

ClusterPoliSEE Project
Smarter Cluster Policies for South East Europe
Cod. SEE/C/0008/1.3/X

WP 1 – Transnational project and financial management
act. 1.1 - SC, STC and WGs setting up and project management

CALL FOR EXPRESSION OF INTEREST
FOR THE SETTING UP OF
CLUSTERPOLISEE WORKING GROUPS
CONCEPT PAPER

WORKING GROUP N. 4

PRIORITY AREA - “FINANCIAL FRAMEWORK IMPROVEMENT (CLUSTER FINANCING)”

1. BACKGROUND

1.1 Aims of WGs

WGs' main objective is to contribute to a broader understanding of the tackled policy area, to anticipate future needs, and to foster greater cooperation among policy researchers and decision-makers from both government and business sectors. The employment of Working Groups (WGs) is intended as the preferred way of **engaging stakeholders in the co-design of new policy mechanisms**.

Each WG focuses on an established thematic priority area as defined in WP1, facilitating the breakdown of cluster development policies in specific discussion topics of interest to SEE countries and beyond, all WGs will touch upon the horizontal issue of multiple-level and cross-department cluster policies.

At this purpose, each WGs, coordinated by the WGs Leader, will bring together representatives of partnership (max. n. 3) and experts (max. n. 2) to share their insights and experiences and to debate on issues of interest and concern. Ad hoc participants among relevant stakeholders are eligible to participate on a case-by-case basis in specific meetings and activities.

1.2 WGs Leaders

The leadership of WGs was agreed and defined in approved project application form:

WG	LEADER
1 - Innovation, R&D driven Cluster Development	ERDF PP 1 - Emilia Romagna Regione, Directorate for Industry, Trade and Tourism - IT
2 - Sustainability through Cluster Development	IPA-I PP 1 – Istrian Development Agency - HR
3 - International Cluster Cooperation and networking	ERDF PP 5 - Bulgarian Small and Medium Enterprises Promotion Agency – BG
4 - Financial Framework Improvement (Cluster Financing)	ERDF PP 18 – MAG, Hungarian Economic Development Centre - HU
5 - Clusters and Regional Specialization	ERDF PP 8 - Athena Research and Innovation Center in Information, Communication and Knowledge Technologies / Corallia Clusters Initiative Unit - GR
6 - New skills and Jobs creation	ERDF PP 11 North East Regional Development Agency - RO

WGs Leaders are assigned to lead and coordinate the thematic priority areas and are responsible for:

1. WGs setting up
 - Elaboration of WGs concept paper and Expression of Interest;
 - Collection and evaluation of Partnership Eols (also providing partnership with necessary additional information and/or explanations);
 - Short-listing of experts to be involved in WGs.
2. Coordination of WGs activities through all project phases;
3. Structuring and documenting WGs' outputs and deliverables.

1.3 Overview of WGs' task (please refer to WPs)

The tasks of WGs in relation to the project activities are as follow:

- Act.3.1 - Provide feedback and share "*ClusterPoliSEE Platform concept*" including specific recommendations on concerned topics;
- Act.3.2 - Support the definition of "*ClusterPoliSEE Platform operative plan and functional architecture*";
- Act.3.3 - Constant feeding and coordination of the ClustePoliSEE on-line repository on the respective WG thematic priority area and support the stakeholders consultation in the Platform on 6 central topics, as follows: development of the questionnaire for public consultation, coordination of public consultation, collection of questionnaires and elaboration of data;

- Act.5.1 - Organization and participation in WGs meetings (one physical and the others conducted through the policy learning platform);
- Act.5.1 - Provide a final report on the new policy learning mechanisms in n. 6 specific thematic priority areas, generation of six new policy learning mechanisms in support of Cluster development and definition of reflective mutual policy approach on cross-department multiple policy level understanding and coordination;
- Act.5.2 - Support the definition of the Guideline for Pilot Actions implementation (scheme), that will be based on the set of policy measures defined in WP5.1 and the Pilot Action implementation monitoring, through the close cooperation (also by platform) with the PPs that are assigned to lead and coordinate the Pilot Actions implementation,
- Act.5.3 - Support the evaluation activity of the pilot actions;
- Act.5.3 - Organization and participation in WGs final transnational Workshop in Brussels.

2. STRATEGY OF WORKING GROUP n. 4

2.1 Description of the WG's topic

(max. 4000 characters)

Please, briefly describe the extent of the topic to be dealt within WG ¹referring to objectives to be reached and indicative questions to be discussed.

Expected output/results and timing are described in the AF:

Objectives

The main objective of WG 4 is to map, analyze and make recommendations for the improvement of the financial practices of the involved countries/regions in terms of cluster support.

Background

The SEE region's clusters are versatile in their financial strength. Nevertheless even the financially strong clusters (or at least most of them) have started up with some kind of external support earlier on. We can observe remarkable differences in the support system's of the partner countries/regions. In some PP countries/regions there is no existing cluster support system at all, while others have years of track record in terms of cluster support with the use of pre-selection procedures and experience of funding schemes. It can be stated that the efficiency of cluster supports is rather mixed and on the whole relatively low and there is substantial room for improvement. Good practices can be examined in and beyond the partnership.

Cluster financing is a complex issue since it may involve the support of cluster management, the support of jointly elaborated (development) projects, or grants targeted primarily to other beneficiaries (innovative SMEs) but indirectly assisting clusters. Cluster development may be strongly linked at policy level with innovation or SME development and cluster financing tools embedded in the action plan of these policies.

The role of financial tools other than grants (various forms of venture financing, like pre-seed, seed, start-up, growing phase) is gaining relevance recently. What's more these may have special significance in cluster environments, which can operate as quasi incubators when successful. These tools shall be taken into account to arrive to a full understanding of cluster financing.

The EU has recently started to introduce a uniform benchmarking of clusters, which may serve later on as a preselection method to EU-level cluster financing. Country and regional level predecessors to that system are operational at countries/regions in and beyond the partnership, which can reduce risk when granting subsidies to cluster or members of clusters.

Indicative questions to discuss

The following 3 question groups will be discussed in the ClusterPoliSEE project:

1. Self-financing models of clusters
 - What is the structure and how strong is the self-financing ability of SEE clusters (membership fees, services of the cluster management to cluster members, services of the cluster management to third parties)?
 - Which are the most successful self financing patterns in and beyond the partnership (benchmarking)?
2. Public financing tools, funding schemes
 - Benchmarking of funding schemes (external financing), identification of good practices.
 - non-refundable grants

¹ Please note that, during negotiation process, JTS highlights the risk for WGs to be too vague in the development of contents. It will be essential that the project focuses itself to achieve added value over that which is already known and initiatives that have already taken or are taking place.

For this reason, It will be of particular interest to the JTS to see the concept papers, as already requested

- refundable grant schemes (e.g. venture capital)
 - other (mapping/ stastical methods, training, programme management, etc.)
 - Concerning external financing (i.e. some kind of public support) can we go beyond learning from good practices and introducing them at PPs? That is to what extent is it needed and to what extent is it possible to harmonise cluster financing?
3. Pre-selection systems, cluster filters
- What is the cluster filter targeted at (management organisation, members, mix)?
 - Is there a need for a uniform pre-selection procedure in the SEE?

Output	Target value	Period of deliver
Concept papers for WGs setting up (including Eol format)	n.6	period 01
Expression of Interests for WGs setting up	n. 23	period 01
WGs setting up documents	n. 6	period 01
Platform concept - recommendations on specific topics	n. 1	period 01
Platform operative plan and functional architecture	n. 1	period 01
On line repository/database on the 6 central topics results and best practices	n. 1	period 06
Questionnaire for Stakeholder public consultation on 6 cluster central topics	n. 6	
Result of public consultation report and statistical data	n. 6	period 06
New policy learning mechanisms developed	n. 7	period 04
Reflective policy making mechanism pattern	n. 1	period 04
WGs meetings – reports	n. 5	period 05
Guideline for pilot actions implementation (scheme)	n. 1	period 04
Evaluation Report of Pilot action	n. 1	period 05
WGs Final Transnational Workshop	n. 1	period 05
Results	Target value	Period of deliver
Staff members with increased capacity on Learning mechanisms though platform management (knowledge/skills)	n. 78	period 02
policy makers with increate awareness through platform public consultation (knowledge/skills)	n. 52	period 06
stakeholders with increased awareness involved in platform public consultation (rate 1 to 20 for each PPs involved in mutual learning activities)	n. 260	period 06
Policy makers with enhanced capacities to identify and evaluate factors of competitiveness (critical mass) and concentrate resources on key priorities	n. 50	period 04
Established cooperation network, by platform, in support of cluster development	n. 6	period 05
Policy makers with enhanced ability and capacity due to a reflective policy making	n. 50	period 05
Regional based Cluster Policies improved by mutual learning	n. 13	period 05

2.2 Consistency of the topic with EU policies

(max. 4000 characters)

Please, briefly describe the consistency of WG topic with EU policies (in terms of objectives and challenges) , with a focus on South East Europe area, also highlighting added value.

Strong clusters offer a fertile combination of entrepreneurial dynamism, intensive linkages with top level knowledge institutions and increased synergies among innovation actors and contribute to achieving the objectives of the Europe 2020 Strategy. As the importance of clusters increased

significantly in the recent years, huge disparities can be observed between EU-member states clusters. To reduce this gap good practices and positive experiences should be channelled into the policies of developing countries. Also, cluster managers and facilitators should learn from each another and implement new ideas in their financing strategies.

Different countries are in different level of development in the field of clustering, thus they face different problems and challenges.

Please, also explain how WG contributes to the achievement of EU objectives in the specific topic and synergies with relevant ongoing EU initiatives/projects/networks/specific programme.

Relevant ongoing projects:

CLUSTERCOOP (Central Europe):

One of the activities in WP3 of the project aims at benchmarking funding schemes for clusters through collecting and analysing current funding schemes from the countries/regions of the partnership. Based on the benchmarking recommendations will be formulated for harmonisation of the funding schemes. This is an ongoing work now and there will be at least preliminary results and findings by the time WG4 starts working in the ClusterPoliSEE project.

This activity is a good complementary in terms of geographical coverage to the work of WG4 since it will provide a benchmark in methodology and will produce comparable results for the Central European region. WG leader MAG is a member in the CLUSTERCOOP partnership, which facilitates the utilisation of methodology and dissemination of results to the ClusterPoliSEE project.

Another activity in the ClusterCOOP project aims at making the foundations for a CE cluster qualification system, which may be an implementable uniform pre-selection system for certain funding schemes in the CE area. Again, this activity and the expected result of the ClusterCOOP project yields a benchmark in terms of working methodology and deliverables for the ClusterPoliSEE project.

CLUSTRAT (Central Europe): The specific objectives of CluStrat are to establish a policy dialogue among policy makers in innovation and cluster policy and practitioners like cluster associations & regional development agencies, to undertake a systematic effort in analysing existing concepts and potentials and develop a joint strategy on how new cluster concepts can be stimulated.

The overall objective of CluStrat is to develop and test a joint strategy on new cluster concepts in support of emerging economic sectors/branches, cross technology and cross-sectoral themes. WG leader MAG is member in the CluStrat partnership and responsible for the sound organization of multi-level policy dialogues which form the backbone of the project.

2.3 Working Methodology

(max. 4000 characters)

Please, referring to the methodology described in the AF, integrate with any additional actions, methodological tools - e.g. Communication tool, reports preparation procedures- (also with reference to the topic considered in the relevant WG) you plan to adopt.

The methodology is adapted to the 3 questions groups detailed out above. Basically each question group can be analysed with the same methodological approach, slight differences may occur.

- Benchmark the available systems and practices: WG partners should compose a short study about the current situation of SEE clusters including all those parameters that are relevant for the 3 questions groups to be discussed. The benchmarking is done mainly through desk research. Input will be asked from other project partners, as well. Selected systems and practices beyond the partnership will be also included.

- Analyzing the collected data: WG partners with the coordination of the WG leader elaborate an analysis which should reflect on the common issues and the differences explored.
- Consultations, study visits to cluster managers, programme donors: WG partners should organize discussions with cluster managers, programme donors where the WG members can understand the situation, challenges, responses and strategies of the selected clusters. Selection of clusters and cluster managers will be based on the benchmarking.
- Discussion of the results: WG members should summarize and discuss the results of the desk research phase and the public consultation phase. The results will be discussed in structured meetings.
- Elaboration of a *Guidelines for better cluster supports* document: the guidelines should be elaborated jointly and should reflect on different challenges of the WG member countries.
- Recommendations to improve the cluster financial support system on partner and on SEE level. Recommendations will be worked out jointly using structured meetings again.

Drafts and preliminary findings will be presented to and asked for commenting from partners. Main results will be shared on the regular communication channels of the project including the web-site, stakeholder meetings and final conference.

2.4 WG composition

(max. 4000 characters)

Please, indicate the key skills and competences and level of experience needed with reference to the relevant topic enabling to participate as member of WG.

Please, also provide any additional criteria that will be taken under consideration for inclusion on the list of WGmembers.

Ideal composition of the WG:

- MAG WG leader
- 1 partner with significant experience in the operation of cluster supports
- 1 partner with less experience or ideally on the planning phase to launch cluster support system
- 1 IPA partner

Selection criteria:

- track record of the support system (years)
- number of supported clusters
- amount of granted support
- references in international programmes