



COSME Programme

Call for Proposals

**Support for the Implementation of the
Entrepreneurship Competence Framework**

COS-ENTRECOMP-2018-3-01

COSME Work Programme 2018

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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 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, (COSME), aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

The Executive Agency for Small and Medium-sized Enterprises³ (hereinafter referred to as "EASME" or the "Agency") is entrusted by the European Commission with the implementation, *inter alia*, of parts of the COSME programme.

In this respect, this call for proposals, managed by EASME, implements parts of the COSME Work Programme 2018⁴.

1.2. Policy Context

The European Union, as a society and economy, is confronted with an unprecedented pace of change. Europe needs citizens who take their future into their own hands and shape that future for the common good.

People need to develop knowledge, skills and attitudes that open doors to fulfilment, active citizenship and career opportunities in times of uncertainty and rapid change.

People need an entrepreneurial mindset. Entrepreneurship is not only about new businesses or self-employment. It should be understood as the ability to turn ideas into action. It is a competence that can be learnt. Entrepreneurship education helps young people to develop the ability of spotting and pursuing opportunities.

Building a widespread entrepreneurial culture requires public policy, systems and supports that embrace innovation, creativity, competitiveness and inclusiveness and have a clear understanding of the entrepreneurship competence.

The Entrepreneurship 2020 Action Plan recommends Member States to offer all young people a practical experience of entrepreneurship before leaving secondary school.⁵

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 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).

⁴ Commission Implementing Decision C (2018)6983 final of 26.10.2018 amending Implementing Decision C(2017)7293 on the adoption of the work programme for 2018 and on the financing of the Programme for the Competitiveness of Enterprises and small and medium-sized enterprises.

⁵ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52012DC0795>.

The European Commission has sought to support and to co-operate with EU Member States and stakeholders on many aspects of entrepreneurship education and entrepreneurship more generally.

In 2016, the Commission published the European Entrepreneurship Competence Framework (EntreComp)⁵. *EntreComp* is a reference framework that offers a comprehensive description of entrepreneurial competences, defined as:

The capacity to act upon opportunities and ideas, and transform them into value for others. The value that is created can be financial, cultural or social.

EntreComp identifies 15 competences that describe what it takes to be entrepreneurial and outlines how these competences can be described and mapped from the most basic up to advanced levels. Since its publication, EntreComp has had an important task in opening up conversations and understanding of what it means to be entrepreneurial in all aspects of life. EntreComp can be used across sectors, disciplines and systems to enable people to develop entrepreneurial competences in individuals, as well as groups. It has been well-received by policy makers, experts, educators, and employment services across the EU – whether for establishing national level approaches to the entrepreneurship competence, designing curricula and entrepreneurial learning, assessing individuals' competences for education or employment. A recently published user guide⁶ describes over 70 use cases, which illustrate the potential for EntreComp.

Overview of EntreComp and of its 15 competences:

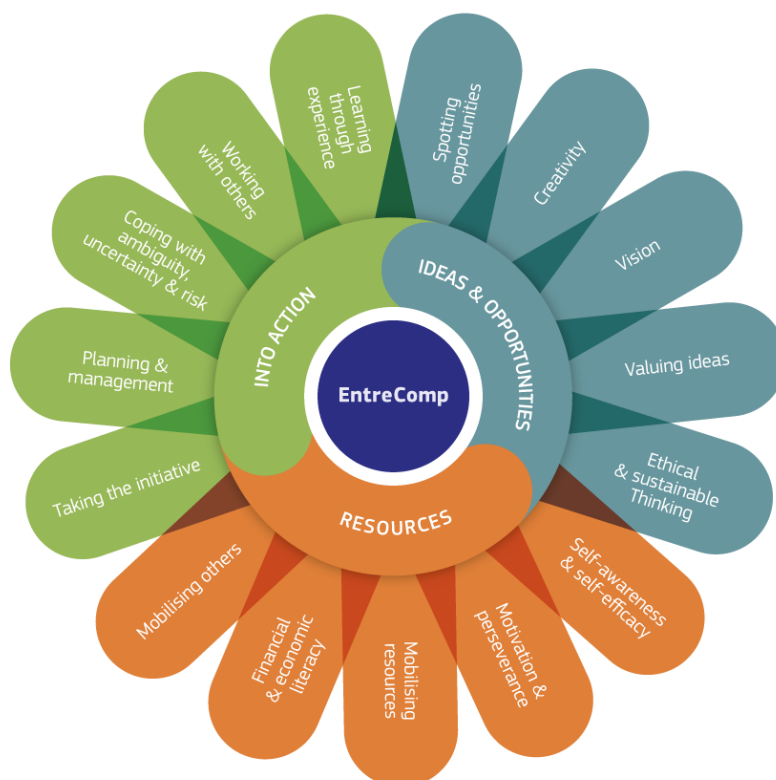


Figure 1: Entrepreneurship Competence Framework ⁷

⁵<https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/entrecomp-entrepreneurship-competence-framework>.

⁶<https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/entrecomp-action-get-inspired-make-it-happen-user-guide-european-entrepreneurship-competence> .

⁷[jrc109128_entrecomp_into_action - final.pdf](https://ec.europa.eu/jrc/en/publication/eur-scientific-and-technical-research-reports/entrecomp-into-action-final).

Entrepreneurship as an activity, entrepreneurial skills and entrepreneurial education are often associated solely with commercial activity, start-ups and the world of business. EntreComp proposes a shared, comprehensive understanding of entrepreneurship as a *competence*.

An entrepreneurial Europe is, of course, key to more business start-ups, self-employment and better labor market participation, including for disadvantaged or underrepresented groups, but is also key to a more active participation of people in society, where they can contribute through any type of value creation. Entrepreneurship is a transversal competence, which applies to all spheres of life.

Importantly in fact, anyone can be entrepreneurial in any setting, respond to challenges, seize opportunities and become an actor of change. The entrepreneurial competence is not a narrow set of skills that only applies to the world of work and business, but a *key competence* that promotes self-development and needs to be developed continually throughout life and requires a comprehensive and systematic approach within policy and practice across sectors.

The goal of entrepreneurship education is to help people build and acquire the skills, knowledge and attitudes to act in an entrepreneurial way as of school age. To achieve this, entrepreneurship education has evolved into a concept for both the content and methods of teaching and learning. Entrepreneurship can be approached not only as a course or subject, but also as a theme and a method that can be embedded in all subjects.

In recent years, most countries in Europe have significantly increased their efforts in the area of entrepreneurship education⁸. However, the reality is that the entrepreneurial competence is unevenly incorporated in education and training systems and curricula, while support such as coaching and guidance is not always available to those looking for opportunities in self-employment or entrepreneurial activities during their lives.

Cooperation among policy-makers and stakeholders in the fields of education, employment, industry, innovation and youth needs to be pursued as a lever for success.

This will encourage a system level use of EntreComp to support development of entrepreneurial competence in Europe, within a lifelong learning perspective, involving stakeholders and actors from across different sectors, including target beneficiaries relevant to specific contexts. The call seeks to support a holistic approach to the development of entrepreneurial competence using EntreComp, from education of young people to subsequent support for upskilling and learning for adults to ensure entrepreneurial competences are developed throughout life. Further, this will encourage innovation and new approaches to entrepreneurship competence development in different learning settings, the involvement of new stakeholders, in particular employers from the private, public and third sector alike, and also to encourage responses to the changing nature of labour market and education and training due to digital technology.

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

2.1. Objective of the call

The New Skills Agenda for Europe⁹ adopted by the European Commission in June 2016 presented the Entrepreneurship Competence Framework (EntreComp)¹⁰. This framework proposes a shared definition of entrepreneurship as a competence, with the aim to raise consensus among all stakeholders, to support the design new entrepreneurship education actions and to establish a bridge

⁸ See: Entrepreneurship Education at School in Europe, Eurydice 2016.

⁹ COM (2016) 381 of 10 June 2016. See: http://europa.eu/rapid/press-release_IP-16-2039_en.htm.

¹⁰ The framework develops 15 broad competences along an 8-level progression model and proposes a comprehensive list of 442 learning outcomes. DG GROW is cooperating with EMPL to promote its implementation and follow-up activities.

between the worlds of education and work. In particular, EntreComp develops 15 broad competences along an 8-level progression model, and proposes a comprehensive list of 442 learning outcomes.

EntreComp is going to be a central instrument for the promotion and uptake of entrepreneurship education across Europe. EntreComp formed the basis for the revised definition of Entrepreneurship Competence in the recently adopted Council Recommendation on Key Competences for Lifelong Learning¹¹.

This initiative aims to bring together relevant players in a number of countries to create a collaborative community that will explore how the framework can function as a catalyst and a tool, to foster the entrepreneurial skills of young people and citizens in general. It is essential to help public authorities, educational institutions and the private sector to use EntreComp's findings in a collaborative way.

The goal is to bring together key stakeholders (at EU, national, regional or local level) for interactive discussions around the Entrepreneurship Competence Framework (EntreComp), with the objective to build collaborations between education and training providers, enterprises and other stakeholders and to actively involve the target user groups in a co-design process.

Members of the collaborative community will act as a steering group for the promotion of the entrepreneurship competence – and of EntreComp as a supporting tool – in their area of responsibility. They will discuss, conceptualise and suggest action to explore fully the potential of EntreComp and to support the development and assessment of entrepreneurship competences in their country, region or city. The goal is to have a broader exchange of knowledge, experience and lessons learnt across countries and regions participating in the awarded project(s).

The specific objectives of this call for proposals include:

- Encouraging system-level development of support for the entrepreneurship competence, including for instance new policy strategies and initiatives, the establishment of durable national, regional or local collaborative communities, high level curricula reform, strategic partnerships between different sectors etc.;
- Using EntreComp, to develop a holistic set of learning opportunities, education and training programmes and support services for the development of the entrepreneurial competence throughout life;
- Engaging with employers and employment services to support the development and assessment of entrepreneurial competences in job seeking, in the work place and during working life;
- Encouraging innovation and new approaches to entrepreneurship competence development in different learning settings (including formal, non-formal and informal settings) and the involvement of new providers, companies, NGO, intermediaries;
- Using EntreComp to form responses to the changing nature of labour market and education and training, due for instance to digital technology, to support citizens' innovation and creativity.
- Disseminating lessons learnt to stakeholders and policy makers from other regions and countries;

¹¹ See Proposal for a Council Recommendation on Key Competences for Lifelong Learning, COM(2018) 24 final.

- Bringing countries (and/or regions, cities) together to exchange experiences and good practices in building a coherent methodology to support the development of entrepreneurial skills at national and local level.

2.2. Activities

Activities supported by this call for proposals aim to encourage a systemic use of the Entrepreneurship Competence Framework (EntreComp) in order to support the development and assessment of entrepreneurial mindsets and skills, and to facilitate further progress in the spread and effectiveness of entrepreneurship education and training.

Importantly, the overall goal of this call for proposal is to turn EntreComp as an idea into action to bring value to communities of users at local, regional national level. As such, the competences described in EntreComp can be applied through all stages of the design and delivery of the various activities within the Activities as set out below. The EntreComp model presents learning outcomes that – particularly at proficiency levels 7 and 8¹² - intend to generate transformation, innovation and growth. Therefore, competences and learning outcomes described in EntreComp can be used as a guiding framework to perform the tasks required by this call for proposals. In this sense, the entire project can become an explicit entrepreneurial experience that can be run, documented and especially communicated as such, by explaining how key competences and learning outcomes in EntreComp have been adapted to the context to deliver project results (notably this element could be highlighted as part of peer-learning activities mentioned in Activity 2).

Activities supported by this call for proposals are described below. All activities are obligatory.

Activity 1: Establishment of national, regional or local collaborative communities

This Activity sets the foundations for the actions described in the following Activities. It concerns the establishment of cross-sectoral *collaborative communities* to support the development and the assessment of entrepreneurial skills in identified target groups by using EntreComp.

Each collaborative community must be grounded locally and involve all relevant actors with an interest in the development and assessment of the entrepreneurship competence. Such communities may have a national, regional or city dimension. When active at a local level, collaborative communities should reflect the specific contexts they want to capture, such as those of a rural or urban perspective, an industrial district, a cultural cluster or a distinct social fabric, etc.

Each national or local collaborative community must include at least one public authority (on national, regional or local level) responsible for education, employment or entrepreneurship policy and activities, and at least one representative body from the world of business or employment (e.g. Chamber of Commerce, employers' organisation, trade union, professional association, etc.).

In addition, collaborative communities should include appropriate representation from:

- education and training (educational institutions, learning and teaching experts, researchers, experts in use of digital technology for learning and upskilling);

¹² See : <http://publications.jrc.ec.europa.eu/repository/bitstream/JRC101581/Ifna27939enn.pdf> , in particular pages 23-35.

- employment and labour market actors (employers, employment and recruitment services, career guidance; training organisations, chambers of commerce, business associations);
- public authorities responsible for education, training, employment, enterprise, youth and adults at national and/or local level;
- any other appropriate actors such as the third sector (charitable sector, not-for-profit, social entrepreneurship), youth associations, organisations dealing with youth work, and parent associations.

Actions under this Activity will therefore focus on stimulating and expanding the collaborative communities as initially outlined in the application, including identification of additional mobilisers (networkers), ambassadors, champions and their role with respect to their own community.

Submitted proposals must include details on how the collaborative communities' members and the final beneficiaries will be engaged in the entire process. The consortium must submit, at the moment of application, a completed form available in the Technical Annex 1 (Description of Action, DoA) detailing the indicative composition of the collaborative communities it intends to create.

Activity 2: Organization of workshops, roundtables, seminars and regular dialogues within the collaborative communities

The focus of this Activity is the organisation of events and mechanisms for collaborative discussion among members of each collaborative community at EU, national, regional or local level to achieve the objectives of the project.

Initially, within each national, regional or local collaborative community, a number of meetings, seminars and workshops will be organised, comprising both standing members of the collaborative community and any additional stakeholders or experts, where relevant, to discuss ideas and methods on how to use the EntreComp framework.

The first objectives of these events will be to undertake a full analysis and reflection on EntreComp, and to understand and define the potential role of each category of stakeholders in the usage of the Framework.

Also, discussions will concern identifying potential environments (e.g. formal education at school, VET and higher education, youth work, adult education, employment services, businesses, etc.) and target groups (e.g. learners, teachers and educators, women, young people, the unemployed, migrants, workers, etc.) that can be selected as priority for taking action around the development or assessment of entrepreneurship competences. Discussions may address adapting and updating EntreComp to local needs, or focusing only on some parts of it, taking into account the specific educational settings and cultures involved in the territory.

Following those preliminary steps, actors participating in the collaborative community will meet - or communicate by any other means - in order to conceptualise and implement strategies for shaping new learning opportunities, or for bridging the gap between education and the world of work by using EntreComp. Possible activities to be developed are described in the following Activities.

Consequently, to give this Activity a transnational dimension and enhance peer-learning between project partners of the same consortium located in different geographical areas, the beneficiaries will:

- Bring actors from countries (and/or regions, cities) together to exchange experiences and good practices in building a coherent methodology to support the development of entrepreneurial skills at national and local level;
- Disseminate lessons learnt to stakeholders and policy makers from other countries.

Expenses related to the organisation of the workshop, roundtables, seminars are eligible.

Activity 3: Designing a Strategy for new learning opportunities and support services based on EntreComp

The strategy will include a concrete plan of actions, concerning for instance the design of new education and training curricula, the provision of support services for competence development (e.g. career guidance, coaching, teacher training, etc.), the assessment of entrepreneurial skills in different environments (in education, within youth work, for citizens in general, in the transition between education and work, at the work place, in apprenticeship etc.). Importantly, the strategy should also outline the steps to be taken to achieve system-level buy-in and implementation of the strategy.

The collaborative communities will identify and outline a typical learning path for the selected target, and the necessary stages in developing, maintaining and updating entrepreneurship competences.

The collaborative communities will undertake a full analysis of the possible uses of EntreComp at each stage of the learning process and consider the settings, types of learning and upskilling, monitoring and support that would be required for the target groups. The analysis of EntreComp should lead to development of relevant education, training or other forms of learning or upskilling opportunities to meet the target groups' needs.

Proposed strategies will use EntreComp and its accompanying tools as a source of knowledge and inspiration and as a concrete means to achieve the desired objectives. They should also pursue innovation, leading to actions that may not have taken place – or that would have taken place in a different way - if EntreComp had not been available.

The grant beneficiary and the established collaborative communities are expected to produce a replicable set of strategies, measures and actions that may support the implementation of similar packages by other stakeholders and potentially in other regions and countries.

Emphasis will be placed on the lifelong learning needs of individuals and on the need of transition between learning and work to ensure updated and relevant competences.

Any adaptation or particular use of EntreComp at each stage, considering the specific educational settings, stakeholders and cultures, should be identified and described.

Under this Activity, the possible translation of EntreComp and of the related User Guide from English to the national language of the grant beneficiaries will be also considered as an eligible cost.

Activity 4: Development of learning opportunities based on the learning outcomes in EntreComp

The collaborative community must translate the learning outcomes included in EntreComp into concrete learning opportunities (relevant education, training or other forms of learning) and

supports (guidance, coaching, monitoring, self-assessment tools etc.) to be offered to the target groups in appropriate settings.

Under this Activity, opportunities for learning by creating value will be designed, based on the skills and learning outcomes described in EntreComp. These may take the form of new courses, or new curricula, as well as tweaks to established practice that allow learners to progress in the EntreComp competences development. These approaches, curricula and courses may address any level and type of formal education (primary and secondary school, vocational education and training, under-graduate and post-graduate tertiary education) as well as informal and non-formal settings outside the formal education environment (such as youth and voluntary work, training for the unemployed or re-skilling of workers, training in the work place, etc.).

Training for teachers, educators and coaches can be also designed and developed based on EntreComp.

It is essential that the learning opportunities created should be open, innovative and flexible, and meet the particular needs of target groups. The outcomes of each learning opportunity should support employability, personal development and the creation of economic, cultural and social value.

To ensure the full outreach and maximise the impact of the approach proposed, the role of enabling material and non material resources must be considered in full. Enabling resources may comprise practical support tools such as guidelines and assessment instruments, as well as support services, such as guidance services, communication for awareness raising, and any other resources to reach and provide support to the target audiences.

In particular EntreComp can be an important instrument for the assessment of entrepreneurial competences, either acquired through previous education and experience or as an outcome of new education and training activities, in any context or setting (such as in education, in job seeking, at the work place, etc.). In order to support the role of EntreComp in the assessment of entrepreneurship competences the Commission is expected to produce an entrepreneurship self-assessment tool for individuals in 2019 that is based on the skills and learning outcomes as defined in EntreComp. The usage of this tool for can be also part of the activities covered by this call for proposals.

Activity 5: Testing new approaches to developing and assessing the entrepreneurship competence

It is expected that the implementation of the package designed as part of Activity 4 is tested during the life of the awarded project(s).

Any pilot testing must demonstrate a collaborative, cross-sectoral nature, being the fruit of cooperation between different actors at national or local level involved in the process. Pilot testing must demonstrate innovative aspects and the potential to support the identified target groups and the system-level outcomes and buy-in from stakeholders.

Defining the scale and the methodology to be adopted in the testing phase is a responsibility of applicants and of actors involved, also based on the particular nature of the action to be tested and of the target groups addressed. The testing phase must generate evidence-based conclusions on the outcomes and effects of the strategy and designed new actions to learn from the experience and to propose a possible way forward for the improvement and scalability of activities.

Any piloting must assess results in terms of an improved development of entrepreneurship competence by the target groups as well as new forms of co-operation, approaches or tools for the development of entrepreneurial competences.

The outcomes and value of the learning programmes should be clearly communicated to the learners, employers and other audiences. Use of tools such as open badges, or digital credentials or other open ways to recognise the acquisition of such outcomes will be considered as added value to the proposal.

Based on the results of the testing, the grant beneficiary should produce a set of policy recommendations that would enable more effective implementation and sustainability of the activities and that, more generally, would suggest how EntreComp can be effectively used as a tool for implementing new initiatives in the area of skills (see also under Activity 6).

Activity 6: Communication and exchanges at European level

The main objective of this Activity is a comprehensive communication and dissemination strategy, which will be part of the work programme proposed by the applicant.

Project partners will widely disseminate, lessons learnt, success factors and good practice in the implementation of EntreComp. Results are expected to be transferable to other countries and regions, thus ensuring an important multiplier effect in the longer term.

As a part of this Activity, a European workshop will be organised by the project partners. It will bring together organisations and stakeholders from participating countries and regions, as well as relevant actors (including public authorities) and experts from a broader group of countries that may be interested in learning and discussing how EntreComp could be used to promote learning opportunities in their territories.

Expenses related to the organisation of the European workshop are eligible

The objectives of the European workshop will be:

- to inform a broader audience of the outcomes of this activity;
- to present lessons learnt around the usage of EntreComp at local, regional or national level;
- to propose a possible model and methodology to bring together a dedicated community and to use EntreComp as a catalyst for change, which could be transferred, adapted and replicated in other contexts and geographical areas;
- to discuss follow-up and future activities, encouraging cooperation at European level in the use of EntreComp and more generally in developing joint activities in the areas of entrepreneurship education, competence development and assessment.

A wide coverage of project activities and of their outcomes will be also ensured through social media.

The grant beneficiary will produce a Guide (between 10 and 15 pages) highlighting lessons learnt in using EntreComp for developing new activities on the ground around the entrepreneurship competence. The Guide will make concrete recommendations for an optimal and effective transposition of the EntreComp model into different realities and contexts, and for its concrete use in order to support entrepreneurship education, the development and assessment of entrepreneurial skills and a better cooperation between the worlds of education and employment around the entrepreneurship competence. Recommendations will address different types of actors (such as public authorities responsible for education and entrepreneurship, educational institutions, business support organizations, employers, etc.) and different levels of intervention (European, national, local).

2.3. Outcomes, outputs and deliverables

Activities supported under this call for proposals must result in:

- The establishment and activation of collaborative communities with the mission of applying EntreComp to the development of entrepreneurship competences in their territories;
- A mapping of possible uses of EntreComp in different contexts and for different target groups;
- The creation of new entrepreneurship education and training opportunities (e.g. programmes, curricula, short courses), or the expansion and adaptation of existing ones;
- The set-up of new methods and strategies to assess and validate the entrepreneurship competence of different target groups, in different contexts;
- The experimentation of innovative solutions to increase cooperation between the world of work and employment and the world of education, and of new ways of engaging young people in local ecosystems around the entrepreneurship competence;
- A replicable set of strategies, methods of cooperation and measures that may support the concrete use of EntreComp in other regions and countries beyond those participating in the EU-funded project;
- The organization of transnational workshops, meetings and webinars;
- The organisation of a European dissemination Workshop;
- A Guide presenting an assessment of lessons learnt when using EntreComp as a foundation for strategies and actions to support the entrepreneurship competence, and a set of recommendations on how EntreComp can be effectively used as a tool for implementing new initiatives in the area of skills at European, national and local level.

Meetings:

- 1 kick-off meeting in Brussels with selected consortia. Presence of financial manager and the consortium coordinator is obligatory;
- 1 review meeting for the whole partnership (consortium) to be held in Brussels in Commission/EASME premises after receiving the periodic technical and financial report linked to interim payment;
- 1 inter-consortia meeting in Brussels for all partners of consortia funded by this call.

2.4. Project indicators

The success of this new initiative launched by EASME and the Commission will be measured by the following indicators:

1. The number of participating countries and public and private organisations;
2. The number of countries and regions where EntreComp was introduced and tested;
3. The creation of a replicable model for the actualisation of the EntreComp framework and for its use in any potentially interested country, region or city;

4. The number of educational institutions and public or private or third sector stakeholders that benefited from this measure;
5. The number of workshops, meetings, and webinars;
6. The number of participants and of countries represented in the final European dissemination Workshop;
7. The quality of the final Guide and of recommendations on how EntreComp can be concretely used in different contexts and for different target groups.

3. TIMETABLE

Stages	Dates
a) Deadline for submitting applications	22/08/2019 17:00 Brussels time
b) Evaluation period*	September 2019
c) Information to applicants*	October 2019
d) Signature of grant agreements*	December 2019
e) Starting date of the action	01/02/2020

* indicative

4. BUDGET AVAILABLE AND FUNDING OF PROJECTS

The total budget earmarked for the co-financing of projects is estimated at EUR 1.000.000.

The maximum grant per project will be EUR 500.000.

EASME expects to fund two (2) proposals.

The grant is limited to a maximum reimbursement rate of 90% 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 in writing, using the electronic system specified in section 16;
- 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.

Incomplete applications may be considered inadmissible. This refers to the requested administrative data, the proposal description and requested grant amount, and any supporting documents specified in this call for proposals.

6. ELIGIBILITY CRITERIA

6.1. Eligible applicants

Applicants must be legal entities forming a consortium.

Such entities may include:

- Public authorities and public administrations (at the national, regional or local level);
- Chamber of commerce and industry or similar bodies;
- Business associations and business support collaborative communities;
- Training and educational institutions;
- NGOs, non-profit organisations, associations and foundations;
- Other public and private entities specialised in education, training or employment.

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

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

- EU Member States;
- countries participating in the COSME programme pursuant to Article 6 of the COSME Regulation¹³.

6.2. Eligible consortia

Applicants must set up a consortium with a designated coordinator.

An eligible consortium must fulfil the following criteria:

- The consortium must be composed of a minimum of six (6) legal entities located in at least three (3) EU member states or COSME participating countries:

¹³ The following groups of countries are eligible for participation in COSME according to Article 6 COSME Regulation:

- 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. Proposals from applicants in Article 6 countries may be selected provided that, on the date of award, agreements have been signed setting out the arrangements for the participation of those countries in the programme.

-The consortium must include, as a partner, per country:

- 1) at least one public authority at national, regional or local level responsible for education, employment or entrepreneurship policy and activities, and
- 2) at least one entity representing business or employment support entities, like chambers of commerce and industry, trade union, employers organisations, employment offices.

Consortia must verify and declare through their coordinator that none of their consortium members participates in another proposal within this same call for proposals. An explicit declaration will have to be submitted by the coordinator¹⁴. If such a case is detected by the funding body, it will lead to the exclusion of the organisation concerned from all respective proposals. The respective consortia affected by the exclusion of (a) partner(s) must still fulfil the eligibility criteria as stipulated in sections 6.1 and 6.2 in order to be considered eligible.

6.3. For British applicants

Please be aware that eligibility criteria must be complied with for the *entire* duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 34.3.1(b) of the grant agreement.

6.4 Implementation period

The duration of projects is 36 months.

7. **EXCLUSION CRITERIA**

7.1. Exclusion

The authorising officer shall exclude an applicant from participating in call for proposals procedures where:

- (a) the applicant is bankrupt, subject to insolvency or winding-up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended, or it is in any analogous situation arising from a similar procedure provided for under EU or national laws or regulations;
- (b) it has been established by a final judgment or a final administrative decision that the applicant is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the applicable law;
- (c) it has been established by a final judgment or a final administrative decision that the applicant is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the applicant belongs, or by having engaged in any wrongful intent or gross negligence, including, in particular, any of the following:
 - (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of eligibility or selection criteria or in the performance of a contract, a grant agreement or a grant decision;
 - (ii) entering into agreement with other applicants with the aim of distorting competition;
 - (iii) violating intellectual property rights;

¹⁴ Consortium coordinators are requested to take measures to ensure that no partner in their proposal participates in another proposal under this call. A form of declaration is available in the Technical Annex 1.

- (iv) attempting to influence the decision-making process of the Agency during the award procedure;
 - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure;
- (d) it has been established by a final judgment that the applicant is guilty of any of the following:
- (i) fraud, within the meaning of Article 3 of Directive (EU) 2017/1371 of the European Parliament and of the Council and Article 1 of the Convention on the protection of the European Communities' financial interests, drawn up by the Council Act of 26 July 1995;
 - (ii) corruption, as defined in Article 4(2) of Directive (EU) 2017/1371 or Article 3 of the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, drawn up by the Council Act of 26 May 1997, or conduct referred to in Article 2(1) of Council Framework Decision 2003/568/JHA, or corruption as defined in the applicable law;
 - (iii) conduct related to a criminal organisation, as referred to in Article 2 of Council Framework Decision 2008/841/JHA;
 - (iv) money laundering or terrorist financing within the meaning of Article 1(3), (4) and (5) of Directive (EU) 2015/849 of the European Parliament and of the Council;
 - (v) terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Council Framework Decision 2002/475/JHA, respectively, or inciting, aiding, abetting or attempting to commit such offences, as referred to in Article 4 of that Decision;
 - (vi) child labour or other offences concerning trafficking in human beings as referred to in Article 2 of Directive 2011/36/EU of the European Parliament and of the Council;
- (e) the applicant has shown significant deficiencies in complying with main obligations in the performance of a contract, a grant agreement or a grant decision financed by the Union's budget, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following checks, audits or investigations by an authorising officer, OLAF or the Court of Auditors;
- (f) it has been established by a final judgment or final administrative decision that the applicant has committed an irregularity within the meaning of Article 1(2) of Council Regulation (EC, Euratom) No 2988/95;
- (g) It has been established by a final judgement or final administrative decision that the applicant has created an entity in a different jurisdiction with the intent to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
- (h) it has been established by a final judgement or final administrative decision that an entity has been created with the intent referred to in point (g);
- (i) for the situations referred to in points (c) to (h) above, the applicant is subject to:
- (i) facts established in the context of audits or investigations carried out by European Public Prosecutor's Office after its establishment, the Court of Auditors, the European Anti-Fraud Office or the internal auditor, or any other check, audit or control performed under the responsibility of an authorising officer of an EU institution, of a European office or of an EU agency or body;
 - (ii) non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;

- (iii) facts referred to in decisions of persons or entities being entrusted with EU budget implementation tasks;
- (iv) information transmitted by Member States implementing Union funds;
- (v) decisions of the Commission relating to the infringement of Union competition law or of a national competent authority relating to the infringement of Union or national competition law; or
- (vi) decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

7.2. Remedial measures

If an applicant declares one of the situations of exclusion listed above (see section 7.4), it must indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. This may include e.g. technical, organisational and personnel measures to correct the conduct and prevent further occurrence, compensation of damage or payment of fines or of any taxes or social security contributions. The relevant documentary evidence which illustrates the remedial measures taken must be provided in annex to the declaration. This does not apply for situations referred in point (d) of section 7.1.

7.3. Rejection from the call for proposals

The authorising officer shall not award a grant to an applicant who:

- (a) is in an exclusion situation established in accordance with section 7.1; or
- (b) has misrepresented the information required as a condition for participating in the procedure or has failed to supply that information; or
- (c) was previously involved in the preparation of documents used in the award procedure where this entails a breach of the principle of equal treatment, including distortion of competition, that cannot be remedied otherwise.

The same exclusion criteria apply to linked third parties.

Administrative sanctions (exclusion) may be imposed on applicants or linked third parties where applicable, if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

7.4. Supporting documents

Applicants and linked third parties must provide a **declaration on their honour** certifying that they are not in one of the situations referred to in Articles 136(1) and 141 of the EU Financial Regulation (FR)¹⁵, by filling in the relevant form attached to the application form accompanying this call for proposals.

¹⁵ See Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, (OJ L 193/30.07.2018, p.1).

8. SELECTION CRITERIA

8.1 Financial capacity

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents:

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

- a declaration on their honour.

b) Grants \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.

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

(i) the information and supporting documents mentioned in point b) above, and

(ii) an **audit report** produced by an approved external auditor certifying the accounts for the last financial year available, where such an audit report is available or whenever a statutory report is required by law.

If the audit report is not available AND a statutory report is not required by law, a self-declaration signed by the applicant's authorised representative certifying the validity of its accounts for the last financial year available must be provided.

In the event of an application grouping several applicants (consortium), the above thresholds apply to each 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 authorising officer considers that financial capacity is weak, s/he may:

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 12.4 below);

- where applicable, require the joint and several financial liability of all the co-beneficiaries¹⁶;

If the authorising officer considered that the financial capacity is insufficient s/he will 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 a declaration on their honour, and the following supporting documents:

- a summary table indicating the persons that will make up the core team responsible for the project with their qualifications and competences. A template is included in the Technical Annex 1 (Description of Action, DoA);
- the organisations' activity reports or any other similar document;
- a list of previous projects and activities performed and connected to the policy field of the call for proposals and 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>
<p>Relevance of the actions in view of the objectives of the call (<i>meeting objectives of the call; appropriate results; appropriate partnership; competences and European dimension</i>):</p> <p><i>To what extent are the actions proposed by the applicant strategically chosen to meet the objectives of this call?</i></p> <p><i>How relevant is the project proposed in view of the objectives of the call?</i></p> <p><i>How well does the project fit with the expectations/needs of the identified target group?</i></p> <p><i>How strategically chosen are the project partners (relevance of the partners to the project)?</i></p> <p><i>To what extent do the proposed activities, composition of the partnership and the selected target group(s) demonstrate a European added value?</i></p> <p><i>Is there any complementarity between the proposed project and other actions being taken at European level?</i></p>	30

¹⁶ The beneficiaries are advised to foresee this situation also in the consortium agreement (see Article 25 of the model Grant agreement).

<p>Quality of the proposed actions (<i>clear and feasible description of actions; appropriate allocation of resources, including management</i>)</p> <p><i>How clear, coherent and ambitious is the work plan?</i></p> <p><i>How appropriate, practical and innovative are the activities proposed (including the internal plan of action/work packages)?</i></p> <p><i>To what extent is the work plan clearly defined in terms of schedule, milestones and deliverables?</i></p> <p><i>Is there a logical link between identified needs, specific objectives, proposed actions and expected results? Is this link well described and justified?</i></p> <p><i>How suitable is the contribution of each partner to the activities proposed?</i></p> <p><i>Is the level of effort (hours and budget) appropriate, per work package, per task and per partner considering their skills and responsibilities?</i></p> <p><i>To what extent can the methodology and management set up be effective and ensure the high quality of the action proposed?</i></p>	30
<p>Impact on target audience (<i>appropriate impact indicators; dissemination; project continuation</i>)</p> <p><i>Is the proposal suggesting clear, realistic and practical impact indicators?</i></p> <p><i>To what extent does the project contribute to creating a real, measurable impact on the sectors concerned?</i></p> <p><i>To what extent is the project likely to have a tangible impact on the target groups?</i></p> <p><i>How effective, innovative and convincing are the promotional and communication activities? Does the proposal contain a comprehensive communication strategy?</i></p> <p><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></p> <p><i>Are concrete measures planned in order to ensure that the project can be continued after the termination of EU funding?</i></p>	20
<p>Cost-effectiveness (<i>coherence, detail and clarity between actions proposed and budgeted resources</i>)</p> <p><i>To what extent the detailed budget is coherent with the work plan of the proposal?</i></p> <p><i>To what extent is the budget clear and detailed, as well as effective, to implement the action? Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is reasonable in relation to the expected results?</i></p>	20

<p><i>To what extent is the proposed expenditure necessary for the implementation of the project?</i></p> <p><i>Do the expected results stand in a reasonable relationship to the amount of the grant? Does the budget seem justified when compared to the expected impact?</i></p>	
TOTAL	<i>100</i>

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 applicant, as well as the information on the procedure to formalise the agreement of the parties.

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

The authorising officer may draw a reserve list of proposals that have passed the above thresholds. In the event that the original budget of the 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, following their order on the ranking list in accordance with the scores obtained.

11. ADMINISTRATIVE REVIEW PROCEDURES

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

12. FINANCIAL PROVISIONS

12.1 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.¹⁷

¹⁷ Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94/65 of 28.3.2014).

b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

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

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

c) Co-financing

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

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

d) Balanced budget

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

The budget must be drawn up in euros.

Applicants for whom costs will not be incurred in euros, should use the exchange rate published on the Info-euro website available at: http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm.

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 2014/24/EU¹⁸ or contracting entities in the meaning of Directive 2014/25/EU¹⁹ must comply with 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.

Beneficiaries may subcontract tasks forming part of the action as described in the proposal. If they do so, they must ensure that, in addition to the above-mentioned conditions of best

¹⁸ Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94/65 of 28.3.2014).

¹⁹ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94/243 of 28.3.2014).

value for money and absence of conflicts of interests, the following conditions are also complied with:

- (i) subcontracting does not cover core tasks of the action;
- (ii) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- (iii) the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
- (iv) any recourse to subcontracting, if not provided for in description of the action, is communicated by the beneficiary and approved by the Commission. The Commission may grant approval:
 - (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
 - (ii) after recourse to subcontracting if the subcontracting:
 - is specifically justified in the interim or final technical report and
 - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- (v) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

f) Financial support to third parties.

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

12.2 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 co-financing 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 12.1c).

➤ **Eligible costs**

'Eligible costs' shall meet all the following criteria:

- ✓ they are incurred by the beneficiary;
- ✓ they are incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;

The period of eligibility of costs will start as specified in the grant agreement. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. Under no circumstances can the

eligibility period start before the date of submission of the grant application (see section 12.1 b).

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

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

In addition for **unit costs**:

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

Further details are included in the model grant agreement.

Eligible costs may be direct or indirect.

Eligible direct costs

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

A. Direct personnel costs

Types of eligible personnel costs:

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

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

- (a) it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;

- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

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

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

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

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

Further details of the calculation of personal costs included in the model grant agreement.

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

C. Direct costs of providing financial support to third parties are not applicable.

D. Other direct costs

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

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

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

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

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

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

E. Eligible indirect costs (overheads)

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

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

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 grant²⁰ financed by the EU or Euratom budget, they cannot declare indirect costs for the period covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action. In order to demonstrate this, in principle, the beneficiary should:

- a. use *analytical cost accounting that allows to separate all costs (including overheads) attributable to the operating grant and the action grant*. For that purpose the beneficiary should use *reliable accounting codes and allocation keys* ensuring that *the allocation of the costs is done in a fair, objective and realistic way*.
- b. *record separately*:
 - all costs incurred for the operating grants (i.e. personnel, general running costs and other operating costs linked to the part of its usual annual activities), and
 - all costs incurred for the action grants (including the actual indirect costs linked to the action)

If the operating grant covers the entire usual annual activity and budget of the beneficiary, the latter is not entitled to receive any indirect costs under the action grant.

➤ **Ineligible costs**

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

²⁰ For the definition, see Article 180(2)(b) of the EU Financial Regulation: '**operating grant**' means financial contribution, to the functioning of a body which has an objective forming part of, and supporting, an Union policy, by means of a financial contribution to its work programme.

- operating grant financed by the EU or Euratom budget in the same period, unless they can demonstrate that the operating grant does not cover any costs of the action.
- (m) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);
 - (n) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies.

Further details are included in the model grant agreement.

➤ **Calculation of the final grant amount**

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

- a final report providing details of the implementation and results of the action;
- the final financial statement must detail all eligible costs (actual costs, unit costs and flat-rate costs);
- a certificate on the financial statements of the action for each beneficiary [or linked third party], if
 - it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and
 - the maximum EU contribution indicated, for that beneficiary [or linked third party] 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, calculated at the payment of the balance, of receipts over the eligible costs of the action**, where receipts are limited to the Union grant and the revenue generated by that action. In this respect, where a profit is made, the EASME shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action.

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

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

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

Step 2 — Limit to the maximum grant amount.

Step 3 — Reduction due to the no-profit rule as the grant must not produce a profit²¹:

'Profit' means the surplus of the amount obtained following Steps 1 and 2 plus the 'action's total receipts' (being the consolidated total receipts generated during its duration), over the 'action's total eligible costs' (being the consolidated total eligible costs approved by the Agency).

The following are considered 'receipts':

²¹ Not applicable for low value grants.

- (a) income generated by the action;
- (b) financial contributions given by third parties to the beneficiary, specifically to be used for costs that are eligible under the action.

The following are however not considered 'receipts':

- (a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs;
- (b) financial contributions by third parties with no obligation to repay any amount unused at the end of the action period.

If there is a 'profit', it will be deducted in proportion to the final rate of reimbursement of the eligible actual costs approved by the Agency (as compared to the amount calculated following Steps 1 and 2).

Step 4 — Reduction due to substantial errors, irregularities or fraud or serious breach of obligations (calculated in proportion to the seriousness of the errors, irregularities or fraud or breach of obligations) from the maximum grant amount.

The final grant amount will be the lower of the following two:

- the amount obtained following Steps 1 to 3 or
- the reduced grant amount following Step 4.

Further details are included in the model grant agreement.

12.3 Payment arrangements:

Pre-financing payment

A pre-financing payment corresponding to 50% 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.

Interim payment

One interim payment shall be paid to the beneficiary. Interim payment is intended to cover the beneficiary's expenditure on the basis of a request for payment when the action has been partly carried out. For the purpose of determining the amount due as interim payment, the reimbursement rate to be applied to the eligible costs approved by EASME shall be rate indicated in section 4.

The total amount of pre-financing and interim payment shall not exceed 90% of the maximum grant amount.

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 12.2 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.

12.4 Pre-financing guarantee

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for an amount not exceeding the amount of the pre-financing and shall be valid for a period sufficiently long to allow it to be activated, may be requested in order to limit the financial risks linked to the pre-financing payment.

The financial guarantee, in euro, shall be provided by an approved bank or financial institution established in one of the Member State of the European Union. When the beneficiary is established in a third country, the authorising officer may agree that a bank or financial institution established in that third country may provide the guarantee if he considers that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. Amounts blocked in bank accounts shall not be accepted as financial guarantees.

The guarantee may be replaced by a joint and several guarantee by a third party or by a joint guarantee of the beneficiaries of an action who are parties to the same grant agreement

The guarantee shall be released when the pre-financing is deducted from interim payments or payments of the balance to the beneficiary, in accordance with the conditions laid down in the grant agreement.

13. REPORTING REQUIREMENTS:

Beneficiaries will be requested to submit the following reports:

-Two technical progress reports in month 10 (covering months 1 to 9) and in month 28 (covering months 19 to 27) of the project implementation, not linked to a request for payment;

-One periodic technical and financial report, within 60 days after the end of month 18, covering months 1-18, linked to a request for interim payment;

-Final technical and financial report, linked to the request for the payment of the balance.

Further details are included in the model grant agreement.

14. PUBLICITY

14.1 By the beneficiaries

Beneficiaries must clearly acknowledge the European Union's contribution in all publications or in conjunction with activities for which the grant is used.

In this respect, beneficiaries are required to give prominence to the name and emblem of the European Commission on all their publications, posters, programmes and other products realised under the co-financed project.

To do this they must use the text, the emblem and the disclaimer in accordance with the details provided in the grant agreement.

If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement.

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

14.2 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.

15. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data²³. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by the EASME Head of Unit A.1. Details concerning the processing of personal data are available on the privacy statement at: http://ec.europa.eu/research/participants/data/support/legal_notice/h2020-ssps-grants_en.pdf.

Personal data may be registered in the Early Detection and Exclusion System (EDES) should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of the EU Financial Regulation 2018/1046²⁴ (for more information see the Privacy Statement on: http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_edes_en.pdf).

16. 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 the [Funding and tender opportunities portal](#) and follow the procedure for submitting an application.

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) (OJ L 39 of 10.02.2007).

²³ OJ L 295/39 of 21.11.2018.

²⁴ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>

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-EntreComp-CALL@ec.europa.eu;

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

17. ANNEXES

Model Grant Agreement

Description of Action template

Detailed Budget template

Guide for Applicants