***STIPP -* SME Transition Innovation Partners Projects**

***Pre-financing procedure***

The current document is meant to provide further details on the pre-financing possibilities as described in chapter 4.e of the *STIPP SME Grant Scheme Manual*.

The *STIPP SME Grant Scheme* has a budget of 10 million EUR ERDF that is registered as a state-aid scheme under GBER art.20. This budget is used to support up to 50%, the SMEs selected for funding within the various calls of the STIPP instrument.

In line with art.91.5 of CPR[[1]](#footnote-2), pre-financing under state-aid is possible, but it cannot exceed 40% of the total amount of aid to be granted to a beneficiary.

In order to comply with the legislation in force, the following system is put in place for pre-financing within STIPP.

**Granting pre-financing is a favour** and always subject to the programme's discretion and available financial scope.

Pre-financing is paid based on the request of the Lead Partner (LP) on behalf of the consortium. It may be requested by all project partners or only by some of them, but the request is always handled via the LP.

Pre-financing is paid to the LP’s bank account that needs then to forward the corresponding amount to the project partner(s) of the consortium. The LP must pay to the project partners their due share of the ERDF funding within the timeframe set out in the partnership agreement after receiving the funds. The LP distributes the funds to the respective partners and monitors their expenditure schedule to identify risks of under-consumption.

The Fund Management is not responsible for the delays that the LP may encounter in forwarding the amount to the partner(s).

The first pre-financing of 30% should normally be requested after project approval, but it can also be requested later on during project implementation, in duly justified cases.

Below are the steps needed to receive pre-financing as well as the conditions needed to be fulfilled.

* **STEP 1: Project selection**
	+ The maximum percentage for pre-financing that can be requested after project selection is **30% of the ERDF amount awarded to each partner**.
	+ Pre-financing will only be granted after the project has been selected for funding and all necessary steps have been completed for the contracting of the project.
	+ The LP needs to **fill-in a pre-financing form** to ask for pre-financing on behalf of the partner(s) that want(s) to benefit from this facility. The filled in form must be sent by e-mail to stipp-fm@prvlimburg.nl. Once the pre-financing request will be approved, it will also be stored by the Fund Manager in the section *Contracts and agreements* in JEMS-STIPP.
	+ Pre-financing can be requested by all members of the consortium or by only some of the project partners. In either case, the request must be submitted by the LP.

**Pre-financing decision & payment**

In general, the pre-financing decision will be communicated within 1 month after reception of the pre-financing request in full. The Fund Management team will pay out the pre-financing no later than 1 month after the request is approved.

However, no pre-financing will be granted before the contracting phase is over.

If the project start date is before the project selection date, the pre-financing decision will be communicated to the LP within 1 month after the project selection decision, provided that the contracting phase is completed.

To be noticed that the **pre-financing will never be released earlier than 2 months before the project start date**.

For a positive decision on pre-financing the following elements will be considered (not an exhaustive list):

* Availability of funds
* Properly filled-in documents provided by the partnership
* Any other checks deemed necessary

Example 1: project start **before** selection decision

* + - Project selection date – 1 June 2025
		- Project start date as submitted in the application form – 1 May 2025
		- Pre-financing request + bank details submitted by LP on 15 June 2025
		- Project contracting phase concluded by 30 June 2025 (application status in JEMS-STIPP is ‘Contracted’)
		- Pre-financing request approved by 30 June 2025
		- Pre-financing paid by 30 July 2025 at the latest

Example 2: project start **after** selection decision

* + - Project selection date – 1 June 2025
		- Project start date as submitted in the application form – 1 July 2025
		- Pre-financing request + bank details submitted by LP on 5 June 2025
		- Project contracting phase concluded by 15 June 2025 (application status in JEMS-STIPP is ‘Contracted’)
		- Pre-financing request approved by 15 June 2025
		- Pre-financing paid by 15 July 2025 at the latest

Example 3: **later** project start date

* + - Project selection date – 1 June 2025
		- Project start date as submitted in the application form – 1 January 2026
		- Pre-financing request + bank details submitted by LP on 5 June 2025
		- Project contracting phase concluded by 15 June 2025 (application status in JEMS-STIPP is ‘Contracted’)
		- Pre-financing request approved by 15 June 2025
		- Pre-financing paid after 1November 2025
* **STEP 2: Financial progress (expenditures submitted in project reports)**
	+ If a consortium has received pre-financing, it needs to demonstrate that it has used more than 60% of the pre-financing in order to be entitled to request an additional pre-financing. In other words, the concerned partners need to demonstrate that they have incurred and paid expenditures that represent at least 60% of the given pre-financing. This is demonstrated by submitting partner & project reports in JEMS-STIPP. These reports need to be fully verified in order to be eligible and taken into account. If this condition is met, the partner(s) may ask for a 2nd pre-financing.
	+ The value of the 2nd pre-financing requested is max. 10% of the ERDF amount awarded to each project partner. This ensures that together with the 1st pre-financing the threshold of 40% of the total amount of aid to be granted to a project/beneficiary is not exceeded.
	+ The steps in requesting the 2nd pre-financing are the same as when requesting the 1st pre-financing. The LP needs to fill in a form, specifying which partner wants the pre-financing. The filled in form must be sent by e-mail to stipp-fm@prvlimburg.nl. Once approved, it will also be stored by the Fund Manager in the section *Contracts and agreements* in JEMS-STIPP.
	+ If a project/partner demonstrates no or low spending on the pre-financing received, they will be required to return the advance payment.
* **STEP 3: Subsequent project reports**
	+ If the partnership/project partner has received 2 pre-financing installments totaling 40% of the awarded ERDF grant, no more requests of this kind are possible afterwards.
	+ In the subsequent reports submitted, the partners will be incurring expenditures and paying for them from their own sources. The programme will then reimburse to the concerned partners the max. ERDF share as stipulated in the Grant letter.
	+ By the end of the STIPP project, the partnership will receive max. 90% of the ERDF share that was validated for payment. The remaining 10% will be paid out to the LP, after the project is officially finalized and receives its closure letter.
1. Common Provision Regulation - <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32021R1060> [↑](#footnote-ref-2)