



EUROPEAN COMMISSION

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

CALL FOR PROPOSALS

Erasmus for Young Entrepreneurs

Framework partnership Agreement (FPA)

2016-2021

COS-EYE-FPA-2016-4-01

COSME Work Programme 2016

Table of Contents

1. INTRODUCTION AND BACKGROUND	4
1.1. Introduction	4
1.2. Policy Context	4
2. OBJECTIVE(S) – THEME(S) – ACTIVITIES – OUTPUTS	5
3. TIMETABLE	9
4. INDICATIVE BUDGET AVAILABLE AND FUNDING OF PROJECTS	10
5. ADMISSIBILITY REQUIREMENTS	11
6. ELIGIBILITY CRITERIA	11
6.1. Eligible applicants	11
6.2. Eligible consortia	12
7. EXCLUSION CRITERIA	13
7.1. Exclusion from participation:	13
7.2. Exclusion from award:	14
8. SELECTION CRITERIA	15
8.1. Financial capacity	15
8.2. Operational capacity	16
9. AWARD CRITERIA	16
10. LEGAL COMMITMENTS	17
11. FINANCIAL PROVISIONS	18
11.1 General principles	18
11.2 Form of specific grants	20
11.3 Payment arrangements	23
11.4 Pre-financing guarantee	24
12. PUBLICITY	24
12.1 By the beneficiaries	24
12.2 By EASME	24

13. DATA PROTECTION25

14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS26

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 Strategy¹. Whereas they are considered as crucial engines for growth and job creation, their competitiveness is affected by a limited exploitation of international opportunities and innovation prospects in the Single Market and beyond.

In June 2008, the European Commission adopted the ‘Small Business Act’ for Europe (SBA), recognising the central importance of small and medium-sized enterprises in the EU economy. Principle I of the SBA sets out to ‘create an environment in which entrepreneurs can thrive and entrepreneurship is rewarded’. As a concrete follow-up to this aim in 2008, the Commission launched the pilot project ‘Erasmus for Young Entrepreneurs’. It operates on the basis of call for proposals whereby Intermediary Organisations (IOs) are selected to manage the programme locally. After several calls for proposals, which showed promising results, the action was turned into a more consolidated programme, under the Entrepreneurship and Innovation Programme. In 2014, the Council and the European Parliament adopted the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) that includes the mobility of new entrepreneurs among the actions to promote entrepreneurship.

The COSME Programme (2014-2020)², aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

This call is part of the COSME Work Programme 2016 adopted on 18 January 2016³. The contracting authority is the Executive Agency for Small and Medium-sized Enterprises⁴ (hereinafter referred to as "EASME" or the "Agency"). EASME is, *inter alia*, entrusted by the European Commission with the implementation of parts of the COSME programme and the Horizon 2020 programme.

1.2. Policy Context

This call for proposals to conclude Framework Partnership Agreements (FPAs) is based on Article 4.1.d of the COSME Regulation which is the specific objective of the programme "to promote entrepreneurship and entrepreneurial culture." It aims at continuing the action "Erasmus for Young Entrepreneurs" in order to foster entrepreneurship and entrepreneurial culture across the EU. More specifically, according to Article 12 of the COSME Regulation, the Commission may take "Actions to promote entrepreneurship", such as mobility programmes for new entrepreneurs to improve their ability to develop their entrepreneurial know-how, skills and attitudes and to improve their technological capacity and enterprise management.

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

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

³ Commission Implementing Decision C(2016) 63 final of 18 January 2016 on the adoption of the work programme for 2016 and the financing for the implementation of the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises.

⁴ EASME was set up by Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the Executive Agency for Small and Medium-sized Enterprises and repealing Decisions 2004/20/EC and 2007/372/EC (Official Journal of the European Union L 341/73 of 18.12.2013).

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

The purpose of this call is to conclude **Framework Partnership Agreements (FPAs)** for the period 2016-2021 (five years) to organisations to which specific grant agreements might be awarded in order to implement Erasmus for Young Entrepreneurs (EYE) projects beyond the COSME programming period.

To this end the Agency will select consortia of Intermediary Organisations (IOs) to conclude long term framework partnerships in the form of FPAs.⁵

Applications to this call for proposals must include an **Implementation Strategy covering the period 2016 - 2021**. This document must define the broad strategic approach and explain how the specific objectives and operational requirements laid down in the present call will be addressed.

The Agency may award specific grants under the framework partnerships for actions implementing the Implementation Strategy. Therefore, after the FPA is awarded to and signed by the selected consortia, they will be invited to submit proposals with a detailed **work programme**. This must translate the Implementation Strategy into concrete and detailed activities in the period 1/02/2017 - 31/01/2019. If the Agency decides to award a specific grant, it will propose the partners to conclude a '**Specific Agreement (SGA)**'.

2.1 Objectives

The *general objective* of the Erasmus for Young Entrepreneurs (EYE) programme is to enhance entrepreneurship, develop the international outlook and competitiveness of European SMEs and foster potential start-up entrepreneurs and newly-established micro and small enterprises in the COSME Participating Countries⁶.

The specific objectives are:

1. To provide on-the-job-training for new entrepreneurs with established host entrepreneurs in small and medium-sized enterprises elsewhere in the COSME Participating Countries in order to facilitate a successful start-up, and development of their business ideas;
2. To foster sharing of experience and information between entrepreneurs on the obstacles and challenges of starting up and developing their businesses;
3. To enhance market access and identification of potential partners for new and established businesses in other EU and COSME Participating Countries;
4. To support networking between entrepreneurs from different COSME Participating Countries by building on knowledge and experience from other COSME Participating Countries.
5. The Intermediary Organisations will aspire high quality standards so as to deliver the following expected output for this call for proposals:

⁵ In the taxonomy of the Erasmus for Young Entrepreneurs programme these consortia are called "European Partnerships (EP)" in accordance with the programme's "Quality Manual" (Implementation Manual for Intermediary Organisations).

⁶ Regarding COSME Participating Countries, see section 6.

- Further develop a network of new entrepreneurs (NEs), host entrepreneurs (HEs) and Intermediary Organisations (IOs).
- Enabling new entrepreneurs to work alongside and learn from a host entrepreneur in another COSME Participating Country.
- Create new businesses, joint ventures and spin-off companies and foster cross-border business cooperation.
- Enhancing the international activities and innovation potential of host entrepreneurs.

This is to be done in line with the programme implementing methods as stipulated by the programme Quality Manual (Annex 1), which includes information on the IT management tool and database⁷.

2.2 Themes and Priorities

2.2.1 Activities

In order to achieve the above mentioned objectives the IOs will engage in the below mentioned activities that will be implemented via specific agreements.

For this call for framework partnership agreements (FPAs) the consortia must specify in their Implementation strategy how these future activities will be put in practice in case they are awarded specific agreements (SGAs).

a) Promotion of the programme

The implementation strategy must describe the proposed communication and promotion plan, effectively raise awareness, disseminate information on the mobility scheme and reach a maximum number of potential candidates. Communication activities should in particular target relevant business organisations and other bodies supporting businesses and start-ups, as well as other target audiences as appropriate. Applicants should demonstrate that they have appropriate access to entrepreneurs. These activities should be focused so as to ensure that the entrepreneurs who will subsequently apply to the programme will qualify for it and will show good motivation and commitment. For instance, new entrepreneurs must have at least the firm intention to set up a business to enrol for the programme. Also, potential participants should understand that the exchanges organised under the scheme are not internships.

Other means of awareness-raising are also encouraged.

An appropriate level of visibility of the EU's financial contribution to the project will be required.

b) Enrolment of entrepreneurs

The implementation strategy must explain how the consortium will, in accordance with the programme's Quality Manual, engage entrepreneurs to participate in the programme, and the specific channels and efforts it will use for this purpose. Applicants should be well aware of the

⁷ The Erasmus for Young Entrepreneurs IT tool is to be used by all selected Intermediary Organisations in order to manage registration and matching of entrepreneurs as well as execution of the relationship process between new and host entrepreneurs. Every Intermediary Organisation implementing EYE projects will have access to this tool. Further details are available in the above mentioned "Quality Manual".

challenge of this task, as barriers can be expected from entrepreneurs who could potentially benefit from the programme: it can be a challenge for a young entrepreneur to venture abroad, all the more so if he has just started a new business. Host entrepreneurs may have the perception not to have the time, or underestimate the benefits they could derive from the exchange with the new entrepreneur.

The proposal needs to contain enough information about access to and contacts with entrepreneurs, that the applicants have, whether this access is direct or indirect (via their own or other networks), and the kind of relationships they maintain, giving figures where possible.

c) Assessing applications from NEs and HEs

The Commission has developed the Erasmus for Young Entrepreneurs online IT tool whereby NEs and HEs apply for the scheme. It will be necessary to screen applications and advise candidates to ensure a high quality of registrations and, in particular, to gauge how committed the applicant NEs are to setting up a business (entrepreneurial motivation, business plan). For the HEs, IOs will assess their willingness to mentor an NE, engage in the exchange (this is not a mere internship for the new entrepreneur), and to derive positive benefit for themselves from the collaboration.

The implementation strategy must describe how the consortium will check the quality and ensure the eligibility of applications. The proposals needs to include the necessary provisions for the maintenance of the portfolio of entrepreneurs, periodic validation of interest and updating of the profiles. IOs shall assess, manage and follow-up on applications both from entrepreneurs from within and outside their target groups (e.g. from spontaneous applications), even if their activity is targeted to specific groups (e.g. women entrepreneurs, social entrepreneurship, region). Equally, IOs should endeavour to avoid any discrimination for reasons of sex, sexual orientation, religion, race, colour, ethnic or social origin, genetic features or membership of a national minority.

d) Building relationships

The process of successfully matching NEs and HEs is a key element of the mobility scheme and it is implemented by using the Erasmus for Young Entrepreneurs online IT tool. The so-called "matching" process will be considered successful if it leads to a 'successful relationship' as defined in the Quality Manual (Annex).

The implementation strategy must describe how the consortium plans to identify the best matches, support contacts and monitor relationships before and during the stay abroad. Intermediary Organisations also need to describe if and how they intend to help NEs gain access to sources of financial assistance to cover costs related to a stay with an 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) Management of grants, commitments and financial support to new entrepreneurs

Once the agreed relationship between NE and HE has been approved by all parties involved, the IOs concerned have to ensure that the relevant actors (NE, HE, IOs) sign the Erasmus for Young Entrepreneurs Commitment. In addition, the NE and his/her IO must sign an agreement specifying the tasks that will be carried out during the exchange, responsibilities, financial conditions and legal implications. Applicants need to describe how they will arrange this in an efficient and effective way, allowing for potential amendments and the handling of payments and reports.

The purpose of the financial support provided to NEs is to support the cost of their stay. The IO that has accepted the NE is expected to give the NE financial support from the EU contribution, provided that the relationship between NE and HE has been approved in the programme's IT tool. The IO will be responsible for sound management of this financial assistance, including payment arrangements to NEs. Further details will need to be given in the above mentioned agreement between the IO and the new entrepreneurs.

The Commission has set the monthly amounts of financial support per country in the table provided as Annex 1 to the Quality Manual.

The Implementation Strategy must describe how they intend to organise the management and control of this financial support in an effective and efficient way, including avoidance of any financial abuse.

f) Preparation of the exchange

The implementation strategy must describe the kind of information and induction the consortium will organise for NEs and how they intend to deliver this information and induction. Applicants are expected to deliver to entrepreneurs information on the mobility scheme and important EU-related business subjects, such as the Internal Market, European law issues (in particular regarding business and contract law) and support services including inter alia the Enterprise Europe Network and SOLVIT.

g) Follow up of the exchange

IOs are expected to offer local and remote assistance to visiting NEs during stays with HEs.

The Implementation Strategy must describe the general type of services the consortium intends to offer to NEs visiting their HEs with a particular focus on addressing practical questions (housing, transport, insurance, etc.), the modalities they will implement to follow up the exchanges and the mechanisms to be put in place to avoid problems and potential conflicts.

h) Management, quality control and evaluation

The Implementation Strategy needs to explain:

- How the consortium will undertake the management of the project, especially the role of coordinator
- The measures the consortium will take to ensure that high quality standards are applied by all consortium partners, how it will monitor the achievement of objectives and take appropriate corrective measures such as redistribution of objectives and budget, while ensuring compliance with the Erasmus for Entrepreneurs rules and procedures. The main risks that might be encountered and the corresponding mitigating measures should also be described.

i) Active networking

The Implementation Strategy needs to describe how the consortium will actively network with the other IOs from other EYE consortia, which will include taking part in four Networking meetings in Brussels (or, though infrequent, possibly other locations in the COSME Participating Countries) during the period of the specific agreement (SGA).

j) Reporting

The selected consortia are expected to report regularly to EASME (and the Support Office) on the implementation of the activities (specific agreements), relationships building progress, problems encountered, solutions implemented and resources spent.

The Implementation Strategy must describe how the consortium will meet the contractual obligations in relations to reporting under future specific agreements (SGAs). In this respect, the selected SGA projects will have to submit to EASME 6-monthly progress reports and a Final Technical Report after the termination of each project.

2.2.2 "Quality Manual"

Further details regarding the above mentioned activities are provided in the *Annex — Erasmus for Young Entrepreneurs Implementation Manual for Intermediary Organisations* (Quality Manual).

The Quality Manual may evolve over time and could be adapted for future specific calls (SGAs). The Quality Manual is published for information purposes together with this call. It is the practical reference document with regards to how Erasmus for Young Entrepreneurs projects should be implemented.

2.2.3 Main targets

The Implementation Strategy must specify an indicative number of exchanges that the consortium intends to organise between new and host entrepreneurs. In order to calculate it for the duration of the whole FPA, an indicative minimum of 110 per year during the 5-years duration of implementation of their FPA is expected.

The Quality Manual (Annex 1) explains how matches must be counted.⁸

The Implementation Strategy must explain a strategy how the consortium intends to reach the targets put forward and how it plans to monitor them. Applicants will also be requested to specify intermediate targets (in accordance with the submission template) linked to the reporting periods specified in section 6.3. The targets should be realistic and achievable.

3. TIMETABLE

3.1 Indicative timetable for selection of Intermediary Organisations

Selection of consortia to conclude **Framework Partnership Agreements**:

Stages	Dates
Deadline for submitting applications	05/04/2016 17:00h Brussels time
Evaluation period*	April to June 2016
Information to applicants*	June 2016

⁸ Applicants should pay attention in their calculation not to confuse the terms "match" and "relationship". A relationship is composed, by default, of a business-relation of one new entrepreneur and one host entrepreneur. In case of a successful relationship, each of these entrepreneurs would count as one matched entrepreneur of any Intermediary Organisation involved in organising the business-relation. Further explanations are available in Quality Manual.

Signature of FPAs and entering into force*	August/September 2016
--	-----------------------

* indicative

3.2 Indicative timetable for the implementation of the first Specific Agreements (SGAs):

3.2.1 Selection of proposals to conclude the first **Specific Agreements (SGAs 2017-2019)** with consortia awarded with an FPA:

Stages	Dates
Invitation to FPA awardees	September 2016
Deadline for submitting proposals	October 2016
Evaluation period*	October/November 2016
Information to applicants*	November 2016
Signature of SGAs*	January 2017
Starting date of the action*	01/02/2017

* indicative

3.2.2 The implementation period of the first SGAs is set to 1/02/2017 to 31/01/2019.

- Initial training: February/March 2017⁹;
- Networking meetings: February/March and September (4 per project duration);
- Mid-term review meetings (upon request of the EASME): approximately 12-13 months after the start of the action (the participation of all consortium partners will be required).
- Progress reports: 7, 13 and 19 months after start of the action;
- Final report: 2 months after the end of the implementation period.

4. INDICATIVE BUDGET AVAILABLE AND FUNDING OF PROJECTS

4.1 Total indicative budget

The total *indicative* budget earmarked for the co-financing of projects for Erasmus for Young Entrepreneurs for Young Entrepreneurs under the COSME programme is estimated at EUR 80

⁹ This training is intended to make IOs familiar with the basic programme features and the functionalities of the EYE IT tool. It will be mandatory for all Intermediary Organisations new to the EYE programme and could be useful for those that have not participated in more recent EYE projects.

million¹⁰. However, the available amount for grants under the Specific Agreements may only be known annually, after adoption of the EU annual budget. No budget appropriations are allocated to the conclusion of the Framework Partnership Agreements.

As a result of this call for proposals, EASME expects to select consortia of Intermediary Organisations and sign with them between 20 and 30 Framework Partnership Agreements.

4.2 Funding per project during the first SGAs (1/02/2017 to 31/01/2019)

The grant reimburses up to 90 % of the action's eligible costs incurred by the beneficiaries (IOs). The contribution shall not exceed 75 % of the programme management costs of the IO but may be up to 100 % of the sum allocated by IOs to third parties (sub-grantee. i.e. new entrepreneurs) participating in a mobility action.

Financial assistance to new entrepreneurs participating in a mobility action shall take the form of a scale of unit cost of maximum EUR 6 600 per entrepreneur.

The maximum grant amount per Specific Agreement resulting from the first consultation for SGAs will be EUR 800.000.

Based on the selection of the FPAs, the number of consortia to be funded in SGAs will depend on the budget availability.

EASME intends to fund the first Specific Agreements based on appropriations made available through both the COSME Work Programmes 2016 and 2017.

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

5. ADMISSIBILITY REQUIREMENTS

The following requirements must be complied with:

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

6. ELIGIBILITY CRITERIA

6.1. Eligible applicants

Applicants must be legal entities. They can be public or private legal entities; private bodies must be properly constituted and registered under national law.

¹⁰ Estimation European Commission, December 2015.

Applying entities may for instance include:

- Public entities responsible for or active in the fields of economic affairs, enterprise, business support or related issues,
- Regional development agencies,
- Chambers of commerce and industry, chambers of handicrafts or similar bodies,
- Business support organisations, start-up centres, incubators, technology parks etc.,
- Business associations and business support networks,
- Public and private entities offering business support services,
- Business interface offices of (higher) education such as universities or institutes for vocational education and training.

The above list of entities eligible to apply is by no means exhaustive.

Affiliated entities, i.e. legal entities having a legal or capital link with applicants, which is neither limited to the action nor established for the sole purpose of its implementation, shall take part in the action **as applicants** in order to declare eligible costs.

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

- EU Member States;
- countries participating in the COSME programme pursuant to Article 6 of the COSME Regulation¹¹.

6.2. Eligible consortia

- Applicants need to form consortia.
- Consortia must be composed of minimum 5 and maximum 10 legal entities.
- Consortium partners must come from at least 5 different COSME participating countries¹² and maximum 2 partners can be from the same country in one consortium.

¹¹ The following groups of countries are eligible for participation in COSME:

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

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

- It is **not allowed** that a partner participates in more than one proposal. Nevertheless, should this happen, the respective organisation will be excluded from all the proposals it applied. The respective consortia that will be affected by the exclusion of (a) partner(s) must still fulfil the eligibility criteria as stipulated in 6.1 and 6.2 in order to be considered eligible.

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:

- (a) - it is bankrupt, subject to insolvency or winding-up procedures,
- its assets are being administered by a liquidator or by a court,
- it is in an arrangement with creditors,
- its business activities are suspended, or
- 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 contract;

An entity shall also be excluded where a natural or legal person that assumes unlimited liability for the debts of that entity is in a situation listed in point (a) or (b) above;

(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 the 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;

¹² In case a proposal contains partners from countries that are, at the time of submission, not yet participating in COSME, it is strongly suggested that the consortium is composed of more partners than the minimum required.

(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 1995¹³ ;

(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 1997¹⁴ and Article 2(1) of Council Framework Decision 2003/568/JHA¹⁵ , 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/JHA¹⁶ ;

(iv) money laundering or terrorist financing, as defined in Article 1 of Directive 2005/60/EC of the European Parliament and of the Council¹⁷ ;

(v) terrorist-related offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA¹⁸ 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 Council¹⁹ ;

(e) it has shown significant deficiencies in complying with main obligations in the performance of the 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 2988/95²⁰ .

¹³ OJ C 316, 27.11.1995, p. 48.

¹⁴ OJ C 195, 25.6.1997, p. 1.

¹⁵ Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector (OJ L 192, 31.7.2003, p. 54).

¹⁶ Council Framework Decision 2008/841/JHA of 24 October 2008 on the fight against organised crime (OJ L 300, 11.11.2008, p. 42).

¹⁷ Directive 2005/60/EC of the European Parliament and of the Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing (OJ L 309, 25.11.2005, p. 15).

¹⁸ Council Framework Decision 2002/475/JHA of 13 June 2002 on combating terrorism (OJ L 164, 22.6.2002, p. 3).

¹⁹ Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA (OJ L 101, 15.4.2011, p. 1).

²⁰ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1).

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.

7.2. Exclusion from award:

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

- (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.

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

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

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

The applicant(s) must have access to solid and adequate funding sources, so as to be able to maintain activities for the period of the Implementation Strategy.

Applicants that qualify as private undertakings or bodies (PUB) have to prove their financial capacity to carry-out the proposed implementation strategy. For proving the financial capacity the form for the financial capacity check needs to be completed and submitted together with the supporting financial statements (balance sheet, income statement and cash flow statement) certified by an external auditor for the last two financial years for which the accounts have been closed.

The form for the financial capacity check is available on-line via the Participants Portal: <http://ec.europa.eu/research/participants/portal/desktop/en/organisations/lfv.html>

On the basis of the documents submitted, if the responsible Authorising Officer considers that financial capacity is not satisfactory, he may:

- request further information;

- propose a specific grant agreement without pre-financing;
- propose a specific grant agreement with a pre-financing paid in instalments;
- propose a specific grant agreement with a pre-financing covered by a bank guarantee;
- reject the application.

8.2. Operational capacity

Applicants must demonstrate that one of their **core activities** is the support of small businesses and entrepreneurs and that they deliver business support services to **start-ups or young entrepreneurs**.

At least **half of the consortium partners** including the coordinator (Lead Intermediary Organisation, LIO) must have previous **4-years implementing experience** with Erasmus for Young Entrepreneurs projects and demonstrate how this experience will benefit the partnership.

Applicants must have the professional competencies as well as appropriate qualifications necessary to complete the proposed strategy.

In this respect, applicants have to submit the following supporting documents:

- a summary table indicating the persons that will make up the core team responsible for the Implementation Strategy with their qualifications and competences.
- a list of previous projects and activities performed and connected to the policy field of the call or to the actions to be carried out. This will include the description of previous experience in the EYE programme, if any.

Templates will be available in the application forms.

9. AWARD CRITERIA

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

Criteria	Points
1) Relevance	30
<i>How relevant is the proposal in relation to the objectives of the call to implement the EYE programme?</i>	
<i>How wide and direct is the access to entrepreneurs (potential new and host entrepreneurs as well as start-ups) of each applicant?</i>	
<i>How relevant is the previous experience of applicants in business/entrepreneurs mobility with regard to the proposed Implementation Strategy (e.g. number of exchanges in previous EYE projects)?</i>	
<i>How strategically chosen are the consortium partners (relevance of the partners to the project)?</i>	
2) Quality	30

<i>How convincing is the proposed methodology and organisation to be put in place (management, monitoring, process to promote success stories and best practices of the consortia)?</i>	
<i>How suitable is the proposed quality assurance model (trainings, actions for quality assurance)?</i>	
<i>To what extent will the Quality Manual requirements be followed by all partners?</i>	
<i>To what extent are the proposed procedures for resolution of problems relevant and will ensure high quality of performance of each partner?</i>	
<i>How clear are the provisions proposed for necessary adjustments (flexibility)?</i>	
3) Impact on target audience	20
<i>To what extent is the strategy ambitious and to what extent would the management and monitoring capacity of the Lead Intermediary Organisation (i.e. coordinator) be likely to ensure the expected impact?</i>	
<i>To what extent is the project able to address the right target audience in an efficient way?</i>	
<i>To what extent does the proposal target in particular start-ups in their early stage in order to increase the new entrepreneurs' knowledge in order and maximise the long-term impact of the exchange?</i>	
4) Resource effectiveness	20
<i>To what extent does the consortium team ensure a successful implementation of the strategy both in terms of quantity and quality (per work package, per task and per partner)?</i>	
Maximum total score	100

In order to be considered for award of a Framework Partnership Agreement, proposals need to pass an overall threshold of 70% in terms of total score. In addition, thresholds of 50% will be applied to each individual award criterion described above, in order to ensure a consistent minimum quality for all award criteria. Proposals will be ranked according to their total score.

10. LEGAL COMMITMENTS

Framework Partnership Agreements (FPA)

EASME will sign with each successful consortium an FPA covering the whole implementing period (2016-2021). It will lay down the general rules applicable to the cooperation between EASME and the consortium (European Partnership) and will include in an annex the approved Implementation Strategy. The FPA does not constitute an obligation for the EASME to award specific grants to the

European Partnerships. The FPA entitles consortia to submit a work programme for specific agreements of limited duration upon invitation of EASME.

Specific Agreements (SGA)

The Agency may award specific grants for actions to be implemented under the FPA. Following the award of FPAs, consortia will be invited to submit a detailed work programme covering activities of the first two years of FPA implementation (1/02/2017-31/01/2019). This work programme is intended to translate in specific actions the above mentioned Implementation Strategy of the FPA. Invitations to submit proposals for Specific Agreements will be restricted to FPA awardees.

The approved work programme and budget will be annexed to a Specific Agreement (SGA) that will be concluded with EPs having submitted the best ranked proposals and considering the availability of budget appropriations.

Depending on budget availability, EASME may invite FPA awardees to submit detailed work programmes for other periods of implementation.

ADMINISTRATIVE REVIEW PROCEDURES

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

11. FINANCIAL PROVISIONS

To provide full transparency to the applicants, this section 11 presents the financial provisions governing the award of specific grants under the Framework Partnerships awarded following this call for proposals. **Nevertheless, the purpose of this current call for proposals is not the award of specific grants for actions.**

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.²¹

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.

²¹ Directive 2004/18/EC of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (Official Journal of the European Union L 134/114 of 30.04.2004).

In such cases, costs eligible for financing may not have been incurred prior to the date of submission of the grant application

c) Co-financing

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

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

d) Balanced budget

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

The budget must be drawn up in euros.

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

e) Implementation contracts/subcontracting

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

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

Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC²² (or 2014/24/EU²³) or contracting entities in the meaning of Directive 2004/17/EC²⁴ (or 2014/25/EU²⁵) 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.

²² Directive 2004/18/EC of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (Official Journal of the European Union L 134/114 of 30.04.2004).

²³ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

²⁴ Directive 2004/17/EC of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (Official Journal of the European Union L 134/114 of 30.04.2004).

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

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

- it may only cover the implementation of a limited part of the action;
- it must be justified having regard to the nature of the action and what is necessary for its implementation;
- it must be clearly stated in the proposal.

f) **Financial support to third parties.**

Financial support to third parties (new entrepreneurs) must be part of the project. The financial assistance paid to third parties shall be included under the corresponding cost heading. It covers the financial assistance paid to new entrepreneurs in support of the costs linked to their expenditure for travel, accommodation, subsistence and other miscellaneous expenses occurred during a stay with the host entrepreneur in another participating country. Details are mentioned in the Annex — *Erasmus for Young Entrepreneurs Implementation Manual for Intermediary Organisations (Quality Manual)*.

The amount of financial support per third party (new entrepreneur) must not exceed EUR 6.600.

11.2 Form of specific grants

➤ **Maximum grant 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.

Further details are included in the model grant agreement.

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 :

A. Direct personnel costs

Types of eligible personnel costs

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

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

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

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

- (a) the person works under the beneficiary's instructions and, unless otherwise agreed with the beneficiary, on the beneficiary's premises;
- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

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

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

C. Other direct costs

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

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

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

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

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

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

D. Direct costs of providing financial support to third parties are eligible if the conditions set out in the grant agreement are met.

Eligible indirect costs (overheads)

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

Indirect costs are eligible if they are declared on the basis of the flat-rate of 7% of the eligible direct costs. For Erasmus for Young Entrepreneurs grants indirect costs are calculated on the abovementioned costs for A, B and C.

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

Applicants' attention is drawn to the fact that in the case of beneficiaries receiving an operating grant²⁶ financed by the EU or Euratom budget, they cannot declare indirect costs for the period covered by the operating grant.

➤ Ineligible costs

²⁶ For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1) ('**Financial Regulation No 966/2012**'): '**operating grant**' means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

- (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 the Agency;
- (h) excessive or reckless expenditure;
- (i) deductible VAT;
- (j) costs incurred during suspension of the implementation of the action;
- (k) in-kind contributions provided by third parties;
- (l) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period.

➤ 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;
- a certificate on the financial statements of the action for each beneficiary, if
 - the (cumulative) amount of payments it requests as reimbursement of actual costs (and for which no certificate has yet been submitted) is EUR 325 000 or more and
 - the maximum grant amount indicated, for that beneficiary in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

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

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

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

The EASME will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 11.2 above). If the total of earlier

payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the EASME through a recovery order.

11.4 Pre-financing guarantee

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

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

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

12. PUBLICITY

12.1 By the beneficiaries

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

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

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

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

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

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 level²⁷ 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 45/2001²⁸ on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by the Head of Unit A.1 of the EASME. Details concerning the processing of personal data are available on the privacy statement at: http://ec.europa.eu/research/participants/data/support/legal_notice/h2020-ssps-grants_en.pdf

Personal data may be registered in the the Early Detection and Exclusion System (EDES) should the beneficiary be in one of the situations mentioned in Article 106 of the Financial Regulation²⁹. For more information, see the Privacy Statement on:

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

14. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

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

➤ Electronic submission

²⁷ Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) (Official Journal of the European Union L 39 of 10.02.2007).

²⁸ Official Journal of the European Union L 8/1 of 12.01.2001.

²⁹ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298 of 26.10.2012, p. 1) as amended.

Applicants are requested to go to <https://ec.europa.eu/easme/en/cos-eye-fpa-2016-4-01-erasmus-young-entrepreneurs> and follow the procedure for submitting an application.

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

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

➤ **Contacts**

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

Answers will be published at <https://ec.europa.eu/easme/en/cos-eye-fpa-2016-4-01-erasmus-young-entrepreneurs>.

Annex:

- *Erasmus for Young Entrepreneurs Implementation Manual for Intermediary Organisations (Quality Manual)*