

85
JULY 2009

EUREKA
NEWS

Czech Republic set to favour research excellence



SME support essential for European competitiveness and employment



Arndt Kirchhoff:
"Innovation is only good if marketed!"



Project showcase: wireless vehicle information network to improve traffic safety



Hungarian MEP Zsolt Becsey would like to see more flexibility in SME support

Table of contents



EUREKA is a European network for market-oriented R&D. Its aim is to strengthen European competitiveness by promoting market-driven collaborative research and technological development. EUREKA enables industry, universities and research institutes from 38 member countries and the EU to collaborate in a 'bottom-up' approach to developing and exploiting innovative technologies.

EUREKA News is published four times a year in English, French, German, Italian and Spanish. An online version is available on www.eurekanetwork.org

Publisher: Luuk Borg

Editorial Coordinator: Eleni Seriatou

Contributions: Sally Alger, Paul McCallum and JWA Prague s.r.o.

Design: Busybee

Translations: Berlitz

Printing: Artoos

Photography: with thanks to EUREKA project participants and JWA Prague s.r.o. for any assistance and material provided in the production of this issue.

©2009 EUREKA Secretariat ISSN **1470-7489**
Permission to reproduce individual articles from EUREKA News for non-commercial purposes is granted, provided that EUREKA News is credited as the source.

EUREKA Secretariat, Rue Neerveld 107,
1200 Brussels, Belgium

Subscription enquiries:

subscribe@eurekanetwork.org

Opinions expressed within EUREKA News do not necessarily reflect those of the organisation.

www.eurekanetwork.org



2 - 3 Editorial

Innovation must lead the way in challenging times



4 - 6 News in brief



7 Project showcase

Driving on the safe side - Wireless vehicle information network to improve traffic safety



8 - 9 Country focus

Czech Republic set to favour research excellence



10 Research Connection

Huge opportunities for SMEs



11 Project showcase

An ecologically friendly defence against sea and ice erosion in arctic regions



12 - 13 Support for SMEs

Implementation of the EU Small Business Act essential for SME success



14 - 15 Viewpoint

SME support essential for European competitiveness and employment



Innovation must lead the way in challenging times

This is the third time that Germany has held the EUREKA Chair. As a founding member, we have always seen EUREKA as a significant cornerstone in European research and technology policy, and now its common framework of action has become a supporting pillar of the European Research Area (ERA).

Germany's Chair Year will continue to build on EUREKA's successes and extend its influence. EUREKA has an important role to play in the ongoing development of the ERA, and in maximising the potential of successful instruments such as the Eurostars programme and the EUREKA Clusters.

EUREKA is also the appropriate instrument for fostering a more internationally focused research and innovation policy. The political debate about collaborating on a broader international basis with countries such as South Korea must now translate into positive action. The Portuguese Chair has advanced the strategy of internationalisation by revising admission procedures to enable non-European countries to apply for Associate Country membership of EUREKA. This provides an excellent basis for intensifying European industry's cooperation with the world's best.

Among EUREKA's many strengths are its decentralised organisation and ability to facilitate multilateral cooperation between countries. This is partly why its achievements frequently are not visible or acknowledged, and why it doesn't always get the attention that it deserves from key stakeholders. To raise public awareness of EUREKA – and launch the German Chairmanship – we are hosting an international conference on the theme 'World-Class Innovation Through International Cooperation', which takes place in Dresden on 6-7 July.

Innovation remains crucial to Europe's success in the global marketplace, and to overcoming the challenging economic situation. So long as we continue financing innovation and hold investment lev-

els steady, we can emerge from the crisis strengthened. That said, we're not always as good as other non-European countries at translating ideas into marketable products, or at recognising the necessity of making risk capital available to young and innovating companies and helping them sustain growth. Another problem is that both basic and applied research and product development largely remain distinct entities in Europe. We ought to foster cooperation between them through Public-Private Partnerships, and by strengthening regional clusters – actions the German Chair intends to initiate.

One reason for the limited participation of German partners in EUREKA projects is the lack of direct funding available for EUREKA projects in our country. There are, however, a number of programmes that fund R&D projects which we need to align more internationally, as stated in the German Federal Government's Internationalisation Strategy. Additionally, and in line with Germany's High-Tech Strategy, we are committed to promoting international cooperation in technological sectors where global challenges such as demographic change, energy security or climate change require joint research efforts, and where there already exists a distinctive added value for global competitiveness through cooperation for both German and European industries.

Next year EUREKA celebrates its 25th anniversary. As the organisation was founded on the initiative of France and Germany in Hanover in 1985, we are very pleased that the anniversary coincides with our third Chairmanship. Over the next 12 months we aim to advance EUREKA further and make it an integral part of the ERA, and will drive forth appropriate steps in pursuit of this goal.

For details about the 'World-Class Innovation Through International Cooperation' Conference (6-7 July, Dresden) visit: www.eureka-chair.de

Editorial



Professor Annette Schavan
Federal Minister of Education and
Research, Germany

Advocate of international cooperation for a competitive Europe

Professor Schavan has been the Federal Minister for Education and Research since 2005, and is Vice-Chairwoman of Germany's Christian Democratic Party (CDU).

News in brief

World-Class Innovation Through International Cooperation – Launch Conference of the German EUREKA Chairmanship 2009/2010



The launch conference of the German EUREKA Chairmanship 2009/2010 “World-Class Innovation Through International Cooperation” hosted by the Federal Ministry of Education and Research (BMBF) took place as EUREKA News went to press.

The conference is the platform for the German Chairmanship to present the objectives of its Chairmanship and jointly discuss them with the audience in a variety of different settings. The conference is expected to lead to new political and thematic initiatives launched within EUREKA during the German Chairmanship.

The conference addresses the current and future opportunities and challenges for Europe’s global competitiveness and the potential of international cooperative R&D initiatives to reinforce and enhance the capacity for innovation in Europe. This is to be seen in light of current major trends and issues discussed among industry players, researchers and policy-makers alike, such as an expanding globalisation, the current economic crisis, climate change, demographic change and energy security, to name just a few. European and international high-level representatives from industry, the scientific community and governments are expected to attend. www.eureka-chair.de

Open Day at the Council of the EU

This year’s annual EU Institutions Europe Day on 9 May, celebrated each year to mark the anniversary of the 1950 Schuman declaration, coincided with the Open Day of the European Institutions. The Council of the EU also opened its doors to the public. A large number of visitors were introduced to the Council procedures. They had the opportunity to participate in some guided tours of the Justus Lipsius building and attended interactive information sessions about innovation and climate change as well as found information about the Council and the EU at various information stands.

During the “Innovation Panel”, the European Council highlighted the fruitful partnership with EUREKA and reminded the audience that only 10% of the innovations succeed. It was also stressed that innovation is the future of our jobs and growth and thus it should remain a high political priority. The EUREKA Secretariat made a short presentation on its programmes and explained that it was possible to have a successful innovation programme

during the financial crisis. It pointed out that some of its Member States even increased their budget to fund more high qualitative projects during the first two Eurostars cut-offs in 2008.

XVI EUREKA Inter-parliamentary Conference

On the initiative of the Assembly of the Republic of Portugal, the 16th Inter-parliamentary EUREKA Conference, “Energy and Sustainability”, was held on 14 -15 May 2009. A number of Members of Parliament and Representatives of the Governments of the EUREKA Initiative Member States attended the event.



The Conference was opened by Jaime Gama, President of the Assembly of the Republic followed by speeches from José Mariano Gago, Minister of Science, Technology and Higher Education of Portugal, and Bravo Nico, Member of Parliament and Chair of the Conference.

The main theme of this Conference was the future of Science and Technology in Europe. Participants at the 16th Inter-parliamentary EUREKA Conference requested that the Chair of the Conference make national and European institutions aware of these recommendations, as well as the Ministerial Conference which will be held in Lisbon, on 19 June 2009. <http://www.parlamento.pt>

EVENT ANNOUNCEMENTS

EUREKA Energy Conference

The Conference, due to be held on 17 – 18 September 2009 in Taasttrup (Danish Technological Institute), is built up around the topic of renewable energy technology, such as bio-energy and a wide range of biomass technologies. Organisers: the EUREKA coordinators in DASTI (Denmark), VINNOVA (Sweden), TEKES (Finland), Research Council (Norway), BBT (Switzerland), FFG-EIP (Austria). See also: <http://www.eurekanetwork.org/files:7033582>

EURIPIDES Forum 2009

The third edition of the EURIPIDES Forum will be held on 22 – 23 October 2009, in Barcelona (Casa Convalescència). The EUREKA Cluster dedicated to the field of Microsystems Technology and Electronic Packaging will give the participants state-of-the-art information about mature and emerging technology trends for affordable power electronics for smart sensors for IT, health, security and energy control. This event is an opportunity to exchange success stories, getting inside information from industry leaders about technology trends, and meeting with potential partners in pre-arranged appointments to set up winning project consortia. See also: <http://www.eurekanetwork.org/files:7060019>

532 Projects proposals received in 2008 for Eurostars

72% of the Eurostars applicants are R&D SMEs

Innovation Days promoted in the European Media



The Portuguese Chairmanship's flag event, Innovation Days, has been widely promoted in the European press. A long online campaign is running in the main EU Media Portal www.euractiv.com reaching more than 560,000 visitors monthly.

European Voice, the main EU print publication reaching all the EU officials has run Innovation Days ads both online and in its print publication. An advertorial will follow after the event. Both these media are official media partners of the Innovation Days.

Innovation Days has also been featured in CORDIS, the information space for European Research and Development (R&D) and exploitation of European R&D results.

Viennano 09 – 3rd Vienna International Conference and Exhibition dedicated to Nanotechnologies, Vienna, 19-20 March 2009.

More than 150 participants and more than 80 technical presentations about future developments in nanotechnologies were present. EUREKA had a booth focused on supporting strategic Umbrellas PRO-FAC-TORY, ENIWEP and EULASNET II.



European Voice's EUREKA feature

European Voice, the weekly newspaper on EU affairs reaching Europe's most important decision-makers, published in its 30 April 2009 edition an article on "Building Research Networks through EUREKA" as

EUREKA's contribution to the European Business Summit on "Cutting Red Tape"

Luuk Borg, Head of EUREKA's Secretariat was a panelist at the "SMEs in times of crisis: red tape or red carpet?" workshop during the European Business Summit, the number one meeting place for high-level decision-makers and business people in Europe.

He presented SME policy in times of crisis and shared EUREKA's and its large network's views and expertise in this sector. Mr. Borg further added that the current crisis is not the only reason to fight bureaucracy. All administrators have an obligation to cut red tape. However, he said some procedures are necessary in order to guarantee that public money is spent properly. Borg also said business must be transparent, in order for companies to know when to take important business decisions, and for government to know where to put their money.



part of its Special Report on "Research and Technology Partnerships".

The article depicts the EUREKA initiative as a very successful alternative for organising pan European collaborative industrial research despite its lack of a funding mechanism and central budget. Luuk Borg, Head of the EUREKA Secretariat was quoted saying that "companies are still keen to launch collaborative research projects despite the current economic situation. We expected the number of project proposals to go down; however, we have had a slight increase in the number of projects coming in. The number of good project proposals has also increased".

Hannover Messe 2009

Franco Cozzani from the ESE was kindly invited to visit the Messe and discuss the possibility for an ESE participation in Messe. The 2009 Messe attracted countless visitors who flocked to its many Pavilions, gazing at the best and the latest of modern technology. The Pavilion on wind energy production was particularly impressive, with 1:1 mockups of the "nacelles" for the largest (up to 5 MW) wind turbines.

The 2009 Messe offered a special international flavour, with South Korea co-sponsoring the event. In view of the strong interest of South Korea in becoming a EUREKA associate member, its presence was particularly significant.

The ESE participation in Messe 2010 will be arranged in close cooperation with the incoming German Chair of EUREKA. An idea discussed during the visit is that representatives of the EUREKA Clusters and Umbrellas will join staff from the ESE and the Chair, notably to make technical presentations in the different thematic Pavilions, at the next Messe.



40% success rate for the Eurostars project proposals in 2008

20% of the Eurostars projects proposals are in the Biotech sector

News in brief

SME week to boost entrepreneurship



Promoting entrepreneurship and raising awareness about business support were the main messages of the first European SME Week which took place on 6-17 May 2009. More than 1000 events took place in 35 countries. The main message conveyed was that the contribution of European entrepreneurs to preserving jobs and creating new ones needs to be further recognised and supported. This week allowed entrepreneurs to discover the information, advice, support and ideas available at European, national, regional and local levels to help them develop their activities.

Policies to promote SMEs, including reducing administrative burden, revised state aid rules and a new statute for a European Private Company, have been considerably advanced by the European Commission since it took office in 2004. See also: http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=3090&lang=en

EU NEWS

Ecodesign

The European Commission recently welcomed the adoption by the European Parliament of its proposal to push ahead the shift towards a low-carbon economy. The legal framework has been enlarged to all energy-related products.

Plans are now to eventually extend the directive to all energy-related products, including products that do not consume energy during use but have an indirect impact on energy consumption. Although plans are to enlarge the Ecodesign Directive, its key principles remain unchanged.

Minimum ecodesign requirements can be complemented by voluntary benchmarks. Ambitious voluntary agreements by industry may be an alternative to regulation. Next to minimum requirements, the revised directive also defines voluntary benchmarks of environmental performance, achieved by high-performance products. See also: http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=3055&lang=en

Modernisation of EU research funding on the right track

The European Commission presented a progress report covering the first two years of the 7th EU Framework Programme for R&D (FP7), which will last until 2013. The biggest EU R&D funding programme with a €54bn budget over 7 years, proves to be well suited to answer the EU's economic and societal needs.

Priority areas such as environment, energy or nanotechnologies contribute to building a sustainable, low-carbon economy, with industry-led technology platforms helping to define topics which meet industry's long-term needs.

The European Research Council supports the best researchers to globally compete on scientific excellence.

Joint Technology Initiatives embody new public-private ventures on an unprecedented technological and financial scale.

FP7 is a strong asset in the EU's fight against the current crisis with its budget growing every year by 13% until 2013. The report underlines remaining challenges for the FP7, such as the mobilisation of new Member States, the participation of SMEs and administrative simplification. For more information visit: <http://europa.eu/rapid/press-ReleasesAction.do?reference=IP/09/665&format=HTML&aged=0&language=EN&guiLanguage=en>

EU NEWS

Traffic report Northern shining lights

For the third year running, Denmark and Sweden hold the top two slots in the Global Information Technology Report 2008-2009 by the World Economic Forum, with Finland, Iceland and Norway not far behind. The rankings are based on 68 criteria, ranging from press freedom to educational achievement and broadband penetration. The top countries have spent big to develop information infrastructures and are also continuing with policies to spur economic development, including support for higher education, commitment to research and legal frameworks that make it easier to launch new businesses and protect intellectual property.

The Nordic countries all boast favourable regulation, an emphasis on maths and science education, and a long history of eco-friendly initiatives. Government investment in the 1990s helped build strong educational systems and drive penetration of mobile and internet usage. Yet even they face difficulties, including a shortage of engineers. Fewer students, especially women, are pursuing science careers. The other countries in the top 10 are Singapore, Switzerland, the Netherlands, Canada and the US.

Driving on the safe side

Wireless vehicle information network to improve traffic safety

An advanced wireless network platform combining local forecasting and secure data collection and reception between roadside points and vehicles is able to provide real-time incident, weather and other traffic information for all road users. The system developed in the EUREKA Celtic telecommunications Cluster CARLINK project can provide drivers with early warnings of severe weather conditions and delays, enabling them to choose alternative routes and to avoid accidents.

CARLINK developed an intelligent wireless platform between cars, supported by roadside wireless transceivers. Bidirectional WiFi connections make it possible to collect and exploit data from vehicles on road conditions – from icy surfaces to accidents. A hybrid communications system using the GPRS mobile phone network where possible ensures fast delivery even when base stations are widely spaced – allowing early deployment even in rural areas.

The project was the brainchild of Timo Sukuvaara of the Finnish Meteorological Institute (FMI). “Our institute had a strong background in local weather forecasting and in wireless networking,” he says. “However, to make such a system viable requires a critical mass of applications to justify the high initial investment.” The primary applications already developed include real-time local weather data, urban transport traffic management and urban information broadcasting.

Aiming at all road users

Limited early warning systems are available in Finland, providing severe weather warnings via SMS messaging to heavy vehicles for example. But this requires purchase of special equipment and is expensive. Sukuvaara envisaged a system that would come with a vehicle, reducing costs and enabling all road users to have access.

FMI initially looked for national partners, linking up with the Finnish national re-

search institute VTT. But it saw the need for international cooperation and so attended a Celtic Cluster event in Heidelberg, Germany in 2005, where it was able to put together a consortium with other partners that included research centres, systems developers and software experts from Finland, Luxembourg and Spain.

“We developed a wireless communication platform adapted to all vehicles that can be used with GPRS or dedicated wireless systems,” Sukuvaara explains. “The platform is one of the key innovations to provide services to and export data from vehicles.”

Exploiting the wide range of data available in vehicles – from temperature to braking – is another major innovation. Such data is extracted from the standard bus systems now found in cars and other road vehicles and exported together with GPS information for positioning.

Commercial services in prospect

The result could be real commercial services in the medium term. “We have already been discussing this with public authorities in Finland but several items need to be completed,” says Sukuvaara. The next step is a continuation project with wide-scale pilot systems and cooperation with vehicle developers in WiSafeCar. This project is starting in summer 2009 and should lead initially to use by commercial vehicles such as taxis. Several issues need to be resolved,



such as adapting wireless networking to the vehicle environment and achieving reliable security.

Widespread application for all vehicles is the longer-term target – motivating carmakers to integrate such systems for large-scale use.

More information: <http://www.celtic-initiative.org/Projects/CARLINK/default.asp>; <http://carlink.lcc.uma.es>

Czech Republic set to favour research excellence

The majority of Czechs brought up under communism will tell you that during that time they would never have imagined that the country would escape from the clutches of such a strict regime, and that the events of the 1989 ‘Velvet Revolution’ were something that could only ever be dreamed of, but never believed.

For those who grew up in the “bad old days”, unable to travel (other than to other Eastern Bloc countries), without any sort of freedom of speech, and with the knowledge that, if they showed any sign of disagreeing with the regime, they and their families would have trouble from the secret police, the events of these last twenty years would have been impossible to conceive.

Imagine telling someone that within a very short time (just over three years later, on 1 January 1993), the country known as Czechoslovakia would split into two completely separate entities to be known as the Czech Republic and Slovakia, would join the European Union (the Czech Republic joined the EU on May 1 2004) and in the space of just five years would take up the Presidency of the European Union and would be host to the first ever black President of the United States, Barack Obama, during his first tour of Europe as President. It all sounds a little bit crazy, doesn't it? But it is all true.

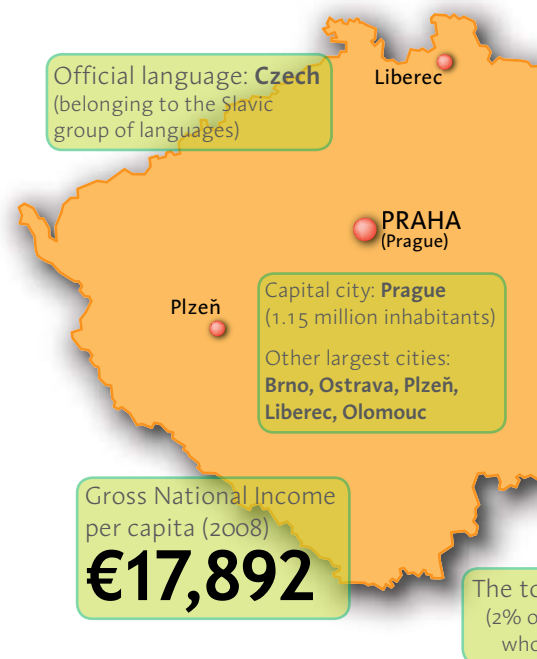
EUREKA was the first European R&D programme to open a window for cooperation with the transforming countries of Central and Eastern Europe at the beginning of the 1990s, and the Czech Republic has been active in a wide range of activities right from the outset. The national funding system began its operation and support of EUREKA projects in the Czech Republic in 1994 when the Ministry of Education, Youth and Sports, which is responsible for all international cooperation in R&D, began to actively assist companies (particularly SMEs), and research centres to generate EUREKA international projects.

The Czech Republic has always had a strong reputation for R&D, and during its involvement with EUREKA it has produced some considerable success stories. We thought, therefore, that it would be very interesting for our readers to get a bit more of an insight into the contribution of EUREKA in the Czech Republic, by talking to Svatopluk Halada, Czech national secondee to the EUREKA Secretariat and head of the EUREKA Chairmanship team from July 2005 until June 2006. Our short interview with him is set out below.

What were the major achievements of the Czech Chairmanship given that the Czech Republic was the first CEE country to hold the EUREKA Chairmanship?

I would say that the biggest achievement during our Chairmanship was the enormous effort that we made to build all of the necessary preparatory steps for the Eurostars Programme, the first-ever European funding programme that supports R&D-performing SMEs. During our Chairmanship, the Eurostars Programme was more or less finalised and in 2007 it was officially announced as ready for the period 2007-2013. Of course this was not the only project that we were working on, and generally, I would say that our other Chairmanship achievements included:

- Promoting EUREKA as a significant European network for businesses and innovation;
- Building bridges with other European players in the fields of research and innovation;



- Increasing EUREKA's commitment to all national Governments and beginning the preparations of a new strategic scenario for EUREKA.

During its one year term in the EUREKA Chairmanship I think it is fair to say that the Czech Republic fostered the further development of EUREKA but, as I said, the effort in relation to the Eurostars Programme has been a particularly huge success.

What are the ambitions of the Czech Republic for EUREKA?

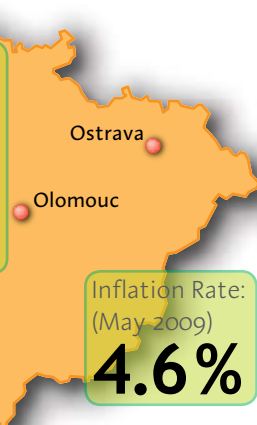
Since EUREKA began its cooperation with the Czech Republic in 1993 (i.e. two years before the country became a full member in 1995), it has become one of the most active members of EUREKA in regard

to the generation of new and innovative projects. In the past few years it has brought forward more new opportunities than Austria, Switzerland, Belgium and Poland. At present, the Czech Republic is participating in 256 EUREKA projects (both ongoing and finished) with a total budget of more than € 110 million. The majority of these projects have the full participation of a number of Czech organisations and are related to new materials, biotechnology and environmental problems. The Czech organisations, who are mostly



POPULATION **10.4** MILLION

Key industry sectors:
engineering and manufacturing of machines, automotive, manufacturing of plastic and rubber products, wood processing



Inflation Rate:
(May 2009)
4.6%

Total surface area:
of the surface of the
the European Union) **78 886 km²**

SMEs, are also the leaders of these EUREKA projects.

What are the Czech development plans/initiatives to enhance science, technology and innovation?

The main goal of the national R&D strategy is to improve the country's ongoing results in these fields and to ensure the flexible and efficient renewal of capacities, including the development of active human potential and the successful meeting of the future needs of citizens, society and the economy in the Czech Republic. We need to ensure that the current financial and economic crisis does not lead to a decrease in investment for R&D, because research and innovation are a proactive

part of the solution to the current crisis. This means that we should focus on smart investment in research sectors with a high potential for restarting businesses and economic recovery actions.

The main objectives of the National Research Programme are:

- > Improving the performance and efficiency of all Czech research.
- > Ensuring the dynamic renewal and development of research capacities and the use of all opportunities for international cooperation.
- > Promoting and favouring research excellence, and capitalising on the results for innovation.
- > Increasing the applicability of research results in practice and market application as an important tool for innovation.

What is the investment distribution for R&D in the Czech Republic?

Expenditure on research and development in the Czech Republic in 2007 amounted to CZK 54 billion (1.53% of GDP). Of this, 54% of funding came from private sources (0.83% of GDP), 41% from public sources (0.63% of GDP) and 4% from abroad (0.06% of GDP). Enterprises performing research and development without governmental subsidies benefit from a reduced income tax basis.

In the Czech Republic, during the period 2000-2007, investment for EUREKA projects represented, on average, 0.014% of GDP.

In which technological sectors is the Czech Republic mostly involved?

The Czech economy is involved in manufacturing, particularly the production of cars and motor vehicles, and is also very strong in the chemical sector. Other important technological sectors include transport and communications.

How do you feel about the Czech Republic's participation in the Eurostars Programme? What are the country's ambitions in this regard?

The Eurostars Programme is an excellent funding scheme for the cooperation of R&D-performing SMEs throughout Europe. The first two calls have generated a lot of very innovative projects, all with the potential for very quick application on the market. The Czech Republic and its SMEs are using the possibility of the Eurostars Programme, but it is necessary to increase the quality (innovation level) of submitted projects by the Czech participants, as previous calls, whilst showing that Czech projects have been successfully qualified, have been low on the ranking scale of potential projects.

“European Research – an Area without Barriers”

As many of our readers will know, the Czech Republic has held the Presidency of the European Union since January 2009 and will finish in June 2009 when it will hand it over to Sweden. This has been a period of turmoil for the majority of companies, with the global financial crisis affecting everyone to a certain extent, and the Czech Republic is no exception. In addition to this, the country has also seen a period of political turmoil that is still to be resolved.

In the R&D field, however, four main priorities were identified: research infrastructure, the development of human resources in research and the mobility of researchers, and the evaluation of the results of investment in research. The fourth priority, the Ljubljana Process, which should ensure increased coordination within the ERA process, is a shared priority with the EU's other Troika partners – France and Sweden. Particular emphasis was put on the discussions on the contribution of the Ljubljana Process to the successful implementation of the Lisbon Strategy and to growth and employment in Europe in the post-2010 period.

After the Competitiveness Council, scheduled for May 28 and 29, we will be able to summarise the Czech EU Presidency, since by then a number of important proposals will be endorsed. If approved, one of them, the proposal setting up the Community Legal Framework for the European Research Infrastructure Consortium, will be one of the main achievements of the Czech Presidency. In the course of negotiation in relation to this proposal, the Czech Presidency was able to find a compromise amongst the Member States on the question of the VAT exemption for these consortia, despite the initial negative position of several Member States.

We should also mention the smooth negotiation with the European Parliament on the European Metrology Research Programme (EMPR). It is a metrology-focused European programme of coordinated R&D that facilitates the closer integration of national research programmes. The EMRP will ensure collaboration between National Measurement Institutes, reduce duplications and increase the impact of invested resources.

For the time being, there are no statistics on the participation of Czech research teams in FP7. The interest of Czech researchers to participate in the Framework Programme is increasing slightly, but the Czech teams are not very active in coordinating the projects; this is similar to the situation in most new Member States. On the other hand, the participation of Czech industry, particularly SMEs, is quite high. As the Czech Government has recently adopted several measures to stimulate the participation of the Czech Republic in the Framework Programme (e.g. financial support for the project's preparation or a VAT refund in relation to European R&D projects), there is the likelihood of a further increase in the participation of Czech entities.

Huge opportunities for SMEs



Organised by the Commission's Directorate-General for Research, over 2,000 EU scientists, policy makers and representatives from industry and research organisations gathered at the Research Connections event in Prague on 9 May 2009.

Following the theme of 'Networking our way to a research future', the conference provided invaluable advice on how to take advantage of the various research schemes, while an exciting exhibition showcased a selection of 50 EU-funded projects. Two SME workshops were organised as part of the event covering three European programmes and supporting the SME offer from lab to market.

In his closing speech, Zoran Stančić, Deputy Director of the European Commission's DG Research, praised it as a great success. Commissioner Potocnik added that "Research is fundamental to Europe's growth and prosperity, and the European Research Area (ERA) is an integral component of our response to the challenges of globalisation. I am convinced that the only way forward is to pool our brainpower and resources, or be 'intelligent together'. This idea was summed up by the title 'Research Connection': working together, across national frontiers, to address current challenges and develop excellence.

EUREKA and Eurostars were present in the session on research and innovation and were presented as the right source for Czech SMEs. The Eurostars programme, managed by EUREKA but with support from the EU, was the right source of support for B&M InterNets. The Czech software development SME became involved in the DYSLEXTTEST project, developing a system of online exercises for people with dyslexia. It analyses each individual's progress and develops personal training methods. The company's marketing manager, Marika Hrubešová, was enthusiastic about its involvement in Eurostars, saying that the company had learnt from the experience of bigger players within the project and gained access to new and larger markets."

Find out more: <http://ec.europa.eu/research/index.cfm> **Research Connection 2009:** <http://ec.europa.eu/research/rtd-2009/>

http://ec.europa.eu/research/sme-techweb/newsletter/issues/research-connections_en.html

http://ec.europa.eu/research/conferences/2009/rtd-2009/index_en.cfm

An ecologically friendly defence against sea and ice erosion in arctic regions

A robust geosynthetic bag developed by the French and Norwegian partners of EUREKA project E!3702 GISSAC can be filled with locally available, low-grade soil and used to build protective infrastructures capable of withstanding sea and ice erosion in the harsh arctic climate. The inexpensive, sustainable solution will be launched on the market in early 2010.

Coastal roads and harbours are traditionally protected from sea erosion by giant blocks of rock or geosynthetic bags filled with material, all locally sourced where possible. In cold northern regions, where good quality material is often scarce, the prohibitive economic and environmental cost of importing suitable matter has led to a demand for solutions that make use of whatever low quality soil or other material is available.

Geosynthetic bags, which are typically woven textile or membrane polymer-based envelopes, have been successfully used for more than 40 years in temperate climates, but have not been tested in sub-zero conditions.

Answering local needs

EUREKA project E!3702 GISSAC was initiated by TenCate Geosynthetics France, a worldleader in the design and production of geosynthetic materials for civil engineering projects. “Our northern European sales offices asked us to develop suitable materials for cold regions,” explains Olivier Artières, Innovation Project Manager and Senior Expert.

“We had a discussion with colleagues at Norway’s SINTEF Research Institute and decided to talk to local users to gain a better understanding of their needs. Protection against coastal erosion is a big problem in areas such as Svalbard, where traditional solutions are too expensive or don’t comply



with strict environmental regulations, and which also lack suitable geological material for building protective infrastructures.”

The GISSAC project team, with the support of EUREKA and the Norwegian-French Foundation, set about developing and testing envelopes made with textiles comprising different structures (woven, non-woven and knitted) and different types of polymers. Laboratory tests and analysis of on-site results were conducted by French partner CETE Est LRPC Nancy and Norwegian subcontractor UNIS, with PhD-students and MsC students taking part in the fieldwork.

The Geobags were installed along a 100 metre stretch of coastline near a mining

camp on Svalbard operated by project partner Store Norske Spitsbergen Grubekompani (SNSG). Over three winters, their response to the cold, ice movement, currents, abrasion and other stresses was monitored. The results were so good that SNSG used the Geobags to repair a damaged quay wall in the local harbour instead of local rocks.

Given the ecologically fragile nature of arctic regions, Geobags have another significant advantage, says Artières. “Geobag infrastructures are reversible – if they are no longer required, they can simply be emptied and the place left exactly as it was before construction.”

Support for SMEs

Implementation of the EU Small Business Act essential for SME success

The EU Small Business Act (SBA) is designed to ensure small and medium-sized enterprises (SMEs) are taken into account when planning legislation while driving reductions in bureaucracy. Arndt Kirchhoff of Kirchhoff Automotive in Germany and Chair of the Entrepreneurship & SME Committee in BUSINESSEUROPE, the association of national business organisations representing 23 million European SMEs, believes strongly in the SBA. BUSINESSEUROPE is pushing for fast implementation at national level and easier access to funding for innovation.

SMEs are the backbone of business in Europe. Not only are SMEs responsible for the bulk of employment in Europe but they have also been generating more jobs in the past few years than large enterprises – nearly 5 million. They are flexible, know their people and know their business, but they are small and so not so solid when cold winds blow. They do not necessarily need protection but do need special care.

Europe must overcome some of its weak points in ensuring that SMEs can thrive. “We need to do something about innovation and be more successful in using the internal market,” stresses Kirchhoff. “Recent surveys show only 8% of SMEs are international – i.e. using the internal market. This is a pity because companies that are working outside their home base are more successful than those that stay at home.”

Kirchhoff would like to see politicians doing more to harmonise the internal EU market, creating a framework that gives SMEs confidence and enables them to be successful. “This starts with legal aspects such as a European company statute – one legal form that can be used by all European entrepreneurs, as the current situation makes SMEs very uncertain when going into a new country,” he says.

Key role for SBA

For this reason, BUSINESSEUROPE supports the Small Business Act for Europe announced by the European Commission in mid 2008 and endorsed by the EU Council in December 2008 under the French presidency. This is now the main

Companies that are working outside their home base are more successful than those that stay at home.

framework for all activities to improve the role of SMEs. It should also ensure Europe meets the Lisbon expectations for growth and jobs by 2010.

BUSINESSEUROPE is focusing on implementation of the SBA in all Member States. “The ideas are worth nothing if they are not translated into the individual frameworks of the Member States,” continues Kirchhoff. “We have suggested to the European Commission that SBA progress becomes part of the annual Lisbon report, making it more visible.”

“There has been progress in reducing red tape with savings already of €30 billion – a good start,” points out Kirchhoff. “But there are parts of the regulatory framework that need to be eased – such

as everything dealing with education and innovation.”

Education is the basis of innovation. But Europe needs to educate its people better, especially in the natural sciences. “Innovation is not confined to high tech, it is also important in traditional businesses, where it is often more successful as it responds to a real need in the market,” says Kirchhoff.

“We must improve education, particularly entrepreneurial education. We have only half the percentage of entrepreneurs found in the USA. When we grow entrepreneurs, we automatically grow jobs.”

Making better use of funding

Evaluation of the Seventh Framework Programme (FP7) indicates R&D funding needs to be used more efficiently to tackle major issues such as the environment, material and energy efficiency, and lower consumption. “This is the background on which we should be basing our future – there is no dispute, we just need to organise things better,” says Kirchhoff

“A lot of money is being invested in R&D at EU and Member State level but we still need to meet the 3% of GDP target. This

‘Think Small First’

The Small Business Act for Europe was proposed by the European Commission in mid 2008 and approved by both the European Parliament and the European Council by the end of the year. It is set to play an important role in the implementation of the EU Lisbon Strategy for Growth and Jobs. The objective is to guide conception and implementation of policies at EU and Member State levels - such as granting a second chance for business failures, facilitating access to finance and enabling SMEs to turn environmental challenges into opportunities - that will make life easier for small businesses.

In particular, the SBA intends to:

- › Create an environment within which entrepreneurs can thrive and entrepreneurship is rewarded;
- › Design rules according to the ‘Think Small First Principle’;
- › Adapt public policy tools to SME needs;
- › Facilitate SMEs’ access to finance; and
- › Help SMEs to benefit more from the opportunities offered by the Single Market and third-country markets.

New legislation is already being prepared in four areas that particularly affect SMEs:

1. A new General Block Exemption Regulation on state aid to simplify procedures and reduce costs;
2. A new statute for a European private company will allow such companies to be created and operate according to the same uniform principles in all Member States;
3. Member States will be offered the option to apply reduced VAT rates for locally supplied services, including labour-intensive services, which are mainly provided by SMEs; and
4. An amendment to the directive on late payments to help to ensure that SMEs are paid within the 30-day time limit stipulated.

The ambitious measures include orienting more resources to small companies’ access to finance, research & development and innovation. These measures will also make it easier for SMEs to participate in the standards-setting process, win public procurement contracts and turn environmental challenges into business opportunities.

could be achieved by offering tax incentives for R&D. The current logic means that the smaller a company, the less they are prepared to deal with the bureaucracy involved in public funding. One-stop shops can help but the process is too slow. And we need to bring the universities and research organisations closer to companies. Innovation is only good if marketed!”

Education is the basis of innovation. But Europe needs to educate its people better, especially in the natural sciences.

Kirchhoff is keen on the EUREKA approach and its commitment to creating entrepreneurs and helping SMEs. “EUREKA needs to be more visible as do all such initiatives. The Eurostars programme would also benefit from more promotion to make it even more effective. The media needs to be more positive about what we are doing in Europe – so we must improve our communications.”

Overall, Europe must look to the future and supply products, services and technologies to emerging markets in Asia, Latin America and Africa. “European society is set to shrink; so we need new markets in growing business fields – technology, environment and automation as well as traditional areas such as automotive, building and medical devices – as people get older – where a big demand is emerging.”



Arndt Kirchhoff – fourth generation entrepreneur

Arndt G. Kirchhoff is chairman, owner and CEO of KIRCHHOFF Automotive GmbH in Germany. He was nominated as chair of the BUSINESSEUROPE Entrepreneurship and SME Committee in 2005. He is a member of the Enterprise Policy Group (EPG) of the European Commission as well as of the SME Advisory Group to the German Federal Ministry for Economy (BMW). And he chairs both the SME Committee of the German Industry and Employers Federation (BDI/BDA) and the Automobile Association (VDA).

SME support essential for European competitiveness and employment

Hungarian MEP Zsolt Becsey believes strongly in the key role SMEs can play in European competitiveness and efficiency. He would like to see more flexibility in SME support, with greater openness about what is being done to help them, mentoring for start-ups and better communication of opportunities available, particular in research funding at European and EU Member State level.



What role do you see for SMEs in Europe?

Small and medium-sized enterprises (SMEs) play an important role in Europe in boosting efficiency and competitiveness because they supply local services and support big companies, providing additional capacity or doing things large enterprises cannot or prefer not to do. So SMEs are a vital link in the whole chain of production.

Employment is crucial. SMEs are helping formulate the future of Europe with enterprises close to the people. 99% of European enterprises are SMEs, respon-

sible for more than 70% of employment – and will remain a big reservoir of jobs. It will be difficult to achieve the Lisbon strategy of an overall 70% employment rate by

Workers should not be exploited but there is a need for flexibility in sectors where SMEs are heavily represented, such as tourism or local services.

2010 with the major multinationals alone. We must encourage employment in SMEs and microenterprises.

What should be done to help SMEs?

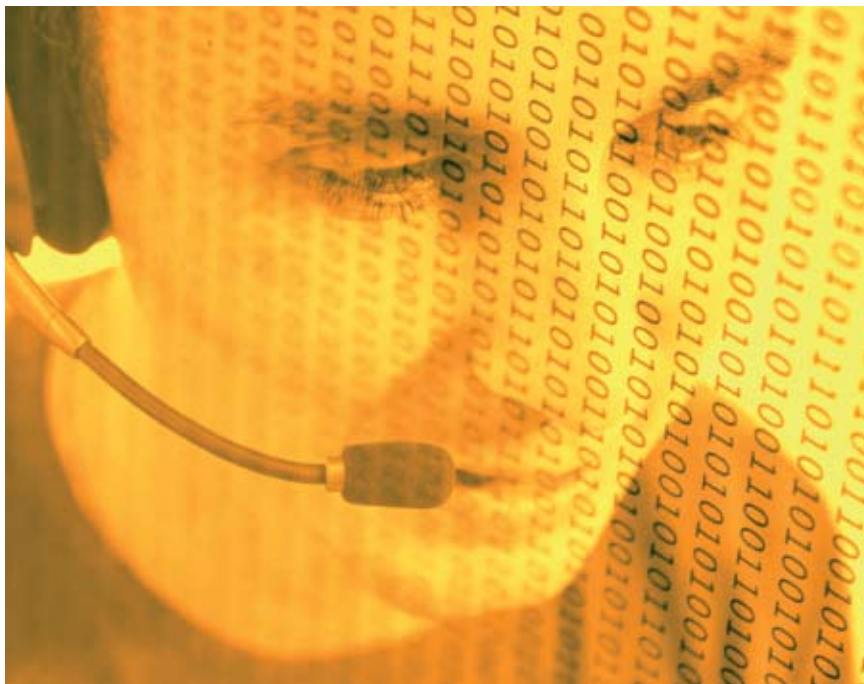
We need further development and better discipline in the European internal market. Reducing red tape is important with less regulation and promotion of one-stop shops to make it easier for SMEs to start up. Mentoring for SMEs is also very important.

Access to European funds, particularly structural funds, needs to be easier and more flexible for SMEs as they do not have the same resources as larger enterprises to deal with bureaucracy. This means changing EU attitudes to allow SMEs direct access to European resources. Implementation of the late payment Directive is also important, as SMEs need liquidity. Financial services also need to be quick and as cheap as possible.

What can the European Parliament do?

My group follows all SME-related regulations and legislation and tries to make sure they are made as flexible as possible. Take the working time Directive. Workers should not be exploited but there is a need for flexibility in sectors where SMEs are heavily represented, such as tourism or local services. The same flexibility and simplification is required in taxation and company registration.

In the case of SME access to European funding, the necessity to have partners from other countries should be applied



Zsolt Becsey - economist and former diplomat

Zsolt Becsey has been a Member of the European Parliament since 2004. He studied economics in Budapest before joining the Hungarian Ministry of Foreign Affairs and was part of the Hungarian representation to the EU in Brussels. He now belongs to the Hungarian Civic Party, part of the European People's Party (EPP), and sits on the European Parliament Committee on Economic and Monetary Affairs. He was made chair of the EPP SME Circle at the end of 2008. Earlier this year, he was responsible for steering the report on credit for microenterprises through the European Parliament.

flexibly as it benefits large companies, which have more possibilities to have international links. I know the EU would like more SMEs to operate across borders, but, when starting up in local markets, they have other priorities and do not necessarily have the time or resources to look around Europe for partners. So, it should not be a pre-condition for funding as it is with larger companies.

What is the role of research?

Research is very crucial, which is why I attribute great importance to EUREKA – it was the real innovation before the Framework Programmes were created. I think EUREKA should continue to be heavily promoted, together with the new Eurostars programme for high tech SMEs. Promotion should focus on getting closer to SMEs with relevant information.

At the same time, research is not the only important issue. It is necessary to get innovation and innovative practices to SMEs – for example access to software resources should be made easier.

What can Europe do to encourage research and support SMEs?

Good cooperation between SMEs, their umbrella organisations and the European Parliament is important to get support closer to SMEs. In the research field, we need to cut taxes and encourage clustering. EU actions such as the Seventh Framework Programme (FP7) and the Competitiveness and Innovation Programme (CIP) offer new possibilities. We need to speed up and simplify access to them by SMEs – particularly those from the new Member States in the east of the EU. If participation is too complicated, they will not get involved.

What about at Member State level?

I think that as part of the Lisbon process, the EU and the European Commission should oblige Member States to report directly on

what they are doing at national level to simplify access to research possibilities as part of their yearly reports. There is also a need for state guarantees for research – with credit available at national levels.

Good cooperation between SMEs, their umbrella organisations and the European Parliament is important to get support closer to SMEs.

EUREKA

supporting
your R&D
business




BRINGING LIFE TO
YOUR LIVING ROOM*

Did you know it was a EUREKA
project that introduced high-
definition television to your home?



* Developed by EUREKA partners across 13 European countries in EUREKA project E!95 HDTV



Each and every year, R&D-performing companies - big and small - are coming to us to help make their ideas a marketable reality. We speak your language, understand your business goals and can help you get access to public R&D funding.

Many of the innovations that already make our daily lives healthier, happier and safer are the result of EUREKA projects. Will yours be next?

FIND OUT MORE AT
www.iameureka.eu

The EUREKA label.
European innovation inside.

