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(Brussels time)]

THE EU ECO-TANDEM PROGRAMME

GUIDE FOR APPLICANTS



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EU ECO-TANDEM GUIDE FOR APPLICANT

*These guidelines set out some information related to specific rules for the submission and the selection of the applications, as well as rules for reporting by the “Third Parties Beneficiaries” co-financed, in conformity with the Call for Proposals (GRO/SME/19/C/077), particularly the Sections 12.1f and 12.2. The conditions to award financial support to Third Parties Beneficiaries are laid down in Article 11a of the **Model Grant Agreement**.*

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1. SME DEFINITION

According to the SME definition user guide, SME is to be considered an enterprise. According to the Definition, an enterprise is 'any entity engaged in an economic activity, irrespective of its legal form'. This wording reflects the terminology used by the European Court of Justice in its judgments. It is the economic activity that is the determining factor, not the legal form. In practice, this means that the self-employed, family firms, partnerships and associations or any other entity that is regularly engaged in economic activity may be considered as enterprises. Economic activity is usually seen as 'the sale of products or services at a given price, on a given/direct market'.

The SME definition takes into account the following three criteria:

- **The staff headcount**

The staff headcount is a compulsory criterion for determining whether an enterprise can be considered an SME and, if so, in which category the SME falls. If an enterprise does not meet it, it cannot be considered an SME.

- ◆ Included in staff headcount: the staff headcount criterion covers full-time, part-time, temporary and seasonal staff and includes the following:
 - ◆ employees;
 - ➡ persons working for the enterprise who have been seconded to it and are considered to be employees under national law (this can also include temporary or so-called interim employees);
 - ➡ owner-managers;
 - ➡ partners engaged in a regular activity in the enterprise and deriving financial advantages from the enterprise.

Not included in staff headcount:

- ◆ apprentices or students who are engaged in vocational training and have an apprenticeship or vocational training contracts;
- ◆ employees on maternity or parental leave.

- ◆ **The annual turnover**

Annual turnover is determined by calculating the income that an enterprise received during the year in question from the sale of products and provision of services falling within the company's ordinary activities, after deducting any rebates. Turnover should not include value-added tax (VAT) or other indirect taxes.

- ◆ **The balance sheet total**

The annual balance sheet total refers to the value of a company's main assets.

The category of micro, small and medium-sized enterprises consists of enterprises which:

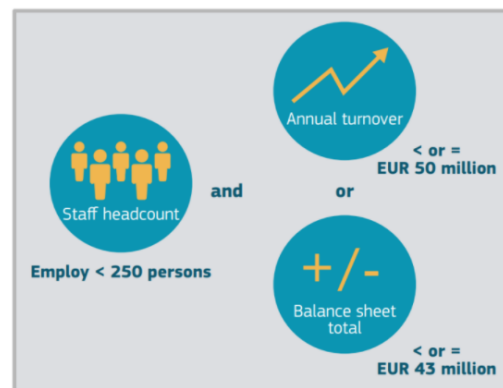
- ◆ employ fewer than 250 persons; and
- ◆ have either an annual turnover not exceeding EUR 50 million or an annual balance sheet total not exceeding EUR 43 million.

Meeting the staff headcount criterion is mandatory to be considered an SME. However, an enterprise may choose to meet either the turnover or the balance sheet total ceiling. It does not need to satisfy both requirements and may exceed one of them without impact on its SME status.

The Definition offers the above choice since, by their nature, enterprises in the trade and distribution sectors have higher turnover figures than those in manufacturing. Providing an option between this criterion and the balance sheet total, which reflects the overall wealth of an enterprise, ensures that SMEs engaged in different types of economic activity are treated fairly. By comparing its data with the thresholds for the three criteria, an enterprise can determine whether it is a micro, small or medium-sized enterprise.

To sum up:

- Micro-enterprises are defined as enterprises that employ fewer than 10 persons and whose annual turnover or annual balance sheet total does not exceed EUR 2 million.
- Small enterprises are defined as enterprises that employ fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed EUR 10 million.
- Medium-sized enterprises are defined as enterprises that employ fewer than 250 persons and either have an annual turnover that does not exceed EUR 50 million, or an annual balance sheet not exceeding EUR 43 million.



Picture 3: The criteria of the SMEs, the source: <https://ec.europa.eu/docsroom/documents/42921>

Company category	Staff headcount	Turnover	Balance sheet total
Medium-sized	< 250	≤ € 50 m	≤ € 43 m
Small	< 50	≤ € 10 m	≤ € 10 m
Micro	< 10	≤ € 2 m	≤ € 2 m

Table 1, the source: https://ec.europa.eu/growth/smes/sme-definition_en

IN CASE THE EU tourism SME goes under a particular threshold:

Article 4.2 provides stability and certainty to companies that are close to the ceilings and risk exceeding them temporarily during an exceptional year and/or in volatile markets. Thus, if an enterprise exceeds the headcount or financial ceilings during the reference year, this will not affect its situation and it will retain the SME status with which it began the accounting year. However, it will lose SME status if it goes above the ceilings for two consecutive accounting periods. Conversely, an enterprise may gain SME status if it was previously a large enterprise but then fell below the ceilings for two consecutive accounting periods.

2. STARTUP DEFINITION

Definition of Startups in EU countries

Only startups included in the above-mentioned categories will be considered admissible.

When referring to (tourism) startups, it has to be pointed out that according to the [ESN](#), a startup is an independent organisation, which is younger than five years and is aimed at creating, improving and expanding a scalable, innovative, technology-enabled product with high and rapid growth. This definition is dissected into the following aspects:

1. Age, Independence, and Scalability	2. Organisation & Innovation	3. Technology-based & High growth potential
<ul style="list-style-type: none"> • Age: A startup is younger than five years and develops into a small medium size company before becoming a cooperation • Independent: Startups are businesses set up, and at one point, owned and run by the founders • Scalable: A scalable product or service has a small cost associated to growth compared to the potential revenue gain 	<ul style="list-style-type: none"> • Organisation: At an early stage, a startup can be a legal entity or not, depending on different circumstances. • Innovative: Startups use opportunities such as new technologies to find new and often more efficient solutions to problems and create new products that better satisfy needs of both individuals and corporates 	<ul style="list-style-type: none"> • Tech-based: Most startups are based on information technologies – utilising software and/or hardware. • High growth potential: To achieve scale, startups must be able to operate in a good potential market. This market must be big enough and/or growing fast enough to provide ongoing demand for a startup's product.

Picture 5: Definition of the startup, the source: <https://europeanstartupnetwork.eu/vision/>

To be able to propose innovative solutions to the challenges posed by the European tourism SMEs, innovative tourism (or non-tourism) startups and innovative tourism (non-tourism) SMEs shall have their products, services, processes situated at least in [Technology Readiness Level](#) (TRL) 7 or 8 and in [Business Readiness Level](#) (BRL) 7 or 8 to guarantee the European tourism SMEs a full implementation at their premises.

Definition of startups according to the different country legislation

AUSTRIA

The definition of the startup (according to the Austrian criteria):

An "innovative start-up" is a company

- whose foundation dates back a maximum of five years or whose first commercial sale dates back no longer than seven years
- which meets the criteria of a small enterprise according to the EU definition and
- is innovative with its technology or business model and has or is expected to have significant employee or revenue growth.

Company age

- The age of the company is the first entry in the commercial register (registered companies) or the date on which the business license was issued (non-registered companies) - the earlier date applies.
- Changes in the legal form of a company and spin-offs from existing companies without a change in the majority shareholding do not constitute a start-up.

Company size

- Employees: less than 50 employees
- Annual turnover or annual balance sheet total: less than EUR 10 million.

Innovation criteria

A company is considered innovative as soon as it meets at least one of the following criteria:

- Is there a product or service innovation?
 - A company develops a fundamentally new product or a fundamentally new service for the Austrian market. This provides the company with a commercially viable market position.
- Is this a product or service development?
 - A company substantially enhances existing products or services, creates additional customer value and additional customer benefits and thereby secures a commercially viable market position. Routine upgrades do not constitute innovation within the meaning of this criterion.
- Is there a process innovation?
 - A company develops new business models or applies production methods or logistic methods or logistical processes that exceed the industry standard and thereby establish an economically market position that can be exploited.
- Are there any company-relevant property rights in the form of patents?

Growth criteria

A company is considered to be growing strongly as soon as it meets at least one of the following criteria:

- Has the company already received equity capital?
 - In the two years prior to the planned application, a company has received equity capital from an independent third party which has thereby taken on a substantial risk.
- Does the company plan to create an above-average number of jobs?
 - A company plans to create at least five new jobs in the next three years and will thus achieve an average job growth of at least 10% per year.
- Does the company plan to grow sales at an above-average rate?
 - A company plans to achieve average sales growth of at least 50% per year over the next three years.

GERMANY

The definition of the startup (according to the German law):

A startup is an independent organisation, which is younger than five years and is aimed at creating, improving and expanding a scalable, innovative, technology-enabled product with high and rapid growth. The entities must be established in the EU member states.

GREECE

The definition of the startup (according to Greek law):

Pursuant to the relevant legislation ([Legislative Decree 4712/2020, art.47, and its modification published in the Government Gazette issue B' 5587 \(2020\)](#)), the National Startup Registry has been established as the official record of startups in Greece. In order for a company to be eligible for registration, it needs to satisfy the following operational criteria:

- Legal Entity form: PC or LLC or SA with headquarters in Greece, or having a subsidiary or a branch in Greece (with a Greek VAT number), if headquarters are not located in Greece.
- The company has been running for no more than 8 years since its establishment, counting from the date the application for registration with the National Startup Registry was submitted.
- The company employs fewer than 250 employees Full-Time Equivalent during the last year of operation, as recorded through the ERGANI information systems of the Ministry of Labour and Social Affairs.
- The annual turnover, as recorded in the financial statements of the previous fiscal year may not exceed the amount of 50 million Euros.

If these criteria are met, a candidate company is further evaluated for Innovation and Scalability, according to the following qualitative criteria:

Innovation:

- Technological innovation in products, services and/or an innovative business model, taking advantage of the latest technologies available.
- Existence of few competitors (startups or very few major companies). It is clarified that the term “competitors” refers to companies offering solutions with similar advantages but not simply firms catering to the same market in general.
- Innovative enterprises are those whose primary activity relates to Research and Innovation and aims at patenting Intellectual Property Rights with prospects of commercial exploitation (“knowledge-intensive enterprises”).

Scalability:

- The business model and/or technology should allow for rapid scalability. The main company’s product/service is standardised, or may be easily, standardised. Consulting/design services or tailor-made solutions are not considered scalable.

Both Innovation and Scalability must be met for a company to successfully pass evaluation and become part of the National Registry.

ITALY

The definition of the startup (according to the Italian law):

Pursuant to the relevant legislation ([Legislative Decree 179/2012, art.25, paragraph 2](#)), an innovative startup is a joint stock company, also established in a cooperative form, which complies with the following objective requirements: is a new company, or established for no more than 5 years, is resident in Italy, or in another country of the European Economic Area, but with a production site or branch in Italy; has an annual turnover of less than 5 million EUR; it is not listed on a regulated market or on a multilateral trading platform; does not distribute and, has not distributed, profits; has as its exclusive or prevailing corporate purpose the development, production and marketing of a product or service with a high technological value; is not the result of a merger, spin-off or sale of a business unit.

Finally, a startup is innovative if it meets at least 1 of the following 3 subjective requirements:

1. incurs R&D and innovation expenses equal to at least 15% of the higher value between turnover and cost of production;
2. employs highly qualified personnel (at least 1/3 PhDs, PhD students or researchers, or at least 2/3 with master's degrees);
3. is the owner, custodian or licensee of at least one patent or owner of a registered software.

SLOVAKIA**The definition of the startup (according to Slovak Business Agency startup programme):**

Natural persons or legal persons who are entrepreneurs according to § 2 par. 2 of Act No. 513/1991 Coll., Commercial Code, established and existing under the law of the Slovak Republic, with their registered office and/or place of business in the territory of the Slovak Republic, meeting the definition of micro, small and medium-sized enterprises (hereinafter referred to as "SMEs") under Annex I to Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty, not more than 5 (in words: five) years have elapsed since their establishment at the time of submission of the Application, and they are an undertaking within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union, and at the same time legal proceedings have been carried out in their favour an act which entitles them to aid. From Act No. 290/2016 Coll. on the Support of Small and Medium Enterprises and on the Amendment and Supplementation of Act No. 71/2013 Coll. on the Provision of Subsidies within the Scope of the Ministry of Economy of the Slovak Republic, as amended (hereinafter referred to as the "Act"), the concept of an "innovative enterprise" can be deduced. The provision of § 2 letter g) of the Act states the area of support for: Establishment and development of companies holding compulsory capital, established in the Slovak Republic, which have not been established for more than 36 months and which are controlled by the natural persons who are its founders and are innovative companies (Article 2 (80) of the Regulation ((EU) No 651/2014.), micro, small or medium-sized enterprises, according to the material of non-legislative nature entitled Concept for the Support of Startups and Development of Startup Ecosystem in the Slovak Republic (hereinafter referred to as the "Concept"), the basic parameters of a startup are the following criteria:

"A startup is a capital commercial company with its registered office in the territory of the Slovak Republic, which has not been established for more than 36 months and at the same time:

- was created to create an innovative product or service,*
- is a micro, small or medium-sized enterprise (Annex I to Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market pursuant to Articles 107 and 108 of the Treaty (OJ L 187, June 26, 2014)),*
- is characterised by the fact that the majority of voting rights belong to the natural persons who are its founders".*

3. NATIONAL REQUIREMENTS FOR AWARDING THE FUNDS

GERMANY

The admission to the financial support of the present announcement is limited to European tourism SMEs according to the Regulation EU 2014/651 that at the moment of the application:

- are active and registered in the Commercial Register in a district court and matching the following NACE code:
 - ➔ Hotels and similar accommodation (NACE I5510)
 - ➔ Holiday and other short-stay accommodation (NACE I5520)
 - ➔ Camping grounds, recreational vehicle parks and trailer parks (NACE I5530)
 - ➔ Travel agency, tour operator reservation service and related activities (NACE N79)
- do not have more than 250 employees and 43 Mio. € of balance sheet total
- are not subject to bankruptcy, composition with creditors, compulsory administrative liquidation, extraordinary administration, composition with creditors with liquidation effects;
- comply with the contribution obligations regarding the correctness of payments and social security, welfare and insurance obligations.

The lack of the previous requirements leads to immediate exclusion from the call, except in the case of possible regularisations specified in detail. Requirements must be met at the time of applying and maintained until the end of the financing period.

ITALY

The admission to the Call for Participation is limited to European tourism SMEs according to the Regulation EU 2014/651 that at the moment of the application:

- are active and registered in the Business Register of one Italian Chamber of Commerce and matching the following NACE code:
 - ➔ Hotels and similar accommodation (NACE I5510)
 - ➔ Holiday and other short-stay accommodation (NACE I5520)
 - ➔ Camping grounds, recreational vehicle parks and trailer parks (NACE I5530)
- Travel agency, tour operator reservation service and related activities (NACE N79) comply with the payment of the annual fee (in the event of irregularities with the payment of the annual fee, the company may proceed with the regularisation within the peremptory term of 10 days from the date of communication by the Chamber of Commerce, under penalty of exclusion from the contribution);
- are not subject to bankruptcy, composition with creditors, compulsory administrative liquidation, extraordinary administration, composition with creditors with liquidation effects;
- comply with the contribution obligations regarding the correctness of payments and social security, welfare and insurance obligations towards INPS, INAIL and CNCE as evidenced by a specific DURC survey (consultation is recommended before applying).

The lack of the previous requirements leads to immediate exclusion from the call, except in the case of possible regularisations specified in detail. Requirements must be met at the time of applying and maintained until the end of the financing period.

The Guidance Notice of the European Commission on the notion of “State aid” clarifies that direct funding from the European Union, including from an Executive Agency, is not considered as a State Aid. As a consequence, the financial distribution to third parties as integral part of the funding granted under the EU ECO-TANDEM PROGRAMME by the EISMEA in application of the EU Financial Regulation does not constitute “State aid” and is not to be taken into account for the calculation of the “de minimis” rule.

SLOVAKIA

Eligible applicants of non-financial and financial support are tourism SMEs according to the Regulation EU 2014/651 that at the moment fulfill the following criteria and declarations:

- the applicant is registered in the Business Register of the Slovak Republic (www.order.sk) or in the Trade Register of the Slovak Republic (www.orsr.sk) and matching the following NACE code:
 - Hotels and similar accommodation (NACE I5510)
 - Holiday and other short-stay accommodation (NACE I5520)
 - Camping grounds, recreational vehicle parks and trailer parks (NACE I5530)
 - Travel agency, tour operator reservation service and related activities (NACE N79)
- the applicant (person - entrepreneur) has not been lawfully convicted of an economic crime, a crime against property or another crime committed intentionally, the factual nature of which is related to the subject of business;
- the applicant (legal entity) has not been lawfully convicted under Act no. 91/2016 Coll. on Criminal Liability of Legal Entities and Amendments to Certain Acts, as amended;
- neither bankruptcy nor restructuring has been declared against the applicant;
- the applicant does not belong to a group of companies that are considered to be a single company under Article 2 (1). 2 of Commission Regulation (EU) No 1407/2013;
- the applicant does not apply for the provision of another minimum aid from another aid provider as of the date of submission of the Application. If, as the applicant requests the provision of another minimum aid from another aid provider at the time of the assessment of the Application, it undertakes to inform the Provider of this fact.

The lack of the previous requirements leads to immediate exclusion from the call, except in the case of possible regularisations specified in detail. Requirements must be met at the time of applying and maintained until the end of the financing period.

The Guidance Notice of the European Commission on the notion of "State aid" clarifies that direct funding from the European Union, including from an Executive Agency, is not considered as a State Aid. As a consequence, the financial distribution to third parties as integral part of the funding granted under the EU ECO-TANDEM PROGRAMME by the EISMEA in application of the EU Financial Regulation does not constitute "State aid" and is not to be taken into account for the calculation of the "de minimis" rule.

4. HOW TO APPLY

1. **Where and how to send applications.** All applicants who would like to participate to the Call to action are requested to:
 - 1.1. **[dedicated platform]** Apply via the dedicated platform (Good Grants).
 - 1.2. **[Application form]** Fill in the information requested in the Application form (template Annex I).
 - 1.3. **[Submission]** Complete and submit the Application Form (template Annex I) over the Good Grants¹ platform; an "Acknowledgment of Receipt" email will be sent to the applicant.
 - 1.4. **[appeal inadmissible]** Applicants who fail to do so will not be considered eligible. All necessary documentation in the form of templates can be found attached to the present Call for Participation and under the EU ECO-TANDEM Project website [HERE](#).
2. **Deadline for submissions of applications:** The Call for applications will be open from 16th of March 2022 to the 15th of May 2022 at 17:00 CEST (Brussels Time). The first extended deadline for this call was the 1st of June 2022, at 17:00 CEST (Brussels Time). The call was opened again for startups and SMEs to apply for the BIZ Programme from the 7th July 2022 to the 25th July 2022 at 17:00 CEST (Brussels Time). The call was opened again for startups and SMEs in Italy, Germany, and Slovakia to apply for the BIZ Programme from the 8th August 2022 to the 5th September 2022 at 17:00 CEST (Brussels Time). **The deadline related to the extension for the third reopen for submission is set on 30th September 2022 at 17:00 CEST**, thereafter the submission platform will be closed. It is strongly recommended not to wait until the last minute to submit the application. *Note that failures to submit it on time for any reasons, including network communication delays or working from multiple browsers or multiple browser windows, is not acceptable as an extenuating circumstance. The time of receipt of the application as recorded by the submission on-line platform (Good Grants) and the "Acknowledgment of Receipt" email will be definitive. Late submitters will receive a "call closed" email.*
3. **Further information about applications:** Questions may be sent by e-mail no later than 7 days before the deadline for the submission of applications to the following e-mail address info@eu-ecotandem.eu, indicating clearly the reference of the Call for Participation and the question. The EU ECO-TANDEM Project Consortium partners have no obligation to provide clarifications to questions received after this date. Replies will be given no later than 5 days before the deadline for the submission of applications.
The applicants are also encouraged to visit [the FAQ page](#) for further info.

¹ See at the URL: <https://x23eupro.grantplatform.com>

5. GLOBAL MAP OF THE DOCUMENTS PROVIDED

The following documents will be signed by the awarded TANDEMS throughout their participation to the EU ECO- TANDEM BIZ Programme different phases:

- DOC1. The **Application Form** (*template Annex I*): it will be used to apply to the Call for Participation
- DOC2. The **EU ECO- TANDEM Commitment** (*template Annex II*): it will be signed as soon as the TANDEM will be set up, before or during the Matchmaking events.
- DOC3. The **Financial Agreement** (*template Annex III*): it will be signed by the TANDEM winners, including financial and quality reporting obligations for the Third-Party Beneficiaries.
- DOC4. The **Plan of action** (*template Annex IV*): it will be elaborated right after the Matchmaking events and submitted within 45 days.
- DOC5. The **Quality Report** (*template Annex V*): it will be signed and submitted by the "TANDEMees", to provide a rationale of the activities carried out and results achieved

6. GRAPHIC GLOBAL TIMETABLE OF THE PROCESS REQUIRED.



The first extended deadline for this call was the 1st of June 2022, at 17:00 CEST (Brussels Time).

The call was opened again for startups and SMEs to apply for the BIZ Programme from the 7th July 2022 to the 25th July 2022 at 17:00 CEST (Brussels Time).

The call was opened again for startups and SMEs in Italy, Germany, and Slovakia to apply for the BIZ Programme from the 8th August 2022 to the 5th September 2022 at 17:00 CEST (Brussels Time).

The deadline related to the extension for the third reopen for submission is set on 30th September 2022 at 17:00 CEST.

7. PERSONAL DATA PROTECTION.

Any personal data under the Call for Participation and provided in any of the documents or forms on to the on-line platform, and mentioned below:

- (A) The Application Form (template Annex I)**
- (B) The EU ECO-TANDEM Commitment (template Annex II)**
- (C) The Plan of action (template Annex IV)**
- (D) Financial Agreement (template Annex III)**
- (E) The Quality Report (template Annex V)**

will be processed by each Consortium partner, in compliance with article 13 of EU Regulation 2016/679. In the forms, filled in by the participants, the Consortium will indicate specific information about Personal Data responsibilities and roles of each national partner. Information or facilities supplied to any applicant will be equally available to all. All invoices and accounting documents must be in the name of the Third-Party Beneficiary contribution. The Third-Party Beneficiaries must process personal data under the agreement in compliance with applicable EU and national law on data protection (including authorisations or notification requirements). The Third-Party Beneficiaries may grant their personnel access only to data that is strictly necessary for implementing, managing and monitoring the agreements. The Third-Party Beneficiaries must inform the person whose personal data are collected and processed by the Consortium. For this purpose, they must provide them with the Consortium privacy statement, before transmitting their data to the Consortium.

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