



## MINUTES OF THE SECOND MEETING OF THE MEMBER STATES' GROUP ON KEY ENABLING TECHNOLOGIES

7 November 2013, Brussels

### 1. MORNING SESSION: Meeting with Commission Services

#### 1.1 Welcome introduction

Pedro Ortun, Director Service Industries at DG ENTR, welcomed the members of the Member States Group on KETs, underlined the importance of KETs as a priority area in the Commission's industrial policy and emphasised the important role of the Member States (MS) in the implementation of the European strategy for KETs. Furthermore, P. Ortun explained the objective of the meeting, namely to update the members on the main developments since the last meeting (as regards industrial policy, Horizon 2020, cohesion policy) and to exchange views and suggestions, in particular on how to prepare for the European Council on industrial competitiveness.

#### 1.2 Mandate of the Member States' Group on KETs

First of all, Michel Catinat, Head of Unit Key Enabling Technologies and Digital Economy at DG ENTR, presented the draft mandate of the Member States' Group on KETs:

- (1) To advise the Commission on the implementation of the EU KETs policy;
- (2) To ensure synergies and coherence with national and regional KETs policies;
- (3) To act as national KETs ambassadors and promote the development of KETs policies;
- (4) To help the Commission to identify barriers to the free movement of KET-based products within the EU.

Following a request from the Group to underline the international perspective of the KETs strategy, it is proposed to modify the 4<sup>th</sup> point of the mandate as follows:

- (4) To help the Commission to identify barriers to trade for KET-based products within and outside the EU.

The MS Group will meet approximately 3-4 times a year. The next meeting is scheduled for 4 February 2014, before the European Council on industrial competitiveness, which will take place on 13/14 February 2014.

#### 1.3 A European strategy for KETs in industrial policy

The **European Council of February 2014 will be devoted to industrial competitiveness**. The format of the contribution of the Commission to the Council needs to be further defined. The intention is to give an important input to the discussion by highlighting the contribution of KETs, which are a pillar of the European industrial policy and to assure that the European Council is also well informed about the

importance of KETs for industrial competitiveness as well as about commitment from industry. The second report of the High Level Group on KETs (HLG) will be prepared in view of this European Council. The members of the MS Group are encouraged to brief their Head of State/government for the European summit in February. The possibility to put KETs on the agenda of the Competitiveness Council taking place in December 2013 was also discussed. The concept paper of Belgium 'A new step for European Industrial policy' will be circulated to the members of the Group. The Greek member informed the group about the informal and formal Competitiveness Councils under Greek Presidency (the first COMPET Council meeting will take place after the European Summit) and about the possibility to including KETs in the agenda of the formal May Competitiveness Council.

M. Catinat informed the Member States Group about the **state of implementation of European instruments and policies to boost industrial deployment of KETs in Europe**. Details were provided as regards the following instruments/issues: Horizon 2020; the European Regional and Development Fund (ERDF) and smart specialisation; EIB lending to industrial KETs projects since the Memorandum of Understanding with the EIB; modernisation of state aid rules; skills for KETs; and the mobilisation of trade instruments. Further actions are planned to stimulate ambitious industrial KETs projects, to promote required multidisciplinary skills, and to facilitate access of SMEs to technology platforms in order to boost the innovation capacity of SMEs.

H. Moens, Policy Officer for Key Enabling Technologies at DG ENTR, presented on-going and future **support activities of DG ENTR with regard to KETs**: (1) the KETs Observatory; (2) the final report on market distortion in the area of KETs; (3) criteria for the efficient development of multi-KETs pilot lines in Europe; (4) a skills study on KETs; (5) a study on KETs technology centres of excellence.

*All presentations are available on CIRCABC.*

#### **1.4 Update on KETs in the new EU financial programmes**

D. Schroecker, Head of Unit Industrial Technologies - Horizontal Aspects at DG RTD, illustrated the **new elements of Horizon 2020** and presented the main priorities for KETs under the first work programme of the Horizon 2020 pillar "Leadership in Enabling and Industrial Technologies": technology development and validation aiming at industrial deployment of KETs, industrial engagement, pilot lines and demonstrators, including cross-cutting KETs activities (aiming at overall 30% of KETs budget in H2020) and enabling applications in societal challenges. D. Schroecker explained that the Technology Readiness Level (TRL) scale is a useful tool in development and deployment of KETs; for the 1<sup>st</sup> work programme the focus will be on TRL 3/4 -7. Horizon 2020 as a whole offers a range of topics and instruments to address the research – innovation cycle. The different Public-Private Partnerships in Horizon 2020 and the strategy to promote concrete synergies between Horizon 2020 and European Structural and Investment Funds (ESIF) were briefly introduced.

K. Reppel, Deputy Head of Unit Competence Centre Smart and Sustainable Growth at DG REGIO, explained the **principles of synergies between European Structural and Investment Funds (ESIF), Horizon2020** and other innovation-related EU Funds: Synergies are not about substituting national / regional or private co-funding to Horizon 2020 projects by ESIF money, but about obtaining more impacts on competitiveness,

jobs and growth by combining ESIF and Horizon 2020 funding to amplify the budgets or carry projects further in the innovation cycle, provided that both grants (Horizon 2020 grant and ESIF grant) do not cover the same cost item (no double financing allowed). A guide on Synergies between European Structural and Investment Funds, Horizon 2020 and other EU programmes related to innovation is in preparation and will be published soon.

M. Palazuelos Martinez, Joint Research Centre in Seville, presented the **Smart Specialisation Platform S<sub>3</sub>**, which has been created to help Member States and Regions to develop their Smart Specialisation strategies, and the online database **Eye@RIS3** allowing the monitoring of KETs-related priorities. The JRC gave an overview of the KETs priorities declared so far by regions in their research and innovation strategies for smart specialisation: ca. 60% of the regions registered in the platform have indicated some priority for KETs. It seems that all sort of regions aim for KETs (from innovation leaders to modest performers).

*All presentations are available on CIRCABC.*

## **1.5 Questions and answers and exchange of views**

- In answer to several questions, P. Ortun and M. Catinat highlighted the importance for Member States and regions to include KETs in Smart specialisation strategies and Operational Programmes and the opportunities for the Member States and regions offered by the KETs industrial policy.
- Other points of discussion related to Horizon 2020 and KETs pilot lines as bottom-up scheme or not, evaluation criteria and Technology Readiness Levels.
- Several members of the MS Group expressed their strong interest in the combined financing issue but also stressed the urgency to receive more precise guidance from the Commission on the practical implementation aspects. One MS mentioned lost opportunities because of a lack of information received. M. Catinat explained that one single project can be funded by Horizon 2020 and by ESIF, and that the new combined funding opportunities will mainly be used for ambitious projects like pilot lines. The official guidelines will be circulated as soon as they become available.
- The process of modernization of state aid rules was also discussed. All members of the group will be informed about the public consultation on the draft Union framework for research and development and innovation (RDI) to be launched soon. MS are encouraged to submit their requests and comments to the Commission.

## **2. AFTERNOON SESSION: Joint meeting Member States' Group on KETs and representatives of the Sherpa working groups of the KETs High Level Group**

### **2.1 Introduction**

M. Catinat summarised the main presentations of the morning session as well as the main issues that were discussed: combined funding, the uptake of KETs in smart specialisation strategies and the ongoing process of modernisation of state aid rules. He explained that all members of the Group received a copy of the High-Level Group Status implementation report. G. Crean, Chairman of the Sherpa Group of the KETs High-Level Group, highlighted the need to revitalize and accelerate the manufacturing of KETs-based products in Europe, and that MS should not miss the unique opportunity offered by the new programming period 2014-2020.

## 2.2. Recommendations of the KETs High-Level group and European Council on industrial competitiveness

G. Crean highlighted that European competitiveness in global manufacturing is declining. G. Crean then illustrated the ten implementation recommendations of the KETs High-Level Group published in July 2013 for a European KETs-enabled re-industrialisation. G. Crean **asked support of the MS** to ensure (1) a workable combined funding mechanism to allow implementation of pilot lines, (2) uptake of KETs in smart specialisation strategies of regions, (3) support for SMEs to ensure and promote pan-European access for SMEs to KETs technology platforms and (4) a competitive industrially-friendly state aid framework.

*The presentation of G. Crean is available on CIRCABC.*

G. Crean further explained that the KETs High Level group will elaborate a report with **key political messages for European stakeholders, in view of the European Council on industrial competitiveness**. The document will be validated by the High Level Group at its third meeting taking place in January 2014.

M. Catinat invited the members of the MS group to send their suggestions for concrete messages to the European Council before mid-January. The topic of support for Important projects of common European interest (IPCEI) was one of the suggestions made.

## 2.3 Exchange of views

- In the following discussion M. Catinat explained that the EC is undertaking many actions to boost the deployment of KETs in Europe and to make European enterprises more competitive but that all MS and industry must share this responsibility. The KETs strategy is a medium-term policy, but every opportunity to speed up the process and implementation has to be taken; the European Council in February 2014 on industrial competitiveness is such an opportunity.
- Several issues with regard to the combined funding of Horizon 2020 and ESIF were discussed: the need for a business plan for the whole project (Horizon 2020 and ESIF); qualified evaluators with industrial expertise needed; how to evaluate combined funding proposals; KETs to be taken up in smart specialisation strategies, etc. As regards the evaluators, DG RTD stated that a call for expert evaluators had been launched; G. Crean highlighted the need to ensure industrial and technology expertise.
- Several members of the MS Group stressed again the need to receive more precise guidance from the Commission on the implementation of combined funding mechanisms.
- On the issue of exploitation of project results, several members recognised the importance to ensure exploitation of project results in Europe and generate manufacturing in Europe. Following some questions, the issue of exploitation of project results in the context of Horizon 2020 was explained by DG ENTR.
- MS will be informed about the public consultation on the state aid framework for R&D&I. In particular, the implementation of important projects of common European interest (IPCEI) and the matching clause were highlighted and discussed.

- Support for SMEs is foreseen by promoting better access of innovative SMEs to KETs technological platforms allowing them to test the feasibility of their ideas and projects. DG ENTR launched a study to map existing technology platforms and identify potential gaps. Access for SMEs to technology platforms can be supported by the SME instrument of Horizon 2020.

### **3. CONCLUDING REMARKS**

G. Crean welcomed the joint meetings with the members of the MS Group on KETs and underlined the need for support from the Member States on the issues highlighted in his presentation.

M. Catinat confirmed that the next meeting of the MS Group will take place on 4 February 2013. Members of the MS Group on KETs are further invited to send contributions (opinions, suggestions, etc.) for the European Council of 13/14 February on industrial competitiveness by beginning of January. The MS Group on KETs will be informed as soon as the draft Framework for state aid for R&D&I will be published and are invited to participate to the public consultation. In addition, members will be kept informed about the official guidelines on synergies between Horizon 2020, ESIF and other innovation related EU Funds.

Finally, as DG ENTR is currently preparing a note on KETs industrial eco-systems and notably on the cross-fertilisation between large companies and SMEs, members of the group are invited to send available data (studies, figures,...) on this topic.

#### 4. ANNEXE – Agenda of the meeting

## 2<sup>nd</sup> meeting of the Member States' Group on Key Enabling Technologies (KETs)

7 November 2013 – Brussels

Albert Borschette Conference Centre (CCAB-3A)  
Rue Froissart 36, 1040 Bruxelles, Belgium

### Agenda

#### Morning session – Meeting with Commission services (CCAB – Meeting room 3A)

- 9:30-10:00    **Registration and welcome coffee**
- 10:00-10:10    **Welcome introduction** by Pedro Ortun, Director Service Industries, DG ENTR
- 10:10-10:25    **Mandate of the Member States' Group on KETs**  
Introduction by Michel Catinat and open discussion
- 10:25-11:35    **A European strategy for KETs in industrial policy**  
Political context and strategy for KETs in industrial policy, including preparation of the European Council on industrial competitiveness, by Michel Catinat, Head of Unit Key Enabling Technologies and Digital Economy, DG ENTR  
Support activities of DG ENTR in the field of KETs: KETs Observatory, criteria for multi-KET pilot lines, industrial needs for multi-KETs projects, market distortion in the area of KETs, skills for KETs and KETs technology infrastructure, by Heidi Moens, Policy Officer Key Enabling Technologies, DG ENTR  
**Questions and answers and exchange of views**
- 11:35-12:45    **Update on KETs in the new EU financial programmes**  
KETs in Horizon 2020, by Doris Schroecker, Head of Unit Horizontal aspects, DG RTD  
KETs & smart specialization and synergies between Horizon 2020 and European Structural and Investment Funds, by DG REGIO (name tbc)  
KETs priorities declared by regions in the context of their work on Research and Innovation Strategies for Smart Specialisation (RIS3), by Manuel Palazuelos Martínez, Smart Specialisation Platform, Joint Research Centre  
**Questions and answers, exchange of views**

**Joint meeting  
Member States' Group KETs and  
Representatives of the Sherpa Working groups of the KETs High  
Level Group (2<sup>nd</sup> meeting)**

**7 November 2013 – Brussels**

Albert Borschette Conference Centre (CCAB-3A)  
Rue Froissart 36, 1040 Brussels, Belgium

**Agenda**

- 12:45-14:00 **JOINT LUNCH** Member States Group on KETs and representatives of the Sherpa working groups of the KETs High Level Group (**CCAB – third floor**)
- 14:00-16:45 Joint meeting Member States' Group on KETs and representatives of the Sherpa working groups of the KETs High Level Group (CCAB – Meeting room 3A)**
- 14:00-14:10 Introduction by Pedro Ortun, Director Service Industries, DG ENTR
- 14:10-14:20 Introduction by Gabriel Crean, Sherpa of the President of the KETs High Level Group
- 14:20-15:15 Status Implementation report of the KETs High-Level Group and state of play of recommendations, by Gabriel Crean and representatives of the Sherpa working groups
- 15:15-16:00 European Council on industrial competitiveness, by Gabriel Crean and representatives of the Sherpa working groups
- 16:00-16:40 Summary and exchange of views, discussion and role of Member States in implementation of KETs High-Level Group recommendations
- 16:40-16:45 Concluding remarks