



COSME Programme

Call for Proposals

Erasmus for Young Entrepreneurs

COS-EYE-2019-4-01

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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 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 (SMEs) 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, the Commission launched the pilot project ‘ERASMUS for Young Entrepreneurs’ in 2008. It operates mainly on the basis of call for proposals whereby Intermediary Organisations (IOs) are selected to manage the programme locally. After several calls for proposals of this nature the programme, 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)², that includes the mobility of new entrepreneurs among the Actions to Promote Entrepreneurship. The COSME Programme aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

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

In this respect, this call for proposals, managed by EASME, implements partially the COSME Work Programme 2019.⁴

1.2. Policy Context

This call for proposals is based on Article 4(1) (d) of the COSME Regulation which is the Programme's Specific Objective "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 its Article 12 "Actions to promote entrepreneurship", the Commission may take actions 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 Regulation (EU) No 1287/2013 of 11 December 2013 (Official Journal of the European Union L 347/33 of 20.12.2013).

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

⁴ Commission Implementing Decision C(2018) 8098 of 5.12.2018 on the financing of the Programme for the Competitiveness of Enterprises and Small and Medium-Sized Enterprises and the adoption of the work programme for 2019.

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

2.1. Objectives

Erasmus for Young Entrepreneurs is a cross-border mobility programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other Participating Countries.

The *general objective* of the Erasmus for Young Entrepreneurs 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 Participating Countries.

The *purpose* of this call for proposals is to select Intermediary Organisations (IOs) to implement the Erasmus for Young Entrepreneurs programme at local level. They will, in particular, recruit the entrepreneurs and assist them to benefit from the programme. This call for proposals will therefore support actions of organisations enhancing and facilitating the mobility of new entrepreneurs, and is not intended for entrepreneurs willing to participate in an exchange in this programme.

The *specific objectives* are:

1. To provide on-the-job-training for new entrepreneurs with established host entrepreneurs in small and medium-sized enterprises abroad 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.

The Intermediary Organisations will aspire high quality standards so as to deliver the following expected output for this call for proposals:

- 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
- Support the creation of new businesses, joint ventures and spin-off companies and foster cross-border business cooperation
- Enhancing the international activities and innovation potential of host entrepreneurs

The Intermediary Organisations (IOs) will act as Local Contact Points for the implementation of the programme. They will be required to cooperate with all other organisations and authorities involved in the mobility programme, enabling new entrepreneurs to take part in the planned mobility activities. They will receive support from the existing Support Office (SO), which helps with the coordination and management of the programme across Participating Countries.

The IOs will help new entrepreneurs from Participating Countries enrich their experience, deepen their knowledge and expand their network by spending periods in enterprises run by experienced entrepreneurs in other COSME Participating Countries.

This is to be done in line with the programme implementing methods as stipulated in the *Erasmus for Young Entrepreneurs Implementation Manual for Intermediary Organisations (Quality Manual)*⁵ – Annex 1 to this call - which includes information on the IT management tool database⁶.

2.2. Themes and Priorities

2.2.1 Activities

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

The activities to be implemented under this call for proposals, including the rules to be respected and procedures to follow, are detailed in the *Quality Manual*. The document thoroughly describes the tasks to be performed by Intermediary Organisations: it includes the eligibility criteria of entrepreneurs, the procedures for registration of entrepreneurs to the programme and building of relationships, as well as the responsibilities of the different actors involved, including deadlines to be respected. It also outlines the roles of the Support Office⁷, the European Commission and the EASME.

As a minimum requirement, the IOs' proposals are expected to describe all of the following activities in detail, in accordance with the provisions of the Quality Manual (Annex 1):

Work Packages (WPs):

WP 1	Management of the programme, networking and reporting	(h) management, quality control and evaluation (i) active networking 1) cooperation with EYE network 2) specific networking activities ⁸ (including alumni activities) (j) reporting (including on impact)
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⁵ Above all Annex 1 has been updated in comparison to previous calls to allow for the full coverage of all COSME Participating Countries. Throughout this document, the Erasmus for Young Entrepreneurs Implementation Manual for Intermediary Organisations will be referred to as “Quality Manual (Annex 1)”.

⁶ 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".

⁷ The role of the Support Office is to ensure coordination and coherence of activities handled by the IOs. It helps them to develop high quality exchanges of entrepreneurs. Its main tasks are to promote the programme at EU and European level, to provide guidance and support to IOs, especially in daily operations, monitor activities of the Intermediary Organisations, manage the central website, develop training material and foster networking/cooperation among the IOs.

⁸ In a period until approximately end of 2019 the FPA member of the Network of IOs will, together with the EC/EASME/SO, define the programme’s future strategy for alumni activities. In the meanwhile, all EYE projects are encouraged to propose and implement their own approaches.

WP 2	Promotion of the programme and recruitment of entrepreneurs	(a) promotion of the programme (b) enrolment of entrepreneurs
WP 3	Relationships building	(c) assessing applications from NEs and HEs (d) building relationships
WP 4	Relationships management	(e) management of grant agreements, commitments and financial assistance (f) preparation of the exchange (g) follow up of the exchanges, including induction training

a) Promotion of the programme (WP2)⁹

Applicants must describe the proposed communication and promotion measures to effectively raise awareness, disseminate information on the mobility scheme and reach a maximum number of potential candidates. Communication activities must in particular target relevant business organisations and other bodies supporting businesses and start-ups, as well as other target audiences as appropriate. Applicants must demonstrate that they have appropriate access to entrepreneurs. These activities have to 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 need to understand that the exchanges organised under the scheme are not internships.

The EU co-financing of the project must also be clearly visible. The applicants will at least include a link to the programme's website on their respective websites, and the European Union logo in their communication tools for the programme. Other means of awareness-raising are also encouraged. For more details how to use the EU logo please refer to: <https://ec.europa.eu/easme/en/communication-toolkit>

b) Enrolment of entrepreneurs (WP2)

Applicants need to explain how they will engage entrepreneurs to participate in the programme, and the specific channels and efforts they will use for this purpose. Applicants must be well aware of the 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 has 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 (WP3)

⁹ The programme activities are listed in order of usual workflow starting with the promotion of the programme and enrolment of entrepreneurs and ending with reporting.

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. Applicants must describe how they will check the quality and ensure the eligibility of applications. The proposals need 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 must not allow any discrimination for reasons of sex, sexual orientation, religion, race, colour, ethnic or social origin, genetic features or membership of a national minority. Furthermore, applicants also need to demonstrate full respect of data protection rules.

d) Building relationships (WP3)

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 1).

Intermediary Organisations are invited to describe how they plan to identify the best matches, support contacts and monitor relationships before and during the stay abroad. Intermediary Organisations also need to describe 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 grant agreements, commitments and financial assistance (WP4)

There are two written commitments NEs have to engage: 1) 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 accordance with the provisions of the Quality Manual. 2) 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 assistance provided to NEs is to support the cost of their stay abroad. The IO that has accepted the NE must give the NE financial assistance 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 agreement mentioned above.¹⁰

¹⁰ The financial support to third parties (NEs) does not necessarily cover all the costs that might occur for a new entrepreneur. It is considered to be a contribution.

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

The application 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 (WP4)

In relation to the information and induction trainings to be provided by IOs, the application must present how many and when those activities will be undertaken. Applicants must also deliver 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 (WP4)

IOs must offer local and remote assistance to both visiting NEs during stays with HEs as well as to HEs themselves. The proposal must specify the 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 (WP1)

Applicants, and the project coordinator in particular, should describe:

- How they will undertake the management of the project, especially the role of coordinator
- The measures they will take to ensure that high quality standards are applied by all consortium partners, how they 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 (WP1)

1) Cooperation with EYE network

The application needs to demonstrate the consortium's commitment to actively network with the other IOs from other EYE consortia, which will include taking part in six Networking meetings in Brussels (or possibly other locations in the COSME Participating Countries) during the period of the grant agreement. Regional cooperation of IOs has to be envisaged as well, e.g. with regard to promotion activities.

Active cooperation prior to, during and after those meetings is expected from all Intermediary Organisations. This will include, among others, cooperation regarding the design of Network Meetings' agenda as well as having an active role in moderating thematic sessions/workshops, presenting good practices, and supporting the exchange of know-how between IOs, where applicable and based on experienced gained.

A specific mentoring action could be proposed by the European Commission/EASME in view of allowing consortia to perform well. Such activity could be proposed in particular for the Lead organisations that will be new in the programme. Activities planned in this respect could be organised on the occasion of the Network Meetings, but could also take place beyond. Therefore, the applicant lead organisations should reflect this in their work plan and the budget of the proposal. Applicants are requested to plan for approximately 3 full days for such activity throughout the project duration, which could include both physical as well as virtual meetings (conferences via skype or other means).

Travel and accommodation costs will have to be covered by each participant. Sufficient budget must be foreseen to allow for the participation of all partners in the above activities, and in particular for the meetings mentioned in Section 3 "Timetable".

2) Specific thematic networking activities

As part of the evolution of the Erasmus for Young Entrepreneurs programme, the Commission/EASME has launched different Working Groups:

1. to develop a horizontal strategy towards setting up a network of Alumni (entrepreneurs who participated in EYE),
2. to improve the impact analysis of the matches between entrepreneurs (relationship follow-up activities),
3. to continue to help setting up priorities for the programme's IT tool development¹¹.

The outcome of those discussions is to be used, once available, by all EYE projects.

With regard to future alumni strategies and impact analysis, the projects co-financed under this call for proposals will be requested to plan for their own activities.

j) Reporting (WP1)

The selected projects are expected to report regularly to the EASME (and the Support Office) on their activities, matching relationships, problems encountered, solutions implemented and resources spent. The applicants must describe how they intend to organise this reporting in an efficient and effective way, according to the provisions of the Quality Manual Annex 1) and in line with the provisions of the model grant agreement (modalities see Section 13 "Reporting Requirements").

2.2.2 "Quality Manual"

Further details regarding the above mentioned project activities are provided in the Quality Manual (Annex 1).

The updated Quality Manual is annexed to this call for proposals. It is *the* practical reference document with regards to how Erasmus for Young Entrepreneurs projects should be implemented.

Appropriate outcomes of the activities listed in 2.2.1 could have an impact on future revisions of the Quality Manual.

2.3. Expected results

2.3.1 Expected results at programme level

The Erasmus Young Entrepreneurs initiative expects to achieve in total the following results by January 2023:

- Circa 1800 entrepreneurs matched;
- Circa 3000 entrepreneurs newly registered;
- Circa 120 Intermediary Organisations involved in the implementation of the programme;
- At least 33 countries covered;
- Rate of successful exchanges above 90%.

¹¹ The core IT tool to be used in EYE projects is the European Commission's IT tool for the enrolment of entrepreneurs and management of relationships.

2.3.2 Expected results at project level

The proposal must specify an indicative number of relationships/matches that the consortium intends to organise between new and host entrepreneurs during the implementation period of the grant agreement. The Quality Manual (Annex 1) explains how matches must be counted.¹²

Under this call for proposals, **each** proposal must provide for the following key outcome:

1. Match successfully at least **150** entrepreneurs, either as new or as host entrepreneurs.¹³
2. Offering assistance and support to NEs who are visiting a HE covered by the Intermediary Organisation, including the financial assistance as referred to in 2.2.1 (e) above;
3. Participating in meetings in Brussels or other locations in the COSME Participating Countries as specified in Section 3 "Timetable".

The proposal must set intermediate targets per consortium and provide deliverables. The targets should be realistic and achievable.

3. TIMETABLE

3.1. Indicative timetable for the selection of the projects:

Stages	Dates
a) Deadline for submitting applications	11/07/2019 17:00 h Brussels time
b) Evaluation period*	July- October 2019
c) Information to applicants*	October 2019
d) Signature of grant agreements*	January 2020
e) Starting date of the action	1/02/2020

* indicative.

3.2. Project implementation period:

The implementation period of the projects is set to 1/02/2020 to 31/01/2023 (36 months).¹⁴

¹² Applicants should pay attention in their calculation not to confuse the terms "match" and "relationship". Both terms are used as synonyms in order to apply the logic of counting matches in the EYE IT tool (at IO and EP level). In case of a successful relationship/match, each of these entrepreneurs would count as one matched entrepreneur of any Intermediary Organisation involved in organising the business-relation, regardless whether it is an inter- or intra-consortium match. Further explanations are available in Quality Manual (see Annex 1).

¹³ **Efforts:** This reference is about the average efforts (in person-days) applicants should consider when submitting a proposal. Figures provided are based on (average) programme statistics gathered from the implementation of previous EYE projects and are provided for both experienced and unexperienced Intermediary Organisations in the EYE implementation. Those statistics are meant to provide applicants with some guidance on how to plan for a realistic proposal. Unexperienced EYE applicants need, on average, about 12 person-days in order to match an entrepreneur with another one (this covers all efforts across all work packages). Experienced EYE beneficiaries need, on average, about 8-9 person-days in order to match an entrepreneur.

¹⁴ It is to be noted that the COSME Work Programme 2019 is co-financing also proposals selected via Specific Agreements (SGA) to cover a second operational period 1/02/2019-31/01/2022 for consortia having signed a

The following (mandatory) milestone activities are to be respected by all consortia:

- Initial training: February 2020¹⁵;
- Networking meetings: usually in February/March and September/October (6 per project duration);
- Mid-term review meetings (upon request of the EASME): approximately 15 months after the start of the action (the participation of all consortium partners will be required *if* the consortia are called for such meeting).
- Delivery of reports as specified in section 13. *Reporting Requirements*.

4. BUDGET AVAILABLE AND FUNDING OF PROJECTS

4.1. Indicative budget

The total budget earmarked for the co-financing of projects is estimated at EUR 5.581.701,00 (five million five hundred eighty-one thousand seven hundred and one).

This amount could be increased if additional budgetary appropriations are made available.¹⁶

EASME expects to fund 7-10 (seven to ten) proposals.

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

4.2. Funding per project (1/02/2020 to 31/01/2023)

The maximum grant per project will be EUR 750.000,00 (seven hundred fifty thousand).

5. ADMISSIBILITY REQUIREMENTS

The following requirements must be complied with:

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

Framework Partnership Agreements 2016-2021 (COS-EYE-FPA-2016-4-01). Under the **present call for proposals** COS-EYE-2019-4-01 the project implementation period for selected proposals is set to 1/02/2020 to 31/01/2023.

¹⁵ 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 previous EYE projects.

¹⁶ Article 4 of the COSME work programme 2019, EC Decision C(2018) 8098 final, foresees the changes to the allocations to specific actions not exceeding 20% of the maximum contribution for the implementation of the programme for the year 2019.

- Applications must be drafted in one of the EU official languages.

Failure to comply with those requirements will lead to the rejection of the application.

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

6. ELIGIBILITY CRITERIA

6.1. Eligible applicants

Applicants must be legal entities forming a consortium. Applying entities may for instance include¹⁷:

- Public entities responsible for or active in the fields of economic affairs, enterprise, business support or related issues,
- Chambers of commerce and industry, chambers of (handi)crafts 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,
- Institutes of (higher) education such as universities or institutes for vocational education and training.

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

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

- EU Member States;
- countries participating in the COSME programme pursuant to Article 6 of the COSME Regulation¹⁸.

¹⁷ The list is non-exhaustive.

¹⁸ The following groups of countries are eligible for participation in COSME according to Article 6 COSME Regulation:

- 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;
- accessing 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;
- countries falling within the scope of the European neighbourhood policies, when agreements and procedures so allow and in accordance with the general principles and general terms and conditions for the participation of those countries in the Union's programmes established in the respective Framework Agreements, Protocols to Association Agreements and Association Council Decisions.

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

Applicant consortia are encouraged to include legal entities from countries/regions that are not yet covered by the Erasmus for Young Entrepreneurs programme or that are underrepresented in the Erasmus for Young Entrepreneurs Network of Intermediary Organisations.¹⁹

6.2. Eligible consortia

This call aims at selecting consortia to implement the programme:

- Consortia must be composed of at least 6 independent legal entities from at least 4 different COSME Participating Countries and include no more than 10 partners.²⁰
- Maximum 2 partners can be from the same country in one consortium.
- It is **not** allowed that a partner participates in more than one proposal. Nevertheless, if this happens, 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.²¹ In this respect, an explicit declaration will have to be submitted by the coordinator.
- The coordinator and other partners must satisfy the same eligibility criteria.

By the date of the submission deadline of this call for proposals, legal entities implementing Erasmus for Young Entrepreneurs as part of an EYE Framework Partnership Agreement (FPA) are not eligible to apply.

EASME reserves the right to consider ineligible those proposals that do not respect the specific funding conditions mentioned in section 12.2.

6.3. **For British applicants**

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

¹⁹ An overview of countries/regions where IOs implement the programme is available at <http://www.erasmus-entrepreneurs.eu/> (select "Local Contact Points").

The following countries/regions are considered "underrepresented" in the programme at the time of publication of this call for proposals (listed in alphabetical order):

Armenia, Bosnia and Hercegovina, Estonia, Ireland, Kosovo (This designation is without prejudice to positions on status, and is in line with UNSCR 1244(1999) and the ICJ Opinion on the Kosovo declaration of independence), Luxembourg, Moldova, Montenegro, Outermost Regions of the EU (referred to in Article 349 TFEU), Overseas Countries and Territories (referred to in Article 198 TFEU) and Turkey.

²⁰ 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.

²¹ Consortium coordinators are requested to take appropriate measures to ensure that no partner in their proposal participates in another proposal under this call.

6.4. Implementation period

Indicative dates are:

- Activities must start on 1/02/2020;
- Activities are to be completed by 31/01/2023;
- The duration of projects is 36 months;

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

7. **EXCLUSION CRITERIA**

7.1. Exclusion

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

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, 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 EU or national laws or regulations;
- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;
- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful 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 eligibility or selection criteria or in the performance of a contract, a grant agreement or a grant decision;
 - (ii) entering into agreement with other applicants with the aim of distorting competition;
 - (iii) violating intellectual property rights;
 - (iv) attempting to influence the decision-making process of the Agency during the award procedure;
 - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
 - (i) fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council and 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 4(2) of Directive (EU) 2017/1371 or 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, or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA, or corruption as defined in the applicable law;

- (iii) conduct related to a criminal organisation, as referred to in Article 2 of Council Framework Decision 2008/841/JHA;
 - (iv) money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council;
 - (v) terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
 - (vi) child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;
 - (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
 - (g) It has been established by a final judgement or final administrative decision that the applicant has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
 - (h) it has been established by a final judgement or final administrative decision that an entity has been created with the intent referred to in point (g);
 - (i) for the situations referred to in points (c) to (h) above, the applicant is subject to:
 - (i) facts established in the context of audits or investigations carried out by European Public Prosecutor's Office after its establishment, the Court of Auditors, the European Anti-Fraud Office or the internal auditor, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
 - (ii) non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
 - (iii) facts referred to in decisions of persons or entities being entrusted with EU budget implementation tasks;
 - (iv) information transmitted by Member States implementing Union funds;
 - (v) decisions of the Commission relating to the infringement of Union competition law or of a national competent authority relating to the infringement of Union or national competition law; or
 - (vi) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

7.2. Remedial measures

If an applicant declares one of the situations of exclusion listed above (see section 7.4), it must indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to correct the

conduct and prevent further occurrence, compensation of damage or payment of fines or of any taxes or social security contributions. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) of section 7.1.

7.3. Rejection from the call for proposals

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

- (a) is in an exclusion situation established in accordance with section 7.1; or
- (b) has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information; or
- (c) was previously involved in the preparation of documents used in the award procedure where this entails a breach of the principle of equal treatment, including distortion of competition, that cannot be remedied otherwise.

The same exclusion criteria apply to linked third parties.

Administrative sanctions (exclusion) may be imposed on applicants or linked third parties where applicable, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

7.4. Supporting documents

Applicants must provide a **declaration on their honour** certifying that they are not in one of the situations referred to in Articles 136(1) and 141 of the EU Financial Regulation (FR)²², by filling in the relevant form attached to the application form accompanying this call for proposals.

8. SELECTION CRITERIA

8.1 Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents:

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

- a declaration on their honour.

- b) Grants \geq EUR 60 000:

- a declaration on their honour and,

EITHER

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

²² See Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, (OJ L 193/30.07.2018, p.1).

- for newly created entities, the business plan might replace the above documents.

OR

- the table provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

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

- (i) the information and supporting documents mentioned in point b) above, and
- (ii) an **audit report** produced by an approved external auditor certifying the accounts for the last financial year available, where such an audit report is available or whenever a statutory report is required by law.

If the audit report is not available AND a statutory report is not required by law, a self-declaration signed by the applicant's authorised representative certifying the validity of its accounts for the last financial year available must be provided.

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

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

On the basis of the documents submitted, if the authorising officer considers that financial capacity is weak, s/he may:

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 12.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries²³;

If the authorising officer considered that the financial capacity is insufficient s/he will reject the application.

8.2 Operational capacity

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

In this respect, applicants 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 (new) entrepreneurs**.

Applicants have to submit a declaration on their honour, and the following supporting documents:

²³ The beneficiaries are advised to mention this situation also in the consortium agreement (see Article 25 of the model Grant agreement).

- a summary table indicating the persons that will make up the core team responsible for the project with their qualifications and competences. A template is included in the application forms;
- a list of previous projects and activities performed and connected to the policy field of the call for proposals or to the actions to be carried out;

Templates will be available in the application forms.

9. AWARD CRITERIA

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

<i>Criteria</i>	<i>Max. score</i>
<p>Relevance of the actions in view of the objectives of the call (<i>meeting objectives of the call; appropriate results; appropriate partnership; competences and European dimension</i>)</p> <p><i>How relevant is the project proposed in view of the objectives of the call?</i></p> <p><i>How strategically chosen are the project partners (relevance of the partners to the project)?</i></p> <p><i>How wide and direct is the access to entrepreneurs (potential new and host entrepreneurs) of the applicants?</i></p> <p><i>How relevant is (are) the proposed target group(s), taking into account the number of SMEs in the regions covered and its entrepreneurship potential?</i></p> <p><i>How does the project build on previous experiences, in particular those regarding mobility, cross-border cooperation, entrepreneurship support, enhancement of business collaboration (including business matchmaking and partnership), and/or previous collaboration between the partners?</i></p>	30
<p>Quality of the proposed actions (<i>clear and feasible description of actions; appropriate allocation of resources, including management</i>)</p> <p><i>How clear, coherent and ambitious is the work plan?</i></p> <p><i>To what extent is the work plan clearly defined in terms of schedule, milestones and deliverables?</i></p> <p><i>How coherent, appropriate and practical are the overall project design and the activities proposed in view of the effective recruitment, assessment and selection of entrepreneurs, proactive matchmaking, follow-up on exchanges, networking with other Intermediary Organisations and appropriate reporting?</i></p> <p><i>Is the level of effort (hours and budget) appropriate, per work package, per task and per partner considering their skills and responsibilities with a view to achieving the objectives of the proposal?</i></p>	30

<p><i>To what extent can the methodology and management set up be effective and ensure the high quality of the action proposed? Are the tasks and responsibilities of each partner involved clearly defined?</i></p> <p><i>To what extent does the proposal comply with the provisions of the Implementation Manual for Intermediary Organisation (Quality Manual)? Does the proposal include added value activities, going beyond these requirements?</i></p>	
<p>Impact on target audience (appropriate impact indicators; dissemination; project continuation)</p> <p><i>Is the proposal suggesting clear, realistic and practical impact indicators?</i></p> <p><i>To what extent is the project likely to have a tangible and measureable impact on the target groups (at individual entrepreneur level as well as in the regions)?</i></p> <p><i>How effective, innovative and convincing are the promotional and communication activities to attract new and host entrepreneurs and to demonstrate successful outcomes? Does the proposal contain a comprehensive communication strategy? Are the expected multiplying effects reasonable?</i></p> <p><i>To what extent can the applicants offer services allowing for replication and extension of project outcomes, including a range of aftercare activities? Do the activities appropriately include the visibility of the EC support?</i></p> <p><i>To what extent does the proposal envisage comprehensive induction trainings for entrepreneurs for a successful exchange, also including pre-departure information, as well as information on services for businesses, access to finance, etc., especially the EU ones such as the Enterprise Europe Network, SOLVIT, etc.?</i></p>	20
<p>Cost-effectiveness (coherence, detail and clarity between actions proposed and budgeted resources)</p> <p><i>To what extent is the detailed budget coherent with the work plan of the proposal?</i></p> <p><i>To what extent is the budget clear and detailed, as well as effective, to implement the action? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is reasonable in relation to the expected results?</i></p> <p><i>To what extent is the proposed expenditure necessary for the implementation of the project?</i></p> <p><i>Do the expected results stand in a reasonable relationship to the amount of the grant? Does the budget seem justified when compared to the expected impact?</i></p>	20
TOTAL	100

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

In case two or more different proposals obtain the same scoring, but only one of them can be funded, the consortium composition that demonstrates the inclusion of legal entity(ies) from countries/regions that are not yet/sufficiently covered by the Erasmus for Young Entrepreneurs programme will be awarded the grant (see section 6. Eligible Consortia).

10. LEGAL COMMITMENTS

In the event of a grant awarded by EASME, a grant agreement drawn up in euro and detailing the conditions and level of funding, will be sent to the applicant, as well as the information on the procedure to formalise the agreement of the parties.

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

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

11. ADMINISTRATIVE REVIEW PROCEDURES

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

12. FINANCIAL PROVISIONS

12.1 General principles

a) Non-cumulative award

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

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

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 applicant must ensure that the resources which are necessary to carry out the action may not be entirely provided by the EU grant. Co-financing 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 for whom costs will not be incurred in euros, should 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 2014/24/EU²⁴ or contracting entities in the meaning of Directive 2014/25/EU²⁵ must comply with 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.

Beneficiaries may subcontract tasks forming part of the action as described in the proposal. If they do so, they must ensure that, in addition to the above-mentioned conditions of best value for money and absence of conflicts of interests, the following conditions are also complied with:

- (i) subcontracting does not cover core tasks of the action - **under this call for proposals, subcontracting is allowed only under Work Package 2 “Promotion of the programme and recruitment of entrepreneurs“;**

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

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 94/243 of 28.3.2014).

- (ii) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
 - (iii) the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
 - (iv) any recourse to subcontracting, if not provided for in description of the action, is communicated by the beneficiary and approved by the Agency. The Agency may grant approval:
 - (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
 - (ii) after recourse to subcontracting if the subcontracting:
 - is specifically justified in the interim or final technical report and
 - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
 - (v) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.
- f) Financial support to third parties.

Applications must envisage provision of financial support to third parties as specified in section 12.2.

Financial support to third parties (new entrepreneurs) must be part of the project costs and 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 presented in the overview of monthly financial assistance paid by Intermediary Organisations to third parties (New Entrepreneurs), Annex 1 of the Quality Manual

12.2 Funding forms

➤ **Specific funding conditions under this call for proposals**

The grant reimburses up to 75 % of the eligible programme management costs incurred by the IOs and may reimburse up to 100 % of the sum allocated by IOs to third parties (sub-grantee. i.e. new entrepreneurs) participating in an exchange.

The sum allocated as financial assistance to new entrepreneurs participating in an exchange shall take the form of a scale of unit cost of maximum EUR 6 600 per entrepreneur, for a maximum duration of 6 months stays abroad. ²⁶

Funding overview:

²⁶ In case the coordinator takes over all the payments for third parties for the whole consortium or for specific partners, the proposal has to specify this practice and it must be reflected in the project's estimated budget.

Funding	Amount or percentage
EU contribution to programme management costs (per partner)	Max. 75%
EU contribution to financial assistance to third parties (i.e. new entrepreneurs)	Up to 100%
Financial assistance to third parties (i.e. new entrepreneurs)	Min. EUR 250 000 per project proposal Max. EUR 6 600 per NE (in the form of a scale of unit costs)

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

➤ **Maximum EU contribution requested**

The EU contribution is limited to a maximum co-financing rate of eligible costs indicated in section 4. Consequently, part of the total eligible expenses entered in the estimative budget must be financed from sources other than the EU grant (see section 12.1c).

➤ **Eligible costs**

'Eligible costs' shall meet all the following criteria:

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

The period of eligibility of costs will start as specified in the grant agreement. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. Under no circumstances can the eligibility period start before the date of submission of the grant application (see section 12.1 b).

- ✓ they are indicated in the estimated budget of the action;
- ✓ they are necessary for the implementation of the action which is the subject of the grant;
- ✓ they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- ✓ they comply with the requirements of applicable tax and social legislation;
- ✓ they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

The same criteria apply to costs incurred by linked third parties.

In addition for **unit costs**:

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

Further details are included in the model grant agreement.

Eligible costs may be direct or indirect.

Eligible direct costs

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

A. Direct personnel costs

Types of eligible personnel costs

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

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

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

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

- (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
- (b) the result of the work carried out belongs to the beneficiary, and

- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

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

A.3 Costs of owners of beneficiaries that are small and medium-sized enterprises ('**SME owners**'), who are working on the action and who do not receive a salary are eligible personnel costs, if they correspond to the amount per unit set out in Annex 2a of the model grant agreement multiplied by the number of actual hours worked on the action.²⁷

A.4 Costs of 'beneficiaries that are natural persons' not receiving a salary are eligible personnel costs, if they correspond to the amount per unit set out in Annex 2a of the model grant agreement multiplied by the number of actual hours worked on the action.

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

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

C. Direct costs of providing financial support to third parties, i.e. for new entrepreneurs, are eligible if the conditions set out in the grant agreement are met.

D. Other direct costs

D.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.

D.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.

²⁷ The amounts per unit per country can be found at <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents>. Please navigate as follows: "Programme": Horizon 2020, "Reference Documents" Work Programmes 2018-20, Main WP, 3. Marie Skłodowska-Curie actions (MSCA) 2018-20_v2.0, therein Table 2: Country correction coefficients (CCC) for ITN and IF living allowances.

D.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.

E. Eligible indirect costs (overheads)

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

Indirect costs are eligible if they are declared on the basis of the flat-rate of 7% of the eligible direct costs of programme management, excluding the direct costs for financial support to third parties.

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 grant²⁸ financed by the EU or Euratom budget, they cannot declare indirect costs for the period covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action. In order to demonstrate this, in principle, the beneficiary should:

- a. use *analytical cost accounting that allows to separate all costs (including overheads) attributable to the operating grant and the action grant*. For that purpose the beneficiary should use *reliable accounting codes and allocation keys* ensuring that *the allocation of the costs is done in a fair, objective and realistic way*.
- b. *record separately*:
 - all costs incurred for the operating grants (i.e. personnel, general running costs and other operating costs linked to the part of its usual annual activities), and
 - all costs incurred for the action grants (including the actual indirect costs linked to the action).

If the operating grant covers the entire usual annual activity and budget of the beneficiary, the latter is not entitled to receive any indirect costs under the action grant.

➤ **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 the Agency;
- (h) excessive or reckless expenditure;

²⁸ For the definition, see Article 180(2)(b) of the EU Financial Regulation: '**operating grant**' means financial contribution, to the functioning of a body which has an objective forming part of, and supporting, an Union policy, by means of a financial contribution to its work programme.

- (i) deductible VAT;
- (j) costs incurred during suspension of the implementation of the action;
- (k) in-kind contributions provided by third parties;
- (l) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period, unless they can demonstrate that the operating grant does not cover any costs of the action.
- (m) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);
- (n) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies.

Further details are included in the model grant agreement.

➤ **Calculation of the final grant amount**

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

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

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

EU grants may not have the purpose or effect of producing a profit within the framework of the action. **Profit shall be defined as a surplus, calculated at the payment of the balance, of receipts over the eligible costs of the action**, where receipts are limited to the Union grant and the revenue generated by that action. 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.

The '**final grant amount**' depends on the actual extent to which the action is implemented in accordance with the Grant Agreement.

This amount is calculated by the Agency at the payment of the balance in the following steps:

Step 1 — Application of the reimbursement rate to the eligible costs declared by the beneficiaries and approved by the Agency.

Step 2 — Limit to the maximum grant amount.

Step 3 — Reduction due to the no-profit rule as the grant must not produce a profit²⁹:

‘Profit’ means the surplus of the amount obtained following Steps 1 and 2 plus the ‘action’s total receipts’ (being the consolidated total receipts generated during its duration), over the ‘action’s total eligible costs’ (being the consolidated total eligible costs approved by the Agency).

The following are considered ‘receipts’:

- (a) income generated by the action;
- (b) financial contributions given by third parties to the beneficiary [or to a linked third party], specifically to be used for costs that are eligible under the action.

The following are however not considered ‘receipts’:

- (a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs;
- (b) financial contributions by third parties with no obligation to repay any amount unused at the end of the action period.

If there is a ‘profit’, it will be deducted in proportion to the final rate of reimbursement of the eligible actual costs approved by the Agency (as compared to the amount calculated following Steps 1 and 2).

Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations) from the maximum grant amount.

The final grant amount will be the lower of the following two:

- the amount obtained following Steps 1 to 3 or
- the reduced grant amount following Step 4.

Further details are included in the model grant agreement.

12.3 Payment arrangements:

Pre-financing payment

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

Interim payment

One interim payment shall be paid to the beneficiary. Interim payment is intended to cover the beneficiary's expenditure on the basis of a request for payment when the action has been partly carried out. For the purpose of determining the amount due as interim payment, the reimbursement rate to be applied to the eligible costs approved by EASME shall be the rate indicated in section 4.

The total amount of pre-financing and interim payment shall not exceed 90% of the maximum grant amount.

Final payment

²⁹ Not applicable for low value grants.

EASME will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 12.2 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by EASME through a recovery order.

12.4 Pre-financing guarantee

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for an amount not exceeding the amount of the pre-financing and shall be valid for a period sufficiently long to allow it to be activated, may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in a third country, the authorising officer may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by a joint and several guarantee by a third party or by a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

The guarantee shall be released when the pre-financing is deducted from interim payments or payments of the balance to the beneficiary, in accordance with the conditions laid down in the grant agreement.

13. REPORTING REQUIREMENTS:

Beneficiaries will be requested to submit the following reports:

- 2 technical progress reports, each covering a period of 9 months, not linked to a request for payment;
- 1 periodical technical and financial report after 18 months, linked to a request for interim payment;
- 1 final technical and financial report after 36 months, linked to the request for the payment of the balance.

Report	Type of Report	Implementation period	Due date
1	Progress	months 1 to 9	15 th of month 10
2	Interim	months 1 to 18	60 days after month 18
3	Progress	months 19 to 27	15 th of month 28
4	Final	months 1 to 36	60 days after end of project

Further details are included in the model grant agreement.

14. PUBLICITY

14.1 By the beneficiaries

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

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

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

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

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

14.2 By EASME

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

EASME will publish the following information:

- name of the beneficiary
- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level³⁰ 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.

³⁰ 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) (OJ L 39 of 10.02.2007).

15. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data³¹. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by the EASME Head of Unit A.1. 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-sedia_en.pdf

Personal data may be registered in the Early Detection and Exclusion System (EDES) should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of the EU Financial Regulation 2018/1046³² (for more information see the Privacy Statement on: http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_edes_en.pdf).

16. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

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

➤ Electronic submission

Applicants are requested to go to the Funding and Tenders Portal <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/programmes/cosme> 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, 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/cosme/cosme-funding-opportunities>.

17. ANNEXES:

Annex 1- Erasmus for Young Entrepreneurs Implementation Manual for Intermediary Organisations (Quality Manual), updated version of March 2019.

Model grant agreement and Annex 2a to the Model Grant Agreement – Additional information on the estimated budget (available at the call publication website)

Guide for applicants (available at the call publication website)

³¹ OJ L 295/39 of 21.11.2018.

³² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>.

For the submission of proposals (Submission set):

-Template for Description of the Action (Technical Annex 1)

-Template for the detailed budget (Technical Annex 2)

-Declaration as regards the submission of one proposal only (compliance with section 6.2)