EUROPEAN CLUSTERS ALLIANCE

To national and regional authorities, the Permanent Representations of the Member States to the European Union, and Members of the European Parliament

Date: 18 Nov 2026

Subject: The 2028–2034 EU budget: two targeted improvements for Europe's SMEs and value chains

Dear Madam, dear Sir,

Europe's competitiveness is built in value chains, not only in single companies. In clean technologies, health, digital or defence, new products reach the market when large firms, their small and medium-sized suppliers, skills providers and public authorities invest together, across regions and borders. Two Regulations now under negotiation will decide whether the next EU budget can support that cooperation, and whether it can measure the result.

The organisation that brings you this letter is one of many across the Union raising two points on those texts with their governments and their Members of the European Parliament. I write in their support. The two requests serve the European economy as a whole: the small and medium-sized enterprises (SMEs) that depend on a value chain to innovate, to export and to reach EU programmes, and the larger companies and regions that depend on them.

Cluster organisations build and orchestrate industrial ecosystems: each brings the companies of a value chain together and keeps their cooperation working between projects. In practice, they provide what no single company can organise alone: value-chain intelligence and strategic coordination; supplier development and integration of SMEs into value chains; joint innovation, technology-uptake and skills programmes; shared infrastructures; cross-border partnerships and investment mobilisation; collective responses to industrial transitions and crises.

In the EU, 1,258 cluster organisations do this work with around 155,000 members, nearly 80% of them SMEs. The effect has been measured. In Catalonia, the turnover of 1,828 member firms grew by 25.4%, against 9.9% for 13,734 comparable firms outside clusters, and 11.1% of them took part in Horizon 2020 projects, against 2.1%.

The European Competitiveness Fund

Under the Fund, the EU for Business Network will advise and support companies across the Union. Advice to the individual firm is indispensable, and the Enterprise Europe Network (EEN) provides it throughout Europe. Work at the level of the value chain, as described above, is a different task, and it is what prepares the consortia that the Fund's own calls require. Europe needs both. Recital 80, which the Commission, the Council and the Parliament all keep, builds the EU for Business Network on the Enterprise Europe Network, the European Cluster Collaboration Platform (ECCP) and other networks. The article adopted by the Parliament's industry committee on 10 Nov 2026 refers to a single predecessor, the EEN. The risk is that the EU for Business Network is then built for advice to individual firms alone: work at the level of the value chain would have no function, no calls and no budget of its own, and enterprises would lose what they gain by working together. We ask that the final article say what the shared recital says, and that the EU for Business Network and the Fund's Value Chains Builder provide explicitly for this work at the level of the value chain.

The budget performance framework

What the budget does not name, it cannot count. Since 2014, cohesion policy has recorded support to clusters and business networks that primarily benefit SMEs under a code of its own. Today 118 programmes use it, in 23 Member States and in Interreg. The framework that will classify every euro of the 2028–2034 budget has no equivalent among its 543 fields. Such support would remain eligible, but no programme could plan it, report it or defend it as such: it would have to compete inside generic enterprise measures, and the foreseeable result is fewer dedicated cluster measures in the national and regional plans. We ask for four targeted changes: a dedicated field that continues this code; one indicator counting the enterprises that take part in collaborative actions; a title for field 63 that keeps SMEs and innovation ecosystems; and a rule to classify cascade funding, which reaches SMEs through open calls. The last three fit within existing fields and stand on their own.

Neither request creates a programme, a structure, an entitlement or a budget line, and neither takes anything from an existing network. Both ensure that EU support for industrial cooperation reaches the companies it is meant for.

We remain at your disposal to discuss it, and I thank you for the attention you give to these proposals.

Yours faithfully,

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