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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: *Preparation of the Council (Competitiveness (Internal Market, Industry, Research and Space)) on 7-8 December 2023*
Research valorisation as a tool for economic and industrial recovery and resilience
- Policy debate

Delegations will find attached a Presidency note on "Research valorisation as a tool for economic and industrial recovery and resilience" with a view to the policy debate at the Competitiveness Council on 8 December 2023.

Research valorisation as a tool for economic and industrial recovery and resilience**Policy debate**

In recent years, the world, including the European Union, is confronting continuous crises and facing pressing energy and economic challenges that require strengthening value chains, especially in critical sectors such as artificial intelligence, semiconductors and deep and digital technologies. The Union also needs to address labour and skills shortages in those strategic sectors and lead the development of new policies to attain and develop impactful technological solutions that can benefit society in general. In this context, political leaders have underlined that science and innovation have a crucial role in changing the course of events.

The EU and its Member States have actively promoted research and innovation (R&I) policies through successive R&I Framework Programmes and the European Research Area, with activities dedicated to fostering R&I entrepreneurship, startups, SMEs, scale-ups and partnerships with industry. As a result, the Union has earned recognition for its excellence in R&I, encompassing factors such as quality, originality, impact, and contributions. It should be noted that not all scientific research leads to innovations that generate value for society, and not all research responds to political priorities. However, maximising the impact of research findings is undeniably a critical stride toward establishing a sustainable economy that enhances society and citizens' well-being. Therefore, a European strategic priority should be establishing robust solutions to face R&I financial and regulatory hurdles.

Under the Czech Presidency, the Council of the EU adopted a Recommendation on the guiding principles for knowledge valorisation. This Council recommendation contains a set of 24 guiding principles in areas such as valorisation in R&I policy, skills and capacities, incentives, intellectual asset management, relevancy in public funding schemes, peer learning, metrics, monitoring and evaluation. The scope of actors and activities is broad, focusing on the whole R&I ecosystem, including national, regional and local policymakers, and emphasises the importance of developing entrepreneurial practices and skills, as well as the need for increasing the impact of research, development and innovation. The Recommendation also promotes entrepreneurial approaches with a focus on the use and re-use of knowledge to increase impact and relies on the engagement of stakeholders and their active participation in valorisation activities.

Nonetheless, the EU encounters difficulties in harnessing research valorisation and creating social and economic value from knowledge. There is a need to link different areas and sectors and transform data, know-how and research results into sustainable products, services, solutions and policies that effectively reach the market and benefit society. Two main interlinked hurdles hinder knowledge valorisation within the EU: crossing the so-called “valley of death” and addressing the “innovation paradox“. Both impede increasing the societal value and impact of R&I investments. The pivotal tasks of bridging the “valley of death” and succeeding the “innovation paradox” are crucial milestones in revitalising the European Union’s economic prosperity, achieving an open strategic autonomy, and stimulating the implementation of innovative solutions to global challenges.

The EU guiding principles for knowledge valorisation in R&I policy aim at ensuring that publicly funded activities consider the broadest possible societal use and valorisation of intellectual assets generated by R&I activities, while raising awareness and taking into account sovereignty issues, involving all ecosystem actors and leveraging private investments. Moreover, the New European Innovation Agenda introduces new approaches to foster cooperation among European innovation ecosystems with a focus on strategic technology areas, such as the Regional Innovation Valleys, calling for shared knowledge valorisation strategies.

Ministers are invited to express their views on the following questions:

1. What are the main challenges regarding the valorisation of research results to revitalise the EU industry and economy?
 2. How do we ensure that research and innovation valorisation responds to the EU and national priorities (e.g. green and digital transitions) in line with citizen needs?
 3. What national measures have you implemented to promote research valorisation from the demand side (e.g public procurement, standards, citizen awareness) and skills and learning programs that allow understanding of the process of knowledge valorisation also from the industry perspective?
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