



COSME Programme Call for Proposals

Clusters Go International

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1. INTRODUCTION AND BACKGROUND

1.1. Introduction

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

In this context, the Programme for the competitiveness of enterprises and small and medium-sized enterprises (2014-2020)², (COSME), aims to promote growth and to strengthen the competitiveness and sustainability of enterprises in the European Union.

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

In this respect, this call for proposals, managed by EASME, implements parts of the COSME Work Programme 2019, as last amended on 20 August 2019⁴.

1.2. Policy Context

In a globalised world, SMEs need to be able to confront increasing competition from developed and emerging economies and to plug into the new market opportunities these countries will provide. There is a direct link between internationalisation and increased performance of SMEs. International activities reinforce growth, enhance competitiveness and support the long-term sustainability of companies.

In order to unlock these opportunities, SMEs need to find the right partners to develop and produce globally competitive products and services. This calls for new and strategic forms of international cooperation that are often difficult for individual SMEs to manage on their own. SMEs have to increasingly integrate their activities into global value chains in order to become and remain competitive. As global value chains, by their nature, involve or are even controlled and managed by foreign companies, it is often difficult for European SMEs to link to them.

Clusters can help SMEs by acting as real "springboards" for getting access to global value chains and developing long-term strategic partnerships. SMEs benefit from specialised business support services of cluster organisations, like the organisation of international study visits, partnering or "matchmaking" missions. These services enable SMEs to find international partners for research and prototyping as well as to bring products and services to new markets. Cluster organisations can thus support SMEs to identify growth opportunities worldwide, raise their excellence, innovation capacity and their overall competitiveness.

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

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

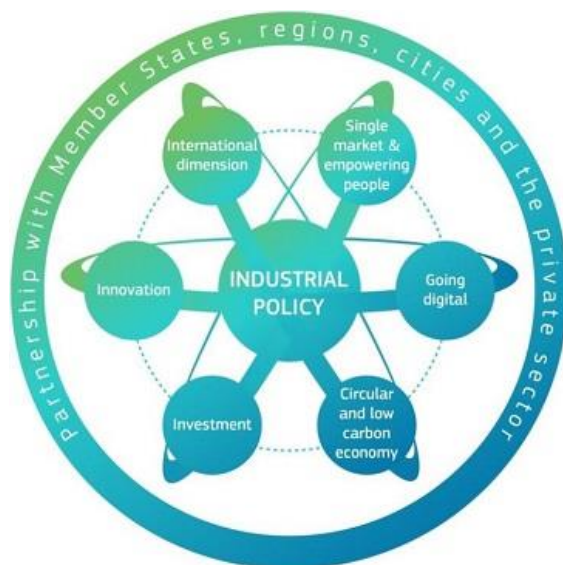
³ EASME was set up by Commission Implementing Decision 2013/771/EU of 17 December 2013 establishing the Executive Agency for Small and Medium-sized Enterprises and repealing Decisions 2004/20/EC and 2007/372/EC (Official Journal of the European Union L 341/73 of 18.12.2013)

⁴ Commission Implementing Decision C(2019) 6039 amending and correcting Implementing Decision C(2018)8098 on the financing of the Programme for the Competitiveness of Enterprises and Small and Medium-Sized Enterprises and the adoption of the work programme for 2019

In its **Political Guidelines**, the European Commission has prominently placed a focus for its action on a new boost for jobs, growth and investment, and a deeper and fairer Internal Market with a strengthened industrial base⁵. While the decreasing trend of employment in industry during the crisis has been reversed since 2013, the challenge of stimulating jobs, growth and investment for the future of Europe’s economy remains – in the face of global competition for industrial leadership.

The Commission presented in September 2017 a **renewed EU Industrial Policy Strategy** entitled *"Investing in a smart, innovative and sustainable industry"*⁶ in order to help European industries stay or become the world leader in innovation, digitisation and decarbonisation. The strategic framework outlined in this Communication is summarised by the following illustration:

Figure 1: Strategic Framework for EU Industrial Policy



© 2017, European Union
Source: COM/2017/0479 final

In its industrial policy strategy, the Commission highlighted that “EU trade deals create economic opportunities for Europeans and that means jobs⁷. Small companies as well as big ones use trade agreements to bring the benefits of globalisation back home⁸.”

This continues the efforts to increase the internationalisation of SMEs and their integration into global value chains undertaken following the Commission Communication 'For a European Industrial Renaissance'⁹, which acknowledged the need to better exploit the “potential of clusters to create favourable innovation ecosystems for groups of mutually reinforcing SMEs”.

This action will reinforce also European Commission's President Jean-Claude Juncker's priorities for growth and jobs as described in his political guidelines "A New Start for Europe: My Agenda for

⁵ A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change Political Guidelines for the next European Commission, available http://ec.europa.eu/priorities/docs/pg_en.pdf

⁶ http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=9252

⁷ 31 million jobs in the EU depend on our exports to the world.

⁸ The EU is in that context strengthening the monitoring and implementation of trade agreements through the Market Access Strategy. See for example the Trade and Investment Barrier Report, COM(2017) 338, showing that in 2016 a total of 20 existing trade barriers – including several long-standing ones – were resolved in several sectors in twelve different countries around the world, creating significant additional export opportunities.

⁹ COM(2014)14 Final <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014DC0014&from=EN>

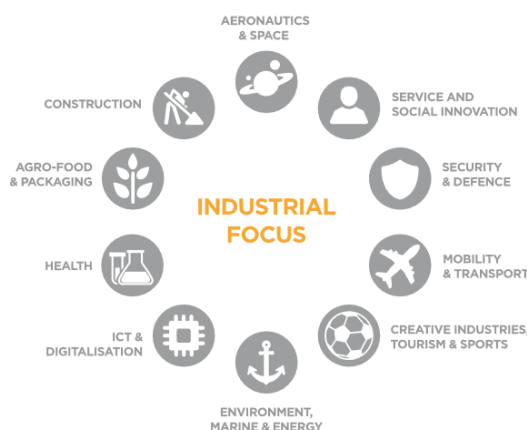
Jobs, Growth, Fairness and Democratic Change"¹⁰. These guidelines call notably "to complete the internal market in products and services and make it the launch pad for our companies and industry to thrive in the global economy (...)".

By fostering the development of 'European Strategic Cluster Partnerships - Going International' (ESCP-4i), i.e. European meta-clusters helping SMEs find easier access to global value chains and engage in long-term cooperation with strategic partners in third countries, this action contributes to implement the Cluster Internationalisation Programme for SMEs under the COSME Programme. This represents one of the key pillars of the European cluster policy agenda of the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs of the European Commission (DG GROW). The other focus areas of European cluster policy aim at facilitating interregional cluster collaboration and cross-sectoral value chains and promoting excellence in cluster management to improve the quality of services to SMEs members.

This action builds upon previous successful editions of the "**Clusters Go International**" call for proposals¹¹ that lead to the establishment of a total of 40 co-funded 'European Strategic Cluster Partnerships-Going International' (ESCP-4i) and work concretely together to exploit synergies as well as to develop a joint internationalisation strategy for the benefit of their SMEs.

The 2016-2017 edition of the Clusters Go International action has supported the establishment of up to 26 Partnerships (ESCP-4i)¹² including 15 co-funded projects gathering about 150 cluster organisations across 23 European countries and reaching out to more than 17 000 SMEs across Europe. The Partnerships are active in various industrial and cross- sectoral areas including health, aerospace, mobility and logistics, agro-food, energy, marine and environment, packaging, materials and photonics, ICT, construction and sports. The partnerships target economic cooperation with third countries, of which the main ones include Brazil, Canada, China, India, Japan, Mexico and USA.

Figure 2: European Strategic Cluster Partnerships for Going International – First generation (2016-2017)



Source: the European Cluster Collaboration Platform

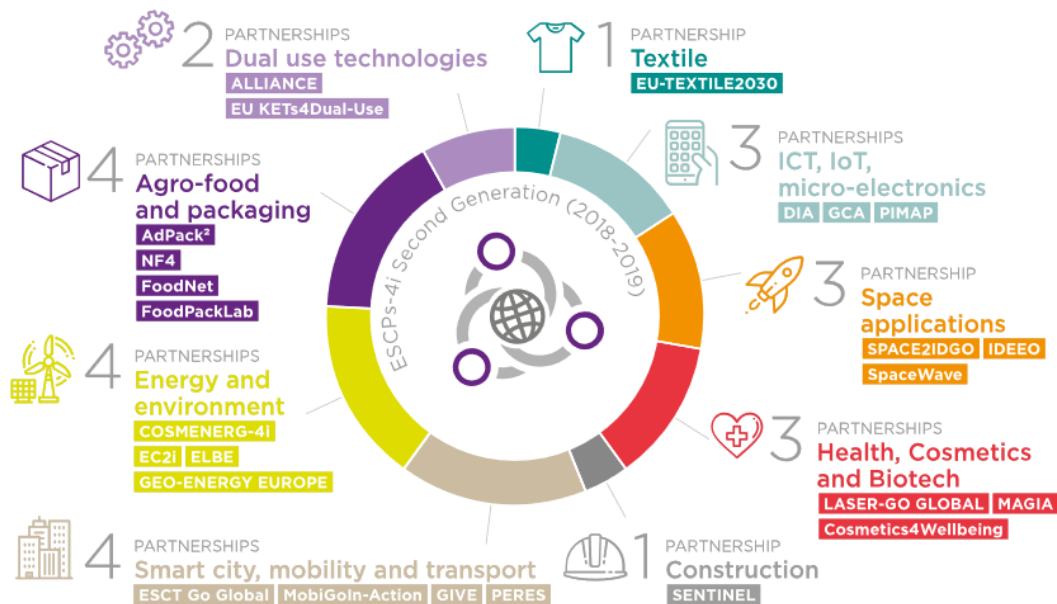
¹⁰ *Political Guidelines for the next European Commission*, 2014, fourth priority dedicated to "A Deeper and Fairer Internal Market with a Strengthened Industrial Base" (page 7) see at: https://ec.europa.eu/priorities/sites/beta-political/files/juncker-political-guidelines-speech_en_0.pdf.

¹¹ COS-CLUSTER-2014-3-03, COS-CLUSINT-2016-03-01 and COS-CLUSINT-2017-03-6 <https://ec.europa.eu/easme/en/cosme/cosme-closed-calls-proposals>

¹² <https://www.clustercollaboration.eu/eu-cluster-partnerships/escp-4i/first-generation>

The second edition of the action (2018-2019) is supporting 25 Partnerships (ESCP-4i)¹³ by co-funding projects in the fields of dual use technologies, agro-food and packaging, energy and environment, smart city, mobility and transport, ICT, IoT (Internet of Things) and micro-electronics, space applications, health, cosmetics and biotechnologies, textile and construction. These projects target economic cooperation with third countries, of which the main ones include the USA, Canada, China, Japan, India, Australia, South Africa, Chile and the United Arab Emirates. ESCP-4i partnerships of the second generation gather more than 130 cluster organisations across 25 European countries, representing more than 18 500 SMEs across Europe.

Figure 3: European Strategic Cluster Partnerships for Going International – Second generation (2018-2019)



Source: the European Cluster Collaboration Platform

This action further exploits synergies with other key initiatives of the Cluster Internationalisation Programme for SMEs that have been launched to promote transnational cluster cooperation within and beyond Europe with a view to better support SMEs in global competition, including:

- Firstly, the **European Cluster Collaboration Platform (ECCP)** which currently counts over 1000 registered cluster organisations from across Europe. It represents the main instrument for European cluster organisations to profile themselves, exchange experiences and identify potential partners for transnational cooperation within and beyond Europe. The ECCP shall be used as the online dissemination platform to promote activities and results of the "European Strategic Cluster Partnerships- Going international" that are to be established through this action. Applicants to this new action shall prepare to provide information material to the coordinator of the ECCP for their Partnership to be promoted and disseminated via the platform. Starting from early 2020, the revamped ECCP foresees to include technical assistance for the

¹³ <https://www.clustercollaboration.eu/eu-cluster-partnerships/escp-4i/second-generation>

participants of the European Strategic Cluster Partnerships – Going International (ESCP-4i).¹⁴ A call for expression of interest will be addressed to European SMEs having signed Business Partnership Agreements (BPAs) or equivalent cooperation agreements as a result of work of the ESCP4i Strand 2 activities. The applicants will be selected on the basis of the quality of their concept note submitted. Selected projects will receive technical assistance that may include, inter alia: Technical feasibility studies; Economic and financial analysis (e.g. cost-benefit analyses, cash flows and financial viability modelling); Legal advice, including administrative, intellectual property, taxation, franchising, joint-ventures, regulatory environment; Credit assessment support and facilitation with financial entities, and Other assessments or support (e.g. language and communication).

- Secondly, a number of specific **cluster matchmaking events** are being organised mainly by the European Cluster Collaboration Platform to promote closer cluster cooperation with partners within and outside Europe in areas of mutual interest. The ECCP and Commission services will continue to organise Cluster matchmaking events to the benefit of the cluster community of the COSME participating countries in 2019 and in 2020. The "European Strategic Cluster Partnerships - Going International" to be established or strengthened through this action will be invited to participate on a voluntary basis to such forthcoming matchmaking events. Each Partnership undertaking activities under Strand 2 of this action (Implementation phase) can allocate a budget to participate in at least two international cluster matchmaking events organised in third countries and/or in Europe by the European Commission services;
- Thirdly, **policy exchanges** with third countries are being initiated and several Cooperation Arrangements on Clusters were signed between DG GROW and their counterparts in Third countries¹⁵. The objective of such exchanges is to promote cluster cooperation with national authorities from third countries so as to facilitate linkages between clusters and equivalent organisations in mutual economic and strategic interest.

Furthermore, the present call for proposals is targeting actions that shall exploit cooperation potential and business opportunities in the context of actions funded by the Partnership Instrument (FPI)¹⁶ a financial instrument promoting EU and mutual interests with strategic partner countries, as part of the EU's instruments for financing external action and Regulation N° 234/2014, such as the forthcoming 'Low Carbon Business Action in the Americas (LCBA)' (Brazil, Mexico, Canada, Colombia, Argentina and Chile)¹⁷ to be launched in 2020.

The LCBA aims to establish Business Agreements between EU businesses and American businesses to support commercially viable projects promoting the take-up of low carbon technologies. The LCBA will organise a series of business matchmaking events in relation to the green economy with the participation of SMEs and clusters. This shall lead to signing Business Agreements that should develop into concrete projects with technical assistance. LCBA will thus effectively contribute to the exchange and uptake of low emission technology through industrial cooperation between companies in the Americas and the European Union (EU) to address the global challenge of climate change.

The general context above applies to all phases and strands' applications. Furthermore, Strand 2.b applications, which are reserved to focus on a specific thematic area, are supported by an additional specific context as detailed below:

¹⁴ Details are available at <https://etendering.ted.europa.eu/cft/cft-documents.html?cftId=4883>

¹⁵ An Administrative Arrangement on cluster cooperation was signed with the USA, the Republic of South Korea, Taiwan and Canada.

¹⁶ See <http://ec.europa.eu/dgs/fpi/what-we-do-/partnership-instrument-en.htm>

¹⁷ See <http://www.clusterconaboration.eu/international-cooperation/low-carbon-business-actions>

Specific context for **Strand 2.b** applications supporting preparatory actions in the field of Earth Observation applications:

Earth Observation (EO) refers to the use of remote sensing technologies - such as satellites and dedicated measurement systems - to monitor the state and evolution of our planet on land, at sea and in the atmosphere.

The European Union has developed an independent earth observation capacity through the implementation of the Copernicus programme¹⁸, previously known as GMES (Global Monitoring for Environment and Security). Copernicus delivers operational data and information services on a full, free and open basis. These services cover a broad range of application areas, from climate change monitoring, sustainable development, transport and mobility to regional and local planning, maritime surveillance, energy, agriculture and health - to name only a few.

The requirements of Copernicus core users are permanently evolving and the programme should adapt to the changing market environment, notably the emergence of private actors in space ("New Space") and socio-political developments requesting rapid responses

In the context of the digital revolution and of the "big data" paradigm shift, the exploitation of Earth Observation systems carries extraordinary business potential for small and medium-sized enterprises (SMEs). By making the vast majority of its data, analyses, forecasts and maps freely available, Copernicus creates unprecedented opportunities for business innovation through the development of value-added applications and services tailored to the needs of specific groups of users. This segment of the earth observation industry is traditionally referred to as the "downstream sector".

According to the European Association of Remote Sensing Companies (EARSC), more than 95% of the EU downstream sector is composed of SMEs¹⁹. The number of start-ups and innovative companies engaged in the development and sale of value added services and products drawing on Copernicus is steadily on the rise. It is estimated that the programme could create up to 48 000 direct and indirect jobs by 2030.

Earth Observation is by nature global and there is a growing demand from EU partners to benefit from Copernicus data. This opens up opportunities for European downstream companies, which have developed expertise in devising innovative, tailor-made products and services based on Copernicus. The development of the global downstream market is of sizeable importance for the EU, accounting for 58% of the global space economy. The maturity of the EO market worldwide remains highly dependent on economic and technological factors. North America is by far the most developed market, followed by Europe and Australia. However, this trend is evolving rapidly due to political and technological developments in other parts of the world, which create additional demand for EO applications and attract new players in the market.

The European EO industry is showing strong interest in developing international activities and capturing new markets. However, it remains confronted to the well-known obstacles faced by European SMEs willing to expand into third countries, including challenges linked to different business and regulatory environments and to the identification of suitable local partners.

The Space Strategy for Europe²⁰ adopted on 26 October 2016 highlighted the Commission's intention to further support space business internationalisation by mobilising existing instruments to

¹⁸ See www.copernicus.eu

¹⁹ EARSC, 2015, European Geospatial services.

²⁰ COM(2016)705 final

help European companies, particularly clusters and networks of SMEs, access international markets. Strand 2.b is intended to contribute to this objective with a view to be part of a space economic diplomacy.

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

2.1. General and Specific Objectives

The main objective of the action is to intensify cluster and business network collaboration across European countries and also across sectorial boundaries and to support the establishment of European Strategic Cluster Partnerships to lead international cluster cooperation in fields of strategic interest towards third countries beyond Europe and notably in support of the development of emerging industries.

By reinforcing cluster and business network cooperation and supporting the shaping of European Strategic Cluster Partnerships-Going International (ESCP-4i) (i.e. European meta-clusters) in a more strategic manner at European level, this action will help European SMEs access new global value chains and take a leading position globally.

This action focuses on the promotion of cluster internationalisation where interested consortia have the opportunity to develop and implement a joint internationalisation strategy and support SME internationalisation towards third countries beyond Europe.

The action will be implemented by consortia of organisations that are interested in establishing and running a 'European Strategic Cluster Partnership-Going International' (ESCP-4i). The Partnerships are expected to develop a joint 'European' strategic vision with a global perspective and common goals towards specific third markets.

In addition, the Partnerships are expected to demonstrate swift adaptability to future developments in international trade and coherence of their strategic priorities with EU strategies, notably as regards trade policy.

"**European Strategic Cluster Partnerships – Going International (ESCP-4i)**" are characterised by the following principles:

1. Being **European**, meaning ESCP-4is must be composed of a minimum of three partners all established in EU Member States or countries participating in the COSME programme under Article 6 of the COSME Regulation (in line with the specific eligibility criteria in section 6).
2. Being **Strategic**, meaning the ESCP-4i's members aim to develop and implement a joint internationalisation strategy with common goals and fostering complementarities between them, promoting cooperation across related industries and sectoral boundaries notably in support of emerging industries.

Concerning the focus of cross-sectorial cooperation and outreach to related industries, applicants may seek inspiration from the work of the European Cluster Observatory, which has identified, analysed and reported on several “emerging industries” such as in the “European Cluster Panorama 2016”.²¹ Yet, such identified emerging industries or growth

²¹ See at <http://ec.europa.eu/DocsRoom/documents/20381>. In the search for regional industrial strongholds with similar or related competence profiles, the European Cluster Observatory's cluster mapping of concentrations of economic activity in 38 sectors across Europe's regions on the basis of employment statistics as well as for 10 “emerging industries” may also be useful sources (available at: http://ec.europa.eu/growth/smes/cluster/observatory_en)

trends must not be followed without reflection. Instead of merely prioritising new technologies or industrial growth areas where there might be little pre-existing strength, applicants should seek to unlock complementarities across existing and related economic activities²².

3. Representing **Cluster(s)** through cluster organisations or equivalent business network organisations that have an own independent legal entity. Each Partnership member must also be registered on or have submitted a registration request²³ to the European Cluster Collaboration Platform²⁴ with a detailed profile of its cluster or network;
4. Forming a **Partnership**, with the aim to set-up a Partnership Agreement engaging ESCP-4i members to develop common actions and setting out the modalities of cooperation between them. The ESCP-4i members commit to develop a roadmap for implementation with a long-term cooperation agenda to foster their sustainability of the Partnership beyond the lifetime of the project funded under COSME.
5. Working towards **Going International** by developing and implementing a joint 'European' strategy for going international beyond Europe. The ESCP-4is strive to successfully support the internationalisation of their SME members towards specific third countries, and/or attracting strategic foreign direct investment and cooperation partners and/or securing critical imports, knowledge and technologies with a view to support growth, jobs and investment in Europe.

The "European Strategic Cluster Partnership - Going International" (ESCP-4i) label will be awarded to all eligible and successful consortia that fulfil the ESCP-4i characteristics as defined above and express their interest and commitment in developing them by signing a "ESCP-4i" Charter²⁵ which commits the Partnership members to comply with the above principles.

The list of all selected ESCP-4i will also be published under a dedicated corner of the European Cluster Collaboration Platform. This will allow partnerships to profile themselves and to promote their activities and interests for further cooperation, including in relation to regional authorities.

Strand 1 applicants will have to identify **minimum two target countries** for their activities. They are encouraged to have **not more than five target countries at the end of the Preparatory phase** in order to be able to meet the objectives outlined in this call.

²² See "The Smart Guide to Cluster Policy" at:
<http://ec.europa.eu/DocsRoom/documents/16903/attachments/1/translations>

²³ To submit a registration request by this Call's submission deadline for applications.

²⁴ See at: <http://www.clustercollaboration.eu/>

²⁵ The "European Strategic Cluster Partnership – Going International (ESCP-4i)" Charter is a document that confirms the interest and commitment of the Partnership members in developing the main characteristics of an "ESCP-4i" as indicated under the section above on "*European Strategic Cluster Partnerships – Going International (ESCP-4i) are characterised by the following elements*" on page 9 of this call for proposals. This document must be signed by all the Partnership members to commit them to comply with these characteristics.

The present call for proposals is targeting actions for **two phases**, divided in **three Strands**:

Preparatory phase

Strand 1 will support the establishment of European Strategic Cluster Partnership – Going International (ESCP-4i) open to a wide range of European industrial sectors and value chains.

Implementation phase

Strand 2 will support the initial implementation, testing and further development of European Strategic Cluster Partnerships - Going International (ESCP-4i) including those "ESCP-4i" funded through the previous 'Cluster Go International' calls COS-CLUSTER-2014-3-03 and COS-CLUSINT-2016-03-01 (except those already funded under the Strand 2 of the two previously mentioned calls for proposals pursuing the same or related objectives) and similar existing pan-European alliances of cluster and business network organisations complying with the characteristics of an ESCP-4i as described above:

- **Strand 2.a)** will support the first implementation, testing and further development of 'European Strategic Cluster Partnerships - Going International' (ESCP-4i) in a wide range of European industrial sectors and value chains, except those targeted in Strand 2.b below.
- **Strand 2.b)** will support the first implementation, testing and further development of up to two 'European Strategic Cluster Partnerships for Going International' (ESCP-4i) in the Space and Digital sector (use of earth observation data and related applications), specifically for downstream users of earth observation data in the context of Copernicus – the EU's Earth Observation and Monitoring programme.

2.2. Description of the eligible activities

Preparatory phase (Strand 1)

Under the Preparatory phase, applicants are invited to propose preparatory actions that contribute to establish a "European Strategic Cluster Partnership – Going International" respecting all the characteristics defined above (see section 2.1) to develop a joint internationalisation strategy for the Partnership with common goals towards specific third markets and a roadmap for implementation facilitating the internationalisation of its SME members.

Mandatory actions under the 'Preparatory phase' (Strand 1) are:

1. Development of a **joint internationalisation strategy** defining a joint European strategic vision with a global perspective and common goals and actions towards specific third markets as well as an **implementation roadmap**.
2. Dissemination about all project activities, news, events, testimonials and results shall be channelled through the dedicated partnership section of the European Cluster Collaboration Platform (ECCP)²⁶. In case of the development of another website for project implementation purposes, all information on project activities, news, events, testimonials and results must be fully transferred to the ECCP website on an on-going basis.
3. Learning and monitoring activities, such as promoting exchanges between Partnerships and enabling cross-fertilisation and learning from their successful and unsuccessful experiences as well as monitoring activities measuring the outcomes of the Partnership based on a clear set of performance indicators (see section 2.3). Representatives of the Partnership must participate in one European event per year promoting the learning and monitoring activities carried out by the different Partnerships.

Possible actions under the 'Preparatory phase' (Strand 1) can also include the following (non-exhaustive list):

- Development and signature of **cooperation agreements** between the Partnership and international (i.e. non-COSME countries) business and/or research intermediaries (including cluster or business network organisations, academia, technology centres and research or economic development organisations) in target countries;
- Identification of initial strategic partners across Europe (e.g. by conducting a complementarity, compatibility and readiness check in terms of strategy, skills, language capabilities, etc. to find the appropriate partners);
- Partnership building (e.g. through training/coaching activities on building collaboration, coordinating and leading a Partnership, and organising cluster visits for Partnership members and their SMEs, regional actors and other relevant stakeholders, including technology centres and science parks);
- Legal advice for developing a legal representation for the consortium (e.g. by exploring the need for a coordination or management structure, to establish a legal entity and define its form, coordination and mandate);

²⁶ www.clustercollaboration.eu

- Identity shaping such as the development of a joint communication/marketing and branding strategy, development of a common logo and visual identity of the Partnership;
- Intelligence gathering (e.g. studies/analyses on market insights, value-chains and global mega trends and opportunities; knowledge about competing players, relative positioning, market trends and opportunities – and defining the added value of the Partnership's combined competencies in relation to this; identification of cooperation opportunities to target in third countries (non-COSME participating countries); initial exploratory visits to third countries or invitation of experts from third countries);
- Collaboration planning (e.g. coaching/advisory support for formulating a joint strategic vision and common goals; facilitating commitment/preparation to engage in cooperation relating to resources, staff, knowledge, IPRs; strategically-oriented consultation of cluster SME members and other relevant stakeholders (e.g. technology centers as appropriate) to assess their needs and interest in cooperation and target third countries with focus on high value objectives, including soft-landing facilities, direct investment facilitation mechanisms, business potential of product markets, leading edge product markets, positioning in global value-chains, next generation of relevant products; defining the scope and implementation modalities of common actions; other relevant activities associating strategy development and operational collaboration actions with cluster actors, particularly SMEs);
- Joint actions planning (e.g. coaching/advisory support for mentoring SMEs to identify international opportunities in strategic third countries; generating ideas for collaboration with third countries and identifying the joint actions to be developed and implemented in a second phase taking into account the readiness of cluster SME members to engage in cooperation with third countries).

Expected results and deliverables for the 'Preparatory phase' (Strand 1):

The consortium members must submit at least the following deliverables. All deliverables must appear in the table “List of Deliverables” in Section A of the Description of the Action (Technical Annex 1) of the submitted proposal:

A **joint internationalisation strategy** defining a joint European strategic vision with a global perspective and common goals and actions towards specific third markets. The joint internationalisation strategy must comprise:

- a **Partnership Agreement** respecting the principles of the "European Strategic Cluster Partnerships – Going International" defined above, identifying the Partnership members, committing them to develop common actions, setting out the duration and modalities of cooperation between them, and expressing clearly their interests and plans for engaging in international cluster cooperation together.

The Partnership Agreement must include a long-term cooperation agenda with a view to foster a sustainable Partnership beyond the lifetime of the current project co-funded under COSME. In particular, it must indicate which additional public-private co-financing is envisaged to be mobilised for the development and then implementation of the international plan. It may also include Letters of Intent by selected clusters, SMEs and other relevant stakeholders (e.g. technology centres) confirming their readiness to engage in internationalization activities in the context of the Partnership internationalisation strategy and as outlined in the implementation roadmap.

- an **internationalisation strategy plan** providing (in a document of maximum 10 pages) a detailed description of the purpose of the collaboration and its strategic objectives through a

SWOT analysis; the different fields of competences and the envisaged complementarities between the Partnership members; the expected advantages, the minimum two selected targeted third countries (i.e. non-COSME participating countries), the cooperation interest in terms of thematic area/application/technologies per targeted third country; the potential international cooperation partners; the expected mutual added value and interest among the Partnership members and the international partners; the expected economic impact expressed through quantitative indicators, notably in terms of growth, jobs and investment in Europe for the Partnership SME members²⁷.

The plan must present how the Partnership will seek and exploit synergies with the inter-regional activities, notably further cluster cooperation funded under COSME e.g. as through the future “European Strategic Cluster Partnerships for smart specialisation investment (ESCP-S3) or the European Territorial Cooperation Regulation (INTERREG) and the European Structural and Investment Fund (ESIF), e.g. in the context of smart specialisation strategies as well as the EU Horizon 2020 Research and Innovation Programme, notably the Horizon 2020 INNOSUP-1 action for “Cluster facilitated projects for new industrial value chains”²⁸. To this end, the Partnership members shall therefore demonstrate how their approach has the potential to act as a catalyst in contributing to and/or being leveraged by other activities supported under COSME, Horizon 2020 and European regional funds.

Moreover, the plan must also include:

- background information about previous international activities and cross-sectorial cooperation activities of each Partnership member and between them;
 - benchmarking information on existing international cooperation initiatives directed at similar target countries and thematic areas;
 - a joint branding and marketing strategy statement (including proposal for a joint logo) and plan.
- an **implementation roadmap** providing a comprehensive overview of the joint activities foreseen to be developed with a detailed plan for implementation highlighting the different and concrete roles and steps aimed at facilitating the internationalisation of SME members (in particular those pre-identified and that have signed a Letter of Intent as described in the Partnership Agreement section above).

²⁷ The European Cluster Observatory published a “Global Mega Trends Report” in 2015 which is available at the EU Cluster Portal: http://ec.europa.eu/enterprise/initiatives/cluster/index_en.htm.

²⁸ See at: <https://ec.europa.eu/research/participants/portal/desktop/en/opportunities/h2020/topics/innosup-01-2016-2017.html>

Implementation phase (Strand 2.a and Strand 2.b)

Strand 2.a and Strand 2.b shall support the initial implementation and testing of the joint internationalisation strategy proposed by applicant consortia. It shall foster the further development of the “European Strategic Cluster Partnerships – Going International” by building cooperation activities with international partners in minimum 2 third countries (i.e. non-COSME participating countries) or world regions and initiating business partnerships for European SMEs in each target market. A longer duration beyond 24 months for the implementation of Strand 2.a and Strand 2.b actions can be considered, based on consortia’s needs to achieve the objectives and duly justification.

Strand 2.a will support the first implementation, testing and further development of 'European Strategic Cluster Partnerships - Going International' (ESCP-4i) in a wide range of European industrial sectors and value chains, except those targeted in Strands 2.b below.

Strand 2.b will support the first implementation, testing and further development of up to two 'European Strategic Cluster Partnerships for Going International' (ESCP-4is) in the Space and Digital sector (use of earth observation data and related applications), specifically for downstream users of earth observation data in the context of Copernicus – the EU's Earth Observation and Monitoring programme. The objective will be to promote access to international markets for European clusters and networks involved in the development and provision of earth observation products and services (e.g. geo-information services and ICT applications supporting societal goals in a broad range of areas such as management of natural resources, precision agriculture or smart cities). Internationalisation strategies should enable cooperation with third country partners in view of exporting high value-added and knowledge-intensive products and services based, inter alia, on Copernicus data and services.

Mandatory actions under the 'Implementation phase' (Strand 2.a and Strand 2.b) are:

1. Development and signature of cooperation agreements between the Partnership and international (i.e. non-COSME countries) business and/or research intermediaries (including cluster or business network organisations, academia, technology centres and research or economic development organisations) in each target country.
2. Development and signature of business agreements (or equivalent formal cooperation documents) to develop joint collaborative project between the Partnership SME members and business and other relevant stakeholders from third countries (i.e. from non-COSME countries), eventually leading to increase exports, investment opportunities and international ventures generating employment for European businesses.
3. Undertaking the necessary steps to make these business agreements commercially viable. Partnerships will have the possibility through the European Cluster Collaboration Platform to apply for funding that provides technical assistance to implement and make these business agreements commercially viable.²⁹
4. Preparation of a long-term strategy for the Partnership with a medium to long-term cooperation agenda by involving the different relevant stakeholders (e.g. local, regional or

²⁹ Details are available at <https://etendering.ted.europa.eu/cft/cft-documents.html?cftId=4883>

national public authorities) with the aim to foster the Partnership sustainability beyond the lifetime of the project funded under COSME.

5. Dissemination about all project activities, news, events, testimonials and results to be channelled through the dedicated partnership section of the European Cluster Collaboration Platform (ECCP)³⁰. In case of the development of another website for project implementation purposes, all information on project activities, news, events, testimonials and results must be fully transferred to the ECCP website on an on-going basis.
6. Learning and monitoring activities, such as promoting exchanges between Partnerships and enabling cross-fertilisation and learning from their successful and unsuccessful experiences as well as monitoring activities measuring the outcomes of the Partnership based on a clear set of performance indicators (see section 2.3) including business and innovation oriented results derived from their international cluster cooperation activities. The monitoring activities shall be linked to the cooperation goals of the Partnerships. Representatives of the Partnership must participate in one European event per year promoting the learning and monitoring activities carried out by the different Partnerships.

Possible actions under the 'Implementation phase' (Strand 2.a and Strand 2.b) can include the following (non-exhaustive list):

- Cooperation building with third countries aimed, notably, at identifying the right partners in third countries, organising minimum one tailored fact-finding mission in each target market, joining relevant networks and hosting tailored fact-finding missions in Europe for international partners;
- Tailored identity shaping and joint promotional activities such as the development of a joint communication/marketing and branding strategy adapted to the target third countries; study on the feasibility and assistance needed for establishing an "Ambassador" function or opening a joint representation office in third countries (e.g. legal advice, identification of a permanent representative); study on the feasibility of establishing a (permanent) representation in Europe for hosting international delegations; exploration of the possibilities for using existing regional/national offices abroad for supporting joint promotion and visibility;
- International matchmaking activities with third countries involving also the cluster Partnership SME members with the aim to initiate concrete business and research & technology collaboration projects, such as through the organisation of international business matchmaking missions and site visits in third countries and in Europe, facilitating C2C (cluster-to-cluster) and B2B (business-to-business) tailored meetings; conducting follow-up activities on cooperation potential identified at matchmaking events, etc. Such missions abroad shall focus on economic impact for companies, have specific, individualised B2B programmes organised for each company, prepare possible "return" visits of foreign partners to Europe, promote common identity of the European clusters through the Partnership; evaluate economic impacts after 6 and 12 months;
- In addition, each Partnership must allocate a budget, within the scope of Strand 2 projects and without relying on additional COSME funding, if they foresee to participate in at least two international cluster matchmaking events to be organised in third countries and/or in

³⁰ www.clustercollaboration.eu

Europe by the European Cluster Collaboration Platform and/or supported by the European Commission services or EASME;

- Operational collaboration activities with third countries, supporting notably the implementation of business partnership agreements between the Partnership SME members and business and other relevant stakeholders from third countries to develop joint collaborative projects with an international partner and build the projects into viable and bankable proposals for investments, such as by conducting technical and financial feasibility studies ; supporting the identification of relevant financing sources; funding for pilot/experimental practical collaboration actions involving SME members and actions providing various types of assistance for SME members in order to a) identify tailored business and innovation cooperation opportunities in target third countries, b) prepare joint business plans with an international partner, c) draft legally binding international collaboration agreement, and d) access available funding opportunities for internationalisation.

Expected results and deliverables for the ‘Implementation phase’ (Strand 2.a and Strand 2.b):

The consortium members must submit at least the following deliverables. All deliverables must appear in the table “List of Deliverables” in Section A of the Description of the Action (Technical Annex 1) of the submitted proposal.

- Reports on collaboration activities developed and implemented with international partners in each target market; fact-finding mission reports; matchmaking mission reports with details on potential cooperation actions identified and initiated through international cluster and business matchmaking events; reports on possible pilot operational collaboration projects developed between Partnership SME members and international partners; proposed IPR collaboration and standards setting initiatives;
- Signature of **minimum one cooperation agreement/ Memorandum of Understanding** between the Partnership members and one international partner for each target market, targeting at least two third countries or world regions. Each cooperation agreement should include a concept note outlining the intended cooperation objective and activities;
- Signature of **minimum two business agreements** to develop collaborative projects between the Partnership SME members and business or other relevant stakeholders from third countries for each target market. Each business agreement should include a concept note outlining the intended collaborative project and planned activities, and detailing the need for customised assistance for the implementation of further operational collaborative activities with a view to lead to increased exports and investment opportunities generating employment for European businesses;
- A **monitoring scoreboard** with verifiable indicators of the project results and their expected impact such as increased exports, increased jobs in Europe, increased visibility of European SMEs in foreign markets, innovation projects (including patents), new or adapted products and services, critical imports secured and direct foreign investments or cooperation partners attracted, or expertise in support of these activities;
- A **mid-term report on the cooperation activities** undertaken and lessons learned, with a monitoring scoreboard as set out above and practical recommendations for improving the implementation of the strategy, at the end of the first year of implementation;
- A **final report on the cooperation activities** undertaken and lessons learned, with a monitoring scoreboard as set out above and practical recommendations for improving the implementation of

the strategy at the end of the project with a plan for a long-term cooperation agenda fostering a sustainable Partnership beyond the lifetime of the project.

2.3. Indicators for the proposed action

The actions to be implemented under the Strand 1 'Preparatory phase' and the Strand 2.a and 2.b ('Implementation phase') will be assessed, as a minimum, against the following compulsory performance indicators:

- Number of cluster organisations and business networks from different COSME participating countries having benefited from the supported actions;
- Number of cooperation agreements³¹ resulting from the supported actions (optional for Strand 1);
- Number of business agreements³² resulting from the supported actions (optional for Strand 1);
- Number of events (workshops/ matchmaking events/ working group meetings) organised;
- Number of cluster and business matchmaking meetings supported;
- Number of SMEs having directly or indirectly benefited from the supported actions, resulting in cooperation projects³³;
- Increase in the percentage of the turnover from international activities, and employment in Europe, of the SMEs having benefited directly and indirectly from the supported actions, as measured through a survey by the end of the action (optional for Strand 1);
- Impact of the supported actions in terms of number of resulting cooperation projects between international cluster and business network partners (optional for Strand 1).

Applicants must include these compulsory indicators and propose additional performance SMART (i.e. Specific, Measurable, Attainable, Relevant and Timely) indicators in their proposal.

All indicators must appear in the table “Performance Indicators” in Section B of the Description of the Action (Technical Annex 1) of the submitted proposal, as well as under the “Performance Indicators” table of its corresponding Work Package in the proposal.

³¹ A **cooperation agreement** is a document outlining the basic terms of an agreement on planned cooperation activities with another entity. It can also be called a Memorandum of Understanding. It shows an understanding of cooperation between two or more parties, a mutual desire to work together on an agreed goal. For the purpose of this Call, these agreements are between the ESCP Partnership (including their member SMEs) and international cluster or intermediary organisations, as a result of the ESCP internationalisation activities during the lifetime of the COSME project.

³² A **business agreement** is a negotiated and usually legally enforceable understanding between two or more parties. It typically documents the give-and-take of a negotiated settlement. For the purpose of this Call, these agreements are, in principle, between SMEs in COSME countries and international SMEs in third countries, as a result of the ESCP internationalisation activities during the lifetime of the COSME project.

³³ A **cooperation project** is any activity where two or more parties work together towards a jointly established goal. For the purpose of this Call, a cooperation project can take the format, inter alia, of the organisation of joint match-making events; preparation of joint studies, analyses and surveys; preparation of a joint branding and marketing strategy, etc. For the purpose of this Call, cooperation projects are between the ESCP Partnership (including their member SMEs) and international cluster or intermediary organisations, as a result of the ESCP internationalisation activities during the lifetime of the COSME project.

3. TIMETABLE

Stages	Dates
a) Deadline for submitting applications	30/10/2019 17:00 h Brussels time
b) Evaluation period*	November and December 2019
c) Information to applicants*	January 2020
d) Signature of grant agreements*	April 2020
e) Starting date of the action*	April 2020

* indicative.

4. BUDGET AVAILABLE AND FUNDING OF PROJECTS

The total budget earmarked for the co-financing of projects is estimated at EUR 8.300.000 divided as follows:

- For Strand 1 and Strand 2.a: EUR 7.400.000
- For Strand 2.b: EUR 900.000

The maximum grant per project will be EUR 200.000 for Strand 1.

The maximum grant per project will be EUR 450.000 for Strand 2.a and Strand 2.b.

EASME expects to fund 24 proposals:

- 10 proposals in Strand 1;
- 12 proposals in Strand 2.a;
- 2 proposals in Strand 2.b.

If there are no sufficient proposals passing the overall and individual thresholds of the award criteria in Strand 2.b, the budget available can be used to support proposals in reserve lists of Strand 1 or Strand 2.a.

The grant is limited to a maximum reimbursement rate of **90%** of **eligible costs**.

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

5. ADMISSIBILITY REQUIREMENTS

The following requirements must be complied with:

- Applications must be submitted no later than the deadline for submitting applications referred to in section 3;
- Applications must be submitted in writing, using the electronic system specified in section 16;
- Applications must be drafted in one of the EU official languages;
- Applicant consortia both in Strand 2.a and Strand 2.b will have to submit with their proposal a complete description of their **joint internationalisation strategy**, ready to be implemented, including the Partnership Agreement, international strategy plan and implementation roadmap as described in section 2.2 of this call.

Failure to comply with those requirements will lead to the rejection of the application.

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

6. ELIGIBILITY CRITERIA

6.1. Eligible applicants

Applicants must be **legal entities forming a consortium**:

- **all registered or having submitted a registration on the European Cluster Collaboration Platform (ECCP)** by the submission deadline of this Call and completed the relevant Annex 1 or 2 of the “Description of the Action” as following:
 - For cluster organisation and business networks already registered at the at the European Cluster Collaboration Platform: a link to the completed cluster profile of the applicant registered on the Platform and information concerning their industrial focus (to be provided through annex 1 of the “Description of the Action”); or
 - For cluster organisation and business networks not yet registered at the European Cluster Collaboration Platform: A declaration on their honour that they represent a cluster organisation or a business network organisation offering or channelling innovative support services to businesses (in compliance with the definition of 'innovation clusters' provided above), and that a cluster profile has been submitted to the ECCP for registration with the respective information included in the descriptive form (to be provided through annex 2 of the “Description of the Action”).

The applicant must be a legal entity with a legal personality. This may include both profit-making or non-for-profit legal entities as well as fully or partly public or private bodies. In the case of private bodies, they must be properly constituted and registered under national law.

Natural persons are **not eligible** to apply.

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

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

- EU Member States;
- countries participating in the COSME programme pursuant to Article 6 of the COSME Regulation³⁴.

6.2. Eligible consortia

Proposals must be submitted by consortia that is:

- composed of **at least three different** legal entities; and
- established in a **minimum of three different countries participating in the COSME programme** pursuant to Article 6 of the COSME Regulation, among which **at least two must be from two different EU Member States**.

Additional conditions:

It has to be noted that ESCP-4i in all Strands must not target cooperation activities with third countries that are subject to embargoes or sanctions imposed by the EU and/or its Member States. The activities of the ESCP-4i must be fully in line with the EU sanction policy and its restrictive measures in force. In particular, ESCP-4i must not target countries that are subject to arms/dual use items embargoes imposed by the EU and/or its Member States. The activities of the ESCP-4i must be fully in line with Council Regulation (EC) No 428/2009 on the control of exports, transfer, brokering and transit of dual-use items.

Applicant **consortia** can apply for **one Strand only**, i.e. either Strand 1 **or** Strand 2a **or** Strand 2b.

Eligible **organisations** can be part of maximum **one applicant consortium for each Strand**.

Applicant consortia must verify that their individual members are not part of another application under the same Strand. If such a case is detected by the funding body, it will lead to the rejection of the organisation concerned from all proposals in the respective Strand. The respective consortia affected by the exclusion of (a) partner(s) must still fulfil the eligibility criteria as stipulated in sections 6.1 and 6.2 in order to be considered eligible.

³⁴ The following groups of countries are eligible for participation in COSME according to Article 6 COSME Regulation:

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

The updated list of eligible third countries is available on the following webpage: http://ec.europa.eu/growth/smes/cosme/index_en.htm. Proposals from applicants in Article 6 countries may be selected provided that, on the date of award, agreements have been signed setting out the arrangements for the participation of those countries in the programme.

Applicant consortia in Strand 2.a and Strand 2.b that have been funded under the previous 'Cluster Go International' calls COS-CLUSTER-2014-3-03 or COS-CLUSINT-2016-03-01 are **not eligible** to this call (neither for Strand 1 nor Strand 2).

Applicant consortia in Strand 1 that have been funded under the previous 'Cluster Go International' calls COS-CLUSTER-2014-3-03 or COS-CLUSINT-2016-03-01 or COS-CLUSINT-2017-03-6 are **not eligible** to the Strand 1 of this call.

6.3. For British applicants

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

6.4 Implementation period

The project's duration should be between 18 months and 24 months, taking into account the following specifications:

- For Strand 1 and Strand 2, applications for projects scheduled to run for less than 18 months will **not be accepted**.
- For Strand 1, applications for projects scheduled to run for more than 24 months will **not be accepted**.
- For Strand 2, applications for projects scheduled to run for more than 24 months **may be considered** if duly justified by the applicant.

7. EXCLUSION CRITERIA

7.1. Exclusion

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

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

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

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

7.2. Remedial measures

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

7.3. Rejection from the call for proposals

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

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

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

7.4. Supporting documents

Applicants must provide a **declaration on their honour** certifying that they are not in one of the situations referred to in Articles 136(1) and 141 of the EU Financial Regulation (FR)³⁵, by filling in the relevant form attached to the application form accompanying this call for proposals.

³⁵ See Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, (OJ L 193/30.07.2018, p.1).

8. SELECTION CRITERIA

8.1 Financial capacity

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

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

- a declaration on their honour.

b) Grants \geq EUR 60 000:

- a declaration on their honour and,

EITHER

- the profit and loss account, the balance sheet for the last financial year for which the accounts were closed;
- for newly created entities, the business plan might replace the above documents.

OR

- the table provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

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

On the basis of the documents submitted, if the authorising officer considers that financial capacity is weak, s/he may:

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 12.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries³⁶;

If the authorising officer considered that the financial capacity is insufficient s/he will reject the application.

³⁶ The beneficiaries are advised to foresee this situation also in the consortium agreement (see Article 25 of the model Grant agreement).

8.2 Operational capacity

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

Applicants must represent a **cluster organisation or a business network organisation** involved in supporting the enhancement of collaboration, networking and learning in innovation clusters and providing or channelling specialised and customised businesses support services to stimulate innovation activities, especially in SMEs, in compliance with the coverage of innovation clusters given in the section 1.2 (e), 1.3 (s) and Annex I in the “EU Framework for State Aid for Research and Development and Innovation”³⁷.

In addition, for **Stand 2.b**:

- Eligible applicants under **Strand 2.b** are cluster and business network organisations involved in the development and provision of downstream applications and services building on earth observation (EO) data, such as geo-information services, value-added applications based partly or fully on earth observation data and information, or relevant information and communication technologies and applications. Applicant consortia may also include cluster organisations or business network organisations from specific application domains (e.g. agriculture, energy, environment, transport, health, insurance, tourism, etc.)³⁸.

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

1. A list containing the description of relevant previous projects and activities performed in the cluster area and connected to the policy field of the Strand to which the consortium applies, aimed notably at promoting cluster cooperation within or beyond Europe or to the actions to be carried out, including projects and activities supported under COSME or through European regional or research funding as, for instance, under the European Territorial Cooperation Regulation (INTERREG) and the European Structural and Cohesion Fund and the Horizon 2020 or 7th Research and Innovation Framework Programme (FP7), (to be provided in section B.2.3 of the "Description of the Action").
2. A list containing the description of skills, expertise and role of key staff involved in the project (to be provided in the section B.2.2. of the “Description of the Action”). Consortia must assign to the project at least three highly qualified experts primarily responsible for managing and implementing the proposed action with at least three years of experience each in running cluster or business networks activities. The curricula vitae of the three persons must be submitted with the application.

³⁷ 2014/C 198/01. According to this definition: *‘innovation clusters’ means structures or organised groups of independent parties (such as innovative start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, non-for-profit organisations and other related economic actors) designed to stimulate innovative activity by promoting sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster;*

See at: [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0627\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0627(01)&from=EN) with further information available at http://ec.europa.eu/competition/state_aid/modernisation/rdi_framework_en.pdf and http://ec.europa.eu/competition/state_aid/legislation/horizontal.html amending the Community Framework (2006/C 323/01 see at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:323:0001:0026:en:PDF>).

³⁸ An indicative list of Copernicus/EO application domains is available at <http://copernicus.eu/main/application-domains>

9. AWARD CRITERIA

Eligible applications will be assessed on the basis of the following criteria:

For Strand 1:

<i>Criteria</i>	<i>Max. score</i>
<p>1. Relevance of the actions in view of the objectives of the call (<i>meeting objectives of the call; appropriate results; appropriate partnership; competences and European dimension</i>)</p> <p>How relevant is the proposed action to the Strand 1 objectives to develop a European Strategic Cluster Partnership leading international cluster cooperation in strategic areas and supporting SME internationalisation collectively as a Partnership beyond Europe?</p> <p>How well strategically chosen are the project partners (i.e. relevance and complementarities of each partner to the project)?</p> <p>To what extent does the proposed action demonstrate that the Partnership is based on and will pursue cross-sectoral cooperation across related industries and sectoral boundaries (e.g. involving another sector or related industry)?</p> <p>How relevant is the proposed action to foster complementarities between consortium members?</p> <p>To what extent does the Partnership respect all 5 principles characterising a "European Strategic Cluster Partnership – Going International" leading the applicant consortium to be awarded an "ESCP-4i" label?</p>	30
<p>2. Quality of the proposed actions (<i>clear and feasible description of actions; appropriate allocation of resources, including management</i>)</p> <p>To what extent are the proposed actions and expected results linked to the identified needs and specific objectives? To what extent is this link well described and justified?</p> <p>How clear, coherent and ambitious is the work plan?</p> <p>To what extent are the proposed actions and is the work plan's methodology clearly defined and presented in terms of scheduled milestones, deliverables and a sound management structure?</p> <p>How suitable and appropriate is the contribution of each partner to the activities proposed, per work package/task, considering partners' skills and responsibilities?</p> <p>To what extent does the proposed action demonstrate how the Partnership will seek and exploit synergies with other inter-regional activities? For instance, cluster cooperation funded under COSME (e.g. European Strategic Cluster Partnerships for Smart Specialisation investment), Horizon 2020 (e.g. INNOSUP-1 Cluster facilitated projects for new industrial value chains) and European regional funds (i.e. European Territorial Programmes and</p>	30

European Structural and Investment Fund)	
<p>3. Impact on target audience (<i>appropriate impact indicators; dissemination; project continuation</i>)</p> <p>What are the expected outcomes, potential impact and the EU added value of the project?</p> <p>How reasonable are the expected multiplying effects of the project to support SME internationalisation beyond Europe (e.g. degree of involvement of SMEs in the preparation of the Partnership's internationalisation strategy)?</p> <p>How effective, innovative and convincing are the promotional and communication activities? Does the proposal contain a comprehensive communication strategy?</p> <p>To what extent does the project suggest ambitious, objectively verifiable and achievable SMART performance indicators to measure its outcomes?</p> <p>How concrete, ambitious and realistic are the measures planned to ensure the project's continuity after the termination of the EU co-funding?</p>	20
<p>4. Cost-effectiveness (<i>coherence, detail and clarity between actions proposed and budgeted resources</i>)</p> <p>To what extent is the detailed budget coherent with the work plan of the proposed action?</p> <p>To what extent is the budget clear and detailed, as well as effective to implement the proposed actions?</p> <p>To what extent do the expected results stand in a reasonable relationship to the amount of the grant?</p>	20
TOTAL	100

For Strand 2.a and Strand 2.b:

<i>Criteria</i>	<i>Max. score</i>
<p>1. Relevance of the actions in view of the objectives of the call (<i>meeting objectives of the call; appropriate results; appropriate partnership: competences and European dimension</i>)</p> <p><u>For both Strand 2.a and Strand 2.b:</u></p> <p>How strategically chosen are the project partners (i.e. relevance and complementarities of each partner to the project)?</p> <p>To what extent does the proposed action demonstrate that the Partnership is based on and will pursue cross-sectoral cooperation across related industries and sectoral boundaries (e.g. involving another sector or related industry)?</p> <p>How relevant is the proposed action to foster complementarities between consortium members?</p> <p>To what extent does the Partnership respect all 5 principles characterising a "European Strategic Cluster Partnership – Going International" leading the applicant consortium to be awarded an "ESCP-4i" label?</p> <p><u>For Strand 2.a:</u></p> <p>How relevant is the proposed action to the objectives of Strand 2.a (Implementation phase) in supporting the initial implementation and testing of the joint internationalisation strategy proposed by applicant consortia?</p> <p><u>For Strand 2.b:</u></p> <p>How relevant is the proposed action to the objectives of Strand 2.b to further develop a European Strategic Cluster Partnership - Going International in the Earth Observation (EO) downstream sector? By building cooperation activities with international partners in third countries with a view to implement international cluster cooperation in strategic areas and to support SME internationalisation collectively as a Partnership beyond Europe.</p>	30
<p>2. Quality of the proposed actions (<i>clear and feasible description of actions; appropriate allocation of resources, including management</i>)</p> <p>To what extent are the proposed actions and expected results linked to the identified needs and specific objectives? To what extent is this link well described and justified?</p> <p>How clear, coherent and ambitious is the work plan?</p> <p>To what extent are the proposed actions and is the work plan's methodology clearly defined and presented in terms of scheduled milestones, deliverables and a sound management structure?</p> <p>How suitable and appropriate is the contribution of each partner to the activities proposed, per work package/task, considering partners' skills and</p>	30

responsibilities? To what extent does the proposed action demonstrate how the Partnership will seek and exploit synergies with other inter-regional activities? For instance, cluster cooperation funded under COSME (e.g. European Strategic Cluster Partnerships for Smart Specialisation investment), Horizon 2020 (e.g. INNOSUP-1 Cluster facilitated projects for new industrial value chains) and European regional funds (i.e. European Territorial Programmes and European Structural and Investment Fund)	
3. Impact on target audience (<i>appropriate impact indicators; dissemination; project continuation</i>) What is the expected outcome, potential impact and EU-added value of the project? What is the expected impact of the cooperation agreements and business agreements? To what extent is the project likely to have a tangible impact on European SMEs benefiting directly or indirectly from the supported action? How effective, innovative and convincing are the promotional and communication activities? Does the proposal contain a comprehensive communication strategy? To what extent does the project suggest ambitious, objectively verifiable and achievable SMART performance indicators to measure its outcomes? How concrete, ambitious and realistic are the measures planned to ensure the project's continuity after the termination of the EU co-funding?	20
4. Cost-effectiveness (<i>coherence, detail and clarity between actions proposed and budgeted resources</i>) To what extent is the detailed budget coherent with the work plan of the proposed action? To what extent is the budget clear and detailed, as well as effective to implement the proposed actions? To what extent do the expected results stand in a reasonable relationship to the amount of the grant?	20
TOTAL	<i>100</i>

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

10. LEGAL COMMITMENTS

In the event of a grant awarded by EASME, a grant agreement drawn up in euro and detailing the conditions and level of funding, will be sent to the applicant, as well as the information on the procedure to formalise the agreement of the parties.

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

The authorising officer may draw a reserve list of proposals that have passed the above thresholds. In the event that the original budget of the action is increased or that selected proposal(s) fail to conclude the grant agreement, a grant may be awarded to proposals from the reserve list, following their order on the ranking list in accordance with the scores obtained.

11. ADMINISTRATIVE REVIEW PROCEDURES

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

12. FINANCIAL PROVISIONS

12.1 General principles

a) Non-cumulative award

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

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate the sources and amounts of Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.³⁹

b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

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

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

c) Co-financing

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

³⁹ Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94/65 of 28.3.2014).

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

d) Balanced budget

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

The budget must be drawn up in euros.

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

e) Implementation contracts/subcontracting

Where the implementation of the action requires the award of procurement contracts (implementation contracts), the beneficiary must award the contract to the bid offering best value for money or the lowest price (as appropriate), avoiding conflicts of interests and retain the documentation for the event of an audit.

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

Entities acting in their capacity of contracting authorities in the meaning of Directive 2014/24/EU⁴⁰ or contracting entities in the meaning of Directive 2014/25/EU⁴¹ must comply with the applicable national public procurement rules. The beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

Beneficiaries may subcontract tasks forming part of the action as described in the proposal. If they do so, they must ensure that, in addition to the above-mentioned conditions of best value for money and absence of conflicts of interests, the following conditions are also complied with:

- (i) subcontracting does not cover core tasks of the action;
- (ii) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- (iii) the estimated costs of the subcontracting are clearly identifiable in the estimated budget;

⁴⁰ Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94/65 of 28.3.2014).

⁴¹ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94/243 of 28.3.2014).

(iv) any recourse to subcontracting, if not provided for in description of the action, is communicated by the beneficiary and approved by the Commission. The Commission may grant approval:

- (i) before any recourse to subcontracting, if the beneficiaries requests an amendment
- (ii) after recourse to subcontracting if the subcontracting:
 - is specifically justified in the interim or final technical report and
 - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- (v) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

f) Financial support to third parties.

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

12.2 Funding forms

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

➤ **Maximum EU contribution requested**

The EU contribution is limited to a maximum co-financing rate of eligible costs indicated in section 4. Consequently, part of the total eligible expenses entered in the estimative budget must be financed from sources other than the EU grant (see section 12.1c).

➤ **Eligible costs**

'Eligible costs' shall meet all the following criteria:

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

The period of eligibility of costs will start as specified in the grant agreement. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. Under no circumstances can the eligibility period start before the date of submission of the grant application (see section 12.1 b).

- ✓ they are indicated in the estimated budget of the action;
- ✓ they are necessary for the implementation of the action which is the subject of the grant;
- ✓ they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the

country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;

- ✓ they comply with the requirements of applicable tax and social legislation;
- ✓ they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

In addition for **unit costs**:

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

Further details are included in the model grant agreement.

Eligible costs may be direct or indirect.

Eligible direct costs

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

A. Direct personnel costs

Types of eligible personnel costs

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

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

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

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

- (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);

- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

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

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

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

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

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

D. Other direct costs

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

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

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

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

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

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

E. Eligible indirect costs (overheads)

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

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

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

Applicants's attention is drawn to the fact that in the case of beneficiaries receiving an operating grant⁴² financed by the EU or Euratom budget, they cannot declare indirect costs for the period covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action. In order to demonstrate this, in principle, the beneficiary should:

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

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

➤ **Ineligible costs**

- (a) costs related to return on capital;
- (b) debt and debt service charges;
- (c) provisions for future losses or debts ;
- (d) interest owed;
- (e) doubtful debts;
- (f) currency exchange losses;
- (g) bank costs charged by the beneficiary's bank for transfers from the Agency;
- (h) excessive or reckless expenditure;
- (i) deductible VAT;
- (j) costs incurred during suspension of the implementation of the action;
- (k) in-kind contributions provided by third parties;
- (l) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the beneficiary is already receiving an operating grant financed by the EU or Euratom budget in the same period, unless they can demonstrate that the operating grant does not cover any costs of the action.
- (m) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);

⁴² For the definition, see Article 180(2)(b) of the EU Financial Regulation: '**operating grant**' means financial contribution, to the functioning of a body which has an objective forming part of, and supporting, an Union policy, by means of a financial contribution to its work programme.

- (n) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies.

Further details are included in the model grant agreement.

➤ **Calculation of the final grant amount**

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

- a final report providing details of the implementation and results of the action;
- the final financial statement must detail all eligible costs (actual costs, unit costs and flat-rate costs);
- a certificate on the financial statements of the action for each beneficiary, if
 - it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and
 - the maximum EU contribution indicated, for that beneficiary in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

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

EU grants may not have the purpose or effect of producing a profit within the framework of the action. **Profit shall be defined as a surplus, calculated at the payment of the balance, of receipts over the eligible costs of the action**, where receipts are limited to the Union grant and the revenue generated by that action. In this respect, where a profit is made, the EASME shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action.

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

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

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

Step 2 — Limit to the maximum grant amount.

Step 3 — Reduction due to the no-profit rule as the grant must not produce a profit⁴³:

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

The following are considered ‘receipts’:

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

The following are however not considered ‘receipts’:

⁴³ Not applicable for low value grants.

(a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs;

(b) financial contributions by third parties with no obligation to repay any amount unused at the end of the action period.

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

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

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

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

Further details are included in the model grant agreement.

12.3 Payment arrangements:

Pre-financing payment

A pre-financing payment corresponding to 70% of the grant amount will be transferred to the beneficiary within 30 days of the date when the last of the two parties signs the agreement, provided all requested guarantees have been received.

Final payment

EASME will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 12.2 above). If the total of earlier payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by EASME through a recovery order.

12.4 Pre-financing guarantee

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

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

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

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

13. REPORTING REQUIREMENTS:

Beneficiaries will be requested to submit the following reports:

Technical progress reports covering every 6 months, not linked to a request for payment⁴⁴;

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

Further details are included in the model grant agreement.

14. PUBLICITY

14.1 By the beneficiaries

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

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

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

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

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

14.2 By EASME

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

EASME will publish the following information:

- name of the beneficiary

⁴⁴ Example: A project with 24 months duration is expected to submit three technical progress reports: 1st technical progress report covering months 1-6 and due in month 7; 2nd technical progress report covering months 7-12 and due in months 13; 3rd technical progress report covering months 13-18 and due in months 19.

- address of the beneficiary when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level⁴⁵ if he/she is domiciled within EU or equivalent if domiciled outside EU,
- subject of the grant,
- amount awarded.

Upon a reasoned and duly substantiated request by the beneficiary, the publication shall be waived if such disclosure risks threatening the rights and freedoms of individuals concerned as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the beneficiaries.

15. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data⁴⁶. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by the EASME Head of Unit A.1. Details concerning the processing of personal data are available on the privacy statement at: http://ec.europa.eu/research/participants/data/support/legal_notice/h2020-ssps-grants_en.pdf.

Personal data may be registered in the Early Detection and Exclusion System (EDES) should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of the EU Financial Regulation 2018/1046⁴⁷ (for more information see the Privacy Statement on: http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_edes_en.pdf).

16. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

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

➤ Electronic submission

Applicants are requested to go to <https://ec.europa.eu/easme/en/cosme-0> and follow the procedure for submitting an application.

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

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

⁴⁵ Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 39 of 10.02.2007).

⁴⁶OJ L 295/39 of 21.11.2018.

⁴⁷ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>

➤ **Contacts**

EASME is available to answer questions relating to the content of the present call for proposals. All questions must be sent by e-mail to:

EASME-COSME-CLUSTER-GO-INTERNATIONAL@ec.europa.eu

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

17. ANNEXES:

- *Application form (Description of the action and Estimated budget)*

- *Model Grant Agreement*

https://ec.europa.eu/research/participants/data/ref/other_eu_prog/cosme/mga/cosme-mga-multi_en.pdf

- *Guide for Applicants:*

https://ec.europa.eu/research/participants/data/ref/other_eu_prog/cosme/guide/pse/cosme-guide-applicants-18_en.pdf