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RESEARCH DIRECTORATE-GENERAL

Directorate C - European Research Area: Knowledge-based economy  
The Director

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**NOTE TO THE MEMBERS OF ERAC (EU 27 ONLY) AND  
THE EPG SUB-GROUP ON INNOVATION**

**Subject: Joint ERAC/EPG workshop of 5 July on a "diagnostic tool" for reviewing research and innovation systems**

Commission services (DG RTD, DG ENTR and the SG) invited members of ERAC (EU-27) and the EPG sub-group on innovation to a workshop on a "diagnostic tool" for reviewing research and innovation systems, held in Brussels on 5 July.

The objective of the workshop was twofold. To clarify the purpose and use of the "diagnostic tool" and to receive early feedback on its content and relevance, where appropriate identifying possible omissions in the proposed list of features and proposing reformulations.

Following a presentation by the Chair of the overall policy context in which the "diagnostic tool" is being developed, in particular the need to align Europe 2020 Integrated Guidelines and Flagship Initiatives and to combine action at EU and National levels, the Secretariat General (Gerard de Graaf) proceeded to explain the origin of the tool and its intended use.

The tool is an attempt at bringing together in a coherent framework the main features found in well-performing research and innovation systems and to put them in the EU context. It is based on in-depth analysis, extensive empirical evidence and work conducted (e.g. through CREST, Inno-Trend Chart and the OECD) over a number of years.

It would constitute the national/regional dimension of the Innovation Union flagship initiative and aims to help Member States review their national R&I systems (as asked for in the draft Integrated Guideline n°4) and identify the main gaps/challenges that need to be addressed in order to reach their respective (R&D and innovation) targets. Attention was drawn to the formulation of the features – the intention was to describe them objectively. In other words, the Commission deliberately did not use terms like "Member States should" to avoid the tool being perceived as an attempt to impose a particular model. Indeed, the tool allows for a differentiated approach depending on the starting point and specific conditions of each Member State. Catching up Member States would

probably wish to concentrate on certain features, whilst those closer to the innovation frontier would perhaps wish to focus on others. In both cases, however, it would be important to take a systemic approach. Existing mutual learning and peer review exercises in the context of ERAC and the EPG could use the tool as a possible check list.

DG RTD (Patrick Brenier) outlined the consistency of the "diagnostic tool" with insight gained on effective R&I systems in the context of CREST policy mix peer reviews conducted in 2006 and 2007. The ten features are also fully in line with the policy objectives derived from the ERA 2020 Vision adopted by Council in December 2008.

DG ENTR (Peter Dröll) briefly presented the six principles applicable to R&I systems that were discussed at a meeting of the EPG in February. These principles received overall positive feedback from Member States who expressed however the need to balance the focus on societal challenges with similar emphasis on key enabling technologies. The work of the EPG is well reflected in the ten features presented in the "diagnostic tool".

The ensuing discussion was structured in two parts: First the purpose and use of the "diagnostic tool" as part of the overall economic policy cycle of Europe 2020, second the ten features constituting the content of the tool. A summary of the main points discussed by participants is presented below.

### *Purpose and use*

Some participants stressed the informal character of the workshop which should not prejudice official reactions on the basis of the adopted Innovation Union communication. While participants mostly welcomed the tool and agreed on its added value, they asked for further clarification on a number of issues:

Concerning the status of the "diagnostic tool", participants asked for further clarification with regard to the timing and modality of its adoption by the Commission and possible endorsement by Council, its link to existing OMC-type instruments, such as peer reviews and its link with the innovation scoreboard. Some felt that the term "diagnostic" did not fully match with the purpose of the tool and proposed to replace it by something more neutral, such as "self-assessment tool".

Concerning the nature of the support provided through the "diagnostic tool", participants saw it more as a learning tool allowing Member States to check the features of their R&I system in a dynamic and non binding way, rather than a set of prescriptions to follow. The role that the tool should play for the preparation and structuring of the relevant chapter in the forthcoming National Reform Programmes was also raised.

Participants also welcomed further clarification regarding the process of finalisation of the "diagnostic tool", the role envisaged for ERAC/EPG and the adaptation of OMC peer reviews.

The Commission representatives offered the following elements in response:

- The "diagnostic tool" will be an integral part of the forthcoming Innovation Union communication to be adopted in September and will likely be presented in annex to it;
- The Commission would welcome feedback on the current draft if possible by 23 July and at the latest by early September;

- The "diagnostic tool" should not be seen as a political tool but rather as a tool helping a political process. Commitment to reforms of national R&I systems would benefit from political endorsement but the tool itself should not be negotiated "word by word" in Council since:
  - it is an objective description of common features found in well-performing research and innovation systems based on previous well established work in the context of ERAC, EPG and OECD, and
  - it is intended as a support tool for Member States, not as a set of criteria on which they would be judged and ranked;
- The "diagnostic tool" would be discussed at the next ERAC meeting on 7-8 October, in particular in relation with the mutual learning exercises held by ERAC in November/December each year;
- In addition, the Commission would welcome endorsement of the tool and its aims through Council conclusions adopted at the November Competitiveness Council to ensure that its effective use enjoyed strong political support;
- The "diagnostic tool" is meant to inform the policy formulation, while the National Reform Programmes to be adopted in April 2011 should be focused on the key reforms needed to achieve national R&D&I targets (typically: check feature xx, if not adequate and representing an important bottleneck, new policy to be implemented by a certain date);
- The tool could help Member States with the analysis of their R&I systems already for the NRP blueprints expected in November, particularly to identify the challenges they need to address;
- Peer reviews taking into account the "diagnostic tool" could be organised to support Member States in this process. This could build on the already existing ERAC peer reviews;
- The Innovation Union flagship is considered as crucial for Europe in the current global context and it is mutually reinforced by the other Europe 2020 flagships and the Single Market Review;
- Regular discussions will take place in thematic Councils on progress of Europe 2020 and advancement of Flagship initiatives.

### ***Content of the "diagnostic tool"***

Regarding the features of well performing R&I systems presented in the "diagnostic tool", participants offered a combination of general remarks and specific comments with a particular emphasis on feature n°2 on the governance of research and innovation policies.

### **General comments:**

- Some of the features presented are related to orientations included in the draft Innovation Union communication and thus could go somewhat beyond a simple recapitulation of existing best practice;

- There is a need to consult stakeholders to get a strong ownership of the diagnosis and policy response;
- In some cases (e.g. free access to governmental data and transnational funding) legal barriers that could prevent progress should be taken into account;
- Features do not constitute a static characterisation of well performing systems but should be interpreted dynamically. At the same time, focusing on “strengths” could perhaps be complemented by exploiting “opportunities”;
- Features should be seen as "value free" statements in order to be applicable in different national contexts;
- Need for indicators to monitor progress in the efficiency and effectiveness of R&I policies, but the metrics needs to be defined;

#### Elements to be completed:

- Importance to involve the private sector in policy formulation and delivery;
- Contribution to ERA objectives;

#### Feature 1:

- The holistic approach to support innovation through a broad range of policies is welcome but the risk of diluting responsibility for achieving progress and delivering results must be well managed;

#### Feature 2:

- "Smart specialisation" needs to be better defined: in particular it is very important to build on stakeholders' involvement and not restrict to a top-down approach steered at EU level;
- "Smart specialisation" should be about exploiting strengths and opportunities, and stimulating the S&T absorption capacity to avoid being "locked in" in existing sectoral specialisation. Need to be outward looking when considering opportunities for specialisation;
- A top level centre-of-government steering structure is necessary, but there is also a need for interlinkages and smart coordination mechanisms between ministries/departments;
- A stronger emphasis should be put on the involvement of stakeholders;
- Competition between national actions should be preserved while retaining appropriate EU-level coordination;

#### Feature 3:

- Need to mention the involvement of consumers;

Feature 5:

- Need to recognise that "adequate balance" is very specific to each Member State;

Feature 6:

- Need to mention the role of the private sector in the improvement of the Higher Education Sector;

Feature 9:

- Need to mention the important role of public funding in support to innovation.

**Conclusions**

The Chair concluded the workshop by thanking all participants for their useful feedback and inputs. In summarising the main points discussed, he emphasised that:

- The Commission intends to include the "diagnostic tool" in the forthcoming Innovation Union communication, as a non prescriptive tool to help Member States when carrying out self-assessments of their R&I systems;
- When developing their NRPs Member States should review existing policies to decide which measures should be maintained, strengthened or changed, and identify new measures needed. The evaluation of existing policies is an important input;
- The "diagnostic tool" and the new integrated research and innovation scoreboard (also to be attached to the Innovation Union communication) are considered complementary, and the latter will be used to monitor progress;
- Existing mutual learning and peer review exercises in the context of ERAC would be continued with appropriate adaptation to take into account the "diagnostic tool";
- A new name will be considered for the tool to avoid the negative connotation conveyed by "diagnostic". "Self-assessment tool" is an option.

Participants were invited to send written comments to [Pierre.Vigier@ec.europa.eu](mailto:Pierre.Vigier@ec.europa.eu) and [Jiri.Pleciky@ec.europa.eu](mailto:Jiri.Pleciky@ec.europa.eu) by 23 July to improve and/or complete the tool. This invitation was extended by e-mail to all ERA-27 members and EPG Innovation subgroup members. This should allow Commission services to have a solid and widely accepted document in time for the adoption of the "Innovation Union" communication end of September.



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Enclosures: - draft "diagnostic tool"  
- workshop participants