

Innovation policy

Explanatory Meeting on the Acquis

Directorate-General for Research and Innovation
European Commission

These slides accompany the explanation of the acquis to Albania and North Macedonia and can only be used for that purpose. Their content is subject to further development of the acquis and interpretation by the Court of Justice of the European Union.

Innovation policy – background

Innovation Union - one of the 7 flagship initiatives of the Europe 2020 strategy for smart, sustainable and inclusive growth (34 Commitments)

- *innovation as the overarching policy objective*
- *remove obstacles to innovation*
- *revolutionise the way public and private sectors work together*

3Os strategy - Open innovation, open science and open to the world are the 3 main policy goals for EU R&I set by Commissioner Carlos Moedas in 2015 – Open Innovation:

- *Policy supporting open innovation → Innovation Principle*
- *Funding for innovators → European Innovation Council (EIC) pilot*
- *Knowledge transfer*

An innovation principle is needed

Our economy and society need a regulatory framework with the flexibility to adapt to rapid systemic and technological changes.

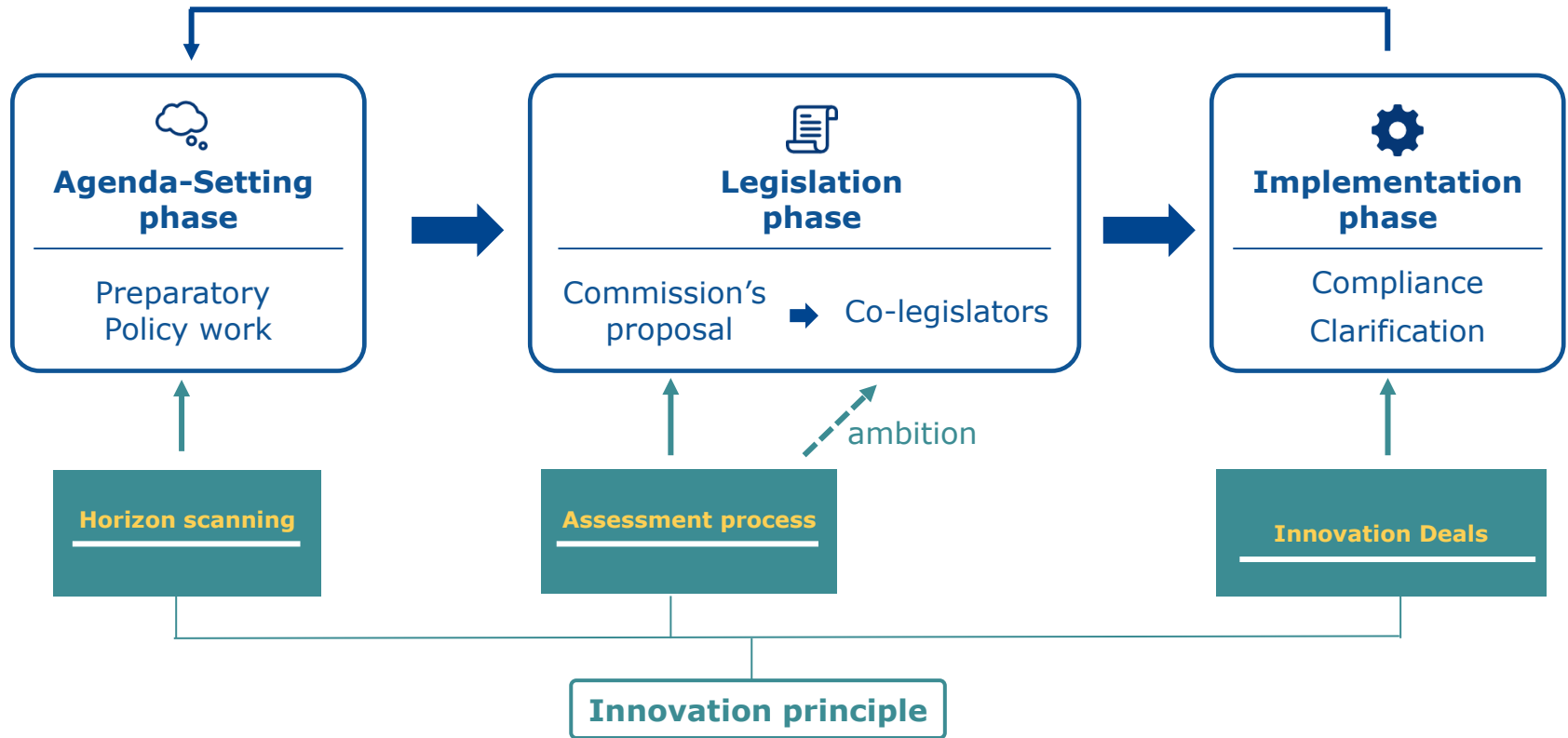
Innovation Principle → Innovation → Economic Growth and Answers to societal challenges

- *To help achieve EU policy objectives*
- *To formulate Commission proposals with a view to promoting responsible innovation*
- *To build on knowledge acquired from R&I to identify potential issues and put forward solutions*
- *To develop a framework which can better stand the proof of time*

Broad political support for Innovation Principle

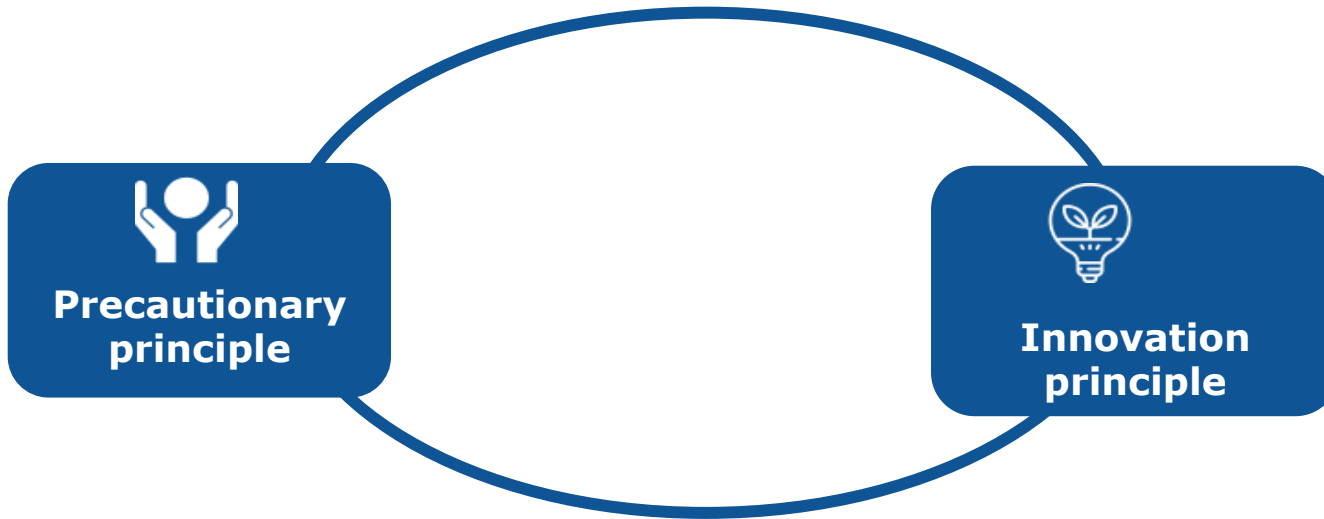
(Council Conclusions – May 2016)

Policy cycle



- Regulatory certainty and business predictability is key to foster innovation throughout the EU policy cycle
- Early collaboration and coordination between the Commission and stakeholders is vital for successful application of the innovation principle
- Balanced public consultation and feedback opportunity

Finding the potential for mutual reinforcement



The precautionary principle and the innovation principle are not conflicting concepts, but two sides of the same coin to improve citizen welfare. The precautionary principle is fundamental to ensure that only safe products are placed on the market. However, when we propose legislation about new technologies and processes, we also need to apply the innovation principle, to avoid restricting the potential of at that date still unforeseen but innovative and possibly ground-breaking technologies with major added value for our society and economy.

European Innovation Council: why?

Innovation performance	Lack of creation and diffusion of breakthrough innovations, means low productivity growth.
Innovation transfer	World leader in science, but underperforms in transferring science into innovative companies.
Innovation Scale-up	Lack of risk finance for scaling up (e.g. venture capital). "Valley of death" between early stage ideas (grant funding) and private investment (private investment).

European Innovation Council

The EIC will support innovations with breakthrough and disruptive nature and scale up potential that are too risky for private investors.

**European
Innovation
Council**

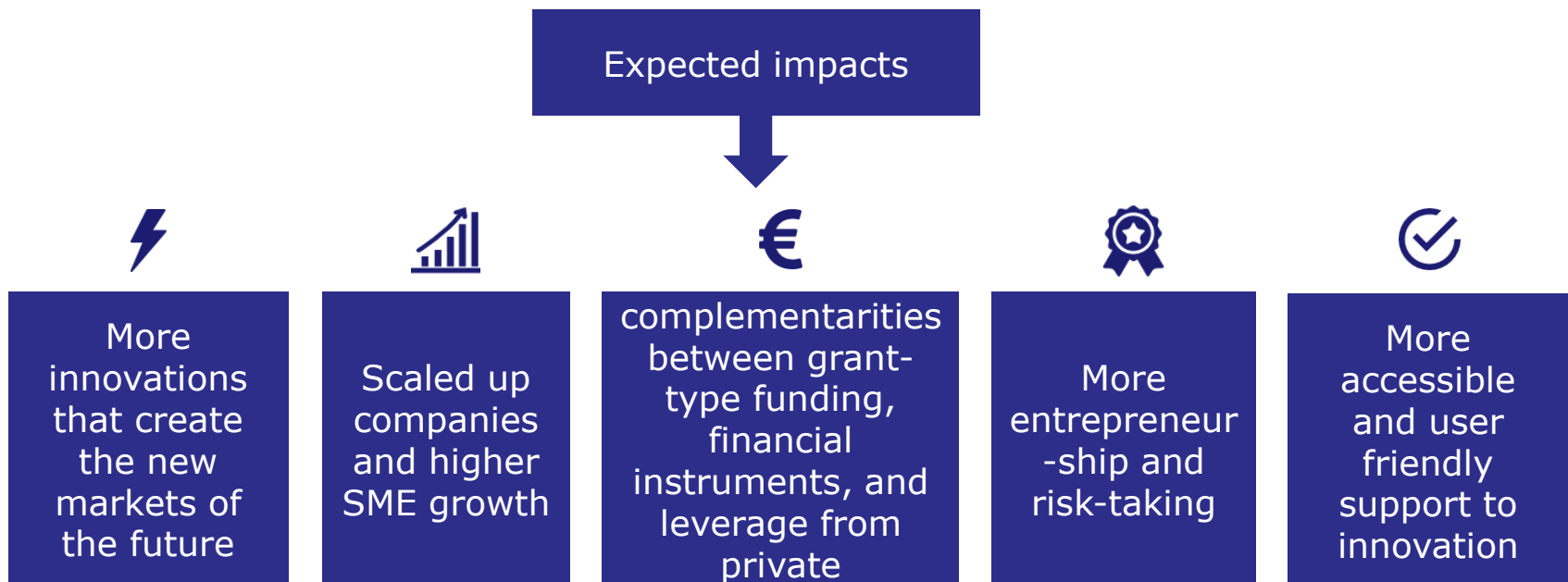
**Helping innovators create markets of the future,
leverage private finance, scale up their companies,
Innovation centric, risk taking & agile,
pro-active management and follow up**

Two complementary instruments bridging the gap from idea to investable project

Pathfinder: grants
(from early technology
to pre- commercial)

Accelerator:
grants & blended finance
(from pre-commercial
to market & scale-up)

European Innovation Council and support to innovation ecosystems: expected impacts



Knowledge transfer

- Knowledge transfer (KT) takes many forms including technology transfer, research collaboration, contract research and mobility
- These are the means of conducting open innovation whereby one entity uses the knowledge generated by others
- The Commission promotes KT through measures on i.a. mobility, access to finance and capacity building as well as its R&I work programme
- In addition the Commission is reviewing its last policy statement on KT, Recommendation (2009) 1329

Pillar 3- OPEN INNOVATION:

stimulating market-creating breakthroughs and ecosystems conducive to innovation

European Innovation Council

- Support to innovations with breakthrough and market creating potential

European innovation ecosystems

- Connecting with regional and national innovation actors

European Institute of Innovation and Technology (EIT)

- Bringing key actors (research, education and business) together around a common goal for nurturing innovation