BCO Network

BCO Network WEBseries

Innovation Valleys Digital Strategy

27 May 2025

Speakers:

Ramunas Linartas, DG REGIO

Caterina Verde, EISMEA

Funded by the European Union

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European Digital Connectivity Awards 2025

The application form and guide for applicants are available here

For more information about the categories and procedures, visit the dedicated page on the DG CONNECT webpage.

Deadline to apply: 2 June,2025

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Hosted by: HAKOM CROATIAN REGULATORY AUTHORITY FOR NETWORK INDUSTRIES

Register to

2025 BCO Network

In-country workshop

Zagreb, Croatia

11-12 June

To register, please send your contact details to: **sofia.profico@broadbandeurope.eu**

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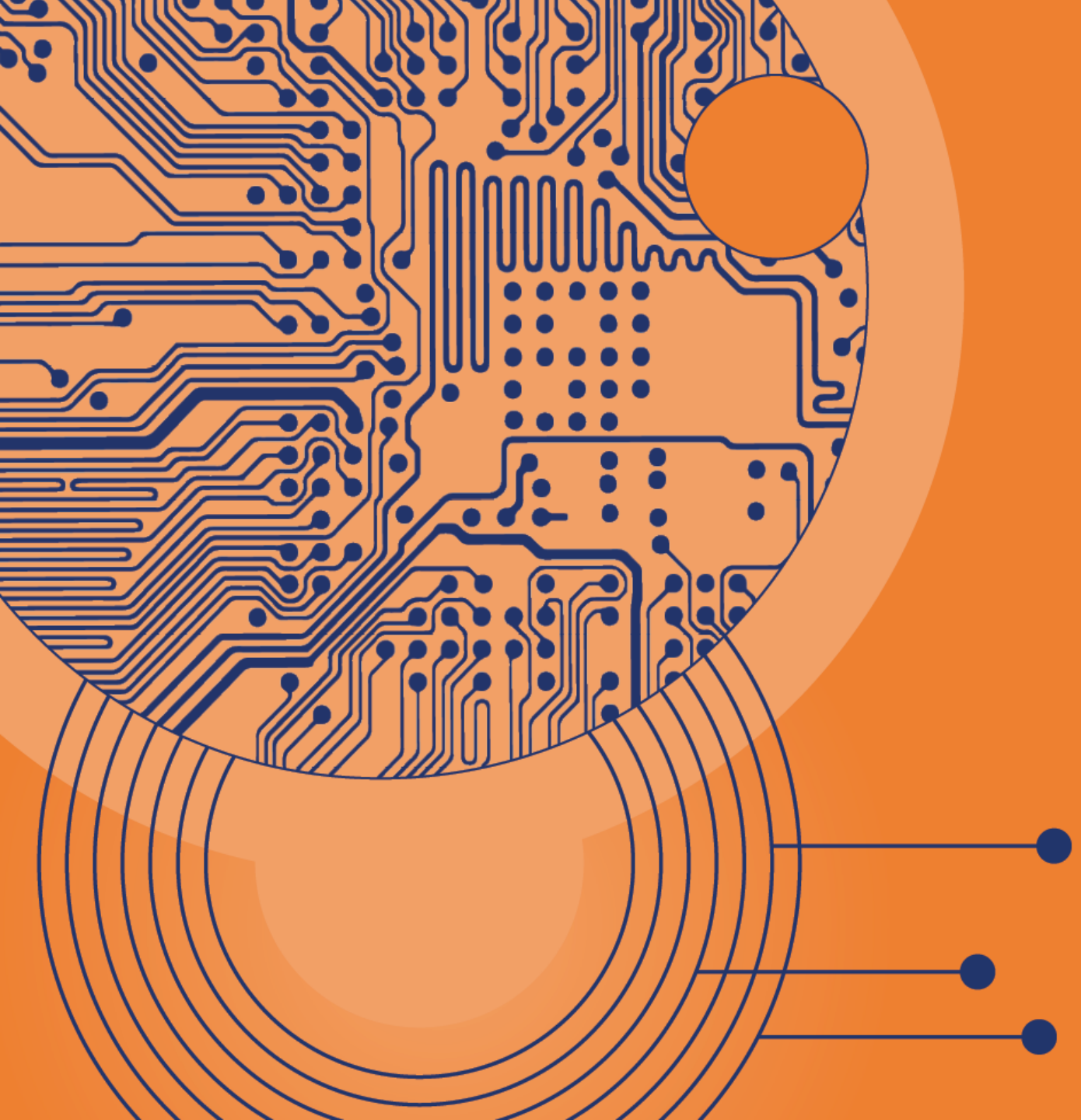
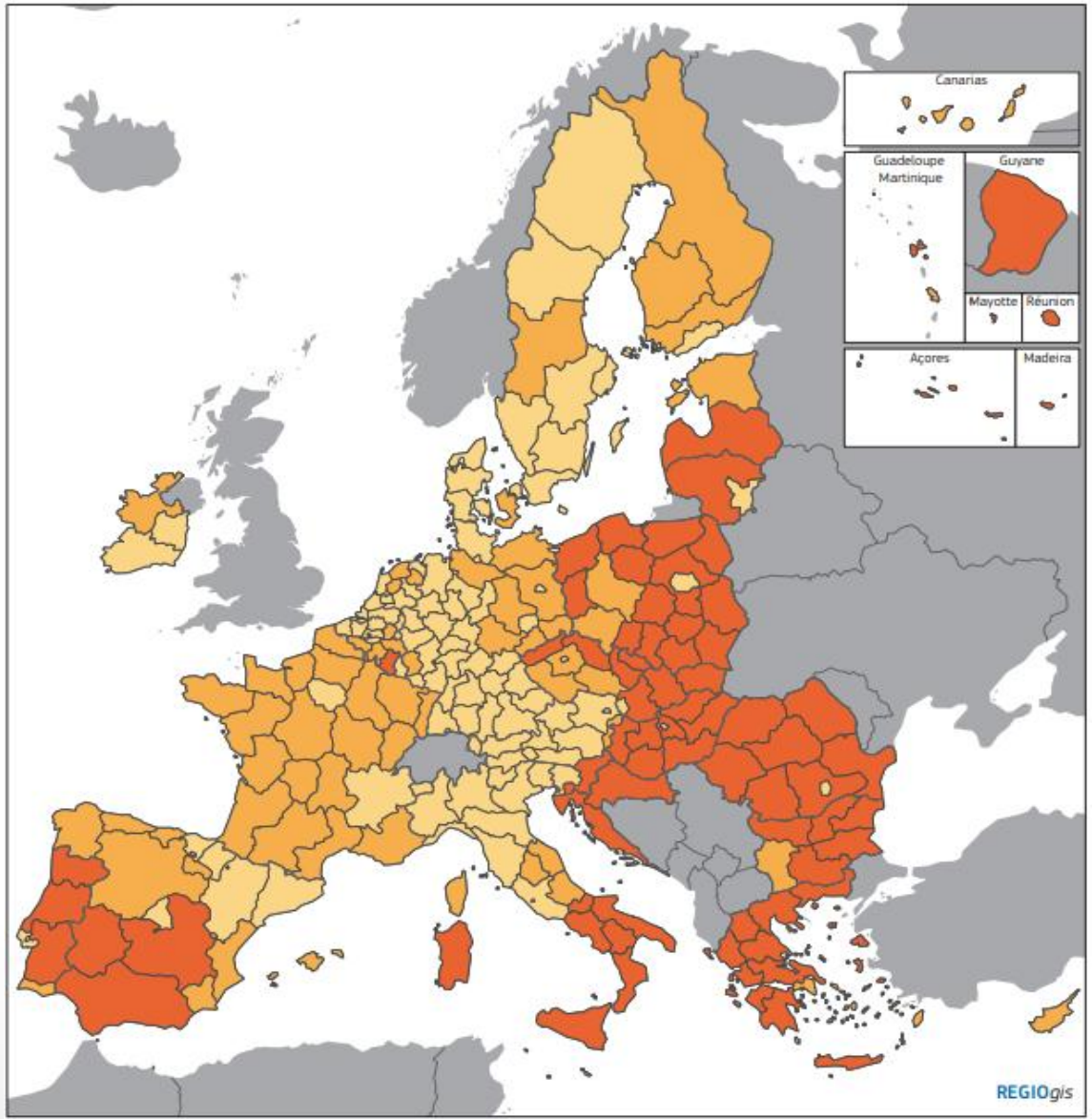


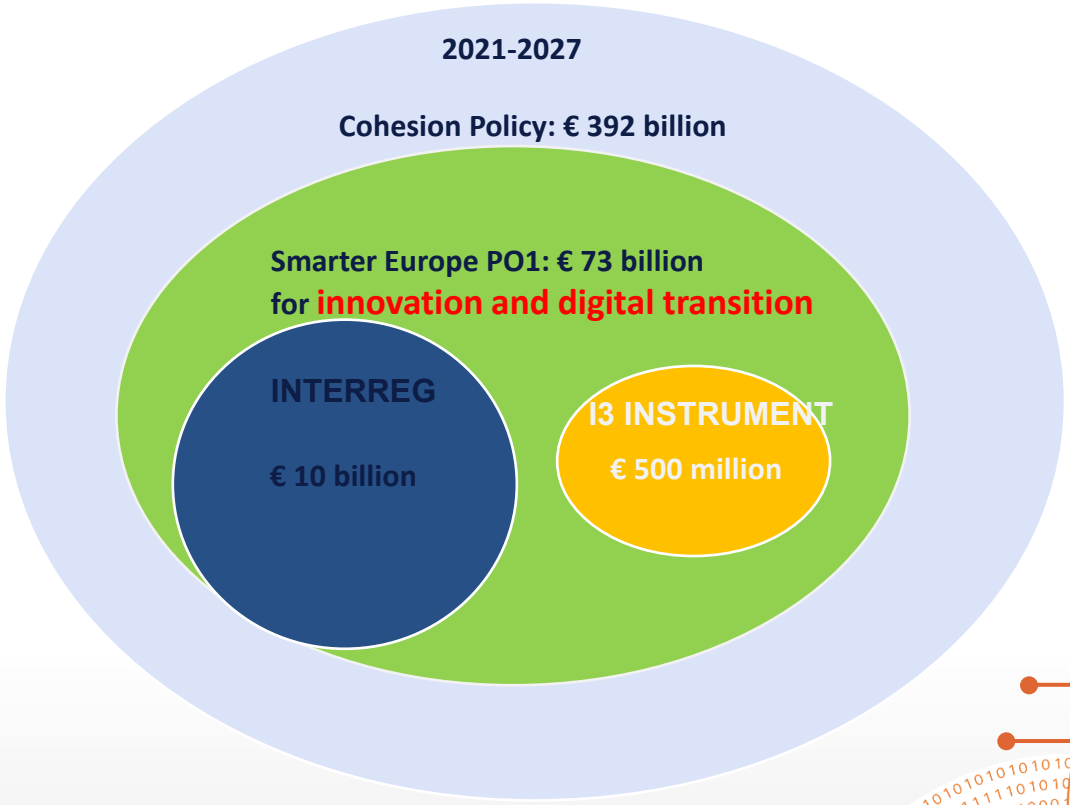
Interregional Innovation Investments (I3) Instrument

Cohesion challenge



Category of regions for cohesion policy (ERDF and ESF+), 2021–2027

- Less developed regions (GDP per head (PPS) less than 75% of the EU-27 average)
- Transition regions (GDP per head (PPS) between 75% and 100% of the EU-27 average)
- More developed regions (GDP per head (PPS) above 100% of the EU-27 average)



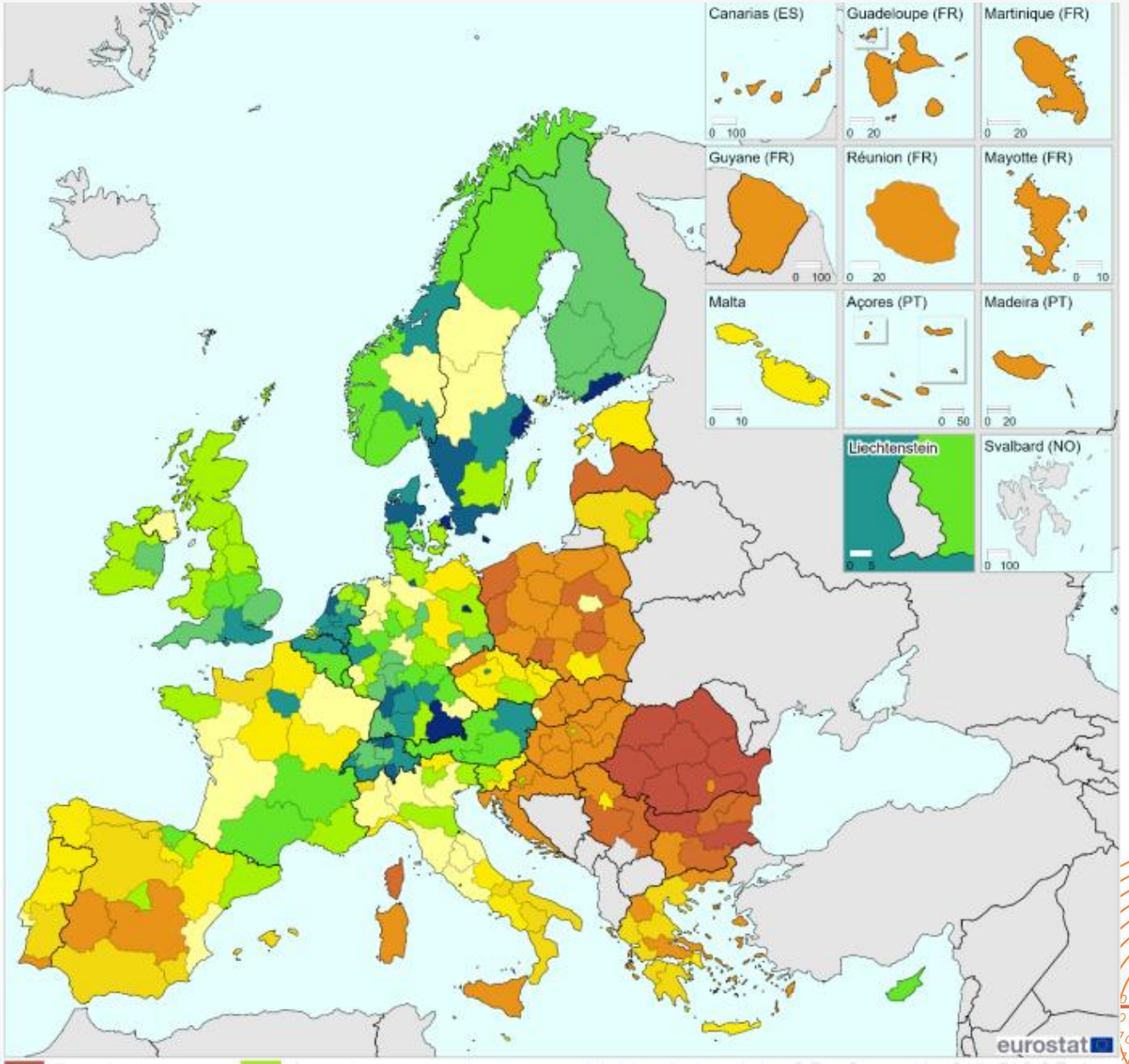
Regional innovation challenge

- Emerging Innovator -
- Emerging Innovator
- Emerging Innovator +
- Moderate Innovator -
- Moderate Innovator
- Moderate Innovator +
- Strong Innovator -
- Strong Innovator
- Strong Innovator +
- Innovation Leader -
- Innovation Leader
- Innovation Leader +

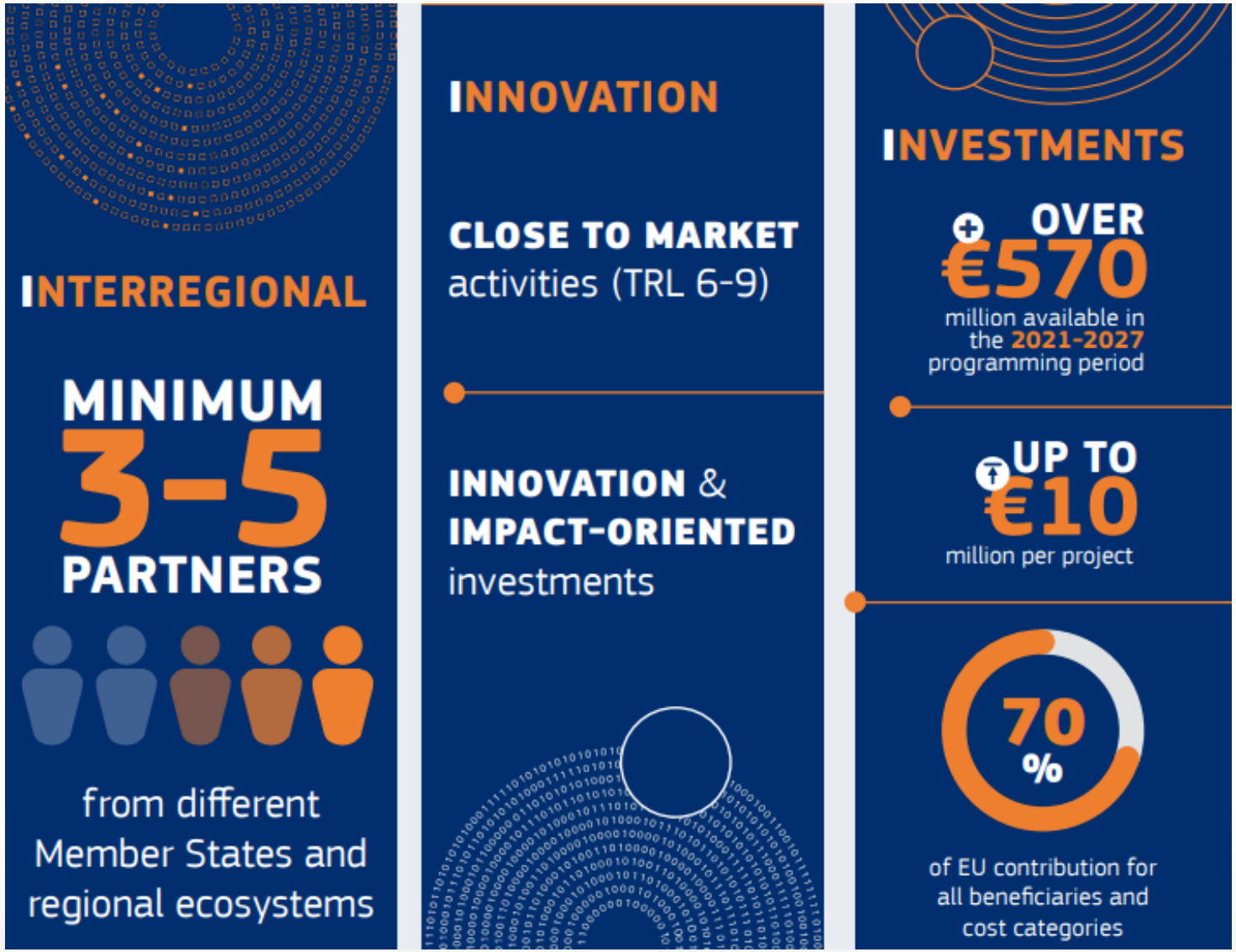
Differences in Research and Innovation capacity:

- in EU regions across MS

- in EU regions within MS



Strenghtening Innovation in Europe's Regions



Strand 1

Strengthening the competitiveness of existing EU value chains

Strand 2a

Development of value chains in less developed regions

Strand 2b

Capacity building for less developed regions

I3 Instrument in a nutshell

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 management**.

DG REGIO supported by (EISMEA)

HOW MUCH

ERDF (Art. 13)
EUR 500 Million (current prices)

Co-funded by the European Union

I3 Interregional Innovation Investment Instrument

I3 Instrument's unique features

- **New instrument** in the EU's toolbox for delivering EU cohesion policy objectives ERDF Regelation (Art. 13);
- **Complementary** to the mainstream ERDF programmes and HE:
  - **Unique support for innovation projects:** focus on integrated, close-to-market innovation projects aimed at commercialisation and up-scaling;
  - **Broad thematic scope:** within wide EU policy priorities but allowing bottom-up approach and projects from various sectors, flexible consortium size, composition, and use of Financial Support to Third Parties (FSTP);
  - **Creating innovation networks:** I3 is contributing to articulate innovation networks in less-developed regions;
- **Focus on integrating less developed/innovative regions** in EU value chains, building new value chains, addressing innovation divide (Single Market and competitiveness focus);
- **What we want to see:** concrete/clear close to market projects (this is not a *learn and connect* phase, rather *test and invest*), clear project partnerships (new or already established), meaningful involvement of LDRs.

I3 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:

- Dedicated capacity building calls;
- I3 Support facility;
- Smart Specialisation Platforms;
- S3 CoP.

CONNECT

LEARN

INVESTMENT (TRL 6-9)

DEMONSTRATE

COMMERCIALISE

SCALE-UP

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

I3 Instrument Overview

🚀 **Calls Launched:**

- 🗓️ **Nov 2021:** Innovation Support – 2 calls: Strands 1&2a
- 🗓️ **Dec 2022:** Capacity Building – Strand 2b
- 🗓️ **May 2023:** Innovation Support – 2 calls Strands 1&2a

🆕 **Latest:**

- 📣 **Nov 2023 – Feb 2024/Nov 2024:** Capacity Building call
- 📣 **June 2024:** Innovation Support – new calls for Strands 1&2a

📢 **Upcoming Calls:**

- 🗓️ **May-October 2025:** Innovation Support – new calls for Strands 1&2a (€48.3M)
- 🗓️ **October 2025 – March 2026:** last Capacity Building call (€8.5M)

💡 **Achievements:**

- 📊 **53 running projects:** From the 2021-2023 calls.
- 💶 **€225M:** Funds allocated for innovation investment projects
- 🔍 **€25M:** Funds allocated for interregional innovations capacity-building
- 🌍 **almost 800 single participants** from almost all EU countries (except Malta and Luxemburg)
- 📊 **March/April: grant agreement preparations with 18-20 new projects (€80M)**

I3 Instrument contacts:

EISMEA I3 Instrument email box
EISMEA I3 website
EISMEA I3 Support Facility

I3 investment projects, grant EUR 1,5-10 million

12 projects
AGRI/BIOTECH

Sustainable agriculture food-processing, algae, biotech, drones in wine production, forestry

KETs uptake
projects
AI / 5G / blockchain/ semiconductors

8 projects
Digital health/ Vitality

Digital health-care, VR in health, medical devises, biomed apps

6 projects
ENERGY & MOBILITY

Clean hydrogen, electric micro-vehicles, circular batteries

8 projects
MATERIALS

Rare earths, permanent magnets, semiconductors, circular plastics, 3D printing, composite materials

Topics linked to NEIA burning challenges

- Green
- Digital
- Smart Manufacturing

Projects relevant for the **EU Strategic Autonomy**

European Commission

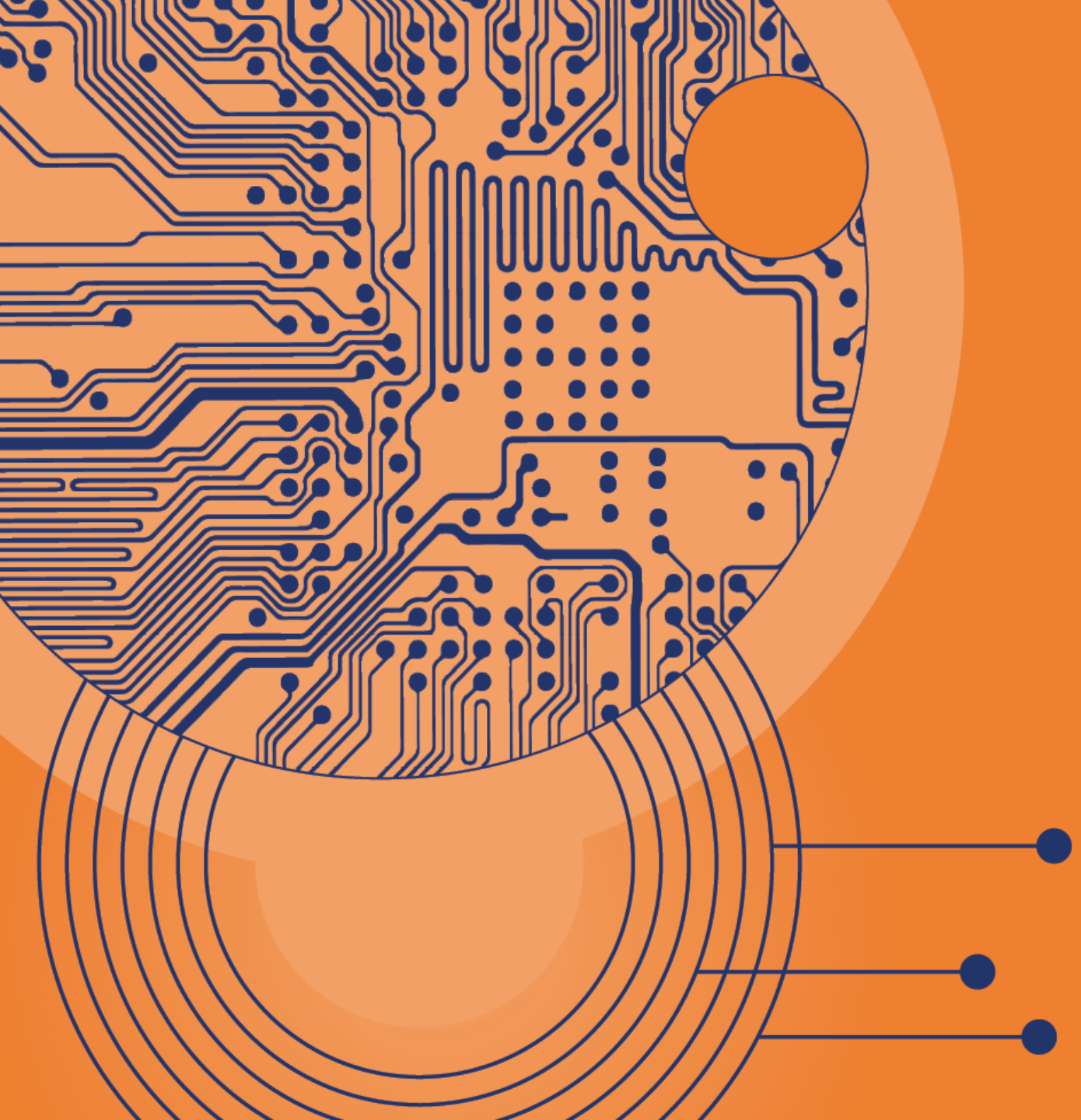
I3 Interregional Innovation Investment Instrument

27 May 2025

BCO Network Webseries “Innovation Valleys Digital Strategy”

Caterina VERDE – Project Adviser

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



I3 instrument and digital Innovation

Why I3 for Digital Innovation?

•Supports high Technology Readiness Level (TRL) innovations to accelerate regional development

Catalyses joint investments across regional innovation ecosystems

Encourages bottom-up involvement of start-ups, scale-ups, and SMEs

Strengthening cross-border deployment

Builds on smart specialisation strategies and ecosystem Policy learning

•Facilitates market deployment and scaling of digital technologies

•Synergies with Horizon Europe, EIT, EIC, and digital policy tools

Innovation Valleys A Key Flagship Under the New European Innovation Agenda (NEIA)

1. Reduce the Innovation Divide tackling the regional disparities in innovation performance, ensuring inclusive and balanced innovation growth

2. Build the process based on Smart Specialisation Strategies (S3), drive the innovation into regional development priorities, promoting strategic value chains

3. Strengthen Interconnected Regional Ecosystems, encourage cross-border collaboration, joint investments, shared infrastructures, and talent mobility and in general among the 4 helix stakeholder.

4. Deploy Deep Tech and Digital Solutions, focus on key areas such as AI, cybersecurity, advanced connectivity, and digital health - Align with the Digital Decade goals and green transition priorities

5. Mobilise EU and National Funding Synergies

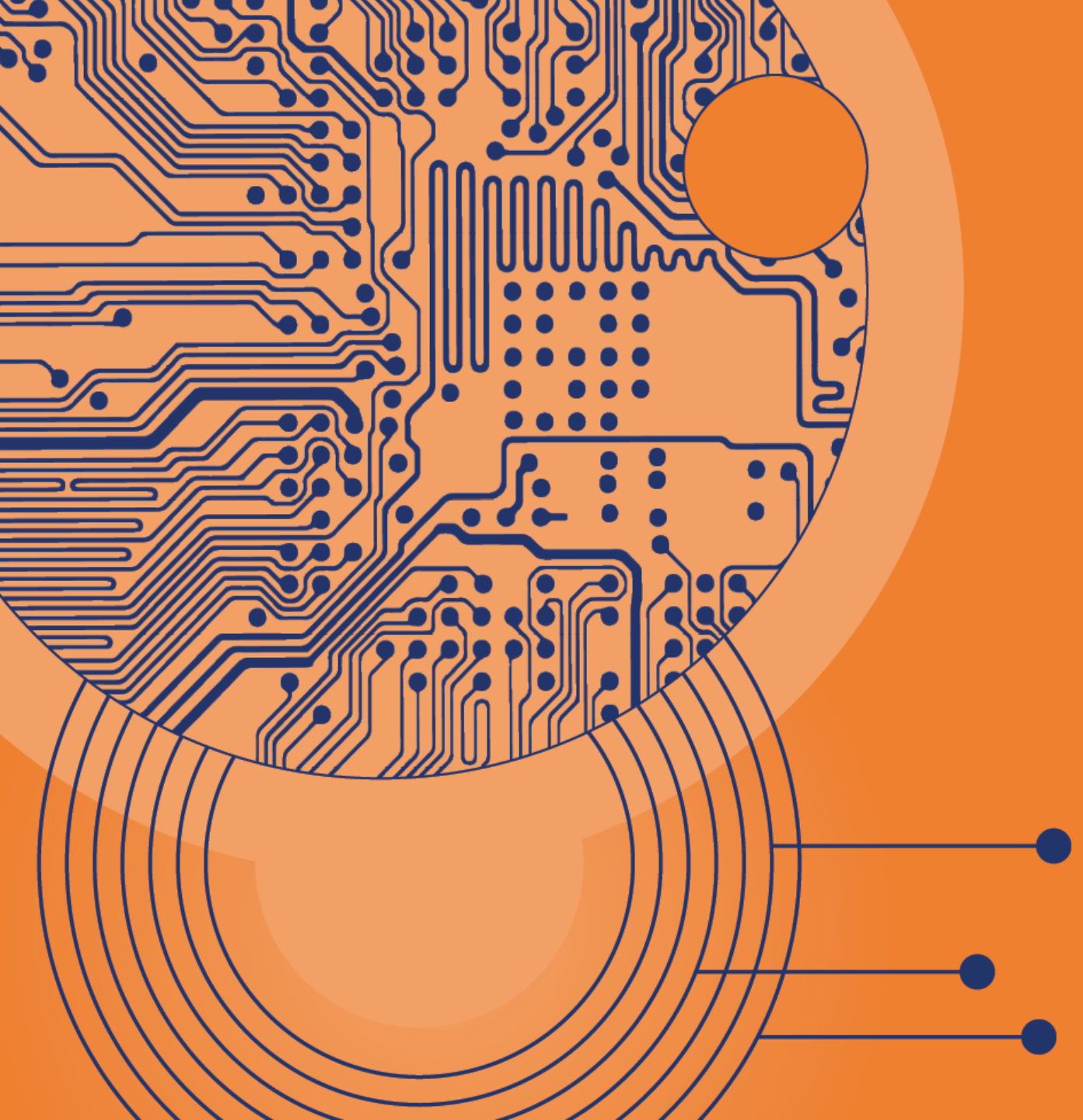
I3 Support Facility - Monthly online webinars

Scan the QR code 👉

Timing	Topic
January 29	I3 project financial reporting & communication - DONE!!!!
March 5	Innovation Ecosystem and the Quadruple Helix: What are the main actors and how they operate DONE!!!!
March 31	From Thematic Platforms to I3 projects
April	Innovation and State aid ruls
April	*Assessing innovation maturity in I3 projects (Innovation Radar methodology)* *Another suggestion: Competitiveness Compass*
May	Building Interregional corridors

May	Overview of relevant public funding instruments for interregional innovation
June	What is I3? How to create an I3 Project
July	Role of clusters and networks in interregional innovation investments
September	Interregional innovation project management, case study, and best practice
October	Links between S3 and I3
November	I3 Discussion Groups: presentation of the 3 Discussion Groups and their key elements

About the I3 webinars please contact: contact@I3supportfacility.eu OR webinars@I3supportfacility.eu



Strand 1 and Strand 2a

Calls targets

Strand 1 – Strand 2a –

STRAND1

- **Boost competitiveness of EU value chains**
- **better connection** between regional innovation ecosystems;
- Innovation creation

STRAND2a

- **Foster investment portfolios for innovation deployment in Less Developed Regions (LDRs)**
- **commercialisation and scaling up** of innovation in European value chains
- innovation diffusion

- Strengthen interregional cooperation around **shared or complementary Smart Specialisation (S3)** areas
- Scale **high TRL digital innovations (TRL 6–9)**
- Build interconnected EU value chains and promote technology diffusion

Thematic priorities

DIGITAL TRANSITION

GREEN TRANSITION

SMART MANUFACTURING

Key Dimensions of the Calls

Dimension	Strand1	Strand2a
Interregional	Focus on joint innovation activities across regions	**Portfolio of sub-projects** in LDRs linked to EU value chains
Innovation	Pilot, validate, and scale **mature technologies (TRL 6-9)** -> Post prototype	Support **investment-ready innovations** for SMEs **(TRL 6-9)** -> Post prototype
Investment	Tangible & intangible investments; piloting & demonstration	Financial & advisory support aligned with **business plans**
Smart Specialisation	Based on S3 complementarities	S3 coordination across thematic/technological areas

Specific Requirements – FOR BOTH

Investment Allocation:

- ✓ **70% of Total Eligible Costs** must be allocated to investments in **companies**, with a **focus on SMEs**.

The proposal must detail how this requirement will be met, including the following:

- **SME Consortium Partners**
- **Financial Support to Third Parties (FSTP)**
- **Non-financial support provided to SMEs (advisory support)**

Regional Allocation:

- ✓ **50%** of Total Eligible Costs must be incurred in Less Developed Regions (LDRs)

Measures for Active Involvement:

- ✓ Include plans for the replication of results in participating regions and for the broader exploitation.
- ✓ Engage regional authorities to ensure sustainable impact.
- ✓ **Exploitation Plan,** outline the post-project phase

Support from I3

FINANCIAL SUPPORT

for **productive investments in companies** (financial needs toward commercialisation).

Needs identified in a **business and investment plan**, including a **market analysis**

(Core part of the project)

ADVISORY SUPPORT

for **company driven demonstration activities,**
including **access to testing environments**, **technical/scientific expertise,** *other **services** responding to the needs of the companies*
(e.g. certification, standardisation, IPR strategy)

Financial and advisory targeting the investment needs of the companies involved in the consortium

"At least 70% of the total eligible costs must be allocated to investments in companies, with a focus on SMEs"

Expected impact

Same for all thematic priorities !
Non-exhaustive list

	Strand 1 (enhance competitiveness)	Strand 2a (new VC in LDRs)
Short term at the end of the project	• New technologies tested • Innovative solutions deployed • Market uptake of new solutions • Innovative technologies adopted by SMEs • Funding/funding mix • Strengthening innovation diffusion channels	• **Creation of new value chains in LDR** • **Application and deployment of innovative technologies and solutions (new to the region) in LDR;** • **Exploitation of research results;** • New technologies tested • Innovative solutions deployed • Market uptake of new solutions
Long term	• **Increased innovation capacity across EU regions** • **Increased competitivenes and resiliance of EU Value Chains** • Increased productivity and efficiency • Improved public services • Improved level of digital skills • New market opportunities for EU companies; • EU industry more efficient and sustainable;	• **Reduction of the innovation divide between MDRs and LDRs;** • Increased productivity and efficiency • Improved public services • Improved level of digital skills • Improved EU innovation capacity and competitiveness • New market opportunities for EU companies;

Project budget and duration, funding rate **(valid for both)**

Project size

€ 2 – 10 million

Duration

18 – 36 months

Funding rate

70% for all other cost categories

100% for costs of FSTP

Strand 1 &

Strand 2a

€ 48.3 million

2025

Consortium composition

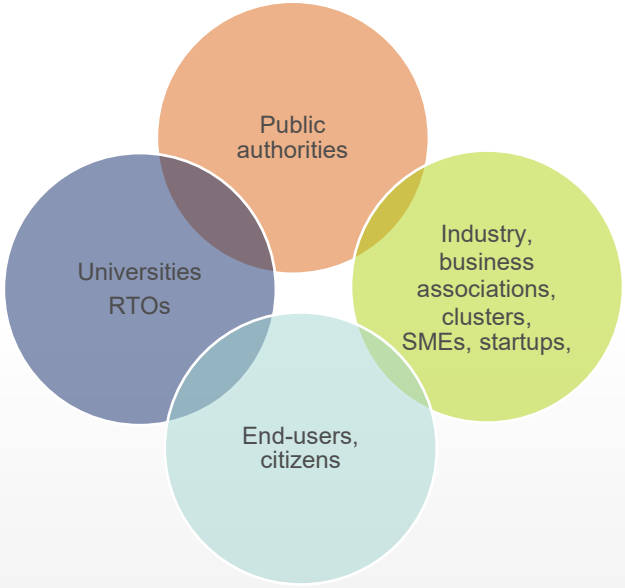
Applicants:

Q-helix partnerships

on behalf of a

regional / national

ecosystems



Strand 1	Strand 2a
– at least ***5 independent legal entities*** established in ***5 different regions*** of at least ***3 eligible countries***. – at least ***2 legal entities*** must come from ***less developed regions***	– at least ***3 independent legal entities*** established in ***3 different regions*** in at least ***2 eligible countries*** – the consortium shall represent ***at least 1 more developed region*** and must have a strong involvement of less developed regions and focus on their needs

The ***consortium coordinator*** must be:

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

HEALTHCHAIN

Enable secure, citizen-centric health data exchange using blockchain technology to improve interoperability and trust across regional health systems. (Strand INV2a)

Consortium & Regional Reach

Multi-region collaboration across EU Member StatesStrong participation of SMEs and health system actorsIntegrates less developed and more developed regions in a unified health innovation value chain

Key Features

Blockchain-based infrastructure for secure, decentralised data sharingEnhances patient control over personal health dataFocuses on digital trust, cybersecurity, and compliance with EU regulations (e.g., GDPR)

Innovation Value

High TRL digital solution (TRL 7–9) deployed across regional health ecosystemsSupported by Financial Support to Third Parties (FSTP) for SME testing and validationEnables replication and scalability in other EU health systems

I3 Added Value

Cross-border innovation deployment via Strand 2aDemonstrates how digital trust frameworks can be scaled through public-private collaborationReinforces Innovation Valleys ambitions in digital health sovereignty

DIGIT-PRE

***Develop AI-based digital tools** to support **predictive and preventive health interventions** for ageing populations. (StrandINV1)*

Consortium & Regional Reach

Multi-partner collaboration across Belgium, Spain, Greece, and additional EU regionsCombines clinical stakeholders, tech developers, and public health authoritiesInterconnects regions with complementary Smart Specialisation (S3) profiles in digital health

Key Features

Creation of an interoperable, secure health data platformAI models to identify risk factors early and enable personalised preventionDemonstration and validation in regional healthcare ecosystems

Innovation Value

High TRL innovation moving from testing to operational integrationStrong SME engagement supported by Financial Support to Third Parties (FSTP)Contributes to data-driven, proactive care models across Europe

I3 Added Value

Funded under Strand 1 – interregional innovation in shared S3 areasFacilitates deployment of AI in public health, especially in ageing societiesA concrete example of the I3 Instrument supporting place-based digital transformation

KPIs

Interregional Innovation Dimension: n° of Regions Involved: NUTS1, NUTS2 regions (LDRs, MDRs, transition, outermost regions).Portfolio-level collaboration from different regions.

Type of Project Participants : quadruple helix stakeholders (SMEs, Start-ups, Public Authorities, Academia, RTOs , Industry, Intermediaries - e.g., regional development agencies, cluster organisations - End Users, Associations, etc.)

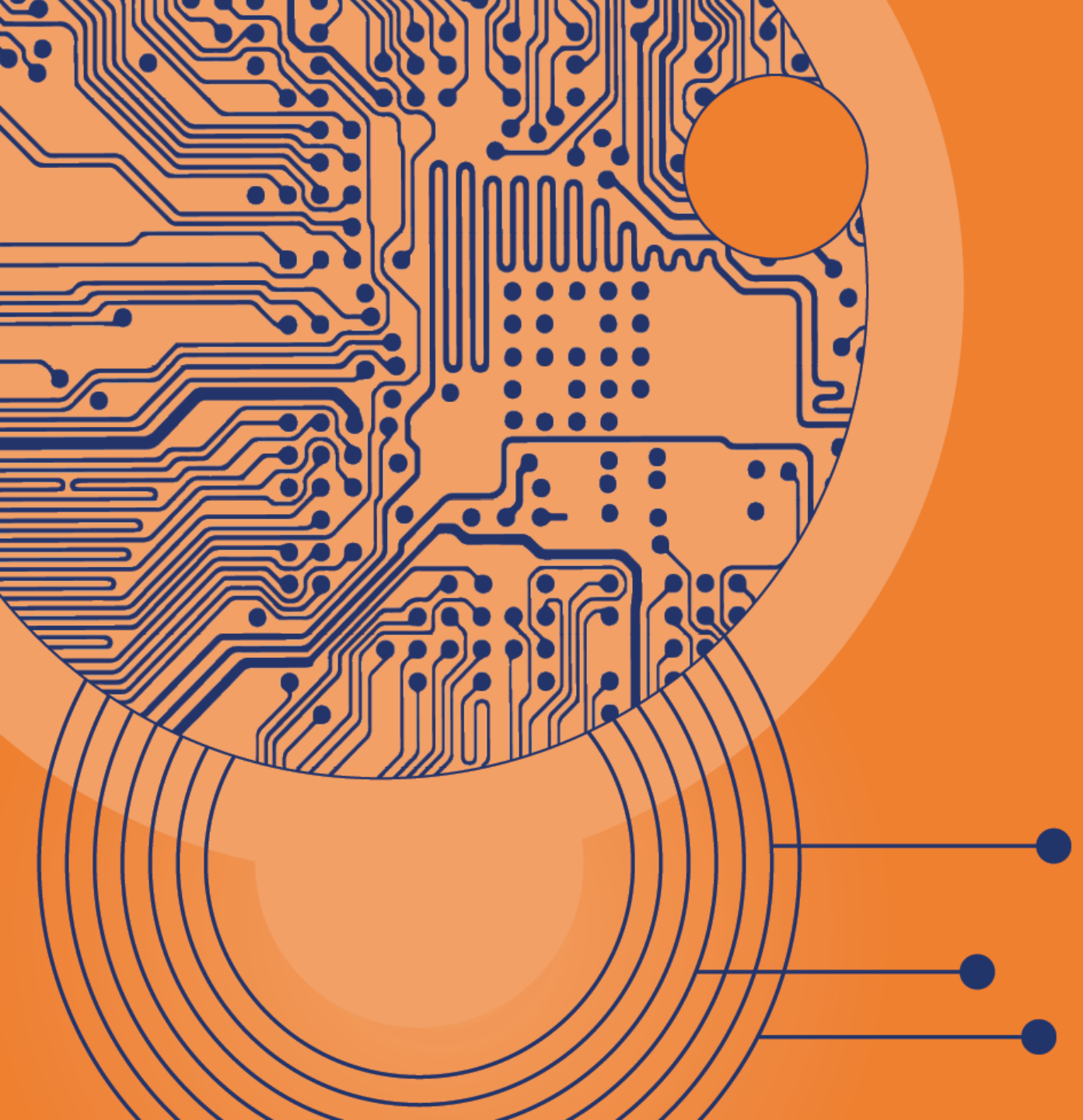
SME-Centric Investment and Scaling: % of total investment allocated to SMEs; jobs created

Innovation Maturity & Market Readiness: TRL progression (from TRL 6 → TRL 9); number of tech solutions reaching deployment

Socio-Economic and Territorial Cohesion: Number of new regional ecosystems integrated into EU value chains

Knowledge Valorisation & IPR: Patents, trademarks, IPR strategies established

Gender (Persons Reached) : Number of persons reached: male, female, non-binary.



Cap 2b call

Capacity building*

Strand Cap 2b Capacity Building in Less Developed Regions

Strand 2b aims to increase the capacity of regional innovation ecosystems in less developed regions to collaborate in creating or boosting existing EU value chains (main focus on LDRs).

The call aims to improve the capacity of public authorities and innovation intermediaries (e.g. clusters) to support companies in the identification of investment portfolios at an interregional scale (e.g. fostering deep tech solutions).

Eligible Activities …

Interregional ecosystem

The proposal should build a network of interconnected businesses, organizations, institutions, and other stakeholders that span across multiple regions or geographic areas. These ecosystems involve collaboration, knowledge sharing, and the exchange of resources between different regions.

Proposal key Actions

Pillar 1: INTERREGIONAL – INNOVATION Ecosystem Building and Connection

- creation and/or reinforcement of ***interregional innovative ecosystems**
- learning from each other on the **S3 priorities - i.e**. retaining and attracting talent
- Support to alliances for regions to focus **on specific innovation topics** and to **find suitable partners** for them

Pillar 2: Development of *Interregional INVESTMENT Projects

- identification of a **pipeline of business-driven investment projects** (companies' identification) - **matching** investments needs
- increasing investment readiness and capacity **to build interregional investment portfolios**

and ……

- **Support Actions:**
- **Pillar 3: Mapping & Benchmarking**
  - value chains **mapping** and **identification** of best practices/areas for joint investments
- **Pillar 4: Networking and Staff Exchange Schemes**
  - **connecting** LDRs with other ecosystems (MDRs in particular)
  - **building capacities** to cooperate to understand value chain implementation, also with other EU regions and companies
  - **creating the conditions for joint investments under the other calls Strand1 and 2a**

Cap 2b: Thematic priorities

DIGITAL TRANSITION

GREEN TRANSITION

SMART MANUFACTURING

KPIs

Interregional Dimension: n° of Regions Involved: NUTS1, NUTS2 regions (LDRs, MDRs, transition, outermost regions)

Policy objectives:

– n° of S3 based roadmaps developed contributing to European Strategic Innovation agendas

– n° of S3 Partnerships (or other relevant interregional working groups) in which regions are actively participating

– Number of policy measures conceived to engage the ecosystems externally

Socio-Economic Benefits:

- n° of value chain analyses based on mapping and benchmarking activities

– n° of business cases identified in the framework of the given value chain developed

– n° of companies and intermediaries involved in the business cases

Gender (Persons Reached) : Number of persons reached: male, female, non-binary (Fixed targets in women's participation)

Other requirements

Project budgets (max grant amount) range between EUR 500,000 – EUR 1,500,000 per project, other amounts, if duly justified. Funding rate 70%

Duration Projects should range between 18 and 24 months (extensions are possible

Geographic location eligible countries and S3 participating regions

CONSORTIUM COMPOSITION

Composed of minimum **2 independent legal entities** representing **2 different regional ecosystems** from **2 different EU** Member State

Representing at least **1 EU "more developed region" (MDRs)**

Include **innovation actors:** quadruple helix stakeholders from less developed regions (LDRs) with an umbrella role (e.g., clusters representing companies, universities, RTOs)

The **coordinator** must be established in the EU in a "less developed region" and be a public body, or private non-profit organisation, or…

Strand 2a *(new VC in LDRs)* - project example

- **Strand 2a -> SmartVitiNET - Drone-Assisted Viticulture**
- 3 years, 11 partners, 4 countries – GR, PT, FR, CY,
- EUR 1,98 million;
- Solutions for viticulture to be used by vineyard owners and agricultural policy makers
- Innovative technologies accessible to wine-growers
- **Innovation diffusion**

Led by the **Agricultural University of Athens**

Lack of experience in creating competence center

Their first “close-to-market” project related to the ERDF.

Scan the QR code 👉

Thank you!

https://eismea.ec.europa.eu

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Caterina.Verde@ec.europa.eu

#I3Instrument

LinkedIn

Payment arrangements

prefinancing	**70% of total grant amount paid after the start of the project**
payment of the balance	**paid at the end of the project (within 90 days after the final report)**

Use of Financial Support to Third Parties(FSTP) in I3 (valid for both)

I3 projects are mainly implemented by consortium partners according to the project application.

FSTP can enable cascade funding to support SMEs, foster replication, and encourage innovation diffusion.

Conditions for FSTP Use:

Calls must be **open**, **widely published**, and **conform to EU standards for transparency**, equal treatment, conflict of interest, and confidentiality.

Duration: Calls must remain open for at least 2 months.

Publication: Outcomes must be published on the participants' websites, including details on selected projects, award dates, project durations, and recipient names and countries.

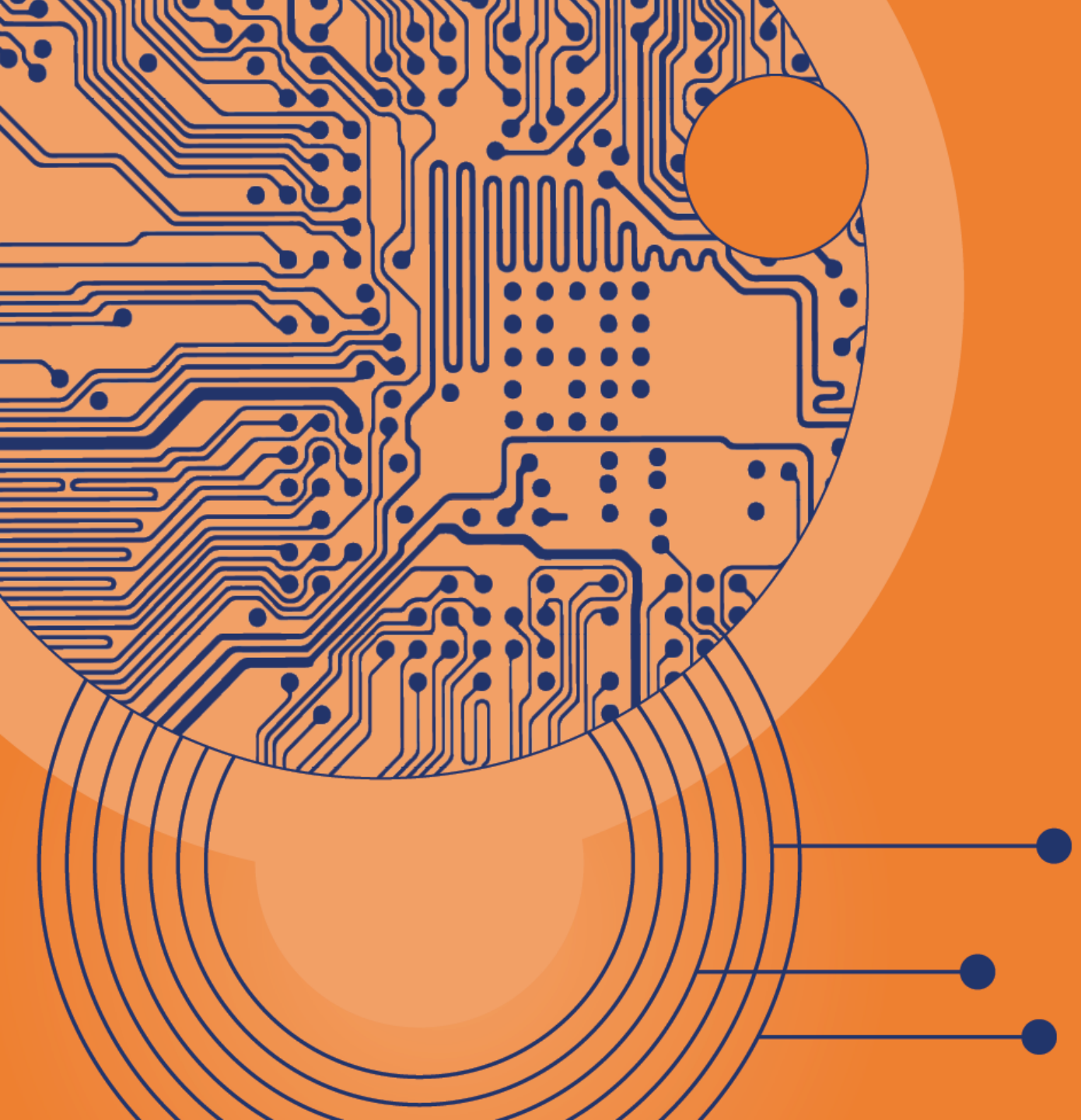
Funding Limit: Maximum financial support per recipient: EUR 60,000.

Eligible Recipients: Direct recipients must be SMEs established in EU

FSTP Objectives:

Support SMEs capable of **adding value** to the project by completing a specific value chain, testing products, or exploring new technologies.

Proposals must include clear **justification** for FSTP, its management, and **expected results** on innovation ecosystems.



Award criteria and other information