



A call for the recognition of Industrial Clusters in the European Recovery Initiatives

The COVID-19 crisis has seriously impacted the European economy. Industries are still fighting its immediate effects and need to improve their business models and resilience. However, despite its severe consequences, the crisis can be turned into an opportunity to accelerate the European transformational leadership and turn into a green, digital, and resilient Europe.

The European Commission laid out the path in its roadmap “Europe's moment: Repair and Prepare for the Next Generation” and plans to allocate important recovery funds directly to the Member States under the NextGenerationEU instrument. Hence, the elaboration of the national recovery plans is high on the agenda of the Member States.

The **European Clusters Alliance reinforces the call to the Member States to include clusters in the drafting and implementation of the national recovery plans.** They should be considered as valuable to activate SMEs, linking them with the leading companies, and effectively carry out innovative investments and projects to reach the goal of a green, digital, and resilient economy.

On 30 June 2020, European Commissioner Thierry Breton affirmed the role of clusters in the economic recovery to the European Clusters Alliance. He declared: “You must be part of the recovery plans. You are the pillars of the bridge I am willing to build across all the internal market.”

Clusters matter. Why?

According to the report “European Panorama of Clusters and Industrial Change”, European clusters account for 61.8 million jobs, equivalent to 23.4% of total European employment (EOCIC European Panorama of Clusters and Industrial Change 2020).

Clusters drive growth in Europe through their high number of innovative and high-growth firms, showing top performance on key social and business competitive indicators, such as 13.5% higher average wage and 77% more high-growth firms in specialized clusters than in other environments without cluster support. They should be considered as entrepreneurial, dynamic, and regional ecosystems of excellence for their industries and key competences.

A cluster's most common 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, international trademarks and patents.



Source: [EOCIC European Panorama of Clusters and Industrial Change 2019](#)



Why clusters should be included in the Recovery Plans of the EU Member States

Clusters are a key tool for the successful and quick implementation of innovation projects

1. Europe's recovery demands strategic, impactful, and innovative projects. Back to "business as usual" is not an option. Clusters have been pushing innovation for years and have accelerated the adoption of technologies across the EU, which makes them a valuable partner to achieve the goals set out by the European Commission.
2. SMEs affiliated to a cluster are more willing to participate in project calls and their success rates are higher. Clusters can involve the appropriate SMEs in the projects foreseen in the recovery plans, and foster collaboration between the SMEs themselves as well as corporations with larger companies.
3. Clusters can identify cross-sectoral cooperation opportunities, expand their business to new sectors, link appropriate stakeholders, do matchmaking across regions, and scale-up worthwhile ideas and projects needed for the recovery. They are the only actor currently able to gather entire value chains within their innovation ecosystems.
4. Clusters connect ecosystems and regions. For years, clusters have been a part of the implementation of interregional European programs (INNOSUP, ERDF, Interreg, Vanguard Initiative).

Hence, clusters can build the bridge to the European SMEs and large companies for the development and execution of innovation projects funded under the recovery initiatives.

Clusters can help to properly allocate the funds for economic value creation as well as manage funding for SMEs

1. Due to their closeness to the market and capillarity, clusters have real-time information on economic and technological developments, challenges and opportunities of the industries, transformative trends and their implementation, and the needs of companies, especially SMEs. Hence, they can provide policymakers with valuable information to design the appropriate instruments for the recovery.
2. Clusters act local but reach global: Through their cooperative and collective action, combined with their resilient and strong partnerships, clusters can bring ideas, concepts, projects, and solutions to the local grounds. They build bridges to join stakeholders for win-win alliances to reduce duplications of projects, create synergies and bring projects close to the market – thus saving time and funds.
3. Clusters can connect entities across different administrative levels, linking them to bring the financial resources to the right stakeholders. They support the translation of the national plan and instruments to the regions.

Therefore, clusters make the investment in the recovery sustainable by saving resources and sharing knowledge, good practice, and expertise.

Clusters have proven to be strong and resilient partners

1. During the COVID-19 crisis, clusters have quickly adapted their activities, supporting companies to react to the situation, mobilizing networks and working as facilitators to improve the well-being of our society.
2. Clusters were key players in helping their members to find the right partners and build ad hoc partnerships between two or more sectors to meet the challenges imposed by the pandemic. With these actions, they have proven to be resilient – a property much needed for the future.

This agility and capacity are crucial to reach the goal of resilience in both the European value and supply chains of the 14 industrial ecosystems, one of the main aims to achieve an economy that is stronger and more independent from other external markets.

Clusters bring valuable knowledge to the drafting of the recovery plans

1. For years, clusters have successfully implemented European, national, and regional projects. They have gained valuable knowledge and experience in bringing about innovation, which they can apply to the design of investments and projects to maximize their impact. Cluster can help with drafting an appropriate mix of instruments and support tools to deliver solutions to our common challenges.
2. Clusters have first-hand knowledge on the needs and capacities of each sector for innovation and collaboration, as they work in close cooperation with the R&D sector in international and inter-sectoral consortia. For the recovery, the European Commission defined seven flagship areas, which should lead the transformation to a green, digital and resilient Europe. With their deep understanding of these areas and the aforementioned connections, clusters should play an important role in the definition and implementation of the most suitable strategies and key innovation projects for each European country.

Thus, clusters are excellent facilitators to adapt policy instruments to the needs and opportunities of the European industry.

What we call for

The European Clusters Alliance calls for the recognition of clusters as a strategic agent for the drafting and implementation of the national recovery plans of the EU Member States. We call to reinforce their presence and participation in the different stages of the plans.



Annex to:

A call for the recognition of Industrial Clusters in the European Recovery Initiatives

About the 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. To find solutions for the COVID-19 crisis, the European Clusters Alliance initiated the creation of a high-level expert group which has been meeting on a daily basis since March 2020: the European Alliance Against Coronavirus (EAAC). This alliance has been deeply involved in detecting COVID-related disruptions in European value chains, proposing actions to make them more resilient, and sharing good practices on how to implement the green and digital transition.

Throughout the upcoming Multiannual Financial Framework (2021-2027) and Next Generation EU (2021-2023), 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**

Examples: Cluster activities for the recovery and crisis management

In **France**, a group of seven clusters, led by AFPC, **submitted recommendation to the French Government for the national recovery plan**. The Covid-19 crisis has highlighted the key role of the materials processing industries (examples: plastics for respirators, masks and visors) in the value chains and the absence of certain key technologies on the French territory. Their proposal is based on the concept: “everything is material”. Materials serve all strategic markets, and the materials processing industries are characterised by a driving role of manufacturing SMEs/SMIs scattered throughout the national territory. For the recovery, it is vital to:

- help SMEs that are in the process of launching innovations projects since innovation should be the key to SME recovery;
- facilitate the access of start-ups to innovation projects, by revising the equity rules that limit their participation in collaborative projects;



- in the medium/long term, rethink the industrial value chain to ensure self-sufficiency for Europe's and France's raw material production.

In **Spain**, **key players of the Spanish innovation system** reached an agreement to contribute to economic recovery. To bring the science and technology infrastructures in the country together, Clusters.es (Spanish federation of clusters), APTE (association of science parks), Fedit (network of technology centres), Ametic (representative of digital technology industry) and ANCES (Spanish Business and Innovation Centre Network) are **collaborating on a common work plan** for the recovery. The main goals that are aligned with the national recovery plan are:

- increasing digital skills;
- increasing digital transformation of companies;
- promoting reindustrialisation based on green and sustainable development.

The group has presented their manifesto to different ministries. The collaboration is currently being established.

In **Germany**, the government foresees to invest 50 billion EUR of their recovery budget in so-called "future areas", e.g. hydrogen, quantum technologies, and artificial intelligence. **Clusters are specifically mentioned as an agent for the funding projects for these technology-driven areas.** The national "Go Cluster" programme, which unites more than 80 clusters, will **address members with direct project funding for the next years.** Clusters will have the opportunity for own projects that are focused on the recovery and foresight of business opportunities. The experience has shown that especially SMEs do not have the resources for foresight projects to structurally analyse future opportunities. Therefore, cluster organisations and their members are working to further exploit these possibilities in the future.

In **Romania**, the cluster IMAGO-MOL has shown particular resilience and agility in actions for the **COVID-19 crisis management.** By activating its network, the cluster launched **help programmes** to support its hospital members, collected **funds for PPEs** and promoted the **production of medical face shields.** The cluster developed an equipment for protected breathing with air disinfection and germicidal textile material, which was submitted under a national R&D programme. Furthermore, they are working on the development of a Regional Centre of Excellence for Personalised Diagnosis and Artificial Intelligence in Medicine and Imaging to **invest in future medicine technologies.**

In **Belgium**, the health cluster BioWin contributed to rapidly activate Walloon **resources**, identify **expertise and talents**, and facilitate **collaborations** between the different actors to work on the following areas to fight the COVID-19 crisis:

- **equipment** and materials production and contamination (hydroalcoholic gel, masks and face shields, respirators, swabs);
- **diagnosis** and testing capacity (test development, testing capacities, serologic testing, salivary self-testing kit);
- **treatment development** and production (vaccine development and other treatments);
- **tracing** and digital solutions.

With the learnings from the crisis in mind, the cluster ambitions to promote synergistic collaborations between industrial actors and hospitals, and leverage the untapped potential, as much for the benefit of patients as for the Belgian economy.