



Interregional value chain creation, and challenges for EU regions (focus on the less developed regions)

Main findings and recommendations of the discussion
group on value chain creation under the I3 Support Facility



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Policy brief: Interregional value chain creation, and challenges for EU regions (focus on the less developed regions)

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List of Acronyms

AI	Artificial Intelligence
EDIH	European Digital Innovation Hub
EDP	Entrepreneurial Discovery Process
EU	European Union
GVC	Global Value Chain
I3	Interregional Innovation Investments
JRC	Joint Research Centre
LDR	Less-Developed Region
MA	Managing Authorities
MoU	Memorandum of Understanding
PPP	Public-Private Partnership
R&D	Research and Development
RVC	Regional Value Chain
S3	Smart Specialisation Strategies
S3CoP	S3 Community of Practice
SME	Small and Medium Enterprise
STI	Science, Technology and Innovation
TSSP	Thematic Smart Specialisation Partnerships

1. Introduction

This policy brief draws on the work of the **discussion group on value chain creation** which was established under the I3 Support Facility Policy Lab as a platform for exchange between policy makers and stakeholders already actively engaged or willing to be engaged in innovation policy and interregional collaboration under I3 instrument.

During three sessions of the discussion group that were held through 2025, i.e., in April, June and September, the group stirred dialogue and collaboration among experts in the field on tackling key issues regarding **regional, national and European value chain creation in the context of I3**. A particular focus of the group was on engagement of less-developed regions (LDRs) in the process of interregional value chain creation and refinement. The deliberations, contributions and ideas of the I3 discussion group members have been summarised and presented in this policy brief.

The **group included 11 members** coming from different backgrounds (i.e., public administration, agencies, academia) and selected based on the open call for Expression of Interest launched in mid-January 2025. The coordinator oversaw organising and stirring the discussions and developing the policy brief with the support of discussion group members.

This **peer-learning and knowledge-sharing space** aims to leverage on I3 project results, collect examples of good practice in the field of interregional innovation investments and enhance capacities of policy makers to develop and test new policy solutions supporting interregional collaboration. The findings and recommendations included in this brief address aspects and issues of relevance to regional, national and European policy makers and stakeholders taking part in interregional collaboration. The goal of this brief is to **summarise policy-relevant messages** and **pertinent challenges and opportunities in value chain creation activities to (potential) I3 Instrument beneficiaries**, including policy makers, businesses and business organisations and research institutions.

2. Value chain creation in the context of I3

An **interregional value chain is a network of interlinked economic actors and activities** that span across different regions, involving cooperation among firms, sectors, and institutions to create added value around a product, process, or service. The Interregional Innovation Investments (I3) Instrument's value chain approach **emphasises collaboration between regions with complementary strengths**, enabling exchanges of skills, knowledge, business ideas, and resources. This approach supports the development of innovation ecosystems by connecting regional smart specialisations (S3) and fostering joint innovation projects, with a focus on addressing common challenges and opportunities across regions. At the same time, it addresses the limitations of European fragmented innovation ecosystem and technology diffusion to the market, through business innovation activities.

Global Value Chains (GVCs) emerge when these activities are divided among multiple firms across significant geographical distances¹. Driven by product and technological advancements, each major innovation often triggers a new cycle of interconnected resource flows within these chains. Indeed, modern value chains are increasingly complex, resembling - **value networks** – interconnected firms and value-adding activities that integrate resource flows between manufacturing and service providers to deliver final outputs to markets².

Conventional place-based policies, such as cluster initiatives alone, are insufficient to address structural and technological upgrading challenges which increasingly require incorporating capacities that are not available within confined territorial limits. Consequently, **interregional, European, and global value chains are critical drivers of technological advancement** for countries and regions³, particularly in less-developed regions (LDRs) where such connections were previously limited. For LDRs, a key policy objective is to foster synergies between interregional and European value chains and local clusters. This allows these regions to strategically **integrate into relevant value chain segments based on their unique competitive advantages**⁴.

¹ <https://www.globalvaluechains.org>

² Todeva, E., Rakhmatullin, R. (2016). Global Value Chain Mapping: Methodology and Cases for Policy Makers: Thematic Work on Value Chain Mapping in the Context of Smart Specialisation. JRC Science for Policy Report. JRC102803

³ Radosevic, S. (2018). Fostering innovation in less-developed and low institutional capacity regions: Challenges and opportunities. Background paper for an OECD/EC Workshop on 22 June 2018 within the workshop series "Broadening innovation policy: New insights for regions and cities", Paris.

⁴ Radosevic, S. (2018). Fostering innovation in less-developed and low institutional capacity regions: Challenges and opportunities. Background paper for an OECD/EC Workshop on 22 June 2018 within the workshop series "Broadening innovation policy: New insights for regions and cities", Paris.

The I3 Instrument encourages the development of European value chains by mobilising innovation ecosystems to scale up and commercialise interregional innovation projects⁵. Moreover, the focus on building value chains is a **unique aspect of the I3 Instrument** compared to other EU-funded programs. It is viewed as one of the most valuable features, enabling consortia to link different regional strengths and leverage complementary resources⁶. The current I3 projects all aim to improve a specific value chain, linking different stakeholders within the chain (producers, suppliers, distributors, consumers, etc.) and bridging supply and demand⁷.

⁵ https://ec.europa.eu/regional_policy/policy/themes/research-innovation/interregional-innovation-investments_en

⁶ Gañán de Molina, C., Tregner-Minaric, A. (2024). Analysis of the Implementation of the I3 Instrument as Perceived by the First Generation of I3 Consortia. Insight Report.

⁷ Ibid.

3. Drivers and barriers for value chain creation through interregional collaboration

The discussion group examined key drivers and barriers that influence the effective formation of value chains through interregional collaboration. Key challenges include:

- **Capacity limitations:** Regional administrations and businesses often face limitations such as a lack of qualified lead partners, insufficient critical mass for engaging in I3 projects, and 'responsibility vacuums' during project implementation, where taking ownership may require stepping outside of established jurisdictional or organisational comfort zones.
- **Governance and coordination complexities:** Value chains often span multiple sectors, necessitating governance structures that go beyond traditional sectoral 'silos'. This complexity demands experienced and well-connected coordinators, who can be scarce in regions with limited capacities.
- **Disparities in regional development levels:** Differences in regional development levels pose a persistent challenge to the implementation of I3 projects.
- **Difficulties in aligning S3:** Significant differences in regional Smart Specialisation Strategies (S3) and Entrepreneurial Discovery Process (EDP) priorities can hinder alignment, requiring in-depth analytical input to overcome this challenge.
- **'Silo' mentality and lack of trust:** A 'silo' mentality and a lack of trust represent a fundamental obstacle to effective interregional collaboration, potentially stemming from substantial variations in regional mindsets. There is also some competitive dynamics observed between the regions that hinders effective collaboration under the I3 Instrument.

Among the opportunities, there are factors like:

- **Focus on addressing societal challenges:** I3 project initiatives are positioned at the centre of scaling solutions to European societal challenges, especially in areas like energy transition, the circular economy, digital health, and advanced manufacturing.
- **Enabling EU policy and funding framework:** A policy and funding framework with high potential for synergies and complementarities between the I3 Instrument and other EU programs encourages a focus on long-term impact, moving beyond a 'project mentality'.
- **Raising visibility and international profile of regions:** Active networking opportunities and 'branding' regional potential in specific

segments of European value chains enhance regions' visibility and international profile.

- **Industry focus:** Interregional cooperation projects become more meaningful to international business partners participating in the same or related value chains, which helps bring the EDP to the EU level⁸. The experience of the first I3 projects also highlight that participation of large firms demonstrably strengthens the value chain by providing SMEs with access to markets, global market insights, and a supportive framework⁹.

⁸ Hegyi, F.B., Rakhmatullin, R. (2017). Implementing smart specialisation - thematic platform on industrial modernisation. S3 Policy Brief Series, No. 22/2017, JRC108028

⁹ Gañán de Molina, C., Tregner-Minaric, A. (2024). Analysis of the Implementation of the I3 Instrument as Perceived by the First Generation of I3 Consortia. Insight Report.

4. Key insights on supporting value chain creation through I3 instrument

The work of the discussion group in 2025 aimed to identify key opportunities for building capacity and supporting the creation of effective interregional, European, and global value chains through the I3 Instrument. The discussion group's work focused on gathering insights and providing actionable recommendations on the following two questions:

1. **How can we build trust and capacity across regions to strengthen SME participation in interregional value chains?** *(Addresses challenges related to capacity limitations, 'silo' mentality, and inclusion of regional partners.)*

- How to systematically 'translate' the opportunities under I3 to stakeholders to enhance understanding, interest and engagement?
- How to promote the unique value I3 projects bring to LDRs as means to connect into concrete segments of European value chains to strengthen the formation of missing capacities?
- How can we foster 'interregional innovation empathy', promoting solidarity and understanding of regions' challenges and recognising the value of LDRs' potential for more developed regions?

2. **How can the I3 Instrument support and amplify efforts to address major societal challenges, such as through EU Missions and the Twin Transition agenda?** *(Ties together RIS3 alignment, governance complexity, and focus on impact.)*

- How can we ensure that cross-S3 collaboration is impact-driven, rather than merely a formal alignment?
- How to ensure sustainability of I3 project objectives and foster long-term institutional cooperation that goes beyond the project implementation phase?
- How can the systematic identification of gaps in value chains be promoted to better target EU funding towards these areas?

Examining these questions, during the third meeting the discussion group deliberated more in detail on requirements and approaches for value chain mapping and on the role of intermediaries and regional authorities as enablers. These aspects are transversal to the initially defined two key topics.

4.1. On trust building to strengthen SME participation in I3

Trust is essential for engaging more regions and SMEs in interregional collaboration. Trust building begins with awareness. Promoting the visibility and accessibility of the I3 Instrument is vital to empower more regions and SMEs to contribute to European value chain building, thus strengthening European competitiveness. A **multi-annual framework for I3 with regular calls and stable rules** is necessary to support the long-term development of value chains and allow partnerships to mature beyond single-project cycles.

Trust-building requires time, personal interaction, and sustained communication of results. Oftentimes, long years are required to create direct supply-customer relationships in a value chain. It was estimated that it may take up to 10-15 years to build a functioning value chain. This process also requires creating and maintaining open and inclusive working environment with opportunities to learn and build capacities of all stakeholders. Moreover, the role of individuals should not be underestimated. Value chain building frequently requires trained and charismatic professionals who are personally invested in the topic.

SME intermediaries (cluster organisations, development agencies, European Digital Innovation Hubs (EDIHs), applied technology centres) are vital in translating complex policy objectives into business-relevant opportunities. These **intermediary organisations can build trust**, facilitate early engagement, and make I3 projects accessible to SMEs that often perceive them as complex, bureaucratic and lack dedicated support.

Strong commitment from the public sector is also an important component to building trust. To ensure consistent engagement, it is a good practice to establish **written agreements and legally valid organisational forms**, such as Memorandum of Understanding (MoU), Public-Private Partnerships (PPP), etc., and sustain high-level political support for the project involving complex inter-regional collaboration. Other legal forms might be necessary in furthering the interregional collaboration.

Box 1: Regulatory actions in Puglia supporting value chain building

In Puglia region various regulatory actions were adopted to support the implementation of the S3 and other regional strategies. For instance, the region adopted a law, the Participation Act, to allow for an institutionalised, systematic and meaningful way to involve the public, including business sector, research institutions, citizens in the decision-making concerning their territory and community. Another example is the adoption of law on promotion of Open Innovation and artificial intelligence (AI) which aims to accelerate digital transition of Puglia's industrial sectors and established a tool for businesses' cooperation – the Open Innovation Platform. This AI-supported solution helps translating the needs of the different users of the platform, converting those focal points into value chains.

4.2. On the role of intermediaries and regional authorities as enablers and capacity builders

For many SMEs the world of European funding, interregional partnerships, and value chain creation can appear distant and complex. Regulatory frameworks and long-term strategic objectives are often far removed from the day-to-day concerns of running a business. SME engagement in interregional value chain creation faces multiple challenges, such as difficulties **identifying the whole range of stakeholders, clarifying the non-negotiable issues, overcoming competitive thinking** and **demonstrating potential mutual benefits**, as well as bringing together disciplines that do not usually cooperate. To be effective, the implementation of such project requires continuous training and learning to identify the needs of various actors and address them with the available capacities.

Trusted intermediary actors, such as clusters, regional development agencies, digital innovation hubs, applied universities, **are critical for SME participation in interregional collaboration**. These intermediary actors have the capacity to “speak the business language” and create shared “vocabulary” **translating the benefits of participation tangible and relevant for firms**. Indeed, early experience with I3 project implementation shows that SMEs often engage more readily when supported by enabling organisations who serve as familiar and trusted partners. It also highlights the utility of living labs for business model validation¹⁰.

Building large interregional partnerships require **specialised skillsets**, including mediation, translation, and intercultural communication skills and in-depth knowledge about policy and funding modalities. The intermediaries have the capacities to act as translators of opportunity by breaking down complex policy or funding jargon into concrete messages about new markets, cost savings, or innovation partnerships and, most importantly, provide early signals of potential value chain gaps.

Box 2: Capacity building measures in Centro Region of Portugal

Centro Region of Portugal integrated specific measures into its regional programming to strengthen capacity-building programmes for participation in international initiatives. By investing in training, advisory schemes, and networking activities, the region not only raised awareness among SMEs but also equipped them with the skills and confidence needed to step into interregional and European projects. This structured, long-term commitment from regional administration illustrates how targeted policy measure can directly empower intermediaries to act as catalysts of SME participation.

Public authorities are also pivotal to help **sustaining momentum through follow-up measures**, hence ensuring that value chain development is not limited to one-off project but evolves into a continuous process. Besides the funding role,

¹⁰ Gañán de Molina, C., Tregner-Minaric, A. (2024). Analysis of the Implementation of the I3 Instrument as Perceived by the First Generation of I3 Consortia. Insight Report.

regional authorities can also support ecosystem in opening to outside partners (sort of “industrial diplomacy”) and even helping to develop an early demand for innovation where suitable.

Box 3: Strengthening cluster capacity in Slovenia to engage companies in value chains

In Slovenia, strong public–private partnerships (PPPs) were established through competitive calls as strategic ‘clusters’. They were gradually moving from most of the public funding to a more balanced business model (from 70% of funding in 0-3 years to 50% later). This helped build required capacities in the system. Those partnerships with stronger connections with companies are very well suited for I3 Instrument. They are offering better services for companies but also involving them in the existing value chains.

Box 4: Public authorities as demand side actors in value chain building in Latvia

In Latvia, an authority in Latgale region experimented with becoming not just a facilitator in value chain creation but also a direct procurer of new products and services from an interregional value chain by reorganizing food provision services for schools and elderly care institutions in collaboration with neighboring Lithuania. This example illustrate how regional governments can play multiple roles in fostering value chains.

4.3. On requirements and approaches for value chain mapping

A critical element of I3 proposal design is **early and systematic mapping of value chains**. Yet, experiences from European regions demonstrate that no single methodology can respond to the diversity of contexts where value chain creation is expected to unfold. More overarching guidelines, such as JRC Methodology on Global Value Chains Mapping¹¹, provide robust comparative data and structured analysis but require complementary translation into the local realities of less-developed regions. The key insight is that **value chain mapping must be adaptive rather than prescriptive** to maximise complementarities by bridging asymmetries in capacity and resources.

Mapping requires detailed knowledge of industry processes, sectoral dynamics, and the position of actors along the value chain. Without this, value chains remain abstract and disconnected. Cluster organisations can be particularly helpful to achieve this goal. Practical value chain mapping experiences showcase that this is a **layered and iterative process** often

¹¹ Todeva, E., Rakhmatullin, R. (2016) Global Value Chains Mapping: Methodology and Cases for Policy Makers. Thematic Work on Value Chain Mapping in the Context of Smart Specialisation, EUR 28085 EN, Publications Office of the European Union, Luxembourg, 2016, doi:10.2791/273290

involving first an in-depth understanding of traditional value chain steps, then mapping innovative additions and connecting new possible links towards the new products and services and lastly combining processes into broader cross-sectoral and often circular value chains.

In advanced regions, more sophisticated **data-driven mapping tools** can accelerate the detection of complementarities. Dedicated innovation platforms, online self-assessments, innovation actor databases, social network analyses and various AI-supported mapping processes were among some of the approaches currently used by some regions. An important lesson was that **incentives for periodic data sharing** are critical. Where public funding is conditional on updating organisational data, actors are more 'willing' to contribute to joint data collection efforts. Without such incentives, the tendency is for actors to protect their own data and operate in silos.

Box 5: Reciprocity in data sharing for building online competence database in Bretagne

Since 2013, Bretagne region is building an online competence database CRAFT Platform (<https://www.platform-craft.eu/en/works/>) that aims to collect and highlight insights from regional socio-economic data on innovation helping to indicate cross-overs. The database currently comprises data on 12 000 innovative entities (firms, labs and training), and it has 275 users, 83 partners, 35 directories and maps across four French regions and five EU regions. The assets of this initiative are a secure, robust and dynamic software, a team specialized in data analytics and input from actors in touch with respective companies on a day-to-day basis. Access to this data is only enabled if company/actor is willing to share their inputs. Mutual reciprocity in data sharing and use enables more robust and up-to-date information. Completeness of such data enables more fine-grained social network analysis helping to visualize who collaborates with whom, which projects actors have joined, and where gaps exist.

In less-developed regions, **participatory processes** driven by trusted intermediary organisations may be **more effective in identifying real gaps and mobilising actors**. Open calls to identify and co-design regional value chains, ensure inclusiveness and stakeholder ownership in more fragmented settings. Tackling the appropriate granularity of value chain analyses is also of key importance to bring specific actors into interregional collaboration.

Box 6: Participatory value chain mapping process in Croatia

In Croatia, regional value chain (RVC) creation has been identified as a key instrument to achieve industrial transition and smart specialization goals at the regional level. Through the Industrial Transition Plans for Pannonian, Adriatic, and Northern Croatia, priority industry niches were identified and grouped into 14 RVCs. Through a structured mapping process and an open, ongoing call for expressions of interest, relevant stakeholders from business, academia, and public institutions were actively engaged in the development of RVC Action Plans proposing targeted interventions and defining pathways for accessing EU funding

The mapped stakeholders from RVC strategic forums facilitating dialogue around key themes: addressing societal challenges; Key enabling and digital technologies; Smart skills development; and regional branding.

As one of the most recent developments, Croatia leveraged S3CoP support to pilot the definition of R&I Missions tackling societal challenges, translating innovation demand into collaborative projects, laying the groundwork for future calls for proposals

The mapping of RVCs in Croatia has proven also essential for aligning regional priorities with the Entrepreneurial Discovery Process (EDP). These themes - updated annually - serve as a foundation for programming under EU Cohesion Policy instruments, ensuring strategic coherence and impact.

4.4. On the role of I3 Instrument in supporting and amplifying efforts to address major societal changes

There is a power of shared societal challenges to unlock the collaboration between regions. Interregional collaboration should result in common strategies rooted in regional needs. To illustrate, Croatian value chain mapping example above showcases how regional, national and European perspectives could align in the efforts to strengthen purpose-driven innovation governance model.

With this perspective in mind, **I3 Instrument can play a pivotal role by serving as a bridge between mission-oriented research results and their large-scale uptake through interregional value chains.** The aim is to capitalise on the emerging outputs from mission-oriented policies and funding programmes, embedding them into cross-regional collaborations that can provide the resources, partners, and market access required for scaling.

Horizon Europe Missions are already generating a wide range of promising outcomes: experimental solutions and prototypes at TRL6-7 that target some of Europe's most pressing challenges, from climate adaptation and energy transition to health and the circular economy. Many of these results have proven their technical feasibility, yet too often they remain confined to pilot environments. Without stronger connections to industrial ecosystems and territorial networks, their path to market deployment remains uncertain. A **systematic stocktaking mechanism of EU Missions results** with clear and transparent criteria – such as alignment with S3 priorities, potential for cross-regional complementarities, and suitability for deployment in less-developed regions – would help identify the solutions with the strongest prospects for success within I3 consortia.

Box 7: Mission-oriented approach of S3 in Blekinge region

Blekinge in Sweden has aligned research and innovation efforts of its Smart Specialisation Strategy with Horizon Europe Missions, choosing to focus on three of its five areas: healthy oceans, climate adaptation and climate-neutral and smart cities. This focus on missions, provides a stepping stone to other funding sources at both national and international level, like Horizon Europe, and allow the involvement of affected stakeholders beyond traditional innovation actors. Regional representatives acknowledge that when working with complex societal challenges, it is crucial to work with a broad collaborative ecosystem. This includes civil society, academia, business and the public sector. It is in these collaborative situations that new innovations arise. They can be products and services, but also new ways of working that are not only useful in Blekinge region but also throughout the world.

There is also merit in **exploring links of the I3 Instrument with other EU frameworks** and initiatives, e.g. Horizon Europe, Regional Innovation Valleys, European Digital Innovation Hubs (EDIHs), Enterprise Europe Network (EEN), Single Market Programme, and Vanguard initiatives to identify complementarities and concrete value of synergies. This would also ensure funding support continuity across the innovation cycle, from challenge identification, research and technology development to scaling-up solutions, which is something the EU's Competitiveness Compass is insisting upon.

Box 8: Experience of Navarra region as a partner in European Circular Innovation Valley

Navarra region has been successfully taking part in the European Circular Innovation Valley which proved to be instrumental in building and strengthening the circular economy value chains across nine territories in the EU. The initiative addressed cross-sectorial challenges and had a clear mission focus while accounting for regional interests and specificities. Under the Circular Economy Regional Hub, the value chain analyses were performed across selected industrial sectors with participating regions agreeing on the common challenges to address through dedicated open calls over a five-year period. Linking this initiative with opportunities provided by the I3 Instrument would help regional actors reap benefits from the efforts to create synergies and complementarities.

Against the backdrop of rapidly changing European priorities and the next EU Multiannual Financial Framework 2028-2034 proposal, the I3 Instrument appears as a useful means to strengthen European value chains, support industrial autonomy and help regions position themselves in scaling-up solutions devoted to the pressing needs of security, sustainable competitiveness and strategic technologies. Making value chains robust and resilient requires long-term investments and strategies, while competitiveness often demands quick returns and short-term gains. It is important to highlight that these two logics, **resilience and competitiveness, do not always align** and sometimes a choice needs to be made between both aspects.

5. Conclusions and recommendations

5.1. Strengthening trust-building and the role of intermediaries

The discussion group highlighted the importance of **continued engagement and trust-building** as an essential ingredient for sustainable value chain building across European regions. Yet it is a time-consuming process and requires dedicated efforts and skillsets from intermediary organisations, such as clusters, development agencies, digital innovation hubs and applied technology centres.

Recommendations

1. **Incentivise active involvement of intermediary organisations in I3 calls** through soft mechanisms, such as evaluation criteria that reward the demonstration of clear value-added of intermediaries for cross-regional SME collaboration and the dissemination of best practice toolkit for effective interregional innovation brokerage based on successful I3 and Interreg projects.
2. **Enhance the available pre-proposal support** by stimulating national and regional authorities earmark resources for awareness-raising and SME mobilisation workshops in advance to new I3 calls and promote training modules on interregional collaboration, innovation brokerage, and mediation through complementary EU initiatives, such as Interreg (for interregional collaboration services), Horizon Europe, Enterprise Europe Network (as a partner matchmaking tool).

5.2. Regional authorities as enablers and connectors

Regional authorities play a central role as both **enablers and connectors of interregional value chains**. They can act not only as consortium facilitators but in some cases also as direct users of innovation from interregional value chains (e.g. reorganising public service provision through cross-border partnerships). Maintaining long-term institutional commitment is challenging due to mismatches between funding and political cycles along with fragmented responsibilities, but it is critical to achieve long-term impact.

“Industrial diplomacy” spaces are needed where regional and national authorities engage strategically to lay the groundwork for collaboration (S3 CoP platforms, European regional associations, Regional Innovation Valleys, Interreg EU etc). Such strategic exchanges would enable regional authorities not only respond to existing company needs but also steer regional actors towards future challenges and value chains they may not yet perceive.

Recommendations

3. **Encourage regional authorities to act as value chain enablers and connectors**, exploiting spaces of European “industrial diplomacy” beyond institutional goals, and hence connecting industrial demand with European innovation capacity.
4. **Share good practices of legal and organisational forms** (e.g. MoUs, PPPs, steering committees) that support the evolution from funded I3 projects to stable partnerships and platforms around specific value chains.
5. **Explore the use public procurement, pilot actions, and shared infrastructures** to create early demand and demonstrate the benefits of interregional collaboration, even if in favour of other European partners.

5.3. Value chain mapping as a strategic tool

Value chain mapping is a critical enabler of I3 project design, but no single methodology fits all regional contexts, therefore it must be adapted to varying levels of institutional capacity, economic structure, and innovation maturity of the regions. **Data-driven digital tools** are effective in advanced ecosystems, while **participatory mechanisms** and intermediaries are key in less developed regions. Both approaches are not only complementary but recommendable, as I3 projects rely on “coalitions of the willing” based on trust. **Mapping should be incorporated as a continuous and cyclical process**, considering the innovative and exploratory nature of I3 around new value chains, whose results will be used for learning and future scaling.

Recommendations

6. **Adopt a flexible “toolbox” approach to value chain mapping** combining high-level analytical frameworks (e.g. JRC), digital mapping tools, and participatory co-design processes.
7. **Operationalise value chain mapping as a modular and iterative process** within I3 projects, updated during implementation and capitalised on for policy leaning and future scaling.

5.4. Synergies with mission-oriented policies

I3 Instrument can serve as an important **enabler of transformative innovation and mission-oriented policies**. Horizon Europe Missions have produced numerous TRL 4-6 solutions addressing societal challenges, yet many remain confined to pilot phases. In turn, the I3 Instrument holds a strong potential to bring mission-oriented results towards market-scale deployment. Linking I3 consortia with mission outcomes can accelerate scaling and embed research results into industrial ecosystems.

Recommendations

8. **Position I3 Instrument as a vehicle to scale mission-related innovations** to new markets and regions, strengthening alignment between EU funding programmes and capitalising on Horizon Europe results.
9. **Develop a systematic stocktaking mechanism (platform or service) to collect and showcase mature outcomes of EU Missions projects** ready for scaling, using clear criteria – technological maturity, topic alignment, and complementarities – to identify suitable solutions for I3 consortia.
10. **Encourage regions to align local mission-oriented programmes with I3 initiatives**, leveraging the potential of local experimentation for potential European-scale market uptake and diffusion.

5.5. Whole value chain funding and capitalising on up-to-date investments

Interregional value chain development requires continuity across all innovation stages, from idea to market scale-up. Fragmentation between funding instruments disrupts this continuity, particularly for SMEs in less developed regions. **Alignment of regional, national, and EU-level measures** is essential to enable a seamless “single innovation pathway”. Lack of mechanisms to capitalise on successful I3 results limits the long-term impact of the instrument.

Recommendations

11. **Foster integration of I3 with regional and national funds** to create coherent, continuous investment pathways by encouraging Member States to mobilise complementary co-funding to support participation of SMEs, especially from LDRs.
12. **Explore investment levers to capitalise on successful I3 projects**, blending public and private financing, rewarding I3 partners with a kind of “seal of excellence” to facilitate the scaling up and market entry of the projects’ results.
13. **Enhance communication to position I3 Instrument as a gateway to European value chains**, highlighting its market access and investment potential to attract stronger industry engagement. In this respect, reconsider the possible role of big companies in the instrument as market pull actors.

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