



COSME Programme

Call for proposals

Boosting sustainable tourism development and capacity of tourism SMEs through transnational cooperation and knowledge transfer

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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.²

In this context, the Programme for the competitiveness of enterprises and small and medium-sized enterprises (2014-2020)³, (COSME), aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

The Executive Agency for Small and Medium-sized Enterprises⁴ (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.

This call for proposals implements parts of the COSME Work Programme 2019, as last adopted on 5 December 2018⁵.

1.2. Policy Context

1.2.1. *General policy context*

Tourism is an important economic sector in the European Union. In 2017, the total contribution of Travel & Tourism to EU GDP was of 10.4% employing more than 27 million people⁶. The Treaty on the Functioning of the European Union ("TFEU") outlines the Union's competences in this field (Title XXII Tourism, Art. 195), specifying that EU measures to support, coordinate or supplement the actions of the Member States shall be especially aimed at: a) encouraging the creation of a favourable environment for the development of undertakings in this sector; b) promoting cooperation between the Member States, particularly by the exchange of good practices.

In line with the priorities of the European Commission, the actions proposed under COSME 2019 work programme aim at strengthening the competitiveness and sustainability of the tourism sector and at increasing its contribution to economic growth and jobs in the EU. The actions particularly

¹ COM (2010)2020 final of 3 March 2010 "Europe 2020. A strategy for smart, sustainable and inclusive growth". <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:2020:FIN:EN:PDF>

² COM (2018)772 Communication from the Commission « The Single Market in a changing world »: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52018DC0772>

³ Regulation (EU) No 1287/2013 of 11 December 2013 (Official Journal of the European Union L 347/33 of 20.12.2013).

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).

⁵ Commission Implementing Decision C(2018) 8098 of 5.12.2018 concerning the adoption of the work programme for 2019 and the financing decision for the implementation of the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises.

⁶ World Travel & Tourism Council, Economic Impact 2018, European Union. <https://www.wttc.org/economic-impact/country-analysis/regional-reports/>

aim at improving the business environment for tourism enterprises, through enhanced socio-economic and market intelligence and exchange of best practices, diversifying and increasing the visibility of Europe's transnational tourism offer, as well as boosting capacity of tourism SMEs through transnational cooperation and knowledge transfer.

This call for proposals will support transnational and cross-border cooperation to foster innovative solutions for sustainable tourism development and management of tourism enterprises, in particular SMEs.

1.2.2. *Specific policy context*

In line with the Communication on Tourism (COM (2010)352)⁷, the tourism sector's competitiveness is closely linked to its sustainability, as the quality of tourist destinations is strongly influenced by their natural and cultural environment and by their integration into a local community.

Sustainability refers to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee long-term growth. The sustainability of tourism thus covers a number of different aspects, amongst which: the responsible use of natural resources, the environmental impact of tourism activities (production of waste, pressure on water, land and biodiversity, etc.), the efficient use of 'clean' energy, protection of cultural heritage and preservation of the natural and cultural integrity of destinations, the quality and sustainability of jobs created and the respect for local communities.

The impact of tourism related activities on the local environment of the destination are manifold. Uncontrolled tourism growth poses potential threats and puts pressure on natural resources, as well as on the quality of life of local communities. However, if managed and practised in a responsible and sustainable way, tourism can contribute to the preservation and sustainable development of the natural environment and the entire “ecosystem” of the local destination.

It is for this reason that three out of the **17 Sustainable Development Goals (SDGs)**⁸ of the 2030 Agenda for Sustainable Development are specifically relevant to tourism (Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; Goal 12. Ensure sustainable consumption and production patterns and Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development).

Equally important are the commitments which the EU and its Member States have undertaken following the Paris climate conference (COP21)⁹ in December 2015 to reduce emissions by at least 40% by 2030 and the measures adopted under the **EU Circular Economy Action Plan and the Plastics Strategy**, as part of its comprehensive **Circular Economy Package**¹⁰. This action plan establishes a series of concrete and ambitious initiatives, focusing on, for example, water and waste management and recycling seeking to help European businesses, including in tourism, and consumers to make the transition to a stronger circular economy where resources are used in a more sustainable way.

Further to this, in December 2017, the European Commission put forward a new series of actions on Circular Economy. This includes, among others, a strategy to move towards **a circular plastics economy in Europe**, including through fostering innovation and investments – an area which is

⁷ COM (2010) 352 Communication from the Commission - Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52010DC0352>

⁸ <https://www.un.org/sustainabledevelopment/development-agenda/>

⁹ https://ec.europa.eu/clima/policies/international/negotiations/paris_en

¹⁰ http://ec.europa.eu/environment/circular-economy/index_en.htm

highly relevant to tourism and related economic activities. For EU tourism to remain competitive and at the same time maximise results in this field, it will be necessary for individual companies to be integrated in the entire circular economy value chain.

The adaptation of European tourism companies towards more sustainable, low-carbon and resource-efficient business models not only helps to protect the environment, but also provides a competitive advantage by creating important cost savings and improving the quality of the tourism offer. It can create new jobs and opportunities. Moreover, it can address the growing consumer demand for a more eco-friendly tourism experience. At the same time, green investments generally bear additional costs and operational challenges for tourism businesses, especially SMEs.

EU tourism and environmental policy provides tools to directly support the improvement of sustainable management and performance of tourism enterprises and destinations.

Initiatives promoting sustainable tourism, implemented by the European Commission in the framework of the EU tourism policy, are mostly addressed to tourism destinations and include e.g.:

- a) European Tourism Indicator System (ETIS)¹¹ - a voluntary set of indicators to measure the sustainability performance of tourism destinations
- b) European Destinations of Excellence (EDEN)¹² - promoting emerging, non-traditional sustainable tourism destinations in Europe
- c) European Capital of Smart Tourism¹³ – promoting outstanding and innovative practices in, among others, sustainable tourism by European cities

At the same time, in the framework of the environmental policy, the European Commission proposes instruments like: **the EU Ecolabel¹⁴ and EMAS¹⁵ to promote certification schemes creating incentives for, among others, those managing tourism accommodation services to keep to environmental standards and green their operations.** EMAS is open to every type of organisation eager to improve its environmental performance. It spans all economic and service sectors and is applicable worldwide.

EU Member States and regions cooperate together in the framework of, among others, macro-regional and the sea basin strategies or network organisations to exchange best practices and learn from each other how to develop tourism in a more sustainable way.

Moreover, public authorities of EU Member States and regions as well as the private sector implement a plethora of labels, certifications schemes, strategies that aim at making business operations, also in tourism sector, more environmentally, economically and socio-culturally responsible.

In addition, business incubators and accelerators and other business support organisations play a key role in supporting the growth process of start-ups and SMEs. Previous research shows that the survival rate for incubated companies, after three years, is close to 90%, which is more than 20% higher than other companies. It is also important to bring together and link relevant actors (such as e.g.: energy efficiency or environmental solutions providers; new technologies providers) which support start-ups and SMEs from across the EU to maximise the innovation potential and build much needed connections and collaborations.

¹¹ http://ec.europa.eu/growth/sectors/tourism/offer/sustainable/indicators_en

¹² https://ec.europa.eu/growth/tools-databases/eden_en

¹³ <http://smarttourismcapital.eu/>

¹⁴ <http://ec.europa.eu/environment/ecolabel/>

¹⁵ http://ec.europa.eu/environment/emas/index_en.htm

In this specific policy context, making use of incubators and accelerators to support the growth process and to build capacity to uptake sustainable solutions by a substantial number of start-ups and SMEs in the tourism is essential.

There is a need to accelerate and widen the exchange of skills between entrepreneurs and technologists, thus creating a common language and understanding. The challenge is however that people and companies from different disciplines do not naturally cooperate with each other: although companies in tourism are often very open to collaboration, they lack resources and interdisciplinary skills necessary to organise such collaborations. This is where **incubators, accelerators and other business support organisations can play a key role: they are equipped with adequate skills and infrastructure.**

Moreover, the fusion of innovative environment with cutting-edge technologies can possibly disrupt traditional industries such as tourism, but is also likely to contribute towards the development of new business models and innovative concepts.

With this call for proposals, the European Commission aims at **boosting the capacity of tourism SMEs in a shift towards a more sustainable and responsible management** through, among others, implementing innovative solutions for sustainable tourism and also contributing to the uptake of existing relevant strategies and certifications schemes. EU added value will be ensured through transnational and cross-border cooperation to enable sustainable growth of tourism SMEs, innovation and knowledge transfer in the area of tourism sustainability. The development and implementation of concrete support schemes for tourism SMEs to build their capacity will be enhanced.

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

2.1. General and Specific Objectives

The general objective of the action is **to boost sustainable tourism development and capacity of tourism SMEs through transnational cooperation and knowledge transfer:**

The action aims at:

- reinforcing transnational and cross-border cooperation to enable sustainable growth of tourism SMEs
- fostering SMEs' capacities and skills to explore and uptake solutions, which would improve their sustainable management and tourism sustainability in general
- fostering innovative solutions for sustainable tourism through cross-sectoral cooperation

The specific objective of the action is **to develop and put in place transnational and cross-sectoral support schemes to build capacity for sustainable growth of SMEs in the tourism sector.**

The support scheme shall focus on:

1) Boosting skills and knowledge transfer activities, through:

- facilitating knowledge transfer between companies lagging behind in terms of sustainability and those more advanced
- trainings and peer to peer learning for SMEs and start-ups in the tourism sector.

2) Implementing technical support activities related to incubation, acceleration and scaling-up of tourism SMEs to:

- improve sustainable management of tourism SMEs
- foster innovative solutions for sustainable tourism through enhancing cross-sectoral cooperation for the development of new products, services, skills and new business models

3) Providing direct financial support for capacity building in sustainable tourism to the selected tourism SMEs.

2.2. Priorities

The present call for proposals aims to foster SMEs' capacities and skills to explore and uptake solutions, which would improve their sustainable management and tourism sustainability in general. This shall address training and business needs that tourism SMEs require to adapt to trends, challenges and opportunities that come along with industrial change, including transformation to climate neutral industry and the transition to circular economy, and to test innovative models of managing tourism services in a socially sustainable manner.

Due to the horizontal nature of tourism activities, effective sectoral support can in fact trigger sustainable jobs and growth in connected sectors, with a positive impact on EU regions and local communities.

The call aims to facilitate and reinforce transnational cross-sectoral collaboration amongst target tourism SMEs and operators from different sectors (e.g.: providers of sustainable solutions, recycling centres, environmental education centres, social economy associations, professional associations). This transnational collaboration shall be organised with the relevant organisations providing business support to SMEs to scale-up (such as e.g.: incubators, accelerators, labs, universities, innovation hubs, research centres and other relevant business support organisations) playing an important role in the project.

By fostering innovation and uptake of sustainable measures, the projects co-financed under this call shall also contribute to the implementation of existing, relevant EU/national/regional strategies and/or certification schemes linked to sustainable tourism and to sustainable development.

2.3. Eligible Activities

A transnational consortium/network of public and private stakeholders (including business incubators, accelerators and business support organisations providing business support to SMEs and start-ups cooperating with providers of sustainable solutions, recycling centres, environmental education centres, social economy associations, professional associations) will act as an intermediary organising specific activities for tourism SMEs in different countries. The consortium will organise and provide direct support to companies to build their capacities to develop and implement sustainable and circular standards/models/strategies in their services and operations, but will also facilitate cross-border/transnational cooperation to foster peer to peer learning as well as to exchange knowledge and good practices in increasing tourism sustainability.

Each consortium/network will directly support (including financial support) in total a minimum of 60 tourism SMEs from a minimum of 3 eligible countries¹⁶. The supported tourism SMEs may be established in different eligible countries from those in which the partners forming the consortium are established. The consortium shall also support a balanced number of tourism SMEs per country¹⁷.

Each consortium will need to:

- identify the specific objectives of the project
- define specific objectives to be achieved by SMEs participating in the project (for example: improvement of specific indicators related to sustainable management, implementing innovative solutions for sustainable tourism, establishing of cross-sectoral and transnational cooperation, achieving compliance and obtaining concrete certifications). Consortia aiming at including the participation of target SMEs in a certification scheme are encouraged to promote participation in the relevant EU Certification Schemes (namely EU Ecolabel and EMAS), as also evidenced in the Award Criteria.
- design and implement transnational and cross-sectoral support schemes including capacity building, knowledge transfer and scaling-up activities to enable sustainable growth of SMEs in the tourism sector (in line with eligible activities described below).
- select tourism SMEs to participate in the proposed support scheme benefitting from financial support. **Guidelines for Awarding Financial Support to Third Parties (Tourism SMEs)** are provided accordingly in one of the Call Annexes.
- **provide financial support to the selected tourism SMEs in line with the provisions of Sections 12.1f and 12.2**
- organise a simple but robust reporting system, through which SMEs involved will report to the project coordinator on their achievements/progress/uptake of sustainable solutions throughout and at the end of the project. The project coordinator will in turn report to EASME accordingly.

The Call for Proposals targets financial support to third parties (tourism SMEs) alongside the co-financing of other actions. In line with the objectives, the action will support activities that fall under the following:

Transnational and cross-sectoral support schemes to build capacity for sustainable growth of SMEs in the tourism sector by:

1. Boosting skills and knowledge transfer activities.

- Mapping of innovative initiatives, guidelines, good practices, main players, providers of sustainable solutions, relevant opportunities for tourism sector SMEs to become more sustainable.
- Supporting transnational cooperation with the view to (a) facilitating knowledge transfer between companies lagging behind in terms of sustainability and those

¹⁶ Refer to Section 6.1 for Eligible Applicants

¹⁷ If 3 countries are included, the number of SMEs supported must not be less than 15 SMEs per individual country. From 4 countries, the number of SMEs supported must not be less than 12 SMEs per individual country. From 5 countries, the number of SMEs supported must not be less than 10 SMEs per individual country. From 6 countries, the number of SMEs supported must not be less than 8 SMEs per individual country. From 7 countries, the number of SMEs supported must not be less than 7 SMEs per individual country, etc.)

more advanced and (b) peer to peer learning for SMEs and start-ups in the tourism sector. Knowledge transfer/capacity building can cover diverse areas with the potential of improving tourism sustainability, for example: implementation of certifications schemes linked to sustainable tourism or eco-friendly management relevant to participating SMEs, low-carbon and resource-efficient solutions, innovation, technology transfer, digitalisation, cross-sectoral innovation and cooperation, skills upgrading and scaling-up etc. (*this list is not exhaustive*).

2. Implementing technical support activities related to incubation, acceleration and scaling-up of tourism SMEs

- Implementing support schemes for tourism SMEs and start-ups to build their capacity, to accompany them for a period necessary for them to learn and adapt to new sustainable solutions. The involved SMEs should be accompanied throughout a process of innovation of their services, adaptation and uptake of measures in a way that they become more sustainable at the end of the project.
- Enhancing cross-sectoral cooperation to support innovative solutions for sustainable tourism (e.g. between tourism SMEs and innovation or technologies providers).
- Implementing activities incentivising tourism SMEs in improving sustainable management and finding innovative solutions, developing new products, services, skills and new business models.
- Reporting on growth, scaling-up and improvement in sustainable management of tourism SMEs involved.

Examples of eligible activities include (*this list is not meant to be exhaustive*):

- Communication activities about the project's objectives to reach out to potential SMEs and the project results
- Selection of tourism SMEs for participation in the project's support scheme
- Mapping of specific needs of target tourism SMEs involved in the project, to uptake innovative sustainable solutions
- Mapping of relevant innovative initiatives, guidelines, good practices, main players, providers of sustainable solutions, opportunities for the tourism sector to become more sustainable (activities which are relevant to target SMEs involved in the project).
- Organisation of online and offline trainings, workshops, study visits, awareness raising activities
- Production of training materials, webinars
- Coaching and mentoring services
- Twinning, matchmaking, peer learning, knowledge sharing
- Business to business matchmaking activities
- Developing of ICT solutions, platforms for knowledge and expertise sharing, and local community involvement
- Organisation of activities to strengthen cooperation of involved tourism SMEs with cross-sector and scaling-up support organisations including: technology centres, research institutes, innovation hubs, resource efficiency services providers, incubators and accelerators.
- Reporting on the results of implemented capacity building activities and on the concrete uptake of innovative solutions by tourism SMEs improving tourism sustainability.
- Other activities proposed by project partners in line with the objectives of the call.

The applicant and all beneficiaries must make provision for the collection and processing of personal data relating to the representatives of the third parties (tourism SMEs), and must ensure that GDPR requirements are fully adhered to.

The applicant must also foresee, in the budget proposal of the project, the participation of maximum two representatives of the project's consortium (one representative of the coordinator organisation and a financial officer) at the **kick-off meeting in Brussels**, organised by EASME, at the beginning of the implementation period.

In their proposals, applicants must elaborate, among others, on the following aspects:

- **specify the countries from which the minimum 60 tourism SMEs to participate in the support scheme will be selected, and give justification for this choice.** However, applicants **shall not** identify these SMEs at application stage as their selection will be done during the co-financing period;
- include a description/methodology on the proposed activities and how the consortium will concretely organise the steps mentioned in Section 2.3 Eligible Activities;**
- **specify which partner in the consortium is the business support organisation (refer in particular to Section 8.2);**
- **elaborate on the profiles of the proposed project manager/coordinator and of the tourism expert;**
- one of the work packages must also be geared towards reporting – through the deliverable mentioned in Section 13 of this Call - on the improvement in the uptake of sustainable solutions by tourism SMEs supported by the project.**

Non-eligible activities:

- Development/improvement of the physical infrastructure
- Projects without developing transnational and cross-sectoral support schemes.

2.4. General Expected Results (for Outputs or Deliverables)

The project proposal shall target the following general expected results:

Outputs (examples):

- Enhanced transnational cooperation of public and private stakeholders (including SMEs) on tourism sustainability.
- Increasing the competitiveness of tourism SMEs by improving their capacity and uptake of innovative sustainable solutions.
- Boosting innovation in sustainable tourism through knowledge transfer and cross-sectoral collaboration.
- Increasing transnational cooperation between tourism SMEs as well as between SMEs and incubators, accelerators and knowledge providers
- Encouraging tourism SMEs to invest in sustainable solutions and capacity building.
- New market opportunities for SMEs, start-ups, in the tourism sector and for providers of sustainable solutions.

Deliverables (examples):

- Report on the improvement in the uptake of sustainable solutions by tourism SMEs supported by the project and in general on the contribution of the project to the growth and scaling up of SMEs in the tourism sector, and the development of new products/solutions improving tourism sustainability;
- Development and implementation of support schemes to improve transnational cooperation between tourism SMEs, to transfer knowledge and foster innovative solutions in tourism;
- Implemented activities that contribute to boosting tourism sustainability in general, fostering innovative solutions, cross-sectoral innovation and cooperation, development of new products, services, skills and new business models.

The applicant is free to add other, more specific, concrete deliverables, in line with the expected results and impacts.

2.5. Indicators

- Number of countries and number of tourism SMEs involved in the project and supported by the organised activities;
- Number of tourism SMEs reporting by the end of the co-financing period about considerable improvements in responsible and sustainable management as a result of the project (for example: by getting certifications, by improving on concrete indicators related to sustainable management, by saving resources, by improved consumer satisfaction ratings etc.);
- Number of activities organised (including transnational and cross-border activities) in support of tourism SMEs (including trainings/workshops/study trips etc.);
- Number of cross-sectoral and transnational partnerships established between tourism SMEs as a result of the project

Other indicators closely linked to the project's activities can be added depending on the specific concrete results/outcomes foreseen by the project.

3. TIMETABLE

Stages	Dates
a) Deadline for submitting applications	24/10/2019 at 17:00 h Brussels time
b) Evaluation period*	November 2019 – February 2020
c) Information to applicants*	February 2020
d) Signature of grant agreements*	May 2020
e) Starting date of the action*	May-June 2020

* indicative.

4. BUDGET AVAILABLE AND FUNDING OF PROJECTS

The total budget earmarked for the co-financing of projects is estimated at EUR **5 000 000**.

The maximum grant per project will be EUR **1 000 000**.

EASME expects to fund **5 to 7** proposals.

The grant is limited to a maximum reimbursement rate of **75 % of eligible costs (refer also to Section 12.2)**.

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

5. ADMISSIBILITY REQUIREMENTS

The following requirements must be complied with:

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

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

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

6. ELIGIBILITY CRITERIA

6.1. Eligible applicants

Eligible applicants must be fully or partly public or private bodies; private bodies must be properly constituted and registered under national law.

Applicants must be legal persons forming a consortium. The following is a list of non-exhaustive types of legal persons that may apply:

- non-profit organisations (private or public);
- non-governmental organisations;
- public authorities and their networks or associations at European, international, national, regional and local level, or organisations acting on behalf of a public authority, responsible for or active in the fields of tourism, economic affairs, industry, business support or related fields;
- international organisations;
- private and profit making entities including micro, small and medium sized enterprises (SMEs) active in tourism and business support;

- chambers of commerce and industry;

- training and educational institutions, including universities and research centres active in tourism and business support.

Natural persons are not eligible.

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. These linked third parties must be identified in the proposal in order to consider their costs eligible.

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.

6.2. Eligible consortia

The consortium must gather a **minimum of 5** and a **maximum of 10 members/partners** - different legal persons - covering at least **5 eligible countries** - as listed under section 6.1.

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.

6.4 Implementation period

The project's duration must be between **25 months and 36 months**.

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

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

- a. European Free Trade Association (EFTA) countries which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA Agreement, and other European countries when agreements and procedures so allow;
- b. acceding countries, candidate countries and potential candidates in accordance with the general principles and general terms and conditions for the participation of those countries in the Union's programmes established in the respective Framework Agreements and Association Council Decisions, or similar arrangements;
- 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: <https://ec.europa.eu/docsroom/documents/34263> . 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.

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 and linked third parties must all 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)¹⁹, 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;
- 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.

¹⁹ 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).

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 years available must be provided.

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

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-beneficiaries²⁰;

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,

- (a) Applicants must demonstrate that one of their core activities is the support of SMEs and that they can deliver business support services to SMEs and start-ups. **In this regard, at least one partner in the consortium must be a business support organisation, having a minimum of two (2) years of experience in providing business support activities to SMEs and start-ups.** Such business support organisations could include a business incubator/accelerator²¹, lab, innovation hub, university or educational institution, research centres and any other relevant organisation with a proven capacity and experience in running business support activities directly to SMEs.

The business support organisation must have supported (alone, not in conjunction with other partners forming part of the consortium) at least thirty different 30 SMEs and start-ups in the past two (2) calendar years. Such experience needs to be demonstrated **specifically** through the annexed List of

²⁰ The beneficiaries are advised to foresee this situation also in the consortium agreement (see Article 25 of the model Grant agreement).

²¹ For the purpose of this call for proposals, a business incubator/accelerator is defined as an organisation designed to accelerate the growth and success of SMEs through an array of business support resources and services that could include: physical space, capital, coaching, common services and networking connections.

Previous Projects/Activities Template, highlighting precisely (with dates) this partner's minimum 2-year experience in providing business support activities to SMEs, besides the number of SMEs directly supported in the past two (2) calendar years.

Should the thrust of the project be specifically on the provision of sustainable solutions, the consortium could for instance also include a provider of sustainable solutions such as a recycling centre, environmental educational centre, social economy association and/or professional association as part of the consortium. European umbrella organisations and networks are also ideally placed to ensure operational capacity. All above bodies must naturally comply with the requirements of Section 6.1.

(b) **the consortium** must assign to the project **a team primarily responsible for managing and implementing the proposed action**. The proposed team must include:

1. **A Project Manager/Coordinator with at least two years of experience in managing and implementing transnational projects**. The project manager/coordinator must be directly linked to the lead partner (coordinating organisation) of the project. The onus will be on the applicant to demonstrate that the project manager/coordinator proposed has the necessary qualifications and experience in managing the action in line with the requirements of the call. Such experience needs to be demonstrated through a CV but also **specifically** through the annexed Project Manager Description Template, highlighting precisely (with dates) the obtained project management expertise.

2. **At least one tourism expert within the consortium team, with minimum two years of track experience working in sustainable tourism management** within one of the tourism industry categories highlighted in Section 12.1f. Such experience needs to be demonstrated through a CV but also **specifically** through the annexed Tourism Expert Description Template, highlighting precisely (with dates) the obtained tourism expertise.

Experience will be assessed exclusively on the basis of the information provided by the consortium in the relevant CV and particularly in the specific relevant templates/technical annex, at application stage. In this respect, applicants have also to submit a declaration on their honour (provided in the application forms), and the following supporting documents:

- 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 (Technical Annex 1, Section B2).
- **curriculum vitae** (CV), preferably in European CV format <http://europass.cedefop.europa.eu>) or description of the main profiles, concerning the managers/experts specified above besides the main persons primarily responsible for managing and implementing the different activities of the action. The CV/profile should be accompanied, where appropriate, by a list of relevant projects managed.

9. AWARD CRITERIA

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

Criteria	Max. score
<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>What is the importance of the proposed action in relation to EU policies and priorities identified in the call?</i></p> <p><i>To what extent are the specific objectives and actions proposed by the applicant strategically chosen to meet the objectives of this call?</i></p> <p><i>How relevant and convincing are the project's activities in knowledge transfer/capacity building, scaling-up and cross-sectoral innovation in order to achieve the objectives of the call?</i></p> <p><i>How well does the project fit with the expectations/needs of the identified target group/s?</i></p> <p><i>How strategically chosen are the project partners (relevance of the partners to the project)?</i></p> <p><i>To what extent do the proposed activities, composition of the partnership and the selected target group(s) demonstrate a European added value? Is a transnational cooperation of target SMEs through the implementation of support schemes ensured?</i></p> <p><i>Does the proposed geographical coverage of participating partners and target SMEs to be involved exceed the minimum requirements set?</i></p> <p><i>Is there any complementarity between the proposed project and other actions being taken at European level?</i></p> <p><i>Does the project promote participation in the relevant EU certification schemes - namely EU Ecolabel and EMAS – if it foresees the participation of target SMEs in a certification scheme?</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>How appropriate, practical and innovative are the activities proposed (including the internal plan of action/work packages)?</i></p> <p><i>To what extent is the work plan clearly defined in terms of schedule, milestones and deliverables?</i></p> <p><i>Is there a logical link between identified needs, specific objectives, proposed actions and expected results? Is this link well described and justified?</i></p> <p><i>How suitable is the contribution of each partner to the activities proposed?</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?</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 and the expected results?</i></p> <p><i>How methodical is the applicant in identifying the concrete tools and targets (i.e. relevant certification schemes, strategies, monitoring tools etc.) that the consortium intends to promote and implement through the business support activities, in order to improve sustainable management of tourism SMEs?</i></p> <p><i>How reasonable and balanced are the criteria for selecting the SMEs for the financial support? How robust is the proposed reporting methodology concerning SMEs benefiting from the financial support?</i></p>	
<p>Impact on target audience (<i>appropriate impact indicators; dissemination; project continuation</i>)</p> <p><i>Is the proposal suggesting clear, realistic and practical impact indicators?</i></p> <p><i>To what extent does the project contribute to creating a real, measurable impact on the tourism sector concerned?</i></p> <p><i>To what extent is the project likely to have a tangible impact on the target groups (i.e. tourism SMEs)?</i></p> <p><i>How effective is the proposed transnational and cross-sectoral support scheme to enable sustainable growth of SMEs in the tourism sector?</i></p> <p><i>How effective, innovative and convincing are the communication activities proposed?</i></p> <p><i>Are the expected multiplying effects reasonable?</i></p> <p><i>To what extent does the proposal include elements of follow-up and transferability (including lessons learnt and good practices) at EU level?</i></p> <p><i>Are concrete measures planned in order to ensure that the project can be continued after the termination of EU funding?</i></p>	20
<p>Cost-effectiveness (<i>coherence, detail and clarity between actions proposed and budgeted resources</i>)</p> <p><i>To what extent the detailed budget is 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> <p><i>How effective is the proposed budgetary organisation concerning financial support to SMEs?</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.

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.²²

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

²² 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).

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.

Co-financing may also take the form of in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary or to the consortium. The corresponding costs of third parties are not eligible under the grant, e.g. providing a meeting room or equipment for free, etc. In-kind contributions shall be presented separately in the estimated budget to reflect the total resources allocated to the action. Their approximate value shall be indicated in the estimated budget and shall not be subject to subsequent changes.

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/infoeuro/infoeuro_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/EU²³ or contracting entities in the meaning of Directive 2014/25/EU²⁴ 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:

²³ 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).

²⁴ 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).

- (i) subcontracting does not cover core tasks of the action;
 - (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 the provision of financial support to third parties (tourism SMEs) as specified in section 12.2.

For the purpose of this call for proposals, tourism SMEs supported must fall under the following categories of tourism industries, in line with selected Eurostat classes²⁵:

- Hotels and similar accommodation
- Holiday and other short-stay accommodation
- Camping grounds, recreational vehicle parks and trailer parks
- Travel agency, tour operator reservation service and related activities.

Small and medium-sized enterprises (SMEs) are defined in the EU recommendation 2003/361²⁶

Company category	Staff headcount	Turnover or Balance sheet total	
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 10	≤ € 2 m	≤ € 2 m

Such support to tourism SMEs must be part of the project costs and shall be included under the corresponding cost heading. Financial support to third parties (tourism SMEs) shall serve to cover costs of their participation in the project activities and to build their capacity to uptake solutions, which would improve their sustainable management and tourism sustainability in general.

²⁵ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Tourism_industries_-_employment#Data_sources

²⁶ http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

Applicants are **requested to include an exhaustive list of the types of activities for which the third parties (tourism SMEs) will receive financial support**. Applicants must choose from the following list of activities:

- **Travel, registration and accommodation costs** allowing active participation of tourism SMEs in support activities (such as training courses, workshops, study visits, coaching sessions, twinning, matchmaking, peer learning, knowledge sharing events etc.). Such activities should foster transnational and cross-border cooperation in sustainable tourism. The activities organised by the project consortium within this action shall however be free of participation/registration fees for the tourism SMEs participating in the project;
- **Sustainable and green investments**, which may include:
 - o Compliance adaptations necessary to apply for relevant and achievable certification schemes, including costs of certification or standardisation. Compliance adaptation may include different costs such as adaptation of operational procedures, documentation, data collection etc. Investments in a physical infrastructure are not eligible;
 - o Costs of advisory services and skills improvement (for example: in mapping specific sustainability related needs to be addressed by an individual SME; in measuring the environmental and social impact of the operations of SMEs, in managing operations in a more environmentally-friendly manner etc.).

Beneficiaries are encouraged to follow the **Guidelines for Awarding Financial Support to Third Parties (Tourism SMEs)** in different countries, as provided in one of the Call Annexes, when proposing a methodology for the selection of SMEs participating in the support scheme. Applicants shall include in their proposals the description of the organisation of the selection procedure as well as the description on how they intend to implement the third party support (for instance, the selection of tourism SMEs, payment of financial support, deliverables, verification of results).

12.2 Funding forms

The grant reimburses up to 75 % of the eligible costs incurred by the consortium and up to 75 % of the support allocated by the consortium to third parties.

The consortium is free to choose the form of such support, and how the amount is allocated. The consortium should however be aware that:

- a) The maximum amount of financial support to be granted in total to the third parties (tourism SMEs) cannot exceed six hundred thousand euros (EUR 600,000);
- b) The amount of financial support per individual third party cannot exceed ten thousand euros (EUR 10,000)
- c) The consortium is requested to financially support minimum 60 tourism SMEs selected for the support scheme implemented by the project. The consortium can support a higher number of SMEs, as long as it respects the limits set above (refer additionally to Section 2.3).
- d) The onus, legal and operational responsibility is on the consortium to ensure that such financial support respects the provisions of the Grant Agreement.

Funding overview:

	Funding	Amount or Percentage
1.	EU contribution to costs incurred by the consortium	Maximum 75%
2.	EU contribution to financial support to third parties (i.e. tourism SME`s)	Maximum 75%
4.	Financial support to third parties (i.e. tourism SMEs)	<p>Maximum EUR 600,000 per project proposal</p> <p>Amount allocated to a single SME may vary depending on the project proposal but must not exceed 10,000 EUR per SME</p> <p>The consortium is requested to financially support minimum 60 tourism SMEs selected for the support scheme implemented by the project.</p>

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.

Further details of the calculation of personal costs are 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 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.

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, except those concerning financial support to third parties.

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

Applicants's attention is drawn to the fact that in the case of beneficiaries receiving an operating grant²⁷ 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;
- (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.

²⁷ 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.

- (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 linked third parties 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 profit²⁸:

'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.

²⁸ Not applicable for low value grants.

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 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

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:

- One **technical progress report** covering the first third of the project, not linked to a request for payment (reporting, among others, on tourism SMEs selected for the support mechanism).

- A **periodic technical and financial report**, linked to a request for interim payment; covering two thirds of the project implementation period; reporting among others, about the organisation of the financial support to third parties (tourism SMEs involved in the support scheme).

- A deliverable - not linked to a request for payment - **giving details on the Call (to be implemented by the consortium) for the selection of third parties (tourism SMEs) to be awarded financial support.** The deliverable must be scheduled at least one month prior to the Call's expected date of publication, and must include a draft of the Call announcement, full Call details and a reference to the relevant web page where the full details are to be published. Additional details are provided in the Annex: "Guidelines for Awarding Financial Support to Third Parties (Tourism SMEs)".

- A deliverable - not linked to a **request for payment - elaborating on the evaluation and selection process of the beneficiary-organised Call for third parties (tourism SMEs) to be awarded financial support.** This deliverable must be submitted one month after the conclusion of the evaluation process. Additional details are provided in the Annex: "Guidelines for Awarding Financial Support to Third Parties (Tourism SMEs)"

- A deliverable in the form of a report, in the last month of the co-financing period (not linked to a request for payment) that **reports on the improvement in the uptake of sustainable solutions by tourism SMEs supported by the project, and in general on the contribution of the project to the growth and scaling up of SMEs in the tourism sector and the development of new products, solutions improving tourism sustainability.**

- A final technical and financial report, linked to the request for the payment of the balance, covering the entire project implementation period.

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 Union 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 level²⁹ if he/she is domiciled within EU or equivalent if domiciled outside EU,
- subject of the grant,
- amount awarded.

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

15. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (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 data³⁰. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in

²⁹ 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).

³⁰ OJ L 295/39 of 21.11.2018.

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_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 2018/1046³¹ (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 <https://ec.europa.eu/easme/en/section/cosme/cos-tourcoop-2019-3-01-boosting-sustainable-tourism-development> 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-TOUR-COOP@ec.europa.eu**

Answers will be published at <https://ec.europa.eu/easme/en/section/cosme/cos-tourcoop-2019-3-01-boosting-sustainable-tourism-development>

17. ANNEXES:

- *Guide for Applicants*
- *Description of the Action Template*
- *Estimated Budget Template*
- *Model Grant Agreement Version 4.0*
- *Guidelines for Awarding Financial Support to Third Parties (Tourism SMEs)*
- *List of Previous Projects/Activities Template*
- *Tourism Expert Description Template*
- *Project Manager Description Template*

³¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>