



Minutes of the Sherpa Group Meeting High Level Group on Key Enabling Technologies (KETs HLG) 12 June 2013

1. Introduction: objectives of the meeting by M. Crean and key milestones for future KETs HLG (Vice President of CEA Technologies, Chairman of the Sherpa Group)

M. Crean reminded all participants that the KETs HLG Status Implementation report would be delivered to the European Commission on the 16th of July. He stressed that the objective of the meeting was to agree on the content of all recommendations. He added that the latest version of the recommendations was based on the written contributions sent by Sherpas in advance of the meeting.

M. Crean stated that the objective of the KETs HLG should be to ensure that the KETs HLG recommendations could contribute to the elaboration of the Commission communication on Industrial Policy.

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

M. Catinat reminded that the first set of recommendations is not exhaustive, additional issues will be developed and explored in the future work of the HLG. He reiterated and supported the Chairman remark that the objective of this meeting was to agree on the precise wording of all recommendations.

3. Presentation on HLG KET Recommendations by M. Crean and open discussion

M. Crean presented the architecture of the recommendations (chapter 3 of the Status Implementation report). This architecture was agreed and validated by Sherpas. A new title on the pilot line actions was agreed as follows: "*implementing industrial pilot lines and demonstration activities in strategic industrial sectors*".

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

The key elements discussed were the following: industrial pilot lines should cover TRLs 5 to 8 and should be industry driven; "pilot" initiatives, test-cases in KETs strategic industrial sectors should be launched to demonstrate the feasibility of such pilot lines initiatives in different sectors.

Regarding the selection criteria, the status of the company asking for public support for pilot line projects was discussed. It was stated that a company with no production site in Europe, but intending to manufacture in Europe should be eligible. The wording agreed by the Sherpa Group related to an *Industrial company with significant potential for manufacturing in the EU*.

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

The Sherpa Group highlighted the importance of having workable financial engineering mechanisms ready and implementable at the launch of Horizon 2020 in 2014.

M. Catinat stated that according to the new Regional Aid Guidelines, large companies would be eligible for public support under certain conditions.

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

M. Catinat briefed the Sherpa Group on the latest Commission discussions regarding "projects of Common European interest" (Art 107.3.b TFEU). The European Commission is currently working on the eligibility criteria and compatibility criteria. Sherpas confirmed their strong interest in using a workable article.

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

Sherpa members asked to broaden the perimeter of organisations concerned by the KETs Technology Platforms, from RTOs to R&D organisations. Sherpas insisted on the importance to ensure the vertical integration of the value chain to facilitate the access of SMEs. The "foundry" term was changed to "contract manufacturing".

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

The European Commission (DG RTD) stated that the Horizon 2020 programme would contribute to the European Investment Bank in terms of guarantees of loans, through new financial instruments.

During the following discussion, it was confirmed that the EIB support includes TRL 9, namely manufacturing activities. Finally, it was highlighted that funding instruments should be available over long periods e.g. for investment periods of 10 years.

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

The Sherpa Group underlined the need to ensure that all relevant EC services, in particular, DG Education and Culture, are involved.

The Sherpa Group agreed that the KIC on Advanced Manufacturing should explicitly address and cover KETs in line with past Council Statements.

The Sherpa Group agreed on the importance for the European Research Council (ERC) to dedicate 15% of its budget on technological research excellence.

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

The Sherpa Group agreed that closer to market projects receiving European public funding should have a clear return on investment for the European economy.

After discussion, it was agreed to precise that “under reasonable circumstances”, first exploitation of IP arising from European public funded R&D&I, should be made in Europe.

This recommendation was seen as important in the context of the first KETs HLG final report of 2011. It was generally agreed that in the present situation of scarce public money, it was necessary to ensure that public money provides in return economic benefit to the EU.

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

No discussion on this recommendation. The recommendation was approved.

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

The Sherpa group insisted on the need to better understand where the diffusion and deployment of KETs takes place and what the obstacles to this deployment are.

Sherpas highlighted the need for the EC to launch a study to provide data on public support for KETs in Member States and regions and on type of projects, in order to establish a kind of “*KETs innovation scoreboard*” in Europe.

According to current JRC data, it was confirmed that 46 regions had indicated KETs in their smart specialisation strategies.

JRC would launch a survey in September 2013 on the diffusion of KETs to better understand how they consider the TRL scale. He also proposed to include an analysis of the regions having included KETs in their smart specialisation strategies.

Sherpas stressed the importance of simplifying the administrative process associated with ERDF projects, as well as the need to develop KETs competencies for regional desks.

The draft calendar of the smart specialisation policy was presented by Ms Moens (DG ENTR) as follows: submission of the National Strategic Programmes by Member States after adoption of the regulation, submission of the Operational Programmes by regions two or three months after, and launching of the ERDF activities early 2014.

5. Presentation on the HLG KET Status Report architecture by M. Crean and open discussion

M. Crean presented the global architecture of the report. This was validated and agreed by the Sherpa Group as further detailed in Appendices 1 and 2.

The Sherpa Group agreed to work on an “*EC implementation scoreboard*”, allowing to assess the status of implementation of the first KETs HLG report recommendations from 2011, in chapter 2 of the report.

6. Presentation of the KETs Observatory website, by DG ENTR

Presentation is available on CIRCA.

Conclusions

In conclusion, considering the need for additional time to discuss the recommendations, the Sherpa Group agreed to organise an additional meeting on the 26th of June.

Sherpa members also discussed the next KETs HLG meeting of the 16th of July 2013: short introductions from the Commissioners, the delivery from the KETs HLG President of the recommendations, and the response from the Commissioners to the KETs HLG recommendations. It was also agreed that KETs HLG speakers should also be invited to convey key messages to the Commissioners. The Chairman welcomed all Sherpas to contact him if their HLG Member wished to make an intervention at the KETs HLG meeting.

APPENDIX 1 ARCHITECTURE OF THE HLG KET STATUS IMPLEMENTATION REPORT

HLG KET Status Report

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**APPENDIX 2
ARCHITECTURE OF THE
HLG KET STATUS IMPLEMENTATION REPORT RECOMMENDATIONS (CHAPTER 3)**

HLG KET STATUS IMPLEMENTATION RECOMMENDATIONS

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3.1 REINDUSTRIALISING EUROPE BY KETS INNOVATION: THREE PRIORITY ACTIONS

3.1.1 Accelerating product development and manufacturing capabilities in Europe through pilot lines

- Implementing industrial pilot lines and demonstration activities in strategic industrial sectors
- Allow combined funding mechanisms
- Adapt EU RDI state aid framework

3.1.2 Strengthening SMEs innovation capacity through access to early stage prototyping facilities in Research and Technology Organizations

3.1.3 Anchoring a competitive global manufacturing and industrial landscape in Europe

3.2 KETS ENABLERS TO SUPPORT EUROPEAN COMPETITIVENESS AND JOBS : FOUR PRIORITY ACTIONS

3.2.1 Developing KETs human capital and skills

3.2.2 Protecting and exploiting European public funded Intellectual assets:

3.2.3 Speed up innovation and contribute to EU Industrial Policy by leveraging societal challenges to stimulate European KETs market and supply

3.2.4 Promotion of KETs policies at national and regional level

APPENDIX 3 : AGENDA

AGENDA OF SHERPA GROUP MEETING, 12TH JUNE 2013, 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)
	10min	Introduction on the key milestones for future HLG KET actions , by M. Crean (Vice President of CEA Technologies,Chairman of the Sherpa Group)
10:30	120min	Presentation on HLG KET Recommendations by M. Crean and open discussion
12:30	90min	Lunch
14.00	60min	Presentation on HLG KET Recommendations by M. Crean and open discussion
15.00	60min	Presentation on the HLG KET Status Report architecture by M. Crean and open discussion
16.00	30min	Presentation of the KETs Observatory website, by DG ENTR
16.30	30 min	Any other business
17.00		End of meeting