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### **D.3.3.2**

## **Establishing cooperation and mutual planning of funds to support investments by SMEs on C2C**

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# Cradle-ALP – Establishing cooperation and mutual planning of funds to support investments by SMEs on C2C

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## Executive Summary

This deliverable documents experiences, recommendations of Arida-Net and INNOBIOVC Innovation express Call and **practicable options for trans-border cooperation derived from these learnings and developed in frame of Cradle-ALP implementation.**

Therefore D.3.3.2 Establishing cooperation and mutual planning of funds to support investments by SMEs on C2C is strongly linked to the local dialogue meetings performed by the project partners either on regional and/or national level and documented in D.3.2.2, and the 2<sup>nd</sup> Advisory Board Meeting dedicated to Uptake of proposal of financial instruments “synchronisation” and documented in D.3.4.2.

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## 1 Introduction to the Cradle-Alp project

Cradle-ALP aims for mainstreaming cradle to cradle (C2C) approaches, circular design and circular substitutions (from the alpine region) for linear products in industrial processes, in different industrial sectors. The Alpine Space has many natural resources and technologies to substitute fossil raw materials and toxic substances from production with circular and environmentally friendly alternatives. This should lead to the fact that materials and products can be led back into a healthy cycle after use. The focus of this project shall be on the substitution of chemical and fossil based/unsustainable materials with more circular, sustainable and bio-degradable ones.

First, the partners build a broad awareness and understanding in the public, the relevant industries as well as among stakeholders from policy and innovation intermediaries, for the opportunities, barriers and mechanisms of the transformation of industrial products towards higher circularity by means of C2C approaches, circular design and circular substitutions. Business support providers shall be trained to accompany the transformation of businesses along more circular value chains.

In a second step, the partners explore in details and test opportunities for implementing C2C approaches, circular design and circular substitutions along specific value chains in the Chemistry & Material, Composites, Packaging, Textiles, Wood & Furniture sectors supported by digital technologies. Building on a thorough multidimensional (technology, policy, economy, etc.) roadmapping exercise, transnational groupings of stakeholders – including businesses – will be installed, with the aim to transfer the C2C roadmaps into industrial practice along exemplary value chains.

Finally, the partners work towards ensuring a transnational policy convergence towards transnational strategies in the priority sectors of the project and initiate common cross border funding instruments for the industrial C2C transformation.

## 2 Objective | Scope

The overarching objective is to boost the implementation of C2C solutions respectively and the transformation towards circular economy in the Alpine Space by supporting transnational cooperation based on transnational funds synchronization.

Cradle-ALP builds thereby on

- the knowledge developed in Interreg Alpine Space projects ARDIA-Net and INNOBIOVC for the development of transnational funds synchronization (ARDIA-Net provided a blueprint for cross-regional RDI cooperation and implemented a synchronized call within the framework of the Innovation Express 2021. INNOBIOVC implemented another synchronized call within the Innovation Express 2024.)
- 7 local policy dialogues performed in frame of Cradle-ALP which gave insights into the present opportunities as well as barriers and obstacles for synchronizing funds respectively establishing synchronized funding schemes in the partner regions
- the discussions and conclusions of the 2<sup>nd</sup> Advisory Board meeting dedicated to Uptake of proposal of financial instruments “synchronisation” and documented in D.3.4.2

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to develop practicable options for trans-border cooperation with existing regional/national funding schemes in the Alpine Space area.

Whereas it has to be mentioned that partner regions from Austria: Upper Austria, Germany: Bavaria and Baden-Württemberg as well as from Switzerland: Canton Fribourg have been experienced with previous implemented synchronized calls. Contrary to these regions, partners from France: Rhône-Alpes, Italy: Veneto, and Slovenia entered for the first time into discussions with funding authorities for exploring their opportunities for synchronizing funds.

Based on these experiences and on the learnings during Cradle-ALP implementation, this deliverable shows options for cross-regional funding schemes ready for uptake by policy and funding authorities and business support agencies.

When talking about funds synchronization for development of a common cross-border funding instrument aiming at fostering cradle to cradle and circular transformative activities in the Alpine Space following needs to be mentioned **for a common understanding**:

- a) Funds synchronization based on Innovation Express Scheme as developed in Ardia-Net and INNOBIOVC projects means:**
  - Funding of transregional cooperation by using existing national/regional/local funding programmes
  - **Regions participate to Innovation Express with their own, existing national/regional/local funding programmes**
- b) This scheme offers the following advantages:**
  - **No** new funding programmes have to be established!
  - **No** new legal frameworks have to be developed!
  - **No** cross-regional transfer of funds!
- c) Participating regions remain**
  - in full control of their administrative procedures
  - financial management of the call as well as
  - and the decision-making process
- d) Applicants are supported**
  - according to the funding and eligibility rules of the funding programme of the applicant's regions

Cradle-ALP continues to work according to these basic principles and understanding for supporting the implementation of C2C and circular solution by industry with transnational funds synchronization on the one hand as well as improving the exploitation of the potential of existing regional/national funding programmes and strategies (S3).

Even if regional/national funding opportunities are available, the critical mass of the individual regions is limited!

The Alpine Space thus benefits from the advantages of transregional cooperation projects, such as

- Gaining external know-how for implementation of regional goals
- Bridging research gaps across Alpine Space regions
- Speeding up innovative developments and market deployment

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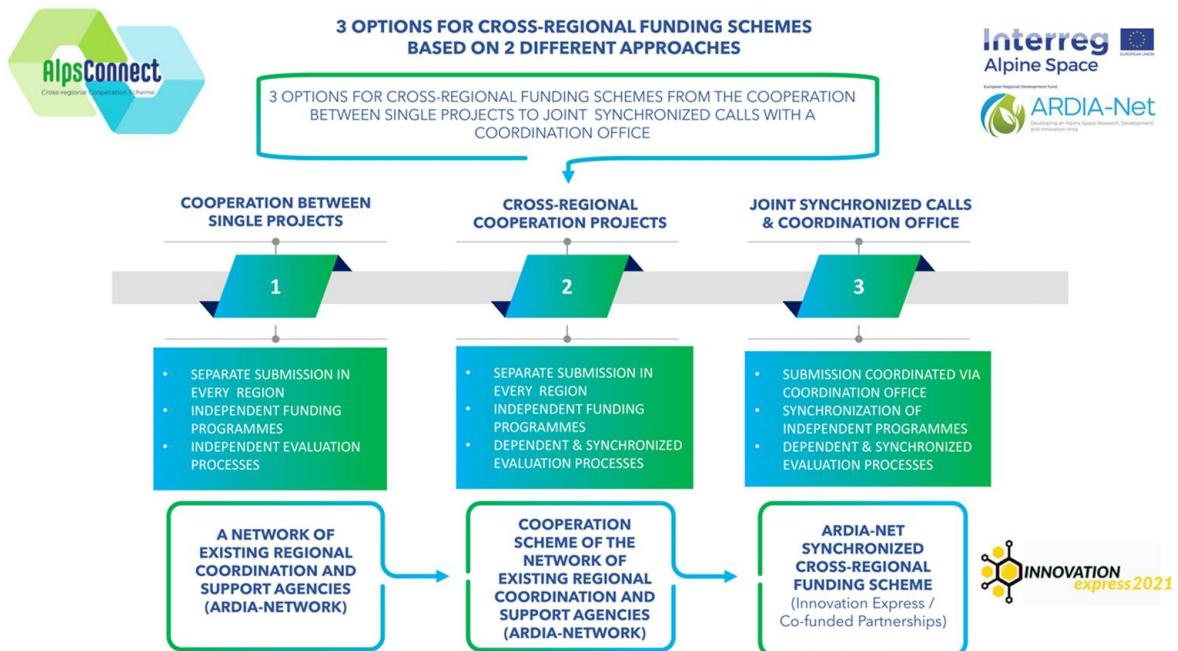
- Strengthening regional innovation ecosystems

Although the benefits of transregional collaboration are well known, especially SME are not aware of options for transregional cooperation funding.

## 3 ARDIA-Net, INNOBIOVC | Background information and experiences

### 3.1 Ardia-Net | AlpsConnect – Cross-regional Cooperation Scheme

Cradle-ALP builds on AlpsConnect – Cross-regional Cooperation Scheme developed and experienced in frame of ARDIA-Net project (Innovation Express 2021) as well as learnings from Innovation Express 2024 implementation.



AlpsConnect is a framework for cross-regional and interdisciplinary RDI projects across the Alpine space regions (2 approaches & 3 options).

Approach A) Low-key involvement of the regional/national funding authorities

- Development of a scheme for cross-regional cooperation which creates added value and fosters cross-regional cooperation, but with a lower impact on the quality of the RDI-cooperation and lower complexity of the scheme design.
  - Option 1: Cooperation between single projects
  - Option 2: Cross-regional cooperation projects

Approach B) High-key involvement of the regional/national funding authorities

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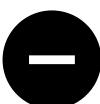
- Development of a multi-level governance scheme which is expected to create a funding scheme governance structure, depends on several external factors, but with a higher impact on the quality of the joint RDI-cooperation and higher complexity of the scheme design:
  - Option 3: Joint synchronized calls & coordination office

### 3.2 Experiences | Innovation Express Call 2021 and 2024 (INNOBIOVC)

In case of Innovation Express Call 2021 and Innovation Express Call 2024 only timing and thematic scope of the call were synchronized but were still in line with the topics and application periods of the already existing funding programme.



- Because of no changes nor modification of existing programmes: less efforts for mutual preparation process needed
- Only agreement on a common duration of the call and on a specific more focused topic
- Slight adaptations or simply additions to the regional call texts, e.g. at least one partner from the other participating regions amongst the project partners
- Coordination (virtual) office helped the participating regions to reduce their coordination efforts
- Allowed new RDI partnerships between partners that had not previously collaborated before



- External factors challenges (e.g. budget cuts, postponement of the call window by months, change of funding priorities due to elections/geopolitical changes...),
- Duration of call is always too short for finding partners & preparing applications
- Increased support for potential applicants needed and adjustment between funding bodies
- Many efforts for a CALL, with less regional participation, thus limited match potential and applications
- Long and very different approval processes cause delays and unclear decisions
- +/- different funding amounts result in very different levels of involvement of project partners

## 4 Conclusion: Experiences | Local Policy dialogues | Advisory Board

- Previous Innovation Express Calls (2021, 2024) demonstrated that while synchronization strengthens cooperation and enables new RDI partnerships, the process is time consuming and challenges persist, e.g. differing approval timelines, sudden regional budget changes

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and unequal funding levels.

- **Cradle-ALP approach** suggests a bottom-up alternative which starts with business support and matchmaking, builds a community for circular project ideas and uses existing funding programs to trigger cooperation based on real needs and experiences.
- **While full synchronization of funding programs remains administratively and politically challenging, alternative approaches - such as bottom-up cooperation, subcontracting, and flexible, inclusive funding instruments - offer promising paths forward. The shared commitment across regions to support circular economy transformation is evident, and the insights from Cradle-ALP and related initiatives are expected to shape future funding schemes.**

Key conclusions drawn from the discussions and experiences related to synchronizing funding instruments to support SME circularity and transregional cooperation:

1. **Synchronization of funds is achievable but administratively complex**
  - Administrative, legal, and timing mismatches remain major barriers.
  - Bottom-up and demand-driven approaches by SMEs and research institutions are more effective than top-down harmonization.
  - **Bottom-up approaches** are prioritized.
2. **Existing funding structures can support trans-regional cooperation if:**
  - Mechanisms are flexible for cross-border cooperation within existing programs
  - Coordination is limited to topic alignment and timing.
  - Evaluation processes are streamlined or mutually recognized.
3. **Three-level model provides adaptable frameworks:**
  - Level 1 (informal cooperation) is easiest and most realistic.
  - Level 3 (joint synchronized calls) offers higher impact but requires strong institutional commitment.
4. **Key success factors:**
  - Early involvement of regional and policy stakeholders.
  - Call durations long enough for mobilizing project ideas and consortia to take shape
  - Strong matchmaking mechanisms and advisory support for SMEs to create demand for synchronized funding opportunities
  - Virtual coordination structures to ease administrative burden and foster new partnerships

Building on CRADLE-ALP experiences, regions should continue policy dialogues to align funding strategies, particularly in circular economy, bioeconomy, and digital transformation. The findings also contribute valuable insights to EU-level initiatives.

The local policy dialogues as well as the AB-Member discussions **reveal mixed readiness levels and national models showing viable synchronization paths.**

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Austria recommends leveraging existing EU frameworks as well as relying more on flexible, long-term, and bottom-up approaches rather than tightly coordinated calls. Bavaria favors promoting transregional cooperation through subcontracting. Baden-Württemberg asks for flexible, inclusive funding instruments tailored to regional strengths. Slovenia appreciates Cradle-ALP roadmaps and financial instrument overviews for redesigning funding instruments and Rhône-Alpes is interested in final reports.

### Models of viable synchronization paths:

#### Swiss Model (HEIA-FR):

- Synchronized R&D budgets of 4 Universities of Applied Sciences. The call promotes interdisciplinary collaboration in sustainability and circular economy themes.
- Open to international cooperation despite being nationally focused.

#### Italian Model (Padua Chamber of Commerce):

- Integrated Cradle-ALP results into a local funding call supporting twin transitions.
- Funded local companies are allowed to collaborate with European suppliers
- Matchmaking outcomes of Cradle-ALP and European collaboration can be operationalized.

#### Bavarian preference:

- The Bavarian approach is rather similar to the Italian model. Bavaria prefers transregional cooperation through subcontracting if innovation added value remains in Bavaria.

## 5 Cradle-ALP approach | Models towards transnational fund synchronization & SMEs cooperation

Approaching transregional cooperation support & transregional/national fund synchronization the other way round than before:

- First elaborating services supporting entrepreneurs in their circular economy/cradle2cradle transformation: Cradle2Cradle Toolbox, Cradle2Cradle Transformation Roadmaps
- Facilitating matchmakings (online/onsite) & establishing Cradle-ALP – Circular Alpine Space community
- Trigger SMEs transborder cooperation with the support of public funds according to the different readiness levels learned from policy and Advisory Board dialogues and corresponding regional/national models for funding support for trans-border cooperation of SMEs.

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Based on above-mentioned conclusion of the experiences, local policy dialogues and Advisory Board discussions, European economic and strategic developments since Cradle-ALP project application following practical frame and models for cross-regional cooperation based on synchronization of existing funding programmes derived.

Even Cradle-ALP thematic focus is set on the sectors - Chemistry & Material, Composites, Packaging, Textiles, Wood & Furniture – these options for cross-regional cooperation funding can be applied to all sectors as well as cross-sectoral cooperation.

## 5.1 Cradle-ALP recommendations | Models of viable synchronization

**Backed by a strong active network** of business support organizations (chambers, clusters, business agencies, transfer centers etc.) for partner search, facilitating matchmaking and supporting applications, **there are viable models of synchronization recommended by Cradle-ALP.**

Facilitating

- cooperation between single projects: linking existing projects across regions for knowhow exchange & learning from each other & exploration of cooperation potentials
- transregional cooperation through subcontracting of bottom-up and demand-driven approaches by SMEs
- cross-regional cooperation projects: supporting bottom-up transregional project ideas by identifying regional/national funding programmes welcoming foreign consortium partners but without funding
- joint synchronized calls & coordination office: pushing top-down implementation of strategic priorities

are considered as practicable options for trans-border cooperation with existing regional/national funding schemes in the Alpine Space but preferred differently by the Cradle-ALP project partners regions.

**Models of viable synchronization paths:**

- a) **Regional/national funding program** allows collaboration with partners from abroad who provide external know-how (e.g. research organizations, technology suppliers and applicants) on subcontractor basis)
- b) **Regional/national funding program** enables cross-regional cooperation projects with partners from abroad in the project consortium. Only the partners from the region are eligible for funding. Partners from abroad care about funding from their regional funding program. With support of BSO: separate submission in every region to independent funding schemes but synchronized evaluation process for a joint project start.
- c) **Regional/national funding program owner (management authority) agrees with another region on a joint thematic scope and for publishing a joint call. Funding process remains according to b)**
- d) **Regional/national funding program** owner establishes additionally to model b) a joint coordination office for the call.

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## 5.2 Infographics | Models of viable synchronization

### CRADLE-ALP MODELS OF VIABLE SYNCHRONIZATION

Options for trans-border cooperation using existing regional and national funding schemes

Interreg  Co-funded by the European Union

Alpine Space

Cradle-ALP

#### MODEL A

Regional/national funding program allows collaboration with partners from abroad who provide external know-how (e.g. research organizations, technology suppliers and applicants) on **subcontractor basis**



- Minimal additional administrative effort
- Capitalization of Network/Community and Matchmaking

#### MODEL B

Regional/national funding program enables cross-regional cooperation projects with **partners from abroad** in the project consortium. Only the partners from the region are eligible for funding. Partners from abroad care about funding from their regional funding program.

- Additional administrative effort for synchronizing evaluation
- Capitalization of Network/Community and Matchmaking

#### MODEL C

Regional/national funding program owner (management authority) agrees with another region **on a joint thematic scope** and for publishing a joint call. Funding process remains according to Model B



- Involvement of regional/national funding authorities
- Additional administrative effort for synchronizing evaluation

#### MODEL D

Regional/national funding program owner establishes additionally to model c) **a joint coordination office** for the call.

- Involvement of regional/national funding authorities
- Joint Coord. Office cares for funding advise, matchmaking, etc.

This project is co-funded by the European Union through the Interreg Alpine Space programme.

