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on Innovation Union: transforming Europe for a post-crisis world
(2010/2245(INI))

Committee on Industry, Research and Energy

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Innovation Union: transforming Europe for a post-crisis world (2010/2245(INI))

The European Parliament,

- having regard to the Commission communication of 6 October 2010 entitled ‘Europe 2020 Flagship Initiative: Innovation Union’ (COM(2010)0546),
- having regard to its resolution of 11 November 2010 on European Innovation Partnerships within the Innovation Union flagship initiative¹,
- having regard to the Commission communication of 3 March 2010 entitled ‘Europe 2020: A strategy for smart, sustainable and inclusive growth’ (COM(2010)2020),
- having regard to the Commission communication of 26 January 2011 entitled ‘A resource-efficient Europe – Flagship initiative under the Europe 2020 Strategy’ (COM(2011)0021),
- having regard to the Commission communication of xxx 2011 entitled ‘Roadmap for a low carbon economy by 2050’ (COM(2011)xxx),
- having regard to its resolution of xx March 2011 on an industrial policy for the globalised era²,
- having regard to its resolution of 15 June 2010 on Community innovation policy in a changing world³,
- having regard to its resolution of 16 June 2010 on EU 2020⁴,
- having regard to its resolution of 11 November 2010 on simplifying the implementation of the Research Framework Programmes⁵,
- having regard to the conclusions of the European Council of 4 February 2011 on innovation,
- having regard to the conclusions of the 3049th meeting of the Competitiveness Council of 25 and 26 November 2010 on Innovation Union for Europe,
- having regard to the conclusions of the 3035th meeting of the Competitiveness Council of 12 October 2010 on ‘raising the attractiveness of EU Research and Innovation programmes: the challenge of simplification’,

¹ Texts adopted, P7_TA(2010)0398.

² Texts adopted, P7_TA(2011).....

³ Texts adopted, P7_TA(2010)0209.

⁴ Texts adopted, P7_TA(2010)0223.

⁵ Texts adopted, P7_TA(2010)0401.

- having regard to the Commission communication of 28 October 2010 entitled ‘An Integrated Industrial Policy for the Globalisation Era: Putting Competitiveness and Sustainability at Centre Stage’ (COM(2010)0614),
 - having regard to the Commission communication of 6 October 2010 entitled ‘Regional Policy contributing to smart growth in Europe 2020’ (COM(2010)0553),
 - having regard to the Commission communication of 30 September 2009 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 of 13 March 2009 entitled ‘A Strategy for ICT R&D and Innovation in Europe: Raising the Game’ (COM(2009)0116),
 - having regard to the opinion of the Committee of the Regions of xxx,
 - having regard to the opinion of the European Economic and Social Committee of xxx,
 - 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 opinions of the Committee on International Trade, the Committee on Employment and Social Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development, the Committee on Culture and Education and the Committee on Legal Affairs (A7-0000/2011),
- A. whereas accelerating innovation is not only essential in order to attain a sustainable economic model and secure future employment, but will also generate solutions to the shared grand societal challenges facing European society, namely:
- the current demographic changes: an ageing society, urbanisation and migration;
 - the transition to sustainable management of resources: climate change, renewable energy, water scarcity, floods and efforts to secure and substitute critical raw materials;
 - a stable and equitable economic base: economic recovery, harnessing a knowledge-based society, and boosting the EU’s competitiveness,
- B. whereas the key to boosting innovation lies in:
- putting first citizens’ creativity, consumption patterns and responses to new ideas,
 - a long-term, stable, simple, transparent and supportive regulatory framework,
 - better access to finance (in particular for SMEs),
 - fruitful cooperation between research institutes, businesses, governments and citizens,

An integrated and interdisciplinary approach

1. Welcomes the Innovation Union flagship initiative, which is the most significant and concrete attempt so far to introduce a strategic, integrated European innovation policy, whose success though depends on the full cooperation of – and its implementation by – the Member States;
2. Calls for a broad concept of innovation that goes beyond technological and product-oriented innovation and places the enabling role of citizens at the centre; recalls that innovation is applying ideas successfully in practice and targets products, processes, services or movements;
3. Points out that the targets as set out in the Europe 2020 Strategy, the Energy Strategy for Europe 2011-2020 and the Roadmap for a Low Carbon Economy by 2050 must be given priority in the Innovation Union;
4. Welcomes the Commission's focus on grand societal challenges, and stresses that innovation is needed in order to increase resource productivity and sustainable substitution while simultaneously reducing resource use and energy consumption;
5. Stresses the importance of the Resource-Efficient Europe flagship initiative and of efforts to decouple economic growth from the use of resources by supporting the shift towards a low-carbon economy, increasing the use of renewable energy sources and developing sustainable transport;
6. Emphasises that the success of innovation policy is dependent upon:
 - strategic orientation, design and implementation of all policies and measures, with the aim of contributing to and enhancing innovation in Europe (through, for example, education, the labour market, the single market, infrastructure, taxation instruments, industrial policy and trade);
 - well-coordinated cooperation and support at EU, Member State and regional level;
 - maximum involvement of all relevant players, e.g. SMEs, industry, universities, research institutes, governments and social partners;
 - coordination and coherence among the different policy areas, actions and instruments, so as to prevent fragmentation and duplication arising from uncoordinated research and innovation efforts;

Stresses that the main goal of the Innovation Union policy should be to facilitate coordination and coherence by adopting a truly holistic approach focused on the grand societal challenges;

7. Welcomes the Commission's proposal for the development of a single integrated indicator allowing better monitoring of progress in innovation; urges further development of the 'scoreboard' by means of international cooperation;

Citizen-centred and social innovation

8. Stresses that citizens' demands as consumers and engagement as professionals are the

main drivers of innovation; points out that the creation of an innovative society must therefore be based on the participation of its citizens, by enabling them to articulate their needs and their creative potential through a bottom-up approach and by providing innovative solutions enabling individual citizens to contribute to resource efficiency;

9. Calls upon the Commission and the Member States to put serious effort into bringing about a change of mindset towards innovative and curiosity-driven thinking, by encouraging changes towards sustainable consumer patterns and actively promoting citizens' engagement in innovation;
10. Highlights the importance of social innovation and the need to adopt a bottom-up approach and an open environment for creative ideas, so as to spur productivity growth, empower employees and develop solutions for unmet social needs (such as inclusion and immigration);
11. Calls on the EU, national and regional authorities to stimulate social innovation and to provide public funds in support of it; stresses that social innovation should be included in funding and support programmes such as the European Social Fund, the Framework Programmes (FPs) and the Competitiveness and Innovation Framework Programme (CIP);
12. Calls on the Member States to take action to improve the entrepreneurial and quantitative skills of (young) Europeans by incorporating entrepreneurship and innovation into all areas of education;

Simplification, defragmentation, financing and standardisation

13. Calls on the Commission to set up a simple and accessible system to accelerate innovation, to focus on the grand societal challenges and actively to prevent fragmentation and bureaucracy;
14. Calls on the Commission to set up a 'one-stop shop' in cooperation with the Member States, that is, a service counter where all stakeholders (especially innovative small firms) – including local and regional government – can apply for financial support or be linked up with potential partners;
15. Calls on the Commission to introduce a better method of financing innovation, by creating synergies and merging Research & Development & Innovation (R&D&I) support programmes where possible, for example the FPs, Joint Technology Initiatives, the CIP, Joint Programmes, the European Institute of Innovation and Technology and the European Strategic Energy Technology Plan, and to direct structural funding and parts of the Common Agricultural Policy funds and Emission Trading Scheme auction revenues to innovation; joins the Council in calling for a new balance between trust and control, and between risk-taking and risk avoidance;
16. Urges maintaining a strong base of excellence in basic research, building on the success of the European Research Council;
17. Calls on the Commission to link funding instruments more closely to demand-side

innovation tools such as the Lead Market Initiative;

18. Urges the Commission to expand the EIB's successful Risk Sharing Finance Facility (RSFF) by stepping up the available guarantees, providing an additional EUR 500 million in 2011, increasing current funding from EUR 1 billion to EUR 5 billion after 2013 and diversifying the risk component;
19. Calls on the Commission to move a greater proportion of close-to-the-market research to loan-driven instruments such as the CIP, the RSFF and the EIF, and to give SMEs Europe-wide access thereto;
20. Calls on the Commission and the Member States to re-evaluate the whole ecosystem of innovation with a view to removing unnecessary barriers, for example to access to loans for universities;
21. Invites the Member States to make the best possible use of the Structural Funds for R&D&I in the current financing period, targeting the grand societal challenges; calls on the Commission and the Member State to avoid costly duplication by promoting smart specialisation strategies;
22. Joins the Council in inviting the Commission to make proposals to accelerate, simplify and modernise standardisation procedures, thus generating a quicker European response to innovative global market developments;

Single market and intellectual property

23. Stresses that the European single market must be completed for all goods and services as a matter of urgency, including innovative health products, thus providing access to 500 million consumers;
24. Stresses that a strong and balanced intellectual property rights (IPR) system is one of the key framework conditions for innovation; calls on the Commission to develop a comprehensive intellectual property strategy, which balances inventors' rights with promoting wide use of and access to knowledge and inventions;
25. Calls for the introduction of a single Community patent; welcomes, meanwhile, the broad support in the Council for the enhanced cooperation procedure on a single EU patent to start in 2011;
26. Calls for the completion of the European Research Area – a Treaty obligation – by 2014, so as to enable the EU to retain and attract top talent;
27. Welcomes the Commission proposal to develop a European knowledge market for trading and licensing by the end of 2011, including facilitating access to unused intellectual property;

Public procurement

28. Recalls that public procurement, representing 17% of the EU's annual GDP, plays an important role in the European single market and in stimulating innovation;

29. Urges the Member States to direct their public procurement towards innovative products, processes and services; calls, therefore, on the Commission, in its legislative proposals, to facilitate innovation enabling public procurement, including a review of pre-commercial procurement opportunities, and calls on the Member States to increase their green public procurement;
30. Emphasises that international reciprocity is needed in respect of access to public procurement markets, thus enabling EU businesses to compete on fair terms internationally;

European Innovation Partnerships (EIPs)

31. Recalls its resolution of 11 November 2010 on EIPs:
 - stating the overarching principle of resource intelligence in all EIPs, thus promoting resource efficiency, smart consumption and efficient production and management throughout the supply chain,
 - welcoming the pilot project on active and healthy ageing;
32. Stresses that the EIPs must:
 - be aligned with the grand societal challenges,
 - generate inspiration through ambitious but feasible ‘(wo)man on the moon’ targets,
 - create synergies and follow the SMART principles,
 - be shared among more than two policy fields (DGs) within the Commission, and
 - encompass all innovation programmes, including the EIT’s Knowledge and Innovation Communities;
33. Calls upon the Commission to report annually to Parliament on all EIPs, and twice-yearly on the first pilot project;

The region as an important partner

34. Underlines that full engagement of the regional and local levels is crucial to achieving the goals of the Innovation Union, as they have the necessary proximity to a wide range of actors involved in innovation and serve as an intermediary between these various actors, the Member States and the EU;

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35. Instructs its President to forward this resolution to the Council, the Commission and the Member States.

EXPLANATORY STATEMENT

Major challenges facing society

Joining forces in a common cause makes everyone concerned stronger. Joining forces to innovate so as to solve common problems in Europe means more focus, more rapid development, efficiency, including cost-efficiency, and greater creativity. The Innovation Union is intended not only to provide an answer to shared problems facing our societies but at the same time to increase Europe's competitiveness and point to ways out of the economic crisis. In a continent dependent on imports, the Member States are united in feeling the need to use intelligently and sustainably the raw materials and commodities required to generate energy or for use in industry or food production. The ageing of the population is another challenge facing nearly every country in the EU. With the aim of giving people more years of healthy life and better care and medicines while at the same time controlling costs, a joint approach may yield results more quickly. Europe's economies have become so interlinked that it is not only the stability of the euro that requires a common approach: so do efforts to increase the competitiveness of the Member States. What is needed is a common path towards an equitable and stable economy.

The creativity of people: freedom to innovate

People are creative and they themselves must be given the chance to help improve their surroundings, their society. According to recent research, this social innovation contributes 75% of the success of technological innovation. Making room for employees to suggest how to improve work processes is therefore of inestimable value. Members of the public are themselves innovators, for example as developers of applications for the non-European iPhone, but their behaviour and consumption also drive innovation. It is therefore important that people are given – and seize – opportunities to exert influence themselves and become part of the transition to a sustainable society, for example by improving micro-scale renewable energy applications. Changes in behaviour, including in consumption, can drive innovation powerfully.

What do the public have to gain from innovation?

The aim of the focus on innovation is to maintain a high level of prosperity in Europe by finding sustainable alternatives to products, processes and services used previously. More rapid solutions to provide better care for geriatric diseases and diseases of affluence and to promote mobility in old age – these are a few examples of the benefits which cooperation in Europe is expected to provide for members of the public. The aim of the trial innovation partnership 'Active and Healthy Ageing' is two extra years of healthy life for everybody in Europe by 2020.

Focus

Definite choices and challenging targets are essential in order to stimulate innovation. Focus and coherence in policy are the means. If innovation is to yield solutions to so many problems, a vigorous policy must be formulated to encourage creativity which can be turned

into products, services, processes or movements within a short time.

What is innovation and what can be done better?

Until recently, innovation was mentioned in the same breath as research, and only high-tech products were seen as embodying innovation. Innovation is far broader and is expressed in successful conversion of an idea into a product, process, service or movement. Research is indeed a very important source of innovation, but innovation is also derived from other sources as well. For example, there is the sudden brainwave which can be directly converted into a product, process, service or movement (Facebook being one example).

In order to make it easy for ideas to reach the market or be put into practice, the following are needed:

1. better access to credit and financial support,
2. more investment in R&D&I at EU and national level by public and private partners,
3. clear rules holding out long-term prospects,
4. simple procedures for access to European or national support programmes reduce bureaucracy,
 - a ‘one-stop shop’ for European support programmes which overcomes the complexity of the application procedure for businesses (especially SMEs), research institutes, universities and even regional and local authorities. A one-stop shop would not only look at applications for financing but also seek suitable partners or networks for cooperation,
 - combining support programmes where possible. Many programmes overlap. Fragmentation of funds generally also means fragmentation of focus,
 - less insistence on monitoring in connection with applications for financing; more expertise in allocating funding and greater trust after the event,
5. effective cooperation between the EU, national, regional and local authorities, research institutes, universities, businesses and ‘last but not least’ the public,
6. promotion of quantitative skills in education (science subjects), a greater focus on enterprise in studies, more exchanges between academic fields and better cooperation between educational and research establishments and industry,
7. a cheap and simple European patent, workable rules to protect intellectual property and a European system for exchanging unused patents,
8. a genuine European internal market, enabling innovations to succeed better thanks to access to a market made up of 500 million people. At present, some innovations do not succeed in crossing borders because of complex authorisation procedures and differences in regulations in the other Member State. ‘Internal market’ should also be understood as referring to markets which until recently were mainly served nationally, as in the case of innovative health products, which are an ideal aid to healthy and active ageing,
9. a flexible public procurement policy for (sustainable) innovation. Problems with regard to unique providers and publication of intellectual property law need to be resolved, including at the pre-commercial stage.

European policy

European policy should focus more on formulating specifically, and attaining, objectives relating to the major challenges facing society. At present policy geared to increasing innovation is still too fragmented and primarily concerned with research. Research should continue to receive this attention, and the target of 3% of GNP for research should be attained. But in addition other processes which lead to innovation (including social innovation) should be supported in other fields of policy. A holistic and compact approach to innovation needs to be adopted in policy.

European innovation partnerships

The Commission proposes innovation partnerships in order to solve the major challenges facing society more quickly. The intention is that these partnerships should above all exploit synergies between existing innovation developments and solve problems standing in the way of more rapid innovation. These partnerships must comply with the SMART principle, being Specific, Measurable, Attainable, Realistic and Timely. They must confront the three major challenges facing society in order to avoid fragmentation.