

Contribution from *Europa Forum Norra Sverige* to: The Public Consultation on Community Innovation Policy

Europa Forum Norra Sverige welcomes the invitation to dialogue – the Public Consultation on Community Innovation Policy – issued by the European Commission.

Europa Forum Norra Sverige consists of a network of politicians at local, regional, national, and European level from the counties in Northern Sweden: Norrbotten, Västerbotten, Jämtland and Västernorrland. The objective of *Europa Forum Norra Sverige* is to contribute to the EU-policy process as a stakeholder for a sparsely populated region but globally competitive and R&D intensive region in industries such as forestry, energy, IST, clean tech, mining, creative industry, security, bio-tech and health. Hence, it is of great interest that *Europa Forum Norra Sverige* would take part as a contributor to the improvement of EU innovation policy.

- 1) *Do you agree with the Commission's assessment of the main achievements and shortcomings of Community policies in support of innovation?*

Europa Forum Norra Sverige strongly supports the action taken by the Commission to better support innovation. In addition, we acknowledge the shortcomings mentioned in the Communication by the Commission and agree those areas are important to further improve.

- 2) *Should EU innovation policy have a stronger orientation towards addressing major societal challenges? If so, which ones should be prioritised?*

Europa Forum Norra Sverige view “innovation policy” as horizontal, addressing all types of societal activities. In our view, innovation is a pre-requisite for sustainable growth and development. As the Commission self puts it, “innovation is the ability to take new ideas and translate them into commercial outcomes by using new processes, products or services”. There is a need for innovation-awareness in all professional activities, both private and public sector.

Innovation policy should not only focus on certain challenges. By only focusing innovation only on areas such as climate change, energy crisis, ageing society and pandemics there is a risk that other areas will be neglected and not be able reach its full growth potential.

- 3) *Should innovation policy have any specific sector approach? If so, which sectors should be supported and which ones should be developed*

Europa Forum Norra Sverige thinks it is important to have a multi sector approach to innovation. Innovation policy should be horizontal. An innovation policy that is limited to certain sectors would increase the risk of missing sectors with opportunities for economic growth.

- 4) *Do existing instruments to support innovation needs to be adjusted to reflect the changing nature of innovation and integrate new innovation patterns (services innovation, open innovations, user-driven innovation etc) ?*

Europa Forum Norra Sverige thinks existing instrument to support innovation needs to reflect the changing nature of innovation and integrate new innovation patterns and areas of technology. Therefore, *Europa Forum Norra Sverige* sees a need for the European Community to;

- Improve tools to support the step between innovation phase and market introduction, and support the commercialisation phase in the innovation process.
- Provide instruments for full scale validation for market introduction – not conflicting with state aid rules.
- Strongly support and encourage women participation in R&D.
- Make easier access for SMEs to participate in EU-funded programmes without conflicting with state aid rules.
- Provide incentives and support systems to exploit the full potential of already existing but not yet developed innovations in SMEs and larger organizations. Many innovations are not developed due to lack resources.

5) What are the most important remaining obstacles for the EU to unleash its full creative and innovative potential, in particular through innovative SMEs?

Europa Forum Norra Sverige thinks EU's innovation policy should support the innovative potential, in particularly SME's however, attitudes towards entrepreneurship and SME's are also important factors affecting innovation.

Obstacles remain within the EU to create synergies between innovation, workforce skills and entrepreneurship and for businesses to attract a talented workforce and increase the number of students in technology and science. EU also faces challenges within the intellectual property system, however efforts are currently taking place to resolve these issues, in order to improve the patent system so it offers a strong and efficient protection for innovative ideas. Therefore, it is important to strengthen and protect innovation and intellectual assets in SMEs through networking activities and knowledge exchange.

6) What are the implications for research policy of the changes needed to policies in support of innovation (e.g. the goal of addressing major societal changes, etc...)?

Europa Forum Norra Sverige thinks the goals and implications for a research policy should:

- Improve interaction with structural funds according to the CREST recommendations (CREST 1203/2007)
- Encourage a cross-disciplinary approach in EU research policy
- Support the needs from the academic society where a “bottom-up approach” can meet a “top-down approach”.
- Strongly support innovation centres at the universities
- Actively interact with regional R&D and economic growth strategies
- Support networking and capacity building activities regarding commercialization, cluster facilitation, internationalization, R&D strategies and communication.
- Support strong innovation-milieus and transnational cluster collaboration

7) Which scope exists to better facilitate the consolidation of world-class innovation “eco-systems” or clusters in the EU at regional level, taking into account emerging industries?

Please see the answers in question 6.

8. How could the cooperation between regional, national and European innovation support programmes be reinforced to address the new challenges faster and more efficiently?

Europa Forum Norra Sverige support joint programming initiative and better interaction between different EU-funding schemes.

There is also a strong need for vertical governance where all levels can meet to address the new challenges faster and more efficiently together.

9. What could the EU do to provide adequate access to finance to SMEs and entrepreneurs?

Europa Forum Norra Sverige strongly supports initiative as Jeremie and other adequate access to finance for SMEs. However, the financial tools must have a larger acceptance of risk and the program of EIF must be less detailed regulated in order to provide adequate access to finance to early stage high risk companies.

10. What could the EU contribute to exploit the innovation potential in public services?

Europa Forum Norra Sverige think EU can contribute and play a potential role to exploit the innovation potential in all public services.

In Sweden, *VINNOVA*, is starting up a national program for exploiting the innovation potential in public services. (“Innovationsslussar inom hälso- och sjukvården”, *VINNOVA* 2009-09-17). Health care stands for 9 % of Sweden’s GDP, the sector dominated by women. The Health Care industry has a huge potential for growth and innovation. A similar program on European level would favour the innovation process in public services and connect to national efforts as *VINNOVA*’s. One possible way is in the framework of *Regions of Knowledge* – initiative (FP7).

11. How could the Community funding programmes for innovation, including FP7, CIP and Structural Funds, be simplified and streamlined?

Europa Forum Norra Sverige supports the idea of cross-program initiatives between DG Research, DG Enterprise and DG Regio and would like to see more co-operations between the programs. Co-ordination between the programs must take place on every level; from program design to project implementation in order for a successful outcome. Therefore, *Europa Forum Norra Sverige* recommends having more than one DG involved in innovation related programs since innovation should be a horizontal policy, incorporating valuable perspectives from several DG’s.

In addition, there is a need for coherent rules and procedures in EU-funded programmes to encourage SME participation. Currently, R&D activities are not allowed, in a single company under Structural Funds objective 2, as it is conflicting with state aid rules. The same activity under a different set of programme (FP 7) does not conflict with state aid rules.

Umeå 16th of November 2009

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