Interregional Complementarities in innovation

*A Policy Brief from the **Policy Learning Platform** for a smarter Europe*

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SMART

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Summary

Interregional collaboration is at the heart of Interreg Europe. Every project within Interreg Europe is designed to enhance policies through the power of interregional learning and collaboration. Within the Smart Specialisation Strategy (S3) framework, interregional collaboration provides significant advantages, from improved policymaking to the development of more efficient and integrated value chains. This policy brief advocates for regions to adopt a more strategic approach to interregional collaboration. This involves not only identifying and leveraging complementary knowledge linkages but also aligning with key European initiatives to advance their regional S3 priorities. By forging connections with regions that have complementary expertise, regions can support cohesion priorities and effectively pool resources and capabilities, particularly in value chain segments that align with their S3 goals. The policy brief concludes with five key policy recommendations, supported by good practices from Interreg Europe projects, designed to maximise the benefits and impact of interregional collaboration.

The knowledge, solutions and good practices showcased in this policy brief come mainly from Interreg Europe projects.

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Interreg Europe good practices and policy improvement

Foreword from Richard Tuffs, Friends of Smart Specialisation and Chair of the S3 CoP working group on interregional collaboration

The Smart Specialisation Community of Practice (S3 CoP) is the central node on guidance, networking, support and peer-learning on S3, covering its conceptual development and its implementation.

The initial development of smart specialisation strategies (S3) placed more emphasis on an internal approach identifying competitive advantages of regions. Since 2020 there has been much more emphasis on a stronger external perspective where regions build on the priorities and seek opportunities for international collaboration between research, innovation, and business actors as well as civic society.

An introduction to an Interreg Europe Policy Brief has no need to argue for the importance of interregional collaboration but rather describe how collaboration between regions can come in different forms. Smart specialisation offers a methodology for developing, structuring and implementing collaboration where clear synergies or complementarities exist between regional priorities and where a clear added value for this collaboration can be identified.

It is now accepted that a better alignment of regional and national Smart Specialisation strategies across the EU have the potential to help regions combine their strengths in research and innovation, complement each other's research and innovation capabilities, acquire the necessary research capacities, and overcome a lack of critical mass and fragmentation. This alignment can also help participants exploit synergies between multiple existing European, national and regional funding sources.

More recently, attention is shifting towards improving European competitiveness. This is where regions need to be more aware of industrial value chains and pay more attention to the implementation of strategies and policies. This is where smart complementarities are not just a nice to have but are vital.

The **Smart Specialisation Community of Practice** has been established as a central node on guidance, networking, support and peer-learning on S3. Within the Community of Practice, three Working Groups of regional practitioners have been set up, one of which covers **Interregional Collaboration (IC)**. The main purpose of the IC Working Group is to provide a knowledge base, identify common needs, problems and challenges, and seek potential solutions.

Established in 2023, the IC Working Group initially focused on the challenges to effective collaboration by looking at external and internal funding to support interregional collaboration. The key challenge identified was capacity–time, funding, skills and effective governance. A lack of capacity can limit both passive and active engagement in collaborative actions outside the region. Therefore, the group is examining European funding opportunities both in terms of external funding (e.g. regional innovation valleys) and domestic funding to support interregional activity from ERDF or national and regional funding.

Highlighting the importance of interregional complementarities will help provide a knowledge base and a solid argumentation to both encourage relevant policy measures and unlock resources to reduce capacity issues and provide more targeted funding opportunities for smart complementarities.

(Thanks also to my S3 CoP IC WG colleagues Vincent Duchêne, Federico Bley and Claire Nauwelaers for their comments and insights on the introduction)

Introduction

Interregional collaboration is a crucial component for regional innovation ecosystems. It offers significant advantages by enabling regional innovation actors to access resources, skills, and knowledge that may not be available within their own regional ecosystems. These resources might include specialised facilities such as testing or demonstration equipment, expert knowledge, or dedicated skills that allow innovation actors, and especially SMEs, to connect, learn and innovate more efficiently. Additionally, interregional collaboration can create critical mass and economies of scale, which lead to more cost-effective divisions of labour and broader access to potential end-users within larger communities.

The **smart specialisation strategy (S3)** provides a robust policy framework to support interregional collaboration and drive European cohesion. In the 2021-2027 programming period, interregional collaboration is one of the seven fulfilment criteria for the enabling condition of 'good governance of national or regional S3'. Consequently, the design and implementation of S3 must include measures to enhance cooperation with partners outside a given Member State in priority S3 areas. Interregional collaboration encompasses a continuum of stages, ranging from policy learning to policy alignment and, ultimately, policy integration (see Table 1). This continuum allows for a wide variety of interregional actions, each tailored to the evolving needs and goals of collaborative efforts.

> To learn more, read our policy brief on about **smart specialisation strategy (S3)**

Stages	Steps	Examples of European Initiatives	Examples of Interreg Europe Good Practices
Mutual Adjustment and Policy Learning	Finding common regional priorities and challenges	Interreg Europe, S3CoP, Horizon Europe	Fresh Fruit Pilot Project; the Science Offensive; Transnational Innovation Brokerage System (TIBS); BRIDGES value chain mapping methodology
	Sharing information and good practices		
	Transferring good practices		
Policy Alignment	Opening the programme to outside partners	Regional Innovation Valleys (RIV), European Innovation Ecosystems (EIE), Interregional Innovation Investments (I3), Horizon Europe, Interreg	Bio Base Europe Pilot Plant (BBEPP); Crosscare, FIWARE Digital Innovation HUB for Business Acceleration
	Joint actions and projects in S3 priorities		
Policy Integration	Forming strategic platforms	Euroclusters, Thematic Smart Specialisation Platforms (TSSPs), Macro-Regional Strategies, Vanguard initiative and the eight thematic pilot initiatives	Cross-Border Smart Specialisation Strategy of Galicia – Northern Portugal (RIS3T)

EU value chains for the green transition (Sweden) |
| | Creating joint strategies (cross-border, interregional, macro-regional) | | |

Table 1. The continuum of interregional collaboration. Source: own elaboration from Woolford et al.

Given that regions have S3 priorities at different stages of readiness for collaboration, it is crucial to tailor strategies to their specific capacities. Regional S3 priorities with strong interregional collaboration capabilities should concentrate on initiatives that promote policy alignment and integration. For example, these priorities could participate in Interregional Innovation Investments (I3) to develop new value chains. Conversely, regions with lower collaboration and innovation capacities should focus on activities that emphasise mutual adjustment, capacity building, and policy learning. In all cases, participation in Interreg Europe projects could help identify good practices and opportunities to enhance policies, ultimately building the critical mass needed for effective collaboration, for example in I3 projects.
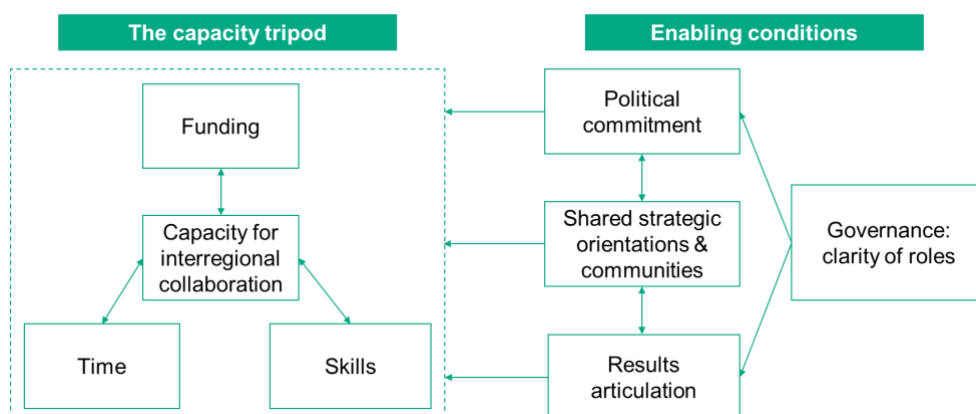
The importance of regional capacities

To identify suitable interregional actions, regional policymakers must therefore build regional capacities to engage in interregional collaboration opportunities. This involves a dual process: strengthening the regional research and innovation ecosystem to actively participate in interregional initiatives, and developing a strategy to progress from policy learning to policy integration (as outlined in the S3CoP policy brief). This strategic approach is important as many regions are following an inward-looking logic to S3 by focusing on a few innovation priorities grounded in local knowledge and capacities through participatory, bottom-up processes (Giustolisi et al.). However, the challenge often lies in the lack of critical mass, which leads to adopting generic or overly broad strategies, rather than fostering truly innovative topics that could enhance the region's transformation.

While interregional collaboration is proposed as a solution to Europe's cohesion challenges and fragmented innovation ecosystem—broadening the base of innovation actors and increasing the chances of finding the "missing piece"—**it introduces high coordination costs**. While these costs are often covered in the context of EU-funded projects, they can be a barrier when individual regions or regional actors initiate interregional cooperation without external funding support. Moreover, these costs can result in generic interregional projects with low stakeholder involvement, broadened priorities to accommodate other regions, and cooperation that is more institutional than substantive, ultimately risking the creation of generic and overly broad strategies and projects once again.

To effectively manage coordination costs, building adequate capacity is crucial. This capacity enables regions to engage in, sustain, and fully benefit from the opportunities that interregional collaboration offers. However, capacity alone is not enough; regions must transition from relying on a few key individuals to establishing a more structured institutional framework within their regions for interregional collaboration. Additionally, it is vital to strengthen regional stakeholder involvement and governance to ensure meaningful and impactful cooperation.

Capacity in this context consists of three key elements—**time, funding, and skills**—that are bolstered by enabling conditions such as political commitment, shared strategic orientations and communities, and clear articulation of results and targets (see figure 1 and table 2 inspired from the S3CoP). This comprehensive approach ensures that regions are not only equipped to engage in interregional collaboration but are also well-positioned to maximise its benefits. As a result, regional policymakers must continually assess and enhance these capacity dimensions and enabling conditions to cultivate a thriving environment and maintain high readiness levels for interregional collaboration.

To address challenges related to capacity building, regional policymakers must also ensure that enabling conditions are favourable. This involves promoting local ownership through high-level government commitment and providing sufficient resources for long-term interregional collaboration and also setting out KPI's that allow for policy monitoring and adjustment. A clear vision, strategic commitment, stakeholder involvement, secured funding, and a defined scope for collaboration are all essential components for success.

Figure 1. The capacity tripod and enabling conditions for interregional collaboration. Source: own elaboration from the S3 CoP Working Group: Interregional Collaboration.

Dimension	Description
Capacity tripod	
Funding	Successful interregional collaboration requires adequate funding for activities such as network building and proposal writing.
Time	Effective interregional collaboration demands a significant investment of time for planning, coordination, and execution.
Skills	Collaboration relies on a diverse skill set, including leadership, management, communication, networking, and ecosystem-building.
Enabling conditions	
Political commitment	Strong political commitment is essential, including the development of a clear roadmap, actionable plans, and dedicated funding instruments.
Shared strategic orientation and communities	Collaboration thrives when there is a shared strategic vision and active engagement from the research and innovation ecosystem, fostering joint projects.
Results articulation	Clearly and convincingly articulating the results (KPIs) and benefits of collaboration enhances its impact and sustainability.
Governance and ownership	A well-defined governance structure and clear ownership are crucial for effective management and accountability in interregional collaboration.

Table 2. The capacity tripod and enabling conditions for interregional collaboration. Source: own elaboration from the S3 CoP Working Group: Interregional Collaboration.

Regions can enhance their readiness for interregional collaboration by leveraging capacity-building initiatives such as the Interreg Europe Policy Learning Platform, the Cohesion for Transitions (C4T) for Managing Authorities, the S3 CoP Targeted Support Assignments, and various EU Missions.

A good example of successful capacity-building for enhancing interregional collaboration is the Interreg Europe Policy Learning Platform peer review organised for the Marshal's Office of Pomorskie Voivodeship, which focused on supporting local and regional organisations in accessing EU-funded research and innovation programmes. Peer reviews not only offer proven policy examples—bypassing the trial-and-error phase—but also foster new regional partnerships and identify opportunities for future interregional cooperation.

Another interesting example comes from the S3CoP Targeted Support Assignments, which are tailored to meet specific regional needs, have provided valuable assistance to regions like Malta, the Balearic Islands in Spain, and Jämtland Härjedalen and Västernorrland in Sweden, helping them enhance their interregional collaboration efforts.

It is important to highlight that these initiatives are complementary, allowing regions to apply for S3CoP Targeted Support Assignments following recommendations from the Interreg Europe Policy Learning Platform peer review or vice versa, thereby deepening their interregional collaboration readiness.

National, regional, and local authorities can submit an expression of interest to the S3CoP Targeted Support Assignments and/or to apply to Interreg Europe Policy Learning Platform peer review

Maximising the impact of interregional cooperation

Esa Kokkonen, Director at the Baltic Institute of Finland (S34GROWTH)

The Baltic Institute of Finland led the Interreg Europe project S34GROWTH, which aimed to enhancing policies through interregional cooperation to foster new industrial value chains.

During the EU programme period 2014-2021, the Baltic Institute of Finland led the Interreg Europe project S34Growth - Enhancing Policies through Interregional Cooperation: New Industrial Value Chains for Growth. The project aimed to support the renewal of Europe's industry and competitiveness by strengthening regional and interregional policy support for building new industrial value chains across regions. It resulted in the identification and transfer of over 20 good practices in regional innovation policy to other regions and the integration of a common interregional approach to smart specialisation into regional operational programmes under the European Regional Development Fund (ERDF). S34Growth influenced the allocation of more than 15 million euros in funding through the targeted programmes. The project focused on fostering industrial innovation-related collaboration across regions, and the developed policy action points addressed issues such as interregional utilisation of partner regions' R&D facilities through voucher schemes and cooperation on Digital Innovation Hubs (DIHs).

The success of S34Growth was underpinned by a strong partnership formed within Vanguard Initiative (VI) regions, comprising nine regions from seven countries. These regions shared a common vision and goal of promoting an interregional approach to smart specialisation, aligned with the broader objectives of the Vanguard Initiative. They had identified various interregional complementarities, e.g. on joint technology development, research-to-research-to-business collaboration, and innovation system cooperation. Building on these complementarities, the partner regions had already established interregional networks of industrial innovation policy stakeholders before the project began. Early joint efforts, piloted already since 2014 under the Vanguard Initiative, helped develop thematic smart specialisation platforms (TSSP) for the European Commission in the field of advanced manufacturing (ADMA). S34Growth was a pioneer in integrating interregional elements into the Regional Innovation Strategies for Smart Specialisation (RIS3), demonstrating how using RIS3 to identify synergies and complementarities between regions can compensate for gaps in regional innovation capacity.

The project's success in fostering interregional learning and collaboration was rooted in several key elements. First and foremost, a strong partnership with clear interregional complementarities and a shared approach to desired policy changes laid the foundation. Genuine opportunities for future collaboration, such as expanding the pool of resources and knowledge bases and accessing complementary assets, further strengthened the partnership's commitment to long-term cooperation.

From collaboration to complementarities

As regions can adopt varying degrees of interregional collaboration, European top-down policy trends—such as the New European Innovation Agenda, European Green Deal, European Industrial Strategy, and Digital Agenda—indicate that **interregional collaboration is already an important priority on the policy agenda** and this will only increase in the future given the nature of ongoing societal challenges such as climate change, European economic sovereignty etc. This shift underscores the need for regions to adopt strategic approaches that leverage emerging policy opportunities provided by the S3 and other EU initiatives to promote greater interregional alignment and integration.

One recent policy trend is the concept of open strategic autonomy, which gained importance in response to the increased tensions between the United States and China, the COVID-19 crisis, and the Russian invasion of Ukraine, highlighting Europe's vulnerability due to reliance on foreign supply chains and the shifting global geopolitical landscape. Open strategic autonomy refers to Europe's capacity to act independently in strategically important areas such as technology, defence, and energy. The European Chips Act exemplifies this top-down EU policy for the semiconductor sector, aimed at securing supply chains and fostering regional innovation.

In the context of interregional collaboration, open strategic autonomy ensures that regions can pursue their own innovation and development goals while benefiting from the resources and capabilities of their partners to develop strategic European Value Chains (EVCs). **This requires regions to adopt a more strategic approach to interregional collaboration**, focusing on identifying S3 priorities that would most benefit from developing interregional complementarities.

Interregional complementarities involve regions forging connections with others that possess complementary expertise, enabling them to leverage each other's resources and capabilities in specific segments of value chains aligned with their S3 priorities. The objective is to strengthen the resilience of European value chains within the 14 strategic industrial ecosystems identified by DG GROW and supported by various policy support mechanisms such as the Transition Pathways. Interregional collaboration is crucial in this process, allowing regions to pool resources and capabilities within value chains to develop new products and services that are competitive on a global scale. Regions should focus on building and strengthening value chains that align with their strategic priorities, ensuring they are well-integrated into the broader European economy. This involves identifying areas of competitive advantage, building partnerships with regions that have complementary strengths, and leveraging EU initiatives and funding to support these value chains.

However, European regions have varying innovation resources and capacities to develop technologies and engage in European value chains to build strategic industrial ecosystems (Bachtrögler-Unger et al.). Moreover, access to relevant capabilities in other regions differs. The capacity of regions to leverage interregional complementarities depends on factors such as their economic structure, technological capabilities, skill base, institutional capacities, and existing international connections within global innovation and production networks (Trippl et al.). For instance, recent revisions to the I3 initiative have focused on ensuring that less developed regions play a more important part in the implementation of this initiative and contribute to tackling cohesion and innovation divide challenges. Meanwhile, the European Chips Act illustrates the importance of anticipating and building interregional networks to leverage European opportunities. The Silicon Eurocluster project, for example, was formed through networks established in previous framework programmes, demonstrating the value of proactive collaboration.

In addition to building on existing networks, **regions can access new capabilities by tapping into complementary interregional linkages** (Balland and Boschma). The key is not merely being connected to other regions, but being connected to regions that provide complementary capabilities. This approach involves mapping existing regional capabilities and strategically linking with regions that can fill gaps along specific segments of value chains, thereby building new capabilities aligned with S3 priorities.

European initiatives to enhance interregional collaboration

The programming period 2021-2027 has introduced several new European initiatives aimed at strengthening interregional collaboration in research and innovation towards supporting greater interregional complementarities. Among these are Regional Innovation Valleys (RIV), European Innovation Ecosystems (EIE), Interregional Innovation Investments (I3), Euroclusters, and S3CoP. These initiatives build upon existing efforts like Interreg Europe, Horizon Europe, Thematic Smart Specialisation Platforms (TSSPs), Macro-Regional Strategies, and the Vanguard initiative, each addressing different stages of the interregional collaboration continuum (see Table 1).

European initiative	Description
Interreg Europe	Supports local, regional, and national governments in improving policies through the exchange of practices and policy learning.
Regional Innovation Valleys (RIV)	Focuses on creating innovation hubs that drive economic growth through collaboration across European regions. RIVs, part of the New European Innovation Agenda (NEIA), aim to connect less and more innovative regions, leveraging complementary strengths to address social challenges through advanced technology.
Thematic Smart Specialisation Platforms (TSSPs)	Facilitate collaboration among regions on shared smart specialisation strategies, focusing on Agri-Food, Energy, Industrial Modernisation, and the Sustainable Blue Economy. TSSPs enhance innovation, align policies, and develop new value chains through interregional collaboration and co-investment projects.
Macro-Regional Strategies	EU-endorsed frameworks that address shared challenges in specific geographic areas, enhancing cooperation for economic, social, and territorial cohesion across EU and non-EU countries in regions like the Baltic Sea, Danube, Adriatic and Ionian, and Alpine areas.
Euroclusters	Launched in 2022 as part of the EU Industrial Strategy, Euroclusters are cross-sectoral, interdisciplinary, and trans-European initiatives that bring together industry clusters, research organizations, SMEs, and other economic actors across 14 industrial ecosystems and encourages cross sectoral cooperation.
Interregional Innovation Investments (I3)	Supports co-investment in interregional innovation projects, contributing to regional development and integration within European value chains, with a focus on fostering private sector involvement, co-investment and closing the innovation divide.
Vanguard initiative	An alliance of Europe's leading industrial regions, the Vanguard Initiative fosters industrial innovation and develops European value chains through complementary regional smart specialisation strategies, promoting interregional collaboration and accelerating the market uptake of new products notably through 8 thematic pilot actions such as health and a new dedicated SME funding instrument called VInnovate.
Horizon Europe	The EU's key funding programme for research and innovation. There are many initiatives that can be leveraged for interregional collaboration such as European Institute of Innovation and Technology (EIT), European Innovation Ecosystems (EIE), EU Missions, European Partnerships, and Widening. The European Commission notes the importance to build synergies between ERDF and Horizon Europe.
European Institute of Innovation and Technology (EIT)	Brings together businesses, education, and research through Knowledge and Innovation Communities (KICs) that focus on key societal challenges. The EIT supports startups, fosters entrepreneurship, and promotes collaboration to enhance Europe's competitiveness and tackle societal challenges.
European Innovation Ecosystems (EIE)	EIE, part of Pillar III of Horizon Europe, aims to create more connected, inclusive, and efficient innovation ecosystems, supporting company scaling-up in line with the New European Innovation Agenda (NEIA).

Table 3. Examples of European initiatives for interregional collaboration. Source: own elaboration.

For regional policymakers, **adopting a strategic approach to interregional collaboration is essential.** This means not only identifying and tapping into interregional complementary knowledge linkages but also aligning with relevant complementary European initiatives to support the development of their S3 priorities (see Figure 2). Achieving interregional complementarities requires regions to possess both the ability to access and utilise complementary knowledge for advancing their S3 priorities and the capacity to effectively navigate the European funding landscape, fostering synergies across diverse funding opportunities and between regions with different innovation capacities.
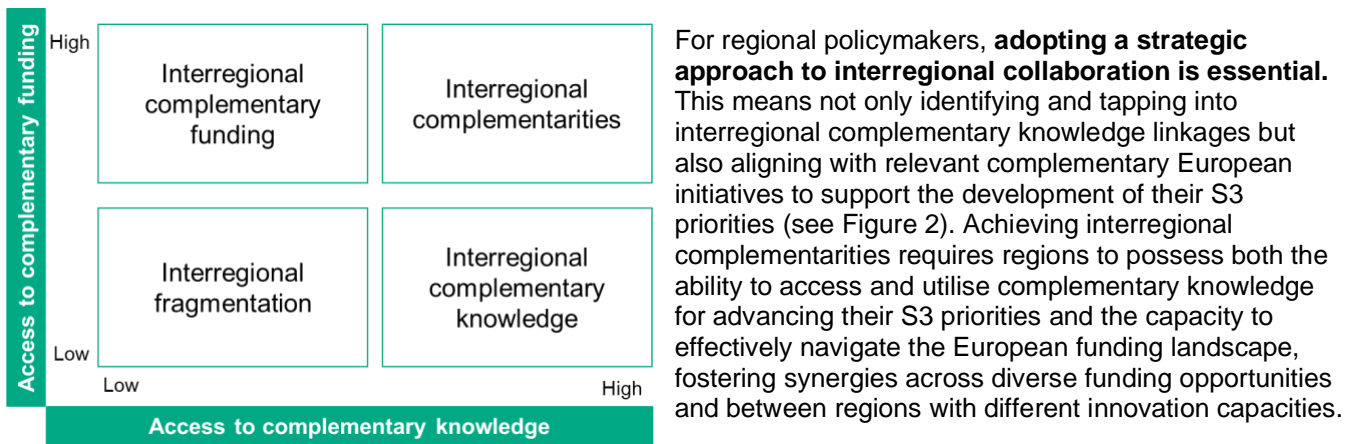
Figure 2. Interregional complementarity matrix. Source: own elaboration.

As a result, to maximize impact, **regions must anticipate and prepare for European opportunities** and changes in legislative and regulatory frameworks that align with their strategic goals and S3 priorities. This anticipatory innovation governance approach refers to an organisation's ability to continually comprehend, perceive, and take action on future developments as they arise in the present. Additionally, it is crucial for regional policymakers to identify and leverage synergies across European initiatives. Research by Lalanne and Meyer underscores the potential for synergy between EU research and innovation policies, revealing a positive correlation between participation in the Interreg 2014-2020 program and Horizon 2020. This finding highlights the importance of a strategic, phased approach to interregional collaboration, enabling regions to build on their strengths while gradually expanding their capacity to engage in more competitive and complex European initiatives.

To further enhance impact, **regional policymakers should aim to maximize synergies between funding sources** such as the European Regional Development Fund (ERDF) including Interreg, and Horizon Europe. This strategic, synergy-focused approach enables regions to fully capitalise on European opportunities, advancing their S3 priorities and enhancing their capacity for effective interregional collaboration.

Interreg Europe and I3

A prime example of such complementary synergies is the interaction between Interreg Europe and the Interregional Innovation Investments (I3) instrument. Interreg Europe supports public authorities in learning, connecting, and collaborating to develop regional policies, laying the groundwork for co-investment under the I3 instrument notably through supporting SME investment and innovation projects. In turn, I3 promotes more coordinated investments by leveraging the improved regional development policies fostered by Interreg Europe, which are then further disseminated and refined through the Policy Learning Platform.
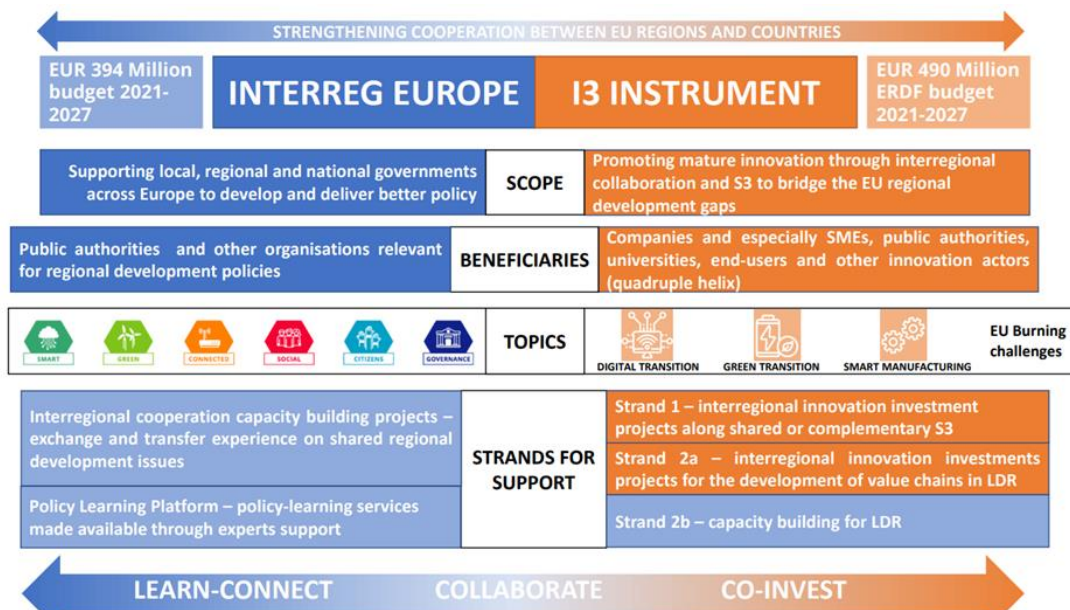

Figure 3. Interreg Europe and I3 complementarities. Source: S3 CoP.

Interreg Europe and the Thematic Smart Specialisation Platforms

Another example of effective synergies can be seen between Interreg Europe and the Thematic Smart Specialisation Platforms (TSSPs). Projects like INNO4SPORTS and the Sport and Vitality partnership (ClusSport), as well as BRIDGES and BERRY+, demonstrate how partners actively engage in both communities, creating powerful collaborations. Many of the partners of the MEDTECH4EUROPE Interreg Europe project have further developed their cooperation actions through the Vanguard Smart Health Pilot Action, S3/cluster cooperation action and the Medtech S3P. Indeed, TSSPs are collaborative interregional networks designed to foster European ecosystems by supporting joint investments and the development of new value chains among regions with similar or complementary S3 priorities. Currently, there are 38 active partnerships across four thematic platforms: 25 in industrial modernisation, 4 in energy, 6 in agri-food, and 3 in the sustainable blue economy. These platforms and partnerships, often facilitated by cluster organisations, have become key tools for connecting innovators with similar or complementary strengths and priorities across all Member States and regions, particularly in technology areas crucial for the twin green and digital transitions.

Finally, European Innovation Ecosystems (EIE) has also enabled innovation intermediaries such as clusters and cluster networks, such as in the CAFEIN project, to foster interregional cooperation around the twin transition challenges for SMEs and encourage national innovation agencies to sign and support a joint action plan and prepare and launch coordinated cross border funding initiatives.

Zoom-in on Interreg Europe project SMART CON EUROPE from Agnieszka Skroban-Kryśkiewicz and Sylwia Bryła at Pomorskie Voivodeship, Poland

The Pomorskie Voivodeship leads the Interreg Europe project SMART CON EUROPE, which aims to promote connections between regional research and innovation ecosystems with European research and innovation programmes.

The **SMART CON EUROPE** project was established to address both regional and European needs, aiming to increase the participation of SMEs in European Research and Innovation (R+I) programs. The project unites eight partners and two associated policy authorities across six European regions.

Each partner region will leverage the results of their Peer Review SWOT analysis, along with insights from an intensive interregional exchange and learning process, to enhance their regional ecosystems. This innovative approach will contribute to the improvement of Operational Programmes, other policy instruments, and governance structures among the **SMART CON EUROPE** partners.

SMART CON EUROPE focuses on developing regional ecosystems that support SMEs' access to European R+I programmes—an innovative and timely topic in interregional collaboration. The project employs a comprehensive approach that integrates numerous, complementary exchange and learning activities, including peer review meetings hosted by each participating region.

During the first Interregional Learning Event, we identified common challenges among partners and similar solutions provided by more advanced regions. Regions like Hauts-de-France and Galicia, which already have well-functioning SME support ecosystems, offer valuable learning opportunities for less advanced regions such as Pomorskie Voivodeship and the City of Seinäjoki. This project fosters interregional complementarity, enabling all involved regions to collaborate and strengthen their ecosystems.

The Peer Review process is central to the knowledge sharing and experience exchange within the project. Notably, the catalyser of the process for **SMART CON EUROPE** began in 2022, with a Peer Review hosted by the Policy Learning Platform in the Pomorskie region, initiated by the Office of the Marshal of the Pomorskie Voivodeship.

All project outcomes will be disseminated through Interreg Europe, offering valuable insights for any region interested in developing ecosystems that support SMEs.

Policy recommendations

This policy brief concludes by outlining five key policy recommendations, ranging from broad strategies to more specific actions, aimed at **enhancing interregional complementarities**. These recommendations are illustrated with good practices from relevant Interreg Europe projects.

Policy recommendation 1. Map the regional research and innovation ecosystem for interregional complementarities

Regional policymakers should map their research and innovation ecosystems involved in interregional projects to identify and leverage interregional complementarities. Utilising methodologies outlined by Lalanne and Meyer or Morisson et al., regions can identify their regional key coordinators and partners in initiatives like Horizon 2020, Horizon Europe, Interreg, and other European networks. Social network analysis (SNA) using databases such as CORDIS and Keep.eu can help pinpoint central actors and existing collaborations, enabling regional stakeholders to identify potential interregional partners within S3 priorities. The mapping effort can be complemented with patent analysis to identify interregional complementarities and technological opportunities in S3 priorities.

Mapping the research and innovation ecosystem is essential to provide a clear picture of the current landscape of regional involvement in interregional initiatives, making it easier for stakeholders to identify and connect with key interregional players. The recommendation aims to foster collaboration allowing regional actors to identify potential partners through evidence-based approaches.

GOOD PRACTICE 1: RIS3-MCAT Platform – Catalonia, Spain

RIS3-MCAT Platform is an open data monitoring system using innovative tools such as social network analysis (SNA) to provide a comprehensive picture of the regional innovation ecosystem and policy interventions. It uses data from European funds such as Horizon 2020 research projects to visualise the evolution of the sectorial and technological specialisation of the research and innovation landscape in Catalonia, Spain. The open data monitoring platform allows to visualise the most central organisations in the regional innovation ecosystems, the existing interactions between the organisations, the state of research and innovation priorities, and the potential interregional opportunities in research and innovation. The monitoring through the SNA tool can inform policymakers and stakeholders on the type of programs, RIS3 priorities, technologies, organisations' activity types, year, and location.
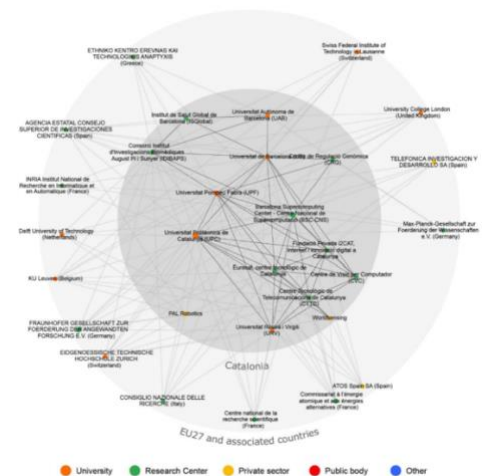
Click here to find out more about this practice.

Figure 4. RIS3-MCAT Mapping. Source: RIS3-MCAT

Policy recommendation 2. Support clusters for accelerating interregional collaboration

Interregional learning and collaboration are crucial for cluster managers to avoid common pitfalls for cluster initiatives and programmes. Indeed, cluster initiatives are too often uncoordinated and disconnected from EU, national and regional innovation strategies (European Commission). Moreover, cluster programmes are often narrowly focused on networking and often spread support too thinly, with critical mass lacking in both the cluster and the activities. As a result, cluster initiatives must understand the local institutional context to improve strategic leadership to pursue an integrated strategy at different governance levels. Cluster initiatives must also be more ambitious in their policy-mix to provide opportunities for economic diversification in related sectors to strengthen regional economic resilience through the reinforcement or creation of new industrial value chains (European Commission).

Clusters play a crucial role in driving interregional collaboration by acting as brokers between regional innovation ecosystems and connecting SMEs. In many regions, interregional collaboration efforts are fragmented and lack coordination. Clusters help overcome these challenges by reducing fragmentation, enhancing coordination, building critical mass, and strengthening political commitment to interregional initiatives. They connect various agents, identify opportunities, and link resources at regional and international levels, leading to the discovery of new collaboration opportunities, technology transfer, and the establishment of joint projects especially as regards EU industrial value chains.

Clusters are particularly important in advancing drive the green and digital transitions in strategic industrial ecosystems. They can leverage European opportunities like Euroclusters, which aim to shape strategic value chains, boost SME internationalisation, and facilitate industrial transformation by supporting SME innovation uptake, managing cascade funding initiatives, cross-border value chain collaboration, and scaling up.

GOOD PRACTICE 2: South Savo Food Cluster – Finland

The South Savo Food Cluster, established in 2022, serves the regions of South Savo, Eastern, and Northern Finland, and is part of the European Cluster Collaboration Platform. The cluster supports collaboration among its members, which include food sector SMEs, research and education organisations, and public and private financiers. It facilitates knowledge transfer, promotes visibility at national and EU levels, and supports regional development through a Food Sector Development Programme (2021-2027). The cluster's focus on innovation and systematic collaboration has helped expand international horizons and support product development for SMEs. It has also contributed to the Lake Saimaa European Region of Gastronomy 2024 celebrations.

Click here to find out more about this practice.

Policy recommendation 3. Establish support services for interregional collaboration

Regions can implement targeted support services to promote interregional collaboration, particularly for small and medium-sized enterprises (SMEs). The policy rationale for providing these services stems from the common challenges SMEs face, such as limited access to external expertise and resources, which can hinder their ability to engage in and benefit from interregional collaborations. By addressing these barriers, support services for interregional collaboration help SMEs overcome obstacles, enabling them to participate effectively in interregional initiatives, adopt new technologies, and innovate in ways that would be difficult to achieve independently. These services play a critical role in ensuring that SMEs can fully capitalise on the opportunities presented by interregional cooperation, ultimately driving regional development and competitiveness. Effective approaches include:

- **Specialised advisory services:** offer advisory services designed to facilitate and enhance interregional collaboration, with a particular focus on SMEs seeking to engage in interregional projects. These services can include partner search, proposal development support, and innovation management.
- **Innovation vouchers:** introduce innovation vouchers, small lines of credit (ranging from €2,000 to €20,000), provided by regional governments to SMEs or access vouchers via EU funding projects. These vouchers allow SMEs to access services from knowledge providers, such as universities, research centres, or consulting firms, to support them to participate in interregional projects or to internationalise themselves.
- **Agile representation in Brussels:** establish small, independent offices in Brussels that are well-connected and versatile. The office can leverage the concentrated network of organisations in Brussels for information sharing, lobbying, and networking, creating opportunities for collaboration in European interregional initiatives.

GOOD PRACTICE 3: Compete 2020 – Portugal

Compete 2020 introduced several instruments to promote research and innovation interregional collaboration to address Portugal's low participation in European networks and limited success in attracting EU funds. Key initiatives included supporting applications to Horizon 2020, funding Seal of Excellence recipients, and fostering partnerships between Portuguese institutions and international entities. These instruments aimed to boost Portugal's presence in European R&D projects, with a total budget of around €104 million, resulting in the approval of over 70 projects. This approach can be transferred to other regions to enhance their competitiveness by promoting international collaboration and improving access to EU funding.

Click here to find out more about this practice.

GOOD PRACTICE 4: Advisory service – Catalonia, Spain

ACCIÓ, the Catalan Agency for Business Competitiveness, offers an advisory service to enhance the participation of Catalan companies and entities in Horizon 2020 and other European R&D programs. The service focuses on supporting participation in consortiums, particularly in the SME Instrument, where Catalonia has seen significant success. ACCIÓ provides various services, including dissemination of calls, proposal advice, partner search, and innovation management support. Catalonia's success is highlighted by securing 2.7% of total Horizon 2020 funding between 2014-2018, with notable achievements in the SME Instrument.

Click here to find out more about this practice.

GOOD PRACTICE 5: Vouchers for internationalisation – Sweden

The Swedish Agency for Economic and Regional Growth, in collaboration with regional authorities, developed "vouchers for internationalisation" to help SMEs enter international markets by providing financial support for external expertise. These vouchers, ranging from 50,000 to 250,000 SEK, cover up to 50% of the cost for projects like market research, internationalisation strategies, and legal consultations. The program targets SMEs with 2-49 employees and aims to increase the number of exporting companies. The initiative has shown success in boosting sales for participating SMEs and is considered a simple yet effective tool for promoting international trade and cooperation. It can be adapted by other regions for similar purposes, such as digitalisation or cultural and environmental initiatives.

Click here to find out more about this practice.

POLICY IMPROVEMENT: Interregional voucher scheme – Basque Country, Spain

The Basque Country introduced an interregional voucher scheme in the context of the Basque Digital Innovation Hub (BDIH) working on Industry 4.0. The interregional voucher scheme aims to give economic assistance to Basque SMEs to use the capabilities of the BDIH but also some other strategic Digital Innovation Hubs in Europe. From exchanges with S34GROWTH partners, Basque policymakers understood the importance of interregional cooperation and global value chains to overcome fragmentation and to boost regional firms' competitiveness. The Basque policymakers were inspired from the multi-country voucher scheme during the visit at the Biobase Europe Pilot Plant in Ghent, Flanders. The policy improvement results in the set-up of a pilot voucher scheme programme to provide Basque firms with access and technical assistance for testing and experimentation infrastructure in selected Digital Innovation Hubs (DIHs) in priority European regions and in regions involved in the Vanguard initiative. This is a way for policymakers to generate interregional collaboration and complementarities in specific value chains.

Policy recommendation 4. Develop methodologies to promote reshoring and nearshoring

In the pursuit of Europe's open strategic autonomy and the development of strategic European Value Chains (EVCs) within 14 key strategic industrial ecosystems, reshoring and nearshoring have become increasingly relevant. These trends, combined with the advancements of Industry 4.0, highlight that knowledge and technology—rather than labour costs—are now the primary drivers of competitive advantage.

Reshoring and nearshoring are two related concepts that involve relocating business operations, particularly manufacturing, closer to the target market or to the company's home country.

- **Reshoring** refers to the practice of bringing back production or manufacturing operations to the home country from a foreign location where they were previously offshored. The main motivation for reshoring is often to reduce costs, improve quality control, and boost domestic employment opportunities.
- **Nearshoring**, on the other hand, involves moving production or manufacturing operations to a nearby country with lower labour costs, favourable tax laws, and other competitive advantages.

Regions can capitalise on these policy and technology trends by developing methodologies that promote reshoring and nearshoring, leveraging interregional complementarities. By doing so, they can strengthen regional resilience, enhance regional value chains, and align with broader European industrial strategies. For instance, the Interreg Europe project BRIDGES has developed a value chain mapping methodology and its partner from Western Macedonia in Greece introduced a policy improvement to promote ongoing value chain mapping and interregional cooperation to address policy integration barriers in industries like dairy, cosmetics, and plant-based proteins.

GOOD PRACTICE 6: Strategic ecosystem development – Latvia

The strategic ecosystem development offers a tool for reshoring and identifying interregional complementarities. The good practice focuses on the method of value chain identification developed by the Latvia Ministry of Economy through a pilot project for "strategic ecosystem development". The pilot project aims to strengthen triple helix collaboration, attracting public and private investments to promote innovation, and improving infrastructures and legislation. The pilot project has been conducted through a series of conferences, meetings, hackathons and workshops, where key actors from academia, public and private sectors were called to identify ecosystem development potential and collaboration opportunities. Three main value chains have been identified in the sectors of biomedicine, smart cities and smart material and analysed though an 8 step-method based on ecosystem approach. The organisations are addressed to a constructive self-analysis aimed to determine competitive advantages and identifying directions of future development. The ecosystem approach allows the identification of specific triple-helix stakeholders from industry, academia and public sector to be involved in the creation of a cross-sectoral cooperation platform to upgrade existing value chains.

Click here to find out more about this practice.

Policy recommendation 5. Join and establish networks for interregional collaboration

Interregional Innovation networks play an important role for regional actors to identify, acquire and exploit the most relevant external knowledge through interregional interactions. Numerous EU research and innovation networks are available, ranging from policy-focused platforms like ERRIN, to sectoral networks like the European Chemical Regions Network (ECRN) or VANGUARD initiative, cluster networks like the European Cluster Collaboration Platform (ECCP), S3 priorities like Thematic Smart Specialisation Platforms (TSSPs), or the EIT Knowledge and Innovation Communities (KICs) that address specific societal challenges.

Participation in these networks requires strategic resource allocation to maximise their impact. Regions should carefully plan and prioritise their involvement in interregional networks, ensuring that resources are directed where they can deliver the most value. Additionally, regions can enhance participation by offering support schemes that enable regional actors to join these networks or by facilitating the creation of new networks that align with strong regional S3 priorities.

GOOD PRACTICE 7: DIH-HERO – Poland

DIH-HERO is a platform that connects Digital Innovation Hubs (DIHs) in healthcare robotics, namely involving a network 17 core partners spreading across 11 pan-European countries. The network facilitates collaboration for the joint development of products and services and the exchange of knowledge in healthcare robotics throughout the value chain. DIH-HERO focuses on supporting small and medium-sized enterprises (SMEs), for instance, with travel vouchers for cross-border activities and calls for cross-border collaboration. Moreover, DIH-HERO launched a call to respond to COVID-19 crisis with healthcare robotics. The good practice shows that such DIH networks can accelerate innovation in high-tech and frontier sectors through cross-border collaboration and having the flexibility to open calls to address societal challenges. Moreover, such initiatives can reduce European fragmentation and engage in European standardisation for robotics in healthcare, including ethical, legal, and societal issues.

Click here to find out more about this practice.

Sources and further information

Our experts provide a tailored set of resources, contacts, or in-depth analyses to help you find the answers you are looking for. Explore our services that can help you solve your regional policy challenges.

Interreg Europe Policy Learning Platform information

- Policy brief on smart specialisation strategy (S3)
- Policy brief on innovation networks
- Policy brief on regional missions
- Policy brief on clusters: driving the green and digital twin transition
- Peer review on supporting local and regional organisations in accessing EU-funded research and innovation programmes for the Marshal's Office of Pomorskie Voivodeship, Poland
- Peer review on European Value Chains for the green transition for the Regional Council of Jämtland-Härjedalen, Sweden.
- Matchmaking on supporting interregional value chain development
- Workshop on regional innovation ecosystems
- Story on innovation vouchers
- Story on Reshoring and nearshoring for stronger European Value Chains

Other sources

- S3 CoP – Policy Brief
- S3 CoP – Targeted support
- S3 CoP – Thematic Platform and Thematic Smart Specialisation Partnerships
- European Commission – New European Innovation Agenda
- European Commission – European Green Deal
- European Commission – European Industrial Strategy
- European Commission – Digital Agenda
- European Commission – Open Strategic Autonomy
- European Commission – Partnership for Regional Innovation Actionbook
- European Commission – Interregional Cooperation and Smart Specialisation: a Lagging Regions Perspective
- Enrico Letta – Much more than a market

Interreg Europe Programme

Interreg Europe is an interregional cooperation programme co-financed by the European Union. With a budget of 379 million euros for 2021-2027, Interreg Europe helps local, regional and national governments across Europe to develop and deliver better policies through interregional cooperation projects and its Policy Learning Platform services. The programme promotes good practice sharing and policy learning among European regions in 36 countries – the 27 Member States, as well as Norway, Switzerland and the 7 EU candidate countries. Interreg Europe contributes to the EU cohesion policy together with the other European Territorial Cooperation programmes known as Interreg.

Interreg Europe Policy Learning Platform

The Policy Learning Platform is the second action of the Interreg Europe programme. It aims to boost EU-wide policy learning and builds on good practices related to regional development policies.

The Platform is a space where the European policy-making community can tap into the know-how of regional policy experts and peers. It offers information on a variety of topics via thematic publications, online and onsite events, and direct communication with a team of experts.

Interreg Europe Policy Learning Platform expert services

Our team of experts provide a set of services that can help you with regional policy challenges. Get in contact with our experts to discuss the possibilities:

Via the **policy helpdesk**, policymakers may submit their questions to receive a set of resources ranging from inspiring good practices from across Europe, policy briefs, webinar recordings, information about upcoming events, available European support and contacts of relevant people, as well as matchmaking recommendations and peer review opportunities.

A **matchmaking session** is a thematic discussion hosted and moderated by the Policy Learning Platform, designed around the policy needs and questions put forward by the requesting public authority or agency. It brings together peers from other European regions to present their experience and successes, to provide inspiration for overcoming regional challenges.

Peer reviews are the deepest and most intensive of the on-demand services, bringing together peers from a number of regions for a two-day work session, to examine the specific territorial and thematic context of the requesting region, discuss with stakeholders, and devise recommendations.

Discover more: www.interregeurope.eu/policylearning

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