



# **European Social Fund+ (ESF+)**

## **Call for proposals**

Activities to tackle undeclared work

(ESF-2021-UDW)

Version 1.0  
15/07/2021



<b>HISTORY OF CHANGES</b>			
<b>Version</b>	<b>Publication Date</b>	<b>Change</b>	<b>Page</b>
1.0	15.07.2021	▪ Initial version (new MFF).	
		▪	
		▪	
		▪	



**EUROPEAN COMMISSION**  
**DIRECTORATE-GENERAL EMPLOYMENT, SOCIAL AFFAIRS AND INCLUSION**

EMPL.E – Labour Mobility and International Affairs  
EMPL.D1 – Labour Mobility, Public Employment Services, ELA

## **CALL FOR PROPOSALS**

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## 0. Introduction

This is a call for proposals for EU **action grants** in the field of undeclared work under the **European Social Fund Plus (ESF+)**.

The regulatory framework for this EU Funding Programme is set out in:

- Regulation 2018/1046 (EU Financial Regulation)
- the basic act (ESF+ Regulation<sup>1</sup> 2021/1057)

The call for proposals invitation is launched in accordance with the 2021 Work Programme<sup>2</sup> and will be managed by the **European Commission, Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL)**.

We invite you to read the **call documentation** on the Funding & Tenders Portal Topic page carefully, and in particular this Call Document, the Model Grant Agreement, the [EU Funding & Tenders Portal Online Manual](#) and the [EU Grants AGA — Annotated Grant Agreement](#).

These documents provide clarifications and answers to questions you may have when preparing your application:

- the [Call Document](#) outlines the:
  - background, objectives, scope, activities that can be funded and the expected results (sections 1 and 2)
  - timetable and available budget (sections 3 and 4)
  - admissibility and eligibility conditions (including mandatory documents; sections 5 and 6)
  - criteria for financial and operational capacity and exclusion (section 7)
  - evaluation and award procedure (section 8)
  - award criteria (section 9)
  - legal and financial set-up of the Grant Agreements (section 10)
  - how to submit an application (section 11)
- the [Online Manual](#) outlines the:
  - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
  - recommendations for the preparation of the application
- the [AGA — Annotated Grant Agreement](#) contains:

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<sup>1</sup> Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2021:231:FULL&from=EN>.

<sup>2</sup> Commission Implementing Decision C(2021) 3917/3 final of 07/06/2021 concerning the adoption of the work programme for 2021 and the financing decision for the implementation of the European Social Fund Plus and in particular its Employment and Social Innovation (EaSI) strand.

- detailed annotations on all the provisions in the Grant Agreement you will have to sign in order to obtain the grant (*including cost eligibility, payment schedule, accessory obligations, etc*).

## 1. Background

This call for proposals is financed under the **Employment and Social Innovation ("EaSI") strand of the ESF+** which is a European-level financing instrument managed directly by the European Commission. It provides financial support to achieve high employment levels, fair social protection, a skilled and resilient workforce ready for the future world of work, as well as inclusive and cohesive societies aiming to eradicate poverty.

Tackling undeclared work in particular the necessity to move from informal or undeclared work to regular employment is a central element in the European Pillar of Social Rights to deliver new and more effective rights for citizens. It builds upon 20 key principles, structured around three categories: Equal opportunities and access to the labour market, fair working conditions and social protection and inclusion.

Within the context of this call for proposals and building up on the 1998 Communication from the Commission on Undeclared Work (COM(1998)219 - <http://eur-lex.europa.eu/legal-content/IT/TXT/?uri=LEGISSUM:c11710>) undeclared work is understood as "any paid activities that are lawful as regards their nature, but are not declared to the public authorities, taking into account the differences in the regulatory systems of the Member States".

The need for structural reforms in the areas of undeclared work, shadow economy, tax evasion has been addressed in several country-specific recommendations by the Council ([https://ec.europa.eu/info/strategy/european-semester\\_en](https://ec.europa.eu/info/strategy/european-semester_en)).

Undeclared work takes a variety of forms ranging from undeclared work in a formal enterprise to clandestine work done by own account workers, but excludes those involving illegal goods or services. In fact, if the goods and services provided are unlawful (e.g., the production or trafficking of drugs, firearms, persons, etc.), it is part of the wider criminal economy (i.e., the 'shadow economy' is often defined as including both the undeclared economy and criminal economy), and if there is no monetary payment, it is part of the unpaid sphere.

Undeclared work constitutes a political challenge for various reasons:

- from a macroeconomic perspective, it is a form of tax evasion undermining public finances; it also has an impact on working conditions and the quality of jobs with notably no access to lifelong learning, with consequences on potential growth in the long-run;
- from a microeconomic perspective, it distorts competition among firms, paving the way for social dumping and causes productive inefficiencies by keeping companies in business that would otherwise probably be absent from the market. Informal businesses typically avoid access to formal services and have no adequate access to credit and therefore their growth is limited;
- from a social perspective, it is characterised by poor working conditions, deficits in terms of health and safety requirements, lower income and the absence of social security.

Undeclared work is consequently a multifaceted phenomenon, it is not just the scale but also the structure of undeclared work that varies from one Member State to

another; this is owing to differences in the productive structure, in the institutional strength of public bodies and regulatory systems, or in the extent of welfare state systems. The nature and incidence of undeclared work in a country can be seen as reflecting the imperfections of its formal labour market economy.

Undeclared work has been the object of attention by policy makers for a long time. [The 2007 Commission communication on "Stepping up the fight against undeclared work" COM \(2007\) 628,](#) proposes the following measures:

- Reducing the financial attractiveness of undeclared work stemming from the design of tax and benefit systems, and the permissiveness of the social protection system with regard to the performing of undeclared work
- Administrative reform and simplification, with a view to reducing the cost of compliance with regulations
- Strengthening the surveillance and sanction mechanisms, with the involvement of labour inspectorates, tax offices and social partners
- Cross-border cooperation within the EU and awareness raising

Tackling undeclared work is primarily a task of the Member States. [Decision \(EU\) 2016/344 of 9 March 2016](#) established a European Platform to enhance cooperation in tackling undeclared work by bringing together Member States' authorities involved in the prevention and/or deterrence of undeclared work.

The Platform has been launched in May 2016 and aims to improve cooperation between Member States through sharing information and best practices, developing expertise and promoting and facilitating cross-border cooperation. The main objective of the Platform is to improve the Member States' capacities to tackle undeclared work in its various forms, including bogus self-employment, and drive change at national level in order to promote better working conditions and the emergence of formal employment.

The Platform is a tool to support Member States in their reform agendas, to better enforce laws and rules and a forum at EU level where the different actors involved can exchange information and good practices, develop knowledge and evidence, learn from each other and together and engage in closer cross-border cooperation and joint activities.

## **2. Objectives — Themes and priorities — Activities that can be funded — Expected impact**

### Objectives (expected outcome)

The main objective of this call for proposals is to complement and add value to the activities indicated in the work programme 2021-2022 of the European Platform tackling undeclared work: <https://ec.europa.eu/social/BlobServlet?docId=23101&langId=en>), which reflects the realities of tackling undeclared work in a difficult economic context. The 2021-2022 work programme aims to deepen understanding of (new) types of undeclared work and sectors particularly exposed (e.g. in relation to the collaborative economy, seasonal work, personal and household services as well as HORECA) whilst supporting partnerships, innovation and capacity building, as well as increasing public awareness of undeclared work. The re-establishment of the Platform under the auspices of the European Labour Authority (ELA) on 26 May 2021 as a permanent working group will provide new opportunities to address these challenges in a more integrated and

comprehensive way.

The call for proposals will support relevant actors in the field of tackling undeclared work such as ministries, enforcement authorities, social partners, etc. to develop innovative initiatives which shall contribute to enhancing the implementation, application, knowledge and better enforcement of EU and national law in the area of undeclared work, including through cross-border cooperation, thus supporting the transformation of undeclared work into declared work. The knowledge gained from these projects should also help building up evidence-based knowledge for better policy design.

The expected results are the improved transnational cooperation between Member States' different authorities to prevent and deter undeclared work, increased mutual trust among the stakeholders and the increased public awareness on the urgency of action and encouraging Member States to step up their efforts in dealing with undeclared work.

### Themes and priorities (scope)

The priority for this call is to co-finance actions fostering joint activities and cross-border projects of enforcement authorities and other relevant players improving their technical capacity in the field of preventing and deterrence of undeclared work in line with the Platform's vision of transforming undeclared into declared work by using a holistic approach, where national governments join up strategy and operations and cooperate with social partners and other stakeholders to employ the full range of direct and indirect policy measures. This will further enhance on-going cooperation between Member States enforcement authorities.

Cooperation may cover the following areas:

1. Common training courses for staff involved in enforcement activities;
2. Joint actions and exchange of staff of enforcement authorities;
3. Provision of technical assistance and/or support to implementation of measures/practice as identified by the European Platform tackling UDW.
4. Setting up information exchange systems;
5. Collaborative work in form of sharing of information and mutual learning between enforcement authorities.
6. Developing information products and services for employers and workers and raising awareness about the benefits of transforming undeclared into declared work.

### Activities that can be funded (scope)



The types of activities which can be funded under this call for proposals must address at least one of the areas of action identified below:

- a) Common training courses for staff involved in enforcement activities: developing new or improving existing training programmes between officials of competent public authorities and/or between relevant social partners and stakeholders in the context of contributing to enhancing the implementation, application, knowledge and better enforcement of EU and national law in the area of undeclared work. Activities can include trainings focusing on common themes and challenges (e.g. how to address bogus self-employment) and how they are tackled by different national authorities, exchanges in the field (e.g. agriculture and construction sectors) or trainings focusing on how to foster cooperation/improve working relations between different national and other EU/EEA enforcement agencies. Activities supported should produce an output; a potential output of this type of activities could be a handbook of best enforcement practices used by member states to tackle undeclared work.
- b) Joint inspections and exchange of staff of enforcement authorities: developing new or improving existing exchanges and peer learning between officials of competent public authorities in order to better cooperate across borders, and to develop tools that facilitate the work and to support capacity building. Activities can include: study visits to the authorities of the Member States, including a presentation of their coordinating work between agencies in addressing undeclared work at national level, field exchanges – exchange of staff for a limited period of time to enable exchange of information/best practices etc.
- c) Provision of technical assistance to other EU/EEA enforcement bodies to contribute to capacity building, implementation of good practices, etc.
- d) Information exchange systems: developing cross-border information exchange systems with the aim to facilitate administrative cooperation between enforcement bodies. Cross-border information exchange systems supported under this priority must add value to existing practices such as EESSI, IMI module on posting of workers, etc.).
- e) Collaborative work in form of sharing of information and mutual learning between enforcement authorities: developing or upgrading online platforms for the collection and dissemination of quality, user-friendly, and specific information targeted at tackling undeclared work and facilitating the transition from undeclared work to formal work.
- f) Joint awareness raising campaigns/sector specific campaigns/regional cross-border campaigns: awareness raising campaigns targeted at workers and/or employers should aim at changing norms, values and beliefs regarding the acceptability of participating in undeclared work, so that these are in conformity with laws and regulations, at informing on risks and costs of undeclared work, at promoting the benefits of formalising work, at encouraging a culture of commitment to declaration, informing about the prevention services available to employers/workers, etc. Messages can be conveyed through many different channels, such as mass media (television, radio), social media (using new media channels to spread messages – for e.g. social networks, videos, blogs, twitter, vlogs etc.), public relations, events, talks, demonstrations, tours, posters and leaflets.

Apart from the pure technical implementation of the proposals another deliverable of projects under this call for proposals is the capacity to spell out success and failure factors and parameters in an analytical evidence-based way.

#### a) Technical implementation

This includes facilitating and promoting training, good practice initiatives and innovative approaches, such as exchanges of staff and joint activities; exchange of information, mutual learning and awareness raising campaigns. Information exchange systems could be addressed through the joint establishment of protocols, agreements and the development of IT-based systems.

#### b) Analytical elements

In addition to implementing the activities described above, another deliverable of projects under this call for proposals is the capacity to spell out success and failure factors and parameters. These should be documented in the form of findings and conclusions deriving from a thorough evaluation of the actions undertaken. The evaluation shall help the beneficiaries to draw lessons learned and to establish, deriving from this experience, building blocks for a successful and sustainable cooperation between enforcement authorities and to contribute to the work of the European Platform. The proposal should detail how this output will be achieved.

#### Expected impact

The expected results are:

- enhanced implementation, application and better enforcement of EU and national law in the area of undeclared work;
- improved technical capacity of enforcement authorities in the field of preventing and deterrence of undeclared work;
- improved transnational cooperation on a wide range of critical issues, as well as coordination between Member States' different authorities to prevent and deter undeclared work, particularly in relation to strategic reform and cross-border inspections;
- increased knowledge on tackling undeclared work that would encourage informed policy-making and structural reform (exchange of information, mutual learning, development of IT-based systems for exchange of information);
- increased mutual trust among the different stakeholders tackling undeclared work at national and European level;
- increased public awareness of issues related to undeclared work, as well as rights and obligations of workers and employers;
- promote better working conditions (e.g. the enforcement of labour rights, social security coverage, the application of health and safety guidelines in the workplace) and the transition from undeclared work to declared work;
- promote the implementation of a holistic approach to tackle undeclared work, where national governments join up strategy and operations and cooperate with social partners and other stakeholders to employ the full range of direct and indirect policy measures;
- Preventing declared work from shifting into the undeclared economy, especially in light of the new challenges in tackling undeclared work brought to light by the COVID-19 pandemic.

### **3. Available budget**

The available call budget is **EUR 1 500 000**.

This budget might be increased by a maximum of 20%.

The Commission expects to fund 3 proposals.

The Commission reserves the right not to award all available funds or to redistribute them between the call priorities, depending on the proposals received and the results of the evaluation.

#### 4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	20 July 2021
<u>Deadline for submission:</u>	<u>28 September 2021 – 17:00:00 CET</u> (Brussels)
Evaluation:	October – December 2021
Information on evaluation results:	November 2021 – March 2022
GA signature:	January – March 2022

#### 5. Admissibility and documents

Proposals must be submitted before the **call deadline** (see *timetable section 4*).

Proposals must be submitted **electronically** via the Funding & Tenders Portal Electronic Submission System (accessible via the Topic page in the [Search Funding & Tenders](#) section). Paper submissions are NOT possible.

Proposals (including annexes and supporting documents) must be submitted using the forms provided *inside* the Submission System (⚠ NOT the documents available on the Topic page — they are only for information).

- Proposals must be **complete** and contain all the requested information and all required annexes and supporting documents: Application Form Part A — contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities - for definition, see section 13) and the summarised budget for the project (*to be filled in directly online*)
- Application Form Part B — contains the technical description of the project (*to be downloaded from the Portal Submission System, completed and then assembled and re-uploaded*)
- **Mandatory annexes and supporting documents** (*to be uploaded/included in Part B*):
  - detailed budget table: not applicable
  - CVs of core project team: not applicable

- list of previous projects (annex 4 to Part B) - key projects from the last three years relating to the work of enforcement of relevant legislation to the subject of the call in particular in the areas of labour law, social security and taxation related to tackling undeclared work, implementation of strategic reforms, coordination between different actors on prevention and deterrence of undeclared work and increasing public awareness on issues related to undeclared work)

At proposal submission, you will have to confirm that you have the **mandate to act** for all applicants. Moreover you will have to confirm that the information in the application is correct and complete and that the participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc). Before signing the grant, each beneficiary and affiliated entity will have to confirm this again by signing a declaration of honour (DoH). Proposals without full support will be rejected.

Your application must be **readable, accessible and printable**.

Proposals are limited to maximum **70 pages** (Part B). Evaluators will not consider any additional pages.

You may be asked at a later stage for further documents (*for legal entity validation, financial capacity check, bank account validation, etc*).

For more information about the submission process (including IT aspects), consult the [Online Manual](#).

## 6. Eligibility

### *Eligible participants (eligible countries)*

In order to be eligible, the single applicant or the coordinator must:

- be a legal entity (public or private bodies)
- be established in one of the eligible countries, i.e.:
  - EU Member States
  - non-EU countries:
    - EEA Countries, according to Article 29 of the ESF+ Regulation

In order to be eligible, other applicants (other beneficiaries and affiliated entities) must:

- be legal entities (public or private bodies)
- be established in one of the eligible countries, i.e.
  - EU Member States, EEA Countries, candidate countries and potential candidates according to Article 29 of ESF+ Regulation.

Organisations of social partners without legal personality under the applicable national law are also eligible provided that the conditions of the Financial Regulation related thereto are met (Article 197(2)(c) of the Financial Regulation);

Eligible applicants must:

- fall into one of the following categories:
  1. Public enforcement authorities such as labour inspectorates, social security inspectorates, tax authorities, customs authorities, migration bodies, ministries in charge of tackling undeclared work, the police and the public prosecutor's office, or
  2. Social partners. Social partners which are entitled by law or institutional agreement to carry out enforcement tasks can be lead-applicant. Other social partners can be co-applicants.
- be non-profit organisations (private or public).
- Single or lead applicants who are not officially appointed by Member States/EEA countries to the European Platform tackling undeclared work must present a letter of endorsement issued by the respective representative in the Platform<sup>3</sup>.

When necessary for the achievement of the action's objectives, legal entities established in non-associated countries may exceptionally participate, in principle without being financed by the Union. Therefore legal entities established in Switzerland can take part on a no cost basis in accordance with Article 27(1)(a)(iii) of the ESF+ Regulation.


### *Specific cases*

Natural persons — Natural persons are NOT eligible (with the exception of self-employed persons, i.e. sole traders, where the company does not have legal personality separate from that of the natural person).

International organisations — International organisations are not eligible.

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees for the protection of the EU financial interests equivalent to that offered by legal persons<sup>4</sup>.

EU bodies — EU bodies (with the exception of the European Commission Joint Research Centre) can NOT be part of the consortium.

Associations and interest groupings — Entities composed of members may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'<sup>5</sup>.  Please note that if the action will be implemented by the members, they should also participate (either as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

Social partner organisations — These include notably the European social partner organisations that are consulted in accordance with Article 154 TFEU (for the list, see [List of consulted organisations](#)) as well as other European-level social partner organisations that are not included in this list, but who are for example involved in the preparation and launch of European social dialogue at sector level. Social partner organisations without legal personality are eligible provided that the conditions for

<sup>3</sup> <https://www.ela.europa.eu/sites/default/files/2021-07/UDW-Platform-Members-and-Observers.pdf>

<sup>4</sup> See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>5</sup> For the definitions, see Articles 187(2) and 197(2)(c) EU Financial Regulation [2018/1046](#).

entities without legal personality (*see above*) are met. Social partners which are entitled by law or institutional agreement to carry out enforcement tasks can be coordinators. Other social partners can be among the “other applicants”.

Countries currently negotiating association agreements — Applicants from countries with ongoing negotiations (*see list above*) may participate in the call and can sign grants if the negotiations are concluded before grant signature (with retroactive effect, if provided in the agreement).

EU restrictive measures — Special rules apply for certain entities (*e.g. entities subject to [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)*<sup>6</sup> and entities covered by Commission Guidelines No [2013/C 205/05](#)<sup>7</sup>). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated<sup>8</sup> partners, subcontractors or recipients of financial support to third parties (if any).

 For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### Consortium composition

Actions may involve consortia.

Proposals by single applicants are allowed.

Affiliated<sup>9</sup> entities can take part in the consortium, and they must satisfy the eligibility criteria as all applicants.

### Eligible activities

Eligible activities are the ones set out in section 2 above.

Projects must comply with EU policy interests and priorities (*such as environment, social, security, industrial and trade policy, etc.*)

Financial support to third parties is not allowed.

### Geographic location (target countries)

Proposals must relate to activities taking place in the eligible countries (*see above under eligibility*).

### Duration

The project duration shall normally be 18 months (extensions are exceptionally possible, if duly justified and through an amendment).

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<sup>6</sup> Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the [EU Sanctions Map](#).

<sup>7</sup> Commission guidelines No [2013/C 205/05](#) on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).

<sup>8</sup> Associated partners do not appear on the Application Form part A. However they can be added as participants to the form, with the explanation on consortium set-up in Part B (meaning applicants should use the standard denominators in E-grant - “depends on” etc. - and explain in part B.

<sup>9</sup> Affiliated entities do not appear on the Application Form part A. However they can be added as participants to the form, with the explanation on consortium set-up in Part B (meaning applicants should use the standard denominators in E-grant - “depends on” etc. - and explain in part B.

### Project budget

The EU grant requested is expected to range between EUR 150 000 and 750 000. This does not preclude the submission/selection of proposal requesting other amounts.

## **7. Financial and operational capacity and exclusion**

### Financial capacity

Applicants must have **stable and sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.

The financial capacity check will be carried out on the basis of the documents you will be requested to upload in the [Participant Register](#) during grant preparation (*e.g. profit and loss account and balance sheet, business plan, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc*). The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for all beneficiaries, except:

- public bodies (entities established as public body under national law, including local, regional or national authorities)
- if the individual requested grant amount is not more than EUR 60 000.

It may also be done for affiliated entities.

If we consider that one or more participants' financial capacity is not satisfactory, we may require:

- further information
  - an enhanced financial responsibility regime, i.e. joint and several responsibility for all beneficiaries or joint and several liability of affiliated entities (*see below, section 10*)
  - prefinancing paid in instalments
  - (one or more) prefinancing guarantees (*see below, section 10*)
- or
- propose no prefinancing
  - request that the participants are replaced or, if needed, reject the entire proposal.

For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### Operational capacity

Applicants must have the **know-how, qualifications** and **resources** to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature).

This capacity will be assessed, on the basis of the competence and experience of the applicants and their project teams, including operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time the task implementation starts.

Applicants will have to show their operational capacity via the following information:

- general profiles (qualifications and experiences) of the staff responsible for managing and implementing the project, notably project manager and key personnel
- C1 level of English for the project manager of the coordinating entity
- description of the consortium participants
- list of previous projects (key projects from the last three years relating to the work of enforcement of relevant legislation to the subject of the call in particular in the areas of labour law, social security and taxation related to tackling undeclared work, implementation of strategic reforms, coordination between different actors on prevention and deterrence of undeclared work and increasing public awareness on issues related to undeclared work)
- at least 3 years of proved international team management activities for the coordinator

Additional supporting documents may be requested, if needed to confirm the operational capacity of any applicant.

Public bodies and Member State organisations may be exempted from the operational capacity check.

### Exclusion

Applicants which are subject to an **EU exclusion decision** or in one of the following **exclusion situations** that bar them from receiving EU funding can NOT participate<sup>10</sup>:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts)
- in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts)
- guilty of grave professional misconduct<sup>11</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar

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<sup>10</sup> See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).

<sup>11</sup> Professional misconduct includes: violation of ethical standards of the profession, wrongful conduct with impact on professional credibility, false declarations/misrepresentation of information, participation in a cartel or other agreement distorting competition, violation of IPR, attempting to influence decision-making processes or obtain confidential information from public authorities to gain advantage.



(including if done by persons having powers of representation, decisionmaking- or control, beneficial owners or persons who are essential for the award/implementation of the grant

- guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#) (including if done by persons having powers of representation, decisionmaking- or control, beneficial owners or persons who are essential for the award/implementation of the grant
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decisionmaking- or control, beneficial owners or persons who are essential for the award/implementation of the grant

Applicants will also be refused if it turns out that<sup>12</sup>:

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information
- they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

## 8. Evaluation and award procedure

The proposals will have to follow the **standard submission and evaluation procedure** (one-stage submission + one-step evaluation).

An **evaluation committee** (assisted by independent external experts) will assess all applications. Proposals will first be checked for formal requirements (admissibility, and eligibility, *see sections 5 and 6*). Proposals found admissible and eligible will be evaluated against the operational capacity and award criteria (*see sections 7 and 9*) and then ranked according to their scores.

All proposals will be informed about the evaluation result (**evaluation result letter**). Successful proposals will be invited for grant preparation; the other ones will be put on the reserve list or rejected.



No commitment for funding — Invitation to grant preparation does NOT constitute a formal commitment for funding. The Commission will still need to make various legal checks before grant award: *legal entity validation, financial capacity, exclusion check, etc.*

**Grant preparation** will involve a dialogue in order to fine-tune technical or financial aspects of the project and may require extra information from your side. It may also include adjustments to the proposal to address recommendations of the evaluation committee or other concerns. Compliance will be a pre-condition for signing the grant.

If you believe that the evaluation procedure was flawed, you can submit a **complaint** (following the deadlines and procedures set out in the evaluation result letter). Please note that notifications which have not been opened within 10 days after sending are considered to have been accessed and that deadlines will be counted from opening/access (*see also [Funding & Tenders Portal Terms and Conditions](#)*). Please also be aware that for complaints submitted electronically, there may be character limitations.

<sup>12</sup> See Article 141 EU Financial Regulation [2018/1046](#).

## 9. Award criteria

The **award criteria** for this call are as follows:

- **Relevance:** clarity and consistency of project, objectives and planning; extent to which they match the themes and priorities and objectives of the call; innovative character of the proposal; contribution to the EU strategic and legislative context; complementarity and added value to the work programme of the European Platform tackling undeclared work; possibility to use the results in other countries; potential to develop mutual trust/cross-border cooperation (Max. 40 points)
- **Quality:**
  - **Project design and implementation:** logical links between the identified problems, needs and solutions proposed (logical frame concept); methodology for implementing the project (concept and methodology, management, procedures, timetable, risks and risk management, monitoring and evaluation); appropriateness, feasibility, and soundness of the proposed analytical basis within the proposed time frame; cost effectiveness (sufficient/appropriate budget for proper implementation; best value for money) (Max. 20 points)
  - **Project team and cooperation arrangements:** sufficiency and adequateness of resources and their allocation for the different tasks to be performed; appropriate procedures and problem-solving mechanisms for cooperating within the project teams and consortium (Max. 20 points)
- **Impact:** expected long-term impact of results on target groups/general public; appropriate dissemination strategy for ensuring sustainability and long-term impact, as well as visibility at national and European (EU/EEA) level; sustainability of results after EU funding ends; potential of envisaged analytical outputs to lead to structural change/reform (Max. 20 points)

Award criteria	Minimum pass score	Maximum score
Relevance	28	40
Quality — Project design and implementation	14	20
Quality — Project team and cooperation arrangements	14	20
Impact	14	20
<b>Overall (pass) scores</b>	<b>70</b>	<b>100</b>

Maximum points: 100 points.

Individual thresholds per criterion: 28/40, 14/20, 14/20 and 14/20 points.

Overall threshold: 70/100 points.

Proposals that pass the individual thresholds AND the overall threshold will be considered for funding — within the limits of the available call budget. Other proposals will be rejected.

## **10. Legal and financial set-up of the Grant Agreements**

If you pass evaluation, your project will be invited for grant preparation, where you will be asked to prepare the Grant Agreement together with the EU Project Officer.

This Grant Agreement will set the framework for your grant and its terms and conditions, in particular concerning deliverables, reporting and payments.

The Model Grant Agreement that will be used (and all other relevant templates and guidance documents) can be found on [Portal Reference Documents](#).

### Milestones and deliverables

The milestones and deliverables for each project will be managed through the Portal Grant Management System and will be reflected in Annex 1 of the Grant Agreement.

Beneficiaries will have to ask attendees in events to participate in the EU Survey on EaSI. This survey allows the granting authority to closely monitor training, mutual learning and awareness-raising events. The beneficiaries will receive a weblink to the survey, to be forwarded to the attendees. They will have access to the survey results for their project and can use it for their project evaluation. The granting authority will aggregate the results of all the projects financed under the ESF+ EaSI strand.

### Starting date and project duration

The project starting date and duration will be fixed in the Grant Agreement (*Data Sheet, point 1*). Normally the starting date of the action will be after the signature of the grant agreement. Retroactive starting date can be granted exceptionally for duly justified reasons but never earlier than the proposal submission date.

Project duration: The duration of the project shall normally be 18 months (extensions are possible, if duly justified and through an amendment).

### Form of grant, funding rate and maximum grant amount

The grant parameters (*maximum grant amount, funding rate, total eligible costs, etc*) will be fixed in the Grant Agreement (*Data Sheet, point 3 and art 5*).

Project budget (maximum grant amount): *see section 6 above*. The grant awarded may be lower than the amount requested.

The grant will be a budget-based mixed actual cost grant (actual costs, with unit cost and flat-rate elements). This means that it will reimburse ONLY certain types of costs (eligible costs) and costs that were *actually* incurred for your project (NOT the *budgeted* costs). For unit costs and flat-rates, you can charge the amounts calculated as explained in the Grant Agreement (*see art 6 and Annex 2 and 2a*).

The costs will be reimbursed at the funding rate fixed in the Grant Agreement (**80%**).

Grants may NOT produce a profit (i.e. surplus of revenues + EU grant over costs). For-profit organisations must declare their revenues and, if there is a profit, we will deduct it from the final grant amount (*see art 22.3*).

Moreover, please be aware that the final grant amount may be reduced in case of non-compliance with the Grant Agreement (*e.g. improper implementation, breach of obligations, etc*).

### Budget categories and cost eligibility rules

The budget categories and cost eligibility rules are fixed in the Grant Agreement (*Data Sheet, point 3, art 6 and Annex 2*).

#### *Budget categories for this call:*

- A. Personnel costs
  - A.1 Employees
  - A.2 Natural persons under direct contract
  - A.3 Seconded persons
- B. Subcontracting costs
- C. Purchase costs
  - C.1 Travel and subsistence
  - C.2 Equipment
  - C.3 Other goods, works and services
- D. Indirect costs

#### *Specific cost eligibility conditions for this call:*

- personnel costs
  - SME owner/natural person unit cost<sup>13</sup>: No
  - volunteers unit cost<sup>14</sup>: No
- travel and subsistence unit cost<sup>15</sup>: Yes
- equipment costs: depreciation
- other cost categories:
  - costs for financial support to third parties: not allowed
- indirect cost flat-rate: 7% of the eligible direct costs (categories A-C, except volunteers costs, if any)
- VAT: non-deductible VAT is eligible (but please note that since 2013 VAT paid by beneficiaries that are public bodies acting as public authority is NOT eligible)
- other:
  - in-kind contributions for free are allowed, but cost-neutral, i.e. they cannot be declared as cost
  - kick off meeting: costs for kickoff meeting organised by the granting authority are eligible (travel costs for maximum 2 persons, return ticket to Brussels and accommodation for one night) only if the meeting takes place

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<sup>13</sup> Commission [Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7715).

<sup>14</sup> Commission [Decision](#) of 10 April 2019 authorising the use of unit costs for declaring personnel costs for the work carried out by volunteers under an action or a work programme (C(2019)2646).

<sup>15</sup> Commission [Decision](#) of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

after the project starting date set out in the Grant Agreement; the starting date can be changed through an amendment, if needed.

- Meetings: Beneficiaries selected for a grant may be invited to attend events organised by the European Commission (in Brussels, on average 2 meeting per year of the project implementation, to be attended by max. 2 project coordinators/managers) or the European Labour Authority (in Bratislava, 1 meeting, to be attended by 1 project coordinator/manager) in relation to this Call for Proposals. It is, therefore, recommended to include a provision for travel and accommodation costs for attendance at such events in the application budget.
- project websites: communication costs for presenting the project on the participants' websites or social media accounts are eligible. Costs for existing project websites are eligible, costs for new separate project websites are not eligible.
- other ineligible costs: No

### Reporting and payment arrangements

The reporting and payment arrangements are fixed in the Grant Agreement (*Data Sheet, point 4 and art 21 and 22*).

Payment of the grant is generally made in **prefinancing** instalments and a final payment (the balance). The aim of the prefinancing is to provide the beneficiaries with a float. The prefinancing remains the property of the EU until the payment of the balance. The frequency and size of prefinancing will depend upon the project duration but may be adjusted in case of risk:

- **actions of 12 months** : one prefinancing payment of 70% paid within 30 days from the entry into force of the grant agreement or after receiving the financial guarantee (if required), whichever is the latest
- **actions between 13 and 24 months**: prefinancing payments linked to annual reporting periods will be made as follows:
  - 40% from the entry into force of the grant agreement or after receiving the financial guarantee (if required), whichever is the latest
  - 40% after receiving a additional prefinancing report. Where the consumption of the previous prefinancing is less than 70%, the amount of the new prefinancing payment will be reduced by the difference between the 70% ceiling and the amount used
- **actions between 25 and 36 months**: prefinancing payments linked to annual reporting periods will be made as follows:
  - 30% from the entry into force of the grant agreement or after receiving the financial guarantee (if required), whichever is the latest
  - a second and third prefinancing of 40% and 20% after receiving additional prefinancing reports. Where the consumption of the previous prefinancing is less than 70%, the amount of the new prefinancing payment will be reduced by the difference between the 70% ceiling and the amount used.

There will be no **interim payments**.

**Payment of the balance:** At the end of the project, we will calculate your final grant amount. If the total of earlier payments is higher than the final grant amount, we will ask you (your coordinator) to pay back the difference (recovery).

All payments will be made to the coordinator.

Please note that you are responsible for keeping records on all the work done and the costs declared.

### Prefinancing guarantees

If a prefinancing guarantee is required, it will be fixed in the Grant Agreement (*Data Sheet, point 4*). The amount will be set during grant preparation and it will normally be equal to the prefinancing for your grant.

The guarantee should be in euro and issued by an approved bank/financial institution established in an EU Member State. If you are established in a non-EU country and would like to provide a guarantee from a bank/financial institution in your country, please contact us (this may be exceptionally accepted, if it offers equivalent security).

Amounts blocked in bank accounts will NOT be accepted as financial guarantees.

Prefinancing guarantees are formally NOT linked to individual consortium members, which means that you are free to organise how to provide the guarantee amount (*by one or several beneficiaries, for the overall amount or several guarantees for partial amounts, by the beneficiary concerned or by another beneficiary, etc*). It is however important that the requested amount is covered and that the guarantee(s) are sent to us in time to make the prefinancing (scanned copy via Portal AND original by post).

If agreed with us, the bank guarantee may be replaced by a guarantee from a third party.

The guarantee will be released at the end of the grant, in accordance with the conditions laid down in the Grant Agreement.

### Certificates

Depending on the type of action, size of grant amount and type of beneficiaries, you may be requested to submit different certificates. The types, schedules and thresholds for each certificate are fixed in the grant agreement (*Data Sheet, point 4 and art 24*).

### Liability regime for recoveries

The liability regime for recoveries will be fixed in the Grant Agreement (*Data Sheet point 4.4 and art 22*).

For beneficiaries, it is limited joint and several liability with individual ceilings — *each beneficiary up to their maximum grant amount*.

In addition, the granting authority may require joint and several liability of affiliated entities (with their beneficiary).

### Provisions concerning the project implementation

IPR rules: *see Model Grant Agreement (art 16 and Annex 5):*

- rights of use on results: Yes

Communication, dissemination and visibility of funding: *see Model Grant Agreement (art 17 and Annex 5):*

- additional communication and dissemination activities: Yes

Specific rules for carrying out the action: *see Model Grant Agreement (art 18 and Annex 5)*:

- specific rules for ESF+ actions: Yes
- specific rules for financial support to third parties: Not applicable

#### Other specificities

n/a

#### Non-compliance and breach of contract

The Grant Agreement (chapter 5) provides for the measures we may take in case of breach of contract (and other non-compliance issues).



For more information, see [AGA – Annotated Grant Agreement](#).

### **11. How to submit an application**

All proposals must be submitted directly online via the Funding & Tenders Portal Electronic Submission System. Paper applications are NOT accepted.

Submission is a 2-step process:

#### **a) create a user account and register your organisation**

To use the Submission System (the only way to apply), all participants need to [create an EULogin user account](#).

Once you have an EULogin account, you can [register your organisation](#) in the Participant Register. When your registration is finalised, you will receive a 9-digit participant identification code (PIC).

#### **b) submit the proposal**

Access the Electronic Submission System via the Topic page in the [Search Funding & Tenders](#) section (or, for calls sent by invitation to submit a proposal, through the link provided in the invitation letter).

Submit your proposal in 3 parts, as follows:

- Part A includes administrative information about the applicant organisations (future coordinator, beneficiaries, affiliated entities and associated partners) and the summarised budget for the proposal. Fill it in directly online
- Part B (description of the action) covers the technical content of the proposal. Download the mandatory word template from the Submission System, fill it in and upload it as a PDF file
- Annexes (*see section 5*). Upload them as PDF file (single or multiple depending on the slots; the budget table can be uploaded as Excel file).

The proposal must keep to the **page limits** (*see section 5*); excess pages will be disregarded.

Documents must be uploaded to the **right category** in the Submission System otherwise the proposal might be considered incomplete and thus inadmissible.



The proposal must be submitted **before the call deadline** (see *section 4*). After this deadline, the system is closed and proposals can no longer be submitted.

Once the proposal is submitted, you will receive a **confirmation e-mail** (with date and time of your application). If you do not receive this confirmation e-mail, it means your proposal has NOT been submitted. If you believe this is due to a fault in the Submission System, you should immediately file a complaint via the [IT Helpdesk webform](#), explaining the circumstances and attaching a copy of the proposal (and, if possible, screenshots to show what happened).

Details on processes and procedures are described in the [Online Manual](#). The Online Manual also contains the links to FAQs and detailed instructions regarding the Portal Electronic Exchange System.

## 12. Help

As far as possible, ***please try to find the answers you need yourself***, in this and the other documentation (we have limited resources for handling direct enquiries):

- [Online Manual](#)
- FAQs on the Topic page (for call-specific questions in open calls; not applicable for actions by invitation)
- [Portal FAQ](#) (for general questions).

Please also consult the Topic page regularly, since we will use it to publish call updates. (For invitations, we will contact you directly in case of a call update).

### Contact

For individual questions on the Portal Submission System, please contact the [IT Helpdesk](#).

Non-IT related questions should be sent to the following email address:

- general questions on ESF+: [EMPL-EaSI@ec.europa.eu]
- call-specific questions: [Empl-VP-2021-011@ec.europa.eu](mailto:Empl-VP-2021-011@ec.europa.eu)

Questions on submission must:

- be sent at the latest 7 days before the submission deadline (see *section 3*).
- indicate clearly the reference of the call and topic to which your question relates (see *cover page*).



## 13. Important



### IMPORTANT

- **Don't wait until the end** — Complete your application sufficiently in advance of the deadline to avoid any last minute **technical problems**. Problems due to last minute submissions (*e.g. congestion, etc*) will be entirely at your risk. Call deadlines can NOT be extended.
- **Consult** the Portal Topic page regularly. We will use it to publish updates and additional information on the call (call and topic updates).
- **Funding & Tenders Portal Electronic Exchange System** — By submitting the application, all participants **accept** to use the electronic exchange system in accordance with the [Portal Terms & Conditions](#).
- **Registration** — Before submitting the application, all beneficiaries, affiliated entities and associated partners must be registered in the [Participant Register](#). The participant identification code (PIC) (one per participant) is mandatory for the Application Form.
- **Consortium roles**— When setting up your consortium, you should think of organisations that help you reach objectives and solve problems.

The roles should be attributed according to the level of participation in the project. Main participants should participate as **beneficiaries** or **affiliated entities**; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. **Associated partners** and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). **Subcontracting** should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities). Subcontracting going beyond 30% of the total eligible costs must be justified in the application.

- **Coordinator** — In multi-beneficiary grants, the beneficiaries participate as consortium (group of beneficiaries). They will have to choose a coordinator, who will take care of the project management and coordination and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be coordinator.
- **Affiliated entities** — Applicants may participate with affiliated entities (i.e. entities linked to a beneficiary which participate in the action with similar rights and obligations as the beneficiaries, but do not sign the grant and therefore do not become beneficiaries themselves). They will get a part of the grant money and must therefore comply with all the call conditions and be validated (just like beneficiaries); but they do not count towards the minimum eligibility criteria for consortium composition (if any).
- **Associated partners** — Applicants may participate with associated partners (i.e. partner organisations which participate in the action but without the right to get grant money). They participate without funding and therefore do not need to be validated.
- **Consortium agreement** — For practical and legal reasons it is recommended to set up internal arrangements that allow you to deal with exceptional or unforeseen circumstances (in all cases, even if not mandatory under the Grant Agreement). The consortium agreement also gives you the possibility to redistribute the grant money according to your own consortium-internal principles and parameters (for instance, one beneficiary can reattribute its grant money to another beneficiary). The consortium agreement thus allows you to customise the EU grant to the needs inside your consortium and can also help to protect you in case of disputes.

- **Balanced project budget** — Grant applications must ensure a balanced project budget and sufficient other resources to implement the project successfully (*e.g. own contributions, income generated by the action, financial contributions from third parties, etc*). You may be requested to lower your estimated costs, if they are ineligible (including excessive).
- **No-profit rule** — Grants may NOT give a profit (i.e. surplus of revenues + EU grant over costs). This will be checked by us at the end of the project.
- **No double funding** — There is a strict prohibition of double funding from the EU budget (except under EU Synergies actions). Outside such Synergies actions, any given action may receive only ONE grant from the EU budget and cost items may under NO circumstances declared to two different EU actions.
- **Completed/ongoing projects** — Proposals for projects that have already been completed will be rejected; proposals for projects that have already started will be assessed on a case-by-case basis (in this case, no costs can be reimbursed for activities that took place before the project starting date/proposal submission).
- **Combination with EU operating grants** — Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and you make sure that cost items are clearly separated in your accounting and NOT declared twice (see [AGA — Annotated Model Grant Agreement, art 6.2.E](#)).
- **Multiple proposals** — Applicants may submit more than one proposal for *different* projects under the same call (and be awarded a funding for them).

Organisations may participate in several proposals.

BUT: if there are several proposals for *very similar* projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).

- **Resubmission** — Proposals may be changed and re-submitted until the deadline for submission.
- **Rejection** — By submitting the application, all applicants accept the call conditions set out in this this Call Document (and the documents it refers to). Proposals that do not comply with all the call conditions will be **rejected**. This applies also to applicants: All applicants need to fulfil the criteria; if any one of them doesn't, they must be replaced or the entire proposal will be rejected.
- **Cancellation** — There may be circumstances which may require the cancellation of the call. In this case, you will be informed via a call or topic update. Please note that cancellations are without entitlement to compensation.
- **Language** — You can submit your proposal in any official EU language (project abstract/summary should however always be in English). For reasons of efficiency, we strongly advise you to use English for the entire application. If you need the call documentation in another official EU language, please submit a request within 10 days after call publication (for the contact information, see *section 12*).

- **Transparency** — In accordance with Article 38 of the [EU Financial Regulation](#), information about EU grants awarded is published each year on the [Europa website](#).

This includes:

- beneficiary names
- beneficiary addresses
- the purpose for which the grant was awarded
- the maximum amount awarded.

The publication can exceptionally be waived (on reasoned and duly substantiated request), if there is a risk that the disclosure could jeopardise your rights and freedoms under the EU Charter of Fundamental Rights or harm your commercial interests.

- **Data protection** — The submission of a proposal under this call involves the collection, use and processing of personal data. This data will be processed in accordance with the applicable legal framework. It will be processed solely for the purpose of evaluating your proposal, subsequent management of your grant and, if needed, programme monitoring, evaluation and communication. Details are explained in the [Funding & Tenders Portal Privacy Statement](#).