

**POLICY RECOMMENDATIONS ON
INNOVATION COLLABORATION
BETWEEN THE EUROPEAN UNION AND
LATIN AMERICA AND CARIBBEAN**

Report Prepared on the conclusions reached on the
Innovation Forum, Madrid 23 and 24th May 2016

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1- Introduction

ERANet-LAC is a Network of the European Union (EU) and the Community of Latin American and Caribbean States (CELAC) on Joint Innovation and Research Activities funded by the European Commission for a period of three and half years (2013-2017). The project aims at contributing to the internationalization of the European Research Area and to the goals of the Innovation Union. It addresses the need for an overall strategy tackling research and innovation as a whole, while facilitating the joint programming, in this case, under a bi-regional perspective (European Union – Latin America and the Caribbean).

ERANet-LAC seeks to foster the cooperation between research and innovation actors while boosting the bi-regional cooperation, particularly at a funding agencies' level, taking into account the whole innovation cycle when designing common programs.

ERANet-LAC organized with the cooperation of the ELAN Network¹ an Innovation Forum in Madrid on the 23 and 24th May 2016 which counted with the participation of programme managers, representatives of innovation funding agencies, innovation experts and stakeholders, and the members of the ERANet-LAC and ELAN Network consortiums. The Forum focused on innovation policies and measures, both public and private, analysed the main barriers and possible solutions for them, and developed Policy Recommendations to be presented at the next EU-CELAC SOM (Senior Official Meeting on Research and Innovation)².

This document includes a set of the above mentioned Policy Recommendations for enhancing the EU-CELAC innovation cooperation prepared from the work conducted by all the participants who attended the Innovation Forum.

The Innovation Forum was a unique opportunity to discuss and answer questions such as:

- What are the motivations, needs and capacities for entering into innovation collaboration between Europe and Latin-America?
- What are the drivers (and barriers) to strengthen the cooperation in innovation among the European Union and Latin- America?
- How to identify inspiring practices that promote innovation and technology transfer from best performing research and innovation actors?

¹ ELAN Network's main purpose is to generate technology-based business opportunities between European and Latin American SMEs. It aims to establish a European and Latin American self-sustainable Network of R&I actors, in order to promote lasting partnerships; to share knowledge and generate technology transfer, in particular, in areas aligned with European applied research; and to increase SME competitiveness through the generation of technology-based business opportunities. The ELAN Network is focused on the following sectors: Renewable Energies, Biotechnology & Bioeconomy, Environmental Technologies, Health, Information and Communication Technologies (ICT), Nanotechnologies and New Materials. The ELAN Network, coordinated by TECNALIA, is initially composed of a group of organizations, leaders in their countries in the support, advocacy and mobilization of the innovation and technology transfer processes. For more information, please visit: www.elannetwork.org.

² The Senior Official Meetings (SOM) with representatives from both regions was established as a framework to implement the Joint Initiative for Research and Innovation, according to annual roadmaps and also to play a central role in stimulating and monitoring EU-CELAC Research & Innovation (R&I) cooperation. The SOM takes place every year in order to discuss Science, Technology and Innovation (STI) bi-regional cooperation.

- What mechanisms are needed to further promote collaboration and cooperation based on technology between the European Union and Latin-America?

These questions have been the conducting thread for the recommendations suggested and seek to enhance and strengthen the cooperation among the EU and CELAC countries taking into account the new cooperation trends, the needs according to the specific capacities as well as the drivers and barriers encountered.

2- Policy Recommendations

2.1. New Formulas and instruments are needed to boost the Cooperation among the EU and LAC

- EU and LAC Countries need to define and implement structural reforms and sound public policies crafting new sustainable and inclusive development strategies. Moreover, since EU-LAC relationship is moving from a traditional cooperation model towards a learning cooperation model, where sharing experiences appears to be decisive, it is crucial to learn innovation from good practices while enhancing international cooperation activities.
- To define specific measures to support EU-LAC cooperation for geostrategic markets based on a new **cooperation model that moves towards peer learning model. Creating platforms for the exchange of experiences** and knowledge on policy design and implementation **could be a tool for both European and Latin American and Caribbean countries as they work on crafting new** sustainable and inclusive development strategies.

2.2. Flexible instruments are requested to respond to different innovations.

- Different kinds of **instruments and funding mechanisms adapted to the diversity and specific needs** of LAC and EU countries (different visions, size, cultures and needs) are needed, as for instance venture capital and public funding.
- Creating the **right networks** (internal and external) around different disciplines would be recommendable.
- **Alignment of innovation agendas among R&I actors** of different countries would be also recommended to achieve common approaches among different actors and funding agencies.

2.3. Long term-planning is key for the success

- In LAC countries there is the need to create trust with long term strategies in Innovation. This is of outmost importance in Countries where there are many entrepreneurs but few innovators. **Make instruments really sustainable** avoiding the **discontinuity of priorities and funding**, ensuring transparent rules to the programmers as well as the necessary visibility.

2.4. Better, more transparent and stable Regulatory Frameworks are requested

- A **more stable and transparent regulatory environment** is needed, allowing EU-LAC countries to **jointly work better**.
- New **information packages** need to be drafted and make them easily available for interested actors, especially SMEs.
- Work on **common solutions for IPR** constraints.
- **IPR strategy** needs to be considered in **early stages** (LATIN AMERICA IPR SME HELP DESK).

2.5. Policies and effective instruments need to be leveraged to trigger innovation

- The renewed understanding of the significance of **innovation** is having a **growing impact on the course of policy formulation** in many countries. Common challenges require opening up of national programmes and coordinating EU and CELAC research agendas, as well as increased synergies with instruments of external cooperation, linking policy making with research and innovation actions, and reflect it in the forthcoming mobilization of EU funds to support synergies.
- Although the EU has formal Science and Technology Cooperation Agreements with Argentina, Brazil, Chile and Mexico and specific cooperation was also launched through the 7th Framework Programme, Research and Innovation are a key priority, **and effective innovation policies, instruments and programmes are needed to increase innovative cooperation among the EU and LAC countries**.

2.6. Specific actions are needed to build on Motivations, identified Needs and real Capacities for entering into innovation collaboration between Europe and Latin-America

- To **support Business actors** with **updated information** on new markets, perspectives, knowledge and technologies, new perspectives and new capacities are demanded in order to be more competitive in global markets.
- To **launch targeted actions** to **increase competitiveness** adding value to products and services in several niches, the cooperation with SMEs for learning about business processes is a key issue.
- To suggest and launch appropriate tools that allows a better information for R&I Actors from the different ecosystems, as well as a means to put them in close contact. To design a specific **tool to facilitate partner search**.
- Innovation starts locally (in small bubbles) and then evolves looking for partners later, trying to get efficiency and reaching access to global markets. There is a need to avoid atomized projects that are not able to achieve the minimum critical mass for ensuring a long-lasting collaboration among countries.

2.7. Building on drivers and overcoming the barriers as a way to strengthen the cooperation in innovation EU-CELAC

- **Improve skills** that will enable the implementation of innovative ideas as well as new collaborative frameworks that will allow generating more ideas.
- Support **needs to be provided case by case**, avoiding strict and rigid frameworks, letting consortia focus on the important issues.
- **Settle a clear framework for cooperation**: many different schemes, instruments, actions, both multilateral and bilateral, create a confusing environment without clear framework for collaboration.
- **Reduce administrative burdens and bureaucracy** that in some countries do not allow having access to funding opportunities.
- **Customised instruments** are required for collaboration in the EU-LAC context.

2.8. Joint programming needed on science technology and innovation

- **Joint Calls** are very effective and better than open calls. Efficient instruments to finance them are needed.
- Create in Horizon 2020 an INCO programme as it was in FP7. **Horizon 2020** is opened to the world but only if partners are able to pay by themselves the activities they perform. This has a negative effect on participation of many third countries, that could give instead added value to project proposals and international consortia.
- To create **bilateral funds** (matching funds) and/or implement regional joint calls.
- **To foster brokerage events** as useful to launch new programmes based on the needs identified.
- Create the role of **technological managers** (following the Chilean case or best practice) at international level. They could act as international networkers (t local level this role already exists and is really useful to spur innovation).
- **To provide a real simplification** of processes.
- **To share policy agendas**. Share information about main public and private R&I institutions, programs, tools and instruments. Share documents and know-how between National Agencies.
- To **propose specific staff exchange programs** between National Agencies and Private Representatives.
- To develop a **common program funded by all countries concerned** (Regional matching fund).
- **To create some tools to implement business model** processes to increase the positive results in early stages.
- The European Commission should define a specific **program for International cooperation** towards 3rd countries. In this sense, all Latin American stakeholders should be taken into

account. Previously each country should preparer their specific agenda at national level with their specific actors.

- To define a **specific tool** (with different levels and periods of time) **to evaluate the impact of the different programs** considering economic, social and cultural effects.
- To build a **Group of Experts on Impact assessment. National Agencies should be more active in promoting technological transfer or innovation models.**
- **To provide better access to the installed capacity** in Europe in science and technology, which can be quickly accessible.

2.9. Mobility of R&I actors between EU-LAC on science, technology and innovation, key for a successful cooperation.

- To increase **coordination among Ministries at National level** to favour (and fund) Academia/Research → Industry mobility.
- To clearly envisage **mobility and funding in the Joint Programming Schemes** (ERANET and others)
- To envisage/enhance **“integration phase” in all mobility schemes/** programmes of R&I.
- To link diaspora policies and networks on R+I policies and create/ identify opportunities for cooperation.
- More **coordination of policies/instruments** at National level to foster mobility in R&I in the selected types of interest.
- To foster **mobility schemes for incubators and Technology transfer staff.**
- To open **infrastructures** while providing grants for mobility schemes.

2.10. Enhance EU-LAC Interregional Cooperation on innovation

- **Extend the existing mechanisms** oriented to innovation and technology: i.e ERANet-LAC (staff exchange programme and Pilot Coordination Actions); AL-INVEST (include the innovation concept as a favourable condition in evaluation).
- Include the **pre-innovation idea** (pre-competitive innovation) in the next ERANET calls.
- Provide dissemination **of existing technological offer.** Bi-regional efforts to make this possible through observatories at National Level and Networks. Link them with European Observatories. Propose NCPs as agents to monitor this process.
- Improve/ Foster the existing **communication/visibility/awareness mechanisms** to increase the Technological Offer through entrepreneurial organizations.
- Give the first steps **to coordinate common regulations** between different countries to spill up the process:
 - 1) Create a common vision to avoid gaps and barriers.
 - 2) Transparency.

3) Trainings

- **Social inclusion as a new cooperation area** (CELAC's Costa Rica Declaration in San José, April 2014): Use the existing mechanisms and instruments to make a diagnosis on how to cooperate in social innovation.
- Approximate both regions to have a **common vision and same understanding of concepts**. Common Conceptualization, terminology and objective groups.
- Since social **innovation co-evolutionates with innovation in general**, put both concepts at the same political level.
- Give **new roles** and recommend increasing the number of National Contact Points at National Level.

2.11 Foster Entrepreneurship Cooperation between EU-LAC

- Introduce **"Evaluation boards"** with **experts** from different countries and roles.
- **Promote Transnational Innovation Clusters**.
- **Develop tools to increase the density of interactions** (i.e Slush.org) and the internationalization.
- Create measures to get **on board experienced people**.
- Set up more **measures for learning and gaining practical experience on business** (entrepreneurship) and internationalization.
- **Train scouts**, able to find the linkage of the offer and demand.
- Split **strategies with focus in short/ medium/long term**.
- Ensure a **clear innovation output in Joint Calls**.
- Determine more **bottom up** tools in Horizon 2020 for a more suitable EU-LAC Cooperation.

2.12 Knowledge transfer and market-oriented R&I between EU-LAC - key for improved competitiveness

- Foster **research culture** through the involvement of regional institutions.
- Take advantage of local expertise and develop **local/ sectorial capacities**. Create **synergies** in clusters, SMEs, Research **organizations through platforms involving** the triple helix agents.
- Build **centers of excellence**, connecting the research with the needs of the industry and the University.
- Create **multinational programs**. Activate the LAC-LAC cooperation and the knowledge transfer.
- Improve the **coordination to foster mobility** between regional agencies.

