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1. Introduction

The importance of European macro-regions in the context of transformation, innovation and climate change is growing. Over the last decade, four macro-regional strategies have emerged, covering a total of 27 countries, from within and outside the EU. They are the EU Strategy for the Baltic Sea Region (2009), the Danube Region (2010), the Adriatic and Ionian Region (2014) and the Alpine Region (2015). These macro-regional initiatives demonstrated the enormous potential of a joint approach to strengthening innovation and competitiveness based on macro-regional complementarities.

The macro-regional approach can pave the way towards a more innovative, resilient, sustainable and greener Europe. The realisation of macro-regional innovation opportunities ultimately relies on business-to-business or business-to-academia cooperation on the regional and cross-regional levels. The Alpine Regions can only successfully tackle most of the upcoming challenges if they bundle their competencies and efforts together in this regard.

There is no doubt that adequate funding (both public and private) can be considered as a motor of any successful cross-regional cooperation. However, most transnational cooperation schemes are financed by the EC. Whilst they are essential tools to develop the European Research Area, but they are not tailor-made to support Research, Development and Innovation (RDI) in the macro-regional context. The calls and funding programmes are designed in Brussels, and beneficiary consortia often require European-wide RDI consortia. Other European support schemes, such as INTERREG, are better aligned with the macro-regional framework but rarely support RDI specific cross-border cooperation. Overall, there is a persistent funding gap, where regions can design their own funding conditions, programmes and calls according to their needs facilitating cross-regional collaborative projects.

Furthermore, the work of ARDIA-Net identified the lack of knowledge of programme owners on how to concretely implement cross-regional support schemes for RDI as one of the prevailing barriers towards a cross-regional RDI scheme within the Alpine Region. In particular, the lack of cross-regional multi-level governance schemes was identified as a critical constraint. Consequently, over the last months, the consortium evaluated several potential schemes that all serve the same purpose of facilitating demand-oriented cross-regional support.

2. Turning Theory into Practice - The Innovation Express 2021

Throughout the ARDIA-Net project, several options for different multi-level governance schemes have been identified as appropriate to facilitate cross-regional cooperation¹. Although these schemes all have the same objective, they vary significantly in complexity,

¹ Meier zu Köcker, G., Dermastia, M., 2020, Benchmarking of Cross-regional and transnational multi-level governance schemes, ARDIA-Net, https://competitiveness.danube-region.eu/wp-content/uploads/sites/4/sites/4/2020/01/White-Paper_Danube-Region_FINAL_.pdf

sustainability, and involvement levels on the regional/national level. At the beginning of 2021, the ARDIA-Net project partners and selected regions identified the Innovation Express funding scheme as the most appropriate option.

The Innovation Express 2021 approach represented a joint call for proposals. It was funded by existing regional funding programmes and managed by participating funding agencies to initiate, develop or enhance transnational exchange activities among applicants and their project proposals to be funded. The participating regions were Salzburg (AT), Brandenburg (DE), Baden-Württemberg (DE) and the Canton of Fribourg (CH). The Innovation Express 2021 was designed as a quick response to assist the economic recovery after Covid-19 and offered SMEs the possibility to widen their markets and develop new products and services with partners in Europe. This first call of the Innovation Express 2021 represented a common approach for supporting SMEs and academia at international matchmaking and joint project development in "Artificial Intelligence in healthcare applications" and "Digital solutions in sustainable industry". The idea behind Innovation Express 2021 was to facilitate internationalisation, development of innovative solutions in two given scopes for projects by developing transnational linkages among SMEs, research institutions and other business organisations as part of the Covid-19 recovery efforts.

The dedicated call was open from 17th May - 16th July 2021. The ARDIA-Net project partners organised several virtual events to introduce the "Innovation Express 2021" call for proposals and present the two thematic fields of the call. This was followed by a virtual matchmaking event allowing participants to create partnerships through scheduled one-to-one meetings that will lead to project proposals for the Innovation Express 2021 call.

The ARDIA-Net Counselling Board provided intellectual guidance to the entire implementation process. It showcased successful examples from Baltic Region and from Baden-Württemberg and provided reflections from the EC and EUSALP. Several meetings of the ARDIA-Net Counselling Board took place with policy makers and programme owners at the regional level.

3. Lessons Learned

The Innovation Express 2021 represents a comparatively new, but successful approach to cross-border cooperation in research, development and innovation. The discussions during the ARDIA-Net Policy Forum on November 30th 2021 have shown that this approach is feasible, especially for those regions that already have all the ingredients in place. These ingredients would be in places where there is a macro-strategy in place and where the macro-strategy has made a link with the programmes and networks of managing authorities.

Although the Innovation Express 2021 is increasingly acknowledged as a successful tool to facilitate cross-regional cooperation, it is crucial to understand whether this approach was successful and can serve as a model for further initiatives of this kind, or whether there are empirical findings that lead to the conclusion that repetition is not feasible.

>>> What went well

One of the most positive findings was that identifying a core of **regions** willing to **participate** in the Innovation Express 2021 Call was comparatively easy. The ARDIA-Net project partners used their European-wide network to mobilise a critical number of regions to volunteer. These regions were Salzburg (AT), Brandenburg (DE), Baden-Württemberg (DE) and Canton Fribourg (CH).

Since participating regional funding programmes were not subject to change nor modification, the **mutual preparation process** of the Innovation Express 2021 Call was **comparably smooth**. The four participating regions only needed to agree on a common opening date and deadline of the call. Slight adaptations of the regional call texts were required, such as:

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There was no need to modify anything else, and the programme specific administrative procedures were not subject to change.

The support of ARDIA-Net, notably through the project partner Anteja, by running the Innovation Express 2021 Secretariat, helped the participating regions to reduce coordination efforts. It became clear that such a Secretariat is of great help.

The Innovation Express 2021 allowed **new RDI cooperation** between partners that had **not previously collaborated before**. Thus, one of the core political objectives to initiate a new cooperation pattern between different regions and related partners worked well. Furthermore, the **quality** of the **partnerships**, both from the private and academic sectors, **was comparably high**.

The applicants confirmed that even though the call design was new for them, the **effort required to prepare the proposals were comparably low** since each partner was allowed to apply according to the regional programme scheme it was most familiar with.

>>> Where there is room for improvement

Despite the very positive overall feedback from the four participating regions, the internal assessment revealed some areas where improvements are recommended in case the Innovation Express Scheme is to be repeated.

The major weakness of the Innovation Express 2021 call was that the **call period** where the synchronised call was open was **much too short**. Although it was extended once and several virtual matching events were offered, the two months period turned out to be too short. Because partners from very different regions had to cooperate, the partner search took much longer than expected. This resulted in a limited number of applications, and several potential applicants abandoned their efforts due to these time constraints. In addition to time constraints, the limited number of applications was also partly due to the fact that the **pool of potential applicants was limited to four participating regions**, which somewhat reduced the probability of finding cross-regional cooperation matches.

When implementing the Innovation Express 2021 call, some participating programmes had **specific requirements**, which **hampered the building of cross-regional RDI partnerships**. For example, one programme requested a mandatory number of RDI institutions and SMEs, which was hard to meet and made a cross-regional RDI partnership too complicated.

Even though regional funding programmes that participated were well known to the applications from their "home region", the overall procedure requested by the Innovation Express 2021 was **considered** to be **complicated**.

This was especially true since each partner had to meet both the requirements of its regional funding programme, and also those of the Innovation Express 2021. Thus, intensive coaching of potential applicants was needed.

It emerged that participating programme owners had **different experiences** in operational programme implementation, especially in terms of administrative approval of the proposals. This led to long and very different approval periods and not fully transparent decision-making processes.

Finally, it transpired that participating programmes offered **very different funding** amounts. Some limited the funding to € 80,000, and others allowed more than € 500,000. As a consequence, the consortium partners within an RDI project had very different levels of involvement.

4. Funding policy implications

Given the short preparation time and the fact that the participating regions had little experience promoting cross-sectoral RDI cooperation, the Innovation Express 2021 can still be considered a success. New partnerships were enabled, and high-quality RDI proposals were approved. The participating regions provided positive feedback and confirmed that the Innovation Express 2021 brought the four regions closer together. Some of the weaknesses mentioned above were accepted from the outset, so that the scheme could be launched at all.

During the Policy Forum, the ARDIA-Net Counselling Group Members, mainly high-level policy representatives and funding practitioners, discussed options on how to best roll-out the Innovation Express 2021 approach on a broader basis in the Alpine Space in the future, as well as how to transfer it to other macro-regions.

There was a common understanding during the policy debate that it is challenging to keep an updated overview on which regions have programmes in place that might be subject of synchronisation efforts. This is challenging, because there is no general “table-based” overview on what cooperations already exist and whether programmes will be implemented soon. Thus, there is an increasing need to get an overview of what happens in the mainstream programmes e.g., where do they set the priorities and where are the regions that could be a good match? A seriously implemented Smart Specialisation Strategy development and implementation process could help, especially if a bottom-up entrepreneurial discovery process is implemented². Such a process can identify elements or competences that are missing in a given region, and identify complementarities from neighbouring regions or in a broader macro-regional space, which will push a certain specialisation into the necessary transformational path.

The policy debate also concluded that not only is the Smart Specialisation Strategy development process challenging, but so it is also the implementation process. Regions are often lacking specific competences on the legal, administrative and operational level, on how to design funding programmes, how to implement them and how setting up a financial management system, which is not unnecessarily bureaucratic. Furthermore, for the ministries in charge, funding is often not their core task. Only some regions use professional management authorities with specialised competences.

The debate led to the conclusion that a macro-region wide network of management authorities might be a promising option to continuously exchange information about ongoing and upcoming funding programmes that can be subject to synchronisation. Such a network can also help to exchange information and knowledge about good funding practices as well as about how to improve the Innovation Express implementation modalities.

The provision of incentives for regions to become more open towards cross-regional funding was a topic discussed during the Policy Forum that can support efforts to implement further Innovation Express Schemes. For example, top-up funds can serve as promising incentives for the Alpine Space, ideally provided by the new INTERREG Programme (2021-27).

It was concluded that there are three main reasons for repeating this Innovation Express funding concept and roll it out on a broader basis in the Alpine space and in other macro-regions:

- **The Innovation Express scheme brings together new actors from different regions in a simple way**

The results show that entirely new RDI partnerships between the industry and academia from different regions have emerged between actors who had never cooperated before. It has also been shown that the RDI consortium bundled high-quality

² Promising efforts in this direction were initiated through the Interreg Alpine Space project S3-4AlpClusters, in particular with the development of a cross-regional S3 innovation model. An implementation of the developed process on a broader, coordinated basis in the Alpine Space should be a priority for upcoming cross-regional initiatives. <https://www.alpine-space.org/projects/s3-4alpclusters/en/home>.

competencies from different areas that did not exist in one single participating region. This kind of cooperation could not have been realised within the framework of traditional EU programmes, which require significantly more efforts in terms of the application process and more complex constellations of actors. Furthermore, it also brought the programme owners from the participating regions closer together.

- **The participating regions are in the driving seat**

Unlike most other European funding concepts for cross-border RDI cooperation, the Innovation Express 2021 approach allowed regions to determine the timing and the content of the participating funding schemes themselves. It ensured a rapid reaction, as in the present case as a response to the COVID-19 pandemic. In this way, the regions themselves can determine the funding priorities, funding object, beneficiaries, duration of the projects and many other features.

- **The Innovation Express scheme is SME friendly**

Most European funding schemes are not SME friendly, and the application process is complex and funding modalities complicated. Despite some weaknesses and challenges, the Innovation Express 2021 can still be considered SME friendly because regional calls were synchronised and regional funding modalities were applied.

5. The Role of the ARDIA-Net Project

The ARDIA-Net project initiated and actively supported the first Innovation Express 2021 call. It served as a Call Secretariat and supported the participating regions during the preparation and implementation phase. The project partners were able to test the selected multi-governance scheme within the Innovation Express 2021 call in real life. The insight on how to design and implement such a call scheme helped the project partners further fine-tune the multi-governance scheme.

The ARDIA-Net project also played an essential role in advocating for the Innovation Express 2021 scheme and related benefits. It initiated awareness-raising measures to convince new regions to join the potentially next Innovation Express Call, scheduled in 2022. The Policy Forum, organised as a virtual event on 30th November 2021, served as an excellent example of how the ARDIA-Net consortium and Counselling Group members promoted the idea of the Innovation Express 2021 and related benefits to facilitate cross-regional cooperation within the Alpine Region.

The Policy Forum also demonstrated the need for a continuation of the Counselling Group. It shall serve two main purposes. Firstly, to promote the Innovation Express scheme as a tool to allow regions to cooperate cross-regionally. Secondly, to serve as a high-level exchange platform for policy makers and funding

practitioners to improve framework conditions for cross-regional cooperation. The idea of an Alpine Region wide network of regional management authorities or the advocacy for more capacity building measures to improve regional competences in programme implementation are only two examples for the recent outcomes of this Group.