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COVER NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Towards the Competitiveness Fund. How to shape funding to support Competitiveness of EU industry Shaping Funding for Impact: Industry Clusters as Engines of Europe's Competitiveness - The Lithuanian Experience

Following the meeting of the Working Party on Competitiveness and Growth (High Level) on 29 April 2025, delegations will find in Annex the presentation¹ made by Lithuania Clusters Network².

¹ This document contains a presentation by an external stakeholder and the views expressed therein are solely those of the third party it originates from. This document cannot be regarded as stating an official position of the Council. It does not reflect the views of the Council or of its members.

² Lithuania Clusters Network, European transparency registry identification number: 682127397720-95



Towards the Competitiveness Fund. How to shape funding to support Competitiveness of EU industry

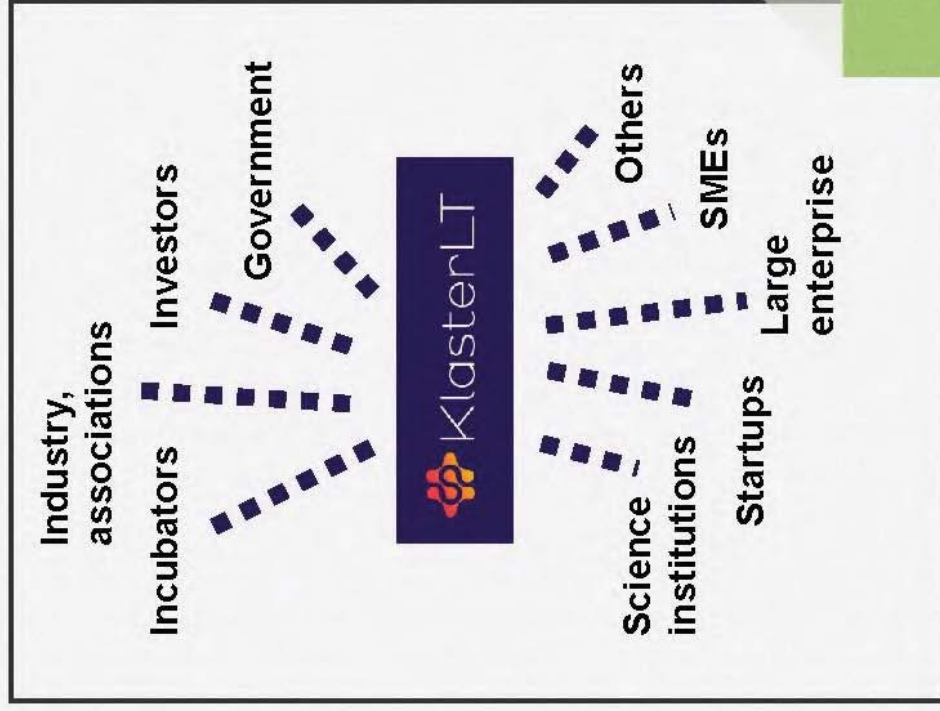
Shaping Funding for Impact: Industry Clusters as Engines of Europe's Competitiveness

The Lithuanian Experience

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 Kristina Ananičienė, Cluster Manager, LITEK (Laser & Engineering Technologies Cluster)
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What is a Cluster Ecosystem?

A **cluster ecosystem** is a strategic alliance of SMEs, researchers, corporates, and public actors — working together across a value chain to scale innovation, attract investment, and drive industrial deployment.



Funding Gaps: What's Holding Ecosystems Back

*Shaping the Competitiveness Fund to Unlock Full Ecosystem Potential**

- **Few EU-scale tools tailored for mid-sized or emerging ecosystems**
(Existing instruments often favor large consortia, strategic projects, or high-TRL R&D)
- **Fragmented Single Market** slows down cross-border collaboration and value chain integration
- **Regulatory complexity** and administrative burden limit access to EU programmes
- **Fragmented national support** = unequal access across Member States
- **Limited innovation infrastructure funding** – pilot lines, testbeds, shared tech facilities
- **One-size-fits-all instruments** don't reflect regional realities or ecosystem maturity

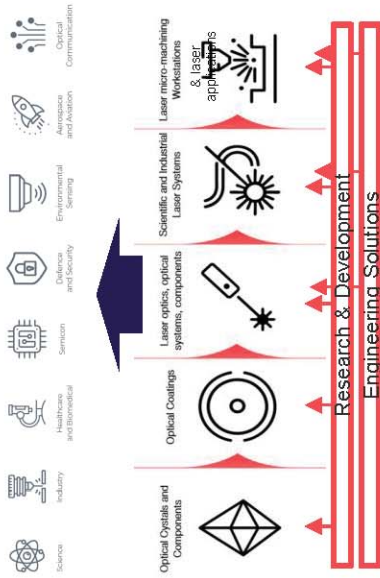
* Sources: ECCP policy briefs, DG GROW consultations, Horizon Europe experience reports, and case studies from various EU member states.

Lithuania's Scalable Innovation Ecosystems, but targeted funding tools are still missing



Since 2011 || Network 19 (+50) || >200M€

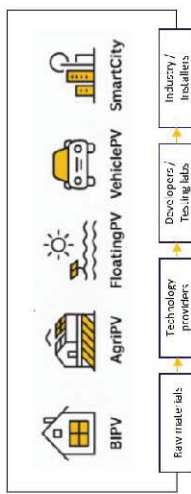
Mission: by working together in R&D develop world-class laser and engineering technologies





Since 2008 || Network 33 (+76) || >150M€

Mission: increase sustainability and competitiveness of national PV sector worldwide



99% of EU businesses are SMEs — but they lack scale to lead strategic sectors

Enable Faster Lab-to-Fab transitions & Overspill Effects

Empower to deliver on EU goals: competitiveness, resilience, and cohesion

Support to aggregate talent, capital, R&D & infrastructure across value chains

Catalyse clusters as growth engines for innovation uptake, resource efficiency & market scaling

Experience of Clusters: Lithuanian Laser Sector Case

Leveraging EU and National Instruments to Build Global Excellence and Leveraging EU Instruments: what do we need more?

- From structural funds to global impact: 3x more companies (65), 10x export growth (from 30 mln EUR to 284 mln EUR) due to support Targeted national and EU support along the laser sector's value chain – developing infrastructure, talent, and technologies – enabled the creation of globally competitive solutions that are successfully commercialized worldwide.
- From labs to market: Success Story – APPOLO Project
Coordinated by LTU: the APPOLO project integrated the full laser microprocessing value chain – resulting in patented technology, industrial deployment, and global scaling, including ongoing collaboration with the S. Korea's semiconductor sector.
- We need long-term, stable instruments
- We need funding for EU objectives which includes regional differences

Experience of Clusters: Lithuanian PV Sector Case

Leveraging EU and National Instruments to Build Global Excellence and Leveraging EU Instruments: what do we need more?

- **Co-opetition in Action: Leveraging EU Programs for Tech & Product Development**
For 17 years, the cluster has utilized EU programs to foster innovation, with €50M invested in 10 joint RTD projects under Horizon Europe, reaching overall 120 RTD initiatives throughout the years.
- **From labs to market: Mobile lightweight charging station for military applications**
Supported by public funds, a joint initiative by several FETEK members is undergoing operational testing with the Lithuanian military, with future developments planned for deployment in Ukraine and a potential spin-off startup under consideration.
- **We need business case-orientation**
demonstration and deployment initiatives with meeting industry demands proactively (especially mid-size industry) through ecosystem centric approach.
- **We need an inclusive, ecosystem-wide approach to forming IPCEIs** – one that ensures even smaller innovation ecosystems can participate and contribute to Europe's strategic goals.

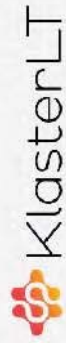
Conclusion: Unlocking Europe's Competitiveness – Together

- From **fragmentation to integration**: Clusters link regions, sectors, and Member States in EU value chains.
- From **complexity to strategic simplicity**: Clear, coordinated support aligned with EU goals
- From **policy gaps to fit-for-purpose tools**: Invest in what ecosystems truly need to scale
- Advocating for collaborative EU “**superclusters**” to tackle shared strategic priorities
- From **small country to big contributor**: Lithuania shows how smaller ecosystems can lead
- From **disconnected tools to ecosystem-based funding** – design for how innovation actually scales
- **Cascade funding** as an agile mechanism to reach smaller ecosystems

Thank You



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