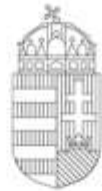


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European Union



MINISTRY FOR
NATIONAL ECONOMY

Clusters and the use of Structural Funds

Peter Keller

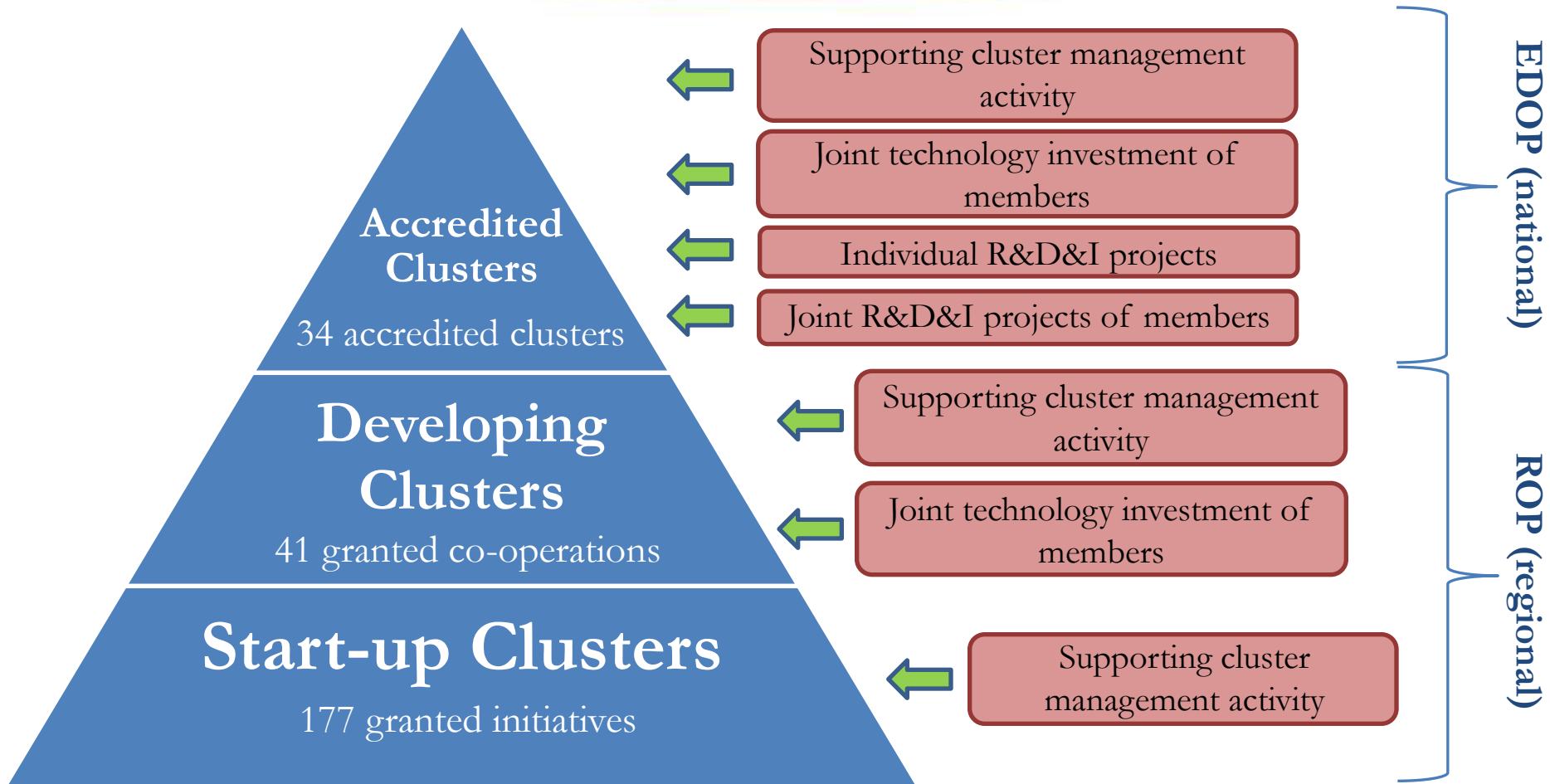
Head of International and Cluster Unit

**Ministry for National Economy
Managing Authority for Economic
Development Programmes**

Bucharest, 22 November 2017

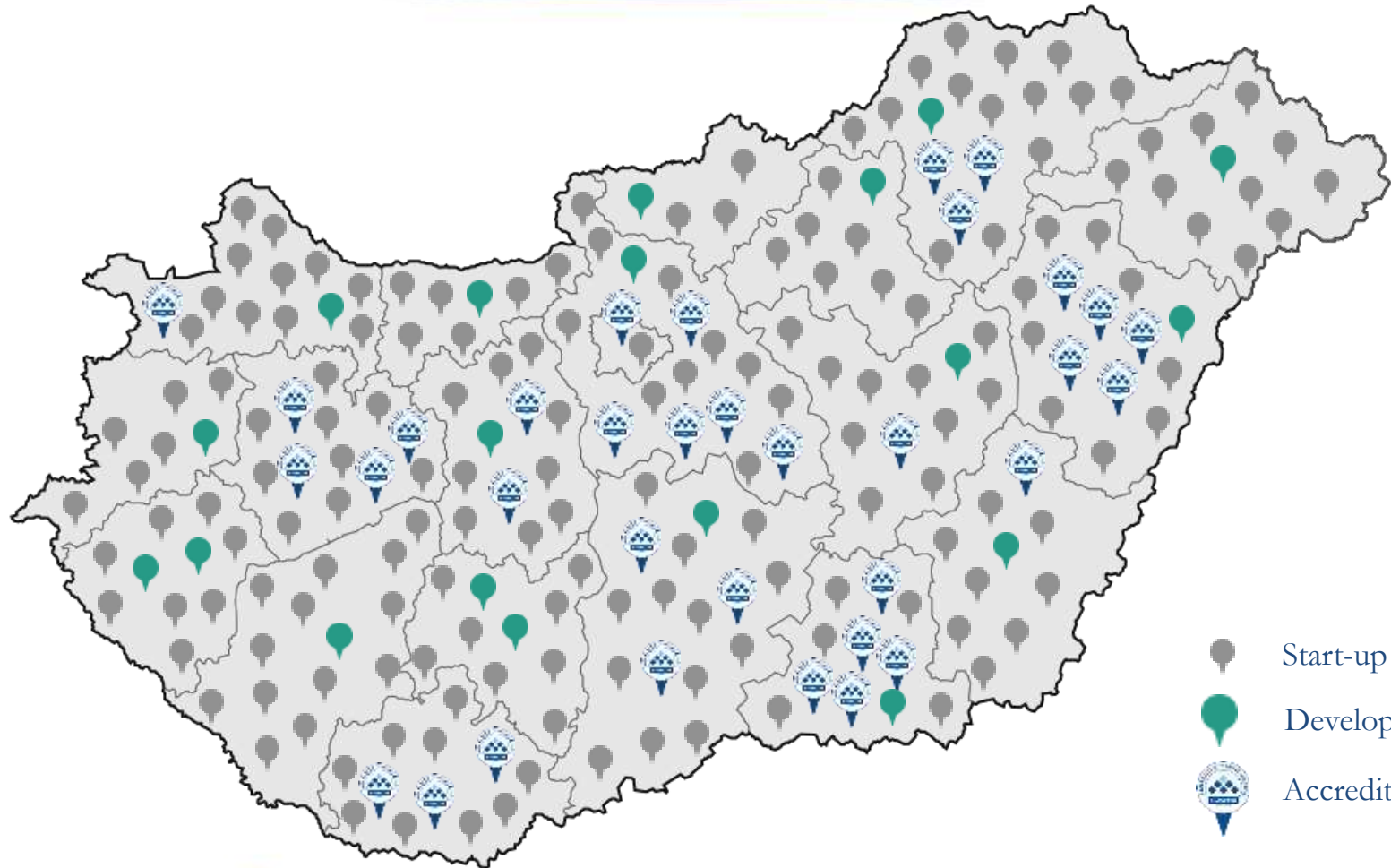
Cluster well-being period in Hungary - 1

2007-13



Cluster well-being period in Hungary - 2

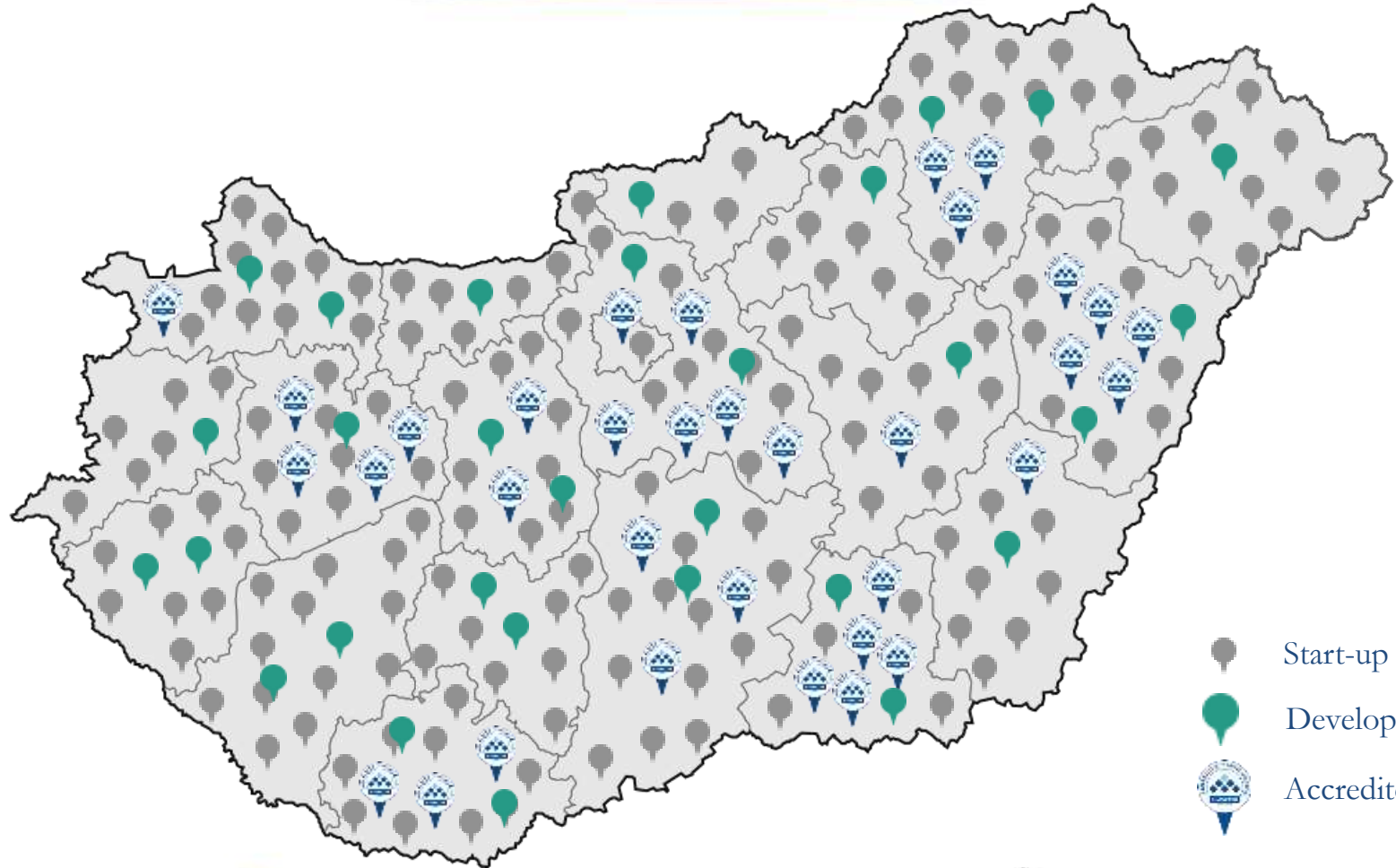
2007-2013



Lessons learned – future steps

- Wide spread of the cluster phenomenon;
 - Necessity of selection among clusters - accreditation system was introduced;
 - Cluster members are more reliable regarding use of Structural Funds;
 - Supporting joint R+I projects by cluster member companies;
 - Building up an efficient channel to reach more than 1000 cluster members (companies, universities, research centres);
- 80% of the start-up cluster initiatives disappeared when they run out of subsidy
 - Majority of the clusters (cluster managers) become lazy – no aspiration to provide value added services
- Improvement of accreditation system (2014):
 - Have to put more focus on performance of cluster management companies
 - Have to put more focus on market oriented projects
 - More focus on internationalisation (2014)
 - Reaching the critical mass - Clusters through value chains (2016)

Clusters of excellence period 2007-2017.



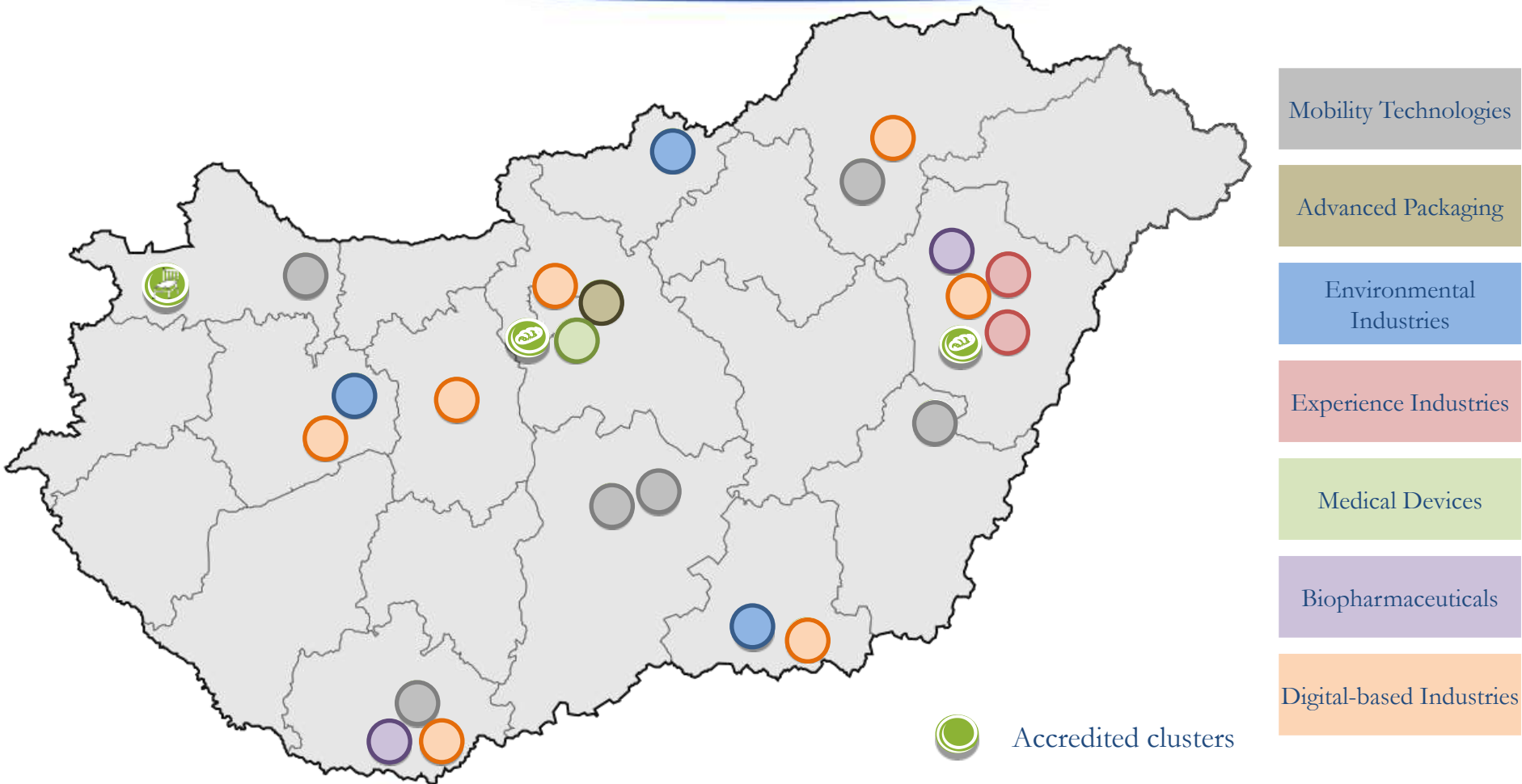
2014-17 – Period for improving our policy (No public money)

- **Lack of financial sources** – searching for **additional financial sources**:
 - Strong „sponsor” inside the cluster– Chamber, University, Large company;
 - Introducing value added services by the cluster management organisation;
 - International projects (H2020, Danube, COSME; INTERREG EUROPE...)
- **As a result of a comprehensive external evaluation on Hungarian cluster policy**
 - Concentrating our sources on professional clusters (Accredited + at least 3 years track record);
 - No financial support on start-up initiatives in the first three years;
 - Main goals of cluster call:
 - Be professional – Cluster management organisation
 - Cluster internationalisation
 - Assisting convergence (merging) procedure among clusters;

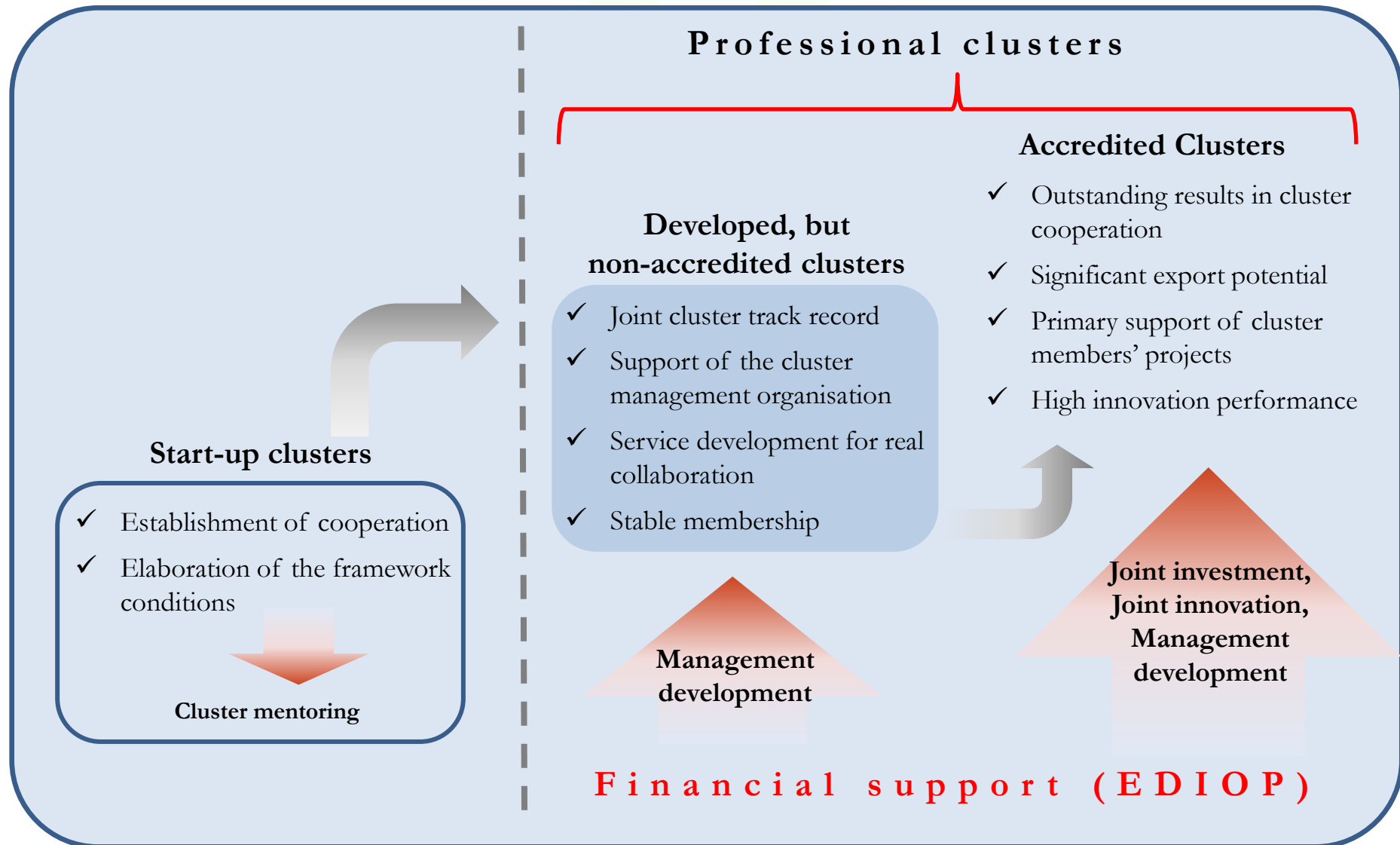
- TRUST BUILDING
- MENTORING
- TRAINING



Do we ignore emerging industries? NO!!!!



Cluster development policy in Hungary 2017-20.



Main goals to reach until 2020

10-15 TOP clusters with international visibility and market-oriented R+I projects

Strong basis of regional clusters specialised on their local strengths

Concentration of accredited clusters

- Assisting the cluster merging procedures;
- Number of cluster members (40 → 100) - most relevant players of the value chain;
- Professional cluster management;

Implementing market oriented projects

- Market oriented innovation;
- Launching Industry 4.0 solutions;

At least 3 cooperative projects at each cluster that have generated profit by selling their jointly developed products/ services

International visibility - **At least two contracted international projects at each cluster**


- As a result of cluster concentration, increasing number of participation in successful international partnerships (Horizon2020, COSME, INTERREG EUROPE etc.)



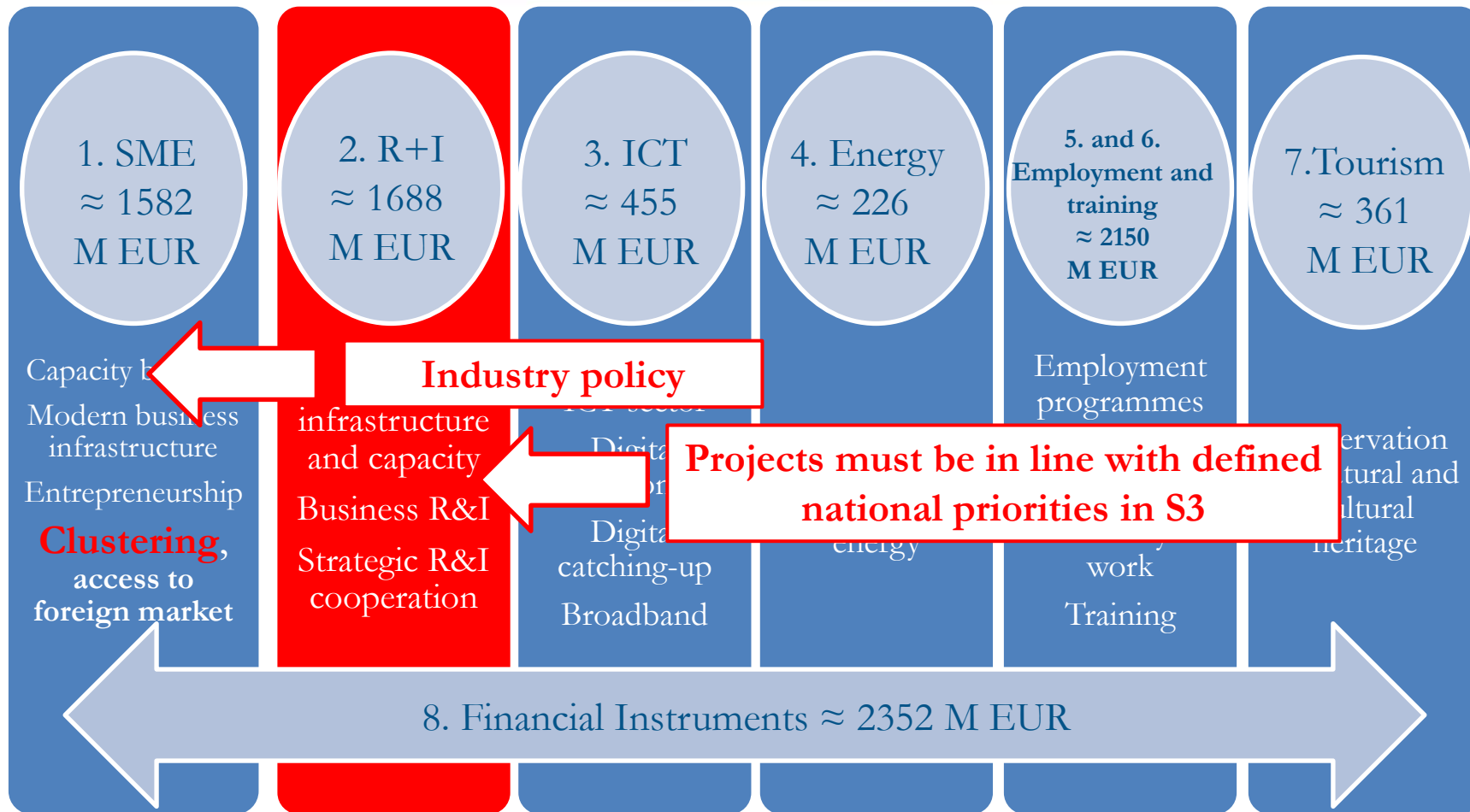
Tools that help to reach our goals

- Renewed cluster accreditation system;
- Direct cluster call;
- Indirect cluster calls: where accredited cluster members have preference at selection (SME, R+I, ICT);

The renewed cluster accreditation system

	Current accreditation call (available from August 2016)	Previous accreditation call
Entry criteria	Stricter entry criteria	Relatively low entry criteria
Number of criteria	16	14
Focus of the evaluation	Measuring the intensity of co-operation inside the cluster More focus on cluster management Internationalization of clusters	 Measuring the economic impact of the clusters
Main group of evaluation criteria	I. Cooperation inside the cluster II. Cluster management and the composition of the cluster III. International focus of the cluster IV. Innovation potential	I. Employment II. SME orientation III. Export orientation IV. Cooperation activities V. Innovation potential
Evaluation of strategy	Yes	Yes
Accreditation Committee	Yes	Yes

Economic Development and Innovation OP 2014-20



EDIOP-1.3.2-15 – Development of professional cluster manager organizations

Aim of the call

- Supporting clusters with stable track record
- Improving the quality of services provided by cluster management
- Support of international activities of the cluster/ cluster members.

Eligible applicants

Cluster management companies that manage clusters with more than 3 years track record

Amount of subsidy

16 129 – 161 290 EUR

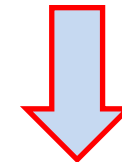
Intensity rate

75% (in case of wages 50%)

Supported activities

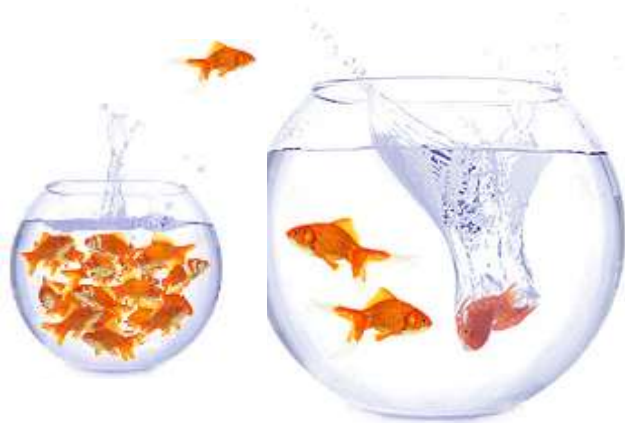
- ICT development
- **Cluster management services related to international market access**
- Acquisition of licences and databases
- Training (for: CMO and members)
- Wage of the cluster manager(s)

At least 40% of the total budget



Main aim of the currently available cluster related call for proposals

„...support of international market access...”



- Presence of the cluster on international fairs, workshops, B2B meetings, project preparation workshop **together with the involved cluster members**
- Organisation of international workshops and conferences in Hungary for the joint representation of the cluster
- International market research
- Application for international cluster benchmarking titles of ESCA
- Joint marketing actions, cluster branding for international market access:
 - Marketing actions targeted to foreign markets
 - Implementation of marketing tools on foreign languages (graphics, design, implementation)
 - Renewal of the cluster's corporate identity to facilitate internationalization

IV. Clusters in Europe International Conference

30. November – 1. December 2017.

See you next week in Budapest!



European Union
European Structural
and Investment Funds

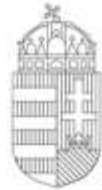


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Thank you for your attention!

Peter Keller

peter.keller@ngm.gov.hu

00 36 1 896 1302



www.palyazat.gov.hu



www.klaszterfejlesztes.hu



klaszerfejlesztes@ngm.gov.hu