

Policy Brief

The role of Clusters in supporting the Smart Specialisation Thematic Platforms: Focus on Industrial Modernisation

1. Introduction

This policy brief seeks to shed some light on the emerging synergies on policies supporting smart specialisation policy implementation and cluster policy development, both key factors in driving regional innovation and growth, notably for SMEs. It also reflects the growing interest in clusters as innovation enablers for policies supported by DG REGIO and DG GROW.

The Smart Specialisation Thematic Platform for Industrial Modernisation was launched in June 2016 and aims to offer hands-on support to regions to foster interregional cooperation based on matching “smart specialisation priorities “related to industrial modernisation - such as [Key Enabling Technologies](#), service innovation or resource efficiency. It is hosted by the European Commission's [Smart Specialisation Platform](#) located in Seville. The aim of this initiative is to **create an investment pipeline of mature projects in new growth areas across the EU**, by providing tailored advice and helping regions establish links with the business and innovation and research communities.

Smart specialisation strategies are expected to allow Member States and regions to strengthen their research and innovation systems, maximise knowledge flows, the absorption, utilisation as well as the spread of the benefits of innovation throughout their economies. Moreover, each country/region should be able to identify relevant linkages and flows of goods, services and knowledge revealing possible patterns of integration with partner regions.

To facilitate the implementation of such an approach and create synergies between different funding sources the European Commission's DG GROW has invited (via a dedicated EOI call), cluster organisations and other similar organisations (business networks, technology centres and science parks) that are interested in this initiative to team up around specific industrial thematic areas, in the context of **industrial modernisation**. By encouraging an interregional dimension and the identification of cooperation partners it is hoped to avoid the duplication of efforts across the EU and enable regions to combine different EU investment instruments, such as the [European Structural and Investment \(ESI\) Funds](#), [COSME](#), [Horizon2020](#) to deliver concrete project initiatives.

2. Industrial Modernisation Thematic Platform Overview

To organise the overall process of interregional cooperation and strong industry and innovation stakeholder involvement, which can contribute to create a project pipeline for smart specialisation investments across Europe, the European Commission is offering support to regional authorities, clusters and industry stakeholders through an integrated approach. It seeks to do so by combining two key initiatives:

- 1) the setup of the Smart Specialisation Thematic Platforms

- 2) through the call to start mobilising European Strategic Cluster Partnerships for smart specialisation investments composed of cluster organisations, other business network organisations, technology and innovation centres and science parks to boost inter-regional collaborations.

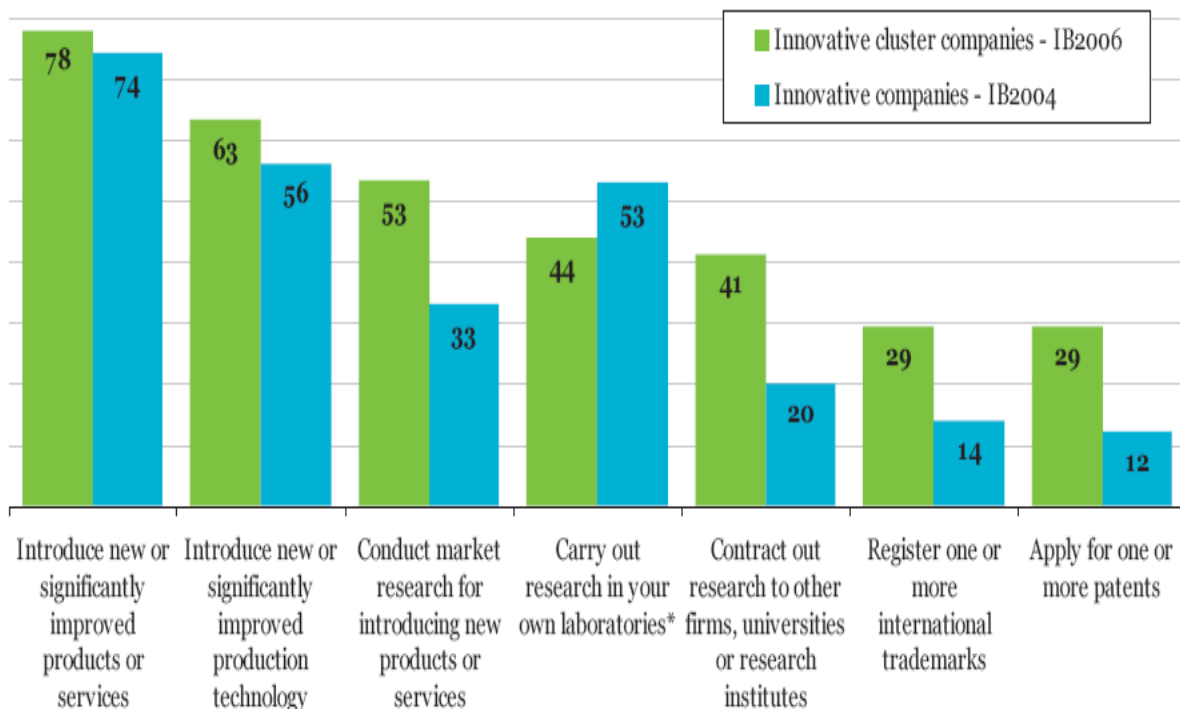
Driving regional growth and innovation lies at the heart of the smart specialisation philosophy and during 2016 the policy mix has been further strengthened through the exploration of the concepts of global value chains and the creation of a series of thematic platforms to enable a more focused policy intervention approach. These Thematic Smart Specialisation Platforms aim to bring together regional authorities interested in joining forces in the implementation of their RIS3 strategies. There are currently three such thematic platforms as part of the [S3 policy support programme](#) covering the themes:

- [Agri-food](#)
- [Energy](#)
- [Industrial modernisation](#)

3. Clusters as drivers of regional innovation

In DG GROW the desire to use clusters to drive innovation, especially via SMEs, remains strong, as several studies have shown how clusters provide strong framework conditions for allowing SMEs to be more innovative and become more competitive.

Innovation is higher in clusters than elsewhere (a comparison with IB 2004)



Furthermore, during 2016, the cluster policy mix has **shifted to ensure a better fit with regional development policies and to explore greater synergies with other funding mechanisms notably ESIF**. Michel Catinat, the Head of Unit for Cluster Policy at DG GROW, recently stated that clusters policies must “be more closely aligned with Interregional cooperation and smart specialisation policies. This will help the acceleration of convergence of the less developed regions while providing more developed regions with the possibility of expanding business opportunities, knowledge sharing and value chains.”¹ This new approach has led to the development of concrete policy collaboration actions around the S3 industrial thematic platforms, notably the one dedicated to industrial modernisation. A concrete step in this direction concerns the launch of the initiative European Strategic Cluster Partnerships for Smart Specialisation Investments.

Meanwhile the Interreg Europe programme explicitly welcomes projects seeking to go beyond the improvement of each regional policy instrument to achieve interregional synergies. Such an approach can help economic sectors of the participating regions work more closely together and prepare them for engaging with European strategic cluster partnerships for smart specialisation. These recent policy development actions have been supported by a series of events during 2016: Brussels Info Day/ pre-partnering for the S3 Platform on Industrial Modernisation in May; June saw the launch of Thematic Platforms at a high-level Smart Regions event with 600 stakeholders, including a parallel session and partnering on Industrial Modernisation; and more recently DG GROW and DG REGIO participated in a high-level European Cluster Conference bringing together some 300 cluster policy makers.

4. COSME Support for Industrial Modernisation via European Strategic Cluster Partnerships-S3

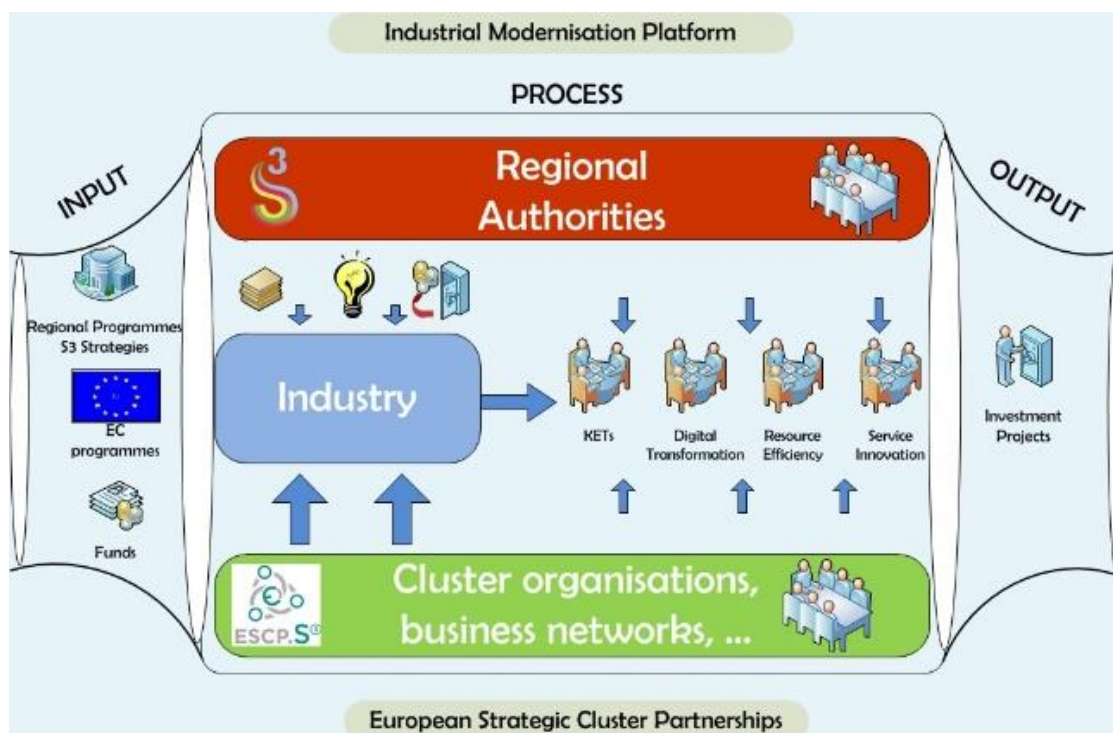
The overall aim of the COSME funded European Strategic Cluster Partnerships for smart specialisation investments in industrial modernisation is to mobilise and encourage interregional cooperation via clusters or similar organisations. Such mobilisation is envisaged to strengthen industry and innovation actors’ participation in the implementation of national and regional smart specialisation strategies. The specific objective is to put a partnering process in place for strategic inter-regional collaboration, through which notably SMEs and innovation actors in clusters can be supported in finding partners with complementary competences, accessing value chains that cut across national, regional and sectoral boundaries as well as facilitate their access to technology centres, including KETs infrastructures and digital innovation hubs. This will enable them to tap into and benefit from investments and initiatives in the context of smart specialisation.

The current cluster and regional development policy mix and the associated COSME call is to encourage the partnering process in the context of industrial modernisation, such as in relation to KETs, ICT, service innovation and resource efficiency. The themes covered by industrial modernisation cover a broad spectrum and include advanced manufacturing, digital transformation/industry 4.0, digital platforms, big data analytics, space data services, advanced material and disruptive business models and service concepts including in creative industries, textiles and tourism.

¹ Michel Catinat speech at TCI Eindhoven Conference, November 2016

To benefit from the experience outside their geographical area, some regions have already designed policies that seek to strengthen interregional collaboration along similar or complementary smart specialisation priorities. These efforts aim at linking competences, infrastructures and innovation efforts in European networks as a path for opening up new growth opportunities. This policy initiative builds upon the interest gathered and experience of the set-up of two pilot projects to reinforce collaboration among clusters and innovation/technology centres entitled “Towards EU Regional Economic Convergence”. This approach is of interest to other regionally based strategic partnerships that have already emerged, e.g. as part of the Regions of Knowledge initiative, the ['Vanguard Initiative'](#) and transnational and interregional cooperation programmes (Interreg B and Interreg C/Europe).

A summary of this new approach is shown in the diagram below.



Policy makers and other interested parties can find a dedicated partner search function under the [European Cluster Collaboration Platform](#). This will allow interested stakeholders to identify potential partners for regional cooperation based on common areas of interests.

5. Next Steps

Following this partnering phase, DG GROW is expected to launch a separate dedicated call in early 2017 for selecting European Strategic Cluster Partnerships for smart specialisation investments (ESCP-S3) that shall be awarded an ESCP-S3 Label.

How to get involved



The labelled Partnerships shall serve as models for others and pave the way for possible future approaches to mainstream a more strategic interregional partnering at European level. The European Commission will therefore support labelled European Strategic Cluster Partnerships as part of its integrated approach to smart specialisation, clusters and industrial modernisation. This will be done by further focussing existing and forthcoming measures, for example under COSME, Horizon 2020 and INTERREG Europe programmes to facilitate their efforts, notably those related to the thematic Smart Specialisation Platform for Industrial Modernisation. The selected Cluster Partnerships will be able to benefit from support and guidance from the RE-CONFIRM measure to be launched in 2017 for facilitating interregional cooperation for industrial modernisation.

#InterregEurope #policylearning #research #innovation #EuropeanPolicy #clusters, #smartspecialisation #COSME #ESIF #SMEs #Industrialmodernisation

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Interreg Europe

Policy Learning Platform - Research & Innovation

Thematic Manager: Andrea Di Anselmo

E: a.dianselmo@policylearning.eu

Thematic Expert: Marc Pattinson, Clusters and sectoral approaches

E: m.pattinson@policylearning.eu

W: www.interregeurope.eu