



13

Interregional
Innovation
Investment
Instrument

Information Day
23 June 2022





Agenda:

- 14:30 Welcome
- 14:40 Policy background
- 14:50 I3 – key facts
- 15:10 Projects and statistics of 2021 calls
- 15:25 Call Strand 1
- 15:45 Call Strand 2a
- 16:05 Detailed budget table
- 16:20 Financial support to third parties
- 16:40 Submitting a good proposal
- 17:00 Q&A, conclusions



Join at
Slido.com using
the event code
#I3-InfoDay2022





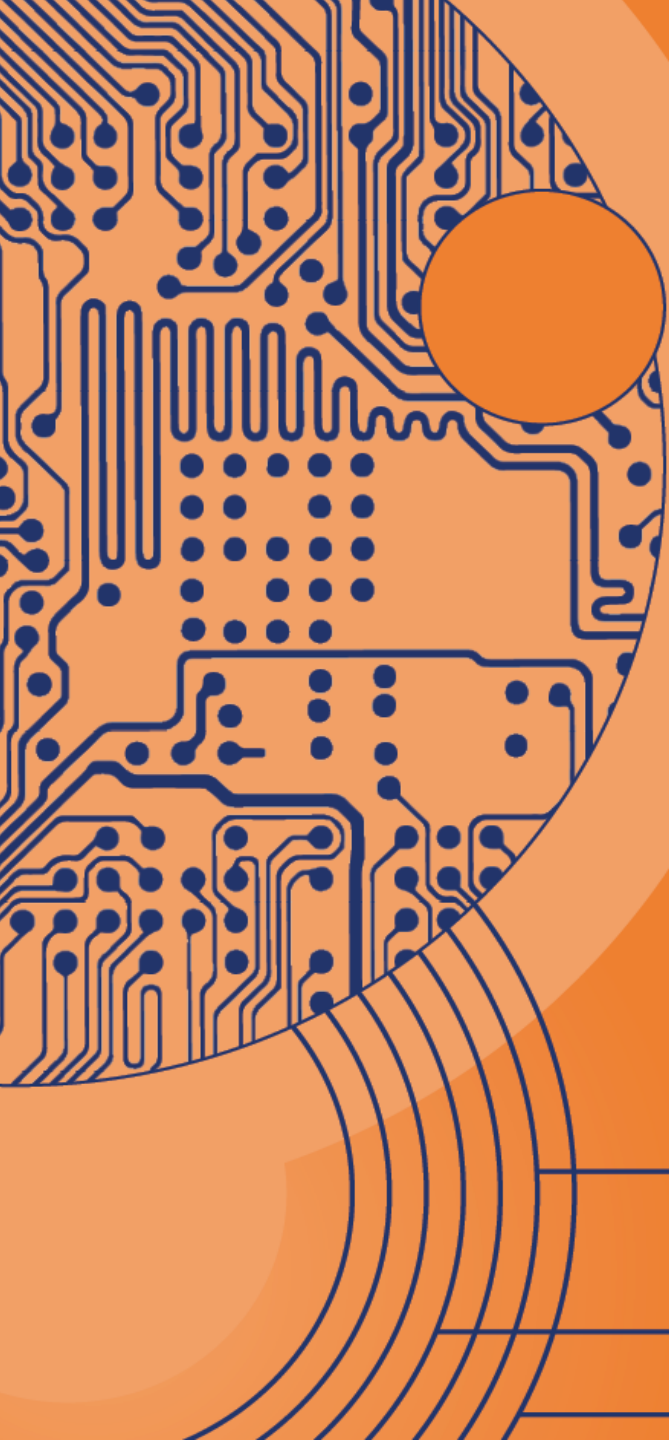
WELCOME

Intro:

Catherine WENDT (REGIO) &
Birgit WEIDEL (EISMEA)

Moderator:

Monika ZSIGRI (REGIO)



Policy background

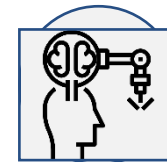
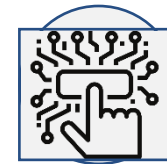
Monika ZSIGRI

DG REGIO, G.1

The European Regional Development Fund

Supporting research and innovation in 2021 – 2027 Programming period

- Linking research, business and civil society in **interactive innovation processes**;
- Building **capacities** for smart specialisation strategies;
- Matching research and innovation strengths with business needs through an **entrepreneurial discovery process (EDP)**;
- Identifying the most promising areas for sustainable **economic development** based on a region's distinctive structures and knowledge base;



Key changes for smart specialisation post-2020

Strategy for smart economic transformation

- A **broader scope** of the strategy: not only for research and innovation but including digitalisation, SME competitiveness and skills;
- New criteria of the **enabling condition** to match the challenges;
- Open to the creation of **linkages** between regions;
- I3 Instrument - a tool for **practical implementation**.

Regulation on the European Regional Development Fund and on the Cohesion Fund (EU) 2021/1058)

Support from the ERDF should be based on building capacities for smart specialisation strategies, which set priorities at national or regional level, or both, to increase their competitive advantage by developing and matching research and innovation strengths with business needs and necessary skills through an entrepreneurial discovery process. (...)



Strengthening innovation, cohesion and resilience in EU regions

-



Moving from interregional cooperation to co-investment

Interregional Innovation Investments

S3 Community of Practice
Thematic S3 Platforms

LEARN

CONNECT

DEMONSTRATE

COMMERCIALISE

SCALE-UP

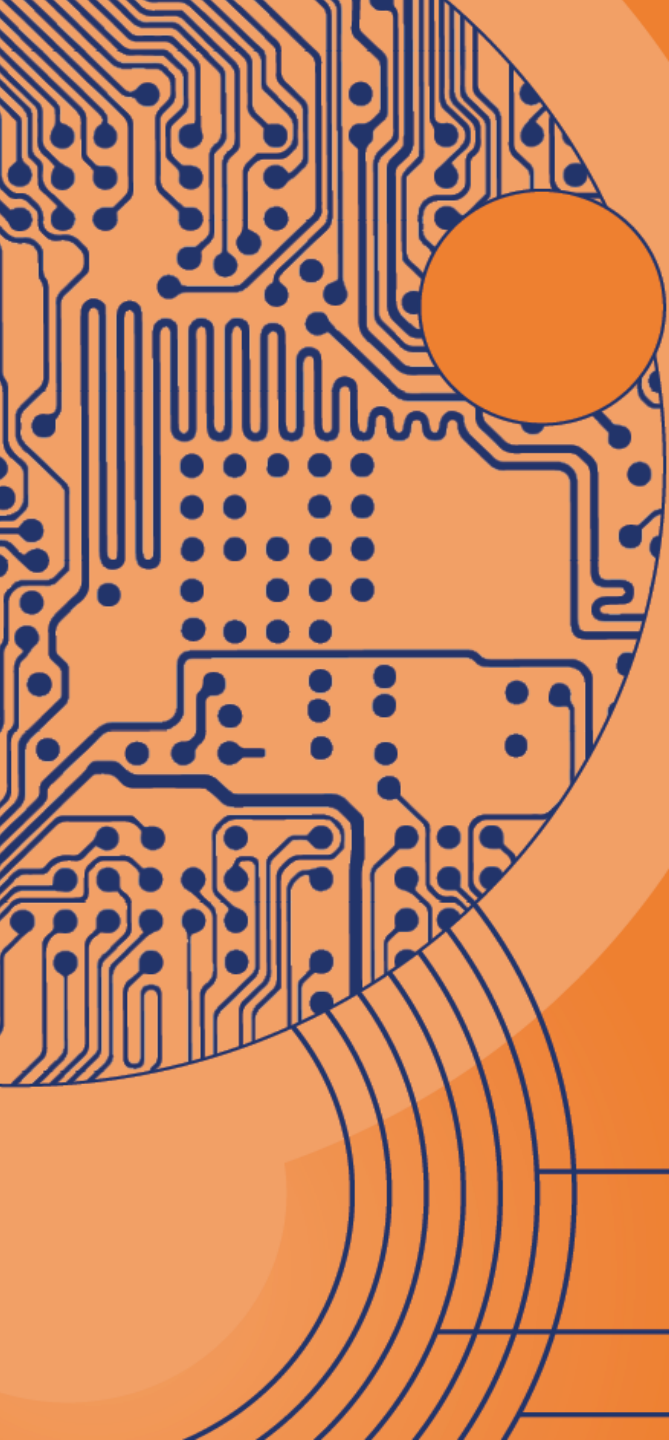


S3 Platforms methodology for cooperation

https://publications.jrc.ec.europa.eu/repository/bitstream/JRC116630/s3p-thematicmanual_-_online.pdf

S3P Self Assessment Tool





I3 – key facts

Denisa PERRIN

EISMEA, Deputy HoU I.O1, EU
and place-based innovation ecosystems



European Innovation Council & SMEs Executive Agency

Established 1 April 2021

In collaboration R&I, GROW, JUST,
REGIO, and CNECT

Focus on innovators, researchers,
Innovation ecosystems, SMEs,
consumers

To support innovation, modernisation,
growth,



EISMEA Portfolio



Horizon Europe

European Innovation
Council

€ 10 billion



European Innovation
Ecosystems

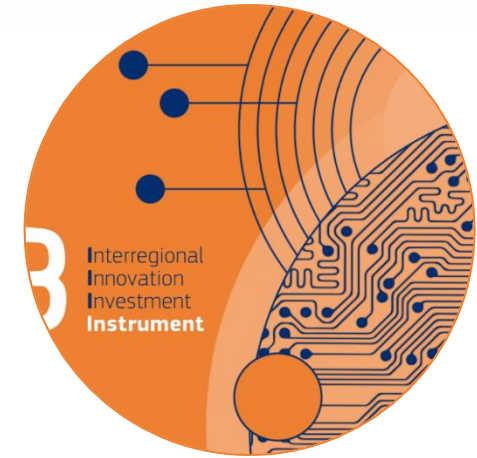
€ 500 million



SMP

Single Market
Programme

€ 1 billion



ERDF

I3 Instrument

€570 million



Interregional Innovation Investment (I3) Instrument

What	For whom	How	How much
Commercialisation and scaling up of innovation projects for the development of European value chains	Interregional Q-Helix ecosystems: <ul style="list-style-type: none">• Researchers• Businesses• Civic society & public administrations	Implemented under direct management. DG REGIO supported by EISMEA	Cohesion Policy ERDF (Art. 13) € 570 million (current prices)



WP 2021- 2022: Total budget

THEMATIC AREAS

STRANDS



DIGITAL TRANSITION

Strand 1 | Focus on developed regions

Budget: € 39.8 million (2021) & € 36.8 million (2022)

Indicative Project size: **€ 4-10 million**



GREEN TRANSITION

Strand 2a | Focus on less developed regions

Budget: 2021: € 36 million & 2022: € 32.9 million

Indicative Project size: **€ 2-3 million**



SMART MANU- FACTURING

Strand 2b | Capacity building for less developed regions

Overall budget: € 7.2 million

Strand 3 | Technical assistance & experimentation



Focus of the calls

Strong cohesion dimension in both strands, focus on S3 priorities

STRAND 1




- To **accelerate market uptake** and **scale up** of **innovation solutions** in shared S3 priority areas
- To support partnerships developing, connecting or making complementary use of **testing and demonstration facilities**
- To finance the implementation of a **portfolio of investment projects**

STRAND 2a

- To **develop the capacity** of regional innovation ecosystems in less developed regions (LDR) to **participate in EU value chains**
- To support LDR participation in **investment partnerships with other regions**
- To develop **value chains in LDR**
- **To improve investment readiness**



Topic ID: Strands 1 and 2a

 DIGITAL TRANSITION	Topic 1 - I3-2022-INV1 & I3-2021-INV2a -DIGIT: Innovation investments Strand 1 and 2a – DIGIT
 GREEN TRANSITION	Topic 2 - I3-2022-INV1 & - I3-2022-INV2a-GREEN: Innovation investments Strand 1 and 2a– GREEN
 SMART MANUFACTURING	Topic 3 - I3-2022-INV1 & - I3-2022-INV2a-MANU: Innovation investments Strand 1 and 2a– MANU

Proposals must fit one of those topics
1 topic per proposal (more proposals possible)
If similar or identical proposal submitted in different topics – only the last submitted is eligible

KPIs – cohesion & territorial indicators



**Interregional
dimension**



**Investment
dimension**



**Innovation
dimension**



**Value chain
dimension**



**Gender balance
dimension**



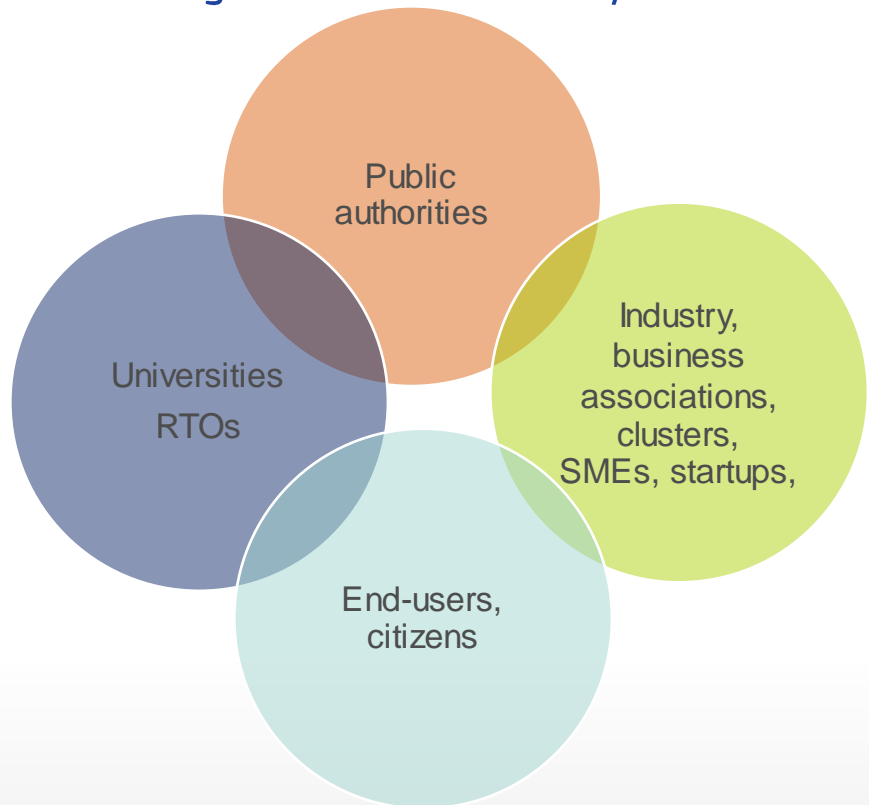
IPR dimension



Interregional dimension (1/6)

Applicants:

Q-helix partnerships on behalf of a
regional / national ecosystems



**Endorsed by competent bodies for Smart
Specialisation**

At the appropriate NUTS level

**Minimum conditions in terms of
ecosystems involved**

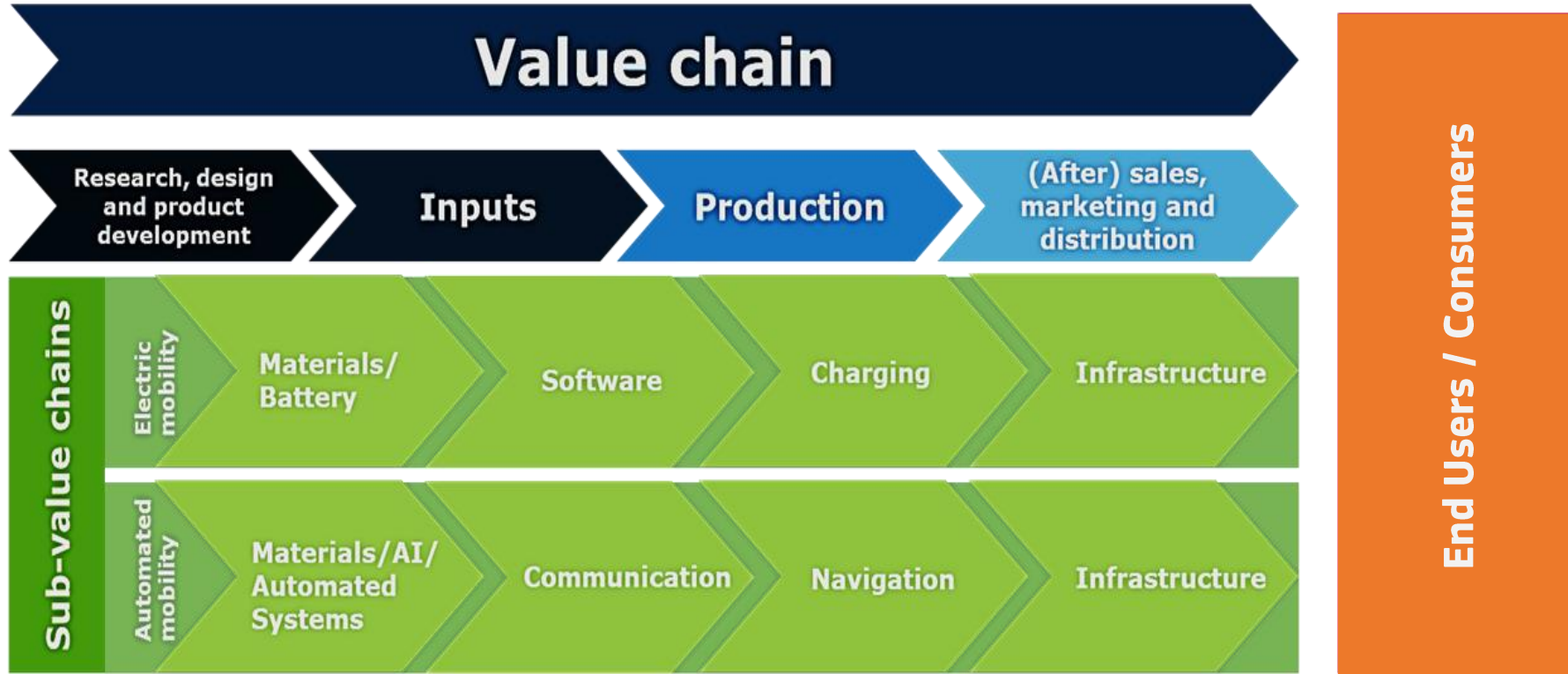
(different for strand 1 and 2a)



Value chain dimension (2/6)

Example Autonomous Vehicles

Interconnected across
sectors and borders



Activities

Actors

Strategic
networking

Companies

Innovation Dimension: all type of Innovation

Innovation (Oslo Manual): New or improved products, processes, services, technologies or business models made available to markets, governments and society. Uptake of innovative technologies or solutions (TRL 6-9)

Product innovation

A good or service that is new or significantly improved.

Process innovation

A new or significantly improved production or delivery method.

Marketing innovation

A new marketing method involving significant changes in design or packaging, product placement, promotion or pricing.

Organisational innovation

A new organisational method in business practices, workplace organisation or external relations.



Maturity of innovation project

TRL 6 – technology demonstrated in relevant environment

TRL 7 – system prototype demonstration in operational environment

TRL 8 – system complete and qualified

TRL 9 – actual system proven in operational environment

**Technology
development &
demonstration**

**Business &
Investment
Development**



Investment dimension (4/6)



- **Tangible and Intangible investments**
- Investment justified by a **market analysis or a business and investment plan**
- Identified **time to market** or the **TRL of departure** (min. requirement TRL>6)
- **Defined private/public** investments leveraged by the project
- **Multilevel architecture** of the investment project (national, regional, European)
- **Portfolio balance** across geographical regions (MDR, LDR)
- **Evidence based**, expected territorial impact* **ESPON indicators can be used*

PORTFOLIO APPROACH:

identification, within a specific **thematic/technological area of cooperation**, of a number of **investment-ready sub-projects that address one or several challenges/ bottlenecks** faced by the consortium



IPR dimension and gender dimension (5/5)

IPR protection

IPR valorisation & exploitation (Business Plan – IPR strategy)

Certification

Licensing

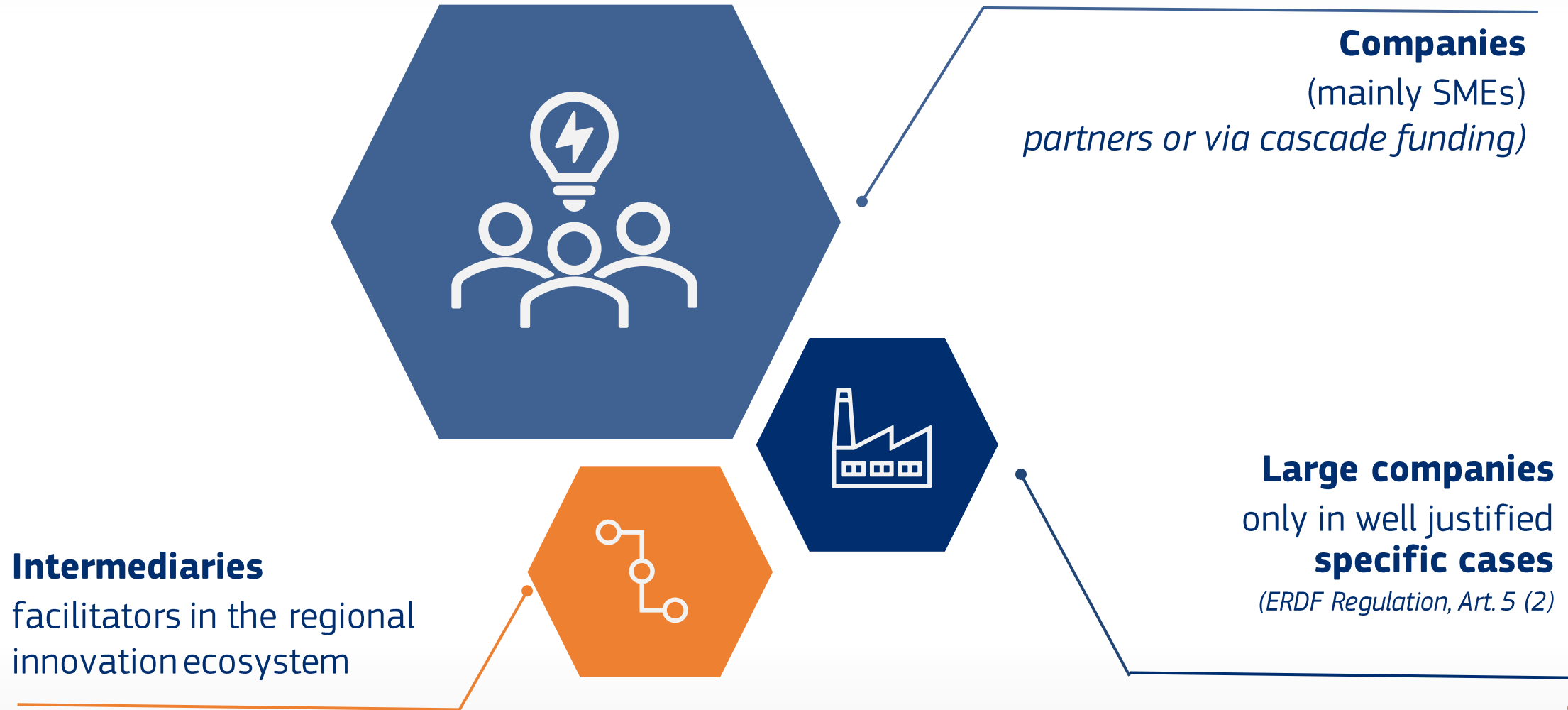
NDA's ecc..

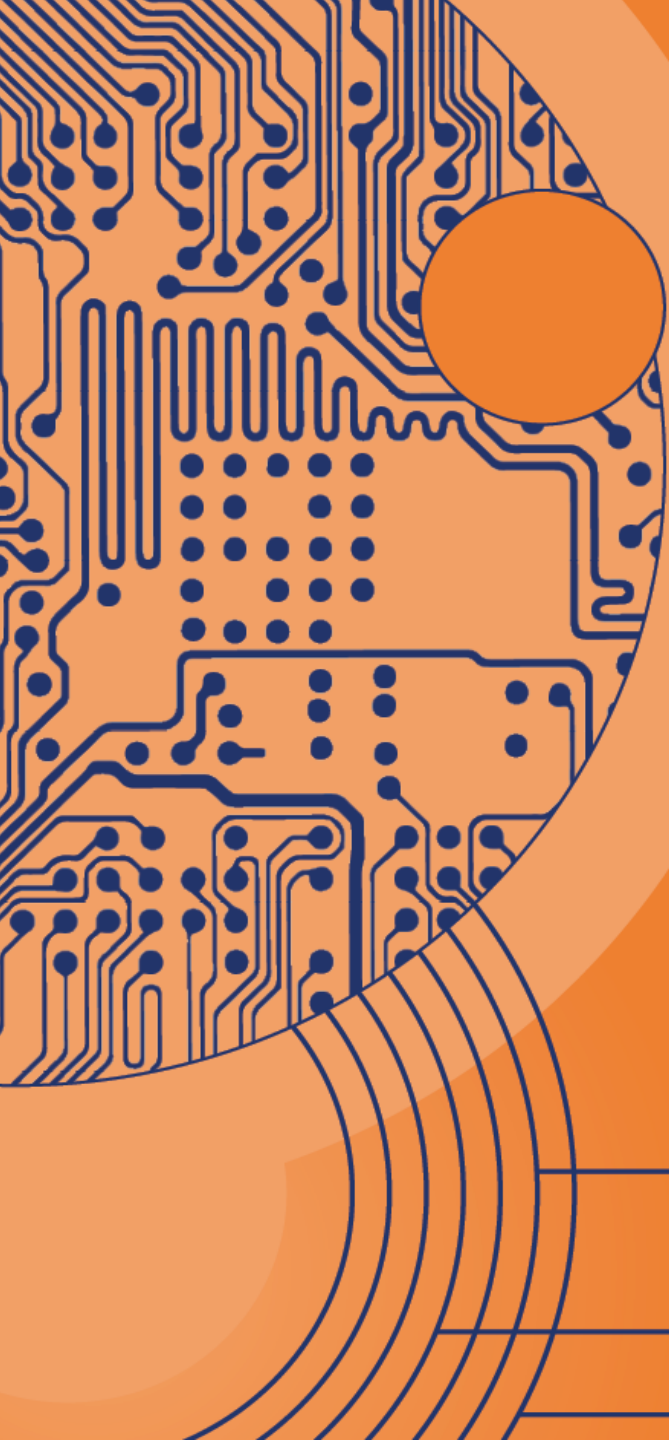
Gender balance in the consortium managing the project

Gender equality plans



Final beneficiaries





Projects and statistics 2021

Michael BERZ

EISMEA: Programme Advisor, Unit I.01 EU and
place-based Innovation Ecosystems

Statistics – 1st cut-off 2021

• Strand 1

- Number of submitted proposals: **16**
- Success rate: **44%**

For the successful projects:

- Ø requested EU contribution: **7.976.509€**
- Ø total project cost: **11.395.014,52 €**
- Ø # consortium members: **28 (range: 10–45)**
- Ø # SME consortium partners: **11 (range: 3–22)**
- # projects using financial support to 3rd parties: **4 out of 7 = ~€10.5 million**

• Strand 2a

- Number of submitted proposals: **7**
- Success rate: **43%**

For the successful projects:

- Ø requested EU contribution: **2.660.468 €**
- Ø total project cost: **3.803.666,67 €**
- Ø # consortium members: **14 (range: 9–22)**
- Ø # SME consortium partners: **5 (range: 3–8)**
- # projects using financial support to 3rd parties: **1 out of 3 ~€0.49 million**



1st cut-off projects - digital transition



Sustainable EU value network with specific focus on consumer-facing digital health solutions for prevention, prediction & remote care in a post-COVID world.

Women led and women owned IT driven SMEs.

Social economy building

European global value chain for smart & digital technology innovation investments in sports and active healthy lifestyle.

5G: edge computing, distributed learning, digital twins, robotics, unmanned aerial vehicles, cyber-physical systems/IoT in e-health, smart cities/buildings, tourism, safety

Digital transformation of healthcare organisations by improving the delivery of valuable, user-friendly and cost-effective services to patients/citizens.'



1st cut-off projects – green transition



Regenerative mussel production in the Baltic, contributing to local economic growth while also providing a range of ecosystem services such as nutrient removal, improved water quality and increased biodiversity.

Building the first interregional green hydrogen value chain in South Estonia (Tartu region) and Northern Latvia (Vidzeme region) to activate the emerging hydrogen markets in these regions.

Mitigate pitfalls in the implementation of a circular economy model within the textile industry across the EU;



1st cut-off projects – green transition



Mature hydrogen value chain to boost the production, transport, and use of green hydrogen. European frontrunner regions like Northern Netherlands, Upper-Austria and Rhone-Alpes connect and join forces with regions from the Iberian peninsula, Sicily in Italy, Western Macedonia in Greece and Constanta in Romania.

Turning mining green, circular and social by reducing the EU dependence on imports of Critical RMs and the negative RM impact on the environment with 2 green pilots to recover rare earths minerals from iron mining waste, and to extract strategic raw materials.

Scale-up, pilot and bring to the market an innovative holistic phytosanitary and plant protection system based on the use of unmanned aerial vehicles, new observational platforms and new ready to use sensors.

1st cut-off projects - smart manufacturing



Optimisation of production through additive manufacturing (3D-printing): four 'packages of investment projects', aiming to unlock investments..

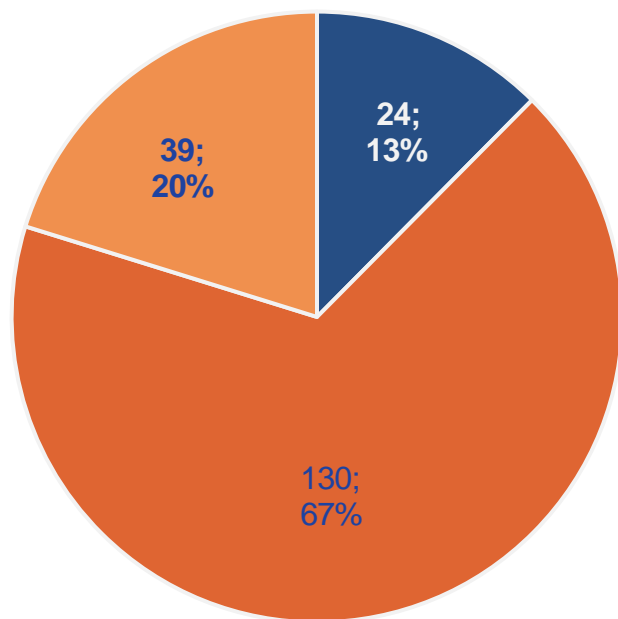
Cross-sectorial, demand-driven Circular Economy solution to unlock the reuse of post-use composite materials in new high-added value products.

Food processing industry project to bring to the market innovative high-tech farming digital solutions for food processing companies and contributing to the Farm to Fork strategy.



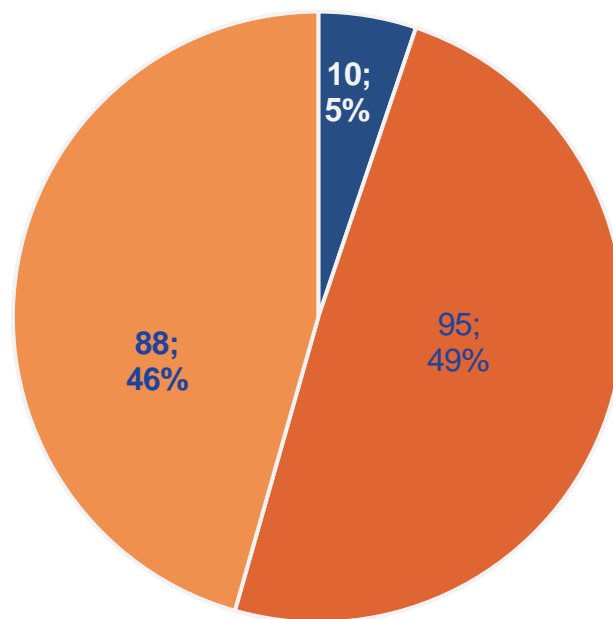
1st cut-off results: cohesion – Strand 1

Beneficiaries per Region



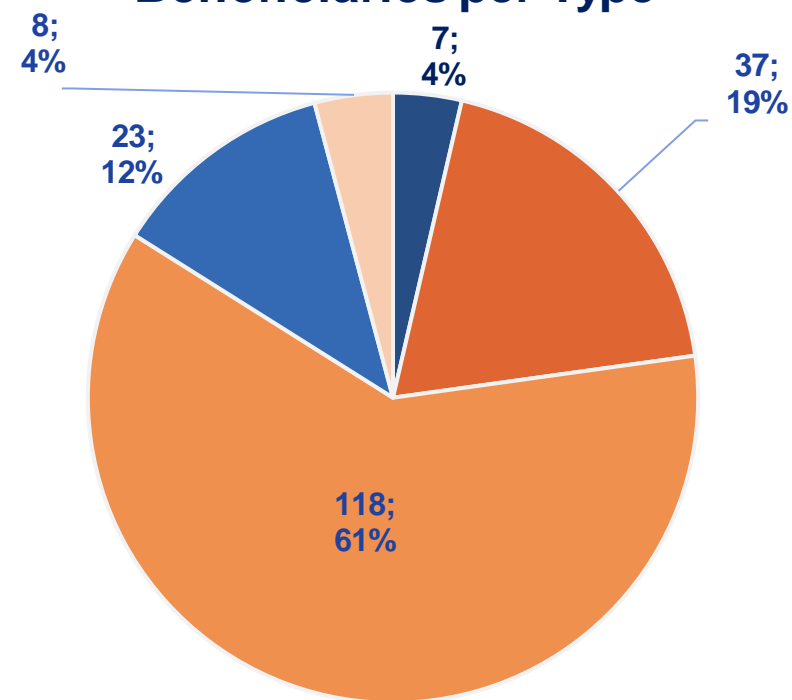
■ LDR ■ MDR ■ TR

Beneficiaries per Topic



■ Digital ■ Green ■ Smart Manu

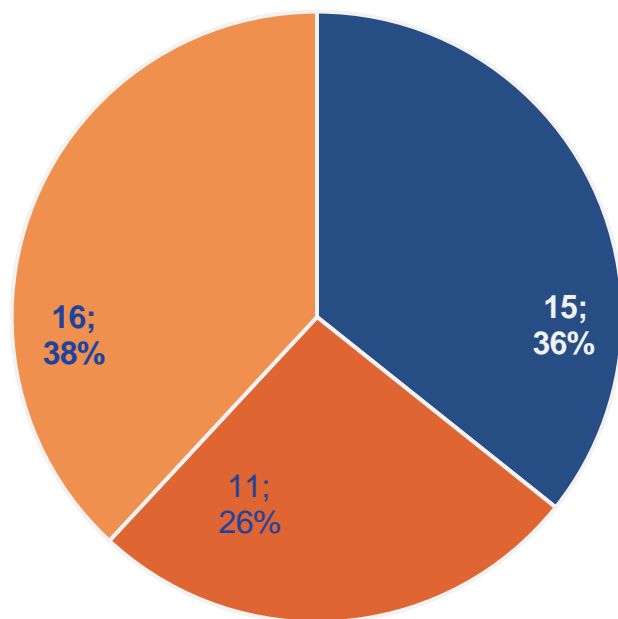
Beneficiaries per Type



■ Public ■ Other ■ Private
■ Research ■ Higher Edu

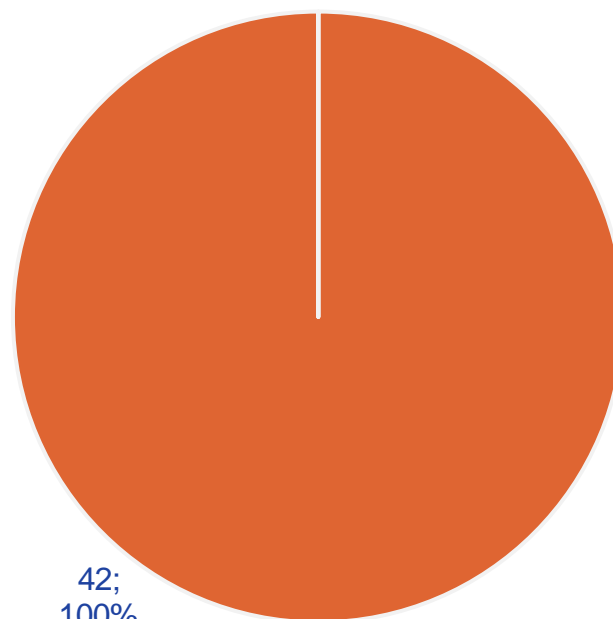
1st cut-off results: cohesion – Strand 2a

Beneficiaries per Region



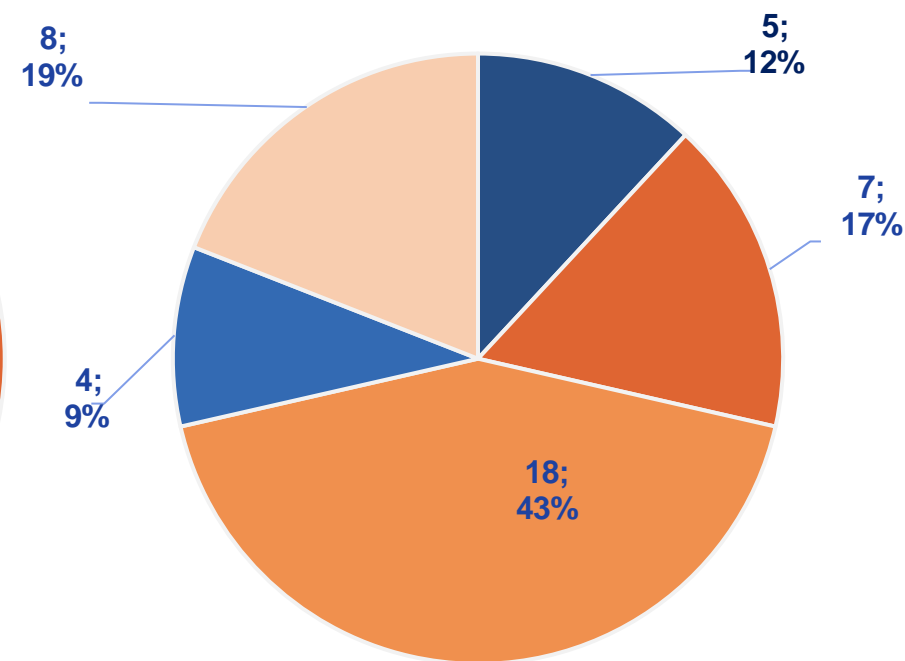
■ LDR ■ MDR ■ TR

Beneficiaries per Topic

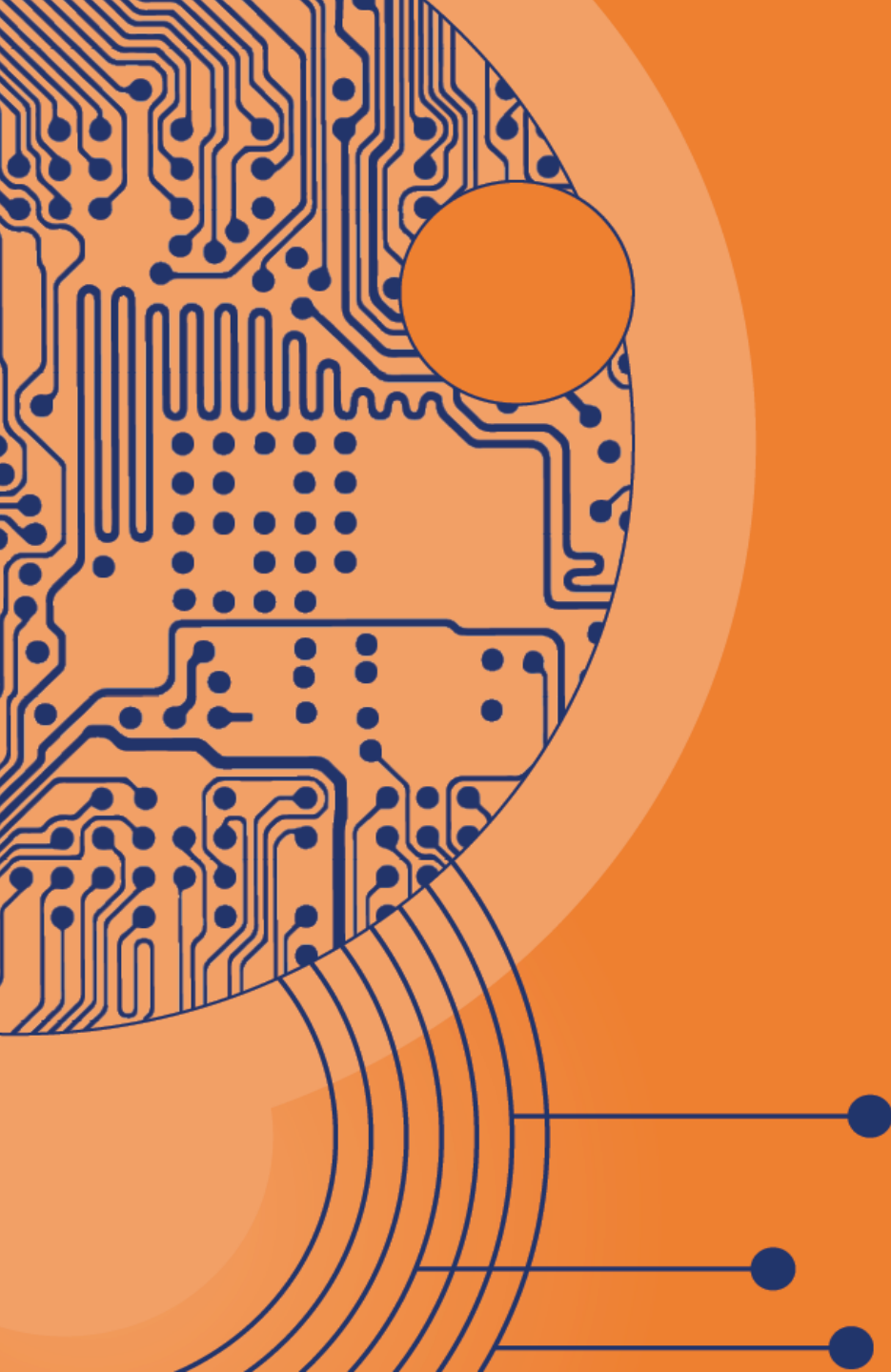


■ Digital ■ Green ■ Smart Manu

Beneficiaries per Type



■ Public ■ Other ■ Private
■ Research ■ Higher Edu



STRAND 1

Financial and advisory support
for investments in interregional
innovation projects

Valentina PINNA

EISMEA: Programme Advisor, Unit I.01 EU and
place-based Innovation Ecosystems

Specific Objective: creating globally competitive EU value chains



Budget & average grant size

**€ 36.8
million
2022**

Indicative grant amount

€ 4 – 10 million

Number of projects to be funded

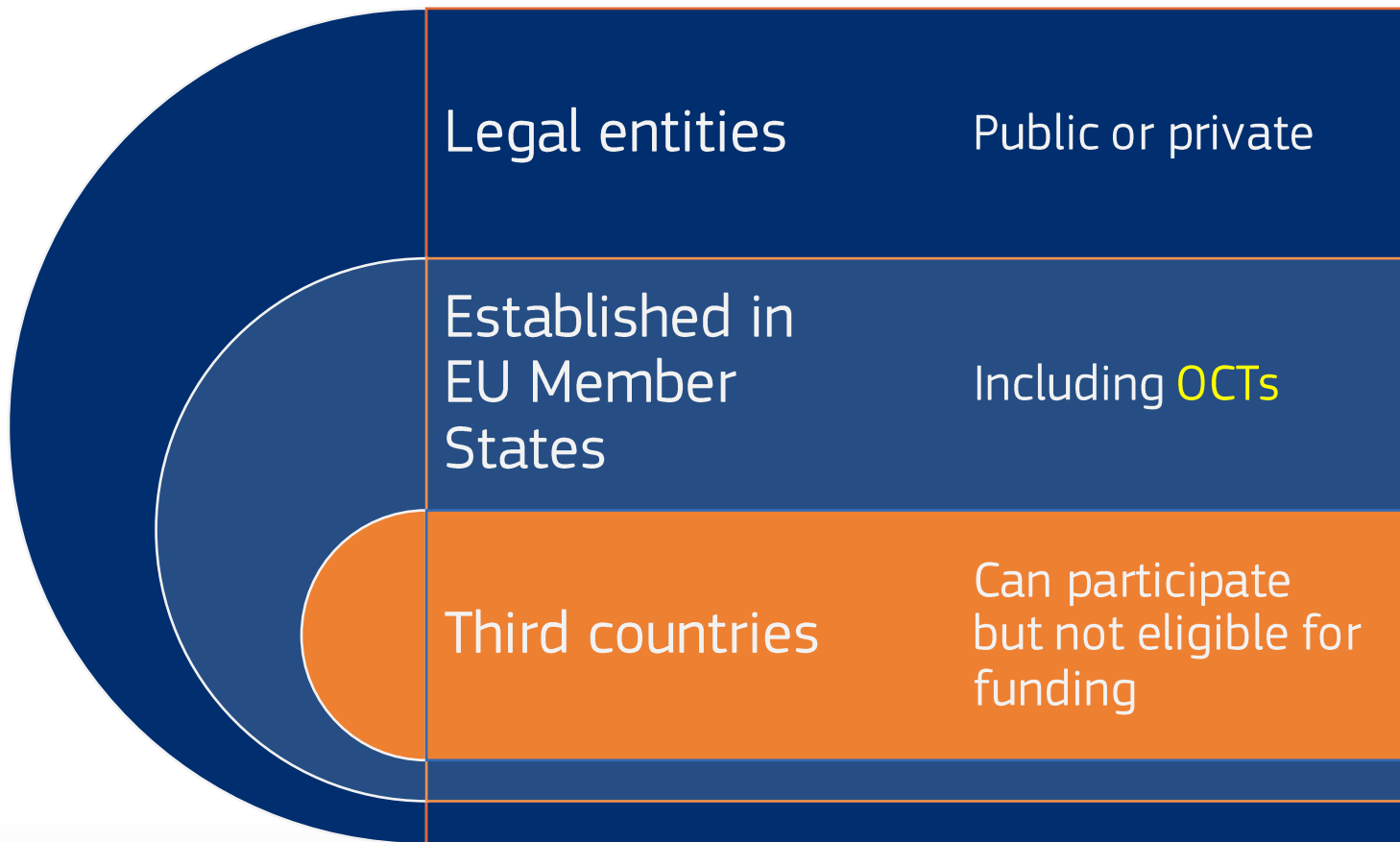
4 – 5 per cut-off

Funding rate

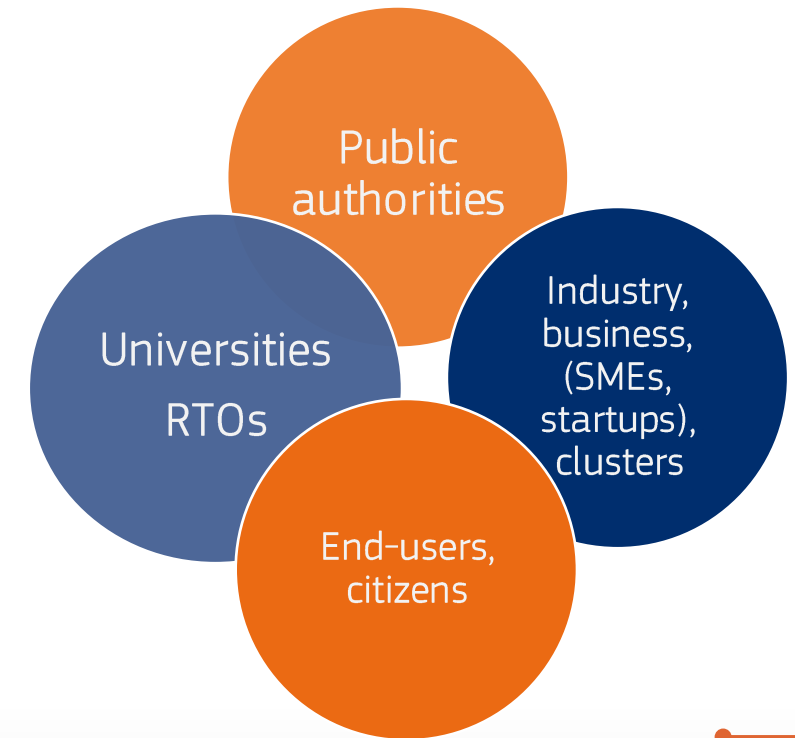
70%



Eligible participants & countries



Q-helix partnerships on behalf of regional / national ecosystems



Eligible consortia

Partners requirements

The consortium must:

- cover **demand & supply** side
- involve **various Q-helix components**
(suggested dimensions: 3)
- at least 1 partner must be from a **less developed, transition or outermost region / country**.



Example of minimum requirements

Geographical Composition

Minimum **5 partners (ecosystems)**
from 5 different regions
from 3 different eligible countries

Coordinator

Must be from a **more developed**
EU region or country
Must be a **non-profit** organisation

Eligible support



FINANCIAL SUPPORT

for **productive investments in companies** (contributing to cover investment needs toward commercialisation).

Responding to needs identified in a business and investment plan, including a market analysis

ADVISORY SUPPORT

for **company driven demonstration activities** including access to networks of **demonstrators** (*testing environments*) & to **technical or scientific expertise**

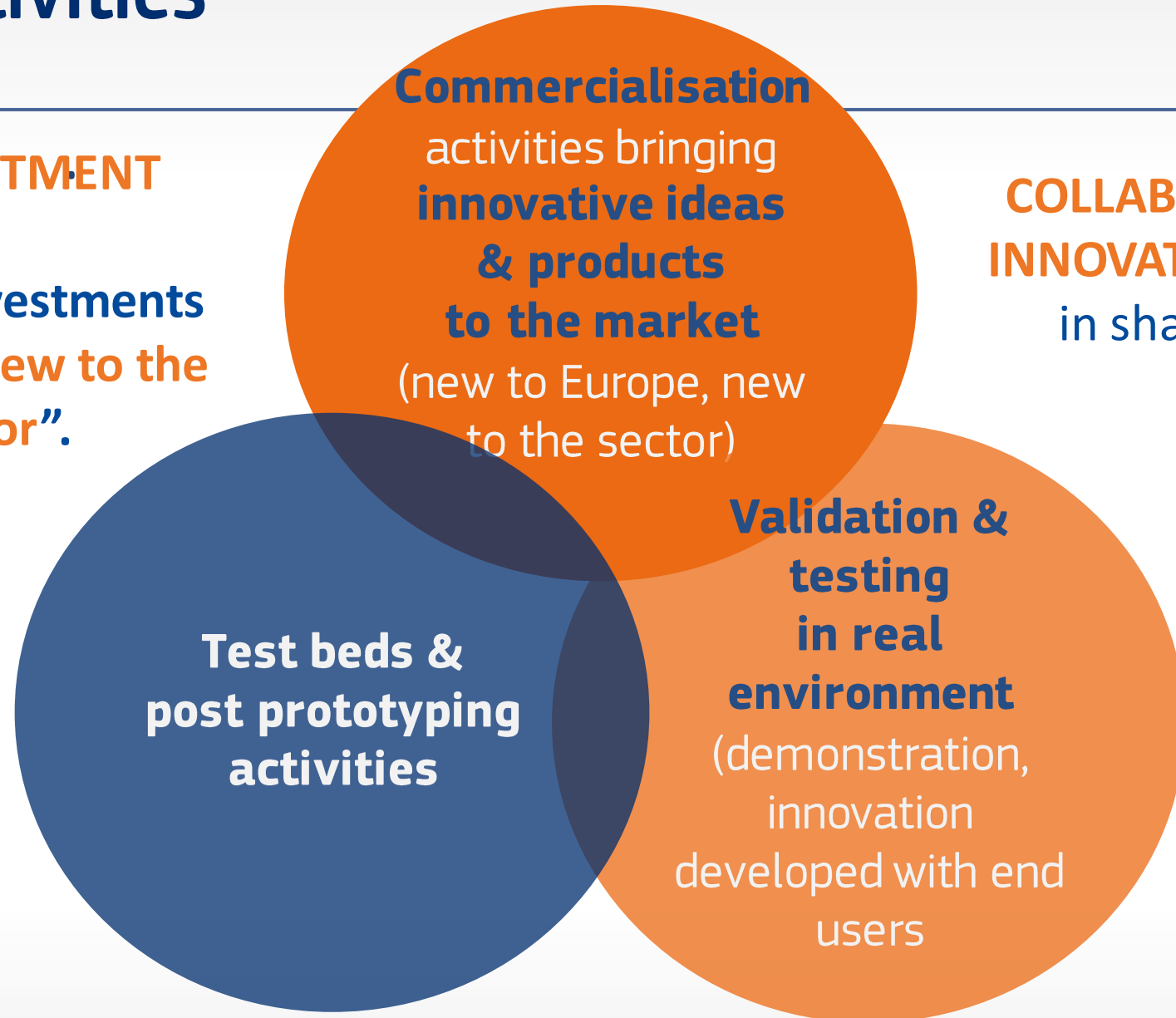
For confidential services to companies (users of testing facilities)



Eligible activities

VALUE CHAIN INVESTMENT PORTFOLIOS

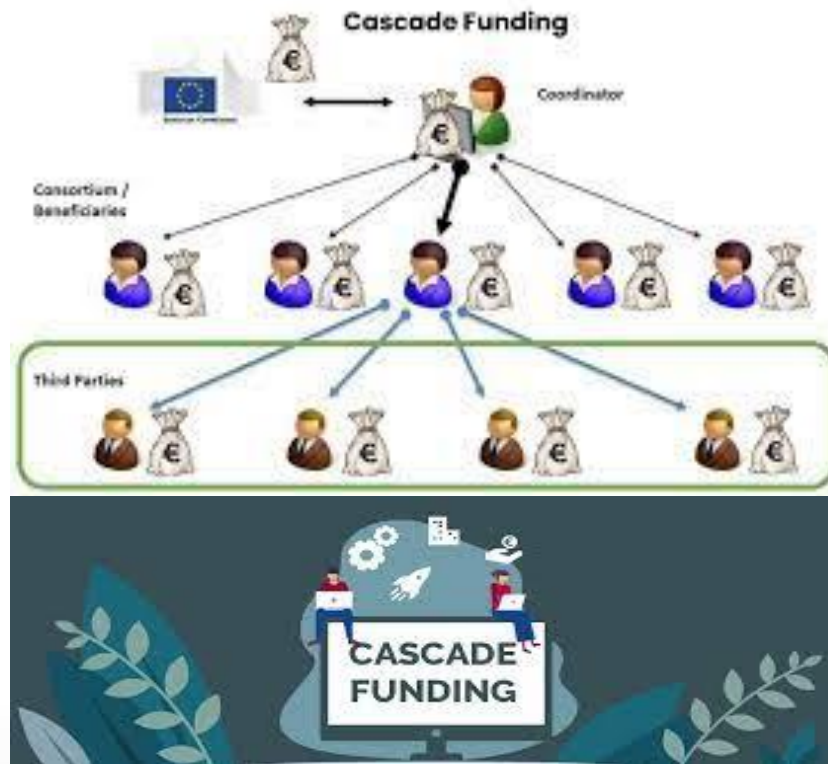
Implementation of Investments
“new to Europe” or “new to the application sector”.



COLLABORATIVE JOINT
INNOVATION ACTIVITIES
in shared S3 areas

instrumental to bring innovative ideas and new products to the market

Indirect support via cascading funding



Demand Side perspective: FSTP

To complete the value chain of main investors identified upfront in the proposal

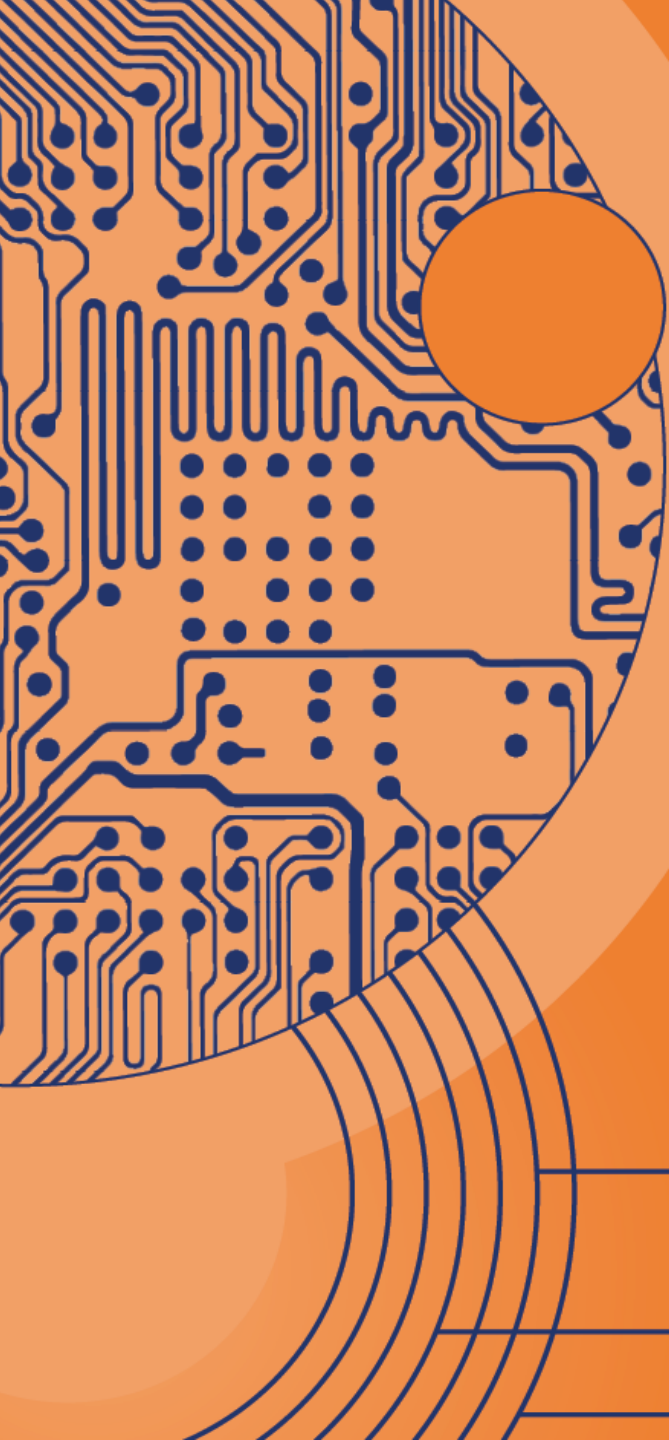
Use of FSTP: need to be justified

**Max 30% of the grant
70% funding rate**

FSTP: One of the possible options for the implementation of the investment portfolio (not compulsory)

Indicative timeline for 2nd cut-off Strand 1





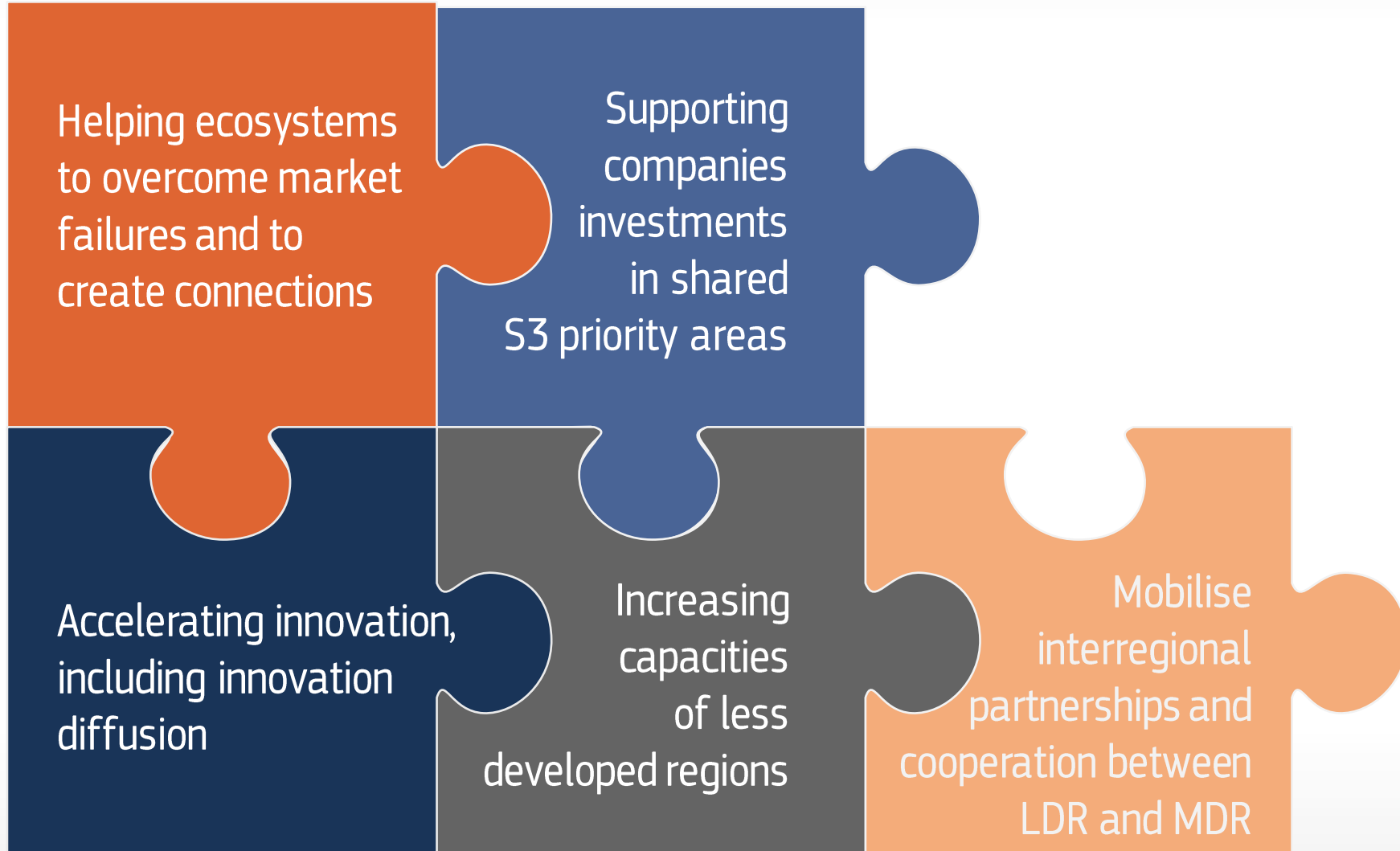
STRAND 2a

Financial and advisory support for investments in interregional innovation projects

Silvi SERREQI

EISMEA: Programme Advisor, Unit I.01 EU and place-based Innovation Ecosystems

Specific objectives: creating value chains in less developed regions



Budget & average grant size

**€ 32.9
million**

2022

Indicative grant amount

€ 2- 3 million

Number of projects to be funded

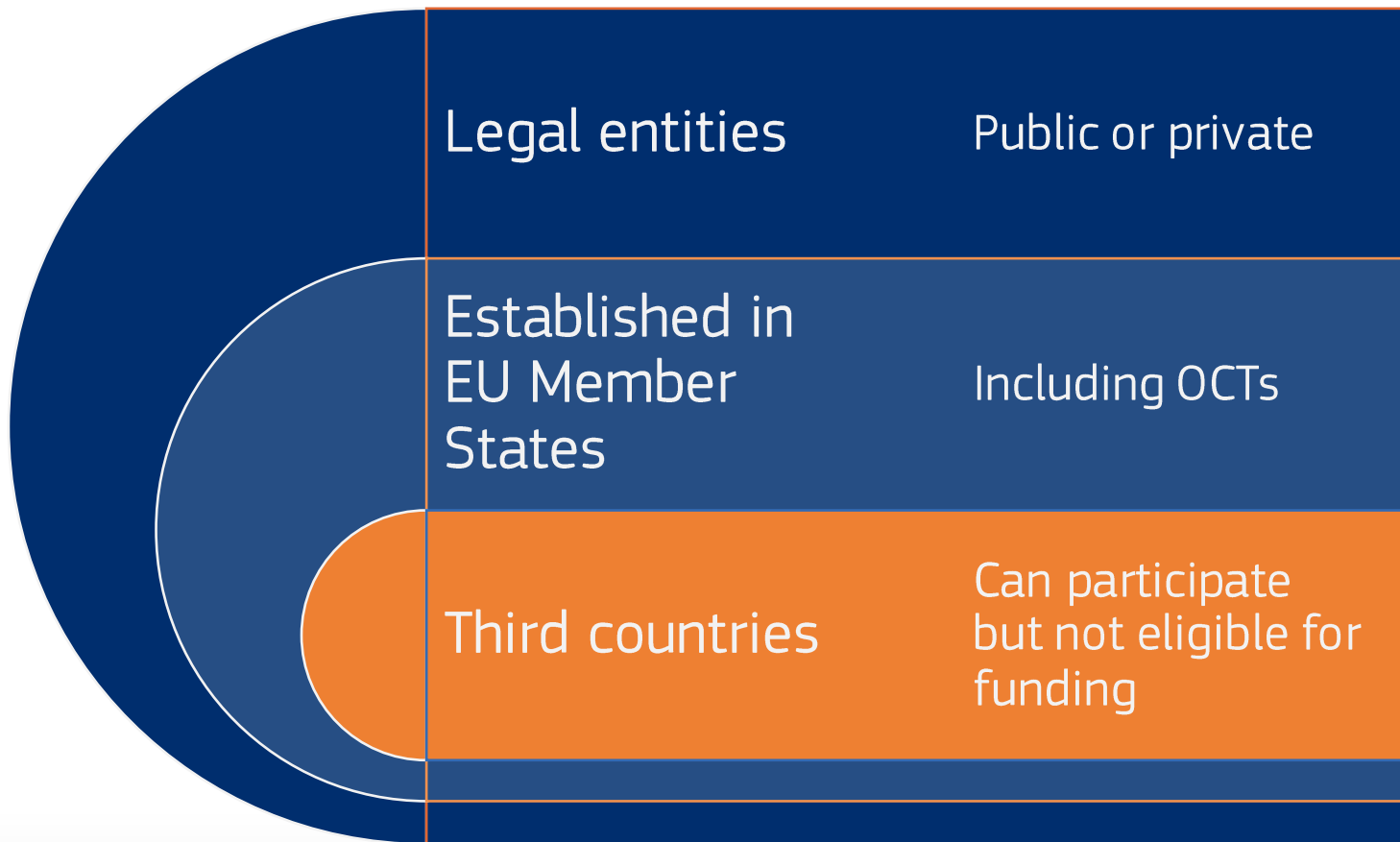
10 – 15 per cut -off

Funding rate

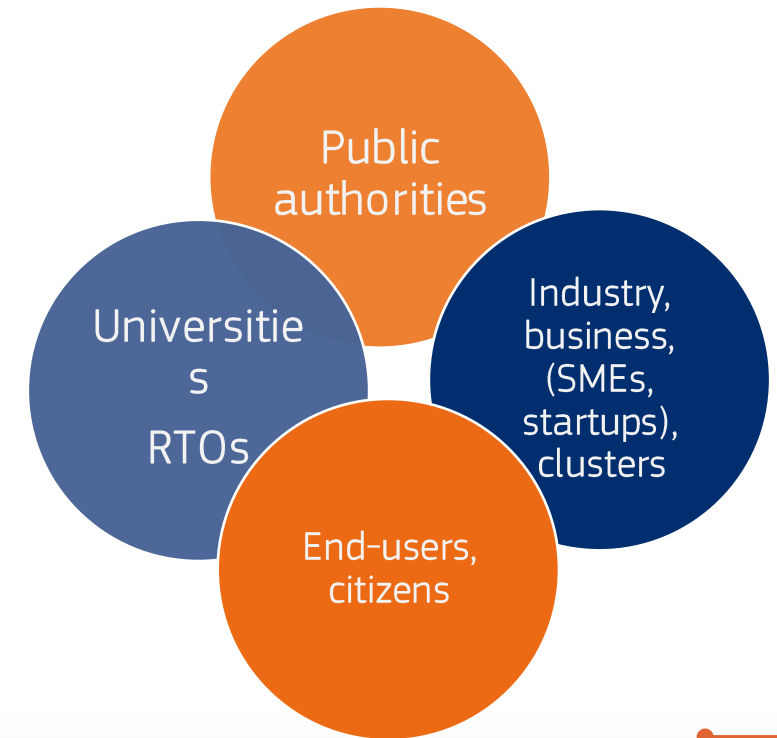
70%



Eligible participants & countries



Q-helix partnerships on behalf of regional / national ecosystems



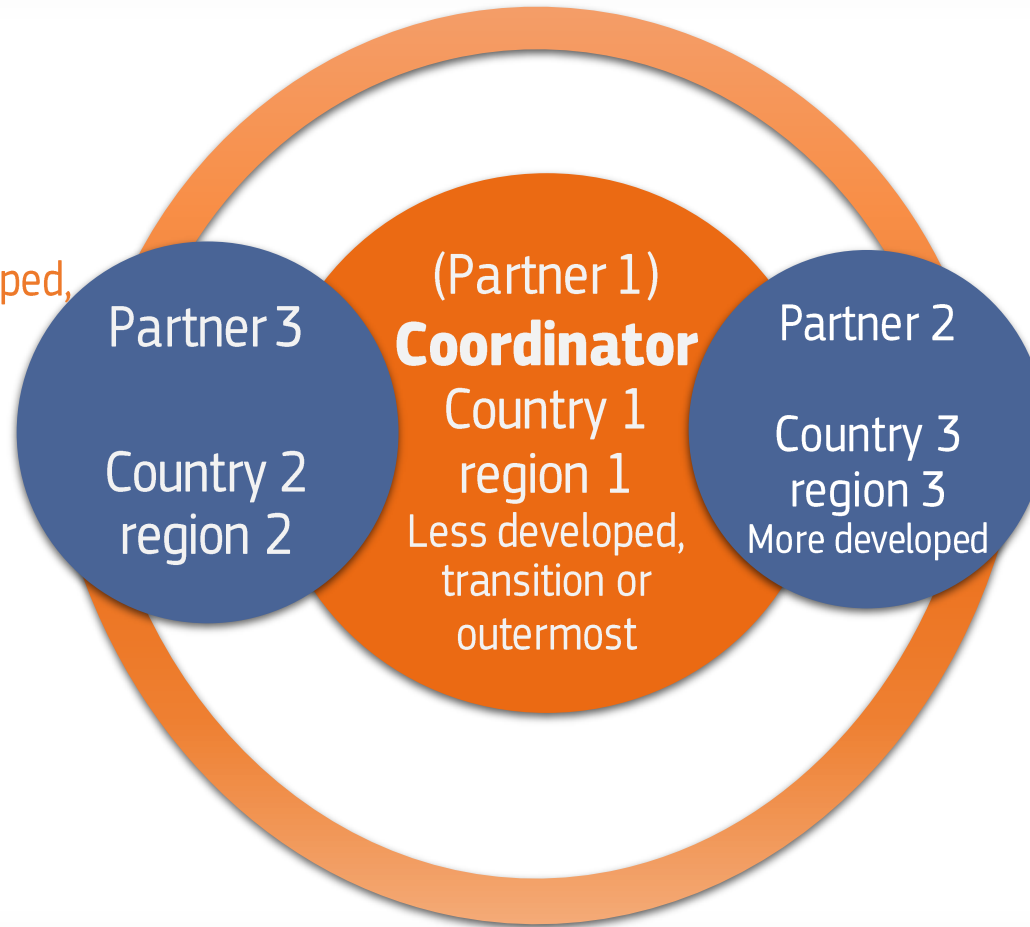
Eligible consortia

Coordinator

- **non-profit organisation**
- must be established in a **less developed, transition or outermost EU region / country**

Geographical Composition

Minimum **3 partners**
from 3 different regions
from 2 different countries



Example (min requirements)

Partnership requirements

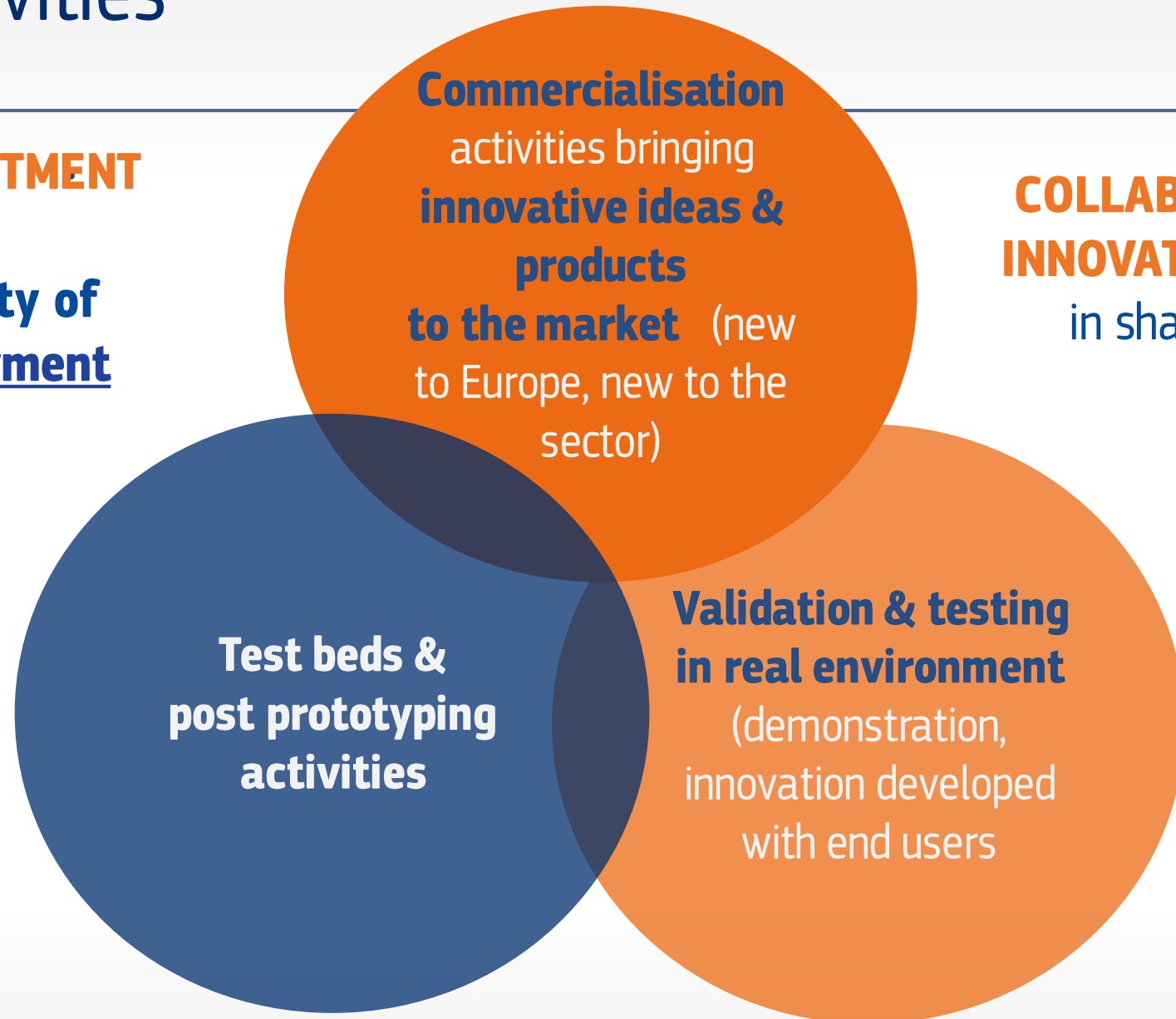
The consortium must :

- cover **demand & supply side**
- involve various **Q-helix** components (suggested minimum 2)
- At least 1 partner must be established in a **more developed** region / country.

Eligible activities

VALUE CHAIN INVESTMENT PORTFOLIOS

Including possibility of
“innovation deployment
& diffusion”



COLLABORATIVE JOINT INNOVATION ACTIVITIES
in shared **S3** areas

Capacity building
and supply side
activities

instrumental to bring innovative ideas and new products to the market

Eligible activities

Activities “new to Europe” or “new to the application sector”

“Innovation diffusion” with multiple market applications of an innovation applied elsewhere

Complementary capacity building activities in LDR

Implementation of small scale value-chain
Investments in Less Developed Regions



Example of eligible activities

1. **Capacity building** as preconditions for successful interregional investments and interregional collaboration

- Activities **strengthening capacities** and developing opportunities for innovation ecosystems in LDR (SMEs, research institutions and public administration)
- Ecosystems innovation building/promoting **collaboration inside and outside the region** by:
 - matching business sector needs with research capacities across borders
 - positioning LDR in **global value chains** (GVCs)
 - creating conditions for **innovation diffusion**
 - **internationalisation** of regional and country value chains
 - integrating local actors (e.g. SMEs) in the value chains of **multinational companies**

2. **Concrete project implementation** to build experience in GVC participation (small scale investment projects similar to strand 1)



Strand 1 vs Strand 2a

	Strand 1	Strand 2a
Objective	Investments in interregional innovation projects	Development of value chains in LDR
Eligible activities	Innovative investments, test bed prototyping activities Validation and testing in real environment and commercialisation	Innovation diffusion and multiple market applications, Capacity building, demand and supply side activities
Consortium	Minimum 5 partners, 5 regions, 3 countries, coordinator non-profit from MDR	Minimum 3 partners, 3 regions, 2 countries, coordinator non-profit from LDR, TR or Outermost
Budget 2022	€ 36.8 M	€ 32.9 M

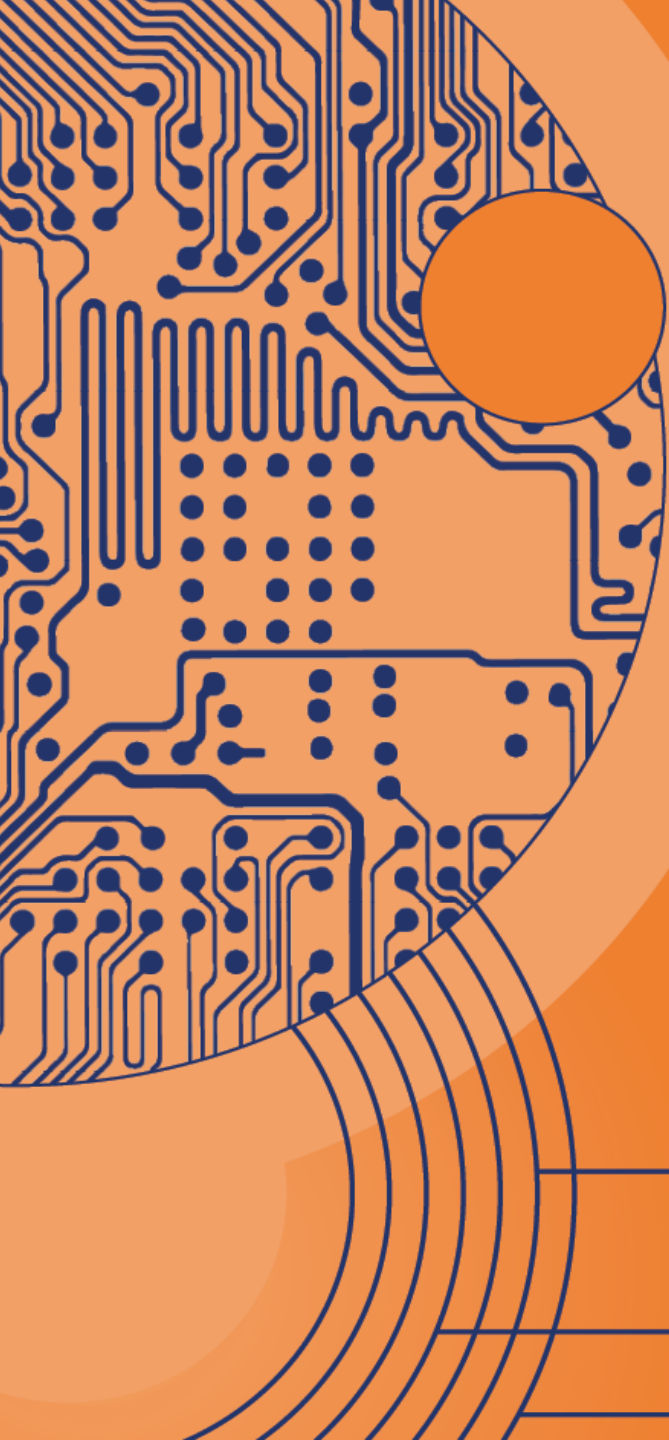
Indicative timeline for 3rd cut-off





BREAK





Detailed budget table

Tanya HRISTOVA

EISMEA, Financial Advisor

1. Instructions

INSTRUCTIONS (DETAILED BUDGET TABLE ACTION GRANTS — PROPOSAL/GRANT PREPARATION)

General

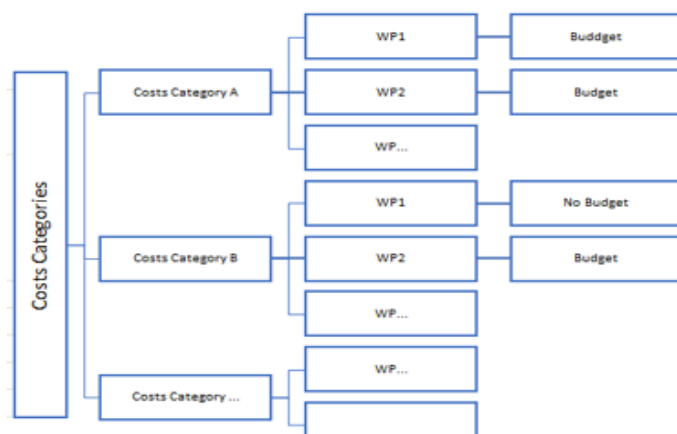
The file is composed of **5 sheets** (Instructions, Start, Detailed table, Consolidated table (participants) and Consolidated table (project)) which must be used to create your detailed budget table.

Depending on the instructions in the call document, you should submit the budget table either as part of your **proposal** and/or during grant preparation:

- for proposal: merge, scan and attach it as a **single PDF** to your Application Form Part B (Funding & Tenders Portal Submission System; only sheets 3, 4, and 5 needed; for sheets 3 and 4: **one per beneficiary/affiliated entity**; more details on technical instructions are in the Online Manual)
- for grant preparation (if needed, after changes requested by the EU): merge, scan and attach it as a single PDF to your Description of the Action (DoA) Part B (Funding & Tenders Portal Grant Preparation tool).

ATTENTION! You may be asked to provide an Excel file by email during evaluation and grant preparation, if needed.

The budget table is broken down by cost category and work packages. For technical reasons the number of work packages has to be the same in all categories. Please leave them empty, if there are no costs.



1. Instructions

2. Start

3. Detailed table

4. Consolid table (participant)

5. Consolid table (project)

+

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▶

2. Start

START (DETAILED BUDGET TABLE — PROPOSAL/GRANT PREPARATION)				
PROJECT DATA				
Project number:				
Project acronym:				
Participant short name:				
Participant PIC:				
WORK PACKAGES & TRAVELS				
Add a new WP		Update Detailed Budget Table		
Index	Name	Description	Number of travels	Delete
<div><div>1. Instructions</div><div>2. Start</div><div>3. Detailed table</div><div>4. Consolid table (participant)</div><div>5. Consolid tab</div></div>				

3. Detailed table

EU GRANTS DETAILED BUDGET TABLE (ACTION GRANTS)

Project number:	
Project acronym:	
Participant short name:	
Participant PIC:	

15-11-2021 16:38

ATTENTION: This table should be filled out one per participant (beneficiary, affiliated entity)

ATTENTION: This table may ONLY contain eligible costs (i.e. costs that comply with the eligibility rules of the grant agreement that is part of your call documents). At proposal stage and during grant preparation, it should contain estimated costs/income. Costs must be estimated in EUR.

ATTENTION! List each budgeted cost item ONLY once in this table, for the main WP.

ATTENTION! White cells mean that you are required to enter data. Blue cells are calculated automatically.

EU PROJECT BUDGET TABLE (PER PARTICIPANT)

PROJECT COSTS

A. Personnel costs

	Costs (actual costs)				Also working for other work packages? YES/NO and which WP	Description of project role/activities/responsibilities
	Type of rate (monthly/other)	Rate (amount)	Time (months/other of work on the action)	Total (EUR)		
		a	b	c = a * b		
Total personnel (all WPs)				0.00		

5. Consolidated table per project

EU GRANTS DETAILED BUDGET TABLE (ACTION GRANTS)												
Project number:												
Project acronym:												
ATTENTION! Delete columns that do not apply for your grant.												
CONSOLIDATED COSTS PER WORK PACKAGE (PROJECT)												
PROJECT COSTS PER WORK PACKAGE												
	A.1 Employees A.2 + A.3 Natural persons under direct contract and seconded persons a1 - a2	A.4 SME owners a3	B. Subcontracting costs b	C. Purchase costs						D. Other cost categories	E. Indirect costs e = flat-rate * (a1 + a2 + a3 + a5 + b + [c1a + c1b + c1c] + c2 + c3 + d1 + d2 + d3 + d4 + d5 + d6)	Total
				C.1 Travel and subsistence c1	C.1 Travel c1a	C.1 Accomodation c1b	C.1 Subsistence c1c	C.2 Equipment c2	C.3 Other goods, works and services c3	D.1 Financial support to third parties d1		
PARTICIPANT [name]												
TOTAL COSTS PARTICIPANT (Proposal Step)												0,00
TOTAL COSTS PARTICIPANT (Grant Preparation Step)												0,00
PARTICIPANT [name]												
TOTAL COSTS PARTICIPANT (Proposal Step)												0,00

1. Instructions

2. Start

3. Detailed table

4. Consolid table (participant)

5. Consolid table (project)

table

Per participant!



3. Detailed budget

PROJECT COSTS

A. Personnel costs

B. Subcontracting costs

C. Purchase costs

D. Other cost categories

E. Indirect costs

PROJECT INCOME

EU Contribution

Revenues and contribution by third parties

Own resources

A. Personnel costs

A.1 Employees (or equivalent)

A.2 Natural persons under a direct contract

A.3 Seconded persons

A.4 SME owners without salary



Costs for employees or equivalent

Eligible if:

- related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action;
- limited to: salaries, social security contributions, taxes and other costs linked to the remuneration (if they arise from national law or the employment contract – or equivalent appointing act – and be calculated on the basis of the costs actually incurred.

You must fill in monthly rates for each person who will work on the action.



Costs for natural and seconded persons

- **Seconded persons** by a third party against payment;
- **Natural persons** working under a direct contract, other than an employment contract such as a civil, free-lance or expert contract are eligible if:
 - The natural person works under conditions similar to those of an employee;
 - The costs are not significantly different from those for personnel performing similar tasks;
 - The result of the work carried out belongs to the beneficiary;
 - The remuneration is based on working hours/days/months and timesheets.



Costs for SME owners

- SME owners for the action: owners of beneficiaries that are small and medium-sized enterprises not receiving a salary;
- Natural persons are NOT eligible.

Calculation method: unit cost (daily rate) multiplied by the number of day-equivalents worked on the action.

Annex 2a or [Commission Decision of 20 October 2020 authorising the use of unit costs for the personnel costs of the owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary for the work carried out by themselves under an action or work programme \(C\(2020\)7715\)](#)



B. Subcontracting costs

- *Related to the implementation of specific tasks which are part of the action and are described in Annex 1;*
- *Only a limited part of action can be subcontracted -> NO core tasks;*
- *Subcontractor works without the direct supervision of the beneficiary (as opposed to in-house consultants);*
- *Ensure best value for money or, if appropriate, the lowest price;*
- *Avoid any conflict of interests.*



C. Purchase costs

Services, works or goods, needed to carry out the action

- *Costs are necessary and directly linked to the action implementation but do not fall in any other cost category;*
- *Do not have to be indicated in Annex 1.*



C. Purchase costs

C.1 Travel and subsistence

C.2 Equipment

C.3 Other goods, works and services



Travel, accommodation and subsistence

Costs have to:

- Be budgeted only for the personnel working on the action;
- Be justified: travel costs must be necessary for the implementation of the action and information about the calculation of the estimates to be provided in the Description column.
- Be budgeted as actual or unit costs: note that different columns apply

[Commission Decision of 12 January 2021 authorising the use of unit costs for travel, accommodation and subsistence costs under an action or work programme under the 2021-2027 multi-annual financial framework \(C\(2021\)35\)](#)



Equipment

Depreciation of equipment:

- New or second-hand
- Rental and leasing

Costs must be recorded in the assets register in compliance with the requirements of the international accounting standards or the usual practice of the beneficiary

The only PORTION of the costs that will be taken into account is that which corresponds to the DURATION of the action and RATE OF ACTUAL USE for the purposes of the action



Other goods, works and services

purchased specifically for the implementation of the action

- To be procured in compliance with the principle of the best value for money or the lowest price.
- To be calculated on the basis of the costs actually incurred.

Examples: catering costs, renting of a meeting room, printing of leaflets, consumables and supplies, promotion, dissemination, protection of results, translations, publications, certificates on the financial statements and financial guarantees (if required under the Agreement)



E. Indirect costs

Running or operating costs (overheads)

Not directly linked to the action implementation and therefore not to be attributed directly to it

(Vs 'direct costs', that are directly linked to the action implementation and can therefore be attributed to it directly)

- Reimbursed at the flat-rate of 7% of the eligible direct costs
- Automatically calculated by the IT system applying the rate of 7% to the sum of the eligible costs

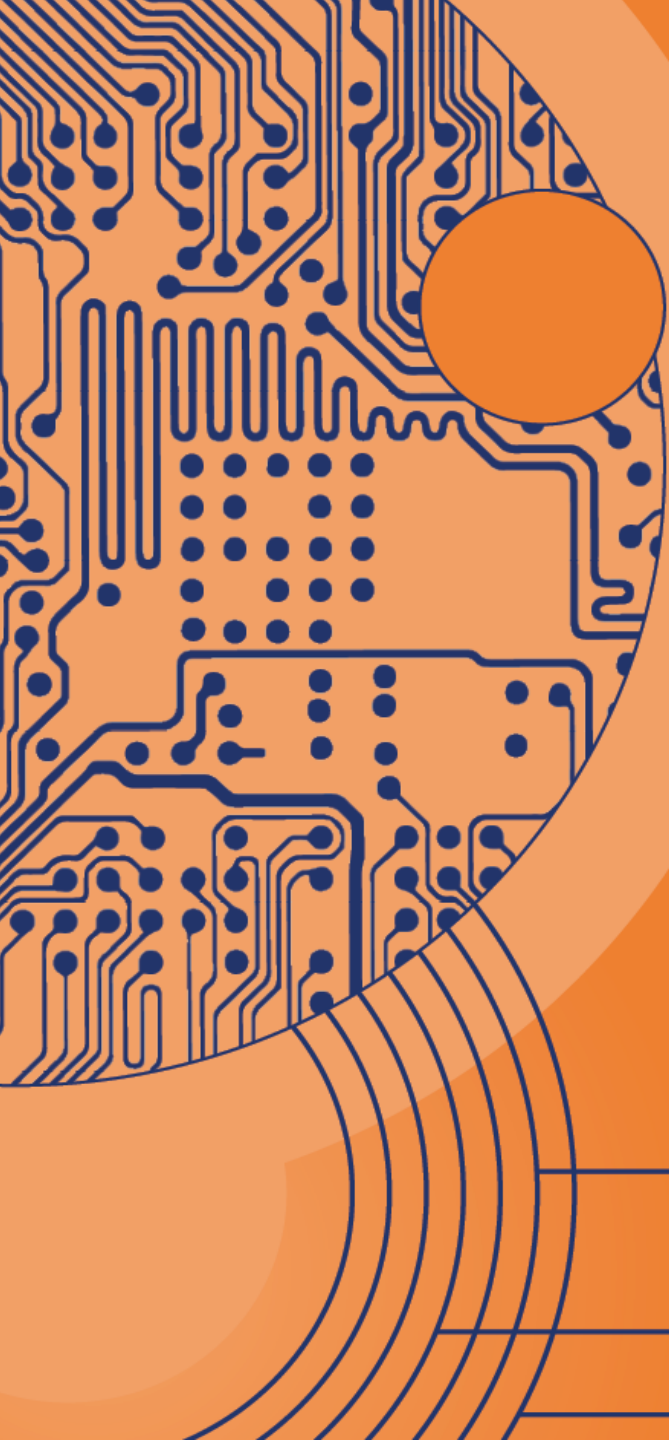
Example: stationery, rent of the office, utilities etc.



Project income

- EU contribution (grant) – **70% total project costs**
- Revenues and contributions by third parties:
 - income generated by the action such as direct revenues or receipts of the projects (e.g. conference participants fees, sales of books)
 - In-kind or financial contributions from third parties
- Own resources or the own contribution of the beneficiary





Financial support to third parties scheme

Milena STOYANOVA

EISMEA: Programme Advisor, Unit I.01 EU and place-based Innovation Ecosystems

FSTP' or 'Cascade funding' – What it is?

- Financial support to third parties is a funding by a grant beneficiary of (one or more) recipients that are not party to the GA. It is also called 'cascade funding'.
- A mechanism to distribute public funding in an efficient way
 - Simplified administrative procedures & SME-friendly application schemes -> Less formalities / administrative burden
 - Time to grant is shorter than the TTG for EU projects -> Faster access to financial support
 - Less competition than direct funding
- Actions may involve financial support to third parties ONLY where this is explicitly allowed in the work programme/call (i.e. not all EU projects can provide FSTP)



FSTP – Legal Basis : Financial Regulation introduces the notion & main conditions

Financial Regulation applicable to the General Budget of the Union and its rules of application (Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018) **is also part of the regulatory framework for I3**

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

-> Art. 204:

Article 204

Financial support to third parties

Where implementation of an action or a work programme requires the provision of financial support to third parties, the beneficiary may provide such financial support if the conditions for such provision are defined in the grant agreement between the beneficiary and the Commission, with no margin for discretion by the beneficiary.

No margin for discretion shall be considered to exist if the grant agreement specifies the following:

- (a) the maximum amount of financial support that can be paid to a third party which shall not exceed EUR 60 000 and the criteria for determining the exact amount;
- (b) the different types of activities that may receive such financial support, on the basis of a fixed list;
- (c) the definition of the persons or categories of persons which may receive such financial support and the criteria for providing it.

The threshold referred to in point (a) of the second paragraph may be exceeded where achieving the objectives of the actions would otherwise be impossible or overly difficult.



FSTP in I3 calls : FSTP may be provided in the context all topics of Strand 1 and Strand 2a

“... A project implemented under the I3 Instrument **can be composed of a portfolio of sub-projects** (portfolios of interregional investments activities – e.g. through distribution of funding by the consortium coordinator to the members of the consortium **or in a form of financial support to third parties**)”

“...The action is aiming at generating and developing **a portfolio of individual sub-projects** to be implemented by third parties, namely the end-beneficiaries”

“...Target investments can be both tangible and intangible investments and must be related to the following:

- ...
- **Financial support** for producing plans and arrangements or designs for new, altered or improved products, processes or services such as demonstrating, testing and piloting activities by companies, large-scale product validation and market replication (new to Europe and new to the application sector)”

One of the options (to achieve the objectives) = FSTP
! FSTP is not compulsory !



FSTP– What are the rules for I3 calls? (1)

For both strands (all topics):

Financial support to third parties is allowed in all topics **under certain conditions!**

-> you will find the conditions call text < section 6 “Eligibility” < “Eligible activities”



FSTP– What are the rules for I3 calls? (2)

What are the conditions (1)?

! Funding rate for direct I3 beneficiaries = 70% for FSTP (if you provide 60k to an SME, EU would reimburse 42k to you as direct beneficiary);

Costs for providing **FSTP cannot exceed 30% of the total grant amount.**

Max amount of FS for each third party ('recipient') may not exceed EUR 60 000, unless a higher amount is required because the objective of the action would otherwise be impossible or overly difficult to achieve -> duly justified in the Application Form;

The recipients of FSTP **must be SMEs¹ established in the S3 participating regions covered by the consortium.**

1. Small and medium-sized enterprises (SMEs) are defined in the [EU recommendation 2003/361](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003H0361) : <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003H0361>



FSTP– What are the rules for I3 calls? (3)

What are the conditions (2)?

- **Calls for FSTP must be open, published widely** and conform to EU standards concerning transparency, equal treatment, conflict of interest and confidentiality
- **Calls** must remain **open for at least 2 months**
- **Outcome of calls -> to be published on participants' websites**, incl. a description of the selected projects, award dates, project durations, and final recipient legal names and countries,
- **Calls must have a clear European dimension** and need to contribute to the objectives of the project.

Applications must, in addition, clearly specify why financial support to third parties is needed, how it will be managed and provide a list of the different types of activities for which a third party may receive financial support. The proposal must also clearly describe the results to be obtained.



FSTP– What are the rules for I3 calls? (4)

- Call text Strand 1 and Strand 2a < **section 10 “Legal and financial set-up of the Grant Agreements” < Budget categories and cost eligibility rules:**

“costs for financial support to third parties: allowed for grants; *maximum amount per third party EUR 60 000, unless a higher amount is required because the objective of the action would otherwise be impossible or overly difficult to achieve and this is duly justified in the Application Form”*

-> ! The call does not foresee distribution of FSTP in form of prizes!



FSTP – I3 General Model Grant Agreement : Important articles (1)

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

60k per SME (or more if justified)

Lumps sums or Reimbursement of actual costs?

Examples of activities mentioned in the call: testing and piloting activities by companies, large-scale product validation and market replication ; could be further explained in the context of your project

SMEs established in the S3 participating regions covered by the consortium

For each evaluation criterion (e.g .Excellence, Impact, Implementation) – description + you may define sub-criteria, weighting, scores (e.g. between 0 and 5, with or without half points); Technical and financial capacity check, In case of ex-aequo, the procedure you will apply etc..

D. Other cost categories

D.1 Financial support to third parties

Costs for providing financial support to third parties (in the form of **grants, prizes** or similar forms of support; if any) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated on the basis of the costs actually incurred and the support is implemented in accordance with the conditions set out in Annex 1.

These conditions must ensure objective and transparent selection procedures and include at least the following:

(a) for grants (or similar):

- (i) the maximum amount of financial support for each third party ('recipient'); this amount may not exceed the amount set out in the Data Sheet (see Point 3)²¹ or otherwise agreed with the granting authority
- (ii) the criteria for calculating the exact amount of the financial support
- (iii) the different types of activity that qualify for financial support, on the basis of a closed list
- (iv) the persons or categories of persons that will be supported and
- (v) the criteria and procedures for giving financial support

FSTP – I3 General Model Grant Agreement : Important articles (2)

ARTICLE 9.4 — Recipients of financial support to third parties

9.4 Recipients of financial support to third parties

If the action includes providing financial support to third parties (e.g. grants, prizes or similar forms of support), the beneficiaries must ensure that their contractual obligations under Articles 12 (conflict of interest), 13 (confidentiality and security), 14 (ethics), 17.2 (visibility), 18 (specific rules for carrying out action), 19 (information) and 20 (record-keeping) also apply to the third parties receiving the support (recipients).

The beneficiaries must also ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the recipients.



FSTP & inspiring examples:

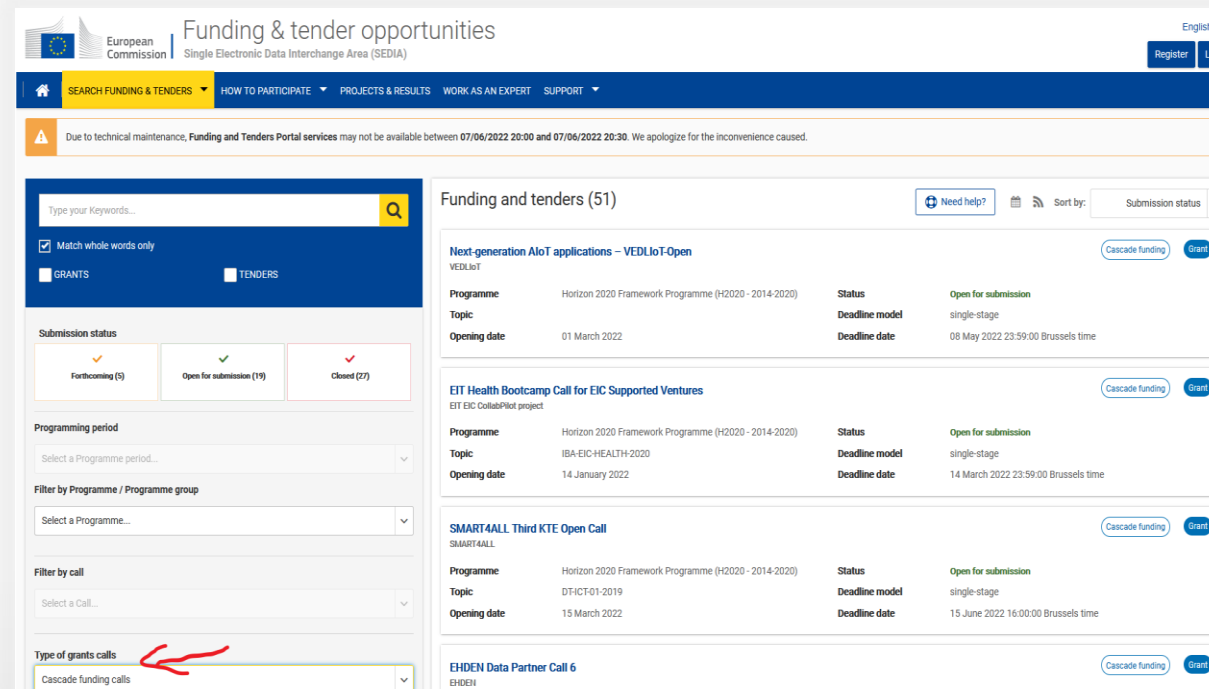
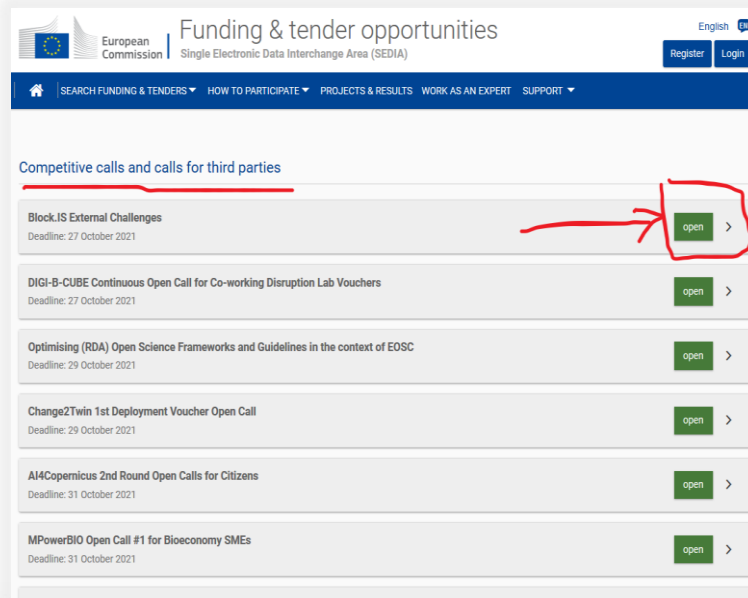
e.g. Cascade funding in H2020 INNOSUP-01 Cluster facilitated projects for new industrial value chains :

- All FSTP call announcements were published by INNOSUP-01 projects on the F&T Portal together with many other calls for FSTP

Have a look at : <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/competitive-calls> (for calls launched before 2022

Have a look at the F&T Portal (-> “Type of grants calls < “Cascade funding calls”) for calls launched in 2022

Direct links to the calls applications pages are available in each individual announcement!



Tips & lessons learnt from H2020 INNOSUP-01 projects (1)

- When drafting the proposal/call, be **extremely clear** with the mandatory elements/conditions.
- **“Lump sums” or “Reimbursement of Actual Costs”**? No magic recipe ! BUT “Lump sums” prove to be easier to manage

Depending on what has been foreseen in Annex 1, the beneficiaries will award the financial support on:

- an output based scheme — upon delivery of the expected output -> lump sum (Payments against deliverables, no financial report, “what the third parties are doing” (output) prevails over the “how the third parties are doing”).
 - an input based scheme — upon fulfilment of eligibility conditions -> reimbursement of actual costs (! the beneficiary must ensure that the third party has fulfilled the eligibility conditions for the costs being reimbursed (checking invoices, requesting technical and financial reports))
- Open calls are **very time demanding to manage** (preparation, evaluation, contracting and monitoring): enough resources to be planned.
 - **Simplify administrative procedures** to optimize the time of the contracting and the administrative follow-up of the projects



FSTP I3 ≠ FSTP INNOSUP-01

- In I3, FSTP comes to complete the value chain! FSTP recipients are “identified” element of the investment portfolio (but individual SMEs are not identified ; they will be selected further to open call)
- The learn & connect phase in I3 is done before the project start date. Corresponding activities are not relevant to be covered by FSTP.

Tips & lessons learnt from H2020 INNOSUP-01 projects (2)

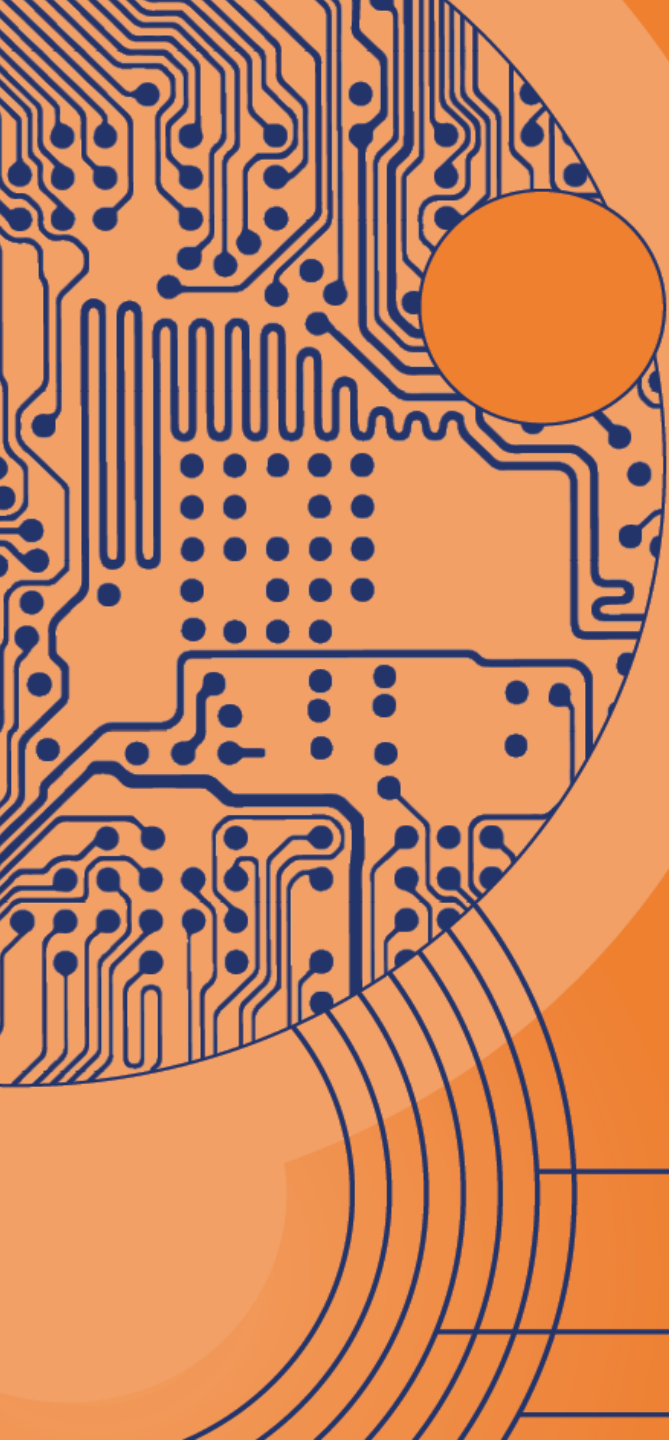
- Involve your **legal and financial departments** when drafting calls for FSTP & relevant templates
- **Platforms** for call management do already exist: no need to reinvent the wheel (search for suitable partners!)
- **Prioritize the quality of projects over quantity**: sometimes it is more valuable to fund fewer projects with many SMEs and to provide sub-grants with higher amounts (it depends on the expected results!)
- Avoid submission **deadlines** in summer / Christmas period
- **Number of payments to SMEs** to be made in accordance with amount to be granted (proportional!)
- **Partners in the consortium cannot be the beneficiaries of the grants** given to the SMEs as FTSP



Tips & lessons learnt from H2020 INNOSUP-01 projects (3)

- Ensure **common understanding** within the consortium of call expectations
- Evaluation:
 - External experts ensure neutrality
 - Organise clear and concrete training for evaluators (internal and/or external)
- (Excel) table to monitor the 60,000 € limit in case 1 SME can participate in different sub-grants
- Pay attention to **data protection and IPR issues**
- Keep **good communication** with the **awarded SMEs** and accompany them throughout project implementation; you can already think about that when drafting your proposal





Submitting a good proposal

Erich KOCH

EISMEA: Programme Advisor, Unit I. EU and
place-based Innovation Ecosystems 01

Think about the basics – Is my organisation **eligible**?

Non-exhaustive list

- **#+type** of entities (quadruple helix!), **#countries** (Strand 1 ≠ 2a!!), #development **status** of regions,
- **statute** of coordinator (e.g. no profit, public),
- the same project only for **one topic (the last submitted counts)**,
- **existing** smart specialisation strategy for the topic (upload also the support letters!),
- **existing** sub-projects with companies in which you invest
- no environmentally **harmful** proposals,
- minimum **TRL** level 6 (*demo level*),
- **no** double funding,
- → **"Topic conditions and documents"** / call document for [*Strand 1*](#) and [*2a*](#).



Get familiar with the main steps

Structure of the Proposal

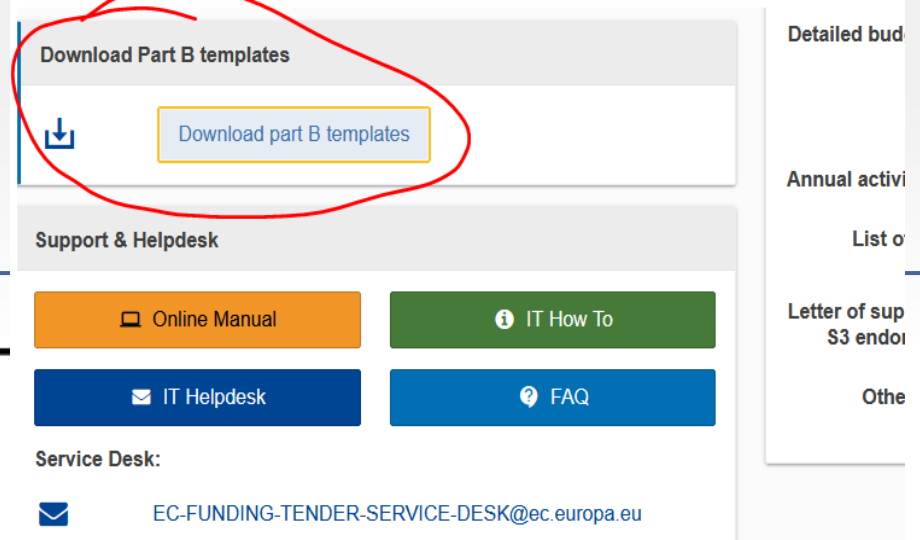
The proposal contains two parts:

- **Part A** of the proposal is generated by the IT system. It is based on the information entered by the participants through the submission system in the Funding & Tenders Portal. The participants can update the information in the submission system at any time before final submission.
- **Part B** of the proposal is the narrative part that includes three sections that each correspond to an evaluation criterion. Part B needs to be uploaded as a PDF document following the templates downloaded by the applicants in the submission system for the specific call or topic. The templates for a specific call may slightly differ from the example provided in this document.

Part C: innovation type, NUTS participants data, pre/post project-TRL levels, time to market.

The electronic submission system is an online wizard that guides you step-by-step through the preparation of your proposal. The submission process consists of 6 steps:

- Step 1: Logging in the Portal
- Step 2: Select the call, topic and type of action in the Portal
- Step 3: Create a draft proposal: Title, acronym, summary, main organisation and contact details
- Step 4: Manage your parties and contact details: add your partner organisations and contact details.
- Step 5: Edit and complete web forms for proposal part A and upload proposal part B
- Step 6: Submit the proposal



Edit forms



Edit Part C

View history

Print preview



No upload, direct entry

Compulsory

Part B and Annexes

In this section you may upload the technical annex of the proposal (in PDF format only) and any other requested attachments.

Part B *



Upload



Detailed budget table *



Upload



CVs *



Upload



Annual activity reports



Upload



List of previous projects



Upload



Letter of support (MS S3 endorsement) *



Upload



Other annexes



Upload



Press and check the errors

< BACK TO PARTICIPANTS LIST

VALIDATE

SUBMIT

Consult the call text/page in detail

- Read and re-read → **relevance** for the [i3 Work programme \(WP\)](#) and financing [decision](#).
- Don't repeat the WP/call text. → Your proposal's **specific contribution**! Different logic for two Strands (2a: focus on less developed regions). Check out your region's status [here](#).
- “Topic description” + “**Topic conditions and documents**” (Strand 1 or 2a). The topics (digital, green and manufacturing) have different objectives, activity scopes and expected impacts/KPIs!
- Check out the model grant agreement (MGA) and [annotated MGA](#).
- **Proposal template** → **Sub questions/criteria** as [red thread](#) (part B).
- **Award criteria** → Relevance/Quality Step 2 criteria with more detailed (!) description.
- One submission for you but two evaluations for EISMEA (two step call).
- Write your application to pass step 2 to get the funding (not only step 1)
- **Policy/regulatory background docs** → I3, smart specialisation, European Regional Development Funding, the Financial regulation on call page.



Be prepared

- **Not enough to pass the minimum** for each step criterion (2.5/5 or 5/10) + minimum overall step threshold (7/10 or 17,5/25)!
- Consider the **different weighting of the 4 award criteria**. Although you have to be excellent in all of them
- EU calls highly competitive → Strive for **perfectionism**.
- Ask **experienced** former applicants from similar calls (e.g. H2020 INNOSUP 1 cluster calls, SMP/COSME calls, etc.).

But: Consider the differences with Horizon, COSME and other EU programmes:

- **focus** on concrete investments/innovation into companies (70% of funding!)
- the innovation aspects (increase of TRL during project

lifetime) → towards commercialization/scale-up

- Improve/move up existing value chains
 - the cohesion dimension
 - smart specialisation areas in your region
 - the cross-border dimension
- SMART key performance indicators (KPIs)

- Look for the **right partners in the consortium** (early stage of proposal process). → F&T Portal partner search database or Enterprise Europe Network ([EEN](#)). Only add partners if they agree!
- **Generic/call specific questions:** through the portal. Answers posted a few days later (max 3 days before call deadline). Topic call related FAQs mirrored on the call page under “Topic related FAQ”.



Think about the evaluators...

- ...do **NOT** get in touch with them...
- ...but put yourself **in their shoes**. Be to the point. More WPs/deliverables/text is not necessarily better.
- **Max #pages: 60, Arial 9, 15 mm margin, A4(Part B)**. Excess pages watermarked/disregarded by evaluators.
 - Don't delete parts of template/any instructions to win space!
 - Don't change the format (otherwise we will it change back to check the limits)
- Write **reader friendly**: No endless sentences + Limit abbreviations + Use a glossary.
- Be complete. Do not forget **any document** (Part A+B+C, detailed budget table, CVs, support letter).
- Budget entered twice (Part A + uploaded detailed table). Numbers must match. Uploading a given document twice = overwriting the older version!
- Use (Gantt) **charts and images** if they make things more readable.
- Do **not** put images just for the sake of them or to fill the pages!



Evaluation and award procedure

One-stage submission + a two-step evaluation procedure

Overall threshold Step 1: 7/10 points

Step 1: pre-selection on the basis of 2 award criteria:

- Relevance in view of the overall objectives of the call (5/10 points)
- Quality of the Project team and cooperation arrangements (5/10 points)

Step 2:

Overall threshold Step 2: 17/25 points

- Relevance in view of the specific objectives of the call (5/10 points)
- Quality of the Project design and implementation (5/10 points)
- Cost Effectiveness (5/10 points)
- Impact (10/20 points!!) → double weighting



Criterion 1: Relevance (steps 1+2)

- The **relation/match** with the WP/call topic priorities
- Soundness of **needs** analysis
- **“SMART”** objectives
- **Synergies** with other related projects
- **European** dimension



Criterion 2: Quality (steps 1+2)

- What makes your proposal “more excellent” than others? Your specific **value proposition**.
- **Outline** and approach
- Team quality / sound **distribution of resources** in consortium
 - support on action tasks from subcontractors (Part B.5.4: limited - <30%/best value for money)
 - in kind contributors (not budgeted but can be explained in Part B.1-5)
- Each beneficiary's **contribution**
- **Precise staff list** with function/profile/CVs for beneficiaries + affiliated/associate partners
- **Consortium** management and decision-making
- **Project management** and monitoring (of methods and KPIs) + risk management/mitigation



Criterion 3: Cost effectiveness (Step 2)

- **Quality** of measures to reach objectives/results efficiently
- Efficiency of the **financial management**
- Distribution of consortium financial resources
 - No overly detailed WP cost description but why budget table is considered as effective.
 - Badly balanced/excessive cost estimates risk to be downgraded during evaluation
- Take your **budget planning** seriously: Detailed budget table to fill in. It takes time to go through all budget categories, work packages and participants – especially the staff costs! Often the source of financial errors. Check out the [guidance](#) for staff costs/daily rates calculation (derived from Horizon Europe)
- A **consortium agreement** is highly recommended. Can also be signed at a later stage during grant agreement preparation



Criterion 4: Impact (Step 2)

- Check Key performance indicators (**KPIs**) mentioned in call text
- Define **desired effects** of project (portfolio) – short and long term (e.g. define time to impact).
- **Target groups** and how will they benefit?
- Describe the **innovation** to be triggered and how
- Environmental, territorial, social **impact**
- **Communication** (during) and **dissemination** (after) the project to the public/private stakeholders
- **Sustainability** of the project (follow-up, business plans, synergies)



Final tips

- Experts / EU take and evaluate the proposal as it is. In principle no detailed negotiation (do not assume the EU will improve your proposal..). **Write as if no improvements should be made** in the grant preparation; even if for awarded proposals adaptations can be made during grant preparation
- **Do not overshoot:** be ambitious but stay realistic about what you can achieve with your project
- **Consult** the
 - Call page “topic updates”
 - [Online Manual](#), [How to](#) section
 - Non-IT questions: eismea-i3-instrument@ec.europa.eu
 - [I3 website](#)
 - [Smart Specialisation Platform](#)



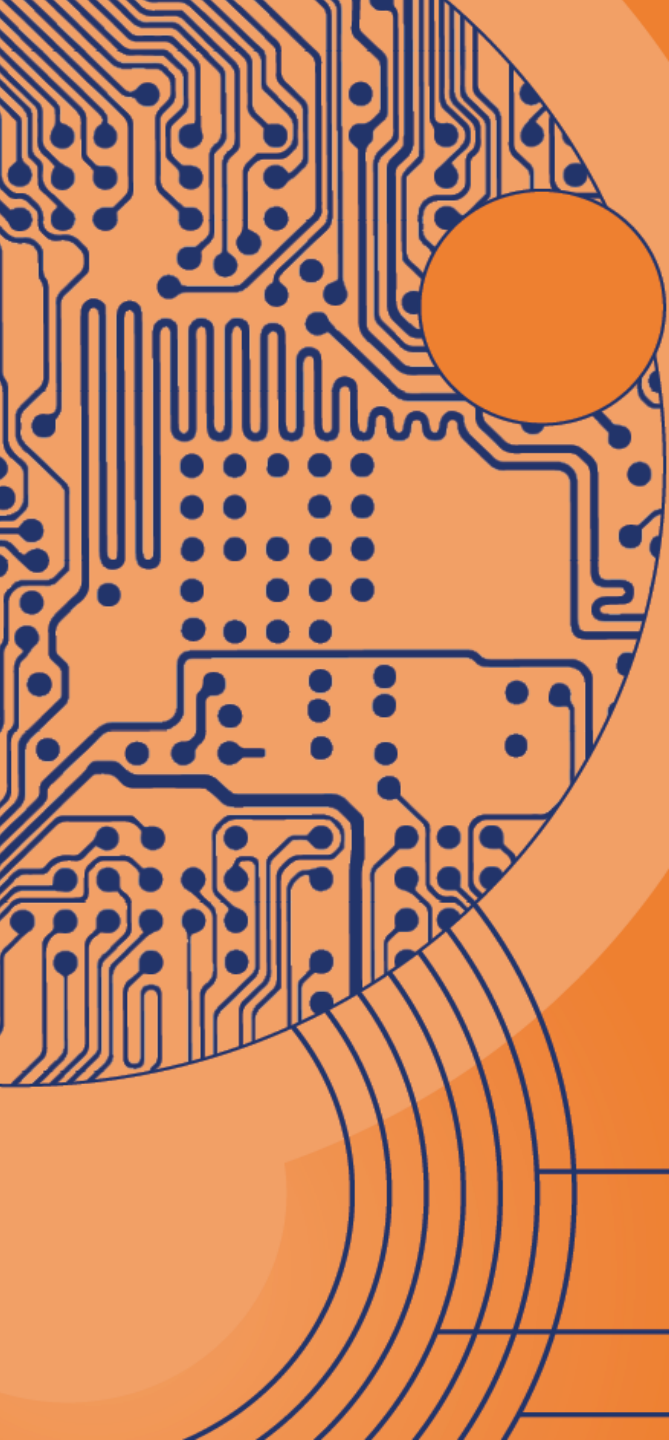


Q&A

Join at

Slido.com using
the event code
#I3-InfoDay2022





Closing

Fabienne GAUTIER

EISMEA: Head of Unit I



Thank you!



<https://eisma.ec.europa.eu>



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#I3Instrument