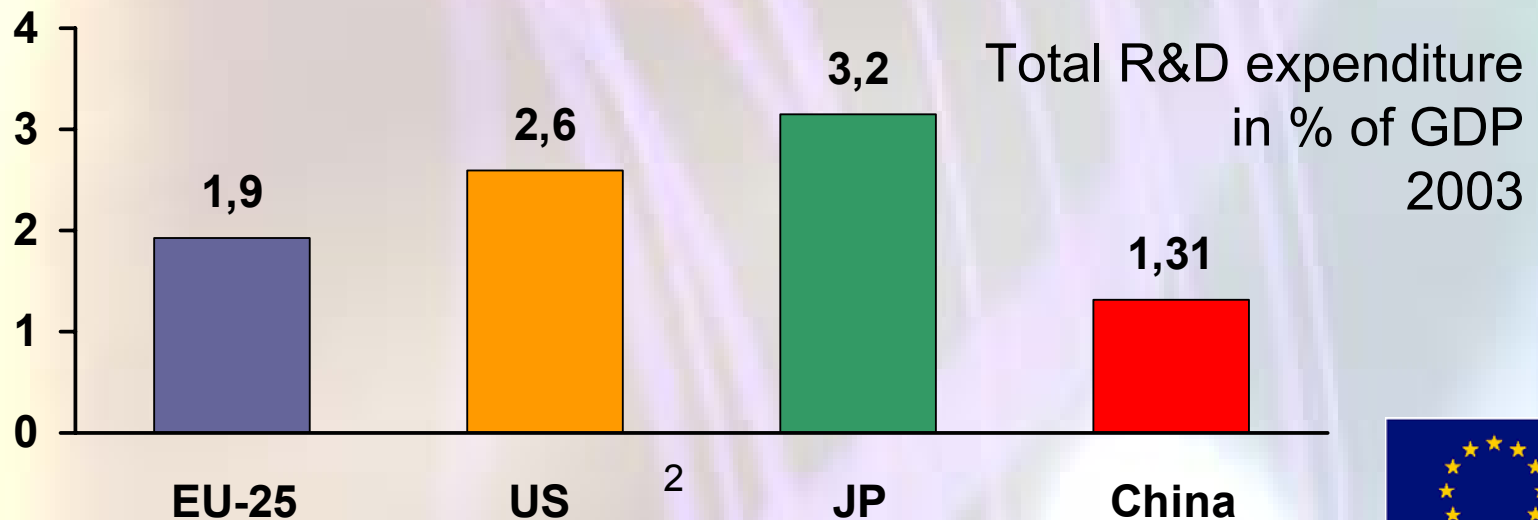


The background features a dynamic, abstract composition of light streaks. On the left side, there are bright, vertical yellow and orange streaks that appear to glow. On the right side, there are numerous purple and blue streaks that curve and flow downwards. The overall effect is one of energy and movement, with a dark, almost black background that makes the light streaks stand out prominently.

More research and innovation
Investing for Growth and
Employment
a common approach

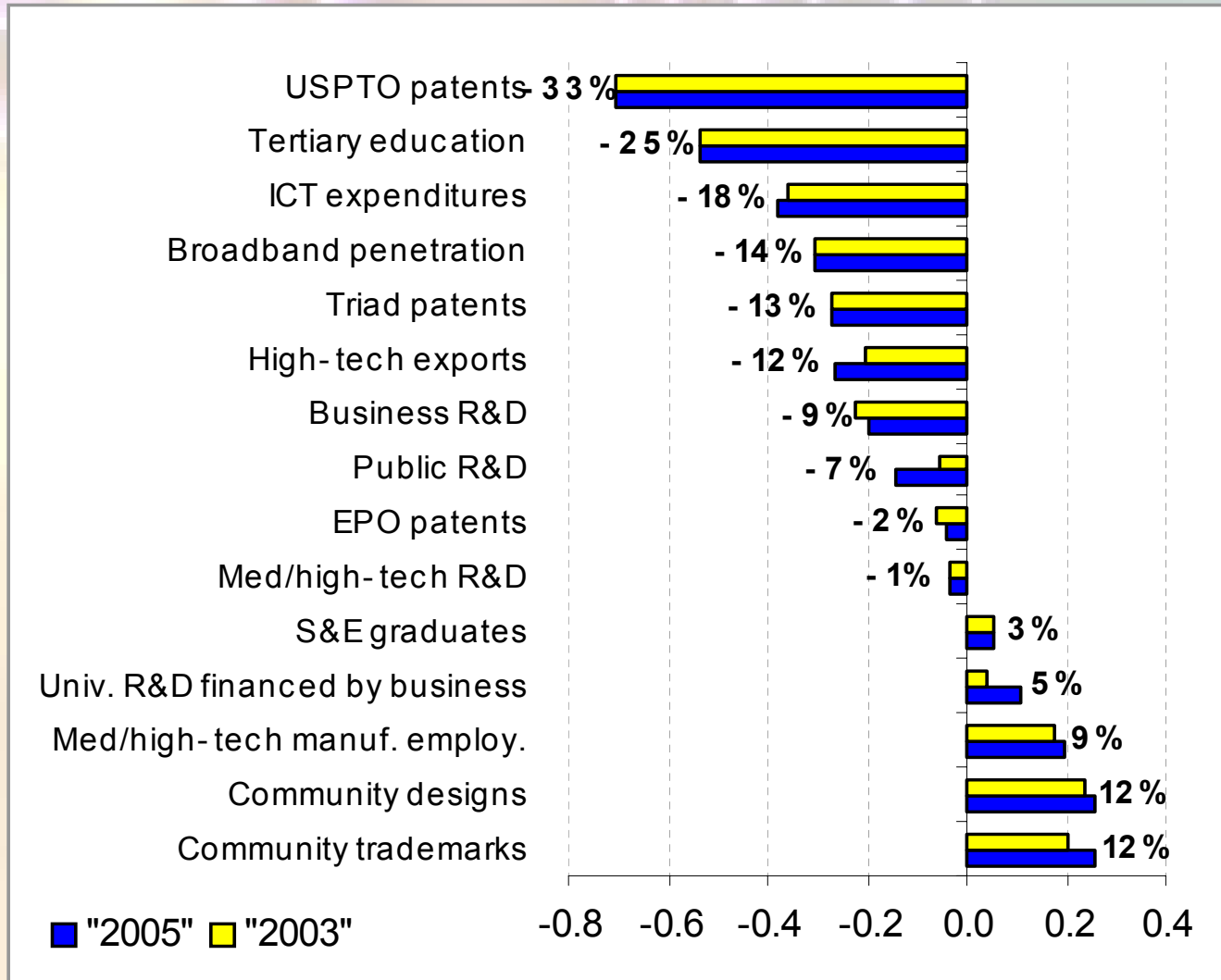
Europe's research gap

- National research investment targets:
EU research at 2.6% of GDP in 2010
- But actual progress not on track
- Targets and measures upgraded in National Reform Programmes?

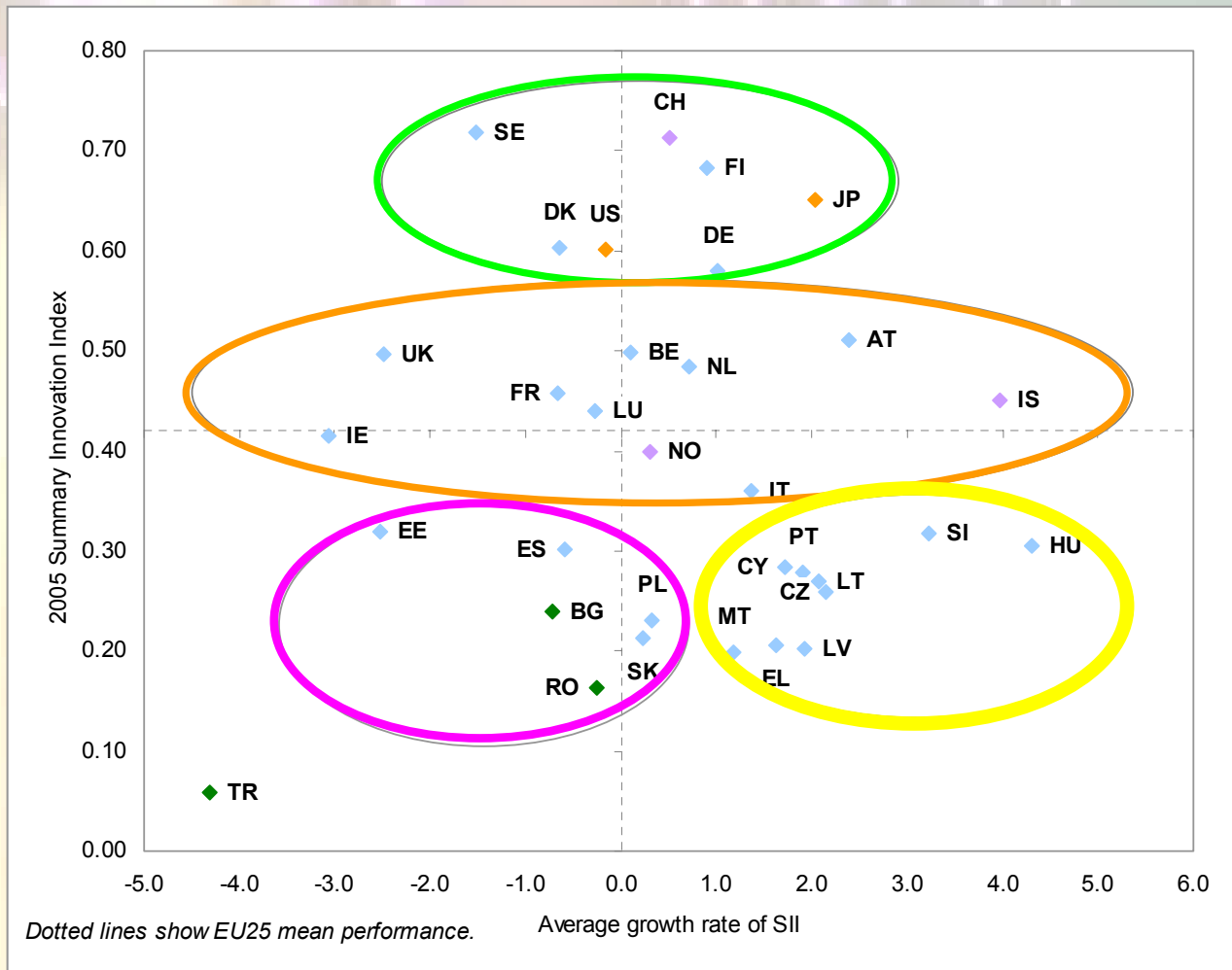


Europe's innovation gap

EU25 - US innovation gap persists



EIS 2005 – Overall Innovation Performance



Leading

Average

Catching up

Losing ground



EU response: approach

- Common approach for research and innovation policies
- Build on existing 3% action plan and EU innovation policy
- Mobilise broad range of policies and instruments
 - *Roadmap for implementing “Knowledge for Growth” pillar of Lisbon strategy*



EU response: objectives

Put research and innovation at the heart of:

1. EU policies
2. EU funding
3. Business
4. Improve research and innovation policies



Research and innovation at the heart of EU policies

- Better regulation – *Identify barriers to R&I*
- State aid – *Redeployment towards R&I*
- Intellectual property – *Improved efficiency and use*
- Researchers – *Attractive single market*
- Public procurement – *Better use to stimulate R&I*
- Tax incentives – *Better and wider use for R&I*



Research and innovation at the heart of EU policies:

Using public procurement

- 16% of GDP
- Under-used possibilities for public buyers to procure innovative goods and services
- Strong potential to stimulate R&I notably with lead markets for new technologies

→ « Handbook » to raise awareness in 2006



Research and innovation at the heart of EU policies:

Use of tax incentives

- Many schemes recently introduced or expanded
- Substantial part of public support

But need to:

- Ensure compliance with EU law, e.g. treatment of R&D subcontracted in other MS
- Improve effectiveness and consistency

→ *Communication to offer guidance in 2006*



Research and innovation at the heart of EU funding

- Mobilise public and private resources for key technologies (FP7 and CIP)
- European Structural Funds
- Improving SME access to finance
- Mobilise national programmes and other sources of funding (philanthropy)

→ *Financial Perspectives*



Research and innovation at the heart of EU funding:

Improving access to finance

- Strengthening Community mechanisms to share risk and reward with equity investors:
High Growth and Innovation Facility (CIP)
- Improving access to EIB dept financing for participants in large European research actions:
Risk-Sharing Finance Facility (FP7)



Research and innovation at the heart of business

- **University-industry partnerships**
- **Clusters**
- **Pro-active business support services**
- **Innovation management**
- **Innovative services**
- **Monitoring System**



Research and innovation at the heart of business:

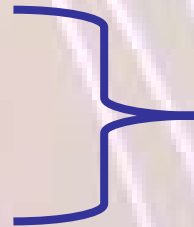
University-industry partnerships

- Public research results under-exploited in EU
 - Recent initiatives in several Member States
- But*
- Need for better coherence / level playing field for cross-border university-industry partnerships
- *Recommendations to Member States and stakeholders in 2006*



Research and innovation at the heart of business:

**Cluster
Monitoring**



Europe INNOVA

- **Sectoral Innovation Watch & cluster mapping**
- **Cluster networks**
- **Sectoral innovation panels**
- **Europe INNOVA Forum**



Research and innovation at the heart of business: Technology Transfer

- **Internationalisation of SMEs**
- **One-stop-shops for business support**



Improve research and innovation policies

- **A priority of the National Reform Programmes**
- **Improved policy analysis**
- **Support to policy learning**



Improve research and innovation policies: Support to policy learning

Coordination of research policies

- **CREST**: Open method of coordination
- **OMC-Nets** : support to joint policy initiatives

PRO INNO Europe

- **INNO Nets**: co-operation between national programmes
- **INNO Actions**: cooperation between innovation agencies
- **INNO Learning Platform**¹⁷



Member States should ...

- **Participate**
- **Integrate**
- **Exploit**

