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ERDF Interregional Innovation Investments Instrument (I3)

Further clarifications on
Calls I3-2024-INV1 and I3-2024-INV2a
(Q&A document)

This document compiles Questions and Answers (Q&As) from similar calls from the previous years as well as Q&As from the info day of 13 June 2024.

All new Q&As to be submitted to EISMEA will be added in this document, which will be updated on a regular basis.

New Q&As in each new version are **highlighted**.

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1. Objectives of the call / Differences between strand 1 and 2a

1.1 Does the call also support potential results from ERDF funded projects?

Yes, I3 instrument also supports the scale up of innovation developed in the framework of ERDF mainstream programmes and other EU funded programmes.

1.2 What is meant by innovation diffusion?

The concept of innovation diffusion is related to the adoption and penetration of a new product, process, or service on the market.

The diffusion of innovation takes place when innovative practices and products reach a market where they were not present. The main players in this process are the initial innovators, the early adopters, the later adopters, and the laggards. The innovation is fully adopted when it reaches the laggards, usually in less developed regions.

1.3 Can you explain the concept of innovation creation?

Innovation creation concerns the use of new ideas to create value, developing or transforming new products/processes or services.

1.4 How is it possible for an I3 project to reduce the innovation divide?

Given the cohesion policy framework, reducing the innovation divide must be a desirable outcome of each I3 Instrument project. The output of an I3 Instrument project can be a new product or service that creates a value. The outcome is the effect/impact of this product or service on the less developed regions and on the performance of their regional innovation ecosystems.

1.5 Given that Strand 1 can also create new value chains and must heavily involve LDRs, it is hard to see the difference btw Strands 1 and 2a. Practically, what is the difference?

The focus of Strand 1 is on innovation creation and investments in S3 priority areas; the focus of strand 2a is on the development of new value chains in less developed regions.

The goal of the strand 1 is to reinforce the competitiveness of European S3 based value chains, whereas the goal of the strand 2a is to diffuse innovation with a positive territorial impact, on Less Developed Regions.

1.6 Strand 2a is about developing new values chains in LDR. If we are talking about developing of new value chains across Europe which strand shall be targeted?

If the purpose of the project is creating new S3 based value chains to make Europe more competitive in specific areas, you should target strand 1. Strand 2a is more appropriate when the purpose of the project is a) developing foreign direct investment driven value chains in less developed regions, b) creating value in niches of excellence present in LDR, c) connecting segment of the MDRs' value chains to the value chains of LDRs (diffusion of innovation).

1.7 Could you clarify where in the call text the "general objectives" and "specific objectives" are located? In the proposal template, section 1.1 requires us to explain how our project addresses the "general objectives of the call", while section 1.2 asks us to demonstrate how the project's objectives are based on a sound needs analysis aligned with the "specific objectives of the call".

The general objectives can be found in the call text in the section "1-background" and then at the end of the call document in the recap table summarizing the differences between strand 1 and strand 2a. *Specific objectives* can be found in section "2. Objectives — Themes and priorities — Activities that can be funded — Expected impact".

2. Activities to be funded, mandatory deliverables and KIPs (eg questions on infrastructures, etc.)

2.1 Do project activities need to take place in all represented regions or is eligibility fulfilled by simply having 5+ entities established in 5+ regions?

A distinction should be made between eligibility and impact/relevance award criteria. However even if the eligibility condition is fulfilled in terms of the consortium composition, it is expected that at least some activities take place in all regions covered by the consortium otherwise the reasoning for the presence of some consortium partners may be questionable. This may then have an impact for the evaluation of the proposal under the award criteria.

2.2 What activities can be subcontracted? What activities cannot be subcontracted?

Action tasks that are wider in scope and not limited. If a contract covers only individual equipment or consumables, this is purchasing cost. Project coordination/management tasks cannot be subcontracted such as monitoring of project activities, checking/submission of deliverables, etc (art 7 of I3 Instrument Model grant agreement).

2.3 How should suggested KPIs be integrated into the proposal?

You encode your KPI data in the part C form in the submission tool. But you can also further explain in the impact section of the description of the action.

2.4 In Strand 1, must applicants pick from the limited list of expected impacts (given broad invest areas), or are other impacts contributing to KPIs also accepted?

The list is non-exhaustive.

2.5 What are the experimentation efforts/projects (noted at part of I3 activities) and how do regions apply for these?

These are mainly the activities implemented through the capacity building projects (Cap2b calls) and some of the Support facility related actions.

2.6 Could you clarify the mandatory deliverable "list of remaining bottlenecks"?

The I3 Instrument aims at de-risking and scaling up business investment to accelerating market uptake. If during the duration of the project, for some reasons (certification, standardisation, regulatory barriers etc.), the innovation did not manage to reach the market, the remaining bottlenecks will have to be explained.

2.7 You mention that it is necessary to move from TRL 6 to TRL 7-9. Can TRL be measured as an internal technology level in a production company. For instance, can a company be on TRL6 in automation of production?

The definitions of each TRL level is available on this [link](#). TRL 6 corresponds to *technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)*. In your case, if the automation of the production has already been demonstrated in relevant environment, then it meets the conditions for TRL6.

2.8 Under call I3-2024-INV2a, when you mention that projects need to strengthen/complete interregional value chains, can it then be understood as helping manufacturing companies strengthen their internal value chain by incorporating industry 4.0 technologies from other regions?

Examples of investments to be funded under call I3-2024-INV2a are available in the call text and in the summary table at the end of the call document and include:

1-Piloting and demonstration, innovation upscale; 2- Pilot plants, testbed for small and large scale demonstration in real environment; 3- Tech transfer and highly specialised advisory support for the implementation of experiments and demonstration cases in companies; 4- Tangible and intangible investments for innovation deployment (depreciation); 5 Skills development for the deployment of innovative technologies/solutions and processes in companies.

Incorporating industry 4.0 technologies from other regions into manufacturing companies would indeed be an eligible project activity.

You can also view examples of running I3 Instrument projects on the [EU Funding & Tenders Portal](#).

2.9 Would the development of a platform which will act as a match-making tool, bridging corporate & public challenges with solution providers be considered as an eligible activity?

No. As detailed in section 2.3 of the call, activities eligible for funding under the I3 Instrument Strand 1 and 2a calls should either concern direct investments in SMEs or support actions for networking, for testing new approaches for better innovation support or for enhancing services to SMEs (through collaboration, peer-learning or matchmaking, etc.), particularly when aimed at replicating project outcomes in less developed regions. These support actions will only be eligible in combination with the implementation of the investment.

As a result, the development of a platform, as such, without direct link to the investment implementation does not meet these criteria.

3. Eligibility and admissibility conditions. Evaluation criteria.

3.1 Consortium composition

3.1.1 Should the Associated Partners be added to the Participants List?

As stated in the call text, applicants may participate with associated partners (i.e., partner organizations which participate in the action but without the right to get grant money). They participate without funding and therefore do not need to be validated. At the time of the submission of the proposal, associated partners need to have registered beforehand and have their PIC. They must be added to the participants list of the proposal by using the option “Add Associated Partner”.

3.1.2 Is it possible for a parent company and its 100% subsidiary to both participate as beneficiary and affiliated entity in the same consortium?

Yes, this is possible. In the EU funding and tenders portal submission mask you need to add the partner first (in your case the subsidiary as beneficiary) and then add/link the affiliated entity to the beneficiary (in your case the parent company).

It is also possible to put the parent company as beneficiary and the subsidiary as affiliated entity. To qualify as affiliated entity, there needs to be a legal/economic link between the two entities going beyond the proposal/project.

3.1.3 How can SMEs participate?

SMEs participate 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

3.1.4 Which entities can be considered as SMEs?

Small and medium-sized enterprises (SMEs) are defined in the EU recommendation 2003/361. Guidance and supporting documents, as well as a link to a self-assessment tool which you can use to determine whether your organisation qualifies as a SME, are available at https://single-market-economy.ec.europa.eu/smes/sme-definition_en

If you encounter any difficulty while going through the steps of the SME self-assessment, please use this email for your help requests: GROW-SME-DEFINITION@ec.europa.eu.

3.1.5 Can a start-up business incubator, which is a private non-profit association created by a city’s municipal council act as a consortium coordinator for Strand 1?

Yes, if the incubator is entrusted by national or regional governments to develop or implement innovation and investment actions for SMEs. Please check section 6 of the call document.

3.1.6 Can a consortium's partner company (beneficiary) invest its technology in a different region not represented by a partner beneficiary?

Please see Section 6. Eligibility - Geographic location (target countries) of the call for

proposals. Proposals must relate to activities taking place in the eligible countries and regions covered by the consortium.

3.1.7 A beneficiary from less developed region conducts activities only in a more developed region (also in consortium): it counts toward "2+ entities from less dev. regions" criteria?

Yes, this would be eligible, as the eligibility depends on the legal seat of entity. However, if there no action in one of the less developed regions of the consortium, this may have an impact during the evaluation of the award criteria under relevance or impact.

3.1.8 What is the definition of a private and public body? Where can the definition be found?

The definition comes from national legislation. The central validation services of the Research Executive Agency (REA) will do the validation check based on the submitted national/regional/local documents.

3.1.9 Are start-ups and spin-offs eligible to apply?

Yes, they are eligible.

3.1.10 Can any type of public body participate, regardless of their competencies at a regional level? For eg, could a municipality participate?

Yes, they can.

3.1.11 Do private universities qualify as coordinator?

A private university can qualify as coordinator if it is entrusted by a national or regional government to develop or implement innovation and investment actions for SMEs (see section 6.2) of the call document.

3.1.12 How can a coordinator receive the "entrusted" status?

The word "entrusted" is flexible in its interpretation. EISMEA reserves the right to check on the website/statutes whether the entity works to the benefit of a particular geography/region to implement innovation and investment actions for SMEs.

3.1.13 Can you please further detail what is an "entity entrusted by national or regional gov"? Should you be certified by government for a cluster to act as coordinator?

The word "entrusted" is flexible in its interpretation. EISMEA reserves the right to check on the website/statutes whether the entity works to the benefit of a particular geography/region to implement innovation and investment actions for SMEs. For clusters, the cluster policy and regional support/endorsement vary a lot from country to country. Only clusters recognised at national or regional levels (eg actually implementing national /regional policies aligned with the government S3 strategy) are eligible to be a coordinator. The approach is more flexible for partners (not coordinators).

3.1.14 Could you explain or exemplify of entities entrusted by national or regional governments? Does this mean Regional Agencies for Development/Entrepreneurship?

Yes, regional development agencies are considered as entrusted by national / regional governments. The word "entrusted" is flexible in its interpretation. EISMEA reserves the right to check on the website/statutes whether the entity works to the benefit of a particular geography/region to implement innovation and investment actions for SMEs.

3.1.15 Where do transition regions stand in these calls? Are they considered as MDR or LDR in consortia composition? Can they be coordinator?

Transition regions are at a different development level than less development regions - see link: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021D1130&from=EN>. However, they can participate if their presence in the project is essential. Organisations from transition regions can act as coordinator.

3.1.16 Are Higher Education Institutions (universities) considered public bodies and can be Consortium coordinators?

Usually, higher education institutions are public entities and therefore can be coordinators.

3.1.17 May you please explain/provide an example on how big companies can participate? Does participation need to be subordinated to direct collaboration with an SME?

Yes, the presence of large companies is conditioned on the collaboration with SMEs. The proposal is expected to explain how the value chain of SMEs is connected to the value chain of large companies. Project examples can be found on the EU Funding & Tenders Portal (e.g., the Incircular project): <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/projects-details/44416173/101114988/I3?isExactMatch=true&frameworkProgramme=44416173&order=DESC&pageNumber=1&pageSize=50&sortBy=title>.

3.1.18 What are the roles of consortium members? (Strand 1) "Innovation creation" in case of SMEs could mean R&D conducting. What could be the role of a public entity?

Research and Development (TRL<6) is not eligible under the I3 instrument unless the project focusses on merging different Key Enabling Technologies. The role of Quadruple Helix consortium partners is expected to be complementary, mobilising demand and supply side, where the demand is defined by the needs of the companies involved in the project (main investors). RTOs can propose innovative solutions (supply side) to the business needs; The public authority could cover further investment needs for the upscale of innovation. The public could also play the role of first buyer of innovative solutions (PPIs) or support the project via the regulatory framework. Final users/ consumers/clients could play a role in the framework of demonstration activities real environment and testing the willingness to pay for a certain product or service.

3.1.19 Can an SME be a consortium partner?

Yes. SMEs are even those in the consortium to primarily implement investment projects.

3.1.20 Could a partner join different projects at this call?

An entity can be a partner in several proposals. The call document does not provide any limitation. However, you cannot claim twice costs for the same activity implemented in several proposals. Otherwise, this would be double funding. In addition, if several proposals are selected, the entity must have the necessary technical and financial resources to carry out the work.

3.1.21 Is a multi-actor approach requested?

It is indeed expected that the proposal includes representatives from the Quadruple Helix (companies, public bodies as well as entities from research and civil society), but the call text does not necessarily impose to have representatives from all the components of the quadruple helix in the consortium.

3.1.22 We needed some detailed information, mainly regarding the new rules of the consortium coordinator under the calls I3 Strand 1 and 2a. Could you, please, provide the contacts of the NCP?

There are no I3 Instrument National Contact Points (as for Horizon Europe), but there is a list of managing authorities per country and region. Please see the following link [Inforegio - Managing authorities \(europa.eu\)](https://europa.eu/inforegio/Managing-authorities).

Regarding the consortium coordinator, it has to be entrusted by a national or regional government to develop or implement innovation and investment actions for SMEs (see section 6.2) of the call document. The word "entrusted" is flexible in its interpretation. EISMEA reserves the right to check on the website/statutes whether the entity works to the benefit of a particular geography/region to implement innovation and investment actions for SMEs.

3.1.23 Could you please confirm whether our foundation qualifies as a Project Coordinator under these requirements? If additional information or documentation is needed to verify our eligibility, please let us know what specific documents we should provide.

A foundation can be a consortium coordinator if it is entrusted by a national or regional government to develop or implement innovation and investment actions for SMEs (see section 6.2) of the call document. The word "entrusted" is flexible in its interpretation. In the project proposal it should be clearly described how the coordinator is meeting this criterion. The coordinator is not to act only in the interest of their own organisation, but in the in the interest of wider innovation community (like cluster, business representation organisation, chambers of commerce, etc). EISMEA reserves the right to check on the website/statutes whether the entity works to the benefit of a particular geography/region to implement innovation and investment actions for SMEs.

3.1.24 I have some questions about the mechanism of funding opportunities from the I3 Instrument:

- **Do companies have to apply for funding together? If yes - how many of them?**
- **What are the exact requirements for companies to obtain financing?**
- **What amount of funding an individual company can receive and on what terms?**

For calls I3-2024-INV1 and I3-2024-INV2a, the consortium composition is described in the point 6.2 of the call text:

For Strand 1:

- at least five independent legal entities established in five different regions of at least three eligible countries, including:
- at least two legal entities established in two different less developed regions

For Strand 2a:

- at least three independent legal entities established in three different regions in at least two eligible countries;
- The consortium shall represent at least one more developed region and must have a strong involvement of less developed regions and focus on their needs

All types of eligible companies (and also other organisation from the quadruple helix, please see chapter 6.1 of the call text) can participate directly in the project consortia as beneficiaries or associated/affiliated partners. Please see the different types of partners in [Annotated Grant Agreement](#). If a company participates as a direct beneficiary in the project, they can receive up to 70% of eligible costs, which are not limited, but have to reflect the eligible activities.

I3 Instrument projects are primarily implemented by the consortium partners, in line with the project application. However, small and medium sized enterprises (SMEs) can also participate in the I3 Instrument projects through Financial Support to Third Parties (FSTP). FSTP can and should be used to enable cascade funding where it offers an added benefit, e.g. in facilitating the involvement of SMEs, fostering replication and innovation diffusion. The conditions of the FSTP are described in the call text under chapter 2.3 *Activities that can be funded (scope) – under all thematic priorities*. For more information on SME participation please also see answer 7.14.

3.1.25 Can a European type of organisation (e.g. a European Economic Interest2 Grouping - EEIG - or an association) act as coordinator?

Section 6 of the call document states that an entity needs to be entrusted by national or regional governments to develop or implement innovation and investment actions for SMEs. However, the word "entrusted" is flexible in its interpretation. EISMEA reserves the right to check on the website/statutes whether the entity works to the benefit of a particular geography/region to implement innovation and investment actions for SMEs. So, e.g. this could be the case if an EEIG or a European wide association works in the interest of its national/regional members. In that sense, the entity would be eligible to act as coordinator. This can also be mentioned in the self-declaration from the Coordinator to confirm the alignment with the national/regional S3 policies, strategies and priorities of all Member States and Regions represented by

organisations participating in this application (template available in the Submission System).

3.1.26 Could you explain the role and conditions for organisations included as Associate Partners?

Applicants may participate with associated partners (i.e. partner organisations which participate in the action to contribute to its success but without the right to receive an EU grant). They participate without funding and therefore do not need to be validated.

3.1.27 Can a legal framed foundation also be a part of a consortium?

Yes, the eligibility conditions for participants are detailed in section 6.1 of the call text.

3.1.28 Can a hospital group be considered as a public body?

A hospital group could be a public body if it is defined as such by the national/regional legislation. The central validation services of the Research Executive Agency (REA) will do the validation check based on the submitted national/regional/local documents. As stated in the section 6.4 of the call document, a coordinator can also be an entity entrusted by national or regional governments to develop or implement innovation and investment actions for SMEs. The word "entrusted" is flexible in its interpretation. EISMEA reserves the right to check on the website/statutes whether the entity works to the benefit of a particular geography/region to implement innovation and investment actions for SMEs. It should be clearly explained in the application how coordinator meet these criteria.

3.1.29 Would Clusters be considered as SMEs within the Consortium, considering that Clusters represent their members, who are mostly SMEs?

No, only Small and medium-sized enterprises (SMEs) that are defined in the EU recommendation 2003/361, can be considered as SMEs. Guidance and supporting documents, as well as a link to a self-assessment tool which you can use to determine whether your organisation qualifies as a SME, are available at https://singlemarket-economy.ec.europa.eu/smes/sme-definition_en. If you encounter any difficulty while going through the steps of the SME self-assessment, please use this email for your help requests: GROW-SME-DEFINITION@ec.europa.eu. Please see answer 3.1.4 in the [Q&A document](#).

Non-financial support provided by clusters to the SMEs of the portfolio is considered and counts to the 70% of total eligible costs for the companies. This has to be clearly described in the project application.

3.1.30 Can a European Institute of Technology (EIT), which is a public-private partnership, co-funded by the European Union, be eligible as a coordinator?

Yes it can. Please also refer to Q&A 3.1.25 for more information.

3.2 Geographical eligibility

3.2.1 Are legal entities established in non-EU countries eligible for funding?

As stated in section 6 of the call document, to be eligible for funding, the applicants - beneficiaries and affiliated entities – from non-EU countries must be listed in the “List of Participating Countries in the I3 Instrument”.

Legal entities from non-EU countries that are not listed in the “List of Participating Countries in the I3 Instrument” may participate in other consortium roles, such as associated partners (that should bear their own costs), subcontractors, etc. However, proposals must relate to activities taking place in the eligible countries and regions covered by the consortium.

3.2.2 Can third countries participate in I3 projects?

Currently, there are no third countries associated to the I3 Instrument. That means that third countries can participate but cannot receive EU funding.

3.2.4 How is the number/type of represented regions in the proposal calculated? by the legal addresses of all beneficiaries?

Concerning the eligibility conditions of the consortium composition, the reference is the legal address of each legal entity. However, in case that one organisation covers several regions (eg a metacluster or national / European organisation), please clearly indicate in the proposal all the regions to be covered by the organisation. If the proposal is selected for funding, activities (including FSTP) will then be considered as eligible in all the regions mentioned.

It is also possible to add one entity with main legal seat and add a second address in Part A for the department implementing the action, which is in another region.

3.2.5 Does the definition of “less developed” regions include transition regions?

No transition regions are at a different development level than less development regions (see link: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021D1130&from=EN>). However, they can participate if their presence in the project is essential. But their activities and costs related will not count in the 50% requirement (for less developed regions).

3.2.6 Where can we find the list of LDR?

Please find here the link to the Commission Implementing Decision (EU) 2021/1130: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021D1130&from=EN>

3.2.7 Can a UK-based organization participate as an Associate?

UK-based organisation can participate as an associated partner as they don't receive funding.

3.2.8 Are overseas countries and territories (OCTs) eligible to participate?

The call document clearly provides respectively under its **section 6** that eligible “*applicants (beneficiaries and affiliated entities) must:*

- *be legal entities (public or private bodies)*
- *be established in one of the eligible countries, i.e.:*
 - *EU Member States (including overseas countries and territories (OCTs))*
 - *non-EU countries:*
 - *listed EEA countries and countries associated to the I3 Instrument or countries which are in ongoing negotiations for an association agreement and where the agreement enters into force before grant signature (list of participating countries)”.*

Definition of **EU overseas countries and territories** (OCTs) vs **Outermost Regions** (OR): It is important to distinguish the OCTs from the OR of the EU, as the OR are an integral part of one EU Member State (like Martinique of France) and thus of the EU territory and its Single Market; whereas the OCTs are associated with the EU and linked to one EU Member State (out of 3).

As a result of Brexit, the number of OCTs has been reduced from 25 to 13. As of 1 February 2020, they are:

1. linked to Denmark: Greenland
2. linked to Netherlands: Aruba, Bonaire, Curaçao, Saba, Sint Eustatius Sint Maarten
3. linked to France: French Polynesia, French Southern and Antarctic Territories, New Caledonia, Saint Barthélemy, St. Pierre et Miquelon, Wallis et Futuna Islands.

Consequently, based on the above, entities established in one of the **EU OCTs**, including Curaçao, as well as in **Outermost Regions are eligible as applicants for the present calls for proposals.**

As a matter of principle OCTs are eligible for EU Programmes including Horizon Europe. There may be restrictions to the eligibility of entities established in OCTs if mentioned in the call text e.g. related to defence matters.

3.2.9 For call I3-2024-INV1, can a coordinator be located in a less developed region?

Yes, the coordinator can also be located in a less developed region.

As stated in the section 6.2 of the call text, proposals must be submitted by a consortium of applicants (beneficiaries; not affiliated entities), which complies with the following conditions:

- at least five independent legal entities established in five different regions of at least three eligible countries, including:
- at least two legal entities established in two different less developed regions.

The consortium coordinator must be a:

- Public body or
- entity entrusted by national or regional governments to develop or implement innovation and investment actions for SMEs (i.e. a cluster organisations, development agencies, or innovation agencies etc.).

3.3 Mandatory annexes

3.3.1 What is the difference between the mandatory annex "Outline of a project dissemination and exploitation plan" and section 4.2 Communication, dissemination, and visibility of the technical description part B?

The required annex "Outline of a project dissemination and exploitation plan" must include an outline: a general description of the project dissemination and exploitation plan, and not the full dissemination and exploitation plan (which is a mandatory deliverable). There is no indication of the number of pages for this outline.

About the content of Section 4.2 Communication, dissemination and visibility of the technical description, Part B, please refer to the instructions in the grey box below the title of this section.

3.3.2 Is it mandatory to upload the CVs of all staff involved in the project?

As stated in the section 5 of the call text, one of the mandatory annexes is the compilation of the CVs of the core project team.

3.3.3 Is there a template for the Annual Activity Report that is indicated as an optional annex?

As the Annual Activity Report is optional, there is no fixed template.

3.3.4 Does the coordinator need to submit evidence (e.g., a document) proving that it has the mandate to act for all applicants?

No, there is a tick box in the submission document/tool, part A form, to confirm this. Please be sure to have the consent.

3.3.5 Does the compliance declaration have to be signed by the representative of regional/national S3 authority or by the representative of the coordinator entity?

Only the authorized person of the coordinator needs to sign.

3.3.6 Are there any specific criteria or conditions that the letter of support must meet?

The Letter of support is no longer required. However, the coordinator must self-declare to confirm the alignment with the national/regional S3 policies, strategies and priorities of all Member States and Regions represented by organisations participating in the application (*template available in the EU Funding & Tenders Portal Submission System*). Please see section 5 of the call document.

3.3.7 The call text mentions several mandatory annexes and documents including an outline for a dissemination plan and an outline for an exploitation plan. However, in the submission platform, these 2 plans do not appear in the mandatory documents to be uploaded. What should we do?

In the submission platform, in the screen below, please upload the mandatory dissemination and exploitation plans as "other annexes".

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 *	<input type="text"/>	ⓘ Upload
Detailed budget table *	<input type="text"/>	ⓘ Upload
CVs *	<input type="text"/>	ⓘ Upload
Annual activity reports	<input type="text"/>	ⓘ Upload
List of previous projects	<input type="text"/>	ⓘ Upload
S3 compliance declaration *	<input type="text"/>	ⓘ Upload
<u>Other annexes</u>	<input type="text"/>	ⓘ Upload

3.4 Other questions

3.4.1 Should the Coordinator have a mandate to submit a proposal on behalf of all applicants?

Yes, the Coordinator must make sure to have the mandate of all participants to submit the application (explicit agreement to participate). There is no specific template. At the time of the submission of proposal, the coordinator has to declare (in the Administrative Forms, Part A) that it has the explicit consent of all applicants on their participation and on the content of the proposal.

3.4.2 Are the KICs (Knowledge Innovation Communities) created by the European Institute of Technology (EIT) eligible entities to apply for funding?

As explained in the call documents for I3-2024-INV1 and I3-2024-INV2a under section 6, EU bodies cannot be part of a consortium (except for the European Commission Joint Research). However, the KICs (Knowledge Innovation Communities) created by the EIT are not EU bodies and are therefore eligible, either as coordinator or partner.

3.4.3 What are the eligibility requirements for technological providers possibly involved in the action?

If the technology providers are involved as consortium members, they have to comply with the general requirements for eligible participants and eligible countries.

If they are planned to be involved as recipients of financial support to third parties, they will have to be selected during the implementation of the project, via an open call for financial support to third parties. In that case they will have to be SMEs that are established in the regions covered by the consortium or in another less developed region or in an outermost region.

Please consult section 6 of the call's documents.

3.4.4 Can an institution submit/participate in several proposals, and can the same coordinator participate in different applications?

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

capacity), see also chapter 13 of the call document. Applicants can submit several proposals as coordinator.

3.4.5 Mock evaluations are key to SMEs which are applying for the first time. Would it be available if asked by an applicant?

EISMEA as EU funding authority does not provide example proposals. However, you can check the Funding & Tenders Portal where all running I3 Instrument projects are described: <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/projects-results;programCode=I3?order=DESC&pageNumber=1&pageSize=50&sortBy=title&isExactMatch=true&frameworkProgramme=44416173>".

4. Financial support to third parties

4.1 Under a sub call to provide financial support to third parties (FSTP), can the committee that assesses the candidates be composed by members of the consortium or should it be mandatorily formed by external experts?

The assessment and selection of the FSTP applicants may be carried by members of the consortium or by hired independent experts; the responsibility remains with the consortium.

4.2 Is FSTP limited to regions already included in the consortium?

The financial support to third parties is limited to SMEs that are established in the S3 participating regions covered by the consortium or other less developed regions or outermost regions.

4.3 Do the tasks related to cascade funding need to be in a separate work package?

The consortium is free to choose whether to allocate all tasks related to financial support to third parties to one work package or to split them into separate work packages.

4.4. Can prizes be awarded to companies in the context of Financial support to 3rd parties (FSTP)?

As explained in the call document in section 10, FSTP is only allowed in the form of grants Prizes are then not allowed.

4.5 Should the entities to be funded under the cascade funding must be already identified at the proposal stage? Or shall we define the projects scope and, through an open call for proposals, select the projects/entities to be funded?

The entities to be funded under the cascade funding must not be identified at the proposal stage. They will be selected through an open call for financial support to third parties. The call will be launched during the project implementation, in line with the conditions set in section 6 "Eligibility", sub- section "Eligible activities" of the call text.

However, the project application must 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.

4.6 Do the activities financed in the FSTP must specifically complete the value chain of one of the investment projects, or can they be generally related to the theme? Can end-users be an appropriate target for the FSTP?

Please see sections 2.1 and 6 of the call document: FSTP allows to select SMEs during the implementation phase in order to contribute to the investment project by carrying out necessary and missing tasks e.g., to complete a specific value chain and/or to offer a specific groundwork for testing and optimising products and production processes, or for the exploration of new processing technologies.

4.7 Is a subgrant to a third party funded by Financial support to third party (FSTP or cascade funding) cost category in a project under the Interregional Innovation Investments (I3) Instrument subject to State aid?

In principle, if an EU centrally managed fund such as the I3 Instrument transfers funds to a body in an EU Member State, which then distributes this funding to final beneficiaries (third parties in case of the FSTP/cascade funding), State aid can be involved if this body is a Member state body or controlled by the Member State. If the body distributing I3 FSTP funding to third parties is not controlled by the Member State, this funding is not State aid.

The control of the Member state over the body distributing I3 FSTP funding to third parties must be assessed on a case-by-case basis.

For specific advice and conditions linked to State aid national schemes, applicants to the I3 Instrument should always consult their national competition authority (NCA).

The list of the national competent authorities of the EU Member States is available at: https://competition-policy.ec.europa.eu/european-competition-network/national-competition-authorities_en

4.8 Max. €60.000 of FSTP can be given to a company. Is this within a specific I3 Instrument project, or for all I3 Instrument projects granted in this call?

The 60.000 euros limit apply per each 3rd party for each I3 Instrument project. So, if one SME applies to an open call published by project A, it can be granted 60.000 euros max by project A but may also apply to another open call published by project B and be granted again 60.000 euros. However, the SME is not supposed to receive several fundings for exactly the same activities (this would be considered EU double funding).

4.9 Are grants provided to SME's through FSTP support considered a state aid and SME's must report about that state aid?

No grants provided to SMEs through FTSP are not considered as stated aid.

4.10 Concerning the FSTP budget how it is financed, since the overall programme finances 70%. Do the members of the consortium have to finance the remaining 30%?

The FSTP cost category has a co-financing rate of 100% contrary to all other cost categories where the co-financing rate is 70%.

4.11 Could we provide 30% of the budget in the form of FSTP to less developed regions?

FSTP is optional in I3 Instrument projects and if an applicant decides to distribute FSTP, it cannot exceed 30% of the total eligible costs of the project. Recipients of FTSP can only be companies (mainly SMEs) from the regions covered by the consortium and other less developed or outermost regions. For more information on FSTP requirements, please refer to section 2.3 of the call.

4.12 Are de minimis rules applied to the companies beneficiaries of I3 support (project partners or selected via FSTP)?

De minimis aid and its criteria only apply to state resources whereas resources centrally managed by EU institutions do not constitute state resources. Centrally managed programmes by the European Commission or its Executive Agencies, such as the I3 Instrument funding, are not therefore subject to state aid rules. An I3 grant is not considered as a State aid.

However, for specific advice and conditions linked to national schemes, applicants to the I3 Instrument should always consult their national competition authority (NCA). Specifically on the optional FSTP scheme when a centrally managed fund transfers funds to a body in a Member State who then distributes this to final beneficiaries (as is the case with the FSTP/cascade funding) then there can be State aid involved if this body is under the control of a Member State.). As each situation is case specific, it's not possible to provide *ex-ante* assurances on FSTP and State Aid thus project coordinators should check it with relevant NCAs.

The list of the national competent authorities of the EU Member States is available at: https://competition-policy.ec.europa.eu/european-competition-network/national-competition-authorities_en

4.13 Does financial support to 3rd parties (FSTP) have to be 100% funded? Or can it for example be 70% or 50%?

If eligible, EISMEA will reimburse up to 100% of the costs related to FSTP (costs of the project consortium for paying 3rd parties).

4.14 Do proposers need to adhere to other guidelines on how to run FSTP open calls? For example, could these open calls accept single applicants (without consortium) or could they ask for consortia of proposers (always respecting the 60K/SME requirement)?

The legal basis for the Financial support to third parties is the [Financial regulation](#), article 207.

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)”. FSTP in I3 projects should be primarily used to select additional investment

projects on top of those already implemented by (SMEs) partners in the consortium. These sub-projects are necessary to be carried out in order to accelerate demonstration processes for the uptake of innovation, thus increasing the competitiveness of EU value chains. Examples of activities that can be financed through FSTP: testing and piloting activities by companies, large-scale product validation and market replication.

If the proposal includes Financial Support to Third Parties, it must specify why financial support to third parties is needed and how it will be managed. It also has to include estimates of the proportions of financial support allocated to third parties across various types of regions. The proposal must also describe the results to be obtained and the expected effects on the innovation ecosystems of the participating regions. The project application should clearly specify why financial support to third parties is needed, how it will be managed, the list of the different types of activities for which a third party may receive financial support, the results to be obtained and similar.

Open calls can ask for single participations of SMEs or consortia of SMEs proposing one project.

5. 70% budget allocation to support innovation in SMEs directly

5.1 Do 70% of the total eligible project costs must be allocated to investments in companies, with a focus on SMEs? What can be considered as investment?

There is no exhaustive list of what an investment is according to the call document. Any advisory or financial support to a company contributing to the project value chain could potentially constitute an investment. Please see the non-exhaustive list on page 14 of the call document.

The advisory support can also include advise given/staff hours spent by staff members of any of the consortium members.

5.2 “70% of costs need to be allocated to companies (focus on SMEs)” but then in the specification, these costs can be allocated to SMEs ONLY? What about non-SMEs?

Costs for non-SME companies are also allowed. The term "focus" leaves some flexibility. However, it is expected that most of the support would be allocated to SMEs which have less means than corporates to innovate. Please refer to the award criteria for evaluation (section 9 of the call document). The project proposal should make a convincing description of how the investments will be made and to whom.

5.3 The call states that 70% of the funding must be aimed at empowering especially SMEs. How is this empowerment measured? Is it possible to finance large companies?

Indeed at least 70% of the total eligible costs should be allocated to investment in companies, in particular SMEs. Large companies can be addressed but it is expected that most of the support will target SMEs with lower investment possibilities than other corporates. As indicated in the call text, section 2.3, the following can be included in the 70 % requirement: 1) all the costs of the SMEs/ companies members of the consortium; 2) the costs for FSTP and

3) the costs for the non-financial support (eg advisory services) provided to all companies (in the consortium and FSTP recipients).

5.4 Does a fully (or partially) publicly owned company within the consortium meet the requirement that at least 70% of the total eligible costs must be allocated to investments in companies, with a focus on SMEs. Is there a specific definition of a "company" that should be used when determining a project's investment in companies?

There is no specific definition of a company in the I3 Instrument. The definition comes from national legislation. A company is considered to be a legal entity operated by a group of individuals to engage in and operate a business (commercial or industrial) enterprise. Companies can be of different sizes, forms or ownerships (public or private), or can be for-profit. What is important for the I3 Instrument is that they can perform market activities and bring the innovation to the market. A company can also be publicly owned and it counts towards the requirement that at least 70% of the total eligible costs must be allocated to companies. The focus of the investments should be on Small and Medium Sized Enterprises (SMEs). The participation of big companies has to be well explained in the project proposal.

5.5. If within the 70% we have to account for the FSTP (max. 30%), what is the remaining 30% of the eligible costs allocated to? It seems like the FSTP is being counted twice.

The requirement that at least 70% of the total eligible costs have to go to companies means that this budget needs to be allocated either SMEs or companies that are directly involved in a project as beneficiaries, or to the SMEs that are receive funding through FSTP or non-financial support provided to the SMEs of the portfolio. The remaining 30% or less of total eligible costs can go to other partners, that are not companies (like for example research organisations, associations, clusters, local authorities, non-government organisations, etc). This includes, for example, the staff costs of a coordinator for project management activities.

Second requirement “the cost for FSTP cannot exceeded 30% of total budget” means that SMEs, that will not participate as direct beneficiaries, but through FSTP, cannot receive in total more than 30% of total eligible costs of the project. The budget category “FSTP” in the financial table cannot exceed 30% of total eligible costs.

Those two requirements are not overlapping.

5.6. Should 70% of the total eligible costs go entirely to companies as direct funding? Are there are other ways to transfer this 70% to the companies involved?

At least 70% of the total eligible costs must be allocated to investments in companies, with a focus on SMEs. The proposal shall describe how this requirement will be met, specifying the total eligible costs for: SME Consortium partners; Financial Support to Third Parties (FSTP) or non-financial support provided to the SMEs of the portfolio. The non-financial support can be in a form of coaching, training, advising and other non-financial activities, performed by other beneficiaries in the partnership. Those non-financial activities have to be directly provided for SMEs. The project proposal has to clearly describe how the requirement “70% for companies” is met.

6. 50% of total costs to be incurred in LDRs including outermost regions

6.1 If the consortium subcontracts entities based in less developed regions, do these subcontracting costs count toward "50% costs incurred in LDRs"?

They count only if the subcontracting tasks are on the budget of a partner based in a LDR (in budget table). The seat of the subcontractor (if exceptionally known already) does not count towards the 50%.

6.2 What is the definition of a "cost incurred in less developed regions"? Must it be paid by an entity based in a LDR or it must be invoiced by a LDR entity?

These are costs incurred (paid) by partners from the consortium based in LDRs or for FTSP costs, by any partner in the consortium for payments made to third parties located in LDRs or outermost regions.

6.3 There is a criterion asking that a percentage of budget needs to go to LDRs. Is this the same for both strands?

Yes, for both strands, at least 50% of the total eligible costs shall be incurred in LDRs.

6.4 Is this 50% requirement a strict eligibility criterium? So, will a consortium that does not meet this requirement be excluded from the evaluation process?

This is not a strict eligibility criterium as such. However, it should be understood from the proposal how the consortium intends to meet this condition. If not clear enough, this may have an impact on the scoring and if eventually the project is selected for funding, clarifications will have to be provided at grant agreement preparation (GAP) stage.

6.5 Regarding the 50% costs dedicated to LDR, are costs incurred by outermost regions included in this 50%? Can we include the total budget for the FSTP in this 50%?

Only costs incurred in less developed regions (LDR) count towards the "at least 50% for LDRs" requirement, described in section 2.3 of the call text. The FSTP could also be included in this 50% requirement, if it will be partially or totally incurred in LDR. The "50% clause" is not a strict eligibility criterium as such. However, it should be understood from the proposal how the consortium intends to meet this condition. If this is not clear enough from the project proposal, this may have an impact on the scoring under the award criteria (section 9 of the call text) and if the project is selected for funding, clarifications will have to be provided at the grant agreement preparation (GAP) stage.

6.6. Suppose a consortium partner from a more developed/transition region is funded to then invest in a less developed region (a subsidiary or other type of business), will this count as a cost to the less developed regions or to a more developed or transition region?

Only costs incurred in less developed regions (LDR) count towards the "at least 50% for LDRs"

requirement, described in section 2.3 of the call text. The funding for LDRs can be occurred in different ways and forms, as long it is beneficial for the project and is well explained in the proposal. The “50% clause” is not a strict eligibility criterium as such. However, it should be understood from the proposal how the consortium intends to meet this condition. If this is not clear enough from the project proposal, this may have an impact on the scoring under the award criteria (section 9 of the call text) and if the project is selected for funding, clarifications will have to be provided at the grant agreement preparation (GAP) stage.

6.7 Q&A 6.2 states: "Costs incurred in less developed regions" are costs incurred (paid) by partners from the consortium based in LDRs or for FSTP costs, by any partner in the consortium for payments made to third parties located in LDRs or outermost regions."

Suppose that in a project a partner based in a less developed region (LDR) will manage and disburse the full amount of FSTP. This FSTP will be distributed to third parties in both LDRs and more developed regions (MDRs). Given that the full FSTP amount is paid out by a partner located in an LDR, does the entire FSTP amount disbursed count towards meeting the requirement that "50% of costs must be incurred in LDRs?"

For this 50% requirement, EISMEA will first check the budget of all beneficiaries, excluding the FSTP amounts indicated. In their proposal, applicants should then present how they envisage to distribute the FSTP budget per types of regions and only the share that would be allocated to LDRs can be counted to reach the 50% requirement. The regional level of the beneficiary who will distribute the FSTP is not to be taken into account. For FSTP, only the regions of the future recipients matter. It is normal that at proposal stage, the amounts can only be indicative as the future recipients of FSTP are not selected/known yet.

6.8 I would like to know if non-financial support provided to LDR (i.e. advisory support services provided by members of the consortium that are established in More developed regions) could be included in the minimum of the 50% of the total eligible costs that shall be incurred in LDRs.

No, only costs incurred (paid) by partners established in LDRs are to be counted in the 50% requirement. Meeting this requirement should be reflected in the proposal, in the applicants' budgets.

6.9 If one entity has several offices belonging to a group, and one of those offices is established in a LDR, is it possible to justify that the costs are incurred in that region, if that office is the one claiming the costs so that they count in the 50% requirement? How this should be justified?

To be eligible, costs must be actually incurred by the beneficiaries who signed the Grant Agreement and must be identifiable, verifiable, and recorded in the beneficiary's books according to their own accounting standards.

6.10 A participant in the proposal will be an entity with headquarters in a More Developed Region, but has several offices in the same country. One of the offices has a legal address in a Less Developed Region in the same country. This office will be the department implementing the action and will be added as such in the participant info and also within the proposal. We want to know if the costs related to this entity implementing the action are included in the budget criteria of “50% of costs allocated to

LDR”.

If the action is fully implemented by the office located in the LDR and that this office is clearly mentioned as operating department first in the proposal and then in the grant agreement if the proposal is selected, then yes, the costs for this office will be included in the 50% requirement.

6.11 If the office of an LDR fully implements the action, how can this be mentioned in the Grant Agreement (GA)? If you could please provide an example, as in the GA the signing party is the main headquarters in a more developed region of the entity participating in the project, not the office implementing the action.

If the main signing party of the GA is the headquarters based in the more developed region, you need to be careful that you meet the eligibility criteria on consortium composition (point 6.2 in the call text), saying that proposals must be submitted by a consortium of applicants (beneficiaries; not affiliated entities), which complies with the following conditions:

- at least five independent legal entities **established** in five different regions of
- at least three eligible countries, including:
- at least two legal entities established in two different less developed regions

Please check out Q&As 3.2.4 and 6.10, which mentions the possibility of indicating the department implementing the action.

Regarding the requirement of 50% for less developed regions, this is not an eligibility criterion, however, it should be understood from the proposal how the consortium intends to meet this condition.

6.12 Will this 50% requirement be monitored during the project implementation and how?

Yes progress in fulfilling this requirement will have to be monitored by the consortium and EISMEA throughout project implementation. EISMEA will provide monitoring guidelines and / or templates to the selected projects.

7. Other financial / budgetary / legal questions

7.1 Should beneficiaries foresee budget for bank fees for pre-financing guarantee?

No, bank fees for pre-financing guarantee should not be foreseen at the time of the submission of the proposals. They could be budgeted later, during the grant agreement preparation of the awarded projects if a bank guarantee is required from the consortium, further to assessment of weak financial capacity for one or several partners.

For further details, please consult sections 7 and 10 of the call documents. The bank guarantee for pre-financing is linked to the amount of pre-financing that the consortium will receive from EC to start working on the project. The bank guarantee for pre-financing is not related to possible bank credits of partners, ensuring their own resources.

7.2 In the tab “Consolidated table (project)”, should the lines referring to “Total cost Participant (Grant Preparation step)” be completed at the time of submission of

proposal?

No, these lines do not have to be completed at the time of submission of the proposal. They might be completed later, during the grant agreement preparation of the awarded projects.

7.3 Are unit costs mandatory or an option? If the unit costs are indeed mandatory, do they then require reporting and proofs during project reports?

As stated in section "10. Legal and financial set-up of the Grant Agreements - Budget categories and cost eligibility rules - Specific cost eligibility conditions for this call", unit costs are mandatory for SME owner/natural person costs, as well as for travel and subsistence costs.

About the SME owner/natural person costs, please consult 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)7115).

7.4 Do the costs for travel, accommodation and subsistence need to be budgeted as actual costs or as unit costs?

The costs for travel, accommodation and subsistence have to be budgeted in the proposal as unit costs. They have to be calculated in line with the Commission Decision of 12 January 2021 authorizing 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) as amended by Commission Decision C(2023)4928 of 26 July 2023.

All distances have to be measured using either the rail or flight calculator at the following website: https://ec.europa.eu/info/calculate-unit-costs-eligible-travel-costs_en

7.5 Are there any specific requirements regarding the selection of staff categories when completing the "Detailed Budget Table"?

It is up to the applicant to choose the correct staff category depending on the relevant positions of the staff within the organization and their role for the project. There are no other specific requirements.

7.6 In the "Consolidated table (project)" sheet of the Detailed budget table, does the budget need to be broken down per Work Package?

Yes, as stated in the instructions for the table, the "Consolidated table (project)" sheet (i.e., tab 5) provides budget overview per beneficiary, work package and cost category. It needs to be assembled manually by the coordinator based on the detailed budget tables/consolidated budget tables filled out by the participants. In this sheet, the content of the template (lines 8 to 21) is expected to be copy-pasted in a way to provide an overview per work package (e.g., if there are 5 work packages planned for the project, on the sheet (tab 5) there will be in total 5 times the completed content of lines 8 to 21).

7.7 Should all potential project roles/positions be inserted individually or is it possible to provide cumulate data on specific categories of personnel?

Please consult the template for the detailed budget table. The tab "EC Data" provides concrete instructions about what type of data must be encoded and how. Usually, applicants must encode the estimated number of persons working per staff category (e.g., project managers, Senior experts, Junior experts), technical personnel etc..) and the relevant estimated personnel cost rate. Information about the staff type (e.g., employees, seconded persons, SMEs owners etc.) as well as the type of estimated personnel costs (actual or unit) must be provided as well.

7.8 Would there be an interim payment?

As stated in the Call text, there will be an interim payment for the projects implemented under I3-2024-INV1 and I3-2024-INV2a. This is new compared to the previous calls.

There will then be 3 payments:

- A prefinancing to start working on the project (float of normally 70% of the maximum grant amount)
- There will be one interim payment (with detailed cost reporting) at half time of the project, (normally up to 90% of the maximum grant amount) and
- A payment of the balance at the end of the project.

7.9 Is it possible to subcontract project activities to entities established in Third Countries?

Subcontracting limited parts of the project's actions (no core actions) to entities established in Third Countries is possible under I3. The use of subcontractors has to be identified and justified in the proposal (in particular if it exceeds 30% of the total eligible costs). As described in the call for proposals, the selection of the subcontractor need to be documented (for audits) and be based on the lowest price or best value for money. In addition, the subcontracted activities need to benefit the territories where the project's beneficiaries are established.

7.10 What types of costs could be included in the 70% of the total eligible costs to be allocated to investments in companies, with a focus on SMEs?

The 70% of the total eligible costs to be allocated to investments in companies, with a focus on SMEs includes the following:

- All costs of SMEs partners in the consortium,
- FSTP grants allocated to SMEs selected through cascade funding open calls
- Costs of non-financial support (eg advisory services) provided to SMEs of the portfolio (ie SME in the consortium and FSTP SMEs)

7.11 Does the interregional innovation investment need to be enabled by subcontractors?

As stated in the call text, the objective of the I3 Instrument is to support interregional innovation investments by offering consortia of innovation actors from the quadruple helix ecosystems the necessary financial and advisory support to bring their innovations to a mature level, ready for commercialization and scale-up, while bridging and reducing the innovation divide in Europe. Subcontracting should normally constitute only a limited part of the action. Subcontracting is not compulsory.

7.12 Could salaries be considered as in-kind contribution and be included in the official financial statements, or will this form of in-kind contribution be mentioned only as part of the use of resources report?

In kind contributions are allowed under the calls I3-2024-INV1 and I3-2024-INV2a but cost-neutral. This means that they cannot be included in the financial statements for a potential reimbursement. However, a salary can be considered as part of the personnel costs (budget category A) and can be reimbursed (up to 70% of the total eligible cost). For the remaining 30% the consortium/entity must find another funding source.

7.13 How can the co-financing of the proposal (30%) be organized?

This call does not set any specific conditions with regarding the sources the co-financing shall come from. Therefore, the consortium partners are free to choose how this requirement will be fulfilled. The resources to successfully implement the project will be assessed during the evaluation process under the ‘Quality’ award criterion. See chapter 10 of the call document.

7.14 How an SME can be funded?

One of the main goals of calls I3-2023-INV1 and I3-2023-INV2a is to provide support for companies (in particular SMEs) in building portfolios of interregional innovation investments in shared or complementary S3 priority areas. In this context, an SME can be funded either as consortium member or as a recipient of financial support to third parties.

The costs will be reimbursed at the funding rates fixed in the Grant Agreement (100% for the costs of providing financial support to third parties and 70% for all other cost categories).

7.15 How can an entity from a third country become a subcontractor?

Please note that:

- Sub-contractors implementing limited parts of the action for beneficiaries are not subject to nationality rules applying to eligible applicants/beneficiaries.
- However, the geographical location of eligible activities defined in the call for proposals have to be respected by the grant beneficiaries during the implementation of the action. In addition, the applicant has to fulfil itself the required operational capacity to implement fully on its own the proposed action.
- The use of subcontractors has to already be identified and justified in the proposal in particular if it exceeds 30% of the total eligible costs, and the selection of the subcontractor has to be documented (for audits) and be based on the lowest price or best value for money as defined in the call for proposals.

Furthermore, the applicants must have themselves all the required capacities to implement the action fully by their own means. Operational capacities of sub-contractors cannot be ‘counted’ for the applicant contrary to the capacities of affiliated entities.

7.16 Can coordinator’s costs (e.g., project management) be considered as part of non-financial support to SMEs, as they are required for the running of the project?

No, non-financial support to SMEs concerns costs directly benefiting SMEs, such as services, advise, coaching provided to SMEs/companies... (so e.g., hours written down e.g., for the benefit of SMEs).

7.17 Are freelancers costs be declared as part of the employee column or rather natural persons under directs costs?

This depends on the precise legal situation of the concerned freelance person. Free lancer costs could be declared under different staff cost related categories: A2: natural persons under direct contract A3: seconded persons A4 SME owner without a salary. Please check the guidance in the Annotated grant agreement (Art. 6 on eligible and ineligible costs and contributions) : https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf

7.18 What are the rules for financial capacity assessment - are startups pre-revenue eligible?

In the absence of existing annual accounts, an estimate can be submitted to assess the financial capacity of the start-up. Please also remember that no FCA is requested when a consortium partner requests a grant of less than EUR 60.000. You can simulate an entity FCA here: <https://ec.europa.eu/research/participants/lfv/lfvSimulation.do>

7.19 Regarding equipment costs: can depreciation costs be included for equipment purchased before the start of the action?

Yes. Follow the guidance in the Annotated grant agreement (Art. 6 on eligible and ineligible costs and contributions): https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf

7.20 Do travel costs have to be inserted separately for every destination and mode of travel (flight/train/car)?

Yes, follow the instructions in the Commission on the matter: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/unit-cost-decision-travel_en.pdf

7.21 Are real estate costs related to building of a demonstrator plant eligible?

They would not be eligible as a "stand alone investment". Only if they are necessary for the successful implementation of a main and broader investment aiming at bringing a new product/process/service close to the market.

7.22 The audit requirement above a certain threshold applies to each partner budget or at the consortium level? Hence one or multiple audits?

Should an audit certificate (Certificates on the financial statements -CFS) be provided/budgeted by each consortium partner that request an EU grant of more than 325.000 euros. A CFS indeed needs to be provided in this case. It is not an obligation (as it can be financed with own finances) but good practice to foresee the related costs in the budget table for reimbursement by the EU.

7.23 What if there are deviations between budgeted travels and actual travels? I.e., if we budget a consortium meeting in a country and end up going elsewhere.

The detailed budget table gives an estimate of the costs foreseen. Adjustment will be possible during actual project implementation ('deviations'). Only major changes will require a formal amendment.

7.24 In which case beneficiaries must submit certificates on their financial statements?

As stated in the I3 Model Grant agreement, the beneficiaries must provide certificates on their financial statements (CFS), in accordance with the schedule, threshold and conditions set out in the Data Sheet. According to the Data sheet, Certificates on the financial statements (CFS) are required for the final payment if the threshold of costs \geq EUR 325 000, in terms if requested EU contribution, is reached at beneficiary-level (for CFS; see Articles 21 and 24.2 and Data Sheet, Point 4.3 of the Model Grant Agreement).

7.25 What is the percentage of the EU contribution?

The co-financing rate is 70% for all cost categories and beneficiaries (except 100% for Financial Support to Third Parties)

7.26 Can the percentage of the EU contribution vary from one beneficiary to another?

The 70% co-financing rate will be the same for all beneficiaries from the perspective of the funding authority (EISMEA). However the consortium agreement, internal to the partnership, may well foresee partners with different co-financing rates. The Agency cannot be held responsible for any different internal arrangements of the project consortium (see also chapter 13 - consortium agreement, of the relevant call document).

The EU grant as a whole will, though, never exceed 70% of the total eligible costs of the project (except for FSTP whose co-financing rate is 100%).

7.27 If the coordinator is a public body, is a guarantee required?

No, the Agency will neither ask for a financial capacity assessment nor for a pre-financing guarantee from a public body.

7.28 Is a recently constituted consortium of public and private bodies (including municipalities, big and small businesses, and universities) a suitable coordinator?

Yes, if the new entity is entrusted by national or regional governments to develop or implement innovation and investment actions for SMEs (see section 6 of the call document)

7.29 Can we submit two applications under the same call?

Yes, applicants may submit more than one proposal for different projects under the same call (and be awarded a funding for them). Organisations may participate in several proposals. BUT: If there are several proposals for very similar projects, only one application will be accepted and evaluated; the applicants will be asked to withdraw one of them (or it will be rejected).

Also, applicants cannot claim twice costs for the same activity implemented in several proposals. Otherwise, this would be double funding. In addition, if several proposals are selected, the entity must have the necessary technical and financial resources to carry out the work.

7.28 Can the 30% own finance be covered by ERDF (given that the 70% are already financed by ERDF)?

It is not possible to replace one's own contribution with financing from ERDF programme in the context of the I3 Instrument. Implementing such a replacement would, in practice, mean cumulative funding in a multi-beneficiary scenario, which is not covered by the Notice on synergies. There is a specific rationale behind the requirement to leverage the participants' funding. It is a way to ensure that participants are fully committed to the project's success and have a strong sense of ownership and responsibility.

7.29 Are there any specific requirements regarding staff costs, eg hourly rates? And is there any breakdown of rates in individual countries?

Staff cost can be reported as actual costs or unit costs for SMEs owners for instance. Detailed information, explanations and examples can be found in the Annotated Model Grant Agreement ([AGA](#)) at the pages 46-75.

7.30 Given subcontracting has a strongly suggested limit of up to 30%, is there such a limit for equipment needed for pilot actions?

No, there are no limits for the equipment costs, as long as they serve the action and investment /demonstration pilots.

7.31 If a partner, in their budget, has foreseen an amount, for example, €300,000, for FSTP (cascade funding) and considering that the prefinancing is 70%, would they be required to cover the remaining 30% (i.e., €90,000) until the final justification? Or is there a different treatment for this situation?

After signature of the Grant Agreement, EISMEA will make a prefinancing payment of 70% of the total grant amount. An interim payment will be made after approval of the interim (mid-term) report. The prefinancing and interim payment cannot represent more than 90% of the total grant amount. The balance is then paid after approval of the final report. This applies to all costs categories. However, concerning FSTP, EISMEA strongly encourages the projects to reserve the full FSTP budget from the prefinancing (or complete it at the time of the interim payment) in order to be able to make all the FSTP payments before the end of the action. As a reminder, FSTP costs are 100 % funded by the EU grant; unlike the other cost categories with a 70% co-financing rate.

7.32 As a new Commission Decision has been published on 31.7.2024 (C(2024) 5405), can you please clarify whether we should refer to this latest publication or to the old one mentioned in the call for unit costs related to **travel, accommodation and subsistence ?**

Budget categories and cost eligibility rules are described in the chapter 10.4 of the call text. For more information on the eligibility of the costs please [AGA — Annotated Grant](#)

Agreement.

The updated unit costs Decision C(2024) 5405 should only apply to calls for proposals launched or opened after the date of adoption of this Decision (point 10 on page 2). As the calls I3-2024-INV1 and I3-2024-INV2a were opened in June 2024, the unit cost rates of Decision C(2023) 4928 apply (see sole article in Decision C(2024) 5405/2024) 5405).

7.33 Which Commission Decision should be taken into account when calculating personnel costs of owners of small and medium-sized enterprises and beneficiaries that are natural persons not receiving a salary?

The unit costs to be used are those fixed by the Commission decision C(2020)71155 and set out in [Annex 2a](#) of the grant agreement. The Commission Decision was amended on 30/07/2024 ([C\(2024\) 5328 final](#)) but it only applies for the calls opened after the entry into force of this Decision, which is not the case of the I3 2024 calls.

7.34 Is there any guidance for calculating staff costs to be allocated to the project (including time to be spent on tasks)?

Please refer to the [annotated grant agreement](#) from page 46 for guidance and examples to calculate staff costs.

8. Miscellaneous

8.1 Can applicants request the call documentation in another official EU language at any point of time before the call closure?

No, as stated in Section 13 of the call text, if applicants need the call documentation in another official EU language, they must submit a request within 10 days after call publication.

8.2 When will public information on I3 projects funded from the 2023 call be published?

As soon as the grant agreements will be signed - probably in July 2024 in the Funding & Tenders Portal:

<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/projects-results;programCode=I3?order=DESC&pageNumber=1&pageSize=50&sortBy=title&isExactMatch=true&frameworkProgramme=44416173>

8.3 Will there be new calls and new funding from 2025?

A new Work Programme will be released for the years 2025-2027 and indeed new calls for the mainstream investments and capacity building are foreseen.

8.4 Is there a focal point/person/office applicants can speak to discuss project ideas and check/align on programme fit?

There is no focal point such as the National contact points for Horizon Europe. You may get in touch e.g., with the S3 Community of Practice (link to be added), the Enterprise Europe

Network (link to be added) and the EU Funding & Tenders Portal search partner function (link to be added)

8.5 You refer a lot to Technologies and TRL, but innovation today may be based on new business models rather than technology. BRL is a better measure!

The I3 Instrument supports any type of innovation, according to the Oslo Manual definition. TRL is used to define the starting point for technological innovation, stressing that the demonstration activities must be post prototype, to accelerate market uptake. Non technological innovation (organisational innovation, service innovation etc.) is expected to have 3 years' time to market. At the end of the project the business readiness, innovation, and market readiness, will be assessed according to the Innovation Radar methodology.

8.6 I don't see the letter of support template to be provided by regions/development agencies. Can you help us with this?

Please see the answer 3.6.6. of the [Q&A document](#). The Letter of support is no longer required. However, the coordinator must self-declare to confirm the alignment with the national/regional S3 policies, strategies and priorities of all Member States and Regions represented by organisations participating in the application (template available in the EU Funding & Tenders Portal Submission System). Please see section 5 of the call document. You can obtain an editable version of this declaration, when you start the application in the submission tool of the EU Funding & Tenders portal and then download the zip file (which also includes editable documents of the application form and the detailed budget table).