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Learning Workshop - Exchange of Experiences
“Policy Implementation through specific support instruments and programmes”

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19 October, 2016 | 2nd IWS in Torino

Cluster Support Programme In the Basque Country

Rational (market or policy reasons) for the Cluster Policy?

- The primary reason for cluster policy is the premise that **cooperation among companies and, in a broader context, cooperation within the triple helix ecosystem**, is a powerful way of **increasing competitiveness** of companies located in a territory and of its economy.
- Furthermore, the assumption that the challenges SMEs face due to the **constraints of size, in terms of strategy, R+D+i or internationalisation**, can be overcome with the impulse of that cooperation ecosystem.
- Finally, strong clusters that create, develop and concentrate knowledge and specific capacities **attract talent and investment**.

Cluster Support Programme In the Basque Country

Direct and indirect Beneficiaries of the Programme.

- ✓ Cluster Organisations and Associations promoting Cooperation for Competitiveness are the direct beneficiaries.
- ✓ All members of those organizations, including STI members and Companies, in particular SMEs are also beneficiaries, since they are the participants in the actions, services and working groups carried out by the cluster organisations and whose involvement and expenditures are financed by the programme.

Cluster Support Programme In the Basque Country

What type of Technical assistance is offered?

- ✓ **Capacity building** seminars & meetings for all Cluster Organisations' management, on issues such as Evaluation or Technology Watch.
Strong focus on all participant clusters sharing their own experiences together, exchanging ideas with managing Authorities & with Academics.
E.g. [Clusters Day](#), [Convergence Facilitation Sessions...](#)
- ✓ **Interaction** with International Cluster Organisations and Cluster Managing Authorities.
- ✓ **Networking Support and Business Visits** to and from international purchasers, partners and prescribers, including multilateral organisations.

Cluster Support Programme In the Basque Country

What type of Financial assistance is offered?

Basque Country Government's Annual Budget for Competitiveness Policies:

- ✓ **EUR 150 MM** in specific calls for Technology R&D and Innovation Projects.
- ✓ **EUR 20 MM** for Internationalisation Projects (Outward FDI & Exports Promotion).

More specifically, the **Clusters Support Programme** funds the Cluster Associations' **Annual Action Plans** with:

- ✓ **EUR 2,5 MM** for their activity of facilitation cooperation within their cluster and cross-cluster.
- ✓ **EUR 1,5 MM** for cooperation in *Joint Internationalisation Projects* (Trade Missions, Reverse Missions, Trade Fairs abroad,...)

Cluster Support Programme In the Basque Country

What type of Financial assistance is offered?

Basque Country *Clusters Support Programme*:

- ✓ Each Cluster Association's allowance depends on:
 - ❑ A set of indicators (Members Number, SMEs, Private Funding (Membership Fees & Contribution for Projects))
 - ❑ The Action Plan they submit.

- ✓ On **average**, the Programme allowance accounts for **20%** of the Cluster Associations' revenues.
 - ❑ In the 3 most self-sustainable Cluster Associations, *Cluster Support Programme* allowance (2015) accounts for less than 11,00% of its budget.
 - ❑ In the 3 least self-sustainable Cluster Organisations, *Cluster Support Programme* allowance (2015) accounts for above 33,70% of its budget.

Cluster Support Programme In the Basque Country

What are the Conditions placed on beneficiaries to receive assistance?

Can be beneficiaries those Cluster organisations or Innovative Business Associations that fulfill the following requirements:

- Mission: to improve the competitiveness of its members, mainly SMEs, through cooperation.
- Membership: they gather tractor companies, SMEs, scientific and technological agents and other organizations such as training and education centres, in a value chain oriented to a final market or segment.
- *Annual Action Plan*: they submit for assessment an Action Plan (and Strategic Plan) with activities in the areas of Internationalisation, Technology R&D+I, Talent and Strategy.

Cluster Support Programme In the Basque C.

What are the Conditions placed on beneficiaries to receive assistance? (ii)

Furthermore, only those cluster organizations that fulfill the following requirements can be direct beneficiaries of the programme:

- ✓ Legally constituted Non-profit Associations located in the BC.
- ✓ Critical mass: Turn-over of its members > 1% GDP of the BC.
- ✓ SMEs at least 60%.
- ✓ Members cover the whole Value Chain for a final market/ segment.
- ✓ Territorial scope of the cluster organization: at least the BC.
- ✓ Active in, at least, the areas identified as Priorities in the industrial and technological strategy of the Government.
 - ✓ E.g. Currently, the Industrialization Plan 2014-2016.

Cluster organizations not fulfilling any of these conditions can submit to the call an Action Plan in cooperation with other cluster organizations do fulfil them.

Cluster Support Programme In the Basque Country

What is the Timescale of the Programme?

This is a **long-term programme** built around public-private collaboration and aiming at substantial self-sustainability of cluster organisations.

Long-term public support is motivated by public interest in:

- Improving SMEs' Competitiveness & access to Global Value Chains
- Widening the impact of public policies leveraging Cluster Organisations by the Basque Government in broader scope interests and initiatives. E.g.
 - Industrial Trends Observatory
 - FDI attraction strategy and implementation (preparation of proposals...)
 - Support in thematic policies (Transport, Health...)

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The most positive aspects of the programme (what is working well?)

- ✓ Positive effects in SMEs Competitiveness.
- ✓ Alignment of Public-Private Efforts in R&D+I within the **RIS3**.
 - Role of Cluster Organisations as participants and coordinators of RIS3 Steering Groups.
- ✓ Results of New Measures introduced by Policy Revision 2015-16:
 - Strengthen clusters orientation towards SME
 - Stress the importance of critical mass and wider impact and to
 - Broaden cluster industry focus and domain
 - Economic Data Quality

Cluster Support Programme In the Basque Country

Any downsides to the programme being employed (what is not working so well?).

The most relevant ***challenges*** of the programme are:

- Optimising the **Level of Engagement of Companies.**
- Systematic **Evaluation for Action.**
- **Coordination within the policy mix** (competitiveness and also other policies).
- **Data Quality** (Monitoring)



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Thank you!

Questions welcome



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