



UNION EUROPEENNE DE L'ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES
EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE
EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES
UNIONE EUROPEA DELL' ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE

UEAPME position paper on the European Institute of Technology (EIT)

I - Introduction

UEAPME has carefully followed the new initiative of the European Commission to create the EIT which is aimed to be a European flagship covering at the same time research, innovation and education as one of the new European contribution to the Lisbon goals.

UEAPME will support the concept of EIT as long as the structure, its functioning and its results will bring a tangible added value in respect to the various already existing European bodies, programmes, actions and initiatives to strengthen innovation and research and development, and as long as SMEs will be fully involved in the whole process and their needs taken in due consideration.

II - General comments:

UEAPME fully shares the view of the Commission concerning the existing gap in Europe between the work of researchers and the practical implementation of their results into concrete innovative industrial, commercial and market projects.

The main challenge will be to make the current proposal for the EIT a real driver for a competitive and innovative knowledge-based economy.

In this framework it is important to establish a clear governance and unambiguous strategy for the EIT to enable transparency and accountability, and clearly spells out liabilities and ownership of intellectual property rights.

Nevertheless UEAPME considers that the main risk for EIT is to create overlaps with or even worth to duplicate the current existing European actions such as the 7th Framework Programme with the European Research Council, the European Technology Platforms and Joint Technology Initiatives, the Competitiveness and Innovation Programme without being able to bridge the gap between the research community and the business world.

Additional problems and conflicts could arise from the fact that currently the EIT is proposing a top-down approach without a complete analysis of weaknesses and inadequacies of the current national scientific research systems.

In order to reach the excellence level aimed at by the EIT, UEAPME considers it highly necessary **to apply a bottom-up approach** in full coordination with the economy, including the SME community.

Furthermore, UEAPME fears that the innovation concept, one of the three components of the EIT triangle, will be strongly focused on high-level technologies, privileging large companies and academic research at the detriment of already established companies applying medium-tech and low-tech innovation, in particular traditional small and micro-companies.

Finally, UEAPME has serious concerns about the inconsistency between the declaration concerning the importance and role of SMEs and the fact that in practice the decisions will be taken by the public and private financial providers, mainly multinationals and the European Institutions, supported by the academic community.

III - Specific remarks on the structure and functioning of the EIT

1. The governing board

UEAPME takes note that the proposal from the Commission that the governing board would be equally made up of members from the business as well as from the academic/research community. However, it should not be forgotten that SMEs represent 99% of all enterprises in Europe and provide 75 million jobs in Europe.¹ Therefore it is not imaginable **that the voice of SMEs is not being represented in proportion to its economic potential in the governing board**, which determines the policies of the EIT that in the end affect companies, most of which are SMEs. UEAPME would like to recall that the very small businesses present a huge potential of untapped innovation opportunities, representing the main part of “sleeping innovators”.

UEAPME recalls the conclusions of the competitiveness council (13 March 2006) which pledged to **“ensure that the "Think Small First" approach is the guiding principle”, and “integrate systematically also representative SME-organisations, into their advisory expert committees, high level working groups and other appropriate fora”**.

Furthermore, the Commission in its proposals on the EIT² presents SMEs and more specifically small and micro-businesses as one of the target groups of the EIT. In practice, this would happen only if the Commission assures that needs of the various types of SMEs will be sufficiently taken into account through **their direct and appropriate representation in the governing board**.

¹ European Commission “The new SME definition: User guide and model declaration” or even better quote council recommendation 2003

² COM(2006) 77 final and COM(2006) 276 final

2. Knowledge communities (KC)

The Communication of the Commission states that “Its Knowledge Communities are integrated partnerships, consisting of teams put together by universities, research organisations and industry to carry out research, education and innovation”

For UEAPME, each KC should take care of ensuring the participation of a reasonable proportion of SMEs in each of the partnership.

If the knowledge community will become the strategic body and the right playing field level, it is crucial to achieve adequate involvement of the whole enterprises community at this level.

Taking into account the difficulty to organise a concrete cooperation with small businesses, this KC should make optimal use of existing co-operations between SMEs and micro- companies with universities or research institutes at regional level rather than trying to establish new structures from scratch.

3. Finances

The EIT will clearly need substantial financial support from the European Union, especially in the first years, if this initiative wants to be successful.

As the EU budget is already distributed to specific expenses and by nature limited, a great part of the financing must come from other sources, notably private financing from industry.

In this configuration SMEs will be not able to participate in financing the EIT and therefore will be the less powerful components of the KC with the risk to be marginalised.

An additional concern is the fact that regional administrations and decision-makers could decide to invest in knowledge communities at the detriment of other already programmed actions in the ERDF and ESF.

Furthermore, UEAPME sees the risk that the European budget dedicated to the EIT will originate from current budget lines dedicated to the Framework Programme on R&DT or the CIP programme and at the detriment of already programmed actions for SMEs.

Therefore, UEAPME would like to clearly express its strong opposition to a possible use of the CIP budget or of the part of the 7th R&D programme used by SMEs (SME specific programme and cooperation programme) for the EIT needs.

4. Impact assessment

An extended impact assessment procedure has been launched by the European Commission. UEAPME considers it as essential and in particular a useful tool for better understanding how the current proposal for the EIT will affect SMEs.

Furthermore, UEAPME would like that the current impact assessment procedure dedicates more specific attention to the added value of the EIT for small and micro-companies.

Conclusion

UEAPME is supportive of the project only under the strict conditions that it can provide some added value for European craft, small and medium sized enterprises.

The first strong political signal will be to give them a voice in the governing board so that they can express their needs and fully participate in the shaping of the overall EIT policy.

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