



Interregional Innovation Investment – Calls for proposal 2021-2022

FAQ on Financial Support to Third Parties (FSTP) 25 January 2022

For your kind reference, please consider as well the [FAQ of the Sedia Funding Tender Portal](#)

FAQ on Financial Support to Third Parties (FSTP)

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?

Answer:

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:

a) *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 60 000.

b) *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).

c) *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.

d) *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**.
- Cost for the use of demonstration facilities by companies, to pilot and validate technologies in operational environment.