



Procedure file

Basic information		
INI - Own-initiative procedure	2006/2274(INI)	Procedure completed
Putting knowledge into practice: A broad-based innovation strategy for Europe		
Subject		
3.40.14 Industrial competitiveness		
3.50.04 Innovation		
5.05 Economic growth		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	ITRE Industry, Research and Energy		04/10/2006
		PSE GIEREK Adam	
	Committee for opinion	Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs		12/12/2006
		ALDE BOWLES Sharon	
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
	IMCO Internal Market and Consumer Protection		19/12/2006
		PSE WEILER Barbara	
	REGI Regional Development		01/02/2007
	PSE PRETS Christa		
CULT Culture and Education	The committee decided not to give an opinion.		
JURI Legal Affairs		29/01/2007	
	PPE-DE ZVĚŘINA Jaroslav		
Council of the European Union	Council configuration	Meeting	Date
	Competitiveness (Internal Market, Industry, Research and Space) 2769		04/12/2006
European Commission	Commission DG	Commissioner	
	Internal Market, Industry, Entrepreneurship and SMEs	VERHEUGEN Günter	

Key events			
13/09/2006	Non-legislative basic document published	COM(2006)0502	Summary
29/11/2006	Committee referral announced in Parliament		

04/12/2006	Resolution/conclusions adopted by Council		Summary
12/04/2007	Vote in committee		Summary
26/04/2007	Committee report tabled for plenary	A6-0159/2007	
23/05/2007	Debate in Parliament		
24/05/2007	Results of vote in Parliament		
24/05/2007	Decision by Parliament	T6-0212/2007	Summary
24/05/2007	End of procedure in Parliament		

Technical information

Procedure reference	2006/2274(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Strategic initiative
Legal basis	Rules of Procedure EP 54
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/41195

Documentation gateway

Non-legislative basic document		COM(2006)0502	13/09/2006	EC	Summary
Committee draft report		PE384.517	06/02/2007	EP	
Amendments tabled in committee		PE386.394	13/03/2007	EP	
Committee opinion	REGI	PE384.512	22/03/2007	EP	
Committee opinion	IMCO	PE384.561	22/03/2007	EP	
Committee opinion	ECON	PE384.583	28/03/2007	EP	
Committee opinion	JURI	PE386.312	11/04/2007	EP	
Committee report tabled for plenary, single reading		A6-0159/2007	26/04/2007	EP	
Text adopted by Parliament, single reading		T6-0212/2007	24/05/2007	EP	Summary
Commission response to text adopted in plenary		SP(2007)3179	14/06/2007	EC	
Commission response to text adopted in plenary		SP(2007)3608/2	05/09/2007	EC	
Non-legislative basic document		COM(2007)0799	14/12/2007	EC	
Document attached to the procedure		SEC(2007)1668	14/12/2007	EC	
Follow-up document		SEC(2009)1194	09/09/2009	EC	Summary

Putting knowledge into practice: A broad-based innovation strategy for Europe

PURPOSE: the presentation of a report on 'Putting knowledge into practice: A broad-based innovation strategy for the EU?.'

CONTENT: the purpose of this Communication is to present a broad based innovation strategy for Europe that translates 'knowledge' investments into products and services. One objective of the strategy is to take innovation forward on all policy areas which have a bearing on innovation. The report has also been designed to help frame policy discussion on innovation at both a national and European level.

In addition, the report outlines the most important planned or on-going initiatives in the Community; it identifies new areas for action and it introduces a more focused strategy to facilitate the creation and marketing of new innovative products and services in promising areas 'the 'lead markets'. To implement the broad agenda, the Communication does not propose the creation of new structures. Rather it seeks to build on existing legal and institutional frameworks designed within the context of the renewed Lisbon partnership for Growth and Jobs.

One reason why the EU innovation potential has not been fully exploited, argues the Commission, are persistent deficiencies in framework conditions and in the persistent under-estimation of innovation as an important and valuable aspect of society. The following conditions need to be met if the EU is to become more competitive:

- Education: Without education as a core policy, innovation will remain unsupported.
- Lack of appropriate skills: The Commission identifies a lack of skills in the field of science, engineering and ICT. This is a problem not just for the new Member States but also for the old Member States such as Austria, Germany, Italy, the Netherlands and Portugal.
- Researcher mobility: In order to address shortcoming in researcher mobility, the Commission suggests the implementation of a European strategy, developed by both the Community and the Member States, to create an open, single and competitive labour market for researchers with attractive career prospects.

Areas where the Community could do more to enhance innovation include:

- Using the potential of the internal market: Barriers continue to persist within the internal market, which hampers mobility and deprives businesses of the chance to capitalise on their investments in research and innovation. As a result the Commission is carrying out an urgent review of the internal market. Special attention will be given to the service sector. The global promotion of EU norms and standards is a further priority. Such a policy could offer a decisive 'first mover' advantage to European companies.
- Enhancing the regulatory environment and ensuring an effective IPR framework. Innovation requires a regulatory environment that is predictable, accommodates and even encourages new development in goods and services, protects intellectual property and provides open, interoperable standards. To further this objective, the Commission proposes to improve the institutional framework of European standardisation as well as encouraging policy makers to take account of 'innovation' in the preparation of legislation.

Of equal importance is the need to protect intellectual property. One priority, therefore, must be the establishment of affordable patent procedures that balance cost with quality and legal certainty. The Commission remains convinced that the adoption of a 'cost-effective' Community patent is a very important step. Better enforcement of IPR on foreign markets is equally crucial if European companies are to be better protected.
- Promoting co-operation between stakeholders: Being part of a cluster is an important competitive strength for businesses. Clusters also help to close the gap between business, research and resources thereby bringing knowledge to the market faster. 'Cluster' policies are therefore supported both at a national and a Community level.
- Financial boost to research and innovation: The 7th framework programme is expected to boost the funding of collaborative research in Europe between 2007 and 2013. Further, the establishment of the European Research Council will put a premium on competition by channelling funds at an EU level to ground-breaking research.
- Setting an example: The public sector must lead the way by adopting innovative approaches and exploiting new technologies and procedures in public administration.

To facilitate a new innovation strategy, the Commission is proposing to launch a new 'lead-market initiative'. This will help in the creation and marketing of new innovative products and services in promising areas. The idea being to identify areas where the removal of barriers could contribute to the competitive process and thus lead to the emergence of new markets. In concrete terms, a systematic and prospective approach should be used to look at all policy instruments available by using them in a combined way. This would, however, require a concerted approach between the Member States and the Community whilst taking due account of similar initiatives in the Member States.

One example, quoted in the report of an 'innovation friendly lead market' could be an 'intelligent, near-zero energy building.' The concept of an intelligent, near-zero energy building offers the prospect of an entirely new, technology-intensive, European market with obvious world-wide export potential.

To conclude the report, the Commission sets out ten actions, which are of particularly high political priority:

Action 1: Member States are invited to increase the share of public expenditure devoted to education and to promote an 'innovation' friendly education system.

Action 2: The establishment of the European Institute of Technology.

Action 3: The Community and Member States should develop and implement a strategy to create an open single and competitive European labour market for researchers with attractive career prospects and incentives for mobility.

Action 4: The preparation of a Commission Communication on the promotion of knowledge transfer between universities and other public research organisations and industry.

Action 5: Mobilisation of the cohesion policy in support of regional innovation.

Action 6: A new framework for state aid to research, development and innovation by the end of 2006.

Action 7: The presentation of a new patent strategy before the end of 2006 and the presentation of a comprehensive IPR strategy before the end of 2007.

Action 8: Promoting the use of digital products, services and business models. The Commission will bring forward an initiative on 'copyright levies' before the end of 2006.

Action 9: The testing of a new strategy on the emergence of innovation friendly lead markets.

Putting knowledge into practice: A broad-based innovation strategy for Europe

The Council welcomes the Commission Communication "Putting knowledge into practice: a broad-based innovation strategy for the EU" and the Commission's Communication "An innovation-friendly, modern Europe". It considers that:

- support for innovation is an essential part of the Lisbon Strategy for Growth and Jobs, and it merits an ongoing position on the EU's competitiveness agenda;
- public policies should be designed in a way that creates a strong incentive for innovation.
- Innovation policy should be best understood as a set of instruments;
- a Single Market, competition and a regulatory framework based on clear and consistent rules constitute the prerequisites for a broad-based innovation strategy;
- within the framework of the Lisbon National Reform Programmes, the specific circumstances in Member States call for comprehensive, yet tailored, innovation policy measures at national level;
- the Community financing in support of innovation (notably the Seventh Framework Programme for Research and the Competitiveness and Innovation Framework Programme (2007-2013)) and the specific innovation support initiatives financed by the Commission are important elements of the broad-based innovation strategy;
- innovation policy typically addresses horizontal issues, consisting of various public policies, thus requiring effective governance;
- a common view on innovation enhances the Union's external competitiveness and helps position the Union as the global leader in terms of reaping the new opportunities brought
- by globalisation and technological change;
- the newly adopted Community Framework for State aid for R&D and innovation should enable Member States to better target their existing support budgets to innovation activities in a coherent manner.

In view of the above, the Council stresses that efficient support for innovation is an integral part of the Lisbon Process; thus joint action is required at European level. Therefore, implementation of a broad-based innovation strategy necessitates defining the following strategic priorities at EU level:

Intellectual Property Rights ? IPR: an effective IPR framework at European level is essential for innovation. Regarding patents, the Council invites the Commission to present its Communication on patents, which will be based on ongoing consultations, as soon as possible. The Council will respond to the Commission's initiatives in due course.

Creating a pro-active standard-setting policy: the Commission should work out by September 2007, based on on-going efforts and in consultation with the industry, including SMEs, and all other relevant stakeholders, proposals for action to be taken by appropriate bodies, for reforming and streamlining the system. Attention should be paid in particular to reassessing the working methods and the overall resources of the standardisation organisations as well as to analysing the role of standardisation in research and new fields of technology. The Council invites the Commission and Member States to investigate how to further integrate standardisation aspects into European and national RTD projects. The Commission is also invited to report on ways to reinforce the uptake of standards. The Council will return to this topic by November 2007 to take stock of progress, and decide on the next steps.

Making public procurement work for innovation: the Council looks forward to the Commission's guidance, expected by December 2006, on how the EU rules on public procurement can be used to stimulate innovation. The Council will return to this issue by November 2007 to discuss the Commission's response and to decide on eventual further action.

Launching Joint Technology Initiatives (JTI's): the Council invites the Commission to make, by February 2007, proposals for the setting up of Joint Technology Initiatives that have reached an appropriate stage of preparedness. The Council will undertake to make a decision on those proposals as early as possible. Proposals on other areas should follow as soon as possible. The Council also urges in this context industry to make appropriate commitments for financing of the JTI's while ensuring that participation in projects is open to a wide range of participants throughout Europe, in particular SMEs. **Boosting innovation and growth in lead markets:** the Council invites the Commission to present during 2007 an initiative on lead markets, based on a broad stakeholder consultation for defining a valid approach for fostering emergence of markets with high economic and societal value. This would include identifying areas where concerted action through key policy instruments and framework conditions, coherent and coordinated policy making by relevant public authorities as well as enhanced cooperation between key stakeholders can speed up market development, without interfering with competitive forces. Potential for lead markets could be assessed, inter alia, in areas such as low carbon technologies, eco-innovation, e-health, intelligent transport systems, digital content, energy efficiency, bioenergy/biotechnology, nano-technology, satellite navigation and earth observation, security, ICT and marine technologies, including mineral resources. The Council will undertake to conclude the discussions on the initiative by February 2008.

Enhancing closer co-operation between higher education, research and business: the Council welcomes the Commission's proposal on the establishment of the EIT. The Commission is invited to clarify the outstanding issues, in particular, the budgetary implications of establishing the EIT. The Council will endeavour to conclude the discussions on the proposal in co-decision with the European Parliament in good time with a view to having the EIT operational as soon as possible in the context of the Lisbon process. The Council also invites the Commission to present the announced Communication on knowledge transfer, including guidelines for public authorities, public research centres and industry, aimed at enhancing knowledge transfer between the public and private sectors across Europe.

Helping innovation in regions: the Council welcomes the Commission's initiative of the European Cluster Alliance aiming at stimulating practical cooperation between regional governments. The Commission is in this context invited to prepare by April 2007 an analysis on how to promote the trans-national dimension of clusters. The Commission is also invited to provide expert assistance on using structural funds for promoting innovation. The Council will return to these issues, and consider next steps by November 2007.

Developing a policy approach to innovation in services and to non-technological innovation: the Council invites the Commission to prepare by April 2007 an overall assessment on innovation in services evaluating e.g. the related needs for policy adjustments, where appropriate. The Commission is also invited to take into account the various forms of non-technological innovation. The Council will discuss the assessment by

June 2007, and decide on eventual next steps.

Risk capital markets: The Council invites the Commission to continue its efforts to improve businesses' access to appropriate innovation finance, inter alia, by identifying, in co-operation with the Member States, obstacles to cross-border investment by venture capital funds. The Commission is also invited to study further the conditions for early stage venture capital investment in the EU with a view to future policy initiatives for SMEs. The Commission should prepare a report on the cross-border obstacles and present it to the Council by November 2007.

Lastly, the Council invites the Commission to integrate these Strategic Priorities as part of the Community Lisbon Programme and to report on their progress as part of its Annual Progress Report, analysing in particular the complementarities between national and EU level action. In this context, special emphasis should be on systemic benchmarking of innovation policies at EU level against those followed elsewhere in the world, including of public funding measures for research, development and innovation.

Putting knowledge into practice: A broad-based innovation strategy for Europe

The Committee on Industry, Research and Energy adopted the own-initiative report of Mr. Adam GIÉREK (PES, PL) in response to the Commission's communication entitled 'Putting knowledge into practice: a broad-based innovation strategy for Europe'.

The Committee welcomes the Commission's proposal which seeks to launch a new initiative for lead markets, aimed at facilitating the marketing of new innovative products and services in areas where the EU can become the world leader. It takes the view that the new lead market initiative, which should concentrate particularly on the creation and marketing of new innovative products and services, must be started up particularly in fields where there is a large potential demand, whilst ensuring that the less developed regions are not left behind.

The report stresses the need in particular:

- to revitalise European businesses and their potential to innovate by cutting red tape, thereby improving the quality of regulation whilst reducing the administrative burden;
- to introduce into education programmes activities and initiatives designed to attract young people to science and innovation;
- to take measures at EU, regional and local levels are needed to increase the number of science, engineering and technology graduates, particularly female graduates, also in primary research and notably by using the 'People' Specific Programme within the Seventh Framework Programme;
- to install the technological and scientific infrastructure needed for creating innovative solutions in existing tertiary educational establishments, so as to provide research centres with development prospects;
- to ensure that efforts should be focused on facilitating the transfer of research results into marketable products, particularly for SMEs (while taking care not to stifle fundamental research).

Members agree with the Commission that 'cluster policy' is an important part of Member States' innovation policies. They call on actors, particularly at regional and local levels, to promote clusters, as well as innovation and technology centres, in urban centres and rural areas, in such a way that a balance can be reached between different regions; encourages the Member States to promote, in their countries, the creation of 'knowledge regions' and 'clusters' and EU-wide and cross-border cooperation, and also to promote cooperation with experts from third countries; stresses in this context the importance of creating governance structures so as to improve cooperation between different actors in a cluster and asks for clusters to be directed also to cross-border activities, building notably on the experience of Euroregions, which possess established cross-border structures and social networks.

The Member States are invited to use the Structural Funds for building new and strengthening existing technical infrastructure for innovation development in the form of innovation centres, technical incubators and research-development centres in the regions endowed with sufficient innovative and knowledge potential.

Members, furthermore, stress that if a European Institute of Technology (EIT) were created, it should invest in the relationship between knowledge institutions and businesses through a focus on innovation. In this way, it should help to boost competition in innovation fields; and thus be able to make a significant contribution to translating Europe's potential for innovation into practice

According to the Committee, the present venture capital system does not meet the funding needs of SMEs, micro-businesses and small entrepreneurs. The Member States, therefore, should use public funds, including the Structural Funds, to begin establishing risk capital funds in the form of public-private partnerships in regions and fields having innovative potential and a sound knowledge base. It invites the Member States to consider and implement tax incentives that encourage enterprises to invest more in research, development and innovation.

Convinced that reasonable and reliable copyright protection and patent systems are crucial elements in building an innovative knowledge-based economy and society, Members confirm the need to reform patent policy in Europe, while recognising that is a long-term process. In this respect, they call on 1) the Commission to set up, in cooperation with the Member States, a group of experts, including also economic experts, to review the situation including the question of patentability; 2) the Commission and the EIF to examine the possibilities for providing small businesses with adequate financial support for their patent applications; 3) to present, in cooperation with the Member States, a plan to integrate the European Patent Organisation into the Community; 4) the Commission and the Member States to propose, in the context of the new Community patent, a procedure for eliminating trivial patents and sleeping patents filed for the sole purpose of obstruction; 5) the Commission to draw up, in cooperation with the Member States, measures that are alternative and complementary to patent right legal protection measures which will defend inventors and emerging models of creation against blackmail and law abuse (such as FLOSS (free/libre/open source software licensing systems).

The Commission is invited to encourage the use of reformed networks of EuroInfoCentres and Innovation Relay Centres for providing complex services at regional level for all players involved in the innovation process and to support the role that intermediary organisations representing SMEs play as innovation developers and advisors.

The Member States are invited to introduce into education programmes, activities and initiatives designed to attract young people to science and innovation, as well as to promote national and European prizes for innovation

Putting knowledge into practice: A broad-based innovation strategy for Europe

The European Parliament adopted a resolution based on the own-initiative report by Adam GIEREK (PES, PL) in response to the Commission's communication entitled 'Putting knowledge into practice: a broad-based innovation strategy for Europe?'. (Please see the summary of 12/04/2007.)

Putting knowledge into practice: A broad-based innovation strategy for Europe

This Staff Working Document presents a review of the progress made since 2005 in delivering Community policies in support of innovation. It gives an overview of the work done to fulfil the objectives set in the 2005 Communication 'More Research and Innovation ? Investing for Growth and Employment: A Common Approach?' and the 2006 Communication 'Putting knowledge into practice: A broad-based innovation strategy for Europe?'.

The assessment presented in this paper shows that, since 2005, innovation policy moved up in terms of EU policy priorities and became widely recognised as a key enabler of competitiveness, productivity growth and sustainability. It is also increasingly recognised that enhanced European cooperation is the way to fully exploit the innovation and creativity potential of Europe in all its diversity. However, it also shows that progress in addressing each of the identified weaknesses of the innovation environment has been uneven. A number of important weaknesses remain, not the least in the area of Intellectual Property Rights (IPR) protection.

Innovation support became firmly anchored in Cohesion Policy and was integrated in a wide range of EU funding programmes (e.g. FP7, CIP, LIFE, and Life Long Learning). However, implementation of these programmes is directed by over 20 committees with the participation of some seven Directorates General of the Commission. The programme implementation is done by four different executive agencies, the EIF and a number of Directorates General. In 2006, this situation triggered the call of the Council for more synergies between these funding programmes.

Indeed, further changes in the range and number of EU instruments and policies used to support innovation seem necessary, notably to promote coherence between instruments and to complement or extend them to cover also demand-led innovation measures.

In order to improve policy making, there seems to be a need for better assessing the impact of the actions. For this, it would be necessary to identify ex-ante and in much more detail the problem to be addressed, against which the impact of the action has to be measured later on.

Moreover, the increasing popularity of innovation in a broader range of policy areas bears the risk that the concept and possible economic impacts become diluted, as virtually every change in policy measures is classified as innovation related.

The degree of connectivity and communication between the different elements of national, regional and local innovation eco-systems also needs to be enhanced, to strengthen the collaboration between stakeholders.

Lastly, the great interest in the European Year of Creativity and Innovation 2009, with hundreds of innovative projects funded from national and EU programmes, bears witness to this. The European Year itself raises the general awareness and policy debate on the role of creativity and innovation in society and economy, widening its traditional scope from research and development to design and creative industries.