

# COMMISSION OF THE EUROPEAN COMMUNITIES

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## PLAN FOR THE TRANSNATIONAL DEVELOPMENT OF THE SUPPORTING INFRASTRUCTURE FOR INNOVATION AND TECHNOLOGY TRANSFER

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First annual progress report on the Council Decision  
(83/624/EEC)  
of 25 November 1983  
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(1983-1984)  
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## 1. OVERVIEW

### 1.0 INTRODUCTION

1.0.0 This report has been prepared for submission to the Council, the European Parliament and the Economic and Social Committee in accordance with Article 6 of the Council Decision (83/624/EEC) of 25 November 1983.

1.0.1 In its decision of 25 November 1983\*, the Council entrusted the Commission with the implementation of a plan for the transnational development of the supporting infrastructure for innovation and technology transfer, to cover a period of three years at an estimated cost of 10 million ECU.

To assist the Commission in implementing this plan, the same decision also instituted the Consultative Committee on Innovation and Technology Transfer - CIT\*\*.

The annexes to the Council Decision also contained an analysis of the scope of actions to be taken (Annex I) and a list of priority actions for 1983 (Annex III). The Commission has declared that this list remains valid for 1984.

1.0.2 The very late date of the Decision's publication (OJ L/353 of 15.12.83) meant that the plan could not be launched until January 1984. 1984 therefore constitutes the first full year of the programme's application.

### 1.1 PHILOSOPHY, EVALUATION AND PROSPECTS

#### 1.1.1 THE PHILOSOPHY BEHIND THE PLAN

The Council Decision is based on the following three aims. As a general principle, action should be taken to ensure that more inventions and ideas do indeed mature into new projects and methods, while there should also be a reduction in the time now elapsing between the invention and the marketing of a given product or process. At the same time, the necessary action should be taken by the Community - since it alone can do this effectively - to derive real benefit from the advantages offered by the large economic unit of the EEC with its gradual resemblance to a single domestic market. In order to do this, the plan relies predominantly on two direct methods and one indirect method:

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\* Text in Annex I

\*\* List of members in Annex II

- the stimulation of personal contacts across frontiers in fields that are important for innovation and technology transfer, as a means of accelerating information flows and developing mutual trust;
- stimulation of cross-border exchanges of information in the fields of innovation and technology transfer by collating appropriate technical information and supporting specialized information media;
- improving the effectiveness of national and regional innovation policy through exchanges of experience and, where necessary, coordination.

Transforming these ideas into specific action always involves, albeit with variations, reliance on the same range of instruments. When a given field of action is accorded priority, possible measures are analysed and defined in cooperation with experts at symposia, seminars or congresses. The participants at these meetings are selected by the national delegations in CIT or by professional associations; alternatively, they may be private individuals responding to a public announcement of the meeting. The second step comprises pilot projects, public calls for proposals in the Official Journal of the European Communities or, in a few cases, the formation of a Europe-wide professional association. In the latter case, the Commission's policy is to provide support only for the establishment and initial activities of the organization, and to decrease this progressively after about three years. Under normal circumstances, the third step then consists of comprehensive actions, chosen by the Commission and discussed with CIT. Fundamental emphasis has been placed on partial co-financing by the interested parties. This avoids the "bandwagon" effect and ensures definite motivation on the part of the participants. Shortage of resources also means that the Commission makes extensive use of so-called multipliers: technology transfer consultants, venture capital companies, standards experts, experts in patents and licences, information brokers, media experts, etc. Because these "intermediaries" usually work for small and medium-sized enterprises, this simultaneously imbues the plan's implementation with the desired appeal to SME's. The significance of this lies in the fact that SMEs have an important part to play in the innovation process and that their small size makes them dependent on these intermediary services while large firms can afford to maintain their own departments to handle these matters. The total effect of this approach is to allow the Commission's contractual partners to participate, at grass-roots level, in the formulation of policy.

### 1.1.2 EVALUATION

In all, the actions which received a favourable opinion from the CIT in 1984 will require Commission financing to the tune of 2 460 000 ECU. In other words, by the end of the year, all the budget resources set aside for 1983 and part of those earmarked for 1984 had been committed, and a certain momentum had been achieved in implementing the plan despite major problems of a threefold nature:

- the general problems experienced during the launch phase in setting up the CIT;
- the particular problems caused by the actual text of the Council Decision which, since it prescribes a multiplicity of decision-making procedures for the various stages of project implementation, has led to interpretation problems within the CIT on the part of some national delegations;
- the problems caused by the budgetary restrictions facing the Commission, which made it possible to provide only a fraction of the number of staff proposed in its own Communication to the Council (cf. page 26 of COM(82)251 final of 15 July 1982).

### 1.1.3 PROSPECTS

Under normal circumstances, 1985 will see the commitment of all the initial resources set aside for 1984 (2 million ECU), the additional amount initially provided for in Chapter 100 (2 million ECU) and the majority of the resources set aside for 1985 (the final amount of which will depend on the decision still to be taken by the budgetary authority).

Experience shows that implementation of the plan follows the same sequence as an organic process in which an initial phase of gradual learning is followed by a growth phase which has to be mastered.

The actions now in hand have themselves generated new ideas and promising avenues to explore. From the standpoint of the European economy, it is regrettable that the Commission has been forced to set deliberate limits to possible action as a consequence of its restricted budget and the shortage of the necessary personnel to plan, and even more to carry out, these projects.

In recognition of the Council's resolutions of 29 and 30 March 1985, which accepted the promotion of innovation as a specific Community aim, the Commission will take appropriate measures to ensure further development of the plan to meet the needs of European competitiveness. It would be regrettable if the hopes of the business community had to be dashed. To the extent that the Commission can only act with the agreement of the Council and Parliament, its next action will be to submit to these institutions some specific proposals to accompany the interim report then due.

## 2. IMPLEMENTATION OF THE PLAN: ACTIVITIES

### 2.0 INTRODUCTION

2.0.1 Annex I of the Council Decision of 25 November 1983 provides a detailed list of the precise fields within which specific action can be taken, grouped into three sections based on different themes.

The first stresses "human networks" and the liaison mechanisms which have to be established or strengthened to facilitate innovation diffusion within the Community and increase technology transfer.

The second concerns strengthening those structures which encourage innovation and technology exchanges. In this case, the emphasis is on specific instruments for diffusing knowledge or organizing the patents and licencing markets.

The third involves ideas and particularly concerns coordination between Member States and comparison of experience obtained with specific technologies. This approach involved initial discussions within the CIT on how, and in which fields, such coordination should be arranged.

The Commission's work has nonetheless largely been concerned, on the one hand, with attempts to resolve problems of interpretation of the Council Decision, and, more importantly, with helping towards the development of "human networks" and certain instruments. In this, the Commission has followed the priorities laid out in Annex III of the Council Decision. These were laid down for 1983 and were then, after consultation with the Committee, provisionally adopted by the Commission as priorities for 1984 as provided for in item F of Annex II of the Decision.

2.0.2 After a preliminary meeting on 13 and 14 December 1983, involving some of the future members of the Committee, the CIT held five plenary meetings in 1984 on 15 February, 3 and 4 May, 14 and 15 June, 21 September and 9 November, in which discussions centred both on general matters and on individual Commission projects. Of the latter, 15 were studied last year in greater detail by the Committee which, before the end of 1984, approved the implementation of ten of them. The Commission is currently putting the final touches to the remaining five projects, while a further three new ones are being developed by the Commission using the methodology described above under 1.2.1.

In consequence, three calls for proposals have been published by the Commission in the Official Journal of the European Communities (two in OJ C210 of 10 August 1984 and one in OJ C255 of 22 September 1984).

In addition, there have been several meetings of experts nominated by the CIT on the following specific subjects:

- common patents and licencing market on 15/16 October and 20/21 November 1984 (Action No 9)\*
- EuroTechAlert on 17 November 1984 (Action No 2).

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\*A list of these activities is to be found in Annex III



Two other groups were formed but did not meet until 1985:

- . information on limited-access technologies and markets (17 and 18 January 1985) (Action No 15)
- . ICONE (17 January 1985) (Action No 7).

## 2.1 "HUMAN NETWORKS"

### 2.1.1 "Support for the establishment and initial activities of liaison mechanisms"

This is the first group of actions mentioned in Annex III of the Decision ("priority actions for 1983"), and explicitly lists local authorities, venture capitalists and associations of technology and management advisory services (innovation consultancy and technology transfer centres, together with similar private and public bodies).

#### 2.1.1.1 Standing Technological Conference of European Local Authorities - STCELA

The foundation of STCELA arose from an awareness that innovation is often hampered not by technical factors but rather by market conditions, particularly where the market is excessively fragmented.

Since August 1983, STCELA has had the status of an international scientific association as defined by the Belgian law of 25 October 1919 as amended by that of 6 December 1954, with its aims being defined (Article 2 of the statutes) as:

"better identification of local authorities' requirements for new or improved products to fulfil their responsibilities; a better exchange of information between members and all other public or private organizations in order to improve the efficiency and productivity of the services in their charge, particularly through the application of technical innovation."

As part of the plan's implementation, the STCELA secretariat has submitted a number of ambitious projects to the Commission.

The CIT agreed, during its second meeting on 3 and 4 May 1984, that a feasibility study should be carried out on the publication of a specialized journal "New local government technology" (Action No 10) and on the establishment of an information service on pilot and demonstration projects using technologies of interest to local authorities (Action No 11).

Among other projects put forward, the CIT also came to a favourable opinion (third meeting on 14 and 15 June 1984) on the first year's implementation of a project concerning "local authority actions on household refuse treatment and vehicle fleet management". (STCELA Action No 2 as revised).

Nevertheless, in conjunction with the Commission, the CIT attached a number of conditions to its approval, such as:

- . the establishment of direct links between STCELA and individual local authorities, so that the latter would be fully informed of the activities of the standing technological conference and would therefore be able to participate and benefit from it;
- . the provision of guarantees that the STCELA organization is fully capable of carrying out the necessary work.

The actual implementation of the activities proposed by the association appears to be hindered by difficulties arising from the above conditions.

For this reason, and in full awareness of the importance of transnational cooperation between local authorities in the field of innovation and technology transfer, the Commission is exploring other fields and other possible approaches which could, wherever appropriate, also involve STCELA. The CIT is kept regularly informed of developments.

#### 2.1.1.2 Venture capital

Since 1978, the Commission has become very aware of the role of venture capital in stimulating innovation and in the technological renewal of European companies.

After a number of preliminary studies, a pilot project was launched and ran from October 1980 to September 1983. Its aim was to test, on an experimental scale, the potential for Europe-wide cooperation between companies financing innovation in order to stimulate rapid development of new innovative companies by giving them direct access to Community markets as if these formed a single domestic market.

This pilot project showed that it was necessary to:

- create a European infrastructure for the conception, coordination and representation of a newly emerging profession which is much more developed in some Member States than in others;
- have access to a means of finance specifically adapted to stimulating innovation using venture capital (cf proposal of 7 June 1983) with the aim of establishing a European innovation loan (COM (83) 241 final and COM (84) 21 final).

On completion of this project, it was decided to create a "European Venture Capital Association" (EVCA) as an international non-profit making organization under Belgian law and with its registered offices in Brussels.

The EVCA held its first ordinary general meeting in Brussels on 9 November 1983.

As described in Article 3 of its statutes, "the aim of the association is to stimulate study and discussion of the management of venture capital and of the investment of venture capital within the European Economic Community in order to establish and maintain a venture capital industry to finance innovation and small and medium-size undertakings by means of its own funds and in order to establish high standards of business ethics and professional competence."

The association's priority actions can be grouped under eight headings:

- the establishment of a code of good professional practice to be respected by members in order to ensure the authority and reputation of this new form of financial activity;
- to make the profession better known and so give it a privileged position in discussions with the various national and European institutions providing funds for innovative small and medium-sized undertakings;
- to encourage the formation of European syndicates of venture capital companies in order to increase the level of transnational investment within the EEC;

- to develop reference networks of experts and consultants to encourage the transnational development of undertakings financed by venture capital companies;
- to stimulate contact within the profession and also to organize sessions where members can compare notes on their experience in certain chosen fields;
- to maintain regular links with a certain number of regional, national and international organizations;
- to collect economic, financial and fiscal information useful to venture capital development in Europe;
- to disseminate information on the profession's activities, for example in the form of reference publications.

Although not part of the plan, the Commission has signed a contract with the EVCA covering its establishment and initial operations and valued at 170 000 ECU. All these operations were to be completed during the nine months' period to 30 September 1984.

As part of the plan, the CIT has twice agreed to continue to support the EVCA's activities:

- on the occasion of its second meeting (2 and 3 May), it approved an extension of Community aid for the third quarter of 1984 (Action No 3), although it recommended that, if Community aid continued in the following years, it should be depressive in nature;
- on 9 November (5th meeting) this principle of progressive reduction was implemented when the topic of Community aid for 1985 (Action No 16) was discussed. In addition, the CIT expressed the wish that the Association's activities should concentrate on canvassing for new members in those regions where it was currently poorly represented and on the formation of European syndicates of venture capital companies in order to encourage transnational investment within the EEC.

In its first year, the EVCA has more than doubled its membership so that at the end of 1984 it had 86 members, of whom 52 were full members and 34 associate members, from all Member States and also from countries outside the Community, particularly Spain and Portugal.

In addition, the Association has pursued a vigorous publicity policy:

- publication of a quarterly newsletter
- holding two internal seminars

- . cooperating, in October 1984, with the Commission to organize a symposium on "Improving venture capital opportunities in Europe"
- . preparation of a brochure entitled: "Raising venture capital in Europe: an entrepreneur's guidebook".

2.1.1.3

The European Association for the Transfer of Technologies, Innovation and Industrial Information - TII

The third liaison mechanism explicitly mentioned, in the Council Decision, among the priority actions for 1983 was the formation of "associations of technology and management advisory services including 'technology awareness agencies'".

The idea of creating a European association for industrial information transfer was put forward during a symposium held jointly by the Parliamentary Assembly of the Council of Europe, the Commission and the Alsace Chamber of Commerce and Industry on 26, 27 and 28 May 1982.

In November 1983, the Commission negotiated a contract with the Institute for regional cooperation in intra-Community border regions (IRI), charging this organization with the formal formation of the association and its initial operations, all of this work to be carried out over a one year period.

Community funds, using appropriations other than those of the plan, have been made available for this work.

The association officially came into being, on the occasion of a general constitutive meeting, in Luxembourg on 4 May 1984. Its definitive title is the "European Association for the Transfer of Technologies, Innovation and Industrial Information". Nevertheless, in practice, it was decided to use the abbreviation TII derived from the simpler original version of its title. Its constitution is in accordance with the Luxembourg law of 21 April 1924 on non-profit making organizations and public utilities. Its main aims are:

- . to stimulate innovation in industry,
- . to promote transnational technological transfer and

- . to encourage transnational cooperation between European companies.

Its initial activities involved organizing:

- professional exchanges between members
- short and medium-term transnational secondments for training purposes
- seminars on various aspects of innovation consultancy in small and medium-sized undertakings
- permanent study groups and
- action aimed at forming a common market for saleable technologies.

When the matter was referred to it by the Commission, the third meeting of the Committee approved the continuation of aid for the initial activities of the Association covering the period from 18 November 1984 to 31 December 1985, using the plan's appropriations, but reserved its judgement on aid for a further period and stated that such aid would, in any case, be depressive in nature.

During the first six months of its existence, the Association has considerably expanded its membership, which now numbers approximately 100 organizations.

It has organized an internal seminar in Copenhagen and an exploratory visit to Belgium, published an introductory brochure and actively participated in the organization of several activities such as the installation of a Telefax network between agencies for the transfer of industrial information and the planning of a European data bank covering the supply and demand of technologies.

#### 2.1.2 Transnational cooperation between advisory organizations

One of the main aims of the plan is the development of transnational cooperation between small and medium-sized undertakings, particularly in the field of technological exchange, in order to achieve more rapid penetration of new products and services throughout the Community market.

To achieve this aim, the Commission has proposed placing particular reliance on intermediaries in the form of advisory services within different Member States, in the form of natural or legal persons, public institutions or private enterprises.

This is because experience has shown that associations of companies, particularly small and medium-sized ones, can only be fully successful if they are assisted by competent professionals.

The Commission has therefore attempted, by means of several measures approved by the CIT, to establish or strengthen intermediary networks with the ultimate aim of achieving transnational cooperation between companies.

#### 2.1.2.1 Call for proposals C210/03

Published in the Official Journal C210 of 10 August 1984, this call concerned "the promotion of transnational cooperation between technology and management advisory services to small and medium-sized enterprises".

The intention was to assist the establishment of lasting exchange systems between advisory bodies to enable them to play an active intermediary role in achieving considerable growth in transnational technological exchanges between the small and medium-sized companies in their country.

The favourable response to this call is indicated by the 95 proposals which reached the Commission, 43 from organizations that had already found one or more partners and 52 from candidates without partners.

In 18 cases, representing a total of 44 public and private bodies from nine Member States, the Commission agreed to provide funding totalling 1 million ECU for a period of one year.

Partnerships have thus been created between organizations in Lyons (F) and Copenhagen (DK), London (UK) and Milan (IT), Dublin (IRL) and Belfast (UK), Marseilles (F), Genoa (IT) and Piraeus (GR), Berlin (D) and Hatfield (UK), etc.

At its second meeting on 3 and 4 May 1984, the CIT had approved this action in principle (Action No 1).

The practical methods of evaluating and selecting applicants, and the respective responsibility in this field of the Commission and the Committee provoked considerable discussion.

In view of the number and quality of the applications, similar calls for proposals are envisaged in 1985 and 1986.

2.1.2.2 Exploratory visits and professional secondments

Parallel to Action 1 described in the preceding paragraph, three complementary actions (Actions 5, 6 and 14) have been implemented with the same aim of encouraging the establishment of lasting transnational networks of advisory bodies specialized in technology transfer and innovation management.

At its second and third meetings, the CIT expressed a favourable opinion on these actions which are intended to precede, and to some extent prepare the ground for, Action 1.

a) Exploratory visits (Action 5)

The aim of this action is to permit industrial information transfer agents:

- to get to know each other as quickly and as efficiently as possible;
- to study working practices outside their own country;
- to explore the possibilities of transnational cooperation particularly in technology transfer, financing etc.

This approach involves guided visits lasting several days, for groups of about 20 people, to a given Member State. They are open exclusively to agents working in another country.

The three to four-day programme for this kind of visit is split up into visits of approximately one day to organizations in different parts of the country.

Management of this action has been entrusted to the TII (cf. paragraph 2.1.1.3 above).

One visit of this type, to Belgium in December 1984, has already been organized, and a number of others are scheduled for 1985.

b) Short (Action 6) and medium term (Action 14) transnational professional secondments for information transfer agents

The aim of these actions is similar to that of the guided visits described for Action 5 above, though they are intended to go into the subject more deeply.



Action 6 is intended to enable an industrial information transfer agent, by means of a secondment lasting approximately 15 days, to become familiar with the working methods of an organization in another country and to establish the basis of permanent transnational cooperation in the form of personal contacts with colleagues of other nationalities.

Action 14 is completely identical except for having rather longer secondments which may be up to three months in length.

### 2.1.2.3 Call for proposals C255/05

Although not falling within the plan, this call for proposals adopted the same approach as the preceding one but, in this case, concerned exporting and was thus intended to form transnational networks of intermediaries to foster cooperation among the small and medium-sized companies of the various countries.

This second call for proposals (OJ C255 of 22 September 1984) was, however, more exploratory in nature.

On the assumption that innovative small and medium-sized enterprises would, by pooling their export effort, maximize their potential in tackling world markets and might lead indirectly to technological exchanges, the Commission hoped both to test the validity of this concept and to find out which of the specialized advisory bodies would be prepared to form teams to look after pilot projects in this field.

More than 250 applications, from all Member States, were received within a very brief period. A seminar held on 6 and 7 March 1985 in Luxembourg, made it possible to bring the proposers together to compare methods and to decide what follow up action is required within the framework of the plan.

## 2.2 STRUCTURAL IMPROVEMENTS

Chapter 2 of Annex I to the Council Decision sets out a list of subject areas in which there would seem to be a need for Community action with a view to strengthening the underlying structures to facilitate innovation and provide optimum conditions for technology transfer.

These activities are centred on three ideas:

- Firstly, innovation requires early awareness of technological openings: what is needed are facilities for keeping firms, and especially SMEs, informed of new technologies and potential markets. A number of specific actions examined by the CIT in 1984 come under this heading.
- Secondly, the European market for patents and licences needs organizing with a view to developing transnational technology transfer.
- Finally, several of the obstacles in the way of the rapid marketing of new products, services or processes will have to be removed.

#### 2.2.1 Improving information on technologies and markets

##### 2.2.1.1 Call for proposals C210/02: "Conferences"

The idea behind this action, which received a favourable opinion from the CIT at its third meeting on 14 and 15 June 1984 (Action No 4), was to help the organizers of conferences on technology or innovation to give a European dimension to their event, more specifically by bringing in speakers from other Member States, by making a special effort to reach potential participants from countries other than that in which the conference was due to be held, and by circulating the proceedings throughout the Community.

A call for proposals "for the promotion of European conferences on technology and innovation" was published in the Official Journal (OJ C210 of 10 August 1984) and met with an enthusiastic response.

Of the 139 proposals received, the Commission selected 21 to receive financial aid totalling 400 000 ECU. The idea is that some of the Community's financial support may be recoverable from any surplus income accruing to the conference organizers, pursuant to Article 5 of the Council Decision.

2.2.1.2 EuroTechAlert: a European technology awareness scheme

The aim of this project (Action No 2) is to set up a cooperative technology awareness network at European level based on the UK's experience with its TechAlert scheme, in which a specialist team from the Department of Trade and Industry conducts a systematic search from the reports produced by public research establishments to extract information likely to be of interest to industry. This information is then précised, and the results made available to the publishers of trade journals with a view to selection and publication.

The EuroTechAlert project was discussed by the CIT, and a favourable opinion (in principle) was expressed at the second meeting on 3 and 4 May 1984.

In accordance with the Committee's recommendations, a group of national experts met in Luxembourg on 16 November 1984 to discuss the practical aspects of the project, for which a final opinion is still needed from the CIT.

2.2.1.3 Improved use of the results of publicly funded research

This is an exploratory project on a more general level than the EuroTechAlert scheme described in Action No 2 above.

The thinking behind the project is the same as for EuroTechAlert - i.e. to enable industry - and more specifically SMEs - to derive benefit from the results of publicly funded research conducted in the Member States and by the Community as such. This particular project (Action No 8) has been discussed by the CIT, but has not yet been submitted for a formal opinion.

2.2.1.4 Information on limited-access technologies and markets

On a number of occasions, the Committee has discussed the problem of the acquisition, analysis and dissemination of information on limited access technologies and markets, with special reference to the potential importance of Japanese grey literature (Action No 15).

An initial restricted meeting of experts was held in Luxembourg on 5 June 1984, and a second, more general, meeting was held on 17 and 18 January 1985.

The conclusions will be submitted to the CIT in the near future.

2.2.2 Establishment of a common market for patents and licences

Technology transfer is the result of contacts between two interested parties, i.e. the technology supplier and the technology acquirer. There are a number of ways of establishing contracts, such as holding specialist technology transfer fairs, publishing catalogues or using specialist technology transfer agents (or brokers), and setting up computerized data banks.

Two seminars were held in Luxembourg on 15 and 16 October and on 20 and 21 November 1984 to explore these various techniques and to assess the need for a centralized European information system on potential technological applications.

A detailed project (Action No 9) is now being formulated in close conjunction with the TII Association (see 2.1.1.3 above) and DG III's Business Cooperation Centre.

2.2.3 Removing obstacles to innovation: information on industrial standards (ICONE)

Paragraph 2.3 of Annex I to the Council Decision sets out two specific types of action:

- . firstly, speeding up the dissemination of public invitations to tender by the introduction of new communications media
- . secondly, setting up an up-to-date information system on technical regulations and standards.

Only the second point has so far been examined by the CIT.

The project aimed at setting up a comparative index of national and European standards (ICONE - Action No 7) has been discussed on a number of occasions by the Committee which, in view of the complexity of the problem, recommended that a meeting of national experts be called to discuss the matter and, to avoid duplication of effort, contact be made with other relevant Community organizations.

As a result, this particular project - which will have to be resubmitted to the CIT - has been discussed with DG III, the Information and Telecommunications Technologies Task Force, the European Committee for Standardization (CEN) and the European Committee for Electro-technical Standardization (CENELEC). It was then again discussed by the national experts at an ad hoc meeting held in Luxembourg on 17 January 1985.

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## COUNCIL DECISION

of 25 November 1983

concerning a plan for the transnational development of the supporting infrastructure for innovation and technology transfer (1983 to 1985)

(83/624/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission <sup>(1)</sup>,

Having regard to the opinion of the European Parliament <sup>(2)</sup>,

Having regard to the opinion of the Economic and Social Committee <sup>(3)</sup>,

Whereas, in accordance with Article 2 of the Treaty, the Community has as its task *inter alia* to promote a harmonious development of economic activities and continuous and balanced expansion throughout the Community;

Whereas the Heads of State or Government, meeting in Luxembourg on 1 and 2 December 1980, expressed the hope that efforts by the Member States in the field of industrial innovation would be better coordinated in order to improve the competitiveness of European products by making the best use of the dimension afforded by the common market; whereas they requested the competent authorities of the Community to examine ways of eliminating the fragmentation of markets and improving incentives to innovation and the dissemination of knowledge;

Whereas it is primarily up to undertakings to develop trade in technologies and to promote their exploitation;

Whereas, nevertheless, a resolute effort is required to promote interaction between technology, industry and the market at European level, so as to ensure that further economically viable innovations accrue from discoveries and inventions through utilization of the advantages of scale afforded by the European dimension;

Whereas the Member States have developed specialized services in the field of research exploitation, technology transfer, information, consultancy and financing;

Whereas these infrastructures are important for facilitating innovation, particularly in small and medium-sized undertakings;

Whereas the introduction of transnational mechanisms for liaison, cooperation, training and information would be crucial in optimizing these national efforts;

Whereas the said mechanisms would provide wider access to such essential elements of industrial innovation as research, technology, capital and the market,

HAS DECIDED AS FOLLOWS:

## Article 1

With a view to facilitating innovation in the Community, a package of measures designed to promote the transnational development of liaison and cooperation infrastructures and to provide incentives to trade and the exploitation of technologies is hereby adopted, and is defined in Annex I.

## Article 2

On the basis of continuous exchange and comparative assessment of experiences, the Member States and the Commission shall endeavour to achieve compatibility of the measures referred to in Article 1 with national and regional measures to promote innovation, in the manner provided for in chapter 3 of Annex I.

## Article 3

The activities or projects described in Annex I shall be undertaken on the responsibility of the Commission or

<sup>(1)</sup> OJ No C 187, 22. 7. 1982, p. 4.

<sup>(2)</sup> OJ No C 96, 11. 4. 1983, p. 104.

<sup>(3)</sup> OJ No C 33, 7. 2. 1983, p. 17.

shall qualify for partial Community financing under the appropriations provided for in the budget of the European Communities.

The following activities or projects may be eligible for consideration:

- activities of projects involving partners established in various Member States,
- activities or projects involving operations on a Community scale or services open to all Member States, or
- programmes for developing innovation infrastructure, where circumstances so require, so as to enable Member States with weaker infrastructures to participate fully in transnational projects.

#### Article 4

The Commission shall disseminate in the Community, by the most appropriate means, the result of the actions undertaken pursuant to this Decision.

#### Article 5

The programme is scheduled for a period of three years as from its adoption. The amount deemed necessary for the programme's implementation shall be 10 million ECU.

As regards the activities described in Annex I, the Commission shall endeavour to share the costs of the operations, to recover a part of its outlay from such revenue as may accrue and to limit its contributions to an initial launching period.

#### Article 6

Responsibility for implementing this Decision shall rest with the Commission, assisted by a Consultative Committee whose composition, duties and method of procedure are set out in Annex II.

The Commission shall keep the said Committee regularly informed of progress in the work.

The Commission shall present a detailed report each year to the Council, the European Parliament and the Economic and Social Committee.

#### Article 7

This Decision shall take effect on the day of its publication in the *Official Journal of the European Communities*.

Done at Brussels, 25 November 1983.

*For the Council*

*The President*

G. MORAITIS

## ANNEX I

PLAN FOR THE TRANSNATIONAL DEVELOPMENT OF THE SUPPORTING  
INFRASTRUCTURE FOR INNOVATION AND TECHNOLOGY TRANSFER

## SCOPE AND DEFINITION OF ACTIONS

## Scope

The principal objective is to promote the rapid penetration of the Community's economies by new technologies as they become available, having regard especially to small and medium-sized undertakings.

The proposed actions will reinforce national structures working towards this end, in particular by adding a European dimension to the operations of existing national research exploitation, to technology transfer, and to specialized advisory and financial services. The aim is thus to strengthen the transnational innovation infrastructure, this being essential for an efficient European market in innovation.

Three principal lines of actions are envisaged:

1. to render existing and developing organizations and services in this field more effective by facilitating their operations on, and their access to, the Community market; this transnational extension of structures in the Member States will be based upon flexible and dynamic mechanism for liaison and cooperation;
2. to the degree necessary for the objective, to help meet the corresponding basic requirements in knowledge and in technical and communication means;
3. to contribute to the general advance of methods used in this field by judiciously promoting concertation and the exchange of experience on the introduction of new methods in the Member States.

The projects to benefit from Community support shall be selected from lists of priority actions to be drawn up annually. For 1983 the list appears in Annex III. For the other years of the programme the priority actions shall be selected from the actions described hereafter in accordance with the procedure laid down in Annex II (F). A project selected from an annual list must be commenced before the end of the year in question.

## Description of actions

## CHAPTER I

## European cohesion between existing innovation promotion organizations

- 1.1. *The industry/research interface, in particular:*
  - (a) start-up support for the establishment of liaison mechanisms;
  - (b) support for promotional actions for exploitation of new technology or market prospection inside and outside the Community.
- 1.2. *Technology and management advisory services, in particular:*
  - (a) start-up support for associations in order to establish 'human' networks of relations between the services concerned, and also for the necessary back-up activities;
  - (b) support for exchange of personnel of such services as the most efficient way to gain experience on other markets as well as to establish networks of mutual assistance;

- (c) support for their joint exploitation of the technology market inside and outside the Community.

1.3. *Venture finance operations, in particular:*

- (a) start-up support for an association of financial organizations specialized in the financing of innovation;
- (b) support for professional publications of such an association;
- (c) support for the build-up of reference networks of experts and consultants.

1.4. *Interface between public users and innovative industries, in particular:*

- (a) support, as long as necessary, for the basic structure of Community local authority cooperation in new technologies;
- (b) support for orienting local authority purchasing towards innovation;
- (c) support for technology exchange between participants.

## CHAPTER 2

### Strengthening the foundations

2.1. *Joint support functions for the awareness and assessment of new technologies and potential markets, in particular:*

- (a) support for joint assessment of technology and markets;
- (b) support for increasing technology awareness, by means such as cooperation between 'technology awareness agencies' or giving a European dimension to technology conferences normally organized on a national or regional basis;
- (c) support for the acquisition, analysis and dissemination of information on technologies and markets to which access is difficult;
- (d) support for the establishment of a system of exchanging information on available expertise regarding technology, markets, finance and public aid for innovation throughout the Community.

2.2. *Access to patents and licensing markets, in particular:*

- (a) support for the intensification of consultation and contacts with the parties concerned, in particular as regards patent costs, the use of patent information and the criteria of industrial property protection;
- (b) support for better use of Community-wide protection of industrial and commercial property rights, complementing action already taken in the Member States to encourage inventors to avail themselves of their rights in this area;
- (c) support for the creation of an efficient common market for the licensing of technology, by promoting the concertation of intermediary services and by providing start-up support for transnational forms of cooperation.

2.3. *Opening new channels of communication to accelerate market introduction of new products, in particular:*

- (a) promoting the timely and Community-wide diffusion of calls for proposals for new products, and in particular of public tenders, by developing new efficient media or by promoting a more intensive use of existing communication channels;
- (b) establishing an up-to-date information system on technical regulations and standards.



## CHAPTER 3

## Concertation of Member States and Community action

- 3.1. Intensification of the concertation and the exchange of information and experience within the framework of the Consultative Committee.
- 3.2. Comparisons and evaluations of programmes and measures.
- 3.3. Community support for the advancement of new methods and for the advancement of transnational innovation infrastructure in particular.

## ANNEX II

## COMPOSITION, DUTIES AND METHOD OF PROCEDURE OF THE CONSULTATIVE COMMITTEE PROVIDED FOR IN ARTICLE 6

- A. The Consultative Committee provided for in Article 6 shall have the following duties:
  1. to aid the Commission in ensuring the proper functioning of the exchanges provided for in Article 2, which must enable voluntary concertation of the actions of the Member States to be achieved;
  2. to examine the annual report drawn up by the Commission and to assess the results of the actions carried out;
  3. to deliver opinions on the measures provided for in Article 1, in particular on the preparation of the annual list of priorities and on the selection of projects likely to benefit from financial support.
- B. The Committee shall be composed of representatives nominated by the Member States. It can call upon the assistance of experts or advisers according to the nature of the action to be dealt with.
- C. The Committee shall be chaired by a representative of the Commission.
- D. The Committee shall draw up its own rules of procedure.
- E. The Secretariat of the Committee will be provided by the services of the Commission.
- F. The annual list of priority actions for the years other than 1983 shall be decided on using the following procedure:
  1. The Commission representative shall submit to the Committee a draft Decision.
  2. The Committee shall give an opinion on this draft within two months. Its decisions shall be taken by a majority of 45 votes. Within the Committee the votes of the Member States shall be weighted in accordance with Article 148 (2) of the Treaty. The chairman shall not vote.
  3. The Commission shall adopt the draft where it is in accordance with the opinion of the Committee. Where the draft Decision is not in accordance with that opinion or where no such opinion is issued, the Commission shall without delay make a proposal to the Council, in the form of a draft Decision. The Council shall act by a qualified majority.

ANNEX III

PRIORITY ACTIONS FOR 1983

1. Support for the establishment and initial activities of liaison mechanisms:
    - STCELA (local authorities),
    - venture capitalists,
    - associations of technology and management advisory services including 'technology awareness agencies'.
  
  2. Organizing the Community-wide supply and dissemination of information on supply and demand in respect of technology under licence, transnational cooperation of small and medium-sized undertakings, markets surveys and studies, technology assessment and trends, R & D results, etc.
  
  3. Support for better use of Community-wide protection of industrial and commercial property rights.
  
  4. Consultation, within the framework of the Consultative Committee, on action taken or to be taken at national and Community level, notably with a view to evaluating and securing the utilization of new or not yet Community-wide methods of promoting innovation, for the benefit in particular of small and medium-sized undertakings.
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Consultative Committee of Innovation and Technology Transfer.  
CIT

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ANNEX III

A. Actions examined by the CTF in 1984 under the Plan for the transnational development of the supporting infrastructure for innovation and technology transfer.

		! Favourable ! opinion from the ! CTF for a total ! of : ECU
I. <u>'HUMAN NETWORKS'</u> :		
1. <u>Consultative services</u>		
<u>Action 1</u> :	Promotion of transnational cooperation between technology and management advisory services to small and medium-sized enterprises.	1.000.000
<u>Action 13</u> :	European Association for the Transfer of Technologies, Innovation and Industrial Information (TII).	150.000
<u>Action 5</u> :	Exploratory visits for industrial information transfer agents within the Community.	100.000
<u>Action 6</u> :	Transnational secondments between industrial information transfer agents	100.000
<u>Action 14</u> :	Long-term transnational secondments between industrial information transfer agents	150.000
2. <u>Venture capital</u>		
<u>Action 3</u> :	'European Venture Capital Association' (October - December 1984).	60.000
<u>Action 16</u> :	Continuation of EVCA activities in 1985!	160.000

		! Favourable ! opinion from ! the CIT for a ! total of : ECU
<hr/>		
<b>3. <u>Local authorities</u></b>		
<u>Action 10</u> :	Feasibility study concerning a STCELA technical periodical.	5.000
<u>Action 11</u> :	Feasibility study concerning a STCELA transnational information service on pilot schemes and demonstration projects in the field of new local government technologies.	5.000
<u>Action 12</u> :	Local authority actions in household refuse treatment and vehicle fleet management.	130.000
 <b>II. <u>THE TOOLS</u></b>		
<u>Action 4</u> :	Promotion of the 'Europeanization' of conferences on technology and innovation.	400.000
<u>Action 7</u> :	Comparative index of European standards (ICONE).	Opinion in hand
<u>Action 9</u> :	European exchange network for licence offers and requests.	Opinion in hand
<u>Action 2</u> :	Technology awareness scheme on the results of research in Europe (EuroTechAlert).	200.000
<u>Action 8</u> :	Improving the utilization of the results of publicly-funded research.	Opinion in hand
<u>Action 15</u> :	Information on limited-access technologies and markets.	Opinion in hand
<b>TOTAL</b>		<b>2.460.000</b>



B. Actions in numerical order

Action sheet	!	ECU	!	Report
	!		!	page
No 1 rev. 2	Call for proposals on the promotion of transnational cooperation between technology and management advisory services to small and medium-sized enterprises.	1.000.000	!	12
No 2 rev. 1	Technology awareness scheme on the results of research in Europe (EuroTechAlert).	200.000	!	16
No 3	European Venture Capital Association (October - December 1984).	60.000	!	7
No 4 rev. 1	Promotion of the "Europeanization" of conferences on technology and innovation.	400.000	!	15
No 5 rev. 2	Exploratory visits for industrial information transfer agents within the Community.	100.000	!	13
No 6 rev. 2	Transnational secondments between industrial information transfer agents.	100.000	!	13
No 7	Comparative index of European standards (ICONE).	Opinion in hand	!	17
No 8	Improving the utilization of the results of publicly-funded research.	Opinion in hand	!	16
No 9	European exchange network for licence offers and requests.	Opinion in hand	!	17
No 10	Feasibility study concerning a STCELA technical periodical on "New local" government technology".	5.000	!	6
No 11	Feasibility study concerning a STCELA transnational information service on central (or regional) government sponsored pilot schemes and demonstration projects in the field of new local government technologies.	5.000	!	6

Action sheet	ECU	Report page
No 12 STCELA proposal No 2 (revised) : Local authority actions in house- hold refuse treatment and vehicle- fleet management.	130.000	6
No 13 European Association for the Transfer of Technologies, Innovation and Industrial Information (TII).	150.000	10
No 14 Long-term transnational secondments between industrial information transfer agents.	150.000	13
No 15 Information on limited-access technologies and markets.	Opinion in hand	16
No 16 Continuation of EVCA activities in 1985.	160.000	7
TOTAL	2.460.000	