



# Single Market Programme (SMP-COSME)

## Call for proposals

Public Procurement of Innovation Development  
(SMP-COSME-2021-PPI)

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## EUROPEAN INNOVATION COUNCIL AND SMEs EXECUTIVE AGENCY (EISMEA)

Department I - Innovation ecosystems, SMP / Entrepreneurship and Consumers  
Unit I-02 SMP / COSME pillar

### CALL FOR PROPOSALS

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## 0. Introduction

This is a call for proposals for EU **action grants** in the field of public procurement of innovation under the Competitiveness of Enterprises and SMEs part (COSME Pillar) of the **Single Market Programme (SMP COSME)**.

The regulatory framework for this EU Funding Programme is set out in:

- Regulation 2018/1046 ([EU Financial Regulation](#))
- the basic act ([Single Market Programme](#) Regulation 2021/690<sup>1</sup>).

The call is launched in accordance with the 2021 SMP Work Programme<sup>2</sup> and will be managed by the **European Innovation Council and SMEs Executive Agency (EISMEA)** ('Agency').

The call covers the following **topic**:

- **SMP-COSME-2021-PPI — Public procurement of Innovation**

Applicants may submit more than one proposal for different projects under the same call (and be awarded a funding for them). Organisations may participate in several proposals. BUT: if there are several proposals for very similar projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).

We invite you to read the **call documentation** on the Funding & Tenders Portal Topic page carefully, and in particular this Call Document, the Model Grant Agreement, the [EU Funding & Tenders Portal Online Manual](#) and the [EU Grants AGA — Annotated Grant Agreement](#).

These documents provide clarifications and answers to questions you may have when preparing your application:

- the [Call Document](#) outlines the:
  - background, objectives, scope, activities that can be funded and the expected results (sections 1 and 2)
  - timetable and available budget (sections 3 and 4)
  - admissibility and eligibility conditions, criteria for financial and operational capacity and exclusion (sections 5, 6 and 7)
  - evaluation and award procedure (section 8)
  - award criteria (section 9)

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<sup>1</sup> Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014 (OJ L 153, 3.5.2021, p.1).

<sup>2</sup> Annex II to Commission Implementing Decision C(2021) 3046 final of 06.05.2021 concerning the adoption of the work programme for 2021-2024 and the financing decision for the implementation of the Single Market Programme (SMP – COSME Pillar), as last amended by Commission Implementing Decision C(2021)6940 of 29.9.2021.

- legal and financial set-up of the Grant Agreements (section 10)
- how to submit an application (section 11)
- the [Online Manual](#) outlines the:
  - procedures to register and submit proposals online via the EU Funding & Tenders Portal ('Portal')
  - recommendations for the preparation of the application
- the [AGA — Annotated Grant Agreement](#) contains:
  - detailed annotations on all the provisions in the Grant Agreement you will have to sign in order to obtain the grant (*including cost eligibility, payment schedule, accessory obligations, etc*).

You are also encouraged to visit the [EISMEA](#) website to consult the list of projects funded previously.

## 1. Background

The public procurement of innovation is the flywheel for delivering public value within our democratic system. At the same time the European Union is charting a strategic path to become the first climate-neutral continent by 2050, grasping the opportunities of the digital age, building an economy that works for people, promoting the European way of life, strengthening our unique brand of responsible global leadership, and nurturing protecting our democracy.<sup>3</sup>

The Commission has the objective to pull up the internal market through innovations. The Commission wants to stimulate markets towards a more competitive, digital, greener and social economy. The COVID-crisis has made the steering towards this economy more urgent. The Commission sees public buyers such as cities, regions, hospitals, central purchasing bodies, utilities and such other, as important partners in this journey. Through the public procurement initiatives from these public buyers, the public sector can play a large role in achieving these objectives.

Furthermore, the public sector can play a large role in helping companies, and in particular SMEs, to overcome a well-known market failure: finding a first group of customers for their innovative products and services. Innovation is constrained by a 'chicken or egg problem,' whereby suppliers will often wait until there is a demonstrated demand before they develop new solutions, while at the same time the potential buyers are waiting to see a new product or service enjoying some success in the market before they will risk buying it themselves<sup>4</sup>. In this way, the public sector/public buyers become early adopters of innovative solutions for the public sector that are not yet available on large scale commercial basis. Moreover, by combining their purchasing power they can act as important launching customers of

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<sup>3</sup> [2021 Strategic Foresight Report | European Commission \(europa.eu\)](#).

<sup>4</sup> Ten Cate, A., Harris, J., Shugars, J. and Westling, H. (1998): Technology Procurement as a Market Transformation Tool. <http://www1.eere.energy.gov/femp/pdfs/techproc.pdf>.

SMEs for new products or services that are launched through a procurement of innovation.

The public procurement of innovation (PPI) broadly refers to any public procurement that represents one or both of the following aspects:

1. buying the process of innovation
2. buying the outcomes of innovation.

The Public Procurement Directives (2014) support the ambitions, as they offer methods, tools and regulations to procure innovation and to do this in a collaborative fashion. However, the innovation cannot be initiated by the procurement officers isolated from the rest of the public organisation. Procurers and legal officers cannot do it by themselves by only professionalising the procurement function. Contracting authorities cannot procure innovation without looking at methodology and processes of the entire organisation. This needs political will and the support of higher management in the respective organisations. It needs an increase of collaboration among buying organisations to be able to share costs and resources. Collaboration in itself has a dynamic of speeding up changes that will impact these objectives.

With this funding, the Commission is aiming to stimulate contracting authorities to move along the shared strategic path and so boost the EU's strategic autonomy towards 2050, changing procurement culture and create an organisation culture within which context the procurement of innovation can speed up the impact on the policy objectives.

Collaborate procurement action is not only focussed on the procurement of the innovative solution, but is also contributing to creating societal value - solution offered contributes positively to societal challenges, improves public services and/or the beneficiaries of public services. In these kind of ecosystem SME will flourish.

## **2. Objectives — Themes and priorities — Activities that can be funded — Expected impact**

### Objectives

The present call for proposals aims at the following general objectives (**general objectives**):

1. Pulling up the internal market through innovations stimulating so the transition toward a more competitive, digital, greener and social economy.
2. Strengthening the competitiveness and sustainability of the Union's enterprises, particularly SMEs.

In addition, the present call for proposals is targeting more specifically the following objectives (**specific objectives**):

1. Exploiting the public procurement as a tool to foster innovation in areas of strong public interest.
2. Creating a general positive societal value by the innovation procured/developed, in particular in the area of digital transformation, public health and green transformation.
3. Contributing to capacity building and knowledge transfer on public procurement of innovation - increasing the number of procurers involved in the collaborative action as actors, followers or observers and developing tools and knowledge for replication of the developed procurement of innovation.

### Themes and priorities (scope)

This Call for Proposals aims to fund proposals for collaborative procurement of innovation that contribute to the above-mentioned general and specific objectives. The proposals must:

#### **1. Create a clear vision on an issue that needs innovation: working on innovative solutions while keeping both feet on the ground**

We want to fund proposals that lead to a clear societal innovation in the EU that works for people, has positive impact on communities, beneficiary to public services and/or the users of that public services. Therefore a strong vision on the innovation to be made is needed. What is the societal issue to be solved and how does the technology/process to be purchased contribute to that societal issue? Proposal is expected itself to be creative in subject matter and in the suggested process of tackling the societal issue, while not losing sight of the chosen solution method. The purchase of the innovative technology and/ or processes should lead to the implementation of the innovative technology and/or processes with respect to the societal issue to be tackled. We are seeking to find innovations that are not yet on a large scale commercially available, but can be if public buyers unite as a launching customer and are ready to implement the innovative technology together with the supply side, preferable SME's. As procurement of innovation in relation to the societal issue to be solved is an uncertain process, we expect a good risk management plan, identifying the risks and proposed mitigating measures to adapt the project and procurement plan accordingly if these risks realise.

#### **2. EU-Impact and SMEs: positively contributing to the ecosystems of innovation and ecosystems of SMEs in the EU**

While looking at the possible impacts of the societal innovation to be purchased from a short-term and long-term perspective, proposals are also expected to make it easy for SMEs to be involved in the procurement of the innovative solution. Currently SMEs face difficulties to be involved in public procurement as a direct beneficiary/ client of a purchasing authority. This call for proposals is intended specifically to contribute to the general objective of strengthening the competitiveness and sustainability of the Union's enterprises, particularly SMEs.

#### **3. Develop critical mass on the buying side**

Individual procurements from a single purchasing body are frequently too low in critical mass for innovative companies such as SMEs to come forward with innovative solutions. Another advantage of purchasing bodies working together on the procurement of an innovative solutions is that the buyers can share the risks within the collaborative procurement and the joint use of human resources to

manage the procurement process and possibly the phase of contract management. Proposals are expected to generate these advantages and at the same time support the development of critical mass as a public launching customer.

#### **4. Realisation and Implementation**

Implementing the developed innovative societal solution in the organisation of the public buyers working together and thus scaling up the innovative societal solution is the most challenging part of the joint procurement initiative. The operational execution lines in each organisation of the specific public buyer do not always have the right (financial) incentives purchasing the innovative societal solution instead of the already of the shelf and commercially available solution. Proposals are expected to propose creative ways to address this organisational issue. Secondly the proposal has to provide information on who will implement the innovative solution and who will maintain it. What does this require in terms of cooperation among the public buyers and in terms of cooperation with other departments in the organisation of each specific buyer? The project is a success when the purchased innovative societal solution is actually implemented and used within the public buyers collaborating. The proposal should provide a clear view on the role of each consortium member to realise the innovative societal solution on their respective organisations, represented in the way the consortium is organised and the collaborative procurement strategy that identifies the societal issue that needs solving and the respective market analysis. By joining forces, the buyers act as launching customers for a societal solution that is near market ready and the aggregation of demand helps the societal solution to be commercialised.

#### **5. Capacity building, scalability, replicability and knowledge dissemination of the procurement of innovation**

The procurement of the innovative solution is considered to be a wider success if other public buyers not being part of the awarded consortium will be interested to replicate the procurement of the innovative solution. The objective is to take in account broader future implementation, the scalability and replication of the innovative solution and how the initial purchase can be replicated by other purchasing bodies. This will require models, instructions, trainings and other possible tools to disseminate the practice for third buyers to replicate the process.

The Commission wishes to develop further the potential of public procurement of innovation across the EU. This is possible if public buyers with practical experience of PPI can pass their knowledge to others with no or limited experience. The action will allow to build an extensive reference base for innovation procurement activities and a network of procurers, which would then be open to newcomers.

To this end, the Commission is building a collaborative digital big buyer community (<https://big-public-buyers-community.ec.europa.eu>) where public buyers in Europe can work together, develop joint knowledge and joint action, from their own initiative or by the initiative of the Commission. This digital community (platform) will be used as a communication tool for the actions the Commission undertakes to stimulate the uptake of innovation procurement in the EU bringing together relevant interested communities. The Platform will be operational by the end of 2022.

*Activities that can be funded (non-exhaustive):*

Taking into account the above themes and priorities, see below the non-exhaustive list:

- Project management and coordination of the project consortium
- Needs assessment/market research
- Developing the Tender documents (Specifications, contracts, procedure)
- Market approach (Consultation and joint engagement)
- Procurement related activities (preparation and publication of the tender, screening and evaluation costs, awarding and contract implementation)
- Dissemination and communication cost activities including making a replication model of the procurement with instructions, tips and tricks, etc.
- Activities associated with the setting up of the workshops and network, capacity building and mentoring activities

Acquisition of the innovative solutions by the public buyer is within the limit of 70 % of the total eligible project costs.

For this call for proposals 'public buyer' is to be understood as entity defined as contracting authority under national public procurement provisions transposing the EU public procurement Directives (in particular, Directives 2014/24/EU<sup>5</sup>, 2014/25/EU<sup>6</sup> and 2009/81/EC<sup>7</sup>). Public buyers can also be entities acting on behalf of public authorities with clear delegated power to act as contracting authority (i) applying respective national public procurement act (ii) financing the purchase with public funds.

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<sup>5</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

<sup>6</sup> 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, 28.3.2014, p. 243).

<sup>7</sup> Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20.8.2009, p. 76).

Project websites: communication costs for presenting the project on the participants' websites or social media accounts are eligible; costs for *separate* project websites *are not eligible*

### Performance indicators

**In their applications, the applicants shall propose a set of performance indicators.** KPI are quantifiable measure of performance of the proposed activities and results (measuring activities of market outreach, measuring the dissemination activities performance, etc.).

#### *Expected Impact*

**In their proposals, the applicant shall describe the impact to be generated by the action (qualitative description) and propose the respective impact indicators thereto** (such as potential of replicability, impact of innovation to the beneficiary of the innovation, etc.)

Impact shall relate to the general and specific objectives and themes and priorities as described above.

In particular, the actions proposed should create a positive impact on not only procurement of innovation as a concept, SMEs as potential suppliers, but also contribute to creating societal value - solution offered should contribute positively to societal challenges, improves public services and/or the beneficiaries of public services.

### 3. Available budget

The available call budget is estimated at **EUR 4 000 000**.

This budget might be increased by maximum 20% or sufficiently to fund an additional proposal, depending on the availability of additional call budget.

We plan to award two to three proposals (indicatively).

Acquisition costs of innovative solutions shall be maximum 70% of total eligible costs.

We reserve the right not to award all available funds or to redistribute them between the call priorities, depending on the proposals received and the results of the evaluation.

### 4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	27 January 2022

<b>Deadline for submission:</b>	<b>3 May 2022 – 17:00:00 CET (Brussels)</b>
Evaluation:	June - July 2022
Information on evaluation results:	August 2022
GA signature:	October 2022

## 5. Admissibility

Proposals must be submitted before the **call deadline** (see *timetable section 4*).

Proposals must be submitted **electronically** via the Funding & Tenders Portal Electronic Submission System (accessible via the Topic page in the [Search Funding & Tenders](#) section). Paper submissions are NOT possible.

Proposals (including annexes and supporting documents) must be submitted using the forms provided *inside* the Submission System (⚠ NOT the documents available on the Topic page — they are only for information).

Proposals must be **complete** and contain all the requested information and all required annexes and supporting documents:

- Application Form Part A — contains administrative information about the participants (future coordinator, beneficiaries and affiliated entities) and the summarised budget for the project (*to be filled in directly online*)
- Application Form Part B — contains the technical description of the project (*to be downloaded from the Portal Submission System, completed and then assembled and re-uploaded as PDF in the system*)
- **mandatory annexes and supporting documents** (*to be uploaded as PDF files/included in Part B*):
  - detailed budget table (*mandatory excel template available in the Submission System*) – *to be uploaded in the slot called "Detailed budget table"*
  - CVs (short outlines) of core project team – to be uploaded in the slot called "CVs"
  - description of know-how, qualifications, resources and experience in previous projects of the partners in the consortium that are not public buyers – to be uploaded in the slot called "List of previous projects"
  - document attesting the status of public buyers (contracting authority as identified in the national public procurement act) as described in the eligibility criteria – to be uploaded in the slot called "Other annexes"
  - in case of buyers acting on behalf of public authority - the commitment of the public authority in whose behalf the buyer is acting to secure the

funds for the purchase of the innovation - to be uploaded in the slot called "Other annexes"

Please note that the amounts entered into the summarised budget table (filled in directly online) must correspond to the amounts calculated in the detailed budget table. In case of discrepancies, the amounts in the online summarised budget table will prevail.

At proposal submission, you will have to confirm that you have the **mandate to act** for all applicants. Moreover you will have to confirm that the information in the application is correct and complete and that the participants comply with the conditions for receiving EU funding (especially eligibility, financial and operational capacity, exclusion, etc.). Before signing the grant, each beneficiary and affiliated entity will have to confirm this again by signing a declaration of honour (DoH). Proposals without full support will be rejected.

Your application must be **readable, accessible and printable**.

**Proposals are limited to 50 pages (Part B)** without the abovementioned mandatory annexes. Evaluators will not consider any additional pages.

You may be asked at a later stage for further documents (*for legal entity validation, financial capacity check, bank account validation, etc*).

 For more information about the submission process (including IT aspects), consult the [Online Manual](#).

## 6. Eligibility

### Eligible participants (eligible countries)

In order to be eligible, the applicants (beneficiaries and affiliated entities) must:

- be legal entities (public or private bodies) be established in one of the eligible countries, i.e.:
  - EU Member State (including overseas countries and territories (OCTs))
  - listed EEA countries and countries associated to the Competitiveness and SMEs part of the Single Market Programme (associated countries) or countries which are in ongoing negotiations for an association agreement and where the agreement enters into force before grant signature, See list: [list-3rd-country-participation smp\\_en.pdf \(europa.eu\)](#)

! Definition of "public buyer" - for the purpose of this Call, **public buyer** is to be understood as entity defined as contracting authority under national public procurement provisions transposing the EU public procurement Directives (in particular, Directives 2014/24/EU<sup>8</sup>, 2014/25/EU<sup>9</sup> and 2009/81/EC<sup>10</sup>). Public buyers

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<sup>8</sup> See footnote n°5.

<sup>9</sup> See footnote n°6.

<sup>10</sup> See footnote n°7.

can also be entities acting on behalf of public authorities with clear delegated power to act as contracting authority (i) applying respective national public procurement act (ii) financing the purchase with public funds.

Beneficiaries and affiliated entities must register in the [Participant Register](#) — before submitting the proposal — and will have to be validated by the Central Validation Service (REA Validation). For the validation, they will be requested to upload documents showing legal status and origin.

Other entities may participate in other consortium roles, such as associated partners, subcontractors, third parties giving in-kind contributions, etc. (see *section 13*).

### *Specific cases*

Natural persons — Natural persons are NOT eligible (with the exception of self-employed persons, i.e. sole traders, where the company does not have legal personality separate from that of the natural person).

Entities without legal personality — Entities which do not have legal personality under their national law may exceptionally participate, provided that their representatives have the capacity to undertake legal obligations on their behalf, and offer guarantees for the protection of the EU financial interests equivalent to that offered by legal persons<sup>11</sup>.

EU bodies — EU bodies (with the exception of the European Commission Joint Research Centre) can NOT be part of the consortium.

Associations and interest groupings — Entities composed of members may participate as 'sole beneficiaries' or 'beneficiaries without legal personality'<sup>12</sup>.  Please note that if the action will be implemented by the members, they should also participate as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

Countries currently negotiating association agreements — Beneficiaries from countries with ongoing negotiations (see *list above*) may participate in the call and can sign grants may participate as from the entry into force of these agreements if the negotiations are concluded before grant signature (with retroactive effect, if provided in the agreement).

EU restrictive measures — Special rules apply for certain entities (*e.g. entities subject to [EU restrictive measures](#) under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU)*<sup>13</sup> and entities covered by Commission Guidelines No [2013/C 205/05](#)<sup>14</sup>). Such entities are not eligible to participate in any capacity, including as beneficiaries, affiliated entities, associated partners, subcontractors or recipients of financial support to third parties (if any).

<sup>11</sup> See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>12</sup> For the definitions, see Articles 187(2) and 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>13</sup> Please note that the EU Official Journal contains the official list and, in case of conflict, its content prevails over that of the [EU Sanctions Map](#).

<sup>14</sup> Commission guidelines No [2013/C 205/05](#) on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJEU C 205 of 19.07.2013, pp. 9-11).

 For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### Consortium composition

Proposals must be submitted by a consortium of at least 2 applicants (beneficiaries; not affiliated entities) acting in their capacity of contracting authority (public buyer) which complies with the following conditions:

**- minimum [2] public buyers from [2] different eligible countries that must effectively propose purchase of innovation.**

! For the purpose of this Call, **public buyer** is to be understood as entity defined as contracting authority under national public procurement provisions transposing the EU public procurement Directives (in particular, Directives 2014/24/EU<sup>15</sup>, 2014/25/EU<sup>16</sup> and 2009/81/EC<sup>17</sup>). Public buyers can also be entities acting on behalf of public authorities with clear delegated power to act as contracting authority (i) applying respective national public procurement act (ii) financing the purchase with public funds.

Other conditions:

- *Public buyers not procuring innovation can also apply as beneficiaries if covered by activities of capacity building/mentoring scheme/replication/dissemination and similar.*
- *Other legal entities can apply as beneficiaries – in particular entities supporting the core action of public procurement of innovation such as entities providing expertise on procurement of innovation to contracting authority, entities providing communication, dissemination, capacity building, training and similar expertise.*

In case of entities acting on behalf of public authorities, the following supporting documents attesting the eligibility must be submitted:

1. the supporting documents attesting the status of public buyers as described above (see mandatory annexes).
2. the commitment of the public authority on whose behalf the buyer is acting to secure the funds for the purchase would the proposal be awarded (see mandatory annexes).

### Eligible activities

Eligible activities are the ones set out in section 2 above.

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<sup>15</sup> See footnote n°5.

<sup>16</sup> See footnote n°6.

<sup>17</sup> See footnote n°7.

Projects should take into account the results of projects supported by other EU funding programmes. The complementarities must be described in the project proposals (Part B of the Application Form).

Projects must comply with EU policy interests and priorities (*such as environment, social, security, industrial and trade policy, etc.*).

### **Nota bene:**

Acquisition of the innovative solutions by the public buyer within the limit of 70 % of the total eligible project costs.

The entire procurement process for the innovation has to take place within the implementation period of the project - the cost for the innovation has to be incurred (invoiced and paid to the supplier) within the implementation period of the project.

Project websites: communication costs for presenting the project on the participants' websites or social media accounts are eligible; costs for *separate* project websites *are not eligible*

### **Financial support to third parties is not allowed.**

#### Geographic location (target countries)

Proposals must relate to the activities taking place in the eligible countries (see *above*).

#### Duration

Projects should normally range between 24 and 48 months (extensions are possible, if duly justified and through an amendment).

**Note Bene** –The entire procurement process for the innovation has to take place within the implementation period of the project - the cost for the innovation has to be incurred (invoiced and paid to the supplier) within the implementation period of the project.

#### Project budget

Project budgets are expected to range around EUR 2 million per project, but this does not preclude the submission/selection of proposals requesting other amounts.

## **7. Financial and operational capacity and exclusion**

### Financial capacity

Applicants must have **stable and sufficient resources** to successfully implement the projects and contribute their share. Organisations participating in several projects must have sufficient capacity to implement all these projects.

The financial capacity check will be carried out on the basis of the documents you will be requested to upload in the [Participant Register](#) during grant preparation (e.g. *profit and loss account and balance sheet, business plan, audit report produced by an approved external auditor, certifying the accounts for the last closed financial year, etc*). The analysis will be based on neutral financial indicators, but will also take into account other aspects, such as dependency on EU funding and deficit and revenue in previous years.

The check will normally be done for all beneficiaries, except:

- public bodies (entities established as public body under national law, including local, regional or national authorities) or international organisations
- if the individual requested grant amount is not more than EUR 60 000.

If needed, it may also be done for affiliated entities.

If we consider that your financial capacity is not satisfactory, we may require:

- further information
  - an enhanced financial responsibility regime, i.e. joint and several responsibility for all beneficiaries or joint and several liability of affiliated entities (*see below, section 10*)
  - prefinancing paid in instalments
  - (one or more) prefinancing guarantees (*see below, section 10*)
- or
- propose no prefinancing
  - request that you are replaced or, if needed, reject the entire proposal.

 For more information, see [Rules for Legal Entity Validation, LEAR Appointment and Financial Capacity Assessment](#).

### Operational capacity

Applicants must have the **know-how, qualifications** and **resources** to successfully implement the projects and contribute their share (including sufficient experience in projects of comparable size and nature).

This capacity will be assessed together with the 'Quality' award criterion, on the basis of the competence and experience of the applicants and their project teams, including operational resources (human, technical and other) or, exceptionally, the measures proposed to obtain it by the time the task implementation starts.

If the evaluation of the award criterion is positive, the applicants are considered to have sufficient operational capacity.

Applicants will have to show their capacity via the following information:

- profiles (qualifications and experience) of the staff responsible for managing

and implementing the project

- description of the consortium participants
- list of previous projects (key projects for the last 4 years).

Additional supporting documents may be requested, if needed to confirm the operational capacity of any applicant.

### Exclusion

Applicants which are subject to an **EU exclusion decision** or in one of the following **exclusion situations** that bar them from receiving EU funding can NOT participate<sup>18</sup>:

- bankruptcy, winding up, affairs administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts)
- in breach of social security or tax obligations (including if done by persons with unlimited liability for the applicant's debts)
- guilty of grave professional misconduct<sup>19</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- committed fraud, corruption, links to a criminal organisation, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- shown significant deficiencies in complying with main obligations under an EU procurement contract, grant agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- guilty of irregularities within the meaning of Article 1(2) of Regulation No [2988/95](#) (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant)
- created under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant).

Applicants will also be refused if it turns out that<sup>20</sup>:

<sup>18</sup> See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).

<sup>19</sup> Professional misconduct includes: violation of ethical standards of the profession, wrongful conduct with impact on professional credibility, false declarations/misrepresentation of information, participation in a cartel or other agreement distorting competition, violation of IPR, attempting to influence decision-making processes or obtain confidential information from public authorities to gain advantage.

- during the award procedure they misrepresented information required as a condition for participating or failed to supply that information
- they were previously involved in the preparation of the call and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

## 8. Evaluation and award procedure

The proposals will have to follow the **standard submission and evaluation procedure** (one-stage submission + one-step evaluation).

An **evaluation committee** (assisted by independent outside experts) will assess all applications. Proposals will first be checked for formal requirements (admissibility, and eligibility, *see sections 5 and 6*). Proposals found admissible and eligible will be evaluated against the operational capacity and award criteria (*see sections 7 and 9*) and then ranked according to their total scores.

For proposals with the same score (within a topic or budget envelope) a **priority order** will be determined according to the following approach:

Successively for every group of *ex aequo* proposals, starting with the highest scored group, and continuing in descending order:

- 1) Projects focusing on a theme that is not otherwise covered by higher ranked projects will be considered to have the highest priority.
- 2) The *ex aequo* proposals within the same topic will be prioritised according to the scores they have been awarded for the award criterion 'Relevance'. When these scores are equal, priority will be based on their scores for the criterion 'Impact'. When these scores are equal, priority will be based on their scores for the criterion 'Quality'.
- 3) If this does not allow to determine the priority, a further prioritisation can be done by considering the overall project portfolio and the creation of positive synergies between projects, or other factors related to the objectives of the call. These factors will be documented in the panel report.

All proposals will be informed about the evaluation result (**evaluation result letter**). Successful proposals will be invited for grant preparation; the other ones will be put on the reserve list or rejected.

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<sup>20</sup> See Article 141 EU Financial Regulation [2018/1046](#).

 No commitment for funding — Invitation to grant preparation does NOT constitute a formal commitment for funding. We will still need to make various legal checks before grant award: *legal entity validation, financial capacity, exclusion check, etc.*

**Grant preparation** will involve a dialogue in order to fine-tune technical or financial aspects of the project and may require extra information from your side. It may also include adjustments to the proposal to address recommendations of the evaluation committee or other concerns. Compliance will be a pre-condition for signing the grant.

If you believe that the evaluation procedure was flawed, you can submit a **complaint** (following the deadlines and procedures set out in the evaluation result letter). Please note that notifications which have not been opened within 10 days after sending are considered to have been accessed and that deadlines will be counted from opening/access (see also [Funding & Tenders Portal Terms and Conditions](#)). Please also be aware that for complaints submitted electronically, there may be character limitations.

## 9. Award criteria

The **award criteria** for this call are as follows:

### 1. Relevance (30 points):

- clarity and consistency of project, objectives and planning
- extent to which the proposed action matches the themes and priorities and objectives of the call
- vision on the innovation to be procured

### 2. Implementation and Realisation:

#### – **Project design and implementation (30 points):**

- technical quality
- logical links between the identified problems and needs and solutions proposed (logical frame concept)
- methodology for implementing the project (concept and methodology, tasks, timetable, risks and risk management, monitoring – performance indicators)
- cost effectiveness (sufficient/appropriate budget for proper implementation - best value for money)

#### – **Project team and cooperation arrangements (30 points):**

- quality of the consortium and project teams
- appropriate procedures and problem-solving mechanisms for cooperating within the project teams and consortium

### 3. Impact (10 points)

- ambition and expected impact
- replicability potential
- appropriate dissemination strategy for ensuring sustainability and long-term impact
- sustainability of results after EU funding ends

Award criteria	Minimum pass score	Maximum score
Relevance	16	30
Quality — Project design and implementation	16	30
Quality — Project team and cooperation arrangements	16	30
Impact	6	10
<b>Overall (pass) scores</b>	<b>70</b>	<b>100</b>

Maximum points: 100 points.

Individual thresholds per criterion: 16/30, 16/30, 16/30 and 6/10 points.

Overall threshold: 70 points.

Proposals that pass the individual thresholds AND the overall threshold will be considered for funding — within the limits of the available call budget. Other proposals will be rejected.

## 10. Legal and financial set-up of the Grant Agreements

If you pass evaluation, your project will be invited for grant preparation, where you will be asked to prepare the Grant Agreement together with the EU Project Officer.

This Grant Agreement will set the framework for your grant and its terms and conditions, in particular concerning deliverables, reporting and payments.

The Model Grant Agreement that will be used (and all other relevant templates and guidance documents) can be found on [Portal Reference Documents](#).

### Starting date and project duration

The project starting date and duration will be fixed in the Grant Agreement (*Data Sheet, point 1*). Normally the starting date will be after grant signature. Retroactive application can be granted exceptionally for duly justified reasons — but never earlier than the proposal submission date.

Project duration: between 24 and 48 months (extensions will be possible only exceptionally, for duly justified reasons and through an amendment).

### Milestones and deliverables

The milestones and deliverables for each project will be managed through the Portal Grant Management System and will be reflected in Annex 1 of the Grant Agreement.

### Form of grant, funding rate and maximum grant amount

The grant parameters (*maximum grant amount, funding rate, total eligible costs, etc*) will be fixed in the Grant Agreement (*Data Sheet, point 3 and art 5*).

Project budget (maximum grant amount): *see section 6 above*. The grant awarded may be lower than the amount requested.

The grant will be a budget-based mixed actual cost grant (actual costs, with unit cost and flat-rate elements). This means that it will reimburse ONLY certain types of costs (eligible costs) and costs that were *actually* incurred for your project (NOT the *budgeted* costs). For unit costs and flat-rates, you can charge the amounts calculated as explained in the Grant Agreement (*see art 6 and Annex 2 and 2a*).

The costs will be reimbursed at the funding rate fixed in the Grant Agreement (**50%**).

Grants may NOT produce a profit (i.e. surplus of revenues + EU grant over costs). For-profit organisations must declare their revenues and, if there is a profit, we will deduct it from the final grant amount (*see art 22.3*). Moreover, please be aware that the final grant amount may be reduced in case of non-compliance with the Grant Agreement (*e.g. improper implementation, breach of obligations, etc.*).

### Budget categories and cost eligibility rules

The budget categories and cost eligibility rules are fixed in the Grant Agreement (*Data Sheet, point 3, art 6 and Annex 2*).

*Budget categories for this call:*

- A. Personnel costs
  - A.1 Employees, A.2 Natural persons under direct contract, A.3 Seconded persons
  - A.4 SME owners and natural person beneficiaries
- B. Subcontracting costs
- C. Purchase costs
  - C.1 Travel and subsistence
  - C.2 Equipment
  - C.3 Other goods, works and services
- D. Other cost categories
  - D.1 Financial support to third parties : *not applicable*

- D.2 PPI Procurement costs
- E. Indirect costs

*Specific cost eligibility conditions for this call:*

- personnel costs:
  - SME owner/natural person unit cost<sup>21</sup>: Yes
  - applicable travel and subsistence unit cost<sup>22</sup>: Yes
- equipment costs: depreciation
- other cost categories:
  - costs for financial support to third parties: not allowed under this call
  - PPI procurement cost<sup>23</sup>: applicable
- indirect cost flat-rate: 7% of the eligible direct costs (categories A-D, except volunteers costs, if any)
- VAT: non-deductible VAT is eligible (but please note that since 2013 VAT paid by beneficiaries that are public bodies acting as public authority is NOT eligible)
- other:
  - in-kind contributions for free are allowed, but cost-neutral, i.e. they cannot be declared as cost
  - kick off meeting: costs for kick-off meeting organised by the granting authority are eligible (travel costs for maximum 2 persons, return ticket to Brussels and accommodation for one night) only if the meeting takes place after the project starting date set out in the Grant Agreement; the starting date can be changed through an amendment, if needed
  - project websites: communication costs for presenting the project on the the participants' websites or social media accounts are eligible; costs for *separate project websites are not eligible*
  - other ineligible costs: No

*Reporting and payment arrangements*

The reporting and payment arrangements are fixed in the Grant Agreement (*Data Sheet, point 4 and art 21 and 22*).

After grant signature, you will normally receive a **prefinancing** to start working on

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<sup>21</sup> Commission [Decision](#) of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme (C(2020)7715).

<sup>22</sup> Commission [Decision](#) of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework (C(2021)35).

<sup>23</sup> Acquisition costs of innovative solutions shall be maximum 70% of total eligible costs.

the project (float of normally **50%** of the maximum grant amount; exceptionally less or no prefinancing). The prefinancing will be paid 30 days from entry into force/10 days before starting date/financial guarantee (if required) – whichever is the *latest*.

**There will be one interim payment** (with detailed cost reporting).

**Payment of the balance:** At the end of the project, we will calculate your final grant amount. If the total of earlier payments is higher than the final grant amount, we will ask you (your coordinator) to pay back the difference (recovery).

All payments will be made to the coordinator.

 Please be aware that payments will be automatically lowered if one of your consortium members has outstanding debts towards the EU (granting authority or other EU bodies). Such debts will be offset by us — in line with the conditions set out in the Grant Agreement (see *art 22*).

Please note that you are responsible for keeping records on all the work done and the costs declared.

### Prefinancing guarantees

If a prefinancing guarantee is required, it will be fixed in the Grant Agreement (*Data Sheet, point 4*). The amount will be set during grant preparation and it will normally be equal or lower than the prefinancing for your grant.

The guarantee should be in euro and issued by an approved bank/financial institution established in an EU Member State. If you are established in a non-EU country and would like to provide a guarantee from a bank/financial institution in your country, please contact us (this may be exceptionally accepted, if it offers equivalent security).

Amounts blocked in bank accounts will NOT be accepted as financial guarantees.

Prefinancing guarantees are formally NOT linked to individual consortium members, which means that you are free to organise how to provide the guarantee amount (*by one or several beneficiaries, for the overall amount or several guarantees for partial amounts, by the beneficiary concerned or by another beneficiary, etc*). It is however important that the requested amount is covered and that the guarantee(s) are sent to us in time to make the prefinancing (scanned copy via Portal AND original by post).

If agreed with us, the bank guarantee may be replaced by a guarantee from a third party.

The guarantee will be released at the end of the grant, in accordance with the conditions laid down in the Grant Agreement.

### Certificates

Depending on the type of action, size of grant amount and type of beneficiaries, you may be requested to submit different certificates. The types, schedules and thresholds for each certificate are fixed in the grant agreement (*Data Sheet, point 4 and art 24*).

### Liability regime for recoveries

The liability regime for recoveries will be fixed in the Grant Agreement (*Data Sheet point 4.4 and art 22*).

For beneficiaries, it is one of the following:

- limited joint and several liability with individual ceilings — *each beneficiary up to their maximum grant amount*
- unconditional joint and several liability — *each beneficiary up to the maximum grant amount for the action*

or

- individual financial responsibility — *each beneficiary only for their own debts.*

In addition, the granting authority may require joint and several liability of affiliated entities (with their beneficiary).

#### Provisions concerning the project implementation

IPR rules: *see Model Grant Agreement (art 16 and Annex 5)*:

- list of background: No
- rights of use on results: Yes
- access rights to ensure continuity and interoperability obligations: No

Communication, dissemination and visibility of funding: *see Model Grant Agreement (art 17 and Annex 5)*:

- communication and dissemination plan: Yes
- additional communication and dissemination activities: Yes

Specific rules for carrying out the action: *see Model Grant Agreement (art 18 and Annex 5)*:

- specific rules for PPI Grants for Procurement: Yes

#### Other specificities

n/a

#### Non-compliance and breach of contract

The Grant Agreement (chapter 5) provides for the measures we may take in case of breach of contract (and other non-compliance issues).



For more information, see [AGA — Annotated Grant Agreement](#).

## **11. How to submit an application**

All proposals must be submitted directly online via the Funding & Tenders Portal Electronic Submission System. Paper applications are NOT accepted.

Submission is a 2-step process:

**a) create a user account and register your organisation**

To use the Submission System (the only way to apply), all participants need to [create an EULogin user account](#).

Once you have an EULogin account, you can [register your organisation](#) in the Participant Register. When your registration is finalised, you will receive a 9-digit participant identification code (PIC).

**b) submit the proposal**

Access the Electronic Submission System via the Topic page in the [Search Funding & Tenders](#) section (or, for calls sent by invitation to submit a proposal, through the link provided in the invitation letter).

Submit your proposal in 3 parts, as follows:

- Part A includes administrative information about the applicant organisations (future coordinator, beneficiaries, affiliated entities and associated partners) and the summarised budget for the proposal. Fill it in directly online.
- Part B (description of the action) covers the technical content of the proposal. Download the mandatory word template from the Submission System, fill it in and upload it as a PDF file.
- Annexes (*see section 5*). Upload them as PDF file (single or multiple depending on the slots). Excel upload is sometimes possible, depending on the file type.

The proposal must keep to the **page limits** (*see section 5*); excess pages will be disregarded.

Documents must be uploaded to the **right category** in the Submission System otherwise the proposal might be considered incomplete and thus inadmissible.

The proposal must be submitted **before the call deadline** (*see section 4*). After this deadline, the system is closed and proposals can no longer be submitted.

Once the proposal is submitted, you will receive a **confirmation e-mail** (with date and time of your application). If you do not receive this confirmation e-mail, it means your proposal has NOT been submitted. If you believe this is due to a fault in the Submission System, you should immediately file a complaint via the [IT Helpdesk webform](#), explaining the circumstances and attaching a copy of the proposal (and, if possible, screenshots to show what happened).

Details on processes and procedures are described in the [Online Manual](#). The Online Manual also contains the links to FAQs and detailed instructions regarding the Portal Electronic Exchange System.

## 12. Help

As far as possible, ***please try to find the answers you need yourself***, in this and the other documentation (we have limited resources for handling direct enquiries):

- [Online Manual](#)
- FAQs on the Topic page (for call-specific questions in open calls; not applicable for actions by invitation)
- [Portal FAQ](#) (for general questions).

Please also consult the Topic page regularly, since we will use it to publish call updates. (For invitations, we will contact you directly in case of a call update).

### *Contact*

For individual questions on the Portal Submission System, please contact the [IT Helpdesk](#).

Non-IT related questions should be sent to the following email address: [EISMEA-SMP-COSME-ENQUIRIES@ec.europa.eu](mailto:EISMEA-SMP-COSME-ENQUIRIES@ec.europa.eu). Please note that the questions can be submitted up to 3 working days before the submission deadline.

Please indicate clearly the reference of the call and topic to which your question relates (*see cover page*).

## 13. Important



### IMPORTANT

- **Don't wait until the end** — Complete your application sufficiently in advance of the deadline to avoid any last minute **technical problems**. Problems due to last minute submissions (*e.g. congestion, etc*) will be entirely at your risk. Call deadlines can NOT be extended.
- **Consult** the Portal Topic page regularly. We will use it to publish updates and additional information on the call (call and topic updates).
- **Funding & Tenders Portal Electronic Exchange System** — By submitting the application, all participants **accept** to use the electronic exchange system in accordance with the [Portal Terms & Conditions](#).
- **Registration** — Before submitting the application, all beneficiaries, affiliated entities and associated partners must be registered in the [Participant Register](#). The participant identification code (PIC) (one per participant) is mandatory for the Application Form.
- **Consortium roles** — When setting up your consortium, you should think of organisations that help you reach objectives and solve problems.

The roles should be attributed according to the level of participation in the project. Main participants should participate as **beneficiaries** or **affiliated entities**; other entities can participate as associated partners, subcontractors, third parties giving in-kind contributions. **Associated partners** and third parties giving in-kind contributions should bear their own costs (they will not become formal recipients of EU funding). **Subcontracting** should normally constitute a limited part and must be performed by third parties (not by one of the beneficiaries/affiliated entities). Subcontracting going beyond 30% of the total eligible costs must be justified in the application.

- **Coordinator** — In multi-beneficiary grants, the beneficiaries participate as consortium (group of beneficiaries). They will have to choose a coordinator, who will take care of the project management and coordination and will represent the consortium towards the granting authority. In mono-beneficiary grants, the single beneficiary will automatically be coordinator.
- **Affiliated entities** — Applicants may participate with affiliated entities (i.e. entities linked to a beneficiary which participate in the action with similar rights and obligations as the beneficiaries, but do not sign the grant and therefore do not become beneficiaries themselves). They will get a part of the grant money and must therefore comply with all the call conditions and be validated (just like beneficiaries); but they do not count towards the minimum eligibility criteria for consortium composition (if any).
- **Associated partners** — Applicants may participate with associated partners (i.e. partner organisations which participate in the action but without the right to get grant money). They participate without funding and therefore do not need to be validated.
- **Consortium agreement** — For practical and legal reasons it is recommended to set up internal arrangements that allow you to deal with exceptional or unforeseen circumstances (in all cases, even if not mandatory under the Grant Agreement). The consortium agreement also gives you the possibility to redistribute the grant money according to your own consortium-internal principles and parameters (for instance, one beneficiary can reattribute its grant money to another beneficiary). The consortium agreement thus allows you to customise the EU grant to the needs inside your consortium and can also help to protect you in case of disputes.

- **Balanced project budget** — Grant applications must ensure a balanced project budget and sufficient other resources to implement the project successfully (*e.g. own contributions, income generated by the action, financial contributions from third parties, etc*). You may be requested to lower your estimated costs, if they are ineligible (including excessive).
- **No-profit rule** — Grants may NOT give a profit (i.e. surplus of revenues + EU grant over costs). This will be checked by us at the end of the project.
- **No double funding** — There is a strict prohibition of double funding from the EU budget (except under EU Synergies actions). Outside such Synergies actions, any given action may receive only ONE grant from the EU budget and cost items may under NO circumstances declared to two different EU actions.
- **Completed/ongoing projects** — Proposals for projects that have already been completed will be rejected; proposals for projects that have already started will be assessed on a case-by-case basis (in this case, no costs can be reimbursed for activities that took place before the project starting date/proposal submission).
- **Combination with EU operating grants** — Combination with EU operating grants is possible, if the project remains outside the operating grant work programme and you make sure that cost items are clearly separated in your accounting and NOT declared twice (*see AGA — Annotated Model Grant Agreement, art 6.2.E*).
- **Multiple proposals** — Applicants may submit more than one proposal for *different* projects under the same call (and be awarded a funding for them). Organisations may participate in several proposals. BUT: if there are several proposals for *very similar* projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).
- **Resubmission** — Proposals may be changed and re-submitted until the deadline for submission.
- **Rejection** — By submitting the application, all applicants accept the call conditions set out in this this Call Document (and the documents it refers to). Proposals that do not comply with all the call conditions will be **rejected**. This applies also to applicants: All applicants need to fulfil the criteria; if any one of them doesn't, they must be replaced or the entire proposal will be rejected.
- **Cancellation** — There may be circumstances which may require the cancellation of the call. In this case, you will be informed via a call or topic update. Please note that cancellations are without entitlement to compensation.
- **Language** — You can submit your proposal in any official EU language (project abstract/summary should however always be in English). For reasons of efficiency, we strongly advise you to use English for the entire application. If you need the call documentation in another official EU language, please submit a request within 10 days after call publication (for the contact information, *see section 12*).

- **Transparency** — In accordance with Article 38 of the [EU Financial Regulation](#), information about EU grants awarded is published each year on the [Europa website](#).

This includes:

- beneficiary names
- beneficiary addresses
- the purpose for which the grant was awarded
- the maximum amount awarded.

The publication can exceptionally be waived (on reasoned and duly substantiated request), if there is a risk that the disclosure could jeopardise your rights and freedoms under the EU Charter of Fundamental Rights or harm your commercial interests.

- **Data protection** — The submission of a proposal under this call involves the collection, use and processing of personal data. This data will be processed in accordance with the applicable legal framework. It will be processed solely for the purpose of evaluating your proposal, subsequent management of your grant and, if needed, programme monitoring, evaluation and communication. Details are explained in the [Funding & Tenders Portal Privacy Statement](#).