



**COSME Programme**

**Call for Proposals**

**Social Economy Missions**

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# 1. INTRODUCTION AND BACKGROUND

## 1.1. Introduction

Small and medium-sized enterprises (SME) play a crucial role in reaching the objectives of the SME Strategy for sustainable and digital Europe<sup>1</sup>. Whereas they are considered as crucial engines for growth and job creation, their competitiveness is affected by a limited exploitation of international opportunities and innovation prospects in the Single Market and beyond.

In this context, the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)<sup>2</sup> running from 2014 - 2020 aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

The Executive Agency for Small and Medium-sized 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 2019, as last amended on 20 August 2019<sup>4</sup> and Work Programme 2020 adopted on 17 January 2020<sup>5</sup>.

## 1.2. Policy Context

EU actions give political recognition and significance to social economy thus acting as a catalyst for reforms at Member State level. For instance as a result of the Social Business Initiative launched in 2011, several EU Member States have launched significant legislative reforms to support social economy and social enterprises in their countries.

However, EU policies for social economy development still need to be harmonised and reinforced. Due to the lack of a single social economy definition, Member States apply different subsets of the social economy principles to define and support their social economy actors.

Furthermore, awareness of social economy potential within the EU, in particular at regional and local level, is insufficient. This reduces the reach of existing EU tools and supportive schemes for social enterprises and social economy stakeholders and results often in lack of active collaboration of social economy networks at regional and local level.

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<sup>1</sup> [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>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> Commission Implementing Decision C(2019) 6039 of 20.08.2019 on the amending and correcting Implementing Decision C(2018)8098 on the financing of the Programme for the Competitiveness of Enterprises and Small and Medium-Sized Enterprises and the adoption of the work programme for 2019.

<sup>5</sup> Commission Implementing Decision C(2020) 111 of 17.01.2020 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.

In this context the European Commission launched the European Social Economy Regions Pilot (ESER) in February 2018 to raise awareness and build networks of social economy stakeholders at regional and local level. Between 2018 and 2020 the ESER initiative has generated more than 100 regional and local partnerships on social economy – without any financial contribution provided by the European Commission. Respective annual ESER concluding events gave the European Commission a clear mandate to continue with the awareness-raising campaign and streamline the initiative towards a targeted inter-regional collaboration.

The “Social economy missions” take into consideration priorities of the European Commission 2019-2024 and accent on strong Social Europe<sup>6</sup>.

The new priorities of the European Commission 2019-2024 indicate shifting towards more sustainable and entrepreneurial economy within the European Green Deal as one of the main goals. Fostering social innovation at local, regional and inter-regional level will be crucial to support green transition and stimulate cohesion and inclusiveness so that “nobody is left behind”. The Social Economy, in all its diversity of forms, carries out in its DNA the potential for the necessary changes.

The aim of the “Social economy missions” is to accelerate the development and acknowledgement of this potential of social economy via inter-regional learning and collaboration. It will contribute significantly to a European Social Economy community building and boost innovation efforts, sustainable growth and creation of high-value jobs. Where appropriate, the project will set the ground for future joint inter-regional projects in the field of social economy. This could pave the way for targeted inter-regional collaboration during the new EU programming period 2021-2027.

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

### **2.1. Objectives**

The general objective of this call for proposals is to follow-up on a successful European Social Economy Regions 2018 (ESER) pilot which established a basis for creation of effective networks of social economy stakeholders at regional level across Europe and to boost inter-regional collaboration in the field of social economy. The project is aiming at engaging a network of regional and local authorities established in the EU and COSME participating countries, and stakeholders with similar social economy priorities and creating space for inter-regional learning and collaboration. An enhanced inter-regional cooperation in the field of social economy will contribute significantly to a gradual building of a social economy community of practice as an integral part of a sustainable European economic model.

The present call for proposals will support consortia in developing inter-regional collaboration through sharing and replicating best practices and inter-regional learning, and create opportunities and incentives for future inter-regional partnerships in the field of priorities of “Social economy missions”.

The specific objectives to be achieved through this call for proposals are the following:

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<sup>6</sup> [https://ec.europa.eu/commission/presscorner/detail/en/fs\\_20\\_49](https://ec.europa.eu/commission/presscorner/detail/en/fs_20_49).

- Enhancing interaction and improving collaboration between existing social economy networks and stakeholders at regional and local level in the field of priorities of “Social economy missions”;
- Boosting inter-regional learning between social economy stakeholders (public and private sector) in the field of priorities of “Social economy missions”;
- Contributing to a gradual building of a Social Economy community.

The proposed actions (hereafter “social economy missions”) will bring together regional and local authorities with similar social economy priorities and accompanied by regional and local social economy stakeholders (social enterprises, cooperatives, SMEs, etc.). Networks and umbrella organisations at various levels (European, national, inter-regional, regional, local) active in the field of social economy will be invited to enrich the missions’ exchanges and mutual learning within the established partnerships, including new, innovative approaches.

The “social economy missions” will help to gradually build an ecosystem of players, encouraging the interaction between different partners both at public and private level and thus contributing to development of the European social economy community.

## **2.2. Topics of “Social Economy Missions”**

The proposals for this call for proposals must clearly identify one topic which will be addressed in the “social economy mission”, explain why this issue is relevant for all consortium partners and specify the objectives to be achieved by the mission. The proposals can address one of the topics listed below or identify another topic of relevance to the consortium partners around the development of social economy provided that only one topic is addressed and the rationale for that particular topic is explained in the proposal.

Possible topics can be:

1. Building resilient regional and/or local ecosystems;
2. Socially responsible public procurement;
3. Building Clusters of Social and Ecological Innovation or participation in traditional clusters;
4. Support to social economy business development;
5. Support to local and regional initiatives in the area of green and digital transition;
6. Local or regional measures tackling unemployment;
7. Sustainable agriculture and rural development;
8. Education and training to develop the social economy ecosystem;
9. The development of horizontal policies to support social economy at local or regional level;
10. Social economy initiatives to integrate migrants;
11. Other (identified by the applicants).

### *2.2.1. Building resilient regional and/or local ecosystems*

The Covid-19 crisis has revealed importance of resilient ecosystems at regional and local level in order to ensure quick response and smooth delivery of basic products and services as well as emergency goods to citizens. Social economy stakeholders active in a given territory (municipality, city, region, etc.) are able to address effectively many of these urgent needs (for example in local food supply chain, providing social services for vulnerable groups of citizens etc.). Social economy and social economy stakeholders play an important role in this context and should be considered as

one of the key building blocks of resilient regional and/or local ecosystems while respecting a fundamental role of regional and local governments to coordinate these efforts.

The "Building resilient regional and/or local ecosystems" mission will bring together:

- Relevant regional and local public authorities;
- Social economy stakeholders (such as SMEs, social enterprises, cooperatives, start-ups, social service enterprises and agencies) and other relevant actors such as universities, fablabs or citylabs or living labs and regular SME's.

The "Building resilient regional and/or local ecosystems" mission will enable exchange of views on existing and/or future practices and inter-regional learning between the project partners. Experience and good practice of a coordinator will be presented in close collaboration with stakeholders and accompanied by site visits and/or hands-on trainings. Inter-active exchanges using different participatory methods (inter-active workshops, webinars, peer-to-peer learning etc.) will provide a unique opportunity for boosting inter-regional learning and/or paving the way towards future inter-regional collaboration in the field

### *2.2.2. Socially responsible public procurement*

By using purchasing power to choose socially responsible goods, services and works, public authorities at different levels can set a positive example and encourage enterprises to make wider use of social standards in the management, production and provision of services.

Socially responsible public procurement provides incentives to companies to develop socially responsible products and services.

The 2014 public procurement legal framework of the European Union<sup>7</sup> entered into force in April 2016, opening up new opportunities for public authorities to promote socially responsible public procurement. A number of projects have been launched in order to encourage public authorities to promote social considerations through their purchasing procedures.

However, implementing socially responsible public procurement in practice remains a challenge and experience shows that the opportunities arising from the existing legal framework are still insufficiently used. In addition, different regional or local public authorities, given their competencies in the field and specific conditions, address this challenge with different approach and different success level.

The "Socially Responsible Public Procurement (SRPP) Mission" will bring together:

- Relevant regional and local public authorities;
- Social economy stakeholders (such as SMEs, social enterprises, representative organisations, etc.);
- Where relevant, the social clauses facilitators or any other types of SRPP intermediaries.

The SRPP Mission will enable the exchange of good practices and inter-regional learning between the project partners. Experience and good practice of a coordinator will be presented and accompanied by site visits and/or hands-on trainings. Inter-active exchanges via different participatory methods (inter-active workshops, webinars, peer-to-peer learning etc.) will provide a

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<sup>7</sup> [http://ec.europa.eu/growth/single-market/public-procurement/rules-implementation\\_en](http://ec.europa.eu/growth/single-market/public-procurement/rules-implementation_en).

unique opportunity for boosting inter-regional learning and/or paving the way towards future inter-regional collaboration.

### 2.2.3. *Building Clusters of Social and Ecological Innovation or participation in traditional clusters*

The emphasis on the scaling-up of Social Economy and mainstream their presence and activities in the Internal Market is an important EU policy ambition. In that sense, business cooperation is undeniably important for Social Economy, within sectors, cross-sectoral, across borders and also with traditional enterprises. Therefore, clusters could be considered as a way to promote integrative cooperation between different enterprise models.

For the purpose of this call for proposals, clusters are groups of specialised enterprises, often SMEs, and other related supporting actors in a location that cooperate closely. Together, SMEs can be more innovative, create more jobs, and register more international trademarks and patents than alone<sup>8</sup>. The participation of social economy in such clusters is worth to explore and could leverage a rich exchange of impact between members.

Recently a working group of the GECES<sup>9</sup> has explored the existence of clusters organised mainly amongst social economy stakeholders in so called *Clusters of Social and Ecological Innovation*.

The “Building Clusters of Social and Ecological Innovation or participation in traditional clusters mission” will bring together:

- Relevant regional and local public authorities, research centres and universities;
- Social economy stakeholders (such as SMEs, social enterprises, etc.) and civil society organisations.

The Building social economy clusters mission will enable exchange of good practices and inter-regional learning between the project partners. Experience and good practice of a coordinator will be presented and accompanied by site visits and/or hands-on trainings. Inter-active exchanges via different participatory methods (inter-active workshops, webinars, peer-to-peer learning etc.) will provide a unique opportunity for boosting inter-regional learning and/or paving the way towards future inter-regional collaboration. The support from the GECES working group on Clusters of Social and Ecological Innovation could be requested for input, exchange of views and guidance.

### 2.2.4. *Support to social economy business development*

In the course of the last decades the roots of traditional economic theory have been increasingly questioned by a growing number of experts and practitioners who look beyond self-interest and profit as drivers and measure of success and well-being. This new, emerging corpus of theory and practice needs new tools to integrate societal and environmental values with traditional economic dimensions. The development of practical, actionable, easy-to-use, people-centred methods to support aspiring (not only) social entrepreneurs is not only a direct response to this need, but also reflects a bottom-up approach to the current environmental and societal challenges.

The European Commission, in close collaboration with social economy practitioners, has developed a prototype of the Social Economy Canvas in order to provide: a) a targeted support to aspiring

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<sup>8</sup> [https://ec.europa.eu/growth/industry/policy/cluster\\_en](https://ec.europa.eu/growth/industry/policy/cluster_en).

<sup>9</sup> Commission Working Group on Social Economy and Social Enterprises [https://ec.europa.eu/growth/sectors/social-economy/enterprises/expert-groups\\_en](https://ec.europa.eu/growth/sectors/social-economy/enterprises/expert-groups_en).

social entrepreneurs; b) a testing tool for existing traditional and social enterprises to test their triple bottom line performance and impact; c) a tool to actively contribute to achieving Sustainable Development Goals.

The “Support to social economy business development mission” will bring together:

- Relevant regional and local public authorities;
- Social economy stakeholders (such as SMEs, social enterprises, business development agencies, experts, etc.)

The “Support to social economy business development mission” will enable exchange of good practices and inter-regional learning between the project partners. A unique knowledge and experience of business development agencies or organisations in the field of providing support to business development is essential for this mission. Experience and good practice of a coordinator will be presented via examples and hands-on training in close collaboration with a social business support agency or relevant stakeholder. The European Commission could be invited to inter-regional learning in this field by presenting the Social Economy Canvas prototype. Inter-active exchanges via different participatory methods (inter-active workshops, webinars, peer-to-peer learning etc.) will provide a unique opportunity for boosting inter-regional learning and capacity building in the field of social economy business development. It could pave the way towards future inter-regional collaboration.

#### *2.2.5. Support to local and regional initiatives in the area of green and digital transition*

Shifting towards a more sustainable and green economy is one of the key priorities of the new European Commission. A European Green Deal<sup>10</sup> package published in December 2019 enables European citizens and businesses to benefit from sustainable green transition. Measures accompanied with an initial roadmap of key policies range from ambitiously cutting emissions, to investing in cutting-edge research and innovation, to preserving Europe’s natural environment. The European Green Deal sets a path for a transition that is just and socially fair. It is designed in such a way as to leave no individual or region behind in the great transformation ahead.

Many existing social economy stakeholders provide sustainable development products and services (such as for example renewable energy cooperatives, alternative and sharing public/private transportation solutions, passive housing projects in cities and rural areas, active promotion of biodiversity), often also with a work integration function.

A targeted inter-regional learning and sharing good practices in this area is a pre-requisite for new solutions, sustainable businesses and projects to address community needs and boost citizens-rooted green actions paving the way towards Europe as the first climate-neutral continent in the world by 2050.

Also the use of new technologies and digital social innovations within a social enterprise or social economy ecosystem context is worth exploring. Many pioneering examples were already developed by the social economy, such as sharing and collaborative<sup>11</sup> platforms for lowering consumption, co-ownership, circular economy, clean mobility or the use of blockchain<sup>12</sup> for traceability in organic

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<sup>10</sup> [www.ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](http://www.ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en).

<sup>11</sup> <https://www.eesc.europa.eu/en/our-work/opinions-information-reports/opinions/collaborative-or-participatory-consumption-sustainable-model-21st-century>.

<sup>12</sup> <https://www.eesc.europa.eu/fr/agenda/our-events/events/blockchain-une-technologie-pour-une-economie-sociale-40>.

agriculture (traceability) and electricity provision within a cooperative context (fair pricing and distribution systems for clean energy), the rise of urban and rural fablabs<sup>13</sup> to foster low and high-tech (green) solutions servicing sectors such as sustainable agriculture, tourism, mobility, the circular economy and foster new and green local value chains.

The “Support to local and regional initiatives in the area of green and digital transition mission” will bring together:

- Relevant regional and local public authorities;
- Social economy stakeholders (such as SMEs, social enterprises, cooperatives etc.)

The “Support to local and regional initiatives in the area of green and digital transition mission” will enable exchange of good practices and inter-regional learning between the project partners. Experience and good practice from a coordinator’s territorial district will be presented in close collaboration with relevant social economy stakeholders and accompanied by site visits and/or hands-on training. Inter-active exchanges via different participatory methods (inter-active workshops, webinars, peer-to-peer learning etc.) will provide a unique opportunity for boosting inter-regional learning and/or paving the way towards future inter-regional collaboration (inter-regional or regional and local green deals<sup>14</sup>).

#### *2.2.6. Local or regional measures tackling unemployment*

Regional and local unemployment requires special measures to be addressed successfully. Job offers need to adequately respond to the local needs, eliminate evasion of the local workforce and at the same time contribute to regional or local sustainable economic growth and address regional or local social challenges.

The “Local or regional measures tackling unemployment mission” will bring together:

- Relevant regional and local public authorities;
- Social economy stakeholders (such as SMEs, social enterprises, employment agencies and organisations etc.)

The “Local or regional measures tackling unemployment mission” will enable exchange of good practices and inter-regional learning between the project partners. Experience and good practice of a coordinator will be presented in close collaboration with social economy stakeholders and employment agencies and accompanied by site visits and/or hands-on trainings. Inter-active exchanges using different participatory methods (inter-active workshops, webinars, peer-to-peer learning etc.) will provide a unique opportunity for boosting inter-regional learning and/or paving the way towards future inter-regional collaboration.

#### *2.2.7. Sustainable agriculture and rural development*

##### *a) Sustainable agriculture*

Ecological and environment-friendly agriculture and rural development offers opportunities to farmers to make their businesses and enterprises sustainable and green. It contributes to tackling climate change, protect the environment and preserve biodiversity. It has potential of creating sustainable jobs and growth in rural areas.

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<sup>13</sup> <https://fablab.si/en>.

<sup>14</sup> [https://ec.europa.eu/commission/presscorner/detail/en/fs\\_20\\_49](https://ec.europa.eu/commission/presscorner/detail/en/fs_20_49) (page 6 of the Communication).

Emerging short-chain food sales at regional and local level address community needs and offer a real opportunity for smaller farms to build up sustainable profit. Direct contacts between producers and consumers shape new form of sustainable agro-food sector, stimulate and at the same time educate people on the value of the product.

Sharing regional and local good practices in this emerging sector is a pre-requisite for an efficient rural transition towards sustainable agriculture.

The European Commission will present the Farm to Fork Strategy<sup>15</sup> to address different aspects of this transition.

## b) Rural Development

Marginalized rural regions across Europe face similar challenges that call for innovative answers. Compared to urban centres, such regions suffer from low economic productivity and a lack of jobs for well-qualified people. These regions can offer limited educational opportunities and cultural entertainment. As a result, these regions experience out-migration, especially of young, well-educated people. In the worst case, downward spirals are set in motion that further reduce economic opportunities and prevent rural regions from overcoming their structural deficits. Without tailored intervention, rural regions risk falling behind the wider social and economic development in Europe threatening social and territorial cohesion in the European Union.

Particular groups such as unemployed, retired, disabled people or third countries nationals are threatened by marginalization in rural communities. Social enterprises can contribute to addressing these issues by building stronger social relationships and social inclusion in rural areas.

The “Sustainable agriculture and rural development mission” will bring together:

- Relevant regional and local public authorities;
- Social economy stakeholders (such as SMEs, cooperatives, social enterprises etc.)

The “Sustainable agriculture and rural development mission” will enable exchange of good practices and inter-regional learning between the project partners. Experience and good practice of a consortium coordinator will be presented in close collaboration with social economy stakeholders and accompanied by site visits and/or hands-on trainings. Inter-active exchanges via different participatory methods (inter-active workshops, webinars, peer-to-peer learning etc.) will provide a unique opportunity for boosting inter-regional learning and/or paving the way towards future inter-regional collaboration.

### *2.2.8. Education and training to develop the social economy ecosystem*

Lack of systematic approach to the social economy model partially originates from insufficient supportive educational schemes. An unexplored potential of education and its impact on social economy community building and awareness-raising is enormous.

It is important to support developing educational schemes (primary + secondary schools + university or technical schools) and fostering the entrepreneurial mind-sets of young people to be involved in social economy organisations outside the educational environment.

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<sup>15</sup> [https://ec.europa.eu/food/farm2fork\\_en](https://ec.europa.eu/food/farm2fork_en).

Relevant awareness raising is important to develop alternative forms of entrepreneurship. At the European level, to enable young people to take full advantage of the cooperative enterprise option, the European Commission decided for instance to launch a preparatory action on that topic in 2019 to address challenges in that area entitled “Reducing youth unemployment: setting up co-operatives to enhance working opportunities in the EU”. The action will help to diffuse the cooperative concept and values towards young people. It will be complementary to projects aiming at boosting cooperative entrepreneurship currently being implemented under ERASMUS +<sup>16</sup>.

The “Education and training to develop the social economy ecosystem mission” will bring together:

- Competent regional and local public authorities;
- Social economy stakeholders and academic or education entities (such as SMEs, social enterprises, universities etc.)

The “Education and training to develop the social economy ecosystem mission” will enable exchange of good practices and inter-regional learning between the project partners. Experience and good practice of a coordinator will be presented in close collaboration with stakeholders and academic entities and accompanied by site visits and/or hands-on trainings. Inter-active exchanges using different participatory methods (inter-active workshops, webinars, peer-to-peer learning etc.) will provide a unique opportunity for boosting inter-regional learning and/or paving the way towards future inter-regional collaboration.

#### *2.2.9. The development of horizontal policies to support social economy at local or regional level*

Social economy has proven to be a major contributor to local and regional development, and to be more resilient in times of economic crisis. A number of local and regional public authorities have recognised the strong local anchorage of social economy organisations and social enterprises, and have developed horizontal or specific policies to support them.

The EU recently developed, in cooperation with the OECD, a Better Entrepreneurship Policy Tool<sup>17</sup> helping public authorities and stakeholders to explore how public policies at national, regional and local levels can support the development of social enterprises. The tool features different modules with self-assessment questionnaires and learning resources around the following issues: culture, skills, finance, markets, impact, regulations, and institutions.

This mission will bring together:

- Relevant regional and/or local public authorities;
- Social economy stakeholders (such as SMEs, social enterprises, employment agencies and organisations etc.).

It will foster the exchange of good practices and inter-regional learning between the project partners around the issue of policy development, possibly using the Better Entrepreneurship Policy Tool. The consortium partners will share their experiences and good practices in close collaboration with relevant social economy stakeholders, using site visits and/or hands-on trainings. Meetings will be interactive and use participatory methods (workshops, webinars, peer-to-peer learning etc.). The objective is to boost inter-regional learning and/or paving the way towards future inter-regional collaboration.

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<sup>16</sup> [https://ec.europa.eu/newsroom/growth/item-detail.cfm?item\\_id=648248](https://ec.europa.eu/newsroom/growth/item-detail.cfm?item_id=648248).

<sup>17</sup> <https://www.betterentrepreneurship.eu>.

### 2.2.10. Social economy initiatives to integrate migrants

Social economy organizations have played a key role, alongside public authorities, in addressing the social needs of the refugees and migrants who have arrived in the European Union in the recent years: e.g. housing, provision of food, health care and education. In addition, they have often offered this support in an innovative way, for example by better involving the beneficiaries themselves. Some organizations have specially promoted the economic integration of refugees and migrants, for example by offering them jobs.

This mission will bring together:

- Relevant regional and/or local public authorities;
- Social economy stakeholders (such as SMEs, social enterprises, employment agencies and organisations etc.).

It will foster the exchange of good practices and inter-regional learning between the project partners to support the role of social economy organisations in addressing the needs of migrants and refugees. The consortium partners will share their experiences and good practices in close collaboration with relevant social economy stakeholders, using site visits and/or hands-on trainings. Meetings will be interactive and use participatory methods (workshops, webinars, peer-to-peer learning etc.). The objective is to boost inter-regional learning and/or paving the way towards future inter-regional collaboration.

### 2.3. Activities

The proposed "social economy mission" will include, at least, the following compulsory parts:

- A kick off meeting with the EASME and the European Commission in Brussels attended by the project coordinator (one person) of the coordinator and by person responsible for financial management of the project (one person) of the coordinator. Expenses related to the participation in the kick-off meeting are eligible (travel, accommodation and subsistence costs of consortia representatives).
- An online or offline session with invited representatives of the consortia, organised by respective European Commission services shortly after the kick-off meeting in order to provide guidance on participatory methods for planning and organising workshops in their regions.
- Three (3) compulsory workshops:
  - a) First workshop

The first workshop must be organised in the coordinator's territorial district<sup>18</sup> with the following objectives:

- to share best practices in the coordinator's territorial district and those of other consortium partners,

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<sup>18</sup> A district (region, city, municipality etc.) defined for administrative and legal purposes.

- to present best practices in the coordinator's territorial district in close collaboration with stakeholders via onsite visits (where appropriate) and/or hands-on training,
- to understand existing practices and/or challenges of other consortium partners through a set of parallel collaborative sessions (peer-to-peer learning).

The methodology, duration and location of the first compulsory workshop must be proposed by the applicants in their proposals. Expenses related to the organisation of the workshop are eligible.

#### b) Second and third workshops

The methodology, duration and locations for the two remaining compulsory workshops must be proposed by the applicants in their proposals. Expenses related to the organisation of the workshops are eligible.

The compulsory workshops will be attended by at least 20 “travelling” participants representing the consortium partners<sup>19</sup>. Regional or local public administration acting as consortium partners are requested to participate in the “social economy missions” (workshops) with delegations consisting of social economy stakeholders active in a given territory. These delegations of social economy stakeholders active in a given territory must be identified in proposals and they shall include social economy enterprises<sup>20</sup> and, where appropriate, regional or local network or umbrella organisation(s), and/or universities and/or business organisations and/or research organisations and/or civil society organisations and/or other support organisations active in the area of social economy or social entrepreneurship. Consortium partners must ensure that the composition of their delegation is balanced. Costs incurred by members of delegations that are not representatives of consortia members (coordinator and partners) will be fully reimbursed by projects as financial support to third parties.

The three compulsory workshops can be followed by additional learning activities among consortium partners such as additional workshops, webinars, peer-to-peer learnings, etc. or by other additional activities that would be beneficial for the project (for example on how to transfer collected good practice from one region to another region or how to prepare the ground for a future joint inter-regional project etc.). Timeline of these activities will be outlined in compliance with and respecting the project duration (up to 12 months).

The proposals must include a description of the consortium, partners in the consortium and their roles in implementation of the projects. As a minimum, the coordinator will coordinate the work of the consortium and mobilise the partners in order to achieve the objectives laid down in the proposal and be responsible in particular for the following tasks:

- Coordinating the first “social economy mission” compulsory workshop;
- Where relevant, coordinating other follow-up actions such as additional workshops, webinars etc.

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<sup>19</sup> 20 participants from territorial districts of the consortium partners (or from a territorial district of the coordinator in case a workshop is organised in a territorial district of one of the consortium partners) other than the one where a workshop is organised.

<sup>20</sup> For the purpose of this call, the social economy enterprises refer to a diversity of enterprises such as cooperatives, mutuals, associations, foundations, or social enterprises as defined in the *Social Business Initiative* (2011).

- Collecting good practices and reporting (submitting workshop reports and submitting the Final report via Participant portal);
- Publishing the good practices and all information relevant to the activities of the “social economy mission” on the European Commission Social Economy Community collaborative website<sup>21</sup>, after approval of the EASME.
- Coordination of dissemination of the outcomes through different communication channels.

## 2.4. Deliverables

Minimum requirements for outputs of “social economy missions” include:

- Three workshops
- Three workshop reports with good practices in the field of priority of “social economy mission” as stipulated in the section 2.3, and published at the Social Economy Community collaborative website in requested templates;
- Final report (see section 12 below).

The Workshop reports with collected good practices shall be submitted in English within 3 weeks after the completion of individual workshops within the “social economy mission”. They will be published at the Social Economy Community collaborative website in requested templates by the consortia after receiving approval of the EASME. Collected good practices in Workshop reports will provide an important input for shaping future policies in the field of social economy following a bottom-up approach.

The Final report shall be submitted in English within 60 days after the completion of the project. Template the Final report will be provided to consortia by the EASME.

## 2.5. Project Indicators

Quality, impact and visibility of the supported actions on raising social economy stakeholders’ collaboration at regional and interregional level will be measured against the following indicators:

- Number of inter-regional “social economy missions” (workshops).
- Number, geographical and typological variety of stakeholders having participated in “social economy missions” (workshops).
- Number of collected good practices.

The proposal has to include target values for the proposed indicators.

## 2.6. Timetable

Stages	Dates
a) Deadline for submitting applications	9 June 2020

<sup>21</sup> It is important to create a special account first in order to get access to the collaborative website. A step-by-step procedure will be clarified during the online session with representatives of the consortia shortly after the kick-off meeting.

b) Evaluation period*	June 2020 – August 2020
c) Information to applicants*	September 2020
d) Signature of grant agreements*	December 2020
e) Starting date of the action*	February 2021

\* indicative.

### 3. BUDGET AVAILABLE AND FUNDING OF PROJECTS

The total budget earmarked for the co-financing of projects is estimated at EUR 1 900 000.

The maximum grant per project will be **EUR 100.000**. The grant is limited to the maximum reimbursement rates as provided in section 11.2 - Funding forms.

EASME expects to fund **19 proposals**. The funds will be allocated to the proposals with the best award criteria scores.

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

### 4. 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 2.6;
- Applications must be submitted in writing, using the electronic system specified in section 15;
- Applications must be drafted in one of the official EU 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.

### 5. ELIGIBILITY CRITERIA

#### 5.1. Eligible applicants

Applicants must be legal entities forming a consortium.

The coordinator must be a regional or local public administration (such as municipality, city, region, etc.).

The consortium partners must be:

- Regional or local public administration (such as municipality, city, region, etc.).

Natural persons are not eligible.

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

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>22</sup>

## 5.2. Eligible consortia

Proposed consortia must include at least three different regional or local public administration (such as municipality, city, region, etc.). from three different EU Member States or countries participating in the COSME programme according to Article 6 of the COSME Regulation. The eligibility requirement of three different EU Member States or countries participating in the COSME programme does not apply to regional or local public administrations from EU's outermost regions or overseas countries and territories<sup>23</sup>.

In addition to the minimum number of required consortium partners, the following organisations can participate as consortium partners:

- Network or umbrella organisations<sup>24</sup> in the field of social economy or social entrepreneurship or related issues at inter-regional, national, EU or COSME countries' level.

Additional conditions:

The participation of the same regional or local public administration in more than one proposal is not permitted. If such a case is detected by the funding body, it will lead to the rejection of the regional or local public administration concerned from all proposals. Therefore applicants are encouraged to take the necessary measures to ensure that regional or local public administrations acting as partners will not participate in more than one proposal. However, umbrella or network

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<sup>22</sup> Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) and repealing Decision No 1639/2006/EC.

<sup>23</sup> Outermost Regions of the EU (referred to in Article 349 TFEU) [https://ec.europa.eu/regional\\_policy/en/policy/themes/outermost-regions/](https://ec.europa.eu/regional_policy/en/policy/themes/outermost-regions/) and Overseas Countries and Territories (referred to in Article 198 TFEU) [https://ec.europa.eu/international-partnerships/where-we-work/overseas-countries-and-territories\\_en](https://ec.europa.eu/international-partnerships/where-we-work/overseas-countries-and-territories_en). In case of EU's outermost regions and overseas countries and territories, only a criterion of "at least three different regional or local public administration" will be applied. For example, a consortium composed of a region from EU Member State A, a municipality from EU Member State B and one OCT region in a special relation with EU Member State A will be eligible to apply for this Call. Or a consortium composed of two different OCT regions in special relation with EU Member State A and one OCT region in special relation with EU Member State B or a consortium composed of three different OCT regions all in special relation with EU Member State A will be eligible to apply for this Call.

<sup>24</sup> Network or umbrella organisation are legal entities representing its members established in different regions, member states or COSME countries. They must be active in the different policy fields, promote and defend their priorities, topics and values via dialogue and communication with other partners at regional, national, EU level or the level of COSME countries.

organisations active at inter-regional, national or EU/COSME level can participate in more than one proposal. The same principle will apply for members of the territorial delegations.

### **5.3. For applicants established in the UK**

Please be aware that following the entry into force of the EU-UK Withdrawal Agreement<sup>25</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 for proposals.

### **5.4 Implementation period**

The project activities may not start before signature of the contract. The project duration is up to 12 months.

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

## **6. EXCLUSION CRITERIA**

### **6.1. 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;

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<sup>25</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.

- (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.

## **6.2. Remedial measures**

If an applicant declares one of the situations of exclusion listed above (see section 6.4), 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 6.1.

## **6.3. 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 6.1; 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.

## 6.4. Supporting documents

Applicants must provide a **declaration on their honour** certifying that they are not in one of the situations referred to in Articles 136(1) and 141 of the EU Financial Regulation (FR)<sup>26</sup>, by filling in the relevant form attached to the application form accompanying this call for proposals.

## 7. SELECTION CRITERIA

### 7.1 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 for which the accounts were closed;
- for newly created entities, the business plan might replace the above documents.

OR

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

The above-listed documents will have to be provided at later stage, via the electronic submission tool and only upon request of EASME. In that case, the EU Validation Services will contact the applicant (via the messaging system embedded in the Participant Register) and request the latter to provide the supporting documents necessary to prove the financial capacity of the organisation. All necessary details and instructions will be provided via this separate notification.

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;

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<sup>26</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).

- decide to give pre-financing covered by a bank guarantee (see section 11.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries<sup>27</sup>;

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

## 7.2 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;
- evidence<sup>28</sup> (e.g. paper including references of an official strategy, policy paper, action plan or another relevant document) illustrating the experience gathered by the coordinator in the field of the topic of the “social economy mission”.

## 8. 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>What is the importance of the proposed action in relation to EU policies and priorities identified in the call?</i></p> <p><i>How relevant is the project proposed in view of the objectives of the call?</i></p> <p><i>How strategically chosen are the project partners (relevance of the partners to the project)?</i></p> <p><i>To what extent do the proposed activities, composition of the partnership and the selected target group(s) demonstrate a European added value?</i></p> <p><i>To what extent do the proposed activities demonstrate an added value for inter-regional collaboration in the field of social economy?</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>	30

<sup>27</sup> The beneficiaries are advised to define this situation also in the consortium agreement (see Article 28 of the model Grant agreement).

<sup>28</sup> The requirement to submit evidence does not apply to the mission “Building resilient regional and/or local ecosystems”.

<p><i>How appropriate, practical and innovative are the activities proposed (including the internal plan of action/work packages)?</i></p> <p><i>To what extent is the work plan clearly defined in terms of schedule, milestones and deliverables?</i></p> <p><i>Is there a logical link between identified needs, specific objectives, proposed actions and expected results? Is this link well described and justified?</i></p> <p><i>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><i>How balanced are the territorial delegations? Is the composition of the proposed territorial delegations appropriate for achieving the objectives?</i></p> <p><i>To what extent can the methodology and management set up be effective and ensure the high quality of the action proposed? Are the tasks and responsibilities of each partner involved clearly defined?</i></p>	
<p><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>To what extent is the project likely to have a tangible impact on the target groups?</i></p> <p><i>To what extent does the proposal include elements of follow-up and transferability (including lessons learnt and good practices) at EU level?</i></p> <p><i>Are concrete measures planned in order to ensure that the project can be continued after the termination of EU funding?</i></p>	20
<p><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? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is reasonable in relation to the expected results?</i></p> <p><i>To what extent is the proposed expenditure necessary for the implementation of the project?</i></p> <p><i>Do the expected results stand in a reasonable relationship to the amount of the grant? Does the budget seem justified when compared to the expected impact?</i></p>	20
<b>TOTAL</b>	100

In order to be considered for funding, proposals will need to have passed an overall threshold of 70% in terms of total score. In addition, thresholds of 50% will be applied to each individual award

criterion described above in order to ensure a consistent minimum quality for all award criteria. Proposals will be ranked according to their total score.

## **9. 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 call 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.

## **10. 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.

## **11. FINANCIAL PROVISIONS**

### **11.1 General principles**

#### **a) Non-cumulative award**

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

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

#### **b) Non-retroactivity**

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun only where the applicant can demonstrate the need to start the action before the grant agreement is signed.

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

#### **c) Co-financing**

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

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

d) Balanced budget

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

The budget must be drawn up in euros.

Applicants for whom costs will not be incurred in euros, should use the exchange rate published on the Info-euro website available at: [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](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.

The beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2014/24/EU<sup>29</sup> or contracting entities in the meaning of Directive 2014/25/EU<sup>30</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 Commission. The Commission may grant approval:

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<sup>29</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>30</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).

- (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
- (ii) after recourse to subcontracting if the subcontracting:
  - is specifically justified in the interim or final technical report and
  - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- (v) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

f) Financial support to third parties

Applications must provide financial support to third parties, meaning the members of the delegations participating in the workshops organised by project partners as specified in section 11.2.

Such support to third parties must be part of the project costs and must be included under the corresponding cost heading. Financial support to third parties must cover the travel, accommodation and subsistence costs necessary for members of delegations to participate in “social economy missions” (workshops), as indicated in the description of the action. The workshops organised by the consortia within this action must be free of participation/registration fees for the members of delegations participating in the workshops.

11.2 Funding forms

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

The grant reimburses up to 90% of the eligible project management costs for personnel, subcontracting, other direct and indirect costs incurred by the applicants and may reimburse up to 100% of the sum allocated as financial support to third parties, the members of the delegations participating in the workshops organised by project partners. The sum allocated as financial support to the delegates participating in a workshop shall take the form of actual costs.

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

➤ **Maximum EU contribution requested**

The EU contribution is limited to a maximum co-financing rate of eligible costs. Consequently, part of the total eligible expenses entered in the estimative budget must be financed from sources other than the EU grant (see section 11.1c).

➤ **Eligible costs**

'Eligible costs' 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 11.1 b).

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

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

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

In addition for **unit costs**:

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

Further details are included in the model grant agreement.

Eligible costs may be direct or indirect.

### **Eligible direct costs**

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

#### **A. Direct personnel costs**

Types of eligible personnel costs

**A.1** Personnel costs are eligible if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action ('**costs for**

**employees (or equivalent)**'). They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

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

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

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

- (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

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

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

Further details of the calculation of personal costs 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 (reimbursement of actual costs)**

The consortium has to take into account in the proposal that:

- (a) The financial support to be granted is limited to the actual travel, accommodation and subsistence costs incurred by the third parties participating to the project workshops;
- (b) The legal responsibility is on the consortium to ensure that such financial support respects the provisions included in this Call for Proposals and in the Grant Agreement.

At a minimum, the conditions set out in the proposal must include:

- (i) The maximum amount of financial support may not exceed EUR 6 600 for each third party, unless it is necessary to achieve the objectives of the action as described in the description of the action;
- (ii) The criteria for calculating the exact amount of the financial support;
- (iii) The different types of activities that qualify for financial support, on the basis of a closed list;
- (iv) The persons or categories of persons that may receive financial support, and
- (v) The criteria for giving financial support.

## **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, including "Direct personnel costs"; "Direct costs of subcontracting" and "Other direct costs". Costs concerning financial support to third parties are not included in the calculation of the Indirect costs.

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

Applicants' attention is drawn to the fact that in the case of beneficiaries receiving an operating grant<sup>31</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

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<sup>31</sup> For the definition, see Article 180(2)(b) of the EU Financial Regulation 2018/10146: '**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.

bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period, unless they can demonstrate that the operating grant does not cover any costs of the action.

(m) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);

(n) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies.

Further details are included in the model grant agreement.

### ➤ **Calculation of the final grant amount**

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

- a final report providing details of the implementation and results of the action;
- the final financial statement must detail all eligible costs (actual costs, unit costs and flat-rate costs).

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

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

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

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

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

Step 2 — Limit to the maximum grant amount.

Step 3 — Reduction due to the no-profit rule as the grant must not produce a profit<sup>32</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>32</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.

### 11.3 Payment arrangements:

#### Pre-financing payment

The Agency will make the pre-financing payment corresponding to 70% of the grant amount to the coordinator within 30 days, either from entry into force of the Agreement or from 10 days before the starting date of the action, (see Article 3), whichever is the latest.

#### 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 11.2 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by EASME through a recovery order.

### 11.4 Pre-financing guarantee

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for 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.

## **12. REPORTING REQUIREMENTS:**

Beneficiaries will be requested to submit the following report:

A final technical and financial report, covering the whole reporting period, reporting among others about the organisation of the financial support to third parties, and linked to the request for the payment of the balance.

Further details are included in the model grant agreement.

## **13. PUBLICITY**

### **13.1 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.

### **13.2 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>33</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.

## **14. DATA PROTECTION**

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data<sup>34</sup>. 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 2018/1046<sup>35</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)).

## **15. PROCEDURE FOR THE SUBMISSION OF PROPOSALS**

Proposals must be submitted in accordance with the requirements of section 4 and by the deadline specified under section 2.6.

### **➤ Electronic submission**

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<sup>33</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>34</sup> OJ L 295/39 of 21.11.2018.

<sup>35</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>.

Applicants are requested to go to <https://ec.europa.eu/easme/en/section/cosme/cosme-open-calls-proposals> and follow the procedure for submitting an application.

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

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

#### ➤ **Contacts**

EASME is available to answer questions relating to the content of the present call for proposals. All questions must be sent by e-mail to [EASME-COSME-SOCIAL-ECONOMY-MISSIONS@ec.europa.eu](mailto:EASME-COSME-SOCIAL-ECONOMY-MISSIONS@ec.europa.eu).

Answers will be published at <https://ec.europa.eu/easme/en/section/cosme/cos-sem-2020-4-01-social-economy-missions>.

## **16. ANNEXES:**

- Guide for applicants (available at the call publication website)
- Model grant agreement (available at the call publication website)
- For the submission of proposals (Submission set):
  - Template for description of the action (Technical Annex 1)
  - Template for the detailed budget (Technical Annex 2)