CALL FOR PROPOSALS

Clusters Excellence Programme:
Promoting Cluster Management Excellence
Across the EU

COS-CLUSTER-2015-3-02

COSME Work Programme 2015
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1. INTRODUCTION AND BACKGROUND

1.1 Introduction

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

In this context, the Programme for the competitiveness of enterprises and small and medium-sized enterprises (2014-2020), hereinafter referred to as “COSME”, aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union. This call constitutes part of the COSME Work Programme 2015.

This call for proposals is launched by the Executive Agency for Small and Medium-sized Enterprises (hereinafter referred to as "EASME"), acting under the powers delegated by the European Commission. EASME is, inter alia, entrusted by the European Commission with the implementation, among others, of parts of the COSME programme and the Horizon 2020 programme.

1.2 Policy Context

High quality management of cluster organisations is today recognised as a key element of a successful world-class cluster. It helps to provide professional services to their members, to assist their companies to add value, to become innovative or access global markets successfully, and to enhance collaboration, networking and learning. Professional cluster management thus contributes to raise the innovation capacity and competitiveness of cluster firms in a wider sense.

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5 Cluster organisations are legal entities that support the "enhancement of collaboration, networking and learning" in innovation clusters and act as innovation support providers by providing or channelling specialised and customised business support services, especially to SME. In comparison, clusters are referred to both as a concept and a real economic phenomenon such as the Silicon Valley of which its revealed effects such as employment concentrations can be measured – as done by the European Cluster Observatory. Cluster policies, on the other hand, relate more to an expression of political commitment and set of specific government policy interventions aiming at strengthening existing clusters or facilitating the emergence of new ones, while cluster initiatives are organised efforts to achieve the competitiveness of a cluster. For more information see the EU Cluster Portal at http://ec.europa.eu/growth/smes/cluster and the Commission Staff Working Document SEC (2008) 2637 on "The concept of clusters and cluster policies and their role for competitiveness and innovation: Main statistical results and lessons learned", including its glossary.
As part of the EU efforts to create more world-class clusters across the EU by harmonizing and promoting concepts relating to cluster excellence, the European Commission launched in 2009 - under the Competitiveness and Innovation Programme (CIP) – the European Cluster Excellence Initiative (ECEI)\(^6\).

ECEI's main outcomes were the design, testing and validation of a methodology for a benchmarking tool for cluster organisations to identify and improve their internal management process and the way in which they offer services to cluster firms. Secondly, the initiative developed training materials to enhance the managerial capability of cluster managers.

To validate and apply the benchmarking tool and the training materials developed within the ECEI initiative, two calls for proposals were launched at EU level (2011 and 2013) and eight projects have been funded under CIP over the past 4 years. As these calls intended to promote the ECEI methodology, they were addressed to consortia of officials working in regional or national public organisations, in charge of cluster policies. They included training, benchmarking of cluster organisations and study visits directly addressed to managers of cluster organisations.

The present call is directly addressed to cluster and business network organisations striving towards excellence, with a view to promoting growth and competitiveness for their SME members.

2. Objective(s) – Theme(s) – Activities – Outputs

2.1 General objectives

The overall objective of this call for proposals is to strengthen cluster management excellence in the EU in order to provide more professional business services to European SMEs through clusters, and therefore contribute to the development of more world-class clusters in the EU.

In order to pursue cluster management excellence, cluster organisations would provide support services to their members and develop strategic approaches to address the innovation, growth and globalization challenges that SMEs face. This requires to strengthen the value-added encapsulated in the support services provided to cluster firms, to gain further insights into cluster members’ positioning in value-chains (e.g. through value-chain analyses), to take stock of emerging industrial trends and dynamics (e.g. cross-sectoral dynamics and emerging industries)\(^7\), to develop a shared vision of their members with regard to collaboration with other clusters in Europe and in global markets, to consistently liaise with public authorities regarding the business support environment and coherence with regional policy, including in the framework of smart specialisation strategies\(^8\), and to shape-up strategic plans and roadmaps for sustained cluster development.

The action will help cluster organisations deliver innovation and business support services more efficiently and develop strategic plans to generate greater added value for their members, including through cluster collaboration across Europe.


\(^8\) The Eye@RIS tool of the Smart Specialisation Platform at [http://s3platform.jrc.ec.europa.eu/eye-ris3](http://s3platform.jrc.ec.europa.eu/eye-ris3) can give an overview of smart specialisation priorities selected by regions within the EU.
This call further aims to promote cross-cluster learning, with a particular focus on engaging cluster organisations from regions with different levels of economic development and, likewise, cluster organisations with distinct stages of development and experience.

With a view to attracting organisations in the early stages of their path towards excellence, this call encourages applicants that have either no Cluster Excellence label or only a Cluster Excellence bronze label\(^9\). In other words, there must be at least two applicants in the consortium that have not yet obtained a Cluster Excellence silver or gold label.

Through this call a greater emphasis will be put on capacity-building in lagging behind regions. The call aims to stimulate cluster organisations which are established in regions classified as less developed or in transition, according to the mapping proposed for Structural Funds eligibility for the period 2014-2020\(^{10}\).

2.2 Specific objectives

Building on the above, this call has the following specific objectives:

- **Enhance cluster managers' skills** so as to generate added-value services for the cluster organisation's SME members and support their growth and competitiveness. The development of general management skills is not the purpose of this action as such.

- Support cluster managers **to develop a comprehensive strategy for the cluster** they manage, with a view to support the growth and the competitiveness of its members, as well as a roadmap for its implementation. This translates into assisting SMEs to make the most out of business opportunities brought about by new cross-cutting technologies, creativity and all forms of innovation and by addressing industrial trends and sustainability aspects towards a sustained development over time. With regard to cluster strategy development, this includes the promotion of strategic **collaboration between cluster managers and regional authorities** in charge of cluster policies, and stakeholders, in the regional innovation ecosystems. This shall help to ensure coherence and compliance with regional priorities, especially in the context of smart specialisation strategies\(^{11}\), and to capitalise on regional public and private research, innovation and infrastructure investment dynamics.

- **Facilitate collaboration among cluster organisations** in consortia eager to operate at European level and committed to exploit synergies towards common activities and joint strategy development.

- Promote **cross-cluster learning**, exchange of knowledge and expertise, both across cluster organisations in each consortium and between the various consortia that will be formed through this call, on content and format for support services that excel in quality, added-value and strategic fitness to enhance cluster SMEs competitiveness, innovation and growth\(^{12}\).

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\(^{11}\) The Eye@RIS tool of the Smart Specialisation Platform at [http://s3platform.jrc.ec.europa.eu/eye-ris3](http://s3platform.jrc.ec.europa.eu/eye-ris3) can give an overview of smart specialisation priorities selected by regions within the EU.

\(^{12}\) Specific objective inspired by the report "Let's make a perfect cluster policy and cluster programme. Smart recommendations for policy makers" - resulting from the work carried out in 2001 and 2012 by policy makers from Germany, Estonia, Finland, Lithuania, Norway, Iceland, Sweden, Poland and Denmark. According to the report,
Proposals must propose activities that enable achieving the specific objective described above.

2.3 Description of actions and activities

The proposals must focus on the enhancement of collaboration, networking and learning in innovation clusters. The applicants' actions must concentrate on improving their skills and tools in providing or channelling specialised and customised business support services to stimulate innovative activities, especially in SMEs.

Action A: Enhancement of cluster managers' skills towards added-value SME support services

Within this action, applicants will choose and combine support activities that they consider most relevant to develop the full potential of their SMEs members. Action A can, for example, be translated into activities such as 1) identifying the type of services generating the greatest added-value and 2) delivering these services in the most effective manner.

The list below presents examples of activities that are eligible for this action

- **Assessment of cluster organisation(s) management through Cluster Excellence benchmarking activities towards first bronze Cluster Excellence label.** Please note that it is mandatory for grant beneficiaries to have already or to obtain an independent Cluster Excellence assessment at early stage of the project in order to focus on identified weaknesses. Please also note that activities addressing any further Cluster Excellence assessment or benchmarking labelling beyond the bronze Cluster Excellence benchmarking activities are not eligible under this call.

### Footnotes

13. In line with the coverage of innovation cluster under point 1.2(e), 1.3(s) and Annex I in the EU "framework for State aid for research and development and innovation". Annex I of this framework further lists eligible costs for aid for the operation of innovation clusters, which gives a more detailed understanding of typical related activities that a cluster and business network organisation may undertake. These include the "(a) animation of the cluster to facilitate collaboration, information sharing and the provision or channelling of specialised and customised business support services; (b) marketing of the cluster to increase participation of new undertakings or organisations and to increase visibility; (c) management of the cluster's facilities; and (d) organisation of training programmes, workshop and conferences to support knowledge sharing and networking and transnational cooperation."

14. A Cluster Excellence benchmarking based on ECEI indicators is currently provided by the European Secretariat for Cluster Analysis (ESCA), for which more information is available at [http://www.cluster-analysis.org/](http://www.cluster-analysis.org/) For those cluster organisations already owning a valid Cluster Excellence bronze, silver or gold label, their relevant labelling report should serve as the baseline for the activities under action A.

15. Therefore, the costs for the benchmarking leading to the Cluster Excellence bronze label are eligible under this call, while the costs for a simple renewal of the bronze label or for a quality audit to obtain a Cluster Excellence silver or gold label are not eligible.
• **Targeted training actions for cluster managers** addressing identified areas for improvement. This may include skills improvements aiming for future benchmarking assessments for silver or gold Cluster Excellence labelling\(^\text{16}\). Training could also address topics related to industrial transformations such as emerging industries, resource efficiency, circular economy, servitisation, advanced manufacturing systems and other KET’s - Key Enabling Technologies, global value-chain analysis and other relevant topics.

• **Coaching and mentoring**\(^\text{17}\), aimed at the development of strategic cluster management skills and/or the achievement of clearly defined activities.

• SME member’s **need analyses, surveys and/or alternative feedback methods**.

• **Peer learning, knowledge sharing and/or learning workshops** at the level of each cluster in the consortium.

• Other relevant activities appropriately justified.

**Expected results and deliverables:**

(a) Undertaking a Cluster Excellence benchmarking assessment (bronze label);

(b) Mentoring, coaching and/or training towards following-up and upgrading existing Cluster Excellence assessments;

(c) Organisation and delivery of targeted training courses;

(d) Bi-lateral/team/group coaching schemes and related reports;

(e) Definition, launch and analysis of SME surveys;

(f) Other as appropriate.

**Action B: Development of a comprehensive strategy for the cluster**

One of the most challenging activities for managers of cluster organisations is to define a thorough and comprehensive strategy to support the growth and the competitiveness of its members. Addressing strategic development opportunities of clusters require for the purpose of this call not to take a too narrow sectoral approach, but also to consider possible dynamics with related sectors and emerging industries\(^\text{18}\), technological developments, creativity and innovation, servitisation and sustainability approaches in relevant sectors.

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\(^\text{16}\) While relevant training activities concerning skills enhancement towards seeking silver and gold Excellence labels are eligible, the actual cost for obtaining a silver or gold Cluster Excellence labelling via ESCA or equivalent are not eligible under this call.

\(^\text{17}\) Mentoring should be provided by experienced managers of dynamic cluster or business network organisations. Cluster managers from cluster organisation having already obtained a Cluster Excellence silver and/or gold label would typically qualify as mentors. CV’s of other prospective mentors should be put forward in the proposal or otherwise be submitted to EASME for validation prior to establishing such mentor activity.

Designing an innovative and effective cluster strategy typically requires cluster organisations to consider a wide range of dimensions ranging from value-chain positioning to globalisation, business collaboration and alliances, innovation approaches, public and private investment environment, as well as the wider regional context and regional priorities, including regional smart specialisation strategies. It certainly further requires to engage and establish a dialogue with public authorities19, companies and other members in the clusters and across the consortium. The wider consortium's dimension to cluster strategy development is a domain to be taken into consideration in developing the different cluster strategic plans in search of potential new opportunities and synergies.

The list below presents activities that are eligible and fundamental for this action:

- Development of a **mid-term strategy** (three to five years horizon) for each of the clusters represented in the consortium including value-chain analysis primarily in the cluster and notably in relation to the Single Market and smart specialisation strategies in the region.
- Development of a **roadmap** for the implementation of the strategy, covering, where relevant, the whole consortium level.
- **Value-chain and market analysis**, including on the Single Market and global value-chains. The approach in this activity will correspond to the cluster organisation's needs and will build upon the identified results of SME member's need analyses, surveys and/or alternative feedback methods (Action A)
- Design of verifiable **impact indicators** capturing impact on supporting the growth and the competitiveness of SME members20.

Activities under this action will demonstrate that the strategy has been conceived and designed by the cluster managers in close collaboration with SMEs, further members of the cluster organisations and regional public authorities. Applicants can seek assistance of experts to provide data and/or instruments to help develop the strategy and the roadmap, but can in no case replace the pivotal role that the cluster managers and the SME members have in co-designing it.

The strategy itself will describe the strategic objectives pursued and the actions identified to achieve them; the expected economic impact on SMEs and other members, expressed through quantitative indicators, notably in terms of growth and employment in Europe. It will also include concrete information about how the cluster activities will be anchored into regional priorities, notably in the context of regional smart specialisation strategies and other programmes/initiatives at national and/or European levels. It will further consider ways to help SMEs members to add value through key enabling technologies (KETs) and other relevant cross-cutting technologies, resource-efficiency and eco-innovative solutions, creative industries' input, service innovation and innovative business models, for example through engagement in a dialogue with technology centres.

The strategy will include an implementation roadmap towards the short and medium term, including plans for the timing and respective actions to be implemented.

The impact indicators to monitor the implementation of the strategy will be designed in relation to the strategy. The initial data for the indicators will be collected during the project activity in order to

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19 The active involvement of public authorities’ representatives is encouraged but the costs of their contribution are not eligible in this call.

20 Additional performance indicators should be proposed and related to the project activities. A non-exhaustive list of mandatory performance indicators is outlined in paragraph 2.3 of this Call.
allow for a comparison three to five years after the completion of the project. Beneficiaries will be asked to include such indicator figures in the reports on the implementation of the project to be provided to EASME.

**Expected results and deliverables:**

Value-chain and market analysis is an expected deliverable.

A mid-term **strategy and roadmap** for implementation for each cluster organisation belonging to the consortium should include measurable objectives and verifiable **impact indicators** to be monitored over time such as increased turn-over and jobs for SMEs directly or indirectly reached by the project activities, innovation projects and patents, new or adapted products and services etc.

Discussion on and preliminary drafting of a consolidated strategy for the **whole consortium** is also expected on the basis of the individual strategies.

Where relevant, each cluster organisation in the consortium should associate representatives of regional public authorities to the realisation of this action, particularly with a view to consider the cluster strategy as an instrumental part of the regional priorities as well as for the implementation of regional smart specialisation strategies. The format of such participation or inter-action, if any, is for the applicants to decide and to be spelled out in the proposal.

**Action C: Facilitating cluster cooperation and synergies on skills enhancement and strategy development**

The outcomes of the previous actions A and B should demonstrate the additional benefit to cluster managers in terms of networking and peer learning. Such benefits can therefore originate from organising joint activities, peer learning, knowledge sharing and/or action learning workshops, the development of platforms for knowledge sharing and mutual study visits within each consortium as well as across the consortia selected under this call for proposals. Therefore, building upon outcomes of actions A and B, action C will address the definition, organisation and delivery of collaborative activities within and across consortia formed under this call.

The objective of facilitating cluster cooperation and synergies on skills enhancement and strategy development shall be pursued:

1) to further enhance the design and delivery of added-value support services to cluster SMEs and other cluster members and
2) to share experiences in analysing, designing and delivering strategic plans for the cluster in line with industrial trends and public policy priorities.

The list below presents **examples of activities** within the consortium and across the consortia that are eligible for this action:

- **Peer learning, knowledge sharing**, action **learning workshops**;
- **Joint events** and **study visits** to exchange of best practices on **service provision** to cluster members;
- **Study visits** sharing of best practices related to **strategy** design, formulation and implementation;
• **Platforms** for knowledge sharing and expertise;

• Other relevant activities as appropriately justified.

Beneficiaries are expected to organise **one consortium joint learning event** within a year from the signature of the grant agreements and a **second joint learning event** well before the end of the project period. The specific objectives programme, format and follow-up of the events will have to be agreed among the project partners, but a preliminary proposal for main topics for the agenda should be put forward in the proposal. In principle and if possible, consortia learning events shall be held in consortia premises with a view to facilitating further knowledge spillovers.

The European Commission/ EASME will also facilitate cross-cluster learning between different consortia selected under this call this action. Applicants should, therefore, foresee travel costs for one representative of each cluster participating in the consortium to join two meetings for this purpose in Brussels over the duration of the project.

**Expected results and deliverables:**

The expected results concern enhanced insights at cluster management level, translated into **concrete recommendations** for uptake by cluster managers. This could materialise on

(a) **Learnings that should be converted in guidelines** for strengthening **support services** to cluster SMEs to generate additional added-value and facilitate transformative developments for the cluster companies’ growth, innovation and competitiveness.

(b) **Learnings that should be converted in guidelines** to develop cluster **strategic plans** and implementation **roadmaps for cluster development**.

(c) With regard to sharing knowledge on strategic approaches for the clusters, guidelines should likewise be produced with a special emphasis on **better positioning SMEs in value-chains** and in seeking synergies across the entire consortium.

Minimum two **joint events** at the level of each consortium and one inter-consortia meeting should be organised. Preferably one cluster organisation partner in the consortium should host them.

Mutual cluster study visits should be carried out.

**Action D: Awareness raising and dissemination of project outcomes**

Activities in Action D should consist of raising awareness, primarily within the cluster about the developed strategy, as well as general dissemination and information about project activities.

The list below presents **examples of activities** that are eligible for this action:

• **Awareness raising** activities.

• **Dissemination** and **communication** activities.

• Organisation of peer learning and **knowledge sharing events** at local, national or international levels.

• Other relevant activities appropriately justified.
It will be mandatory for all the consortia to disseminate all major activities and results on the European Cluster Collaboration Platform. A webpage will be made available for each consortium to host such information. Each consortium is responsible to prepare and upload relevant information in web format (such as news items, events, success stories, main outcomes).

During the project, the partners are expected to demonstrate how participating in the project has advanced their approach to cluster management, for each cluster organisation, and for the consortium as a whole. The awareness raising events shall also discuss and seek for possibilities of implementation of the developed strategy and the designed impact indicators with regional stakeholders within each cluster, as well as within the formed consortium.

The applicants should plan dissemination and awareness-raising activities/events.

A dissemination approach and communication plan should be designed to identify and communicate the key achievements to cluster members and regional cluster stakeholders.

Expected results and deliverables

The consortium is expected to prepare a dissemination report focussing on the activities undertaken, especially on the lessons learned, to be used in the dissemination and awareness-raising events as appropriate. The report should further outline how the project partners envisage working on cluster excellence after the end of the project. This analysis should also point to which local, regional or European funding programmes can be used to support future activities relevant to the project main findings and outcomes.

An appropriate number and type of awareness-raising events are expected.

Please note that the active involvement and participation of local regional authorities and other stakeholders in this part of the project is strongly recommended for the pivotal role they can play in maximising the impact of the project results and of the adopted strategy for the cluster, notably in relation to regional priorities outlined in the context of the smart specialisation strategies.

The applications must include all four actions A, B, C and D in the proposal.

2.4 Project indicators

To facilitate the monitoring, evaluation and assessment undertaken by EASME, and in order to get an overview of the progress made, successful applicants will be asked to put in place, from the outset, performance indicators for the on-going monitoring and evaluation of the project. The action will be assessed, against the following performance indicators:

- Number of new or improved support services to cluster SMEs;
- Number of first bronze Cluster Excellence benchmarking labels obtained;
- Number of study visits performed;
- Number of training actions and trained cluster managers;
- Number of project-related surveys into cluster members;
- Number of coaching or mentoring actions;
- Number and type of added-value tools related to cluster management and skills enhancement;
- Number of bilateral/multilateral partnership agreements signed (e.g. Memoranda of Understanding);
- Number of cluster, value-chains and market analyses;
- Number of SME member’s need analyses, surveys and/or alternative feedback from cluster SMEs and other cluster members;
- Number of cluster organisations and business networks from different EU Member States or COSME participating countries having been involved in the activities of the project;
- Number of SMEs having benefited from the supported actions, through the provision of more professional services;
- Number of events (workshops/seminars, trainings, coaching, conferences, working group meetings, etc.) organised;
- Number and type of participants in the events (workshops/seminars, conferences, working group meetings) organised.

Projects must foresee to collect relevant data and reporting on the above-mentioned performance indicators in the reports to be submitted on the implementation of the action. Applicants may also propose and report upon further performance indicators.
3. **TIMETABLE**

<table>
<thead>
<tr>
<th>Stages</th>
<th>Date and time or period</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Deadline for submitting applications</td>
<td>31/03/2016 – 17h00 Brussels time</td>
</tr>
<tr>
<td>b) Evaluation period*</td>
<td>April to June 2016</td>
</tr>
<tr>
<td>c) Information to applicants*</td>
<td>July 2016</td>
</tr>
<tr>
<td>d) Signature of grant agreements*</td>
<td>September 2016</td>
</tr>
<tr>
<td>e) Starting date of the projects*</td>
<td>October/November 2016</td>
</tr>
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</table>

*Indicative dates

4. **BUDGET AVAILABLE AND FUNDING OF PROJECTS**

The total budget earmarked for the co-financing of projects is estimated at EUR 1,500,000.00. The maximum EU contribution to be granted to each project will be EUR 214,000.00. EASME expects to fund 7 (seven) projects. The EU grant is limited to a maximum co-funding rate of 75% of eligible costs. EASME reserves the right not to distribute all the funds available.

5. **ADMISSIBILITY REQUIREMENTS**

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

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

6. **Eligibility Criteria**

6.1 Eligible applicants

- Applicants must be legal entities established in a EU Member State or in a COSME Participating Country under Article 6 of the COSME Regulation\(^\text{21}\).

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\(^\text{21}\) The following groups of countries are eligible for participation in COSME:
• In addition, applicants must set up a consortium with a designated coordinator. An eligible consortium must fulfil all of the following criteria:

1. It must be composed of innovation cluster organisations or business network organisations, all of them providing or channelling cluster and network support services, in compliance with the definition of innovation clusters given in the "Framework for State aid for research and development and innovation" 22.

2. It must be composed of applicants established in minimum three different EU Member States or COSME Participating Countries, among which at least one EU Member State.

3. It must include at least two applicants that are established in regions of the EU classified as less developed or in transition 23.

4. It must include at least two applicants that have either no Cluster Excellence label or only Cluster Excellence bronze labels 24.

Applicant consortia must submit at the moment of application completed forms available in the annexes to the Description of Action (DoA) for each applicant organisation with the following elements 25:

• confirming that the organisation fulfils the above mentioned criteria and
• describing their organisation and confirming that they correspond to the definition of a innovation cluster organisation or business network organisation as defined above.

22 The communication from the European Commission on the "Framework for State aid for research and development and innovation" (2014/C 198/01) in section 1.3 (s) defines innovation clusters as “structures or organised groups of independent parties (such as innovative start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, non-for-profit organisations and other related economic actors) designed to stimulate innovative activity by promoting sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster”. The full reference text can be found at: [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0627(01)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0627(01)&from=EN)


24 Please refer to ESCA: [http://www.cluster-analysis.org/](http://www.cluster-analysis.org/)

25 See Information Sheet 1 and Information Sheet 2 in Description of Action (DoA)
It is **not allowed** that an applicant participates in more than one proposal under this call. Should this happen, all the proposals in which this partner is involved may be considered as ineligible\(^{26}\). In this respect, an explicit declaration will have to be submitted by the coordinator\(^{27}\).

In case one or more of the applicant organisations fail to comply with any of the mandatory requirements above, the whole consortium will be considered ineligible.

6.2 Implementation period

The maximum duration of projects is 24 months.

Applications for projects scheduled to run for a longer period than that specified in this call for proposal cannot be accepted. They will therefore be considered ineligible.

7. **EXCLUSION CRITERIA**

7.1 Exclusion from participation:

An applicant will be excluded from participating in the call for proposals procedure if it is in any of the following situations\(^ {28}\):

(a) **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 entity 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 contracting authority is located or those of the country of the performance of the agreement;

(c) it has been established by a final judgment or a final administrative decision that the entity 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;

   (ii) entering into agreement with another entity with the aim of distorting competition;

   (iii) violating intellectual property rights;

   (iv) attempting to influence the decision-making process of the contracting authority during the procurement procedure;

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\(^{26}\) Consortium coordinators are requested to take appropriate measures to ensure that no partner in their proposal participates in another proposal under this call.

\(^{27}\) See **Information Sheet 3** in Description of Action (DoA).

(v) attempting to obtain confidential information that may confer upon it undue advantages in the procurement procedure;

(d) it has been established by a final judgment that the entity 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 Article 2(1) of Council Framework Decision 2003/568/JHA, as well as corruption as defined in the legal provisions of the country where the contracting authority is located or the country in which the applicant is established or the country of 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 or aiding or abetting or attempting to commit such offences, as referred to in Article 4 of that Framework 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 financed by the 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 entity has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95.

The contracting authority shall exclude the entity where a person who is a member of the administrative, management or supervisory body of that entity or has powers of representation, decision or control is in a situation listed in points (c) to (f) above.

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7.2 Exclusion from award:

The applicant will not be granted financial assistance if, in course of the grant award procedure, it:

(a) is in a situation of exclusion established in accordance with Article 106 FR;
(b) has misrepresented the information required as a condition for participating in the procedure or have failed to supply that information;
(c) was previously involved in the preparation of the grant where this entails a distortion of competition that cannot be remedied otherwise.

7.3 Supporting documents

The applicant must sign a declaration on their honour that they are not in one of the situations triggering exclusion or rejection from a given grant award procedure according to Article 106(1) and 107(1) of the Financial Regulation, filling in the relevant form.

8. SELECTION CRITERIA

8.1 Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

(a) Low value grants (≤ EUR 60 000):
   - a declaration on their honour.
(b) Grants ≥ EUR 60 000:
   - a declaration on their honour and,
     EITHER
     ➢ the profit and loss account, the balance sheet for the last financial year for which the accounts were closed;
     ➢ for newly created entities, the business plan might replace the above documents.
     OR
     ➢ the table provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

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

On the basis of the documents submitted, if the RAO considers that financial capacity is not satisfactory, s/he may:

➢ request further information;
➢ propose a grant agreement without pre-financing;

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 propose a grant agreement with a pre-financing paid in instalments;
 propose a grant agreement with a pre-financing covered by a bank guarantee (see section 11.4 below);
 where applicable, require the joint and several financial liability of all the co-beneficiaries;
 reject the application.

8.2 Operational capacity

All applicants, as defined in point 6, must have professional competencies as well as appropriate qualifications necessary to complete the proposed action.

Consortia have to submit information as requested in the Description of Action (DoA) by filling in the details on skills, expertise and role of key staff involved in the project, summarising relevant skills and experience, and presenting their role and tasks in the project.
9. **Award Criteria**

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

<table>
<thead>
<tr>
<th>Award Criteria and Key Elements</th>
<th>Max. Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Relevance of the actions in view of the objectives of the call</td>
<td>25</td>
</tr>
<tr>
<td>How relevant is the proposal to the overarching objective to strengthen cluster management excellence in the EU as a way to provide more professional and added value business services to European SMEs through clusters?</td>
<td></td>
</tr>
<tr>
<td>How relevant is the consortium composition to the overarching objective to strengthening cluster management excellence in the EU, and achieving EU added value, and how well-balanced is the consortium composition as to engaging: - cluster and business networks organisations from regions with different levels of economic development; and - cluster and business networks organisations with distinct stages of development and experience?</td>
<td></td>
</tr>
<tr>
<td>2. Quality of the proposed actions</td>
<td>35</td>
</tr>
<tr>
<td>How clearly defined and strategically chosen/combined are the four actions and the approach proposed to enhance the strategic skills of the management teams of each partner of the consortium, including through cross-cluster learning?</td>
<td></td>
</tr>
<tr>
<td>How clearly defined and strategically chosen/combined are the activities and approach proposed to help the managers of the cluster organisations to define a comprehensive strategy for the cluster they manage within the regional context, including through collaboration among cluster organisations?</td>
<td></td>
</tr>
<tr>
<td>3. Impact of the project</td>
<td>30</td>
</tr>
<tr>
<td>How promising and effective is the proposed methodology and approach for enhancing the cluster managers skills to translate into excellent and efficient innovation support services to cluster SMEs?</td>
<td></td>
</tr>
<tr>
<td>How promising and effective is the proposed methodology and approach for designing a robust cluster strategy, implementation roadmap and design of verifiable impact indicators to promote growth and competitiveness for the cluster SMEs, including by associating regional authorities into the discussions and through dissemination and awareness-raising and measures planned to foresee a sustainable impact after the project duration?</td>
<td></td>
</tr>
<tr>
<td>4. Cost-effectiveness</td>
<td>10</td>
</tr>
<tr>
<td>To what extent is the budget clear and detailed enough?</td>
<td></td>
</tr>
<tr>
<td>To what extent is the distribution of the budget appropriate and justified among the different beneficiaries in the consortium and compared to the expected impact including with regard to an effective balance among types of expense?</td>
<td></td>
</tr>
<tr>
<td>Maximum total score</td>
<td>100</td>
</tr>
</tbody>
</table>

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

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

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

Details on the procedure for administrative review can be found in the section V of the Guide for Applicants.

11. **FINANCIAL PROVISIONS**

11.1 **General Principles**

a) **Non-cumulative award**

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

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate the sources and amounts of Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.\(^\text{38}\)

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.

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

d) Balanced budget

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

The budget must be drawn up in euros.

Applicants who foresee that costs will not be incurred in euros, are invited to use the exchange rate published 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.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC\(^{39}\) or contracting entities in the meaning of Directive 2004/17/EC\(^{40}\) 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.

**Core activities cannot be subcontracted.**

f) Financial support to third parties.

Applications for this action may **not** envisage provision of financial support to third parties.

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11.2 Funding forms

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

- Maximum amount requested

The EU grant is limited to a maximum 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 11.1c).

- Eligible costs

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

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

  The period of eligibility of costs will start as specified in the grant agreement. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. Under no circumstances can the eligibility period start before the date of submission of the grant application (see section 11.1b).

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

- they are necessary for the implementation of the action which is the subject of the grant;

- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;

- they comply with the requirements of applicable tax and social legislation;

- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

Eligible direct costs

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

- the costs of personnel working under an employment contract with the applicant or equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in
line with the applicant's usual policy on remuneration. Those costs may include additional remuneration, including payments on the basis of supplementary contracts regardless of their nature, provided that it is paid in a consistent manner whenever the same kind of work or expertise is required and independently from the source of funding used;

- costs of the personnel of national administrations to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken;

- subsistence allowances (for meetings, including kick-off meetings where applicable, conferences etc.) provided that these costs are in line with the beneficiary's usual practices;

- costs of travel (for meetings, including kick-off meetings where applicable, conferences etc.), provided that these costs are in line with the beneficiary's usual practices on travel;

- depreciation cost of equipment (new or second-hand): only the portion of the equipment's depreciation corresponding to the duration of the action/project and the rate of actual use for the purposes of the action may be taken into account by EASME;

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

- costs entailed by implementation contracts awarded by the beneficiaries for the purposes of carrying out the action/project, provided that the conditions laid down in the grant agreement are met;

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

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

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

- non-deductible value added tax ("VAT")

Travel and accommodation costs should not exceed 20% of the EU contribution granted. Costs exceeding this ceiling in the course of the project implementation may be considered eligible if specific and duly justified circumstances have occurred for which additional travelling has become necessary or highly recommended for the benefit of the project.

Eligible indirect costs (overheads)

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

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

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

Ineligible costs
(a) costs related to return on capital;
(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 EASME;
(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 EASME 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.

➢ 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 of costs actually incurred;

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, EASME shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action.

11.3 Payment arrangements

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 11.2 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by EASME through a recovery order.

11.4  Pre-financing guarantee

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

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in a third country, the RAO 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 guarantees by a third party or by a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

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

12.  Publicity

12.1  By the beneficiaries

Beneficiaries must clearly acknowledge the European Union’s contribution in all publications or in conjunction with activities for which the grant is used.

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

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

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

12.2  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 level\(^{41}\) if he/she is domiciled within EU or equivalent if domiciled outside EU,
- subject of the grant,
- amount awarded.

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

13. **DATA PROTECTION**

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001\(^{42}\) on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by the Head of Unit A.1 of 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](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)\(^{43}\), should the beneficiary be in one of the situations mentioned in- Article 108 of the Financial Regulation establishing the Early Detection and Exclusion System (EDES)\(^{44}\) (for more information see the Privacy Statement on: [http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm](http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm)).

14. **PROCEDURE FOR THE SUBMISSION OF PROPOSALS**

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 3.

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, EASME may contact the applicant for this purpose during the evaluation process.

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

➢ Electronic submission
Applicants are requested to log in at http://ec.europa.eu/research/participants/portal and follow the procedure for submitting an application.

➢ 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-CLUSTER-EXCELLENCE-CALL-2015@ec.europa.eu.
Answers will be published periodically and within a reasonable period of time at http://ec.europa.eu/easme/.