

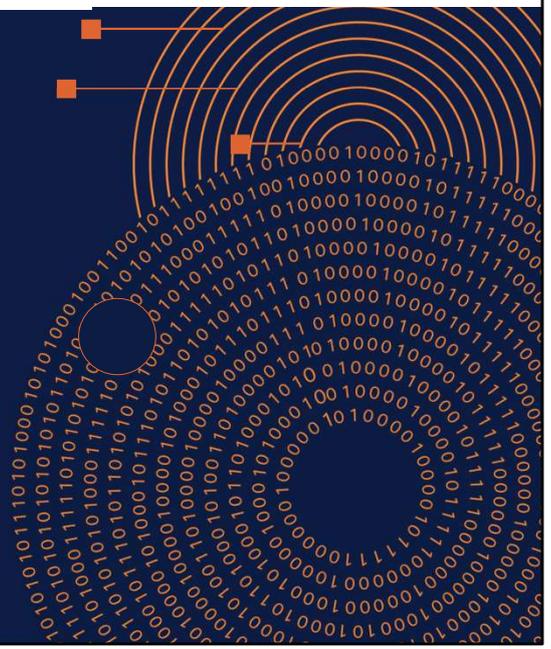


I3

Interregional
Innovation
Investment
Instrument

ERRIN– 23 May 2022

*I3 Instrument
Lessons learnt from the first I3 cut-off call:
the way forward*



Increasing the competitiveness and resilience of existing EU value chains and creating new ones.

- Supporting demonstration, commercialization and scale-up of interregional investments to achieve cohesion goals
- Interconnecting regional innovation ecosystems along S3 priorities
- Combining bottom-up S3 priorities with EU strategic priorities
- Create synergies and complementarities with EU Programmes



Moving from interregional cooperation to co-investment

Interregional cooperation & business cases identification → Interregional Innovation Investments →



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



I3 & Smart Specialisation Strategies



I3 call connect European strategic priorities

(European Green Deal and Europe fit for the Digital Age)

with bottom-up priorities

- identified in **smart specialisation strategies** (national/regional)
- emerging from the **entrepreneurial discovery process**
- Help to fulfill **enabling conditions**

Topics identified following a stakeholders consultation



Interregional Innovation Investment - I3 Instrument

2 calls, 3 topics

Green transition

Digital transition



Smart manufacturing



Interregional Innovation Investments

STRAND 1: Financial and Advisory Support for **Investments in Interregional Innovation projects**



- Support partnerships to **develop, connect** or make **complementary use** of testing and demonstration facilities to **accelerate market uptake** and **scale up** of innovation solutions in shared S3 priority areas
- Portfolio of investment projects



STRAND 2a: Financial and Advisory Support for the **development of value chains in less developed regions**



- **Capacity** of regional innovation ecosystems in less developed regions to **participate in global value chains**
- **Capacity** to participate in **partnerships for investments with other regions**

Strong cohesion dimension in both strands Focus on S3 priorities



I3: Total budget per Strand 2021 - 2022

| THEMATIC AREAS | STRANDS: | |
|---|--|---|
|  <p>Digital Transition</p> |  <p>Strand 1: Focus on developed regions EUR 39,8 M in 2021 and 36,7 M in 2022. Average project size EUR 4–10 M;</p> | <p>TOTAL BUDGET</p> <p>EUR 570 M (7 years)</p>  |
|  <p>Green Transition</p> |  <p>Strand 2a Focus on less developed regions EUR 36 M in 2021 and 32,9 M in 2022 Average project size: EUR 2-3 M;</p> <p>Strand 2b Capacity building for less developed regions, EUR 28,5 M total budget (for the 7y period) → 2022</p> | |
|  <p>Smart Manufacturing</p> |  <p>Strand 3 <u>Technical assistance & experimentation</u> EUR 11,4 M total budget (for the 7y period)</p> | |

Key Performance Indicators



Interregional dimension



Investment dimension



Innovation dimension



Value chain dimension



Gender balance dimension



IPR dimension

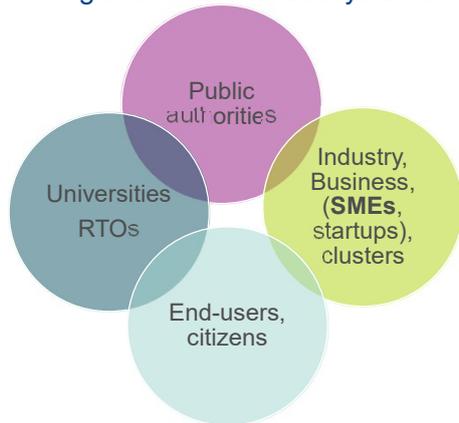
Cohesion and Territorial Dimension



Interregional Dimension

Applicants:

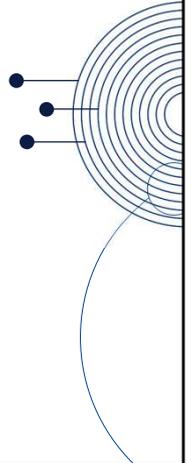
Q-helix partnerships on behalf of a regional / national ecosystems



Endorsed by competent bodies for Smart Specialisation

At the appropriate NUTS level

Minimum conditions in terms of ecosystems involved



Investment dimension

- **Tangible and Intangible investment**
- Investment justified by a **market analysis or a business and investment plan**
- Identify the **time to market** or the **TRL of departure** (min. requirement TRL>6)
- **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 bottlenecks** faced by the consortium



Innovation dimension: all type of Innovation

supported

New or improved products, processes, services, technologies or business models made available to markets, governments and society

The **Oslo Manual** defines four types of innovation: **product** innovation, **process** innovation, **marketing** innovation and **organisational** innovation.

- **Product innovation:** A good or service that is new or significantly improved. This includes significant improvements in technical specifications, components and materials, software in the product, user friendliness or other functional characteristics.
- **Process innovation:** A new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software.
- **Marketing innovation:** A new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.
- **Organisational innovation:** A new organisational method in business practices, workplace organisation or external relations.

https://www.oecd-ilibrary.org/science-and-technology/oslo-manual-2018_9789264304604-en

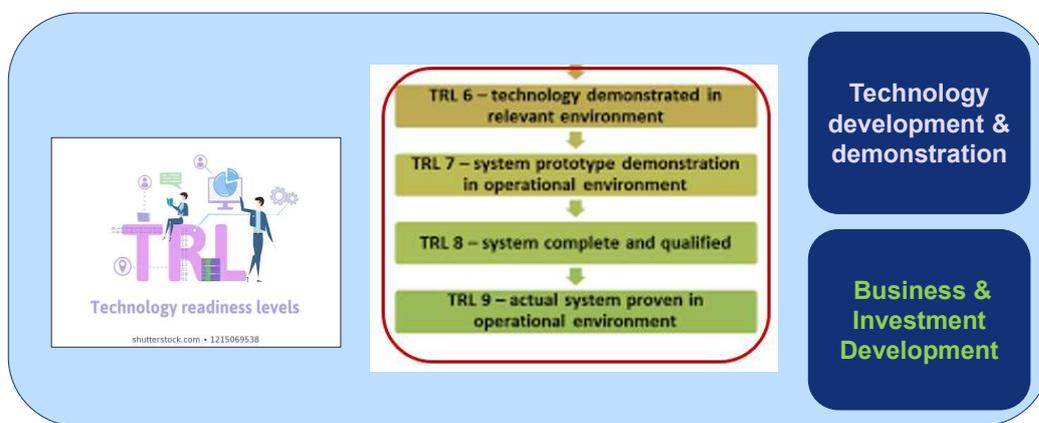


Uptake of innovative technologies or solutions

TRL 6-9



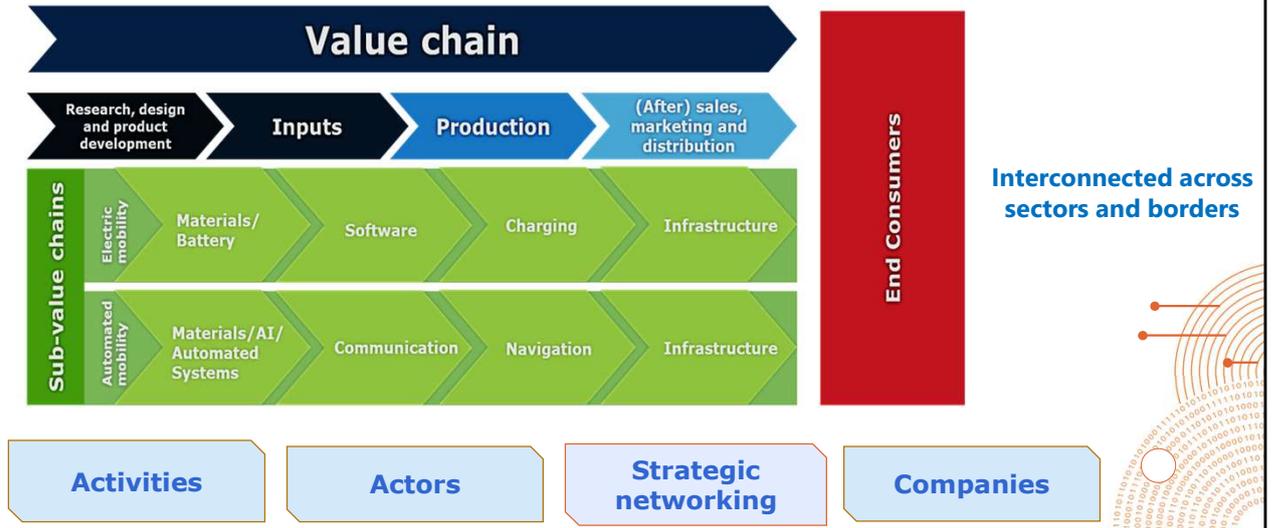
Maturity of Innovation Project



https://www.oecd-ilibrary.org/science-and-technology/oslo-manual-2018_9789264304604-en

Investments in value chains

Examples Autonomous Vehicles



Strand 1 and 2a: Eligible participants / countries

Actors belonging to Q-helix ecosystems
applying on behalf of their territories

Represent Demand and Supply side

The coordinator must be no profit



* in accordance with the arrangements laid down in Articles 16 and 23 of Regulation (EU) 2021/695 of the European Parliament and of the Council (25) (the 'Horizon Europe Regulation').

Strand 1 and 2a: Final beneficiaries

Companies (mainly SMEs) = the main target group of I3 calls
(partners or via cascade funding)



Large companies: can participate only in well justified **specific cases**
e.g. when SME investments are connected to their value chain

*Productive investments in enterprises other than SMEs may be supported under **specific conditions***
(ERDF Regulation, Art. 5 (2)).

Intermediaries = facilitators in the regional innovation ecosystem

The **final beneficiaries** of the projects must be companies. Regional innovation ecosystems play the role of investment dynamics facilitators.

SMEs are the main target of I3 calls. I3 offer SMEs the opportunity to enter into innovative environments where they can get expert support and overcome the difficulties related to validation and testing of new solutions. By collaborating with others in test beds (physical or virtual facilities – constructed environment or real environment), SMEs can share costs while creating open innovation environments for knowledge transfer and interregional collaboration.

Those environments provide a meeting place where large companies can identify new products, methods and services and for strategic value chain alliances.

Participation of large companies in the consortium can be justified when SME investments are connected to the value chain of large companies. In this case, according to the ERDF Regulation, Art. 5 (2), **Productive investments in enterprises other than SMEs may be supported:**

- (a) when they involve *cooperation with SMEs in research and innovation activities* supported under point (a)(i) of the first subparagraph of Article 3(1);
- (b) when primarily *supporting energy efficiency measures and renewable energy* under points (b)(i) and (b)(ii) of the first subparagraph of Article 3(1);
- (c) when they are made in *small mid-cap and mid-cap companies* as defined in

points (6) and (7) of Article 2 of Regulation (EU) 2015/1017 of the European Parliament and the Council (21) through financial instruments; or
(d) when they are made in *small mid-cap companies in research and innovation activities* supported under point (a)(i) of the first subparagraph of Article 3(1)

Strand 1: Call specific objective

Interregional Innovation Investments for the development of EU globally competitive value chains



Smart Specialisation



- Mobilise interregional partnerships
- “regional innovation ecosystems”
 - S3-related business investments
- Accelerate **market uptake** and **scale-up of innovation solutions**

Address **barriers** faced by innovators moving to market.



Make EU value chains globally competitive

Strand 1: Budget & average grant size



- **Max grant amount** (*indicative range*):

EUR 4 – 10 million

- **Nr of projects to be funded** (*indicative*):

4 - 5 per cut-off



Funding rate: 70%

Rights reserved not to award all available funds or to redistribute them between the call priorities, depending on the proposals received and the results of the evaluation.

Strand 1: Eligible consortia

Geographical Composition:

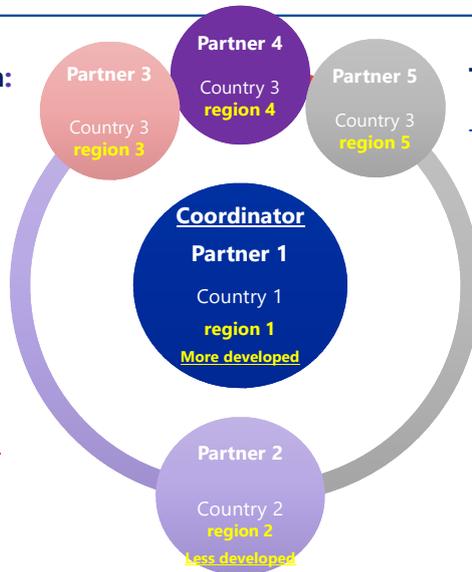
Minimum 5 partners
from 5 different regions
from 3 different eligible countries

Coordinator:

Must be established in a **more developed** EU region/country



Must be a **non-profit organisation**



Type of Partners:

The consortium must :
- cover **demand & supply side**
- involve various **Q-helix components**
(suggested: at least 3)



At least 1 partner must be established in a **less developed, transition or outermost region/country.**

Example (min requirements)

Strand 1: Eligible support



a) Provision of **FINANCIAL**

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



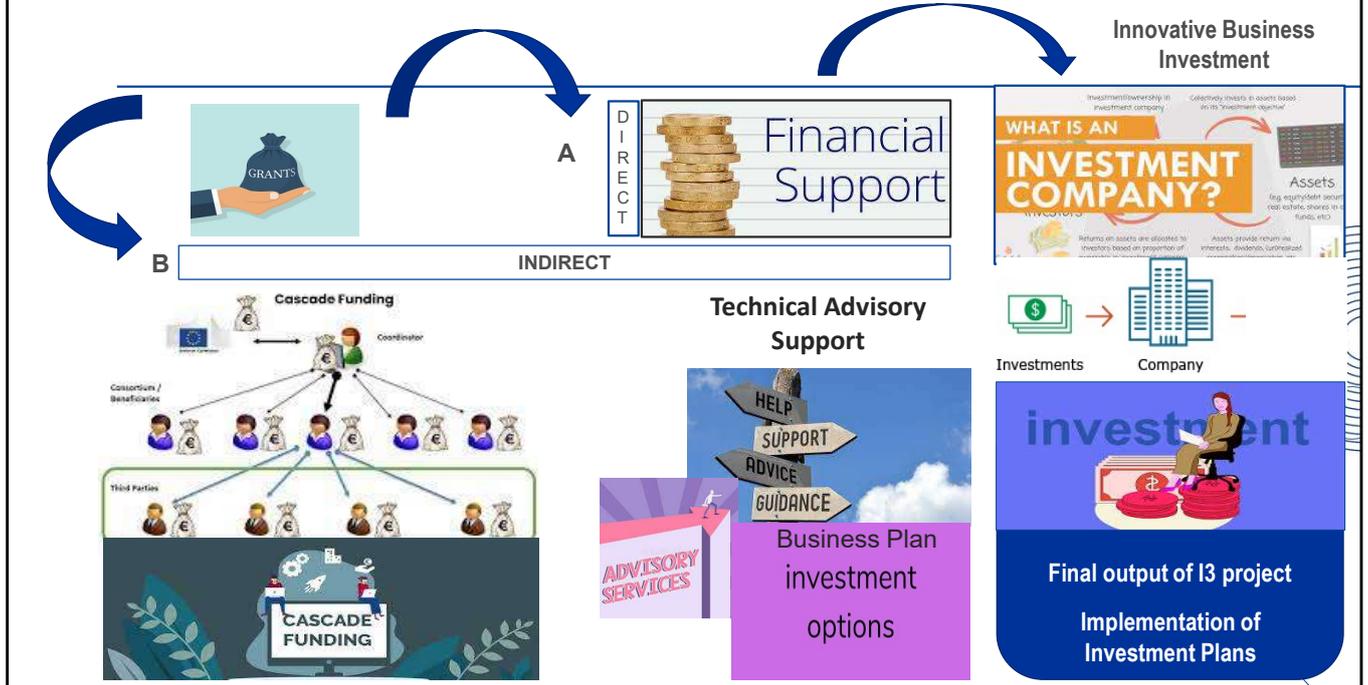
b) Provision of **ADVISORY SUPPORT** that meet companies' needs, including the **access to networks of demonstrators** (physical facilities and testing environments) and technical/scientific expertise.

- Provision of **confidential services to industry and SMEs**, which are usually the users of testing facilities.
- Provision of **support for COMPANY DRIVEN DEMONSTRATION ACTIVITIES**, in particular support to SMEs identified via *open calls* and supported via **cascading funding mechanisms (FSTP)**

Implementation: The portfolio approach can foresee the distribution of funding by the project coordinator to the members of the consortium or in a form of financial support to third parties.

SMEs are the main target of I3 calls. At least 70% of the grant has to be allocated to investments in companies, in particular SMEs.

Strand 1: Direct and Indirect support



Implementation: The portfolio approach can foresee the distribution of funding by the project coordinator to the members of the consortium or in a form of financial support to third parties.

SMEs are the main target of I3 calls. At least 70% of the grant has to be allocated to investments in companies, in particular SMEs.

Strand 1: Eligible activities (1/3)

Financial and advisory support to mature joint innovation projects in shared S3 areas structured in **VALUE CHAIN INVESTMENT PORTFOLIOS**.

I3 shall cover investments that are “new to Europe” or “new to the application sector”.

Activities instrumental to bring innovative ideas and new products to the market.

“Activities directly aiming at producing plans, arrangements or designs for new, altered or improved products, processes or services”.

This can include testing, demonstration, piloting, large-scale product validation and market replication

PORTFOLIO APPROACH:



It can foresee the distribution of funding by the project coordinator to the members of the consortium or in a form of financial support to third parties (FSTP).

*(not compulsory)
Max 30% of the grant,
70% funding rate*



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

Implementation: The portfolio approach can foresee the distribution of funding by the project coordinator to the members of the consortium or in a form of financial support to third parties.

SMEs are the main target of I3 calls. At least 70% of the grant has to be allocated to investments in companies, in particular SMEs.

Exemples of eligible activities:

Provision of financial support for productive investments in companies (contributing to cover investment needs toward industrialisation).

Provision of services that meet companies’ needs, including the access to networks of demonstrators (physical facilities and testing environments) and technical/scientific expertise.

Provision of financial and advisory support for company driven demonstration activities, in particular support to SMEs identified via open calls and supported via cascading funding mechanisms

Provision of confidential services to industry and SMEs, which are usually the

users of testing facilities.

Matching companies' needs (demand side) with available innovation facilities (supply side) and provision of tailored services needed to make the investment possible (i.e. engineering advisory support, technology customisation)

Facilitating the dialogue between innovation intermediaries and connect networks of innovation infrastructure (making available the inventory of existing test beds)

Coordinate and strengthen test beds with relevant actors at regional, national and EU level to build critical mass, maximising and further improving the use of test and demonstration facilities

Stimulating new test bed collaborations and projects between companies, especially SMEs

Opening up public actors for real life testing by using innovative public procurement for innovative solutions (PPI).

Using the public sector as test bed in real life environment to which the civil society can contribute.

Use test beds to improve regulations and remove barriers and bottlenecks to innovation.

System-level tests (small-scale demonstration of entire products, services or processes) in a simulated user environment. In this case, pre commercial pilot facilities can serve as validation environment before industrialisation or trials methods for testing the market readiness of new products and services.

Demonstration in a real user environment (technology or service tested by the final user) helps testing real production in an industry setting or in a built environment. This might involve agreements with public authorities, public agencies, end users. Investment in innovation developed with end users to enhance business and societal development.

Investment in industry and larger companies opening up their own test beds for collaboration with start-ups and SMEs. Companies using open innovation test beds can develop innovative ideas or exploit existing knowledge (unexploited IPR owned by large companies) bringing new products to the market.

Defining and applying the funding mix needed to bring innovative ideas and new products to the market.

This might include expertise for validation tests, certification procedures, cost comparisons or other post-prototyping activities needed before full production and market launch.

Innovation infrastructure can be seen as an environment composed by research infrastructures, test beds and demonstration facilities

Public Procurement of Innovation represent a tool stimulating innovation from the demand side. The public sector act as first buyer of innovative solutions, define the needs of innovation and test innovative solutions.

A test bed may be a physical or a virtual facility, constructed environment or real environment to test new technologies, new products, methods or solutions.

Strand 1: Eligible activities (2/3) validation and testing in real environment

- **Demonstration in a real user environment** (technology or service tested by the final user) helps testing real production in an industry setting or in a built environment. This might involve agreements with public authorities, public agencies, end users.
- **Innovation developed with end users** to enhance business and societal development.
- **System-level tests in a simulated user environment**
= (small-scale demonstration of entire products, services or processes)
In this case, pre commercial pilot facilities can serve as **validation environment before industrialisation** or **trials methods for testing the market readiness** of new products and services.
- **Use test beds to improve quality controls, standards and compliance with regulations**, and/or to remove other barriers and bottlenecks to innovation.

Implementation: The portfolio approach can foresee the distribution of funding by the project coordinator to the members of the consortium or in a form of financial support to third parties.

SMEs are the main target of I3 calls. At least 70% of the grant has to be allocated to investments in companies, in particular SMEs.

Investment in industry and larger companies opening up their own test beds for collaboration with start-ups and SMEs. Companies using open innovation test beds can develop innovative ideas or exploit existing knowledge (unexploited IPR owned by large companies) bringing new products to the market.

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Strand 1: Eligible activities (3/3)

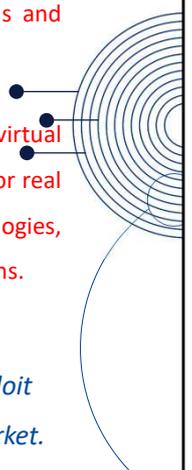
Test beds and post prototyping activities

- **Investment in industry and larger companies opening up their own test beds* for collaboration with start-ups and SMEs.**
- Defining and applying the **funding mix and providing services** needed to bring innovative ideas & new products to the market.
- This might include providing **expertise for validation tests, certification procedures, cost comparisons or other post-prototyping activities needed before full production and market launch.**

** Open innovation test beds offer the companies the possibility to develop innovative ideas or exploit existing knowledge (unexploited IPR owned by large companies) bringing new products to the market.*

Innovation infrastructure can be seen as an environment composed by research infrastructures, test beds and demonstration facilities

A **test bed** may be a physical or a virtual facility, constructed environment or real environment to test new technologies, new products, methods or solutions.

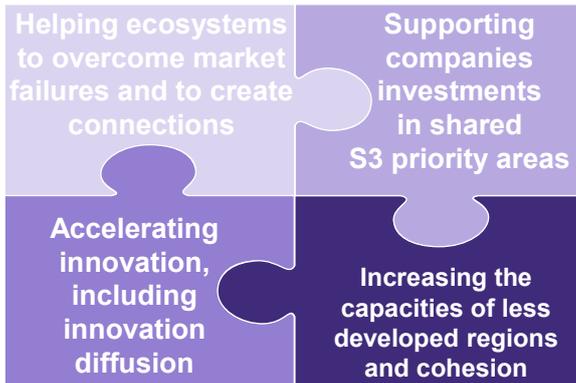


Implementation: The portfolio approach can foresee the distribution of funding by the project coordinator to the members of the consortium or in a form of financial support to third parties.

SMEs are the main target of I3 calls. At least 70% of the grant has to be allocated to investments in companies, in particular SMEs.

Strand 2a: Call specific objective

Interregional Innovation Investments for the creation and development of value chains in less developed regions



Address barriers faced by innovators moving to market.



- Mobilise interregional partnerships
- **“regional innovation ecosystems”**
 - **S3-related business investments**

Accelerate **market uptake** and **scale-up** of innovation solutions



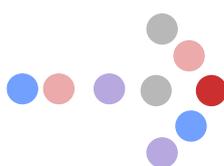
Make less developed regions ready for strand 1 investment projects

Creating links between **less developed/transition or outermost regions** and more developed ecosystem actors

Strand 2a: Budget & average grant size



Funding rate: 70%



- **Indicative grant amount:**

EUR 2 – 3 million

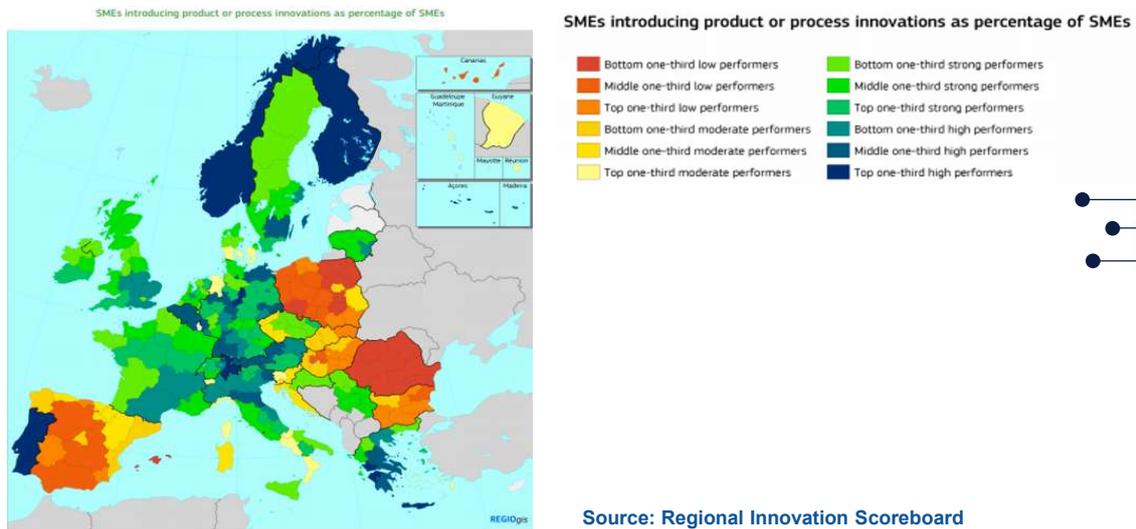
- **Nr of projects to be funded (indicative):**

10 - 15 per cut-off



Rights reserved not to award all available funds or to redistribute them between the call priorities, depending on the proposals received and the results of the evaluation.

13 Strand 2a contributes to Innovation diffusion



The strand 2a of I3 target less developed regions, help them to develop value chain and contribute to innovation diffusion

Strand 2a: Eligible consortia

Geographical Composition:

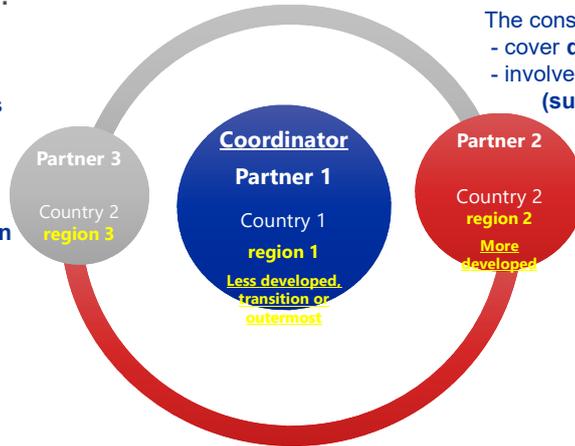
Minimum 3 partners
from 3 different regions
from 2 different eligible countries

Coordinator:



Must be established in a **less developed, transition or outermost EU region/country**

Must be a **non-profit organisation**



Type of Partners:

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.**



Example (min requirements)

Strand 2a: Eligible activities (1/4)

Financial and advisory support for the Development of value chains in less developed regions

Advisory support reinforcing the investment ecosystem and the investors capacities

Activities to bring innovative ideas and new products to the market.

“Activities directly aiming at producing plans, arrangements or designs for new, altered or improved products, processes or services.

This can include testing, demonstration, piloting, large-scale product validation and market replication”

Implementation of the Portfolio of sub-projects approach can foresee:

- the **direct distribution of funding** to the members of the consortium

(and/or)

- a distribution in a form of **FSTP, financial support to third parties**

Not compulsory (option), when the SMEs are selected during the implementation of the project

Max 30% of the grant – 70% funding rate

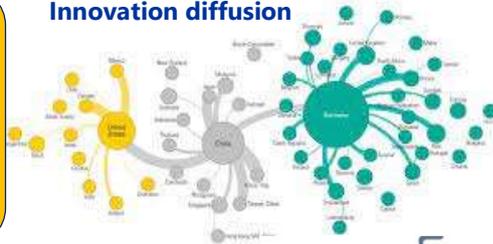


The portfolio approach foresees the identification, within a specific thematic/technological area of cooperation, of a number of investment-ready sub-projects that address one or several bottlenecks identified in the project proposal by the consortium coordinator.

Strand 2a: Eligible activities (3/4)

For the benefit
of Less
Developed
Regions

Innovation diffusion



Acceleration

International Investments



Investments



Matching needs and capacities



Activating the innovation potential



Internationalisation

Improve Innovation
Readiness
for
Investments



Small scale
Investment
projects



Integration of
SMEs

Creation of new value chains in LDR, creating connections with MNC, generating business Investments

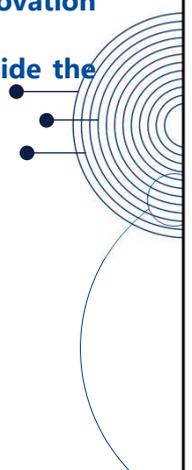
Strand 2a: Example of eligible activities (4/4)

a) Capacity building as preconditions for successful international investments and interregional collaboration

- ✓ **Activities strengthening capacities** and developing opportunities for **innovation ecosystems in LDR** (SMEs, research institutions, public administration)
- ✓ **Ecosystems innovation building and promoting collaboration inside and outside the region** by:
 - a) matching **business sector needs** with **research capacities across borders**
 - b) Positioning LDR in **global value chains (GVCs)**
 - c) creating conditions for **innovation diffusion**
 - d) **Internationalisation of value chains** (regional and national)
 - e) **Acceleration services**
 - f) **Integrating** local actors (in particular **SMEs**) in the **value chains of multinational companies**

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

Creation of new value chains in LDR, creating connections with MNC, generating business Investments



Call for Proposals - first Work Programme



CALL deadlines: I3 – 2022 – INV1 I3 – 2022 - INV2a



2 Calls open: I3-2021-INV1 and I3-2021-INV2a (strands 1 & 2a)

~~23 November 2021~~

18 October 2022



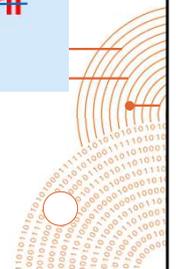
1st Cut-off date: ~~22 February 2022~~

2nd Cut-off date: **18 October 2022**



NEW: extra cut-off 20 April 2022 – strand 2a only

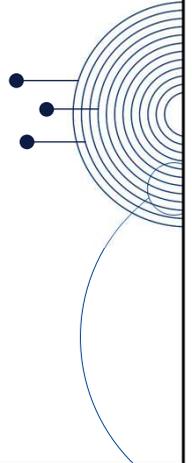
Registrations are open for the Info Day 2022: 23th June 2021

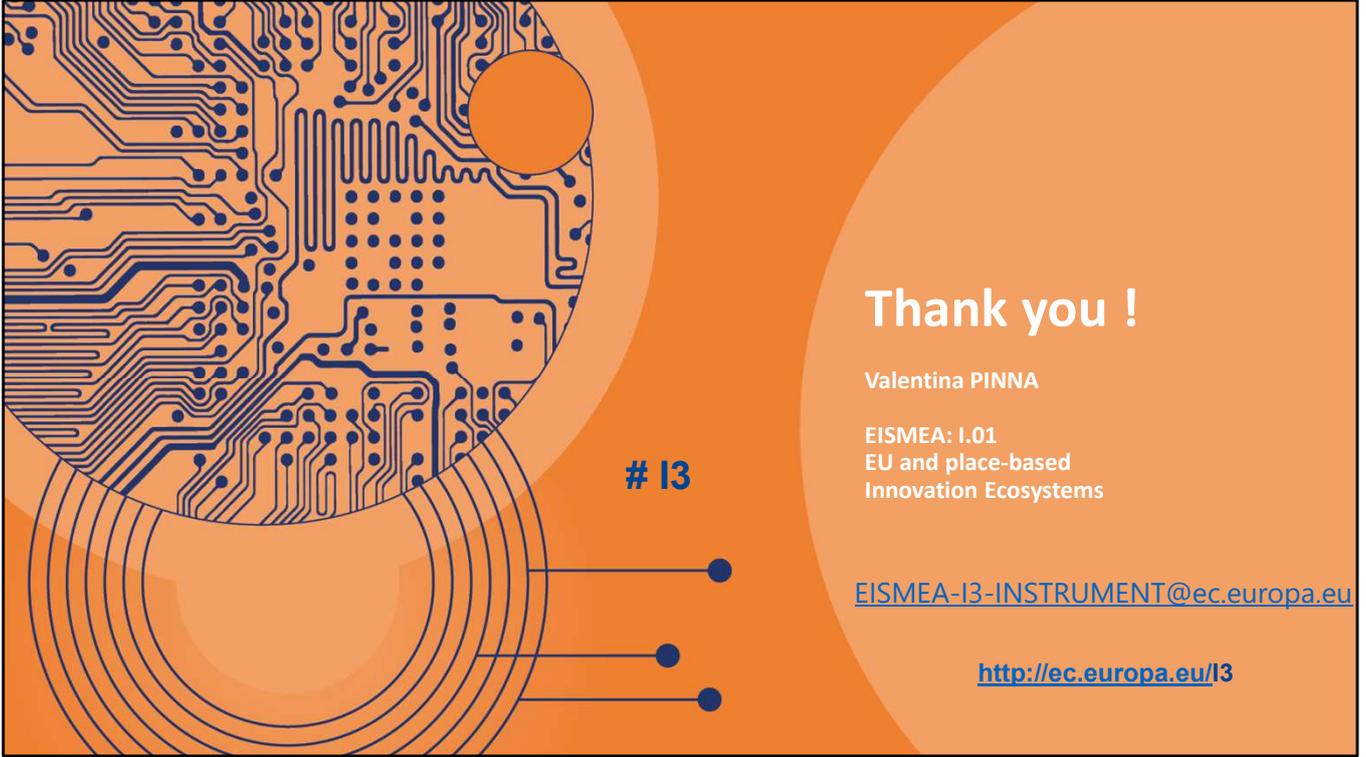


Useful documents

- the [call document strand 1](#), [call document strand 2a](#)
- the 13 [reference documents](#) including the [13 Model Grant Agreement](#)
- the [EU Grants AGA – Annotated Grant Agreement](#)
- the [EU Funding & Tenders Portal Online Manual](#)

[FAQ on the Portal Submission System](#)





Thank you !

Valentina PINNA

EISMEA: I.01
EU and place-based
Innovation Ecosystems

I3

EISMEA-I3-INSTRUMENT@ec.europa.eu

<http://ec.europa.eu/I3>

State of play I3 - 1st cut-off 22 February 2022

STRAND 1:

- Submitted: 16
- Eligible & under evaluation: 11

STRAND 2a

- Submitted: 7
- Eligible & under evaluation: 5

Additional cut-off 20 April 2022:

Submitted: 3

Next cut-off 18 October 2022

- Draft status: 39

Next cut-off 18 October 2022

- Draft status: 26

| | | 2021 budget | EU REQUESTED* | No of eligible projects |
|-----------------|--------|-------------|---------------|-------------------------|
| <i>Grants</i> | | | | |
| Strand 1 INV 1 | 52,50% | 39.795.300 | 390.269.834 | 16 |
| Strand 2a INV2a | 47,50% | 36.005.271 | 7.084.012 | 6 |
| | | | | |
| Total | | 75.800.571 | 397.353.846 | |



1st cut-off: I3 – proposal topics – Strand 1&2a



Digital transition

Women led and women owned IT driven SMEs.

Social economy building

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

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

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



1st cut-off: I3 – proposal topics – Strand 1& 2a



Green transition

Regenerative **mussel production**, nutrient removal, improved **water quality** and increased **biodiversity**.

Solar panel plant for ports for 100% renewable energy.

Ethyl lactate production, 100% **biobased fuel**

Circular innovations **in mining and for strategic raw materials**

Textile industry & Circular Economy & Recycling

Transformation of **post-mining facilities** in climate neutral facilities

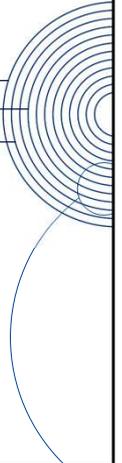
Plant protection via the use of unmanned aerial vehicles

Waste heat recovery from the SME industry

Living Labs in the area of **sustainable energy**.

Green hydrogen value chain

Electrothermal systems for refrigeration



1st cut-off: I3 – proposal topics – Strand 1& 2a



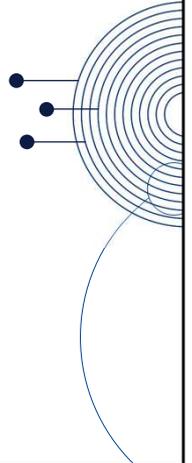
Smart manufacturing

Optimisation of production through **Additive Manufacturing**.

Cost-effective reuse of post-use **composite materials** and components in new high-added value products

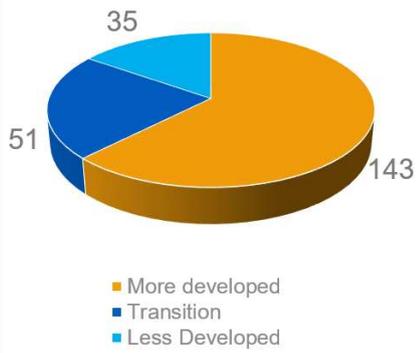
Technology implementation by SMEs: **robotics, 3D and 4D printing, AI, HPC** for modelling for the decrease of waste, pollution.

Innovative digital solutions to concrete challenges of **the food processing** companies and thus contributing to the Farm to Fork strategy.

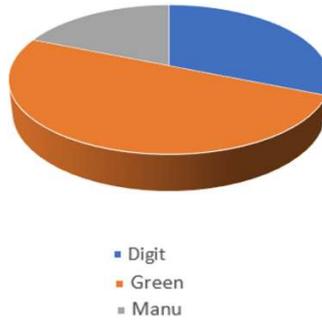


1st cut-off: I3 - Cohesion – Strand 1:

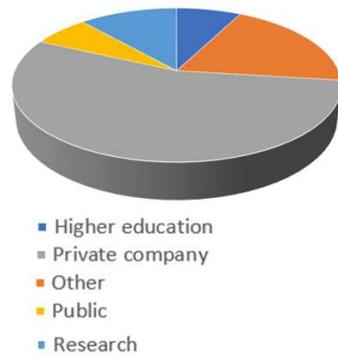
Beneficiaries per Region



Proposals per Topic

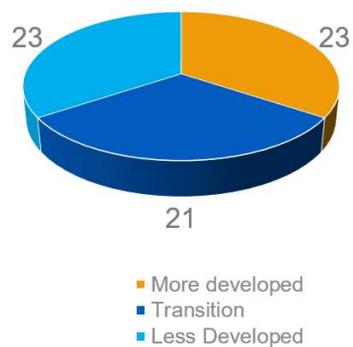


Type of Applicant

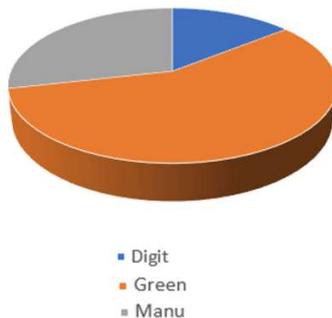


1st cut-off: I3 - Cohesion – Strand 2a:

Beneficiaries per Region



Proposals per Topic



Type of Applicant

