



Interregional Innovation Investment – Calls for proposal 2021-2022
FAQ, 28 Januar 2022

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FAQ ID Q&A per Category

Admissibility & Technical

- 18309 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, could you confirm that the second cut-off date is 18 October 2022? If yes, could applicants apply at any time until then?**
Yes, the second cut-off date is 18 October 2022 and applicants can submit their proposals at any time before this date.
- 18264 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, do all partners of a proposal need to fill in the Part C form?**
The Part C must be filled in only by the coordinator of the consortium.

18441 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU shall the First Level Control (FLC) costs be foreseen in the project budget (other goods, works and services)? Is there a procedure to select an FLC?**

Costs for Certificates on the financial statements (CFS) are eligible if required in the context of the I3 project (i.e. if the costs reach the threshold set out in the Grant Agreement and in particular if the EU contribution to costs \geq EUR 325 000 at beneficiary level).

These costs have to be estimated in the proposal, in cost category "C Purchase costs", cost sub- category "C3 Other goods, works and services."

There is no specific method to calculate the estimated costs for CFS. They may vary depending on the choice of qualified approved external auditor.

In the financial statements, the costs for CFS must correspond to the eligible costs actually incurred (i.e. the amount paid by the

18259 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, is there any guidance on calculating personnel costs for a project?**

Yes, please refer to the guidance in the Annotated Grant Agreement under Article 6.2.A (point 2.1.4); especially regarding the Daily Rate calculation.

18413 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU can applicants apply until the call closure?**

In accordance with section 4 of the call document, applicants can apply any time before the 1st February 2022 (1st cut-off) or any time before the 2nd cut-off date, 18th October 2022.

18488 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU can an institution submit/participate in several proposals?**

Yes, the same institution can participate in more than one I3 proposal, as long as all eligibility criteria are fulfilled. Applicants should also take into account their operational (human, technical and other) and financial resources when applying in several proposals (financial & operational capacity).

Co-Funding Rate

- 18304 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, is it possible to pay both the 30% by co-funding and the 70% by the I3 directly to the company but having 70% reimbursed by the EC?**
EISMEA will fund only the Coordinator of the Consortium and not directly the SMEs involved in the FSTP.
- 18256 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, what is the funding rate?**
The funding rate will be fixed in the Grant Agreement according to the conditions set out in the call text, section 10.
- 18255 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, how can SMEs participate and what will be the funding rate?**
SMEs participate as third parties. SMEs with highest investment needs might participate as consortium partners. Funding rates are specified in the call.
- 18300 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, where shall the additional funding of the consortia come from?**
The additional funding of the I3 projects can be covered from any private or public (national, regional) sources or a combination of both.
- 18292 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, does the consortium need to cover any costs?**
Yes, in line with the funding rate set out in section 10 of the call text, the consortium partners must cover 30% of the eligible costs of the grant amount.
- 18299 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, can the partners balance the % of funding per partner, so that the overall funding rate the whole consortium has to contribute with is 30%?**
Yes, this is correct.

Eligibility

- 18251 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, do "less developed regions" include regions inside the EU27 and developing countries?**
Less developed regions are defined as regions whose GDP per capita is less than 75 % of the average GDP per capita of the EU-27 (Article 108(2) of the REGULATION 2021/1060).
- 18297 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, could SMEs subcontract Research and Technology Organisations (RTOs) from their regions, or could they be from other regions?**
The sub-contracted entities must come from the same NUTS region.
- 18254 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, are large private companies eligible applicants?**
The participation of large companies in the consortium can be justified when SME investments are connected to the value chain of large companies (ERDF Regulation, Art. 5 (2)).
- 18257 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, will the “non-profit rule” also be applied to non-profit organisations?**
Non-profit organisations participate in the I3 calls under the same conditions as any other organisations. The profit rule as defined in the Art. 192 of the Financial Regulation does not apply.
- 18478 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU where we can find details on the reporting and the accounting rules for financial support to third parties?**
For any details related to reporting and accounting please check the general eligibility conditions and the conditions for financial support to third parties in the MGA - Chapter 3, ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS.
- 18294 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, are the Universities, and eventually other public bodies, 100% refunded?**
The funding rate is set in line with section 10 of the call document.

18265 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, are non-EU countries to be included in the budget table?**

No, non-EU countries are not be included in the budget table.

18262 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, why do the eligible consortia need to include ‘supply and demand side’ of the quadruple helix?**

Eligible consortia must prove that their business plans include actors from the entire scale of their innovation eco-systems in terms of demand of “innovative solutions” and a supply of these solutions.

18250 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, are Third Countries eligible for funding?**

No, partners from third countries can participate in the calls but they are not eligible for funding.

18484 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU can you provide more information on the type of costs related to the access to testing and demonstration facilities?**

I3 eligible costs includes expenditure for accessing testing and demonstration facilities, such as:

Expenditure for the provision of services that meet companies’ needs, including the access to networks of demonstrators (physical facilities and testing environments) and technical/scientific expertise. This might include the cost of expertise for validation tests, certification procedures, confidential services to industry and SMEs, cost comparisons or other post-prototyping activities needed before full production and market launch.

Expenditures for system-level tests (small-scale demonstration of entire products, services or processes) in a simulated user environment.

Expenditures for the use of pre commercial pilot facilities that can serve as validation environment before industrialization; this includes the cost for the use of open innovation test beds (opened up by industry and larger companies for collaboration with start-ups and SMEs) and pilots where trials methods can be applied for testing the market readiness of new products and services.

18489 Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU what exactly is meant by "investment costs"?

The investment costs are related to the investments in companies at an appropriate TRL level. These costs are needed for the implementation of tangible and intangible investments, are designed to generate new, altered or improved products, processes and services (new to Europe or new to the application sector) and can for example foresee:

- demonstrating, testing and piloting new innovative solutions
- large scale product/service validation
- market replication, deployment of new or improved technologies and processes
- access to pilots, test beds, testing and demonstration facilities, which are instrumental to the uptake of innovative solutions
- access to highly specialised services to customise innovation to the companies' needs and to remove barriers and bottlenecks to innovation

Concerning budget categories and cost eligibility rules. please refer to the call text (session 10) and to the Model Grant Agreement.

18415 Under the calls I3-2021-INV1 and I3-2021-INV2a can costs for permanent staff declared in order to co-finance the project?

Yes, in compliance with the eligibility rules for direct costs. The budget categories and cost eligibility rules are fixed in the Grant Agreement.

18248 Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, can Technology Centres and business associations apply in I3 proposals as partners with eligible costs?

Yes, being actors of the regional innovation ecosystems, business associations can be partner of I3 proposals.

18491 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU can you provide more information on the type of costs related to the access to testing and demonstration facilities?**

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Expenditures for system-level tests (small-scale demonstration of entire products, services or processes) in a simulated user environment.

Expenditures for the use of pre-commercial pilot facilities that can serve as validation environment before industrialization; this includes the cost for the use of open innovation test beds (opened up by industry and larger companies for collaboration with start-ups and SMEs) and pilots where trials methods can be applied for testing the market readiness of new products and services.

Endorsement & NCP

18298 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, is there any National Contact Point to ask or it is 100% managed by the Commission and EISMEA?**

The two calls are managed by EISMEA.

18244 **Under Interregional Innovation Investments I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, is the endorsement letter required only for the coordinator's region or for each region/country participating in an I3 project?**

The endorsement letter is required per each regional innovation ecosystem at appropriate NUTS level and it is a requirement for all regions/countries members of an I3 project consortium.

- 18307 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, what is the NUTS level for being an eligible partner (updated)?**
NUTS level eligibility is 1 or 2, depending on how the country is classified and divided by Eurostat. If NUTS2 level does not exist in a given Member State, the appropriate NUTS level is those of the competent authority responsible for Smart Specialisation.
- 18447 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, who should provide the endorsement letter for I3 in countries where competent bodies responsible for smart specialisation are present at several NUTS levels (e.g. 1-2 and 1 -3)?**
The endorsement letter should be provided by the competent body responsible for Smart Specialisation placed at the closest possible level to S3 implementation (NUTS 2 or 3). NUTS1 level endorsement is compulsory only for participating countries where a competent body for Smart Specialisation does not exist at NUT2 or NUT 3 level.
- 18246 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, do partner fill in the name and organisation of the coordinator in the template of the endorsement letter, despite the partner coming from another region?**
Yes, the name and organisation of the coordinator needs to be included in the endorsement letter, irrespective of the location.
- 18261 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, is an endorsement from existing S3 Partnerships co-leads compulsory?**
Endorsement from existing S3 partnerships co-leads is not required.
- 18245 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, at which NUTS level does the endorsement letter have to be requested in case of several national/regional levels responsible for Smart Specialisation?**
The endorsement letter has to be provided by the authority at the closest possible level of S3 implementation. In case of participation of two or more regions from the same country, a support letter at NUTS 1 level is relevant.

Other

- 18308 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, in order to start planning with our partners, we would like to ask for the possibility to have a meeting with EISMEA for clarifying our questions.**
In order to ensure equal treatment and transparency to all applicants, EISMEA does not organise any bilateral exchange since all the questions are provided in written and published in the FAQ.
- 18490 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU are there methods in place for granting assistance from the ERDF Funds?**
For any questions related to possible support from a Cohesion Policy programme, applicants shall address themselves to the relevant national/regional authorities (ERDF Managing Authorities).
- 18252 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, if a same or very similar proposal is submitted several times under different topics, will all proposals be evaluated?**
Only the last submitted proposal will be evaluated. All previously submitted proposals will be declared ineligible.
- 18328 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, is there any pre-financing scheme for partners?**
Yes, there is. The concrete modalities are set out in section 10 of the call text.

Participation & Consortium Composition

- 18295 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, to which extent is the call open to the participation of RTOs if they are not proposal coordinators?**
RTOs can be part of the Consortium as partners.
- 18329 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, large enterprises are instrumental for the value chain, e.g. to implement disruptive innovation demonstrated by SME's, but how can they participate?**
Participation of large companies in the consortium can be justified when SME investments are connected to the value chain of large companies (ERDF art 5.2), with the funding rate of 70% .

- 18302 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, what are the minimum and maximum sizes of the partnerships forming the consortia?**
There is no maximum size defined for the partnerships. The minimum requirements for composition of the consortia are set out in section 6 of the call document.
- 18332 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, can a public university be a Consortium Coordinator?**
Yes, as in line with section 6 Eligibility/Consortium composition of the call document.
- 18414 **Under the calls I3-2021-INV1 and I3-2021-INV2a (all topics) can public bodies like universities act as Consortium Coordinator?**
Yes, the coordinator must be either a public body, private non-profit organisation or international organisation (see section 6 - call document).
- 18263 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, consortia need to include ‘various components’ of the quadruple helix. How many components are required and are “end users” included?**
The quadruple helix includes not only citizens but also “end users”, the details regarding the individual requirements are defined in the call text, section 6.
- 18326 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, to which extent is the call open to Research Technology Organisations not acting as coordinators?**
RTOs can participate as partners in the Consortium.
- 18247 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, does a European Cooperative Society count as one partner or are its individual members counted separately?**
The general eligibility criteria and the specific eligibility criteria apply for any kind of business association. If the topic does not include any specific eligibility criteria for “EU wide Associations” then they qualify as eligible applicants (Art 187 FR).
- 18479 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU are there any limits for consortium partners in the view of individual amounts of funding to manage during the project implementation?**
No, as long all eligibility conditions set out in the call documents are fulfilled.

18487 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU with regard to interregional dimension: Do project participants have to come from different regions or can model solutions developed in one region just be replicated in other regions?**

For the purpose of the I3 Instrument, the interregional dimension is related to the S3, which is the coordinating principle for interregional collaboration. Therefore, the consortium must involve regions with shared S3 investment priorities, coherent with the identified value chain investment. The quality of an interregional consortium takes into consideration the wide geographical coverage of participating regions (number of regions involved in the value chain) and to what extent those regions reflect strengths/add value (capabilities, knowledge, innovative solutions..) in the value chain.

Under Strand 2a market replication projects are eligible, involving a more limited number of regions. Replicating a model developed in another region can be proposed as a way to increase the capacities of less developed regions to participate in EU value chains.

For further details concerning the consortium eligibility and the minimum number of regions per strand, please refer to the call text eligibility criteria.

18249 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, how can Research and Technology Organisations (RTOs) participate in I3 proposals?**

RTOs can participate either as partners (member of the regional innovation ecosystem), or subcontractors. An RTO can be a project coordinator if: a) it is a no profit organisation and if b) it is endorsed by the regional authority for Smart Specialisation as key actor of the regional innovation ecosystem.

Themes & Topics

18253 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, can large infrastructural undertakings, e.g. the construction of a building, be implemented under this call?**

Building “new” demonstration facilities must be duly justified and can be eligible only if the new infrastructure does not already exist in Europe. The focus is on interconnecting, upgrading and making complementary use of testing and demonstration facilities.

18266 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, are the I3 topics identical with all topics of Technical Assistance Facility projects and eligible?**

No, the Technical Assistance Facility is a different instrument. Eligible topics for I3 are listed in the call text under section 2.

- 18486 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU what is meant by sub-projects? Is there a minimum number?**
The individual sub-projects are the investment ready projects of a project portfolio which address one or several bottlenecks (e.g. regulatory, commodities, equipment, etc.) within a specific S3 cooperation area. The portfolio investments accelerate demonstration processes in different segments of the value chains for the uptake of innovation. There is no minimum number of projects per portfolio. In principle, the number of investment projects composing the overall value chain investment should be proportional and appropriate to the requested grant size and the investment sector.
- 18301 **Under I3-2021-INV2a-DIGIT/GREEN/MANU, about - Strand 2a, what shared smart specialisation priorities are relevant for the I3 projects?**
Only the smart specialisation priorities selected for the 2021–2027 programming period are relevant.
- 18260 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, is social innovation eligible for I3?**
Yes, I3 projects can include any sort of innovation (social innovation, user driven innovation, public sector innovation, product, process or service innovation, etc.) according to the Oslo Manual definition of innovation.
- 18296 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, would smart agriculture fit under the thematic of digital transition or green transition? How many projects will be funded per thematic in strand 1?**
It would be under "green transition". Themes and priorities are listed in the call documents. Circa 4-5 projects will be financed per cut-off date (strand 1). There is no estimation divided per topic, because it depends on the quality of the received proposals.
- 18267 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, is there any recommended balance between advisory/financial support?**
No, the financial and advisory support has to be instrumental and necessary to make the investment happen. Providing only services without delivering concrete portfolios of business investments is not in line with the expected impact.

18258 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, what is the expected average size of an I3 project, what is the maximum grant amount and how many projects will be funded per strand per call?**

The number of funded projects depends on the size of the proposals retained for funding according (call document, section 6), on the quality of submitted applications and on the available budget (call document, section 3).

18485 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU how can a portfolio of projects be described?**

The concept of portfolio refers to the identification of a number of investment-ready projects. The responsibility for the conception of a portfolio of projects lies with the applicant. The individual sub-projects of a project portfolio usually address one or several bottlenecks (e.g. regulatory, commodities, equipment, etc.) within the specific S3 cooperation area and accelerate demonstration processes in different/various value chains for the uptake of innovation.

18327 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, should all partners of the project focus on the same RIS3 line?**

All partners can focus on different S3 lines.

Financial support to third parties

18305 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, FSTP is limited to regions already included in the consortium and no SMEs in regions not included in consortium can apply to the call: is it correct?**

Yes, the financial support to third parties must be limited to the SMEs that are established in the S3 participating regions covered by the consortium.

18269 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, can financial support to third parties (FSTP) be provided to SMEs by offering a network of demonstration facilities – that are not (all) by definition part of the project consortium?**

Yes, provided that these needs have been identified by SMEs in their project application. All demonstration services must be instrumental to deliver the expected output of the given project.

18291 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, since the cascade funding would be used to hire external support services, why not use the EU grant to pay 70% of that value and allow the SME to deliver the remaining 30% in cash?**

Applicants are free to choose how to design the scheme for financial support to third parties of their proposals. If deemed necessary, they may decide to grant the financial support directly to the service provider of the service to the SME. If this option is chosen, applicants should make sure to:

- Put in place a system to closely monitor the financial support received by each service provider and the value of the services received by each SME.
- Have a transparent methodology to select the services providers.

When preparing your proposals, please keep in mind that the call text (both strands) states that “costs for providing financial support to third parties will be reimbursed at 100% within the limits of the overall co-funding rate fixed in the Grant Agreement;” therefore it might be inappropriate to impose a co-funding rate to the SMEs.

18268 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, are large companies explicitly excluded from benefitting from funding in the context of the cascade funding?**

Yes, large companies are excluded. The objective of cascading funding via financial support to third parties (FSTP) is to provide support for investment in SMEs.

18480 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU are budget revisions for financial support to third parties allowed?**

Please check the relevant conditions regarding budget flexibility in the MGA-Chapter 3.

18446 **Under I3-2021-INV2a-DIGIT/GREEN/MANU, are market replication activities eligible? Can a project, be implemented via interregional demonstration cases (sub projects), coherent with a common topic?**

Connecting testing and demonstration facilities at interregional level is an eligible activity under I3 calls provided that this activity is related to companies' demonstration needs.

More details are available in the call text: Activities that can be funded (eligible activities), page 18.

The project implementation can take place via interregional demonstration cases to test and replicate the results in less developed regions.

Selected groups of SMEs can work on sub projects (value chain segments), coherent with a given topic/value chain.

18289 **Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU, as required by the call we plan to hand out 70% to SMEs as FSTP. What happens if we fail to reach the planned amount of FSTP demo cases? Do we have to reduce the 30% management share?**

As mentioned in the call (both strands) at least 70% of the grant must be allocated to investments in companies, in particular SMEs. Costs for providing financial support to third parties cannot exceed 30% of the total grant amount. Therefore handing out 70% of the total budget as FSTP would not be appropriate.

It has to be considered that the direct financial support to third parties is not compulsory for the projects that would be implemented under the I3 calls.

18483 Under I3-2021-INV1-DIGIT/GREEN/MANU and I3-2021-INV2a-DIGIT/GREEN/MANU Financial Support to Third Parties (FSTP) is allowed. Could you please advise how FSTP can be practically organised in order to fulfil the corresponding call conditions?

The call texts provide the possibility to SMEs to participate in the calls either directly as partners in the proposal consortium or indirectly, via receiving funding from the financial support to third parties scheme (FSTP), which is optional and not compulsory under these two calls.

FSTP – “Cascade funding”, is a mechanism that allows funding to beneficiaries that are not identified in the Grant Agreement as members of the eligible consortium. Final beneficiaries (recipients of the cascading grant) can be selected during the duration of the projects according to the rules foreseen for the FSTP schemes in the call text. For the purpose of this call, the recipients must be SMEs that are established in the S3 participating regions covered by the consortium.

In the framework of FSTP, the financial support to SMEs must follow certain conditions set out in the call texts:

Single co-financing rate of 70% for all cost categories and all beneficiaries applies:

- Please be aware of the fact that the co-funding rate for this call is a single co-financing rate of 70% for all cost categories and for all beneficiaries directly implementing the project. The single co-financing rate of 70% also applies for FSTP. This implies that in order to receive the maximum funding amount from FSTP (EUR 60 000), the total cost of the SME investment needs to be higher than the EUR 60000.

Is own financial contribution of SMEs participating in the FSTP scheme allowed?

- Yes. Applicants may consider it necessary to design proposals involving own financial participation of the SMEs to complement the amounts of the FSTP that they would benefit from. This might ensure larger impact of the investments as well as higher commitment with regard to the results from the part of the SMEs.

- For example, if required by the applicant consortium, the co-financing can be covered by own resources of the SMEs that are final beneficiaries of the FSTP. This can be done in form of (not exhaustive examples): groundwork for testing and optimizing products and production processes, exploration of new processing technologies, time spent on project implementation).

What is the maximum amount of financial support under FSTP?

- The maximal amount of financial support for each third party ('recipient') may not exceed EUR 60 000, unless a higher amount is required (and duly justified in the Application Form) in the case that the objective of the action would otherwise be impossible or overly difficult to achieve.

What type of expenditures can be included in an FSTP scheme?

- Any in-kind contribution (in the meaning of a no cash contribution of goods or a service) is not eligible for the calculation of the project eligible costs covered by the Grant Agreement. This however does not prevent the SMEs participating in a FSTP scheme to provide any in-kind resource to cover certain needs.

- Applicants have a certain degree of freedom to design their FSTP schemes in their project proposals. If estimated necessary for company's investments, the grant might finance service providers, which will deliver highly specialised support services to the SMEs. The services must be: 1) identified by the companies 2) duly justified as necessary and instrumental to implement the concrete business investment.

- If this option is chosen, please consider to put in place a system to closely monitor the financial support provided by each service provider and the value of the services received by each SME. The consortium should propose and implement a transparent methodology to select the most appropriate service providers.

- Costs for the use of demonstration facilities by companies, to pilot and validate technologies in operational environment.