



Consultation on the Effectiveness of Innovation Support in Europe

Glossary of terms

Cluster	<p>A cluster may be defined as a group of firms, related economic actors, and institutions that are located near each other and have reached a sufficient scale to develop specialised expertise, services, resources, suppliers and skills. They are a real economic phenomenon that can be economically measured, whereas clusters policies are an expression of political commitment (and cluster initiatives the organised efforts) to support existing clusters or the emergence of new clusters. Cluster policies are designed and implemented at local, regional and national level, depending on their scope and ambition. It is the role of the EU to facilitate and add to such efforts, notably by promoting research and education excellence and entrepreneurship, fostering better linkages between industry (especially SMEs) and research, and encouraging mutual policy learning and trans-national cluster cooperation.</p>
Cluster organisation	<p>Cluster organisations may be considered as the legal entity engineering, steering and managing the clusters, including usually the participation and access to the cluster's premises, facilities and activities. They are considered as new and highly efficient forms of innovation support providers that provide or channel specialised and customised business support services, especially to SMEs. Cluster organisations are often also in charge of cluster initiatives.</p>
Competitiveness and Innovation Programme (CIP)	<p>The Competitiveness and Innovation Framework Programme (CIP) aims to encourage the competitiveness of European enterprises. With small and medium-sized enterprises (SMEs) as its main target, the programme will support innovation activities, provide better access to finance and deliver business support services in the regions. It will encourage a better take-up and use of information and communications technologies (ICT) and help to develop the information society. It will also promote the increased use of renewable energies and energy efficiency. The programme will run from 2007 to 2013.</p>
Design	<p>Design can be defined as a structured creative process. Design is readily associated with industrial product design for manufactured products – specifically the 'look' of a product. However, the application of design is much broader, for example designing for function; for aesthetic appeal; for ease of manufacture; for sustainability; and designing for reliability or quality and business processes themselves. Service design affects how customers will experience the delivery of a service, such as a bank or a fast food restaurant. Elements of design, particularly graphic design, will form part of product, service and company branding and advertising strategy.</p>

Enterprise Europe Network	<p>The Enterprise Europe Network is the largest network of contact points providing information and advice to EU companies on EU matters. It is made up of close to 600 partner organisations in more than 40 countries, promoting competitiveness and innovation at the local level in Europe and beyond. The Network offers support and advice to businesses across Europe and helps them make the most of the opportunities in the European Union. Services are specifically designed for small and medium enterprises (SMEs) but are also available to all businesses, research centres and universities across Europe.</p>
Europe INNOVA	<p>Europe INNOVA is an initiative which aspires to become the laboratory for the development and testing of new tools and instruments in support of innovation with the view to help innovative enterprises innovate faster and better.</p> <p>It brings together public and private innovation support providers such as innovation agencies, technology transfer offices, business incubators, financing intermediaries, cluster organisations and others.</p> <p>Launched in 2006, Europe INNOVA was designed to identify and analyse the drivers and barriers to innovation within specific sectors, to lead to sound and targeted support policy measures. Its sector-based approach reinforced cooperation between business clusters, finance and standardisation practitioners in Europe through the establishment of networks, i.e. learning platforms for exchanging experiences, good practice and knowledge to better serve SMEs.</p> <p>In 2009, a new set of Europe INNOVA actions is being launched, based on European Innovation Platforms in three high priority policy areas: transnational cluster cooperation, knowledge-intensive services and eco-innovation.</p> <p>The actions are oriented towards the development and testing of new innovation support services for SMEs, notably start-ups, delivered in the field by public-private partnerships made up of European professionals in innovation. The support services will be tested in view of their wider application, e.g. by the Enterprise Europe Network.</p> <p>The initiative also supports the Lead Market Initiative by injecting dynamism into entrepreneurial innovation via catalysis between supply and improved demand factors, which unleashes the innovation dynamics in lead market areas covered by the European Innovation Platforms.</p>
European Innovation Scoreboard	<p>The EIS attempts to benchmark, on a yearly basis, the innovation performance of Member States, drawing on statistics from a variety of sources, primarily the Community Innovation Survey. The actual eighth edition of the European Innovation Scoreboard (EIS) provides a comparative assessment of the innovation performance of EU Member States under the EU Lisbon Strategy. The methodology for the 2008 EIS is revised compared to that of 2007 with a stronger focus on services, non-technological aspects, and outputs of innovation.</p>
Framework Programme on Research and Development (FP)	<p>The FP is the Union's main instrument for funding research in Europe. It is open to public and private entities, large or small and represents the Union's foremost instrument for the realisation of the ambitions expressed in the form of the European Research Area (ERA). Each Framework Programme runs for a period of four years. The current</p>

	programme, which is the seventh, will run between 2007 and 2013.
"Gazelles"	Typically "Gazelles" are defined as small companies with extraordinarily high growth rates over several years. Being more precise, the OECD applies the following definition: Enterprises, being employers for a period of up to 5 years, with average annualised growth in employees (turnover) greater than 20% a year, over a 3-year period and with 10 employees at the beginning of the observation period".
(Business) Incubation	Provision of support services for start-up and early-stage companies related to the formation and acceleration of the business operations. Support consists of business plan development, facilities management, marketing, legal advice, recruitment, access to finance, mentoring and internationalisation.
INNO-Policy TrendChart	The INNO-Policy TrendChart describes and analyses major innovation policy trends at national and regional levels across Europe in an independent way. It aims to contribute to policy assessment and to identify examples of good practice, thus improving the basis for decision making in innovation policy.
Innovation	<p>Following the Oslo Manual (OECD), innovation can be understood as the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations.</p> <ul style="list-style-type: none"> • A product innovation is the introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics. • A process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. • A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. • An organisational innovation is the implementation of a new organisational method in the firm's business practices, workplace organisation or external relations.
Innovation management	Innovation management can be understood as the capability to manage an invention/idea of new products, processes, services, organisational forms or an elementary improvement of a business (model) system up to its successful commercialisation. (<i>IMP³rove</i>)
Innovation policy	Following the EU Competitiveness Council conclusions of 4.12.2006, innovation policy can be understood "as a set of instruments (aiming) at

	<p>improving access to financing in support of innovation, at creating an innovation friendly regulatory environment and demand for innovation as well as at reinforcing the activities of institutions relevant for innovation, including the links between research institutions and industry". Based on this definition, innovation policy typically "addresses horizontal issues, consisting of various public policies, thus requiring effective governance".</p>
Innovation support	<p>For the purpose of this consultation, innovation support can be defined as any action or initiative instrumental to implement innovation policy which is taken or (co-)financed by the public sector with the aim of influencing innovation processes and capacities in enterprises and thereby enhancing their competitiveness. Innovation support can be provided in a direct or indirect form.</p> <p>Direct innovation support affects innovation processes in enterprises through the provision of specific resources (e.g. financial, human or organisational) or information which is geared towards innovation activities. Direct innovation support measures are clearly developed for the benefits of enterprises which are publicly sponsored.</p> <p>Indirect innovation support affects the legal, economic, social, cultural framework conditions that influence innovation processes in enterprises.</p>
Innovation vouchers	<p>An innovation voucher can be defined as a free ticket for an SME to cooperate with a knowledge provider. It stimulates the transfer of knowledge between SMEs and research organisations and contributes to close a gap of knowledge since there is often only little use of knowledge of research institutions by SMEs. On the other side it broadens client base for knowledge providers and the exploitation of available knowledge stocks.</p>
IPR (Intellectual Property Rights)	<p>Intellectual property is legal property rights over creations of the mind, both artistic and commercial, and the corresponding fields of law. Under intellectual property law, owners are granted certain exclusive rights to a variety of intangible assets, such as musical, literary, and artistic works; ideas, discoveries and inventions; and words, phrases, symbols, and designs. Common types of intellectual property include copyrights, trademarks, patents, and trade secrets.</p>
IPR Helpdesk	<p>The IPR Helpdesk provides free-of-charge information and resources to help EU-funded projects manage Intellectual Property Rights and related issues. It offers online training modules, a helpline and a comprehensive collection of relevant documents.</p>
Lead Market Initiative for Europe	<p>The Lead Market Initiative (LMI) for Europe will foster the emergence of lead markets of high economic and societal value. The LMI leans on two main pillars: the six lead market areas and the implementation of their action plans (policy coordination). Six markets have been identified - eHealth, protective textiles, sustainable construction, recycling, bio-based products and renewable energies. These markets are highly innovative, respond to customers' needs, have a strong</p>

	<p>technological and industrial base in Europe and depend more than other markets on the creation of favourable framework conditions through public policy measures.</p>
Lisbon Strategy	<p>At the Lisbon summit in March 2000, European Union leaders set out a new strategy, based on a consensus among Member States, to modernise the EU economies. This became known as the “Lisbon Strategy”. After initially moderate results, the Lisbon Strategy was simplified and relaunched in 2005. It has now more potential to make strong contribution to Europe's economic growth. The main objective remains to secure a prosperous, fair and environmentally sustainable future for Europe through the appropriate economic reforms. Therewith Europe can ensure that its economies are well positioned to take advantage of the opportunities offered by globalisation.</p>
PRO INNO Europe®	<p>PRO INNO Europe® is an initiative which aims to become the focal point for innovation policy analysis, learning and development in Europe, with the view to learning from the best and contributing to the development of new and better innovation policies in Europe.</p> <p>The initiative brings together public actors responsible for innovation with a view to fostering transnational cooperation on support for innovation through various instruments.</p> <p>Launched in 2006, PRO INNO Europe ® has supported closer cooperation between innovation policy makers at different levels, thus contributing to the creation of a European Innovation Space. New innovation policy concepts were jointly developed and tested, helping improve their efficiency and speed up their implementation throughout Europe.</p> <p>In 2009, new actions will be launched, focusing on specific priority areas, such as clusters, eco-innovation and services. The identification and further dissemination of “good practice” is no longer sufficient. To make real progress, participating countries and regions have to work closer together in search of “better practice” in support of innovation and subsequently apply these ideas.</p> <p>The actions closely reflect the recommendations of the Communication, "Putting knowledge into practice: A broad-based innovation strategy for the EU", notably in relation to making the EU more innovation-friendly through wide partnerships involving consumers and citizens and promoting cooperation among stakeholders.</p>
Service	<p>A service is defined in the Oslo manual in the manner that “a key element of services is that the distinction between products and processes is often blurred, with production and consumption occurring simultaneously. Development of processes can be more informal for services than for goods, with an initial phase consisting of search, idea gathering and commercial evaluation, followed by implementation.”</p>
Service company	<p>Service companies are characterised as those whose produced performance is increasingly linked to a concrete service provision which is either linked to material products or is of a purely immaterial nature with an often high level of expertise involved. This also means that service cannot be stored or kept, but that service is consumed in the</p>

	moment of production.
Service innovation	<p>Following the Oslo Manual (OECD), service innovation can be understood as “innovation activity in services tends to be a continuous process, consisting of a series of incremental changes in products and processes. This may occasionally complicate the identification of innovations in services in terms of single events, i.e. as the implementation of a significant change in products, processes or other methods.”</p> <p>For the purpose of this document service innovation refers mainly to innovation in the service sector provided by service entrepreneurs or “service companies”. When relevant it refers also to innovation in service activities in all sectors, including manufacturing. When measuring service innovation usually it is the measuring of innovation in the service sector and the NACE classification of the service sector is used.</p>
Small Business Act (SBA)	<p>Adopted in June 2008, the "Small Business Act" for Europe (SBA) reflects the Commission’s political will to recognize the central role of SMEs in the EU economy and for the first time puts into place a comprehensive SME policy framework for the EU and its Member States.</p> <p>It aims to improve the overall approach to entrepreneurship, to irreversibly anchor the “Think Small first” principle in policy making from regulation to public service, and to promote SMEs’ growth by helping them tackle the remaining problems which hamper their development.</p>
SME	Small and medium enterprises (EU Definition: Headcount < 250, turnover • €50 million or balance sheet total• €43 million).
Start-up	A newly created company or company with a very limited operating history.
State Aid framework for research and development and innovation	This framework clarifies to Member States how best they can give state aid to research, development and innovation projects, without infringing EC Treaty state aid rules. It sets out a series of guidelines for specific types of state aid measures – such as aid for R&D projects, aid to young innovative enterprises and aid to innovation clusters – that could encourage additional R&D&I investments by private firms, thus stimulating growth and employment and improving Europe’s competitiveness. These guidelines allow individual Member States to tailor aid measures to particular situations, subject to the overall test that the aid must address a defined market failure, must be well designed and that the identified benefits must outweigh the distortions to competition resulting from the aid.
Structural Funds	The Structural Funds (and the Cohesion Fund) are the financial instruments of European Union (EU) regional policy which is intended to narrow the development disparities among regions and Member States. The Funds participate fully, therefore, in pursuing the goal of economic, social and territorial cohesion. Also, they are increasingly

	used to pursue the objectives of innovation policy on a regional level.
Subsidiarity principle	The principle of subsidiarity applies to any policy area in which the Union has no exclusive competence to determine what should be done at the EU-level. Under the principle of subsidiarity, the Union shall act only if and insofar as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level rather, but can be better achieved at Union level, for reasons of scale or effects of the proposed action. It is intended to ensure that decisions are taken as closely as possible to the citizen and that constant checks are made as to whether action at EU level is justified in the light of the possibilities available at national, regional or local level. It is closely bound up with the principles of proportionality and necessity which require that any action by the Union should not go beyond what is necessary to achieve the objectives of the Treaty.
Technology transfer	Technology transfer is the process of sharing skills, knowledge, technologies, methods of manufacturing, samples of manufacturing and facilities among scientific institutions, companies and other organisations to ensure that scientific and technological developments are accessible to a wider range of users who can then further develop and exploit the technology into new products, processes, applications, materials or services.