

# Frequently Asked Questions by potential applicants

(Last update: October 2019)

## Technical Assistance Facility for Industrial Modernisation and Investment (TAF) - Regional workshop

### Background

This document was developed based on questions emerging during the first and second application round for the TAF. It particularly draws upon the questions raised during the workshop on the 4th of October 2019. In the future, the FAQ sheet will be further updated based on new questions.

### Frequently asked questions (FAQs)

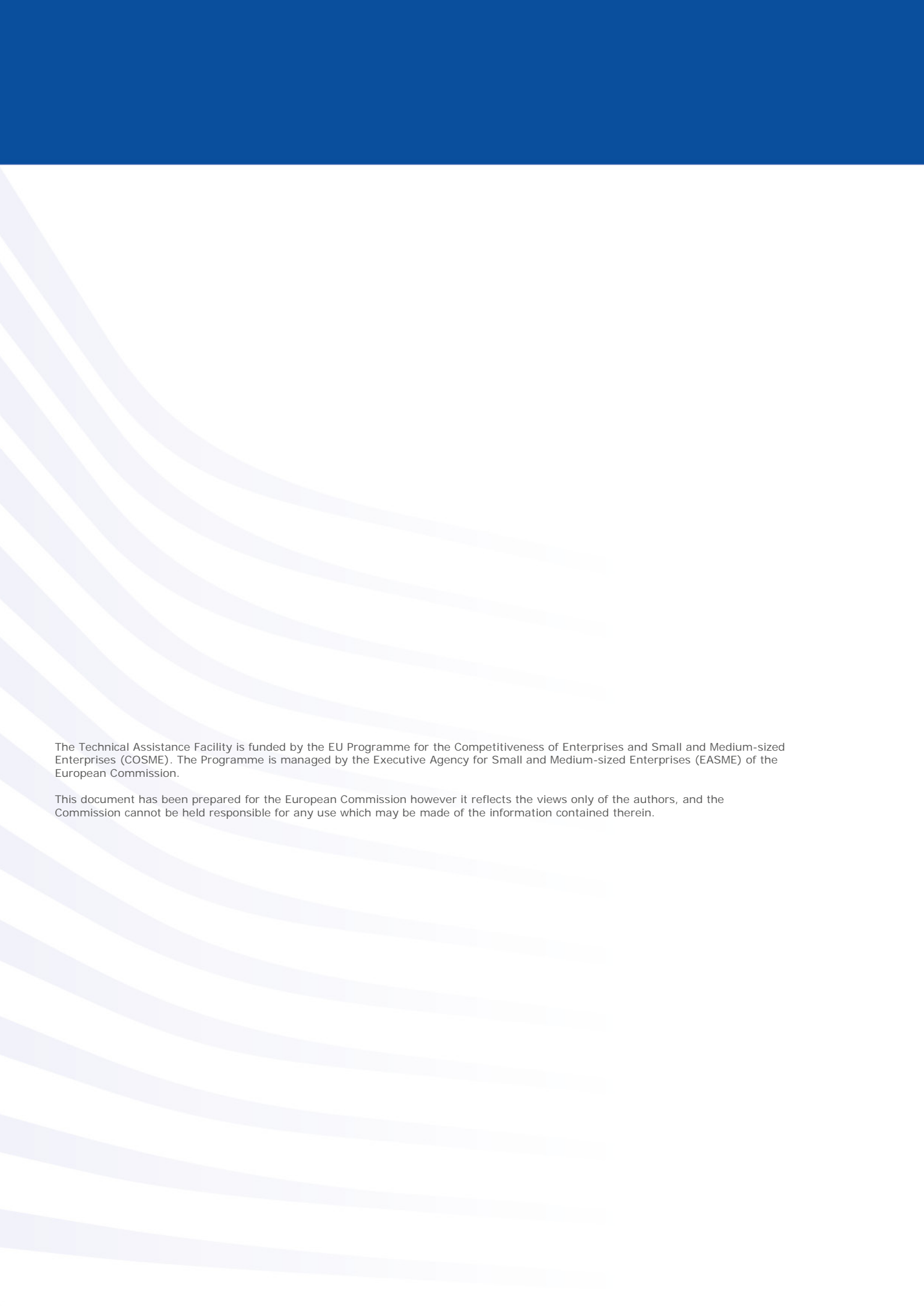
Questions	Response
<b>Admissibility criteria</b>	
<b>How do you define "investment project" in the context of the TAF?</b>	An investment is a project that requires substantial financial resources for its implementation, but expects (a certain) financial return once in place. Such a return does not have to cover 100% of the investment costs. Some return on investment however needs to be proven.
<b>How do you define "interregional" in the context of the TAF?</b>	An interregional investment project, is a project that includes regions from at least two countries. Interregional investments, are investments where at least two such parties co-invest. In case a project has developed an alternative formula of e.g. coordinated investment, financial investment of one party and in-kind contribution of other etc., the interregional dimension needs to be well argued. There should be an added value of interregional cooperation to the whole business idea of the project

Questions	Response
<b>When is an MoU needed?</b>	An MoU/Investment Protocol is needed at a project and not a partnership level. To negotiate an interregional investment, a clear governance structure and commitment are needed. At an early stage of such project, this can be reflected in the form of an MoU/Investment Protocol. At a later stage further legal arrangements are needed. Having an MoU at the moment of application ready is a clear sign of commitment and thus demonstrates to the Selection Committee that the project is on a serious path.
<b>Are individual projects emerging from Vanguard demo centres eligible?</b>	All projects that can demonstrate to be <ul style="list-style-type: none"> <li>- 'interregional',</li> <li>- 'investment' projects,</li> <li>- with a clear link to the S3P-Industry</li> </ul> are eligible.
<b>Maturity</b>	
<b>What is the expected TRL of the project and therefore the timeframe of return on investment?</b>	There is no specific TRL level required. The most important thing is to have a viable business concept. Higher TRL levels (7 or higher), might however be easier to be justified. For sure a concrete timeframe for the development of the project and therefore an expected timing for the return on investment needs to be provided.
<b>How detailed does the business plan have to be at the moment of submission?</b>	The application needs to demonstrate that the applicant has sufficiently assessed all relevant aspects of a business plan. No final business plan is needed, but a clear understanding of the existing gaps and some collected evidence. Sufficient information needs to be provided to allow the Selection Committee to assess whether a project idea is promising or not. This entails a clear vision of what the project will achieve and whom it will serve (customers), identification of revenue streams and a first cost assessment of the project. All items should be substantiated with evidence (e.g. survey results etc.)
<b>Is it possible to present a project idea or should projects only apply after having tested all aspects/proven the concept?</b>	The application can be in-between. Every piece of evidence collected that proves the concept or supports the project idea is a positive point for the TAF application. This does however not mean that the project has to be fully proven.
<b>Regions can only publicly fund projects if there is a market failure. How does this correspond to the interregional co-investment logic?</b>	TAF was put in place to help developing cross-border projects as these are seen as particularly difficult. Even when the project has a strong public good dimension, trying to solve important society's problems, it has to be financially sustainable to be viable.

Questions	Response
<b>Does a financial plan have to be submitted together with a business plan?</b>	In the application, some core numbers on the expected investment volume and breakdown are expected. The details can be sorted out during the TAF support.
<b>Governance</b>	
<b>What is the expected governance form of a project? Is it at project or at partnership level?</b>	The project has to demonstrate an agreed and committed governance structure at the project level. The governance structure identifies the distribution of rights and responsibilities among different participants in the project. Such a governance structure and commitment should be demonstrated by a formal commitment (e.g. MoU, Investment Protocol etc.)
<b>Who can be a project manager? Does it have to be a representative of a private company?</b>	<p>It is important that the project empowers one person as their project manager. This person needs to be able to act on behalf of the project consortium and at a later stage negotiate financial terms. The project manager needs to be sufficiently available and resourced to work alongside the TAF experts.</p> <p>The legal form of the entity for which the project manager is working is not important, as long as he/she is able to fulfil the role.</p>
<b>Does a project have to be led by private entities or can it be public?</b>	The important question to address is who will be in charge at the end, who will 'own' the project and who will be able to act on its behalf with investors. If this question is clarified, the question of private vs. public will be of secondary nature.
<b>How will the data shared through the application be treated?</b>	All information collected serves the sole purpose of assessing the applications and in case of being selected, preparing the support through TAF experts. If information is declared as too confidential, applicants are requested to specify this in their application. The pre-assessment team can then get back to the applicant to discuss specific arrangements.

## Contact us

If the guidance note and/or this FAQ sheet do not sufficiently answer your questions, please contact us by emailing us at [TAF@ecorys.com](mailto:TAF@ecorys.com).



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