

Strategic Transformation Support (STS)

What does this measure entail

By means of this measure enterprises or groups of enterprises that make sizeable commercial investments and educational efforts in the Flemish Region in the framework of a strategic transformation project can receive financial support. The transformation project must make a significant contribution to the strengthening of the economic fabric in Flanders, which may involve:

- investments in strategic clusters and lead plants in Flanders;
- supporting the international growth of innovation-oriented SMEs in Flanders;
- supporting transformational investments that realise the sustainable anchoring of significant employment in Flanders.

Who is eligible

Both individual enterprises and cooperating enterprises can submit an application.

With regard to individual enterprises:

- both SMEs and large enterprises located anywhere in the Flemish Region qualify for educational support;
- for investment support:
 - SMEs located throughout the Flemish Region qualify
 - large enterprises only qualify if they are headquartered in the regional support zones. This relates to:
 - > for Antwerp: Balen, Dessel, Mol;
 - > for Limburg: As, Beringen, Bilzen, Borgloon, Bree, Dilsen-Stokkem, Genk, Ham, Hechtel-Eksel, Heusden-Zolder, Houthalen-Helchteren, Herstappe, Kinrooi, Lanaken, Leopoldsburg, Lommel, Lummen, Maaseik, Maasmechelen, Opglabeeek, Sint-Truiden, Tessenderlo, Tongeren, Zutendaal;
 - > for East Flanders: Assenede, Eeklo, Kaprijke, Maldegem, Ronse, Sint-Laureins, Zelzate;
 - > for West Flanders: Diksmuide, Lo-Reninge, Ypres, Middelkerke, Oostende, Wervik.

With regard to cooperating enterprises:

- the cooperation must consist of at least three enterprises that are not partner or associated enterprises. These enterprises must not be part of the same business group.

Only enterprises that carry out an acceptable principal activity can apply for support (a list of NACE codes can be obtained from Enterprise Flanders).

Which expenses are eligible

Expenses related to high-risk projects in the context of a planned transformation scheme qualify. Over a period of three years, the qualifying educational costs and the qualifying investment amounts must at least be equal to the entry thresholds.

The entry thresholds depend on the type of support (education or investment support), the size of the enterprise (SE, ME or LE) and whether or not the support application is being submitted by cooperating enterprises:

Project submitted by	minimal education costs	minimal investment sum
an individual small enterprise (SE)	€ 100,000	€ 1 million
an individual medium-sized enterprise (ME)	€ 200,000	€ 2 million
an individual large enterprise (LE)	€ 300,000	€ 3 million
cooperating enterprises, all SEs	€ 300,000 (*) (**)	€ 3 million (*) (***)
cooperating enterprises, including at least one ME	€ 400,000 (*) (**)	€ 4 million (*) (***)
cooperating enterprises, including at least one LE	€ 700,000 (*) (**)	€ 7 million (*) (***)

(*) minimum amount per project; (**) minimum € 50,000 per applicant; (***) minimum € 500,000 per applicant

Only the investments and education that are essential for the implementation of the transformation project qualify. The applicant must also demonstrate that the support applied for is essential and has a boosting effect.

The following investments may be considered:

financial statement heading	qualifying investments
21	intangible fixed assets
22	buildings (land is excluded)
23	installations, machines and equipment
24	furniture and rolling stock
25	leasing and similar rights
26	other tangible fixed assets
27	assets under construction and advance payment

Educational costs that qualify are:

- personnel costs of the trainers;
- transportation expenses of trainers and trainees;
- other ongoing expenses for material and required materials;
- depreciations of machinery and equipment;
- costs of services for training and consultancy;
- trainees' personnel costs up to the amount of the total of the aforementioned costs.

Amount of aid

The support will be split up into basic support (for the transformation project) and bonus support (for the creation of additional jobs).

- The basic support amounts to 8% for investments and 20% for education. The basic support will be capped at a maximum of € 1 million per enterprise.
- The bonus support amounts to a maximum of 25% of the basic support (and hence a max. 5% extra support for education and max. 2% extra support for investments)

Application procedure

Please apply for the support by using the designated application form. The completed and signed application form must be submitted together with the transformation plan and the other appendices BEFORE the start of the transformation project. Enterprise Flanders will send acknowledgement of receipt to the enterprise.

Subsequently the application will be assessed for acceptability (completeness, adequate financing capacity, transformation plan) and the contents of the application will then also be assessed by a committee.

Assessment

A transformation review will determine whether the project meets the transformation requirements.

Two phases and three levels have been specified for the assessment of the potential output, results and impact of the transformation project. These phases are:

Phase 1:

- Level A: assessment of the project itself:
 - Degree of innovation of the project
 - Quality and management of the transformation project

Phase 2:

- Level B: the impact of the project on the enterprise(s) within which the project will be carried out:
 - Strengthening of the enterprise(s)
 - Internationalisation
 - Internal sustainability
- Level C: the impact of the project on the Flemish economy:
 - Transfer of knowledge and spillover effects
 - Collaboration and clustering activities
 - Growth of indirect employment
 - Sustainability of the Flemish economy

Payment procedure

The payment of the basic support is made in three parts:

- the initial amount (30%): payment at the earliest 30 days after the decision to grant the support and after the has proved that 30% of the project has been completed;
- the second amount (30%): payment at the earliest 30 days after the decision to grant the support and after the enterprise has declared that 60% of the project has been completed;
- the third amount (40%): payment at the earliest 30 days after the decision to grant the support and when the qualifying transformation training and transformation investments are fully completed, following inspection by Enterprise Flanders.

For the bonus support, the enterprise must individually apply for payment within six months at the latest after completion of the proposed employment prospects.

Contact

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