



**Ms Máire Geoghegan-Quinn**  
Commissioner for Research, Innovation and  
Science  
European Commission  
BE - 1049 Brussels

1 June 2010

Dear Commissioner,

Research and innovation are high on the EU political agenda with many initiatives in the pipeline. In particular, BUSINESSEUROPE is following up very closely developments regarding the forthcoming European Research and Innovation Strategy.

The outline you presented in your speech at the European Technology Platforms 2010 Conference on 11 May goes in the right direction. I would like to express BUSINESSEUROPE's full support for the implementation of a successful "i-conomy", which would enable Europe to meet the economic and societal challenges and to face a fiercer competition at global level.

In this context, I am pleased to share with you the main conclusions drawn from a high-level workshop on "Future EU research and innovation landscape" organised by BUSINESSEUROPE on 21 May. This event highlighted the need to develop an integrated approach of innovation, to create better and more innovation-friendly market framework conditions, and to increase the efficiency of the EU support to research and innovation by simplifying the existing financing mechanisms. Detailed conclusions are presented at annex.

Please find also enclosed a copy of the brochure *Innovation: Building a successful future for Europe* published by BUSINESSEUROPE last October.

I remain at your disposal for any further information that you might require and I hope that you will take these considerations from European business into account when preparing your proposals.

Yours sincerely,

Philippe de Buck



1 June 2010

## **Annex to the letter to Ms Máire Geoghegan-Quinn, Commissioner for Research, Innovation and Science - Conclusions of BUSINESSEUROPE's workshop on "Future EU research and innovation landscape"**

BUSINESSEUROPE organised a high-level workshop on "Future EU research and innovation landscape" on 21 May. The workshop underlined the importance of turning strategies into useful knowledge and tangible innovation at an international scale and, in view of this, highlighted the main challenges:

- **Approach and scope of future EU strategy**

EU research and innovation policies should have a stronger orientation towards addressing major societal challenges, with a focus placed upon economic challenges and job creation. "Staying competitive" should be one of the overall challenges to prioritise. Industry can play a major role in solving the societal challenges, which represent major business opportunities. In this respect, public and private interests go hand in hand. Therefore we call for businesses to play a significant role in the identification and governance of these challenges.

- **Simplification of Framework Programmes (FP)**

Despite some improvement between FP6 and FP7, access for companies to the Framework Programme (FP7) remains complicated and time-consuming. Simplification is crucial, both as regard application and reporting.

Concretely, BUSINESSEUROPE recommends urgent action to:

- Simplify the documentation and amount of information required to participate to the projects;
- Shorten the time for payments after submitting the project reports: especially for SMEs, waiting for more than three months for final payments is excessive;
- Ensure a clear division of the annual budget for each thematic priority and, whenever possible, for each call;
- Make project consortia more manageable and make the FP more accessible for SMEs by re-introducing the separate category of associated partners from FP5.

Furthermore, a new and leaner framework for public-private partnerships in research should be set up. BUSINESSEUROPE urges the Commission, together with the Parliament and Council, to implement without any delay the recommendations of the JTI Sherpas' Group report on "Designing together the 'ideal house' for public-private partnerships in European research".

The Communication on "Simplifying the implementation of the research Framework Programmes" adopted on 29 April 2010 by the Commission has paved the way for a simpler and more efficient framework.



In combination with the Communication “More or less controls? Striking the right balance between the administrative costs of control and the risk of error”, and the “Proposal for a Regulation on the Financial Regulation applicable to the general budget of the European Union” which were published on 28 May 2010, it has raised high expectations for real improvements and simplification.

- **Funding**

EU budget priorities should be reviewed to be fully adapted to a knowledge-based economy. BUSINESSEUROPE calls for a reallocation of resources from agriculture to research and innovation, in particular to boost the budget of the Competitiveness and Innovation Framework Programme (CIP). In addition, we recommend that the CIP is integrated in the Eighth Framework programme (FP8) so that FP8 can address research as well as innovation in a coherent way.

We also encourage Europe to continue earmarking Structural Funds to meet the overall goals of growth and jobs, paying particular attention to boosting the R&D and innovation capacity of regions.

- **Education**

Research, innovation and education need to be addressed together and mobility between industry and academia needs to be stimulated. EU programmes that facilitate the international and intersectoral mobility of students and researchers (ERASMUS, Marie Curie actions) must be further developed.

The European Institute of Innovation and Technology (EIT) must be placed on a secure financial footing with additional budget resources.

- **Policy coordination between EU and Member States**

With the launch of the Commissioners’ Groups, President Barroso has demonstrated his will to achieve strengthened coordination between the Commission’s Directorates-General. This is a very positive decision.

Similarly, coordination should be improved between EU and Member States. It is important that policies and instruments for research and innovation in Europe are designed and implemented using a more holistic approach. This would help put an end to the fragmentation of national research efforts.

- **Public procurement**

Public procurement is still insufficiently used in Europe as a tool for promoting innovation. In particular, national, regional and local public authorities should be encouraged to make more use of pre-commercial procurement of R&D services. In the future, some EU co-funding in the context of Structural Funds could even be made conditional to procurement of innovative technologies and R&D.

The existing legal framework provides sufficient legal certainty on how to use public procurement as a tool for innovation and it secures open, transparent and fair public procurement throughout Europe. New legislation in this field is unnecessary.



- **EU state aid rules for R&D and innovation**

Current provisions in the state aid rules on public support for R&D and innovation restrict state aid to only a limited number of very specific innovation activities. Although not applicable to the Commission's actions, these restrictions may *de facto* hamper the Commission's efforts to encourage innovation and R&D support measures.

In particular, there is a need to clarify to what extent these state aid restrictions on innovation impose limitations on possible national co-funding for activities in the CIP, the EIT Knowledge and Innovation Communities and the JTI's. Furthermore, depending on the outcome of such clarifications, it may be necessary to better align state aid rules for innovation with innovation policies.