



# **COSME Programme**

## **Call for Proposals**

**Supporting European SMEs to participate in public procurement outside EU**

**GRO/SME/20/B/04**

**COS-PPOUT-2020-2-03**

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# 1. INTRODUCTION AND BACKGROUND

## 1.1. Introduction

Small and medium-sized enterprises (SMEs) are deeply woven into the fabric of Europe. They are essential to Europe's competitiveness and prosperity, as well as economic and technological sovereignty. With the SMEs Strategy for a sustainable and digital Europe<sup>1</sup>, the Commission wants to support and empower SMEs of all sizes and sectors, from innovative tech start-ups to traditional crafts.

In this context, the Programme for the competitiveness of enterprises and small and medium-sized enterprises 2014-2020<sup>2</sup> (hereinafter referred to as COSME) aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union (EU).

The Executive Agency for Small and Medium-sized Enterprises<sup>3</sup> (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 parts of the COSME Work Programme 2020 as adopted on 17 January 2020<sup>4</sup>. This action will focus particularly on the public procurement area and falls under the second specific objective of the COSME programme: access to markets.

## 1.2. Policy Context

Improving SMEs' access to public procurement is an important objective for the European Commission. Inside the EU, the SMEs' weight in above-threshold procurement<sup>5</sup> is still low when compared with their contribution to Gross Domestic Product (only 49% compared to 58%). The participation of SMEs in procurement across EU borders is very small in value, although not so different in share when compared to their share in direct participation in their own countries.

Public procurement offers major business opportunities to SMEs. In the EU, public procurement represents around EUR 2000 billion per year. When adding the opportunities outside the EU, the potential for growth is even higher. The World Trade Organisation (WTO) Secretariat estimates that the international business opportunities covered by the parties to the WTO Agreement on Government Procurement opportunities amount to US\$ 1.7 trillion annually<sup>6</sup>.

The participation of SMEs in public procurement is a win-win situation. It helps SMEs grow and scale-up, it improves their reputation and helps them to obtain more business

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<sup>1</sup> COM(2020) 103 final of 10 March 2020 "An SME Strategy for a sustainable and digital Europe"

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

<sup>3</sup> 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).

<sup>4</sup> C(2020) 111 final - Commission Implementing Decision of 17.1.2020 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 2020

<sup>5</sup> EU law sets minimum harmonised rules for tenders whose monetary value exceeds a certain amount (above-threshold) which ensure that the award of such contracts for the provision of public goods and services must be fair, equitable, transparent, and non-discriminatory. For tenders of lower value however, national rules apply, which nevertheless have to respect general principles of EU law.

<sup>6</sup> <https://e-gpa.wto.org/en/GPAInBrief> - This figure includes the EU market offer.

opportunities in the private sector. For public authorities, it increases the number of offers the public buyers get, ultimately increasing the chances to obtain the best value for money.

However, SMEs find it difficult to participate in public procurement, especially outside the EU because of several reasons: lack of knowledge about opportunities, real or perceived administrative barriers, insufficient knowledge about the procurement process and their rights, lack of capacities, etc. These difficulties become much more important when considering bidding outside the EU but could be overcome with the support from different business support organisations.

The overall objective of this call for proposals is to improve SMEs' access to public procurement in the non-EU countries with which the EU has signed a plurilateral or bilateral agreement covering public procurement (for example, the Agreement on Government Procurement of the World Trade Organisation<sup>7</sup>, Stabilisation and Association Agreements with the Western Balkan countries, Free Trade Agreements, such as those with Canada and Japan, etc.<sup>8</sup>). The political importance of this objective was also recognised in the EU SME Strategy for a sustainable and digital Europe<sup>9</sup>.

Public procurement contributes to the growth and the global competitiveness of SMEs. The European Union has invested significant resources in negotiating these agreements to enable EU companies to take advantage of the opportunities outside the EU.

Making the most of these opportunities requires new and strategic approaches to support this type of internationalisation, as this is too difficult to explore and navigate by individual SMEs on their own. It also calls for closer cooperation with partner organisations from the respective third countries to build up long-term cooperation, understand better the de facto situation of procurement and help EU SMEs find partners with whom they could build partnerships to participate together in public procurement in the respective countries.

This call for proposals is the first of this kind, but builds on the experience and lessons learned of other COSME actions, such as "Improving SMEs Access to Cross-Border Public Procurement"<sup>10</sup> and the Clusters Go International programme<sup>11</sup>. Furthermore, this action must maximise the possible synergies with other EU funded projects. For example, a close cooperation with the Enterprise Europe Network<sup>12</sup> (hereinafter also referred to as the Network) should be set up to draw on their connection to SMEs to reach out to them. This cooperation should also be considered with a view to developing services/tools/guidance and good practices that could be used by different business support organisations in the EU after the end of this project. This can be done, inter alia, thorough disseminating any materials and deliverables developed under the funded projects through the Network website, and through consultation and debriefing with the Network Thematic Groups on Public Procurement and Internationalisation. Network partners could be invited to participate in the events organised in the framework of the funded projects.

Cooperation with other EU-supported initiatives, where they exist, such as the EU-Japan Centre for Industrial Cooperation<sup>13</sup>, is also strongly encouraged.

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<sup>7</sup> [https://www.wto.org/english/tratop\\_e/gproc\\_e/gp\\_gpa\\_e.htm](https://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm).

<sup>8</sup> Ref. Annex 3: Non-EU countries which can be target countries in the context of this call.

<sup>9</sup> COM(2020) 103 final - An SME Strategy for a sustainable and digital Europe, [https://ec.europa.eu/info/sites/info/files/communication-sme-strategy-march-2020\\_en.pdf](https://ec.europa.eu/info/sites/info/files/communication-sme-strategy-march-2020_en.pdf).

<sup>10</sup> COSME Work Programme 2016, ref. GRO-SME-16-B-06, call identifier: COS-APP-2016-2-05.

<sup>11</sup> <https://www.clustercollaboration.eu/eu-cluster-partnerships/escp-4i>.

<sup>12</sup> <https://een.ec.europa.eu/>

<sup>13</sup> <https://www.eu-japan.eu/>

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

### **2.1. General and specific objectives:**

The main objective is to improve SMEs' access to public procurement in the non-EU countries with which the European Union has signed a bilateral or plurilateral agreement covering public procurement. A list of countries with which the EU has currently active trade agreements with procurement chapters can be found in Annex 3 – Non-EU countries which can be target countries in the context of this call for proposals.

This action will co-finance the activities of business organisations supporting SMEs' internationalisation and participation in public procurement and will therefore enable these organisations to develop their capacities to help SMEs in this respect and offer more targeted and better support to SMEs.

Considering the complexity of the free trade agreements concluded so far and the difficulties to participate in public procurement markets outside the EU, the present action aims at preparing and helping different business support organisations to become aware, understand and build knowledge on certain public procurement markets. In this way, they will be able to disseminate the acquired information in an appropriate format to the SMEs and support them in the process of bidding outside the EU, including all the aspects that this implies, such as building consortia. Therefore, this action focusses on helping the selected consortia to develop and implement an internationalisation strategy towards countries with which the EU has a free trade agreement or it is part of a plurilateral agreement.

As this is the first COSME call for proposals of this kind, the consortia will need to put significant efforts into identifying and verifying the needs of SMEs in the area of public procurement, develop and test tools that can afterwards be replicated to a larger number of SMEs operating in different EU countries and in different sectors. Therefore, this call for proposals should complement the efforts done by other EU supported networks and initiatives, such as the Network, the European Clusters collaboration Platform, etc.

In putting forward a proposal, the consortia must consider the capacities of SMEs to operate in an international environment, the sector specificities, as well as the expertise related to certain non-EU partner countries and the knowledge about the respective public procurement markets. Therefore, this action allows flexibility to the entities submitting the proposal, which can tailor the proposed activities to the needs of their target SMEs while achieving the objectives set up in this call.

The consortia are expected to demonstrate swift adaptability to future developments of the economy both inside and outside the EU.

In building the consortium and developing the project, applicants have to demonstrate both a European and a strategic approach. These two elements are essential to achieve the objectives of the action and to have economies of scale and accrued benefits.

The European approach must be reflected in the composition of the consortium. Full details are given in Section 6 – Eligibility Criteria.

The strategic approach concerns the development and implementation of a joint internationalisation strategy with common goals and fostering complementarities between them, promoting cooperation across related industries and sectors, including support of emerging industries. The strategic nature of the project shall be reflected in the proposed approach to ensure that the benefits of this initiative will continue also after the end of the action.

Considering the specific economic environment following the COVID-19 outbreak in which this call for proposals will be implemented, particular attention should be paid to sectors where European SMEs are highly competitive, and/or hard hit by the crisis. Such sectors could be smart health, digital technologies, low-carbon industries, etc., as addressed in different Commission documents<sup>14</sup>.

Proposals will have to identify precisely the category(s) of SMEs that will be targeted, based on the elements mentioned above and to demonstrate how the potential opportunities in the identified third countries match the abilities of the respective target group(s). The project must target at least two non-EU countries with which the EU has signed a plurilateral or bilateral agreement covering public procurement.

In the development and the implementation of the projects, the consortia have to look for synergies with other projects/initiatives developed under COSME or other EU Programmes. Notable initiatives with which synergies should be developed are: the Enterprise Europe Network, the European Cluster Collaboration Platform and the European Innovation Council Accelerator. In this regard, Network partners can be also members of the consortia submitting proposals under this call. However, they must prove that the activities they will carry out under the proposed project go beyond the work they are doing as part of the Network and that the principle of no double funding is strictly respected.

## **2.2. Activities**

Considering the large scope of the elements to be covered in a specific project with regards to, in particular, the type of SMEs to be served, the Member States and the COSME participating countries that would be eligible for this call, along with the sectors and the countries outside the EU to be targeted, the activities shall be carried out in two phases:

1. A *preparatory phase*, where each funded consortium will be requested to develop an internationalisation strategy and its implementation roadmap, based on the targeted Member States and third countries, and
2. The *implementation phase*, where each consortium will apply the internationalisation strategy, gather data, promote the project and disseminate results.

### **2.2.1. *Phase 1 – Preparatory phase***

The main output of this phase should be the joint internationalisation strategy with common goals towards specific third countries and a roadmap for its implementation.

During this phase, the funded consortia shall deepen their knowledge of the identified target group of SMEs, of the potentially attractive sectors from a public procurement perspective in the target countries, of the needs of SMEs and the specific measures to help them, as well as the scope of the strategy, etc.

The mandatory activities to be carried out under this phase are:

- While many of these elements have to be presented already in the proposal, the consortium shall fine-tune: the identification of the sectors of interest in the target countries, the main buyers, the categories of European SMEs to be targeted, the benefits of the project and the intervention logic for the second phase.

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<sup>14</sup> Ref. “An EU industry fit for the future” [https://ec.europa.eu/commission/sites/beta-political/files/euco-sibi-  
eu\\_industry\\_fit\\_for\\_the\\_future.pdf](https://ec.europa.eu/commission/sites/beta-political/files/euco-sibi-<br/>eu_industry_fit_for_the_future.pdf) and “New Industrial Strategy for Europe” [https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020\\_en.pdf](https://ec.europa.eu/info/sites/info/files/communication-eu-industrial-strategy-march-2020_en.pdf).

- The development of a fully-fledged internationalisation strategy and a roadmap for implementation.
- The dissemination of all the project activities, news, events, testimonials and results through a project dedicated website as well as through social media and other suitable channels, including the partners' websites and networks, the Enterprise Europe Network, and where appropriate the European Commission website.
- The development of synergies with other projects/initiatives developed under COSME or under other EU-funded programmes that could generate mutual benefits. If possible, synergies should go beyond the ones presented / envisaged in the proposal. The setup of the cooperation mechanisms must be described in detail.

The non-exhaustive list below includes some activities that could be implemented in the context of the project:

- Identifying strategic partners in the consortium partners' Member States, as well as in other EU and COSME countries, and in the targeted third countries;
- Learning and monitoring activities, such as promoting exchanges - between the consortium members and between the consortia funded under this call – to enable cross-fertilisation and learning from successful and unsuccessful experiences, as well as monitoring activities measuring the outcomes of projects based on the indicators provided in section 2.3.
- Building partnership within the consortium, through visits of consortium partners together with SMEs;
- Providing legal and market analyses on the procurement framework in the identified target countries and of the respective FTA/GPA provisions;
- Providing general support and first-line legal advice for the SMEs wanting to build consortia for bidding in third countries;
- Intelligence gathering (e.g. analysis of the buyers, development plans in the respective sectors, the competition in the respective countries, market trends, procurement legislation and practice, opportunities, etc.);
- Developing the competencies of the consortium partners in the field of public procurement, by participation in training and conferences, initial exploratory visits to the target countries, etc.;
- Identifying the main needs and knowledge gaps of the targeted SMEs in terms of possible participation in a procurement procedure outside the EU;
- Developing different awareness-raising tools about existing opportunities outside the EU (tenders alerts and guides on what is specific to the respective country on public procurement);
- Defining the added value of the project and the intervention logic for the second phase.

***Expected results and deliverables for the first phase:***

The consortium partners are expected to develop and submit a joint internationalisation strategy defining their vision of public procurement opportunities in the identified target countries outside the EU and the best way to help the European SMEs to take advantage of

these opportunities. The *internationalisation strategy* has to be accompanied by a roadmap with concrete actions and timelines to implement the strategy.

The strategy must include at least:

- A detailed description of the scope of the strategy (the selected countries, sectors, SMEs, activities, etc.) along with argumentations and alignments with the strategic objectives of the proposal;
- An elaborated description of the expected results of the project, in line with the expected results already described in the proposal, and the expected economic impact;
- A presentation of possible synergies with other EU-funded or and how they will be exploited;
- A brief background presentation of the activities already carried out in the framework of the project, which have led to the development of the strategy;
- An annex with the available resources created or identified that are useful for the next phase;
- A long-term cooperation agenda with national and international stakeholders, including initiatives and dissemination activities that could be carried out even after the end of the COSME funding.

The *implementation roadmap* should have a comprehensive overview of the activities planned for implementing the strategy and the potential mitigating measures that may be necessary. The roadmap should identify for each activity: the timeline, who will implement it with the distribution of responsibilities and the expected results for each activity. These elements should be in line with the proposal submitted under this call. Should there be a need to adjust some of the activities, this could be done provided that they are overall in line with the objectives of this call.

### 2.2.2. *Phase 2 – Implementation Phase*

This phase will consist in the actual implementation, possible testing of certain activities and further development of the internationalisation strategy, if needed. During this phase, the consortium must also develop an exit strategy for the follow-up activities once the COSME co-financing period comes to an end.

The mandatory activities under this phase are:

- Training and advisory services to SMEs on the opportunities of participating in procurement procedures outside the EU and on the specificities of such operations;
- Supporting target SMEs to find partners in the EU/COSME countries and in the target countries, supporting the building of consortia, etc.;
- Organisation of company missions in the target countries focused on the benefits of the European SMEs;
- Organisation of face-to-face or virtual match-making or B2B events with participants from the EU/COSME countries and from the target countries and business-to-procurers (B2P) events;
- Assistance for bidding to specific calls for tenders outside the EU;
- Dissemination of all the project activities, news, events, testimonials, interviews and results to be channelled through the project website/webpage, the Enterprise Europe Network and, if appropriate, the website of the European Commission;

- Presentation of the internationalisation strategy and of other activities carried out throughout the project to Network Thematic Groups on Public Procurement and Internationalisation of the Enterprise Europe Network;
- Developing detailed lessons learned and potential recommendations for future actions in the area of public procurement at EU level;
- Developing an exit strategy with follow-up activities in order to make sure that the efforts carried out in the project will continue to pay off.

Other activities that could be carried out under this phase are included in the non-exhaustive list below:

- Building up on the learning and monitoring activities put in place in phase 1, such as promoting exchanges between the consortium partners and between the selected consortia, enabling cross-fertilisation and learning from the successful and unsuccessful experiences.
- Organisation of visits for partners from the target countries to the consortium partner's countries.
- Support on areas that, although not strictly linked to of public procurement, could help SMEs participate and succeed in this process (e.g. IP rules, standards, etc.).

#### ***Expected results and deliverables for the second phase:***

The selected consortia will have to deliver at least the following results and deliverables:

- Activity reports of the main activities of the project along with documentation of large interest, such as outcomes of B2B or B2P meetings, webinars on different aspects of public procurement such consortia building, other training or informational material on market developments, etc.
- A mid-term activity report on the implementation of the activities already carried out along with the lessons learned and practical recommendations for improving the implementation of the strategy.
- A monitoring scoreboard with verifiable indicators of the project results and the expected economic impact, such as increased exports, job creation in Europe, increased understanding and visibility of the opportunities outside the EU by the European SMEs, number of bids submitted, number of contracts won, etc.
- Organisation of events, support given and actual bidding as per the indicators presented in section 2.3.
- A final report on the implementation of all project activities, with an emphasis on new developments since the mid-term report. The report should also include a section on detailed lessons learned, a strategy for how the knowledge and skills built in the project will be used after its end and two sets of practical recommendations for increasing the participation of SMEs in public procurement procedures outside the EU, one for the European Commission and another for business support organisations and public procurement authorities of the EU Member States and COSME participating countries.

In addition to the reports on the above mentioned deliverables, two technical reports linked to payment requests (interim and final payment) must be submitted (ref. Section 13).

### 2.3. Qualitative and quantitative indicators for the action:

The projects will be assessed, both in phase 1 and 2, as a minimum, against the following key performance indicators (KPI):

- Number of business support organisations, clusters and other types of organisations from different EU and COSME participating countries having benefited from the support activities offered throughout the project (at least 3 per project).
- Number of SMEs reached by these activities (at least 300 SMEs from 3 EU Member States/COSME countries per project).
- Number of information material (webinars, interviews with successful companies, etc.) about non-EU countries (at least 3 per project).
- Number of “meet the procurers” events (at least 2 meetings per project).
- Number of match-makings for building consortia with the aim to bid for public procurement procedures (at least 2 per project).
- Number of offers submitted under international (outside the EU) public procurement procedures during the project.
- Turnover increase (in the percentage) generated by the international bids won and new job created by the SMEs that directly or indirectly benefited from the project.

### 3. TIMETABLE

Stages	Dates
a) Deadline for submitting applications	15/09/2020 17:00 h Brussels time
b) Evaluation period*	09-11/2020
c) Information to applicants*	03/2021
d) Signature of grant agreements*	06/2021
e) Starting date of the action*	07/2021

\* indicative.

### 4. BUDGET AVAILABLE AND FUNDING OF PROJECTS

The total budget earmarked for the co-financing of projects is estimated at **EUR 2,000,000**. The maximum EU grant per project will be **EUR 400,000**.

EASME expects to fund around 5 proposals.

The grant is limited to a maximum reimbursement rate of **75 %** of **eligible costs**.

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

Applicants must be legal entities:

- forming a consortium and
- representing business support organisations (Chambers of Commerce, federations, etc.), cluster organisations<sup>15</sup>, non-profit organisations (private or public), public bodies (national, regional, local), universities or educational institutions, research centres.

Natural persons and profit-making organisations 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.

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 Regulation<sup>16</sup>.

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<sup>15</sup> European Commission, Communication from the Commission Framework for State aid for research and development and innovation (2014/C 198/01). According to this definition, ‘**innovation clusters**’ means structures or organised groups of independent parties (such as innovative start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, non-for-profit organisations and other related economic actors) designed to stimulate innovative activity by promoting sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster. Further information is available at: [http://ec.europa.eu/competition/state\\_aid/modernisation/rdi\\_framework\\_en.pdf](http://ec.europa.eu/competition/state_aid/modernisation/rdi_framework_en.pdf) and [http://ec.europa.eu/competition/state\\_aid/legislation/horizontal.html](http://ec.europa.eu/competition/state_aid/legislation/horizontal.html) amending the Community Framework (2006/C 323/01).

<sup>16</sup> 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;

## **6.2. Eligible consortia**

Proposals must be presented by consortia composed of **at least three legal entities** from at least three different EU Member States or COSME participating countries.

As some of the COSME participating countries are also members of the Government Procurement Agreement (GPA) or signatory of bilateral or plurilateral trade agreements with the EU, they could potentially be at the same time part of the consortium and target third country. The countries falling into this category are: Albania, Armenia, Bosnia and Herzegovina, Iceland, Kosovo, Moldova, Montenegro, North Macedonia, Serbia and Ukraine.

Therefore, to be eligible a consortium must meet the following conditions:

- There must not be more than one partner from non-EU COSME participating country per consortium.
- The proposal must explain in detail the added value of such a situation and show a clear separation of activities and roles between the consortia members and the partner institutions contributing from the third country perspective.

## **6.3. For UK applicants**

Please be aware that following the entry into force of the EU-UK Withdrawal Agreement<sup>17</sup> on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union are to be understood as including natural or legal persons residing or established in the United Kingdom. UK residents and entities are therefore eligible to participate under this call.

## **6.4 Implementation period**

The project duration must be between 30 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.

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

The updated list of eligible third countries is available on the following webpage: [http://ec.europa.eu/growth/smes/cosme/index\\_en.htm](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.

<sup>17</sup> Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

## 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 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)<sup>18</sup>, 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  $>$  EUR 60 000:
  - a declaration on their honour and,

EITHER

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

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<sup>18</sup> 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 > 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-beneficiaries<sup>19</sup>;

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 have to submit a declaration on their honour, 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;
- curriculum vitae (CV), preferably in European CV format <http://europass.cedefop.europa.eu>) or description of the profile of the main persons

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<sup>19</sup> The beneficiaries are advised to define this situation also in the consortium agreement (see Article 25 of the model Grant agreement).

primarily responsible for managing and implementing the different activities of the action. The CV should be accompanied, where appropriate, (like in the field of research and education) by a list of relevant publications/projects managed);

- the organisations' activity reports for the past three years or any other similar document;
- 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;
- a description of the technical equipment, tools or facilities and patents at the disposal of the applicant in relation to the proposal.
- a list of already existing partnerships and synergies with EU-funded projects/initiatives and business support organisations or relevant partners (also in the target countries, if any).

## 9. AWARD CRITERIA

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

<i>Criteria</i>	<i>Max. score</i>
<p><b>Relevance of the actions in view of the objectives of the call</b> (<i>meeting objectives of the call; appropriate results; appropriate partnership: competences and European dimension</i>)</p> <p><i>How relevant is the proposed action in relation to EU policies and priorities identified in the call?</i></p> <p><i>To what extent are the activities proposed strategically chosen to meet the objectives of this call?</i></p> <p><i>How well does the project fit with the expectations/needs of the identified target group of SMEs?</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 and composition of the consortium demonstrate a European added value and a strong expertise in public procurement and in SME-related issues?</i></p> <p><i>Is there any complementarity between the proposed project and other actions carried out at European level?</i></p>	30
<p><b>Quality of the proposed actions</b> (<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?</i></p> <p><i>To what extent can the methodology and management set up be effective and ensure: i) the high quality of the action proposed and, in particular, ii) the high quality of information/support/expertise in relation to the specific third country target markets?</i></p>	35

<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>	
<p><b>Impact on target audience</b> (<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 sectors concerned?</i></p> <p><i>How effective, innovative and convincing are the promotional and communication activities? Does the proposal contain a comprehensive communication strategy?</i></p> <p><i>Are the expected multiplying effects reasonable? 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>	25
<p><b>Cost-effectiveness</b> (<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?</i></p> <p><i>Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is justified in relation to the expected results and impact?</i></p> <p><i>To what extent is the proposed expenditure necessary for the implementation of the project?</i></p>	10
<p><b>TOTAL</b></p>	<b>100</b>

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.<sup>20</sup>

#### **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**

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<sup>20</sup> 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.

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](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.

The beneficiary is expected to clearly document the tendering procedures 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/EU<sup>21</sup> or contracting entities in the meaning of Directive 2014/25/EU<sup>22</sup> must comply with the applicable national public procurement rules.

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;
- (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:

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<sup>21</sup> 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).

<sup>22</sup> 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).

- 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 may not envisage provision of financial support to third parties.

## 12.2 Funding forms

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

### ➤ **Maximum 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.

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.

**A.4 Costs of 'beneficiaries that are natural persons'**: not applicable.

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**: not applicable.

#### **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.

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 grant<sup>23</sup> 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

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<sup>23</sup> 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.

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 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 profit<sup>24</sup>:

'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).

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<sup>24</sup> Not applicable for low value grants.

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(s) shall be paid to the beneficiary. Interim payment(s) is/are 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 interim payment shall clear 25% of the amount of the pre-financing previously paid;

#### 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 in addition to the deliverables mentioned in Section 2.2.1 and 2.2.2:

*An interim technical report* project, covering the period from the start of the project till half of the implementation of phase two *and a financial report*, linked to a request for interim payment.

*A final technical and financial report* covering the entire duration of the project linked to the request for the payment of the balance.

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 level<sup>25</sup> 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<sup>26</sup> 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 data. 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\\_en.pdf](http://ec.europa.eu/research/participants/data/support/legal_notice/h2020-ssps-grants_en.pdf). Personal data may be registered in the Early Detection and Exclusion System (EDES) should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of the EU Financial Regulation (EU) No 2018/1046<sup>27</sup> (for more information see the Privacy Statement on: [http://ec.europa.eu/budget/library/explained/management/protecting/privacy\\_statement\\_edes\\_en.pdf](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.

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<sup>25</sup> 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).

<sup>26</sup> OJ L 295/39 of 21.11.2018.

<sup>27</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>.

### ➤ **Electronic submission**

Applicants are requested to go to <http://ec.europa.eu/easme/en/cosme-eu-programme-competitiveness-enterprises-and-small-and-medium-sized-enterprises-smes> 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 the following functional mailbox:

[EASME-COSME-PP-OUTSIDE-EU@ec.europa.eu](mailto:EASME-COSME-PP-OUTSIDE-EU@ec.europa.eu).

Answers will be published at <https://ec.europa.eu/easme/en/section/cosme/cosme-open-calls-proposals>.

## **17. ANNEXES**

- *Technical Annex 1: Description of Action (DOA)*
- *Technical Annex 2: Detailed Budget*
- *Annex 3: Non-EU countries which can be target countries in the context of this call*
- *Annex: Activity Reports*
- *Annex: List of Projects*
- *Guide for applicants*
- *COSME Model Grant Agreement 4.0*