

Launch Conference of the German EUREKA Chairmanship 2009/2010
EUREKA: World-Class Innovation Through International Cooperation

Conclusions of the Chair and Proposals for Action

At the invitation of Annette Schavan, Federal Minister of Education and Research and at present President of EUREKA, and Walter Mönig, Deputy Director-General at Federal Ministry of Education and Research (BMBF) and presently Chairman of the EUREKA High Level Group, leading European and international experts and representatives from government and administration, industry, science and research met in Dresden on 6-7 July 2009 at the Launch Conference of the German Presidency of EUREKA 2009/ 2010.

A. GENERAL CONCLUSIONS

With consideration of the contributions by speakers and attendees made at the conference, the German Chair draws its general conclusions,

RECOGNISING the general views that EUREKA remains a useful instrument for pan-European cooperation between science and research organisations and industry – both for large or small and medium-sized companies;

ACKNOWLEDGING EUREKA's continued attractiveness among innovation actors, which is confirmed not only by the interest of non-European countries to cooperate with the EUREKA network or even in achieving a special partnership status, but also by the growing number of new EUREKA projects which are endorsed each year under the EUREKA label;

NOTING that, this demand is remarkable in the light of existing alternative forms of research cooperation mechanisms and funding tools – notably the EU's Research Framework Programme, which has been continuously expanded, and the large number of more or less flexible funding measures available at national and regional levels;

STRESSING that, the fruitful partnership between these different support frameworks becomes evident when one looks at them as complementing each other: the combination of a

powerful bottom-up approach in a flexible network structure (EUREKA) with a robust top-down institutional framework and strategic action (member states, EU);

EMPHASISING that, the knowledge society is an overarching paradigm not only in Europe, but also in other parts of the world – for example, in South Korea. Interaction between economies across the globe has increased considerably, and technological competitiveness plays an even greater role in view of the enormous growth of technological capabilities in Asia and the continued specialisation of knowledge production. Technological competitiveness as a key factor for securing jobs and prosperity will be determined by the ability to adopt business models which are characterised by the concept of "Open Innovation" and where the entrepreneurial decision-making processes involve locating elements of the value chain all over the world;

RECOGNISING the conviction of the vast majority of participants that EUREKA should face these trends and take up the new challenges by widening its scope and adapting its range of instruments, and that EUREKA as a light and flexible network should not be abandoned, which is supported by 38 Member States and the EC;

UNDERLINING confidence in that EUREKA has the potential to become an important driver for structuring the European Research Area (ERA);

REITERATING the aims of the German Chairmanship, as indicatively set out in its Work Programme, to enhance EUREKA's attractiveness through shaping EUREKA's international and multilateral dimension in response to the global dynamics of cooperation and competition in research and development; addressing challenges in certain technological fields of particular interest for international R&D cooperation; improving the efficacy of the EUREKA network with regard to governance, institutional and regulatory frameworks, instruments, and funding; with the ultimate goal to significantly increase the number of new EUREKA projects with maximum benefit for the competitiveness of European industry.

B. SPECIFIC CONCLUSIONS

In this light, with a view to the fields of action proposed in the Work Programme of the German Presidency of EUREKA, and highlighting the results of the conference, the German Chair draws the following specific conclusions:

1. European Innovation Strategy (EUREKA in ERA)

The dynamic development of the European Research Area (ERA) and of European policies promoting innovation at large calls for rethinking the role of EUREKA in the context of the

multitude of cooperation mechanisms and funding instruments in Europe. The provision of public funds for industrial and technology sectors in a challenging market environment is just one, albeit an important parameter for the future of EUREKA, and for some of its support pillars in particular, such as the clusters. What is needed is a broad-based European innovation policy, which helps identifying and supporting lead markets, and in the implementation of which EUREKA is an integrated building block.

Germany proposes to develop a strategy paper, which allows EUREKA to get involved in the European debate and actively influence the Ljubljana process. Almost 25 years of experience of multilateral cooperation and R&D support bundled in EUREKA are an indispensable source in advancing the concept of the ERA, including its governance and set of instruments. As far as relations between EUREKA and the EU are concerned, the German Chair intends to work towards developing a joint vision of EUREKA's future role in realising the European Research Area. For this purpose, EUREKA needs to collaborate closely with the EU and its institutions (Commission, Parliament, Council) and working committees (e.g. CREST, GPC) to advance EUREKA's role as an integrated part of, and partner in, the development and decision-making processes of the ERA.

2. Internationalisation of EUREKA

The need for the conceptual advancement, fine-tuning and implementation of the Internationalisation Strategy for EUREKA agreed in June 2009 under the Portuguese Chairmanship was stressed by the conference audience and will play an important role during the German Chairmanship. It is widely agreed that strategic linkages to partners worldwide is increasingly a decisive precondition for ensuring Europe's global competitiveness. This growing importance of the globalisation of EUREKA is immanent, for example in the energy sector, where trends become visible to integrate emerging economies in the energy supply chains. EUREKA may be the right tool to provide more guidance and practical support to facilitate global cooperation.

At a general level, this means developing a coherent, principle-based and transparent system of indicators/ criteria, well-informed decision-making procedures, and a sound framework for cooperation, such as formal cooperation agreements. At an operational level, EUREKA will need to identify and seek contact with other potential non-European partner countries or networks for closer cooperation with EUREKA and appraise the immanent mutual benefits in each individual case.

Germany is committed to further pursue the internationalisation of EUREKA determinedly yet vigilantly whilst addressing the aforementioned conceptual and operational issues.

3. Managing intellectual property in international R&D cooperation

One of the five ERA Initiatives is the development of an efficient and fair system of knowledge transfer. This conference has shown that a reliable framework for dealing with intellectual property is also pivotal in the case of EUREKA projects. Therefore, the results of the CREST Working Group on Knowledge Transfer should be considered and assessed with regards to their possible application for EUREKA. This applies particularly to EUREKA projects involving non-European companies. It was found important to enforce an effective IP regime for EUREKA as a policy-backed yet industry-driven instrument, in analogy to those at EU level, respectively for EU instruments (e.g. the Framework Programme).

For this purpose, Germany will work towards developing proposals for voluntary guidelines for dealing with intellectual property within the framework of international cooperation projects.

4. Support of SME in international R&D cooperation (Cooperation and the interface between EUREKA and the European Union)

As far as R&D cooperation involving small and medium-sized enterprises is concerned, EUREKA and the EU have developed a promising model for combining their respective strengths, and funding cooperation between high-tech SMEs at European level. The combination of national and EU research funding in a joint mechanism, which has been established successfully through the *Eurostars* programme, is an important milestone for mobilising more resources and towards overcoming the fragmentation of research funding. SMEs are showing a great deal of interest in *Eurostars*.

Germany will follow up on suggestions made as to how to improve or add to this programme – for example, by funding subsequent phases of the innovation process on the path to market development -, and how to improve the selection and funding process.

5. Strategic Initiatives

It has been repeatedly emphasised that approximately 70% of EUREKA project funds are raised by its clusters. However, it is a widely accepted belief that the future of the EUREKA clusters is not only of vital importance for the role of EUREKA in the ERA, but for effective industry-driven, bottom-up RTD cooperation in several strategic sectors in Europe, hence the competitiveness of European industry in general. This issue extends far beyond EUREKA itself. Participants at the launch conference rightly argued that European innovation policy must be coherently developed with a European industrial policy and, more concretely, that political measures must be adopted to ensure a level playing field in some markets, such as ICT, health or medical technology.

From the perspective of industry, two similar cooperation and funding systems are currently in place. In some areas, their fields of research and development are complementary, whereas in others they overlap. The coexistence of EUREKA clusters and JTIs entails new challenges for the programme managers in the national ministries since in many cases projects running under these instruments are funded under the same thematic programmes. This significantly increases the complexity of budget earmarking in the medium-term. A number of other aspects need to be discussed in connection with a clear definition of the interfaces, some of which are already being dealt with in detail in the clusters themselves. The interim evaluations of ENIAC and ARTEMIS, which will be presented at the end of 2010, are of considerable importance in this context. This said, it remains open whether the progressive integration of the clusters in the JTIs or a clear delineation between them is the preferable option.

Achieving bigger impact to address grand questions of society, such as demographic change, climate change, energy security, is another action field for clusters as a holistic model for public-private partnership, R&D coordination across the whole value chain, or exploiting synergies with other policies. In the future, EUREKA clusters could extend their role in the implementation of joint programmes that are developed jointly between Member States, thus effectively combining EUREKA's bottom-up approach with strategic top-down elements.

During its Chairmanship, Germany intends to contribute towards a viable long-term perspective for the role of the EUREKA Clusters and develop solutions for implementation.

6. Financing Innovation: Funding of EUREKA projects

The financing of innovation in the frame of EUREKA has several dimensions. It came as no surprise that many participants saw the solution in providing more public funding for EUREKA, both for the expansion of the *Eurostars* programme as well as in conjunction with the development of EUREKA clusters. Reference was also made to a weakness of the EUREKA network which had been prevalent since the very beginning of EUREKA: the synchronisation of funding decisions. Some of the proposals regarding cooperation with the European Investment Bank (EIB) might prove helpful in this context. Even though EUREKA is specifically mentioned in the basic documents on the so-called Risk Sharing Finance Facility (RSFF) under the Seventh Framework Programme, this instrument has to date hardly had any significance for EUREKA projects. The debt financing of research and development projects is becoming increasingly problematic against the background of the present credit crunch and the deepening economic recession. Several ideas for solving this problem have been discussed at this conference. In particular, closer cooperation between the EIB and EUREKA could prove helpful; in connection with mitigating the problem of synchronising

public funding; in financing *Eurostars* projects; in the context of the specific needs of individual sectors, such as life sciences; in the context of follow-up projects along the value chain, following the successful completion of EUREKA projects. Additional fields for investigation are the utilisation of the EU Structural Funds for innovation in general, and for EUREKA in particular, as well as measures to better structure venture capital markets and facilitate better use of these for EUREKA projects.

In a first step, Germany will seek contact with relevant organisations, first and foremost the European Investment Bank, with the purpose of developing these ideas and translating them into practical solutions.

C. AN AGENDA FOR FUTURE ACTION

The six Fields of Action laid down in the Work Programme of the German Presidency of EUREKA are to be regarded as suggestions that provided a point of departure for advancing EUREKA during the German Presidency term. The German Chair seeks to reach consensus on more concrete propositions based on these suggestions.

In pursuit of this, these Conclusions will be forwarded to the EUREKA Executive Group (EG) of EUREKA, which is composed of selected members of the EUREKA High Level Group (HLG), for consideration, and the recommendations subsequently conveyed to the other committees of EUREKA (National Project Coordinators (NPC), HLG, Ministerial Conference (MC)) for decision-making and implementation, respectively.

The results of a preparatory study commissioned by BMBF/ German Chairmanship Office in the run-up to the Presidency on The Globalisation of European business R&D – Trends, Impacts, Policy Implications will be available in September and also put forward to the EG for consideration of its implications for subsequent action. The study will be published on the German Chairmanship website at www.eureka-chair.de/en.