

STIPP

STIPP Call 1 FAQ

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1. Is it sufficient for an SME to have an establishment unit (with registration in the chamber of commerce) in the programme area to be able to participate in a project and be eligible for this?

A.1: The STIPP grant scheme requires that the partnerships applying for funding consist of minimum 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. – STIPP SME Grant Scheme Manual – Section 2.b.

SMEs that are within the programme's eligibility area as well as SMEs that are outside the programme area can participate in the grant scheme, but the difference in this case is the maximum budget that they can get.

An established unit of an SME within the programme area would entitle that entity to be seen as coming from the programme area. This means that it can claim a higher budget, in line with thresholds listed in the STIPP SME Grant Scheme Manual — Section 1.a. However, this entity still needs to form a partnership with at least one other SME from a different member state in order to be eligible for funding.

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.

2. What is considered the programme's eligibility area/ programme area?

A.2: The STIPP instrument has the same eligibility area as that of the Interreg Meuse-Rhine programme. The NUTS codes based on which the programme's area is defined are listed in the Programme document available on the <u>programme website</u>. SMEs that are not officially registered in the NUTS regions listed below are to be considered as coming from outside the programme area.

	NUTS 2		NUTS 3	
MEMBER STATES	NUTS- CODE	NAME	NUTS- CODE	NAME
	BE22	PROVINCIE LIMBURG	BE224	ARR. HASSELT
			BE225	ARR. MAASEIK
			BE223	ARR. TONGEREN
			BE332	ARR. LUIK
BEI GIUM		PROVINCE DE LIÈGE	BE335	ARR. VERVIERS -
DELGIOW				COMMUNES
				FRANCOPHONES
			BE336	BEZIRK VERVIERS –
				DEUTSCH-SPRACHIGE
				GEMEINSCHAFT
	DEA2 KÖLN	Körn	DEA2D	STÄDTEREGION AACHEN
			DEA26	DÜREN
		KOLN	DEA28	EUSKIRCHEN
GERMANY			DEA29	HEINSBERG
	DEB2	TRIER	DEB23	EIFELKREIS BITBURG-
				Prüm
			DEB24	VULKANEIFEL
NETHERLANDS	NI 42	PROVINCIE	NL422	MIDDEN-LIMBURG
INETHERLANDS		LIMBURG	NL423	ZUID-LIMBURG

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- 3. What hourly rate can a principal shareholder/founder who does not pay himself a salary in the early stages of a start-up, or at least not demonstrably through a payslip, charge for expense claims?
 - A.3: The <u>Cost Catalogue</u> in force provides clear guidance on the different approaches available for paying shareholders or company owners in chapter 4 Staff Costs.

If there is no possibility to establish a gross salary for a company shareholder/founder, staff costs are eligible at a fixed rate of \in 45 per hour. This equals the third salary category in the standard scale of applicable hourly rates as indicated in tables 2 and 3. **Being director or major shareholder needs to be clarified by sharing the statutes of the company.**

Legal basis: Article 39 of Regulation (EU) 2021/1059 and article 55 of Regulation (EU) 2021/1060.

	Monthly gross salary ranges	Applicable hourly rate
1	Under € 2.900	€ 22
2	Between € 2.900 and € 3.749	€ 35
3	Between € 3.750 and € 4.649	€ 45
4	Between € 4.650 and € 5.499	€ 56
5	Between € 5.500 and € 6.349	€ 66
6	Above € 6.350	€ 76

Table 2: Monthly gross salary ranges and applicable hourly rates for Belgium and The Netherlands

	Monthly gross salary ranges	Applicable hourly rate
1	Under € 3.900	€ 22
2	Between € 3.900 and € 5.049	€ 35
3	Between € 5.050 and € 6.249	€ 45
4	Between € 6.250 and € 7.399	€ 56
5	Between € 7.400 and € 8.449	€ 66
6	Above € 8.500	€ 76

Table 3: Monthly gross salary ranges and applicable hourly rates for Germany

- 4. Do SMEs located outside the programme area need to apply the same hourly rates as mentioned in the Cost Catalogue Tables 2 & 3?
 - A.4: Beneficiaries located outside the programme area, but based in Belgium, the Netherlands or Germany have to apply the hourly rate for their country. For beneficiaries originating from outside these three Member States, the monthly gross salary of an employee is multiplied by 1% in order to determine the closest applicable hourly rate as mentioned in tables 2 and 3.
- 5. Which is the applicable hourly rate that the applicants need to apply for a project?
 - A.5: For applicants making use of cost options 1, 2 or 3 of the Cost catalogue staff costs will be calculated as standard scale of unit. There are 6 monthly gross salary ranges as stipulated in Tables 2 and 3 of the Cost catalogue (Chapter 4 Staff Costs).

Staff already working for the applicant when the project started

The applicable hourly rate is based on the gross salary shown on the payslip for the month of the project start date and applies throughout the duration of the project.

Staff joining the project at a later date

The applicable hourly rate is based on the gross salary shown on the payslip for the first full month after the employee has begun working on the project.

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6. Can the hourly rates be modified during the project duration for applicants making use of standard scale of unit?

A.6: For applicants making use of standard scale of unit for staff (Cost options 1, 2 or 3 of the Cost catalogue) the hourly rates chosen for different team members will remain fixed throughout the project duration. Even if a team member gets salary increases that will make that person have a higher monthly gross salary range in the middle of the project as compared to the start date, the hourly rate applied in the project will always be the one from when the person joined the project.

7. Is a time-registration system needed for the micro-projects? Do time-sheets need to be submitted in JEMS-STIPP when reporting?

A.7: For applicants making use of standard scale of unit for staff (Cost options 1, 2 or 3 of the Cost catalogue) it is necessary to substantiate the reported salary costs by means of an accurate time registration system for all personnel working on the project. The applicants are free to choose the time registration system (digital or analogue), however two conditions need to be complied with: 1. Keep track of the hours worked on the project and 2. Include double authorization by both the employee and their manager. The programme offers on its website a model for inspiration. This tool is not mandatory to be used, as the partners can apply their own time-registration system.

The time-sheets generated as part of the applicant's time-registration system do not need to be uploaded in JEMS-STIPP when reporting costs, but they need to be kept by the partner as they may be requested during audits carried-out on-the-spot.

8. What is the earliest start date of the innovation project?

A.8: When submitting the application form in JEMS STIPP, applicants have the option of choosing the date of submission as the earliest start date of the project. Applicants can also choose a later start date for their projects.

It is recommended that applicants are aware as to what this start date implies:

- The maximum duration of a project is 24 months counting from the date indicated in the application form as the start date
- If there are invoices associated to the project that have been issued before the official start date indicated in JEMS STIPP those will not be eligible (This applies to partners making use of cost options 1,2 or 4).

9. Can extensions be granted for a STIPP innovation project?

A.9: A STIPP innovation project cannot be extended over its maximum duration of 24 months or after the 30th September 2029, whichever one occurs first.

If a STIPP innovation project initially asks for a duration of 20 months and then requests an extension of 4 months, this could be granted provided there are solid reasons for this and provided this extension does not occur after the 30th September 2029.

If a STIPP innovation project initially asks for a duration of 24 months and then requests an extension of 4 months, this cannot be granted as it is against the maximum project duration allowed for in call 1.

- 10. Are product certification costs eligible? So, it does not concern legal certification e.g. the CE marking in Europe for electrical/electronic appliances... but a kind of quality certificate for certain construction materials to qualify for tenders in Germany (does not exist in NL or BE).
 - A.10: To qualify as eligible costs, costs must be directly linked to the project and have to be necessary and adequate for the implementation of the relevant eligible activity.

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The applicant needs to be able to demonstrate these conditions so as to have the costs approved in the framework of the project as direct costs, provided that cost options 1,2 or 4 have been chosen.

In the case of the quality certificate mentioned above, this could fit under external expertise, provided it is explained how this is relevant for the concerned STIPP innovation project.

11. What cost-option is recommended to choose for the implementation of an innovation project?

A.11: Each project partner may choose any of the 4 cost options available in the Cost Catalogue. From the perspective of the programme the cost option that has the most reduced administrative burden for SMEs is cost option 3.

If cost option 3 of the Cost Catalogue is applied, costs associated to external expertise and services, equipment and infrastructure and works will be calculated as a flat-rate of 40% of staff costs. This means that this cost option has the lowest administrative burden for SMEs, as it does not require them to report on invoices and contracts in JEMS STIPP. In this case the only costs reported on will be staff costs.

The 40% of the approved staff costs will be automatically calculated and paid out to the applicant. There will be no further checks performed by the programme on how this 40% was spent by the partner.

However, irrespective of the cost option chosen for the project, the applicants are required to apply a sound financial management for the duration of their project and use grant money in a frugal and market-based manner.

12. What is meant by an equal distribution of the ERDF subsidy between the project partners?

A.12: It is recommended that no partner should have a share of 70% or more in the project budget. When preparing the project application this aspect needs to be carefully checked.

13. From the moment a project report is submitted In JEMS STIPP how long will it take the programme to issue the payment associated to it?

A.13: For payments to be made, the lead partner needs to submit a complete project report for a reporting period of 6 months. Within this project report there should be the certified partner reports associated to the same period. Provided the project report is complete, the Fund Management has a maximum duration of 80 days to perform its checks and issue the payment to the LP.

The LP will be the one receiving the ERDF amount associated to the project report approved by the Fund Management.

The LP transfers the corresponding ERDF amounts in full to the project partner as soon as possible, but at the latest within one month of receipt.

14. Can an SME be funded simultaneously (but for different projects) from both Interreg STIPP and the regular Interreg Meuse-Rhine project?

A.14: As long as there is a clear separation between these projects and the activities/expenditure in these projects then the SME can be involved in a STIPP innovation project and a regular Interreg Meuse-Rhine project at the same time. Double funding on the same expenditure is strictly forbidden and will be handled as a formal suspicion of fraud.

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15. How many times can an SME apply for funding within the STIPP Grant Scheme?

A.15: An enterprise (whether independent or as a 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. These projects can be part of the same call or part of different calls. It is obvious that the enterprise will be performing different work in each of the projects it is involved in. Linked enterprises are considered as the same enterprise for this purpose.

16. An SME applies as an SME, but is taken over throughout the runtime of the STIPP innovation project by a large company. Will the funding proceed from that very moment or will it be stopped?

A.16: If a SME is taken over, the funding may proceed. The check on SME status is performed at application only. However, the concerned SME should notify the MA/JS of the Meuse-Rhine Programme on the changes that have happened.

17. Buying of machinery / equipment / infrastructure in a STIPP innovation project: To which extent (amount or share) are they allowed?

A.17: Under cost options 1, 2 or 4 of the Cost Catalogue, equipment costs as well as infrastructure costs may be introduced as real costs, provided they are necessary to achieve the objectives of the project, and this fact is well explained in the application form.

Chapter 8 of the Cost Catalogue provides a detailed breakdown of the many categories of equipment that can be used for the implementation of an innovation project. Similar details are provided in chapter 9 of the Cost Catalogue for the costs of infrastructure and works.

If there are specific questions about detailed types of equipment and or infrastructure costs, we encourage you to ask them at the following e-mail address: stipp-fm@prvlimburg.nl.

18. If a start-up has had an identical twin made of an installation, are you then in TRL4?

A.18: This cannot be answered in a standard way, it will be assessed on a case-by-case basis by the experts. Please contact your regional RDA to consult on such topics.

19. Can a non-profit organization participate together with SMEs in a STIPP innovation project?

A.19: Yes, but the composition of the consortium must meet the threshold of minimum two SME from two member states in the programme area. Only SMEs are eligible for the grants, so the non-profit organization cannot receive a grant.

20. Does the STIPP SME Grant scheme fit with the de minimis rule?

A.20: The grants given under the STIPP SME Grant Scheme comply with the provisions of article 20 of Regulation (EU) 651/2014, the General Block Exemption Regulation (GBER). So, de minimis aid does not apply in this case.

21. What type of partners can be funded in STIPP? Can government agencies also be involved? Like for example, VDAB, the public employment service of Flanders.?

A.21: The STIPP Grant scheme is designed to fund entities that are SMEs. An enterprise is not an SME according to the definition if 25 % or more of its capital or voting rights are directly or indirectly owned or controlled, jointly or individually, by one or more public bodies.

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The types of investors as exceptions according to article 3.2 (a-d) of the SME definition, such as universities or autonomous local authorities, which have the status of a public body under national law, are not covered by this rule. The total holding by such investors in an enterprise may add up to a maximum of 50 % of the enterprise's voting rights. Above 50 %, the enterprise cannot be considered an SME. EC User Guide to the SME Definition

22. Can a clinical test centre of a hospital be involved as a funded partner in a STIPP project?

A.22: If the test centre fits with the SME definition, then it can apply as a funded partner in a STIPP innovation project.

If the test centre does not qualify as an SME, it may consider being involved in a STIPP project as a non-funded partner or perhaps as an external contractor, if that is possible.

23. How can research institutions participate as contractors in a STIPP micro-project? Can they answer the calls for expertise?

A.23: The applicants in the STIPP SME Grant scheme are free to choose the contractors they want to work with. There is not an imposed procedure or specific calls for expertise that the grant itself launches in order to select experts. Research institutions are free to contact their Regional Development Agencies and signal their interest to be involved in STIPP micro-projects.

24. What are the key factors in the projects to be selected & granted?

A.24: The projects need to fit with the eligibility and selection criteria in order to be selected for funding. The full list of assessment criteria is available in the <u>Call Regulation</u> and the <u>STIPP</u> SME grant scheme Manual for applicants and beneficiaries.

25. Are there any preferred topics / challenges / goals to tackle in the 1st Call of STIPP?

A.25: The projects submitted in the 1st call of STIPP are expected to contribute to at least one of the following societal challenges: Industrial Transition, Green Transformation and Healthier Citizens.

26. Are start-ups eligible to apply? If yes, what rules apply to start-ups and what would you like to see from the start-up in the application?

A.26: Start-ups that fit with the SME definition are eligible to apply as partners in a STIPP innovation project. There are no specific rules that start-ups need to comply with. The same requirements are to be used for all applicants in a STIPP micro-project.

Newly established enterprises that do not yet have approved annual accounts should make a declaration that includes a bona fide estimate (in the form of a business plan) made over the course of the financial year. This business plan should cover the entire period (financial years) until the entity will generate turnover. Financial projections concerning the profit-and loss account, balance sheet and forecasted head count of the company, together with a narrative part describing the core activity of the company and its expected market position, should be considered as minimal requirements of the business plan. The document should be dated and signed by a person entitled to engage the company. (page 36 of the SME user guide, glossary) EC User Guide to the SME Definition

27. What happens if I go above a particular threshold of the SME definition?

A.27: See article 4.2 of the SME definition. If an enterprise exceeds the headcount or financial ceilings during the course of the reference year, this will not affect its situation directly. The enterprise will lose SME status if it goes above the ceilings for two consecutive accounting periods.

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As STIPP SME projects have a maximum period of two years (24 months), the situation of exceeding thresholds for two consecutive accounting years potentially can hardly be the case in a STIPP SME project. EC User Guide to the SME Definition

28. Is there a maximum %/amount for an entity (for e.g. RTO) to participate as subcontractor in a proposal?

A.28: There is no fixed maximum (% nor €) for subcontracting. The Expert Committee and Board of Directors will perform a qualitative assessment on the quality of the project and the quality of the consortium. Main aim is to stimulate SMEs to innovate themselves in a consortium of SMEs that have added value amongst each other. The more subcontracting, the lower the score potentially will be.

29. Can SMEs (whether or not startups) obtain an advance payment of (part of) the committed funding if a project is approved or do all costs related to the project have to be pre-financed?

A.29: 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.

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 to a project during its implementation are maximum 90% of the subsidy.

30. Who makes up the selection expert committee?

A.30: The Expert Committee includes representatives from government, business and knowledge institutions throughout the whole programme area.

31. What is the grant percentage?

A.31. The grant under the SME grant scheme is 50% of the eligible expenditure of the participating SMEs.

32. How can out of regio SMEs enter in the projects?

A.32: It is up to each consortium to define its membership and to select which SME it wants to work with. If a decision is made to involve SMEs from outside the programme area, it needs to be explained what is their added value to the work performed.

33. What is the minimum value that a STIPP project should have?

A.33: The total eligible cost of a STIPP project should be at least € 150.000.