European Innovation Area Manifesto

An Open Call for Actionable Ideas

Now more than ever, there is the need to have a robust innovation strategy at the European level. This strategy must put in place a system that increases cohesion amongst Europe's local innovation ecosystems, creates synergies among programmes and instruments, and nurtures scale up efforts at the local level. With Europe in the middle of its very own green industrial revolution, now is the critical moment to bolster and connect the extensive talent, knowledge, deep tech know-how and financial power stretching across the continent.

Since the 1st European Innovation Summit in 2009, with participation of then Commission President Barroso, Knowledge4Innovation has been steadily advocating to make innovation the top priority in European policy making. Together with other like-minded stakeholders, K4I has since organized over 500 policy debates around the crucial role that innovation plays in solving major challenges. Subsequently, the current health and climate emergencies have been dominating the political agenda. In order to accelerate the green & digital transitions, there must be support through a variety of programmes and budget instruments, including the Recovery and Resilience Facility. Innovation and new technologies are to play a crucial role in building the NextGenerationEU.

In July 2019, K4I presented its 2030 strategy 'Towards A European Innovation Area' at the Welcome Reception for New and Returning MEPs. The need for a European Innovation Area has since been discussed on multiple occasions with members of the European Parliament, Commissioner Gabriel and stakeholders most recently in December 2020 at the 12th European Innovation Summit also entitled 'Towards A European Innovation Area'.

The last major Commission document that broadly addressed innovation policy was the Innovation Union Flagship Initiative from 2010. The need to draw a new and updated framework is overdue. It is now time to create the policy roadmap that enables all actors and employs all existing programmes to develop the cutting-edge solutions for a sustainable future. The main objective of the European Innovation Area will be to empower all innovators and entrepreneurs to realise their full potential, wherever they are in Europe.

Together with our Chair Maria da Graça Carvalho, our political members, European innovative enterprises, startups, unicorns, investors, the European Partnerships, EIT KICs, universities and other innovation actors, we are keen to work with Commissioner Mariya Gabriel to make the European Innovation Area a success story for the benefit of Europe, its citizens, and enterprises. We would like to present this Manifesto concerning the European Innovation Area, where we have outlined 8 key focus areas directly concerning Europe's ambition to become a global innovation leader by connecting all actors in a single European market for innovation.

Manifesto Focus Areas

Tech Sovereignty: Europe is often heavily reliant on technologies that come from beyond its borders. This dependence represents both an economic loss and a potential security threat. The establishment of the European Innovation Area looks to directly address the underlying causes of this issue. In terms of security, defense, and economic stability, strengthening technological autonomy is essential. Europe must rely on the strength of its broad research institutions and nurture its growing digital infrastructure and economy while ensuring that the continent's core democratic values still apply in the new green and digital age. The development of a cohesive ecosystem that fosters innovative excellence within the European continent is the answer. In doing so, Europe can position itself as a leader in world-class, socially responsible, and environmentally sustainable tech.

Green Transition: Innovation and new technologies will drive the transformation to a climate neutral recovery. The green transition is one of the main objectives of the NextGenerationEU. Tackling climate change, ocean & forest preservation, responsible consumption, green cities and clean energy production are all indispensable parts of establishing this new and sustainable future. As it stands, Europe is on the edge of a very important transformation. The UN SDGs address all relevant areas where action is urgently needed. However, it is crucial to recognize the economic opportunity represented by a green transition. Businesses for good are actually good for business. Green investments serve to not only address global challenges, but they also provide a great return on investment. Today, there is a steady stream of funds being dedicated to the infrastructure necessary for the 2050 target of climate-neutrality. Funds for bio-agriculture are rapidly increasing and 55% of the world's new hydrogen projects are now found in Europe. Innovation will only become more purpose driven as the amount of funding dedicated toward sustainable investments continues to increase.

From Education to Entrepreneurship: As we know from Silicon Valley, many of the most successful startups were launched by students that didn't even finish their studies. Universities provide a fertile ground for creating the entrepreneurs of the future. Leading technical universities across the EU have started putting in place ecosystems with maker spaces & spin-off services in direct cooperation with large companies and investors. These 'university valleys' are becoming the main fabric of startups in deep tech areas. Examples include TU Delft, TU Eindhoven, TU Munich, DTU, Hanze UAS and many more. The European Institute of Innovation and Technology (EIT), under the leadership of EIT Raw Materials, has launched the HEI Initiative: Innovation Capacity Building for Higher Education – a new initiative to unlock the full innovation potential of higher education institutions' (HEIs) by increasing their entrepreneurial and innovation capacity.

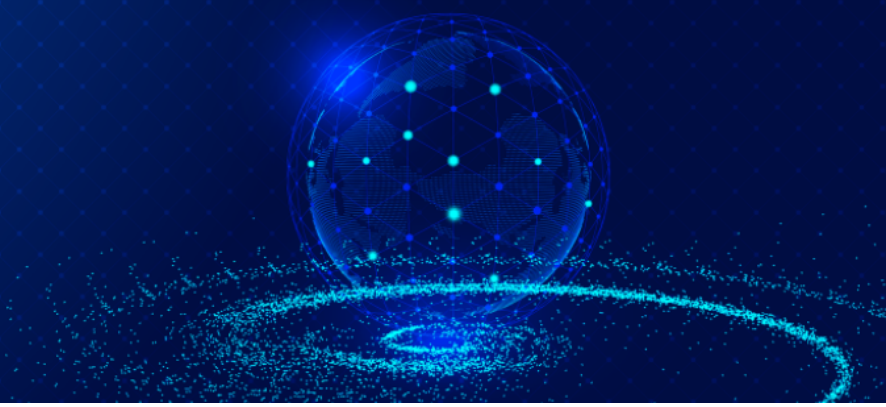
Fostering Innovation Cohesion: In the EU there exists a significant territorial diversity of innovation performance among regions, including rural areas, and among Member States. The gap in innovation performance remains larger than the gap for most other basic economic indicators, such as GDP per capita, employment and productivity. This divide between lower and higher performing regions not only reduce the EU's overall R&I potential, but it also poses a serious threat to economic growth,

cohesion and global competitiveness. The European Innovation Area seeks to address this gap and the various roadblocks that impede scientific and technological performance. By implementing adequate policies in education, research and innovation, the European Union helps underperforming regions to further develop their innovation ecosystem, including the development of startup villages in rural areas, and create the basis for the next wave of disruptive innovators. Fostering innovation cohesion is one way to ensure that all of Europe is able to benefit from the transition to a climate-neutral economy. Europe needs to tap in the full potential of its knowledge, ideas, brains and talent. These assets are abundant across the continent, but do not always find the ways and means to achieve their full potential or desired market. A European Innovation Area will provide consistent and clear direction to increase the effectiveness of the many existing innovation programmes and financial instruments. This will have a positive impact on all regions to ensure that nobody is left behind in the Innovation Economy.

Europe's Deep Tech Opportunity: If the last twenty years were all about digital technologies, the next twenty years are likely to be all about deep tech. Deep tech is technology based on the most recent engineering innovation and scientific breakthroughs – including Artificial Intelligence, blockchain, smart cities, robotics, and quantum technology. It is defined by its profound enabling power and its potential to catalyze change. In Europe, the deep tech revolution is already well underway. Today, European deep tech companies are valued at over €700B and they account for a quarter of all European venture capital. The engineering innovations that drive these technologies are key to constructing a sustainable and resilient recovery, accelerating the green and digital transitions, and ensuring Europe's technological sovereignty. Current examples are in the areas of synthetic biology, nuclear fusion, and genomic editing, just to name a few.

Women-led VCs and Startups: According to EIB and EIF studies, 30% of entrepreneurs are women, but they only receive 2% of financing. With the pandemic, this figure has dropped to 1%. Only 4% of VC have a female majority, and only 0.5% of VC are women-led. To put it simply, there needs to be more women investors, more funding for women led VCs, and more investment in women-led startups and entrepreneurs. There are several root causes as to why there is such limited access to finance for women, but certainly there is a great economic and social potential. Women are doing things in a different way, and our financial system hasn't always been ready to accept this. Fortunately, there are ways to overcome this unacceptable situation and the K4I Forum together with its partners propose a number of 'actionable ideas.'

Regulating Emerging Technologies: Regulation should incentivize the creation of a level playing field in the area of innovation, ensuring that new and existing technologies work toward the benefit and betterment of society. Innovation and emerging technologies are critical to the growth of the European economy and have long since been the key to maintaining Europe's competitive edge on the global stage. The role of regulation in the European Innovation Area cannot be understated. It is critical to the success of all stages of the innovation process, from research & development to commercialization. When thoughtfully executed in cooperation with key stakeholders, regulation can serve to encourage cooperation and further stimulate the innovative potential of new technologies. When regulation is too rigid and hampers competition, research & development become less attractive and innovation is slowed.



Financing innovation and new technologies: Innovative technologies do not only need human capital, strong supportive ecosystems and a supportive legal framework, they also need capital. Substantial amounts of the EU and national budgets are spent on research and innovation. However, public grants, loans, and guarantees are not enough to master the transition towards future clean industries and stay globally competitive. The private sector has an important role to play. US VC and PE investments are the benchmark and reaching this level will require us to be innovative - such as by matching public funding and private investments, by continuing to grow instruments such as InvestEU, IPCEIs, the EIC Fund, the EIT KICs Funds, and through using the experience of the EIB and EIF. Making money available is one thing, but ensuring access for the best technologies and entrepreneurs is another challenge, especially when it comes to keeping technology leaders and unicorns in Europe. Despite all our efforts, many of them still find more attractive conditions to go public in the US. A European Sovereign Tech Fund, as suggested by the Unicorns' Group, is certainly a step in the right direction.

Actionable Ideas

The drivers behind the European Innovation Area are ideas directly from stakeholders that can be turned into concrete actions aiming at fostering the European Innovation Ecosystem. These 'actionable ideas' can be submitted on the EIA Manifesto website and will result in a variety of activities depending on the nature of what needs to be done to implement them.

Working Methods and Next Steps

The signatories of the Manifesto suggest to reflect the proposed actions in the Next Generation EU Innovation Policy. There will be workshops, debates and conferences at the EU and regional levels, and all actors will have the possibility to connect with each other through a dedicated platform. Once a year the European Parliament, the European Commission, the Member States, and stakeholders will convene to discuss progress and to network.

Who Should Join?

K4I welcomes the participation of stakeholders from all stages of the innovation cycle: talented people with great ideas, scientists and researchers, small and large innovative companies, investors and all those who are committed to developing the ground-breaking solutions necessary for a sustainable and resilient future.

To sign and introduce your actionable ideas, please go to the EIA Manifesto website.

Contact

K4I Forum in the European Parliament
k4i@knowledge4innovation.eu
Knowledge4Innovation asbl
Square de Meeus, 35, 1000 Brussels