and superseding the information given in chapter I.2(iv) of the Guide for Submission, one original and **three** copies of the proposal must be placed inside an envelope, which is then placed inside a second envelope. The shipment shall also contain one CD-rom or DVD with the electronic version of the proposal and all supporting documents.

The deadline for submission of proposals is :

28/06/2010

Applicants shall observe precisely the below indications in order that proposals can reach their precise destination in due time.

Proposals may be:

a) either sent by registered mail, (date of postmark serving as evidence of timely delivery); to the following address:

European Commission
Enterprise and Industry Directorate-General
Call for proposals No: ENT/ERA/10/411 – Erasmus for Young Entrepreneurs
Directorate E - Promotion of SMEs' competitiveness
Unit E.1 - Entrepreneurship
Office address: BREY 06/284
B-1049 Brussels, Belgium

b) or sent by courier services (date of deposit slip serving as evidence of timely delivery), to the address below,

c) or delivered by hand, in person or by an authorised representative (date of acknowledgement of receipt by the Commission serving as evidence of timely delivery) to the following address:

European Commission
Enterprise and Industry Directorate-General
Call for proposals No: ENT/ERA/10/411 – Erasmus for Young Entrepreneurs
Directorate E - Promotion of SMEs' competitiveness
Unit E.1 - Entrepreneurship
Office address: BREY 06/284

Service central de réception du courrier
Avenue du Bourget, 1-3
B-1140 Bruxelles, Belgique

How to reach avenue du Bourget 1-3 : http://ec.europa.eu/enterprise/calls/hand_delivery.html

In case of hand-delivery, a receipt must be obtained as proof of submission, signed and dated by the official in the Commission's central mail department who took delivery. This department is open from 08.00 to 17.00 from Monday to Thursday and from 08.00 to 16.00 on Friday; it is closed on Saturdays, Sundays and Commission holidays.

Please note that for security reasons hand deliveries (including courier services) are not accepted in other Commission buildings.

9. CONTACTS

Contacts between the contracting authority and potential applicants can only take place in certain circumstances and under the following conditions only:

- Before the final date for submission of proposals, at the request of the applicant, the Commission may provide additional information solely for the purpose of clarifying the nature of the call.

Any requests for additional information must be made in writing only to the coordinates stated below.

The Commission may, on its own initiative, inform interested parties of any error, inaccuracy, omission or other clerical error in the text of the call for proposals.

Any additional information including that referred to above will be published on the internet in concordance with the various call for proposals documents.

- After the deadline for submission of proposals:
 - If clarification is requested or if obvious clerical errors in the proposal need to be corrected, the Commission may contact the applicant provided the terms of the proposal are not modified as a result.
 - If the authorising officer finds that those proposals, which have been listed for award needs limited adaptations to their proposal. In such case, these applicants will receive a formal letter setting out the requested modifications. Any such modifications must stay within the limits of the request. This phase will not lead to a re-evaluation of the proposals, but a proposal might be rejected if refusing to ensure a positive follow-up to the request.

Contact coordinates for the call:

European Commission
Enterprise and Industry Directorate-General
Directorate E - Promotion of SMEs' competitiveness
Unit E.1 - Entrepreneurship
E-mail address: entr-erasmus-call@ec.europa.eu
Office address: BREY 06/284
B-1049 Brussels, Belgium

10. ANNEX 1 SUBMISSION SET

The Submission Set can be downloaded from the following page: <http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/>

11. ANNEX 2 GUIDE FOR SUBMISSION

The Guide for Submission can be downloaded from the following page: <http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/>

12. ANNEX 3 EVALUATION CRITERIA

13. ANNEX 4 DRAFT GRANT AGREEMENT

14. ANNEX 5 TEMPLATES AND INSTRUCTIONS FOR THE STRUCTURE OF THE PROPOSAL

15. ANNEX 6 MAXIMUM MONTHLY ASSISTANCE TO NEW ENTREPRENEURS