



Reinforcing the Role of Industrial Clusters in the Interregional Innovation Investment Initiative

Europe has laid out the path to transform into a fairer and more prosperous society with a green, digital, resilient, and competitive economy. The **Interregional Innovation Investment (I3)** initiative will play an important role in achieving these objectives.

A key aspect will be the mobilization of the industry to actively align and participate in the I3 programs via deeper cooperation across value chains and regions using digital, sustainable solutions and disruptive innovation. Our business innovation ecosystems should be integrated around clusters, which actively support the transformation of industry as agents of change, linking their activities with the I3 priorities and plans.

European Clusters Alliance

The European Clusters Alliance is a bottom-up initiative that gathers 13 National Cluster Associations and several European international cluster networks representing more than 740 clusters, where 134,000 of our most innovative businesses collaborate with thousands of universities, research centers and public institutions to boost their competitiveness.

Our mission is to be their common voice, facilitating connections and opportunities to meet the challenges they face. This document describes the critical role clusters must play in Europe's Interregional Innovation Investment Initiative, as well as underlines our ability to support the innovation actors in the field (research centers, SMEs, mid-size and major stakeholders, decision makers, NGOs) make better use of this relevant instrument.

Clusters matter. Why?

According to the report "European Panorama of Clusters and Industrial Change", European clusters account for 61.8 million jobs or 23.4% of total employment. Clusters drive growth in Europe through their higher number of innovative and high-growth firms, showing better performance on key social and competitive indicators. They should be considered as regional ecosystems of related industries and competences. Their mission is to facilitate and maintain strong, close, and **trust-based** collaborative relations between companies and research organizations, helping public authorities to strengthen the competitiveness and prosperity of their regions. Clusters, by bringing together SMEs, encourage innovation, job creation and international trademarks and patents.

Clusters matter



How clusters are useful tools for the Interregional Innovation Investment Initiative

Clusters are key tools for successful implementation of European programs

As key players of both regional innovative ecosystems and European and international innovation partnerships, clusters are the perfect actors to promote European initiatives and encourage their implementation by their members. SMEs affiliated to a cluster are more willing to participate in European programs and their success rates are higher. Furthermore, clusters are part of the implementation of interregional



Europeans programs (ERDF, Interreg, Vanguard Initiative) and strengthen the link between industries and regional policymakers.

Clusters have a significant impact on SME internationalization

Through the European Commission's initiatives on clusters' internationalization (COSME calls for proposal Cluster GO INTERNATIONAL), clusters have developed strong international networks that enable them to become part of - and benefit from - international value chains. The European support for clusters' internationalization must continue to keep fostering SMEs' growth and competitiveness.

Clusters are facilitators of cross-border and cross-sectorial collaboration

Clusters are key players in helping their members find the right partners or build partnerships between two or more different sectors. They have demonstrated their ability to support their SME members to boost their industrial competitiveness through inter-regional cooperation through cluster partnerships for smart specialization investments. The knowledge and experience acquired as well as the operational networks in place are valuable assets to address challenges such as Green Transformation, Durable and Circular Economy, Resilience, Digitalization, Industry of the Future or organic-food and farming. The Interregional Innovation Investment Initiative can capitalize on these assets by enabling an active participation of European clusters.

For a given sector, clusters gather the whole value chain, integrating SMEs and start-ups/scale-ups

Clusters are the only actors able to gather an entire value chain within their innovation ecosystems, creating an environment in which also new companies (start-ups) receive funding and scale-up their activity.

Capacity building

The recent crisis demonstrated that clusters have the potential to provide concrete and innovative answers to societal challenges. An appropriate mix of instruments and support tools must be in place to feed the development and scale-up of ideas and projects within regional ecosystems that will deliver solutions to common EU challenges.

Initially, the main focus of cluster programs was to support their members to network and create collaborative effects through regional projects or initiatives. These were interconnected in the Member States and beyond national borders through programs such as COSME, Interreg or HORIZON 2020.

While in the past cluster programs were mainly aligned along typical industry topics, the focus has and will change even more to inter-industry topics in the future (for example AI, New Work, E-Health) – the new Industrial Ecosystems are a concrete example that acknowledges this path.

Acting within a wide range of thematic issues, new, different skill sets are needed both for the SMEs in the clusters and for the cluster organisations. For further regional development in the EU, it is crucial to not only understand but also to anticipate and react quickly to future trends and market developments.

Besides the proven ability of clusters to support their SMEs in up- and re-skilling their workforce in line with the new challenges, cluster organisations embedded in collaborative platforms help their SMEs through market intelligence to anticipate trends and market developments in their own region and country, in Europe and worldwide (skills intelligence). They enable their members to collaborate in innovative projects. Under the European Pact for Skills, clusters – as partnerships between different parts of the industrial ecosystems – shall build on the positive experience with the sectorial blueprints.



What is needed

We call for the recognition of clusters as a strategic agent for the future Interregional Innovation Investment (I3) initiative, reinforcing their presence in their different phases.

Throughout the upcoming framework programme over the 2021-2027 period,
clusters are a strategic strength and asset for the European institutions
to provide decisive innovative solutions to the societal challenges we face:

changing economies

changing climate

changing attitudes

For a social, circular, competitive and sovereign Europe

