



## VANGUARD INITIATIVE WORKSHOP ON CLUSTERING POLICY – 20 OCTOBER 2014

### DISCUSSION NOTE

#### Policy Context

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The new European Commission is preparing a New Growth Initiative, while seeking improved effectiveness in the spending of the EU budget. The new European Investment programme is targeting a concentration of public-private investments on future infrastructures and the promotion of industry clusters, to stimulate the renaissance of industry and innovation-driven growth. World-class industry clusters are therefore key stakeholders to this re-industrialisation strategy.

The Commission's consultation on the Small Business Act (SBA) also announces a new European Cluster Strategy aimed at providing a more strategic perspective to EU cluster initiatives, while unlocking the potential of SMEs in emerging industries and fostering cross-sectoral cooperation<sup>1</sup>.

In a context of low growth, Europe strongly needs an innovation-driven investment boost, involving all levels of governance. These new policy drivers should be placed at the core of the coming Industrial Policy Roadmap.

#### Vanguard Initiative Ambitions

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The Vanguard Initiative (VI) advocates that regions, smart specialisation and cluster-based interregional cooperation are key to addressing global challenges and achieving balanced and sustainable growth. The VI regions have engaged in a joint effort for a 'European Industrial Renaissance', on the basis of deployment at the interregional level of smart specialisation principles.

Beyond the delivery of a strong political message, the Vanguard Initiative is committed to lead by example in applying smart specialisation to discover, collaborate and deliver new growth opportunities by aligning regional eco-systems and clusters for new innovation-driven EU value chains. The objective is to deliver demonstrable projects and programmes that can be replicated on a large scale and which provide evidence to support the continued refinement and development of Innovation and Industrial Policy at European level.

An exploratory programme of activity by the VI is being tested with a view to developing a 'Smart Specialisation Platform on Advanced Manufacturing', in collaboration with the European Commission.

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<sup>1</sup> See annex.



## Key proposals for a New European Cluster Strategy for Growth

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The Vanguard Initiative is deeply committed to embedding clusters or cluster-like organisations (co-creating eco-systems for public private partnerships in innovation and transformation) in regional eco-systems as the backbone of new emerging cross-EU and cross-sectoral innovative value chains.

Regional clusters and innovation platforms can foster a broader participation of SME's in European programmes and contribute to bridging the gap to markets. The VI advocates a combination of bottom-up entrepreneurship and innovation dynamics in regional clusters with a European ambition for industrial renaissance as the most effective way in addressing global competitiveness and societal challenges. This is the way forward in the **emergence of competitive world-class clusters** that will link cluster nodes in interregional value chains.

This is why the Vanguard Initiative strongly supports the proposal of the Commission to develop a new European Cluster Strategy for Growth and is committed to co-developing further the following ideas and proposals with the European Commission :

- Cluster policy and interregional cluster collaboration can play a central role in **deepening smart specialisation strategies** and in supporting EU growth and competitiveness.

**Interregional and inter-clusters networks** must be developed and upscaled to support capacity in developing and implementing **roadmaps for co-investment in European priority areas**, in line with smart specialisation processes.

- The specific role that clusters initiatives can play in **mobilising entrepreneurial and innovation potential**, in bridging the gap to markets and in delivering more user- and demand driven services and innovations must be better positioned in the EU growth agenda. A more **systemic approach of innovation processes and value chains** could be promoted through the new European Cluster Strategy.
- A better matching between **EU top-down initiatives** (PPP, ETP, EIP,...) **with bottom-up processes** at the regional level should be achieved.

Cluster platforms can be a strong leverage for fostering **SME's participation** in EU collaborative projects. Promoting new ways of involving business through bottom-up driven cluster networks and co-creation platforms could be further considered in EU programmes.

- **Missing links** in the support of cluster-based projects are to be filled in and gaps are to be bridged between cluster-specific actions and broader instruments, allowing **co-investment on a interregional basis**. All relevant supporting tools and instruments should be activated in a coherent way in that perspective (Horizon 2020, COSME, ESIF, EIB/EIF, common projects of EU interest,...). This implies that better synergies



between financial support measures for innovation and industrial transformation at all levels should be actively pursued.

- The pilot **Smart Specialisation Platform** on Advanced Manufacturing that is being explored in cooperation with the European Commission can be a model for a full-fledged support mechanism for entrepreneurial discovery and organisation of European eco-systems in all European priority areas. The objective is to identify specific themes where trans-regional cooperation can make a difference and give a boost to deployment of new markets and investments.

European policies fostering capacity building, excellence and sharing experiences among clusters should focus on complementarities mapping and value chains analysis for **facilitating the development of common roadmaps for new EU value chains**.

- The gap in going-to-market needs to be overcome by setting-up **business-driven networks of demonstration and testing** that have an impact on market creation through network effects. The driving force for such trans-regional cooperation are the industry-driven clusters and the lead-companies willing to explore new value chains and to co-invest in emerging industries and markets.
- New effective tools must be designed for **leveraging public-private co-investment for the deployment of emerging industries**, in particular in the piloting of new value chains. Deployment of KET-related innovation could in particular be boosted through such an approach.

The need for an **additional financial instrument for investment projects** stemming from trans-regional cluster collaboration should in particular be explored. A **'Fund of Funds'** might be an ideal tool for risk sharing between European and regional funding in setting-up pilots, modernising production processes and creating new production lines in European priority areas, according to the regional strengths.

**Dedicated calls for cluster organisations** could also be organized in Horizon 2020 work programmes to allow European co-funding for the projects resulting from the roadmaps elaborated by Smart Specialisation Platforms.

## Questions for facilitating the Debate

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### ***Taking stock of existing policies / missing links***

- Which are, for the moment, the most relevant / used EU policy tools for supporting cluster development, inter-cluster and trans-regional collaboration ?
- Which are the main barriers to trans-regional collaboration and cluster collaboration ? What are the missing links in the EU policy to allow the development of world-class clusters and cross-EU industrial and innovation value chains in Europe ?
- Which specific difficulties are facing clusters in accessing the different EU programmes (awareness, complexity, inadequacy, alignment,...) ?

### ***The way forward***

**Among the proposals listed in the discussion note, what would be your 3 main priorities? Do you have additional proposals?**

- Which new tools are required ? How to enhance efficiency of existing tools ?  
e.g. Which policy tools are required for fostering innovation dynamics within and across clusters, with a view to supporting emerging industries, creativity, co-creation processes and new value chains ? How can clusters be mobilised for fostering SME's participation to EU programmes, the deployment of cross-cutting KETs activities, or more user- and demand-oriented innovation policies ?
- How can we move towards a more investment- and projects-driven interclustering approach, with a view to enhancing its impact on the market? How could EU support clusters in bridging the gap to market ?
- What are your expectations for the Smart Specialisation Platforms for Industrial Policy ?

*The questions listed here are aimed at stimulating reflections and facilitating the debate. No systematic answers are expected.*



## **Annex – European Cluster Policy Tools and Instruments**

<i>EU support</i>	<i>Cluster Excellence</i>	<i>Cluster collaboration/ Internationalisation</i>	<i>Cluster Emerging Industries</i>
<b>Policy learning</b>	<p><b>CIP</b> – <i>European Cluster Excellence Initiative</i> :</p> <ul style="list-style-type: none"> <li>- cluster benchmarking tool + quality labelling scheme → now being implemented by European Secretariat for Cluster Analysis (ESCA)</li> <li>- trainings for cluster managers → now being managed by European Foundation for Cluster Excellence (EFCE)</li> </ul> <p><b>COSME</b> – <i>Cluster Excellence Programme</i> :</p> <p>Further support to benchmarking efforts and training activities</p>		<p>European Creative Industries Alliance (ECIA) &amp; European Mobile and Mobility Alliance policy learning platforms</p> <p>European Service Innovation Center (ESIC)</p> <p><b>CIP</b> :</p> <p>Cluster and Entrepreneurship in support of Emerging industries projects (2014-2016)</p> <p>European Creative Districts pilot actions (2013-2015)</p> <p>Foreseen in the framework of the <b>New European Cluster Strategy for growth</b> : setting up of a dialogue on emerging industries (2015)</p>
<b>Networking/ Matching</b>	<p>Foreseen in the framework of the <b>New European Cluster Strategy for growth</b> : twinning actions for less-advanced cluster organisations</p>	<p><b>CIP</b> :</p> <ul style="list-style-type: none"> <li>- European Cluster Collaboration Platform (ECCP)</li> <li>- International Cluster Matchmaking Events</li> <li>- Missions for Growth</li> </ul> <p><b>COSME</b> – <i>Cluster Internationalisation Programme for SMEs/Support for international cluster and business network cooperation</i> :</p> <p>Further development of the European Cluster</p>	



<i>EU support</i>	<i>Cluster Excellence</i>	<i>Cluster collaboration/ Internationalisation</i>	<i>Cluster Emerging Industries</i>
		Collaboration Platform	
Financing		<p><b>CIP : ....</b></p> <ul style="list-style-type: none"> <li>- European Strategic Cluster Partnerships (ESCP)</li> <li>- European Cluster Consortia (pilot action 2012-2014)</li> </ul> <p><b>COSME – Cluster Internationalisation Programme for SMEs/Cluster Go International :</b></p> <p>Further development of existing European Strategic Cluster Partnerships (ESCP) and establishment of new ones</p> <p><b>FP7 :</b></p> <ul style="list-style-type: none"> <li>- Regions of Knowledge Programme</li> <li>- Specific calls for collaborative projects</li> <li>- ERA-NET</li> </ul> <p><b>HORIZON 2020 :</b></p> <ul style="list-style-type: none"> <li>- Specific calls for collaborative projects</li> <li>- ERA-NET</li> </ul> <p><b>INTERREG</b> (European Territorial Cooperation Regulation)</p>	<p><b>HORIZON 2020 :</b></p> <p>Call INNOSUP 1 – <i>Cluster facilitated projects for new cross-sectoral value chains</i></p> <p>With the objective of involving at least 3000 SMEs by 2020</p>
Other opportunities at EU level	<p><b>European Cluster Observatory (ECO)</b></p> <p>Biannual European Cluster Panorama (cluster mapping)</p>	<p>Participation in :</p> <ul style="list-style-type: none"> <li>- KIC, PPP or EIP consortia</li> <li>- ETP</li> </ul>	



<i>EU support</i>	<i>Cluster Excellence</i>	<i>Cluster collaboration/ Internationalisation</i>	<i>Cluster Emerging Industries</i>
	<p>European Cluster Trends Report Regional Ecosystem Scoreboard European Stress Test for Cluster Policy Showcase modern cluster policy practice through advisory support services to 6 selected model demonstrator regions European Cluster Conferences</p> <p>Foreseen in the framework of the <b>New European Cluster Strategy for growth</b> : set up a European Cluster Growth Policy Platform (2015), bringing together cluster policy makers and building on the advisory support of the ECO</p>	<ul style="list-style-type: none"> <li>- other European networks such as the European Chemical Regions Network, the European Aerospace Cluster Partnership, the European Food Alliance, the European Diagnostic Cluster Alliance, ...</li> </ul>	

*In red: new impulses proposed in the SBA consultation.*