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**‘How to integrate the Innovation Dimension in the EU/US Science
and Technology Agreement’**

Robert Burmanjer
Head of Unit
North America, Latin America
and Caribbean
DG Research and Innovation

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Introduction

- Ladies and gentlemen, dear colleagues
- Thank you, Professor Horvat, for your kind introduction.
- I would like to thank the Bilat USA 2.0 Platform Project for organizing this event and the Land of Nord Rhein-West Falen for hosting it.
- It is a pleasure to be here with you all.
- I am glad to see so many of you, representing so many organisations. I take it as a sign of the high level of interest that exists for EU-US cooperation in science, technology and innovation. I would like to welcome in particular Jennifer Haskell, Director of the Office of Science and Technology Cooperation at State and her colleague Cole Donovan, as well as US Embassy colleagues Erica Thomas and Mark Robinson.
- Among our international partners, the United States is our top priority. Indeed, at the EU-US summit last March in Brussels, Presidents Obama, Barroso and Van Rompuy agreed a joint statement making a strong case for an expansion of cooperation in research, innovation and emerging technologies

EU Strategy for International Cooperation

- Our engagement towards cooperation with the US is a translation of the EU's strategy for international cooperation in research and innovation, which was adopted in September 2012.
- This strategy gives us a new approach to meeting the challenges and opportunities of the changing global landscape.
- It recognises that the traditional powerhouses of the United States and Europe will account for a shrinking share of the production of science, knowledge and new technologies.
- It takes into account that research and innovation activities, both public and private, are increasingly interlinked across the globe.
- And it acknowledges that global solutions must be found to the challenges that affect citizens around the world. Examples include climate change, the spreading of infectious diseases, food security and production of clean and affordable energy.
- The results of the EU-US cooperation in the EU research and innovation framework programmes were significant. In the last framework programme FP7, 515 US organisations participated.
- Out of the U.S. participants' total budget of 144 million euro, 80 million euro were funded by the EU.

The Horizon 2020 Programme and its Opportunities

- Europe remains a world leader in research and innovation. Our scientists make significant contributions to the world's stock of knowledge. We have some world-beating universities and enterprises. And as a whole, the private sector has continued to invest in technology and innovation, despite the economic downturn.
- Let me be more concrete about the investments we will make at the level of the European Union to foster our scientific excellence, sharpen our competitiveness and meet global challenges.
- Many of you will be familiar with the EU's framework programmes for research, which have operated since the early 1980s.
- The new Horizon 2020 Programme was launched at the end of 2013 and will run for seven years on a total budget of some 80 billion euros, which is over 100 billion dollars.
- Supporting scientific excellence will remain a fundamental pillar of the programme, as for all previous framework programmes.
- Industrial leadership will form the second pillar of Horizon 2020. The activities here will aim to make Europe a more attractive place for business to invest in science, technology and innovation. This includes measures to facilitate venture capital, loans and other investment to innovative firms, including small and medium-sized enterprises.
- The third and final pillar of the programme is the support we will bring to tackling societal challenges. The US faces many of them as we do in Europe and the globalised world suffers from a lack of solutions.

The Business environment

- Together the EU and the US account for over 40% of global GDP and 30% of global trade. The gains of a successful trade agreement are estimated as hundreds of thousands of jobs, and benefits of roughly 100 billion euros to our respective economies.
- However, I fear that we might never realise the maximum benefits of our cooperation if we do not take the opportunity to address the innovation dimension within these discussions.
- Many actors see much promise in using our science & technology relationship to improve our trade and investment relationship.
- An excellent example of what is possible is the existing cooperation on electric vehicles and their smart grid interfaces under the Transatlantic Economic Council. In this case, the Joint Research Centre of the European Commission and the Argonne National Laboratory of the Department of Energy launched in July of this year the first of two interoperability centres that will lead to compatible standards.
- Those standards will speed the uptake of the new technologies and expand the transatlantic market. The result will be more jobs, safer and cheaper electric cars for consumers, enhanced competitiveness of our companies in global markets and more efficient use of the Earth's resources.

The Benefits of EU-US Research and Innovation Cooperation

- I do understand that during difficult economic times the temptation is to withdraw from working with others. Budgets for travel and international exchanges tend to be among the first to be affected.
- However, it is precisely when resources are getting scarce that it makes the most sense to cooperate with trusted friends.
- I am aware also of differences in our policy-making approaches. In the EU we are sometimes keener on top-down solutions, while in the US this is more driven by science in a bottom-up way, and by market considerations.
- Still I am convinced we can achieve more with less by joining our forces.
- The opportunities for US participation in Horizon 2020 will be throughout the programme, in almost all areas.
- As you might already know, the EU and the US agreed to increase research and innovation cooperation in four areas: marine and Arctic, health (particularly clinical trials), energy and transport.
- In the case of marine and Arctic research cooperation, the strategic nature of our cooperation was reinforced by the creation of a transatlantic research alliance in May 2013 in Galway, Ireland. The European Atlantic states, Canada and the US were represented at a high level. We appreciate very much the attendance at this event by US Assistant Secretary Keri-Anne Jones of the Department of State and prominent scientists from NOAA, NSF and US universities.
- Delivering concrete successes in these four flagship topics has become the focus of our relationship in the last year.

- The European Commission also has important cooperative activities with other agencies. These include the National Institutes of Health, the Department of Energy, the National Institute of Standards and Technology, NASA, the Environmental Protection Agency and others.

Assessment of EU-US Research and Innovation Cooperation

- The conduct of research and innovation is undergoing a change, becoming in effect globalized. Emerging economies, such as China, Brazil, Russia or India, account for an increasing share of expenditure on research and innovation and are therefore gaining influence.
- Companies are investing beyond their national borders, in particular in the emerging economies. More and more Governments are recognizing that today's societal challenges can only be dealt with through global action.
- The final report on the "*Evaluation of the EU-US S&T Agreement*", published in March 2013, has several interesting findings regarding the integration of the innovation dimension, which are worth discussing.
- For instance, the potential impact of the concluded S&T Agreement is currently hindered by a widespread fragmentation of programs and instruments to support S&T cooperation between the US and the EU.
- The need to discuss with individual federal agencies in the US (each of them with different goals, behaviours or budgets for international cooperation), and the still low level of coordination between the Union and Member States research programs at the international level also contributes to preserving this policy fragmentation.
- To achieve scale and scope, unnecessary duplication as well as fragmentation must be reduced.

- We are aware of the huge set of activities which could be included under the concept of "innovation support" and the need to identify a set of focused elements that could be supported.
- We would be interested to learn from you where the main focus should lie.
- In this context, it is also interesting to mention several findings of the study "*European Added Value of EU Science, Technology and EU-Member State Partnerships in international cooperation*", issued by the Commission and conducted by Technopolis. I would like to mention a few :
 - **Networking.** These are international STI activities aimed at bringing *individuals* and *organisations* together, facilitating matchmaking, partnering and networking. A clear added value for the EU and EU-MS involvement can be found in this area for both policymakers, researchers and industry. Policymakers can be brought together to discuss the cooperation framework through which researchers and research organisations can cooperate. They learn from each other's best practices and worst cases, and can organise and pool funding in joint programmes.
 - **Coordination of critical mass.** This criterion is about increasing visibility and strengthening competitiveness towards third countries. An important rationale for EU action is that international STI activities that are of such scale and complexity that no single Member State can provide the necessary financial or human resources/expertise or infrastructure/equipment, need to be carried out at European level in order to achieve and develop this critical mass, and to reduce the research or commercial risk for one single country or organisation.
 - **Fostering mutual learning and harmonisation in (and beyond) Europe,** leading to standardisation and improved knowledge, also of international STI cooperation processes and practices.

Conclusions

- Both the EU and the US are facing economic and social challenges. We are both committed to retain our competitiveness, and with it our share of world markets. And we are struggling to deliver growth, prosperity and well-being to our citizens.
- To make progress the European Union is determined to invest in its future. We will invest to innovate, and we will innovate to grow. This growth must be sustainable, and accompanied by jobs and improvements in the quality of life that our citizens deserve.
- We will use the Horizon 2020 Programme as the means at EU level. We will bring research and innovation closer together, by providing seamless support from scientific discovery and the conception of new ideas through to market commercialisation.
- Essential to success will be the building of partnerships; between scientific disciplines, academia and industry, the public and private sectors and across borders.
- I can assure you that, among our international relationships in terms of Science and Technology, the one between the European Union and the United States will remain our top priority.
- Thank you for your attention and I wish you a fruitful conference.