



EUROPEAN COMMISSION

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Innovation and Advanced Manufacturing
Director

CALL FOR PROPOSALS

Business transfers to employees creating a cooperative in order to ensure sustainability of SMEs

Number 171/G/GRO/PPA/15/8265

PILOT PROJECT

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

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

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

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

1. CONTEXT

1.1. Policy context

Many SMEs in Europe are faced with the likelihood of winding up unless an appropriate successor can be found for their ageing owners. In addition, considering the number of bankruptcies where at least a part of the business remains profitable, the potential for saving viable parts of such companies should not be neglected.

Ensuring a business-friendly environment is part of the Europe 2020 Strategy and the associated Flagship Initiatives that provide the basis for policy development at European level. These strategic frameworks define the context for actions aiming at promoting improvements in the conditions for business creation and development, including business transfers. Such actions however, also need to take into account earlier initiatives related to transfers of business launched at European level and in the Member States (the 1994 Commission Recommendation on the transfer of small and medium-sized enterprises, Commission Communications of 1998 and 2006, recommendations from different projects, studies and seminars related to transfers of business that have been carried out since 1994¹) as well as policy initiatives and actions related to the cooperative movement.²

The Small Business Act (SBA) review conducted in 2011 and the 2013 Commission study on The Evaluation of the Implementation of the 2006 Communication on Business Transfers³ concluded that there is good progress in the overall implementation of measures, but more needs to be done, especially in areas related to awareness-raising for better planning and preparation of business transfers, the quality of support and advisory services provided over the entire process of a business transfer and standards related to the functioning of on-line markets for business transfers. Therefore Member States were invited to take the appropriate actions to address these shortcomings in order to increase the number of successful business transfers in their respective countries.

In the SBA review it was pointed out that about one-third of business failures occur in the context of a business transfer and that successfully transferred companies on average secure a higher number of jobs than those created by start-ups. In this context, the Commission undertook actions to identify good practices to support business transfers and to promote these among different actors involved in the process.

¹ Commission Recommendation of 7 December 1994 on the transfer of small and medium-sized enterprises (Text with EEA relevance) <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31994H1069:en:HTML>; Communication from the European Commission 'Think Small First — A Small Business Act for Europe', COM/2008/0394 final; Commission Communication 98/C 93/02 of 28 March 1998 on the on the transfer of small and medium-sized enterprises - Official Journal C 93 of 28.3.98; Commission Communication on Transfer of Business - Continuity through a new beginning, COM(2006) 117 final of 14 March 2006;; Final Report of the European Seminar on the transfer of businesses, 23-24 September 2002, Vienna, http://ec.europa.eu/enterprise/policies/sme/files/support_measures/transfer_business/vienna_transfer_seminar_final_report_en.pdf ; Transfer of businesses – continuity through a new beginning. Final Report of the MAP 2002 project), http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=3667; Final report of the Expert Group on markets for business transfers, May 2006; http://ec.europa.eu/enterprise/policies/sme/files/support_measures/transfer_business/transfer_markets_en.pdf; Business Dynamics: Start-ups, Business Transfers and Bankruptcy - Final report, DG ENTR, January 2011, http://ec.europa.eu/enterprise/policies/sme/business-environment/files/business_dynamics_final_report_en.pdf

² [EEESC own-initiative opinion on "Cooperatives and restructuring"](#) (Rapporteur: Ms Zvolská, Co-rapporteur: Mr Olsson) adopted on 25 April 2012, CCMI/093

³ Review of the "Small Business Act" for Europe, COM(2011) 78 final, http://ec.europa.eu/enterprise/policies/sme/small-business-act/files/sba_review_en.pdf; Evaluation of the Implementation of the 2006 Commission Communication on Business Transfers, 18 December 2013, <http://ec.europa.eu/DocsRoom/documents/4263/attachments/4/translations>

As regards transfers of businesses to employees/workers under the cooperative form, previous initiatives at European level have raised awareness and knowledge about this practice among EU Member States, but have not gone much further.

1. 2. National contexts

It has to be underlined that the presence of cooperatives and their recognition as a vehicle for a business transfers still varies greatly among EU Member States. Whilst in most of EU countries cooperatives are present in almost all sectors of the economy, in a number of them the cooperative movement is still lagging behind and cooperatives do not enjoy an adequate level of recognition and support.

Activities of projects under this call should particularly target the countries where the knowledge about the business potential of cooperatives in general, and their suitability as a vehicle for a business transfer in particular, are not yet sufficiently well developed and/or the cooperative movement is still very weak. In this way schemes involving the transfer of knowledge and core competencies essential for business transfers to employees and workers under the cooperative form could be actively promoted and implemented.

The practice of transferring a business to employees / workers varies widely in Europe. Such transfers are most widespread in France, Italy and Spain, whereas more isolated cases can be found in other Member States, such as the UK and Finland. The reason for this is that the first three countries are also those where workers' cooperatives have had the longest and strongest history, and where the commitment to support business transfers by the national worker cooperatives' associations is the highest.

As a result, in these three countries, there has been a systematic approach to business transfers to employees and workers, coupled with the establishment of business support organizations providing training, consulting and financing services that are totally or partly dedicated to this practice and that function in a coordinated manner. This systematic approach is not limited to the immediate pre-transfer and post-transfer periods only, but it also ensures that the transferred enterprise is followed up over a longer period of time, and this considerably reduces the risk of post-transfer closures. In France it has been observed that 5 years after the transfer took place, the rate of survival of enterprises that have been transferred to employees and/or workers in a form of a cooperative is higher than for business transfers in general.

It appears that the main factors explaining why business transfers to employees and workers are more common and successful in some countries than in the others are the following:

- a legal framework adequately protecting and promoting employees'/workers' cooperatives;
- a high level of organisation and consolidation of employees'/worker's cooperatives in federations; and
- policy measures facilitating business transfers to employees/workers.

Even in the countries where businesses transfers to employees /workers are more common, there is still an untapped potential for them to be substantially increased. However, a big stumbling block is the lack of knowledge on this matter amongst professionals (e.g. lawyers, accountants, courts etc.), enterprise owners, and the employees/workers themselves about such a scenario. A transfer to employees/workers is not always the solution that comes first to the enterprise owner's mind, nor is it necessarily always the best solution. This is why a proper diagnosis and then an adequate follow-up and guidance for both enterprise owners and the employees/workers are crucial for the success of such projects.

In this context, the European Parliament decided in 2014 to initiate a Pilot Project aiming at increasing the sustainability of European SMEs through improving the environment for transferring businesses to employees/workers organised in a cooperative form. The total budget for this Pilot Project is €500 000.

In general, a pilot project is an initiative 'of an experimental nature designed to test the feasibility of an action and its usefulness'. This Pilot Project is within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

The present Call for Proposals is a response to the European Parliament's initiative with a view to support actions that would contribute to an increased sustainability of companies in Europe by facilitating the transfer

of companies that have no successor or are in financial difficulties to their employees/workers in the form of a cooperative. This shall also include awareness - raising actions about such an option and its benefits for both entrepreneurs and the employees/workers.

2. OBJECTIVE OF THE CALL

2.1. Objective of the call

The overall objective of this call is to improve the environment for transferring businesses to employees/workers organised in a cooperative form and to raise awareness about the benefits of a cooperative model.

In general, there are two main scenarios leading to the transfer of a company to employees/workers and its transformation into a workers' cooperative:

- Retiring entrepreneurs with no successor, including family businesses with no heir or family member willing to take over the company: the enterprise is sold to the employees/workers who then convert it into a worker's cooperative;
- Employee/worker buyouts of enterprises in financial difficulties (failure/bankruptcy) and at risk of closure, or after the closure, which are then converted into a workers' cooperative.

In the text of the call the term "business transfers to employees/workers organised in the form of a cooperative" will be used for both of the above scenarios.

The cooperative model is the one most often chosen by the employees/workers once they decide to take over a company from the owner, for no matter what reason. However, the awareness about such option and its benefits is not sufficiently developed, especially in the countries where the cooperative movement remains weak.

Priority will be given to projects that will best ensure the transfer of knowledge and expertise of transferring businesses to employees/workers between the Member States where the tradition of the cooperative movement is well developed and those Member States where such tradition is weak, and benefits offered by the cooperative model are not sufficiently well known.

2.2. Description of activities envisaged

Projects to be supported under this call shall include the following categories of actions:

- identification and assessment of the existing legislative, regulatory and administrative practices and support schemes that are related to cooperatives and/or are applied in the process of transferring businesses to employees/workers,
- development of a common methodology that could be used across Europe to produce comparable information on transfers of businesses to employees / workers organised in the form of a cooperative
- development of trans-European methods, training modules, practices and tools for advisors in business transfers on issues related to transfers to employees/workers and to the cooperative model so that advisors are equipped with the necessary expertise and knowledge to provide a comprehensive and cooperative-specific support during the whole transfer process. Actions could focus either on the creation of new methods/training modules or practices and tools and/or on the adaptation and/or improvements of the existing ones, and on their further dissemination/ application in countries where such methods, practices and tools do not yet exist. These methods, training modules, practices and tools shall be replicable and easily adaptable to different national contexts.
- organisation of cross-border dedicated trainings/workshops/seminars for business transfer advisors to test new methods/training modules, practices and tools, including the ways of assessing their efficiency and adaptability.

- promoting the option of transfers to employees/workers among entrepreneurs, employees / workers, as well as business associations, trade unions, financial institutions, credit groups and investment banks, trade associations, business support providers, public authorities etc.
- ensuring a proper transfer of knowledge and expertise on transferring a business to employees/workers and the cooperative model between the administrations of Member States with a long cooperative tradition and those where the cooperative model is not sufficiently well known and recognised.

2.4. Requirements applicable to all applications

Applications should be submitted by public or private entities, in consortia composed of at least 3 different entities from at least 3 different Member States, preferably from economically, socially and culturally diverse parts of Europe with a different level of tradition in as well as experience and knowledge about the cooperative movement. Applicants need to demonstrate that they are involved in providing general business and/or specific transfer of business support services and/ or have experience/knowledge about cooperative model.

The participation of the same partner in more than one proposal is not permitted; proposals with a member that participates in more than one consortium submitting a project proposal are not eligible and will be **excluded from the call**. Therefore applicants are encouraged to take the necessary measures to ensure that their partners will not participate in more than one proposal.

Activities foreseen under the project need to demonstrate a clear European added value by supporting European integration and transnational cooperation.

Proposals should contain a description of the management structure and processes of the project and the role of the lead applicant in the project management and implementation, what measures will be taken to ensure that high quality standards are applied by all consortium partners, how the achievement of objectives will be monitored, and appropriate corrective measures (such as redistribution of tasks and budget) will be taken, if needed. The main risks that might be encountered and the corresponding mitigating measures should also be described.

2.5. Deliverables

This call for proposals is expected to result in producing all the reports listed in article I.4.3 of the grant agreement, which should be submitted in English, namely:

- an interim report,
- a comprehensive final implementation report, describing the work undertaken and the obstacles encountered.

In addition, the following specific deliverables are to be provided:

- an outline of a common methodology that could be used across Europe to produce comparable information on transfers of business to employees / workers organised in the form of a cooperative
- a copy of training modules / materials,
- a description of the main stages of developing new methods, practices, tools (how existing knowledge, good practices were used to craft it)
- numbers and description of organisations and advisors taking part in testing/training modules and having been trained,
- details on promotion and dissemination of project results, including an estimate of their impact
- a copy of training modules/materials that are proposed to be used by regional / local advisors or stakeholders,
- a description of criteria applied to the selection of advisors, companies, organisations etc. taking part in the testing/training sessions, and details on the project results, including an estimate of their impact, outlining the possible common methodology that could be used across Europe to produce comparable results in supporting transfers of business to employees / workers organised in the form of a cooperative.

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

2. TIMETABLE

Scheduled start-up date for the action: After signature of grant agreement
Maximum duration of the action is: 18 months

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

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

	Stages	Date and time or indicative period
a)	Publication of the call	By 05 June
b)	Deadline for submitting applications	10/09/2015 [17:00 Brussels local time]
c)	Information to applicants	October 2015
d)	Signature of grant agreement or notification of grant decision	December 2015
e)	Starting date of the action/ work programme	After signature of grant agreement

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

Interim report	9 months after signature of grant agreement
Submission of final implementation reports	After completion of the project

3. EU FINANCING

Maximum budget allocated for EU financing under this call: € 500 000.

Indicative number of projects: Funding will be awarded to maximum 3 projects.

Maximum EU financing rate of eligible costs: 70 %.

Maximum EU financing amount per project: € 250 000 per project.

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

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

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

3.1. GENERAL PRINCIPLES OF EU FUNDING

Non-cumulative award

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

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

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

Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

Co-financing

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

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

- the beneficiary's own resources,

- income generated by the action or work programme,
- financial contributions from third parties.

Non-profit rule

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

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

Balanced budget

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

The budget must be drawn up in euros.

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

3.2. ELIGIBLE COSTS

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

- they are incurred during the duration of the action or work programme, as indicated in the grant agreement, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents (audit certificates);
- they are indicated in the estimated budget of the action or work programme;
- they are necessary for the implementation of the action or of the work programme, in accordance with the description of the action, attached to the grant agreement;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

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

The costs made by affiliated entities can be eligible, provided that:

- the entities concerned are identified in the grant agreement;

- the entities concerned abide by the rules applicable to the beneficiary under the grant agreement with regard to eligibility of costs and rights of checks and audits by the Commission, OLAF and the Court of Auditors.

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

3.2.1. Eligible direct costs

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

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

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

3.2.2. Eligible indirect costs

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

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

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

3.2.3. Non-eligible costs

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

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

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

3.3. CO-FINANCING AND JOINT AND SEVERAL RESPONSIBILITY

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

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

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

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

3.4. IMPLEMENTATION CONTRACTS/SUBCONTRACTING

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

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

Sub-contracting for the purpose of the action

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

- Subcontracting may only cover the implementation of a limited part of the action up to 30% of the eligible costs.
- It must be justified having regard to the nature of the action and what is necessary for its implementation;
- The proposal should clearly identify the subcontracted activities

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

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

3.5. FINANCIAL SUPPORT TO THIRD PARTIES

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

3.6. FINAL GRANT AND PAYMENT ARRANGEMENTS

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

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

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

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

In the event that the applicant's financial capacity is not satisfactory, a pre-financing guarantee for up to the same amount as the pre-financing may be requested in order to limit the financial risks linked to the pre-financing payment.

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

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

4. ELIGIBILITY

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

4.1. ELIGIBLE APPLICANTS

Applications from legal entities established in one of the 28 EU Member States are eligible:

Proposals must be submitted by public or private entities, in consortia composed of at least 3 entities from at least 3 different Member States. Applicants need to demonstrate that they are involved in providing general business support services and/or in transfer of business and/ or have experience/knowledge about cooperative model.

The transnational nature of the project must be demonstrated by submitting form A/2 to the submission set duly filled in and signed from the partner organisations in order to confirm their participation (original signatures required).

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

All applicants must satisfy the same eligibility criteria.

- Applications must be submitted by a legal person.
- Applicants must correspond to the definition of the following target organisations: any public or private entity who is involved in providing business support services and/or in transfer of business and/ or have experience/knowledge about cooperative model. Such entities may include:
 - public entities responsible for or active in the fields of economic affairs, enterprise, business support or related issues, e.g. national/regional authorities, governmental agencies
 - cooperatives' federations and cooperative movements;
 - trade unions;
 - education and training providers (public and private);
 - chambers of commerce and industry, chambers of handicrafts or similar bodies,
 - business support organisations,
 - business associations and business support networks.

- Corporate bodies must be properly constituted and registered under the law. If a body or organisation is not constituted under the law, a physical person must be designated to provide the legal responsibility.
- 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 affiliated entities, and may declare eligible costs. For that purpose, applicants shall identify such affiliated entities in the application form. The affiliated entities will have to comply with the eligibility and exclusion criteria.
- Several entities that form together one entity, whether or not this entity is established for the purpose of implementing the action, may apply as a sole beneficiary. The entities will be considered as affiliated entities, which each will have to comply with eligibility, exclusion and selection criteria.
- Participation of the same partner in more than one proposal is excluded.

Supporting documents

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

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

4.2. ADMISSIBLE AND ELIGIBLE PROPOSALS

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

- Applications must be sent no later than the deadline for submitting applications referred to in section 9.
- Applications must be submitted in writing, using the application form and the electronic submission system, as indicated in the Guide for Applicants.
- Applications must be drafted in one of the EU official Languages. If your proposal is not in English, a translation of the full proposal would be of assistance to the evaluators. An English translation of an abstract may be included in the proposal (see Guide for Applicants).
- Proposals must be submitted in conformity with the call specifications;
- Only projects that are strictly non-profit-making and/or whose immediate objective is non-commercial shall be eligible.

- Applications must respect the maximum rate for EU co-financing.
- Applications must respect the maximum amount for EU co-financing.
- Applications must respect the maximum duration of projects.
- Applications may not include contributions in kind as part of their co-financing.

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

5. EXCLUSION CRITERIA

5.1. EXCLUSION FROM PARTICIPATION

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

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

The same exclusion criteria apply to affiliated entities.

5.2. EXCLUSION FROM AWARD

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

- are subject to a conflict of interest;
- are guilty of misrepresentation in supplying the information required by the Commission as a condition of participation in the grant award procedure or fail to supply this information;

- find themselves in one of the situations of exclusion, referred to in article 106 Financial Regulation (see section 6.3)

The same exclusion criteria apply to affiliated entities.

5.3. SUPPORTING DOCUMENTS

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

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

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

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

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

6. SELECTION

6.1. FINANCIAL CAPACITY

Applicants must have stable and sufficient sources of funding to maintain their activity throughout the period during which the action is being carried out or the year for which the grant is awarded and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

For grants of a total value < EUR 60 000:

- a declaration on honour

For grants of a total value ≥ EUR 60 000, in addition:

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

For grants for an action ≥ EUR 750 000 or operating grants ≥ EUR 100 000, in addition:

- an audit report produced by an approved external auditor certifying the accounts for the last financial year available.
- In the event of an application grouping several applicants (consortium), the above threshold regarding audit reports applies per applicant.
- In the case of affiliated entities forming together **one** sole applicant, the above requirements apply to each of the affiliated entity.

6.2. OPERATIONAL CAPACITY

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

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

Applicants must prove that they have at least three years of experience in activities related to cooperative movement, business support services and/or the transfer of business or in providing and organising services/trainings related to this field.

- Applicants must demonstrate experience in cooperating with partners in other European countries and in running projects and activities at transnational and European level.
- In order to prove their experience as specified above, applicants will need to submit a list of projects carried out in the last 3 years (whether funded by the EU or not).
- Furthermore, applicants must include with their grant application form a curriculum vitae (CV) for each member of the team that will primarily be responsible for managing and implementing the action as well as professional references.

The CVs should preferably be submitted in the Europass format, which can be found at:

<http://europass.cedefop.europa.eu/en/documents/curriculum-vitae>

Applicants must be directly responsible for the preparation and management of the project, and not be acting as an intermediary.

In the case of affiliated entities forming together a sole applicant, the above requirements apply to each affiliate entity.

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

7. AWARD

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

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

8. SUBMISSION OF PROPOSALS

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

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

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

The deadline for submission of proposals is:

10/09/2015 [17:00 Brussels local time]

9. CONTACTS

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

Before the final date for submission of proposals,

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

After the deadline for submission of proposals:

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

Contact coordinates for the call:

European Commission

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Directorate F — Innovation and Advanced Manufacturing

Unit F.2 — Clusters, Social Economy and Entrepreneurship

E-mail address: GROW-CFP-PP15-TTE@ec.europa.eu

Office address: BREY 06/290, B-1049 Brussels, Belgium

10. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by Unit F.1 – Entrepreneurship and Social Economy , Directorate F – Entrepreneurship and SMEs, Internal Market, Industry, Entrepreneurship and SMEs Directorate-General, European Commission.

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

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

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

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

(for more information see the Privacy Statement on:

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

or

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

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

11. PUBLICITY

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

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

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

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

The Commission will publish the following information:

- name of the beneficiary;
- address of the beneficiary (legal persons) or reference to the region (natural persons);

- subject of the grant;
- amount awarded.

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

12. ANNEX 1 SUBMISSION SET

The Submission Set can be downloaded from the following page: http://ec.europa.eu/growth/contracts-grants/calls-for-proposals/index_en.htm

13. ANNEX 2 GUIDE FOR APPLICANTS

The Guide for Applicants can be downloaded from the following page: http://ec.europa.eu/growth/contracts-grants/calls-for-proposals/index_en.htm

14. ANNEX 3 EVALUATION CRITERIA

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

EVALUATION CRITERIA	MAX. SCORE
1. Relevance	20
To what extent the proposal addresses the general objectives of the call?	
How relevant are activities foreseen in the proposal to the required actions under the call?	
To what extent is the proposal likely to address the issues indicated in the call's description of actions required?	
2. Quality	30
How coherent is the overall project design, including preparedness for evaluation?	
To what extent is the methodology proposed to develop actions under this call likely to deliver high quality results?	
How clear and feasible is the plan of action?	
To what extent does the proposal contain specific elements contributing to its added value, e.g. innovative approaches, proposals for good practice dissemination and replication?	
To what extent measures are foreseen to ensure the overall quality of project management, including quality control and risk management?	
3. Impact	35
To what extent is the project likely to improve the environment and conditions for transfer of business to employees and knowledge about the cooperative model?	
To what extent do the structure of the project and its implementation strategy allow for, or facilitate a continuity of the activity after the duration of the action (either by the applicant or by other organisations)?	
To what extent are the proposed activities demonstrating a clear European added value by supporting transnational cooperation?	
To what extent is the project likely to facilitate the transfer of knowledge/experience about the cooperative model and on transferring business to employees between different Member States?	
To what extent are the proposed models/training modules transferable and easily applicable to different contexts in different Member States?	
To what extent dissemination tools and measures proposed are likely to reach the intended audience so as to create the greatest and most appropriate impact?	

What are concrete and objectively verifiable indicators for project outcomes proposed within the proposal?	
4. Budget and Cost-effectiveness	15
To what extent is the budget clear and detailed?	
Does the breakdown of the budget, category by category, offer a way of ensuring that the amount of the grant awarded is the minimum necessary for the operation to be completed?	
Are the probable results of the project in a reasonable relationship to the amount of the grant?	
To what extent are there no better ways of achieving the expected results?	
To what extent is the proposed expenditure relevant and/or necessary for the implementation of the project?	
Maximum total score	100

If a total score lower than 70% points or a score lower than 50% for any of the above four criteria is obtained, the proposal will not be evaluated further.

15. ANNEX 4 - AGREEMENT

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