



# I3 Interregional Innovation Investments Instrument

**Jornada Red IDI: Instrumento de Inversiones  
Interregionales en Innovación (I3)**

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# 13 Strands

**Strand 1** | support for investments in interregional innovation projects in shared smart specialisation areas

**Strand 2a** | support for investments in interregional innovation projects for the development of value chains in less developed regions

**Strand 2b** | Capacity building for the development of value chains in less developed regions

Technical assistance & experimentation

€ 490 million  
(2021-2027)



# I3 Instrument - Upstream and downstream dependency

## CAPACITY BUILDING

I3 Instrument's success and impact is contingent on the existence of the many partnerships, networks as well as partners' capacity to engage in joint projects.

- I3 Strand Cap2b
- I3 support facility
- Smart Specialisation Community of Practice (S3 COP)

## CONNECT

## LEARN

## INVESTMENT (TRL 6-9)

## SCALE-UP

## COMMERCIALISE

## DEMONSTRATE

I3 Strand 1: support for investments in interregional innovation projects in shared smart specialisation areas

I3 Strand 2a: support for investments in interregional innovation projects for the development of value chains in less developed regions



# 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**



# Specific objectives

## STRAND 1

- to increase the **competitiveness and the resilience of EU value chains** in **shared smart specialisation areas**
- the development of already existing or the creation of new interregional and cross-border value chains, better connection between regional innovation ecosystems;
- the collaboration between innovation actors (SMEs) using **S3 as coordination principle**
- the support of innovation actors with investment ideas that are ready to be developed into **mature business cases**

## STRAND 2a

- the support of innovation actors to develop mature business cases
- the creation of new value chains in LDRs and the integration into interregional and cross-border value chains with more developed regions
- new regional market opportunities
- bridging the gap between the supply and demand sides to help innovation ecosystems overcome market failures
- Technology transfer



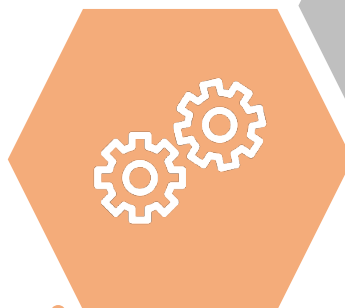
# Thematic priorities

## Green transition

## Digital transition

### Strand 1

Financial and advisory support for investments in interregional innovation projects



### Strand 2a

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

## Smart manufacturing



# Expected impact

Same for all thematic priorities!  
Non-exhaustive list

	Strand 1	Strand 2a
Short term at the end of the project	<ul style="list-style-type: none"> <li>• New technologies tested</li> <li>• Innovative solutions deployed</li> <li>• Market uptake of new solutions</li> <li>• Innovative technologies adopted by SMEs</li> <li>• Funding/funding mix</li> <li>• <b>Strengthening innovation diffusion channels</b></li> <li>• <b>Reinforcing the capacity of regions to co-invest together</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Creation of new value chains in LDR</b></li> <li>• <b>Application and deployment of innovative technologies and solutions (new to the region) in LDR;</b></li> <li>• <b>Exploitation of research results;</b></li> <li>• New technologies tested</li> <li>• Innovative solutions deployed</li> <li>• Market uptake of new solutions</li> </ul>
Long term	<ul style="list-style-type: none"> <li>• Increased innovation capacity across EU regions</li> <li>• Increased competitiveness and resilience of EU Value Chains</li> <li>• Increased productivity and efficiency</li> <li>• Improved public services</li> <li>• Improved level of digital skills</li> <li>• New market opportunities for EU companies;</li> <li>• EU industry more efficient and sustainable;</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Reduction of the innovation divide between MDRs and LDRs;</b></li> <li>• Increased productivity and efficiency</li> <li>• Improved public services</li> <li>• Improved level of digital skills</li> <li>• Improved EU innovation capacity and competitiveness</li> <li>• New market opportunities for EU companies;</li> </ul>

# Eligible activities (both strands)

## VALUE CHAIN INVESTMENT PORTFOLIOS

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

**Commercialisation & upscaling** activities  
bringing **innovative ideas & products** to the market

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

**Test beds, connecting testing & demonstration facilities, post prototyping activities**

**Validation & testing in real environment**  
(demonstration, innovation activities developed with end users)

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





# Type of support & specific requirements



## FINANCIAL SUPPORT

1. Direct funding of consortium's beneficiaries
2. Through cascade funding / financial support to third parties (optional)

## ADVISORY SUPPORT

1. Advisory support (on IPR, standardisation certification, etc.)
2. Networking activities (matchmaking for market penetration, trainings for the introduction of innovative technologies and solution etc.)

### Specific requirements:

- *Min 70% of the budget* must be allocated to investments in companies, ie:
  - SME Consortium partners
  - Financial Support to Third Parties (FSTP)
  - non-financial support provided to the SMEs belonging to the portfolio (SME partners and FSTP SMEs).
- *Min 50% of the total eligible costs will have to benefit LDRs (including outermost regions)*
- *Max 30% of the total budget shall be spent through FSTP*

**The proposal shall describe how these 3 requirements will be met.**

# Main points to keep in mind implementing FSTP:

- 1-The **needs of main investors**
- 2-The **need** of the selected **value chain(s)**
- 3-The **interconnection** between the **needs** of the main investors with the **solutions** that the cascading companies can offer
- 4-The **interconnection** between the **innovative products/processes** and **solutions** developed in the project and the **exploitation** of those **solutions** generated by cascading companies.
- 5-The FSTP budget need to be spent for the **benefit of the companies involved in the consortium**. Therefore, the technical specifications for the FSTP call should be defined by them (because they know their specific needs) with the support of intermediaries (RTOs, business support organisations etc).

**FSTP must be justified** : Both Advisory Support and FSTP should be related to the **main value chain investments** or to the **demand generated by the companies involved in the consortium**.

# FSTP in I3 calls – Examples (1/3)

NOT ALLOWED in I3

- To offer a specific groundwork for **testing** and **optimising** products, production processes or solutions.
- Exploration of new processing technologies.
- **Small-scale product validation:** testing and piloting activities in companies
- **Innovation / exploitation activities** related to innovative investments implemented by the project beneficiaries
- **Market replication**

ALLOWED in I3

Travel vouchers, sub-grants for soft advisory services not linked to main project investments, prizes, fellowships, contribution for the participation to trade fairs or matchmaking events, vouchers for study visits etc.



# FSTP in I3 calls – Examples (2/3)

## Good examples:

Collaborative interregional projects proposed by 2 or more cascading companies are encouraged!

### 1) Challenge driven approach

The cascade funding scheme is **coherent with the priorities of the project** and aligned with **challenges addressed by the SMEs** involved in the consortium and implementing investment projects.

### 2) Demand driven approach

Financial support justified by the **needs of the main investors**:

- activities such as testing solutions, small scale demonstration, exploring **feasibility**
- **optimisation** of solutions at high TRL level

### 3) FSTP oriented to the exploitation of project results or market replication

- Cascade funding to support testing in the framework of **exploitation cases**



# FSTP in I3 calls – Examples (3/3)

## Bad example: ‘coffee for all approach’

- Cascade funding for **travel vouchers** (e.g. € 1,500 € each) to be allocated to SMEs from the value chain to attend study visits, matchmaking events, training and coaching activities.
- **Lack of complementarity** with the main investment led by a project beneficiaries or operating in value chains/sub value chains other than those targeted by the project.

**FSTP cannot be seen as an indirect way to "redistribute money" to companies!**



# Conditions for providing FSTP in I3 projects (1/2)

- Proposals (consequently GAs) must clearly specify:
  - **why** FSTP is needed, (**justification**)
  - **how** it will be managed, (**implementation modalities**)
  - **what** are the estimated proportions of FSTP across various types of **regions** (participating region from MDR, LDR, TR)
  - the **results** to be obtained,
  - the **list of the different types of activities** for which a third party may receive financial support.



# Conditions for providing FSTP in I3 projects (2/2)

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

# FSTP – The Process in a nutshell

- Beneficiaries **select** the recipients/third parties following a **published call for proposal**
- The **selection** of recipients is based on **transparent criteria** published in the open calls
- The **selection** may be carried out **in-house** or by **hired independent experts** (or both); the responsibility remains with the consortium (**Important ! – you must avoid potential Conflict of Interest**)
- Selected **recipients**/third parties sign agreements with the beneficiaries (**sub-grants**)
- Selected **recipients**/third parties **must be paid by the end of the project**.
- **Beneficiaries are fully responsible** for the drafting of the call text, the evaluation, selection and monitoring of the sub-projects.
- > **EISMEA POs** ensure compliance of the open call text with provisions of the GA (and annexes) before publication



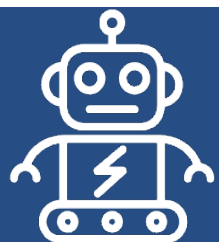
# KPIs – cohesion & territorial indicators



Location - Interregional  
dimension



Type of project  
participants



Innovation  
dimension



Socio-economic  
benefits



Employment



Investment



IPR dimension



Gender balance



# Investment dimension



- **Tangible and Intangible investments** (see ERDF regulation)
- 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

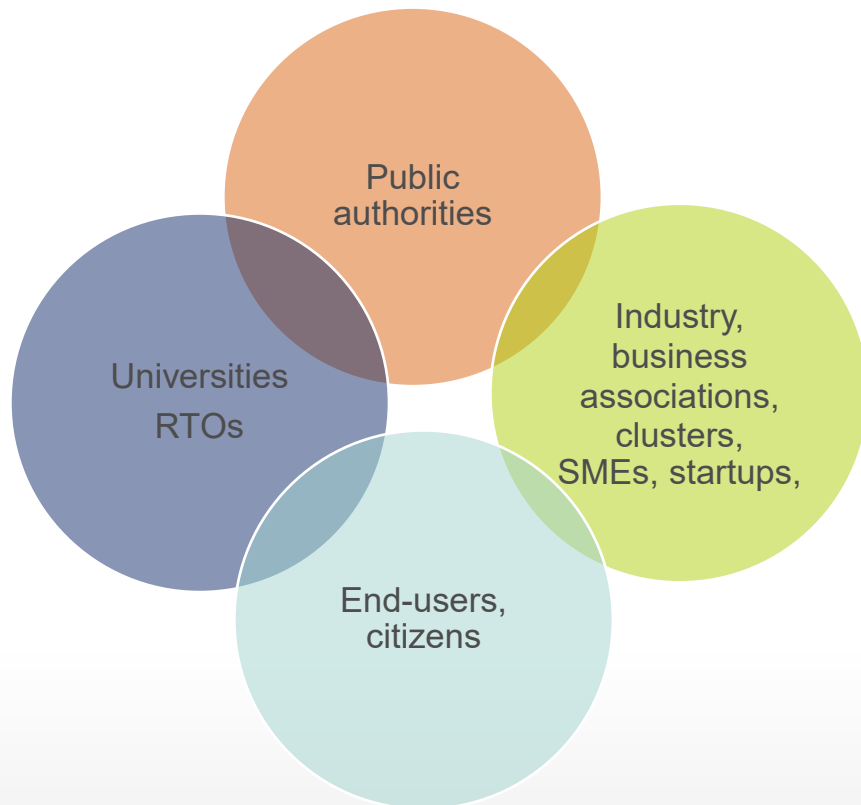
## PORTFOLIO APPROACH:

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

# Interregional Dimension

## Applicants:

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



**Interrelated interregional innovation investments in value chains (S3 as coordination principle)**

**At the appropriate NUTS level**

**Minimum conditions in terms of ecosystems involved**

(different for strand 1 and 2a)

**The consortium must cover demand & supply side**



# Project budget and duration, funding rate

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Project size

€ 2 – 10 million

Duration

18 – 36 months

Funding rate

70% for all other cost categories

100% for costs of FSTP

**Strand 1**

**€ 23 million**  
2025

**Strand 2a**

**€ 24 million**  
2025



# Consortium composition

Strand 1	Strand 2a
<ul style="list-style-type: none"><li>– at least <b>5 independent legal entities</b> established in <b>5 different regions</b> of at least <b>3 eligible countries</b>.</li><li>– at least <b>2 legal entities</b> must come from <b>less developed regions</b></li></ul>	<ul style="list-style-type: none"><li>– at least <b>3 independent legal entities</b> established in <b>3 different regions</b> in at least <b>2 eligible countries</b></li><li>– the consortium shall represent <b>at least 1 more developed region</b> and must have a strong involvement of less developed regions and focus on their needs</li></ul>

The **consortium coordinator** must be:

- Public body or
- Non-for-profit organisation 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.).



# Differences between strands 1 and 2a (1/2)

	Strand 1	Strand 2a
General objective	Increase of the competitiveness and resilience of EU value chains, in shared smart specialisation areas	Creation of new value chains in less developed regions (LDR)
Interregional dimension	Interconnected value chain investments to de-risk business investments and to maximise the exploitation of technologies/solutions developed in Europe	Interconnecting LDR and more developed regions (MDR), innovation followers and innovation leaders
Value Chain Dimension	Focus on value chain related investments to make EU value chains more competitive. Interconnection of regional value chains to create EU added value, including LDRs in the creation of value	Creating new value chains in LDR, connecting LDR value chain to MDRs, creating interconnection between SMEs from LDR and FDI driven value chains (Multinationals)



# Differences between strands 1 and 2a (2/2)

	Strand 1	Strand 2a
Innovation Dimension	<p>Innovation Creation, TRL 6-9</p> <ul style="list-style-type: none"><li>• New to Europe or new to the application sector</li><li>• Valorisation of research results</li><li>• Increasing technology readiness</li><li>• Exploitation and deployment strategies in the internal market and outside Europe</li></ul>	<p>Innovation Diffusion TRL 6-9</p> <ul style="list-style-type: none"><li>• Exploitation of research results</li><li>• Application of innovative technologies and solutions in LDRs (in the same sector)</li><li>• New to the region when an innovative technology is deployed (adaptation to the needs of companies of LDRs)</li><li>• New to the application sectors (adaptation of technology to the needs of a specific sector in LDRs)</li></ul>
Expected impact	<ul style="list-style-type: none"><li>• Contribution to the twin transition and to the efficiency, sustainability and competitiveness of the EU manufacturing sector</li><li>• Increasing EU competitiveness</li><li>• Increased level of innovative business investments in Europe</li></ul>	<ul style="list-style-type: none"><li>• Contribution to the creation of new value chains in LDRs, contribution to the twin transition and to the efficiency, sustainability and competitiveness of the EU manufacturing sector</li><li>• Reduction of the innovation divide</li><li>• Reduction of disparities between MDR and LDR</li></ul>

# Award criteria

## One step evaluation procedure

AWARD CRITERIA	MIN	MAX
<b>RELEVANCE</b> proposal matches the objectives; participation of LDR and outermost regions; relevance of the proposed innovation, novelty and ambition	5	10
<b>QUALITY</b> quality of the consortium and project teams; procedures and problem-solving mechanisms; technical quality; logical frame concept: methodology: timetable: risk management	2.5	5
<b>COST EFFECTIVENESS</b> cost effectiveness; sufficient/appropriate budget for proper implementation; best value for money	2.5	5
<b>IMPACT</b> ambition and expected long-term impact; dissemination and exploitation strategy; potential for replication and perspectives for up-scaling in LDRs, sustainability of results after EU funding ends.	2.5	5
<b>OVERALL (PASS) SCORES</b>	<b>17.5</b>	<b>25</b>





# Payment arrangements

**prefinancing**

**70% of total grant amount paid after the start of the project**



**interim  
payment**

**prefinancing and interim payment cannot exceed 90% of total grant amount**



**payment of  
the balance**

**paid at the end of the project**



## Mandatory documents

- Application Form Part A — administrative information about the participants
- Application Form Part B — the technical description of the project (70 pages)
- Part C - additional project data (TRL, innovation type, NUTS level etc.)

## Mandatory annexes

- Detailed budget table (*template available*)
- Self-declaration, **only 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*)



# Mandatory deliverables

- annual report on the **engagement with the managing authorities** of ERDF programmes and the authorities responsible for S3 in the regions represented in the consortium
- **data management plan**
- full **dissemination and exploitation plan**
- yearly report for **cumulative payments** (for projects with more than EUR 5 million requested EU contribution)

The following documents need to be uploaded as **annexes to the final report**:



- **business and investment plan**
- report on the **implementation of the business investments** belonging to the portfolio
- **assessment of the innovation readiness at the end of the project** (technology, market or investment readiness)
- list of remaining **bottlenecks**



# Indicative timeline



# Tips for applicants

- Is my organisation **eligible**

type of organisation, status of coordinator, S3 strategy, min TRL 6, sub-projects, etc

- Read all the documents

- Read and re-read → **relevance** for the I3 Work programme (WP) and financing decision.
- Don't repeat the WP/call text. → Your proposal's **specific contribution**! Different logic for two Strands (2a: focus on less developed regions). Check out your region's status here.
- Check out the model grant agreement (MGA) and annotated MGA.
- **Proposal template** → **Sub questions/criteria** as red thread (part B).
- **Award criteria** → different weights, minimum score is not enough to receive funding
- **Policy/regulatory background docs** → I3, smart specialisation, European Regional Development Fund, the EU Financial regulation on call page.

## Consider the differences with Horizon and other EU programmes:

- focus on concrete investments/innovation into companies
- the innovation aspects (increase of TRL during project lifetime) towards commercialization/scale-up
- Improve/move up existing value chains
- the cohesion dimension
- Outward dimension of smart specialisation
- the cross-border dimension
- SMART key performance indicators (KPIs)

# Think about the evaluators...

- ...do **NOT** get in touch with them...
- ...but put yourself **in their shoes**. Be to the point. More WPs/deliverables/text is not necessarily better.
- **Max #pages: 70, Arial 9, 15 mm margin, A4(Part B)**. Excess pages watermarked/disregarded by evaluators.
  - Don't delete parts of template/any instructions to win space!
  - Don't change the format (otherwise we will it change back to check the limits)
- Write **reader friendly**: No endless sentences + Limit abbreviations + Use a glossary.
- Be complete. Do not forget **any document** (Part A+B+C, detailed budget table, coordinator self-declaration).
- Budget entered twice (Part A + uploaded detailed table). Numbers must match. Uploading a given document twice = overwriting the older version!
- Use (Gantt) **charts and images** if they make things more readable.
- Do **not** put images just for the sake of them or to fill the pages!



# Final tips and links

- Experts / EU take and evaluate the proposal as it is. In principle no detailed negotiation (do not assume the EU will improve your proposal..). **Write as if no improvements should be made** in the grant preparation; even if for awarded proposals adaptations can be made during grant preparation
- **Do not overshoot:** be ambitious but stay realistic about what you can achieve with your project
- Look for the **right partners in the consortium** (early stage of proposal process). → F&T Portal partner search database or Enterprise Europe Network ([EEN](#)). Only add partners if they agree!
- **Generic/call specific questions:** through the portal. Answers posted a few days later (max 3 days before call deadline). Topic call related FAQs mirrored on the call page under “Topic related FAQ”.
- **Consult** the
  - Call pages [strand 1](#) and [strand 2a](#) “topic updates” in the Funding & Tenders Portal
  - [Online Info Day](#) on the I3 investment calls strand 1 and 2a (with video and PDF presentation)
  - [Online Manual](#), [How to](#) section
  - Non-IT questions: [eisma-i3-instrument-calls@ec.europa.eu](mailto:eisma-i3-instrument-calls@ec.europa.eu)
  - [I3 website](#)
  - [Smart Specialisation Platform](#)



# Thank you!



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