



Towards a New European Innovation Agenda

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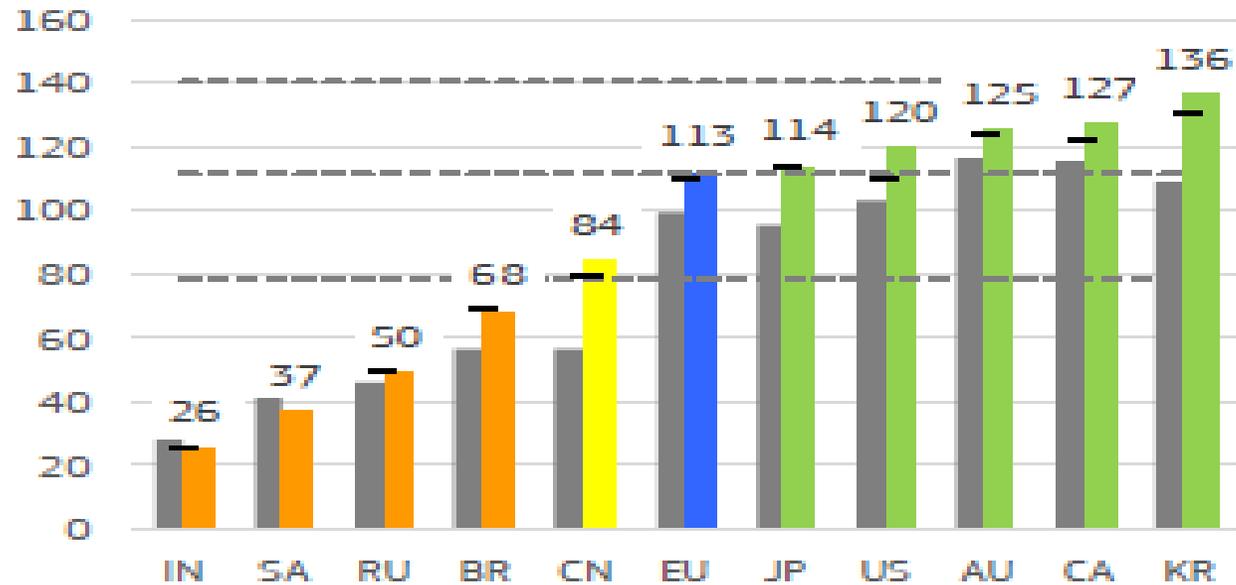
Europe's Innovation Imperative

- Productivity growth
- Green and digital transition
- Post-Covid recovery
- Open strategic autonomy

Europe's Innovation Assets

- Excellent science and research
- Internal market
- Strong manufacturing base
- Stable institutions, democratic societies, rule of law

Europe's Innovation Performance



Coloured columns show performance in 2021 relative to that of the EU in 2014. The horizontal hyphens show performance in 2020 relative to that of the EU in 2014. Gray columns show performance in 2014 relative to that of the EU in 2014. For all years, the same measurement methodology has been used. The dashed lines show the threshold values between the performance groups, where the threshold values of 70%, 100%, and 125% have been adjusted upward to reflect the performance increase of the EU between 2014 and 2021.

Europe's Innovation Performance – key areas



Access to Finance



- **Challenges:**
 - A lack of patient capital to invest in long-term technological developments
 - A fragmented VC market
 - Underdeveloped IPO market
 - Lack of appropriate tax incentives to incentivise in high-risk tech
- **What we have:** EIC, ESCALAR, InvestEU
- **What we need to consider:** Facilitate private funding; Help the large-scale deployment of public funds; Increase investment by EU-based providers of private and patient capital; Use the potential of intellectual property rights

Framework Conditions



- **Challenges:**
 - Innovators face an incomplete Single Market and fragmented regulatory environments
 - Current regulatory framework remains too rigid and risk-averse
- **What we have:** Single Market, reviewed R&D&I State Aid guidelines, Better Regulation agenda,
- **What we need to consider:** Experimentation clauses; Regulatory sandboxes; Living labs and test beds



Better innovation policy making

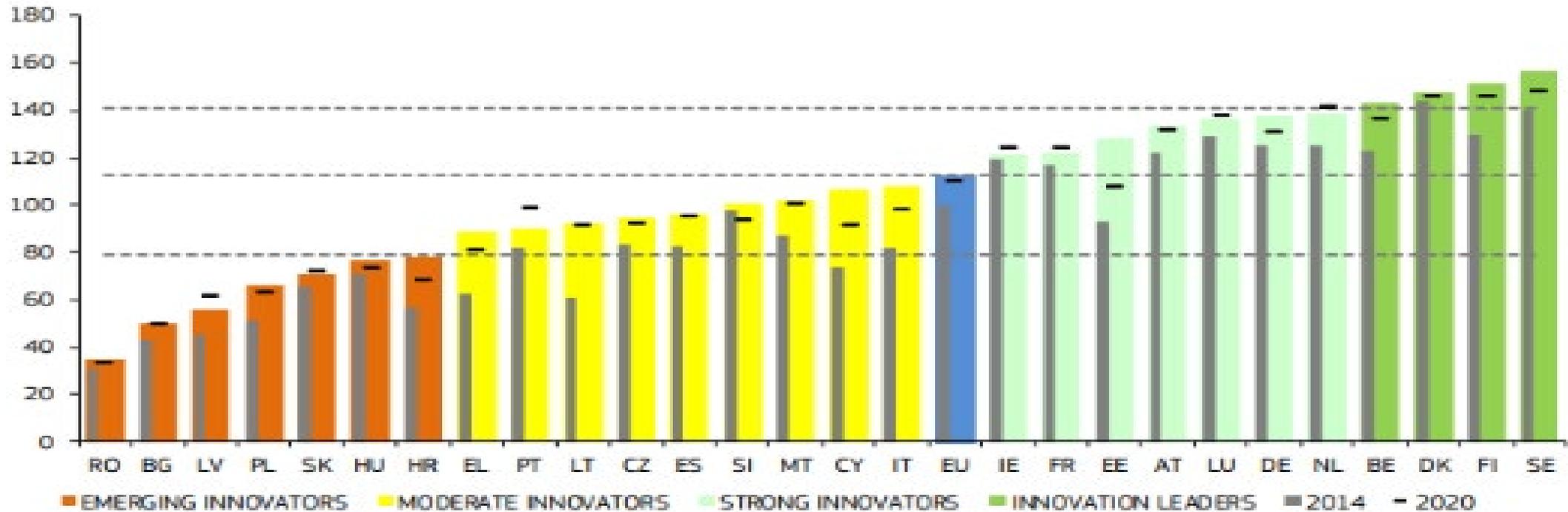
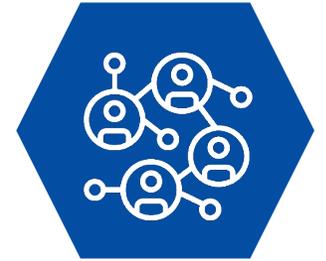
- **Challenges:**
 - Data (availability, methodology)
 - More scope for pro-innovation policy measures
 - Public procurement is not sufficiently connected to the innovation ecosystems.
- **What we have:** Innovation Scoreboard, Innovation Principle/innovation deals, Technical Support Instrument
- **What we need to consider:** Strengthen the existing information base (definitions, data and methodology); Update the innovation scoreboard; Targeted policy support to Member States; Improved coordination of innovation policy initiatives (e.g. EIC Forum)

Talent



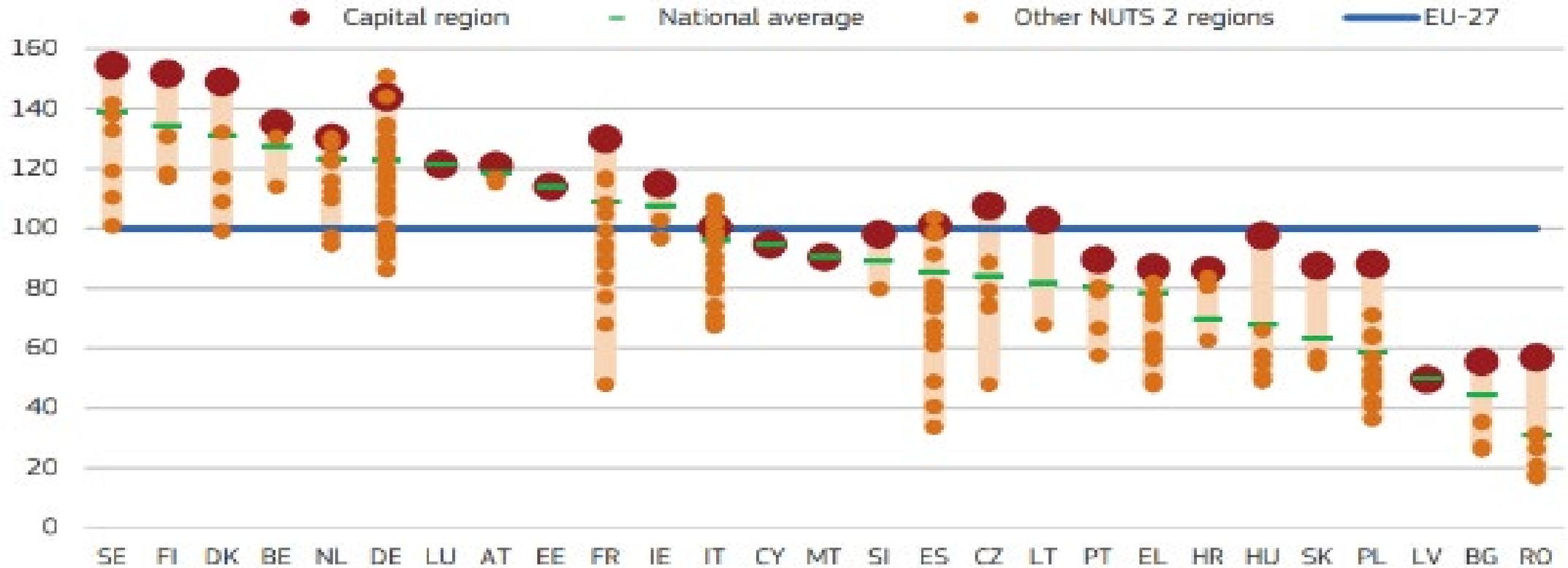
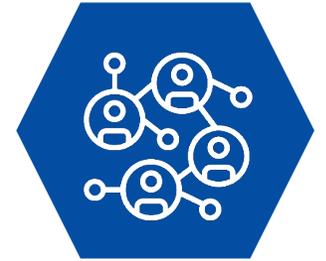
- **Challenges:**
 - Talent and skills shortages
 - Brain drain
 - Women and minorities remain underrepresented
- **What we have:** European Research Area, European Strategy for Universities, revised EU Blue Card Directive, Women TechEU
- **What we need to consider:** Attract and keep talent; Facilitate an entrepreneurial mind-set and skills; Promote inclusion and gender balance; Encourage cooperation between research organisations and industry.

Innovation Ecosystems (1)

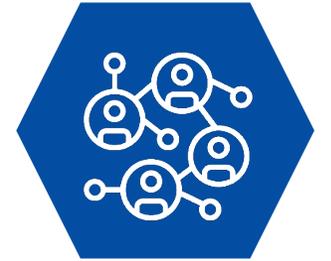


Coloured columns show countries' performance in 2021, using the most recent data for 32 indicators, relative to that of the EU in 2014. The horizontal hyphens show performance in 2020, using the next most recent data, relative to that of the EU in 2014. Grey columns show countries' performance in 2014 relative to that of the EU 2014. For all years, the same measurement methodology has been used. The dashed lines show the threshold values between the performance groups, where the threshold values of 70%, 100%, and 125% have been adjusted upward to reflect the performance increase of the EU between 2014 and 2021.

Innovation Ecosystems (2)

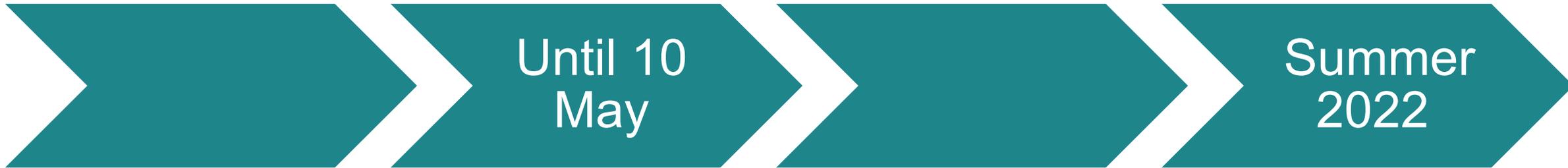


Innovation Ecosystems (3)



- **Challenges:**
 - Europe's innovation ecosystems remain fragmented and divided
 - Synergies between mechanisms and funding instruments to support R&I are also not yet fully exploited.
- **What we have:** European Innovation Ecosystems Programme, Smart Specialisation Strategies
- **What we need to consider:** Strengthen local R&I ecosystems – Partnerships for Regional Innovation; Better connect R&I ecosystems; Mobilise funding instruments and ensure synergies

New European Innovation Agenda – next steps



- Call for Evidence published on the better regulation portal – for stakeholders to comment.

- Adoption by Commission



Thank you for your attention!