



Funding Innovation Through Clusters: A European Perspective on Strategic Development and Impact

The role of clusters in driving regional and European innovation has become increasingly critical in today's competitive global landscape. Through extensive panel discussions and expert insights from across Europe, key stakeholders explored how funding mechanisms, cluster models, and strategic partnerships can maximize impact while ensuring sustainable development.

How are clusters evolving beyond traditional funding models to create lasting impact?

Clusters are moving beyond simple project-based funding to become strategic instruments for regional development. They're increasingly focused on orchestrating innovation, facilitating collaboration between industry and academia, and creating sustainable ecosystems. As highlighted by multiple experts, successful clusters combine public and private funding while serving as innovation hubs that both attract and retain talent.

What are the main challenges clusters face in securing and utilizing funding effectively?

The primary challenges include complex bureaucratic processes, misaligned funding cycles with business needs (especially for startups), and the struggle to balance long-term sustainability with public funding dependencies. Start-ups particularly noted that funding programs' frequencies (often annual or bi-annual) don't align well with their rapid development cycles, suggesting a need for more flexible and responsive funding mechanisms.

How is the European Commission adapting its approach to cluster funding?

The Commission is working toward simplifying funding structures through a new "competitiveness fund" that will integrate various funding streams into a more cohesive framework. This includes looking at investment journeys holistically - from research to manufacturing to deployment - rather than maintaining fragmented structures. The goal is to leverage public funding to attract private investment while streamlining access to resources.

What role should universities play in cluster development?

Universities are increasingly seen as crucial orchestrators within cluster ecosystems, rather than just knowledge providers. However, there's a recognized challenge in that universities are typically rewarded for global academic achievements rather than regional impact. Some institutions are developing new metrics and indicators to better recognize and incentivize their role in regional innovation ecosystems.

How can clusters ensure long-term sustainability while reducing dependency on public funding?

While many clusters aim to increase private funding sources, experts argue that some level of public funding (approximately 40-50%) remains crucial for clusters to fulfill their broader societal mission. The focus should be on developing hybrid models that combine public support with private investment, while ensuring clusters can maintain their role as catalysts for innovation rather than becoming purely profit-driven entities.

What makes cross-regional and international cluster collaboration successful?

Successful collaboration often stems from complementary strengths rather than similar capabilities. Experts emphasized the importance of looking beyond geographical proximity and traditional partnerships to find unique value chain opportunities. This includes developing evidence-based consortiums and utilizing various EU tools and methodologies to identify suitable partners across regions.

How are clusters adapting to address major societal transitions?

Clusters are increasingly focusing on systemic challenges like digitalization, sustainability, and workforce development. They're evolving to become more challenge-oriented and solution-focused, moving beyond simple industry

collaboration to address broader societal transitions. This includes developing specialized programs and partnerships that can tackle complex, multi-disciplinary challenges.

Conclusion

The future of cluster development in Europe lies in finding the right balance between public support and private investment while maintaining focus on strategic impact. As clusters continue to evolve from simple funding recipients to strategic instruments for regional development, their success will increasingly depend on their ability to orchestrate complex ecosystems, facilitate cross-regional collaboration, and address major societal challenges. The key to sustainable impact appears to be maintaining sufficient public support while developing more flexible, responsive funding mechanisms that can better serve the needs of various stakeholders.