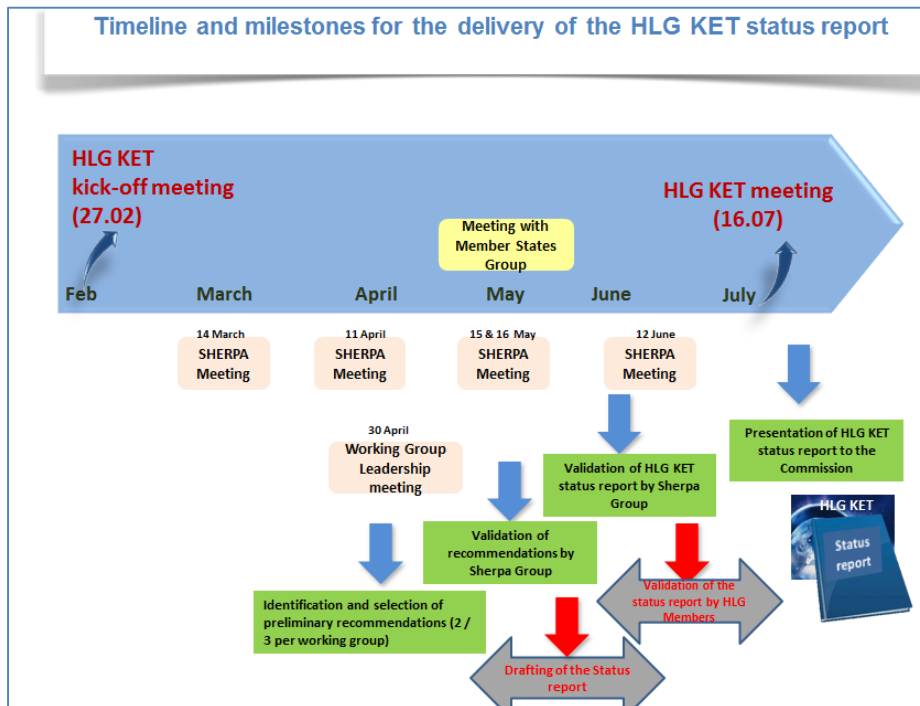




Minutes of the Sherpa Group Meeting
High level group on Key Enabling Technologies (HLG KET)
11 April 2013

1. Introduction, organisation and action plan for the delivery of the HLG KETs Status report by G. Crean (Chairman of Sherpa Group, Vice-President, CEA Technologies)

M. Crean reminded all the Sherpas of Vice-President Tajani's request to deliver the first status report of the HLG KETs to the Commission on the 16th of July. M. Crean elaborated the organisation of the HLG status report and the action plan for its delivery, as detailed in the illustration below.



Discussion on the Member States Group on KETs:

M. Crean explained that the creation of this group was new. Some Member States were included within the first KETs HLG. Back to back meetings between the Commission, the Member States Group on KETs and the Sherpa Group will be important. M. Crean reminded the Sherpa Group that the Group will need to work closely with the Member States Group on KETs, whilst remaining independent.

DG ENTR confirmed that each Member State can nominate two representatives. The first meeting is scheduled for the 15th of May. As agreed, it will be limited to the Chairmen and Rapporteurs of the Sherpa Group working groups to ensure effective and efficient discussions.

1. Introduction by DG ENTR:

DG ENTR reiterated that a window of opportunity exist for the work of the KETs HLG in the context of the implementation of industrial policy. On the 2nd of May, the informal Competitiveness Council will include a discussion on KETs. Furthermore, industrial policy, where KETs are one of the four key pillars, will be discussed during the Competitiveness Council of June 2013 and February 2014. In this respect, the conclusions of the KETs HLG status report could provide useful input for the preparatory work of the EC on the implementation of EU industrial policy

Finally, DG ENTR has launched two studies:

- A study on multi-KETs pilot lines, with the objective to gather case studies whereas workshops have been organised for March and May 2013.
- A study on cross-cutting KETs activities with the objective of identifying industrial and market needs for activities integrating different KETs

2. Status of Working Groups work by Chairmen / Rapporteurs + discussion

Discussion:

- **Working Group 1 (Multi-KETs approach) :**

- Considering that questionnaires had been sent to various PPPs and industrial associations of JTIs, Sherpa members stressed the need to consolidate and integrate the input from the various sectors to define commonalities.
- On the photonics case, where a future PPP is under discussion, M. Crean confirmed that all relevant Photonics stakeholders were invited to reply to the questionnaire.
- M. Crean stated that the key output of this working group was to provide guidance and advice to the Commission on future multi-KETs activities (for example selection criteria such as TRLs for projects). He reminded that 30% of the KETs Horizon 2020 budget is ring-fenced for cross-cutting KETs. KETs are covered under the Leadership in Enabling and Industrial Technologies pillar of H2020.

- **Working Group 2 (KETs value chain) :**

M. Crean stated that this working group had to identify strategic value chains as a prerequisite for projects of common European interest.

Discussions focused on aspects to be considered in future criteria defining a value chain approach, namely the need to:

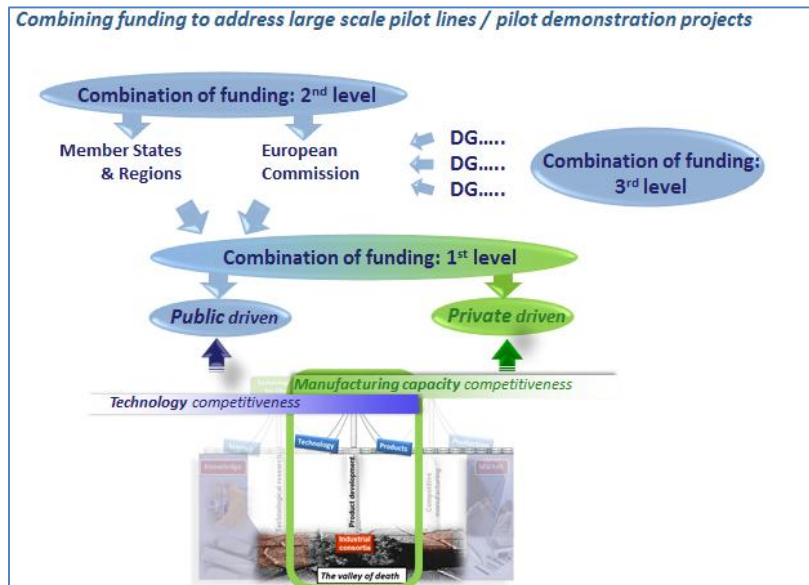
- adopt a dynamic model, adjustable to the specificities of various sectorial value chains. The “value chain correctness” concept, already endorsed by the first HLG KET report, was evoked as a criterion to be put forward by this new HLG KET. M. Crean mentioned that this issue should also be raised with the Member States Group on KETs, since their participation in applicable chains is a key aspect of the concept;
- focus on the part of the value chain where industry can bring the most innovation and obtain the most benefit;
- consider market aspects in the criteria, including the global market and EU exports;
- demonstrate added-value in terms of job creation and benefits for industry.

ENTR confirmed that HLG KET input was needed to guide the Commission on how to identify: cross-cutting elements of value chains, TRL levels, European added value in terms of job creation, manufacturing activities, etc.

- **Working Group 3 (KETs financial engineering):**

Discussion focused on the following points:

- The importance of case studies on combined funding mechanisms for large scale KETs projects at higher TRLs, These include Horizon 2020, ERDF, EIB and national or regional funding;
- EIB funding eligibility rules;
- The subsequent difficulties for SMEs to combine three types of funding (Horizon 2020, ERDF and EIB);
- The current status of contractual PPPs and their funding possibilities;
- The need to find a way for public stakeholders to assume part of the risk of pilot lines projects, which are capital-intensive and risky by nature.



- **Working group 4 (Promotion of KETs in EU at national and regional levels)**

Discussion:

The three key objectives of the working group:

- Elaborate mapping of existing KETs national and regional policies in EU ;
- Promote KETs by preparing meetings with those regions represented in the KETs HLG so that KETs business needs can be taken up into Smart Specialisation Strategies;
- Prepare messages crucial to the national implementation of the EU KETs strategy. An example is Italy, whose national strategy includes KETs as a key pillar.

Finally, M. Crean emphasised that this working group should work closely with the JRC in Seville, which is responsible for the smart specialisation platform.

- **Working Group 5 (KETs globalisation and state aid) :**

The working group should consider the Regional Aid Guidelines and the issue of the Project of Common European Interest (107.3 b), specifically with regard to large scale KETs industrial projects with a European dimension.

DG COMP confirmed that the 107.3 b provision of the TFEU has not often been applied. The core concern is indeed to define eligibility and compatibility criteria for such projects.

Discussions also touched upon the importance of public support, in the form of risk sharing, in order to maintain the competitiveness of European industry.

- **Working group 6 (KETs human capital, skills and technological research infrastructures):**

Discussions raised the following issues:

- M. Crean highlighted the need for skilled workers; the analysis and recommendations made by the first HLG KET in this respect are still relevant, and he asked Sherpa members to update the figures on skills deficits by working with the EC services;
- M. Crean precised that in this domain a joint working group with the EIT (European Institute of Innovation and Technology) and the HLG KET working group on skills can be created;
- Regarding the technological research infrastructures, M. Crean called upon the Sherpa Group to identify any omitted ones in Europe and provide the Commission with these inputs;
- Some Sherpa members mentioned the need to organise training actions around pilot lines;
- Reskilling and mobility were also evoked;
- KETs training in Industry-Academic Partnerships (Curie actions) were also put forward.

- **Working group 7 (KETs and societal challenges)**

Discussion focused on the following key points:

- Societal challenges are characterised by their diversity and complexity. A more simplified picture is needed. As an example, in the case of smart cities, the drivers are social and environmental aspects, rather than economics.

- Governance with regard to societal challenges should be clarified, especially roles and responsibilities.
- A market pull strategy can drive technological development that simultaneously addresses societal challenges.
- Technology should be re-introduced into European Innovation Partnerships, to strike a balance.

3. Presentations from JRC scientific support to KETs:

- Smart Specialisation Platform

The concept of smart specialisation was developed within the Knowledge for Growth initiative. In 2011, collaboration with DG REGIO resulted in the creation of the Smart Specialisation Platform to encourage regions and Member States to identify areas with high economic potential. A guide has recently been developed and a mapping exercise is being carried out, in order to provide an overview of KETs activities in Europe. JRC's analysis is cross-cutting (sustainability assessment, supply chain risk assessment). On the 25th of April, a JRC seminar on scientific support to KETs will take place.

JRC activities related to KETs include:

- Regional innovation strategies (RIS): JRC supports regions in to the development of their RIS. Regions need to consider not only vertical but also horizontal technologies (including KETs) and challenges.
- Mapping of priorities : JRC set up IT tools to obtain regional areas of specialisation
- A survey was launched in order to consult regions on KETs and the modernisation of their economic activities,. This questionnaire will be circulated within the Sherpa Group. The first results demonstrate 125 active regions, 12 Member State activities (among the Eastern European countries) and a variety of regions.
- The recent organisation of an event in Spain (Murcia), on the application of KETs to modernise the Agro-food sector.