

PS09 Introduction to structural interregional collaborations on innovation

10/12/2024

### **Executive Summary**

Interregional innovation corridors are designed to create long-term collaborations between European

**History**: The concept of interregional innovation corridors represents a recent evolution in EU policy, addressing the limited RoI of ad-hoc collaborations. Initiatives, such as the Vanguard initiative and Smart Specialisation Strategies, reveal the potential of leveraging regional complementarities to enhance competitiveness. Despite these efforts, achieving economically viable corridors has proven challenging. Obstacles are seen in aligning governance, securing funding, and harmonizing regional policies. Academic research highlights the importance of corridors in enhancing value chains and regional competitiveness, yet their success hinges on aligned strategies, robust governance, and sustainable funding models. By focusing on continuous collaboration and shared value creation, interregional innovation corridors emerge as a promising yet demanding approach to advancing EU-wide innovation, economic cohesion, and societal impact.

regions. They tackle challenges like high resource demands, fragmentation, and complex governance by reducing barriers such as information gaps and limited access to public testing facilities.

These corridors are built on three main components: 1) Institutional collaboration, 2) Interregional activities, 3) Sustainability structures. Together, these elements align stakeholders, streamline decision-making, and provide the necessary infrastructure for effective collaboration.

Corridors promote continuous innovation through shared projects and services, leveraging regional strengths to address issues like climate change and digital transformation. By building trust, aligning strategies, and ensuring financial sustainability, they make it easier to start

and maintain interregional initiatives.

This approach not only addresses immediate collaboration barriers but also supports long-term EU-wide innovation and growth. It helps policymakers and stakeholders turn fragmented efforts into effective, innovation-driven partnerships, fostering sustainable regional development across Europe..

**The challenge** EU collaboration holds immense potential to drive innovation, foster knowledge exchange, and leverage complementary strengths across regions. This is especially important with today's need for sovereignty, increased competitiveness and innovation speed. It plays a crucial role in tackling challenges like climate change and digital transformation. Initiatives such as Smart Specialisation Strategies, Vanguard, macro-regional strategies like Baltic Sea Region (EUSBSR) and the collaboration in the network of European Digital Innovation Hubs showcase the value of interregional cooperation for economic competitiveness and societal well-being. However, establishing structured collaborations and innovation corridors faces significant hurdles.

Economic barriers are central. High resource demands often result in negative returns on investment, as upfront costs outweigh delayed benefits. Regional funding bodies prioritize local stakeholders, often resisting support for external capacities despite their greater potential value. Market failures, including externalities,





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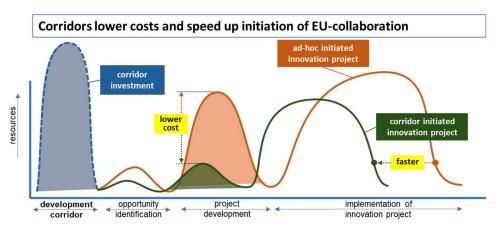
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information asymmetries, and pre-investment hurdles, further disincentivize collaboration. Operational challenges compound these difficulties. Misaligned infrastructure, fragmented governance, and administrative complexities hinder alignment and decision-making. Cultural differences, trust deficits, and divergent regional priorities reduce cohesion, while many regions focus on short-term benefits instead of long-term gains. The creation of interregional collaboration also struggles with sustainability. Many initiatives rely on short-term EU project funding without clear post-project strategies. Without robust support structures, even established partnerships risk faltering, limiting their potential to create lasting impact.

**Example** The innovation corridor between UVP TECHNICOM and Digital Hub Logistics Dortmund originated in the BOWI Project in 2021, where the collaboration was tested in the context of 4 Technology Transfer Experiments with SMEs. The corridor between the two nodes is organized and maintained by the orchestrators UVP TECHNICOM and Digital Hub Management GmbH on an ongoing basis (IC2). It is based on regular exchange and information sharing about each node's service offers and aims at providing SMEs a wider range of support offers and competencies along with the enhanced opportunity of finding partners and entering new markets. The value proposition of the corridor is focused on a holistic and demand-oriented approach towards SMEs and on upgrading SMEs and their market potential by improving their networking and collaboration. Due to the demand-oriented approach, services are offered between the nodes depending on specific needs that occur in the respective ecosystem. The basis for this is a high level of transparency about the competencies and the services each node possesses.

**Aim: Reducing barriers for EU collaboration** The aim of interregional innovation corridors is to establish structured, sustainable collaboration channels that reduce barriers to EU-wide partnerships. These corridors address key challenges and reduce fragmentation, externalities, and information asymmetries, by creating a foundation for long-term, purposeful engagements. They focus on leveraging regional complementarities to foster innovation, trust, and economic growth. Corridors aim to empower regions by enabling the continuous exchange of information, knowledge, technology, and resources while driving economic competitiveness and cohesion. By aligning governance and funding strategies, they reduce the high resource

investments typically required for initiating EU collaborations, making these partnerships more accessible and viable. Corridors provide a framework for strategic alignment, shared value creation, and robust governance, ensuring that interregional collaborations deliver tangible impacts. Ultimately, the corridors lay the groundwork for innovation-



driven growth and integrated regional development across Europe.

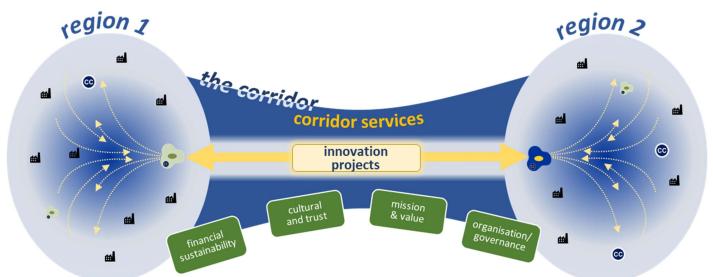




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**The overall framework** The framework for interregional innovation corridors provides a structured approach to overcoming barriers and fostering sustainable, impactful collaborations between regions. As depicted in the visualization, the corridor acts as a bridge, connecting regional innovation ecosystems through shared services, joint projects, and aligned strategies. This framework ensures purposeful collaboration that aligns with both regional and EU priorities, at **different levels of institutionalisation** (from ad-hoc to synchronized collaboration). At its core, the corridor framework revolves around **innovation projects** (or common services like events), serving as the primary drivers of value creation. These projects are supported by **corridor services**, which enable the continuous exchange of knowledge, expertise, and resources. By facilitating structured interactions, these services help regions collectively address societal challenges, enhance resilience, and boost competitiveness.



The framework is grounded in four building blocks. **Mission** provides shared objectives and alignment across regions, ensuring a clear and unified focus. **Governance** establishes structured decision-making processes, ensuring accountability, equitable participation, and efficient management. **Cultural alignment** fosters trust and mutual understanding, reducing friction and enhancing collaboration. **Financial sustainability** secures long-term funding through a combination of regional, national, and EU sources, addressing pre-investment needs and ensuring continuity.

Each region's stakeholders—such as (European) Digital Innovation Hubs, competence centers, and enterprises play pivotal roles in operationalizing the corridor. The framework is adaptable, supporting phased development from ad-hoc interactions to synchronized partnerships. By integrating these components, the corridor framework transforms fragmented efforts into cohesive, innovation-driven networks, delivering measurable impact and fostering structured collaboration.





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**Component 1: Four institutional levels of collaboration** Corridors can be developed along

four institutional levels of collaboration, which define the degree of formality, commitment, and integration between regional partners. These levels provide a flexible structure that allows regions to collaborate at their

current capacity while offering a pathway for deeper engagement.

At the most basic, **casual collaboration** involves informal, ad-hoc exchanges, typically driven by individual efforts. Progressing further, **responsive collaboration** organizes activities around specific opportunities, such as EU projects,

IC4: synchronized	Synchronized partnership, one organisation, joined programme based, joined goverance
IC3: structural	Formalised separate partnership, aligned activities, pro-active collaboration
IC2: responsive	Re-active, informal relationship on organisational level, opportunity oriented
IC1: ad-hoc	One-off activities, relationship based on individual contacts,

with minimal formal structure. **Structured collaboration** formalizes objectives, governance, and proactive alignment of strategies, fostering mutual benefits. At the highest level, **synchronized collaboration** achieves full integration, aligning governance, strategies, and even branding for seamless partnership. Choosing a level depends on the ambitions and the Rol and does not assume that one is better than the other. Each of the levels address specific barriers to collaboration, supporting other framework components like governance and funding, and ensuring sustainable, impactful partnerships.

**Component 2: Interregional Activities and Corridor Support** The second element of the framework focuses on **interregional activities and innovation projects (activities)** that ensure the corridor's functionality and added value. These activities are the lifeblood of the corridor, driving innovation, knowledge exchange, and economic growth between participating regions.

At the core are **interregional innovation projects**, which leverage the complementary strengths of regions to address shared challenges and opportunities. These projects can involve collaborative R&D, joint business development, and skills enhancement initiatives that create tangible value for stakeholders. Equally important are the **corridor support activities** that initiate, sustain and strengthen these projects, providing the basis, enabling efficient innovation projects. These include shared governance meetings, trust-building workshops, and infrastructure harmonization efforts, which ensure alignment between regions. Additionally, activities like training programs, peer-learning events, and communication platforms foster active participation and continuous engagement. Together, these activities are creating the value of the corridor and are in a proactive and structural way channelling innovation between the regions.

## Component 3: Structural building blocks for sustaining the corridor The third

component consists of **structural building blocks** that transform the corridor into a sustainable gateway between regions. These are critical to ensuring that interregional activities are aligned, efficiently managed, and capable of driving long-term collaboration, continuously reducing the barrier to initiate more ad-hoc innovation projects.



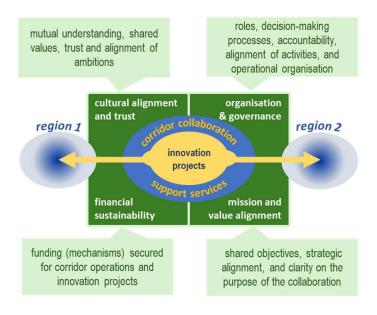


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At its core is the **mission**, which sets the shared aim, objectives, customers and priorities of the corridor, providing a clear and unified direction for all stakeholders. Equally important is **integrated organisation and governance**,

combining the structural setup and decision-making processes into a cohesive framework that fosters accountability, coordination, and strategic alignment across regions. And an operational organisation of the work. To sustain collaboration, **cultural alignment** is critical, because trust and mutual understanding among stakeholders, ensures consistent engagement and reduced barriers caused by differing regional priorities. Lastly, **financial sustainability** addresses the long-term funding needs of the corridor, supporting immediate activities and enabling longterm operational continuity. Together, these structural building blocks create the foundation for impactful, resilient, and enduring interregional corridors that enable effective innovation and collaboration.



**Concluding** Interregional innovation **corridors** represent a transformative approach to fostering, long-term., structured collaboration between regions, continuously addressing barriers to EU-wide cooperation. By aligning stakeholders, leveraging complementary strengths, and embedding sustainability into the design, these corridors provide a clear pathway for innovation and economic growth for each of the regions.

The framework presented outlines a comprehensive solution, starting with the **four levels of institutional collaboration**, which offer a scalable and flexible structure for engagement. The **activities** (corridor support services and innovation projects) ensure that the corridor functions effectively as a platform to initiate joined innovation projects and resource exchange. Supporting, are the **four structural building blocks**, which create the foundational infrastructure to sustain collaboration, including **mission alignment**, **governance**, **culture& trust**, **and financial stability**.

Together, these components lay the foundation to create a proactive and structured channel between the regions for innovation, reducing fragmentation, foster cohesion, and drive regional competitiveness. This integrated approach not only addresses immediate challenges but also lays the groundwork for long-term sustainability

and impact. The framework equips policymakers and stakeholders with the tools needed to transform fragmented efforts into cohesive, innovation-driven partnerships, ensuring that the corridors can achieve their full potential in advancing EU collaboration and societal goals.

**Condensed idea:** Initiating EU collaboration requires high resource investments, limiting success. Innovation corridors serve as a longterm supportive gateway, reducing barriers and fostering structured support, built and strengthened through innovation projects.





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## **Reference lists for further reading:**

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The DIHNET Academy Primer Series offers a collection of introductory papers that outline key concepts and provide essential background on orchestrating innovation networks at regional, national, and European levels.

