



European Regional Development Fund - Instrument for Pre-Accession II Fund

EUSAIR FACILITY POINT



EUSAIR Innovation Community 3rd event

Innovations in Sustainable Tourism

5.7. 2022, 10.00-14.00, Online

„Innovation is insight in action“





I3

Interregional
Innovation
Investment
Instrument

EUSAIR presentation

5 July 2022

Valentina Pinna EISMEA: Unit I.01

EU and place-based Innovation Ecosystems



Interregional Innovation Investment - I3 Instrument

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



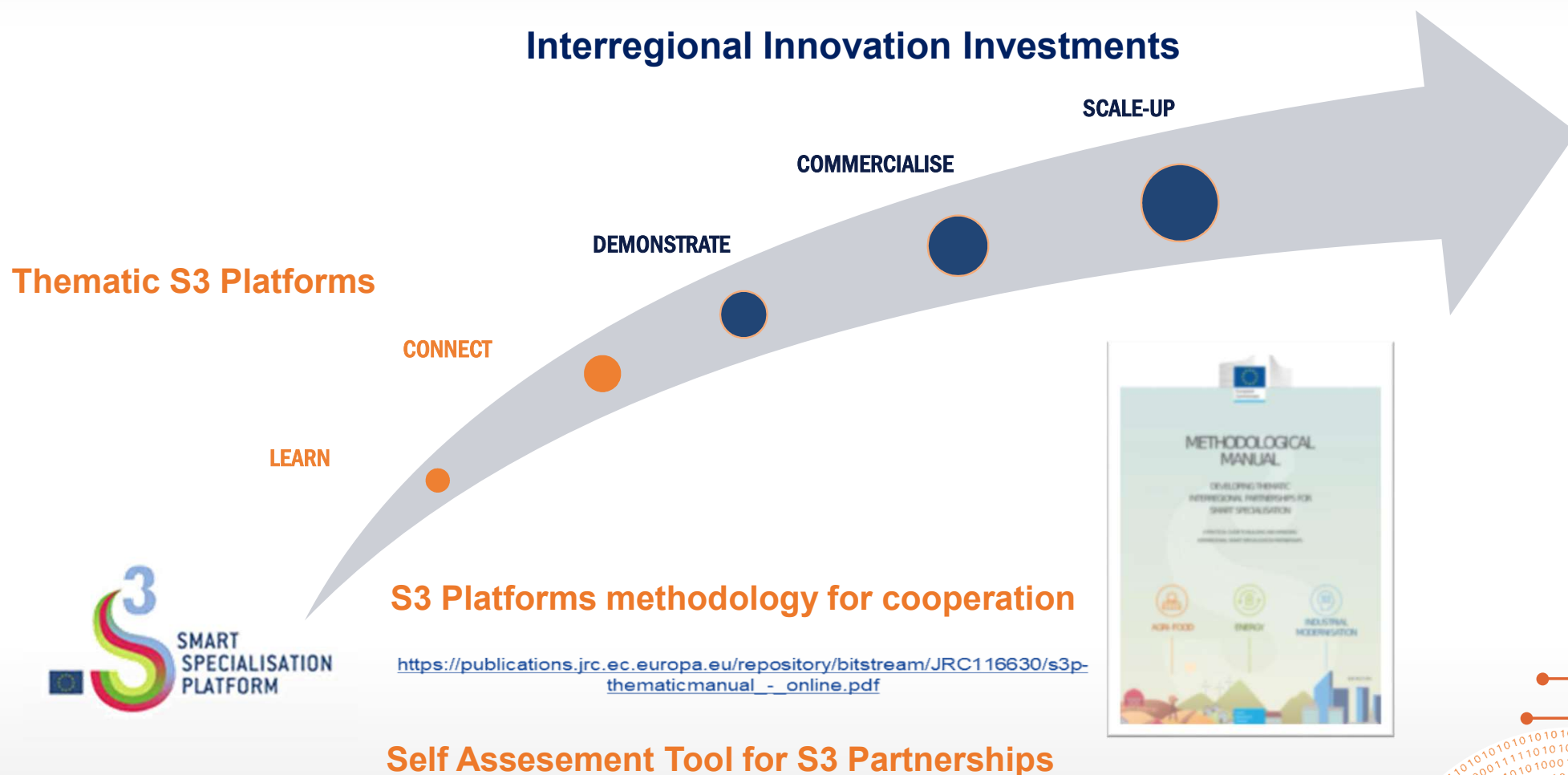
General policy objective

Strengthening innovation, cohesion and resilience in EU regions

- Reinforcing EU value chains
 - Supporting Interregional Innovation Investments, including demonstration, commercialization and scale-up activities 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, Interreg in particular.
- 
- The image contains two logos. The top logo is the S3 logo, featuring a stylized 'S' in blue, green, and red, with a small European Union flag to its left. The bottom logo is a word cloud with the words 'value chain', 'activities', 'management', 'system', 'concept', 'products', 'activity', 'extended', 'chains', 'suppliers', 'created', 'term', 'Creating', 'chains', 'disrupt', 'innovation', 'business', 'ecosystem', 'platform', 'digital', 'data', 'analytics', 'artificial intelligence', 'robotics', 'automation', 'additive manufacturing', 'biotechnology', 'nanotechnology', 'space', 'aerospace', 'defense', 'healthcare', 'agriculture', 'food', 'energy', 'transport', 'infrastructure', 'urban', 'rural', 'coastal', 'mountain', 'lake', 'river', 'sea', 'ocean', 'atmosphere', 'land', 'soil', 'water', 'air', 'climate', 'environment', 'society', 'culture', 'economy', 'politics', 'law', 'ethics', 'philosophy', 'religion', 'spirituality', 'art', 'science', 'technology', 'industry', 'commerce', 'finance', 'education', 'research', 'development', 'innovation', 'entrepreneurship', 'social entrepreneurship', 'social impact', 'social innovation', 'social enterprise', 'social business', 'social venture', 'social fund', 'social investment', 'social finance', 'social capital', 'social trust', 'social cohesion', 'social inclusion', 'social exclusion', 'social justice', 'social equity', 'social sustainability', 'social responsibility', 'social accountability', 'social transparency', 'social integrity', 'social honesty', 'social fairness', 'social balance', 'social harmony', 'social peace', 'social stability', 'social order', 'social justice', 'social equity', 'social sustainability', 'social responsibility', 'social accountability', 'social transparency', 'social integrity', 'social honesty', 'social fairness', 'social balance', 'social harmony', 'social peace', 'social stability', 'social order'.



Moving from interregional cooperation to co-investment



Focus of the call

Strong cohesion dimension in both strands, focus on S3 priorities

STRAND 1

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

STRAND 2a

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



I3 Instrument: Total budget per strand 2021 - 2022

THEMATIC AREAS



**DIGITAL
TRANSITION**



**GREEN
TRANSITION**



**SMART
MANU-
FACTURING**

STRANDS

Strand 1 | Focus on developed regions

Budget: € 39.8 million (2021) & € 36.7 million (2022)

Indicative Project size: € 4-10 million

Strand 2a | Focus on less developed regions

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

Indicative Project size: € 2-3 million

Strand 2b | Capacity building for less developed regions

Overall budget: € 28.5 million (Call opening: December 2022)

Strand 3 | Technical assistance & experimentation

Overall budget: € 11.4 million

€ 570 million



I3 Instrument: 2 calls, 3 topics, 2 cut-off dates per call

Green transition

Digital transition

Strand 1

Financial & advisory support for investments in interregional innovation projects



Strand 2a

Financial and advisory support to the development of value chains in regions

Smart manufacturing



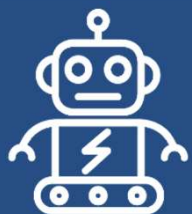
KPIs – cohesion & territorial indicators



**Interregional
dimension**



Investment dimension



**Innovation
dimension**



Value chain dimension



**Gender balance
dimension**



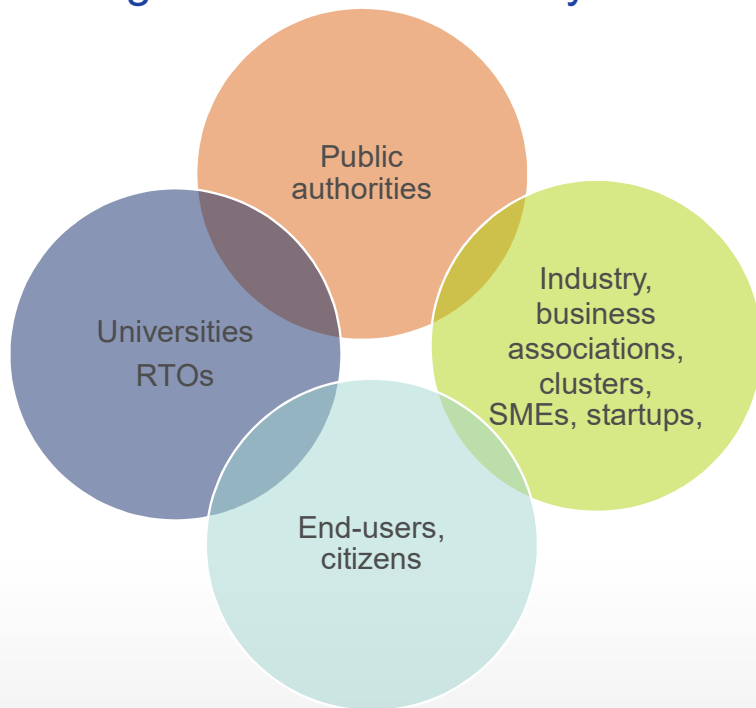
IPR dimension



Interregional Dimension (1/6)

Applicants:

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



Endorsed by competent bodies for Smart Specialisation

At the appropriate NUTS level

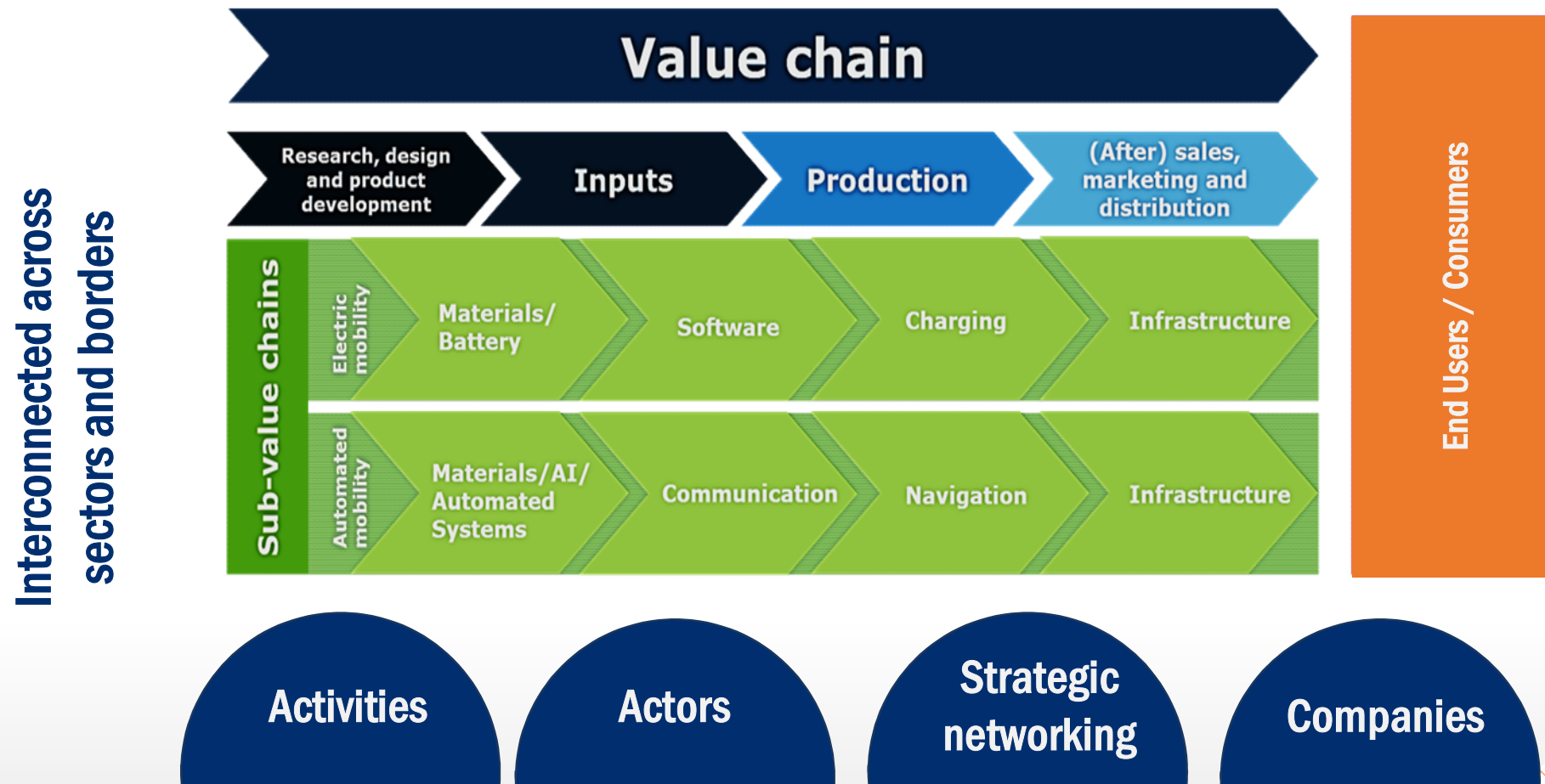
Minimum conditions in terms of ecosystems involved

(different for strand 1 and 2a)



Value chain dimension (2/6)

Example Autonomous Vehicles



Innovation Dimension: all type of Innovation (3/6)

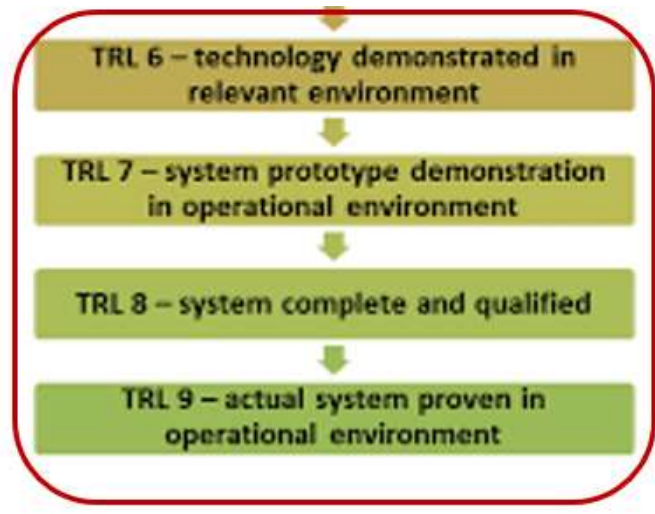
New or improved products, processes, services, technologies or business models made available to markets, governments and society

Oslo Manual: product innovation, process innovation, marketing innovation and organisational innovation.

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



TRL 6-9



Technology development & demonstration

Business & Investment Development

Uptake of innovative technologies or solutions



Investment dimension (4/6)



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

PORTFOLIO APPROACH:

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



IPR dimension and Gender dimension (5/5)

IPR protection

IPR valorisation and exploitation

Certification

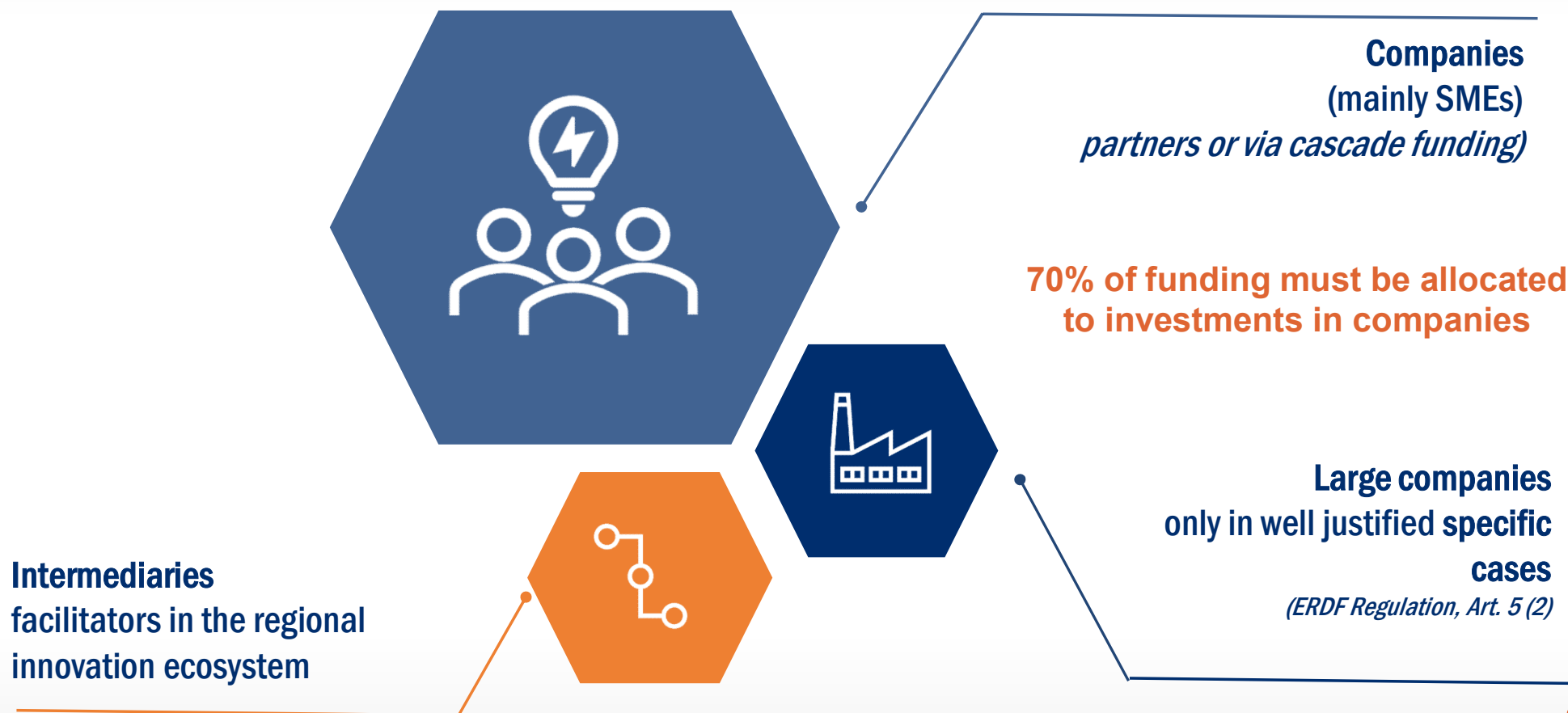
Licensing

Gender balance in the consortium managing the project

Women led innovations valorised by the project



Final beneficiaries



Interregional Innovation Investment - I3 Instrument

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



- Support partnerships in innovation activities, including **developing, connecting** or make **complementary use** of testing and demonstration facilities to **accelerate market uptake** and **scale up** of innovative solutions in shared S3 priority areas
- Implement a portfolio of preidentified 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 of LDR** to invest in **new value chains**, in partnerships with other regions

Strong cohesion dimension in both strands Focus on S3 priorities





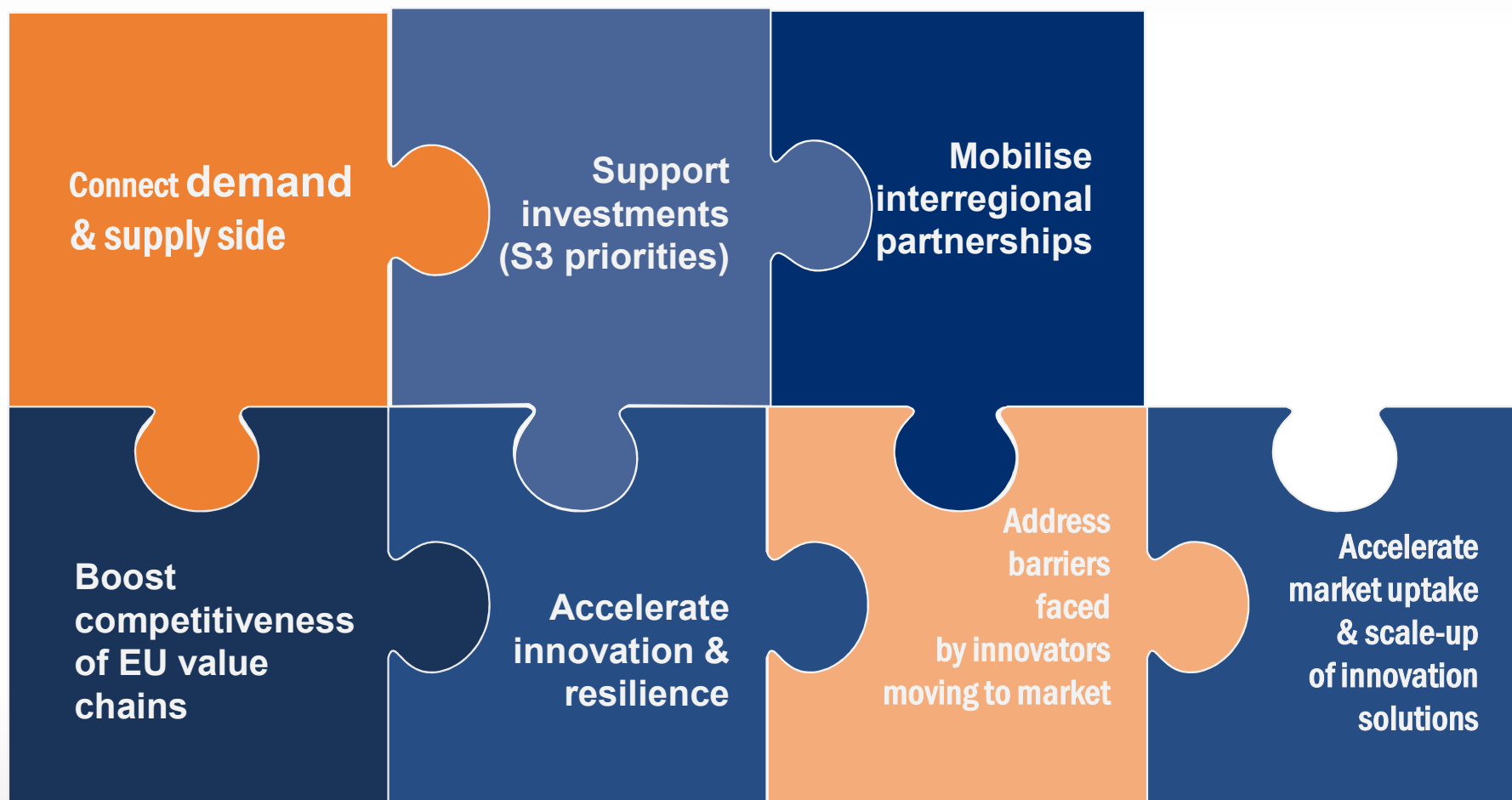
I3 WP – 2021-22

Strand 1 call

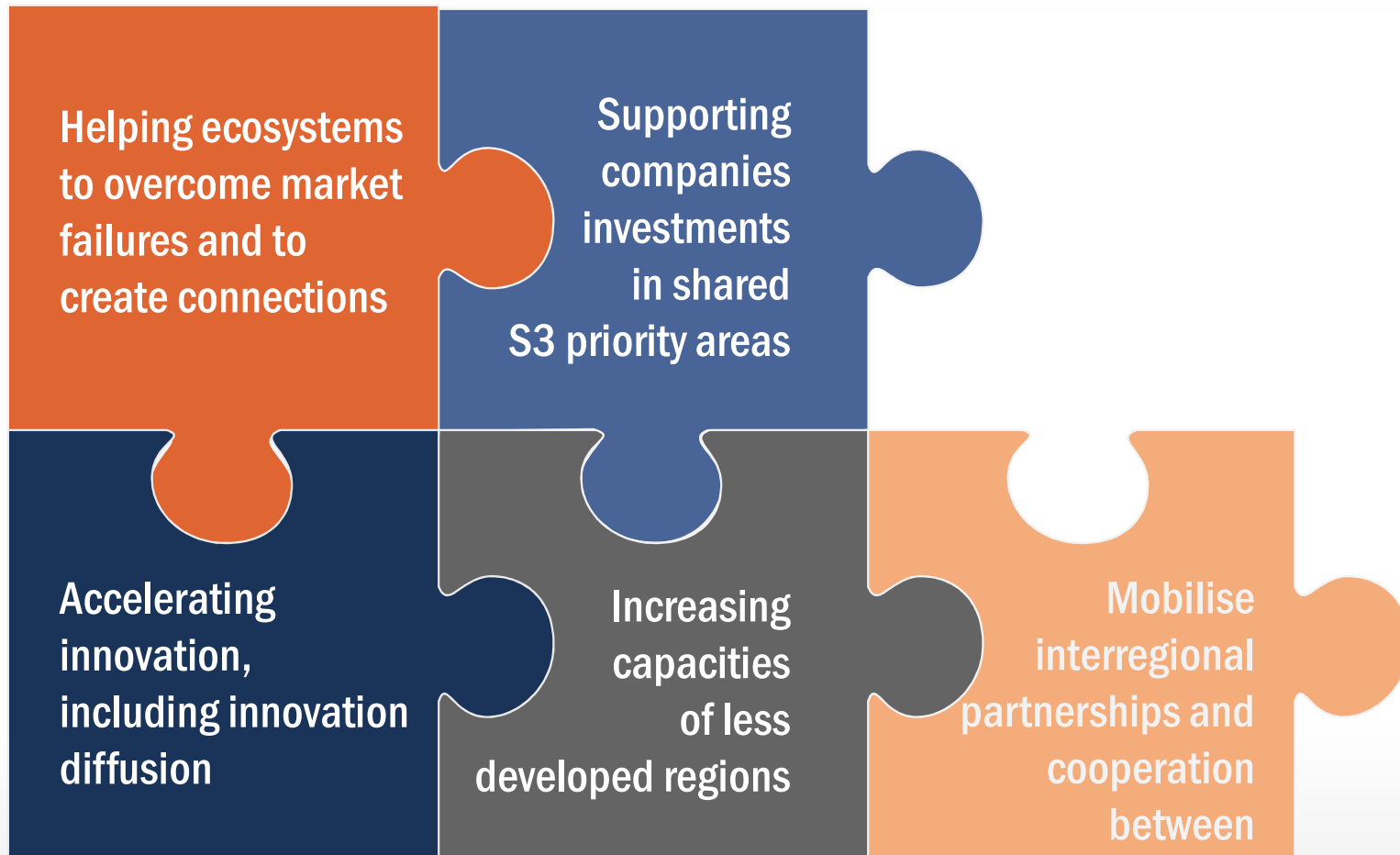
Strand 2a call

Financial and advisory support for
investments in interregional innovation
projects

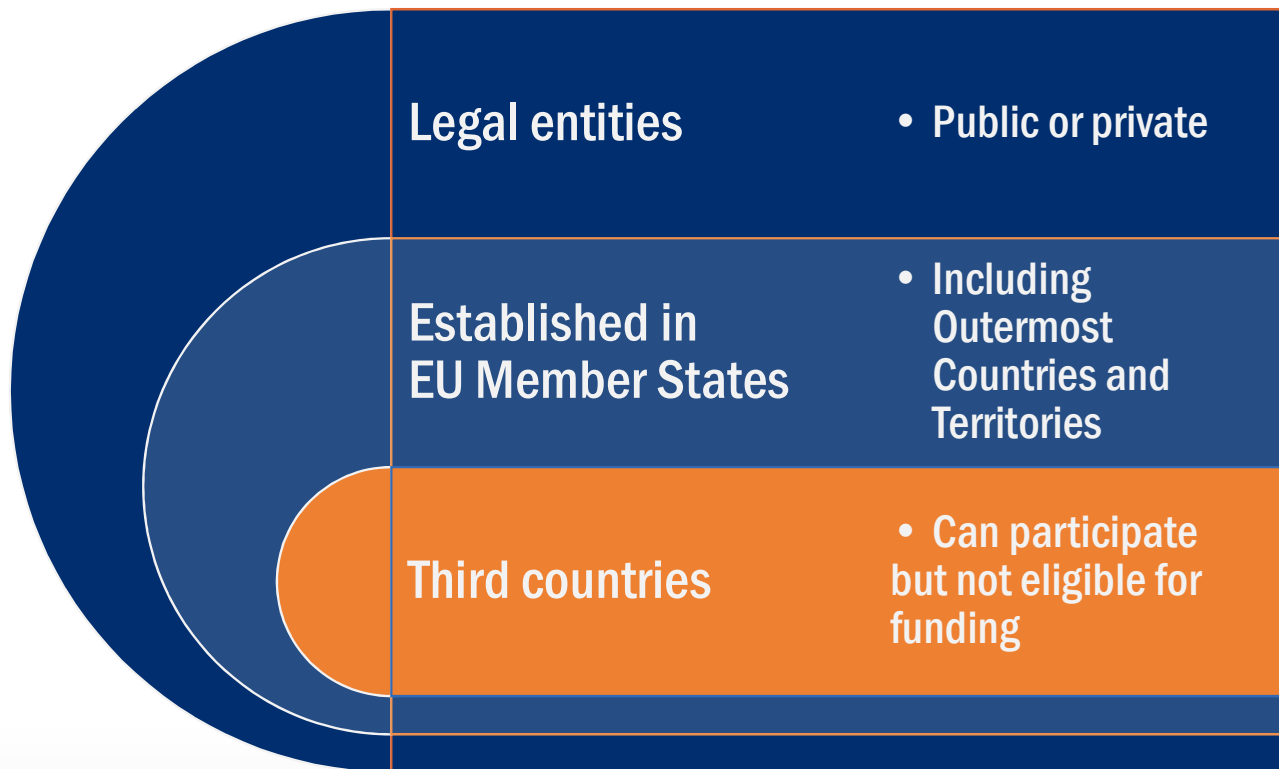
Strand 1 Specific Objectives: creating globally competitive EU value chains



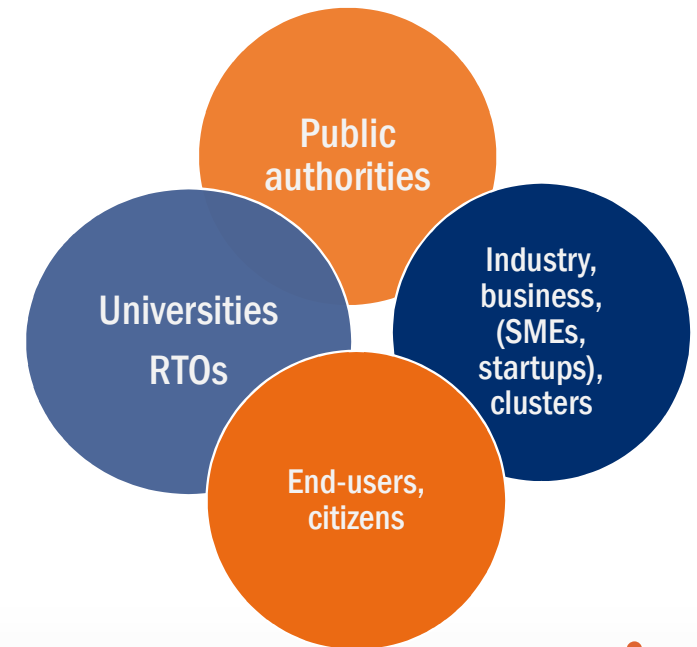
Specific objectives: creating value chains in less developed regions



Strand 1 & 2a: Eligible participants & countries



Q-helix partnerships on behalf of regional / national ecosystems



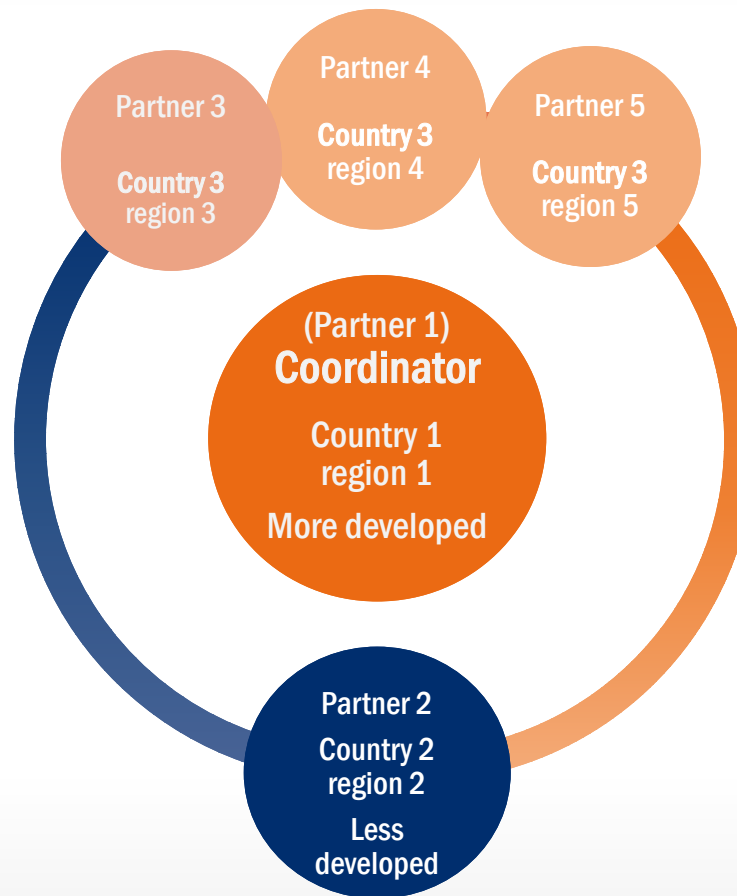
Strand 1: Eligible consortia

Geographical Composition

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

Coordinator

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



Example of minimum requirements

Partners requirements

The consortium must:

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

- Encouraged to have companies as part of the consortium

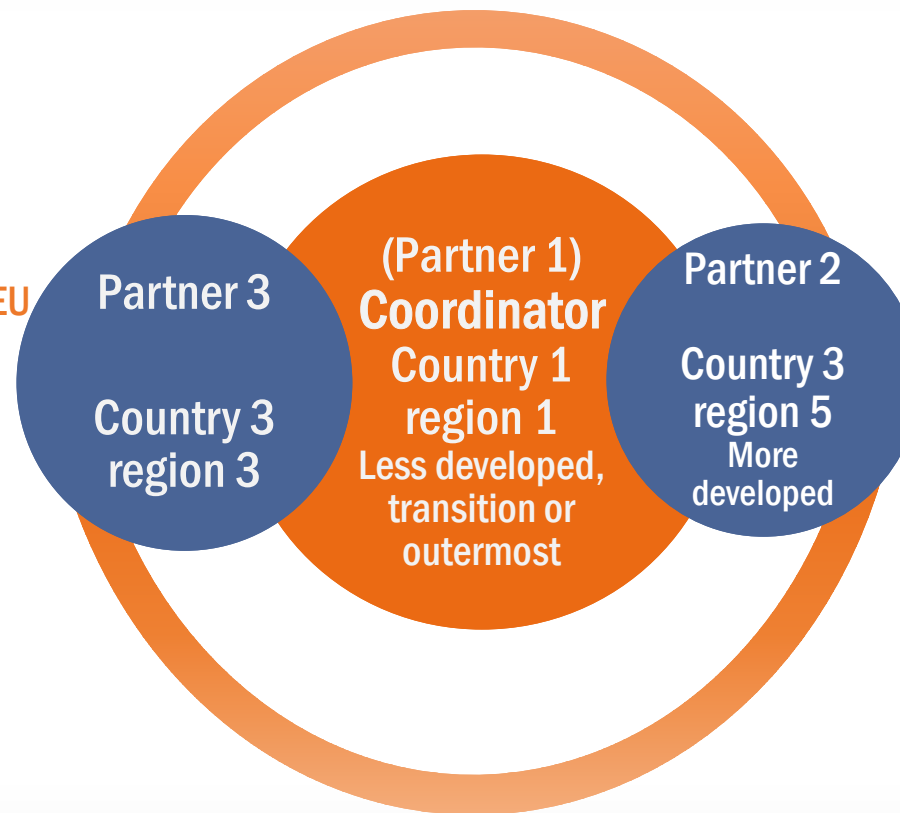
Strand 2a: Eligible consortia

Coordinator

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

Geographical Composition

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



Example (min requirements)

Partnership requirements

The consortium must :

- cover **demand & supply side**
- involve various **Q-helix** components (suggested minimum 2)
- At least 1 partner must be established in a **more developed** region / country.
- Encouraged to have **companies** as part of the consortium

Strand 1 & 2a



Available support

FINANCIAL SUPPORT

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

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

ADVISORY SUPPORT

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

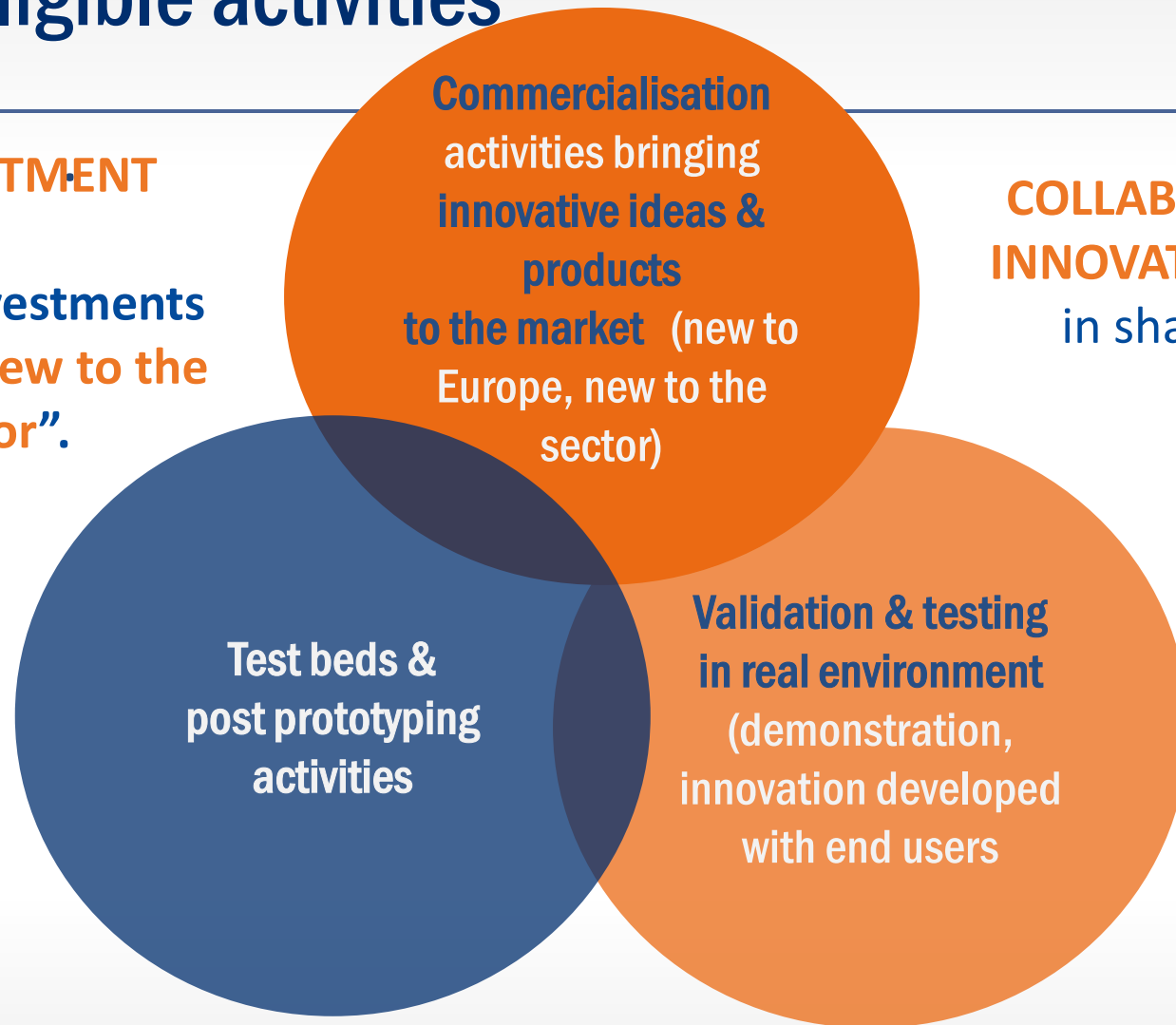
For confidential services to companies (users of testing facilities)



Strand 1: Eligible activities

VALUE CHAIN INVESTMENT PORTFOLIOS

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



COLLABORATIVE JOINT INNOVATION ACTIVITIES
in shared S3 areas

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

Innovation Dimension: all type of Innovation

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

Product innovation

A good or service that is new or significantly improved.

Process innovation

A new or significantly improved production or delivery method.

Marketing innovation

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

Organisational innovation

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



Maturity of innovation project

TRL 6 – technology demonstrated in relevant environment

TRL 7 – system prototype demonstration in operational environment

TRL 8 – system complete and qualified

TRL 9 – actual system proven in operational environment

**Technology
development &
demonstration**

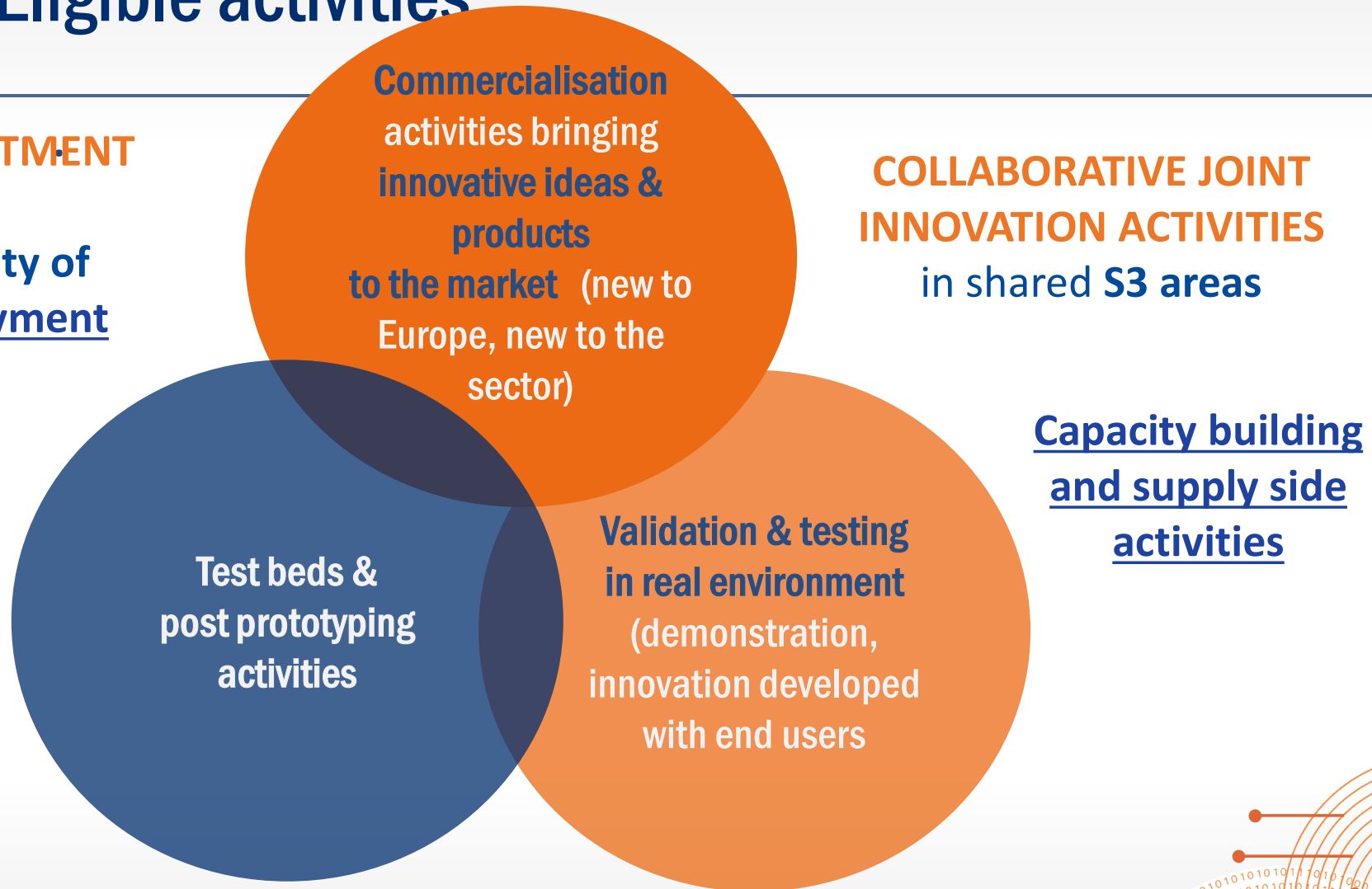
**Business &
Investment
Development**



Strand 2a: Eligible activities

VALUE CHAIN INVESTMENT PORTFOLIOS

Including possibility of “innovation deployment & diffusion”



instrumental to bring innovative ideas and new products to the market

Strand 1 & 2a: Example of eligible activities validation and testing in real environment

- **Demonstration in a real user environment** (technology/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, agencies and 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/services.
- **Use test beds to improve quality controls, standards and compliance with regulations,** and/or to remove other barriers and bottlenecks to innovation.



Strand 1 & 2a: Eligible activities

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.
- This might include providing expertise for validation tests, certification procedures, cost comparisons or other post-prototyping activities needed before full production and market launch.
- Defining and applying the funding mix and providing services needed to bring innovative ideas & 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.

* **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.



Strand 2a: Eligible activities

Activities “new to Europe” or “new to the application sector (same as strand 1)”

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

Complementary capacity building activities in LDR

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



Strand 2a: Example of eligible activities

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

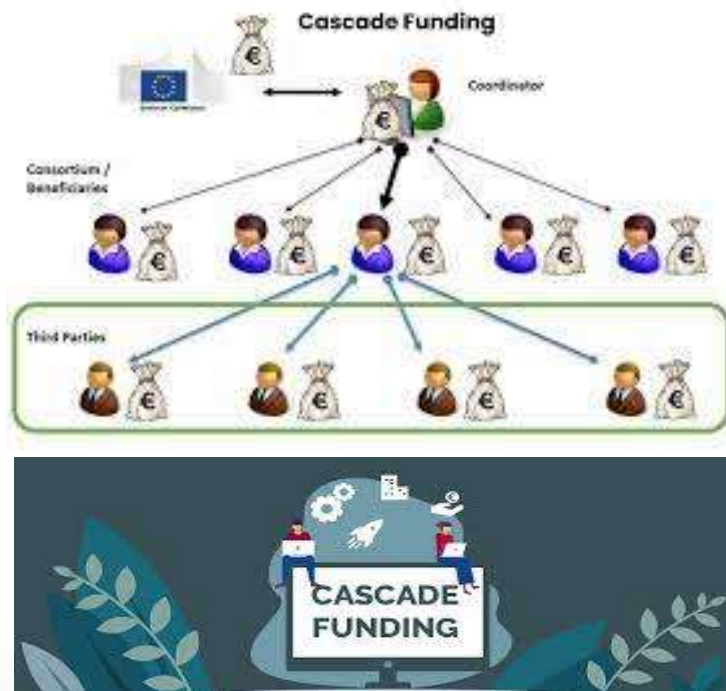
- Activities **strengthening capacities** and developing opportunities for innovation ecosystems in LDR (SMEs, research institutions and public administration)
- Ecosystems innovation building/promoting **collaboration inside and outside the region** by:
 - **matching** business sector needs with research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

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



Strand 1 & 2a: Direct support or Indirect support via cascading funding

Investment portfolio approach: **70% of the grant for investments in companies**



**Financial support to Third Parties
(Demand Side perspective):**

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

Use of FSTP: need to be justified

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

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

Strand 1 vs Strand 2a

| | Strand 1 | Strand 2 |
|--------------------------------|--|--|
| Objective | <p>Development of EU globally competitive value chains</p> <p>New to Europe” or “new to the application sector</p> | <p>Develop of value chains in less developed regions</p> <p>+ Innovation diffusion and multiple market applications of an innovation applied elsewhere</p> |
| Eligible activities | <p>Demand side activities, innovation needs emerged from companies. Ecosystem facilitated investment projects</p> | <p>Capacity building, demand and supply side activities facilitated by the ecosystems, including investments in companies</p> |
| Consortium composition | <p>Min 5 innovation ecosystems from 3 MS</p> | <p>Min. 3 innovation ecosystems from 2 MS</p> |
| Budget 2022 | <p>€ 36.7 M</p> | <p>€ 32.9 M</p> |
| Indicative project size | <p>€ 4 – 10 M</p> | <p>€ 2 – 3 M</p> |

Call Topics ID: strand 1 and 2a -> deadline 18/10

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

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



Useful

- the [call documentation strand 1, call documentation strand 2a](#)
- the [I3 reference documents including the I3 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!



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



EISMEA-I3-INSTRUMENT@ec.europa.eu

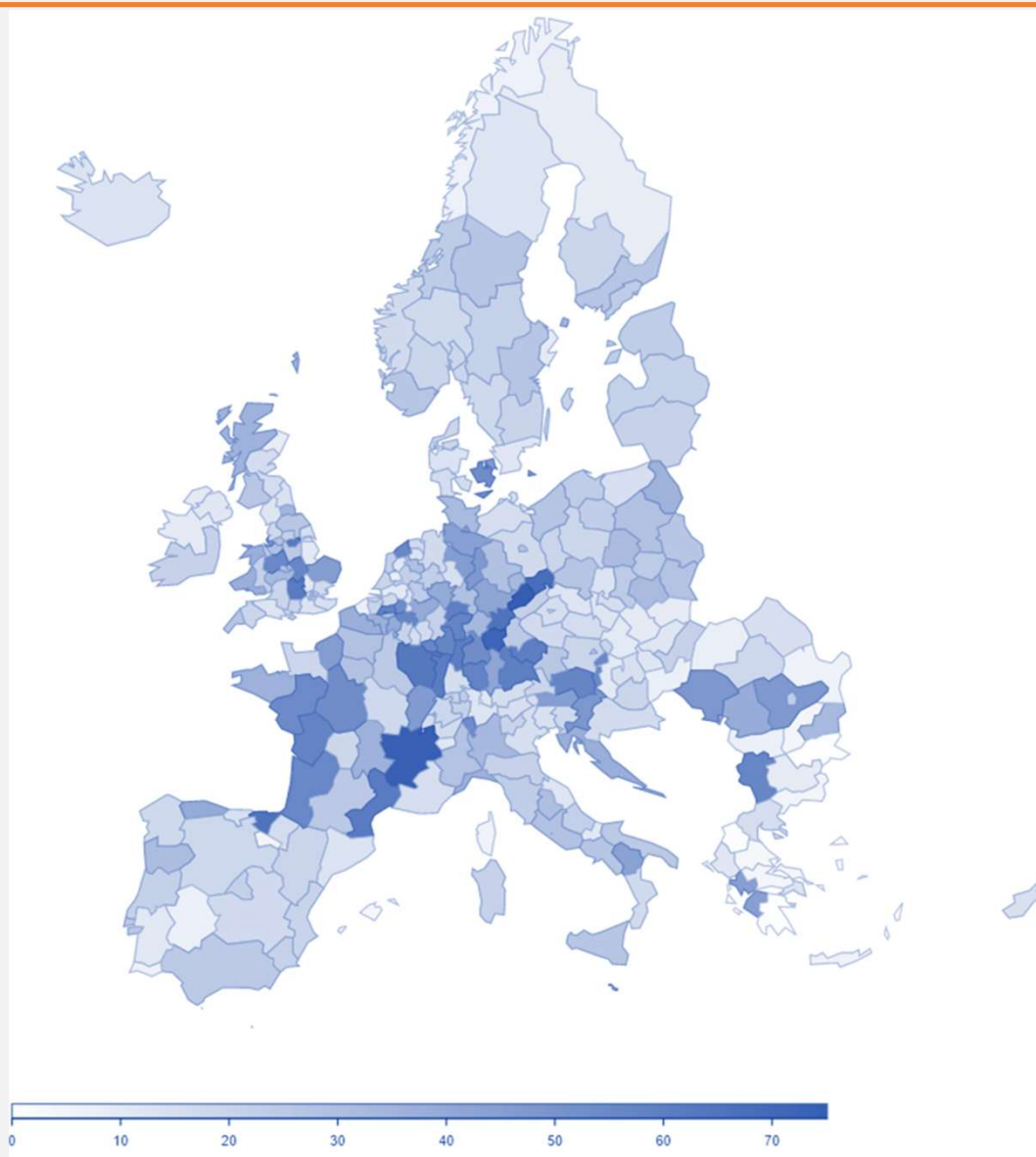


#I3Instrument

I3 Instrument builds on complementary specialisation capabilities present in EU regions

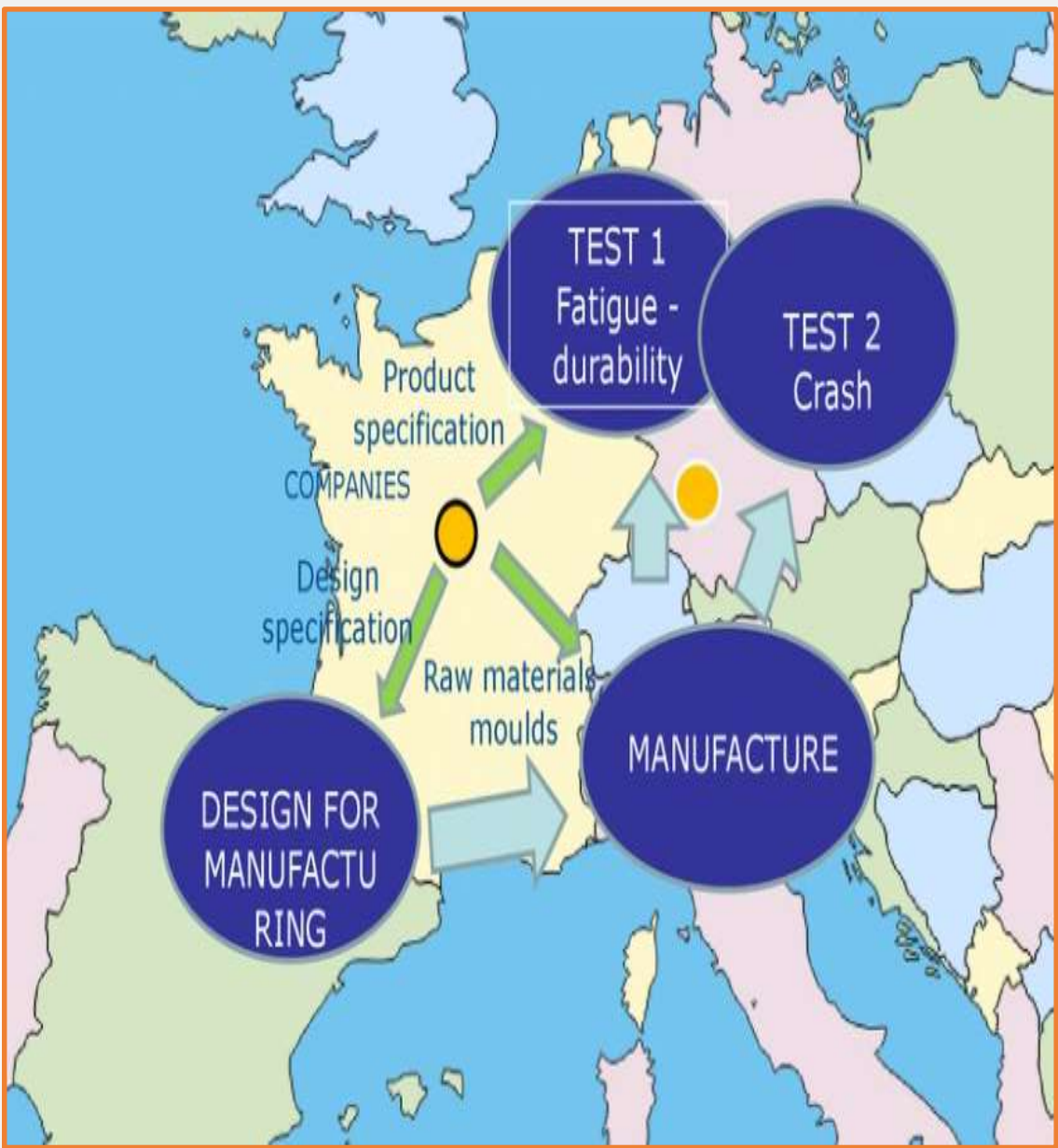
Example

Maps on relatedness for 7 key technologies, showing for each region top 5 regional matches. For example for batteries for the Dresden (DED2) region Chemnitz, Stuttgart, Arnsberg, Mittel-franken and Malopolskie are the 5 best regional matches.




Source: Balland/Boschma study 'beyond patents' for REGIO (2020)

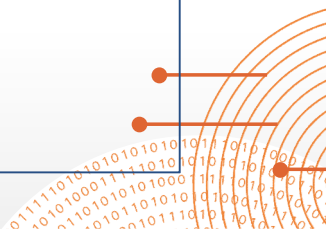




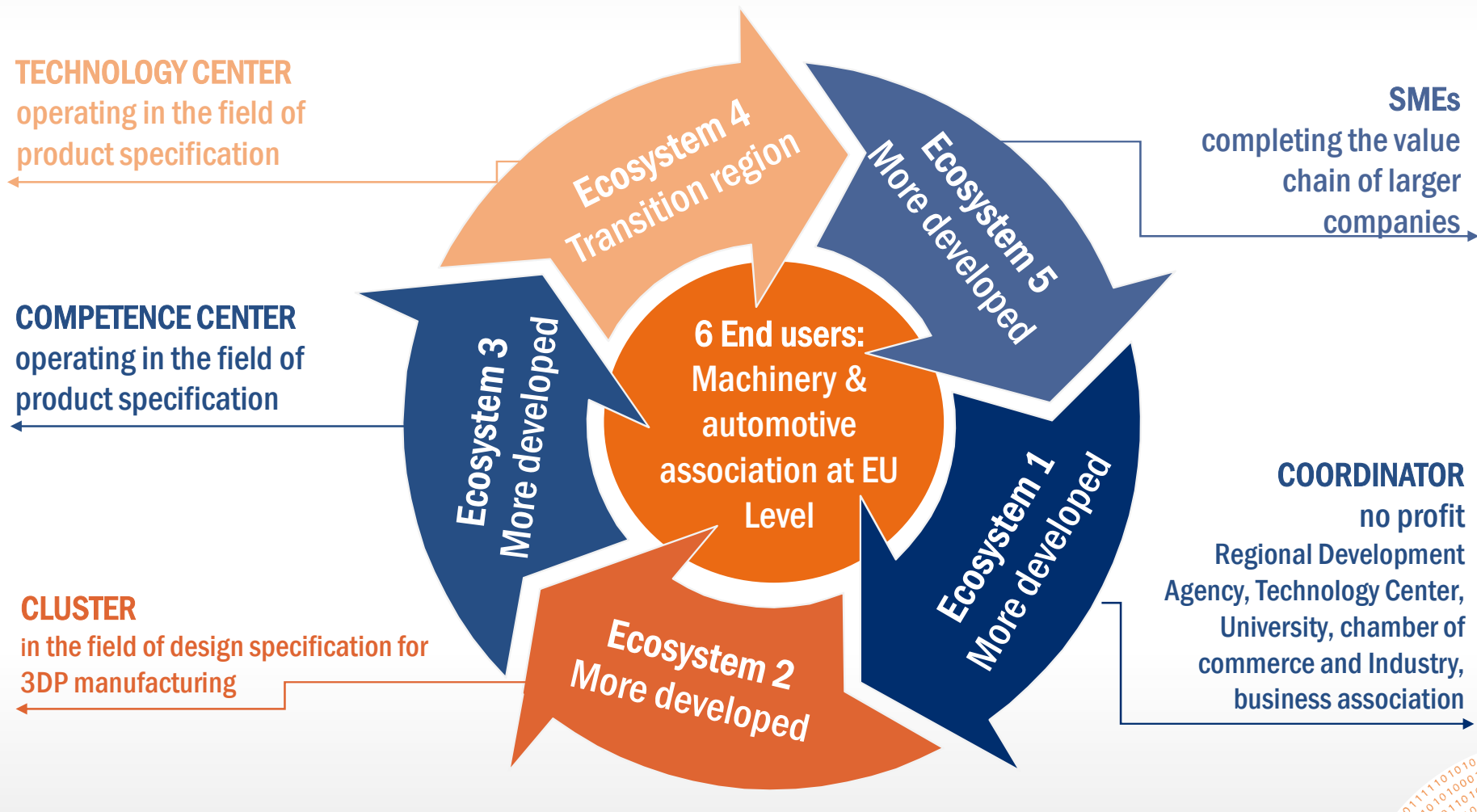
Example: advanced manufacturing & 3D printing – ecosystems

5 regional innovation ecosystems mobilising:

| | | |
|--|---------------|---|
|  | Demand | <p>Companies, innovators (innovation needs)</p> <p>Expertise from competence centers (design and tests for product specification)</p> |
| | Supply | <p>SMEs (components producers belonging to the main value chain)</p> |



Example: advanced manufacturing & 3D printing - consortium



Eligible activities validation and testing in real environment

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= (small-scale demonstration of entire products, services or processes)
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- **Use test beds to improve quality controls, standards and compliance with regulations**, and/or to remove other barriers and bottlenecks to innovation.



Strand 1: Eligible activities (3/3)

Test beds and post prototyping activities

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- 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.



Indicative timeline for 2nd cut-off Strand 1



Strand 2a

Indicative timeline for 3rd cut-off

