



# Single Market Programme (SMP COSME)

## Call for proposals

Social economy enterprises: capacity building and business opportunities  
for social circular enterprises  
(SMP-COSME-2024-SEE)

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

Innovation Ecosystems, SMP/Entrepreneurship and Consumers  
**SMP/SME Pillar, Internal Market and Support to Standardisation**

### CALL FOR PROPOSALS

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## 0. Introduction

This is a call for proposals for EU **action grants** in the field of social economy under the Competitiveness of Enterprises and SMEs strand 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 (SMP Regulation [2021/690](#)<sup>1</sup>).

The call is launched in accordance with the 2024-2027 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 **topics**:

- **Topic 1: SMP-COSME-2024-SEE-01 — Stepping up organisational and entrepreneurial capacity of SMEs in social economy.**
- **Topic 2: SMP-COSME-2024-SEE-02 — Partnerships for circular value chains between mainstream businesses and SMEs in social economy.**

Each project application under the call must address only one of these two topics. Applicants wishing to apply for more than one topic, must submit a separate proposal under each topic.

We invite you to read the **call documentation** 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](#).

<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) (OJ L 153, 3.5.2021, p. 1).

<sup>2</sup> Commission Implementing Decision C(2024) of 31 July 2024 amending Commission Implementing Decision C(2023) 8926 as regards the implementation of certain action under the Single Market Programme (2024-27 SMP WP).

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 (including mandatory documents; sections 5 and 6)
  - criteria for financial and operational capacity and exclusion (section 7)
  - evaluation and award procedure (section 8)
  - award criteria (section 9)
  - 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

In May 2021, the European Commission updated the EU **Industrial Strategy**<sup>3</sup> to support the industrial transformation to a more sustainable, digital, resilient and globally competitive economy. This, notably in the context of recovery from the COVID-19 crisis. To reach that objective, the European Commission is building on an ecosystem-based approach which identifies the “proximity and social economy” as one of the 14 industrial ecosystems. The new updated strategy calls for the co-creation of transition pathways involving stakeholders to better understand the specificities, needs and required actions in each ecosystem to deliver on the green and digital transition.

Against this background, a **transition pathway for the proximity & social economy**<sup>4</sup>, resulting from a co-creation process involving more than 400 ecosystem stakeholders, was launched in November 2022. It represents a key deliverable in the context of the updated industrial strategy and the **Social Economy Action Plan** (SEAP)<sup>5</sup> of December 2021 which sets out the EU vision on social economy for 2030

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<sup>3</sup> [COM\(2021\) 350 final of 5.5.2021](#)

<sup>4</sup> [Transition pathway proximity and social economy- European Commission \(europa.eu\)](#)

<sup>5</sup> [Commission presents Action Plan to boost the social economy and create jobs - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#)

and whose implementation the transition pathway underpins. The pathway outlined 14 action areas and 30 concrete actions to support the green and digital transition of the ecosystem, as well as to improve its resilience.

Furthermore, the European Commission adopted a **New circular economy action plan (CEAP)<sup>6</sup> in March 2020** which is one of the main building blocks of the **European Green Deal<sup>7</sup>**. The action plan announces initiatives along the entire life cycle of products. It targets how products are designed, promotes circular economy processes, encourages sustainable consumption, and aims to ensure that waste is prevented, and the resources used are kept in the EU economy for as long as possible. Small and medium-sized enterprises, including those active in the social economy, play also a key role in reaching the objectives of the **Green Deal Industrial Plan<sup>8</sup>** which aims to enhance the competitiveness of Europe's net-zero industry and support the fast transition to climate neutrality.

#### *Stepping up organisational and entrepreneurial capacity of SMEs in social economy*

During the consultation for the Social Economy Action Plan and during the co-creation phase of the transition pathway of the proximity and social economy ecosystem, stakeholders highlighted the importance of stable, professional and qualitative organisational bases to ensure the resilience and sustainability of SMEs in the social economy. Moreover, a strong organisational base is essential for SMEs to achieve green and digital transitions and to make the most out of the opportunities that lay in these transitions.

Specific support measures are therefore needed to strengthen and empower small SMEs in the social economy, as they usually are small organisations (micro and small business) with lack of resources and rely heavily on volunteers. As demonstrated in some EU Member States<sup>9</sup>, tailored capacity building, training, coaching and advisory services are essential to make those SMEs resilient for the future, for example in achieving economies of scale, realising mergers and joint ventures, adopting solid innovation policies, developing advanced commercial strategies and modern HR policies. However, such tailored support services are not widely developed in the social economy and mainstream services are often not suited to the characteristics of social economy business models (e.g. governance models, stakeholder engagement models, impact models).

Consequently, this call for proposals aims to support the creation of tailored and modular organisational business support to improve entrepreneurial excellence of SMEs in the social economy.

#### *Partnerships for circular value chains between mainstream businesses and SMEs in social economy.*

As mentioned in the Social Economy Action Plan, SMEs active in the social economy can play an important role in implementing circular economy policies. They have been largely contributing to develop circular economy value chains (e.g. in electronics and textile recycling, reusable consumer goods, repair and remanufacturing activities or regenerative farming techniques).

However, when implementing circular solutions, they face challenges in scaling their businesses — and therefore their impact— as they operate within an economic system that is essentially designed for linear models, such as linear supply chains and consumer demand for fast, cheap, single-use items. Such challenges relate for

<sup>6</sup> [Circular economy action plan - European Commission \(europa.eu\)](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>7</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>8</sup> [The Green Deal Industrial Plan \(europa.eu\).](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en)

<sup>9</sup> Social enterprises and their ecosystems in Europe, country reports and comparative report (2020)

example to the labour-intensive model, low capital base, additional investments related to work integration aspect and dependency on public contracts or subsidies and increased competition with for-profit companies.

Social economy actors can, nevertheless, deliver three principal benefits in the circular economy:

- **Creation of social benefits for target groups:** this includes recycling companies that employ low-income or marginalized populations directly to source or sort materials as well as social enterprises repurposing or remanufacturing materials typically sourced at a low cost, enabling them to provide affordable products for low-income consumers.
- **Reduction of social risks:** the developed models help mitigate negative externalities of circular models, focusing on equitable economic outcomes and environmental impact. For example, social enterprises can ensure that workers collecting recycled materials have safety and social protections and earn a living wage.
- **Increase of the scale of the circular economy models:** social enterprises in circularity often employ similar models across regions, thus enabling the scale of circularity processes to reinforce inclusive growth by connecting different initiatives.

Furthermore, social enterprises can contribute to sustainable development by creating inclusive business models that tackle issues such as poverty, inequality, and environmental degradation. These enterprises also play an important role as innovators and front-runners to inspire corporations, governments and other actors to develop inclusive circular business models.

However, in order to play a greater role in circular industries, social economy businesses need targeted and adapted support to overcome challenges such as: (1) the nascent demand for circular products; (2) the limited access to affordable, high-quality materials;(3) the shortage of circular skills in the workforce; (4) difficulty accessing finance for smaller enterprises; and (5) ecosystem policies and infrastructure designed for linear models.

In particular, the development of partnerships between businesses of all sectors, local authorities, researchers and services based on innovation, knowledge sharing and cooperation are essential to overcome those challenges, as also pointed by stakeholders during the preparation of the 'Transition Pathway for the Proximity and Social Economy Industrial ecosystem'.

Exciting opportunities exist for traditional businesses, financial institutions, and regional and local authorities to support SMEs in the social economy and collaborate on developing a system that not only promote competitive circular models, but also foster an enabling environment for circular solutions to thrive. This endeavour will require innovative thinking, strategic partnerships and catalytic financing to overcome existing barriers and facilitate the scaling of circular solutions.

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

### **Topic 1: SMP-COSME-2024-SEE-01 — Stepping up organisational and entrepreneurial capacity of SMEs in social economy.**

#### *Objectives*

This topic has the objective to improve quality of management and organisational excellence of SMEs in the social economy. This topic aims to allow the design and to pilot capacity building, training, coaching and advisory services. The activities developed by the selected proposals should be replicable by capturing the designed services in modular blueprints. This could for example help SMEs to prepare for obtaining a quality label of organisational excellence on the market where relevant and appropriate<sup>10</sup>.

Increased organisational excellence can improve the resilience of SMEs in the social economy in terms of:

- economic, social or environmental impact and performance,
- access to markets (public and private),
- innovation capacity: place based, social, digital and ecological,
- market positioning and (cross-)sectoral orientation,
- research and development strategies,
- product and service development as well as new business models,
- value chains assessment,
- foresight and anticipatory capacity,
- strategies to strengthening skills, focussing on several profiles in the organisation (management, employees, volunteers, target groups, etc.).

This topic will offer the opportunity to design support services/capacity building programmes improving organisational excellence of SMEs in the social economy (e.g. organisational performance assessment, support offer, monitoring and benchmarking)<sup>11</sup>. The long-term aim is to allow scaling up of these programmes developed by the supported projects to benefit more Social Economy SMEs (that are not directly supported by this topic).

#### *Themes and priorities (scope)*

Under this topic projects must consider all the following aspects when identifying the **targeted SMEs in the social economy** to be supported:

1. **Sectoral activity** (e.g. recycling, social services, retail, tourism, agri-food, health and care services, manufacturing, etc.).
2. **Type of SMEs in social economy** (e.g. social enterprises, different type of cooperatives, non-profit associations, Work Integration

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<sup>10</sup> The service cost to obtain such a label on the market cannot be covered by this call.

<sup>11</sup> See mandatory activities.



Social Enterprises, foundations and philanthropic organisations, social service providers, etc.).

3. **Territorial dimension** (e.g. SMEs in the social economy in a particular country, region(s), city/ies and social economy cluster(s) or similar territorial partnerships with social economy actors involved.

4. **Degree of maturity** in terms of organisational excellence of the targeted SMEs in the social economy.

Priorities envisaged by proposals submitted under this topic will focus on:

- Using, adapting or developing a model **to assess and measure the organisational performance of SMEs in the social economy** and apply this to those SMEs identified within the project scope.

- Based on the findings, **remediation in terms of quality of management and organisational excellence** of SMEs in the social economy through dedicated capacity building, training, coaching and advisory services. The implementation of the schemes should undergo a piloting phase for its further implementation (including benchmarking) allowing adaptation before further upscaling.

- **Promoting transferability:** blueprints for replication need to be developed, based on the experience of the developed programmes for capacity building, training, coaching and advisory, which are tested in multiple contexts and ready to be used beyond the project.

- **Transnational learning:** projects should have a clear cross-border learning effect and should develop support services with a transferable character (adaptable to the local context) or transnational learning component (e.g. peer learning). Therefore, projects should address the needs of target groups (SMEs and social economy support organisations) with different degrees of maturity, allowing learning effects within the consortia.

The support by the capacity building schemes can be provided through capacity building, training, coaching and advisory, accompanied with networking, matchmaking & facilitation, research and innovation support and/or product and service development and go to market services.

Although projects are free to focus on specific themes, add themes and specific modules, the following non-exhaustive themes could be included in the capacity building, training, coaching and advisory offer towards SMEs in the social economy:

- **Governance of the Organization**

Purpose: Governance of the organization is conducted in a quality manner.

- **Strategy of the organization**

Purpose: The organization defines or updates its strategy, including anticipatory elements.

- **General management of the organization**

Purpose: The management of the organization is done in a transparent way with as much as possible participatory / democratic decision-making.

- **Human Resource Management**

Purpose: Human resource management runs in an efficient and effective manner and focuses on the personal development of employees and competence enhancement of the staff.

- **Financial management of the organization**

Purpose: The financial management of the organization is aligned with the core mission of the company and to the long-term strategy of the organization. The resources are managed properly and transparently.

- **Change management**

Purpose: Companies are ready to properly implement changes within their organization.

- **Stakeholder management**

Purpose: Knowledge sharing between stakeholders is increased

- **Marketing & public relations (PR)**

Purpose: products and services are attractively promoted and placed in physical and online markets.

- **Local embedding**

Purpose: The organization engages with the local community and works towards sustainable local anchoring and development.

### Activities that can be funded (scope)

#### **A-Mandatory Activities:**

(1) At the start of the project, a **kick off** meeting will be held in Brussels with participation of at least one representative of each consortium leader and partners and the European Commission and EISMEA.

(2) **Mapping and assessing** SMEs organisational excellence and management capacity, including innovation capacity (e.g. in terms of green and digital transition) based on existing or adapted assessment tools. It should be used to identify capacity building, training, coaching and advisory needs and prepare/update a **suitable support programme or scheme, including relevant support** to implement the offer.

#### **(3) Training & capacity building**

Activities **can be organised at individual SME level as well as at group level**, depending on needs identified in the mapping phase. The methodology and intensity of support and offer should be presented in the proposal (hours of support per SME, type of training/support, profile of experts and participants, prerequisites, targets). It could address the themes and sub-themes as indicated under “themes and priorities” or other appropriate areas justified in the proposal.

Consequently, projects must:

(3.1) **Design programmes** for capacity building, training, coaching and advisory services or adapt to the needs of the targeted SMEs **existing programmes** with the aim to improve organisational excellence of SMEs in the social economy.

(3.2) **Pilot and adapt extensively the designed training and capacity building programmes** by offering those to management and relevant team members as well as board members of selected SMEs in the social economy. The project must develop objective criteria to support SMEs in the social economy in (a) defined region(s).

(3.3) **Benchmarking tools and targets** must be developed across the whole programme, designed in order to have a clear view on the progress achieved by participating SMEs.

(4) **Coaching & advisory** activities for management and relevant team members of SMEs in the social economy must be offered. This offer must remediate specific challenges identified **at individual SME** level or help to identify and seize potential business opportunities. Coaching and advisory could lead to tailored or generic services under activity (3) or be a follow-up support after activity (3) has been followed.

Activities described under (3) and (4) must be part of a comprehensive offer and allow a modular approach for SMEs potentially enjoying the services offered. Projects are encouraged to target SMEs that were not supported by previous EU projects.

(5) A minimum of **four in-person transnational workshops**: attended by at least 70 different organisations and experts across all workshops, invited by the consortium partners (target between 15-20 travelling participants per workshop reflecting a balanced representation of countries present in the consortia). A transnational workshop must cover minimum 12 hours of learning activities (minimum 1,5 days).

Transnational workshops can:

- help in the design of the capacity building, training, coaching and advisory offer,
- facilitate cross-border learning,
- offer some of the trainings in an international context (where appropriate and clearly justified added value, considering potential barriers such as language).

The methodology, duration and location of the workshops must be proposed by the applicants in their proposal, including the strategy to attract participants. It is expected that travel costs for participants in the workshops will be covered by the project budget<sup>12</sup>.

Consortia are free to organise additional online or in person meetings beyond the minimum requirements of this topic.

(6) Develop **modular blueprints for replication** of the capacity building, training, coaching and advisory offer. A Blueprint must describe the modules, tools and offer to allow easy replication and adaptation of the programme developed or adapted in the project. The blueprints must be accompanied with materials developed in the project and could be made available as open source.

(7) **Communication and awareness raising activities** to reach out to potential social economy enterprises, organisations, public entities and policy makers, mainstream SMEs and civil society about the project's objectives, activities and results.

**B-Other activities could also include (non-exhaustive list):**

- organisation of **networking** events in the framework of relevant EU networks (e.g. the Enterprise Europe Network, cluster collaboration platform, sectoral platforms) to ensure cross-fertilisation and support social economy SMEs to meet potential partners;
- organisation of activities to boost cross-sectoral learning and **cooperation, transnational and inter-regional learning and capacity building** to improve organisational excellence. This may include international, inter-

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<sup>12</sup> No costs for 'financial support to third parties' (FSTP) are eligible under this topic, therefore travel costs can be covered either through 'other direct costs' or 'subcontracting' (see [annotated model grant agreement](#)). The reimbursement rate for these costs is 90%.

regional and local travels for meetings with partners and communities, study visits, twinning, matchmaking, peer learning, knowledge-sharing;

- **mapping of relevant and existing tools, offers and initiatives**, guidelines, good practices, main players, providers of green, digital solutions and new technologies, opportunities to improve organisational excellence in the social economy;
- Activities focussing specifically on the organisation development of **start-ups** or recently created social economy entities.

Activities proposed by project partners must be in line with the objectives of this topic and justified by the project's objectives.

Timeline of these activities will be outlined in compliance with and respect of the project duration.

### Expected impact

This topic of the call for proposals targets the following outcomes:

- Strengthened competitive position of SMEs in the social economy as well as ability for business cooperation opportunities.
- Economic resilient SMEs in the social economy, reaching an optimal balance between quality, impact and competitiveness.
- SMEs in the social economy have the capacity to explore and engage in new ways to scale their business and impact model, e.g. by decentralised scaling models, facilitate mergers and joint ventures, social franchising models, etc.
- SMEs in the social economy are attractive employers, demonstrating excellence in terms of wellbeing, modern human resources policies, accessibility and organisational culture.
- SMEs in the social economy become cradles of sustainable product and service innovations as well as drivers for place-based innovation through local partnerships.
- Empowered social economy intermediaries capable of supporting their members and clients in becoming economic resilient and agile actors, receptive for innovation potential and adaptation to current and future crises.

For this topic, the impact of the **mandatory activities** listed above must be respectively assessed by each proposal against the following mandatory key performance indicators:

- Average number of hours of capacity building, training, coaching and advisory services provided per SME,
- Number of SMEs who benefited from the capacity building, training, coaching and advisory schemes,
- Number of trainers, coaches, mentors, experts and geographical diversity,
- Number of participants per transnational workshop,
- Country origin of participating Social Economy SMEs, with no more than 40% for each participating country,

- Number of social media impressions and engagement,
- Number of activities related to project promotion and dissemination.

Furthermore, proposals must measure the following overarching indicators from the Single Market Programme<sup>13</sup>:

1. Number of SMEs, clusters and business network organisations, and business support organisations receiving support from the programme, in particular for internationalisation, digitalisation and sustainability.
2. Number of companies supported having concluded business partnerships.
3. Number of entrepreneurs benefitting from mentoring and mobility schemes, including young, new and female entrepreneurs, as well as other specific target groups.

Applicants must include the above indicators and also propose further SMART (i.e. Specific, Measurable, Attainable, Relevant and Timely) indicators. The proposal **must include target values and measurable quality standards** for the proposed indicators. The set of proposed indicators, including the above listed compulsory KPIs, must be included in the Application Form (Section 3.1. Impact and Ambition). The application must set intermediate targets.

## **Topic 2: SMP-COSME-2024-SEE-02 — Partnerships for circular value chains between mainstream businesses and SMEs in social economy.**

### Objectives

This topic implements an action mentioned in the '**European Social Economy Action Plan**' aiming at increasing and reinforcing circularity partnerships amongst SMEs active in the social economy and mainstream (for-profit) businesses. B2B partnerships can be established along a specific value chain, within sectors such as waste stream, and across sectors. These could also involve public-private partnerships with public authorities, research institutes and be, for example, organised as clusters, circular hub or other form of partnerships.

By promoting and supporting such partnerships, this topic intends to strengthen the position of social circular enterprises (SCEs) in circular economy value chains. This can enable innovation for circular products and services in the 'proximity and social economy' ecosystem, improve circular processes as well as promote new business and organisational models. This action will contribute to the transition to a decarbonised economy which generates less waste.

Besides direct support to SCEs, this topic also aims to boost the development of transnational partnerships through knowledge sharing, capacity building and joint actions through transnational collaboration. In particular, this topic will support consortia to jointly research and develop practices with a focus on boosting circular processes, services and products at local and regional level.

This topic allows various thematic focusses and sectors to be covered.

In particular, its objectives aim at:

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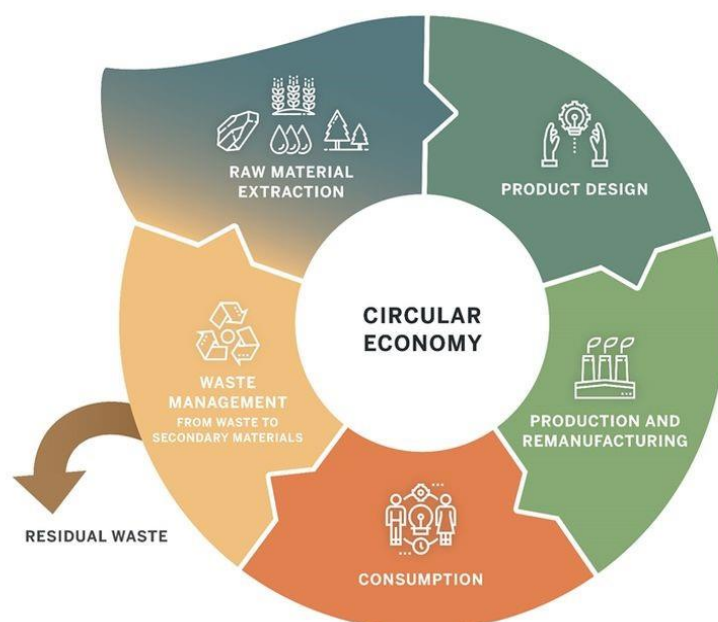
<sup>13</sup> See Annex IV of the Regulation establishing the Single Market Programme.

- conducting market, product and service research and innovation activities to adapt to new market and competitive realities in the field of circular activities;
- increasing the recognition of inclusive, associative, participatory and cooperative business models in the field of circular activities;
- finding access to circular value chains at the level of a given territory through partnerships among local business actors and community engagement;
- boosting consumer demand in terms of circular products and services offered by SCEs;
- testing new service approaches in the market for SCEs.

### Themes and priorities (scope)

Under this topic, applicants are encouraged to focus on one or more **specific sector(s) or waste streams** (e.g. Waste of Electric and Electronic Equipment (WEEE), textiles, consumer goods, food, construction materials, plastics, bio-based materials etc.) and the choice must be clearly explained in the proposal.

Applicants are invited to describe on which aspect(s)/phase(s) of the circular cycle the project will focus on and why, see graph below.



*Circular economy cycle (source: European Parliament Research Service<sup>14</sup>)*

Priorities envisaged under this topic will focus on:

- Facilitate **access to new markets** for SCEs and fostering B2B collaboration on circularity (local, regional national and cross-border);
- **Local sectoral market research** helps to identify economic opportunities linked to one or more potential circular streams, value chain opportunities and challenges, competitive advantage and business partnerships in a certain geographic context

<sup>14</sup> [Circular economy: definition, importance and benefits | Topics | European Parliament \(europa.eu\)](https://ec.europa.eu/eip/eip-cc-research-service/publications/circular-economy-definition-importance-and-benefits-topics)

(local, regional, national or European). Such research also helps to design sectoral strategies for sectoral support organisations or circular clusters hubs and other types of multiple-actor partnerships;

- SCEs **improve their market position** and attractiveness for collaboration, e.g. by enhancing their organisational and innovation capacity, by obtaining labels<sup>15</sup> and certifications and identifying relevant standards for future business collaboration;
- New **circular services and products** to be tested and scaled by SCEs.

Optionally projects could focus on:

- **support the creation of circularity hubs or clusters** to promote and develop long term circular partnerships and a joint circular strategy;
- support the use of **technologies that are adapted, developed, tested and widely used** to accelerate circular offer and processes of SCE.

Projects supported will ensure the sharing and replication of good practices in a transnational context, where relevant.

### Activities that can be funded (scope)

#### **A-Mandatory activities:**

The project will include, at least, the following compulsory activities:

(1) At the start of the project, a **kick off** meeting will be held in Brussels with participation of at least one representative of each consortium leader and partners and the European Commission and EISMEA.

(2) **Research: market research and analysis** on the potential of new circular operations, activities, partnerships within a specific value chain, sector or waste stream (e.g. recycling of specific equipment, components, materials). The primary focus should be on the economic aspects (such as feasibility, investment need, infrastructure, cost-model, etc.) for SCEs in the targeted region or country.

The research may optionally explore (i) the potential of digital tools to improve circular processes, develop new services or products, and design (digital) business models; (ii) the economic viability of setting up circular partnerships to pool resources. Additional research areas may be included as relevant to the objectives of this topic.

(3) A minimum of **five workshops per participating country in the consortium**. Workshops lasting at least 4 hours each must reach at least 150 unique SMEs per partner country across all workshops. SMEs may come from the social economy ecosystem and the mainstream business community.

Workshops must be in-person. They can take place at local / regional or national level (as appropriate for the consortium) and must cover the following components:

(3.1) **Market analysis:** identification of the market position of SCE, e.g. value chain participation, economic advantage, networks and know-how, diversification and specialisation, potentials in new areas for SCE in a particular locality / region / country. The input gathered during the workshop must feed the market and

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<sup>15</sup> The service cost to obtain such a label on the market cannot be covered by this call for proposals.



sectoral research and help identifying the needed training and capacity building (see 3.2)

(3.2) **Capacity building & Training:** to help circular social enterprises to improve trade readiness at sector / value chains / waste stream level and deploy new activities (specialise or differentiate products, services or business model).

(3.3) **Business matchmaking:** bring together mainstream and social circular enterprises to explore potential partnerships, with a priority for trade partnerships.

Consortia are free to organise additional online or in person meetings beyond the minimum requirements of this topic.

(4) **Three transnational in-person workshops**, attended by at least 50 different organisations and experts across all workshops, invited by the consortium partners (target between 15-20 travelling participants per country of the partners). A transnational workshop must cover at least 12 hours (minimum 1,5 days).

The transnational workshops should be organised to support the national workshops (as referred under point (3) above), create a transnational feedback loop and facilitate networking and transnational matchmaking or exchanges.

Consortia are free to organise additional online or in person meetings beyond the minimum requirements of this topic.

Workshops should strive to engage as much as possible SMEs in the transnational activities in order to facilitate also international exchanges amongst them, and where appropriate B2B matchmaking.

Workshops should mainly target SCEs and mainstream for-profit peers in relevant sectors. When suitable, public officials, regional and/or local network or umbrella organisation(s), universities and/or business, research, civil society, and other support organisations can also participate in the transnational workshops. Consortium partners must ensure that the composition of their delegation is balanced and focussed on the chosen key circular areas.

The methodology, duration and location of the compulsory workshops must be proposed by the applicants in their proposal, including the strategy to attract participants. It is expected that travel costs for participants in the workshops will be covered by the project budget<sup>16</sup>.

Consortia are invited to envisage collaboration in the workshops with other project(s) under this topic for transnational activities.

(5) **Development of sectoral strategy recommendations:** based on this experience from the research and workshop activities, the consortium must formulate a **sectoral strategy** to improve future B2B collaboration and sectoral partnerships in the chosen circular area and relevant to each of the regions or countries covered in the consortium. The strategy can for example be supported by best practices collected in the project.

(6) **Communication and awareness raising** activities to reach out to potential social economy enterprises and organisations, public entities and policy makers, mainstream SMEs and civil society about the project's objectives, activities and results.

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<sup>16</sup> No costs for 'financial support to third parties' (FSTP) are eligible under this topic, therefore travel costs can be covered either through 'other direct costs' or 'subcontracting' (see [annotated model grant agreement](#)). The reimbursement rate for these costs is 90%.



Projects are encouraged to target SMEs that were not supported by previous EU projects.

**B-Other activities could also include (non-exhaustive list):**

- organisation of **networking and capacity building**, events in the framework of relevant EU networks (e.g. the Enterprise Europe Network, and the European circular economy stakeholder platform) to ensure cross-fertilisation and support social economy SMEs to meet potential partners;
- organisation of activities to boost cross-sectoral learning and **cooperation, transnational and inter-regional learning and capacity building** in the field of social and circular economy. This may include international, inter-regional and local meetings with partners and communities, online and physical workshops, events, study visits, trainings, twinning, matchmaking, peer learning, knowledge-sharing;
- **mapping of relevant initiatives**, guidelines, good practices, main players, providers of green, digital solutions and new technologies, other opportunities to develop social circular activities;
- setup strategies to integrate and (to the extent possible) test new **digital solutions** and digital business models in the circular economy, such as selling and sharing platforms;
- improve local **community involvement and local consumer awareness**, e.g. seeking local communities feedback on project's priorities, encouraging participation of communities in local development, circular awareness, and other alternatives (e.g. sharing economy);
- promote (digital) social innovation and development of **new business models** in the field of social and circular economy.

Activities proposed by project partners must be in line with the objectives of the topic and justified by the project's objectives.

Timeline of these activities will be outlined in compliance with and respect of the project duration.

*Expected impact*

For this topic, the impact of the six mandatory activities listed above must be respectively assessed by each proposal against the following mandatory key performance indicators:

- Number of SMEs reached (SCE + mainstream SMEs)
- Number of SCE supported;
- Number of business matchmaking events;
- Number of capacity building events;
- Number of SMEs participating in international events;
- Number of SMEs participating in regional/local/national events;
- Number of new partnerships initiated during the action (resulting from the matchmaking);
- Number of collected good practices of collaboration between SCE and mainstream companies;
- Number of social media impressions and engagement;
- Number of activities related to project promotion and dissemination.

Furthermore, proposals must measure the following overarching indicators from the Single Market Programme<sup>17</sup>:

1. Number of SMEs, clusters and business network organisations, and business support organisations receiving support from the programme, in particular for internationalisation, digitalisation and sustainability.
2. Number of companies supported having concluded business partnerships.
3. Number of entrepreneurs benefitting from mentoring and mobility schemes, including young, new and female entrepreneurs, as well as other specific target groups.

Applicants must include the above indicators and also propose further SMART (i.e. Specific, Measurable, Attainable, Relevant and Timely) indicators. The proposal **must include target values and measurable quality standards** for the proposed indicators. The set of proposed indicators, including the above listed compulsory KPIs, must be included in the Application Form (Section 3.1. Impact and Ambition). The application must set intermediate targets.

### 3. Available budget

The estimated available call budget is **EUR 8 000 000**.

Specific budget information per topic can be found in the table below:

Topic	Topic budget
1 — Stepping up organisational and entrepreneurial capacity of SMEs in social economy.	<b>EUR 6 000 000</b>
2 — Partnerships for circular value chains between mainstream businesses and SMEs in social economy.	<b>EUR 2 000 000</b>

We expect to fund **3-4 projects** for **topic 1** (SMP-COSME-2024-SEE-01) and **2-3 projects** for **topic 2** (SMP-COSME-2024-SEE-02).

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

### 4. Timetable and deadlines

Timetable and deadlines (indicative)	
Call opening:	1 October 2024
Deadline for submission:	<u>10 December 2024 – 17:00:00 CET</u> (Brussels)
Evaluation:	January-April 2025
Information on evaluation results:	April 2025

<sup>17</sup> See Annex IV of the Regulation establishing the Single Market Programme.

GA signature:	June 2025
Estimated starting date of selected projects:	September 2025

## 5. Admissibility and documents

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*)
- **mandatory annexes and supporting documents** (*templates available to be downloaded from the Portal Submission System, completed, assembled and re-uploaded*):
  - detailed budget table/calculator
  - list of previous projects (key projects for the last 4 years) (*template available in Part B*)
  - Annex 5 to Part B - Eligibility checklist (that can be downloaded from [EISMEA's call page](#) and will need to be uploaded dully filled and signed together (as a single document) with the technical annex of the proposal entitled 'Application Form Part B' (SMP COSME) document. Please check carefully also Section 6 'Eligibility' of this call for proposals).


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 maximum **50 pages** (Part B). 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

Applications will only be considered eligible if their content corresponds wholly (or at least in part) to the topic description for which they are submitted.

### *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 States (including overseas countries and territories (OCTs))
  - non-EU countries:
    - listed EEA countries and countries associated to the Single Market Programme ([list of participating countries](#))

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*

Exceptional funding — Entities from other countries (not listed above) are exceptionally eligible, if the granting authority considers their participation essential for the implementation of the action.

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).

International organisations — International organisations are eligible. The rules on eligible countries do not apply to them.

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>18</sup>.

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<sup>18</sup> See Article 197(2)(c) EU Financial Regulation [2018/1046](#).

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>19</sup>. ⚠ Please note that if the action will be implemented by the members, they should also participate (either as beneficiaries or as affiliated entities, otherwise their costs will NOT be eligible).

Countries currently negotiating association agreements — Beneficiaries from countries with ongoing negotiations for participation in the programme (*see list of participating countries above*) may participate in the call and can sign grants if the negotiations are concluded before grant signature and if the association covers the call (i.e. is retroactive and covers both the part of the programme and the year when the call was launched).

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>20</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).

Following the [Council Implementing Decision \(EU\) 2022/2506](#), as of 16 December 2022, no legal commitments (including the grant agreement itself as well as subcontracts, purchase contracts, financial support to third parties etc.) can be signed with Hungarian public interest trusts established under [Hungarian Act IX of 2021](#) or any entity they maintain. Affected entities may continue to apply to calls for proposals. However, in case the Council measures are not lifted, such entities are not eligible to participate in any funded role (beneficiaries, affiliated entities, subcontractors, recipients of financial support to third parties). In this case, co-applicants will be invited to remove or replace that entity and/or to change its status into associated partner. Tasks and budget may be redistributed accordingly.

 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 applicants (beneficiaries; not affiliated entities), which complies with all following conditions:

(a) Geographical representation:

- at least **six independent entities** from at least **three different eligible countries;**
- from at least **three** of the following **groups of countries** (groups are defined to ensure geographical balance and involve countries with different levels of GDP per capita):
  - Group 1: EU countries with GDP per capita above EU27 average:  
Austria, Belgium, Denmark, France, Finland, Germany, Ireland, Luxembourg, Netherlands, Sweden.
  - Group 2: Southern EU countries:

<sup>19</sup> For the definitions, see Articles 187(2) and 197(2)(c) EU Financial Regulation [2018/1046](#).

<sup>20</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](#).

Cyprus, Greece, Italy, Malta, Portugal, Spain.

- Group 3: Central/Eastern/Balkan EU countries:

Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia.

- Group 4: non-EU SMP countries:

EEA countries and countries associated to the Single Market Programme ([list of participating countries](#))

(b) Type of entities:

- at least **one social economy 'enabling organisation'**<sup>21</sup> (intermediary) **per participating country** involved in the consortium; the organisation can be operational at **national, regional or local level**
- at least **one** and **maximum two 'social economy enabling organisations' active at EU level**<sup>22</sup>
- For the **topic 1** (SMP-COSME-2024-SEE-01) the following partner(s) must be added to the consortium:
  - at least one training provider, vocational education and training (VET), business school or business support organisation with experience in capacity building, training, coaching and advisory of businesses and management in the social economy.
- For the **topic 2** (SMP-COSME-2024-SEE-02) the following partners must be added to the consortium:
  - For every participating country in the consortium, one 'mainstream sectoral federation or business support organisation' with experience in the **circular economy**, (intermediary), being operational at **national, regional or local level**
  - one 'mainstream sectoral federation or business support organisation' representing or supporting businesses and with experience in the **circular economy** (such as sectorial member federations and associations or networks) at **EU level**.

The country of registration of participating support organisations at EU level do not count for the purpose of fulfilling the eligibility requirement related to social economy 'enabling organisation' per participating country. For example when an EU level organisation has its register in Belgium, the presence of this partner in the consortia does not count neither as a Belgian "social economy enabling organisation at national, regional or local level" nor as an "EU level organisation".

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<sup>21</sup> These organisations can be established as business support organisation, incubator & accelerator, sectoral federation or association representing social economy entities, providing support services to social economy entities or federate social entities at local, regional or national level.

<sup>22</sup> (i) These organisations can be established as business support organisation, incubator & accelerator, sectoral federation or association representing social economy entities, providing support services to social economy entities or federate social entities at EU level or in multiple EU Member States.  
(ii) At EU level means having members in multiple EU Member States and/or have developed support services explicitly addressing social economy entities in multiple Member States. Being part of an EU project in the past (e.g. partner or consortia leader) is not considered as being "enabling organisations' active at EU level" as a project is of temporary nature whereas an enabling organisation at EU level is supposed to have a structural representation or support offer and activity.

Both criteria: geographic representation and type of entities must be fulfilled in order for the application to be eligible.

### Eligible activities

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

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

Financial support to third parties is not allowed.

### Geographic location (target countries)

Proposals must relate to activities taking place in any eligible country under this call (*see above*).

### Duration

Projects should normally last for 36 months.

Extensions are possible, if duly justified and through an amendment.

### Project budget

Project budgets (maximum grant amount) are expected to be:

- for **topic 1** (SMP-COSME-2024-SEE-01) between EUR 1 500 000 and 2 000 000 per project and
- for **topic 2** (SMP-COSME-2024-SEE-02) around EUR 1 000 000 per project.

This does not however preclude the submission/selection of proposals requesting other amounts. The grant awarded may be lower than the amount requested.

## **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; *template available in Part B*).

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>23</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)

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<sup>23</sup> See Articles 136 and 141 of EU Financial Regulation [2018/1046](#).



- guilty of grave professional misconduct<sup>24</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<sup>7</sup>)
- 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 EU Regulation [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 rejected if it turns out that<sup>25</sup>:

- 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 (for each topic) against the operational capacity and award criteria (*see sections 7 and 9*) and then ranked according to their 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) 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

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<sup>24</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.

<sup>25</sup> See Article 141 EU Financial Regulation [2018/1046](#).

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'.

- 2) 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 topic. These factors will be documented in the panel report.
- 3) After that, the remainder of the available call budget will be used to fund projects across the different topics in order to ensure a balanced spread of the geographical and thematic coverage and while respecting to the maximum possible extent the order of merit based on the evaluation of the award criteria.

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.

 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 will be 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:** clarity and consistency of project, objectives (including appropriate focus on primary objectives of the topic) and planning; extent to which they match the themes and priorities and objectives of the topic; contribution to the EU strategic and legislative context; European/transnational dimension; potential to develop cross-border cooperation (**30 points**)
2. **Quality:**
  - **Project design and implementation:** logical links between the identified problems, needs and solutions proposed (logical frame concept); methodology for implementing the project (concept and methodology, project management, work plan (including activities, milestones and deliverables), timetable, risks and risk management, quality assurance, and monitoring and evaluation); feasibility of the project within the proposed time frame; cost effectiveness (sufficient/appropriate budget for proper implementation; best value for money); clarity, completeness and rationale of the proposed support to third parties (**30 points**).

- **Project team and cooperation arrangements:** appropriate quality and expertise of the consortium and project teams to deliver on the project; extent to which the role and contribution of each partner is appropriate and in line with its experience and past activities; appropriate procedures and problem-solving mechanisms for cooperating within the project teams and consortium (**30 points**).

**3. Impact:** credibility, ambition and expected long-term impact of results on target groups/general public; appropriate dissemination strategy, including communication activities, for ensuring visibility and long-term impact; sustainability of results after EU funding ends; possibility to use the results in other countries; ambitious, objectively verifiable and achievable key performance indicators to measure project outcomes and expected impact (**10 points**).

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 budget (i.e. up to the budget ceiling). 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. A retroactive starting date can be granted exceptionally for duly justified reasons — but never earlier than the proposal submission date.

Project duration: *see section 6 above*.

Estimated starting time of the projects is September 2025.

### 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.

Furthermore, beneficiaries will be requested to submit a **progress report** (not linked to a request for payment) on the achievement of performance indicators covering every 12 months of the project implementation (**mandatory deliverables**).

### 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 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 (**90%**).

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
- E. Indirect costs

*Specific cost eligibility conditions for this call:*

- personnel costs:

- SME owner/natural person unit cost<sup>26</sup>: Yes
- travel and subsistence unit cost<sup>27</sup>: Yes
- equipment costs: depreciation
- other cost categories:
  - costs for financial support to third parties: not allowed.
- indirect cost flat-rate: 7% of the eligible direct costs (categories A-D, except volunteers costs and exempted specific cost categories, 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 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 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.

For all projects, 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

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<sup>26</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)7115) as amended by Commission Decision C(2024)5328 of 30 July 2024.

<sup>27</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) as last amended by Commission Decision C(2024) 5405 of 31 July 2024.

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 also 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 normally requested from the coordinator, for the consortium. They must be provided during grant preparation, 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 (*art 23*).

### 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: No
- specific rules for blending operations: No

#### 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 EU Login 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](#)
- Topic Q&A 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 at the latest 5 working days before the submission deadline to the following email address: [EISMEA-SMP-COSME-ENQUIRIES@ec.europa.eu](mailto:EISMEA-SMP-COSME-ENQUIRIES@ec.europa.eu).

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).
- **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).
- **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 cumulation of funding/no double funding** — It is strictly prohibited to cumulate 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 be declared under two EU grants. If you would like to nonetheless benefit from different EU funding opportunities, projects must be designed as different actions, clearly delineated and separated for each grant (without overlaps).
- **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 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 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 the others (or they 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](#).