

## **The German EUREKA presidency 2009/10:**

### **World-class innovation through international cooperation**

*Abstract by Dr Walter Mönig, EUREKA High Level Group Chairman*

- **The way out of the global economic crisis: a new strategy for growth**

The global economy has gone through one of the most severe financial crises in the history. The global crisis has had a deep impact on growth, employment and RTD investment, and we can expect the effects to persist also in the years to come. However, economic forecasts show that Europe is now recovering very slowly from the crisis. For this recovery, Europe needs a new strategy, a strategy that succeeds the Lisbon strategy, a holistic strategy where R&D and innovation is given more emphasis – in short: a new strategy for growth. This strategy will have to set the scene for effective leverage of private investments in R&D and innovation in Europe, build on Europe's strengths, and improve the frame conditions for turning new ideas into marketable products and for collaborating with the best in the world. This is where EUREKA and its Clusters come into play.

- **The German EUREKA presidency**

Germany has taken over the chair in EUREKA for the third time after 1985 and 1999/2000. By this means, Germany demonstrates its commitment to European cooperation following the German EU presidency in 2007. Furthermore, we intend to ensure the continuity of the further development of EUREKA and initiatives put forward by previous EUREKA chairs (especially the previous Slovenian and Portuguese presidencies) and the German EU presidency. When shaping the new post-2010 European Strategy for growth and jobs we have to keep in mind that national governments will continue to be the centres of policy making. Intergovernmental Networks as EUREKA still offer promising opportunities for transborder cooperation, in addition to the instruments of the European Union. The Lisbon Treaty defines a new partnership between the Commission and the Member States to realize and fully exploit the European Research Area (ERA). New ways to better coordinate strategies to invest more and better in R&D as well as to improve the framework conditions for private investment in R&D have to be explored. In this context EUREKA with its flexible bottom-up approach .can play a more prominent role

- **Listening to industry**

When starting to prepare our work programme for the German presidency, it became clear that we also had to define the objectives for EUREKA's development in the new decade, and this required that we had to listen to the requirements of industry. A number of recent developments had to be taken into account. Among them are: the establishment of Joint Technology Initiative (JTI), the relocation of production and R&D activities within multinational firms on a global scale, the changed environment for start-ups in the context of open innovation strategies and the modernization of universities, the public support for clusters etc.. For this reason we commissioned a scientific study on the "*Globalisation of Business R&D of the European Industry*" in which a survey was conducted among some 300 SMEs and large businesses from all EUREKA countries. As a second step we have invited leading experts from industry, academia and politics from across Europe and all over the world to our *Launch Conference* at the beginning of our chair year in July this year.

- **The work programme of the German EUREKA Chair**

Both the study, executed by *Prognos AG*, and the conclusions of the Launch Conference confirmed the relevance of the six areas of action of our work programme:

1. *Opening up EUREKA for worldwide collaborations*
2. *Handling of intellectual property in international research collaborations*
3. *Strategic initiatives in key sectors: European clusters and competence networks*
4. *Building capacity for the internationalisation of small and medium-sized enterprises*
5. *Financing research, development and innovation*
6. *The role of EUREKA in the European Research Area and improved cooperation between EUREKA and the EU*

Let me pick out two of these areas of action, which seem of particular interest and relevance to the audience gathered here today:

1. **Opening up EUREKA for worldwide collaboration**

For a long time now, EUREKA participants have been able to engage in cooperation with partners outside Europe. However, this opportunity has not been taken up very often for reasons of funding structure and due to the inadequate general conditions for international cooperation. The aforementioned study has identified the prevalent trends

and impacts of the globalisation of R&D and the motives of European industry to approach partners worldwide. On this basis, we wish to continue the initiative of the Portuguese EUREKA presidency and stimulate the structuring of global partnerships with key strategic partner countries. Partnership agreements must regulate the common framework for cooperation, e.g. in relation to the protection of intellectual property and handling of standards and norms (with respect to technology, the environment and safety), as well as the ways in which knowledge and resources are shared, and technology transferred. We want to reach a situation where specific partnership agreements with third countries can be concluded in line with the framework conditions and cooperation contents that are based on objective criteria. In this context, the bottom-up approach needs to be retained and strengthened. In this way, EUREKA should become a facilitator of global R&D partnerships in a safe, effective and reliable cooperation environment.

- **The cases of South Korea and Egypt**

Let me highlight the cases of two countries

- During the Portuguese EUREKA chairmanship term **South Korea** has joined the EUREKA initiative as an associated country. In the second half of March 2010 EUREKA, together with the South Korean authorities, will organise an information day in Seoul with the aim of informing potential project partners from industry and science about ways of participating in EUREKA projects and EUREKA Cluster projects. It is fair to say that South Korea is a very innovation-friendly country. The political mechanisms for promoting cross-border R&D projects are in place and the government has also earmarked a budget for South Korean project partners willing to participate in EUREKA and in EUREKA Clusters. The early involvement of South Korean authorities, businesses and researchers following the country's affiliation to EUREKA is critical for putting the cooperation into practice through projects.
- Another country that has recently expressed its interest in joining EUREKA as an associated country is **Egypt**. The local authorities in Egypt have reported to us that their first experience with ITEA 2 has been more than positive: in the 4<sup>th</sup> call, five projects with Egyptian participation are

currently working on their Full Project Proposals. In these five projects 25 Egyptian SMEs are involved.

For these countries, EUREKA could become the gateway to Europe and, in turn, facilitate access for the European industry to new markets in sectors like ICT or renewable energy. But EUREKA should not open its doors to the whole world without having a clear strategy outlining the costs and benefits. An internationalisation strategy is needed that embodies the main objective of EUREKA, that is, the competitiveness of the European economy.

## 2. **Strategic initiatives in key sectors: European clusters and competence networks**

The second area of action from our work programme that I would like to highlight is the one on European clusters and competence networks. From the industry's point of view, there are now – with EUREKA Clusters and Joint Technology Initiatives – two fairly similar cooperation and funding mechanisms existing. Although the coexistence of Clusters and JTIs seems to be a comfortable situation for potential beneficiaries of funds, it does not mean that more funding will be available for clusters since in many cases they are funded under the same thematic national programmes. This is also a challenge for the programme managers in the national ministries. Therefore, a number of aspects need to be discussed, such as a clear definition of the interfaces of the various funding schemes in Europe, and I know that this is already being dealt with in the clusters themselves. During our EUREKA Chairmanship, we aim to find a long-term viable solution for this question. The future of the clusters is of vital importance, not only for EUREKA, but for the competitiveness of European industry in several strategic sectors. That is why

- We need a coherent European industrial and innovation policy.
- Political measures must be adopted to ensure a level 'playing field' in some ICT markets.

In this context, public funds for industrial and technology sectors in a problematic market environment will continue to be an important policy element, but these have to be used wisely. What we need is a **broad-based European innovation policy** that sets out the adequate lines of support to industrial R&D and Innovation.

- **Europe needs a variety of instruments**

Europe needs a new innovation push for research and development, because the new growth in Europe can only be based on new ideas and smarter products. For the best performance different kinds of instruments are necessary: On the one hand, we need instruments taking the long-term perspective, which offer the best conditions for bundling resources. These are the instruments of the EU. On the other hand, we need more flexible instruments, which allow us to mobilise resources very quickly. These instruments are based on the flexible cooperation of networks like those of EUREKA. In these days, Europe needs both types of instruments in order for the European economy to overcome the crisis and re-emerge strengthened. And in particular we need fertile ground for both types of instruments to breed excellence and the best solutions.