



# Call for Proposals

COS-APP-2016-2-05

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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 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 for proposals is aimed at implementing part of the COSME Work Programme 2016 adopted on 18 January 2016<sup>3</sup>.

The Executive Agency for Small and Medium-sized Enterprises<sup>4</sup> (hereinafter referred to as "EASME" or the "Agency"), acting under the powers delegated by the European Commission, manages this call for proposals. EASME is entrusted by the European Commission with the implementation, *inter alia*, of parts of the COSME programme.

## 1.2. Policy Context

Every year, over 250 000 public authorities in the EU spend around 14% of GDP on the procurement of services, works and supplies. For 2013, the estimated value of tenders published in TED amounted to around 423 billion euro, while the total general government procurement expenditure excluding utilities was estimated at around 1787 billion euro.

Considering the importance of the public procurement market, improving SME access to it is an important objective of the European Commission as pointed out both in the Small Business Act<sup>5</sup> and the Small Business Act Review<sup>6</sup>. Several measures have been introduced since the adoption of these Communications and the participation of SMEs in public procurement has improved over time. However, they have still not reached their full potential.

For the period 2009-2011, SMEs won 29% of above threshold procurement through direct contracts. When other factors are taken into account (e.g. joint bids, subcontracting) the percentage grows to 46%. However, this is still significantly lower than the 58% that represent their contribution to GDP. Their participation in below-threshold procurement is higher, equalling their contribution to GDP. The participation of SMEs in cross-border procurement is limited. Cross-border procurement through direct contracts in the EU reached an average of 1.26% of all contracts and 3.35% of the aggregate procurement value. Although 54% of these contracts were won by SMEs, this amounted to only 22% of the value of cross-border procurement.

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

<sup>2</sup> COSME 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(2016) 63 final of 18.01.16 on the adoption of the work programme for 2016 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).

<sup>5</sup> COM(2008) 394 final of 25.6.2008 ““Think Small First”, A “Small Business Act” for Europe”.

<sup>6</sup> COM(2011) 78 final of 23.2.2011 " Review of the "Small Business Act" for Europe".

European rules on public procurement date from 2004 and implement the principles and freedoms established by the EU Treaties. They aim to make the procedures for awarding public procurement contracts transparent and open to all European companies, who can thus offer their services and products throughout the European Union.

Economic, social and political developments and current budgetary constraints have made it necessary to reform the rules; firstly to make them more simple and efficient for both public purchasers and companies and secondly to provide the best value for money in public purchases, while respecting the principles of transparency and competition.

Therefore, in 2014, the Commission introduced a public procurement reform containing two Directives replacing those from 2004 (for classic procurement and utilities) and a new Directive on concession contracts. Member States are required to transpose these Directives by 18 April 2016.

This reform includes specific legislative measures to support SME access to public procurement. The main ones are: encouragement of dividing contracts into lots; limitation of the turnover value required for participation in a tender procedure; and the reduction of documentation requirements.

These measures address several of the barriers SMEs face, but others, such as lack of knowledge about calls, especially about those published in other Member States, limited tender skills and experience, little dialogue with procurers, etc. persist. These issues are better tackled by supporting SMEs directly.

Apart from these barriers, SMEs would also benefit from support to manage or even take advantage of other changes introduced by the 2014 reform and trends in public procurement.

One important aspect in this direction is assisting SMEs to better profit from green, social and environmental procurement.

Another development in the field of public procurement is the aggregation of demand. The use of centralised procurement and of framework agreements has increased in recent years. SMEs will need to join forces and collaborate in order to keep up.

A further important change, which is to the benefit of SMEs, but requiring preparation in advance, is the move to end-to-end e-procurement; this change brings specific opportunities for cross-border procurement.

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

The general objective of this call for proposals is to contribute to improving SMEs participation in tenders, especially across borders, through actions of intermediate organisations supporting SME's participations in public procurement. As the needs of SMEs vary from both country to country and sector to sector, organisations submitting proposals must tailor their services to their clients' needs. However, each proposal has to have a cross-border dimension, covering at least the countries represented in the consortium.

The action must cover several types of activities, such as:

- 1) Exchange of information on procurement between Member States (tender alerts and guides on country specific elements on public procurement);
- 2) Training and advisory services to SMEs (e.g. on the changes introduced by the new Directives, use of e-procurement systems, developing a proposal, etc.);
- 3) Organising matchmaking events;
- 4) Coaching/mentoring on bidding in other Member States;
- 5) Organising business-to-procurers events;
- 6) Coaching/mentoring on joint bids;

7) Mentoring activities between large companies and SMEs, etc.

The organisations should take into account and address in their proposal the developments mentioned in section 1.2 of this document.

The expected results include the following:

- Intermediate organisations offering more and better support to SMEs in public procurement, especially cross-border procurement
- Better informed and prepared SMEs to participate in public procurement;
- More SMEs participating in public procurement, especially cross-border procurement;
- Materials presenting the specificities of the public procurement legislation in the different Member States;
- Better informed procurers on the specificities of SMEs and on the technologies available in the market;
- SME-formed consortia to participate in calls for tender.

The action should complement the information on Your Europe Business<sup>7</sup> (YEB) and the efforts of the Enterprise Europe Network (EEN) in this field, serve as a basis for a better understanding of the SMEs' concrete needs and develop more precise tools. Therefore, the experience gained and certain materials or tools developed under this action of interest to other SMEs could be transferred free of charge, in particular to EEN and YEB, for further dissemination to SMEs.

The proposal must explain how it will contribute to address the following indicators for the overall action:

1. Number of SMEs reached by these actions (at least 500 SMEs from 5 Member States)
2. Number of guides developed for the Member States specificities (at least 5)
3. Number of meeting the procurers events (at least 5 meetings organised)
4. Number of partner-matching actions (at least 10)

### 3. TIMETABLE

Stages	Dates
Deadline for submitting applications	28/07/2016 17:00h Brussels time
Evaluation period*	August/September 2016
Information to applicants*	End of September 2016
Signature of grant agreements*	November 2016
Starting date of the action*	1 December 2016

\* indicative

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<sup>7</sup> [http://europa.eu/youreurope/business/index\\_en.htm](http://europa.eu/youreurope/business/index_en.htm)

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

The total budget earmarked for the co-financing of projects is estimated at EUR 800 000.

It is estimated that proposals requesting a contribution from the EU of EUR 250.000 would allow the objectives of this call for proposals to be addressed appropriately. Nonetheless, this does not preclude submission and selection of proposals requesting other amounts.

EASME expects to fund 4 proposals.

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

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

#### 5. ADMISSIBILITY REQUIREMENTS

The following requirements must be complied with:

- Applications must be submitted no later than the deadline for submitting applications referred to in section 3;
- Applications must be submitted using the electronic system specified 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.

#### 6. ELIGIBILITY CRITERIA

##### 6.1. Eligible applicants

Applicants must be legal entities forming a consortium.

The entities participating in the consortia must be organisations having a core activity in business support and/or the promotion of SME participation in public procurement. This may include:

- Chambers of commerce and industry or similar bodies;
- Business support organisations, start-up centres and incubators;
- Business associations and business support networks;
- Public and private entities offering business support services;
- Public authorities active in supporting SME participation in public procurement.

Affiliated entities, i.e. legal entities having a legal or capital link with applicants, who are neither limited to the action nor established for the sole purpose of its implementation, shall take part in the action **as applicants** in order to declare eligible costs.

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

- EU Member States;
- Countries participating in the COSME programme pursuant to Article 6 of the COSME Regulation<sup>8</sup>.

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<sup>8</sup> 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;

## 6.2. Eligible consortia

This call aims at selecting consortia composed of minimum 3 legal entities from 3 Member States and countries participating in the COSME programme under Article 6 of the COSME Regulation.

## 6.3. Implementation period

The maximum duration of projects is 18 months.

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

All applicants must provide a declaration on honour signed and dated by an authorised representative, stating that they are not in one of the situations of exclusion listed in that declaration on honour.

The funding body reserves the right to verify whether the successful applicants are in one of the situations of exclusion by requiring the supporting documents listed in the declaration of honour.

# 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:

a) Low value grants ( $\leq$  EUR 60 000):

- a declaration on their honour.

b) 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.

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

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

c) Grants for an action  $\geq$  EUR 750 000, in addition:

- an audit report produced by an approved external auditor certifying the accounts for the last financial year available. In the event of an application grouping several applicants (consortium), the above threshold applies by applicants.

The above-listed documents will have to be provided at later stage, via the electronic submission tool and only upon request of EASME.

On the basis of the documents submitted, if the 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.

## 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 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 by a list of relevant projects managed in the last three years;
- a summary table indicating the persons that will make up the core team responsible for the project with their qualifications and competences. A template is included in the application forms;
- the organisations' activity report for the previous year or any other similar document;
- a list of previous projects and activities performed in the last three years 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>Max. score</i>
<b>Relevance of the actions in view of the objectives of the call</b> <i>How relevant is the project proposed in view of the objectives of the call?</i> <i>How well does the project fit with the expectations/needs of the identified target group?</i> <i>How strategically chosen are the project partners (relevance of the partners to the project)?</i> <i>To what extent do the proposed activities, composition of the partnership and the selected target group(s) demonstrate a European added value?</i>	30



<b>Quality of the proposed actions</b> <i>How clear, coherent and ambitious is the work plan?</i> <i>How suitable is the contribution of each partner to the activities proposed?</i> <i>To what extent can the methodology and management set up be effective and ensure the high quality of the action proposed?</i> <i>How appropriate, practical and innovative are the activities proposed?</i> <i>Is there a logical link between identified needs, specific objectives, proposed actions and expected results? Is this link well described and justified?</i> <i>Is the level of effort (hours and budget) appropriate, per work package, per task and per partner considering their skills and responsibilities?</i>	30
<b>Impact on target audience</b> <i>Is the proposal suggesting clear, realistic and practical impact indicators?</i> <i>To what extent does the project contribute to creating a real, measurable impact on the sectors concerned?</i> <i>How effective, innovative and convincing are the promotional and communication activities? Does the proposal contain a comprehensive communication strategy?</i> <i>Are the expected multiplying effects reasonable? To what extent does the proposal include elements of follow-up and transferability (including lessons learnt and good practices) at EU level?</i>	20
<b>Cost-effectiveness</b> <i>To what extent the detailed budget is coherent with the work plan of the proposal?</i> <i>To what extent is the budget clear and detailed, as well as effective, to implement the action? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is reasonable in relation to the expected results?</i> <i>To what extent is the proposed expenditure necessary for the implementation of the</i>	20
<b>TOTAL</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.

## 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.

The authorising officer may draw a reserve list of proposals that have passed the above thresholds. In the event that the original budget of the action is increased or that selected proposal(s) fail to conclude the grant agreement, a grant may be awarded to proposals from the reserve list.

## **ADMINISTRATIVE REVIEW PROCEDURES**

Unsuccessful applicants may request the review of the admissibility and eligibility procedures and the evaluation procedures with regard to their proposal as specified in section V of the Guide for applicants.

## **11. FINANCIAL PROVISIONS**

### **11.1 General principles**

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

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

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate the sources and amounts of Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.<sup>9</sup>

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

No grant may be awarded retrospectively for actions already completed.

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

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

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

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.

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<sup>9</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) or Directive 2014/24/UE of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (Official Journal of the European Union L 94 of 28.3.2014, p.65) .

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.

In the event of procurement exceeding EUR 60 000, the beneficiary must abide by special rules as referred in the grant agreement annexed to the call. Moreover the beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2004/18/EC (or Directive 2014/24/EU)<sup>10</sup> or contracting entities in the meaning of Directive 2004/17/EC (or Directive 2014/25/EU)<sup>11</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.

f) Financial support to third parties.

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

## 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 EU contribution requested**

The EU contribution 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).

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<sup>10</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) or Directive 2014/24/UE of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (Official Journal of the European Union L 94 of 28.3.2014, p.65) .

<sup>11</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) or Directive 2014/25/UE of 26 February 2014 on procurement by entities operating in water, energy and postal service sectors and repealing Directive 2004/17/EC (Official Journal of the European Union L 94 of 28.3.2014, p.243).

## ➤ 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.

Further details are included in the model grant agreement.

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.

### **Eligible direct costs**

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

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

Types of eligible personnel costs

**A.1** Personnel costs are eligible if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action ('**costs for employees (or equivalent)**'). They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

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

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

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

- (a) the person works under the beneficiary's instructions and, unless otherwise agreed with the beneficiary, on the beneficiary's premises;
- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

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

**B. Direct costs of subcontracting** (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if the conditions set out in the grant agreement are met.

## **C. Other direct costs**

**C.1 Travel costs and related subsistence allowances** (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible if they are in line with the beneficiary's usual practices on travel.

**C.2 The depreciation costs of equipment, infrastructure or other assets** (new or second-hand) as recorded in the beneficiary's accounts are eligible, if they were purchased in accordance with the conditions set out in the grant agreement and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

The **costs of renting or leasing** equipment, infrastructure or other assets (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.

**C.3 Costs of other goods and services** (including related duties, taxes and charges, such as non-deductible value added tax (VAT) paid by beneficiaries that are not public bodies acting as public authority) are eligible, if they are purchased specifically for the action and in accordance with the conditions set out in the grant agreement.

Such goods and services include, for instance, consumables and supplies, dissemination, protection of results, certificates on the financial statements (if they are required by the Agreement), translations and publications.

Further details are included in the model grant agreement.

## **D. Eligible indirect costs (overheads)**

**Indirect costs** are costs that are not directly linked to the action implementation therefore cannot be attributed directly to it.

**Indirect costs** are eligible if they are declared on the basis of the flat-rate of 7% of the eligible direct costs.

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

Applicants's attention is drawn to the fact that in the case of beneficiaries receiving an operating grant<sup>12</sup> financed by the EU or Euratom budget, they cannot declare indirect costs for the period covered by the operating grant.

➤ **Ineligible costs**

- (a) costs related to return on capital;
- (b) debt and debt service charges;
- (c) provisions for future losses or debts ;
- (d) interest owed;
- (e) doubtful debts;
- (f) currency exchange losses;
- (g) bank costs charged by the beneficiary's bank for transfers from the Agency;
- (h) excessive or reckless expenditure;
- (i) deductible VAT;
- (j) costs incurred during suspension of the implementation of the action;
- (k) in-kind contributions provided by third parties;
- (l) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period.

Further details are included in the model grant agreement.

➤ **Calculation of the final grant amount**

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

- a final report providing details of the implementation and results of the action;
- the final financial statement of costs actually incurred;
- a certificate on the financial statements of the action for each beneficiary, if
  - the (cumulative) amount of payments it requests as reimbursement of actual costs (and for which no certificate has yet been submitted) is EUR 325 000 or more and
  - the maximum grant amount indicated, for that beneficiary in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

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

EU grants may not have the purpose or effect of producing a profit within the framework of the action. **Profit shall be defined as a surplus 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

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<sup>12</sup> For the definition, see Article 121(1)(b) of Regulation 2015/1929 of the European Parliament and of the Council amending Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 218, 26.10.2012, p.1) : '**operating grant**' means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

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.

Further details are included in the model grant agreement.

### 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 Responsible Authorising Officer (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.

In addition to the text and logo relevant to the EU programme, the RAO will provide beneficiaries with a disclaimer stating that the EU is not responsible for the views displayed in the publications and/or in conjunction with the activities for which the grant is used.

## 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 level<sup>13</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>14</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 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 Detection and Exclusion System (EDES)<sup>15</sup> should the beneficiary be in one of the situations mentioned in Article 108 of the Financial Regulation establishing the Early Detection and Exclusion System (EDES) (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>13</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>14</sup> Official Journal of the European Union L 8/1 of 12.01.2001.

<sup>15</sup> Article 108 of Regulation 2015/1929 of the European Parliament and of the Council amending Regulation n°966/2012 on the financial rules applicable to the general budget of the Union (Official Journal of the European Union L 286 of 30.10.2015, p.1).



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

Proposals must be submitted in accordance with the requirements of section 5 and by the deadline specified under section 3.

### **➤ Electronic submission**

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

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

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

### **➤ Contacts**

EASME is available to answer questions relating to the content of the present call for proposals. All questions must be sent by e-mail to EASME-COSME-PUB-PROC-CALL-2016@ec.europa.eu;

Answers will be published at <https://ec.europa.eu/easme/en/cosme>.