
STIPP SME grant scheme – MANUAL for applicants and beneficiaries

Regulations and guidance document

The STIPP SME grant scheme in the Interreg Programme Meuse-Rhine 2021-2027 (NL-BE-DE) provides easy accessible support for cross-border innovation projects between SMEs in the programme area (see *definitions*). These Regulations contain the conditions and frameworks under which innovation projects can receive a grant contribution from this scheme. These are partly an elaboration of the European and national laws and regulations relating to the Interreg programme, partly they constitute additional conditions for the implementation of this scheme. These Regulations are supplementary to the Manual for the implementation of the Interreg Programme Meuse-Rhine 2021-2027 (NL-BE-DE). This means that the rules of the Programme Manual always apply, except on those points where the STIPP Regulations go beyond, or provide a more detailed elaboration.

The grant scheme is modelled as a 'Small project fund' in accordance with the Interreg Regulation. The Managing Authority (MA) is the beneficiary and acts as Fund Manager, the legal administrator of this scheme. In addition, the following organisations are also directly involved in the implementation of the grant scheme:

- LIOF,
- AGIT,
- NMWP,
- POM Limburg,
- VLAIO Team Bedrijfstrajecten,
- Wallonie Entreprendre.

Disclaimer / references

This Manual is based on the most recent insights at the time of drafting it. If refers to Regulations, documents and procedures from STIPP and from the Programme Interreg Meuse-Rhine (NL-BE-DE) 2021-2027. If any of the requirements to which is referred change, that change will apply to projects and beneficiaries under the STIPP SME Grant Scheme as well, unless otherwise stated.

Definitions and abbreviations

Definitions

In this scheme, the following definitions apply:

- Board of Directors: the board of the STIPP initiative consisting of the Fund Manager and representatives of the supporting organisations of the STIPP initiative;
- Cooperation agreement: the signed agreement between the partners in which the relations and responsibilities between the parties are regulated;
- Cost types: the cost categories as described in the Interreg Meuse-Rhine Cost Catalogue;
- Enterprise: organisation engaged in an economic activity, irrespective of how it is financed.
- Experimental development: the stage of innovation trajectories as defined in Article 2(86) of the General Block Exemption Regulation;
- Expert Committee: a committee of independent experts on the transition domains and societal challenges, appointed by the Fund Manager on nomination by Board of Directors, with the task of advising on submitted applications;
- Geographical scope of the STIPP grant scheme: the programme area of the Interreg Programme Meuse-Rhine (NL-BE-DE) 2021-2027, as published on the website of the Interreg programme;
- Industrial research: the stage of innovation processes as defined in Article 2(85) of the General Block Exemption Regulation;
- Innovation projects: projects selected within the STIPP scheme that contribute to achieving at least one of the objectives and the societal challenges from section 2.1.2 of the Programme Document:
 - Industrial transition,
 - Green transformation,
 - Healthier inhabitants;
- Interreg Programme: the Interreg Programme Meuse-Rhine (NL-BE-DE) 2021-2027, as published on the website of the Interreg programme;
- Lead partner: the partner named in the Cooperation Agreement as the contact for the project and the partner being ultimately responsible for the project;
- Partner: each individual participant in the partnership applying for ERDF. Any 'other organisations involved' as named in paragraph 2b, first paragraph, are not partners;
- Partnership: a group of at least two mutually unconnected partners, from at least two member states of the programme area, carrying out an innovation project together at their own risk and expense;
- Partnership agreement: see Cooperation agreement;
- Programme: see Interreg programme;
- Programme area: see geographical scope;
- Programme Manual: the Programme Regulations for the implementation of the Interreg Programme Meuse-Rhine (NL-BE-DE) 2021-2027, as published on the website of the Interreg programme.

- Small and medium-sized enterprise¹ (abbreviated 'SME'): enterprises meeting the criteria established in Annex I of the General Block Exemption Regulation (GBER - Regulation(EU) No 651/2014). In short, this means that an enterprise is an SME if it:
 - measured in annual work units (AWU) / full-time equivalents (FTE) has fewer than 250 employees; and
 - has an annual turnover not exceeding 50 million euro; or
 - has a balance sheet total not exceeding €43 million.
- Technology Readiness Levels (TRLs): operationalisation used to name the stage of development of a new technology;
- Undertaking in difficulty²: an undertaking in respect of which at least one of the following circumstances occurs and as is defined in Regulation (EU) 651/2014, article 2, definition 18:
 - a. in the case of a limited liability company (other than an SME in existence for less than three years or, where eligibility for risk-financing support is at stake, an SME within seven years of its first commercial sale eligible for risk-financing investment following a book review by the selected financial intermediary): when more than half of its issued share capital has disappeared due to accumulated losses. This is the case when deducting the accrued losses from reserves (and all other items that are usually considered part of the company's equity), results in a negative outcome that exceeds half of the issued share capital. For the purposes of this provision, "limited liability company" refers in particular to the legal forms of companies referred to in Annex I to Directive 2013/34/EU (1) and "share capital" includes any share premium;
 - b. in the case of an enterprise in which at least some of the partners have unlimited liability for the debts of the enterprise (other than an SME in existence for less than three years³ or, in the case of an SME qualifying for risk-financing support, an SME within seven years of its first commercial sale qualifying for risk-financing investment following an audit by the selected financial intermediary): where more than half of the enterprise's capital as shown in the enterprise's books has disappeared through accumulated losses. For the purposes of this provision, "a company in which at least some of the partners have unlimited liability for the company's debts" refers in particular to the legal forms of companies referred to in Annex II to Directive 2013/34/EU;
 - c. where the company is the subject of collective insolvency proceedings or the company meets the criteria under national law for being subject to collective insolvency proceedings at the request of its creditors;
 - d. where the company has received rescue aid and has not yet repaid the loan or terminated the guarantee, or has received restructuring aid and is still in a restructuring plan;

¹ See the Publications Office of the European Commission for an User guide to the SME definition: <https://op.europa.eu/en/publication-detail/-/publication/756d9260-ee54-11ea-991b-01aa75ed71a1>

² UID explanation and procedure: <https://www.vlaio.be/en/subsidies/baekeland-mandates/which-projects-are-eligible-baekeland-mandate/undertakings-difficulty-are-not-eligible>

³ When a company is part of a group, the age of the oldest affiliated company within that group is considered.

- e. in the case of a company that is not an SME: when over the past two years:
- the company's debt-to-equity ratio, according to the company's accounts, exceeded 7.5;
and
 - the company's interest coverage ratio determined on the basis of EBITDA was below 1.0.

Abbreviations

BoD	Board of Directors
EC	Expert Committee
ERDF	European Regional Development Fund
FM	Fund Management / Fund Manager
MA	Managing Authority
SME	Small and medium-sized enterprises
TRL	Technology Readiness Level

Section 1: Characteristics of an innovation project

1a. General

An innovation project within this scheme is a set of activities carried out by small and/or medium-sized enterprises (SMEs), cooperating in a consortium for which a financial contribution is requested from the ERDF under the grant scheme STIPP.

The innovation projects focus mainly on experimental development, but industrial research can also be part of it (see definitions under 1c). Specifically, the grant scheme focuses on TRL levels 6 to 9 (see definitions under 1c). Activities that are still in TRL levels 4 and 5 can be part of a project, when the project is at least in TRL 6 when it is finished.

The innovation projects contribute to the realisation of societal challenges, as mentioned in the programme document under SO 1.iii:

- Industrial transition,
- Green transformation,
- Healthier inhabitants.

The project implementation involves at least SMEs from two member states of the programme area (the Netherlands, Belgium, Germany). It is thereby possible to expand this partnership with one or more partner(s), also from outside that working area. While the STIPP instrument is aimed at added value for the programme area, the relevant societal challenges therein and the competitiveness of its SMEs, the composition of any consortium is assessed on this added value as one of the selection criteria (see section 3 and Annex 2).

The grant under the SME grant scheme is **50% of the eligible expenditure** of the participating SMEs. This means that the grant scheme reimburses each participating SME a maximum of 50% of its accepted project costs, up to the maximum allocated ERDF amounts per partner of the scheme / approved budget.

There should be no additional grants in addition to the contribution from STIPP, for the same innovation project.

The grant scheme is primarily aimed at the Interreg Meuse-Rhine programme area. SMEs not located in the programme area may join a consortium and they will receive 50% ERDF contribution in their eligible expenditure, up to the maximum of 10% of the project's total ERDF grant, and according to the allocated maximum per partner in the partnerships budget.

Other partners than SMEs can join a consortium, such as universities or large enterprises, but those partners will not receive any ERDF contribution. A SME can include specific external expertise or services as external costs, depending on their choice of cost option.

The grant for a project is subject to maximum subsidy amounts per project and per programme partner region according to the following table:

	Countries (1 to 3)	Innovation regions (1 to 4)	MR programme partner regions (1 to 5)	Maximum ERDF per project	Maximum ERDF per programme partner region	Maximum ERDF for participants located outside programme area
Partnership with participation of SMEs from:	2 (minimum)	2 (minimum)	2 (minimum)	€ 150.000	€ 75.000	€ 15.000
	2 (minimum) or 3	3	3 / 4 / 5	€ 300.000	€ 100.000	€ 30.000
	3	4	4 / 5	€ 600.000	€ 125.000	€ 60.000

* The maximum budget per programme region has to be divided over all the partners from an individual region.

For the definition of 'regions', the following explanation:

Member State	Country region	Meuse-Rhine programme partner region	Innovation region	RDA in STIPP
Netherlands	(NL)	Provincie Limburg (NL)	South-Netherlands	LIOF
Belgium	Flanders	Provincie Limburg (B)	Flanders	POM Limburg Vlaio
Belgium	Wallonia	Province de Liège Fédération Wallonie-Bruxelles	Wallonia <i>Ost-Belgien – represented by Wallonia</i>	Wallonie Entreprendre <i>LoS: WFG Ostbelgien, EKLO, NOSHAQ, BMD</i>
Germany	Nordrhein-Westfalen	Region Aachen	Nordrhein-Westfalen	AGIT NMWP
Germany	Rheinland-Pfalz	Landkreis Vulkaneifel Eifelkreis Bitburg-Prüm	<i>Rheinland-Pfalz represented by NRW</i>	<i>LoS: WFG Vulkaneifel, SBP Strukturförderungsgesellschaft Bitburg-Prüm</i>

Three (3) Member States involved. Partners from one, two or three Member States (minimum is two).

Five (5) partner regions in the programme partnership. Partners from one, two, ... up to five regions involved.

This is from RDAs perspective. Four (4) innovation regions. Used for composition of Expert Committee.

1b. State aid

The subsidies of the STIPP SME grant scheme qualify as state aid. The aid is granted under the conditions of article 20 of the GBER.

1c. Target group

Subsidies can only be applied for by SMEs. This can include both legal forms with, and under conditions legal forms without legal body⁴. However, the following are excluded:

- a. enterprises in difficulty as referred to in Article 2(18) of the General Block Exemption Regulation;
- b. organisations which are subject to an outstanding recovery order following a European Commission decision declaring previous aid illegal and incompatible with the internal market;
- c. natural persons and de facto associations (Flanders).

⁴ Unincorporated legal forms: sole proprietorships, limited partnerships, general partnerships

Section 2: Procedures for submission

2a. Launching of a call for proposals

The Board of Directors is responsible for establishing calls within which applications can be submitted. These calls and their deadlines are published and communicated online. Applications can only be submitted during these periods and must include at least the fully completed application form and its annexes, as referred to in paragraph 2b.

The Board of Directors is thereby authorised to set the grant ceilings of the calls. The grant ceiling of a call will be published before its launch. For projects within all calls:

- ✓ Only SMEs can apply for grants.
- ✓ Each innovation project can receive a maximum of the subsidy spread over the various partners in accordance with the table in paragraph 1.a., where the ERDF is always (maximum) 50% of the total eligible costs. The partner's own contribution is thus always (minimum) 50% of the eligible costs. There may be no additional subsidies in addition to the contribution from STIPP, for the same innovation project.
- ✓ There should be a relatively equal distribution of the ERDF subsidy between the partners on the different sides of the border/borders, meaning that no partner may have a share of 70% or more in the project budget.
- ✓ The maximum duration of an innovation project is 24 months. In addition, each innovation project shall be completed by 30 September 2029 at the latest.
- ✓ An enterprise (whether independent or as partner or linked enterprise in a group/consortium) can be a partner in up to 3 innovation projects during the period 2024 to 2029 in which they receive ERDF under the STIPP SME scheme. Linked enterprises are considered as the same enterprise for this purpose.

2b. Project application submission

The partnership consists of a minimum of 2 SMEs (not affiliated to each other) located in at least 2 member states from the scope of the grant scheme. In addition, other SMEs, possibly from outside the programme area, can also participate in the partnership and receive a grant within the maximum percentages / amounts and conditions that apply.

Large companies and knowledge institutions can participate as a project partner, but cannot receive a subsidy. Other companies or knowledge institutions that have an interest in the innovation project but are not entitled to subsidies are listed in the application form under the heading "other organisations involved".

The partnership must submit the project application using the application form available for this purpose in the Interreg Meuse-Rhine e-portal 'JEMS-STIPP': www.jems-stipp.interregmeuserhine.eu or via the button on the STIPP-website.

Once submitted, it is a request by the partnership to receive an ERDF contribution for project implementation. The project start date can never be before the application submission date.

The project application in the e-portal 'JEMS-STIPP' must be in English and includes the following sections:

- a. A project plan, including:
 - A description of the project activities and objectives;
 - A description of the economic added value and innovative nature of the project;
 - A description of the contribution to the societal challenges;
 - A description of the competences of the partnership, including a justification of the composition and the complementarity of the composition;
 - A conclusive and substantiated budget of costs and funding, specified per applicant;
- b. As Annexes:
 - A report on the financial position of the last completed financial year, of each applicant. For start-up companies that have not yet completed their first financial year, the most comparable up-to-date financial information is to be presented. If the applicant is part of a group of companies then also a copy of the consolidated financial statements at group level or of the affiliated companies separately;
 - A self-declaration submitted in the e-portal 'JEMS-STIPP' for each project partner. This self-declaration covers four topics:
 1. The legal status of the applicant,
 2. Whether or not the applicant qualifies as a SME,
 3. Whether or not the applicant is subject to an outstanding recovery order,
 4. Whether or not the applicant is an undertaking in difficulty.

Declaration to be grounded, both at the level of the applicant itself and of any affiliated (parent) companies, on the basis of the latest approved annual accounts/annual report. As a rule, no UID test needs to be submitted for the following company forms: sole proprietorship, partnership, (I)VZW , cooperative, foundation, association.

Please note: between the submitted application and the granting of the subsidy by the Fund Manager, interim figures may be requested so that the programme can carry out the assessment on sufficiently recent figures.

The self-declaration on SME qualification should be based on a completed SME test via the European Commission's website: <http://ec.europa.eu/growth/tools-databases/SME-Wizard/>
 - A signed Cooperation Agreement.

The budget of costs and funding should be specified according to choice of one of the following cost options from the Cost Catalogue.

Cost category	Option 1	Option 2	Option 3	Option 4
Staff costs (direct)	Standard scale of unit	Standard scale of unit	Standard scale of unit	20% of direct costs other than direct staff costs
Office and administrative (indirect)	15% of staff costs	7% of direct costs	40% of staff costs	Not eligible (included in 20%)
Travel and accommodation (indirect)	1.5% of staff costs	1.5% of staff costs		Not eligible (included in 20%)
External expertise and services (direct)	Real costs	Real costs		Real costs
Equipment (direct)	Real costs	Real costs		Real costs
Infrastructure and works (direct)	Real costs	Real costs		Real costs

- **Option 1**
A combination of simplified cost options for the cost categories direct staff costs, office and administrative costs and travel and accommodation costs, and actual costs for the other budget lines. In this case, indirect costs of an operation (office and administrative costs) could be covered by using a flat rate of 16,5% of eligible direct staff costs.
- **Option 2**
A combination of simplified cost options for the cost categories personnel costs, office and administrative costs and travel and accommodation costs, and actual costs for the other budget lines. In this case, indirect costs of an operation (office and administrative costs) could be covered by using a flat rate of 7% of eligible direct costs.
- **Option 3**
Use of simplified cost calculations only, consisting of a standard scale of unit costs for staff costs and a flat rate of 40% of staff costs to cover other costs.
- **Option 4**
Simplified cost option for calculating the direct staff costs of an operation according to a percentage of 20% of the direct costs other than direct staff costs of that operation. Direct costs other than staff costs are based on actual costs.

If the selected option for one or more cost types includes declaration of actual costs incurred, this information should be declared under the following headings:

- Staff costs (cost options 1, 2 and 3): Staff costs are calculated using the 'fixed hourly rate' system. The cost of full-time or part-time labour of project staff delivered in direct execution of the project. This section refers only to costs of salaried employees of the partner(s). If the name of a related party appears on the pay slip, these costs are accepted provided the relatedness is demonstrated, e.g. through a share register;
- Overhead (cost options 1 and 2): Calculated as a flat-rate percentage;
- Travel and accommodation (cost options 1 and 2): Calculated as a flat-rate percentage;
- External expertise and services (cost options 1, 2 and 4): Cost of external expertise and services provided by third parties for project implementation;
- Equipment (cost options 1, 2 and 4): Cost of purchasing, depreciating, renting or leasing material items during the project period for the purpose of project implementation.
- Infrastructure and construction⁵ (cost options 1, 2 and 4): Costs for the purchase, depreciation or construction of immovable property.

More information on the cost categories is provided in the Cost Catalogue of the Programme.

2c. Assessment of projects

Only complete applications will be considered within a relevant call. If an incomplete application is submitted, the applicant may submit missing documents up to the deadline of that call.

Submitted project applications are assessed against the eligibility criteria and the substantive selection criteria (see section 3).

As a first step, the Fund Management assesses whether a project application meets the eligibility criteria. A project application that proves ineligible cannot be considered. In this case, further processing of the application is stopped and the applicant is informed of this after the Board of Directors has decided on the call in question.

Ineligible applications are not forwarded to the Expert Committee but can be resubmitted in a subsequent call where possible. The ineligible applications are then assessed by the Fund Management (MAJS) against the technical criteria and by the Expert Committee against the selection criteria.

The Expert Committee gives an opinion to the Board of Directors of the STIPP scheme on awarding the grant. This advice consists of categorising the innovation projects according to:

- no-go,
- go with remarks,
- go.

⁵ Such costs are theoretically possible, but are unlikely to be incurred effectively for an innovation project

The Expert Committee includes representatives from government, business and knowledge institutions throughout the whole programme area. The assessment by the Expert Committee is qualitative and therefore not subject to quantitative or enforceable standards. Members of the Expert Committee in respect of whom there is a conflict of interest do not participate in the advisory process.

Projects categorised by the Expert Committee to go - with or without remarks - are submitted to the Board of Directors. Applicants are given a short time to respond to any remarks made by the Expert Committee; these responses are taken into account by the Board of Directors in their assessment. If no response to the remarks is given by the applicant before the deadline, the application is categorised as *no go* for the BoD.

The Board of Directors assesses all projects on the selection criteria with a point rating, on a scale of 1 to 5.

→ See Annex 1 for a more elaborate text on the project selection process.

2d. Decision-making

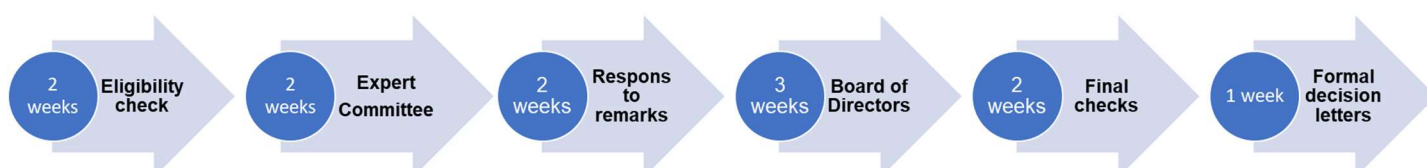
The Board of Directors distributes the available budget within the call's grant ceiling among the innovation projects, starting with the highest ranked innovation project.

Where the dividing line of the grant ceiling runs between two or more projects with an equal score, the Board of Directors performs an additional ranking according to strategic aspects of the STIPP SME scheme, such as complexity of the partnership across three countries (languages) and alignment of partners with regional innovation strategies⁶.

Members of the Board of Directors in respect of whom there is a conflict of interest do not participate in decision-making.

2e. Grant decision

The Fund Management (MA/JS) delivers a grant decision to the partners of the selected projects, or a rejection decision to the non-selected projects. The grant from the STIPP grant scheme is granted as permissible state aid under Article 20 of the General Block Exemption Regulation. Further obligations for the partner(s) may be attached to the grant award.



⁶ As mentioned in the Programme Document, chapter 1.2 and chapter 2.1.2.

Section 3: Criteria

A distinction is made between the eligibility criteria and the selection criteria. A project application that does not meet the eligibility criteria is ineligible and cannot be considered further.

The selection criteria are used to assess projects. If projects do not contribute sufficiently to the selection criteria, the Board of Directors may decide not to grant support. A score between 1 and 5 is given for each selection criterion. All criteria are scored independently.

The exact criteria and the mutual weighting of the criteria are published per opening. To be eligible, a project must achieve a minimum of 3 points as a 'weighted average'.

ELIGIBILITY CRITERIA

1. The project application is complete and correctly submitted.
 - a. The application has been submitted within the opening period of the call;
 - b. The application has been submitted in English;
 - c. All mandatory fields in the digital portal have been adequately completed.
2. The minimum requirements for the composition of the partnership have been met.
 - a. SME partners from at least two different Member States from the Netherlands, Belgium, Germany;
 - b. All partners are a legal body (i.e. have legal personality or are permitted participants without legal personality);
 - c. All partners meet the SME criterion;
 - d. None of the partners is in difficulty according to the definition of 'undertaking in difficulty'.
3. The project period shall comply with.
 - a. The project does not start before the date of application;
 - b. The project lasts for a maximum of 24 months;
 - c. The project does not end after 30 September 2029.
4. The requirements of the financial plan are met:
 - a. The Cost Catalogue has been properly applied;
 - b. The maximum percentage ERDF contribution as stated in the call is not exceeded;
 - c. The financial plan states a private own contribution of at least 50% of the project costs per partner.
5. The project activities cover TRL levels from 4 to 9.⁷
6. There is no application for the same, or similar project from the same, or similar project partners at the same time under another Interreg programme.⁸

⁷ The eligibility criterion on TRL (required to be from 4 to 9) is not assessed by the Fund Management, but is left to the expert view of the Expert Committee as their first point of assessment. SME projects starting in TRL 4 or TRL 5 must reach at least TRL 6 at the end of the project.

⁸ For the eligibility criterion on potentially simultaneous applications, the Fund Management asks the opinion of the RDAs involved in STIPP.

SELECTION CRITERIA

The following criteria are the general starting point. In future calls for proposals, they may be adapted and/or supplemented in view of specific objectives or use.

Selection criteria set out in the relevant call will or may include, for example:

1. The degree of innovativeness,
2. The degree of focus on at least one of the societal challenges of the programme⁹:
 - a. Industrial transition,
 - b. Green transformation,
 - c. Healthier inhabitants;
3. The degree of cross-border cooperation (a.o. consortia covering more regions) and added value (during and after the project),
4. The potential degree of economic impact,
5. The quality of the project partnership (a.o. coverage of programme regions, competences, complementarity),
6. The quality of application (a.o. project plan, feasibility, budget).
7. If applicable: call-specific criteria.

With regard to criterion 5, the quality of the project partnership, it is reminded that partners located outside the programme area may join, and that non-SME partners may join. For those partners, specific conditions apply. See section 1a, see Annex 2 and see the official regulations.

When any other partner(s) than SMEs located in the programme area participate(s), it should be clear that it has specific added value and adds complementarity to the consortium. From the programmes perspective, local consortia always have more priority than consortia consisting of 'other partners'. It should be motivated when a partner from outside the region is involved, e.g. when knowledge is not available.

⁹ Should a call for proposals focus on a specific theme or topic, etc., this selection criterion is adjusted accordingly.

Section 4: Procedures for implementation

4a. Start of project implementation

The start date of a project is the date specified in the application form¹⁰ in the e-portal 'JEMS-STIPP'. The innovation project is implemented in accordance with the application form. The partners have the duty to request intended deviations in the implementation via an amendment request (see 4g. Amendments and extensions).

Each partner must comply with the Programme Regulations of the Interreg Programme Meuse-Rhine 2021-2027 (NL / BE / DE), specifically the Call regulations, the Programme Manual and this Directives.

4b. Promotion and publicity (incl. communication obligations)

The European subsidy rules contain an obligation to express the European contribution when a project does promotion or publicity, see the relevant paragraph of the Manual. Failure to comply with these requirements is subject to sanctions.

Each funded project is obliged to publicise the fact that it is supported with EU funds as part of the STIPP initiative under the Interreg Meuse-Rhine (NL-BE-DE) programme. This means that the STIPP Interreg logo organised by the programme must be displayed on all communications materials developed by the project, in addition to a clear indication that the project is funded by Interreg Meuse-Rhine (NL-BE-DE), an EU fund for cross-border cooperation.

All project partners should adhere to the following rules:

- Use of the programme logo: each communication action must use the programme logo in a prominent place. If other logos are displayed in addition to the mandatory programme logo (e.g. of the project partner(s)), the emblem of the European Union (the 'flag') should always be at least as large, measured in height or width, as the largest of the other logos. With a view to meeting this obligation, it is permissible to include this flag emblem in addition to the emblem already included in the programme logo, if necessary.
- Website and social media: during the project period, each partner must include on the partner's official website or on its social media sites (where they exist) a brief description (commensurate with the scale of support) of the project, including its purpose and results. This will highlight the financial support from the European Union.
- Statement of support from ERDF: each partner must include a statement highlighting the support from the ERDF fund in a visible place on all documents and all communication material. This applies to all documents used by the project for the public or for participants when implementing and/or communicating about the project.
- A3 poster: Each partner must provide at least 1 poster or electronic display in A3 format (or larger) in a place clearly visible to the public. This will provide information about the project and highlight the support from the ERDF fund.

¹⁰ The start date can be at the earliest the date of submission of the application.

For the concrete building blocks within the framework of promotion and PR, please refer to the Programme's Manual on communication.

4c. Administration

Each project partner has separate project records, in which all necessary data are recorded in a timely and complete manner and can be verified by supporting documents.

This includes at least:

- The signed cooperation agreement STIPP SME scheme.
- A separate accounting system or appropriate accounting coding must be used. The use of a cost centre/analytical code or project code specific to the pathway is warmly recommended.
- All relevant evidence as described by item in the Cost Catalogue.
- Evidence of completion of promotion and publicity obligations (see section 4b.)

The project partner ensures that the complete project records are still available for consultation and audit until the end of a period of five calendar years following the year in which the Fund Manager made the last payment to the project.

The administration must be set up in such a way that it offers sufficient guarantees for correct and adequate substantive and financial reports. The records must also provide sufficient opportunities for proper auditing and verification of correct compliance with the conditions under which the contribution was made, as stated in the decision approving the project.

4d. Reporting

During the implementation of an innovation project, the lead partner should submit an interim project report per every 6 months. The first report covers the first 6 months of the project implementation and should be submitted via the e-portal 'JEMS-STIPP' no later than 8 months after the start date of the innovation project. The second project report covers month 7-12, to be submitted no later than 14 months after the start date, etc.

Reporting has a two-step approach:

- All project partners (including the Lead Partner) submit a *partner report* in the e-portal no later than 1 month after each 6-month period,
- The Lead Partner submits a *project report* in the e-portal no later than 2 months after each 6-month period.

The Fund Management (MA/JS) checks the reports and checks the expenditures for reconciliation with the approved project application, the eligibility criteria and the required supporting documentation. It is also possible that checks are carried out on site at the project partners. Late or incomplete project reporting may result in failure to forward submitted payment claims to the Interreg programme.

Part of reporting is that all SME participating in funded projects agree to have their reports shared by the Fund Management with the STIPP project team and the Board of Directors for evaluation and support purposes.

4e. Funding system

Only costs incurred in accordance with the eligibility rules in the Cost Catalogue are eligible for funding. For all innovation projects, the costs must be actually and demonstrably incurred and paid within the duration of the innovation project, i.e. after the start date and no later than the end date of the innovation project. The same eligible costs actually incurred and paid can only be subsidised once.

Invoices are only eligible if they are addressed to and paid by the project partner and are clearly related to the project. An invoice serves as proof. Proforma invoices or receipts are not sufficient.

The Fund Management pays the grant on accepted expenditures to the Lead Partner. The Lead Partner transfers it in full to the entitled SME as soon as possible, but at the latest within one month of receipt.

With regard to the total turnaround time for the payment of claims, account should also be taken of the deadlines within which Fund Management will carry out its checks. For these checks, the aim is to carry this out within 80 calendar days, after the declaration is found to be complete.

The grant will not be set higher than stipulated in the agreement/decision. If the eligible costs are lower than the allocated grant amount, the grant amount will be adjusted proportionally downwards.

The STIPP SME scheme provides pre-financing for project partners applying for ERDF funds. The first pre-financing is paid after approval of the project. Up to 30% of the anticipated ERDF amount of the relevant partner can be paid as pre-financing. Granting pre-financing is a favour and always subject to the programme's discretion and available financial scope.

After project approval, a request for pre-financing may be submitted at each progress report. Pre-financing can be granted to a project partner in addition to interim payments based on the progress reports. For all payments during the implementation of a project (pre-financing and interim) together, a maximum of 90% of the amount granted applies. So the payments by the Fund Manager to a project during its implementation are maximum 90% of the subsidy.

The final payment will be paid based on the closure letter. This can be an extra payment, if the sum of the subsidy per partner exceeds the previous payments (pre-financing and interim payments), or it can be a claim to recover an amount when the sum of the subsidy per partner does not exceed the previous payments.

Further explanation of cost headings, eligibility, calculation methods, exclusions, pre-financing and the like can be found in the Cost Catalogue and Programme Regulations.

4f. Market conformity: 'sound financial management'

The choice of any external provider should be made in accordance with European and Programme rules on procurement, purchasing and sound financial management. SMEs are not entities subject to procurement; they are subject to the principle of sound financial management. This simply means demonstrating that (grant) funds have been dealt with in a frugal and market-based manner.

In general, for companies this means that for service or supply contracts in excess of €50,000, they must test and document market conformity and justify the choice of contractor. The amount of €50,000 refers to the amount of the contract, i.e. not the ERDF amount as a contribution to such expenditure. Declared expenditure for similar contracts by the same supplier during the project period will be added together. The market conformity of the price can be demonstrated, for example, by requesting quotes from 3 or more relevant suppliers.

4g. Modifications and extensions

A modification and/or extension of an approved innovation project must be requested in writing via the Lead Partner to the Fund Manager. The Fund Manager will assist on further procedures.

The following provisions apply:

- From cost lines in which an irregularity was identified after inclusion in a payment application to the European Commission, the amount of the irregularity can no longer be shifted.
- Adjustments must be made before the end of the project, and also no later than 30/09/2029.
- Projects cannot exceed the maximum ERDF contribution granted.
- Projects cannot exceed the maximum project duration of twenty-four months, nor the deadline of 30/09/2029.
- The project application must remain in line with all requirements in these regulations. the Fund Management (MAJS) may decide on an application for financial modification and/or extension of the project period.

If there is (also) a substantive change, the relevant application will be resubmitted to the Board of Directors for assessment and approval or denial. In addition, project partners may make changes to the organisations contact persons and/or contact details at any time.

4h. Withdrawal of the grant

If a project partner has applied to the court for suspension of payments, has entered into an arrangement with creditors or is bankrupt, no grant may be awarded and all or part of the grant may be withdrawn or recovered.

If a project partner does not act in accordance with the European, national or other provisions of the programme or the progress of the project for which grant has been awarded does not proceed in accordance with the decision, the Fund Management (MAJS) may withdraw all or part of the grant after assessment and the suggestion to do so by the Board of Directors.

In case of irregularities, the Managing Authority may immediately order the cessation of ERDF contribution disbursement and recovery.

If it is established that undue payments have been made, the project partner must repay these undue payments without delay. If necessary, Fund Management (MA/JS) will initiate recovery proceedings for this purpose.

Section 5: Procedures for closure

No later than three months after the end date of the innovation project, the partnership submits a final report of the innovation project via the e-portal 'JEMS-STIPP', which includes an explanation of achievements. The final financial declaration is also submitted no later than three months after the end date of the innovation project.

After the end of the innovation project, all partners should confirm the ERDF received. This action should be done within a year of the end of the innovation project, but no later than 31 December 2029.

Section 6: Other provisions

6a. Appeal procedure

Decisions of the Fund Manager are subject to the regular objection and appeal procedures of the Province of Limburg. Information on this will be enclosed in every decision letter from the Fund Manager. An objection must be submitted within six weeks from the date of a decision.

Objections can be submitted in writing or digitally. For more information on the procedure, go to: www.limburg.nl/loket/producten-diensten/@606/bezwaar-beslissing.

The secretariat of the General Legal Affairs Cluster can be reached at the following mail address rechtsbescherming@prvlimburg.nl.

6b. Tracking

If the higher regulations of the European Commission or the Programme change on points that also apply to this scheme, those changes will apply in full to projects and partners under this scheme.

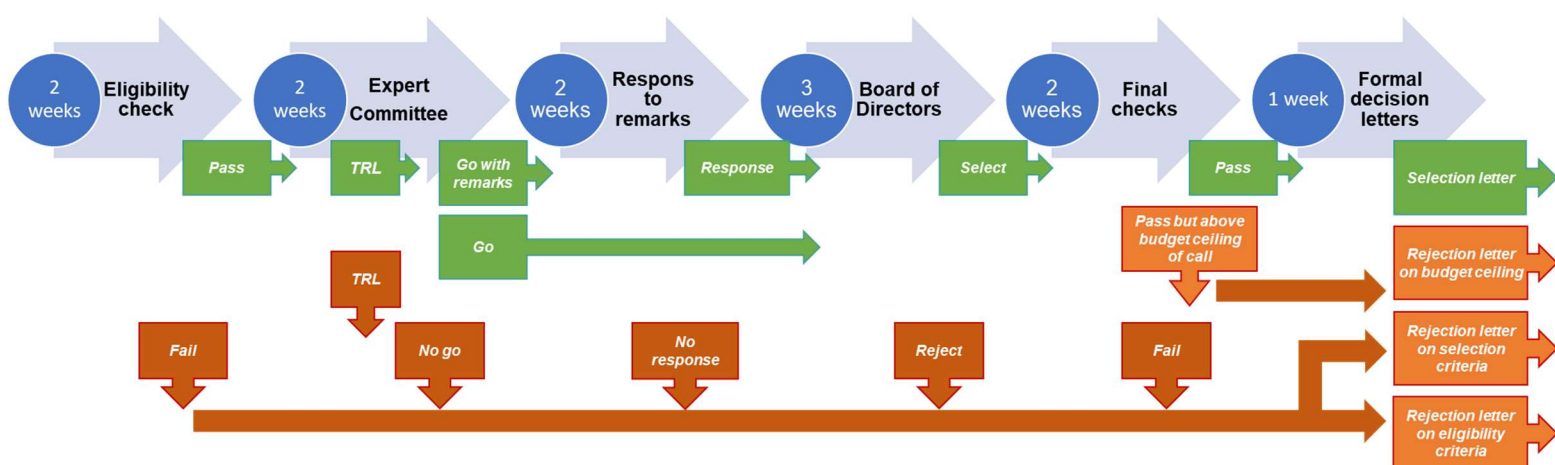
ANNEX 1 PROJECT SELECTION PROCESS

Selection of applications to be granted subsidies from the SME grant scheme

Projects to be granted a subsidy are selected from the applications according to the following procedure and criteria. The different consultation structures are responsible for the four different stages of this procedure. Summarized as the stages:

- 1) assessment of the eligibility criteria (except TRL) by the Fund Management,
- 2) assessment on eligibility criterion TRL and on the selection criteria by the Expert Committee,
- 3) ranking on the selection criteria by the Board of Directors and demarcation to grant ceiling,
- 4) ratification of awards and rejections by the Fund Manager (MA).

Project selection process of 12 weeks



1) assessment of the eligibility criteria (except TRL) by the Fund management

Fund management, effectively a separate team within the JS staffing, reviews all applications for eligibility criteria. These include, for example:

- ✓ The application is complete and correctly presented:
 - The application has been submitted within the defined call for proposals period;
 - The application had been formulated in English;
 - All mandatory fields in the digital portal have been properly filled in.

- ✓ The minimum requirements for consortium composition are met:
 - SMEs from at least 2 different Member States (NL-BE-DE);
 - All partners are a legal body;
 - All partners qualify for the SME status;
 - No partner(s) with status of 'company in difficulty'.
- ✓ The project period is correct:
 - The project does not start before the date the application is submitted;
 - The project has a maximum duration of 24 months;
 - The project does not end after 30 September 2029.
- ✓ The requirements on the financial plan are met:
 - The Cost Catalogue is applied in a correct way;
 - The maximum ERDF co-financing rate as stated in the text of the call for proposals has not been exceeded;
 - The financial plan respects the requirement for a private (own) contribution of at least 50% of the SME's total costs.
- ✓ The project activities are in the TRLs from 4 to 9.¹¹
- ✓ There is no possibility for an application for the same, or similar project from the same, or similar project partners at the same time under another Interreg programme.¹²

With this, the MA/JS provides the guarantee that only projects that meet all legal, financial and other formal requirements from European regulations and programme regulations (except TRL) are forwarded. The outcome of this assessment is either 'go' for forwarding to the Expert Committee, or 'no go', i.e. directly to the Fund Manager for rejection.

2) assessment on eligibility criterion TRL and the selection criteria by the Expert Committee

Applications that have received a 'go' from the Fund Manager as outcome of the assessment on the eligibility criteria (except TRL) will be assessed by a panel of independent external experts: the Expert Committee.

First, on the eligibility criterion on TRL, required from 4 to 9. This criterion is not assessed by the Fund Management, but is left to the expert view of the Expert Committee as their first point of assessment. SME projects starting in TRL 4 or TRL 5 must reach at least TRL 6 at the end of the project.

¹¹ The eligibility criterion on TRL (required to be from 4 to 9) is not assessed by the Fund Management, but is left to the expert view of the Expert Committee as their first point of assessment. SME projects starting in TRL 4 or TRL 5 must reach at least TRL 6 at the end of the project.

¹² For the eligibility criterion on potentially simultaneous application options and open calls, the Fund Management asks the opinion of the RDAs involved in STIPP, additional to the Fund Management's own knowledge.

Subsequently on the selection criteria set out in the relevant opening. These will or may include, for example:

- ✓ the degree of innovativeness,
- ✓ the degree of focus on the societal challenges of the programme,¹³
- ✓ the degree of cross-border cooperation (a.o. consortia covering more regions) and added value (during and after the project),
- ✓ the potential degree of economic impact,
- ✓ the quality of the project partnership (a.o. coverage of programme regions, competences, complementarity),
- ✓ the quality of application (a.o. project plan, feasibility, budget).

The Expert Committee is an advisory board for the Board of Directors (see stage 3). Meeting together, the Expert Committee reaches consensus for each application.

The Expert Committee will give a substantiated motivation per project, based on their assessment. This motivation will focus on the selection criteria and will give a general motivation per project.

The assessment by the Expert Committee concludes with a classification per project with three possible outcomes:

- a. **"no go"** when, in their opinion, the eligibility criterion on TRL is not met and/or selection criteria are insufficiently met;
- b. **"go"** when, in their opinion, all selection criteria have been sufficiently met;
- c. **"go with remarks"** when all selection criteria seem to be sufficiently met but clarification is required on one or a few criteria;

For such applications, the Expert Committee formulates comments, connected to the selection criterion (criteria) in question. These comments are transferred to the applicants with a period of 14 days to provide answers. These responses are taken into account by the Board of Directors (see stage 3) in its assessment.

The RDAs provide personnel capacity for the 'technical secretariat function' for the Expert Committee, a.o. for the remarks made by the Expert Committee to the applicants, and presenting the outcome of the Expert Committee (and answers on remarks) to the Board of Directors. The business developers performing these tasks do not intervene and observe a strict neutrality.

The Expert Committee elaborates its assessment for each project in a motivation, as a recommendation to the Board of Directors. The technical secretariat makes the notes of Expert Committee meetings, collects the motivations on the consensus-based recommendations and processes these to the Board of Directors.

¹³ Should a call for proposals focus on a specific theme or topic, etc., this selection criterion is adjusted accordingly.

Based on a framework provided by the STIPP partners (a.o. on the quorum and assessment on the selection criteria), the Board of Directors is to draft the Rules of procedure for the Expert Committee, how they together have to practically perform their tasks on these assessments.

3) ranking on the selection criteria by the Board of Directors and demarcation to grant ceiling

The Board of Directors carries out a more detailed assessment on the applications rated with a "go" or a "go with remarks" by the Expert Committee. This assessment is based on the advice by the Expert Committee and the Board of Directors takes into account the motivations and comments by the Expert Committee.

Also, the Board of Directors reviews the motivation of the Expert Committee on applications rated with a "no go", to verify this conclusion by the Expert Committee.

This assessment by the Board of Directors is carried out by its members representing the RDAs (the 'assessing members', so excluding the Fund Manager). On agenda items regarding such assessments, the representative of the Fund Management does not take part but acts as an observer.

The business developer(s) acting as the 'technical secretariat' of the Expert Committee are invited to assessment meetings of the Board of Directors as 'linking pin'; if needed for clarification on the written motivation of the Expert Committee, they take an advisory, non-voting position.

This assessment by the Board of Directors has four steps:

- i. scoring of applications on the selection criteria,
 - ii. ranking of applications,
 - iii. demarcation to the grant ceiling,
 - iv. possibly decisive motivation on projects 'ex aequo' around the grant ceiling.
- i. The assessing members of the Board of Directors score all the selection criteria of all applications¹⁴, individually, ahead of their meeting. The secretariat merges all individual scores into an indicative overview. Based on this overview, in meeting together the Board of Directors comes to joint final scores per selection criterion, per application, by consensus. This score consists of one mark on a five-point scale:

Quality assessment	Score
Excellent	5
Good	4
Satisfactory	3
Poor	2
Insufficient	1

¹⁴ For the applications rated with a "no go" by the Expert Committee, the BoD has to verify this conclusion as formal decision.

The opening of the SME grant scheme sets a lower limit as a threshold for selection. In principle, this is the same threshold as applies in openings of the Meuse-Rhine programme: 3 points.

In the scoring of the applications, the Board of Directors takes into account the assessment of the Expert Committee in the following way of work:

- On projects with a “go” by the Expert Committee:
The Board of Directors appreciates each individual selection criterion per project with a motivation and a score. This score can be 3, or 4, or 5, because a “go” should be at least sufficient/satisfactory on all criteria. In an exceptional case the Board of Directors comes to consensus on a score of 1 or 2 on any criterion, the Board of Directors deviates from the Expert Committee’s positive opinion and therefore the Board of Directors will give additional motivation on each of such scores contrary to the Expert Committee’s positive opinion. This should be an exception and all directors should agree on this in consensus.
 - On projects with a “go with remarks” by the Expert Committee:
The Board of Directors examines the additional information provided by the applicants on the remarks. The Board of Directors appreciates each individual selection criterion per project on which the Expert Committee placed a remark, with a score of 1, or 2, or 3, or 4, or 5 and a motivation that responds to the remarks made by the Expert Committee. For the other individual selection criteria per project on which the Expert Committee gave a neutral opinion, gave a positive opinion or gave no opinion, the Board of Directors gives a motivation and a score. This score can be 1, or 2, or 3, or 4, or 5. If the Board of Directors comes to consensus on a score of 1 or 2 on any criterion, the Board of Directors deviates from the Expert Committee’s positive opinion and therefor the Board of Directors will give additional motivation on each of such scores contrary to the Expert Committee’s positive opinion.
 - On projects with a “no go” by the Expert Committee:
The Board of Directors takes note of the rejection of the project by the Expert Committee. In order to give a final score to the application, the Board of Directors appreciates each individual selection criterion per project on which the Expert Committee gave a negative opinion with a motivation and a score of 1, or 2. For the other individual selection criteria per project on which the Expert Committee gave a neutral, a positive or no opinion, the Board of Directors gives a motivation and a score of 1, or 2, or 3, or 4, or 5.
- ii. By multiplying the score on each individual selection criterion by its weight in the call text, a total overall score for each application is calculated. The Board of Directors ranks all applications based on its assessment from the highest overall score to the lowest overall score. On applications that, in the Board of Directors’ assessment, score lower than 3 points, the Board of Directors will recommend rejection to the Fund Manager.
- iii. The Board of Directors assesses whether the grant ceiling is exceeded by the applications scoring 3 points or more. If this is not the case, the Board of Directors gives the Fund Manager the list of all these projects to be selected to receive the subsidy.

If the grant ceiling is exceeded, the Board of Directors considers whether the dividing line of the grant ceiling lies in or below an application with a higher rating than the next project in the ranking. If so, the application that is (partly) within the grant ceiling will receive the recommendation to award and all projects below this application will receive the recommendation to reject.

When the dividing line lies within applications with equal scores, the Board of Directors proceeds to step iv.

iv. The Board of Directors determines which projects are ranked with equal scores around the dividing line of the grant ceiling. For these relevant projects between which has to be decided, the evaluating members of the Board of Directors carry out an additional assessment on the quality and composition of the consortium. In doing so, the Board of Directors will rank applications higher if:

- ✓ the consortium includes partners from more regions of the programme area,
- ✓ the respective participants align to a higher degree with the strategic innovation priorities of the regions in which they are located.

Based on this additional assessment of the relevant few projects with equal scores, the Board of Directors by consensus ranks these projects around the grant ceiling in such a way that a clear delineation to projects within, versus projects exceeding the grant ceiling is created. After this, the applications that are (partly) within the grant ceiling will receive the recommendation to award and all projects outside will receive the recommendation to reject.

The Board of Directors reports in detail on its considerations and deliberations. This report includes justifications for both grant approval decisions and rejections. The weighty advice given by the Board of Directors to the Fund Manager must be comprehensive and related to the selection criteria of the call in such a transparent and objective manner that the Fund Manager can comply with the substantiation by the Board of Directors in accordance with the principle on motivation of decisions of Article 3:46 of the Dutch General Administrative Law Act ("Awb"). To facilitate this obligation, the 'technical secretariat' shall ensure professional notation by means of audio recordings of (at least the conclusions of) the deliberations and their textual elaboration.

4) validation of awards and rejections by the Fund Manager (MA)

The Fund Manager (MA) receives the ranking and motivations from the Board of Directors with their assessment decision to either:

- ✓ approve the application and grant the subsidy,
- ✗ reject the application due to exceeding the subsidy ceiling,
- ✗ reject the application due to not meeting the eligibility criterion on TRL and/or not meeting the threshold on the selection criteria (in default the threshold of minimum 3 points, but to be defined per call).

Based on a final check by the Fund Management (MA/JS) on the grant-technical legality of the project, the Fund Management prepares the grant award decisions and rejection decisions. In this, the Fund Management also includes the rejections ✗ based on failing one or more of the eligibility criteria in the first stage of this procedure.

The Fund Manager may deviate from the ranking by the Board of Directors only in case of weighty legality reasons, and not without prior consultation with the Board of Directors.

The Fund Manager issues these decisions to the applicants and informs the STIPP RDA partners. These decisions are subject to the regular right of objection and appeal, as applicable to decisions of the MA.

ANNEX 2 PROGRAMMES PERSPECTIVE ON 'FUNCTIONAL AREA'

Elaboration on selection criterion 5: potential partners not located in the programme area

Participation of project partners from areas outside the programme area is possible, but conditions apply (see sector 1a and official regulation). The composition of the partnership is assessed under the selection criterion 5.

Basically the preference for consortia is (in following order ranked from higher to lower) as mentioned hereafter, but all consortia will be assessed on the competences of the partnership, including the justification of the composition and the complementarity of the composition.

- Only partners from programme area;
- Consortia consisting of programme area and other area's.

It should be clearly motivated why any partner other than a SME located in the programme area, was chosen and what the added value of this partner in the consortia would be.

The programme document makes a nuanced distinction into 'functional areas'. This is not a formal distinction for eligibility purposes, but it might be helpful to the selection of partners and the motivation of participation of other partners than SME located in the programme area. The following text on 'functional area' is quoted from the Programme Document.

(start quote from Programme Document, paragraph 2.1.2.4)

Functional area: SME competitiveness

In order to grasp the full potential of the cross-border region's strengths with regard to specific objective 1.iii, Interreg Meuse-Rhine (NL-BE-DE) focuses on a functional area characterised by interrelated microeconomic developments within SMEs in the areas of competition, collaboration, innovation, product/service and online presence. In addition to the programme area, the below mentioned regions are an integral part of the functional area under SO 1.iii. Accordingly, target groups located in these regions are also potential beneficiaries under this specific objective:

- COROP region Zuidoost-Noord-Brabant (NL);
- Leuven Arrondissement (BE);
- Düsseldorf, Kreisfreie Stadt (DE);
- Duisburg, Kreisfreie Stadt (DE);
- Koblenz, Kreisfreie Stadt (DE);
- Trier, Kreisfreie Stadt (DE).

The functional relationships at the industry level that we see in SO 1.i also apply to a large extent to the supplying and supporting SMEs. SO 1.iii is about translating these regional specialisations by SMEs on one side into new services and products, but on the other side also into new behaviour, processes and

technologies implemented within these SMEs. Proximity is key when it comes to SME cooperation. The first four regions mentioned above are close to the borders (40-50 km) and about one hour drive away from the center of the programme area. The last two are located at a somewhat greater distance to the programme area borders, but can also be reached quickly from the programme area due to good infrastructural connections.

Via envisaged strategic initiatives like the “voucher project” or an innovation scheme supporting cross-border innovation cooperation, SMEs from the programme area will benefit from cooperating with SMEs from Zuidoost-Noord-Brabant, Leuven Arrondissement, the Düsseldorf/Duisburg area and the cities of Koblenz and Trier. Being part of one of the biggest metropolitan areas in the EU and part of large industrial areas in Germany, these areas represent a huge potential in terms of new markets close by for actors in the programme area.

Examples of possibilities are that Leuven based business acceleration programmes support entrepreneurs all over Flanders, including Belgian Limburg. Leuven Research & Development and Gemma Frisius Fund KU Leuven have invested in several innovative companies in Belgian Limburg, in most cases being university spin-offs. Trier is home to the Research Center for Small- and Medium Sized Enterprises, promoting exchange between players in the regional economy and the university. Such initiatives can be extended in a cross-border context, in order to create a transfer and close cooperation between SMEs and universities. Cluster Mittelrhein.Digital is a joint initiative of companies from the northern part of Rhineland-Palatinate as well as the University of Koblenz and Koblenz University of Applied Sciences for the joint development of competencies in the digitalization of business, industrial and work processes.

New opportunities arise for SMEs from the programme area when they can be linked up with these types of initiatives available in the mentioned areas.

Authorities from the programme area are also cooperating in trying to support SMEs to do business abroad, such as acting together in trade missions. When involving the business community, the wider scope of the programme area can be explicitly adhered to, providing additional opportunities for SMEs in the programme area to get involved. The additional areas mentioned have powerful players who are often represented at trade missions. SMEs from the programme area can follow in their wake.

All these regions are linked with each other through the presence of a high amount of SMEs in similar industry sectors and through partially overlapping networks of all these SMEs, as a consequence of proximity. In this context, SMEs in these areas are often mutually interdependent, linked through various (historic) value chains, and faced with increasing globalisation and competitive pressure. This increasing pressure is a key driver to encourage SMEs to strengthen cross-border partnerships in order to reduce costs and/or to facilitate the development of higher order competitive advantages.

(end of quote)