



EUROPEAN COMMISSION

Executive Agency for Small and Medium-sized Enterprises (EASME)

# **CALL FOR PROPOSALS**

## **Erasmus for Young Entrepreneurs**

**COS-EYE-2015-4-01 (Call-ID)**

**COSME Work Programme 2015**

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## **1. INTRODUCTION AND BACKGROUND**

### **1.1. Introduction**

Small and medium-sized enterprises (SME) play a crucial role in reaching the objectives of the Europe 2020 Strategy<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 June 2008, the European Commission adopted the ‘Small Business Act’ for Europe (SBA), recognising the central importance of small and medium-sized enterprises (SMEs) in the EU economy. Principle I of the SBA sets out to ‘create an environment in which entrepreneurs can thrive and entrepreneurship is rewarded’. As a concrete follow-up to this aim, the Commission launched the pilot project ‘ERASMUS for Young Entrepreneurs’ in 2008. It operates mainly on the basis of call for proposals whereby Intermediary Organisations (IOs) are selected to manage the programme locally. After several call for proposals of this nature the programme, which showed promising results, the action was turned into a more consolidated programme, under the Entrepreneurship and Innovation Programme. In 2014, the Council and the European Parliament adopted the Programme for the Competitiveness of Enterprises and Small and Medium Enterprises (COSME), that includes the mobility of new entrepreneurs among the Actions to Promote Entrepreneurship.

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

This call constitutes part of the COSME Work Programme 2015 adopted on the 29 October 2014<sup>3</sup>.

The contracting authority is the Executive Agency for Small and Medium-sized Enterprises<sup>4</sup> (hereinafter referred to as "EASME"). EASME is, *inter alia*, entrusted by the European Commission with the implementation of parts of the COSME programme and the Horizon 2020 programme.

### **1.2. Policy Context**

This call for proposals is based on Article 4(1) (d) of the COSME Regulation which is the Programme's Specific Objective "to promote entrepreneurship and entrepreneurial culture." It aims at continuing the action "Erasmus for Young Entrepreneurs" in order to foster entrepreneurship and entrepreneurial culture across the EU. More specifically, according to Article 12 "Actions to promote entrepreneurship", the Commission may take actions such as mobility programmes for new entrepreneurs to improve their ability to develop their entrepreneurial know-how, skills and attitudes and to improve their technological capacity and enterprise management.

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

### **2.1 Objectives**

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<sup>1</sup> COM (2010)2020 final of 3 March 2010 “Europe 2020. A strategy for smart, sustainable and inclusive growth”.

<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> Commission Implementing Decision C(2014)8044 of 29 October 2014 on the adoption of the work programme for 2015 and the financing for the implementation of the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises.

<sup>4</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).

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

The *general objective* of the Erasmus for Young Entrepreneurs programme is to enhance entrepreneurship, develop the international outlook and competitiveness of European SMEs and foster potential start-up entrepreneurs and newly-established micro and small enterprises in the Participating Countries.

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

By awarding grants to promote the mobility of new entrepreneurs, the Commission's *specific objectives* are:

1. to provide on-the-job-training for new entrepreneurs in small and medium-sized enterprises elsewhere in the Participating Countries in order to facilitate a successful start-up, and development of their business ideas;
2. to foster sharing of experience and information between entrepreneurs on the obstacles and challenges of starting up and developing their businesses;
3. to enhance market access and identification of potential partners for new and established businesses in other EU and Participating Countries;
4. to support networking between entrepreneurs from different Participating Countries by building on knowledge and experience from other Participating Countries.
5. the Intermediary Organisations will deliver high quality standards so as to deliver the following expected output for this call for proposals:
6. further developing a network of new entrepreneurs (NEs), host entrepreneurs (HEs) and Intermediary Organisations (IOs)
7. enabling around 650 new entrepreneurs to work alongside and learn from a host entrepreneur in another Participating Country. Therefore, 1300 entrepreneurs should be involved in this action by early 2018.
8. creating new businesses, joint ventures and spin-off companies and foster cross-border business cooperation
9. enhancing the international activities and innovation potential of host entrepreneurs.

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

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

## 2.2 Themes and Priorities

### 2.2.1 Activities

The activities to be implemented under this call for proposals, including the rules to be respected and procedures to follow, are detailed in the Annex— *Erasmus for Young Entrepreneurs*

*Implementation Manual for Intermediary Organisations (Quality Manual)*. The document thoroughly describes the tasks to be performed by Intermediary Organisations: it includes the eligibility criteria of entrepreneurs, the procedures for registration of entrepreneurs to the programme and building of relationships, as well as the responsibilities of the different actors involved, including deadlines to be respected. It also outlines the roles of the Support Office, the European Commission and the EASME.

As a minimum requirement, the IOs' proposals are expected to describe the following activities in detail, in accordance with the provisions of the Implementation Manual for Intermediary Organisations Annex:

a) Promotion of the programme

Applicants must describe the proposed communication and promotion measures to effectively raise awareness, disseminate information on the mobility scheme and reach a maximum number of potential candidates. Communication activities should in particular target relevant business organisations and other bodies supporting businesses and start-ups, as well as other target audiences as appropriate. Applicants should demonstrate that they have appropriate access to entrepreneurs. These activities should be focused so as to ensure that the entrepreneurs who will subsequently apply to the programme will qualify for it and will show good motivation and commitment. For instance, new entrepreneurs must have at least the firm intention to set up a business to enrol for the programme. Also, potential participants should understand that the exchanges organised under the scheme are not internships.

The EU sponsorship of the project should also be clearly visible. The applicants will at least include a link to the programme's website on their respective websites, and the European Commission logo in their communication tools for the programme. Other means of awareness-raising are also encouraged.

b) Enrolment of entrepreneurs

Applicants should explain how they will engage entrepreneurs to participate in the programme, and the specific channels and efforts they will use for this purpose. Applicants should be well aware of the challenge of this task, as barriers can be expected from entrepreneurs who could potentially benefit from the programme: it can be a challenge for a young entrepreneur to venture abroad, all the more so if he has just started a new business. Host entrepreneurs may have the perception not to have the time, or underestimate the benefits they could derive from the exchange with the new entrepreneur.

The proposal should contain enough information about access to and contacts with entrepreneurs, that the applicants have, whether this access is direct or indirect (via their own or other networks), and the kind of relationships they maintain, giving figures where possible.

c) Assessing applications from NEs and HEs

The Commission has developed the Erasmus for Young Entrepreneurs online IT tool whereby NEs and HEs apply for the scheme. It will be necessary to screen applications and advise candidates to ensure a high quality of registrations and, in particular, to gauge how committed the applicant NEs are to setting up a business (entrepreneurial motivation, business plan). For the HEs, IOs will assess their willingness to mentor an NE, engage in the exchange (this is not a mere internship for the new entrepreneur), and to derive positive benefit for themselves from the collaboration. Applicants are invited to describe how they would check the quality and ensure the eligibility of applications. The proposals should include the necessary provisions for the maintenance of the portfolio of entrepreneurs, periodic validation of interest and updating of the profiles. IOs shall assess, manage and follow-up on applications both from entrepreneurs from within and outside their target groups (e.g. from spontaneous applications), even if their activity is targeted to specific groups (e.g. women entrepreneurs, social entrepreneurship, region). Equally, IOs should endeavour to avoid any

discrimination for reasons of sex, sexual orientation, religion, race, colour, ethnic or social origin, genetic features or membership of a national minority.

#### d) Building relationships

The process of successfully matching NEs and HEs is a key element of the mobility scheme and it is implemented by using the Erasmus for Young Entrepreneurs online IT tool. The so-called "matching" process will be considered successful if it leads to a 'successful relationship' as defined in the Implementation Manual (Appendix) and in the future model grant agreement. Intermediary Organisations are invited to describe how they plan to identify the best matches, support contacts and monitor relationships before and during the stay abroad. Intermediary Organisations also need to describe if and how they intend to help NEs gain access to sources of financial assistance to cover costs related to a stay with an HE (indicating such sources where possible, and providing details of them) other than the Erasmus for Young Entrepreneurs grant, and how they intend to advise NEs on such sources.

#### e) Management of grant agreements, commitments and financial assistance

Once the relationship has been agreed, the IOs concerned have to ensure that all parties involved (NE, HE, IOs) sign the Erasmus for Young Entrepreneurs Commitment. In addition, the NE and his/her IO must sign an agreement specifying the tasks that will be carried out during the exchange, responsibilities, financial conditions and legal implications. Applicants should describe how they would arrange this in an efficient and effective way, allowing for potential amendments and the handling of payments and reports.

The purpose of the financial assistance provided to NEs is to support the cost of their stay. The IO that has accepted the NE is expected to give the NE financial assistance from the EU contribution, provided that the relationship between NE and HE has been approved in the programme's IT tool. The IO will be responsible for sound management of this financial assistance, including payment arrangements to NEs. Further details will need to be given in the agreement mentioned above.

The Commission has set the monthly amounts of financial assistance per country in the table provided as Annex 1 of the Implementation Manual for Intermediary organisations. Applicants should describe how they intend to organise the management and control of this financial assistance in an efficient and effective way, including avoidance of any financial abuse.

#### f) Preparation of the exchange

Applicants are invited to describe the kind of information and induction they would organise for NEs and how they intend to deliver this information and induction. Applicants are expected to deliver information on the mobility scheme and important EU-related business subjects, such as the Internal Market, European law issues (in particular regarding business and contract law) and support services including inter alia the Enterprise Europe Network and SOLVIT.

#### g) Follow up of the exchange

IOs are expected to offer local and remote assistance to visiting NEs during stays with HEs. Applicants are invited to describe appropriately the services they intend to offer to NEs visiting their HEs with a particular focus on addressing practical questions (housing, transport, insurance, etc.), the modalities they will implement to follow up the exchanges and the mechanisms to be put in place to avoid problems and potential conflicts.

#### h) Management, quality control and evaluation

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

- How they will undertake the management of the project, especially the role of coordinator
- The measures they will take to ensure that high quality standards are applied by all consortium partners, how they will monitor the achievement of objectives and take appropriate corrective measures such as redistribution of objectives and budget, while ensuring compliance with

the Erasmus for Entrepreneurs rules and procedures. The main risks that might be encountered and the corresponding mitigating measures should also be described.

i) Active networking

Applicants should describe how they will actively network with the other participants in the action, which will include taking part in four Networking meetings in Brussels (or, though infrequent, possibly other locations in the Participating Countries) during the period of the grant agreement. Travel and accommodation costs will have to be covered by each participant himself/herself. Sufficient budget must be foreseen to allow for the participation of all partners in all the meetings mentioned in Section 3 "Timetable". Regional cooperation of IOs should also be envisaged, e.g. with regard to promotion activities.

j) Reporting

The selected projects are expected to report regularly to the EASME (and the Support Office) on their activities, matching relationships, problems encountered, solutions implemented and resources spent. The applicants should describe how they intend to organise this reporting in an efficient and effective way, according to the provisions of the Implementation Manual (Appendix). In this respect, the selected projects will have to submit to EASME three 6-monthly technical management reports and a Final Technical Report after the termination of the project (modalities see Section 3 "Timetable").

2.2.2 Expected results

2.2.2.1 Expected results at programme level

The initiative expects to have achieved the following results by January 2018:

- Circa 650 new exchanges matched;
- Circa 2000 entrepreneurs newly registered;
- Circa 100 Intermediary Organisations involved in the implementation of the programme;
- At least 25 countries covered;
- Rate of successful exchanges above 90%.

2.2.2.2 Expected results at project level

Under this call for proposals, each proposal should provide for the following key deliverables:

- Involving at least 100 entrepreneurs in a successful relationship, either as new or as host entrepreneurs.
- Offering assistance and support to NEs who are visiting an HE covered by the Intermediary Organisation, including the financial assistance as referred to in 2.2.1 (e) above;
- Participating in scheduled meetings in Brussels or other locations in the Participating Countries as specified in Section 3 "Timetable".

**3. TIMETABLE**

	<b>Stages</b>	<b>Dates</b>
a)	Publication of the call	24/03/2015

b)	Deadline for submitting applications	03/06/2015 17:00h Brussels time
c)	Evaluation period*	June-September 2015
d)	Information to applicants*	September/October 2015
e)	Signature of grant agreements*	December 2015
f)	Starting date of the action*	1 February 2016

\* indicative

### 3.2 Indicative Timetable during Implementation / Deliverables

	Stages	Dates
1	Information, promotion, and website update	February 2016 – November 2017
2	One-day training for Newcomers (mandatory for new IOs)	February 2016
3	1 <sup>st</sup> Networking meeting (including 1st LIO meeting <sup>5</sup> )	February/March 2016
4	Assembling applications, matching relationships and signing agreements and quality commitments	February 2016 – November 2017
5	2 <sup>nd</sup> Networking meeting	September/October 2016
6	Induction, start of NE's stays abroad and of logistical support to NE/HE	March 2016 – November 2017
7	Mid-term review meetings <sup>6</sup>	March/April 2017
8	3 <sup>rd</sup> Networking meeting (including 2 <sup>nd</sup> LIO meeting)	February/March 2017
9	4 <sup>th</sup> Networking meeting	September/October 2017
10	End of placements	31 January 2018
11	6-monthly technical management reports	Months 7, 13 and 19 of project implementation
12	Submission of final implementation reports	March 2018

<sup>5</sup> LIO stands for Lead Intermediary Organisation, meaning the project coordinator.

<sup>6</sup> Should the project be called for a review meeting, all partners in the consortium are requested to attend.



#### **4. BUDGET AVAILABLE AND FUNDING OF PROJECTS**

The total budget earmarked for the co-financing of projects is estimated at EUR 6,000,000.00 (six million euros).

The maximum grant will be 500.000 euros per project.

The EASME expects to fund approximately 12 proposals.<sup>7</sup>

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

For details regarding the maximum reimbursement rate of eligible costs see section "11.2 Funding forms".

#### **5. ADMISSIBILITY REQUIREMENTS**

The following requirements must be complied with:

- Applications must be submitted no later than the deadline for submitting applications referred to in section 3;
- Applications must be submitted as explained in section 14 (electronic submission);
- Applications must be drafted in one of the EU official languages.

Failure to comply with those requirements will lead to the rejection of the application from the onset and without any evaluation process.

#### **6. ELIGIBILITY CRITERIA**

##### **6.1. Eligible applicants**

Applicants must be legal entities. They can be fully or partly public or private bodies and their core activity must be in the field of business support; private bodies must be properly constituted and registered under national law.

Applying entities may for instance include<sup>8</sup>:

- Public entities responsible for or active in the fields of economic affairs, enterprise, business support or related issues,
- Chambers of commerce and industry, chambers of handicrafts or similar bodies,
- Business support organisations, start-up centres, incubators, technology parks etc.,
- Business associations and business support networks,
- Public and private entities offering business support services,

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<sup>7</sup> In case of a revision of the COSME Work Programme, a higher amount might be made available for this action, and thus more projects might be co-financed.

<sup>8</sup> The list is non-exhaustive.

- Institutes of (higher) education such as universities or institutes for vocational education and training.

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 affiliated entities, and may declare eligible costs as specified in section 11.2.

For that purpose, applicants shall identify such affiliated entities in the application form.

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

- EU Member States;
- or countries participating in the COSME programme pursuant to Article 6 of the COSME Regulation<sup>9</sup>.

## 6.2. Eligible consortia

This call aims at selecting consortia implementing the programme:

- Consortia must be composed of at least 5 independent legal entities from at least 4 different Participating Countries.<sup>10</sup>
- It is **not** allowed that a partner participates in more than one proposal. Should this happen, all the proposals involving this partner will be considered as ineligible<sup>11</sup>. In this respect, an explicit declaration will have to be submitted by the coordinator.
- The coordinator and other partners must satisfy the same eligibility criteria.

## 6.3 Implementation period

This call aims at selecting projects implementing the programme during a 24 months period. Indicative dates are:

- activities may not start before 1 February 2016;
- activities are to be completed by 31 January 2018;
- the maximum duration of projects is 24 months.

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<sup>9</sup> The following groups of countries are eligible for participation in COSME:

- European Free Trade Association (EFTA) countries which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA Agreement, and other European countries when agreements and procedures so allow;
- acceding countries, candidate countries and potential candidates in accordance with the general principles and general terms and conditions for the participation of those countries in the Union's programmes established in the respective Framework Agreements and Association Council Decisions, or similar arrangements;
- countries falling within the scope of the European neighbourhood policies, when agreements and procedures so allow and in accordance with the general principles and general terms and conditions for the participation of those countries in the Union's programmes established in the respective Framework Agreements, Protocols to Association Agreements and Association Council Decisions.

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

<sup>10</sup> In case a proposal contains partners from countries that are, at the time of submission, not yet participating in COSME, it is strongly suggested that the consortium is composed of more partners than the minimum required.

<sup>11</sup> Consortium coordinators are requested to take appropriate measures to ensure that no partner in their proposal participates in another proposal under this call.

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

## **7. EXCLUSION CRITERIA**

### **7.1. Exclusion from participation:**

Applicants will be excluded from participating in the call for proposals procedure if they are in any of the following situations:

- (a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (b) they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of res judicata;
- (c) they have been guilty of grave professional misconduct proven by any means which the contracting authority can justify including by decisions of the EIB and international organisations;
- (d) they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Responsible Authorising Officer (RAO) or those of the country where the grant agreement is to be performed;
- (e) they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such an illegal activity is detrimental to the Union's financial interests;
- (f) they are currently subject to an administrative penalty referred to in Article 109(1) of the Financial Regulation<sup>12</sup>.

### **7.2. Exclusion from award:**

Applicants will not be granted financial assistance if, in the course of the grant award procedure, they:

- (a) are subject to a conflict of interest;
- (b) are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the grant award procedure or fail to supply this information;
- (c) find themselves in one of the situations of exclusion, referred to in section 7.1.

The same exclusion criteria apply to affiliated entities.

Administrative and financial penalties may be imposed on applicants, or affiliated entities where applicable, who are guilty of misrepresentation.

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<sup>12</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 (Official Journal of the European Union L 298 of 26.10.2012).

### 7.3. Supporting documents

Applicants must sign a declaration on their honour certifying that they are not in one of the situations referred to in Articles 106(1) and 107 to 109 of the Financial Regulation<sup>13</sup>, filling in the relevant form. Such declaration will however only be requested for the proposals that are recommended for funding, thus, not at the submission stage.

## **8. SELECTION CRITERIA**

### 8.1. Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out or the year for which the grant is awarded and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents:

Grants  $\geq$  EUR 60 000:

- a declaration on their honour and,

EITHER

- the profit and loss account, the balance sheet for the last financial year for which the accounts were closed;
- for newly created entities, the business plan might replace the above documents.

OR

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

The above-listed documents will have to be provided only for proposals that are recommended for funding, via an online tool and only upon request of the EASME.

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

On the basis of the documents submitted, if the RAO considers that the financial capacity is not satisfactory, he may:

- request further information;
- propose a grant agreement without pre-financing;
- propose a grant agreement with a pre-financing paid in instalments;
- propose a grant agreement with a 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;
- reject the application.

### 8.2. Operational capacity

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

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<sup>13</sup> Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 (Official Journal of the European Union L 298 of 26.10.2012)

In this respect, applicants have to submit the following supporting documents:

- curriculum vitae (CV), preferably in European CV format <http://europass.cedefop.europa.eu>) or description of the profile of the main persons primarily responsible for managing and implementing the different activities of the action. The CV should be accompanied, where appropriate, (like in the field of research and education) by a list of relevant publications/projects managed;
- a list of previous projects and activities performed and connected to the policy field of a given call or to the actions to be carried out.

## 9. AWARD CRITERIA

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

<i>Criteria</i>	<i>Points</i>
<b>1-Relevance of the actions in view of the objectives of the call</b>	<b>30</b>
<i>How wide and direct is the access to entrepreneurs (potential new and host entrepreneurs) of the applicants?</i>	
<i>How relevant is (are) the proposed target group(s), taking into account the number of SMEs in the regions covered and its entrepreneurship potential?</i>	
<i>How relevant are the action and the proposal to the needs of the proposed target groups?</i>	
<i>How does the project build on previous experiences, in particular those regarding mobility, cross-border cooperation, entrepreneurship support, enhancement of business collaboration (including business matchmaking and partnership), and/or previous collaboration between the partners?</i>	
<b>2-Quality of the proposed actions</b>	<b>25</b>
<i>How coherent, appropriate and practical are the overall project design and the activities proposed in view of the effective recruitment, assessment and selection of applicants, proactive matchmaking, follow-up on exchanges, networking with other Intermediary Organisations and appropriate reporting?</i>	
<i>To what extent is the allocation of resources to the different partners and work packages appropriate and balanced in view of the achievement of the objectives of the proposal?</i>	
<i>To what extent does the project have an efficient and effective management structure and plan, especially with regard to fulfilling the timetable and respecting deadlines? How clearly defined are the tasks and responsibilities?</i>	
<i>To what extent does the proposal comply with the provisions of the Implementation Manual for Intermediary Organisation (Quality Manual)? Does the proposal include added value activities, going beyond these requirements?</i>	
<b>3-Impact on target audience</b>	<b>25</b>
<i>To what extent can the applicants offer services allowing for replication and extension of project outcomes, including after care activities?</i>	
<i>To what extent does the proposal envisage comprehensive induction trainings for entrepreneurs for a successful exchange, also including pre-departure information, as well as information on services for businesses, access to finance, etc., especially the EU ones such as the Enterprise Europe Network, SOLVIT, etc.?</i>	
<i>To what extent are the proposed promotion and dissemination activities effective to attract new and host entrepreneurs? Do they appropriately include the visibility of the EC support?</i>	
<b>4-Cost-effectiveness</b>	<b>20</b>

<i>To what extent is the proposal's budget clear and detailed?</i>	
<i>Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is the minimum necessary for the operation to be completed?</i>	
<i>To what extent is the proposed expenditure sufficient and necessary for the implementation of the project?</i>	
<i>To what extent does the project overall provide value for money?</i>	
<b>Maximum total score</b>	<b>100</b>

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

The EASME reserves the right to constitute a reserve list for this call. Applications entered on the reserve list shall be presumed to have been rejected unless the EASME notifies that a grant will finally be awarded or that the proposal is definitively rejected. Proposals on the reserve list will be considered definitively rejected if they receive no notification by 31 March 2016. Proposals on the reserve list may receive an award if a project proposed for award fails to accept the award, or if the European Commission/EASME decides to allocate extra funding to an action from a reserve list.

## **10. LEGAL COMMITMENTS**

In the event of a grant awarded by the EASME, a grant agreement drawn up in euro and detailing the conditions and level of funding, will be sent to the beneficiary, as well as the procedures in view to formalise the obligations of the parties.

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

In order to ensure a proper functioning of the consortium, the partner organisations must conclude a consortium agreement establishing their rights and obligations. This consortium agreement cannot contradict the grant agreement.

## **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.<sup>14</sup>

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

No grant may be awarded retrospectively for actions already completed.

<sup>14</sup> Directive 2004/18/EC of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (Official Journal of the European Union L 134/114 of 30.04.2004).

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 resources which are necessary to carry out the action may not be entirely provided by the EU grant. It may take the form of:

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

Co-financing may also take the form of in-kind contributions from third parties, i.e. non-financial resources made available free of charge by third parties to the beneficiary or to the consortium. The corresponding costs are not eligible.

#### 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 which foresee that costs will not be incurred in euros, are invited to use the exchange rate published on the Info-euro website available at: [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm).

#### e) Implementation contracts/subcontracting

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC<sup>15</sup> or contracting entities in the meaning of Directive 2004/17/EC<sup>16</sup> shall abide by the applicable national public procurement rules. The beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

Sub-contracting, i.e. the externalisation of specific tasks or activities which form part of the action as described in the proposal must satisfy the conditions applicable to any implementation contract (as specified above) and in addition to them the following conditions:

- it may only cover the implementation of a limited part of the action;
- it must be justified having regard to the nature of the action and what is necessary for its implementation;
- it must be clearly stated in the proposal.

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<sup>15</sup> Directive 2004/18/EC of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (Official Journal of the European Union L 134/114 of 30.04.2004).

<sup>16</sup> Directive 2004/17/EC of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (Official Journal of the European Union L 134/114 of 30.04.2004).

For more information please see Article 10 of the draft model grant agreement.

f) Financial support to third parties

The financial assistance paid to third parties shall be included under the corresponding cost heading. It covers the financial assistance paid to new entrepreneurs in support of the costs linked to their expenditure for travel, accommodation, subsistence and other miscellaneous expenses occurred during a stay with the host entrepreneur in another participating country. A list of activities for which such support is authorised shall be included. Details are mentioned in the Annex..

For more information please see article 11a of the draft model grant agreement.

## 11.2 Funding forms

### **Specific funding conditions under this call:**

The rate of Union co-financing shall be up to 90 % of eligible costs incurred by the Intermediary Organizations. The European Union contribution shall not exceed 75 % of the programme management costs but may be up to 100 % of the sum allocated by beneficiaries (Intermediary Organizations) to third parties (sub-grantee. i.e. new entrepreneurs) participating in a mobility action. Financial assistance to new entrepreneurs participating in a mobility action shall take the form of a scale of unit cost of maximum EUR 6 600 per entrepreneur within the limit of EUR 500 000 per grant.

<b>Funding</b>	<b>Amount or percentage</b>
EU co-financing rate of the project	Max. 90% of eligible costs
EU contribution to programme management costs	Max. 75%
EU contribution to financial assistance to third parties (new entrepreneurs)	Up to 100% within the limit of EUR 500 000
Financial assistance to new entrepreneurs	Min. EUR 150 000  Max. EUR 6 600 per NE (in the form of a scale of unit costs)

The EASME reserves the right to consider ineligible, on the basis of section 6, those proposals that do not respect the above figures.

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 amount requested**

The EU grant is limited to a maximum reimbursement rate of eligible costs indicated in section 4. Consequently, part of the total eligible expenses entered in the estimative budget must be financed from sources other than the EU grant (see section 11.1c).

➤ **Contributions in kind**



The external co-financing may be made up of contributions in kind in order to cover other costs necessary to carry out the project. Such contributions must not exceed:

- either the costs actually borne and duly supported by accounting documents;
- or, in the absence of such documents, the costs generally accepted on the market in question.

In-kind contributions shall be presented separately in the estimated budget to reflect the total resources allocated to the action. Their unit value is evaluated in the provisional budget and shall not be subject to subsequent changes.

In-kind contributions shall comply with national tax and social security rules.

➤ **Eligible costs**

Eligible costs are costs actually incurred by the beneficiary of a grant which meet all the following criteria:

**Eligible costs'** are costs that meet the following criteria:

(a) for **actual costs**:

- (i) they must be actually incurred by the beneficiary;
- (ii) they must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of the periodic report for the last reporting period and the final report (see Article 15);
- (iii) they must be indicated in the estimated budget set out in Annex 2;
- (iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation;
- (v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices;
- (vi) they must comply with the applicable national law on taxes, labour and social security, and
- (vii) they must be reasonable, justified and must comply with the principle 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 the affiliated entities.

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: - the costs of personnel working under an employment contract with the applicant or equivalent appointing act and assigned to the action salaries social security contributions and other costs included in the remuneration, . They s may include additional remuneration including payments on the basis of supplementary contracts regardless of their nature), paid in a consistent manner whenever the same kind of work or expertise is required;- costs of the personnel of national administrations 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;

- - costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where required;
- costs relating to external audits where required in support of the requests for payments;
- non-deductible value added tax ("VAT");
- costs of financial support to third parties (new entrepreneurs) provided that the conditions laid down in the grant agreement are met.

#### Eligible indirect costs (overheads)

A flat-rate amount of 7% of the total eligible direct costs of the action is eligible under indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project.

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

Applicants's attention is drawn to the fact that in the case of organisations receiving an operating grant, indirect costs are not eligible under specific actions.

#### ➤ **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 EASME;
- (h) excessive or reckless expenditure;
- (i) deductible VAT;
- (j) costs incurred during suspension of the implementation of the action;
- (k) in-kind contributions provided by third parties;
- (l) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the EASME 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.

#### ➤ **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 of costs actually incurred;

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 of the receipts over the eligible costs incurred by the beneficiary**, when the request is made for payment of the balance. 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.

### 11.3 Payment arrangements

#### Pre-financing payment

A pre-financing payment corresponding to 70% of the grant amount will be transferred to the beneficiary within 30 days of the date when the last of the two parties signs the agreement, provided all requested guarantees have been received.

#### Final payment

The 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 the 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 up to the same amount as the pre-financing 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 RAO 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 as the pre-financing is gradually cleared against interim payments or payments of balances to the beneficiary, in accordance with the conditions laid down in the grant agreement.

## **12. PUBLICITY**

### 12.1 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.

## 12.2 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.

The 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>17</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.

## 13. 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 (EC) No 45/2001<sup>18</sup> on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by the Head of Unit A.1 of the EASME. 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 Warning System (EWS) only or both in the EWS and Central Exclusion Database (CED) by the Accounting Officer of the Commission, should the beneficiary be in one of the situations mentioned in:

- the Commission Decision 2014/792/EU of 13.11.2014 on the Early Warning System (for more information see the Privacy Statement on:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm)),

or

- the Commission Regulation 2008/1302 of 17.12.2008 on the Central Exclusion Database (for more information see the Privacy Statement on

[http://ec.europa.eu/budget/explained/management/protecting/protect\\_en.cfm](http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm)).

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<sup>17</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) (Official Journal of the European Union L 39 of 10.02.2007).

<sup>18</sup> Official Journal of the European Union L 8/1 of 12.01.2001.

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

Proposals must be submitted in accordance with the formal requirements and by the deadline set out under section 3.

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, the EASME may contact the applicant for this purpose during the evaluation process.

Applicants (proposal coordinators) will be informed in writing about the results of the selection process.

### **➤ Electronic submission**

Applicants are requested to follow the procedure for submitting an application as specified at <http://ec.europa.eu/easme/en/cosme-eu-programme-competitiveness-enterprises-and-small-and-medium-sized-enterprises-smes>.

### **➤ Contacts**

The EASME is available to answer questions relating to the content of the present call for proposals. All questions must be sent by e-mail to [easme-cosme-eye-call@ec.europa.eu](mailto:easme-cosme-eye-call@ec.europa.eu);

Answers will be published at <http://ec.europa.eu/easme/en/cosme-eu-programme-competitiveness-enterprises-and-small-and-medium-sized-enterprises-smes>

### **Annex:**

- *Erasmus for Young Entrepreneurs Implementation Manual for Intermediary Organisations (Quality Manual)*