



# COSME Programme Call for Proposals

**European Cluster Excellence Programme with ClusterXchange scheme  
connecting ecosystems and cities**

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# 1. INTRODUCTION AND BACKGROUND

## 1.1. Introduction

Small and medium-sized enterprises (SMEs) play a crucial role in reaching the objectives of the **Europe 2020 Strategy**<sup>1</sup>. Whereas they are considered as crucial engines for growth and job creation, their competitiveness is affected by a limited exploitation of international opportunities and innovation prospects in the Single Market and beyond.

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

The Executive Agency for Small and Medium-sized Enterprises<sup>3</sup> (hereinafter referred to as "EASME" or the "Agency") is entrusted by the European Commission with the implementation, *inter alia*, of parts of the COSME programme.

In this respect, this call for proposals, managed by EASME, implements parts of the COSME Work Programme 2020, as last amended on 19 October 2020<sup>4</sup>.

This call for proposals builds upon the experience of 24 projects supported so far under the Cluster Excellence Programme of COSME following three calls for proposals<sup>5</sup> for supporting capacity building in cluster management. The 24 **cluster excellence projects** brought together 126 cluster organisations that represented over 11,000 SMEs and worked together on benchmarking, training of cluster managers, mentoring, strategy development and cross-cluster learning.

The current action provides for the implementation of a “**ClusterXchange**” **scheme** to strengthen inter-regional, sectoral and cross-sectoral collaboration between clusters, SMEs, scaling-up support organisations, large companies, staff from public authorities at both regional and local administration levels and innovation agencies. It therefore follows up on the suggestions of stakeholders during the 2017 GROW Your REGION conference<sup>6</sup>.

This call for proposals follows an **enlarged cluster excellence focus** that goes beyond benchmarking, training, coaching and learning. By adding the exchange element with a strong link to industrial modernisation and by encouraging work towards a joint strategy, activities and teaming up of clusters, the initiative adds another tool towards the creation of a project pipeline in the domains of smart specialisation investments, internationalisation and cluster management excellence. This therefore complements the support for interregional partnerships under the **thematic Smart Specialisation Platforms** on Industrial Modernisation<sup>7</sup>, Agri-food<sup>8</sup> and Energy<sup>9</sup>.

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<sup>1</sup> COM (2010)2020 final of 3 March 2010 “Europe 2020. A strategy for smart, sustainable and inclusive growth”.

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

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

<sup>4</sup> Commission Implementing Decision C(2020) 7044 final of 19 October 2020 amending Implementing Decision C(2020)111 on the financing of the programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises and the adoption of the work programme for 2020.

<sup>5</sup> Call for proposals COS-WP2014-3-04, COS-CLUSTER-2015-3-02 and COS-CLUSTER-2018-03-02. See also <https://www.clustercollaboration.eu/eu-initiative/cluster-excellence-calls>.

<sup>6</sup> [https://ec.europa.eu/growth/content/300-participants-co-create-inspiring-future-cluster-initiatives-grow-your-region-conference\\_en](https://ec.europa.eu/growth/content/300-participants-co-create-inspiring-future-cluster-initiatives-grow-your-region-conference_en).

<sup>7</sup> <http://s3platform.jrc.ec.europa.eu/industrial-modernisation>.

This approach towards **European Strategic Cluster Partnerships for cluster excellence** (ESCP-4x) links and builds on the experience of European Strategic Cluster Partnerships<sup>10</sup> for going international (ESCP-4i)<sup>11</sup> and for smart specialisation investments (ESCP-S3)<sup>12</sup> under COSME. The former ESCP-4i aim at supporting SME internationalisation with strategic partners in third countries beyond Europe, while the latter ESCP-S3 aim at facilitating collaboration and investments in relation to the implementation of smart specialisation strategies linked to industrial modernisation. They are also supported via the European Cluster Collaboration Platform<sup>13</sup>.

## 1.2. Policy Context

In its **Political Guidelines**, the von der Leyen Commission has prominently placed a focus for its action on the transition to a healthy planet and a new digital world. The **transitions towards climate neutrality and digital leadership** can only be achieved by bringing people together and upgrading our unique social market economy to fit today's new ambitions<sup>14</sup>. The unprecedented crisis of the COVID-19 pandemic and its dramatic socio-economic impacts in Europe and beyond have amplified the need for and accelerated the pace of these transitions.

In the aftermath of the crisis, more than ever, the industry will have to pull strengths together to recover from this huge shock, addressing supply chain disruption, connecting and re-connecting actors and building bridges across borders and sectors, so no one is left behind. The recovery shall meet the climate and digital challenges, as it shall create the favourable context for a **more resilient European economy**.

For making it happen and given increasingly frequent job changes and flexible working patterns, there is a constant **need to learn and keep on learning**. **Skills** allow people to reap the benefits from a rapidly changing workplace. While Europe's economy evolves out of the COVID-19 pandemic, there is a high risk that the share of unemployed people may increase dramatically. At the same time, competitive industry depends on recruiting and retaining a qualified workforce. As the green and digital transitions gather speed, Europe will need to ensure that education and training keep pace.

To find out what skills we need, we all need to work together. In a volatile and changing job market, it is crucial that all people possess broad key competences that lay a good foundation for their capacity to adapt. In addition, strong partnerships between those who look for skilled employees and those who train them, combined with modern forecasting techniques and graduate tracking, can guide what to learn and how.

In the aftermath of the crisis, many Europeans will need to retrain in a new skill or improve their existing skills to adapt to the changed labour market. The **European Skills Agenda**<sup>15</sup> for sustainable competitiveness, social fairness and resilience sets ambitious objectives for upskilling (improving existing skills) and reskilling (training in new skills). This is another area where clusters

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<sup>8</sup> <http://s3platform.jrc.ec.europa.eu/agri-food>.

<sup>9</sup> <http://s3platform.jrc.ec.europa.eu/s3p-energy>.

<sup>10</sup> <https://www.clustercollaboration.eu/eu-cluster-partnerships>.

<sup>11</sup> <https://ec.europa.eu/easme/en/cos-cluster-2014-3-03-cluster-go-international>, <https://www.clustercollaboration.eu/eu-cluster-partnerships/escp-4i/first-generation>, <https://ec.europa.eu/easme/en/cos-clusint-2016-03-01-cluster-go-international> and <https://www.clustercollaboration.eu/eu-cluster-partnerships/escp-4i/second-generation>.

<sup>12</sup> See <https://ec.europa.eu/easme/en/cos-clustpartn-2017-3-02-european-strategic-cluster-partnerships-smart-specialisation-investments> and <https://www.clustercollaboration.eu/eu-cluster-partnerships/escp-s3>.

<sup>13</sup> <https://www.clustercollaboration.eu>.

<sup>14</sup> A Union that strives for more, my agenda for Europe: [https://ec.europa.eu/info/sites/info/files/political-guidelines-next-commission\\_en\\_0.pdf](https://ec.europa.eu/info/sites/info/files/political-guidelines-next-commission_en_0.pdf).

<sup>15</sup> Communication of 1 July 2020 on European Skills Agenda for sustainable competitiveness, social fairness and resilience. <https://ec.europa.eu/social/BlobServlet?docId=22832&langId=en>.

are called upon to play a role in helping upskilling staff of SMEs, notably through the Pact for Skills.

Among the 12 flagship actions outlined in this new Skills Agenda, the Commission proposed the **Pact for Skills<sup>16</sup> to be launched in November 2020** as a new engagement and governance model for skills. It aims to help industry, public and private employers, social partners, education and training providers and employment agencies to work together and to create a shared vision and action. The Pact is one of the main tools to help Europe's industry bounce back from the wake of the COVID-19 crisis. The Pact aims to support workers and businesses with the skills needed to deal with the foreseen disruptions to the labour market, including job shifting and losses.

Many clusters are already active in organising activities and providing services related to skills for their members. Employers are the most common provider of education and training for adults in the EU27, and clusters cover a quarter of Europe's jobs. The practices in particular concern helping people to move between jobs inside or beyond the given cluster, along with skills mapping, skills forecast, and upskilling and reskilling for employees. The strength of clusters in skills is that by definition they bring together the industry with institutions providing education and training, and are places for ongoing close collaboration between a large number of companies in the same or related ecosystems.

**The European Green Deal<sup>17</sup>** is a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy. New technologies, sustainable solutions and disruptive innovation are critical to achieve the objectives of the European Green Deal. To keep its competitive advantage, the EU needs to increase significantly the large-scale deployment and demonstration of new technologies across sectors and across the single market, building new innovative value chains. This challenge is beyond the means of individual Member States. This is where cluster can play a pivotal role in leveraging national public and private investments while fostering interregional and cross-sectoral cooperation. Clusters are ideal to provide business acceleration services to high potential start-ups and SMEs for them to achieve breakthrough Green Deal innovation that can be scaled up rapidly on global markets.

The Commission presented in March 2020 its **EU Industrial Policy Strategy** entitled "*A new Industrial Strategy for Europe*"<sup>18</sup> proposing a new industrial way for Europe, fit for the ambitions of today and the realities of tomorrow. At the heart of this is the ability of Europe's industry to lead the transitions towards climate neutrality and digital leadership as well as driving our competitiveness. It cannot afford to simply adapt – it must now become the accelerator and enabler of change and innovation. Our industrial policy must help make this ambition a reality.

The new EU industrial strategy is entrepreneurial in spirit and in action. The Commission is ready to co-design and co-create solutions with the industry itself, as well as with social partners and all other stakeholders. This will be supported by a new focus on industrial ecosystems, taking into account all players within a value chain. Europe is embarking on a transition towards climate neutrality and digital leadership. The European industrial strategy aims to ensure that European industry can lead the way as we enter this new age.

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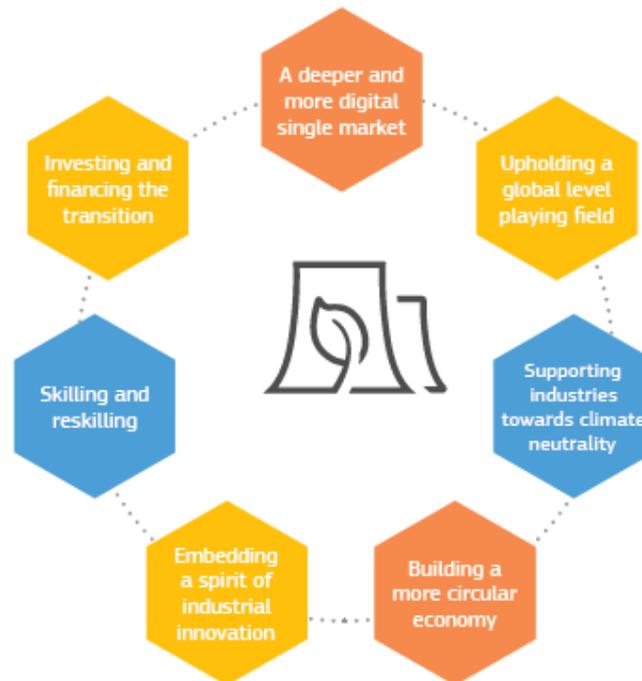
<sup>16</sup> European Skills Agenda for sustainable competitiveness, social fairness and resilience Q&A: [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_20\\_1197](https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_1197).

<sup>17</sup> COM(2019) 640 final of 11 December 2019 "The European Green Deal": [https://ec.europa.eu/info/sites/info/files/european-green-deal-communication\\_en.pdf](https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf).

<sup>18</sup> COM(2020)102 final of 10 March 2020 "A New Industrial Strategy for Europe": <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0102&from=EN>.

The strategic framework outlined in the strategy is summarised by the following illustration:

**Figure 1: Fundamental factors in making Europe’s industrial green and digital transformation happen:**



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Source:

[https://ec.europa.eu/commission/presscorner/api/files/attachment/863067/EU\\_industrial\\_strategy\\_en.pdf](https://ec.europa.eu/commission/presscorner/api/files/attachment/863067/EU_industrial_strategy_en.pdf).

Recent initiatives have shown that the **interest in strengthening cluster policy** has risen strongly at European, national and regional level. The 2018 Council Conclusions on EU Industrial Policy Strategy<sup>19</sup> called for a further development of European cluster policy and the Single Market Programme proposed by the Commission for 2021–2027<sup>20</sup> provides for Joint Cluster Initiatives as organised efforts to support strong, open and competitive single market and thus consist of practical actions towards shaping and developing cross-border and global value chains and mitigating disruptions in supply chains.

<sup>19</sup> Council conclusions on Industrial Policy Strategy, 12.03.2018 - <https://www.consilium.europa.eu/en/press/press-releases/2018/03/12/eu-industrial-policy-strategy-council-adopts-conclusions>.

<sup>20</sup> Commission proposal for a Regulation of the European Parliament and of the Council establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 COM(2018) 441 final of 7.06.2018, available at: [https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-single-market-regulation\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-single-market-regulation_en.pdf).

Of particular relevance are its recital 28 on clusters and Article 3 point 2b) and Article 6 point 3. Furthermore, its accompanying Commission Staff Working Document SWD (2018) 320 final of 7.6.2018 that provides the impact assessment features relevant facts & figures and background, notably in sections 1.2.8, 2.1.5 and 3.4 in the annex 15 of part 2/2 specific on COSME, available at:

<https://ec.europa.eu/transparency/regdoc/rep/10102/2018/EN/SWD-2018-320-F1-EN-MAIN-PART-2.PDF>.

The feedback of **stakeholders** at the 2018 EU Industry Days<sup>21</sup> and the 2017 GROW Your REGION conference<sup>22</sup> further highlighted the strategic importance of strengthening cluster policy to promote growth, boost competitiveness and support the scaling-up of SMEs.

In its **SME Strategy for a sustainable and digital Europe**<sup>23</sup>, the Commission confirmed its willingness to support and interlink SME intermediaries such as clusters, to help upskill staff of SMEs in the area of sustainability while emphasizing the importance of connecting SMEs through international industry clusters to enable SMEs to tap the benefits of international markets.

Investing in **cluster management excellence** is thus important in order to support the development towards more European world-class clusters. High quality management of cluster organisations<sup>24</sup> helps in providing professional services to their members, notably SMEs. They assist their companies to add value, to become innovative or access global markets successfully, and to enhance strategic collaboration, networking and learning. Professional cluster management contributes to raise the innovation capacity and competitiveness of cluster firms in a wider sense.

This implies that **capacity-building** efforts should focus on the cluster management skills of cluster managers, the support services that cluster organisation offer and on strategies that drive cluster initiatives towards self-sustainability and wider economic impact.

Building on a successful pilot action from 2014-2020, the Commission proposes in its new legal framework for the Cohesion Policy 2021-2027 to create the **Interregional Innovative Investments**<sup>25</sup>. Regions with matching ‘smart specialisation’ assets will be given more support to build pan-European clusters in priority sectors such as big data, circular economy, advanced manufacturing or cybersecurity.

To support the scaling-up of SMEs and boost their competitiveness, SMEs need to have **better access to clusters and to scaling-up support services** to exploit growth opportunities from new technologies, service innovation and resource-efficient solutions.

In order to address the impacts of the COVID-19 crisis, the Commission has proposed a new **Recovery and Resilience Facility**<sup>26</sup> that will support Member States to implement investments and reforms that are essential for a sustainable recovery. Member States will design their own tailored national recovery plans. Clusters have a critical role to play in this economic recovery of the European single market towards a green, digital, and resilient future. They are absolutely essential to accelerate the transformation that we are putting in place on our European continent, regardless

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<sup>21</sup> [https://ec.europa.eu/info/events/eu-industry-day/eu-industry-week-2018\\_en](https://ec.europa.eu/info/events/eu-industry-day/eu-industry-week-2018_en).

<sup>22</sup> [https://ec.europa.eu/growth/content/300-participants-co-create-inspiring-future-cluster-initiatives-grow-your-region-conference\\_en](https://ec.europa.eu/growth/content/300-participants-co-create-inspiring-future-cluster-initiatives-grow-your-region-conference_en).

<sup>23</sup> COM(2020) 103 final of 10 March 2020 “An SME Strategy for a sustainable and digital Europe”: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0103&from=EN>.

<sup>24</sup> *Cluster organisations* are legal entities that support the "enhancement of collaboration, networking and learning" in innovation clusters and act as innovation support providers by providing or channelling specialised and customised business support services, especially to SME. In comparison, *clusters* are referred to both as a concept and a real economic phenomenon such as the Silicon Valley of which its revealed effects such as employment concentrations can be measured – as done by the European Cluster Observatory. For more information see the EU Cluster Portal at [https://ec.europa.eu/growth/industry/policy/cluster\\_en](https://ec.europa.eu/growth/industry/policy/cluster_en) and the Commission Staff Working Document SEC (2008) 2637 on "The concept of clusters and cluster policies and their role for competitiveness and innovation: Main statistical results and lessons learned", including its glossary, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52008SC2637&from=EN>.

<sup>25</sup> COM(2018) 374 final of 29 May 2018 « Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on specific provisions for the European territorial cooperation goal (Interreg) supported by the European Regional Development Fund and external financing instruments ».

<sup>26</sup> COM(2020) 456 final of 27 May 2020 “Europe’s moment: Repair and Prepare for the Next Generation”: [https://ec.europa.eu/info/files/communication-europes-moment-repair-and-prepare-next-generation\\_en](https://ec.europa.eu/info/files/communication-europes-moment-repair-and-prepare-next-generation_en).

where a business is located in the EU and must be active contributors as well as privileged interlocutors in the recovery plans of the EU Member States.

In addition, the European Commission is also strengthening its capacity-building support in cluster management as part of the cluster partnering and support services of the **European Cluster Collaboration Platform** in order to support the interests of the cluster community and European public support programmes. It thus consolidates and improves cluster excellence actions towards a tool of modern industrial policy that makes better use of clusters in supporting SMEs.

In this context, the European Commission is launching this call for proposals as part of the European Cluster Excellence Programme to the attention of cluster and business network organisations striving towards excellence, with a view to promoting growth and competitiveness for their SME members.

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

### **2.1. General and specific objectives**

The **overall objective** of this action is to strengthen cluster management excellence and facilitate exchanges and strategic partnering between clusters and specialised eco-systems and cities across Europe, including through implementation of the “*ClusterXchange*” mobility scheme. As high quality cluster management and strategic connections between clusters are key elements of successful world-class clusters, the action aims to foster SME competitiveness and assist companies to successfully access global markets.

The **specific objective** is to enhance the collaboration, networking and learning of cluster organisations and their members towards the professionalization of specialised and customised business support services provided or channelled to SMEs. This shall further contribute to strengthen ties between European ecosystems and cities across regional and sectoral silos with the view to support a sustainable inter-regional partnering process and joint actions for strategic collaboration in various industrial specialisation areas linked to industrial modernisation and improving their business environment and workforce development.

This action aims to act as **enabler and multiplier** of collaborations by initiating about 1000 matched exchanges via ClusterXchange and thus contributing to a better understanding of existing opportunities, for which the implementation and scaling-up activities could then be further supported through regional, national and EU programmes – such as the European Structural and Investment Funds, Horizon 2020, COSME and others. **An expected number of exchanges per selected project is 80 or more short-term exchanges.**

The aim is to foster cluster excellence capacity-building and to promote cross-cluster learning in order to help cluster organisations and their members to acquire the necessary skills and take actions to explore and take up new solutions. This shall address training and business needs along the value chain that require SMEs and cluster managers to adapt to trends, challenges and opportunities that come along with industrial change. This shall also include the development of strategic approaches and plans for a better cooperation at regional, national and EU level to address innovation, growth and globalisation challenges that SMEs face as well as an effective contribution to the recovery process and seizing the opportunities deriving from the green and digital transitions.

This call for proposals shall further enable groups of specialised enterprises, notably SMEs, together with other innovation actors in industrial clusters, to find partners with complementary competences, to access value chains that cut across national, regional and sectoral boundaries as well as facilitate their access to technology centres and other scaling-up support organisations. This

shall focus on engaging actors from regions with different levels of economic development – including from less developed and transition regions<sup>27</sup> – and, likewise, cluster organisations with distinct stages of development and experience.

Building on the above, the **European Strategic Cluster Partnerships** shall specifically contribute to the following:

1. enhancing cluster managers' skills towards added-value SME support services;
2. supporting the development and implementation of a comprehensive portfolio of new services for cluster members, including activities to strengthen interregional collaboration and partnership development across EU value chains while mobilising partners to contribute to upskilling and reskilling actions across industrial ecosystems in the light of the green and digital transitions;
3. organising twinning, collaboration, networking and learning activities and cooperation projects;
4. supporting the implementation of the “ClusterXchange” mobility scheme.

For this purpose, this call for proposals aims to bring together cluster organisations and other business network organisations from the EU Member States or countries participating in the COSME programme<sup>28</sup>, interested in teaming up in European Strategic Cluster Partnerships.

The European Cluster Excellence Programme will be implemented by consortia of organisations that are interested in establishing and running a ‘**European Strategic Cluster Partnership for Excellence**’ (referred to as Partnership). These Partnerships shall be characterised by the following principles:

1. *European*, meaning being composed of partners established in a minimum of three different EU Member States or countries participating in the COSME programme under Article 6 of the COSME Regulation (in line with the eligibility criteria in section 6 of this call for proposals);
2. *Strategic*, meaning the partnerships shall develop and implement a joint ‘European’ strategy for strengthening cluster management excellence and facilitating cross-regional value chain collaboration between clusters and specialised eco-systems across Europe, notably linked to the industrial smart specialisation priority areas of the partners’ regions;
3. representing “*Clusters*” through cluster organisations or equivalent other business network organisations with an own legal entity that are providing or channelling specialised business support services especially to SMEs;
4. forming a “*Partnership*” with the aim to develop a long-term cooperation agenda, joint actions and an implementation roadmap around similar or related industrial thematic areas;
5. working towards cluster “*excellence*” capacity-building by striving towards the professionalisation of SME support and boosting the internationalisation of SMEs, their uptake of innovation and industrial modernisation, together with other innovation actors and scaling-up support organisations in view of supporting growth and jobs in Europe.

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<sup>27</sup> [http://ec.europa.eu/regional\\_policy/sources/graph/poster2014/eu28.pdf](http://ec.europa.eu/regional_policy/sources/graph/poster2014/eu28.pdf).

<sup>28</sup> For a list of third countries' participation in COSME see: <http://ec.europa.eu/growth/smes/cosme>.

The European Strategic Cluster Partnerships will **receive dedicated support services** – free of charge – from the European Cluster Collaboration Platform<sup>29</sup> in the form of a Support Office<sup>30</sup>, a specific IT matching tool, communication support and dissemination channels dedicated to support the implementation of “ClusterXchange” as well as the organisation of annual partnering events of European Strategic Cluster Partnerships and the organisation of annual cluster excellence capacity-building events. This set of actions will help partnerships to fine-tune their strategy and joint actions, identify further collaboration opportunities and to receive guidance on good practice examples.

To **find suitable collaboration partners**, a number of tools are available to interested applicants on the European Cluster Collaboration Platform such as maps of cluster organisations (e.g. by sectors, technologies and smart specialisation priority areas), matchmaking events, a partner search tool<sup>31</sup> and other specific sectoral resources.

The list of all selected Partnerships will also be published under a dedicated corner of the European Cluster Collaboration Platform<sup>32</sup>. This will allow partnerships to profile themselves and to promote their activities and interests for further cooperation, including in relation to regional authorities.

## 2.2. Description of types of expected eligible activities

Applicant consortia have to propose relevant activities that contribute to the establishment and implementation of European Strategic Cluster Partnerships for Excellence (Partnership) in line with the objectives described above. Applicants are advised to elaborate in detail and explain well in the project proposal the choice of proposed activities under each activity below and the expected outcomes.

The activities proposed are expected to strengthen cluster management excellence and facilitate cross-regional value chain collaboration between clusters and specialised eco-systems and cities across Europe towards supporting the professionalisation of specialised and customised SME support and boosting the internationalisation of SMEs, their uptake of innovation and industrial modernisation, as well as facilitating the upskilling and reskilling actions to ensure people can thrive in the green and digital transitions.

Stakeholders will be encouraged to pool expertise, resources (for example training facilities within the value chain) and funding towards concrete up- and reskilling actions with clear commitments that will allow people to keep, change or find new jobs.

*Figure 2: Types of expected eligible activities of European Strategic Cluster Partnerships for Excellence*

European Strategic Cluster Partnerships for Excellence		
<u>1) Cluster excellence capacity-building activities</u>		
A) Development of <b>cluster management skills</b> towards more added-value SME support services	B) Developing and implementing a comprehensive <b>portfolio of new services</b> for cluster members	C) Implementation of <b>joint activities</b> , such as Business2Business (B2B) and Cluster2Cluster (C2C) collaboration

<sup>29</sup> <http://www.clustercollaboration.eu>.

<sup>30</sup> The Support Office services will be provided by the European Cluster Collaboration Platform.

<sup>31</sup> <http://www.clustercollaboration.eu/partner-search>.

<sup>32</sup> <https://www.clustercollaboration.eu/eu-cluster-partnerships>.

## 2) Implementation of 'ClusterXchange'

→ cluster organisations, SMEs, scaling-up support organisations, training providers, large companies and staff from public authorities and innovation agencies that are active in a cluster

**Target:** over 1000 exchanges cumulated through the different partnerships, with 50% of them involving SMEs and 25% involving participants from beyond Partnership community

## 3) Outreach and awareness-raising activities

Awareness-raising of the cluster and partnership activities and their impact within the regions and beyond, including outreach and engagement of the target group of ClusterXchange.

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As summarised by the figure 2 above, the types of expected eligible activities must comprise supporting the development of cluster management skills, new services for cluster members and the organisation of twinning, collaboration, networking and learning activities as well as joint activities for implementing business-to-business (B2B) and cluster-to-cluster (C2C) collaboration projects. It must also include the implementation of "ClusterXchange" by facilitating the promotion, recruitment, matching and follow-up of short-term exchanges from cluster organisations, SMEs, training providers, scaling-up support organisations, large companies and staff from public authorities and innovation agencies that are active in a cluster from a COSME participating country. These are to be further supported by outreach and awareness-raising activities.

Applications must cover all (sub)activities as illustrated in figure 2.

The following sections give more details on the expected types of activities and present examples of actions that are eligible for this European Cluster Excellence Programme.

### 2.2.1. Cluster excellence capacity-building activities

Within the cluster excellence capacity-building activities, applicants can choose and combine actions that they consider most relevant to the cluster managers in their consortia, so as to activate and develop the full potential of their SME members. The application must comprise the following activities:

- A. **Enhancing cluster managers' skills** towards generating added-value support services by cluster organisations for supporting the growth and competitiveness of their SME members.

This can include, for example, actions such as identifying the type of services that generate the greatest added-value and the ways to deliver these services in the most effective manner. These support services can cover, amongst others, efforts to boost internationalisation, market research, technology/knowledge transfer and promoting SME's uptake of innovation, advanced technologies, digitalisation, servitisation, new business models, low-carbon and resource-efficient solutions, creativity and design. They could also assess and jointly design upskilling and reskilling needs in view of contributing to the Pact for Skills and therefore ensure SMEs skills shortages will be properly addressed.

The enhancement of cluster manager skills shall take into account the benefit of networking and peer learning, notably in view of future synergies and partnership building in the longer term for facilitating the integration of cluster actors into existing or new industrial value-

chains. Such benefits can originate from organising joint actions such as, for instance, twinning, mentoring, matchmaking, peer learning, knowledge sharing and/or action learning workshops, the development of platforms for knowledge sharing and mutual study visits within each consortium as well as across the consortia selected under this call for proposals.

The objective of facilitating cluster cooperation and synergies on skills enhancement and strategy development shall be pursued to further enhance the design and delivery of added-value support services to cluster members, especially SMEs. Members of the partnerships are therefore encouraged to share experiences in analysing, designing and delivering a common strategy and/or implementation roadmap for the cluster (see the section on *Developing and implementing a comprehensive portfolio of services for cluster members* below) in line with industry trends and public policy priorities, especially decarbonisation and resource efficiency. It may also include actions aiming at the definition, organisation and delivery of collaborative activities within and across partnerships set-up under this call for proposals to further enhance the design and delivery of added-value support services to cluster members, especially SMEs.

#### Examples of possible eligible actions for *Enhancing cluster managers' skills* include:

- **Assessment of cluster organisation(s)** through benchmarking for which the costs for the cluster excellence benchmarking and labelling are eligible up to EUR 1000 of EU contribution per partner for any of the current three labels (i.e. Bronze, Silver or Gold);
- **Targeted training actions for cluster managers** addressing identified areas for improvement. This may include skills improvements aiming for future benchmarking assessments for Silver or Gold Cluster Management Excellence labels. Training could also address topics related to industrial transformations such as emerging industries, global value chain analysis, internationalisation, market research, technology/knowledge transfer and promoting SME's uptake of innovation, advanced technologies and manufacturing systems, digitalisation, servitisation, new business models, low-carbon and resource-efficient solutions/Circular Economy, creativity and design, and skills upgrading;
- **Training activities with regard to digitalisation and the creative Economy as well as resource-efficiency/decarbonisation and circular Economy are especially encouraged;**
- **Coaching and mentoring** aimed at the development of strategic cluster management skills and/or the achievement of clearly defined activities;
- **Involvement of a cluster manager in the design of Pact for Skills** for those industrial ecosystems heavily affected by the COVID-19 crisis and in the priority areas identified in the European Green Deal.

#### Expected results and deliverables

- a) cluster managers skills improvement through training and/or mutual learning between cluster organisations focusing, for instance on related smart specialisation strategies and European and global value chains;
- b) cluster managers skills improvement through skills upgrade on supporting scaling-up support organisations in the cluster, such as technology centres, incubators, accelerators and early-stage and venture capital organisations, etc.;

- c) enhanced awareness on and exposure to scaling-up support organisations in the cluster, such as technology centres, start-up incubators, accelerators and risk capital in the region by cluster managers;
- d) review of cluster management processes, including in the light of regional smart specialisation strategies and value chain innovation where relevant.

**B. Developing and implementing comprehensive portfolio of services for cluster members.**

**Within individual clusters**

This includes supporting cluster managers **to develop a comprehensive portfolio of new services for cluster members** with a view to support the growth and the competitiveness of its members, **as well as a roadmap for its implementation**. This translates into assisting SMEs to make the most out of business opportunities brought about by new cross-cutting technologies, creativity and all forms of innovation and by addressing industrial trends and sustainability aspects towards a sustained development over time. Addressing strategic development opportunities of clusters thus should not to take a too narrow sectoral approach but instead consider possible dynamics with related sectors and emerging industries, technological and industrial transformation, servitisation and sustainability approaches.

This portfolio of services shall include the promotion of strategic **collaboration between cluster managers and other stakeholders of the regional innovation ecosystems, notably regional authorities** in charge of cluster policies. This shall help to ensure coherence and compliance with regional priorities, especially in the context of the implementation of smart specialisation strategies<sup>33</sup> and to capitalise on regional public and private research, innovation and infrastructure investment dynamics.

While this in principle should be carried out by all partners, this activity can be limited to updating the existing cluster strategies for the purpose of identifying complementarities and develop new services within the partnership where a strategy has already been formulated for a cluster.

The roadmap for implementation of such portfolio of new services for each cluster organisation and the partnership overall (see next point) must include measurable objectives and verifiable impact indicators to be monitored over time, such as increased turnover and jobs, innovation projects and patents, new or adapted products and services etc.

This activity expects to raise the competitiveness of European clusters and to contribute to the implementation of smart specialisation strategies in the regions where possible. It aims to boost innovation in European value chains to which the clusters belong and to improve their positioning in global value chains.

Examples of possible eligible actions for developing and implementing a comprehensive portfolio of services for cluster members include:

- **Strategic consultation and collaboration with regional authorities;**

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<sup>33</sup> The Eye@RIS tool of the Smart Specialisation Platform at <http://s3platform.jrc.ec.europa.eu/map> can give an overview of smart specialisation priorities selected by regions within the EU.

- **Cluster innovation and growth potential analysis;**
- **Value-chain analysis;**
- **Skills needs analysis and development of related services addressing upskilling/reskilling needs and actions across the cluster;**
- **Cross-sectoral and trends analyses towards digitalization, the creative Economy as well as resource-efficiency/decarbonisation and the Circular Economy.**

#### Expected results and deliverables

- a) strategic analysis of cluster potential to grow and innovate through taking advantage of smart specialisation strategies in the region where relevant;
- b) strategic analysis of innovation potential in the European value chain the cluster belongs to, including surveying SMEs, and scaling-up support structures;
- c) strategic analysis of cross-sector and trend analysis to enhance cluster competitiveness;
- d) strategic analysis of cluster potential to upskill and/or reskill its workforce, as well as to attract and retain talent;
- e) development of a comprehensive portfolio of services/updating of cluster strategies focusing on the identification and provision of new services and related implementation roadmap linked to smart specialisation strategy in the region where relevant and innovation and growth potential in the European value-chains.

#### Within the cluster partnership

This includes actions to strengthen interregional collaboration and partnership development across European value chains.

The development of a portfolio of services by **the partnership** shall build upon cluster strategies and analyses of the individual clusters, their regional context and priorities and capitalise upon the specific value-added support services provided by the individual clusters. It may further gather and/or build upon insights into cluster members' positioning in value chains (e.g. through value-chain analyses), to take stock of industrial transformation trends and cross-sectoral dynamics in view of developing a shared vision and branding of the partnership's members.

In order to shape-up strategies and implementation roadmaps for sustainable inter-regional cluster collaboration, this requires to engage and establish a dialogue with the cluster firms and other members in the cluster and across the partnership. This comprises identifying activities to strengthen interregional collaboration and partnership development with other clusters across European value chains and in global markets. This further includes reflecting on potential new opportunities and synergies as well as liaising with relevant interregional partnerships of public authorities, such as those set up under thematic Smart Specialisation Platforms that support joint activities for the implementation of smart specialisation strategies.

Examples of possible eligible actions for *Developing a comprehensive portfolio of services within the cluster partnership* are:

- **Development or update of a mid-term strategy (three to five years horizon)** for the partnership, taking into account specific roles for each of the clusters of the partnership;
- **Development or update of an implementation roadmap for the portfolio of new services**, including plans for the timing and the respective short-term and mid-term actions to be implemented;
- **Value chain and market analysis**, both within the Single Market and as part of global value chains, corresponding to the cluster organisations' needs and building upon identified results of SME member's need analyses, surveys and/or alternative feedback methods;
- **Design of a monitoring system** for impact indicators capturing impact on supporting the growth and the competitiveness of SME members;
- Reflections and actions on ways to improve response to skills shortages and re-employment of the workforce that has been laid off as a consequence of the COVID-19 crisis. Jointly set-up tools to allow for reintegration or reorientation of the workforce from a certain industrial ecosystem into another one.

Expected results and deliverables

- a) Development/update of a partnership strategy, identification and development of new services to partnership members, and implementation roadmap;
  - b) Value chain and market analyses.
- C. **Organising twinning, networking and learning activities and implementing joint collaboration activities**, such as business-to-business (B2B) and cluster-to-cluster (C2C) cooperation projects.

This can include, first, promoting cross-cluster learning, exchange of knowledge and expertise, both across cluster organisations in each partnership and between the various partnerships that will be set-up through this call for proposals, on content and format of support services that excel in quality, added-value and strategic fitness to enhance cluster SMEs competitiveness, innovation and growth.

Secondly, this comprises the facilitation of cluster-to-cluster (C2C) collaboration activities that help cluster organisations to team up at European level and exploit synergies based on a common partnership strategy as well as business-to-business (B2B) collaboration activities, such as matchmaking etc. The focus of these activities can cover, amongst others, efforts to boost internationalisation, market research, foresight and trends analyses, mapping of joint activities, technology/knowledge transfer, support for the upskilling and reskilling of the cluster workforce, a better use of industrial data and Artificial Intelligence and the promotion of SME's uptake of innovation, digitalisation, creativity and resource-efficient and carbon neutral solutions.

Joint collaboration activities can include, for instance twinning, networking and other learning actions such as organising workshops, study trips and training and education actions for cluster organisations teaming up in European cluster partnerships and for scaling-up support organisations, SMEs and public authorities and innovation agencies of their cluster.

Examples of possible eligible actions for *Organising twinning, networking and learning activities and implementing joint collaboration activities* include:

- Training and education activities such as the development of **online learning and training materials and/or tools** for cluster managers and for cluster members (and beyond) with the view to support talent attraction and the upskilling/reskilling of the workforce;
- Peer learning, knowledge sharing and/or learning workshops;
- **Joint events and study visits** to exchange of best practices in relation to cluster support services and strategy design, formulation and implementation;
- Cluster-to-cluster (C2C) and business-to-business (B2B) matchmaking collaboration activities;
- Platforms for knowledge sharing and expertise;
- Strategic collaboration activities with scaling-up support organisations including technology centres, research institutes, fab labs, (digital) innovation hubs, creative hubs, resource-efficiency service providers, incubators and accelerators.

Expected results and deliverables

- a) Provision of online learning and training materials and tools;
- b) Twinning, networking and other learning activities;
- c) Strengthened B2B and C2C cooperation across participating clusters;
- d) Joint project/cooperation agreements where relevant.

2.2.2. Activities for the implementation of ClusterXchange

Applicant consortia are required to provide available adequate support for the implementation of “ClusterXchange” to foster cluster excellence capacity-building and cross-cluster learning as well as to facilitate strategic interregional collaboration and the strengthening of ties between industrial clusters’ ecosystems across Europe. This shall cover promotion, recruitment, matching and follow-up of an expected number of 80 or more short-term exchanges between targeted members of clusters located in other (EU and other COSME participating) countries, per Partnership, including the financial support to third parties, i.e. payment of lump sums to participants.

“ClusterXchange” defines the stays abroad as a temporary exchange between a visiting organisation and a host organisation — each belonging to a different COSME participating country.

The focus of short-term exchanges shall be placed on **promoting new growth opportunities for SME and industrial transformation** by supporting collaboration efforts to boost internationalisation, market research, technology and knowledge transfer and promoting SME’s uptake of innovation, advanced technologies, digitalisation, servitisation, new business models, low-carbon and resource-efficient solutions, creativity and design, upskilling and reskilling.

Moreover, the short-term exchanges shall support **cluster excellence capacity-building** by the following possibilities:

1. providing on-the-job-training for visiting participants elsewhere in COSME participating countries in order to facilitate and/or consolidate a successful development of their cluster and explore partnering activities;
2. fostering the sharing of experience and information between visiting organisation and host organisation on the obstacles and challenges as well as potential solutions in a pre-identified area;
3. enhancing market access and identification of potential partners for new and established cluster organisations/SMEs/technology centres and other scaling-up support organisations in other COSME participating countries;
4. supporting the networking between clusters from different COSME participating countries by sharing of knowledge and experience;
5. supporting strategies and activities of the Partnerships under section 2.2.1.

The participation in this scheme will not be limited to the direct beneficiaries of the European Strategic Cluster Partnerships for Excellence but must be **open to**:

- all cluster organisations and business network organisations from COSME participating countries,
- scaling-up support organisations<sup>34</sup> from COSME participating countries that are cluster members,
- SMEs<sup>35</sup> from a COSME participating country that are cluster members,
- Training providers from a COSME participating country that are cluster members (as Host organisation only),
- Large companies from a COSME participating country that are cluster members (as Host organisation only),
- Public authorities at both regional and city/administration levels that are active in a cluster from a COSME participating country (as Host organisation only).

Only in duly justified circumstances and **pre-approved by the Agency** on an ad hoc basis, the partnerships may be allowed to deviate from above limitations.

**It is expected that 50% of the supported exchanges involve SMEs (either as a visiting or a host organisation).**

The financial assistance to cluster organisations, technology centres and other scaling-up support organisations and SMEs participating in ClusterXchange must take the form of a **financial contribution of up to a maximum amount determined per country of visit per visiting**

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<sup>34</sup> Scaling-up support organisations include technology centres, research institutes, fab labs, (digital) innovation hubs, creative hubs, resource-efficiency service providers, incubators and accelerators. They comprise any public or private organisations that is providing access to the testing and validation of technologies and concepts, market intelligence as well as business incubation and acceleration support services in relation to the uptake of advanced technology, digitalisation, new business models, low-carbon and resource-efficient solutions, creativity and design and skills upgrading.

<sup>35</sup> [https://ec.europa.eu/growth/smes/sme-definition\\_en](https://ec.europa.eu/growth/smes/sme-definition_en).

**organisation** to be provided in all cases, in the form of a **lump sum**. The respective amounts are indicated in the Quality Manual (see Annex) and are fixed for the entire duration of all co-financed projects selected under the present call for proposals.

The minimum duration of a supported exchange visit abroad is three working days (travel time excluded) and the maximum duration is one month. The lump-sum shall be reduced by half if the duration of the stay is shorter than five working days (travel time excluded) or if the distance between the two involved organisations is shorter than 200 kilometres.

	Distance $\geq$ 200 km	Distance < 200 km
Stay $\geq$ 5 working days (travel time excluded)	100% lump sum	50% lump sum
Stay < 5 working days (travel time excluded)	50% lump sum	50% lump sum

The purpose of the financial assistance provided to visiting organisations is to help support the costs of their visit (e.g. travel and accommodation costs).

As indicated in Section 4 on Budget available and funding of projects and Section 12.2 on Funding forms ‘Specific funding conditions under this call for proposals’, a maximum of **100% co-financing can be applied for the lump sum of financial support to the visiting participants taking part in ClusterXchange**.

Each eligible member of a cluster may benefit from the scheme only once per cycle (i.e. once under each call of the European Cluster Excellence Programme) as a *visiting organisation*. This means that a visiting organisation under the pilot phase of the ClusterXchange scheme<sup>36</sup> could apply again to be a visiting organisation under the phase covered by the present call for proposals.

Taking into account that the participation in this scheme will not be limited to the direct beneficiaries of the Partnerships, it is expected that 25% of exchanges shall involve participants not being part of a Partnership or not being a member of one of its partners (either as a visiting or a host organisation).

*Host organisations*, on the other hand, can host more than one visiting organisation, at different times or simultaneously.

In case beneficiaries themselves take part in ClusterXchange as visiting organisations, beneficiaries should comply with their travel policies or usual practices and the incurred travel costs should be reported under ‘other direct costs’ (travel). In this case, only one person (representative of a beneficiary) can represent a visiting organisation in an exchange.

In case of crisis and/or situation of force majeure, such as the Covid-19 outbreak, where travelling abroad is seriously impeded or forbidden, it is possible to implement the ClusterXchange scheme through *virtual exchanges* (i.e. exchanges taking place remotely through a digital solution without physical travelling). Recourse to this exceptional measure and its implementation rules and modalities are to be decided by the Agency, in consultation with partnerships selected under this

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<sup>36</sup> Call for proposals European Cluster Excellence Programme (COS-CLUSTER-2018-03-02), <https://ec.europa.eu/easme/en/cosme/cos-cluster-2018-03-02-european-cluster-excellence-programme>.

call for proposals. On-site exchanges should be favoured over virtual exchanges as soon as the situation allows.

Exchanges implemented through “ClusterXchange” will be monitored through the CXC IT tool that is available to Partnerships.

Like other activities of the present call for proposals, the implementation of “ClusterXchange” is a **mandatory** activity, which has to be carried out by successful applicants. The cluster organisations of the Partnerships will **act as contact points** for the implementation of “ClusterXchange” and are thus required to cooperate with other organisations and authorities involved in the scheme, enabling visiting participants to take part<sup>37</sup>.

Complementary support to Partnerships is provided by a **dedicated “Support Office” under the European Cluster Collaboration Platform, an IT matching tool and promotional activities** in order to facilitate the implementation of “ClusterXchange” by the Partnerships. The support office helps the Partnerships with the coordination and management of the scheme across countries. It helps them to develop high quality visits between clusters. Its main tasks are to promote the scheme at country and European levels to provide guidance and support to Partnerships, especially in daily operations, monitor activities of the Partnerships, manage the central website, develop training material and foster networking/cooperation among the Partnerships.

Partnerships must contribute to the continuous improvement process of the IT tool by providing feedback in dedicated user consultation and specific sessions during mandatory half-day specific events organised by the European Cluster Collaboration Platform on behalf of the European Commission services (once per year). Each of these events will take place back-to-back (before or after) with a one and a half-day conference on cluster excellence capacity-building organised by the European Commission services.

The activities expected to be implemented by successful applicants are further guided by the “**Quality Manual** for European Strategic Cluster Partnerships for Excellence (Partnerships)” for the implementation of the “ClusterXchange” scheme (see Annex). The document thoroughly describes the tasks to be performed by the Partnerships, by the Support office, the European Commission and the Agency. It covers the rules to be respected and procedures to follow: it includes the eligibility criteria of participants (visiting and host organisations), the procedures for registration of participants to the scheme and building of exchanges, as well as the responsibilities of the different actors involved, including deadlines to be respected.

As a minimum requirement, the following mandatory actions for the implementation of “ClusterXchange” are to be described and proposed by applicants:

- a) Promotion of “ClusterXchange”
- b) Enrolment of participants (visiting and host organisations)
- c) Assessing applications from visiting and host organisations
- d) Building exchanges
- e) Management of grant agreements, commitments and financial assistance
- f) Preparation of the exchange

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<sup>37</sup> The IT tool must be used by all organisations in order to manage registration and matching of visiting and host organisations as well as execution of the visiting process between the participants. All successful Partnerships will get access to this tool as well as relevant training by the support office. Further details are available in the above-mentioned Quality Manual.

- g) Follow up of the exchange
- h) Management, quality control and evaluation
- i) Active outreach, networking and engagement
- j) Reporting

“ClusterXchange” scheme has to be implemented in line with the provisions set in the “**Quality Manual** for European Strategic Cluster Partnerships for Excellence (Partnerships)” (see Annex).

Expected results and deliverables:

- a) minimum 80 short-term exchanges per Partnership;
- b) 50% of the supported exchanges involve SMEs (either as a visiting or a host organisation);
- c) 25% of exchanges involve participants not being part of a Partnership or not being a member of one of its partners (either as a visiting or a host organisation).

2.2.3. Outreach and awareness-raising activities

Applicants are expected to propose outreach and awareness-raising activities notably to support the activities of the partnership for cluster excellence capacity-building, such as the organisation of peer learning, knowledge sharing and learning events.

The project proposal shall include detailed information about the expected outcomes of the project and provide for related activities to promote them. Activities should consist of raising awareness about the developed cluster strategies and the partnership as well as about providing general dissemination and information about project activities, including on the opportunities of “ClusterXchange”. This needs to address not only the stakeholders within the region in which the cluster organisation is based but also stakeholders outside, notably for outreach, networking and engagement towards the target group of the scheme.

During the project, the partners are expected to demonstrate how participating in the project has advanced their approach to cluster management, for each cluster organisation and for the consortium as a whole and what benefits this has brought. Awareness-raising events shall also discuss and embed the portfolio of new services and the designed impact indicators with regional stakeholders within each cluster, as well as within the formed consortium.

The active involvement and participation of local regional authorities and other stakeholders in this part of the project is strongly recommended for the pivotal role they can play in maximising the impact of the project results and of the adopted strategy for the cluster, notably in relation to regional priorities responsible for designing and implementing smart specialisation strategies.

Partnerships must also take part in annual partnering events gathering all European Strategic Cluster Partnerships organised by the European Cluster Collaboration Platform on behalf of the European Commission, back-to-back with major events (e.g. European cluster conference or European Industry days). Finally, Partnerships must also attend a kick-off meeting, which will be organised by the Agency at its premises (in Brussels) for all selected projects. Consequently, consortia selected under this call for proposals must provide budget for at least one and maximum two participants representing their partnership at these events.

A dissemination, outreach and communication plan must be designed to identify and communicate the key activities and achievements. Making adequate use of the European Cluster Collaboration

Platform for this purpose is necessary as it can facilitate the awareness-raising and dissemination of project outcomes to cluster stakeholders. Any form of promotion and publicity must make the EU support for the project clearly visible.

The consortium is also expected to prepare a short report focussing on the activities undertaken, especially on the lessons learned, to be used in the dissemination and awareness-raising events and other events as appropriate. The report should further outline how the project partners envisage working on cluster excellence after the end of the project.

Examples of possible actions for *Outreach and awareness-raising activities* are:

- Design of a dissemination, outreach and communication plan.
- Dissemination and communication activities and events, e.g. to implement dissemination, outreach and communication plan.
- Other relevant outreach and awareness-raising activities appropriately justified.

### Expected results and deliverables

- a) Dissemination, outreach and communication plan;
- b) Awareness-raising activities and events;
- c) Participation to the two annual EU Cluster Partnerships partnering events organised by the European Commission services (half day, back-to-back with major events);
- d) Participation to the two annual cluster excellence specific events organised by the European Commission services (half day, back-to-back with 1,5 day capacity-building events);
- e) Participation to the kick-off meeting for the selected projects;
- f) A short report on outreach and awareness raising activities undertaken, on lessons learned and on the partnership sustainability beyond the grant period.

### 2.3. Project indicators

To facilitate the monitoring, evaluation and assessment of the progress made and achievements, successful applicants will be asked to put in place, from the outset, indicators for the on-going monitoring and evaluation of the project in relation to the objectives and activities they propose.

The action will be assessed, as a minimum, against the following performance indicators:

1. Number of trainings attended by cluster managers in view of enhancing their skills;
2. Number of new support services developed by cluster organisations for their SME members;
3. Number of cluster organisations engaged in benchmarking, accreditation, labelling (if applicable);
4. Number of consortia staff benefitting from training activities;

5. Number of cooperation projects<sup>38</sup>/cooperation agreements<sup>39</sup>/business agreements<sup>40</sup> and/or inter-regional partnerships resulting from the supported activities;
6. Number of successful exchanges through the “ClusterXchange” mobility scheme, including a breakdown by type of organisation (cluster organisations; SMEs; scaling-up support organisations, large companies and public authorities);
7. Number of strategic analyses carried out by the Partnership, broken down by the following categories if relevant: (a) in relation to the growth and innovation potential deriving from smart specialisation strategies; (b) relating to the value chain the cluster belongs to; (c) focusing on cross-sector opportunities and competitiveness; (d) in view of addressing upskilling and/or reskilling needs;
8. Number of promotional events organised by the partnership;
9. Number of posts published on the ECCP site relating to specific awareness-raising actions undertaken by the partnership.

Applicants must include these indicators and also propose further SMART (i.e. Specific, Measurable, Attainable, Relevant and Timely) indicators supported by a clear description of those indicators.

Indicators in relation to the implementation of “ClusterXchange” shall also be discussed with the Support office at the beginning of the projects.

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

### 3. TIMETABLE

Stages	Dates
a) Deadline for submitting applications	2 February 2021 17:00 h Brussels time
b) Evaluation period*	February – April 2021
c) Information to applicants*	May 2021
d) Signature of grant agreements*	August 2021
e) Starting date of the action*	February 2022

\* indicative.

<sup>38</sup> A **cooperation project** is any activity where two or more parties work together towards a jointly established goal. For the purpose of this Call for proposals, a cooperation project can take the format, inter alia, of the organisation of joint match-making events; preparation of joint studies, analyses and surveys; preparation of a joint branding and marketing strategy, etc. For the purpose of this Call for proposals, cooperation projects are between Partnerships/ Partnership members and other parties. Cooperation within a Partnership is not considered as a cooperation project.

<sup>39</sup> A **cooperation agreement** is a document outlining the basic terms of an agreement on planned cooperation activities with another entity. It can also be called a Memorandum of Understanding. It shows an understanding of cooperation between two or more parties, a mutual desire to work together on an agreed goal.

<sup>40</sup> A **business agreement** is a negotiated and usually legally enforceable understanding between two or more parties. It typically documents the give-and-take of a negotiated settlement.

## 4. BUDGET AVAILABLE AND FUNDING OF PROJECTS

The total budget earmarked for the co-financing of projects is estimated at EUR 6 000 000. This amount could be increased if additional budgetary appropriations are made available.

The maximum grant per project will be **EUR 500 000**.

The Agency expects to fund 12 proposals.

The grant is limited to a maximum reimbursement rate of **75%** of eligible costs **except** for the financial support to third parties (cost category C) for which the maximum reimbursement rate is **100%**. See section 12.2 for more details on specific funding conditions under this call for proposals.

The Agency reserves the right to not distribute all the funds available.

## 5. ADMISSIBILITY REQUIREMENTS

The following requirements must be complied with:

- Applications must be submitted no later than the deadline for submitting applications referred to in section 3;
- Applications must be submitted in writing, using the electronic system specified in section 16;
- Applications must be drafted in one of the EU official languages.

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

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

## 6. ELIGIBILITY CRITERIA

### 6.1. Eligible applicants

Proposals may be submitted by the following applicants:

- **all applicants must be registered or having submitted a registration on the European Cluster Collaboration Platform (ECCP)** by the submission deadline of this Call for proposals and completed the relevant Annex 1 or 2 of the “Description of the Action” as following:
  - For a cluster organisation and business network organisation already registered at the European Cluster Collaboration Platform: a link to the completed cluster profile of the applicant registered on the Platform and information concerning their industrial focus (to be provided through Annex 1 of the “Description of the Action”); or
  - For a cluster organisation and business network organisation not yet registered at the European Cluster Collaboration Platform: a declaration on their honour attesting that:

- they represent a cluster organisation or a business network organisation offering or channelling innovative support services to businesses (in compliance with the definition of 'innovation clusters' provided above), and that
- a cluster profile has been submitted to the ECCP for registration with the respective information included in the descriptive form (to be provided through Annex 2 of the “Description of the Action”).

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

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

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

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

- EU Member States;
- countries participating in the COSME programme pursuant to Article 6 of the COSME Regulation<sup>41</sup>.

## 6.2. Eligible consortia

To be eligible, a proposal must be submitted by a consortium:

- a) composed of **at least three different legal entities**, which are
- b) established in a minimum of **three different EU Member States** or other countries **participating in the COSME programme** pursuant to Article 6 of the COSME Regulation and
- c) including at least **one consortium member** representing an organisation established in a region classified as 'less developed' or 'in transition', according to the mapping proposed for Structural Funds eligibility for the period 2014-2020<sup>42</sup>.

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<sup>41</sup> The following groups of countries are eligible for participation in COSME according to Article 6 COSME Regulation:

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

The updated list of eligible third countries is available on the following webpage:

[http://ec.europa.eu/growth/smes/cosme/index\\_en.htm](http://ec.europa.eu/growth/smes/cosme/index_en.htm). Proposals from applicants in Article 6 countries may be selected provided that, on the date of award, agreements have been signed setting out the arrangements for the participation of those countries in the programme.

<sup>42</sup> See: [http://ec.europa.eu/regional\\_policy/sources/what/future/img/eligibility20142020.pdf](http://ec.europa.eu/regional_policy/sources/what/future/img/eligibility20142020.pdf).

**Consortia must verify and declare through their coordinator that none of their members participates in another application within this call for proposals.** If such a case is detected by the funding body, it will **lead to the exclusion of the organisation concerned from all respective proposals.** The respective consortia affected by the exclusion of (a) partner(s) must still fulfil the eligibility criteria as stipulated in sections 6.1 and 6.2 in order to be considered eligible.

### 6.3. For British applicants

Please be aware that following the entry into force of the EU-UK Withdrawal Agreement<sup>43</sup> on 1 February 2020 and in particular Articles 127(6), 137 and 138, the references to natural or legal persons residing or established in a Member State of the European Union are to be understood as including natural or legal persons residing or established in the United Kingdom. UK residents and entities are therefore eligible to participate under this call for proposals.

### 6.4 Implementation period

Activities may not start before 1 February 2022.

The project's duration should be between 20 months and 24 months.

Proposals for projects scheduled to run:

- for less than 20 months will not be accepted.
- for more than 24 months may be considered only if duly justified by the applicant.

## 7. EXCLUSION CRITERIA

### 7.1. Exclusion

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

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

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<sup>43</sup> Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

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

- ii. non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of the application of standards of professional ethics;
- iii. facts referred to in decisions of persons or entities being entrusted with EU budget implementation tasks;
- iv. information transmitted by Member States implementing Union funds;
- v. decisions of the Commission relating to the infringement of Union competition law or of a national competent authority relating to the infringement of Union or national competition law; or
- vi. decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

## 7.2. Remedial measures

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

## 7.3. Rejection from the call for proposals

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

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

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

## 7.4. Supporting documents

Applicants must provide a **declaration on their honour** certifying that they are not in one of the situations referred to in Articles 136(1) and 141 of the EU Financial Regulation (FR)<sup>44</sup>, by filling in the relevant form attached to the application form accompanying this call for proposals.

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<sup>44</sup> See Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, (OJ L 193/30.07.2018, p.1).

## 8. SELECTION CRITERIA

### 8.1 Financial capacity

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

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

- a declaration on their honour.

b) Grants  $>$  EUR 60 000:

- a declaration on their honour and,

EITHER

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

OR

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

In the event of an application grouping several applicants (consortium), the above thresholds apply to each applicant.

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

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

- request further information;
- decide not to give pre-financing;
- decide to give pre-financing paid in instalments;
- decide to give pre-financing covered by a bank guarantee (see section 12.4 below);
- where applicable, require the joint and several financial liability of all the co-beneficiaries<sup>45</sup>;

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

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<sup>45</sup> The beneficiaries are advised to provide for this situation also in the consortium agreement (see Article 25 of the model Grant agreement).

## 8.2 Operational capacity

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

Applicants must represent a **cluster organisation or a business network organisation** involved in supporting the enhancement of cooperation, networking and learning in innovation clusters and providing or channelling specialised and customised businesses support services to stimulate innovation activities, especially in SMEs, in compliance with the coverage of innovation clusters given in the section 1.2 (e), 1.3 (s) and Annex I in the “EU Framework for State Aid for Research and Development and Innovation”<sup>46</sup>.

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

- a. A list containing the description of skills, expertise and role of key staff involved in the project (to be provided in the section B.2.2. of the “Description of the Action“).
- b. A list containing the description of relevant previous projects and activities performed, which are related to cluster development and capacity-building, collaboration, industrial modernisation and to the specific thematic area of the proposed European Strategic Cluster Partnership, aimed notably at facilitating cluster cooperation within Europe, supporting the enhancement of collaboration, networking and learning in innovation clusters or to projects and activities supported under COSME and its predecessor CIP, the EU’s Research and Innovation Framework Programme (Horizon 2020, FP7, FP6) or the European Structural and Investment Funds, notably cross-border, transnational and interregional cluster cooperation projects funded under INTERREG (to be provided in section B.2.3 of the "Description of the Action").

## 9. AWARD CRITERIA

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

<i>Criteria</i>	<i>Max. score</i>
<b>Relevance of the actions in view of the objectives of the call</b> ( <i>meeting objectives of the call; appropriate results; appropriate partnership; competences and European dimension</i> )  <i>How relevant is the proposal to the <b>general</b> objectives as described in section 2.1 of this call for proposals?</i>	30

<sup>46</sup> 2014/C 198/01. According to this definition: ‘**innovation clusters**’ means structures or organised groups of independent parties (such as innovative start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, non-for-profit organisations and other related economic actors) designed to stimulate innovative activity by promoting sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster;

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

<p><i>How relevant is the proposal to the <b>specific</b> objectives as described in section 2.1 of this call for proposals?</i></p> <p><i>To what extent does the partnership respect the 5 principles for establishing “European Strategic Cluster Partnerships for Excellence”?</i></p> <p><i>How strategically chosen are the project partners (relevance of the partners to the project)?</i></p>	
<p><b>Quality of the proposed actions</b> (<i>clear, concise and feasible description of actions; appropriate allocation of resources, including management</i>)</p> <p><i>How clear, coherent and ambitious is the work plan?</i></p> <p><i>To what extent are the work plan, the proposed actions and expected results logically linked to the identified needs and specific objectives? To what extent is this link well described and justified?</i></p> <p><i>To what extent are the proposed actions and the work plan’s methodology clearly presented, feasible and effective, such as in terms of schedule, milestones and deliverables?</i></p> <p><i>How suitable and appropriate is the contribution of each partner to the activities proposed, per work package/task considering partners’ skills and responsibilities?</i></p> <p><i>To what extent can the methodology and management set up be effective and ensure the high quality of the action proposed?</i></p>	30
<p><b>Impact on target audience</b> (<i>appropriate impact indicators; dissemination; project continuation</i>)</p> <p><i>How appropriate is the proposed methodology to contribute to a tangible impact for enhancing cluster managers skills, to foster the setting-up of portfolio of new services to support cluster members, especially SME members, and to implement joint collaboration activities?</i></p> <p><i>How appropriate is the proposed methodology for facilitating strategic and sustainable partnering in the EU, including through the “ClusterXchange”, by implementing activities under this call for proposals?</i></p> <p><i>To what extent does the project suggest ambitious, objectively verifiable and achievable SMART performance indicators to measure its outcomes?</i></p> <p><i>How effective and convincing are the promotional and communication activities? Does the proposal contain a comprehensive communication strategy?</i></p> <p><i>How concrete, ambitious and realistic are the measures planned to ensure the project’s continuity after the termination of the EU co-funding?</i></p>	20
<p><b>Cost-effectiveness</b> (<i>coherence, detail and clarity between actions proposed and budgeted resources</i>)</p> <p><i>To what extent is the detailed budget coherent with the work plan of the</i></p>	20

<p><i>proposed actions?</i></p> <p><i>To what extent is the budget clear and detailed, as well as effective to implement the actions?</i></p> <p><i>To what extent do the expected results stand in a reasonable relationship to the amount of the grant?</i></p>	
<b>TOTAL</b>	<i>100</i>

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

## **10. LEGAL COMMITMENTS**

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

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

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

## **11. ADMINISTRATIVE REVIEW PROCEDURES**

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

## **12. FINANCIAL PROVISIONS**

### **12.1 General principles**

#### **a) Non-cumulative award**

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

In no circumstances shall the same costs be financed twice by the Union budget. To ensure this, applicants shall indicate the sources and amounts of Union funding received or applied for the same action or part of the action or for its functioning during the same financial year as well as any other funding received or applied for the same action.<sup>47</sup>

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<sup>47</sup> Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94/65 of 28.3.2014).

b) Non-retroactivity

No grant may be awarded retrospectively for actions already completed.

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

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

c) Co-financing

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

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

d) Balanced budget

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

The budget must be drawn up in euros.

Applicants for whom costs will not be incurred in euros, should use the exchange rate published on the Info-euro website available at:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm).

e) Implementation contracts/subcontracting

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

Moreover, the beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

Entities acting in their capacity of contracting authorities in the meaning of Directive 2014/24/EU<sup>48</sup> or contracting entities in the meaning of Directive 2014/25/EU<sup>49</sup> must comply with the applicable national public procurement rules. The beneficiary is expected to clearly document the tendering procedure and retain the documentation for the event of an audit.

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<sup>48</sup> Directive 2014/24/EU of the European Parliament and the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94/65 of 28.3.2014).

<sup>49</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94/243 of 28.3.2014).

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

- (i) subcontracting does not cover core tasks of the action;
- (ii) recourse to subcontracting is justified because of the nature of the action and what is necessary for its implementation;
- (iii) the estimated costs of the subcontracting are clearly identifiable in the estimated budget;
- (iv) any recourse to subcontracting, if not provided for in the description of the action, is communicated by the beneficiary and approved by the Agency. The Agency may grant approval:
  - i. before any recourse to subcontracting, if the beneficiaries request an amendment
  - ii. after recourse to subcontracting if the subcontracting:
    - is specifically justified in the interim or final technical report and
    - does not entail changes to the grant agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants;
- (v) the beneficiaries ensure that certain conditions applicable to beneficiaries, enumerated in the grant agreement (e.g. visibility, confidentiality, etc.), are also applicable to the subcontractors.

f) Financial support to third parties.

Financial support to third parties (visiting organisations in CluserXchange) must be part of the project. This financial assistance paid to third parties shall be included under the corresponding cost category heading. It covers the financial assistance paid to visiting organisations in ClusterXchange in support of the costs linked to their expenditure for travel, accommodation, subsistence and other miscellaneous expenses occurred during a stay with the host organisation in another participating country. This cost category has to respect the details mentioned in the Annex – ClusterXchange scheme – Quality Manual for European Strategic Cluster Partnerships for Excellence (Partnerships).

The amount of financial support per third party (visiting organisation) must not exceed EUR 1 100.

## 12.2 Funding forms

### ➤ **Specific funding conditions under this call for proposals:**

<b>Funding</b>	<b>Amount or percentage</b>
EU contribution to eligible project costs <sup>50</sup> (all eligible costs except for financial support to third parties) (per partner)	Max. 75% co-financing rate
EU contribution to financial assistance to visiting organisations in ClusterXchange (financial support to third parties) <sup>51</sup>	Max. 100% co-financing rate
Financial assistance to third parties (i.e. visiting organisations in ClusterXchange)	Max. EUR 1 100 per visiting organisation in ClusterXchange (in the form of a scale of unit costs as set out in the Quality Manual-Annex 1) <sup>52</sup>

**In case beneficiaries themselves take part in ClusterXchange as visiting organisations, beneficiaries should comply with their travel policies or usual practices and the incurred travel costs should be reported under 'other direct costs' (travel). In this case, only one person (representative of a beneficiary) can represent a visiting organisation in an exchange.**

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

### ➤ **Maximum EU contribution requested**

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

### ➤ **Eligible costs**

'**Eligible costs**' shall meet all the following criteria:

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

The period of eligibility of costs will start as specified in the grant agreement. If a beneficiary can demonstrate the need to start the action before the agreement is signed, expenditure may be authorised before the grant is awarded. Under no

<sup>50</sup> Cost categories of "Direct personnel costs"; "Direct costs of subcontracting"; "Other direct costs"; "Indirect costs".

<sup>51</sup> Cost category of "Direct costs of providing financial support to third parties" only.

<sup>52</sup> See Annex 1 of the ClusterXchange scheme - Quality Manual for European Strategic Cluster Partnerships for Excellence (Partnerships).

circumstances can the eligibility period start before the date of submission of the grant application (see section 12.1 b).

- ✓ they are indicated in the estimated budget of the action;
- ✓ they are necessary for the implementation of the action which is the subject of the grant;
- ✓ they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost accounting practices of the beneficiary;
- ✓ they comply with the requirements of applicable tax and social legislation;
- ✓ they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

In addition, for **unit costs**:

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

Further details are included in the model grant agreement.

Eligible costs may be **direct** or **indirect**.

### **Eligible direct costs**

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

#### **A. Direct personnel costs**

Types of eligible personnel costs

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

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

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

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

- (a) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed);
- (b) the result of the work carried out belongs to the beneficiary, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

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

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

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

**C. Direct costs of providing financial support to third parties** are eligible if the conditions set out in the grant agreement are met.

**D. Other direct costs**

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

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

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

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

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

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

## Eligible indirect costs

### E. Eligible indirect costs (overheads)

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

**Indirect costs** are eligible if they are declared on the basis of the flat-rate of **7%** of the eligible direct costs (excluding cost category C - Direct costs of providing financial support to third parties).

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

Applicants's attention is drawn to the fact that in the case of beneficiaries receiving an operating grant<sup>53</sup> financed by the EU or Euratom budget, they cannot declare indirect costs for the period covered by the operating grant, unless they can demonstrate that the operating grant does not cover any costs of the action. In order to demonstrate this, in principle, the beneficiary should:

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

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

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<sup>53</sup> For the definition, see Article 180(2)(b) of the EU Financial Regulation: '**operating grant**' means financial contribution, to the functioning of a body which has an objective forming part of, and supporting, an Union policy, by means of a financial contribution to its work programme.

➤ **Ineligible costs**

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

Further details are included in the model grant agreement.

➤ **Calculation of the final grant amount**

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

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

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

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

entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action.

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

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

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

**Step 2** — Limit to the maximum grant amount.

**Step 3** — Reduction due to the no-profit rule as the grant must not produce a profit<sup>54</sup>

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

The following are considered 'receipts':

(a) revenue generated by the action for beneficiaries other than a non-profit organisation.

In-kind and financial contributions by third parties are not considered receipts.

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

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

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

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

Further details are included in the model grant agreement.

### 12.3 Payment arrangements:

#### Pre-financing payment

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

#### Final payment

The Agency will establish the amount of the final payment to be made to the beneficiary on the basis of the calculation of the final grant amount (see section 12.2 above). If the total of earlier

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<sup>54</sup> Not applicable for low value grants.

payments is higher than the final grant amount, the beneficiary will be required to reimburse the amount paid in excess by the Agency through a recovery order.

#### 12.4 Pre-financing guarantee

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

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

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

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

### **13. REPORTING REQUIREMENTS:**

Beneficiaries will be requested to submit the following reports:

- technical progress reports covering every 6 months of the project implementation, not linked to a request for payment ('progress reports')<sup>55</sup>;
- a final technical and financial report covering the entire period of project implementation, linked to the request for the payment of the balance ('final report').

Further details are included in the model grant agreement.

### **14. PUBLICITY**

#### 14.1 By the beneficiaries

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

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

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<sup>55</sup> Example: A project with 24 months duration is expected to submit three technical progress reports: 1<sup>st</sup> technical progress report covering months 1-6 and due in month 7; 2<sup>nd</sup> technical progress report covering months 7-12 and due in months 13; 3<sup>rd</sup> technical progress report covering months 13-18 and due in months 19.

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

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

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

## 14.2 By EASME

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

The Agency will publish the following information:

- name of the beneficiary,
- address of the beneficiary, when the latter is a legal person, region when the beneficiary is a natural person, as defined on NUTS 2 level<sup>56</sup> if he/she is domiciled within EU or equivalent if domiciled outside EU,
- subject of the grant,
- amount awarded.

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

## 15. DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EU) 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data<sup>57</sup>. Unless indicated otherwise, the questions and any personal data requested that are required to evaluate the application in accordance with the call for proposal will be processed solely for that purpose by the EASME Head of Unit A.1. Details concerning the processing of personal data are available on the privacy statement at: [https://ec.europa.eu/research/participants/data/support/legal\\_notice/h2020-ssps-grants-sedia\\_en.pdf](https://ec.europa.eu/research/participants/data/support/legal_notice/h2020-ssps-grants-sedia_en.pdf).

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<sup>56</sup> Commission Regulation (EC) No 105/2007 of 1 February 2007 amending the annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 39 of 10.02.2007).

<sup>57</sup> OJ L 295/39 of 21.11.2018.

Personal data may be registered in the Early Detection and Exclusion System (EDES) should the beneficiary be in one of the situations mentioned in Articles 136 and 141 of the EU Financial Regulation (EU) 2018/1046<sup>58</sup> (for more information see the Privacy Statement on: [http://ec.europa.eu/budget/library/explained/management/protecting/privacy\\_statement\\_edes\\_en.pdf](http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_edes_en.pdf)).

## 16. PROCEDURE FOR THE SUBMISSION OF PROPOSALS

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

### ➤ **Electronic submission**

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

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

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

### ➤ **Contacts**

The Agency is available to answer questions relating to the content of the present call for proposals. All questions must be sent by e-mail at the latest **7 calendar days** before the call deadline to [EASME-COSME-CLUSTER-EXCELLENCE@ec.europa.eu](mailto:EASME-COSME-CLUSTER-EXCELLENCE@ec.europa.eu). Questions submitted after will not be answered.

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

## 17. ANNEXES:

- *ClusterXchange scheme - Quality Manual for European Strategic Cluster Partnerships for Excellence (Partnerships)*
- *Application form (Description of the action and detailed budget template)*
- *Model Grant Agreement:*  
[https://ec.europa.eu/research/participants/data/ref/other\\_eu\\_prog/cosme/mga/cosme-mga-multi\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/other_eu_prog/cosme/mga/cosme-mga-multi_en.pdf)
- *Guide for Applicants:*  
[https://ec.europa.eu/research/participants/data/ref/other\\_eu\\_prog/cosme/guide/pse/gfa\\_cosme-2020\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/other_eu_prog/cosme/guide/pse/gfa_cosme-2020_en.pdf)

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<sup>58</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32018R1046>.