

P7_TA(2010)0209

Community innovation policy in a changing world

European Parliament resolution of 15 June 2010 on Community innovation policy in a changing world (2009/2227(INI))

The European Parliament,

- having regard to the Commission Communication entitled ‘Reviewing Community innovation policy in a changing world’ (COM(2009)0442),
- having regard to the Commission Communication entitled ‘Preparing for our future: developing a common strategy for key enabling technologies in the EU’ (COM(2009)0512),
- having regard to the Commission Communication entitled ‘A new partnership for the modernisation of universities: the EU Forum for University Business Dialogue’ (COM(2009)0158) and its resolution of 20 May 2010¹ on university – business dialogue,
- having regard to the Council conclusions of 4 December 2009 entitled ‘Towards a competitive, innovative and eco-efficient Europe – a contribution by the Competitiveness Council to the post-2010 Lisbon agenda’,
- having regard to the Commission Communication entitled ‘Moving the ICT frontiers - a strategy for research on future and emerging technologies in Europe’ (COM(2009)0184),
- having regard to its resolution of 10 March 2009 on the Small Business Act²,
- having regard to its resolution of 22 May 2008 on the mid-term review of industrial policy: a contribution to the EU’s Growth and Jobs Strategy³,
- having regard to Regulation (EC) No 294/2008 of the European Parliament and of the Council of 11 March 2008 establishing the European Institute of Innovation and Technology⁴,
- having regard to the conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council of 22 May 2008 on promoting creativity and innovation through education and training⁵,
- having regard to its resolution of 24 May 2007 on putting knowledge into practice: a broad-based innovation strategy for Europe⁶,
- having regard to its resolution of 5 July 2006 on implementing the Community Lisbon Programme: more research and innovation – investing for growth and employment: a

¹ Texts adopted, P7_TA(2010)0187

² Texts adopted, P6_TA(2009)0100

³ Texts adopted, P6_TA(2008)0226.

⁴ OJ L 97, 9.4.2008, p. 1.

⁵ OJ C 141, 7.6.2008, p. 17.

⁶ OJ C 102 E, 24.4.2008, p. 455.

common approach¹,

- having regard to Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)²,
 - having regard to Decision 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007-2013)³,
 - having regard to the Commission proposal for a Council regulation on the Community patent (COM(2000)0412),
 - having regard to the Community framework for state aid for research and development and innovation⁴,
 - having regard to the Commission Communication entitled ‘Towards a more effective use of tax incentives in favour of R&D’ (COM(2006)0728),
 - having regard to the Commission staff working document ‘Assessing Community innovation policies in the period 2005-2009’ (SEC(2009)1194),
 - having regard to the Commission Communication entitled ‘A strategy for ICT R&D and Innovation in Europe: Raising the Game’ (COM(2009)0116),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinion of the Committee on the Internal Market and Consumer Protection (A7-0143/2010),
- A. whereas the Commission has, in its Communication ‘Reviewing Community innovation policy in a changing world’, announced a revised innovation strategy in the form of an action plan,
- B. whereas this future innovation strategy will have to be closely linked with the EU 2020 Strategy,
- C. whereas in its Communication ‘Moving the ICT frontiers - a strategy for research on future and emerging technologies in Europe’, the Commission announced a new strategy for research into future and emerging technologies (FET) with the launch of flagship initiatives,
- D. whereas, in developing a European innovation policy, it is necessary to take into account all three sides of the knowledge triangle – research, innovation and education,
- E. whereas companies’ ability to innovate depends to a great extent on access to adequate financial resources, and the credit crunch caused by the current economic crisis threatens

¹ OJ C 303 E, 13.12.2006, p. 640.

² OJ L 412, 30.12.2006, p. 1.

³ OJ L 310, 9.11.2006, p. 15.

⁴ OJ C 323, 30.12.2006, p. 1.

drastically to curtail corporate capacity for innovation, in particular for small and medium-sized enterprises (SMEs),

- F. whereas innovation is the key to successfully meeting the EU's current grand societal and environmental challenges and realising its strategic political goals in areas including enterprise, competitiveness, climate change, employment, demographic change and an inclusive society,
- G. whereas the European Union will not meet its energy and climate goals for 2020, and in particular its target to reduce greenhouse gas emissions by 20%, increase energy efficiency by 20% and reach a share of at least 20% of energy produced from renewable sources, without accelerating the development and widespread application of clean, sustainable and efficient energy technologies; whereas future innovation strategy should fully integrate this dimension,
- H. whereas research into emerging and future technologies (such as quantum technologies, ICT technologies inspired by biology and nanotechnologies) is a springboard for innovation through its impact on long-term competitiveness, and whereas it creates entirely new areas of economic activity, while encouraging new industries and high-technology SMEs,
- I. whereas the promotion and development of sustainable technologies are not only essential for achieving the EU climate and energy targets but will also be of tremendous value to the Union in terms of future jobs and economic growth,
- J. whereas an uneven distribution of scarce resources can hinder innovation; whereas the EU's policy on raw materials should address the key challenges with regard to ensuring fair access,
- K. whereas, in times of increasingly scarce resources, promoting sustainable, energy-efficient technologies will improve the EU's energy supply security,
- L. whereas demographic change will be one of the main challenges of the future, requiring, inter alia, new technological responses,
- M. whereas the EU needs to pool its resources and reinforce its strengths in those sectors of industry in which it is well placed to compete and ensure a global level playing-field,

A broad approach to innovation

1. Believes that opportunities exist for closer links between research and innovation in Europe; calls on the Commission and the Member States to adopt an integrated approach to science and innovation;
2. Advises the EU Commission that future EU innovation policy must be broad in scope, fundamentally embracing innovation in every form – not only technological innovation (affecting products and processes) but also administrative, organisational, social and work-related innovation, including innovative new business models and innovations in service provision, while taking account of the other two sides of the knowledge triangle (research and education);
3. Stresses that innovation means first and foremost novelties that address consumers' and

market needs; asks the Commission, therefore, to ensure better recognition of the primacy of consumers' demands as a driving force for innovation; points out that in order to counter the emergence of new forms of inequality in society, innovations should in future be measured not only in terms of their environmental and economic benefits but also by the yardstick of social added value;

4. Underlines the fact that strengthening entrepreneurs as the drivers of innovation in Europe is a necessary prerequisite for the effective functioning of a competitive internal market based on the elimination of trade barriers and a high level of consumer protection and social cohesion;
5. Calls on the Commission to set ambitious innovation benchmarks focusing on grand societal challenges and to cut the current fragmentation of different European initiatives;
6. Wholeheartedly supports the Commission's assertion that key enabling technologies and research on future and emerging technologies are vital prerequisites for enhancing the EU's global competitiveness in a sustainable way; joins the Commission in calling on the Member States to reach agreement on the importance of using key enabling technologies in the EU; stresses in that regard that (i) key enabling technologies, such as microelectronics and nanoelectronics, photonics, biotechnology and nanotechnology, (ii) new materials, and (iii) new and future technologies can offer considerable potential for innovation and can contribute to the transition to a knowledge-based, low carbon economy;
7. Stresses that innovation must be centred on the individual and welcomes efforts to step up the dialogue between universities and the business world, which is substantially helping to promote research and innovation, as well as the more effective use of knowledge imparted by the private sector within the universities, and to enrich academic course material in line with present-day social and business requirements;
8. Points out that current key enabling technologies and new and future technologies must be identified in cooperation with the business world, at local, regional and national level, including SMEs, and that regional economic-policy objectives must also be taken into account; calls on the EU to ensure that the contribution of the proposed High Level Expert Group to the identification, ratification and implementation of concrete short, medium and long-term measures in support of those technologies are taken into account;
9. Welcomes these innovation policy measures as complementing the national industrial strategies at Community level and in cross-sectoral terms, and urges the Commission to pursue that approach further;
10. Calls on the Commission and the Member States to combine the roll-out of next generation digital networks and smart grids with innovation activities in order to fully reap their benefits; stresses in this context that sufficient funding needs to be provided, including from the Structural Funds;
11. Stresses that investment in high-speed online networks and greater broadband penetration are basic conditions for increased and more effective dissemination of innovatory achievements and hence a narrowing of the innovation gap between EU regions;
12. Calls on the Commission and the Member States to strengthen innovation convergence policies in order to reduce the differences between Member States;

13. Supports the fact that a 'European Innovation Act' is currently being prepared by the Commission, in order to work towards a more coherent innovation strategy;
14. Stresses the importance of ecological innovation and green enterprise, which can play a major role in linking innovation policy with sectors of key importance for the EU, resulting in major comparative advantages for the European economy;
15. Stresses the important role played by eco-innovation, particularly in the context of raising resource efficiency;
16. Emphasises the important role that innovation clusters will play in future EU innovation policy and stresses the potential offered in particular by knowledge clusters; welcomes the creation of special innovation and enterprise belts around universities, research institutes and scientific and technological parks; calls for consideration to be given to the possibilities of creating a uniform simplified funding and operational framework for the new innovation belts;
17. Stresses that existing clusters – including world leaders in some fields – must be further developed, through the concerted efforts of the EU, the Member States and the regions, so that they can sustain and build on their role;
18. Emphasises, in that regard, that any cluster-policy measures should be taken on a basis that takes account of companies' needs, including those of SMEs, especially those of innovating SMEs, given that innovation has a key role to play in promoting enterprise;
19. Calls on the bodies involved at Member State and EU level to improve the framework conditions for cross-border inter-cluster cooperation;
20. Stresses the central role played by SMEs both as partners in value chains and as independent providers of innovative products;

Increasing and focusing EU financial support for innovation

21. Calls for a strengthened European approach to financing innovation and to prevent the current fragmentation and short-termism; considers that the provision of adequate financial resources is vital to the development of innovation and that the EU budget for innovation should therefore be substantially increased; calls for this to be reflected in the upcoming revision of the current financial framework and in the planning process in connection with the 2014–2020 Financial Perspective; points out in that regard that the rules for eligibility for R&D funding regarding preindustrial and/or experimental R&D should be reviewed at the same time; calls on the Member States to increase their R&D funding in order to achieve the goal set in Barcelona in 2002 of spending 3% of GDP on R&D by 2010; emphasises the importance of research and innovation funding in times of economic crisis, as this will enhance job creation in the long run; stresses the need to earmark an increased proportion of R & D programmes for innovation;
22. Takes the view that EU expenditure on research and innovation must focus on objectives such as providing incentives for the commercial application of research findings, as well as more comprehensive information concerning funding sources and possibilities; stresses the importance of keeping transparency and equal opportunities in accessing funds on the basis of open calls for research proposals; calls on the Commission and the Member States to use

structural funds to incentivise large scale innovation; highlights the need to develop social innovation financing schemes with an increased focus on social returns;

23. Stresses that, along with bigger budgets, it is essential to achieve a critical mass; recommends the use of public procurement for this purpose and emphasises in particular that funding should be directed to those areas where the leverage effect is greatest, such as key enabling technologies and flagship initiatives for emerging and future technologies in order to generate added value for Europe; emphasises in that regard the need to capitalise on the synergies between the Framework Programmes for Research and Innovation and the Structural Funds; stresses in that regard that the different bodies managing FP7, CIP and the Structural Funds have to be aware of the possibilities offered by each of those instruments; regrets that opportunities for existing synergies in funding are still not well known; calls on regions and Member States to step up efforts to improve communication in that regard;
24. Welcomes the creation of the European Institute of Innovation and Technology (EIT) that has been established to stimulate and deliver world-leading innovation by bringing together higher education, research and business around a common goal; stresses the major contribution which can be made by the EIT in providing incentives for innovation programmes and the important role it can play in that respect; urges the Commission to draw up the budget of the EIT in such a way as to ensure that the funding allocated, together with funds from other sources, can achieve the critical mass necessary in order to meet and fully investigate the essential challenges facing EU societies;
25. Stresses the need for guidelines to guarantee the competitive allocation and prompt utilisation of funding and the introduction of an award scheme for projects which have a major immediate economic impact;
26. Emphasises that Europe should be at the cutting edge in the development of internet technologies and ICT low-carbon applications; proposes that the EU ICT research budget be doubled in the next Financial Perspective;

Improving programme governance structures

27. Underlines the point that innovation policy should be coordinated with other EU and national policies (including industrial, environmental and consumer policy), bearing in mind that the approaches identified should be flexible enough to be adapted to different national and regional circumstances;
28. Regrets that efforts to simplify EU research and innovation instruments have not been successful, and that procedures are still far too complex and time-consuming, which particularly hampers participation by SMEs in these programmes;
29. Considers that, in the interests of user-friendliness and transparency, it is necessary to prevent overlap and duplication of effort between support programmes, resulting from poor coordination of the various operational levels; calls on the Commission to investigate whether the EU aid instruments for SMEs could in future be combined under the umbrella of one Directorate-General such as DG Enterprise; considers that this would make them easier to project and would offer potential beneficiaries a one-stop shop;
30. Calls, likewise, on the Commission to ensure that the EU regulatory framework supports innovation rather than constituting a barrier to change and that there is effective cooperation

among the relevant internal services and directorates-general with the help of a structure such as the envisaged task force in order to give coherent and comprehensive consideration to innovation issues; insists that this should lead to less fragmented EU instruments in the field of innovation policy;

31. Calls likewise on the Member States effectively to coordinate initiatives by the national bodies responsible;
32. Emphasises that the EU bodies' joint efforts should be directed at bridging the gaps between research and innovation and between product marketability and commercialisation; stresses that the framework programmes need interfaces with each other or cross-programme connectivity between research and innovation-related measures;
33. Calls on the Commission to develop new innovation indicators which are better suited to increasingly knowledge-based service economies, and to adapt the existing ones, so that the European innovation scoreboard does not just give a comparative analysis of the Member States' innovation capacity but can also identify the strengths and achievements as well as weaknesses of EU innovation measures;
34. Stresses the importance of more comprehensive information concerning suitable funding channels and sources and of reliable data concerning alternative forms of funding, such as licensing agreements, so as to make undertakings more willing to invest;

Encouraging private-sector financing

35. Emphasises that, alongside public funding, more stimulus must be provided for financing from the private sector;
36. Emphasises the importance of the better harmonisation of access to EU funds for all participants in order to improve participation by SMEs in the governance structures and activities of Joint Technology Initiatives;
37. Calls on the Commission to put forward, in the action plan for innovation, practical measures to improve innovative companies' access to financing; emphasises in that regard the need to take into account the differing funding requirements and innovation intensity of companies during their different start-up and growth phases;
38. Emphasises the need to create conditions whereby risk capital will be more readily available, taking into account the needs of SMEs, and to extend the EIB's risk-sharing finance facility (RSFF); calls on the Commission to investigate what steps can be taken to achieve a risk-sharing arrangement that is acceptable for all the actors involved and thus stimulate private investment in the field of innovation;
39. Calls on the relevant Member-State and EU bodies to develop proven SME financing tools such as microcredits, venture capital for people seeking to invest in innovative enterprises, business angels to sponsor business projects by e.g. young researchers, loans and guarantees and to create tax, financial, business and administrative incentives for investment, since this would reduce the risk of company relocation because of unfavourable framework conditions for state aid and motivate companies to employ human resources for purposes of research and innovation, thus boosting the development of new products and services;

40. Stresses the importance of providing for a minimum allocation of funds for SMEs in the open calls published under the Research and Innovation initiatives, following the same commitment adopted for the FP7 (15% of the resources in the Cooperation programme);

Improving the framework conditions for businesses, especially SMEs

41. Calls on the Commission, in accordance with the principles of the single market, to adjust the existing EU rules on state aid so as to support investment in urgently needed new technologies and to secure the Union's long-term competitiveness and a global level playing field; particularly urges the Council and the Commission to take into consideration the key enabling technologies initiative while revising the EU rules on state aid and thus make it possible for the Member States to create national incentive systems to promote key enabling technologies;

42. Stresses the importance of Joint Technology Initiatives satisfying certain criteria in terms of size and governance structures and of carrying out a periodical impact assessment of approved JTIs in terms of their contribution to the competitiveness of the European industry;

43. Welcomes, in that context, the fact that the Community framework for State aid for research and development and innovation is to be reviewed in 2010;

44. Considers that enhanced support for innovation must always be accompanied by a reduction in the red tape confronting applicants; calls on the Commission to eliminate red tape by re-engineering Framework Programme processes and by creating a users' board;

45. Calls on the relevant EU bodies to improve – especially for SMEs – the framework conditions for protection of intellectual property, especially patents, their cost as well as their quality being a key factor in innovation;

46. Regrets, in this connection, the lack of a true internal market for innovations in the EU, and calls on the Commission and the Member States to coordinate their efforts in this area, notably where prompt agreement on a Community patent and a single patent court system are concerned, and stresses the importance of standardisation for the development of innovative products;

47. Recommends the promotion of modern IP policies that foster innovation, such as patent pooling, common patent platforms, and full rights licences;

48. Emphasises, in that regard, the significance for the European economy of developing an SME-friendly Community patent, in tune with the Union's policies on innovation;

49. Notes the increasing use of patents as securities for bank financing, but that banks often lack the technical knowledge to be able to correctly assess the value of patents when lending; calls therefore on the Commission to investigate whether the EU should provide support for the development of valuation standards;

50. Stresses the importance of programmes to encourage SMEs to make use of technological developments and research staff;

51. Stresses that the three sides of the knowledge triangle – education, research and

innovation – must not be separated; calls, to that end, for investment in training and further training for skilled staff not to be cut, as this investment is crucially important given the impact of innovation capacity on EU competitiveness; emphasises the need to make conditions as attractive as possible to researchers and their skilled workers, also in relation to their mobility, so that the EU can hold its own in global competition; stresses that this goes along with improving the working conditions of female researchers;

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52. Instructs its President to forward this resolution to the Council and the Commission.