

# Action plan for years 2020-2021, Polish Agency for Enterprise Development ClusterFY project



## Part I – General information

Project: Fostering Clusters' Interregional Collaboration and Integration into International Value Chains - ClusterFY

Partner organisation: Polish Agency for Enterprise Development

Other partner organisations involved (if relevant): Northern Netherlands Provinces Alliance (SNN)

Country: Poland

NUTS2 region: n/a

Contact person: Monika Antonowicz

email address: monika\_antonowicz@parp.gov.pl

phone number: +48 22 432 80 68

## Part II – Policy context

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- Other regional development policy instrument

Name of the policy instrument addressed:

- Action 2.3.3: Internationalization of the National Key Clusters, Smart Growth Operational Program (SG OP)
- Contest for National Key Cluster status in Poland

In 2015 PARP performed a cluster stock-taking which resulted in establishing a real number of 134 active clusters operating on the territory of Poland.

Location of clusters has reflected the economic potential of Polish regions with 48% of clusters located in four most developed regions (according to GDP per capita, 2017): Mazovia (13 clusters), Lower Silesia (11), Wielkopolskie region (12) and Silesia with the highest number of 28 clusters. It has to be noted that substantial number of clusters are located in two underperforming Eastern regions of Poland: Podkarpackie (12 clusters) and Lubelskie (11).

Polish clusters were established between 2003 and 2015, most of them being young, i.e. founded between 2011 and 2015 (60%). The oldest clusters in Poland are: the Aviation Valley, Rzeszów - established 2003 (16 years), LifeScience Krakow Cluster, which has been operating for 14 years. The Silesian Aviation Cluster is the first cluster in Poland to win in 2018 the highest Gold Label certificate, awarded by the European Secretariat for Cluster Analysis (ESCA). Two clusters, the Metal Processing Cluster (MPC) and Bydgoszcz Industrial Cluster, can enjoy Silver Label certificates, while 8 other Polish clusters have currently the Bronze Label (October 2019).

86% of clusters are based on different kind of cooperation agreements or operate as associations while the majority of cluster organisations (62%) have a form of association or limited liability company. Less than a half of cluster population (47%) have declared active collaboration with foreign partners and 29% confirmed participation in international networks, cluster associations and/or industry organisations.

Clusters represent 28 industries/specializations, according to the classification pre-defined specifically for this purpose to make the data analysis possible as the cluster coordinators originally declared very broad range of business sectors. The largest number of clusters are active in the following sectors: ICT, energy/renewable energy, construction and healthcare. Significant number of clusters represent metal industry, production technologies, tourism and business services.

Apart from the group of clusters found to be actively operating in Poland, the stocktake has also revealed 106 potential clusters, i.e. the structures which failed to meet some of the pre-defined criteria. A big part of this group is consisted of public support beneficiaries who either haven't managed to continue collaboration beyond their cluster projects or experienced a significant decline in their activity levels for different reasons. It seems that some of these potential clusters could transform into real clusters in the nearest future.

The system of national cluster excellence recognition in Poland was established in 2015. National Key Cluster (KKK) certificates have been awarded contest-based by the Ministry of Development (MR). Currently, 15 clusters in Poland have the status of a National Key Cluster (December 2019). A cluster policy document, *the Strategy and Directions for Cluster Policy in Poland until 2020*, developed in 2012, have outlined 12 recommendations out of which 4 have been fully implemented (as for May 2019), while 2 other have not been implemented, and 6 have been partially implemented.

Cluster policy in Poland is de facto limited to supporting National Key Clusters and their internationalization, with little or no support at all for clusters in Polish regions. In addition, cluster members can apply to other instruments not directly addressed to them, for example SME-dedicated measures such as *Voucher for innovation*, 2.3.2 SG OP, *Pro-innovative business support services for SMEs*, 2.3.1 SG OP, *Design for entrepreneurs*, 2.3.5 SG OP etc.

Polish regions currently offer no cluster support instruments, with the exception of:

1. Mazovia Region offers a grant scheme *Supporting and developing clusters and cluster initiatives and strengthening their competitive position on the market*, that promotes cooperation between science and business, with funding provided by the Mazovia region under the budget for execution of public tasks in the region, based on the Polish Act on public benefit and voluntary work, with yearly budget 75,000 euro and 12,500 euro per grant.
2. Eastern Poland Operational Programme (EP OP), dedicated solely to 5 Polish regions (Warmia and Mazuria, Podlaskie, Lubelskie, Podkarpackie and Swietokrzyskie), action 1.3.2 *Joint product development by SMEs*, with the objective to incentivize SMEs to

use existing resources of the macro region for their economic activities, with the budget of 160,000,000 euro, and 1,750,000 euro per project, for the years 2014-2020.

Actions planned in the current Action Plan are focused on refinement of policy instruments indicated in the application form for ClusterFY project:

- Action 2.3.3: Internationalization of the National Key Clusters, Smart Growth Operational Program (SG OP)
- Contest for National Key Cluster status in Poland.

Action 1 of the Action Plan consists of the direct contacts with clusters and stakeholders through meetings organised for them, participation of the PARP representative in the Working Group for Cluster Policy in Poland and exchange of information through the internet platform for clusters developed for them. By implementing these activities PARP will collect the data from clusters concerning desired changes in the two policy instruments and support the exchange of knowledge and information between all clusters stakeholders.

Action 2 of the Action Plan would be focused on implementation of the results included in 2 desk research reports concerning the creation of a definition of the cluster and its need of introduction into the Polish legal framework. The outcomes of a desk research conducted in phase I of the ClusterFY project would impact the definition of a Key National Cluster, and hence the criteria set out in the 2.3.3 SG OP instrument. PARP in cooperation with MR would analyse the reports from the desk research and depending on the conclusions will implement the results (the changes) into the KKK contest and the 2.3.3 SG OP instrument.

This Action Plan will be a subject of a discussion and its final approval by MR.

### Part III – Details of the actions envisaged

#### **ACTION 1: Refinement of the cluster policy instruments**

1. **The background** (please describe the lessons learnt from the project that constitute the basis for the development of the present Action Plan)

The first example of lessons learned from the partners so far, is the practice of bottom-up approach, (LITEK cluster) presented a practice “Employing Key Enabling Technologies (KETs) and engaging into innovative value chains” during the project partners’ events: the kick-off meeting in Vilnius, Lithuania (13-15 March 2017) and the interregional seminar (EnTranCe) in Groningen, the Netherlands (16-18 October 2017). The practice, consisting in direct meeting and contacts between administration and stakeholders, like meeting face to face, training sessions, exchange of knowledge and best practices etc., has proven extremely effective in the process of successful policy development.

While implementing Polish policy instruments, including these specifically dedicated to clusters, the policy makers have only considered the internet-based feed-back and comments provided by stakeholders on the planned calls and call documentation. Such approach was applied for only some support measures.

As a result of cluster visits in the project partners’ countries, and lessons learned, the bottom-up approach has been introduced in the process of launching a calls under the Action 2.3.3 *Internationalization of the National Key Clusters*, Smart Growth Operational Program. This approach has involved direct contacts and

meetings with representatives of National Key Clusters (KKK) for the purpose of redesigning rules and principles of the instrument and drawing up a call documentation.

As a result, PARP has implemented a practice of organizing of at least one meeting with clusters interested in applying to a call under SG OP 2.3.3. Such meetings would be held by PARP, prior to every and each call, at the stage of call preparation, in order to put forward suggestions for refinements to the existing instrument. The proposals for improvement would be based on previous experiences and challenges faced by both, the cluster coordinators (applicants) and public administration.

Moreover, the PARP participated in the additional study visit, November 2019 (phase I) in the Northern Netherland region (SNN – a partner in the ClusterFY project) for getting acquainted with the Open Innovation Call (OIC), innovation oriented instrument with innovative approach, which is included as a good practice “Open Innovation Call” in the InterregEurope platform. The additional novelty of the approach proposed in Northern Netherlands is that it gives the applicants the possibility to share their knowledge and experience and what is more important – to design and develop their projects without the set of boundaries regarding the scope, costs and results (like it is in traditional calls, usually in EU countries). All of these can be planned by the applicants. Open Innovation is simply the call for innovative unconventional projects. This approach, based on greater freedom and creativity can give better results as far as the regional development is considered than the traditional one. The visit gave more in depth view on instrument. The visit was focus on more practical issues with possibilities of get acquainted with the smallest technical issues concerning call. The PARP representative had direct talks with employees involved in OIC process (not a part of the ClusterFY SNN team), as well as with successful and unsuccessful applicants, what was extremely useful.

This is a completely innovative, disruptive approach in grant rules and process implementation co-financed by the ERDF funds, so it could be a great inspiration for the SG OP 2.3.3 refinement during the meetings organized by PARP. Moreover, the SNN during the call designing, implementing and monitoring is using a bottom-up approach, a “client” centered.

Already, PARP inspired by the OIC practice, shared in Thessaloniki (Greece) by SNN, offered to KKK clusters direct meetings with PARP experts before an application preparation for SG 2.3.3. This has already been tested with one new KKK cluster. The meeting concerned the idea of project, how to draw a plan and budget of the application. This potential applicant is now considering some changes in the project idea before possible applying in the 2020 call.

The bottom-up approach and lessons learned from the SNN would be probably implemented as well as in the Contest for National Key Cluster status in Poland. The stakeholders meeting would be organized around the subject of the changes desired by clusters in the KKK contest, as well as sharing the knowledge raising clusters competences and potential in order to receive the KKK status.

Discussed and agreed changes to the policy instruments would be then presented to the Ministry of Development for approval.

**2. Action** (please list and describe the actions to be implemented)

- I. Meetings with Key National Clusters to discuss the rules of applying for the status and implementing the projects, have already been held by PARP in phase I of the project and will be organized in II phase. The first meeting, which took place in Warsaw on December 5th, 2017, resulted in some modifications to the instrument in the new 2018 call. Second meeting was held on November 15th, 2018. The findings resulting from this meeting have indicated the need for deeper actions that go beyond simple refinement of call documentation. During the meeting some legal issues have been brought forward resulting in recommendations for improvement of laws currently being in force in Poland, and proposals for such course of action will be a subject for discussion with the Ministry of Development. The newly organized sessions would contain i.e. the presentation of some aspects of the Open Innovation Call for inspire participants to discussion. Each meeting will be sum up by report of findings and proposals of changes in the call documentation. It will be a base to further discussion with MR to instrument refinement.
- II. Organization of stakeholders meeting sessions in order to discuss the Key National Cluster status contest rules in Poland, expected by clusters changes in the contest rules and presentation i.e. the Open Innovation Call for inspiration. Each meeting will be organised with the knowledge/ practice sharing to raise the stakeholders competences, exchange the knowledge and good practices, in particular those related to effective cooperation practices, Industry 4.0, new trends in clusters (this activity is a result of Phase 1 experience and was repeated many times by clusters as very much appreciated and needed, topics were suggested by participants in a survey conducted during the regional conference in Warsaw, 16/04/2018). This action is needed to receive their feed-back on the KKK completion in order to adjust it accordingly, collect the proposals of the stakeholders for changes in the KKK contest, maintain close contact with clusters, monitor their activities and provide a policy response as well as to raise their competences and potential in order to fulfil the criteria of the contest and receive the KKK status. Meeting connected to the possible changes in the KKK contest would be a good opportunity for providing clusters with knowledge and life examples that can impact directly their development and performance. Each meeting will be summed up by report of findings and proposals of changes in the call documentation. It will be a base for further discussion with MR to instrument refinement.
- III. Permanent representation of PARP in the Working Group for Cluster Policy in Poland. Other participants include: representatives of three Ministries, four representatives of regional authorities, four representatives of Key National Clusters and four representatives of other Polish clusters. The reports from the works of WG (the needs of clusters in Poland, comparison of policy instruments from other countries, final report about the future of cluster policy in Poland) would be analysed in terms of using them to change the policy instruments addressed in the project.

- IV. Development of the internet platform for clusters for the direct contacts with clusters and receiving the proposals of changes in the both policy instruments addressed by project, as well as opportunity for providing clusters with knowledge and life examples that can impact directly their competences, development and performance in order to fulfil the criteria of the contest and receive the KKK status. The received proposals of refinement would be analysed in terms of using them to change the policy instruments addressed in the project.

The received proposals of refinement from all above mentioned actions will be analysed in terms of using them to change the policy instruments addressed in the project. Then the changes will be included in the current projects of the call documentation for the nearest call and presented to the MA for approval. After the approval the call documentation will be published for the applicants.

**3. Players involved** (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

- I. PARP is responsible for organising meetings with Key National Clusters prior to launching new calls under the Action 2.3.3 SG OP, with the objective to improve the instrument.
- II. PARP is responsible for organising meetings for stakeholders about the KKK contest, as well as for monitoring of cluster activities and maintaining a continued feedback from clusters on policy instruments. For this purpose, an external service will be bought through a public procurement procedure. Such events will be dedicated to all clusters interested in acquiring knowledge.
- III. The Ministry of Development as an organiser of the Working Group, with PARP being a participant. Other participants include: representatives of two other Ministries (Ministry of Investment and Development and Ministry of Science and Higher Education), four representatives of regional authorities, four representatives of Key National Clusters and four representatives of other Polish clusters.
- IV. PARP is responsible for developing and maintaining the internet platform for clusters.

**4. Timeframe**

- I. Meetings with clusters are planned for the period 2017-2021, once a year, before a call launch, depending on the call and on the availability of funding (there were already organised 2 meetings - 14.11.2017 and 15.11.2018; new foreseen for 1<sup>st</sup> quarter 2020, February 2021).
- II. Organisation of 2 stakeholders meetings is scheduled for 2020-2021, once a year (the budget foreseen originally in Phase I of the ClusterFY project,

budget line 23 of the application in E2 part of the application) (October 2020, May 2021).

- III. 5 sessions of Working Group for Cluster Policy in 2019 (conference to sum-up the findings in 2020).
- IV. Development of the platform in 2020 and then its maintaining with collecting data and changes proposals in policy instruments (January-September 2020 – development; since October 2020 – maintaining).

**5. Costs** (for 2020-2021, if there is no other comment)

- I. 10.000 EUR meeting sessions (1 sessions in 2020 and 1 – in 2021), own PARP resources, additionally staff costs (approx.:50 days\*115eur=5750eur; 10day\*220eur=2200eur).
- II. Cluster stakeholders meeting sessions to be covered from ClusterFY budget – cost of 2 events (1 sessions in 2020 and 1 – in 2021) estimated at 10.000 EUR (the budget foreseen originally in Phase I of the ClusterFY project, budget line no 23 of the application), additionally staff costs incl. public procurement procedure (approx.:75days\*115eur=8625eur; 12days\*220eur=2640 eur).
- III. n/a (only staff; approx. 25days\*115eur=2875eur only in 2019).
- IV. n/a (only staff costs, approx. 90days\*115eur=10350eur, 14days\*220eur=3080eur).

**6. Funding sources** (if relevant):

- I. PARP own resources.
- II. ClusterFY budget (external expertise and services budget line; the budget foreseen originally in Phase I of the ClusterFY project, budget line 23 of the application, additionally staff cost) PARP own resources.
- III. n/a (only staff cost financed in the frame of the ClusterFY project and PARP own resources)
- IV. n/a (only staff cost financed in the frame of the ClusterFY project and PARP own resources)

**ACTION 2 – New definition of a cluster and its “legalisation”**

**1. The background** (please describe the lessons learnt from the project that constitute the basis for the development of the present Action Plan)

Since the beginning of the ClusterFY project, the partners have been discussing the notion of cluster, referring to some official or unofficial definitions of “cluster” in partner regions. These questions are especially relevant to Lithuania where there



are more cluster-like formations (cluster associations) than true clusters compliant with traditional definitions (as it was repeated during the seminar in Warsaw, April 16<sup>th</sup>, 2018). The same issue was raised in Sweden, during partner meeting and Optic Fibre Valley visit, when they expressed doubts about their status as a cluster. Definition problem also occurred during the partner meeting in Spain, especially after the study visit in the Tecnobit company, where ITECAM (Metal Technological Center of Castilla-La Mancha) presented its members and activities. During some of these events, there were proposals mentioned how to define the clusters.

During the 5th Interregional Seminar, held in Ciudad Real in Spain on October 24<sup>th</sup>, 2018, in the first part of the seminar, William O’Gorman, Director of Research at the Centre for Enterprise Development and Regional Economy, Waterford Institute of Technology, referred to the lack of updated cluster definition and negative consequences of this situation from a sustainable economic development perspective. It was said that the definition is needed, but it has to take into account the globalisation and other issues.

Traditional definition of the cluster is not adequate. The broader/ newer/ updated definition what a cluster is or could be, and legalisation of such agreed definition (i.e. including it in the legal framework) could positively impact a recognition of clusters’ role by public authorities, smoother inclusion of clusters in the regional/ national policy as subjects, not only as receiver of the public policy.

The most common questions raised in connection with the project have been presented below:

1. Geographical concentration in the time of globalisation, digitalisation and international/ global cooperation – there is a need for broader perspective.
2. What the cluster is and what is not?
3. Is there a need for “legalisation” of the cluster notion and how it could look like to provide a positive impact on cluster and economy development (where is the optimal level - law/ regulation/ others)?

These questions remained without the final answer, even though the participants of the events tried to propose potential definitions based on their knowledge and experience. The ClusterFY project partners shared with PARP information about the official notion of cluster or its lack in their region, which is base for the desk research (results in December 2019).

From the Polish partner point of view, establishment of the updated cluster definition and its implementation into legal framework would have positive influence on the both instruments which are included in the ClusterFY application for improvement (the Key National Cluster status contest in Poland and 2.3.3 POIR – Internationalisation of the Key National Clusters). Polish clusters often claim that a cluster is not well defined in both instruments, with geographical concentration issue (which forms a criterion in the National Key Cluster status contest) being especially controversial. Moreover, the lack of legal definition of cluster in the system negatively impacts clusters’ engagement in policy implementation. The “legalisation” of the cluster notion could be a positive impulse to more coordinated/ broader cluster policy and engagement of clusters in delivery of economic development policy, what is now considered.

From another InterregEurope cluster-oriented project, in the Clusterix 2.0, we received the Recommendations (dated November 2018). In this document there was mentioned that it may be challenging to institutionalise cluster initiatives by law, but such action is needed if they are considered to be an instrument for (regional) innovation and economic development. It is needed to consider pros and cons of the broader role of Polish clusters in economic ecosystem (even as a kind of distributor of the structural funds to the companies).

Moreover, a notion of “energy cluster” has been implemented in Polish law (the Act of February 20<sup>th</sup>, 2015 on renewable energy sources, Journal of Laws of 2015, item 478, as amended, known as "RES Act"). Legally, an “energy cluster” is an agreement under the contract law, that can involve natural persons, legal persons, scientific organisations, research institutes or local government units, for generating and balancing demand and distribution or trade energy from renewable energy sources or from other sources or fuels, in a distribution network with a rated voltage of less than 110 kV, on the cluster's area of operation not exceeding the limits of one county (defined in the Act of 5 June 1998 on county self-government) or 5 communes (defined in the Act of 8 March 1990 on local government). Energy cluster is represented by its coordinator, in a form of a dedicated entity, such as a cooperative or association or foundation, however coordination tasks can be performed by one of the partners indicated in the cluster agreement.

Above definition, and especially its geographical restriction of cluster to one county with energy related focus, could be misleading, resulting in a negative perception of clusters operating in Poland.

The outcomes of a desk research conducted in phase I of the ClusterFY project would impact the definition of a Key National Cluster, and hence the criteria set out in the internationalisation instrument, Action 2.3.3, SG OP in Phase II of the ClusterFY project. In phase II PARP and MR would analyse the findings from reports and implement the results of the desk research.

## **2. Action** (please list and describe the actions to be implemented)

- I. Desk research on existing cluster definitions, with regard to a condition of geographical concentration of the cluster, covering the ClusterFY partner regions and some other territories for comparison.
- II. Desk research on content and place of the cluster definition in the legal framework in ClusterFY partner regions and some other localities for comparison.
- III. Implementation of desk research outcomes to the Key National Cluster contest and 2.3.3 POIR – Internationalisation of the Key National Clusters, as well as to the Polish legal framework.

**3. Players involved** (please indicate the organisations in the region who are involved in the development and implementation of the action and explain their role)

- I. PARP will conduct the desk research on cluster definition in terms of geographical concentration and on content and place of the cluster definition in the legal framework. The results will serve to the recommendations and changes in law implementation on the most optimal level (law/ regulation/ others).
- II. PARP will present the desk researches' results and, if there will be a need confirmed by research results presumably, propose to MR an optimal definition content and its place in the Polish legal framework.
- III. MR will introduce the definition to the Polish legal framework and change the criterion of geographical concentration in the KKK status call.

**4. Timeframe**

- I. Actions I and II will be conducted in 2019 (Phase I of the ClusterFY project, budget line 25 of the application) (November/ December 2019).
- II. Action III will take place in 2020 (1<sup>st</sup> half of 2020 - presentation of the findings to the Ministry and cluster stakeholders; till the end of 2020 - legislation process).

**5. Costs** (if relevant)

- I. About 36.000 PLN under the ClusterFY project (Phase I of the ClusterFY project, budget line 25 of the application).
- II. About 36.000 PLN under the ClusterFY project (Phase I of the ClusterFY project, budget line no 25 of the application).
- III. n/a (only staff costs, approx. 8days\*115 eur=1920eur, 3days\*220eur=660 eur).

**6. Funding sources** (if relevant):

- I. ClusterFY project (Phase I, 2019).
- II. ClusterFY project, (Phase I, 2019).
- III. n/a (only staff cost financed in the frame of the ClusterFY project PARP own resources)

Date: 20/12/2019 r.

Signature:   
*Paulina Zadura-Lichota*

Dyrektor  
Departament Analiz i Strategii

Stamp of the organisation (if available): \_\_\_\_\_

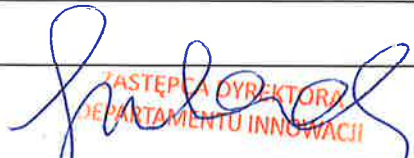

**Polska Agencja Rozwoju Przedsiębiorczości**  
ul. Pańska 81/83  
00-834 Warszawa  
tel. (48 22) 432 80 80  
fax (48 22) 432 86 20  
NIP: 526-25-01-444  
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### Letter of support for Action Plan

Project acronym	ClusterFY
Project title	Fostering Clusters' Interregional Collaboration and Integration into International Value Chains
Name of the signing organisation (original) including department if relevant)	Ministerstwo Rozwoju, Departament Innowacji
Name of the signing organisation (English) including department if relevant)	Ministry of Development, Innovation Department
Name of the policy instrument addressed (original)	Konkurs o status Krajowego Klastra Kluczowego, Poddziałanie 2.3.3 POIR Internacjonalizacja Krajowych Klastrow Kluczowych
Name of the policy instrument addressed (English)	Key National Clusters Contest, 2.3.3 OP SG Internationalisation of the Key National Clusters
Name of partner(s) concerned in the application form (English)	Polish Agency for Enterprise Development

We hereby confirm that we were informed about the Action Plan for the above-mentioned project and we support its implementation by the Polish Agency for Enterprise Development.

Name of signatory	Beata Lubos
Position of signatory	Deputy Director of the Innovation Department
Date	23.12.2019
Signature and institution stamp	  Beata Lubos

