

ELABORATION OF 1 JOINT INVESTMENT SCHEMES BUSINESS ANALYSIS TO STRENGTHEN THE NEW REGIONAL INDUSTRIAL ALLIANCES

D.T3.3.5 Elaboration of 1 joint
investment schemes

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Introduction

The purpose of all action 3.3 is to identify effective structural options to incorporate TRANSFARM's i-services model into a federated, stable and autonomous business organization to incorporate pilot projects into a true transnational service value chain, to expand the use of TRANSFARM - cases at EU and regional level to take them to a higher level and get closer to the objectives set by S3 for advanced production in each of the EC regions affected by TRANSFARM.

The pursuit of these objectives is mainly based on a common strategy for the marketing, enhancement and exploitation of the set of transnational i-services to support innovation in companies for the advanced manufacturing chain. Furthermore, from a policy point of view, a recommendation document will be addressed to regional innovation policy makers for the expansion of TRANSFARM i-services within each regional Smart Specialization Strategies 3 as an innovative approach to support regional investments ESIF 2014-2020 (literally supporting the ERDF Managing Authorities to improve the impacts of grants under Axis 1 "Research and Innovation").

Together with the two measures conceived above, a third initiative is addressed to follow up on the open innovation and collaborative environment of TRANSFARM, based on the direct participation of companies and research and development performers in the development of the technological concept and in the sharing of knowledge. to bring new solutions and prototypes closer to the market.

This document offers some alternatives to enable groups of companies from the Central European area to cooperate directly to generate new components and solutions with exploitable market potential.

The approach developed concerns the opportunity to create cross-EC value chains for innovation, where the value chain for innovation is defined as the transformation of "traditional" value chains into new ones through cross-border and cross-sectoral collaboration between different economic actors (belonging to both the industrial and the research world).

The conceptualization of a new project consisting of a cooperation system organized in sub-projects to encourage preferential lanes for the applicability of KETs in SMEs is hereinafter referred to as TRANSFARM +.

Objective and scope of the Deliverable D.T3.3.5

The objective and purpose of Deliverable D.T3.3.5 is to devise a follow-up concept to support the best SMEs to integrate knowledge into world-class and cross-CE value chains (TRANSFARM +). It is also intended to propose a Joint Schema of Investments.

Fostering the transformation of the global economy towards sustainability is one of the commitments made by the G20 for the implementation of the 2030 Agenda, a focus of the last two G20 presidencies. The integration of global value chains (GVCs) is a key part of achieving sustainability, particularly through the incorporation of small and medium-sized enterprises (SMEs).

SMEs are a vital part of any economy and have developmental advantages as they can impact the grassroots level of an economy, enabling individuals and communities to improve their livelihoods and income, potentially relieving them of poverty.

There are significant obstacles SMEs face when trying to improve their sectors or when expanding their manufacturing opportunities by trying to access export markets. This is the result of trying to achieve higher results than the internal market can offer at the time. Alternatively, when domestic demand falters, for a variety of reasons, firms seek opportunities for expansion outside their markets.

The so-called Concept for the future advanced system for creating a trans-European precision agriculture value chain consists of an advanced cross-EC ecosystem to (1) strengthen groups of SMEs in the joint exploitation of R&D (2) financial allocations to SMEs and risk finance aid to be financed by CTE.

In other words, after the identification of a pool of key strategic principles for technological innovation in a master project, the aim is to generate a cluster of sub-projects open to the participation of innovative companies and which benefit from the advantages of INTERREG cooperation and financial system.

Legal context and guiding principles

In the present action, the concept of 1 cross-EC ecosystem aims to strengthen new groups of SMEs in the joint exploitation of R&D and financial endowment from CTE funds is conceptualized on the basis of the provisions of the REG EC. 651/2014.

Regulation (EU) no. 651/2014 of the Commission, of 17 June 2014, which declares certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty. Text relevant to the EEA. In accordance with Article 108 (4) of the Treaty, the Commission may adopt regulations relating to these categories of State aid. Regulation (EC) no. 994/98 of the Council authorizes the Commission to declare, in accordance with Article 109 of the Treaty, that the following categories may, under certain conditions, be exempted from the notification requirement: aid for small and medium-sized enterprises (SMEs), aid for research and development, aid for environmental protection, aid for

The Regulation emphasizes that SMEs participating in European Territorial Cooperation (CTE) projects contemplated by Regulation (EU) no. 1299/2013 of the European Parliament and of the Council, of 17 December 2013, laying down specific provisions for the support of the European Regional Development Fund to the objective of European territorial cooperation (15) often find it difficult to finance additional costs deriving from cooperation between located partners in different regions and in different Member States or third countries.

Therefore, given the importance of the ETC for cohesion policy which provides a framework for the implementation of joint actions and policy exchanges between national, regional and local actors

from different Member States or third countries, the REG EC. 651/2014 address some difficulties encountered by ETC projects in order to facilitate compliance with the rules on state aid. The

The specific ETC issues that this Regulation should address relate to the applicable regional aid intensity for ETC projects, SME cooperation costs related to ETC projects and obligations regarding publication and information, reporting and retention of ETC projects. records for monitoring purposes.

In other words, the provisions allow the formation of cross-EC value chains, focused on innovation, in terms of organizational cooperation of SMEs for the development of business strategies or joint management structures, common services or services to facilitate cooperation, activities coordinates such as research or marketing, support of networks and clusters, improvement of accessibility and communication, the use of common tools to encourage entrepreneurship and trade with SMEs.

Technical and financial provisions

The art. 20 "Aid for cooperation costs incurred by SMEs participating in European Territorial Cooperation projects" defines some provisions to be considered:

1. Aid for cooperation costs incurred by SMEs participating in European territorial cooperation projects covered by Regulation (EC) no. 1299/2013 of the European Parliament and of the Council are compatible with the internal market pursuant to Article 107 (3) of the Treaty and are exempted from the notification requirement of Article 108 (3) of the Treaty, provided that they are fulfilled the conditions set out in this article and in chapter I.
2. The eligible costs are as follows:
 - (a) costs for organizational cooperation including the cost of staff and offices insofar as it is linked to the cooperation project;
 - (b) the costs of consultancy and support services related to cooperation and provided by external consultants and service providers;
 - (c) travel expenses, equipment costs and investment expenses directly related to the project and depreciation of tools and equipment used directly for the project.
3. The services referred to in paragraph 2, letter b), must not be a continuous or periodic activity or concern the normal operating costs of the company, such as ordinary tax consultancy services, regular legal services or ordinary advertising.
4. The aid intensity does not exceed 50% of the eligible costs

Furthermore, art. 2 provides that for aid to SMEs for cooperation costs incurred by participation in European Territorial Cooperation projects, the limit is 2 million euros per company, per project; for an initial investment linked to European territorial cooperation projects governed by Regulation (EU) no. 1299/2013, the aid intensity of the area where the initial investment is located applies to all beneficiaries participating in the project. If the initial investment is located in two or more

assisted areas, the maximum aid intensity is that applicable in the assisted area where the highest amount of eligible costs is incurred. In assisted areas eligible for aid under Article 107 (3) (c) of the Treaty,

The TRANSFARM + concept for a future advanced system for the creation of a trans-European supply chain on precision agriculture

Considering both the regulatory background and the inspiring principles and the technical-financial provisions, and taking into consideration the opportunities offered by the European Territorial Cooperation offered by the Program call, a possible way to develop an advanced TRANSFARM + system for the creation of a trans-European value chain based on direct cooperation between advanced agricultural companies from different countries.

The goal is the creation of a Cooperation project in which pool of companies from different countries, represented in the project by "intermediate bodies" are able to cooperate together in the development of new components and solutions related to precision agriculture with a potential of exploitable market.

The project essentially consists of a cooperation system organized in X. number of sub-projects to encourage preferential lanes for the applicability of KETs in SMEs, thus transforming the next TRANSFARM phase into a larger FRAMEWORK PROJECT open to new aggregations of SMEs, executors of R&D and commercial intermediaries from other EC regions.

TRANSFARM + architecture

The aim of this project is to collect open tenders for the distribution of grants to SMEs from different countries which, duly grouped into cross-EC value chains, develop new products and components.

The project is structured in 4 phases.

1. In the first phase, a group of 5-6 intermediate bodies (all official partners of the project) defines an overall technological agenda, which consists of some innovation and business objectives and requirements that must be pursued by their companies. These consortia will be made up of organizations with links to SMEs. Examples of such organizations are technology transfer centers, technopoles, innovation agencies. Open innovation workshops are organized with pools of companies to compare technical requirements and help define the technology agenda. (see deliverable Deliverable D.T3.3.1 - Business analysis to boost new regional industrial alliances in P)

2. In the second phase, the intermediate bodies (all the official partners of the project) launch open tenders for SMEs and start-ups focused on some specific technological / sectoral domains. Only then, SMEs and startups, could submit proposals to one (or perhaps more) of these open calls,

according to the requirements defined by these projects. The first open calls should be launched 5-6 months after the start of the projects. As a result of this second phase, a number of SMEs from different countries are grouped into sub-projects and commit to work together to develop technical solutions that meet the needs of the consortium. The loans must be in line with the Regional Action Plans of deliverable D.T3.3.2 Report on the initial investment capital for the regional industrial alliances in PF

3. In the third phase, groups of companies cooperate and share their research and development infrastructures (such as laboratories, industrial plants, etc...) to develop highly innovative “infrastructures, component services and applications and validate their usefulness in real developments. This will further develop joint technologies into marketable components and train SMEs and web entrepreneurs on sophisticated technologies for innovative services and applications. See Deliverable D.T3.3.3 Tactics for the creation of a transnational network of PF performers

A portion of the main project budget is made available to the sub-projects. For example, assuming that the overall budget of the project is 3 million euros, 2 million will be made available to 4 sub-projects (500,000 € each, to be further divided among the participating companies) to pursue the objectives of innovation.

4. Phase four concerns the transferability of the results to industry and the possible integration of the conceived solutions into the industrial layout.

A transversal phase concerns the support to all the sub-projects (eg for the correct use of the funding, for the correct implementation of the objectives set by the technological agenda, for the thematic project meetings with the other sub-projects, for the IPR agreements, etc.).

The project will also define the business model for maintaining and ensuring the availability and sustainability of the technology developed in the program.

Timing, budget and implementation rules

The timeframe required for the full implementation of this project is 3 years.

- Phase 1 (technology agenda) should last no longer than 6 months
- Phase 2 (open call) could be implemented in a maximum of 2 months
- Phase 3 (cooperation) could be implemented in 1.5 years
- Phase 4 (technology integration, or at least the preliminary phases) should last 6 months

As regards the project budget, assuming that the overall budget of the project is 3 million euros, 2 million will be made available to 4 sub-projects (500,000 € each, to be further divided among the participating companies) to pursue the objectives of innovation.

Partners and companies must follow the financial rules of the Program.

TRANSFARM + in the new EU MFF 2021-2027

Given the current timeline, the conceptualization of a brand new project consists of a cooperation system organized in sub-projects to encourage preferential lanes for the applicability of KETs in SMEs to be applied in the EU multiannual financial framework 2021-2027 (new period programming plan of the EU).

As highlighted by the Investment Guide for Cohesion Policy Funding

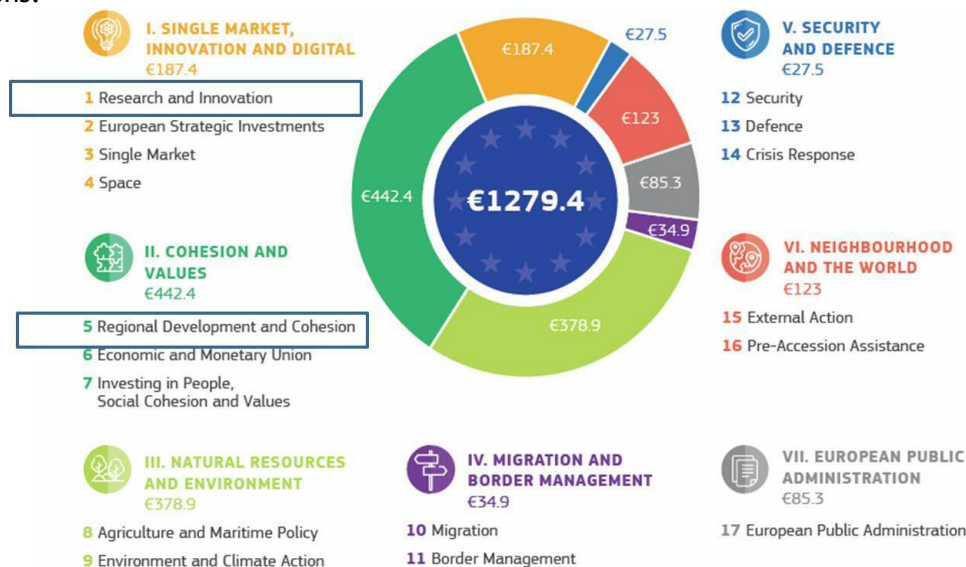
2021-27, among the five main goals that will guide the EU

investments in the period 2021-2027, between 65% and 85% of the resources of the ERDF and the Cohesion Fund will be allocated to objectives 1 and 2 relating to innovation and climate objectives:

- Smarter Europe, through innovation, digitization, economic transformation and support for small and medium-sized enterprises
- a greener and carbon-free Europe by implementing the Paris Agreement and investing in the energy transition, renewable energy and the fight against climate change

Cohesion policy supports reforms for an investment-friendly environment in which businesses can thrive. Full complementarity and coordination with the new enhanced reform support program will be ensured.

So, in addition to the ultimate goal of creating the right conditions for growth and job creation, new "enabling" conditions to help remove investment barriers, the consortia participating in the TRANSFARM + 2022-2027 cooperation system, in defining its transnational technology agenda, it should address the definition of shared technology / sector domains in zero climate impact applications.



The development of a TRANSFARM + transnational cooperation system is well suited to the purpose of the new Interreg 2021-2027, aimed at removing cross-border obstacles and supporting interregional innovation projects. Indeed, interregional and cross-border cooperation will be facilitated by the new possibility for a region to use part of its budget to finance projects anywhere in Europe along with other regions. The new generation of interregional and cross-border cooperation programs ("Interreg"), based on the joint effort of members of cross-border value chains, will help Member States overcome cross-border obstacles and develop joint services.

Furthermore, on the basis of a successful pilot action in the period 2014-2020, the Commission proposes to create innovative interregional investments. Regions with corresponding 'smart specialization' resources will receive more support to create pan-European clusters in priority areas such as big data, the circular economy, advanced manufacturing or cybersecurity.

In this sense, and according to the definitive provisions governed by the proposed Regulation COM (2018) 375, TRANSFARM + will have to be rooted in the Central Europe area, although R&D exploitation can also be sought outside the EC area. , opening up to the possibility of facing a strategic partnership with a real pan-European dimension.