

European Social Fund + (ESF+) Social Innovation + (SI+) Initiative

# **National Competence Centres for Social Innovation: Building-up and Consolidating the Capacity**

ESF-SI-2023-NCC-01

## **Call Conditions**



## ABSTRACT

**Call identifier:** Lithuanian European Social Fund Agency (hereinafter – ESFA) as an entrusted entity to implement the ESF+ SI+ Initiative.

**Open Call title:** National Competence Centres for Social Innovation: Building-up and Consolidating the Capacity

**Open Publication date:**

**Deadline:** 18/12/2023 at 5:00 PM CET time zone

**Indicative overall grant budget for the Call:** 8 000 000 EUR

**The form of grant:** a lump sum grant

**Expected duration of a project:** up to 36 months

**The size of grant:** In an optimal situation the selected projects will cover all 27 Member States, with 3–5 countries covered by each project. The estimated size of a grant is between 500 000 EUR and 1 500 000 EUR per project (but this does not preclude the submission/selection of applications requesting other amounts), constituting not more than 80% of the project's total budget. A co-financing of at least 20% must thus come from other resources than the EU budget.

**Official Call site:**

<https://www.esf.lt/lt>;

<https://ec.europa.eu/european-social-fund-plus/en/esf-social-innovation>

**For submission:**

- Get access to the Portal – <https://forms.office.com/e/yQYbETfxy2>
- Connect to the Portal – <https://esinnis.sharepoint.com/sites/NCC>

**For support:** [NCC@esf.lt](mailto:NCC@esf.lt)

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## Glossary

**Applicant** – an entity (organisation) which submits an application.

**Associated partners** – entities which participate in the project, but without the right to charge costs or claim contributions.

**Beneficiaries** – the signatories of the Grant Agreement (either directly or through an accession form). They shall collectively contribute to a smooth and successful implementation of the project (i.e., implement their part of the project properly, comply with their own obligations under this Agreement, and support the Coordinator in his obligations).

**Co-Applicants** – entities which participate in the project and are actively involved in the implementation of the project and financially engaged (be it by hiring staff or incurring other costs).

**Coordinator** – an applicant (after the Grant Agreement is signed – a beneficiary) that is the central contact point for the Granting Authority and represents the consortium.

**ESFA** – Lithuanian European Social Fund Agency selected as the entrusted entity by the European Commission to implement the ESF+ SI+ Initiative. Under this Call ESFA is also referred to as the Granting Authority.

**Lump sum** – a form of simplified cost options that is determined during the case-by-case assessment of an application, based on the submitted detailed draft budget and in accordance with the predefined terms of agreement on activities and/or outputs and on their completion.

**Portal** – the electronic portal and data exchange system managed by ESFA.

# 1. Introduction – background

## 1.1. Key concepts

Under the European Social Fund Plus (ESF+), **Social innovation (SI)** covers innovative activities that are social both in terms of their ends and their means. Thus, it is acknowledged that **social innovation**:

- is a collective social process, involving the distinctive participation of civil society actors and building new relationships between public, private and third sector organisations;
- generates social output and impact in terms of improved services, products, models, social relationships, standards, or policies that create greater social impact than current practice and are therefore more effective in achieving the objectives of the ESF+ and the European Pillar of Social Rights.

Such activities are linked to the development, testing, validation and implementation, and scaling-up of new (combinations of) products, services, models or practices that meet social needs and resolve societal challenges. Thereby, social innovations aim at changing the social context, empowering civil society actors and boosting their capacity to act, as well as developing new policy approaches. The concept of social innovation allows public authorities, private and third sector organisations to enter into new relationships and to tailor innovative actions to the specific needs and opportunities or to experiment in a transnational context at the European Union (EU) level. What is an established good practice in one country or region can serve as a source of innovation elsewhere.

**Social experimentation** is defined in the ESF+ Regulation<sup>1</sup> as ‘a policy intervention that aims to provide an innovative response to social needs, implemented on a small scale and in conditions that enable its impact to be measured, prior to being implemented in other contexts including geographical and sectorial ones, or implemented on a larger scale, if the results prove to be positive’.

It should provide valuable information for policymakers, avoiding the costs of launching large-scale programmes before the suitability, feasibility, acceptance and outcomes of critical components are tested. Even if not every social experimentation reveals possible improvements of support services or public policies, or results in a better product, they still serve as an important source of learning for policymakers and implementing organisations.

The social **innovation ecosystem** refers to:

- actors that provide human, intellectual, material, or financial resources for social innovation initiatives, including citizens, civil society organisations, social enterprises, academia, businesses, financial institutions, and authorities of all levels;
- framework conditions, such as institutions, legislation, policy programmes, funding schemes, standard and established practices in support services, curricula, and civic participation culture.

The notion of the ecosystem helps to explain how social innovation initiatives are embedded and co-evolve in a network of mutually beneficial relationships built on trust, common values and shared principles.

**Scaling-up** means a process of transferring proven social innovations to other actors or contexts, thus creating a wider impact. Scaling can emerge both from the supply perspective (social innovator seeks to expand activities or is looking for partners who could replicate the innovation in other context) and from the demand perspective (public authorities or other stakeholders replicate a proven solution or embed it in public policies or functioning of systems (mainstreaming)). Scaling of social innovation often benefits from cooperation at the EU level: an established practice from one country or region can serve as a source of innovation elsewhere.

**Validation** is an evidence-based evaluation that an innovative model, tool, or practice is suitable for the problem to be tackled, meets the needs of the identified beneficiaries and/or stakeholders, is transferrable to other contexts and, above all, has demonstrated advantages over the current practice.

1 EU 2021/1057 of 24 June 2021

## 1.2. Legal base of the Call

This Call is published under:

- Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (hereinafter –ESF+ Regulation)<sup>2</sup>, and notably its articles 5(2), 14(6) and 25 (i);
- Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy<sup>3</sup>;
- Regulation (EU, Euratom) No 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<sup>4</sup>, and notably its articles 181, 182 and 183.

This Call is administered and implemented under the provisions of the Framework Agreement between the European Commission on behalf of the European Union, and ESFA, signed on 7 November 2022.

## 1.3. The policy context

The ESF+ finances the implementation of the principles of the European Pillar of Social Rights through actions in the area of employment, education and skills, and social inclusion.

With an emphasis on social innovation, the ESF+ intends to stimulate it in three complementary ways:

- firstly, under the **shared management strand of ESF+** (with a budget of 98.3 billion EUR), Member States have established a funding priority to support national or regional actions of social innovation and social experimentation and/or strengthen bottom-up approaches based on partnerships between public authorities, the private sector, and civil society (Article 14 of the ESF+ Regulation);
- secondly, in **direct management under the Employment and Social Innovation (EaSI) strand of ESF+** (Article 25 of the ESF+ Regulation)<sup>5</sup>, the European Commission continues to **pilot social experimentations and support European networks**<sup>6</sup> to boost social innovation in response to social needs that are not met or partly met;
- finally, the European Commission has launched **the ESF+ Social Innovation+ Initiative (SI+ Initiative)** with a budget of 197 EUR million for the 2021–2027 programming period.

**The SI+ Initiative<sup>7</sup> is dedicated to accelerating the transfer and facilitating the scaling up of innovative solutions on transnational level.**

The SI+ Initiative will be implemented by the European Competence Centre for Social Innovation (created and managed by ESFA) in two work streams:

- **Social innovation grants**

EU-level calls for proposals, with the aim to support transnational projects that facilitate transfer and/or scaling up of social innovations, will be launched. This will include several types of action. Some projects will conceptualise and

2 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R1057>

3 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R1060>

4 <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1046>

5 With an overall budget allocation of 762 million EUR, EaSI strand is focused on analytical activities to promote evidence-based policymaking and social experimentation, support to job mobility and the non-financial instrument activities related to Microfinance and Social Entrepreneurship. It is centered on the following main policy priorities: 1) employment and skills, 2) labour markets and labour mobility, 3) social protection and active inclusion, and 4) working conditions. Support under the EaSI strand should also act as a catalyst for transnational partnerships and networking between public, private and third-sector actors. It should facilitate their involvement in designing and implementing new approaches to tackling pressing social needs and challenges.

6 Piloting activities will be implemented via transnational projects in the EaSI participating countries, selected after the Calls for Proposals. These projects will be supported by mutual learning opportunities, such as exchange of practices, innovative approaches, peer reviews and benchmarking, but also event guides, reports, informative material and media coverage, networking (including cross-border partnerships) and capacity-building activities.

7 The SI+ Initiative evolves through three phases: 1) the preparation phase, 2021 to mid 2023; 2) the building-up phase, 2023 to mid 2025 and 3) the consolidation and expansion phase, mid 2025–2027. The key element in the transition from one phase to another will be a sound evaluation of the approach, instruments and achievements of the SI+ Initiative, and its linkages to other relevant EU actions.

validate tested approaches, some will help to roll out validated models across Europe, yet others will help the social innovation support organisations to improve their capacities. This Call is aimed at the latter group of projects.

#### – Knowledge Sharing

Organisations and institutions supporting and funding social innovations will engage in mutual learning, capacity building and networking activities. Transnational collaboration will open up the possibility to collect, assess, develop, validate and disseminate pertinent knowledge, models and examples, tools and practices of social innovation. Moreover, the envisaged mutual activities will help to establish the linkage between the SI+ Initiative and other relevant EU Programmes, notably the EaSI strand of the ESF+, and with the social innovation priorities of national and regional ESF+ Programmes.

### 1.4. Building National Competence Centres for Social Innovation

According to the observations from the field, social innovation is often limited in scale and scope, fragmented and ad-hoc. Social innovation often lacks funding, professional support capacities, coherence, synergies, learning and cooperation opportunities. Moreover, visibility and public recognition of social innovation support organisations is insufficient.

There is a mismatch between 1) the need and demand for developing, testing, and mainstreaming new ways to shape the future of work and life and 2) the large pool of innovative solutions, funded under shared and direct management EU programmes, with limited systemic efforts to transfer, scale-up, and mainstream this largely unexploited potential.

One of the main reasons for these mismatches is that promoting social innovation support requires specific capacities and knowledge, not only in communicating the concept of social innovation, but also in empowering and connecting social innovation initiatives through the provision of suitable knowledge and skills, good practices and examples, tools and methodologies.

Against this background and with a view of benefitting fully from the enhanced support to social innovation within the ESF+, in 2020 the European Commission published a call for proposals for projects building up national competence centres for social innovation (hereinafter – the 2020 call)<sup>8</sup>. The 2020 call aimed at supporting the early phase of developing and testing the key functions of the national competence centres for social innovation (hereinafter – NCCs), with the perspective that in longer term their national operations could be financed for example from the national ESF+ Programmes. The suggested key functions encompassed:

- capacity building of stakeholders, including the ESF+ Managing Authorities in charge of the dedicated priorities on social innovation;
- transnational transfer of knowledge;
- creation of synergies between the strands of ESF+ and other relevant EU funding programmes;
- networking of stakeholders, both in the national and the EU context.

Subsequently, six projects, presented by transnational consortia involving 148 organisations, were selected, and the winners later worked on building NCCs in 23 Member States and in the UK/Scotland.<sup>9</sup> More information about the consortia is available at ESFA's website<sup>10</sup>.

- Each consortium includes partners from four or five countries and organises mutual learning activities between them, thus helping to identify the NCC's functions suitable and effective in facilitating the development of social innovation in the country in question.
- The consortia also exchange the lessons learnt and work together within the Community of Practice on Social Innovation<sup>11</sup>, which is a platform dedicated to mutual learning across the wider EU social innovation community.

As part of these projects, the consortia have investigated national ecosystems for social innovation with the ambition

<sup>8</sup> VP 2020/010: <https://ec.europa.eu/social/main.jsp?catId=629&langId=en&callId=604&furtherCalls=yes>

<sup>9</sup> Out of the 27 EU Member States, Luxembourg, the Netherlands and Malta were not involved in any consortia. Croatia was represented by an organisation which participated as an associate partner, but did not yet engage in building an NCC.

<sup>10</sup> <https://www.esf.it/en/european-competence-centre-for-social-innovation/national-competence-centres-for-social-innovation/1233>

<sup>11</sup> The Community of Practice on Social Innovation is aiming to facilitate and accelerate the transfer and upscaling of proven innovative solutions, provides a useful framework for organising the cooperation based on the transnational knowledge sharing and active involvement of the NCCs.

to create a joint strategy and an action plan for each country. This included identification of strengths, opportunities, and constraints, as well as mapping of the most important stakeholders (project promoters, funders, support organisations) and activities, their expertise and needs for capacity building. These projects triggered important developments in the countries involved. Notably, they have mobilised a substantial number of key players to jointly act and reflect on better support for social innovation in each country. This has happened in parallel with the programming of the ESF+ resources and thereby, most countries now have a more explicit and strategic approach for supporting social innovation.

The exercise made it possible to confirm certain key functions of NCCs, as reflected in the Section 1.5.

Regarding the structures and operational models of the NCCs, Member States have chosen a variety of approaches and are in different stages of consolidating them. Some Member States have already decided to support their NCCs from the national ESF+ programmes, which is in line with the emphasis on social innovation in the ESF+ Regulation. In some other Member States, more time and piloting will be needed to choose and consolidate the most suitable model.

Altogether, further work in the national contexts paired with continuous cooperation at the EU level will enable to apply the lessons learnt and move a step further to capitalise the potential of the NCCs.

## 1.5. The role and functions of NCCs

In essence, the NCCs can contribute to more favourable environment for social innovation by inspiring, assisting, empowering and connecting stakeholders to make better use of the available opportunities and success factors of social innovations.

To this end, each NCC shall:

- **function as a facilitator and a hub** for new relationships and collaborations between practitioners and support organisations;
- **become a resource centre** for the use of suitable tools, methods, examples, models and practices;
- **facilitate the mainstreaming** of successfully tested innovative approaches (or partnerships) by:
  - a) assisting social innovation initiatives in validating, documenting, communicating, and transferring their innovative approaches and facilitating access to funding ('push');
  - b) identifying the needs and demand for innovative models specific to national/regional context ('pull').
- **contribute to the development and continuous improvement of policies and actions** aimed at supporting social innovations, based on a shared understanding and analysis of the state of development of the national SI ecosystem.

To fulfil these functions, the NCCs have to further build-up and develop professional capacities.

- In the EU context, networking, mutual learning, and joint work with peers from other Member State is a prime opportunity to this end.
- In the national context, the NCCs need to establish systematic cooperation and exchange with:
  - ESF+ programme authorities responsible for implementing the ESF+ priorities for social innovative actions;
  - social innovation promoters and practitioners, in particular multi-sector initiatives and community-based local initiatives;
  - other organisations that can provide resources and support services to social innovation promoters and adopters.

## 1.6. Synergies regarding the EaSI National Contact Points

The ESF+ Regulation includes a provision for supporting national contact points (hereinafter – NCPs) providing 'guidance, information and assistance related to the implementation of the EaSI strand'. The European Commission has published two calls for proposals supporting Member States in establishing NCPs (ESF-2021-AG-NCP<sup>12</sup> and ESF-2022-NCP<sup>13</sup>). The funding through these calls was intended to cover only the phase of creation and early activities of NCPs. The funding of these projects is scheduled to end between May and December 2024.

12 <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/esf-2021-ag-ncp>

13 <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/topic-details/esf-2022-ncp>



Several Member States have established links between the EaSI NCPs and the NCCs, and in some cases the same organisations perform both functions. Such synergies are welcome, given that many activities of the NCPs are directly linked to social innovation and social experimentation, which lie at the core of NCCs' activities.

The present Call is an opportunity to create further synergies. Notably, the NCCs are encouraged to pay attention to social innovation aspects of the EaSI strand and systematically cover them in their activities. They should inform potential applicants about the social innovation funding opportunities, contribute to the capacity building of stakeholders and disseminate the results. Implementing separate, only the EaSI focussed activities, does not fall within the scope of this Call.

In those Member States where a separate EaSI NCP will continue to operate, its involvement as an associated partner in the NCC project should be considered.

## 2. Objectives – activities – expected outputs

### 2.1. Objectives – Activities

Funding under this Call will be provided for transnational mutual learning projects with the objective to support:

- a) **professionalisation and further development of NCCs that already exist or are being created in the Member States which participated in the 2020 call;**
- b) **creation of NCCs in the Member States where they were not created under the 2020 call.**

The Call builds on the lessons learnt and the developments triggered by the 2020 call. It provides an opportunity to continue what works and to improve where weaknesses have been identified. To this end:

- It provides an opportunity to reconsider which (combination of) entities are best placed to fulfil the functions of NCCs in the national contexts.
- It opens up the possibility to review the compositions of the transnational consortia, with a view to optimising further transnational transfer of knowledge and mutual learning.
- It provides an opportunity for the Member States which were not involved in the projects of the 2020 call to join the exercise and build up NCCs.

**The types of activities that can be funded** under this Call to further develop and perform the functions of NCCs, as outlined in Section 1.5, include:

- 1) Building and continuously improving the **professional capacities for supporting social innovation** through sharing successful tools and methods, approaches and models, practices and inspiring examples. This could be achieved by sharing the above-mentioned experience within the consortium, between consortia (through participation in the working group of NCCs, Sub-section 2.1.1), and with networks representing social economy and other key actors in the social innovation ecosystem<sup>14</sup>.
- 2) Developing and nurturing **sustainable relationships, networks, collaborations, synergies and learning partnerships** between stakeholders and support organisations in a Member State, including the ESF+ Managing Authorities. These efforts include, inter alia:
  - organising thematic or regional networks of organisations engaged in supporting or promoting social innovation;
  - organising peer reviews of promising social innovation models and practices.
- 3) Creating, developing and operating **a resource centre and a hub** for social innovation by collecting and assessing suitable tools and methods, approaches and models, practices and inspiring examples, and by disseminating these resources through social media, conferences and seminars, as well as through a web platform<sup>15</sup>;

<sup>14</sup> These include networks of organisations with a transformative purpose, e.g., engaged in supporting fair, green and digital transitions, such as networks of social or responsible enterprises; public authorities supporting social innovation, notably the ESF+ implementing bodies, and other funders and donors; Local Action Groups; education, training and research organisations.

<sup>15</sup> This activity includes dedicated guidance, information, and assistance related to the implementation of the EaSI strand, such as informing potential applicants about the social innovation funding opportunities, dissemination of the EaSI funded results. This should be organised through effective coordination with the EaSI NCPs, where they exist.

- 4) Facilitating and **supporting (groups of) social innovation initiatives** in:
  - validating, documenting, communicating, **transferring and scaling-up** their approach and experience;
  - creating (new forms/new combinations) **community-led local development or alternative finance models** for supporting social innovations;
  - **actively using the European Social Innovation Match database, SIM<sup>16</sup>**, by uploading pertinent case studies and entering relevant partner organisations in the database.
- 5) Raising awareness and providing **guidance and training** in applying/adapting suitable tools, methods, and practices.
- 6) Disseminating information on the available funding (the EU programmes, the shared management and EaSI strands of ESF+, national, regional and local authorities, or community-led/citizen-controlled finance for pursuing social innovation).
- 7) Mobilising and empowering stakeholders to develop and continuously **improve policies and actions** for supporting social innovations through:
  - creating a shared understanding of the drivers and barriers to social innovation;
  - organising fora and platforms to build consensus on priorities and opportunities for exploiting synergies amongst key actors in the social innovation ecosystem;
  - drafting/updating a comprehensive overview of the social innovation ecosystem, synthesising the public support for social innovation as well as visions, needs, opportunities and priorities of relevant social innovation stakeholders and promoters;
  - co-developing a shared strategy and action plan for boosting social innovation in a Member State, including under the ESF+;
  - drafting recommendations for improving the responsiveness, effectiveness and governance of public policy towards social innovation.

### 2.1.1. Working group of NCCs under the Social Innovation Community of Practice

Under this Call every project shall include transnational activities (sharing of knowledge, know-how, tools or good practice, mutual learning and capacity building, collaboration and strategy development) between the entities involved in the consortium.

In addition, to enable mutual learning and cooperation between the consortia, beneficiaries of this Call will be invited to participate in and contribute to a working group of NCCs under the Social Innovation Community of Practice. This working group will aim to create added value and enhance the impact of NCCs through:

- exploiting synergies between their activities;
- sharing knowledge, know-how, tools, experience and good practice;
- jointly developing professional competences by way of continuous quality improvement.

The working group of NCCs will thus help the beneficiaries to achieve their objectives and thereby will contribute to building a stronger European Social Innovation Community.

It is mandatory to participate in the events organised by the working group of NCCs which aim at exchange of knowledge and experience in project implementation. Two annual mutual learning events are planned to be organised on site (tentatively in Vilnius or Brussels), others will be held online.

## 2.2. Expected outputs

As a result of the activities implemented under the projects of this Call, NCCs are expected to develop more sustainable structures and relationships and be engaged in the systematic cooperation, capacity building and mutual learning.

Each consortium is expected to produce at least the following outputs **for every Member State covered**:

1. **NCC has been established and it has achieved most, if not all, of the following outputs:**
  - It has built-up and consolidated sustainable professional capacities for supporting social innovation, in particular capacities to assist in validating, replicating, transferring, and scaling-up innovative solutions. It has

<sup>16</sup> <https://ec.europa.eu/european-social-fund-plus/en/social-innovation-match>

proven to be able to perform the functions outlined under Section 1.5 and has successfully carried out the activities outlined under Section 2.1;

- It has consolidated its organisational structure, mission and governance (financial, institutional, operational structures and procedures);
- It has established, where needed and for the benefit of performing the NCC functions, a formal and sustainable partnership of several organisations sharing a common vision, tasks, and activities;
- It is recognised as a professional resource, partner and development hub by relevant organisations in the national social innovation ecosystem, for which it:
  - has facilitated the development of new relationships to further develop a conducive national social innovation ecosystem, and has established linkages with the relevant (national and/or regional) ESF+ Programme Authorities that implement the ESF+ priorities on Social Innovation;
  - has provided capacity building, knowledge exchange, cooperation and development opportunities through e.g., organising diverse events; establishing national thematic or regional networks, focus groups and validation working groups; providing collaboration spaces;
  - has established a web-platform for sharing information on relevant resources and support services; access to funding; news and events; inspiring good practices; tested tools, methods, and models; studies; EU policies, programmes and project results; national ESF+ funding and results.

2. **Members of a NCC are committed to participate in transnational activities and have established professional transnational working relations within their and other established consortium, the working group of NCCs, by:**

- sharing news and events;
- exchanging inspiring practices, suitable and successful tools and methods, approaches and models, examples and practices with other competence centres;
- contributing to mutual learning events of the working group of NCCs;
- facilitating and assisting in the transnational replication / mainstreaming / scaling-up of social innovation initiatives.

3. **A national strategy and action plan to promote social innovation, including the support under ESF+, has been presented**, developed in consensus with the key stakeholders in the social innovation ecosystem. The national strategy and action plan should:

- be based on an analysis of the strengths and weaknesses, development needs and opportunities of the actors in the national social innovation ecosystem;
- include an analysis of enabling and constraining factors in starting, developing and scaling-up social innovations;
- describe achievements and dynamics in developing new relationships between public, private and third sector organisations for boosting social innovation.

### **3. Available budget and co-financing rate – form of grant – cost eligibility – cost categories – double funding**

#### **3.1. Available budget and co-financing rate**

The available indicative Call budget is **8 000 000 EUR**. ESFA reserves the right not to distribute all the fundings available under this Call or to increase the Call budget (if relevant, by reallocating funding from other calls under the SI+ Initiative). The final decision will be made taking into account the number of received applications and results of the assessment.

The indicative expected size of the grant is from 500 000 to 1 500 000 EUR per project (but this does not preclude the submission/selection of applications requesting other amounts).

ESFA expects to fund 6–8 projects.

The grant awarded may be lower than the amount requested.

Under this Call, the EU grant may not exceed 80% of the total eligible costs of the project. A co-financing of at least 20% must thus come from other resources than the EU budget. Funds from other EU programmes cannot be used as national co-financing source.

## 3.2. Form of grant

The grant under this Call shall take the form of a lump sum grant.

The amounts of lump sums will be established for **the whole project (the total lump sum)** and per each **work package**<sup>17</sup> individually in accordance with the Rules of the Use of Lump Sum Contributions under the ESF+ Social Innovation+ Initiative.

Lump sums will be established on the basis of the Detailed Budget Table (see Annex 1 to the Call Conditions for a template) submitted by an applicant, ESFA's assessment of the validity of the requested amounts, and the funding rate of 80%.

Applicants shall specify the link between the necessary resources and the work packages:

- Applicants shall submit a Detailed Budget Table (Annex 1 to the Call Conditions) providing cost estimations for each cost category per work package and, within a work package, per applicant and co-applicants.
- The detailed budget table shall contain only costs that would be eligible for actual costs and shall exclude costs that are ineligible under this Call. Requirements for cost eligibility under this Call are presented in Section 3.3.
- The cost estimations must approximate the actual costs. They have to be:
  - in line with normal practices;
  - reasonable and not excessive;
  - in line with, and necessary for, the activities proposed.

The payment of a lump sum is linked to the completion of the corresponding work package. A work package can only be declared as completed and the corresponding lump sum paid when all the work has been carried out/all deliverables have been reached in accordance with the Description of the Project in the Grant Agreement (see Annex 2 to the Call Conditions for a Grant Agreement template).

The overall description of the project shall be organised in coherent work packages:

- The number of work packages shall be well justified.
- A work package must include a description of all activities and deliverables covered by it, broken down by beneficiaries and associated partners who contribute to that work package.
- The objectives, activities and verifiable deliverables (the expected outputs) of each work package should be presented in line with the overall project objectives.
- Each work package can have multiple activities/deliverables.

Work packages with a long duration (e.g., for coordination/management or dissemination) may be split along the reporting periods into several work packages of a shorter duration.

## 3.3. Cost eligibility and cost categories

**a) Eligible cost categories under this Call are as follows:**

Eligible cost categories for a Detailed Budget Table:

- A. Direct personnel costs:
  - A.1 Employees (or equivalent) person months
- B. Purchase costs
  - B.1 Travel and subsistence per travel or day
  - B.2 Other goods, works and services
- C. Indirect costs<sup>18</sup>

17 Work package (WP) means a major sub-division of the proposed project, i.e., every project is divided into defined smaller parts. A work package represents a specific block of tasks, and each work package should include activities and deliverables – outputs of a particular work package– by which the progress of a project is measured.

18 Indirect costs are costs that cannot be identified as specific costs directly linked to the performance of the project. Indirect costs are general administrative costs – overhead costs incurred in connection with the eligible direct costs for the project. They can include maintenance, stationery, photocopying, postage, telephone and fax costs, heating, electricity or other forms of energy, water, office furniture, insurance, and any other expenditure necessary for the successful completion of the project.

Indirect costs will be defined in an application as a flat rate of 7% of the total eligible direct costs.

#### b) Ineligible costs and contributions

The following costs or contributions are ineligible under this Call:

1. costs related to return on capital and dividends paid by the Beneficiary;
2. debt and debt service charges;
3. provisions for future losses or debts;
4. interest owed;
5. currency exchange losses;
6. bank costs charged by the Beneficiary's bank for transfers from the Granting Authority;
7. excessive or reckless expenditure;
8. deductible or refundable VAT (including VAT paid by public bodies acting as public authority);
9. costs incurred or contributions made for the activities implemented during a suspension of the Grant Agreement;
10. in-kind contributions by third parties;
11. any costs incurred before the project start date and after the project end date;
12. costs or contributions for staff of a national (or regional/local) administration, for activities that are part of the administration's normal activities (i.e., not undertaken only because of the grant).

### 3.4. Double funding

There is a strict prohibition of double funding from the EU budget. Any action may receive only ONE grant from the EU budget and under no circumstances shall the same costs be financed twice by the Union budget.

## 4. Timetable – deadlines – project duration

Timetable and deadlines (indicative)	
Call opening	17 August 2023
Expected date for submission of Letters of Endorsement (via <a href="mailto:NCC@esf.it">NCC@esf.it</a> )	16 October 2023
Deadline for submission of applications	18 December 2023 – 5:00 PM CET time zone
Assessment of applications	December 2023 – March 2024
Information on Assessment results	April 2024
Grant Agreement signature	June 2024

#### Starting date and duration of the projects

The indicative duration of a project should be up to 36 months.

The actual starting date of a project could be:

- the first day following the date when the last of the two parties signs the Grant Agreement; *or*
- the first day of the month following the date when the last of the two parties signs the Grant Agreement; *or*
- the date agreed by the parties to the Grant Agreement.

In duly justified cases, the implementation of project activities can start after the submission of an application.

## 5. Admissibility and documents

An application shall be filled in online and together with other supplementary documents submitted electronically via the Portal by the deadline specified in Chapter 4 of this Call. An application submitted not via the Portal or after the deadline, will not be accepted.

Access the Portal via the Call page.

Submission of an application is a **2-step process**:

1. **Creation of a user account.** To use the Portal, an applicant has to create a user account.
2. **Submission of an application** (see Annex 3 to the Call Conditions for an application templates).

An application, including the Annexes to the Call Conditions and other supporting documents, **shall be submitted by filling in the provided forms** unless specified otherwise. An application **must be complete** and contain all the requested information, Annexes to the Call Conditions and other supporting documents. The list of required documents is provided as Annex 4 to the Call Conditions.

An application must be **readable and accessible**. Please note that the number of characters in the application columns is limited, so please be concise and specific.

Documents must be uploaded on the Portal under the relevant Call, otherwise an application might be considered incomplete and thus inadmissible.

When submitting an application, the applicant will have to confirm that they have a mandate to act for all co-applicants. Moreover, the applicant will have to certify that the information provided in the application is correct and complete and complies with the conditions for receiving the EU funding (especially eligibility, financial and operational capacity exclusion).

At a later stage, the applicants may be asked for additional documents (validation of a legal entity and bank account, proof of financial capacity, etc.).

It is recommended to complete an application sufficiently in advance of the deadline to avoid any last-minute technical problems. Problems due to last-minute submissions, such as network congestion, will be entirely at applicant's own risk. Call deadlines can NOT be extended.

Once an application is submitted, the applicant will receive a **confirmation e-mail** (with the date and time of submission). Not receiving the confirmation e-mail implies that the application was NOT submitted successfully. If the applicant assumes that the failure to submit an application was caused by the malfunctioning of the Portal, a complaint should be immediately filed via the e-mail address [IThelp@esf.it](mailto:IThelp@esf.it) explaining the circumstances and attaching a copy of an application (and, if possible, screenshots to prove the malfunction of the Portal or the applicant's attempts to submit the application).

## 6. Eligibility – eligible participants – consortium composition

Please note that the compliance with the eligibility criteria is mandatory for the entire duration of the project.

### 6.1. Eligible participants

Legal entities established and registered in the Member States, which meet conditions set in Section 6.2, are eligible as **applicants** or **co-applicants** and associated partners. Please note that only endorsed entities (except for cases specified in Section 6.2b (iv)) are recognised as eligible applicants and co-applicants under this Call. An entity without endorsement can participate only as an associate partner.

If **applicant's** or **co-applicant's** organisation is already validated by the Central Validation Service (status 'validated') and has a Participant Identification Code (PIC), which is included in the register of all participants of the EU programmes, the organisation's registration certificate does not have to be submitted. If the organisation is not validated by the Central Validation Service, documents certifying the organisation's legal status and origin shall be submitted as an annex to the application.

International organisations and EU-wide networks are eligible to participate in a project as associated partners on the condition that their expertise and experience will be shared with all the selected consortia through their participation in the activities of working group of NCCs (see Sub-section 2.1.1).

EU restrictive measures – Special rules apply to entities from certain countries (e.g., entities subject to EU restrictive measures under the Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty on the Functioning

of the EU (TFEU), or entities covered by the Commission Guidelines No 2013/C 205/0518. Such entities cannot participate in a project in any capacity, including as beneficiaries, associated partners or subcontractors (if any).

## 6.2. Consortium composition

Only consortia are eligible.

### a) Transnational requirements

To be considered eligible, a consortium must include an applicant and at least two co-applicants. The members of the consortium shall represent at least 3 different Member States.

For practical and legal reasons, it is recommended to set up consortium agreements that allow to deal with exceptional or unforeseen circumstances (in all cases, even if not mandatory under the Grant Agreement). The consortium agreement also gives the possibility to redistribute the grant according to the internal principles and criteria of the consortium (for instance, one beneficiary can reattribute its grant to another beneficiary). The consortium agreement thus allows to customise the grant to the needs within the consortium and can also help to protect the parties in case of disputes.

### b) Requirements at the level of Member States:

It is important to ensure that the NCCs cooperate well with the bodies in charge of implementing the ESF+ programmes in the Member State in question. For this reason:

- (i) The NCC does not have to be one single entity but can be formed by a **partnership of several entities**. If NCC's functions are shared between different entities in a Member State it is advisable to sign a National Social Innovation Partnership Agreement, in which rules and procedures of cooperation (e.g., arrangements for governance and representation, distribution of roles and activities, joint development strategy, etc.) are specified.
- (ii) For every Member State covered, an applicant and co-applicants must be endorsed by the national ESF+ Managing Authority confirming that it will recognise the organisation or partnership as a competence centre for social innovation for that Member State (see Annex 5 to the Call Conditions for a template of the Endorsement Letter).
- (iii) An endorsed entity or partnership can only participate in one **consortium**. In case where more than one entity is endorsed by a certain Managing Authority, all of them shall only participate in one and the same consortium.
- (iv) A national ESF+ Managing Authority or ESF+ body/bodies managing the SI priority/priorities under ESF+ shared management may assume the functions of a NCC in a Member State. In case where more than one ESF+ body assumes the functions of NCC in a Member state, the respective bodies shall form partnership, and participate in one and the same consortium.
  - In this case a national ESF+ Managing Authority or ESF+ body shall declare that it has proven expertise, capacity, and experience, has established a social innovation partnership in its country, and is recognised as a professional resource by social innovation promoters and stakeholders, academia, local social and economic development organizations. In this case no Endorsement Letter is required.
  - In addition, the national ESF+ Managing Authorities or ESF+ body/bodies managing the SI priority/priorities under ESF+ shared management are encouraged to participate as associated partners. This will strengthen the development and implementation of a national strategy for social innovation and facilitate transnational learning and cooperation between ESF+ bodies implementing support for innovative actions.

The Endorsement Letter shall be issued by the responsible national ESF+ Managing Authority<sup>19</sup>. Moreover, it is strongly recommended to consult the respective ESF+ body (-ies) managing the SI priority (-ies) under ESF+ shared management during the selection process.

<sup>19</sup> For this Call, the national ESF+ Managing Authority is the entity represented as the full Member of the ESF+ Committee at the time of publication of the Call. The endorsement will include the confirmation that entity/partnership is also entrusted to act as a national competence centre for social innovation, notably to support innovative projects and public authorities under the ESF+. The Endorsement letter shall be signed by the full member of the ESF+ Committee. The name of ESF+ Committee Member for the country can be found at <https://ec.europa.eu/european-social-fund-plus/system/files/2023-06/Members%20list%20ESF%2B%20Committee.pdf>. The information provided may be incomplete due to the protection of personal data. If you have any further questions regarding your Member State, please contact ESFA via [NCC@esf.it](mailto:NCC@esf.it).

The purpose of the endorsement is to avoid multiple competing applications covering the same Member State, and to provide a basis for developing synergies and complementarities in supporting social innovation. The responsible national ESF+ Managing Authority will be encouraged to endorse the most suitable, competent and recognised national entity or partnership, ensuring that the selection process is transparent and prompt.

The responsible national ESF+ Managing Authorities are kindly requested to submit their Endorsement Letters as soon as possible but preferably no later than **by 16 October 2023** to ESFA via email [NCC@esf.it](mailto:NCC@esf.it), and also inform the endorsed entities about their decision.

ESFA will publish and regularly update a list of endorsed entities or partnerships on the website [www.esf.it](http://www.esf.it) to ensure that consortia are formed only between the endorsed entities, as well providing sufficient time for preparation of joint applications.

If the Endorsement Letter has not been signed by 16 October 2023, the responsible ESF+ Managing Authorities are kindly requested to inform ESFA about the status quo on the endorsement process.

#### c) **Associated partners**

Associated partners, as defined in Article 7 of the Grant Agreement (see the Grant Agreement template in Annex 2 to the Call Conditions), are eligible to participate in a project. An associated partner can participate in a project but may not declare eligible costs. A public body or a private entity (e.g., a foundation) providing co-financing may also participate as an associated partner.

#### d) **Affiliated entities**

Affiliated entities are not eligible.

#### e) **Conditions of rejections**

If an applicant is considered ineligible, the application will be rejected.

A co-applicant regarded as ineligible will be removed from the consortium. The related activities and projected costs of the removed co-applicant will be excluded, respectively. The eligibility of the modified consortium will then be re-evaluated without the said co-applicant's activities and costs. If the application is accepted for funding, ESFA will ask the applicant to adapt the work plan and budget correspondingly.

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

An applicant and each co-applicant shall have the financial and operational capacity to complete the activities for which funding is requested.

Only entities with the necessary financial and operational capacity may be considered as potential grant recipients.

### **7.1. Financial capacity**

An applicant and each co-applicant shall have stable, sufficient, and solid financial resources (i.e., a strong financial capacity) to maintain project activities and to help finance it as necessary.

The verification of financial capacity shall NOT apply to public bodies.

- Public body – any legal entity which is established as a public body by national law<sup>20</sup> or is an international organisation<sup>21</sup>.

The criteria listed below shall NOT constitute sufficient evidence for an entity to be recognised as a public body:

- Entity's mission or activity is in the general interest (public service mission);

<sup>20</sup> Established as a public body by national law shall mean: 1) incorporated as a public body in the act of creation or recognised as a public body by national law and 2) governed by public law. Both conditions must be fulfilled.

<sup>21</sup> International organisation shall mean – an intergovernmental organisation (other than the EU) with legal personality under international public law (including specialised agencies – with or without legal personality – set up by international organisations and referred to in Article 156 (1) of the EU Financial Regulation.



- Entity's shares belong to a public body (even if the public ownership constitutes 100% of the share capital);
- Entity receives public financing;
- Entity is supervised and controlled by the state.

Public bodies may act according to, and be subject to, private law in some or most of their activities, provided that, their existence and functioning, are governed by public law.

**The financial capacity of applicant and each co-applicant shall be assessed prior to the signature of the Grant Agreement<sup>22</sup>, unless during the assessment of applications is decided otherwise.**

Assessment of financial capacity shall be carried out on the basis of the following supporting documents, including documents specified in points a) and b) of this Chapter:

- Signed Legal Entity Identification Form (Public Legal Entity form: in English);
- Official VAT<sup>23</sup> certificate or – if the entity is not registered as a VAT payer – the proof of VAT exemption (not older than 6 months);
- Copy of the act, law, decree, or decision that established the entity as a public body (or, if case of absence thereof, any other official legal document that proves this).

a) The applicant and each co-applicant whose grant is > 60 000 EUR must submit:

- Declaration on honour including declaration on financial capacity to carry out the project;
- Official annual balance sheets and profit and loss accounts for the last two financial years available;
- Explanatory notes and/or annexes that form part of the aforementioned financial statements (if available);
- For newly established entities: a business plan or any other corresponding document which includes financial projections on total assets and annual total revenue. No statutory audit/self-declaration is needed in such cases.

b) An applicant and each co-applicant whose grant is >750 000 EUR must submit:

- The information and supporting documents in point a) hereof;
- an audit report issued by an approved external auditor certifying the accounts for the last two financial years, where such an audit report is available or whenever a statutory audit report is required by the Union or national law.

If the audit report is not available AND a statutory report is not required by law, a self-declaration signed by applicant's authorized representative certifying the validity of its accounts for the last two financial years available must be submitted.

The financial capacity will be evaluated on the basis of the following two ratios:

A **first ratio** between the total assets in (co-) applicant's balance sheet and the total cost of the project or the part of the project budget for which that entity is responsible (in line with the budget presented in the application). The (co-) applicant is considered to have a strong financial capacity when the ratio is equal or greater than 0.70.

**The formula for each (co-)applicant in the consortium: (co-)applicant's own assets (the average of the last two years)/the part of the project budget corresponding to that (co-) applicant  $\geq 0.70$ .**

A **second ratio** between the 1st prefinancing and the annual total revenue. For each (co-)applicant the share of the 1st prefinancing is equal to their share in the total estimated budget. The (co-) applicant is considered to have a strong financial capacity when the ratio is equal or lower than 0.70

**The formula for each (co-)applicant in the consortium: 1st prefinancing corresponding to the (co-) applicant/ annual total revenue (the average of the last two years) of the (co-) applicant  $\leq 0.70$**

If the financial capacity of the (co-)applicants is not perceived as strong, ESFA may additionally require:

- to submit (one or more) prefinancing guarantees;
- to submit a joint and several guarantees by a third party;
- to submit an irrevocable and unconditional joint guarantee of the applicant and other co-applicants;

<sup>22</sup> If the application is pre-selected for funding

<sup>23</sup> Value added tax

- to split the payment of the prefinancing into several instalments;
- to set a ceiling for the pre-financing in the Grant Agreement at 20 000 EUR;
- any other measure which, after assessing the specific situation, would ensure that the project will be implemented properly.

If the applicant or any of the co-applicants breach their obligation to provide the prefinancing guarantee or other corresponding documents, the prefinancing will not be paid.

Such breaches may also lead to other measures: rejection of the application, termination of the participation in the project (if possible), or termination of the Grant Agreement.

## 7.2. Operational capacity

Under this Call, only operational capacity of the applicant, which acts as the Coordinator, will be assessed<sup>24</sup>.

The Coordinator must have sufficient experience in managing/coordinating transnational projects of comparable size and nature, including a comparable number and diversity of partners.

Concretely, this means the following:

- the Coordinator (as a legal entity) managed at least 1 transnational consortium project within the past five years, *or*
- the lead project manager (currently employed or planned to be employed by the Coordinator and directly involved in the implementation of the project submitted under the Call) managed at least 1 transnational consortium project within the past five years. Additionally, the lead project manager is expected to have a very good command (C1 level) of English.

**Please note that only those transnational consortia projects which: 1) had involved partners from no less than 3 different Member States and 2) had lasted for at least 12 months or had the total budget above 200 000 EUR will be taken into consideration for the assessment of Coordinator's operational capacity.**

Please note that project coordination/management activities are core activities and may not be subcontracted.

The operational capacity of the Coordinator to manage the project shall be confirmed by the submission of the following supporting documents:

- A declaration of the Coordinator certifying the professional competences and appropriate qualifications of the project team to carry out the required tasks;
- General profiles (qualifications and experiences) of the staff responsible for managing a project (information shall be presented under the point 2.3 of the Application Form B);
- A list of projects managed by the Coordinator within the past five years (please see Annex 6 to the Call Conditions for a template). The information presented should include the subject matter of these projects, their main activities, transnationality aspect, involvement of partners from different Member States, and the role of the Coordinator.

If needed, additional supporting documents may be requested to confirm the operational capacity of the Coordinator.

If the Coordinator is considered not to have the required operational capacity, the entire application will be rejected.

## 7.3. Exclusion Criteria

An applicant and co-applicants shall be excluded from participating in the Call if any of them is found to be in any of the exclusion situations described below, in accordance with Articles 136-141 of the Financial Regulation<sup>25</sup>:

24 Only endorsed entities are eligible applicants and co-applicants under this Call (Section 6.2). Therefore, it is considered that an endorsed entity has relevant competences to perform the function of a national competence centre and to implement the project as part of a transnational consortium. However, to ensure a successful implementation and management of the project, additional requirements are set for the Coordinator.

25 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, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32018R1046&qid=1535046024012>

1. Bankruptcy, winding up, assets administered by the courts, arrangement with creditors, suspended business activities or other similar procedures (including procedures for persons with unlimited liability for the applicant's debts);
2. In breach of social security or tax obligations (including if done by persons with unlimited liability for the (co-) applicant's debts);
3. Guilty of grave professional misconduct<sup>26</sup> (including if done by persons having powers of representation, decision-making or control, beneficial owners, or persons who are essential for the award/implementation of the grant);
4. Committed fraud, corruption, money laundering, terrorism- related crimes (including terrorism financing), or is linked with a criminal organisation, child labour or human trafficking (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/ implementation of the grant);
5. Has shown significant deficiencies in complying with the main obligations under an EU procurement contract, Grant Agreement, prize, expert contract, or similar (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant);
6. Guilty of irregularities within the meaning of Article 1(2) of Regulation No 2988/95<sup>27</sup> (Including if done by persons having powers of representation, decision-making or control, beneficial owners, or persons who are essential for the award/implementation of the grant);
7. It has been established by a final judgement or final administrative decision that an entity has been created in a different jurisdiction with the intent to circumvent fiscal, social, or other legal obligations in the country of origin or has created another entity with this purpose (including if done by persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant);
8. 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 7 above;
9. For the situations referred to in points 3 to 7 above, the applicant or co-applicant is object to:
  - a) Facts established in the context of audits or investigations carried out by the 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;
  - b) Non-final judgments or non-final administrative decisions which may include disciplinary measures taken by the competent supervisory body responsible for the verification of an application of standards of professional ethics;
  - c) Facts referred to in decisions of persons or entities entrusted with EU budget implementation tasks;
  - d) Information transmitted by the Member States implementing Union funds;
  - e) 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*
  - f) Decisions of exclusion by an authorising officer of an EU institution, of a European office or of an EU agency or body.

**An applicant or any co-applicant will also be excluded from participating in the Call if it turns out that<sup>28</sup>:**

1. During the award procedure they misrepresented information required as a condition for participating or failed to supply that information;
2. They were previously involved in the preparation of the Call, and this entails a distortion of competition that cannot be remedied otherwise (conflict of interest).

In the Grant Agreement preparation phase the applicant and co-applicants will have to submit a declaration confirming that they do not fall under any of the aforementioned exclusion criteria. The declaration must be duly signed by their respective legal representatives.

<sup>26</sup> Professional misconduct includes: violation of ethical standards of the profession, wrongful conduct with impact on professional credibility, false declarations/misrepresentation of information, participation in a cartel or other agreement distorting competition, violation of IPR, attempting to influence decision-making processes or obtain confidential information from public authorities to gain advantage.

<sup>27</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests, <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:31995R2988&qid=1501598622514>

<sup>28</sup> See Article 141 EU Financial Regulation 2018/1046

During the project selection procedure and prior to the final decision of the Project Selection Committee on the grant award, ESFA will check the applicant's and co-applicants' data in the Early Detection and Exclusion System (EDES) the system established by the EC to reinforce the protection of the Union's financial interests and to ensure sound financial management<sup>29</sup>. If any questionable data is detected in the EDES, ESFA will send a notification and will provide the opportunity to present clarification before the final decision of the Project Selection Committee is taken, in compliance with the principle of proportionality.

If an applicant or co-applicants declare one of the situations of exclusion listed above, it shall indicate the measures they have taken to remedy the exclusion situation, thus demonstrating their reliability. These may include technical, organisational, and staff-related measures intended to correct the conduct and prevent further occurrence, compensation of damage, or payment of fines, taxes, or social security contributions. **The relevant documentary evidence which illustrates the remedial measures taken must be provided in an annex to the declaration.** This does not apply for situations referred in point 4 of exclusion criteria.

Administrative sanctions may be imposed on an applicant or co-applicants who are guilty of misrepresentation if any of the declarations or information provided as a condition for participating in this procedure prove to be false.

## 8. Assessment and award procedures

### 8.1. Assessment procedure

#### Formal requirements

Applications will first be checked for the formal requirements (admissibility and eligibility check, see Section 8.3). Applications not meeting the admissibility and eligibility conditions will be rejected. The final decision on the rejection of applications will be taken by the Project Assessment Committee (hereinafter 'PAC').

The applications found admissible and eligible will be assessed against the award criteria. In parallel, legal checks (legal entity validation, operational capacity, and exclusion criteria) will be carried out.

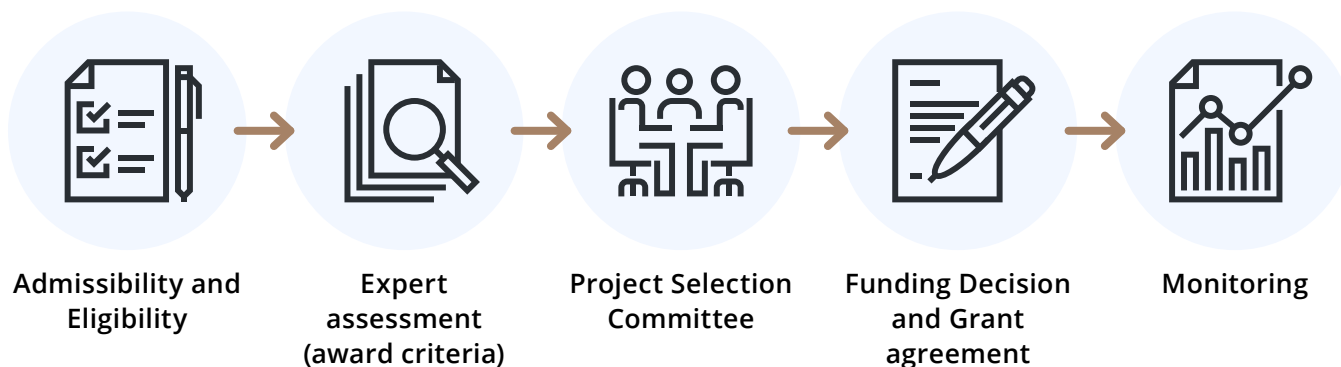


Figure 1. Process of application assessment

#### Appointment of experts and their tasks

Applications will be assessed qualitatively against the award criteria by at least two experts, one of them being an independent external expert (for more information on the award criteria, maximum and threshold points, please see Section 8.5). ESFA has established its own database of external experts. The experts available via the Commission's Funding and Tender Portal can be engaged as well.

The experts can make suggestions for reducing the budget. The experts shall have no oral or written communication with the applicants.

29 See Article 142, EU Financial Regulation 2018/1046.

## Guiding Principles of Assessment

The guiding principles of assessment are the following:

- Transparency: Funding decisions are based on clearly described rules and procedures. Applicants receive adequate feedback on the outcome of the assessment of their applications.
- Fairness and impartiality: All applications are treated equally. They are assessed impartially on their merits, irrespective of their origin, the identity of the submitting entity, the applicant's, co-applicant(s), or any team member.
- Confidentiality: All applications, associated annexes and related data, knowledge and documents submitted to ESFA are treated with the strictest confidentiality.
- Efficiency and speed: The assessment process, preparation, and award of grants are dealt with as priority matters.

ESFA will closely liaise with the experts during the assessment process to make sure that rules and procedures are properly understood and dutifully followed. Prior to the assessment of an application experts will be requested to evaluate whether there are any grounds for a conflict of interest. Should any possible risk be identified, the application will be reassigned to a different expert.

### Calculation of the final score

The final score for an application will be calculated as the average of the points awarded by two experts who have assessed the application independently. If the difference between the total scores does not exceed 20 points, one of the experts will prepare a consolidated assessment report.

If the difference between the two overall scores for the same application exceeds 20 points, a third expert will be appointed. The final score will then be determined as the average of the two assessments with the least difference between their overall scores. This requirement shall not apply to cases where both experts have scored an application below the acceptance threshold.

## 8.2. Award procedure

### Selection of projects for funding

The selection of projects will be made and the final decision for funding will be taken by a selection panel – the Project Selection Committee (hereinafter – 'PSC'). The results of the assessment will be presented at the PSC meeting. PSC will rank the applications with the passing scores and will set the order of priority for the applications with equal scores. In cases where applications received the same scores, their order of priority shall be determined by the scores for the following award criteria, in descending order of importance: 'Relevance', 'Quality' and 'Impact'.

Applications that pass the individual thresholds per criterion and the overall threshold will be considered for funding – within the limits of the available budget. Other applications might be put on the reserve list or will be rejected.

### Communication of the selection results

Each applicant will be informed about the assessment results. All applicants whose applications have been selected for funding will be invited for the preparation of the Grant Agreement. Each rejected applicant will receive an Assessment Summary Report including reasons for its rejection and information on the possibility to submit a complaint. (For more information please see Section 8.4).

If the application is deemed to have been rejected due to flaw in selection procedures (not the merits of the application), a complaint may be submitted following the deadlines and procedures set out in the Assessment Summary Report.

### Grant Agreement

Grant Agreement preparation will involve a dialogue in order to fine-tune the technical and financial aspects of the project and may require extra information from the applicant. It may also include adjustments to the application in order to address recommendations of the experts, and PSC, as well as any other concerns. Compliance with the requested amendments will be a pre-condition for signing the Grant Agreement.

### 8.3. Admissibility and eligibility check

Once submission of applications is closed, the admissibility and eligibility check of applications will be carried out by ESFA. Admissibility and eligibility check will ensure that only high-quality applications, which are in line with requirements set out in the Call, are further assessed (award criteria assessment) and qualify for funding. In this stage compliance with the admissibility conditions and eligibility criteria is checked.

Failure to comply with one of the admissibility and eligibility requirements may lead to the rejection of the application.

**To be considered admissible, an application shall be:**

- submitted by the Call deadline;
- submitted electronically via the Portal. Paper submissions are NOT possible;
- readable and accessible;
- complete and contain all the requested information, annexes, and supporting documents specified in Annex 4 to this the Call Conditions. Only the information requested in the application and the documents specified in Annex 4 to the Call Conditions will be taken into consideration during the assessment.

Applicants are encouraged to submit applications in English in order to facilitate the treatment of the applications and to speed up the assessment process. However, applications submitted in any of the EU official languages will be accepted.<sup>30</sup> In this case, an application should be accompanied by an executive summary in English. It should be noted that the assessment of applications against the award criteria will be carried out on the basis of the English version of an application. The quality of the translation will not be guaranteed, and the translation of the application may not fully reveal the content of the text in the original language, therefore, it is left at applicant's own risk. Moreover, the Grant Agreement, as well as the project management, formal reporting, key deliverables, and all communication with ESFA shall be in English.

If any of the admissibility requirements is not met, the application shall be deemed inadmissible, no eligibility check will be commenced, and the application will be rejected.

**To be considered eligible, an application shall:**

1. Involve only applicants defined as eligible under the Call Conditions (see Section 6.1));
2. Be submitted by a consortium meeting the requirements set out in the Call Conditions (see Section 6.2);
3. Not involve legal entities subject to the EU restrictive measures (see Section 6.1);
4. Not exceed the maximum project duration indicated in the Call Conditions (see Chapter 4);
5. Include a contribution to the project with own funds or funds from other sources at least to the percentage level of the project costs specified in the Call Conditions (see Section 3.1);
6. Meet operational capacity criteria (see Section 7.2 of the Call Conditions);
7. Not propose a project that has already been funded (in its entirety or any separate part thereof) from the EU budget or will receive such funding in the foreseeable future.

If any of the eligibility requirements is not met, the application shall be deemed ineligible, no further assessment shall be undertaken, and the application will be rejected.

Results of admissibility and eligibility assessment will be documented and, in case of the negative assessment, the applicant will receive an explanation for the rejection.

### 8.4. Complaints regarding application rejection

If the application is deemed to have been rejected due to flaw in selection procedures (not the merits of the application), a complaint may be submitted. Only the Coordinator of the consortium can submit a complaint.

Complaints will be subject to the following conditions:

<sup>30</sup> If you need the Call documentation in another official EU language, please submit a request within 10 days after the publication of the Call (for the contact information, see Chapter 7).

1. Complaints must be limited to procedural aspects, not on the merits of an application. A complaint must relate to the assessment procedure, admissibility, or eligibility checks and demonstrate a procedural irregularity, factual error, manifest error of assessment, or abuse of powers (e. g., lack of coherence between the scores and comments, lack or inadequate reasoning of the conclusions, the existence of a conflict of interest, breach of the limits of discretion, etc). Disagreements with the result or reasoning of the application's assessment will not be considered.
2. Only one request for reviewing the procedural aspects per application will be considered. The request cannot refer to the assessment of applications submitted by other applicants.
3. Review requests will not automatically lead to re-assessment of an application. Re-assessment will only be carried out if the complaint demonstrates that the procedural irregularity, factual error, manifest error of assessment, or abuse of powers has affected the decision regarding the funding of the application. Thus, for example, the complaint will not be considered even if the contested criterion is given the maximum possible score, the final score of that criterion or the final score of the application is still below the set threshold.
4. Re-assessment will be carried out on the basis of initially provided information, i.e., no additional information will be accepted. Depending on the case, re-assessment can be partial (limited to the criterion affected by the error) or full (when the whole assessment has been recognised as flawed). Re-assessment may be assigned to the same assessment panel or a new one, depending on ESFA's internal procedures.

All received complaints will be handled with the due observance of the requirements of confidentiality.

All complaints shall be submitted to ESFA in English, by writing e-mail to the following address: [complaints@esf.lt](mailto:complaints@esf.lt).

An applicant is required to provide as much relevant detail to the complaint as possible, including any supporting documents and/or correspondence, if applicable.

Having received a complaint, ESFA will examine it and provide a response.

Complaints must be filed within 20 days upon the receipt of a notification about the rejection of an application from ESFA. Complaints received after the deadline will not be taken into consideration. ESFA shall respond no later than within 30 days after receiving the complaint. If a complaint is complex, the time allocated for ESFA's response may be extended. If this is the case, the complainant will be informed about the progress of the investigation, the reasons for the delay, and a new deadline.

The complaints' procedure presented herein and its timeframes shall not hinder the start-up or ongoing implementation of other projects proposed for financing/financed under the Call. In case a complaint is confirmed, the application will be referred for reviewing and reassessment.

If the response provided by ESFA is deemed insufficient by the complainant, the disputes concerning complaint shall be settled in accordance with the procedure established by the laws of the Republic of Lithuania in the Vilnius City District Court or the Vilnius Regional Court, depending on the nature of the claims.

## 8.5. Award criteria

The applications that are declared eligible and admissible will be subject to an assessment against the award criteria.

The award criteria for this Call are as follows:

1. **Relevance** (Max 40 points, threshold 25 points):
  - the extent to which the project contributes to the objectives and outputs of the Call, as they are described in Chapter 2 of the Call Conditions;
  - the extent to which the activities per Member State and the deliverables of the corresponding work packages will contribute to the expected outputs per Member State covered, as described in Chapter 2 of the Call Conditions;
  - the extent to which the project will contribute to knowledge sharing and transnational cooperation, notably regarding exchange and joint improvement of knowledge, methodologies and tools;
  - the extent to which the application demonstrates that it contributes to / complements the results of past activities in the field of social innovation (on national and EU level).
2. **Quality – project design, implementation, and project team** (Max 40 points, threshold 20 points):
  - **Project design and implementation** (max 20, threshold 10 points):

- clarity and consistency of the project;
  - logical links between the identified problems, needs and proposed solutions;
  - methodology for implementing the project (organization of work, monitoring, timetable, risks & risk management);
  - a balanced distribution of tasks, responsibilities, resources and management tools within the consortium;
  - a clear and justified rationale for the composition of the consortium.
3. **Impact** (Max 20 points, threshold 10 points):
- the extent to which the application demonstrates that planned activities generate a long-term impact on tackling the societal challenges in the fields of employment, education, skills and social inclusion in the respective Member States;
  - effectiveness of the dissemination strategy to maximise the uptake of project results and ensure their long-term impact on social innovation ecosystems in the countries covered;
  - potential for a positive multiplier effect at transnational level.

Scale for assessing the application award criteria:

Max. number of points for a criterion	Range of scores			
	Very good	Good	Fair	Weak
40	34-40	28-33	20-27	0-19
20	17-20	14-16	10-13	0-9

**Maximum of total award criteria points: 100 points. Overall threshold: 60 points.**

Please note that an application will be rejected if it scores below the overall minimum threshold (60 points) or if it does not pass the minimum score threshold set for each award criteria. Reasoning for that will be explained in the Assessment Summary Report.

## 9. Other regulations, dissemination and visibility, ownership

### 9.1 Data protection

The submission of an application under the Call involves the collection, use and processing of personal data. This data will be processed in accordance with the applicable laws on data protection, including Regulation 2016/679<sup>31</sup>. It will be processed solely for the purpose of assessing the application, subsequent management of the grant and, if needed, programme monitoring, evaluation, and communication.

For more details, see Article 14 of the Grant Agreement.

### 9.2 Record keeping

The beneficiaries must keep records and store other supporting documents to prove the proper implementation of the project in line with the accepted standards in the respective field (if any). For lump sum contributions the beneficiaries are not obliged to keep specific records on the actual costs incurred but shall keep adequate records and supporting documents to prove proper implementation of the work.

The beneficiaries shall keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The Granting Authority may accept non-original documents if they offer a comparable level of assurance.

<sup>31</sup> <https://eur-lex.europa.eu/eli/reg/2016/679/oj>



More detailed information is provided in Article 19 of the Grant Agreement (see the Grant Agreement template in Annex 2 to the Call Conditions).

### 9.3 Horizontal principles (gender and non-discrimination)

The projects under this Call must ensure gender equality, equal opportunities, and non-discrimination based on gender, racial or ethnic origin, religion or belief, disability, age, or sexual orientation throughout all the project cycle – the preparation, implementation, monitoring, and reporting stages.

The projects shall take appropriate measures to prevent any discrimination based on gender, racial or ethnic origin, religion or belief, disability, age, or sexual orientation, in accordance with the aims, objectives, and priorities of the Call. Accessibility for people with disabilities should also be properly considered.

These principles aim to ensure that project participants, irrespective of their gender, limited abilities, or any other characteristics, are equally engaged in project activities. Please also see Article 17 of the Grant Agreement.

### 9.4. Dissemination and visibility

The Beneficiaries must:

1. **Display the EU flag (emblem) and the funding statement** ‘Co-funded by the European Union’ in all communication and dissemination activities related to the project and any supplies or major results funded by the grant;
2. **Present the project** (including a project summary, the Coordinator’s contact details, the list of beneficiaries (if any), the European flag and the funding statement, project results, etc.) on the beneficiaries’ **website** or **social media account**.

The emblem and the funding statement are available in the Grant Agreement and on the Europa<sup>32</sup> website, or can be downloaded from the European Commission’s webpage<sup>33</sup>.

Please note that ESFA and the European Commission reserve the right to make the project results public. Please also see Article 16 of the Grant Agreement.

### 9.5. Ownership of results

The results of the project belong to the beneficiaries that generated them. ESFA does not obtain ownership of the results produced during the implementation of the project.

‘Results’ shall be understood as any tangible or intangible effect of a project, such as data, know-how or information of any form or nature, regardless of whether it can be protected or not, as well as any rights attached to it, including intellectual property rights.

ESFA and the European Commission may use (free of charge) any non-sensitive information related to the project activities, as well as materials and documents received from the beneficiaries, for policy, information, communication, dissemination, evaluation and publicity purposes – during implementation of the project or afterwards.

For more details, please see Article 15 of the Grant Agreement. The rules governing intellectual property rights are also described in the same Article.

## 10. Support

Many answers can be found in the Call Conditions and other related documentation mentioned above.

Please also visit ESFA (<https://www.esf.it/en/>) and the EC (<https://ec.europa.eu/european-social-fund-plus/en/esf-social-innovation>) websites regularly, since ESFA will use them to publish Frequently Asked Questions and Call Conditions updates, if necessary.

**For submission support:**

<sup>32</sup> [https://european-union.europa.eu/principles-countries-history/symbols/european-flag\\_en](https://european-union.europa.eu/principles-countries-history/symbols/european-flag_en)

<sup>33</sup> [https://ec.europa.eu/regional\\_policy/en/information/logos\\_downloadcenter](https://ec.europa.eu/regional_policy/en/information/logos_downloadcenter)

For individual questions concerning the Portal, please contact the IT Helpdesk: [IThelp@esf.lt](mailto:IThelp@esf.lt).

Non-IT related questions should be sent to the following email address: [NCC@esf.lt](mailto:NCC@esf.lt)

Questions related to the submission of an application shall:

- be sent **at the latest 7 days before the submission deadline** (see Chapter 4 of the Call Conditions);
- clearly indicate the reference to the Call and the topic to which the question relates.

Call-specific questions must be sent **at the latest 10 days before the submission deadline**.

## 11. Grant Agreement preparation

If the assessment of an application is positive, the Grant Agreement preparation procedure will be initiated, during which an applicant will be asked to update the submitted application taking into account experts' comments (provided in the Summary Assessment Report), as well as to submit the requested documents to ESFA for financial capacity assessment.

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

The Grant Agreement template may be found as Annex 2 to the Call Conditions.

## 12. Project implementation requirements

### 12.1. Reporting and payment arrangements

The beneficiaries will have to report regularly to ESFA on the progress of the project (e.g., deliverables, critical risks, etc.), by using the Portal Reporting Tool and in accordance with the timing and conditions stated in the Grant Agreement. For payment requests, the Coordinator shall provide a report (prepared using the template available in the Portal Reporting Tool). Reporting periods will be defined in the Data Sheet of the Grant Agreement (Point 4.2).

Payments will be made in Euro to the bank account indicated by the Coordinator (Grant Agreement, Data Sheet, Point 4.2).

The payment of the grant usually consists of prefinancing instalments and the final payment (the balance). The aim of the prefinancing is to provide a cash flow to the beneficiary. Please note that risk assessment of the project will be carried out prior to signing the Grant Agreement. In case of acceptable risks, the frequency, and the amounts of the foreseen prefinancing may be adjusted, and additional prefinancing may be provided. The specific prefinancing frequency, amount and requirements shall be defined in the Grant Agreement.

According to the maximum possible duration of the project (36 months), two prefinancing instalments (plus an additional prefinancing, if any) and the final payment are planned:

- **the first (initial) prefinancing** payment of 60% of the grant;
- **the second prefinancing** payment of 25% of the grant.

Where the spending of the previous prefinancing will be less than 70%, the amount of next prefinancing payment will be reduced by the difference between the 70% ceiling and the amount used.

- **the final payment** (payment of the balance).

There will be **no interim payments**. The specific prefinancing frequency, amount and requirements will be defined in the Grant Agreement. For more details, see *Point 4 of the Data Sheet* and Articles 21 and 22 of the Grant Agreement.

### 12.2. Liability regime for recoveries

The liability regime for recoveries will be fixed in the Grant Agreement (Data Sheet Point 4.3 and Article 22). For Beneficiaries, it is limited joint and several liability with individual ceilings – for each beneficiary that cannot exceed their maximum share of the grant.

The Beneficiaries shall be liable to ESFA for the total value of the grant paid out, including the amounts transferred by the Coordinator to its Beneficiaries. In the event of a recovery order for full or partial reimbursement of the grant to ESFA, the Coordinator shall be responsible for the reimbursement of the grant.

Recoveries will be made, if – during the Grant Agreement termination, the final payment or afterwards – it turns out that ESFA has paid too much and needs to recover the amounts undue.

For more details see the Grant Agreement, Chapter 4 Section 1 and Article 22.

### **12.3. Provisions concerning project implementation**

For details about the amendment provisions, see Articles 5 and 39 of the Grant Agreement.

If the beneficiaries breach any of obligations under the Grant Agreement, ESFA will take measures provided in Chapter 5 of the Grant Agreement.

For more details about the consequences of non-compliance, please see Chapter 5 of the Grant Agreement.

#### **No-profit principle**

The grant may not have the purpose or effect of producing a profit<sup>34</sup> for the beneficiaries.

Profit is defined as a surplus of the receipts (the Union grant, and the revenue generated by the project) over the eligible costs incurred by the beneficiary, when the request is made for the payment of the balance. If there is a profit, it will be deducted from the final grant amount. For more details see Point 4.2 of Data Sheet and Article 21.3.3 of the Grant Agreement

## **13. Amendments of the Call Conditions**

Any amendment to the Call Conditions, including their Annexes, shall be set out in writing, and shall be published in the same place as the Call Conditions.

## **14. Annexes**

1. Annex 1 Detailed Budget Table;
2. Annex 2 Grant Agreement, template;
3. Annex 3 Application, template;
4. Annex 4 List of Required Documents;
5. Annex 5 Letter of Endorsement, template;
6. Annex 6 List of the Previous Projects, template.

34 See Article 192 EU Financial Regulation 2018/1046

