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SUPPLEMENT

Communication from the Commission

Innovation for Growth and Employment

Implementation of the First Action Plan for Innovation in Europe

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Innovation for Growth and Employment

Communication from the Commission

CONTENTS

1. INTRODUCTION 3

2. IMPLEMENTATION OF THE ACTION PLAN HAS COMMENCED 4
- Protection of intellectual property 4
- Financing innovation 5
- The regulatory framework and administrative simplification 7
- Education and training 8
- Gearing research towards innovation 9
- Strengthened overall coordination 10

3. PRIORITIES FOR ACTION IN 1998 11

Innovation for Growth and Employment

By adopting this report at my initiative, the Commission intends to put down a prominent marker to show that it is fully taking into account the importance of the link between innovation, growth and employment, based notably on the conclusions of the European Councils of Amsterdam and Luxembourg.

Continuation of the implementation of the Innovation Action Plan, adopted a year ago, constitutes one of the Commission's priorities, in particular in the areas of protection of intellectual property, access to financing, simplification of administrative procedures, and development of the enterprise spirit.

But the economic reality and the dynamic nature of the innovation process also justify some adjustments to the Plan. This is why there will be a special effort to increase the Plan's impact, in particular by mobilising the Member States, the regions and the actors concerned, in order to create an innovation dynamic in Europe.

Furthermore, the accent must be put on actions aiming to create a culture of innovation and to further entrepreneurship in the Union, for example by:
- provoking the emergence, development and growth of businesses, notably those based on new technologies;
- favouring new forms of production and commercialisation;
- helping to professionalise the job of supporting innovation, notably through training;
- facilitating the interconnection (and if necessary the creation) of innovation networks.

To conquer unemployment will mean refusing to accept that things cannot be changed and going beyond traditional approaches. Above all, it will be achieved by the revival of Europe's entrepreneurship and capacity for innovation. This objective must mobilise all our energies.

Edith Cresson

INNOVATION & TECHNOLOGY TRANSFER

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Introduction

Overcoming unemployment involves refusing fixed attitudes and old approaches. This means, above all, giving a new impetus to Europe's capacity for innovation. The question goes well beyond the field of technology. Cultural attitudes, the economic environment, the social context and the educational and legal structures are key factors in the spirit of innovation and enterprise.

Two years ago, the European Commission, with its Green Paper on Innovation, insisted on making this point, which has been accepted by economic and political operators. In particular, the European Councils of Amsterdam and Luxembourg gave an undertaking to stimulate research and innovation in order to help reduce unemployment in Europe.

With the First Action Plan for Innovation in Europe, the Commission has led the way by proposing to mobilise the Community instruments to this end, in particular the Framework Research Programme and the Structural Funds. The Luxembourg European Council on employment extended this mobilisation by giving its support to the European Investment Bank action plan in favour of SMEs, the new technologies, new sectors and trans-European networks. Parliament and the Council have also reached agreement on the establishment of a new budget heading (450 million ECUs over the next three years). This is aimed, in particular, at helping SMEs to create lasting jobs ("European initiative for employment"), mainly through investment in innovation and the use of the new technologies.

The link between innovation, growth and employment thus appears to be characteristic of modern economies facing international competition, whose determining feature is becoming the mastery of skills and know-how. Even if technology is still too often seen at the workplace as a rival to humans and a "job-killer", reality shows that, on the contrary, more jobs are created in countries which invest in education, training, research, innovation and the new technologies.

One year ago, in the Action Plan, the Commission undertook "to take the necessary measures to ensure effective coordination of the measures under the various policies and to reinforce interaction with the Member States" and to draw up a regular report on implementation of the Action Plan, including "proposals for adjustments depending on developments or on the specific contexts to which it will be applied".

With this Communication, the Commission is fulfilling its undertaking and setting out the adjustments it considers necessary, with particular regard to the conclusions drawn from the first phase of implementation.

The First Action Plan called for mobilisation of resolve and energy for its implementation in order to build a Europe which was more innovative and competitive and more able to create jobs. Pursuing this objective remains a priority for the European Union and its citizens. □

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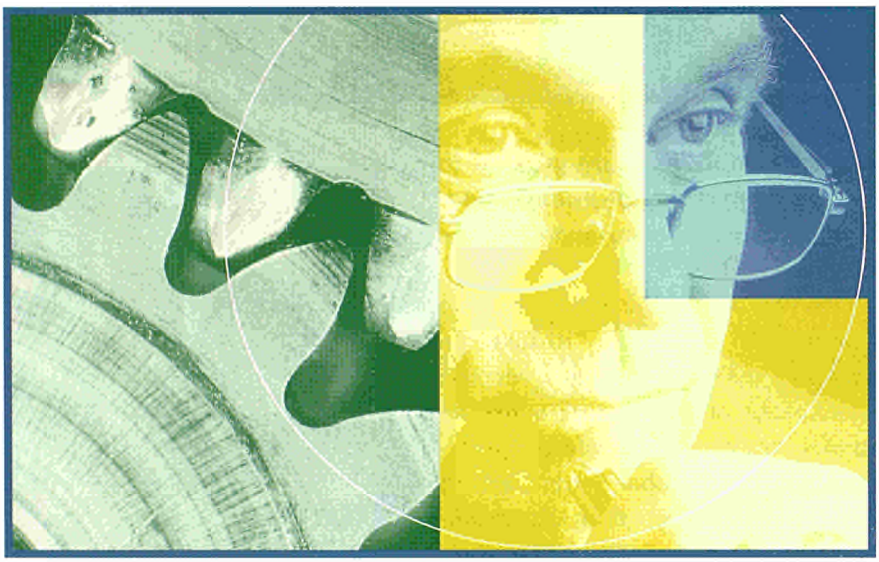
Implementation the Action

Implementation has commenced at Community level, and advances have been made in protecting intellectual property rights, financing innovation, administrative simplification (the objective of "setting up a favourable legal, regulatory and financial environment(1)"), training and education (the objective of "fostering an innovation culture") and gearing research to innovation (the objective of "gearing research more closely to innovation").

Protection of intellectual property



An effective system for protecting intellectual property is indispensable for carrying out innovative activities. It must offer the guarantee that the innovator can derive a legitimate profit from his innovation. It also allows for the widest possible dissemination of new ideas without resorting to secrecy and the retention of technologies. The measures provided for in the Action Plan are aimed at both improving the system of patents and raising the operators' awareness of what is at stake.

(1) The First Action Plan for Innovation in Europe proposes a set of measures grouped around three major objectives: fostering an innovation culture; setting up a legal, regulatory and financial environment conducive to innovation; gearing research more closely to innovation.

The Green Paper on the Community Patent and the European Patent System

More than 640,000 inventions are patented each year in the world, compared with 220,000 in the 1960s. This growth can essentially be attributed to Japan and the United States. In this field, Europe shows a disturbing stagnation.

These figures, which are confirmed by the worsening balance of trade in technology, reveal a deterioration in Europe's ability to innovate. They also reveal a degree of dissatisfaction on the part of researchers and businesses with the European system of protection. It is estimated that 2/3 of the 170,000 European SMEs which produce inventions do not apply for patents.

The Action Plan for Innovation identified the causes of this handicap: the European system suffers from a profound weakness. It is simultaneously complex, expensive (despite recent changes) and only relatively effective because of its national fragmentation and the twin tracks of European patent/national patent. Its inadequacies are regularly denounced by its users.

In this field, the European Union must provide its businesses with a legal and regulatory environment which is at least as favourable as that enjoyed by the businesses in the competing geographical areas.

This is why the Commission has launched a large-scale debate with all the operators concerned, by adopting the Green Paper on patents on 24/6/97.

On the basis of the results of this consultation, the Commission intends to propose, in 1998, an in-depth reform of the European patent system, which would lower costs, reduce the timescales and provide a more certain and consistent legal environment.

Better information and awareness of the protection of intellectual property amongst participants in the Framework Programme of research and development

The Commission is setting up a service for helping and raising awareness among those involved in innovation for the protection of intellectual property. Using the Internet and other means (CD-ROM, video, telephone assistance, training sessions), and once operational

of
Plan has commenced

- which should be in mid-1998 - this service (IPR Help Desk) will provide access to current legislation and to the state of the art. It will also allow dissemination of best practice in the protection of intellectual property. Finally, it will make novelty searches easier in the case of innovations for which protection is being sought and will help participants in the Framework Programme to implement suitable strategies for protecting their innovations.

Access to data on patents

Access to information on all European patents is essential for the dissemination of technologies and for encouraging the use of European patents. The Commission has carried out a feasibility study for a single interface allowing such access. On this basis, the European Patent Office has just decided to implement it

Protection of biotechnological inventions

Certain rapidly developing sectors, such as biotechnology, require specific measures. In the case of the protection of biotechnological inventions, the Commission has submitted a proposal for a revised Directive which received a favourable opinion from the European Parliament in July 1997 and political agreement from the Internal Market Council in November 1997.

Intellectual property in the information society

On 10 December 1997, the European Commission presented a proposal for a Directive harmonising certain aspects of the rules governing copyright and associated rights in the information society. This proposal is intended to adapt and supplement the current legal framework by placing particular emphasis on new products and services which contain elements impinging on intellectual property (whether they are offered online or on physical supports such as CD, CD-ROM and other digital videodisks), so as to establish a single market in the field of copyright and associated rights, while protecting and stimulating creativity and innovation in the European Union.

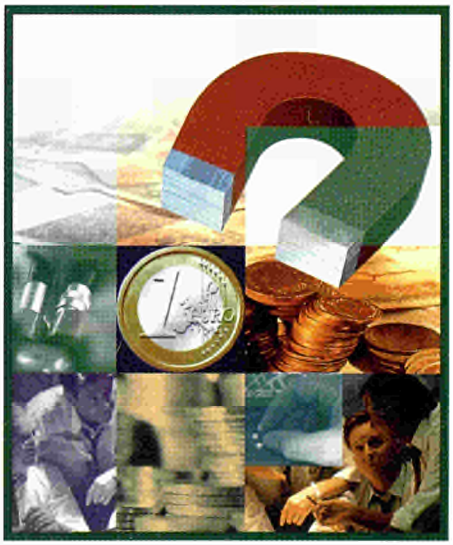
Technical inventions

Finally, after the consultation subsequent to the Green Paper on utility models[2], the Commission proposed a Directive aimed at bringing the Member States' legislation in this field more into line. □

Financing innovation

Increased awareness of the importance of access to innovation funding

The inadequacies in innovation funding are recognised as one of Europe's main weaknesses. Awareness of this challenge is increasing at both national and Community level - as witnessed by the European Parliament's Resolution on the Action plan for Innovation[3] and the Resolution of the European Council of June 1997 on growth and employment, calling upon the EIB to look into the setting-up of funding facilities for high-tech projects for SMEs, as well as the conclusions of the extraordinary European Council on employment held in Luxembourg. Moreover, in view of the major role of innovation and the need to upgrade and modernise in certain sectors in the Union which are being affected by international competition and unemployment, the Commission has



proposed that innovation aid, in a restricted sense[4], be accepted in the shipbuilding[5] and automobile industry[6] sectors.

The measures under the Action Plan are essentially aimed at attracting private capital (financial markets, venture capital) towards young, high-growth businesses and innovative projects in the start-up phase.

The European capital markets

As a result of the Directive on financial services, and in order meet the needs of business and investors, private initiatives were introduced to launch, as from the end of 1996, new European capital markets for innovative high-growth businesses (Euro-New Market, EASDAQ). In 1997, the Commission started work on the conditions and the legal and fiscal frameworks needed to develop these markets, as well as on the necessary back-up measures (with particular reference to training and information[7]). At the request of the Heads of State and Government, it will prepare a report on the remaining obstacles for the European Council (June 1998). ●●●

Attracting venture capital to the initial phases of innovative projects

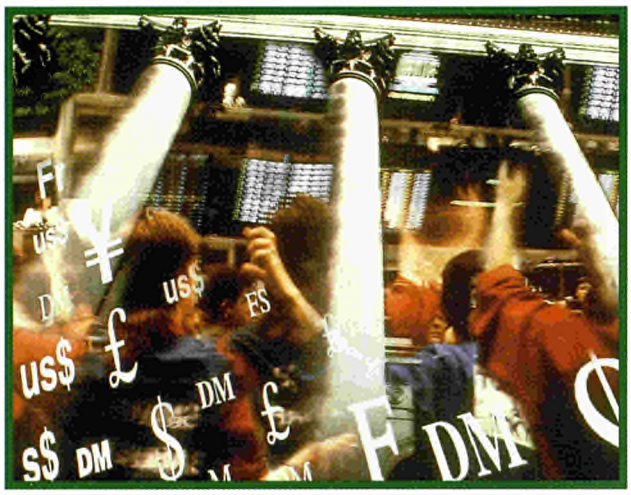
Under the Innovation Programme, the I-TEC (Innovation and Technological Equity Capital) pilot project, launched in July 1997 in collaboration with the European Investment Fund (EIF), aims to attract venture capital towards the initial phases of innovative high-tech projects. I-TEC helps the managers of venture capital funds to acquire a lasting ability to assess and manage this kind of project. To obtain the Commission's support, the funds must agree to devote at least 25% of their newly-collected capital to early-stage investment in technologically-innovative SMEs. The projects benefiting from the investment must meet at least one of the following two conditions: they must be capable of achieving a commercial application on the basis of R&D work carried out under a Community or national research programme; they must demonstrate a high level of technological innovation in the form of a product, service or process. The first nine funds to benefit from the I-TEC project (accounting for a total investment capacity of ECU 380 million) were selected in November 1997. These funds plan to invest at least ECU 1.5 million in each of the some 150 innovative SMEs making up their portfolios. A second group of beneficiaries will be selected at the start of 1998.

Subsequent to its Decision of 5 November 1997, the Commission is implementing a project to support the creation of joint transnational ventures (JEV). With initial funding of ECU 5 million, this project, which will be administered by a network of financial intermediaries, is aimed particularly at SMEs which took part in Community research with a view to commercial exploitation of the result of the research. Under the initiative for growth and employment, the Commission is planning to propose greater budgetary funding with a view to consolidating this new project.

Apart from these mechanisms, the strong impulse given by the European Councils in Amsterdam and Luxembourg to innovation financing should, with the agreement of the European Parliament, allow considerable resources to be released with a view to developing - in particular within the framework of the ETF (European Technology Facility) and the ASAP (Amsterdam Special Action Plan) set up by the EIB with the EIF - Europe's capacity for providing equity for innovative and high-technology businesses.

Promoting meetings between investors and businessmen

Set up under the Innovation Programme, the LIFT (Links to Innovation Financing for Technology) project aims to bring together investors and promoters of technology projects, in particular those deriving from Community research. In its exploitation phase (as from mid-1998), LIFT will make available to users a central Help Desk and a decentralised network based on existing bodies and accessible to researchers, businessmen and investors. Through a series of investment forums, meetings between investors and businessmen have also been held in 1997 under the Innovation and BRITE-EURAM programmes, as well as under the programmes concerning information and communications technologies (ESPRIT, ACTS, Telematic Applications). Potential investors were presented with promising technological projects selected on the basis of their innovative nature and their economic viability. Other meetings between researchers, businessmen and investors have taken place, in particular under the Biotechnology Programme (workshop on the spirit of enterprise in biotechnology in June 1997, in Amsterdam). The Commission and the European Association of Securities Dealers (EASD) have recently announced the joint establishment of a "Biotechnology and Finance Forum". This forum should promote the development of links between the scientific and industrial community and financial circles, and hence encourage the development of the European biotechnology industry.



Exchanges of experience and dissemination of best practice in innovation financing

In addition to these measures, the Commission is organising exchanges of experience and the dissemination of best practice. These exchanges take the form of sectoral workshops (biotechnology, information technology, advanced materials) or of a general nature (Innovation Programme, Paris Round Table on innovation, the creation of businesses and employment - December 1997). They also involve the creation of networks of national operators (e.g. a network for technology rating, bringing together innovation agencies and investors in four countries, or a network for the establishment of a seed capital fund for the exploitation of microsystems). Moreover, the Commission, under its measures to promote performance benchmarking in the Union, has launched a pilot project in the field of innovation financing. □

(2) Utility models are registered rights which grant their owners exclusive protection for technical inventions.
(3) EP Resolution 261.934/ 3.
(4) From the point of view of state aid, aid for innovation poses particular problems, since the nature of the activity may be close to the market.
(5) Commission proposal for a Council Regulation amending Regulation 3094/95, thereby further prolonging the relevant provisions of the Seventh Council Directive on aid to shipbuilding (COM(97)469).
(6) Community framework for State aid to the motor vehicle industry.
(7) The necessary back-up measures were set out in a study produced by the European Information Monitoring System (EIMS).

The regulatory framework and administrative simplification

The European Council in Luxembourg highlighted the importance, for employment in Europe, of developing the spirit of enterprise. In this context, simplification of administrative procedures and the establishment of suitable legal forms are essential for undertakings in the Union.

Task Force on administrative simplification

The excessive complexity of administrative procedures costs European industry between 180 and 230 billion ECUs annually, thereby damaging competitiveness. At the invitation of the Amsterdam European Council, the Commission set up a task force (Business Environment Simplification Task Force - BEST) on administrative simplification. Its mandate is to formulate concrete proposals aimed at improving the quality of legislation and reducing the administrative burden which is hampering the creation and development of European businesses. The Task Force's proposals will be the subject of a report to the European Council in Cardiff in June 1998. In addition, the Commission is pursuing the SLIM initiative (Simpler Legislation for the Internal Market), launched in 1996(8).

By means of sectoral impact studies and workshops for exchanges of experience, the Commission is also developing methodologies for taking greater account of innovation in new regulations.

Promotion of legal forms of enterprise at European level

The adoption, in April 1997, of the Davignon Report on involving workers in the future European Company, paves the way for the adoption of this statute. The Presidency of the Council is striving to reach a political agreement in order to complete this project, which is indispensable for undertakings in the Community, as early as possible in 1998.

At the same time, the Commission is trying to promote the use of the European Economic Interest Grouping (EEIG)(9) - the only legal instrument currently in existence for transnational cooperation of a Community nature.

The Commission has, for instance, established a database containing an indicative list of EEIGs set up in the Community, with a view to monitoring the sectors and users involved in this type of cooperation. It recently adopted a Communication(10) highlighting the potential advantages of EEIGs in the field of public procurement and programmes financed from public funds. Moreover, under the Third Multiannual Programme for SMEs, the REGIE initiative (European Network of EEIGs), launched in 1995, has fostered the internationalisation of the activities of SMEs through the EEIG structure. The results and the experience gained will be included in a Practical Guide for EEIGs intended for SMEs.

Moreover, on the basis of Article 130n of the Treaty on European Union, the Commission is working on a statute for joint enterprises in research and technological development aimed at promoting (in addition to the advantages of the EEIG structure) transnational cooperation in RTD. □

(8) SLIM brings a new methodology to bear on simplification by bringing together, in small teams, the Member States and users. In its pilot phase in 1996, the teams looked at legislation covering the following subjects: ornamental plants, Intrastat and the recognition of diplomas. In its second phase, other fields will be examined: fertilisers, the combined nomenclature for external trade, banking legislation and VAT.

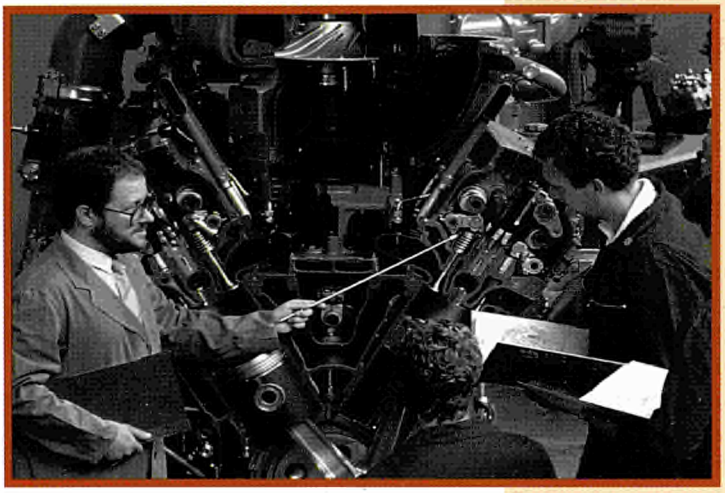
(9) Council Regulation (EEC) No 2137/85 of 25/7/85, OJ L 199 of 31/7/85.

(10) OJ C 285 of 20/9/97.

Education and training

Investment in know-how, the ability to combine disciplines, developing creativity and the sense of initiative, facilitating social, geographical and professional mobility are the basis of a culture of innovation and the spirit of enterprise.

High priority has therefore been given to projects in the field of education and training, as witnessed by, in particular, the launch of initiatives to promote mobility in the field of sandwich courses and apprenticeships. These training and mobility measures must also be directed at researchers, managers in business and entrepreneurs, and aim to strengthen the innovation culture in conjunction with projects for the exploitation of research.



Innovative measures in favour of mobility

The "Erasmus Apprenticeship" initiative gives a trans-European dimension to apprenticeship training. Launched a year ago, it provides for the transnational placement of 70,000 apprentices by 1998. In November 1997 the Commission also approved the EUROPASS-Training initiative to stimulate, in particular, the introduction of sandwich courses into vocational higher education.

Learning in the information society

The "Learning in the Information Society" initiative is aimed at making better use of information as a tool for the production, dissemination and exchange of know-how. The measure first of all involved promoting the interconnection of schools via, in particular, the Internet (e.g. the organisation of the 'Netdays Europe' in October 1997). Support is also being given to the emergence of a content industry capable of producing enhanced information (c.f. the European competition for the best multimedia educational software, held in the second half of 1997).

These measures were accompanied by the establishment, in June 1997, of a multimedia platform on the Internet (Campus-Voice server) which allows the dissemination of services with a high added value in the fields of education, training and access to the labour market, including career counselling and information. This service is aimed primarily at Europe's 12 million students in higher education. It also allows interaction between students, teachers and others involved in higher education, in particular, undertakings in the technology and multimedia service sectors. The Campus-Voice service has already led to the establishment of a partnership between student associations, leading European newspapers and more than 70 universities.

Training researchers, project promoters and business managers in the innovation process

In recognition of the importance of training in specific innovation processes and in technological advice to businesses, the Commission is giving its support to the Form-Inno-Tech initiative (Training in innovation processes and for technology advisers for businesses). This is aimed at developing a European network of technology assistance centres with both regional and sectoral responsibilities. Starting with Germany, France and Italy, it is planned to extend the project gradually to the other Member States.

In addition, the measures taken under the "Training and Mobility of Researchers" and "Leonardo da Vinci" programmes have led to increased mobility of researchers between research institutes, training centres and industry.

By exploiting the synergy between the two programmes, the Train-Re-Tech (Training in Research and Technology Transfer in Businesses) project is helping to provide young European

researchers with the skills required in the labour market. It also provides training for the trainers in the field of educational tools and the new technologies.

It is based on prior experience and comprises 24 projects under the Leonardo programme which have led to more than 300 exchanges. In addition, some 1,000 researchers have been in contact with industrial circles through the "Training and Mobility of Researchers" programme, and nearly 300 grants have gone to researchers undergoing training with an industrial component.

This measure will be continued under the Fifth Framework Programme and in the future Community education and training programmes. The new horizontal programme, "Improving Human Potential" will, in particular, provide support for the establishment of networks of training through research and easier access to major research installations. The innovation dimension, and in particular, training in innovation and technology transfer, should be integrated into future education and training programmes in line with the guidelines proposed by the Commission in its recent Communication entitled "A knowledge-based Europe" (11).

Finally, in close collaboration with the Member States, the Commission is implementing pilot projects for the benchmarking of performance in the field of human resources and the development of skills. The results of these projects will be presented to the Industry Council in November 1998. □

(11) COM (97) 563

Gearing research towards innovation

Innovation is also based on research and technological development. In this respect, Europe has four handicaps: insufficient investment in research, fragmentation of efforts, a deficit in identifying the needs of society and emerging markets, and insufficient linkage between research and its applications.

This is why, in its proposals for the Fifth Framework Programme of research and technological development, the Commission was particularly concerned to set out concentrated projects which met clearly-identified objectives and needs.

Taking wide-ranging account of the innovation and specific features of SMEs, the proposal includes, in particular, multidisciplinary key actions geared to targeted applications and incorporates pre-standardisation research. The Commission has taken steps to achieve more effective industrial exploitation of the results obtained by its own programmes (e.g. the setting-up of the PROSOMA service, which allows the industrial impact of the results of the ESPRIT programme to be increased), on the one hand, and by its own research establishments, on the other.

A more concentrated Framework programme

To make it easier to concentrate the Community's research efforts, the Commission has proposed that the Fifth Framework Programme be organised in seven major programmes - four "thematic" programmes and three "horizontal" programmes - to which must be added a programme concerning the direct actions of the Commission's Joint Research Centre.

The thematic and horizontal programmes are both complementary and linked. To ensure their effectiveness, in particular in terms of the exploitation of results and innovation, it is proposed that the thematic programmes take as much account as possible of the objectives of the "horizontal" programmes.

The innovation objective would therefore be fundamental within the thematic programmes. These would include "innovation cells" whose role would be to promote innovation in each of the thematic programmes. The innovation cells would act as the interface with the "Innovation and Participation of SMEs" programme (see below) and would benefit from its support activities, networks and information services.

Innovation and participation of SMEs

The horizontal programme "Innovation and Participation of SMEs" under the Fifth Framework Programme must, for its part, promote the innovation objective and coordinate the account taken of it in the thematic programmes, while increasing the involvement of SMEs. This will ensure consistency between the measures and methods of the thematic programmes in favour of innovation. The participation of SMEs will be encouraged by introducing incentives such as the "one-stop SME shop", exploratory grants to make the preparation of applications easier, and cooperative research projects carried out by third parties. Secondly, the

programme will assess and try out best practice in innovation or technology and promote the networking of national or local projects.

In addition, outside the Framework Programme, the Commission is setting up a number of sectoral workshops and networks aimed at increasing SMEs' awareness of what is at stake in industrial innovation.

The role of the Key Actions for research and technological development

The Key Actions represent a major initiative in the draft Fifth Framework Programme. They are linked to economic and social objectives of major importance for the foreseeable future of the Union. The Key Actions are defined according to problems to be ●●●

solved and explicitly formulated economic and social objectives. Within the framework of an overall ("systemic") approach, they will mobilise the resources of the different disciplines, technologies and know-hows concerned, as well as the relevant skills from various origins. They will have to cover the entire range of activities necessary for the attainment of their objectives: from basic research to the demonstration stage via development. One of their main objectives is to help to concentrate on their subject the public and private efforts being undertaken in Europe. Finally, they will be prepared and implemented in close cooperation with the scientific community and businesses, and more generally with all those involved in and using research. This formula will allow for greater flexibility in the setting-up of partnerships and in the financing and execution of the work.

A new generation of demonstration projects

In accordance with the Action Plan, major demonstration projects (associating technology producers and users, as well as a wider audience) will be conducted under the Key Actions. Thanks to a validation phase which is still distant from the market, they will be a determining element in stimulating the transfer and adoption of the new technologies.

Promoting interoperability and competitiveness through standardisation

The Commission has adopted a working document aimed at developing pre-standardisation research in order to take into account, sufficiently far upstream, the objective of standardisation in research programmes, so as to ensure the interoperability and competitiveness of new products and services. To this end, it has drawn up guiding principles which are in accordance with European quality promotion policy and on which there is broad agreement. This initiative should allow more rapid dissemination and acceptance of innovations. It thus fits in with the standardisation work being done in the field of information and communications technologies.

An initiative in favour of technology transfer at the Joint Research Centre

In order to apply the recommendations of the Action Plan to its own research centre, the Commission has decided to launch an initiative aimed at strengthening technology transfers and collaborative research at the Joint Research Centre (JRC). On the basis of a feasibility study carried out in 1997, the following measures are proposed with a view to facilitating access to the installations and expertise of the JRC:

- promoting access to the JRC's establishments by outside undertakings or bodies, so as to encourage collaborative research;
- setting up a technology transfer fund financed by private capital and to be used for supporting businesses in the start-up phase or SMEs exploiting JRC research results;
- creating a virtual technology park making the best use of telecommunications and also allowing access to the expertise of the national research centres;
- setting up an incubator to house new technology-based firms (NTBF), as well as, temporarily, research teams who are cooperating with the JRC;
- developing training for managers in industry in the fields in which the JRC has recognised skills.

The initiative will be implemented gradually, with an evaluation of the results at each intermediate stage. If necessary, pilot projects will be launched prior to large-scale developments. □

Strengthened overall coordination

Innovation is a challenge to the Community which concerns all levels of intervention. It is therefore essential to encourage dialogue and to organise the coordination of the policies which depend on it.

Establishment of mechanisms for coordinating implementation

Implementation of the Action Plan has allowed strengthened overall coordination of all Community policies relating to innovation under the authority of Mrs Cresson and the supervision of a Group of Directors-General for Innovation, whose role is to plan the projects and ensure their coherence.

Coordination between RTD and Innovation policies and policies to promote economic and social cohesion

The Commission is in the process of finalising a Communication entitled "Cohesion, Competitiveness, RTD and Innovation Policy" aimed at implementing an integrated strategy of research, technological development and innovation in the disadvantaged regions of the European Union.

A Trend Chart for strengthened cooperation with the Member States

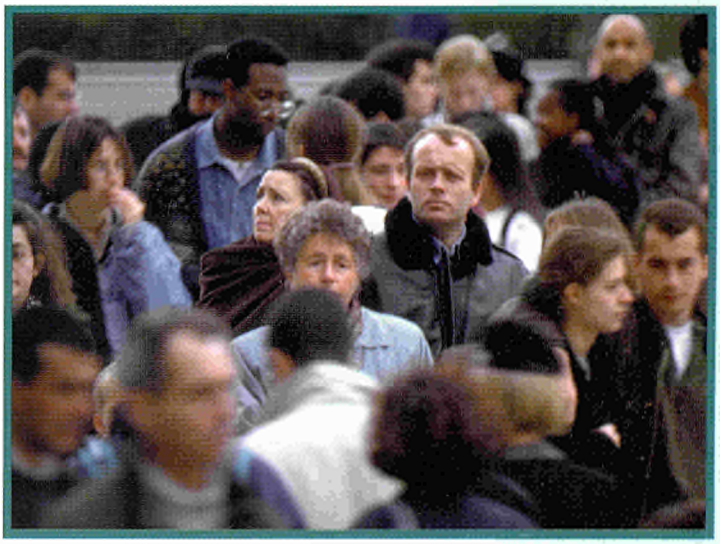
Finally, as planned, and together with the Member States, it has undertaken to establish a common reference framework in the field of innovation policies (Trend Chart on innovation performance and policies in Europe). A Group of Senior National Officials has been set up to guide its preparation. The Trend Chart will serve as an instrument for analysing innovation policies and will make it possible to assess the effectiveness of the policies and identify priority options and opportunities for co-operation with the Member States. □

Priorities for action in 1998

At the Luxembourg employment summit on 20 and 21 November 1997, the Heads of State and Government solemnly confirmed the diagnosis of the need to stimulate research, innovation and the spirit of enterprise in order to help to reduce unemployment in Europe.

Continued implementation of the Action Plan for Innovation, adopted one year ago, will therefore remain one of the Commission's highest priorities, in particular in the fields of:

- intellectual property;
- access to financing (initiatives to promote investment in venture capital and the creation of high-technology firms with the help of the EIB and EIF, as well as actions to facilitate access to seed capital(12));
- administrative simplification;
- developing the spirit of enterprise (Group of Commissioners on SMEs).



Finally, the Group of Directors-General for Innovation will take steps to ensure, in the light of the timetable drawn up by the Commission, that the other measures announced in the Action Plan, and which are essential for innovation in Europe, are implemented. They will also ensure that these measures take account of the objectives of Agenda 2000, in particular, enlargement and sustainable development.

This year will also be devoted to taking developments in the socio-economic and technological context into account in innovation policies.

With that objective in mind, the emphasis will be put on actions aiming at:

- mobilising Members States and the actors concerned, in particular through their participation in the elaboration of the innovation Trend Chart;
- fostering the creation, development and growth of companies, in particular of those based on new technologies (this could include the dissemination of good practice, the constitution of networks or pilot projects, within the framework of existing or planned budgets);
- encouraging new production and trading patterns (virtual or "network" companies, clusters, electronic trade)
- supporting the professionalisation of innovation support specialists, in particular through training, in the areas of technology brokerage, technology transfer and financial analysis of technology stocks;
- facilitating the interconnection or, whenever necessary, the setting up of private and/or public networks to support and advise firms in the area of technology, marketing, management, information and finance. □

(12) After the implementation of the "seed capital" pilot project under the third multi-annual programme in favour of SMEs, which created 280 innovative undertakings, the Commission is planning to launch, in 1998, a second project aimed at supporting the development of the young seed capital industry.

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