



State of the Innovation Union

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Policy Development for Industrial Innovation

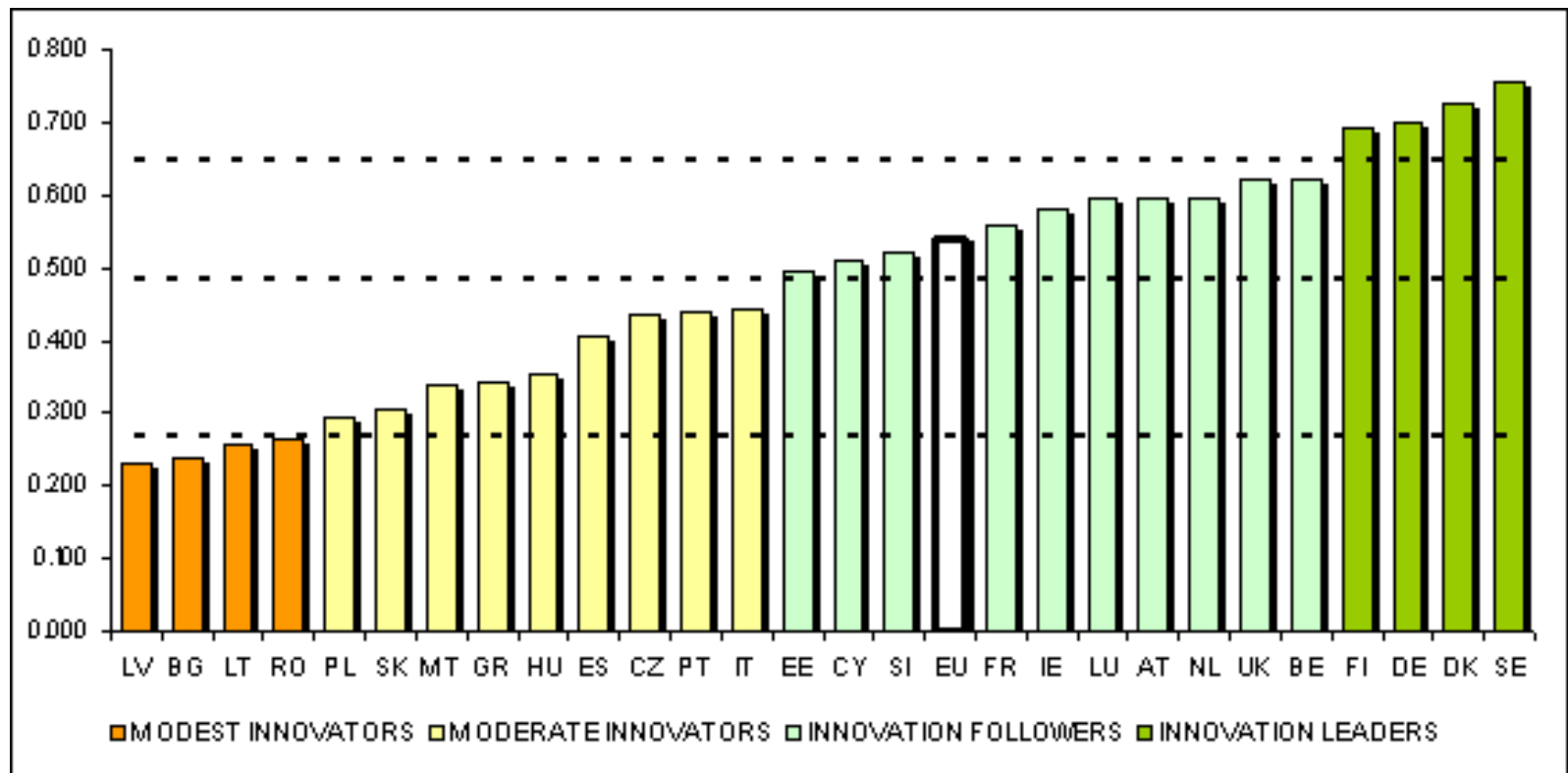
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Enterprise
and Industry



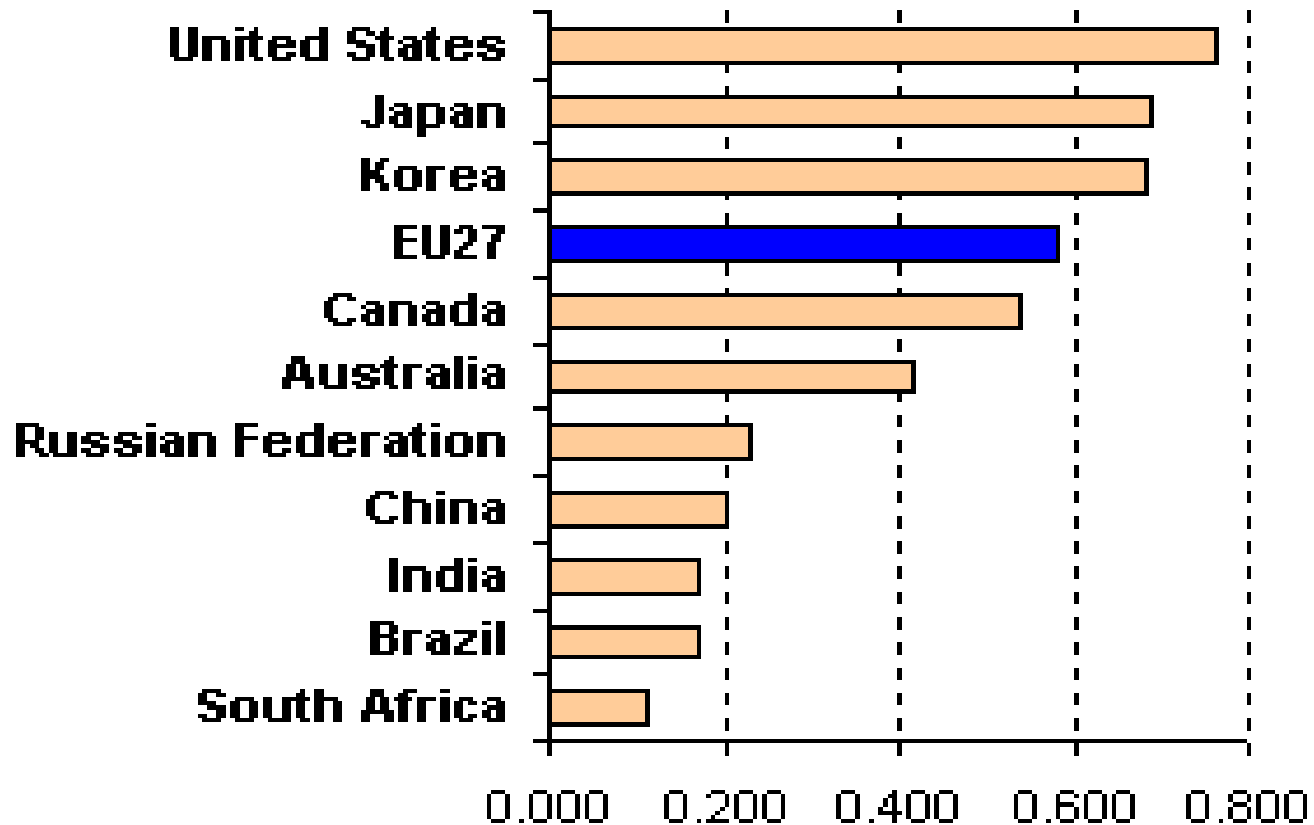
1. The Economical and Political Context

EU MS' innovation performance 2011



The composite indicator builds on data for 24 indicators ranging between 0 and 1

EU and the rest of the world



Global dynamics of innovation performance

- **Switzerland**
remains the European overall innovation leader
- **Croatia, Serbia and Turkey**
catch up with the EU average
- **US, Japan and South Korea**
perform better than the EU
(increasing lead for South Korea, stable for the US and decreasing for Japan)
- **Australia, Canada and all BRICS**
perform worse than the EU
(Brazil and in particular India and China catch up)

Europe 2020 - 5 headline targets

EMPLOYMENT 75% of the population aged 20-64 should be employed

R & D 3% of the EU's GDP should be invested in R&D

A reduction of CO2 emissions by 20%

CLIMATE / ENERGY A share of renewable energies up to 20%

An increase in energy efficiency by 20%

EDUCATION The share of early school leavers should be under 10%

At least 40% of the younger generation should have a degree or diploma

POVERTY 20 million fewer people should be at risk of poverty

The 7 “Flagship Initiatives”

<i>Smart Growth</i>	<i>Sustainable Growth</i>	<i>Inclusive Growth</i>
<p><i>Innovation</i> « Innovation Union »</p>	<p><i>Climate, energy and mobility</i> « Resource efficient Europe »</p>	<p><i>Employment and skills</i> « An agenda for new skills and jobs »</p>
<p><i>Education</i> « Youth on the move »</p>	<p><i>Competitiveness</i> « An industrial policy for the globalisation era »</p>	<p><i>Fighting poverty</i> « European platform against poverty »</p>
<p><i>Digital society</i> « A digital agenda for Europe »</p>		



2. The Innovation Union in Practice

Innovation Union at a glance

1. Training researchers

2. University ranking system

3. Developing new curricula

4. ERA Framework

5. European Research infrastructures

6. Programmes focusing on EU2020

7. Involvement of SMEs in R&I

8. Forum on Forward Looking Activities

9. EIT to expand its activities

10. New financial instruments for private finance

11. Free Venture Capital funds

12. Cross-border matching of innovative firms

13. Review of State aid R&D&I

14. EU Patent

15. Screening of key regulatory frameworks

16. Modernise standard-setting

17. Pre-commercial and public procurements

18. Eco-innovation action plan

19. European Design Board

20. Open access

21. Knowledge transfer

22. European market for patents and licensing

23. Safeguard of IPRs

24. Smart Specialisation

25. Focus on Innovation in the next Structural Funds

26. European Social innovation pilot

27. Research programmes on public sector and social innovation

28. Partners consultation on knowledge economy

29. European Innovation Partnerships

30. Policies for researchers to reside in Europe

31. Scientific cooperation with third countries

32. International agreements on research infrastructures

33. MS to carry out self assessments

34. New indicator for fast-growing companies and monitoring

A closer look at single commitments

6. Programmes
focusing on
EU2020

11. Free Venture
Capital funds

14. EU Patent

17. Pre-
commercial and
public
procurements

29. European
Innovation
Partnerships

Example: EU Patent

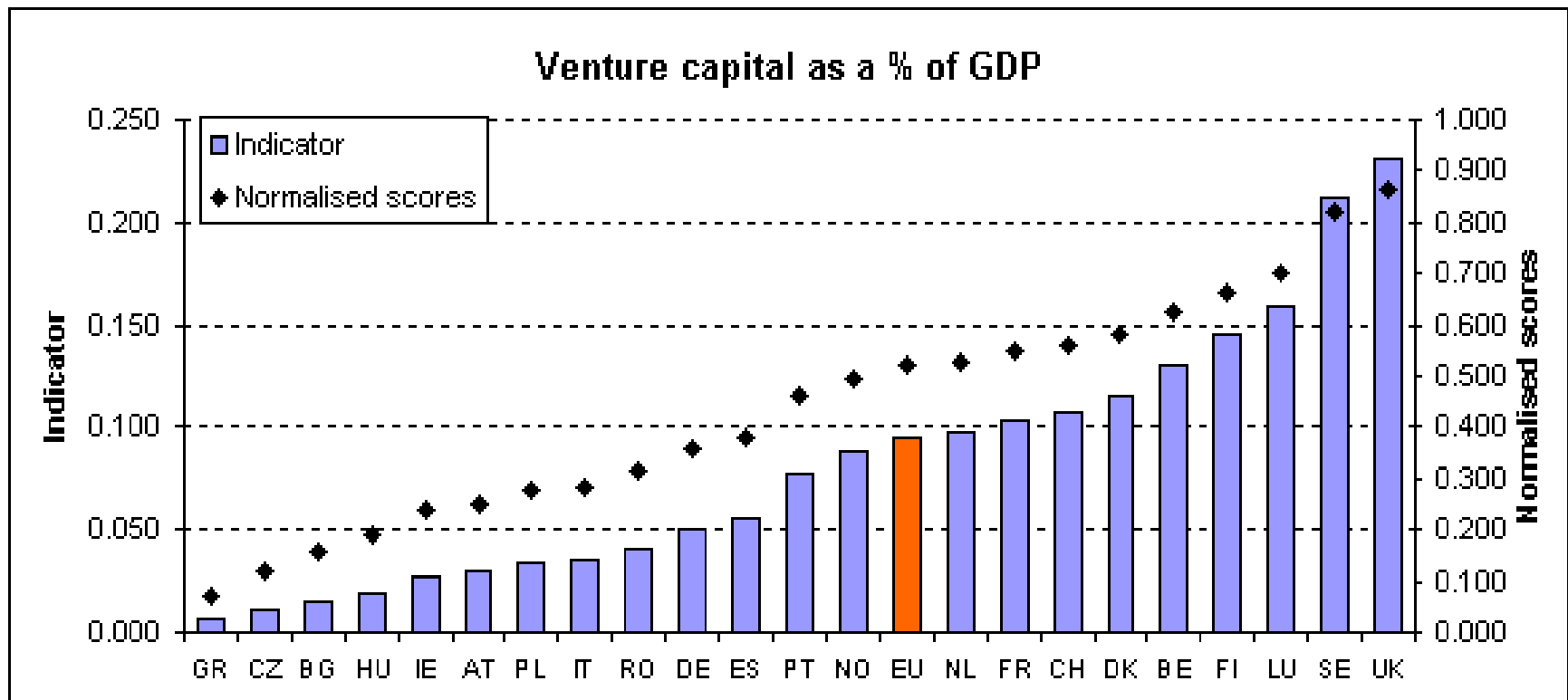
Aims to reduce patenting and translation fees

- from currently up to €32,000 to €680 (valid in 25 MS)
- there will be a transitional period

Legal instrument of enhanced co-operation

- rarely used instrument
- supported by 25 MS + proposed by Commission in April 2011
- nearly 40 years after European Patent Convention of 1973

Example: Venture Capital



Growth performance decreases in 16 countries and increases in 5 (BE; PL; FI; GR; CZ, the latter having an annual increase above 15%). It is declining rapidly in DK, HU and IE. No data for Croatia, Cyprus, Estonia, FYROM, Iceland, Latvia, Lithuania, Malta, Serbia, Slovenia, Slovakia and Turkey

Example: Venture Capital

Regulation on venture capital

- easier for venture capitalist to raise funds across borders
- one single rulebook applicable for EU-wide operation

Appointment of expert group

- led by Chairman of British Business Angels Association
- improve cross-border matching of companies and investors
- publication of recommendations later this year

Example: Public Procurement

Stimulating demand for innovation

- demand-oriented policies effective in promoting innovation
- public procurement makes up 19.4% of European GDP

Intelligent policy-mix

- revision of procurement directives favours innovation
- more transparency through studies and community-building
- exploration of potential for EU-funding instrument

Example: EU Programmes

COSME (average numbers)

€55 million / year: Better framework conditions

€12 million / year: Promoting entrepreneurship

€205 million / year: SME access to finance

€77 million / year: Access to market

Example: EU Programmes

HORIZON 2020 (average numbers)

€3.9 billion / year: Excellent Science

€2.9 billion / year: Industrial Leadership

€5.1 billion / year: Societal Challenges

€0.5 billion / year: EIT funding

€0.3 billion / year: In-house research (JRC)

Example: EU Programmes

Increased support to innovative processes

- testing
- piloting
- demonstration

Demand-oriented innovation support

- standardisation
- public procurement
- inducement prizes
- bottom-up activities (more flexible call for proposals)

A new SME instrument

More extensive use of financial instruments

Example: Innovation Partnerships

- Council endorsement in February
- Pilot European Innovation partnership on Active and Healthy Ageing (AHA) launched

Target by 2020:



2 extra healthy life years



Example: Innovation Partnerships

- Effective stakeholders mobilisation around grand challenges
- Clear need for action, including funding, from Member States (national, regional, local), private sources and the EU
- The pilot has taken due account of existing initiatives and has added value
- Governance has achieved a well balanced representation



3. Outlook

Some good news

Europe has secured support for innovation as never before:

- Despite of the crisis, the Commission has proposed a budget of 80 billion Euros for Horizon 2020
- 90% of the Innovation Union commitments are well on track
- Commission promotes innovation through all of its flagship initiatives

Save the date !

MISSION

conference

Brussels | 29th May 2012

GROWTH

Innovation for
the competitiveness
of European industry

Thanks for your attention!

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