



Minutes of the Sherpa Group Meeting High Level Group on Key Enabling Technologies (HLG KET) 26 June 2013

1. Introduction: objectives of the meeting by M. Crean (Vice President of CEA Technologies, Chairman of the Sherpa Group)

M. Crean firstly welcomed the Sherpa Group by reminding that the objectives of the meeting were first to agree on the exact wording of the recommendations (chapter 3 of the report) and secondly, to agree on the content of chapter 1 dedicated to the KETs global perspectives, and thirdly, to agree on the content of the chapter 2 focused on the European KETs landscape.

2. Welcome by M. Catinat (Head of unit Key Enabling Technologies and Digital Economy, DG ENTR, European Commission)

M. Catinat provided the Sherpa Group with the latest developments on the Regional Aid Guidelines, adopted by the European Commission (EC) the 25th of June 2013. He reminded all that these guidelines concern two types of regions, A regions (less developed), and C regions (more developed), and two types of economic actors – SMEs and large companies. In the case of C regions, SMEs and large companies will not be treated equally. In the case of A regions the EC agreed not to create discrimination between SMEs and large companies. This means that in C regions, the total eligible costs will depend on the volume of the investment. Regarding large companies, paragraph 15 foresees that these undertakings will be eligible for public support provided that “*initial investments create economic activity or diversification activities for new products and new process of innovation*”. He finally recalled that these projects will of course have to be notified.

3. HLG KET Status report architecture by M. Crean

The architecture of the HLG KET Status Implementation report was presented by M. Crean and validated by the Sherpa Group as follows:

- A first chapter dedicated to the Global KETs perspective
- A second chapter dedicated to the current status of European KET policies
- A third chapter dedicated to ten HLG KET recommendations

The architecture presented is available in Appendix 1 of the minutes.

4. HLG KET final recommendations retained, chapter 3, by M. Crean, and open discussion

- **Recommendations 1 & 2 (implement KETs and multi-KETs pilot lines, including demonstrator, activities):**

The Sherpa Group discussion focused on the need to ensure private stakeholders commitment to invest and manufacture in Europe.

It was also agreed that European support to pilot lines actions should include demonstration activities.

- **Recommendation 3 (Implement effective solutions for combined funding mechanisms):**

Ms Schroeker (DG RTD) stressed that combined funding mechanisms require a solution with regard to legal certainty.

M. Skordas (DG Connect) emphasized the need to keep flexibility, considering the fact that public support and grant agreements might not be concluded at the same time.

- **Recommendation 4 (Global level playing field / State Aids):**

No discussion on this recommendation. The recommendation was approved.

- **Recommendation 5 (Reinforce SMEs innovation capacity):**

Sherpas discussed the importance of including Mezzanine funding instrument from the European Investment Bank (EIB), considering its key role to help start-ups. M. Debande (EIB) confirmed that the EIB Board had endorsed the Mezzanine instrument.

In order to facilitate a pan-European access to KETs Technology Platforms, the European Commission stressed the importance for European R&D organisations, RTOs, but also, Technological Universities to cooperate. The Chairman stated that RTOs already have a significant track record of collaboration.

- **Recommendation 6 (Anchor globally competitive manufacturing in Europe):**

The recommendation was approved.

- **Recommendation 7 (KETs skills and human capital):**

The Sherpa Group took note of the recent decision from European decision makers to launch a new KIC on Advanced KETs enabled Manufacturing in 2016. The Sherpa Group called for European decision makers to accelerate the launch of this new KIC in 2014, rather than 2016, in coherence with the European Industrial policy ambition to achieve the target of 20% of GDP coming from industry by 2020 and respond to the urgent need to boost the manufacturing sector in Europe.

- **Recommendation 8 (Protect and exploit Intellectual Property assets in Europe):**

The recommendation was approved.

- **Recommendation 9 (KETs and societal challenges):**

The recommendation was approved.

- **Recommendation 10 (Promotion of KETs policies at national and regional levels)**

The recommendation was approved.

5. Key elements of HLG KET Status report chapter 1 (Global KETs perspectives), by M. Crean and open discussion

Three main messages were discussed:

- Europe's Manufacturing is declining
- Lose manufacturing, you lose R&D
- Europe still in the technology race (patents) but window of opportunity is reducing
- Europe must reinforce close to market R&D&I activities

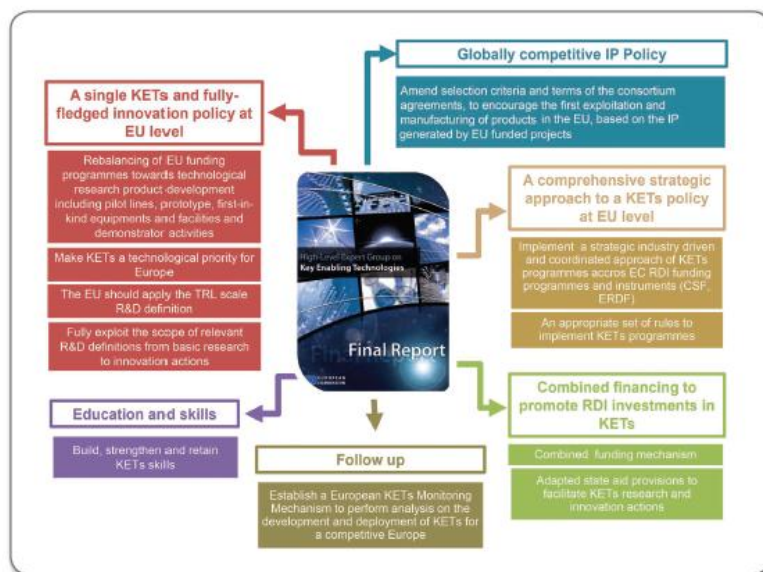
6. Key elements of the HLG KET Status Report chapter 2 (Current status of KETs policy in the EU), by M. Crean and open discussion

M. Crean firstly presented the European KETs policy landscape, as depicted in Appendix 2. He stated that the European Commission's increased political focus on KETs was reflected in the broad range of policies addressing KETs, from research and innovation to Industry and Cohesion policies.

Regarding the Council, he stated that a number of conclusions from both the Competitiveness Council (October 2012) and the Council of the EU (March and June 2012) were dedicated to KETs.

He then presented the status of implementation of the first HLG KET recommendations.

M. Catinat asked that the Sherpa analysis be more precise, and to distinguish three



categories: those that had been implemented, those that were in progress, and those that had not yet been implemented.

7. Key milestones for future HLG KET actions by M. Crean and open discussion

M. Crean invited the Sherpas to make proposals of topics to be addressed during the next phase of the HLG KET.

This discussion resulted in the following suggestions:

ACTION 1: Explore Pilot Line (incl. demonstrators) case studies with full combined funding financial scenario

ACTION 2: Implement via PPP mechanisms the four test-cases of multi-KETs industrial projects through combined funding mechanisms

ACTION 3: Progress practical and timely solutions for combined funding

ACTION 4: Perform a benchmarking study

- Global level playing field / Trade in the US / Brazil / Asia on all KETs
- Innovation and industrial ecosystems

ACTION 5: Implement pan-European access to early stage KETs prototyping facilities for SMEs:

- Establish a list of required technological research platforms
- Configure initiative leveraging RTOs and other R&D organisations

ACTION 6: Address KETs skills and education (ERC (15%), ESF, KIC Manufacturing), increase cooperation with DG Education

ACTION 7: Integrate KETs into societal challenges (European societal challenge solutions should use European building blocks to create market pull)

ACTION 8: Promote KETs at Member State and regional levels:

- “Tour of Europe” to promote KETs in the regions, with the support of JRC
- Work with the regions having included KETs in their SRI to identify potential KETs and Multi-KETs projects

ACTION 9: Monitor uptake of recommendations

ACTION 10: Define approach and criteria for public procurement to support KETs deployment

8. Other business:

The Sherpa Group discussed the organisation of the next HLG KET meeting, of the 16th of July.

The European Commission confirmed this meeting is scheduled from 2.30 pm to 4.30 pm.

M. Crean invited all the Sherpas to propose topics and CEO’s speaking points in order to organise the intervention of HLG KET Members.

The date of next Sherpa Group meeting was confirmed as the 12th of September 2013.

APPENDIX 1 : HLG KET STATUS IMPLEMENTATION ARCHITECTURE



HLG KET Status Implementation report : architecture

Executive Summary

INTRODUCTION

Chapter 1. Global KETs perspective

Chapter 2 : Current status of European KET policies

Chapter 3 : Recommendations

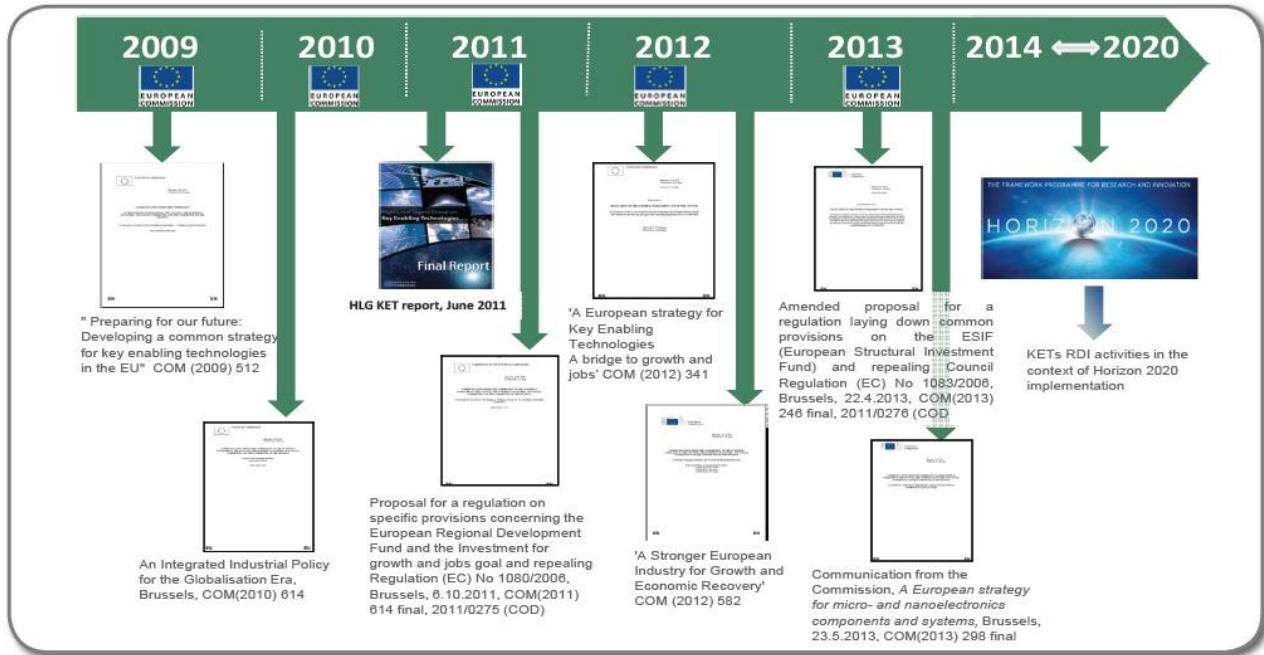
CONCLUSION

APPENDICES

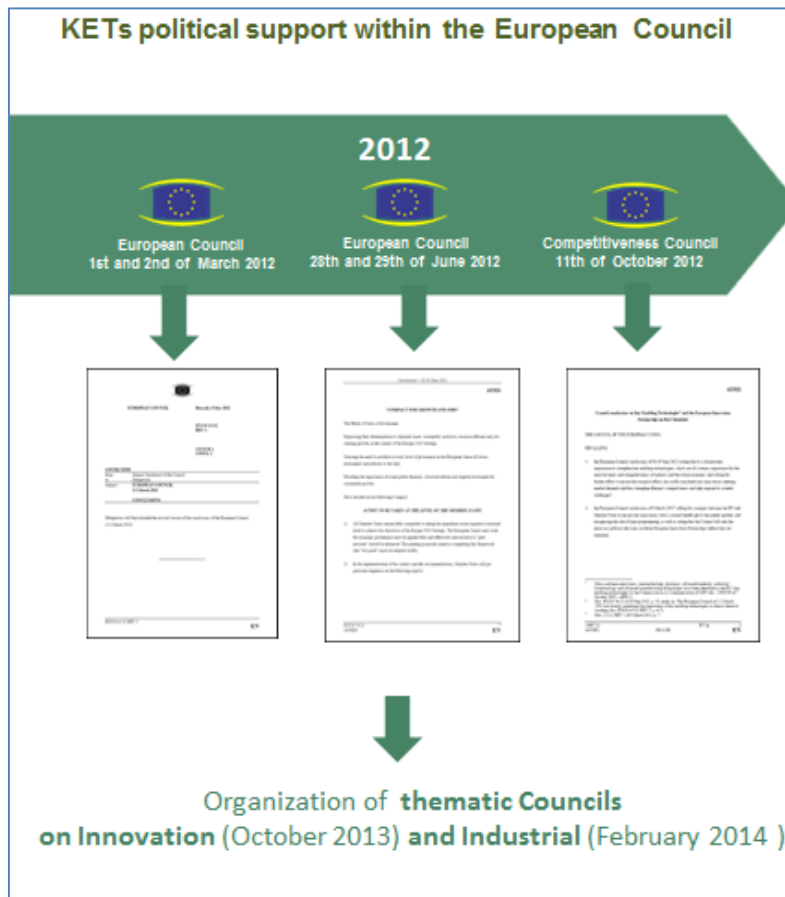
- Methodology / working method
- List of HLG KET Membership
- List of Sherpa group Membership

APPENDIX 2 : EUROPEAN KETs POLICY LANDSCAPE

- European Commission communications :



- Conclusions from the Council



APPENDIX 2 : AGENDA

AGENDA OF SHERPA GROUP MEETING, 26TH JUNE, DG ENTERPRISE, BRUSSELS

10:00	10min	Introduction : objectives of the meeting by M. Crean (Vice President of CEA Technologies, Chairman of the Sherpa Group)
	10 min	Welcome by M. Catinat (Head of unit KETs, DG ENTR, European Commission)
10:20	10min	HLG KET Status report architecture by M. Crean
10:30	60min	HLG KET final recommendations retained, chapter 3, by M. Crean, and open discussion
11:30	60 min	Key elements of HLG KET Status report chapter 1 (Global KETs perspectives), by M. Crean and open discussion
12:45	75min	Lunch
14.00	60min	Key elements of the HLG KET Status Report chapter 2 (Current status of KETs policy in the EU), by M. Crean and open discussion
15.00	60min	Key milestones for future HLG KET actions by M. Crean and open discussion
16.00		End of meeting