

**A 4 minutes speech on the importance to ensure for European SMEs a Pan-European access to KET prototyping facilities and the willingness of RTOs to act in this regard, by Prof. Erkki KM Leppävuori, President and CEO of VTT.**

**KET HLG Meeting**

**29<sup>th</sup> January 2014, Brussels**

## Distinguished Commissioners, Ladies and Gentlemen,

We are 5 European RTOs, proud to be engaged in the work of the KET High Level Group:

- CEA
- Fraunhofer
- TNO
- IMEC
- VTT

In addition, I am proud to emphasize the work that European RTOs are currently doing in the broadest perspective, associated with **European competitiveness**:

- RTOs are active partners in Horizon 2020 PPPs
- We are very much involved in ETPs
- We give significant contribution to all EIPs
- And RTOs are key players in the EIT KICs... and several JPIs

What we have seen in the recent years is that various delegations from other regions - in particular from Asia - are very keen on visiting major European RTOs. They do this in order to benchmark us, and in order to learn from our long-term experience .... as they do clearly recognise **our role in supporting the competitiveness of our industries** .... across sectors and national borders.

I would like to raise 4 important points for our discussion today:

1. Amongst many different types of research performing organisations in Europe, RTOs are those who operate **very closely with the business sector**.
2. RTOs' task is to ensure that research can turn into viable and marketable products. One can say that RTOs have a job to do **in bridging the Valley-of-Death**.
3. Many RTOs are established and working under public mandate - national or regional. Today, however, **RTOs are spread across Europe**, through extensive researcher networks and strategic partnerships.
4. Therefore, we are integral part of the innovative ecosystems in Europe. These ecosystems involve various industrial clusters and value chains, where **both large companies and SMEs** are sustaining each other.

This leads us to the Recommendation nr 5 in the Status Report of the KET High Level Group last July (2013). It is about reinforcing the KETs innovation capacity of SMEs in the European value chains.

We have **clearly** identified and recognised a very specific need at European level:

Technology infrastructures, **with access for SMEs in particular**, will be necessary, so that we can successfully accelerate the market uptake of results from fundamental and technological research in Europe.

Pan-European access to early stage KETs prototyping facilities for SMEs can further be enhanced by paying specific attention to two obvious approaches:

**1<sup>st</sup> approach: SME-specific measures**, such as various SME-specific support programmes at national and regional level, and in Horizon 2020, which aim at growth and jobs

- This approach emphasises that SMEs should **have access** to the best technology infrastructures

**2<sup>nd</sup> approach: RTO-specific measures**, most likely at national and regional level, which should provide investment support for technology infrastructures, aiming at bridging the Valley-of-Death

- This approach emphasises that **RTOs should offer** to SMEs an easy access to the best technology infrastructures

Implementation of any of these approaches, **or most preferably a combination of them**, requires that attention is paid to the framework conditions for EU-level RTO collaboration on technology infrastructures (TRL 2-6).

One might argue that this type of collaboration should be self-evident already today. But, there **may be** some barriers of collaboration currently: Collaboration between RTOs, either at regional, national or transnational level, is not always self-evident.

Ladies and Gentlemen, how to tackle this question?

Horizon 2020 programme is calling for concrete plans and arrangements of designs for products, processes or services. This is a **substantial step to the right direction** and the Commission has done a huge effort in defining these targets. All this is

worth sincere thanks from the industry communities. We now have a comprehensive target list, which is given in the General Annex of Horizon 2020:

- prototyping
- testing
- demonstrating
- piloting
- large-scale product validation and market replication activities
- and demonstrations in operational or near to operational environments (TRL up to 6)

This is **precisely where RTOs are filling in the gap**, with our technology infrastructures. And we really can contribute here – and we want to contribute further, also within the industry-led piloting activities at higher TRL levels.

However, I would like to point out that setting up of a pan-European network of technology infrastructures .... calls for a **joint, comprehensively arranged European approach** ... with respect to the new **investment and impact criteria** concerned ... including **funding principles for RTOs and related service models** ... service models offered **both** to SMEs **and** large industry.

European RTOs are jointly willing to work on this task, together with the Commission and Member States, to develop **a broad support to European value chains**. These value chains are including SMEs and large companies. Europe needs both!