



VI COTEC Europe Meeting
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Máire Geoghegan-Quinn
Commissioner for Research, Innovation and Science

Your Majesty,

Your Excellencies,

Ladies and Gentlemen,

I am very honoured to participate today in this sixth COTEC Europa Meeting, with such distinguished speakers and participants.

I would like to thank the organisers for making Innovation the theme of today's discussions, since they take place at a crucial moment for the European economy, for the economies of many of our Member States, and at a very important moment for promoting innovation in the European Union.

Against the backdrop of the serious economic and financial crisis, and the implementation of austerity measures in many countries, it can sometimes seem a bit of a luxury to talk about Innovation.

But I am more convinced than ever that Innovation is the key to a stable European economy, to growth and job creation. I hope you my conviction that with daring, energy and determination, we can use innovation to make a real difference to people's lives.

In March this year, the European Commission proposed the Europe 2020 Strategy - an ambitious agenda designed to transform Europe into a smart, sustainable and socially-inclusive economy. It is aimed at getting Europe out of the current economic crisis, and research and innovation are at its heart.

The Member States approved this Strategy in June, and since then we have begun to launch the seven Flagship Initiatives promised by the Strategy to implement its objectives. As the European Commissioner with responsibility for Research, Innovation and Science, I launched the third of these – the Innovation Union Flagship – yesterday in Brussels. I encourage you to read it – I encourage you to give us your feedback and ideas.

Facing up to the severe economic challenge, the Flagship proposes a bold and coherent set of actions aiming to make Europe the Innovation Union, with a successful innovation economy - the "i-conomy" as I like to call it. The Flagship is a major priority for the European Commission. President Barroso is personally very committed to the success of the Innovation Union and he will present the Flagship to Member States at a meeting of the European Council in December.

We need to be bold. We need Innovation in every walk of life, not just in the laboratory or the factory. Not just in the most prosperous regions, but in cities and rural areas across the whole European Union. Not just in the largest companies, but in SMEs in all sectors.

And how do we propose to do this? How can we all become innovators?

Again, I invite you to read the detailed proposals in the Innovation Union Flagship. I will focus on the key principles that steer the Flagship and some of the most important of its proposals.

The Innovation Union intends to boost innovation at all levels, across all sectors of the economy. Innovation that is based on excellent research. We need to reach the target of 3% of GDP spending on R&D that has been re-confirmed by Europe 2020. But we will not reach that important goal without the right economic and regulatory conditions. And reaching it will only make sense if, through innovation, we transform ideas into new products and services that people actually want, and into new jobs for Europeans.

We also need to be more innovative to tackle the major challenges faced by our society now and in the coming decades, such as fighting climate change, healthy living for the growing number of older people in Europe, and using scarce resources more efficiently.

These societal challenges are also issues that people really care about, and with a compelling rationale for action by national governments and European institutions. However, the solutions can present huge commercial opportunities for European companies, such as new medicines and treatments for older people or greener technologies for our homes, cars and cities.

The Innovation Union will use all relevant resources and policy instruments at its disposal, at local, regional, national and European level, across all relevant policy areas. We need such an approach to reach our targets. We must all be innovators now.

The Flagship promotes a particularly European approach to innovation, building upon and improving the Single Market, and making full use of the talents and ideas in both our private and public sectors.

The Flagship promotes a broad concept of Innovation, including innovation in business models, management structures and processes, in design and marketing, as well as

promoting social innovation: it can - and must - happen in schools and hospitals, community centres and care homes. Europe is already strong in many of these areas, but we can do more.

I have given you a flavour of the ideas upon which we have based the Flagship. What of the practicalities? What are the proposed policies, actions and initiatives?

Our overall aim is to unblock the path from, ideas to markets. We have tabled a full set of proposals to do just this.

A first set of actions will aim to improve our knowledge base, creativity and skills.

We need to remove obstacles to the cross-border flow of people, ideas and funding.

In universities, we need to encourage modernisation and develop more attractive research training and careers. One aim is to encourage open access to publications and data from publicly funded research. Another commitment is to continue developing world-class research infrastructures, based on the work of ESFRI, the European Strategy Forum for Research Infrastructures.

We also need to support the development of new skills for innovation and to promote European design and creativity.

A second set of policy reform actions will promote better access to finance, a real bottleneck for innovative start-ups and SMEs in particular.

We must ensure that research and innovation have the critical mass of resources needed to make an impact on our economy and on the societal challenges.

We should strengthen, in my view, the financial instruments available to address market gaps in the provision of loans and venture capital, notably through the European Investment Bank and the European Investment Fund. This could be particularly helpful for SMEs.

We also need to improve the use of Structural Funds to boost research and innovation capacities in the Member States and their regions. I think we should encourage their implementation as part of smart specialisation strategies.

We need to safeguard investment in research and innovation. Although many countries are faced with difficult budgetary decisions, we must not forget that Europe is falling behind its competitors. Japan continues to invest more than 3% of its GDP in research, while Europe is stagnating at less than 2%. In ten years, China has almost doubled its R&D intensity.

It is estimated that achieving the headline target of 3% R&D intensity in Europe by 2020 could add nearly 800 billion Euro to annual GDP and 3.7 million jobs by 2025.

I am determined to ensure that the EU's Framework Programme for Research will continue to provide the much-needed investment in research on which innovation is based. We must make it easier for researchers and companies – SMEs in particular – to access funding. We will streamline the funding process and take better account of the intrinsic risks associated with research and innovation projects.

We need a third set of actions to create a single innovation market

The EU patent needs to be quickly agreed. Our innovators often pay ten times more to patent their ideas in Europe, compared to their competitors. This burden on our companies falls particularly hard on our SMEs. We will look into all the possible options to ensure that a breakthrough is finally achieved. Also a European market for patents and licensing could be developed, modelled on good practices in Member States such as France and Denmark.

As regards markets for innovative goods and services, we need to systematically screen the regulatory frameworks concerned and then propose any necessary adaptations. We should also review Europe's standardisation system in order to speed up the setting of standards in key sectors that underpin innovation, such as Information and Communication Technology.

And we need measures to enhance public procurement. As well as helping European companies, this will also help public authorities to get the best value for money through the most innovative products and services.

We will also foster the improvement of national research and innovation systems, which could become even more effective if they were to take on board widely recognised best practices. So we are developing, in partnership with the Member States, a limited number of policy features or guiding principles whose adoption should be encouraged.

Looking at the grand societal challenges I mentioned earlier, we are planning to launch a limited number of "European Innovation Partnerships" in areas where a clear and verifiable goal can be set, where there is a significant market potential for EU industry. The Innovation Union Flagship proposes to start with a pilot Partnership in the area of "active and healthy ageing".

I think the Partnerships will be truly ground-breaking. I see them as providing a framework for aligning resources and bringing together all key actors. The Partnerships will not be new instruments as such, but will instead weave together the relevant instruments already in play.

They should be a fast-track to innovation, speeding up breakthroughs and making sure that these are more rapidly deployed. The partnerships will aim to make Europe a world leader in each of the chosen sectors.

President Barroso plans to present the Innovation Union Flagship Initiative to Member States in the European Council in December.

The Innovation Union needs strong support from Member States, from businesses large and small, and other major stakeholders. We will need to create new partnerships and new ways of working together to make the most of our talents, ideas and resources. I pay tribute to COTEC itself as a model of a new way of working together in Europe, where the three regional partners can meet to discuss, learn and innovate.

And we can learn from you - your support for the Innovation Union, and your ideas to implement it will make a difference. I know that I can count on your help to make it a reality and I hope that today's event will be a springboard for further debate and action on the Innovation Union.

Thank you for your attention.