



EUROPEAN COMMISSION

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

CALL FOR PROPOSALS
Statistics for Family Businesses
COS-DCFB-2015-3-01 (Call – ID)

COSME Work Programme 2015

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1. INTRODUCTION AND BACKGROUND

1.1. Introduction

Small and medium-sized enterprises (SMEs) play a crucial role in reaching the objectives of the Europe 2020 Strategy¹. Whereas they are considered as crucial engines for growth and job creation, their competitiveness is affected by a limited exploitation of international opportunities and innovation prospects in the Single Market and beyond.

In this context, the Programme for the competitiveness of enterprises and small and medium-sized enterprises (2014-2020)² (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 2014³.

The contracting authority is the Executive Agency for Small and Medium-sized Enterprises⁴ (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 aims at setting-up an action supporting promotion of family businesses according to the Small Business Act.⁵

Family Businesses constitute a substantial part of the existing European companies and have a significant role to play in the strength and dynamism of the European economy. The Small Business Act already highlighted the role of family business and the need to exploit their full potential. The European Commission has undertaken some specific actions to study the need for and the shape of possible future policy initiatives in favour of family business, especially small and medium enterprises. In addition, the Entrepreneurship Action Plan 2020⁶ pays specific attention on the transfer of family businesses: 'Transferring a business from one generation to the next is the defining feature of a family business and the greatest challenge that it can face. A family business transfer must be considered as a transfer of ownership, where that ownership is not a liquid asset but something which is built up and developed by the family over generations, including values, traditions and know how. The scope and scale of diverse approaches to inheritance and estate taxes across the EU demonstrate that there is still much room for improving the legal climate for family business transfers'.

¹ COM (2010)2020 final of 3 March 2010 "Europe 2020. A strategy for smart, sustainable and inclusive growth".

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

³ 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.

⁴ EASME was set up by Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the Executive Agency for Small and Medium-sized Enterprises and repealing Decisions 2004/20/EC and 2007/372/EC (Official Journal of the European Union L 341/73 of 18.12.2013).

⁵ COM (2008) 394 final of 25 June 2008 "Think Small First - A Small Business Act for Europe".

⁶ COM(2012) 795 final of 9 January 2013 *ENTREPRENEURSHIP 2020 ACTION PLAN - Reigniting the entrepreneurial spirit in Europe*.

In Europe nowadays there is no sufficient information concerning the role and economic importance of family businesses. Family businesses can be very diverse: they can be small, medium sized or large, listed⁷ or unlisted, etc.

One of the most important problems that the family businesses face in the European Union (EU) is the lack of institutional visibility. This is due to the peculiarities of national accounting systems which do not take into account their specific characteristics (often different from those of the traditional capital companies).

The European Parliament is preparing now an own initiative report 'Family Businesses in Europe'⁸.

Definition of Family Business

An Expert Group created by the European Commission in 2007 adopted a common European definition⁹, according to which a firm, of any size, is a family business, if:

1. The majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs.
2. The majority of decision-making rights are indirect or direct.
3. At least one representative of the family or kin is formally involved in the governance of the firm.
4. Listed companies meet the definition of family enterprises if the person who established or acquired the firm (share capital) or their families or descendants possesses 25 per cent of the decision-making rights mandated by their share capital.

Satellite accounts are increasingly regarded as a tool needed to complement classical statistics for the provision of information. Satellite accounts analyse in detail overall demand for goods and services which might be associated with a given group of enterprises, observe the operational interface with the supply of goods and services within the same economy of reference (like agriculture, housing, banking etc.), and describe how this supply interacts with other economic activities. They measure the scope of a sector or of a given form of business and its performance within the economy, the value of the goods and services produced and the employment generated. They evaluate the sector in terms of its contribution to Gross Domestic Product (GDP), jobs, capital investment and tax revenues, and its role in the balance of payment. Through this, they permit the development of informed policies and strategies, and comparison across national borders.

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

The overall objective of the call is the collection of the data in the area of family businesses.

It is expected that the call covers at least 6 to 7 countries that meet the eligibility criteria listed in section 6.1. The information about family businesses should be used as a basis for further European, national and regional policy development. In the longer term this should lead to improved evidence bases in the area of family businesses and to an increased number of countries where such data is collected.

The aim is to provide policy-makers and relevant stakeholders with credible, comparable and systematic information and indicators on the role of the family businesses in national economies and to offer usable and practical information to stakeholders for their decision making. Therefore

⁷ Companies whose shares are listed (quoted) on a stock exchange for public trading.

⁸ 2014/2210(INI) [http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=&reference=2014/2210\(INI\)](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=&reference=2014/2210(INI))

⁹ http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/family-business/family_business_expert_group_report_en.pdf.

EASME wishes to encourage national statistical offices and other organisations that operate in collaboration with the national statistical offices in the EU Member States and in other eligible countries under the COSME Programme, to collect information on the role of family businesses. A priority will be given to projects aimed to develop for the first time statistics in those countries, which have not yet statistics on family business¹⁰.

The objectives of the activities to be funded by this call for proposals are:

- 1) to contribute to the availability and improvement of long-term reliable statistics on family businesses at national and European level.
- 2) to support the development of statistics for the first time in countries which have not collected yet the statistical information on family businesses.

EASME will co-finance the following **activities**: the collection of statistical data, measuring the performance of each group of family owned enterprises within the economy, the value of the goods and services produced, the employment generated, evaluation the sector in terms of its contribution to GDP, jobs, capital investment and tax revenues, its role in the balance of payment and other information like description of the legal forms used by family businesses, women, gender balance in management, number of family businesses being transferred every year; number and proportion of SMEs, etc. in particular those containing innovative approaches, methods and models for good practices.

At least one or more of the following **activities** must be included in the proposed project¹¹:

- creation of satellite accounts at national and/ or regional levels,
- statistical surveys,
- development of electronic tools for collection of data such as special software and training to work with these specific tools,
- analysis and dissemination of data,
- workshops and conferences,
- creation of data bases,
- statistical mapping of family enterprises by regions,
- updating, improving and adapting already existing methods etc.

It is to be noted that for the collection of statistics for family businesses there is no commonly accepted satellite account as this is the case for the Non Profit Institutions (NPIs), based on a UN Handbook, the Tourism Satellite Account (TSA) 15 or for the cooperatives and mutuals, based on a study financed by the European Commission¹².

The **expected results**¹³ are the deliveries of **methodological reports**, based on the above mentioned activities for collection of statistical data on family businesses within the national economies, including the following:

- background information;

¹⁰ It will be the applicant's role to present information in the application proving that the statistics on family businesses has not been developed in the relevant country.

¹¹ Other activities may also be proposed but at least 1 activity listed here must be proposed in the application

¹² *Study on the current situation and prospects of mutuals in Europe. Final report. November 2012*
http://ec.europa.eu/enterprise/policies/sme/files/mutuals/prospects_mutuals_fin_en.pdf.

¹³ The expected results should be made available at the end of the projects implementation.

- description of the tools and process of data collection, including legislative and political framework, figures, graphs and tables about the family businesses in various sectors of national economies, economic activities, shares, contribution to GDP, level of employment and employability men/women;
- analysis of trends and development, geographical distribution and level of association (local, regional and national organisations of family businesses, if any);
- an assessment of sustainability of future data collection;
- analysis of the impact on the national economy.

3. TIMETABLE

	Stages	Dates
a)	Publication of the call	15/04/2015
b)	Deadline for submitting applications	17/06/2015 17:00h Brussels time
c)	Evaluation period	Mid- June until mid - August 2015 *
d)	Information to applicants	September 2015*
e)	Signature of grant agreements	November 2015/December 2015*
f)	Starting date of the action	January 2016 *

* indicative

4. BUDGET AVAILABLE AND FUNDING OF PROJECTS

The total budget earmarked for the co-financing of projects is estimated at EUR 300,000.00 (three hundred thousand euros).

The maximum grant will be EUR 60,000.00 (sixty thousands euros) per project. The grant is limited to a maximum reimbursement rate of 90% of **eligible costs**.

EASME expects to fund 6 to 7 projects.

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

5. ADMISSIBILITY REQUIREMENTS

The following requirements must be complied with:

- Applications must be submitted no later than the deadline for submitting applications referred to in section 3;
- Applications must be submitted as explained in section 14;
- 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. Private bodies must be properly constituted and registered under national law.

Applicants must correspond to the definition of the following target organisations: ¹⁴

- statistical offices (national, federal or regional) or
- any other public or private entity whose activities involve collection of statistics for businesses; in this case the statistical office (national, federal or regional) must be present in the proposal as one of the partners. Such entities may include: public entities responsible for or active in the fields of economic affairs, entrepreneurship, business support or related issues, e.g. national/regional authorities, governmental agencies; education and training providers (public and private); chambers of commerce and industry, chambers of handicrafts or similar bodies, and business support organisations, business associations and business support networks.

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 Regulation¹⁵.

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

6.2. Eligible consortia

The application can be submitted by a single statistical office or by a consortium made up of more than one entity where the statistical office is participating as a partner.

Several applicants submitting a **joint proposal** must appoint a lead organisation among them, referred to as the coordinator. The coordinator and the other partners must satisfy the same eligibility criteria.

¹⁴ The applicants should demonstrate that they fully respect the requirements set in the call. They should clearly indicate in the submitted proposal how these compulsory requirements are met in order to allow the evaluation committee to accomplish its assessment.

¹⁵ The following groups of countries are eligible for participation in COSME:

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

The updated list of eligible third countries is available on the following webpage:
http://ec.europa.eu/growth/smes/cosme/index_en.htm

It is **not** allowed that a partner participates in more than one proposal¹⁶. Should this happen only 1 proposal with higher scoring received will be selected. In this respect, an explicit declaration will have to be submitted by the coordinator.

6.3 Implementation period

The activities must not start before **January 2016 and should be completed by March 2017**. The minimum duration of the project is 12 months and the maximum duration is 14 months.

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

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 Regulation¹⁷.

¹⁶ Consortium coordinators are requested to take appropriate measures to ensure that no partner in their proposal participates in another proposal under this call.

¹⁷ 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).

7.2. 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 EASME 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.

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 Regulation¹⁸, filling in the relevant form.

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 a declaration on their honour.

This declaration will have to be provided at later stage, via an online tool and only upon request of EASME.

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

On the basis of the documents submitted, if the RAO considers that 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.

¹⁸ 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)

8.2. Operational capacity

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

In this respect, applicants have to submit:

- curriculum vitae (CV), preferably in European CV format <http://europass.cedefop.europa.eu>) 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 lists of previous projects and activities performed and connected to the policy field of the 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>
Relevance of the actions in view of objectives of the call	10
<i>How relevant is the proposal to the objectives numerated in section 2? To what extent the project actively involves the statistical office(s) in the proposed activities ?</i>	
Quality of the proposed actions	20
<i>Presentation and feasibility of the project: How coherent is the overall project design? How clear is the overall presentation? To what extent has the project been well thought out or prepared? How feasible is the plan of action, i.e. how coherent, appropriate and practical are the activities for the collection of data proposed? To what extent does the proposal contain objectively verifiable indicators for project outcomes?</i>	
<i>To what extent does the proposal contain specific elements of added value, such as innovative approaches, models for good practice, new methods for collection of statistics, mapping of family businesses and other information on their life, activities, obstacles faced, etc.?</i>	
Impact on target audience	50
<i>Visibility: To what extent is the project likely to have a tangible impact in increasing visibility of the role of family businesses in the national economy of the country concerned? Potential national-wide impact: To what extent is the project likely to have a national-wide impact?</i>	
<i>To what extent does the project envisage the development of statistics for family businesses for the first time in the relevant country?</i>	
<i>Multiplier effects: To what extent does the proposal contain potential multiplier effects? Does the proposed project (e.g. development of specialised software) allow for, or facilitate a replication or an extension of the activity (either by the applicant or by other organisations)?</i>	
<i>Sustainability: Are concrete measures planned in order to ensure that the project can be continued after the termination of EU funding? Is the leading applicant of the project the service/ institution/ organisation collecting statistical data at regional/national level, so as to ensure that the applicant(s) will have a strong interest in the continuation of activities after the end of EU funding? If not how the follow up of the project is envisaged?</i>	
Budget and Cost-effectiveness	20

<i>To what extent is the 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? Do the probable results stand in a reasonable relationship to the amount of the grant?</i>	
Maximum total score	100

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

10. LEGAL COMMITMENTS

In the event of a grant awarded by EASME, a grant agreement drawn up in euro and detailing the conditions and level of funding, will be sent to the 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.

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.¹⁹

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

¹⁹ 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).

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.

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.

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/EC²⁰ or contracting entities in the meaning of Directive 2004/17/EC²¹ 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.

f) **Financial support to third parties.**

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

²⁰ 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).

²¹ 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).

11.2 Funding forms

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

➤ **Maximum 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).

➤ **Eligible costs**

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

- ✓ 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 11.1b).

- ✓ 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 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, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the applicant's usual policy on remuneration. Those costs may include additional remuneration, including payments on the basis of supplementary contracts regardless of their nature, provided that it is paid in a consistent manner whenever the same kind of work or expertise is required and independently from the source of funding used;

- 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;
- subsistence allowances (for meetings, including kick-off meetings where applicable, conferences etc.) provided that these costs are in line with the beneficiary's usual practices;
- costs of travel (for meetings, including kick-off meetings where applicable, conferences etc.), provided that these costs are in line with the beneficiary's usual practices on travel;
- depreciation cost of equipment (new or second-hand): only the portion of the equipment's depreciation corresponding to the duration of the action/project and the rate of actual use for the purposes of the action may be taken into account by EASME;
- costs of consumables and supplies, provided that they are identifiable and assigned to the action/project;
- costs entailed by implementation contracts awarded by the beneficiaries for the purposes of carrying out the action/project, provided that the conditions laid down in the grant agreement are met;
- costs arising directly from requirements linked to the implementation of the action/project (dissemination of information, specific evaluation of the action, translations, reproduction);
- 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").

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 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 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, 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

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 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.

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 level²² 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 45/2001²³ 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 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.

²² 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).

²³ Official Journal of the European Union L 8/1 of 12.01.2001.

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 of 13 November 2014 on the Early Warning System²⁴ (for more information see the Privacy Statement on:

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).

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, 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.

➤ Electronic submission

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

➤ 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-comse-dcfb-call@ec.europa.eu.

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

²⁴ Commission Decision 2014/792/EU of 13 November 2014 on the Early Warning System to be used by the authorising officers of the Commission and by the executive agencies (Official Journal of the European Union, L 329 of 14.11.2014, p.68).