



EUROPEAN COMMISSION
Enterprise and Industry

CALL FOR PROPOSALS

**CHINA IPR SME HELPDESK
73/G/ENT/CIP/13/B/N02C02**

GRANT PROGRAMME 2013

The present call for proposals is composed of a set of Grant Submission Documents,
which form an integral part of this call:

The call for proposals,
The Guide for Applicants
The Submission Set

The terms set out in the call for proposals document shall take precedence over those in
the other parts of the Grant Submission Documents.

TABLE OF CONTENTS

1.	CONTEXT	4
2.	OBJECTIVE OF THE CALL.....	5
3.	TIMETABLE.....	12
4.	EU FINANCING.....	12
4.1.	GENERAL PRINCIPLES OF EU FUNDING	12
4.2.	ELIGIBLE COSTS	13
4.2.1.	Eligible direct costs	14
4.2.2.	Eligible indirect costs	15
4.2.3.	Non-eligible costs	15
4.3.	CO-FINANCING AND JOINT AND SEVERAL RESPONSIBILITY	16
4.4.	IMPLEMENTATION CONTRACTS/SUBCONTRACTING	16
4.5.	FINANCIAL SUPPORT TO THIRD PARTIES	16
4.6.	FINAL GRANT AND PAYMENT ARRANGEMENTS	17
5.	ELIGIBILITY	17
5.1.	ELIGIBLE APPLICANTS	17
5.2.	ADMISSIBLE AND ELIGIBLE PROPOSALS	18
6.	EXCLUSION CRITERIA.....	19
6.1.	EXCLUSION FROM PARTICIPATION.....	19
6.2.	EXCLUSION FROM AWARD.....	20
6.3.	SUPPORTING DOCUMENTS	20
7.	SELECTION.....	20
7.1.	FINANCIAL CAPACITY.....	20
7.2.	OPERATIONAL CAPACITY	21
8.	AWARD.....	21
9.	SUBMISSION OF PROPOSALS.....	21
10.	CONTACTS.....	22
11.	DATA PROTECTION.....	22
12.	PUBLICITY.....	23
13.	ANNEX 1 SUBMISSION SET	24
14.	ANNEX 2 GUIDE FOR APPLICANTS	25

15. ANNEX 3 EVALUATION CRITERIA 26

16. ANNEX 4 - AGREEMENT 28

INTERESTED PARTIES ARE INVITED TO READ CAREFULLY THE BELOW INSTRUCTIONS, AND TO USE THE QUESTIONNAIRE PROVIDED IN CHAPTER II OF THE GUIDE FOR APPLICANTS IN ORDER TO ENSURE THAT APPLICATIONS ARE COMPLETE WHEN SUBMITTED.

1. CONTEXT

The European Union provides support to Small and Medium Enterprises (SME)¹ in cases of market failures. The justification for support in the field of Intellectual Property Rights (IPR)² is based on the importance of these rights for the international competitiveness of EU businesses, the low ability of small and medium businesses to adequately manage IPR due to limited resources and knowledge to effectively deal with IPR and the additional challenge imposed by the international dimension.

The overall policy context

This project implements EU industrial policy on growth and jobs with a particular emphasis on SMEs. The project is intended to contribute to the internationalisation of EU SMEs. It is, thus, in line with the EU 2020 Strategy the industrial policy communication update from the Commission "A Stronger European Industry for Growth and Economic Recovery"³. In times of economic crisis, support given to innovative SMEs when these enter new external markets can contribute to the creation of growth and jobs.

The China IPR SME Helpdesk has already been operating since 2008. It will be thus necessary to maintain the existing basis and continue developing it.

The technical design of SME support for IPR should be based on recommendations put forward by two expert groups⁴. In particular it should ensure that a coherent and seamless service to SMEs is provided integrating aspects of support for internationalisation, research and innovation. The future implementer of the CHINA IPR SME helpdesk would need to maintain the link between the helpdesk and various business intermediaries, including the Enterprise Europe Network, industrial associations, and pan-European business support organisations in China, to achieve such a seamless connection.

Why China – Scope justification – Territorial scope

Due to their limited size and ability to react properly, SMEs become more often easy victim of predatory behaviour from abroad and suffer great losses that can be critical for such small businesses, which justifies the need for special support. Counterfeiting is an important problem, damaging legal business and especially SMEs. According to statistics of the latest Reports on EU customs enforcement of IPR, China is the number one country regarding the origin of counterfeit goods. This raises clear concerns on the climate for the operations of the European SMEs in China and urges public authorities to support small business with additional non-legislative tools.

As mentioned already, China is a market with high growth rates where EU businesses, and especially SMEs can find many expansion opportunities. At the same time, fierce competitors from China challenge EU

¹ Throughout this text the terms 'small and medium sized enterprises' and 'SME' or 'SMEs' are understood to refer to enterprises defined as provided in Commission *Recommendation 2003/361/EC*; further information about this definition and a user's guide may be found at: http://ec.europa.eu/enterprise/enterprise_policy/sme_definition/index_en.htm

² 'Intellectual property rights' and 'IPR' are used throughout this call for proposals in the broad sense, encompassing both so-called 'formal' means of protecting such rights (e.g., patents, trademarks, designs, geographical indications, copyrights) and 'informal' means (contractual and licensing conditions, management of business operations so as to protect trade secrets, planning business participation in trade fairs, etc.) 'Enforcement' of these rights refers to any applicable means of enforcement such as through the civil or criminal judicial systems, administrative means, customs authorities, or contractual means, as available in the relevant European, Member State, or jurisdictions .

³ Communication from The Commission 'A Stronger European Industry for Growth and Economic Recovery' COM(2012) 582 final <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2012:0582:FIN:EN:PDF>

⁴ Making IPR work for SMEs - Expert Group Report http://ec.europa.eu/enterprise/policies/industrial-competitiveness/intellectual-property-rights/expert-group-report/index_en.htm and A memorandum on removing barriers for a better use of IPR by SMEs http://www.proinno-europe.eu/www.proinno-europe.eu/NWEV/uploaded_documents/IPR_Expert_group_report_final_23_07_07.pdf

enterprises on the world market, including the domestic EU market. SMEs are less likely to have the resources to address IPR problems than larger firms. All these challenges are reasons to support EU SMEs who work with or try to enter the Chinese market.

The territory primarily covered by this project is mainland China, but the helpdesk should also be able to provide advice on IPR challenges related to Hong-Kong, Macau and Taiwan. As described in the tasks below the services of the CHINA IPR SME Helpdesk can be differentiated between the geographical entities covered depending on SME needs and the demand on the helpdesk's services.

Specific context

This call for proposals aims at providing continuation to the services offered by the CHINA IPR SME helpdesk. This action is intended to provide first line support on IPR issues to EU SMEs who do business in China or are affected by IPR challenges from there. This shall allow EU SMEs to get the best out of their intellectual property and at the same time encourage them to innovate. As a result this will improve their global competitiveness and help them seize opportunities offered by the co-operation with Chinese firms and by Chinese markets. China IPR SME Helpdesk is a tool that will continue building on the experience, gained from the previously existing Commission's helpdesks in the field of IPR, but combining them with the new trends and means of work, encouraging innovativeness in methods used.

The China IPR SME Helpdesk has been designed to support EU SMEs in China and those in Europe that wish to do business in China⁵. The helpdesk should keep on adapting itself to the demand for its services and thus adapt the intensity of services towards the real needs of SMEs. EU SMEs in China and those in Europe that wish to do business in China should benefit from the complete set of IPR helpdesk services, as described in section 2 below.

The present Call for proposals is based on the Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing the Competitiveness and Innovation Programme (2007 to 2013)⁶ and it is included in the Commission decision C(2013)2139 of 18 April 2013⁷.

2. OBJECTIVE OF THE CALL

This call aims to provide support services to assist EU SMEs to both protect and enforce their intellectual property rights in or relating to China⁸. The target audience is both European SMEs in the EU and those already present in or investing in or otherwise doing business in China.

Related activities

China IPR SME Helpdesk – previous projects

The China IPR SME Helpdesk project is funded by the European Commission's Directorate-General for Enterprise and Industry under the Competitiveness and Innovation Framework Programme (CIP) and builds on the achievements of a pilot project carried out in 2008-10. The current project runs from December 2010 – December 2013, and comprises a total budget of EUR 3,000,000 over the three year period. During these

⁵ The territory primarily covered by this project is mainland China, but the helpdesk should be able to provide advice on IPR challenges related to Hong-Kong, Macau and Taiwan. As described in the tasks below the services of the CHINA IPR SME Helpdesk can be differentiated between the geographical entities covered depending on SME needs and the demands on the helpdesk services.

⁶ Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) OJ L 310/15, 09.11.2006 http://ec.europa.eu/cip/index_en.htm

⁷ Commission Decision of 18 April 2013 updating the 2013 annual work programme for the Entrepreneurship and Innovation Programme C(2013)9442.

⁸ Please see the description of the potential target geographical entities above in section 1 (p.5) – territorial scope and in footnote 5

years, the task proved to be a reliable and trusted tool for SMEs with first-line advice and experts, new means of training (including e-training and webinars), public presence and good visibility. The China IPR SME Helpdesk liaises with one Chinese administration and state authorities, and also connects with local and international businesses to feel the real needs and demands of the different users of their services.

China IPR SME Helpdesk pilot project was established in light of changing business patterns and increasing globalisation. Although some EU SMEs are already present in China, more EU SMEs may wish to expand their business in this market, for various reasons. However, in doing so they may be faced with country specific problems related to intellectual property protection and management. The China IPR SME Helpdesk, as a tool, could provide valuable assistance during that process with reliable first-line tailor-made advice, contact networking or information on various issues, concerning China and IPR issues.

This project will finance 12 months of operations of the China IPR SME Helpdesk. The short time framework for this project is linked with the end of the financial perspective and the end of the Entrepreneurship and Innovation Programme (EIP⁹), which is its financing source. The 12 months will bridge between the EIP and the future financing programme – COSME¹⁰ (Competitiveness of enterprises and SMEs). The future projects financed from COSME are intended to provide finance for longer duration.

ASEAN (and Mercosur) SME IPR Helpdesks

The ASEAN (and MERCOSUR) IPR SME Helpdesks offer first-line advice and support to European SMEs facing intellectual property rights (IPR) difficulties in, or arising from these countries or regions. The overall objective of the projects is to support EU SMEs in both the protection and enforcement of their IPR in or relating to these countries or countries in these regions, through the provision of information and services targeting their needs and supporting the development of self-help approaches. The Helpdesk's free, practical and business-focused first-line advice on IPR issues is disseminated through helpline services, training seminars, published material, as well as a website. A special accent is put on awareness rising on IPR issues specific to the relevant countries.

The ASEAN SME IPR Helpdesk was set up in January 2013 and offers services since 18 March 2013 (<http://www.asean-iprhelpdesk.eu>). The MERCOSUR SME IPR Helpdesk should start in autumn 2013.

DG Enterprise and Industry of the European Commission (DG ENTR) is in charge of the implementation of these two IPR SME Helpdesks. For more information please see the following website: http://ec.europa.eu/enterprise/policies/industrial-competitiveness/intellectual-property-rights/index_en.htm

InnovAccess Network: European Network of National Intellectual Property Offices

The current InnovAccess Network is based on the experiences gained during the former IPEuropeAware project which started in 2007 and brings together today 32 National Intellectual Property Offices (NIPOs). The project launched in February 2012 aims at improving their IP services delivered to SMEs by different means: improving available IP tools, enhancing skills of NIPOs staff through workshops, a public webpage and a network of NIPOs helpdesks. The goal is to establish long-term collaboration with relevant actors across the EU in order to offer a coherent support to SMEs, broadening the number of service providers (NIPOs) and linking with the Enterprise Europe Network. The EACI is in charge of its implementation under the policy guidance of the European Commission. For more information, please, see the website of the project: <http://www.innovaccess.eu>

⁹ EIP – current financial programme: http://ec.europa.eu/cip/eip/index_en.htm

¹⁰ COSME – future financial programme: http://ec.europa.eu/cip/index_en.htm

The Enterprise Europe Network (EEN)

The Enterprise Europe Network offers services to European SMEs, supporting this competitiveness and innovation at local level throughout Europe and beyond. Launched at the beginning of 2008, the EEN offers a "one-stop shop" to meet business and innovation needs of SMEs and companies in Europe.

Today the EEN consists of around 600 partner organisations established in 54 countries and helps companies to make the most of the opportunities in the European Union. It is Europe's largest business and technology network, and helps SMEs to enter new markets, to find new business partners, EU funding and to source or sell new technologies and ideas. Partner organisations include, among others, chambers of commerce and industry, technology centres, universities, research institutes and development agencies. For more information please see the website of the network: <http://een.ec.europa.eu>

DESCRIPTION OF ACTIVITIES

Support to SMEs should include:

- Providing EU SMEs with **first line advice services, on IPR¹¹ protection and enforcement in China¹²** and expert liaison and signposting services to relevant government administrations, attorneys, or consultants for further follow-up as appropriate. These services should include a physical presence in one major economic centre in China in order to facilitate co-ordination with EU and relevant organisations based in the respective main city. Depending on the availability of publically funded EU SME support structures in the covered region, the China IPR SME Helpdesk should co-operate with or physically move to such structures. First line advices, provided by experts of the China IPR SME Helpdesk are not legally binding and should serve as free guidance.
- Developing and providing state-of-the-art materials for **legal background support** for EU SMEs. (Materials provided under this call should also be made available to the Enterprise Europe Network, ASEAN IPR SME Helpdesk¹³, the European IPR Helpdesk¹⁴, the (future) MERCOSUR IPR SME Helpdesk, SME industrial associations, and other European organisations concerned with SMEs and IPR protection for their distribution and use.) Consideration may be given to translation or exchange of existing materials from the ASEAN IPR SME Helpdesk, the European IPR Helpdesk, the (future) MERCOSUR IPR SME Helpdesk, Member State Chambers of Commerce or other relevant sources, where such material is up to date, appropriate, and such a form of collaboration is acceptable to the authors and publishers of the materials. The materials developed by the ASEAN IPR SME Helpdesk, (future) MERCOSUR IPR SME Helpdesk, and the European IPR Helpdesk are fully available for re-use by the CHINA IPR SME Helpdesk, provided the authorship is acknowledged. Materials from the MERCOSUR SME IPR Helpdesk may follow after it becomes operational.
- Providing **trainers and state-of-the-art training materials** on China IPR enforcement and closely related subjects (such as 'know before you go' business guidance, etc.) for **SME clinics and workshops** in the EU and in China and planning, preparing, promoting and presenting such clinics and workshops in China and in the EU.

¹¹ For the potential IPR to take into account please refer to footnote 1.

¹² Please see the description of the potential target geographical entities above in section 1 – territorial scope (p. 5) and in footnote 5

¹³ ASEAN IPR SME Helpdesk – www.asean-iprhelpdesk.eu

¹⁴ European IPR Helpdesk – www.iprhelpdesk.eu

- **Report to** user firms of the Helpdesk, industry associations, chambers of commerce and other relevant organisations in China and Europe **on the latest IPR developments and available support for enforcement.**
- Providing the contents of a **multi-lingual web portal for IPR protection in China**, focusing on how to protect IPR in typical business situations. This portal should also provide links to other relevant sources of information, such as Member State Chambers of Commerce, the appropriate technical assistance programmes¹⁵, and official sites of the EU, Member State, local/relevant administration and industry associations. As a minimum, the webportal should be made available in English and additionally in large parts in French, and German. Potential beneficiaries can propose additional EU languages.
- **Monitor selected IPR cases and follow IP policy** affecting SMEs in China in order to provide the European Commission, SMEs and other European organisations with relevant information to support business and policy decisions.
- **Presence at trade fairs or ‘partenariat’ events** or other relevant services to SMEs to provide ‘first-line’ advice and assistance on IPR matters.
- Providing **basic support for initial contacts** with local law enforcement agencies in China, such as complaint hotlines on IPR infringements or complaint forms for various agencies or administrations related to IPR enforcement.

This list of support services is not exhaustive. The potential beneficiary is encouraged to provide other types of support to SMEs, especially innovative forms to more effectively reach the target group.

All these services will need to be provided in relation to China¹⁶. The Helpdesk is expected to address the challenges that are caused by IPR infringements in local trade and investment flows. Thus, it is expected to suggest solutions and to provide training on such problems, even if these occur in other countries than China, but are related.

All the above services should be provided in English and additionally where required in French and German. Services in remaining European Union Member State languages can be provided proportionate to the actual needs of EU SMEs. All services, materials and presentations should address intellectual property matters specifically from the point of view of SME business needs (e.g. how to design production or sourcing processes so as to protect one’s intellectual property, what measures to take in participating in trade fairs or in logistics, etc.), rather than addressing a more specialised audience such as IPR law practitioners. Services should be designed to reach an SME business audience composed of businesses not necessarily normally or traditionally aware of IPR concerns, especially in this particular international context. All training and other materials used and developed by this Helpdesk are to be the property of the European Commission and will remain so after the end of the Helpdesk term. The advice provided and the materials developed should bear the necessary disclaimers regarding legal liabilities limitations, data protection and intellectual property.

The services will be promoted in Europe within the Member States by the Helpdesk itself and through other projects being supported by the European Commission, including the Enterprise Europe Network. Service providers should be prepared to co-ordinate closely with other existing organizations and institutions which

¹⁵ Technical assistance programmes on Intellectual Property Rights

¹⁶ Please see the description of the potential target geographical entities above in section 1 – territorial scope and in footnote 5

deal with IPR protection in China, such as European and Member States' chambers of commerce (especially any EU co-funded entity for SME support), anti-counterfeiting organizations, embassy IPR attachés, the Delegation of the European Commission in China, the EU Commission, Member States, and the like, in order to avoid duplication of efforts and maximize possible synergies. Attention should be paid to ensure careful co-ordination, when relevant, with the work programme of the EU IPR technical assistance and the work programme of EU co-funded SME support structures in China. The Commission is considering co-operation activities and co-ordination with the Observatory of infringements of IPR. The helpdesk will be part of this co-operation in ways to be agreed.

Website

This task involves the management and update of the contents of the website.

The beneficiary should keep and maintain the existing website including maintaining the content of the current China IPR SME Helpdesk. The website will be hosted by the European Commission under its Europa domain. The technology used is expected to be Drupal 7 or compatible.

The Commission will be responsible for implementing the new features on the website. The beneficiary will work in collaboration with the European Commission, and will be responsible for providing the content and defining the exact functionalities of the new sections of the website. The European Commission may decide on the development of further website functionalities.

The Commission reserves the right to add or remove from the list of features planned for the website, and also to provide more specific guidance and requirements for its functionalities and appearance.

The website will need to be fed with new and updated content on a regular basis. The successful beneficiary will be granted access to publish and edit the relevant content on the Europa website, although content to be published shall be approved by the Commission first. The exact details of the technical beneficiary's rights of access will be discussed and agreed in writing before access is granted.

All information provided on the website should be reliable. Accuracy and consistency of data and services should be ensured at all time. The successful beneficiary should create a quality procedure to guarantee the validity, reliability and linguistic quality of all information before it becomes publicly available on the website. This requires fluent speakers in English, French and German, preferably with a journalistic or marketing background, and with experience in web editing.

DG Enterprise and Industry will be the reference contact point for the beneficiary.

Website copyright and other ownership rights belong to the European Commission.

Visual identity and accessibility

The Commission will ensure the website conforms to its corporate visual identity by applying the graphic rules set out in the European Commission's Visual Identity Manual, including its logo. No new logo in any form shall be developed. Any visual change needs to be approved by the Commission. More information on Information Providers Guide can be found under this link: http://ec.europa.eu/ipg/basics/legal/notice_copyright/index_en.htm. The visual identity of the European Commission should ONLY be applied to sites hosted on Europa – not to the external sites.

Funding from the European Commission shall be acknowledged. The programme name and disclaimer¹⁷ shall be clearly visible.

Attractiveness and user friendliness for the target groups are a key element. The Commission is committed to making online information as accessible as possible to the largest possible number of users including those with visual, auditory, cognitive or physical disabilities, and those not having the latest technologies. The Commission supports the Web Content Accessibility Guidelines 2.0 of the W3C. For full details on Commission policy on accessibility for information providers, see: http://ec.europa.eu/ipg/standards/accessibility/index_en.htm.

Pdf versions of studies designed for online publication should respect W3C guidelines for accessible pdf documents. See: <http://www.w3.org/WAI/GL/WCAG20-TECHS/pdf.html>

Handover

At the end of the project the beneficiary should prepare handover documentation concerning the website, the materials developed, the established contacts with intermediaries and other information and materials gathered during the project that will be necessary to continue the helpdesk activities in a new funding period.

To reply to the requirements listed above, the proposal should at least contain the following information:

- Identify the **main industry groups and sectors** that will be potential clients of the Helpdesk. An explanation of the analysis and priorities should be included.
- Identify the **IPR challenges of relevance to EU SMEs in relation to China** and identify in which type of economic relations they occur (e.g. trade, joint ventures, etc). The explanation should cover relevant types of IPR and the sectors most affected. These sectors should have a large proportion of SMEs active in it. An explanation of the analysis and priorities should be included.
- Explain how the project would **cover when necessary Hong-Kong, Macau and Taiwan**.
- A detailed description of the **services offered by the Helpdesk** and the explanation of how they will be provided to EU SMEs.
- A section describing **how the project will specifically identify and reach the target SME audience**, the **estimated impact**, and how that **impact will be measured**. This section should also contain a short outline of a marketing and communications plan for the Helpdesk, showing how SMEs who may potentially benefit from the Helpdesk's services will be effectively identified and reached.
- A section describing the **management structure and resources of the project** and how the proposed structure will enable the project to meet its goals. In particular it should show the way the coordination between the presence in Europe and in China will be organised.
- It should include **description of provisions for risk assessment, contingency planning, performance monitoring and user satisfaction measurement**, and appropriate **confidentiality mechanisms**.

THE COMMISSION INTENDS TO FINANCE ONLY ONE GRANT.

¹⁷ http://ec.europa.eu/ipg/basics/legal/notice_copyright/index_en.htm

3. TIMETABLE

Scheduled start-up date for the action: at the signature of the grant agreement

Maximum duration of action is: 12 months

No applications will be accepted for projects scheduled to run for a longer period than that specified in this call for proposals

The period of eligibility of costs will start at the earliest on the day the agreement is signed by the last of the parties. If a beneficiary can demonstrate the need to start the action before the agreement is signed, the expenditure may be eligible as from a date before the agreement is signed. Under no circumstances can the eligibility period start before the date of submission of the grant application.

	Stages	Date and time or indicative period
a)	Publication of the call	14/08/2013
b)	Deadline for submitting applications	26/09/2013 – 17:00 CET
c)	Information to applicants	November 2013 - December 2013
d)	Signature of grant agreement	December 2013
e)	Starting date of the action/ work programme	December 2013

4. EU FINANCING

Maximum budget allocated for EU financing under this call: € 1 200 000

Maximum EU financing rate of eligible costs: 90 %

Maximum EU financing amount per project: 1.200.000 €

Proposals with an EU co-financing beyond any of the above two maxima will not be eligible.

The Commission reserves the right to award a grant of less than the amount requested by the applicant. In such a case, applicants will be asked either to increase their co-financing, propose other co-financing means or to decrease the total costs without altering the substance of the proposal. Grants will not be awarded for more than the amount requested.

Publication of the call (on the Commission Internet site and/or in the Official Journal) does not guarantee the availability of funds for the above action.

4.1. GENERAL PRINCIPLES OF EU FUNDING

Non-cumulative award

Each action may give rise to the award of only one grant from the budget to any one beneficiary.

In no circumstances shall the same costs be financed twice by the Union budget.

Applicants have to inform the Commission immediately of any multiple applications and multiple grants relating to the same action. The applicant shall inform about sources and amounts of EU funding received or applied for the same action or for part of the action. Applicants shall indicate if they receive EU funding for their functioning during the financial year in which the action takes place.

Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

A grant may be awarded for an action which has already begun, provided 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.

Co-financing

Grants shall involve co-financing, which implies that the resources necessary to carry out the action or the work programme shall not be provided entirely by EU contribution. EU financing may not cover 100% of the total costs of the action.

Co-financing of the action or of the work programme may take the form of:

- the beneficiary's own resources,
- income generated by the action or work programme,
- financial contributions from third parties.

Non-profit rule

EU grant may not have the purpose or effect of producing a profit within the framework of the action of the work programme of the beneficiary.

Where a profit is made, the Commission is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred. For this purpose, profit shall be defined as a surplus of the receipts over the eligible costs incurred, when the request for payment of the balance is made.

Balanced budget

The estimated budget of the action or work programme 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, who foresee that costs will not be incurred in euros, are invited to use the exchange rate published on the Infor-euro website available at http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

4.2. ELIGIBLE COSTS

In order to be eligible for funding, costs should be actually incurred by the beneficiary and meet the following criteria:

- they are incurred during the duration of the action or work programme, as indicated in the grant agreement, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents (audit certificates);
- they are indicated in the estimated budget of the action or work programme;
- they are necessary for the implementation of the action or of the work programme, in accordance with the description of the action, attached to the grant agreement;
- 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 principle of sound financial management, in particular regarding economy and efficiency.

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

Please note that the exact scope of the eligibility of costs is defined by the grant agreement, which will be signed with the successful applicants.

4.2.1. Eligible direct costs

Direct costs of the action are those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it. They shall not include any eligible indirect costs.

The following categories of costs can be considered as eligible direct costs:

- the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the beneficiary's usual policy on remuneration. Those costs may also include additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used.
- salary costs of the personnel of national administrations to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken.
- costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;
- the depreciation costs of equipment or other assets (new or second-hand) as recorded in the accounting statements of the beneficiary, provided that the asset has been purchased in accordance with the conditions applicable to implementation contracts and that it is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiary
- costs of consumables and supplies, provided that they are purchased in accordance with the conditions applicable to implementation contracts;
- costs arising directly from requirements imposed by the grant agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs

of requested financial guarantees, provided that the corresponding services are purchased in accordance with the conditions applicable to implementation contracts;

- costs entailed by subcontracts, concluded for the externalisation of specific tasks or activities which form part of the action or workprogramme as described in the proposal, provided that the conditions with the conditions applicable to implementation contracts are met;
- costs of financial support to third parties, in accordance with the conditions set by the grant agreement for such financing;
- duties, taxes and charges paid by the beneficiary, provided that they are included in eligible direct costs, and unless specified otherwise in the Agreement.
- costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where that guarantee is a condition for the payment of a pre-financing;
- costs relating to external audits where such audits are required in support of the requests for payments;
- value added tax (VAT) is not eligible

4.2.2. Eligible indirect costs

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

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

Indirect costs are not eligible for beneficiaries that receive an operating grant from the European Commission.

4.2.3. Non-eligible costs

In addition to any other costs which do not fulfill the conditions set out in Article II.19.1, the following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Commission charged by the bank of a beneficiary;
- costs declared by the beneficiary in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Commission for the purpose of implementing the Union budget);
- in particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary which already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind from third parties;
- excessive or reckless expenditure;
- deductible VAT.
- participation by any staff of the institutions in actions receiving grants
- any other costs which have been specified as ineligible in the call for proposal

In addition to the above, the Commission can refuse to finance certain costs included in the proposal. The beneficiary can decide to maintain and finance these costs out of his own resources, but they will not be taken into account as eligible costs.

4.3. CO-FINANCING AND JOINT AND SEVERAL RESPONSIBILITY

The beneficiary has to supply evidence of the co-financing provided. It can be provided either by way of own resources, or in the form of financial transfers from third parties.

In case of a joint application, all partners shall agree upon appropriate arrangements between themselves for the proper performance of the action.

In particular, they shall accept joint and several responsibility up to the value of the contribution that the beneficiary held liable is entitled to receive, as stipulated in the General Conditions of the draft grant agreement.

The final grant agreement shall be signed by each applicant. Alternatively it shall be signed by the appointed co-ordinator, provided that a power of attorney has been conferred to this entity (Annex IV of the draft grant agreement).

4.4. IMPLEMENTATION CONTRACTS/SUBCONTRACTING

Where the implementation of the action or the work programme requires the use of contracts (implementation contracts), the beneficiary must ensure that the contract is awarded to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities shall abide by the applicable national public procurement rules, in the meaning of Directive 2004/18/EC on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts or contracting entities in the meaning of Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors.

Sub-contracting for the purpose of the action

Sub-contracting refers to contracts concluded for the externalisation of specific tasks or activities which form part of the action or work programme as described in the proposal. Such contracts must satisfy the conditions applicable to any implementation contract and, in addition, the following conditions:

- Subcontracting may only cover the implementation of a limited part of the action up to **20** % of the eligible costs.
- It must be justified having regard to the nature of the action and what is necessary for its implementation;
- The proposal should clearly identify the subcontracted activities

Subcontracting does not in any way limit the responsibility of beneficiaries for the implementation of the action. Please note that the beneficiary(ies) should have the necessary capacity to perform the project. Only tasks that are not core business can be sub-contracted to consultants.

It is not necessary to have already selected subcontractors at the time the proposal is submitted. However, cost of contractors not selected in accordance with the applicable rules for procurement will not be eligible.

4.5. FINANCIAL SUPPORT TO THIRD PARTIES

The applications may not envisage provision of financial support to third parties.

4.6. FINAL GRANT AND PAYMENT ARRANGEMENTS

The draft grant agreement annexed to this call for proposals specifies the calculation of the final grant and the payment arrangements.

Your attention is in particular drawn to the General Conditions of the grant agreement, where the eligibility of costs is described. Detailed explanations and a description how costs should be budgeted and reported can be found in the Guide for Applicants.

In case of grants of at least 750.000 €, when the cumulative amounts of request for payment is at least 325.000 €, a certificate by a registered auditor on the financial statements and underlying accounts (“certificate on the financial statements”) has to be submitted to certify that the costs reported are real, accurate and in accordance with the grant agreement.

EU grant may not have the purpose or effect of producing a profit within the framework of the action of the work programme of the beneficiary. Where a profit is made, the Commission is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred. For this purpose, profit is 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. Where such a surplus occurs, the Commission is entitled to recover the percentage of the profit corresponding to the EU contribution to the eligible costs actually incurred by the beneficiary.

The Commission may require the beneficiary to lodge a guarantee for grants exceeding € 60 000, based on a risk analysis.

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 authorising officer responsible 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.

5. ELIGIBILITY

APPLICATIONS MUST COMPLY WITH ALL OF THE ELIGIBILITY CRITERIA SET OUT IN THIS SECTION.

5.1. ELIGIBLE APPLICANTS

Applications from legal entities established in one of the following countries are eligible:

- (1) EU Member States
- (2) EFTA and EEA countries: Switzerland, Iceland, Liechtenstein, Norway
- (3) candidate countries: FYROM, Turkey, Serbia
- (4) other countries - Applications from legal entities established in the target geographical entities are eligible provided that they come from organisations having as a main objective to

represent the interests of companies established in an EU Member State, present or active in the target geographical entities¹⁸.

The Commission may select proposals from applicants in EFTA/EEA countries or candidate countries, provided that, on the date of selection, agreements have been signed setting out the arrangements for the participation of those countries in the programme established by the Decision referred to under point 1 of this call.

Several applicants, submitting a joint proposal should choose within their midst a lead organisation, referred to as the coordinator.

The coordinator and other applicants must satisfy the same eligibility criteria.

- Applications must be submitted by a legal person.
- Corporate bodies must be properly constituted and registered under the law. If a body or organisation is not constituted under the law, a physical person must be designated to provide the legal responsibility.

Supporting documents

Subject to the eligibility criteria indicated above, the applicants should provide the following supporting documents to establish their eligibility:

- **private entity:** extract from the official journal, copy of articles of association, extract of trade or association register, certificate of liability to VAT (if, as in certain countries, the trade register number and VAT number are identical, only one of these documents is required);
- **public entity:** copy of the resolution or decision establishing the public company, or other official document establishing the public-law entity;
- **consortium:** in addition to the supporting documents referring to their legal status, consortium members will submit letters confirming their participation to the project,
- **natural persons:** photocopy of identity card and/or passport;
- **entities without legal personality:** documents providing evidence that their representative(s) have the capacity to undertake legal obligations on their behalf.

5.2. ADMISSIBLE AND ELIGIBLE PROPOSALS

Applications must comply with the following conditions in order to be eligible for a grant:

- Applications must be sent no later than the deadline for submitting applications referred to in section 9.
- Applications must be submitted in writing, using the application form and the electronic submission system, as indicated in the Guide for Applicants.

¹⁸ Please see the description of the potential target geographical entities above in section 1 (p.5) – territorial scope and in footnote 5

- Applications must be drafted in one of the EU official Languages. If your proposal is not in English, a translation of the full proposal would be of assistance to the evaluators. An English translation of an abstract may be included in the proposal (see Guide for Applicants).
- Proposals must be submitted in conformity with the call specifications;
- Only projects that are strictly non-profit-making and/or whose immediate objective is non-commercial shall be eligible.
- Applications must respect the maximum rate for EU co-financing.
- Applications must respect the maximum amount for EU co-financing.
- Applications must respect the maximum duration of projects.
- Applications may not include contributions in kind as part of their co-financing. Applications may not include third party financing

In this context, will be rejected any project directly or indirectly contrary to EU policy or against public health, human rights, citizen's security or freedom of expression.

6. EXCLUSION CRITERIA

6.1. EXCLUSION FROM PARTICIPATION

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

- they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- they or persons having powers of representation, decision making or control over them have been convicted of an offence concerning their professional conduct by a judgment of a competent authority of a Member State which has the force of *res judicata*;
- they have been guilty of grave professional misconduct proven by any means which the Commission can justify, including by decisions of the European Investment Bank and international organisations;
- they are not in compliance with their obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
- they or persons having powers of representation, decision making or control over them have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity, where such illegal activity is detrimental to the Union's financial interests;
- they are subject to an administrative penalty referred to in Article 109(1) Financial Regulation (see section 6.3).

6.2. EXCLUSION FROM AWARD

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

- are subject to a conflict of interest;
- are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the grant award procedure or fail to supply this information;
- find themselves in one of the situations of exclusion, referred to in article 106 Financial Regulation (see section 6.3)

6.3. SUPPORTING DOCUMENTS

Applicants must sign a declaration on their honour certifying that they are not in one of the situations referred to by filling in the **“Exclusion Criteria Form” (form B4)**

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

By using the “Exclusion Criteria Form” applicants shall declare on their honour that they are not in one of the situations referred to in Articles 106 and 107 of the Regulation (EC, Euratom) n° 966/2012 on the financial rules applicable to the general budget of the Union (Financial Regulation).

Please note that, according to articles 109 and 131.4 of Regulation (EC, Euratom) n° 966/2012 on the financial rules applicable to the general budget of the Union (Financial Regulation) and according to article 145 of the Commission Delegated Regulation (EC, Euratom) n° 2342/2002 on the rules of application of the Financial Regulation, administrative and financial penalties may be imposed by the Commission on applicants who are excluded in relation to points a) to h) of the form in question.

For grants with a value exceeding € 60 000, the Commission may require further evidence, as indicated in article 143 Rules of Application.

7. SELECTION

7.1. 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 to be submitted with the application:

For grants < EUR 60 000:

- a declaration on honour

For grants ≥ EUR 60 000, in addition:

- a declaration on honour and,
- form B/5 provided for in the submission set, filled in with the relevant statutory accounting figures. Other documents may be submitted if needed (see IV.4 Guide to applicants)

For grants for an action ≥ EUR 750 000 or operating grants ≥ EUR 100 000, 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 thresholds apply per applicant.

7.2. OPERATIONAL CAPACITY

Applicants must show they have the **operational (technical and management) capacity** to complete the operation to be supported and must **demonstrate their capacity to manage scale activity** corresponding to the size of the project for which the grant is requested. In particular, the **team responsible** for the project/operation must have **adequate professional qualifications and experience**:

- (1) working with SMEs for at least three years during the last ten years,
- (2) business experience in the target country for at least three years during the last ten years,
- (3) business-oriented communications and marketing work to effectively reach and serve the intended audience (SMEs and business intermediaries) for at least one year during the last five years, and
- (4) effectively handling IPR problems in and relating to the target country for at least three years during the last ten years.

In this respect, applicants have to submit a declaration on their honour, and the following supporting documents:

- curriculum vitae or description of the profile of the people primarily responsible for managing and implementing the operation;
- an exhaustive lists of previous projects and activities performed and connected to the policy field of a given call or to the actions to be carried out.

The selection procedure is described in further detail in the Guide for Applicants.

8. AWARD

An evaluation of the quality of proposals, including the proposed budget, will be carried out in accordance with the evaluation criteria set out in annex 3 to this call for proposals.

The evaluation procedure is described in further detail in the Guide for Applicants.

9. SUBMISSION OF PROPOSALS

Please note that only electronic submissions are allowed for this call.

Please consult the Guide for Applicants for the modalities of preparing the proposal.

Submission of a grant application implies acceptance of the conditions of the grant agreement, attached to this call

The deadline for submission of proposals is:

26/09/2013 [17.00:00 Brussels local time]

10. CONTACTS

Contacts between the contracting authority and potential applicants can only take place in certain circumstances and under the following conditions only:

Before the final date for submission of proposals,

- At the request of the applicant, the Commission may provide additional information solely for the purpose of clarifying the nature of the call.
- Any requests for additional information must be made in writing only to the coordinates stated below.
- The Commission may, on its own initiative, inform interested parties of any error, inaccuracy, omission or other clerical error in the text of the call for proposals.
- Any additional information including that referred to above will be published on the internet in concordance with the various call for proposals documents.

After the deadline for submission of proposals:

- If clarification is requested or if obvious clerical errors in the proposal need to be corrected, the Commission will contact the applicant provided the terms of the proposal are not modified as a result.
- If the authorising officer finds that those proposals, which have been listed for award needs limited adaptations to their proposal. In such case, these applicants will receive a formal letter setting out the requested modifications. Any such modifications must stay within the limits of the request. This phase will not lead to a re-evaluation of the proposals, but a proposal might be rejected if the applicant does not wish to comply with the modifications requested.

Contact coordinates for the call:

European Commission

Enterprise and Industry Directorate-General

Directorate A: Enterprise Competitiveness, Industry and Growth Policies

Unit A4: Industrial Competitiveness Policy for Growth

E-mail address: ENTR-CFP-13-CHINA-hpd@ec.europa.eu

Office address: BREY 7/64, B-1049 Brussels, Belgium

11. 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 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 European Commission/DG Enterprise and Industries.

Details concerning the processing of personal data are available on the privacy statement at:

http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf.

Personal data may be registered in the Early Warning System (EWS) only or both in the EWS and Central Exclusion Database (CED) by the Accounting Officer of the Commission, should the beneficiary be in one of the situations mentioned in:

- the Commission Decision 2008/969 of 16.12.2008 on the Early Warning System

(for more information see the Privacy Statement on:

http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm),

or

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

http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm)

12. PUBLICITY

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.

With the exception of scholarships paid to natural persons and other direct support paid to natural persons in most need, all information relating to grants awarded in the course of a financial year shall be published on an internet site of the European Union institutions no later than the 30 June of the year following the financial year in which the grants were awarded.

The Commission will publish the following information:

- name of the beneficiary;
- address of the beneficiary (legal persons) or reference to the region (natural persons);
- 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. ANNEX 1 SUBMISSION SET

The Submission Set can be downloaded from the following page: <http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/>

14. ANNEX 2 GUIDE FOR APPLICANTS

The Guide for Applicants can be downloaded from the following page:
<http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/>

15. ANNEX 3 EVALUATION CRITERIA

When assessing the below evaluation criteria, the evaluation committee generally pays attention to the elements indicated below each criterion. Please note that these elements, which are indicative and non-exhaustive, are given on the basis of transparency and in order to help applicants to improve their applications.

EVALUATION CRITERIA AND KEY ELEMENTS LIKELY TO BE ASSESSED BY THE EVALUATION COMMITTEE	MAX. SCORE
1. Relevance	25
<p><i>How clearly defined and strategically chosen are the target groups?</i></p> <p><i>How relevant is the proposal to the needs of the proposed target groups and how well it will address those needs?</i></p> <p>The proposal should contain the following information:</p> <ul style="list-style-type: none"> Identify the main industry groups and sectors that will be potential clients of the Helpdesk. An explanation of the analysis and priorities should be included. Identify the IPR challenges of relevance to EU SMEs in relation to China and identify in which type of economic relations they occur (e.g. trade, joint ventures, etc). The explanation should cover relevant types of IPR and the sectors most affected. These sectors should have a large proportion of SMEs active in it. An explanation of the analysis and priorities should be included. Explain how the project would cover when necessary Hong-Kong, Macau and Taiwan. 	
2. Impact	35
<p><i>To what extent is the project likely to have a tangible impact on its target group? How would the project be designed to achieve a more lasting impact on the target group?</i></p>	27
<p><i>To what extent does the proposal, particularly the outline marketing and communication plan, contain appropriate mechanisms to sufficiently identify and reach European SMEs who could benefit from the Helpdesk?</i></p> <p>The proposal should contain the following information:</p> <ul style="list-style-type: none"> A detailed description of the services offered by the Helpdesk and the explanation of how they will be provided to EU SMEs. A section describing how the project will specifically identify and reach the target SME audience, the estimated impact, and how that impact will be measured. This section should also contain a short outline of a marketing and communications plan for the Helpdesk, showing how SMEs who may potentially benefit from the Helpdesk's services will be effectively identified and reached. 	
<p><i>To what extent does the proposal contain objectively verifiable indicators for project outcomes?</i></p>	4
<p><i>To what extent will the Community involvement in the project or activity be publicised?</i></p>	4
3. Quality	25
<p><i>How coherent is the overall project design, including its management structure and ability to be flexible and responsive to needs of the target SME audience and in addressing any risks in implementation?</i></p> <p>The proposal should contain the following information:</p> <ul style="list-style-type: none"> A section describing the management structure and resources of the project and how the proposed structure will enable the project to meet its goals. In particular it should show the way the coordination between the presence in Europe and in China will be organised. 	
<ul style="list-style-type: none"> It should include description of provisions for risk assessment, contingency planning, performance monitoring and user satisfaction measurement, and appropriate confidentiality mechanisms. 	
<p><i>To what extent has the project been well thought out or prepared.</i></p>	
<p><i>How clear and feasible is the plan of action?</i></p>	

4. Budget and Cost-effectiveness	15
<i>To what extent is the budget clear and detailed?</i>	
<i>To what extent is the budget allocated between the various possible budget headings in a way designed to offer the greatest impact for the amount of expenditure?</i>	
<i>Do the probable results stand in a reasonable relationship to the amount of the grant?</i>	
Maximum total score	100

If a total score lower than **65** points or a score lower than 50% for any of the above five criteria is obtained, the proposal will not be evaluated further.

16. ANNEX 4 - AGREEMENT

- [Multi-beneficiary Grant agreement for action](#)