



Interregional Innovation Investment (I3)

Title of the event

January 2021



Cohesion Policy 2021-27

Policy objectives



A smarter Europe (innovative & smart economic transformation)



A greener, low-carbon Europe (including energy transition, the circular economy, climate adaptation and risk management)



A more connected Europe (mobility and ICT connectivity)



A more social Europe (the European Pillar of Social Rights)



A Europe closer to citizens (sustainable development of urban, rural and coastal areas and local initiatives)

- develop solutions
- pilot
- demonstrate
- test
- tech transfer

Deploy solutions in public & private sector





S3 and the new Cohesion Policy

Policy Objective (PO1)

A smarter Europe:
innovative & smart economic transformation

Specific objectives:



Interregional Innovation Instrument

WHAT

Commercialisation and scaling up of innovation projects for the development of European value chains



FOR WHOM

Interregional Q-Helix ecosystems: researchers, businesses, civil society and public administrations involved in smart specialisation strategies established at national or regional levels



HOW

Implemented under **direct** and indirect management.

EC supported by an executive agency

HOW MUCH

ERDF (Art. 10 bis)
EUR 570 Million
(current prices)



CHAPTER II

Specific provisions on Interregional Innovation Investments

ERDF - Article 10bis

Interregional Innovation Investments

1. The ERDF shall support the Interregional Innovation Investments Instrument, implemented by the Commission under **direct and indirect management**.
2. The Interregional Innovation Investments Instrument shall support the **commercialisation and scaling up of interregional innovation projects** having the potential to encourage the development of **European value chains**.
3. The Interregional Innovation Investments Instrument shall cover the **entire territory of the Union**. *[Third countries can be covered by this instrument in line with the arrangements foreseen in Article XXX of the [Horizon Europe programme].*
4. The Interregional Innovation Investments Instrument shall consist of the following **two strands**:
 - (a) Financial and advisory support for investments in interregional innovation projects;
 - (b) Financial and advisory support for the development of value chains in less developed regions.
5. The **governance model** of the Interregional Innovation Investments Instrument shall include the set-up of a dedicated **expert group** composed of representatives from **Member States, regional authorities and cities, representatives of business, research and civil society bodies**. The expert group shall support the Commission in defining a **long-term work programme** and in preparing **calls for proposals**.
6. The governance model shall also **ensure appropriate coordination and complementarities** with ERDF programmes under the **Investment for jobs and growth goal**, as well as with Interreg programmes, in particular under strand '**Interreg C**' as defined in Article XX of [Interreg Regulation].



Interregional Innovation Investments

Strand 1 - Financial and Advisory Support for Investments in Interregional Innovation projects

- Supporting 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 Smart Specialisation priority areas.
- Managed through support to the **development of a portfolio of projects** by selected partnerships.

Strand 2 - Financial and Advisory Support for Development of value chains in less developed regions

- Increasing the **capacity** of regional innovation **eco-systems** in **less developed regions** to participate in **global value chains** as well as the capacity to **participate in partnerships** with other regions.
- **Creating linkages** between **less developed regions** with those in **lead regions**.
- Focus on **foreign direct investment, (FDI) driven value chains** & other emerging sectors.

De-risking private investment

Outline of the I3 programme

Budget allocation per type of action



Total Budget: EUR 570 M

Strand 1: Innovation Actions
(IA) for mature partnerships
(49%) EUR 279,3 M

Grants

Strand 2a: Simplified
Innovation Actions (SIA) for
less developed regions

(44%) EUR 250,8 M

Strand 2b: Capacity building
for less developed regions

(5%) EUR 28,5 M

Grants

Strand 3: Technical
assistance,
capitalisation and
experimentation
(2%) EUR 11,4

Direct
management
or service
procurement



Eligibility



Applicant: public authority, research body or a no profit intermediate organisation on behalf of a regional/ national ecosystem
(ideally a Q-Helix partnerships)

Third countries can participate in this instrument, in accordance with the arrangements laid down in Article 12 of the [Horizon Europe programme].

Strand 1: Innovation Actions (IA) for mature partnerships

Minimum 5 regions/countries
and their innovation ecosystems

The project lead must be a leading
region in a specific value chain
Involvement of at least one less
developed regions

Close to market investment (TRL 6-9)

Strand 2a: Simplified Innovation Actions (SIA) for less developed regions

Minimum 2 regions/countries
and their innovation ecosystems

At least one more developed/high capacity
region and one less developed region

Strand 2b: Capacity building for less developed regions

Minimum 2 regions/countries
and their innovation ecosystems

At least one more developed/high
capacity region and one less developed
region

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Interregional Innovation Investments: two strands

Strand 1
Innovation Actions (IA)
for “mature partnerships”

Strand 2a
Simplified Innovation Actions (SIA)
for “less developed regions”

Type of Investment: Interregional Investments in companies (TRL 6 -9) to accelerate the market uptake/ commercialisation. Uptake of innovative technologies /solutions/services, scaling up of regional and local innovation.

Type of expenditure:

Productive investments /demonstration/ piloting in companies with possibility to cover part of the coordination costs up to 7%

Implementation: Cascade funding, applicants signing the grant agreement redistribute the grant to final beneficiaries (SMEs) composing the investment portfolio.

Final beneficiaries: Companies, in particular SMEs

Strand 1: Innovation Actions (IA) for mature partnerships

- ✓ Helping companies to become more resilient facing globalisation, automation, decarbonisation and digitisation challenges, engaging them in **EU globally competitive value chains (GVC)**
- ✓ Mobilising **Q-Helix actors** (in particular SMEs), unlocking the innovation potential of national and regional **innovation ecosystems** (SMEs, research institutions, public administration, citizens and consumers)
- ✓ Building **value chains close to market investment projects**

✓ Concrete **project implementation**

- Market analysis including the customer segments
- Involvement of key partners – leading companies in the value chain and sub value chains
- Definition of key innovation activities for the joint investment
- Identification of Key resources and governance
- Definition of the Value proposition
- Identification of the way to the market (distribution channels)
- Set the vision on customer relationships
- Definition of the Cost Structure
- Identification of the funding needs and possible funding mix for the investment (Private and/or Public, regional, national, European – Grants, loans, equity)
- Definition of the Revenue Streams and NPV

Strand 2

Building preconditions for successful international or interregional collaboration

- ✓ Reinforcing **region's position in global value chains (GVC)**
- ✓ Integrate local actors (in particular SMEs) in the **value chains of multinational companies**
- ✓ Strengthening **capacities** and developing opportunities for **innovation ecosystems** – SMEs, research institutions, public administration)
- ✓ Building **innovation ecosystems** which promotes **collaboration inside and outside the region** by:
 - matching business sector with research capacities across borders,
 - capturing value in GVCs
 - creating conditions for **innovation diffusion**
 - **Internationalisation** of regional and country value chains
- ✓ Concrete **project implementation** to build experience in GVC participation

Interregional Innovation Investments

Strand 2a Simplified Innovation Actions for “less developed regions”

Simplified value chain investment projects in companies similar to the strand 1, with “lighter” eligibility criteria (number of partners), and smaller size of projects

Strand 2b Capacity Building Actions for “less developed regions”

Capacity building projects strengthening ecosystems

- Activities aimed at developing capacity to engage in international activities (in SMEs, intermediary organisations and research institutions)
- Building capacities to participate in international quadruple helix networks to explore common opportunities.
- Strengthening links between local innovation ecosystems (innovation and investment intermediaries, clusters, SME support agencies) and global value chains

Strand 2b: Type of activities

Capacity Building Actions for “less developed regions”

1) Analytical support

- ✓ Analysis of **potential growth markets** domestically and abroad within value chains
- ✓ **Benchmarking value chain** linkages against other EU countries
- ✓ **Mapping** of innovation support system, intermediaries and policy mix

2) Capacity building

- ✓ Prospection **visits** in clusters or companies in other regions/MS
- ✓ Visits to R&I infrastructures for companies
- ✓ **Twinning** projects including the business sector
- ✓ Erasmus for **cluster** and innovation managers
- ✓ **Vouchers** for SMEs to use foreign research facilities
- ✓ Targeted **trainings**

3) Project Implementation

- ✓ **Bilateral interregional projects** in S3 thematic areas involving triple helix partners
- ✓ Strengthening **access to “innovation leaders”**
- ✓ Collaborative R&I projects between **multinationals and local SMEs**

Final beneficiaries: Quadruple helix partnership actors

Interregional Innovation Investments



Expected project's output

**Strand 1:
Innovation Actions (IA) for
mature partnerships**

**Strand 2a: Simplified
Innovation Actions (SIA)
for less developed regions**

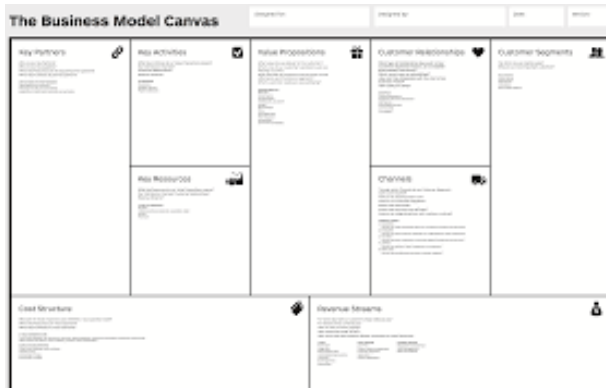
**Strand 2b:
Capacity building for less
developed regions**

**Pipeline of Private or
Public-Private Investments
facilitated by S3 innovation ecosystems
and structured in an "Investment Portfolio"**

**Improved regional/national
innovation ecosystems with Q-helix
actors participation
Beneficiary country/region ready
for strand 1**

**Interregional Business & Investment Plans Investment in companies,
in particular SMEs**

**Structured quadruple helix
partnerships, involving SMEs,
large companies and
multinationals**



Strand 3: Technical assistance, capitalisation & experimentation

Animation and Management of Thematic S3 Platforms, including:

- website management (with the support of JRC)
- organisation of 2 steering committee meetings per year
- supervision in the implementation of the methodology
- S3 partnerships monitoring (currently 33 partnerships)



Assisting the EC
in the assessment of
new interregional
S3 partnerships

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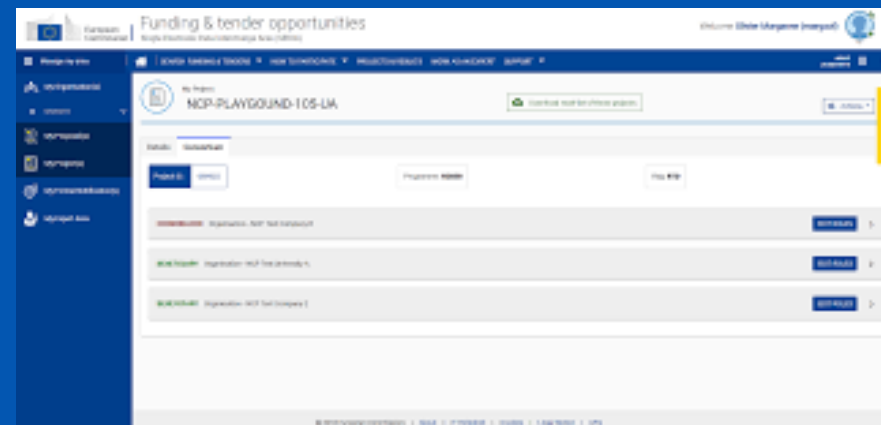
Evaluation activities,
capitalisation,
experimentation
(policy learning)

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Programme Implementation

- **DIRECT MANAGEMENT** with the support of an **EXECUTIVE AGENCY (ISMEA)**
- Setting up **implementation modalities** via the executive agency
- Publishing calls for proposals, collection of project proposals, evaluations, project implementation
- Alignment to **Horizon Europe** rules and **submission procedures**

E-Grant portal



Stakeholder Consultation

On-line public consultation	A Personal information	A.1 Title A.2 First name A.3 Last name A.4 Email
	B Your organisation	B.1 Name of your organisation B.2 Country of your organisation
	C Your contribution	C.1 Language of your contribution C.2 You are responding C.3 You are responding as C.4 You are representing C.5 Which type of organisation do you come from?
	D Shaping I3: key questions	D.1 What thematic areas would you like the I3 to focus on? D.2 How can the new instrument best unlock interregional innovation investments? D.3 Preferred type of support D.4 Where are there potential complementarities with other EU instruments and actions? D.5 How complementarities with other EU instruments and programmes can be encouraged? D.6 What are the main market failures that the instrument should address to facilitate investment by mature partnerships? D.7 What are the main barriers that the instrument should address to encourage the integration and development of value chains in less developed regions?
	E Position Paper	Please upload an additional contribution if you wish

- ❑ CARRIED OUT BY DG REGIO
from July to September 2020
- ❑ DIFFERENT CATEGORIES OF STAKEHOLDERS targeted:
 - (i) businesses of all sizes and in all sectors;
 - (ii) business support organisations including cluster organisations;
 - (iii) public authorities at national/regional/local level, including ESIF managing authorities;
 - (iv) partnerships registered under the 3 Thematic S3 Platforms;
 - (v) higher education and vocational training institutions;
 - (vi) research organisations;
 - (vii) science and technology parks, incubators and accelerators;
 - (viii) non-governmental organisations.

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Objectives of the public consultation

- ❑ Provide an analysis of the results of public consultation on I3 initiative.

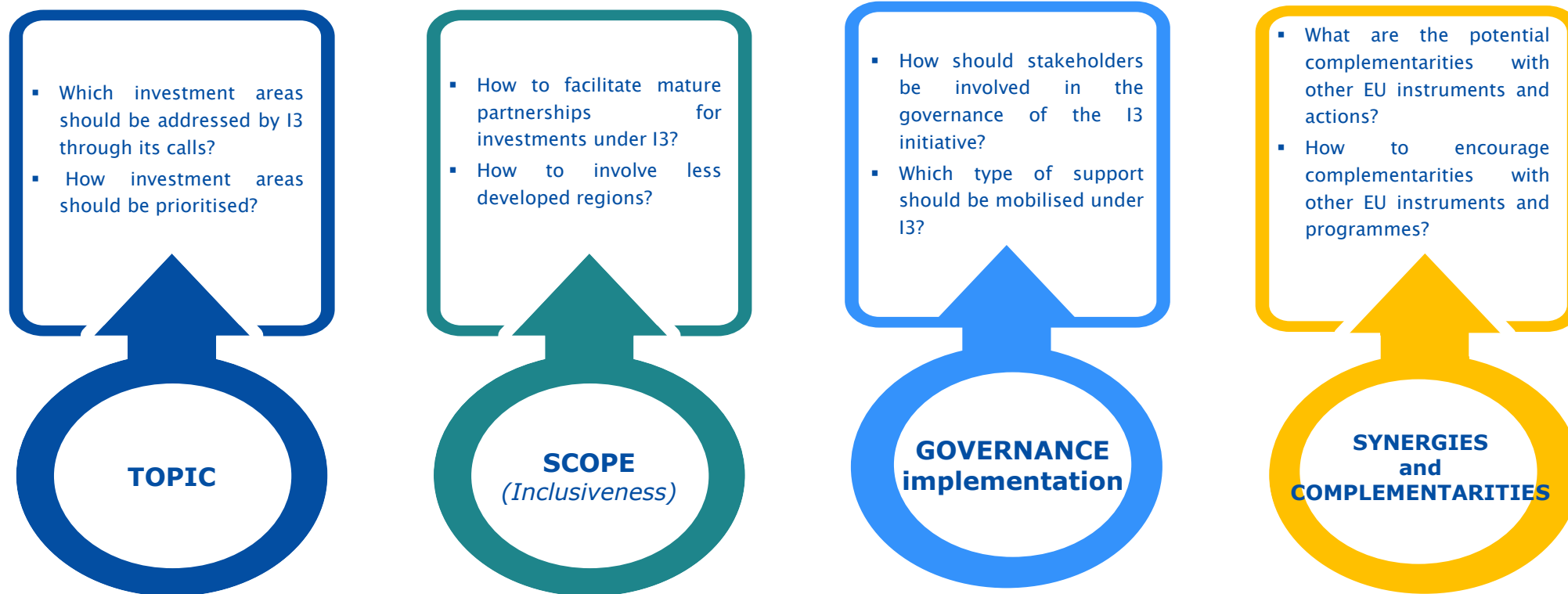
153 questionnaires and 35 position papers collected.

- ❑ Help DG Regio in shaping the I3 instrument by defining:
 - the **Multiannual Work Programme**: topics for the calls of the 2 strands of the new instrument
 - the **role of MS/regions/ networks** and other triple helix stakeholders in the governance
 - how to **involve different categories of regions** (outermost, lagging, leading regions)
 - how to activate **synergies with mainstream programmes** and other EU funding programmes

Consultation completed

The methodology

An assessment framework guiding the analysis:



Different **tools** were mobilized to stream the evidence collected


**Descriptive
Statistical
Analysis**

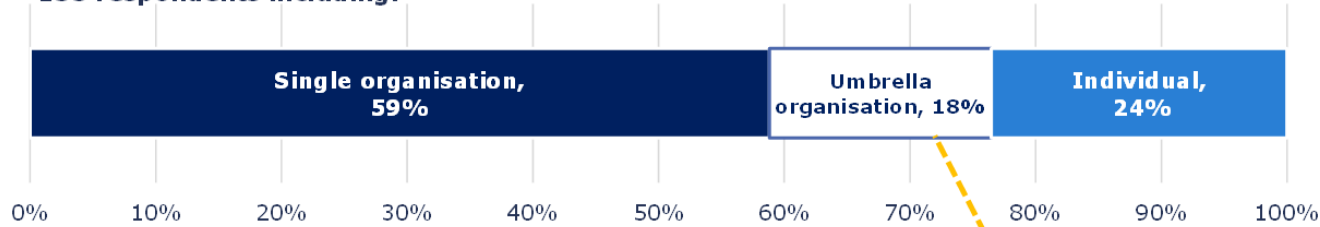

**In-depth
documentary
review**


**Literature
review**

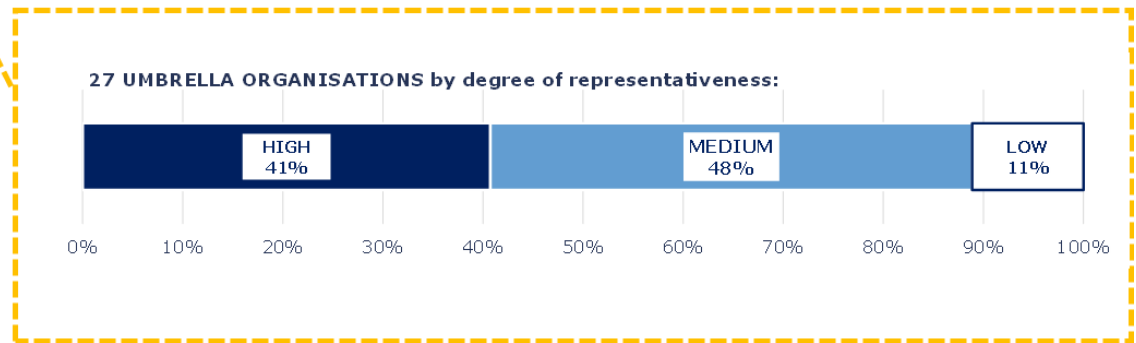

Expert seminar

153 respondents to the survey

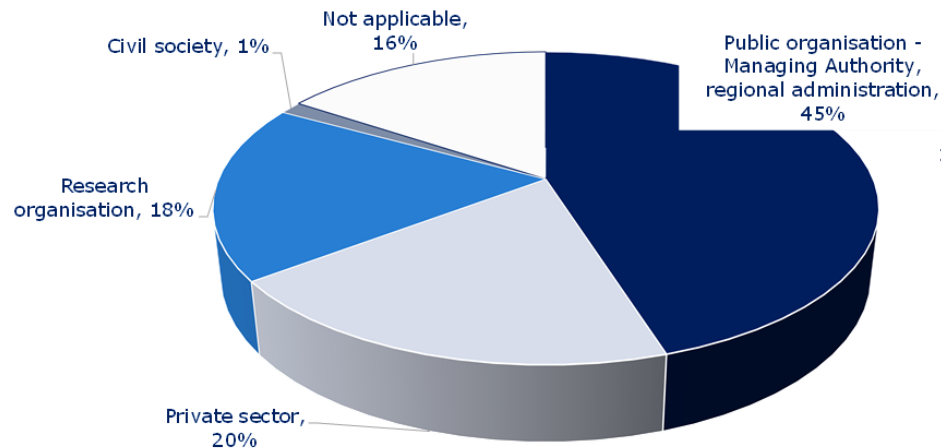
153 respondents including:



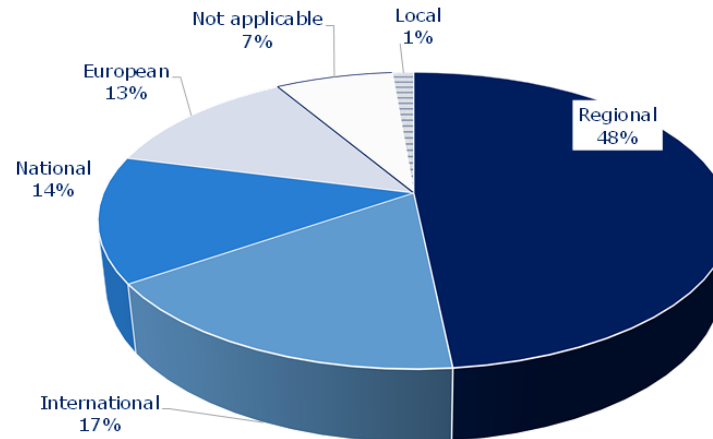
27 UMBRELLA ORGANISATIONS by degree of representativeness:



153 respondents representing the following **TYPE OF ORGANISATION**



153 respondents representing the following **ADMINISTRATIVE LEVEL**



Position Papers

Umbrella organisations

1. Joint contribution (EARTO, VI etc)***
2. European Association of Development Agencies (EURADA)***
3. European Regions Research & Innovation Network (ERRIN)***
4. European Cluster Alliance (ECA)***

Networks/ partnerships

S3 Partnerships on

5. "Water Smart Territories" (S3P WST) **
6. EU Geothermal Regional (S3P EuGeoReg) **
7. High Tech Farming (S3P HTF) **
8. "SME integration to Industry 4.0" (S3P SME Industry 4.0) **
9. Cyber Valleys **
10. ClusSport **
11. Baltic Sea Region S3 Directors' Network (BSR DN) *

Regions

12. Region Tuscany
13. Region Bretagne
14. Region Lombardy
15. Scottish partners
16. Region Skane
17. Basque Country
18. Baden Wurttemberg
19. North Sweden

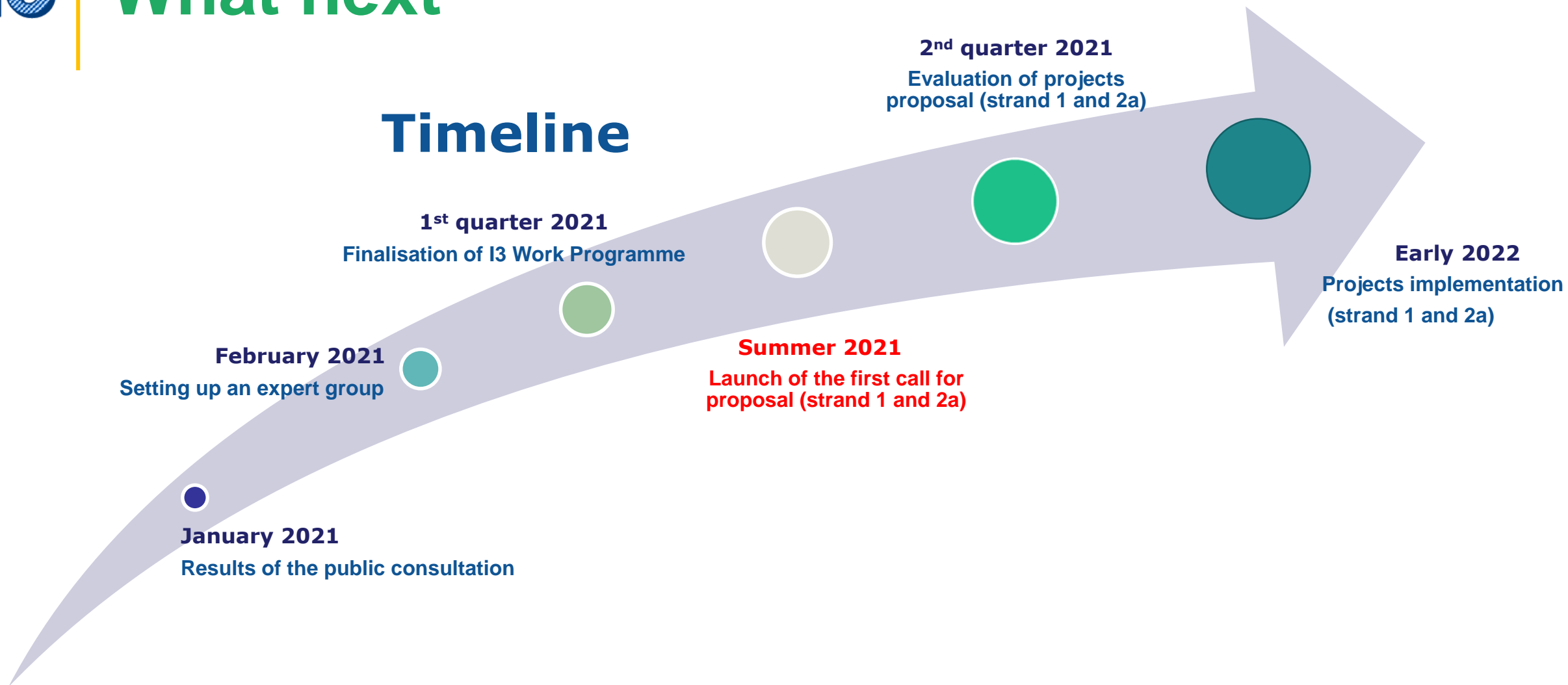
Other organisations at national / regional level

20. Lombardy Mobility Cluster (CLM)***
21. Galician Automotive Cluster (GAC)***
22. 5 members of the Turin ecosystem (Turin ecosystem)**
23. State Agency for New Mobility Solutions and Automotive (Baden Wurttemberg) (e-mobil)*
24. Institute for Systems and Computer Engineering (INESC)
25. Europa forum Northern Sweden

Other organisations at European level

26. META group
27. COCIR*

Timeline



Expert Group

Main elements

- The Commission shall be supported by a **group of experts** composed of representatives from Member States, regional authorities and cities, representatives of business, research and civil society bodies.
- The composition of the expert group shall aim to ensure **gender balance**.
- A **call for expression of interest** will be published in February 2021
- The expert group shall support the Commission in defining a **long-term work programme** and in preparing calls for proposals.

Coordination and synergies

Main elements

The Commission shall ensure coordination and synergy

with **other EU funding programmes and instruments**



in particular with **strand 'Interreg C'** as defined in Article 3 of ETC [Interreg Regulation].

Interreg 
EUROPEAN UNION

Scenarios for the future



ERDF

Thematic Platforms

13 Interregional Innovation Investments

Pilot Projects

Learn

Connect

Demonstrate

Commercialise

Scale-up

Methodological manual

Self-assessment toolkit to evaluate key ingredients for a well performing partnership and investment projects

- Testing approaches to commercialise and scale-up interregional investment projects
- Developing bankable projects for support from financial instruments
- Developing new value chains

- Portfolio of complementary value chain investment projects
- 13 de risking component in private investments
- Investment in new value chains

Supporting Interregional Innovation

Possible scenario for the future support to Thematic S3 Platforms and Interregional investments

Dedicated S3 partnerships database



1- Learn Phase

Facilitated by Interreg or by appointed experts (for partnerships working on EC strategic priorities)

Interreg 

Methodological manual



Self-assessment toolkit to evaluate key ingredients for a well performing partnership and investment projects

2- Connect Phase

Facilitated by Interreg, EEN & European Cluster Collaboration Platform



3- Demonstration Phase

Facilitated by TAF experts (mature investment projects), supported by ERDF (I3, mainstream programmes) & Horizon Europe (IA) and Innovation ecosystems



HORIZON EUROPE



4- Commercialisation & scale-up phase

Supported by I3 and Horizon Europe (EIC), InvestEU Fund (ESIF and financial instruments), InvestEU Advisory Hub (technical advise on investment projects) & InvestEU Portal (database matching projects with potential investors worldwide)



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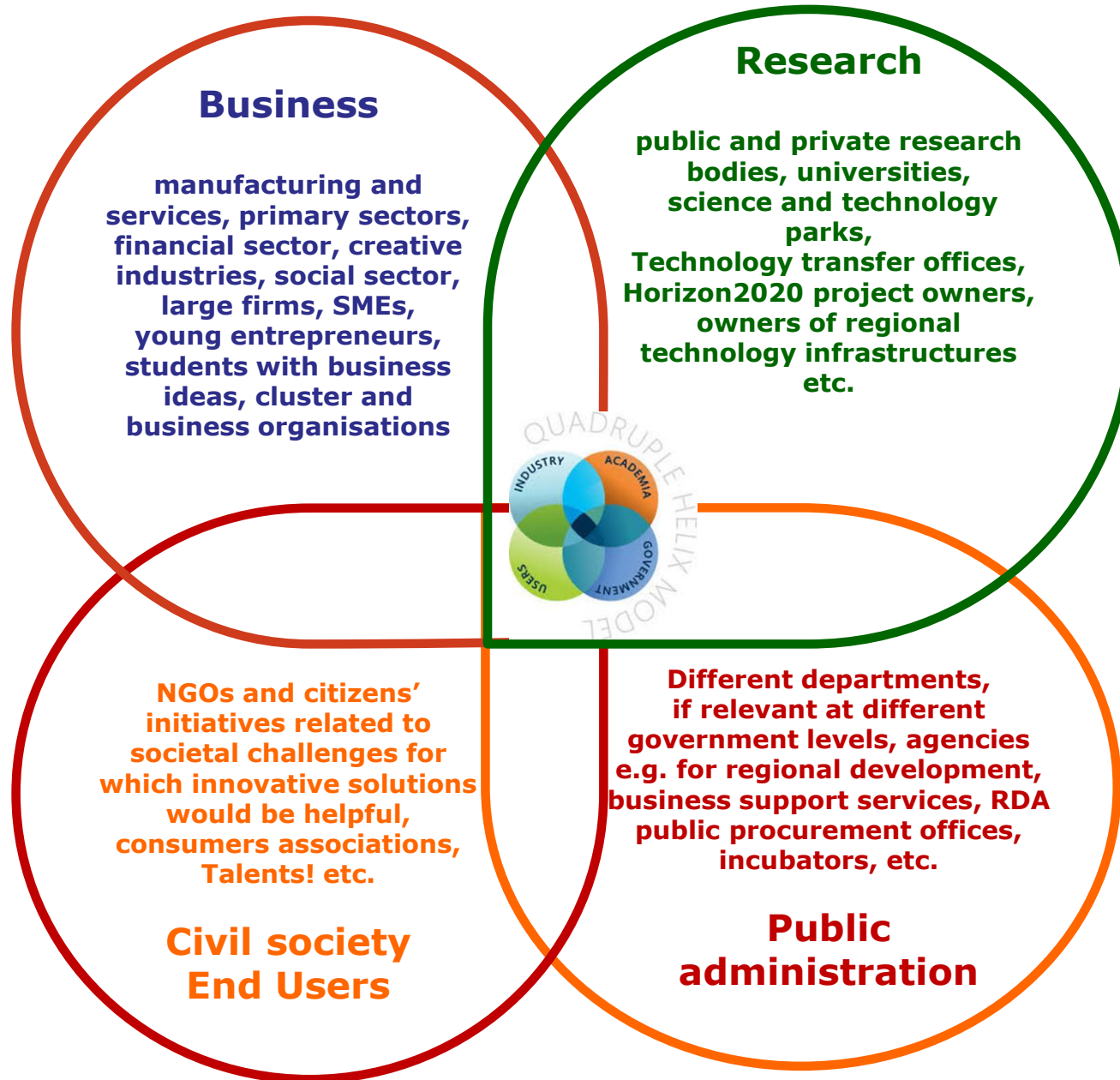
Thank you



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Innovation actors involved in

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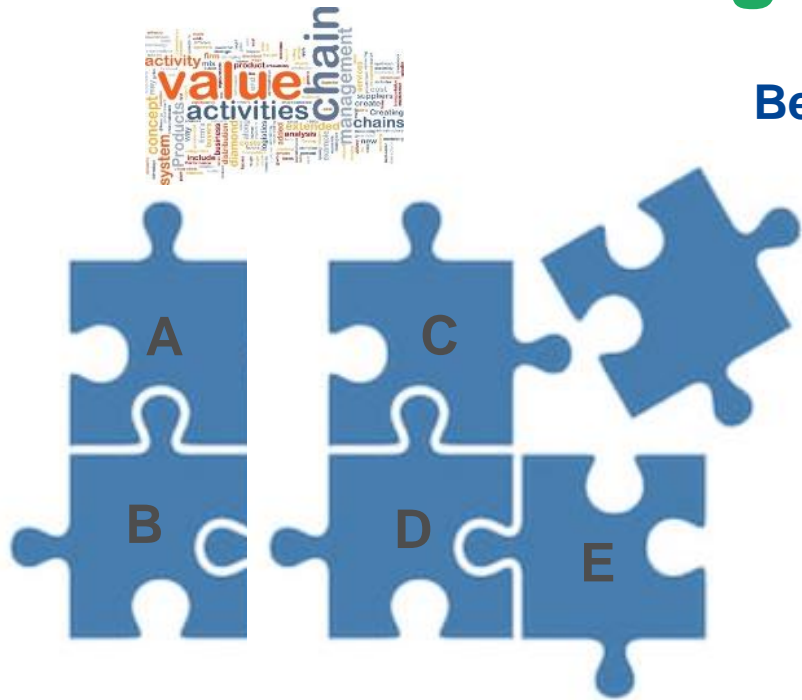
Investment project

Quadruple Helix Innovation ecosystem

Interregional dimension of 13

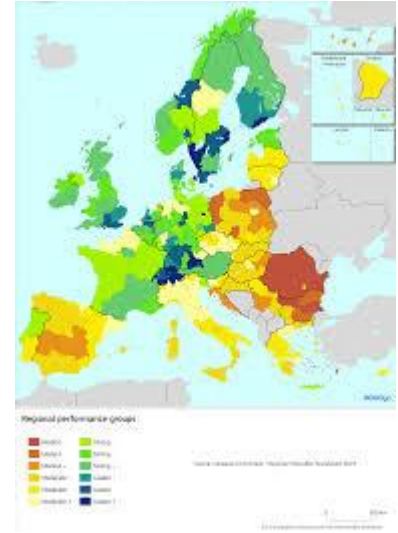
Beyond geographical proximity

Strand 1

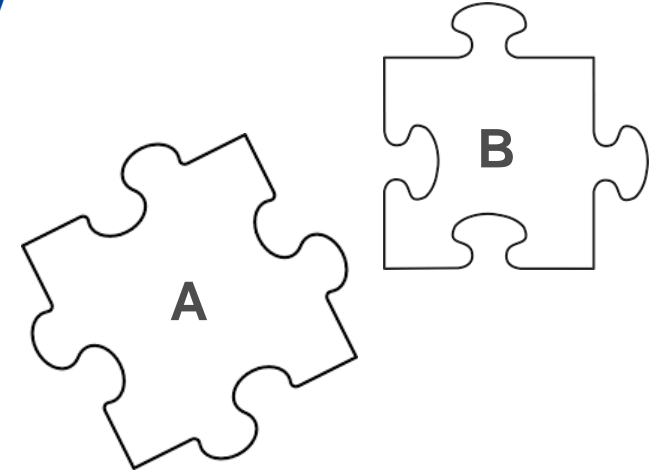


5 Regions and their Innovation ecosystems

More mature regions with the possibility to involve less developed regions



Strand 2



2 Regions and their Innovation ecosystems

Region A
Less developed ecosystem

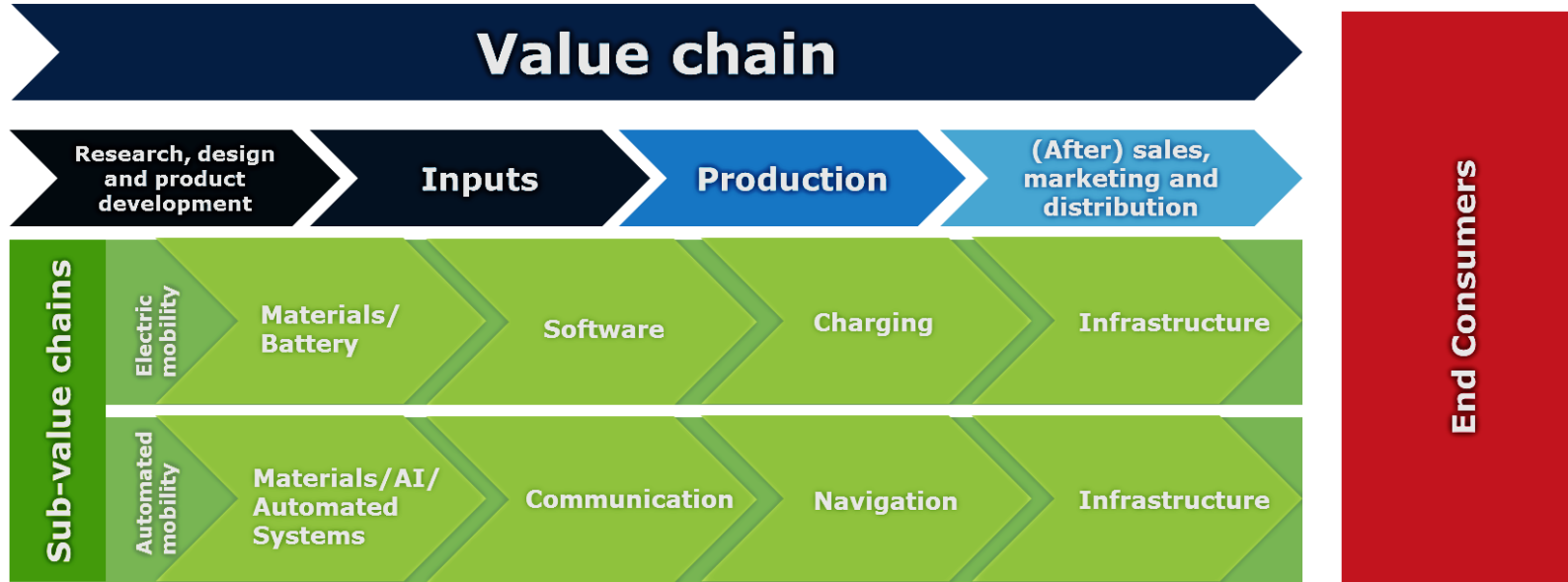
Region B
More developed ecosystem



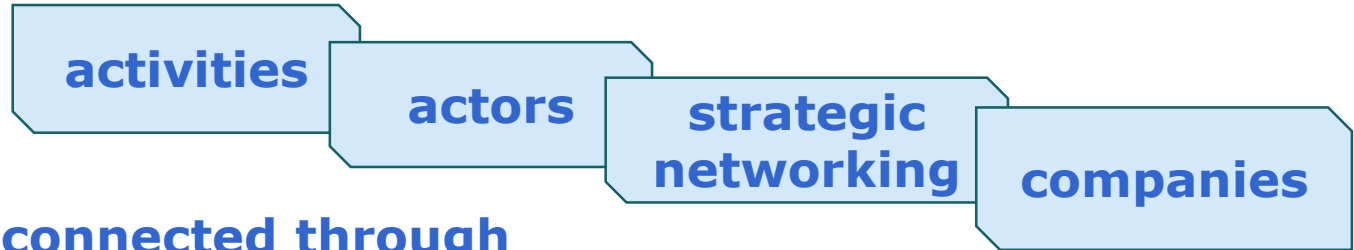
Investments in European value chains



Example: Autonomous Vehicles



The Value chain is a combination of



interconnected through



Innovation definition



13



New product, process, service, technology or business model made available to the market, the governments and the society

OECD – Oslo Manual

Innovation is production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and the establishment of new management systems. It is both a process and an outcome.

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



3

Innovation definition

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.

Innovation Chain – EU H2020
Technology Readiness Level



Uptake of innovative technologies or solutions

TRL 6-8

Maturity of Innovation Project

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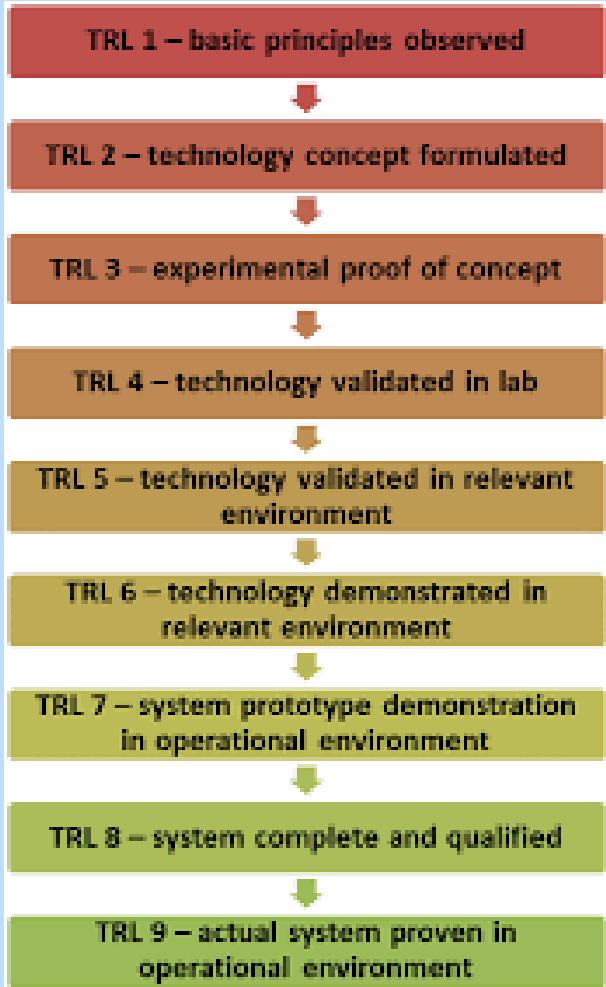
Investment



Close to market



TRL >
5/6



Knowledge
Development

Technology
development &
demonstration

Business &
Investment
Development

13

S3 and cohesion policy

Enabling condition PO1 (S3)

Policy objective	Specific objective	Name of enabling condition
1. A smarter Europe by promoting innovative and smart economic transformation	ERDF: All specific objectives under this policy objectives	Good governance of national or regional smart specialisation strategy

Fulfilment criteria for the enabling condition

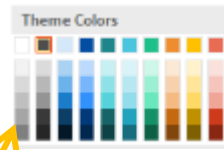
Smart specialisation strategy(ies) shall be supported by:

1. Up-to-date analysis of bottlenecks for innovation diffusion, including digitalisation
2. Existence of competent regional / national institution or body, responsible for the management of the smart specialisation strategy
3. Monitoring and evaluation tools to measure performance towards the objectives of the strategy
4. Effective functioning of entrepreneurial discovery process
5. Actions necessary to improve national or regional research and innovation systems
6. Actions to manage industrial transition
7. Measures for international collaboration

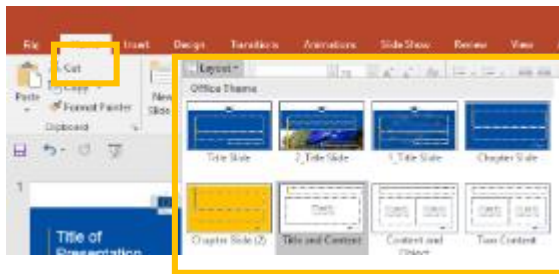


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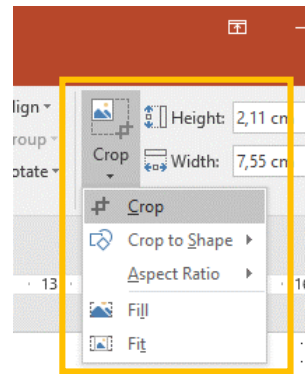
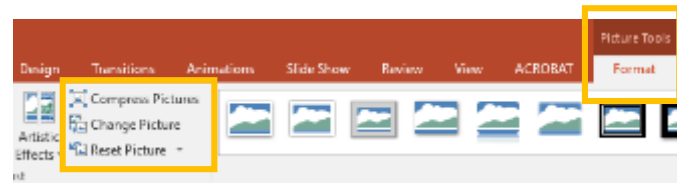
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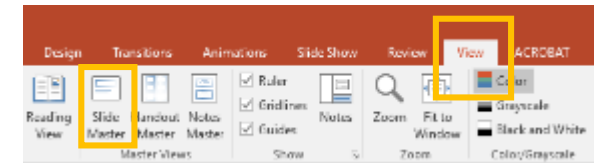
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- Images can be compressed, changed, cropped and adjusted in frame *when selected* under **Format > Crop**



- Master slides can be edited under **View > Slide Master**



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Additional Resources

- A presentation with tips on “**How to do better PowerPoint presentations**” and a **Power Library** with example layouts, icons, and other PPT components are available [here](#).
- Images on various topics can be found on the [Audio-visual portal](#).

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