



EUROPEAN COMMISSION  
Enterprise and Industry

## **CALL FOR PROPOSALS**

### **ERASMUS FOR YOUNG ENTREPRENEURS**

**63-G-ENT-CIP-13-E-N01C011**

## **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.

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**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

In June 2008, the European Commission adopted the 'Small Business Act' for Europe (SBA),<sup>1</sup> recognising the central importance of small and medium-sized enterprises (SMEs) in the EU economy. Principle I of the SBA sets out to 'create an environment in which entrepreneurs can thrive and entrepreneurship is rewarded'. As a concrete follow-up to this aim, the Commission launched the pilot project 'ERASMUS for Young Entrepreneurs' in 2008<sup>2</sup>. It operates mainly on the basis of call for proposals whereby Intermediary Organisations (IOs) are selected to manage the programme locally. After several call for proposals of this nature the programme, which showed promising results<sup>3</sup>, the action was turned into a permanent programme, under the Entrepreneurship and Innovation Programme.

Building on these earlier actions, Commission Decision C(2012) 9442 of 18 December 2012, establishing the annual work programme for the Entrepreneurship and Innovation Programme for 2012, provides a budget of €4 650 000 for grants to bodies in Participating Countries<sup>4</sup> active in supporting enterprises and in organising, on the basis of a grant agreement, exchanges between new and potential entrepreneurs in one country and existing entrepreneurs in another.

This initiative is based on the mentioned Commission Decision, pursuant to European Parliament and Council Decision No 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme — CIP (2007-2013).

## 2. OBJECTIVE OF THE CALL

### 2.1. OBJECTIVE

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

Proposals need to be submitted by public or private entities, in **partnerships composed of at least 5 entities from at least 4 different Participating Countries**. Note that participation of a partner in more than one proposal is excluded, therefore applicants are encourage to take the necessary measures to ensure that partners will not participate in several proposals.

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

<sup>1</sup> COM(2008) 394 of 25/6/2008

<sup>2</sup> Via call for proposals call for proposals ENT/ERA/08/311

<sup>3</sup> For the list of projects that have been financed under this scheme, see [http://ec.europa.eu/enterprise/policies/sme/files/support\\_measures/erasmus/erasmus\\_2009\\_awarded\\_projects\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/support_measures/erasmus/erasmus_2009_awarded_projects_en.pdf)  
[http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/erasmus-entrepreneurs/files/awarded\\_projects\\_2010\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/erasmus-entrepreneurs/files/awarded_projects_2010_en.pdf)

<sup>4</sup> Participating Countries are listed in point 5.1 "Geographical Eligibility"

These organisations will help new entrepreneurs from Participating Countries<sup>5</sup> enrich their experience, deepen their knowledge and expand their network by spending periods in enterprises run by experienced entrepreneurs in other Participating Countries. The overall objective of this programme is to enhance entrepreneurship, develop the international outlook and competitiveness of European SMEs and foster potential start-up entrepreneurs and newly-established micro and small enterprises in the Participating Countries.

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

- To provide on-the-job-training for new entrepreneurs in small and medium-sized enterprises elsewhere in the Participating Countries in order to facilitate a successful start-up, and development of their business ideas;
- To foster sharing of experience and information between entrepreneurs on the obstacles and challenges of starting up and developing their businesses;
- To enhance market access and identification of potential partners for new and established businesses in other EU and Participating Countries;
- To support networking between entrepreneurs from different Participating Countries by building on knowledge and experience from other Participating Countries.

The Intermediary Organisations will deliver high quality standards so as to deliver the following expected output for this call for proposals:

- further developing a network of new entrepreneurs (NEs), host entrepreneurs (HEs) and Intermediary Organisations (IOs)
- enabling around **700 new entrepreneurs** to work alongside and learn from a host entrepreneur in another Competitiveness and Innovation Programme (CIP) Participating Country. Therefore, 1400 entrepreneurs should be involved in an exchange under this action
- creating new businesses, joint ventures and spin-off companies and foster cross-border business cooperation
- enhancing the international activities and innovation potential of host entrepreneurs.

## 2.2. DESCRIPTION OF ACTIVITIES ENVISAGED

The activities to be implemented under this call for proposals, including the rules to be respected and procedures to follow, are detailed in Appendix 4 — Erasmus for Young Entrepreneurs Implementation Manual for Intermediary Organisations (Quality Manual). The document thoroughly describes the tasks to be performed by Intermediary Organisations: it includes the eligibility criteria of entrepreneurs, the procedures for registration of entrepreneurs to the programme and building of relationships, as well as the responsibilities of the different actors involved, including deadlines to be respected. It also outlines the roles of the Support Office and the European Commission.

As a minimum requirement, we expect the project proposals submitted under this call to describe the following activities in detail, in accordance with the provisions of the Implementation Manual for Intermediary Organisations (Appendix 4):

- (a) Promotion of the programme

Applicants must describe the proposed communication and promotion measures to effectively raise awareness, disseminate information on the mobility scheme and reach a maximum number of potential candidates. Communication activities should in particular target relevant business organisations and other

<sup>5</sup> Participating Countries are listed in point 5.1 "Geographical Eligibility"

bodies supporting businesses and start-ups, as well as other target audiences as appropriate. Applicants should demonstrate that they have appropriate access to entrepreneurs. These activities should be focused so as to ensure that the entrepreneurs who will subsequently apply to the programme will qualify for it and will show good motivation and commitment. For instance, new entrepreneurs must have at least the firm intention to set up a business to enrol for the programme. Also, potential participants should understand that the exchanges organised under the scheme are not internships.

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

#### (b) Enrolment of entrepreneurs

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

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

#### (c) Assessing applications from NEs and HEs

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

#### (d) Building relationships

The process of successfully matching NEs and HEs is a key element of the mobility scheme and it is implemented by using the Erasmus for Young Entrepreneurs online IT tool. The so-called "matching" process will be considered successful if it leads to a 'successful relationship' as defined in the Implementation Manual (Appendix 4) and in the model grant agreement (Appendix 5). Intermediary Organisations are invited to describe how they plan proactively to identify the best matches, support contacts and monitor relationships before and during the stay abroad. Intermediary Organisations also need to describe if and how they intend to help NEs gain access to sources of financial assistance to cover costs related to a stay with an HE (indicating such sources where possible, and providing details of them) other than the Erasmus for Young Entrepreneurs grant, and how they intend to advise NEs on such sources.

#### (e) Management of contracts, commitments and financial assistance

Once the relationship has been agreed, the IOs concerned have to ensure that all parties involved (NE, HE, IOs) sign the Erasmus for Young Entrepreneurs Commitment. In addition, the NE and his/her IO must sign an agreement specifying the tasks that will be carried out during the exchange, responsibilities, financial conditions and legal implications<sup>6</sup>. Applicants should describe how they would arrange this in an efficient and effective way, allowing for potential amendments, compliance with the no-profit rule and the handling of payments and reports.

<sup>6</sup> An agreement template can be downloaded at [www.erasmus-entrepreneurs.eu](http://www.erasmus-entrepreneurs.eu), to be adapted to the national legal requirements.

The purpose of the financial assistance provided to NEs is to support the cost of their stay. The IO to which the NE applied is expected to give the NE financial assistance paid from Commission grants, provided that the relationship between NE and HE has been notified to the Commission<sup>7</sup>. The IO will be responsible for correct management of this financial assistance, including advanced payment to NEs and compliance with the no-profit rule. Further details will need to be given in the agreement mentioned above.

The Commission has set the monthly amounts of financial assistance per country in the table provided as Annex 1 of the Implementation Manual for Intermediary organisations (also available at: <http://www.erasmus-entrepreneurs.eu/page.php?pid=005>). Applicants should describe how they intend to organise the management and control of this financial assistance in an efficient and effective way, including avoidance of any financial abuse.

(f) Preparation of the exchange

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

(g) Follow up of the exchange

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

(h) Management, quality control and evaluation

Applicants, and the coordinator in particular, should describe:

- How they will undertake the management of the project, especially the role of coordinator
- The measures they will take to ensure that high quality standards are applied by all consortium partners, how they will monitor the achievement of objectives and take appropriate corrective measures such as redistribution of objectives and budget, while ensuring compliance with the Erasmus for Entrepreneurs rules and procedures. The main risks that might be encountered and the corresponding mitigating measures should also be described.

The Intermediary Organisations should describe the anti-fraud measures to be implemented. Applicants' attention is drawn to the means of reporting fraud of the European Anti-Fraud Office. Further information about fraud can be found on OLAF's website: [http://ec.europa.eu/anti\\_fraud/contact\\_us/index\\_en.html](http://ec.europa.eu/anti_fraud/contact_us/index_en.html)

(i) Active networking

Applicants should describe how they will actively network with the other participants in the action, which will include taking part in four meetings in Brussels (or, though infrequent, possibly other locations in the Participating Countries) during the period of the grant agreement (travel and accommodation costs will have to be covered by each participant himself/herself. Sufficient budget should be foreseen to allow for the participation of all partners in a consortium in the meetings). Lead IOs will attend two additional specific meetings, usually back-to-back with the IOs Network Meetings. Regional cooperation of Intermediary Organisations should also be envisaged, e.g. with regard to promotion activities.

(j) Reporting

The projects selected are expected to report regularly to the SO and the EC on their activities, matching relationships, problems encountered, solutions implemented and resources spent. The applicants should describe how they intend to organise this reporting in an efficient and effective way, according to the provisions of the Implementation Manual (Appendix 4).

<sup>7</sup> See Implementation Manual, section 2.4.1

### 2.3. DELIVERABLES

This call for proposals is expected to result in around 700 successful exchanges (relationships) between NEs and HEs.

This implies the following deliverables for each proposal:

- Involving at least 100 entrepreneurs in a successful relationship, either as new or as host entrepreneurs (counting the entrepreneurs linked to an IO from the partnership).  
A minimum of €150 000 should be foreseen as financial assistance for NEs.  
Also, a balance should be sought between the foreseen costs, efforts, and the total number of entrepreneurs targeted to be involved in exchanges by a given partnership.
- Offering assistance and support to NEs who are visiting an HE covered by the Intermediary Organisation, including the financial assistance as referred to in 2.2. (e) above;
- Participating in scheduled meetings in Brussels or other locations in the EU (each beneficiary must cover the travel and accommodation costs for its representative(s));
- Producing and submitting the (contractual) reports set out in Appendices 4 and 5 to this call for proposals, in particular:
  - o a report on the promotion activities carried out and the impact, in particular on the number of registrations achieved;
  - o a comprehensive final implementation report, describing the work undertaken and the obstacles encountered, and making recommendations on how to improve the mobility scheme for new entrepreneurs in the future.

In accordance with article I.4.3 of the grant agreement, all reports should be submitted in English.

The assessment of the deliverables and the subsequent acceptance of efforts and costs claimed by the participants will be done on the basis of the achievement of the objectives stated in the proposal.

### 3. TIMETABLE

- |  |
|--|
| (1) Scheduled start-up date for the action: 1 February 2014. |
| (2) Duration of action is 24 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.

The intention is to inform applicants of the outcome of the award procedure no later than October 2013.

	Stages	Date and time or indicative period
a)	Publication of the call	16 April 2013
b)	Deadline for submitting applications	09/07/2013 – 17:00:00
c)	Information to applicants	October 2013

d)	Signature of grant agreement or notification of grant decision	Nov-Dec 2013
e)	Starting date of the action/ work programme	01 February 2014

The indicative calendar for projects co-financed under this call for proposals is as follows:

Information, promotion, and website update	February/March 2014
1 <sup>st</sup> network meeting	February 2014
Assembling applications, matching relationships and signing agreements and quality commitments	February 2015 – November 2015
Lead IOs' 1 <sup>st</sup> meeting	February/March 2014
2 <sup>nd</sup> network meeting	September/October 2014
Induction, start of NE's stays abroad and of logistical support to NE/HE	March 2014 – November 2015
Mid-term review meetings	February-March 2015
3 <sup>rd</sup> network meeting	February 2015
Lead IO's 2 <sup>nd</sup> meeting	April/May 2015
4 <sup>th</sup> Network meeting	September/October 2015
End of placements	January 2016
Submission of final implementation reports	April 2016

#### 4. EU FINANCING

**Maximum budget** allocated for EU financing under this call: € 4 650 000

**Indicative number of projects** It is estimated that funding will be awarded for 10 to 15 projects.

**Maximum EU financing rate** of eligible costs: 90 %. The co-financing rate will be 100 % of the financial support paid to new entrepreneurs participating in a mobility action but a maximum of 75 % of the programme management costs.

**Maximum EU financing amount** per project: € 500 000 per partnership (also refer to 'legal status eligibility' laid down in section 5.2)

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

To calculate the monthly assistance to be paid to NEs, the amounts that shall be used are indicated in the table available at <http://www.erasmus-entrepreneurs.eu/page.php?pid=005>

**Minimum financial assistance to NEs per grant: €150 000**

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.

##### 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](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.
- SME owners and other natural persons who do not receive a salary may declare eligible personnel costs for the work carried out under an action or work programme, on the basis of unit costs specific to the programme under which the call is launched. In other cases, owner managers that do not receive a salary cannot claim any reimbursement for their activities.
- 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, notably value added tax (VAT), 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;
- non-deductible value added tax (VAT) paid by the beneficiary

#### **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 15 % 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, e.g. no tasks covered by work packages 3 and 4 can be sub-contracted.**

**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 must envisage provision of financial support to third parties, for financial assistance to new entrepreneurs. The definition of the persons or categories of persons which may receive financial support is included in Appendix 4 to this call.

The amount of financial support per third party must not exceed 6600 euros.

The financial assistance paid to third parties (cost heading 1.2) shall be included under the heading "**Other Expenditure & financial support to 3rd parties**". This heading covers, in addition to other potential miscellaneous items, the financial assistance paid to new entrepreneurs in support of the costs linked to their expenditure for travel, accommodation and subsistence during a stay with the host entrepreneur in another participating country. The monthly amounts to be used for the calculation of the costs are available at <http://www.erasmus-entrepreneurs.eu/page.php?pid=005>

## 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.

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:

- EU Member States
- EEA countries: Liechtenstein and Norway
- Acceding / candidate countries: Croatia, the Former Yugoslav Republic of Macedonia, Iceland, Montenegro and Turkey
- Albania, Israel and Serbia (additional participants to the Entrepreneurship and Innovation Programme)

The Commission may select proposals from applicants in participating 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. In what follows 'partners' are to be understood as any potential co-signatory of the future grant agreement subject to this call, and as proposed by the applicant coordinator.

1. Consortia should be composed of at least 5 independent legal entities from at least 4 different Participating Countries.
2. We do not allow that a partner participates in more than one proposal. Should this happen, all the proposals involving this partner will be excluded.

The transnational nature of the project must be demonstrated by submitting form A/4 to the submission set duly filled in and signed from the partner organisations in order to confirm their participation (original signatures required, originals may be requested in case of award).

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

- Applications must be submitted by a legal person.
- Applicants must correspond to the definition of the following target organisations: any public or private entity whose core activity is in the field of business support. This may in particular include:
  - public entities responsible for or active in the fields of economic affairs, enterprise, business support or related issues,
  - chambers of commerce and industry, chambers of handicrafts or similar bodies,
  - business support organisations, start-up centres and incubators,
  - business associations and business support networks,
  - public and private entities offering business support services.
- 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. Where required, forms should be signed and scanned to be provided in the electronic submission tool; originals will be requested (e.g. Form D - exclusion criteria) in case of award.
- 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 required minimum financial assistance to new entrepreneurs.
- Applications must respect the maximum duration of projects.
- Applications may not include contributions in kind as part of their co-financing.
- Applications must be complete. Incomplete applications will be considered ineligible. An incomplete application results from the absence of a technical proposal, or the incompleteness or absence of the budget proposal.

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**.

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 projects and/or activities that the applicants have participated in.

This obligation does not apply to public bodies.

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 Commission will award grants to the highest-ranked proposals included in a merit list, up to the maximum budget available for this action.

The Commission reserves the right to constitute a reserve list for this call. Applicants entered on the reserve list shall be presumed to have been rejected until the Commission notifies that a grant will finally be awarded or that the proposal is definitively rejected. Proposals on the reserve list will be considered definitively rejected if they receive no notification by 31 December 2013. Proposals on the reserve list may receive an award if a project proposed for award fails to accept the award, or if the Commission decides to allocate extra funding to an action from a reserve list.

The selection and evaluation procedure is outlined in the Guide for Applicants (Appendix 2 to this call).

## 9. SUBMISSION OF PROPOSALS

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

**The proposals shall be submitted via the Submission and Evaluation of Proposals (SEP) online tool. The link to it is provided at [http://ec.europa.eu/research/participants/portal/page/call\\_CIP](http://ec.europa.eu/research/participants/portal/page/call_CIP). Part of the proposals consists of forms to be filled directly on-line, others are to be submitted to the same system as .pdf files (NB: Also budget files have to be submitted as .pdf files, not Excel sheets. Please make sure that the conversion of the Excel files to .pdf is done correctly and that no data is distorted or missing in the process).**

**Please consult the Guide for Applicants for the modalities of preparing and submitting the proposal.**

The instructions and templates on how to prepare the description of the project are attached in Appendix 6 to the present call for proposals. The information given in Appendix 6 (form B6) supersedes the information given in the Guide for Applicants. The final version of Appendix 6 (form B6) **has to be uploaded** in the SEP tool as a pdf file.

**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:**

**09/07/2013 [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. Requests for additional information should reach the Commission at the latest on 23 May 2013. After

this date, the Commission does not commit to provide a timely answer nor to publish the corresponding information.

- 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 (only for requests for information, not for submitting proposal):**

European Commission Enterprise and Industry Directorate-General Directorate D —SMEs and Entrepreneurship Unit D.1 — Entrepreneurship 2020 E-mail address: <a href="mailto:entr-erasmus-call@ec.europa.eu">entr-erasmus-call@ec.europa.eu</a> Office address: BREY 06/290, B-1049 Brussels, Belgium
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## 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 Unit D.1 – Entrepreneurship 2020, Directorate D – SMEs and Entrepreneurship, Enterprise and Industry Directorate-General, European Commission.

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

[http://ec.europa.eu/dataprotectionofficer/privacystatement\\_publicprocurement\\_en.pdf](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](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm) ),

or

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

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

## 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.

To do this they must use the text, the emblem and the disclaimer available at [http://ec.europa.eu/dgs/communication/services/visual\\_identity/index\\_en.htm](http://ec.europa.eu/dgs/communication/services/visual_identity/index_en.htm). If this requirement is not fully complied with, the beneficiary's grant may be reduced in accordance with the provisions of the grant agreement or grant decision.

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. APPENDICES

This document is accompanied with the following annexes, which can be downloaded from the participants' portal at: [http://ec.europa.eu/research/participants/portal/page/call\\_CIP](http://ec.europa.eu/research/participants/portal/page/call_CIP)

**APPENDIX 1 SUBMISSION SET (TEMPLATES AND FORMS)**

**APPENDIX 2 GUIDE FOR APPLICANTS**

**APPENDIX 3 EVALUATION CRITERIA**

**APPENDIX 4 ERASMUS FOR YOUNG ENTREPRENEURS IMPLEMENTATION MANUAL FOR INTERMEDIARY ORGANISATIONS (QUALITY MANUAL)**

**APPENDIX 5 DRAFT GRANT AGREEMENT**

**APPENDIX 6 FORM B6: SPECIFIC TEMPLATES AND INSTRUCTIONS FOR THE STRUCTURE OF THE PROPOSAL**