



D. 3.5 – Discussion paper: facilitating policy dialogue on cluster cooperation with Canada

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Abstract: The discussion paper on Canada is thought as a semi-confidential document delivered to the European Commission and EASME to provide policy-makers with inputs for the policy discussion on cluster cooperation and policy arrangements on clusters with Canada.

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1. Objective of the report

The aim of this “discussion paper” is to provide an overview on the existing EU-Canada cluster cooperation, related good practices/success stories and highlight opportunities for future cluster-based exchanges, including recommendations for a reinforced EU-Canada cluster policy dialogue. The paper is developed as a semi-classified document delivered to the European Commission (*DG GROWTH* and EASME Executive Agency) to provide policy-makers with inputs for the policy discussion on cluster cooperation and for policy arrangements on clusters with Canada.

Another complementary document, the Preparatory briefing on Canada (July 2017) was developed for the European Cluster Collaboration Platform (ECCP) as a deliverable of it and provided a basis for the analysis and recommendations included in this paper.

The content of this report is based on desk research and selected interviews with relevant local contact points.

2. Existing EU - Canada cluster cooperation

The 10th largest economy in the world, Canada is a strong and reliable partner for the EU. The upcoming implementation of CETA, that should provisionally apply from 21 September 2017 onwards¹, will further reinforce this positive context.

As part of its Innovation agenda, the Liberal government of Prime Minister Trudeau made the pledge to “*accelerate economic growth in highly innovative industries*” by setting up a specific financial support instrument for the development of business-led innovation superclusters in Canada². To maximise the benefits for the Canadian economy, the Government has put a particular emphasis on the following highly innovative sectors (chosen for their economic prospects and their strengths relative to global opportunities): advanced manufacturing, agri-food, clean technologies, clean resources, digital industries, health/biosciences, as well as infrastructure and transportation. For the next 5 years, these sectors will be the key innovation priorities in Canada and should be considered a priority of EU clusters for their cooperation with Canadian partners. In addition, EU clusters are already

¹ http://europa.eu/rapid/press-release_STATEMENT-17-1959_en.htm

² <http://www.ic.gc.ca/eic/site/062.nsf/eng/home>

active in these 7 sectors and there already exists numerous examples of cluster to cluster cooperation in these areas (see section 2.2 for instance).

2.1 Support to cluster cooperation

Contrary to the United States, there is no specific cooperation agreement between the EU and Canada as regards cluster collaboration. However, the extent of policy cooperation between the EU and Canada provides a solid ground for cooperation between EU and Canadian clusters both on the research and innovation side as well as on the business side (more information may be found in the separate preparatory briefing on Canada, section 2.2).

In addition, besides the policy support that is established through the EU Delegation to Canada (and the Canadian Delegation to the EU), bilateral cluster and business collaboration is supported by other means. For example, the Enterprise Canada Network (ECN)³ provides services to small businesses and researchers facilitating international partnerships. The Enterprise Europe Network (EEN) currently has four local contact points in Canada: in Mississauga (Ontario), Montréal (Québec), Ottawa (Ontario) and Vancouver (British Columbia)⁴. These local contacts may prove particularly helpful for European cluster members willing to do business in Canada.

2.2 Cluster to cluster cooperation

The EU and Canada are strong economic partners, despite the imbalance in their trade relationship (the EU being Canada's second most important partner, but Canada "only" being the EU's 10th most important trading partner). In addition, research and innovation collaborations between Canadian and EU partners are solid. This provides a solid ground for the EU-Canada cluster to cluster cooperation which should be further reinforced once the Canadian "superclusters" are operational (by March 2018 at the latest according to the government).

There are multiple examples of cluster collaboration activities between the EU and Canada in various economic sectors. According to the data available on the ECCP portal, the main sectors of existing collaboration are⁵:

- Agro-food (food packaging, handling, food processing and manufacturing)
- Biological sciences (medicine, human health, pharmaceutical products)
- Energy (renewable sources of energy, waste to energy, energy efficiency)
- Industrial manufacturing
- Material and transport, including Aerospace technologies
- Transportation and logistics

³ Enterprise Canada Network (ECN) website: <https://www.enterprisecanadanetwork.ca/>

⁴ EEN network: <http://een.ec.europa.eu/about/branches/canada>

⁵ <https://www.clustercollaboration.eu/escp-list>

- Electronics, IT and Telecommunications
- Lighting and electrical equipment
- Electric Power Generation and Transmission

Amongst the existing cluster to cluster cooperation initiatives, the following examples may be mentioned:

- **Aerospace sector:**
 - MoU signed between Aéro Montréal and Aerospace Valley in France,
 - MoU signed between the Québec consortium for research and innovation in Aerospace (CRIAQ) and Aerospace Valley in France⁶,
 - MoU signed between Aéro Montréal and Skywin, the Aerospace cluster from Wallonia,
 - MoU signed between the Québec consortium for research and innovation in Aerospace (CRIAQ) and Skywin, the Aerospace cluster from Wallonia⁷,
 - MoU signed between Aéro Montréal and Aviation Valley Association in Poland⁸,
- **Agro-food sector:**
 - Cooperation agreement between the marine niche of excellence of Québec (“Creneau marin d’excellence”) and the French competitiveness cluster Aquimer⁹
 - Collaboration agreement between the Technopole of Sainte Hyacinthe and the French competitiveness cluster Valorial¹⁰.
- **Biological sciences:**
 - Partnership agreement between Alsace BioValley, a French competitiveness cluster dedicated to therapeutic innovations and MEDTEQ, the Quebec Consortium for Industrial Research and Innovation in Medical Technology¹¹.

In the field of clean technologies, the Cleantech Network International (ICN), created in 2009, is another example of cluster-to-cluster collaboration between EU and Canadian clusters but in an international context¹². It brings together clusters in Asia, Europe and the United States. At this moment, the network has 18 partners including Ecotech Québec in Canada, Tenerdis in France, Clean Tech Delta in the Netherlands, Greentech South in the UK, the Greentech cluster in Austria, Clean in

⁶ Aerospace Valley, list of cooperation agreements : <http://www.aerospace-valley.com/en/page/cooperation-agreements>

⁷ Press release from Walloon minister, Jean-Claude Marcourt : <http://marcourt.wallonie.be/la-wallonie-sur-orbite-le-secteur-aerospatial-se-renforce-et-se-specialise-dans-des-produits-de-niche-a-haute-valeur-ajoutee/>

⁸ <http://www.dolinalotnicza.pl/en/wiadomosci/agreements-of-cooperation-with-the-hegan-basque-aerospace-cluster-and-the-aro-montral,15.html>

⁹ <http://www.poleaquimer.com/en/international/partnership.html>

¹⁰ http://competitivite.gouv.fr/documents/commun/Les_Poles_en_mouvement/Fiche-Valorial.pdf

¹¹ http://www.alsace-biovalley.com/wp-content/uploads/2014/04/CP_PARTENARIAT-MEDTEQ-QUEBEC_vSS-et-DC.pdf

¹² <http://internationalcleantechnetwork.com/>

Denmark, Renewable Energy Hamburg in Germany, Tweed in Belgium and the Sustainable Business Hub in Sweden. ICN supports networking and opportunities sharing amongst its members, notably between its Canadian and EU members.


3. Good practices / Success stories related to cluster cooperation

This section will focus on two specific success stories of cluster to cluster cooperation between Canada and the EU. The aim is to present in detail how EU and Canadian clusters and how this benefits their members, in particular SMEs.

These examples really illustrate the importance of continued cluster to cluster cooperation between Canada and the EU. They also provide examples of good practice and may be used as a basis for other European clusters willing to develop similar initiatives.

The success stories include details on the sectors and stakeholders concerned, the process that has led to cooperation, policy support, common activities and an indication of the main outcomes/impacts of the cooperation. However, budget/funding information are not publicly available.

3.1. Success story 1: Skywin and Aero Montreal

Cooperation between Skywin and Aero Montreal	
Partners: <ul style="list-style-type: none"> ▪ Aerospace Cluster of Wallonia (Skywin, BE) ▪ AERO Montreal (Québec’s aerospace cluster, CA) 	
Sectors and sub sectors concerned: <ul style="list-style-type: none"> ▪ Transportation <ul style="list-style-type: none"> ○ Aerospace sub-sector 	
Context: <ul style="list-style-type: none"> ▪ Skywin, the Aerospace Cluster of Wallonia, was created in 2006 by the Walloon government. It is a group of companies, training centres and research units engaged in public and private partnership and aims to build synergies around common and innovative projects¹³. 	

¹³ <http://www.skywin.be/en>

<ul style="list-style-type: none"> ▪ Aero Montreal groups all major decision makers in Quebec's aerospace sector, including companies, educational and research institutions, associations as well as unions. Its mission is to support the growth and influence of Québec's aerospace sector on the global stage¹⁴. Created in 2006, Aero Montreal defines itself as <i>"one of the three world aerospace capitals, along with Seattle and Toulouse"</i>.
<p>Type of cooperation: <u>Knowledge and Business sharing</u></p> <ul style="list-style-type: none"> ▪ First signed in 2007, the Memorandum of Understanding between Skywin and Aero Montreal was updated in 2013 when the two partners decided to focus on a specific project: the deployment of the "MACH Initiative" in Wallonia. The 'Mach initiative' originally aims to accelerate change within Québec companies (notably SMEs), maximize the performance of the Quebec aerospace supply chain and increase the competitiveness of the Québec Aerospace sector internationally. ▪ Concretely, this MoU allows Walloon companies to benefit from this improvement program developed by Aero Montreal.
<p>Objective:</p> <ul style="list-style-type: none"> ▪ The overall objective of this agreement is to bring together and facilitate networking between supply chains and industrial clusters of Quebec and Wallonia, and to allow "MACH labelled" SMEs of the two clusters to be known by prime contractors and consequently more easily integrate their value chains.
<p>Policy support:</p> <ul style="list-style-type: none"> ▪ The 2013 agreement was signed in the presence of the Minister-President of the Walloon Government, Rudy Demotte, and the Minister of Economy of Quebec, Nicolas Marceau. ▪ The first phase of this concrete collaboration benefited from the support of the Joint Committee between Wallonia-Brussels and Quebec (for the period between 2013 and 2015). ▪ The initiative now benefits from a direct funding of the Walloon government.
<p>Results/ outcomes:</p> <ul style="list-style-type: none"> ▪ Reinforcement of the competitiveness of Walloon companies, in particular SMEs, on the international stage. ▪ Opportunities provided to cluster members and cluster managers to exchange and reinforce their collaboration.
<p>More information:</p> <ul style="list-style-type: none"> ▪ Name: David Praet ▪ Role: Director International Relations ▪ Phone number: +32 (0) 10 48.94.07. ▪ E-mail: david.praet@skywin.be

¹⁴ <https://www.aeromontreal.ca/home.html>

3.2. Success story 2: Alsace BioValley and MEDTEQ

Cooperation between Skywin and Aero Montreal	
<p>Partners:</p> <ul style="list-style-type: none"> ▪ Alsace BioValley, a French competitiveness cluster dedicated to therapeutic innovations (FR) ▪ MEDTEQ, the Quebec Consortium for Industrial Research and Innovation in Medical Technology (CA) 	
<p>Sectors and sub sectors concerned:</p> <ul style="list-style-type: none"> ▪ Healthcare sector 	
<p>Context:</p> <ul style="list-style-type: none"> ▪ Alsace BioValley was established in 2005 as part of the French government competitiveness cluster policy. Gathering 155 members (including 94 SMEs), Alsace BioValley gathers experts who provide a range of specific services to Healthcare companies such as: funding assistance for collaborative R&D projects, coaching to fundraising, partner identification, customized relationship.... The cluster is particularly active on the international stage¹⁵. ▪ Set up in 2012, MEDTEQ is one of nine consortia of research and innovation supported by the Quebec Province. Its main mission is to accelerate the development of innovative technological solutions to improve patients' health and quality of life. 	
<p>Type of cooperation: <u>Set-up of bilateral projects and Business sharing¹⁶</u></p> <ul style="list-style-type: none"> ▪ Signed in 2017, this partnership agreement will run until 2019. It will be centred around 3 objectives: <ul style="list-style-type: none"> ○ Finance bilateral innovative healthcare projects, developed collaboratively by the Quebec partners and the French partners in the Grand-Est Region. ○ Facilitate company exchange and startup projects in the healthcare field in both regions. ○ Build a network of mentors who will use their expert skills in various specialist fields to support and advise the development of the companies in each partner's local area. 	
<p>Objective:</p> <ul style="list-style-type: none"> ▪ The overall objective of this agreement is to reinforce the collaboration between Alsace BioValley and MEDTEQ. It primarily aims to fund joint innovative projects between the cluster members. 	
<p>Policy support:</p> <ul style="list-style-type: none"> ▪ This partnership agreement is supported by the Eurometropole of Strasbourg. ▪ The agreement was signed on 31 January 2017 during the MEDTEQ annual forum. 	

¹⁵ <http://www.alsace-biovalley.com/en/>

¹⁶ http://www.alsace-biovalley.com/wp-content/uploads/2014/04/CP_PARTENARIAT-MEDTEQ-QUEBEC_vSS-et-DC.pdf (in French)

Results/ outcomes:

- Emergence of collaborative projects between the two cluster members and development of partnerships between them (in particular companies).
- Close support to companies to integrate the Quebec and French markets.

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4. Opportunities/potential for further EU-Canada cluster cooperation: thematic focus

This section analyses the potential for cluster to cluster cooperation, with a specific focus on the highly innovative industry sectors that are at the core of the new Canadian innovation supercluster strategy¹⁷. As detailed in the preparatory briefing on Canada developed for the ECCP (which provides further information on why these specific thematic areas were chosen), the Canadian government has launched a call for proposal to establish 5 to 6 superclusters by March 2018. These superclusters will primarily focus on a list of highly innovative industry sectors that were pre-identified in terms their importance in the Canadian economy but also in terms of their economic prospects and their strengths relative to global opportunities.

As far as existing Canada-EU cluster cooperation is concerned, it is worth noting that Canada is part of the European Strategic Cluster Partnerships – Going International (ESCPs-4i)¹⁸ target countries. ESCPs-4i are cluster partnerships across Member States that develop and implement a joint internationalization strategy and support SME internationalisation towards third countries beyond Europe¹⁹.

This section will focus on ESCPs-4i working in the highly innovative sectors identified in the preparatory briefing: advanced manufacturing, agri-food, clean technologies, clean resources, digital industries, health/biosciences, as well as infrastructure and transportation²⁰. The following classification was

¹⁷ <https://www.canada.ca/en/innovation-science-economic-development/programs/small-business-financing-growth/innovation-superclusters/funding-superclusters.html>

¹⁸ EU COSME Programme

¹⁹ ESCPs-4i : <https://www.clustercollaboration.eu/escp-list>

²⁰ Only established ESCP-4is are listed here : either in strand 1 (preparatory phase), and strand 2 (implementation phase)

made to easily identify the ESCPs-4i involved in the highly innovative sectors defined by the Canadian government. However, there are examples of ESCPs-4i that could actually fit within several categories (e.g. the “Mobility Goes International” ESCP is presented in the transportation sector but could also fit in the digital industries section, as it targets the development of smart mobility solutions through the use of digital tools).²¹

▪ **Agri-food**

- **“New Frontiers in Food”**²² – the 4 European clusters members, Wagralim (B), Vitagora (F), Food valley(NL) and Valorial (F), that are active in the field of agricultural food industry sector, aim to develop a joint internationalisation strategy on specific target countries, including Canada;
- **“AdPack”**²³ - Future Materials and products for advanced smart packaging. The 5 European cluster members, Nanoprogress z.s. (CZ), Packbridge (SE), Plastiwin (BE) and InnovCluster (PT), decided to join their competences coming from interrelated sectors to focus on the advanced packaging emerging industry. Amongst their objectives, they intend to support the internationalisation of their SMEs in specific target countries via the development of a joint internationalisation strategy. Canada was identified as a target country.

▪ **Health/Bio-sciences**

- **“bioXclusters plus”**²⁴ – EACP on Personalised Healthcare. The 4 European clusters, bioPmed / Bioindustry Park (IT), Biocat (ES), BioM Biotech Cluster Development GmbH (DE), Lyonbiopole (FR) intend to be *“the most competitive European meta-cluster initiative in personalised healthcare”* and also serve as a single entry point for global players in Europe. To this end, the consortium has developed an internationalisation strategy and aim to focus their activities on specific countries, including Canada.
- **“LASER-GO”**²⁵ - European Cluster Partnership in Photonics for Health. The 4 European cluster members, Optence e.V., Kompetenznetz Optische Technologien Hessen/Rheinland-Pfalz (AT), OPTICSVALLEY (FR), Human.technology Styria GmbH (AT) and LITEK (LT) have decided to focus on the application areas related to photonics-enabled technologies in health-related uses. They intend to develop collaborations with clusters from targeted third countries, including Canada. As part of this project, the Paris region high-tech cluster Opticsvalley visited Quebec in February 2017 to initiate further cooperation in the light of the strengthening cooperation between the EU and Canada. Both parties to carry on the discussions on future international cooperation²⁶.

²¹ More information on the European Strategic Cluster Partnerships can be found in the dedicated section on the European Cluster Collaboration Platform: <https://www.clustercollaboration.eu/eu-cluster-partnerships>

²² <https://www.clustercollaboration.eu/escp-profiles/new-frontier-food>

²³ <https://www.clustercollaboration.eu/escp-profiles/adpack>

²⁴ <https://www.clustercollaboration.eu/escp-profiles/bioxclusters%20>

²⁵ <https://www.clustercollaboration.eu/escp-profiles/laser-go>

²⁶ <https://www.clustercollaboration.eu/profile-articles/laser-go-towards-partnership-north-america>

▪ **Clean technologies and clean resources**

- **“REINA PLUS”** - Renewable Energy Internationalisation ESCP project for European SMEs. The 4 EU clusters, Oekoenergie-Cluster (AT), the Basque Energy cluster (ES), Oy Merinova Ab (FL), and EnergyIN - the Competitiveness and Technology Cluster for Energy (PT), have developed a joint European strategic vision with a global perspective and have also designed an internationalisation strategy. In particular, they aim to support and reinforce the internationalization of European SMEs in selected renewable energy markets, with North America identified as a new potential market.

▪ **Transportation and infrastructure**

- **“ABROAD”²⁷** – the European Aerospace Cluster Partnership (EACP²⁸), the network of European aerospace clusters, has the ambition to insert European SMEs in international value chains by supporting the fostering of new international businesses or the emergence of international R&T cooperations. The partnership groups together 11 partners: Aerospace Cluster Auvergne-Rhône-Alpes (FR), Eskisehir Chamber of Industry (TR), HEGAN - Basque Aerospace Cluster (ES), Hamburg Aviation e.V. (DE), Niedersachsen Aviation (DE), AERA - Asociacion aeronautic aragonesa (ES), and Aerospace Valley (FR).

The partnership aims to develop a cluster-level frame of collaborations with 6 international target regions, including Canada. Cooperation will be developed at the cluster organisation level but also at the level of the cluster members (in particular SMEs). To that end, trade missions and Businesses to Businesses meetings will be organised.

- **“MobiGoIn”²⁹** - Mobility Goes International. This partnership gathers 4 European clusters: Baden Württemberg: Connected e.V. (DE), MOV’EO (FR), Fondazione Torino Wireless (IT), Media Evolution Southern Sweden (SE). The overall objective is to allow the development of sustainable, smart and safe mobility in metropolitan areas through the implementation of solutions and systems for intelligent and cooperative transport, intermodal and sustainable mobility for the citizens, and sustainable urban freight logistics. Specific countries have been identified for their international activities, with Canada as one of the main target markets.
- **“SPACE2ID”³⁰** - Space Clusters International Industrial Diversification. This project originated from the belief of European space clusters that space data and technologies can provide a major added value and provide efficient solutions in sectors such as mobility, energy, logistics, creative industries and agriculture. The main objective of SPACE2ID is to create a sustainable partnership between European Space Clusters and

²⁷ <https://www.clustercollaboration.eu/escp-profiles/abroad>

²⁸ <http://www.eacp-aero.eu/index.php?id=4>

²⁹ <https://www.clustercollaboration.eu/escp-profiles/mobigoln>

³⁰ <https://www.clustercollaboration.eu/escp-profiles/space2aid>

the key European business clusters involved in the abovementioned sectors (referred to hereafter as “MELCA clusters”). Canada was identified as a target country with a specific potential for space and MELCA services.

Once the Canadian superclusters are up and running (by March 2018 according to the timetable of the government), the new supercluster entities will become key partners for EU clusters as well as for the ESCPs-4is. Indeed, by their scale and range, ESCPs-4is could well become primary points of contacts for the Canadian superclusters willing to work with their EU counterparts (and vice-versa). All ESCPs-4is that have targeted Canada as a third country might closely monitor the development of the Canadian innovation supercluster strategy to start working with the relevant supercluster entities as soon as they are operational.

5. Recommendations for cluster cooperation with Canada

Despite the absence of a structured dialogue on cluster cooperation between the EU and Canada, EU and Canadian clusters already cooperate directly in several sectors of mutual interest (i.e. clean technologies, transportation, health and biosciences, etc.). This cooperation takes various forms and ranges from the set-up of bilateral co-funding schemes to the organisation of trade missions to the benefit of the cluster organisations and/or their members, as well as other activities.

As mentioned in this discussion paper, as well as in the preparatory briefing on Canada, the Innovation Supercluster Initiative (ISI) that was launched in May 2017 by the government will be a major game changer in the Canadian Innovation landscape. Expected to be up and running by March 2018, these new Superclusters will change the way Canadian clusters work together domestically (as they will be encouraged to work together in cross-related sectors) but also on the international stage. One of the ambitions of the new strategy is for superclusters to have a strong role in the development of international activities to the benefit of their members. In that sense, EU-Canada cluster-to-cluster cooperation will evolve.

To further foster cluster-to-cluster collaboration, Canadian supercluster entities could be encouraged to register on the European Cluster Collaboration Platform (ECCP) which would allow both EU and Canadian entities to easily identify potential partners. In addition, and as suggested in the discussion paper on the US, the ECCP could also take the opportunity of the expected linking of the US cluster mapping project with the cluster mapping initiative in Canada and Mexico by providing information on the cluster communities of the EU.