



Improving Knowledge and Innovation for Growth: SME clusters and Competitiveness

DG Enterprise and Industry perspective

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Reforms are focused on knowledge



Most Member States now have ambitious national targets for R&D spending, which will allow the EU to approach the overall target of 3% of EU GDP by 2010.

R&D/innovation recommendations for several new Member States: Czech Republic, Latvia, Lithuania, Poland, Slovakia.

National Strategic Reference Framework and Operational programmes had to be prepared in line with National Reform Programmes and “Lisbonised.” This “exercise” confirmed the link between cohesion and innovation.



Is Lisbon process delivering?

Progress with reforms is improving but still big gaps between Member States

After several lean years, growth in 2006 was up to 2.9%

7 million jobs are forecast to be created 2007-2008

Reforms already implemented are one reason for this better performance

Lisbonisation of cohesion policy

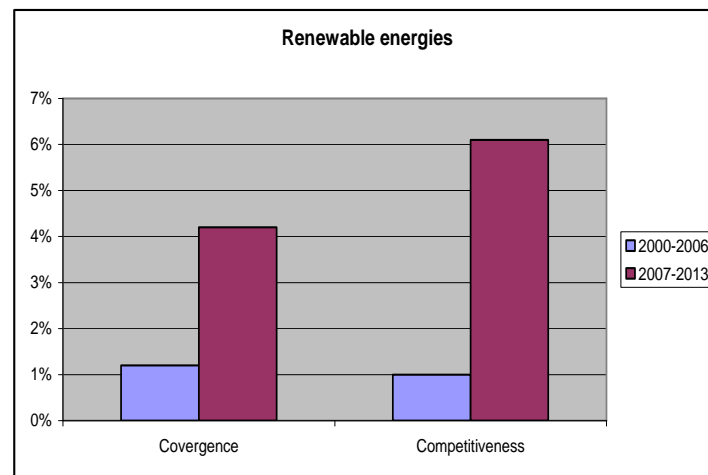
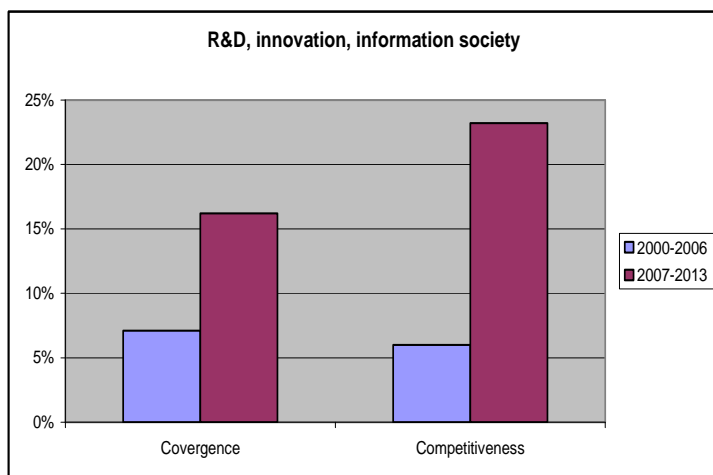
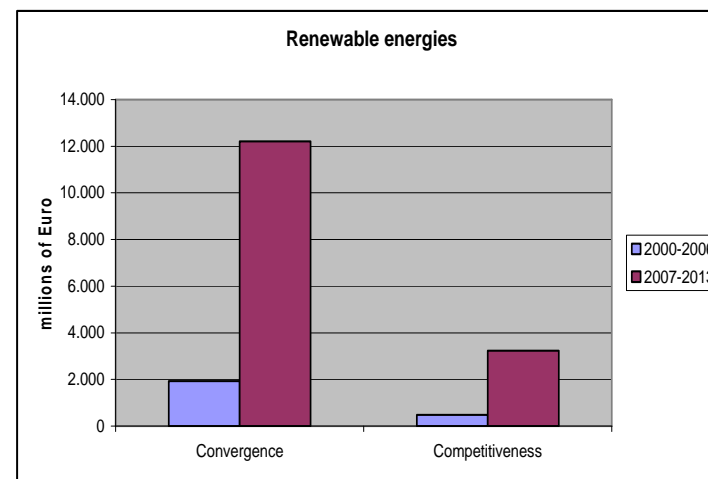
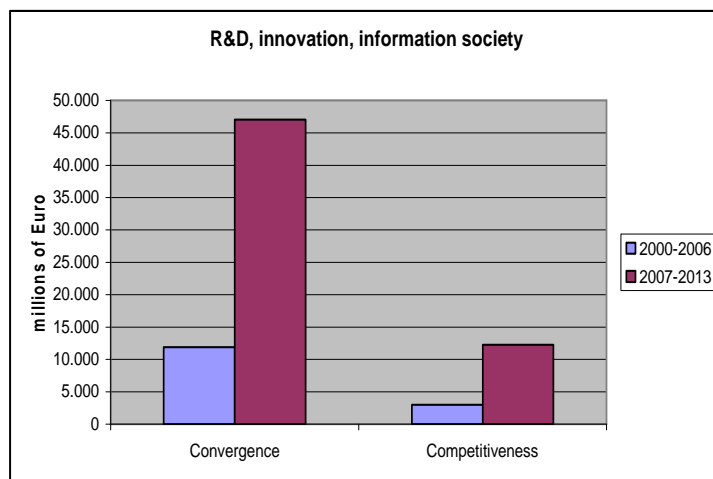


Lisbon Earmarking : 60% of resources in the lagging regions and 75% in other regions should be invested in:

- **R&D and innovation;**
- **infrastructures of European importance;**
- **industrial competitiveness;**
- **renewable energies, energy efficiency**
- **human resources**

Exception: these provisions shall not apply to Member States that acceded the Union after 2004 (EU-12).

Earmarking has brought change



Next Lisbon cycle (2008 – 2010)



The next phase should focus on implementation

Need for stability of the framework

More brand recognition of Lisbon in Member States

New special issues to be addressed (humane globalisation, education, cohesion, ...)

Cohesion policy's continuous role



Cohesion policy is a cross-cutting issue which requires more visibility in the Lisbon strategy.

Cohesion policy is the main financing tool of the Lisbon policies.

Important to show that cohesion policy has the flexibility to accompany new priorities (e.g. education).

Cohesion policy has to use more instruments than structural funds. The importance of the European Investment Fund is recognized as a key funding tool for the Lisbon policies.

The instruments of Innovation Policy



Innovation Policy Components	European Level
Fostering innovation in companies	<ul style="list-style-type: none"> • Training for innovation management (R&D, LIF) • Business support services for innovation (R&D, LIF, LIL) • Support to innovative SME (EIF, EIF)
Developing knowledge production	<ul style="list-style-type: none"> • 7th Framework Programme for RTD • Community Programme for Lifelong Learning • EIE actions for human capital
Developing networking for innovation	<ul style="list-style-type: none"> • Supporting clusters, poles of innovation and partnerships for innovation (RCI, CIP) • Supporting international transfer of knowledge and the international cooperation between companies (CIP)
Improving the framework conditions for innovation	<ul style="list-style-type: none"> • Reform of State Aids • Public incentives for innovation (R&D) • Venture capital schemes (LIF) • Community patent • Innovation in social dialogue
Using demand as a leverage for innovation	<ul style="list-style-type: none"> • European competition policy • European trade policy • Setting standards by Single European Market directives
Improving governance for innovation	<ul style="list-style-type: none"> • Council of Ministers for Competitiveness

Spring Council Conclusions 2006



Invest in research and innovation

Unlock business potential:

- Think small first
- One stop shop registration (in less than a week)
- Cut down the administrative burden for entrepreneurs
- Facilitate the employment of first employee
- Entrepreneurship culture in curricula

Getting more people into work

Energy policy for Europe

A broad-based EU innovation strategy



December 2006 Council Conclusions:

- Agenda for EU innovation around 9 strategic priorities
 - ✓ Intellectual Property Rights
 - ✓ Standardisation and innovation
 - ✓ Public procurement and innovation
 - ✓ Joint Technology Initiatives (JTIs)
 - ✓ Lead Markets
 - ✓ Closer cooperation between science and business
 - ✓ Clusters
 - ✓ Innovation in services
 - ✓ Risk capital markets

Instruments of the Innovation policy under CIP



Competitiveness and Innovation Framework Programme (CIP)

Entrepreneurship & Innovation (EIP)

- Financial Instruments
- Business support services – IRCs
- Projects, analysis and policy exchange

€ 2.170 million incl.
€ 430 for eco-innovation

Intelligent Energy Europe (IEE)

€ 720 million

ICT Policy (ICT)

€ 730 million



1st pillar: EIP

Objectives:

- Access to finance
- SME cross-border cooperation
- Innovation and eco-innovation
- Entrepreneurship and innovation culture
- Policy development

Main instruments:

- Financial instruments (equity and loan guarantees)
- Business support services
- Projects (clusters, regional innovation)
- Analysis and monitoring
- Policy exchange

Support Services in EIP



Network partners will provide for SMEs:

- Information, Feedback, Business Cooperation, Internationalisation Services
- Services for Innovation and the transfer of Technology and Know-how
- Access to FP 7

These services are currently provided by

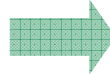


and



No wrong door – no closed door

Instruments of the Innovation policy: Europe INNOVA and PRO INNO Europe



- Addresses innovation practitioners and professionals
- Public-private-partnerships
- Networks follow a sector or theme orientation
- May need an exit strategy (e.g., self-sustainability)



- Addresses (regional and national) innovation policy-makers
- Focus on policy analysis, learning and cooperation
- Advanced form of the method of open coordination
- Partners have a say on future themes for cooperation

The Europe INNOVA initiative



Inform, assist, mobilise and network the key stakeholders in the field of entrepreneurial innovation

Innovation Watch

Cluster Mapping

Innovation Panels

Cluster Networks

Financing Networks

Standards Networks

The PRO INNO Europe initiative




PRO INNO EUROPE

NEW AND BETTER INNOVATION POLICIES FOR EUROPE

 **INNO-Metrics:** benchmarking innovation performance

 **INNO-Views:** facilitating innovation policy dialogue with stakeholders

 **INNO-Policy Trendchart:** analysing innovation policies

 **INNO-Learning Platform:** facilitating innovation policy learning and cooperation

 **INNO-GRIPS:** pooling world-wide knowledge on innovation trends

 **INNO-Nets:** stimulating transnational innovation policy cooperation

 **INNO-Appraisal:** creating an evaluation culture

 **INNO-Actions:** providing incentives for joint innovation actions

www.proinno-europe.eu

Future developments of INNOVA and PRO INNO



	Possible themes	Call published /Start action budget
EUROPE INNOVA	<ul style="list-style-type: none"> • Promotion of innovation in knowledge-intensive services 	<p>Mid 2007 / beginning 2008 5 Mio Euro</p>
	<ul style="list-style-type: none"> • Greening industries & eco-innovation • Facilitating cluster cooperation • Facilitating lead-markets 	<p>Mid 2008 / beginning 2009 25 - 30 Mio Euro</p>
PRO INNO EUROPE	<ul style="list-style-type: none"> • Better innovation governance • Promotion of society-driven innovation 	<p>Mid 2008 / beginning 2009 10 - 15 Mio Euro</p>

Europe INNOVA results



Open innovation process

Trans-national cooperation

Boost to the attractiveness of the regions

Individual regions get more specialised; they are becoming more different but also more connected.

Between 30% and 40% of new employment comes from clustered regions.

Europe PRO INNO results



European cluster observatory – European cluster alliance – European cluster memorandum

European cluster memorandum recognizes that regional governments have a crucial in clustering policy:

The best place to promote such policy initiatives

The most responsible for business environment upgrading

Policies at the EU level can only complement trans-national dimension and exchange of best practices