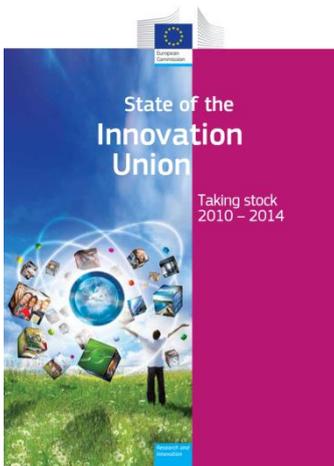




EU Insight - Innovation Union Status Report

In September 2013, the [EU Insight](#) section in our monthly newsletter introduced the *Innovation Union* - one of the seven flagship initiatives in the Europe 2020 strategy to promote smart, sustainable and inclusive growth. This initiative places innovation as overarching policy objective and as the best means of successfully tackling major societal challenges, such as climate change, energy and resource scarcity or health and ageing. On June 10th, 2014, the European Commission's Directorate-General for Research and Innovation published the 2014 Staff Working Document "State of the Innovation Union – Taking stock 2010-2014".



The report and Innovation Union achievements so far

Four years after the launch of the Innovation Union, the report takes stock of how the initiative has been implemented so far. The assessment systematically follows the key messages and 34 commitments (so-called "[action points](#)") made under the "Innovation Union" initiative and analyses the progress made, the measures implemented as well as the challenges and gaps remaining. Overall, the document concludes that ***"the Innovation Union is succeeding in building momentum around innovation, mobilizing stakeholders and mainstreaming innovation in key European, national and regional policies"***.

Substantial progress has been made, for example,

- (1) in promoting excellence in education and skills development, the European Research Area (ERA) and in supporting business-academia collaborations;
- (2) towards the creation of a genuine single European market for innovation and the stimulation of private sector investment for a more innovation-friendly business environment in Europe;
- (3) towards the maximization of regional and social cohesion to improve the innovation performance across European regions and Member States, without compromising on excellence;
- (4) in establishing European Innovation Partnerships (EIPs) as a new approach of [bringing together public and private actors](#) at EU, national and regional levels. Since 2015 five EIPs have already been launched in key areas, namely active and healthy ageing, agricultural productivity and sustainability, smart cities and communities, raw materials, and water;
- (5) in making Europe more attractive as a research destination.

To monitor the Innovation Union and progress at EU and Member State's innovation performance, several instruments and indicators have been put in place, including the [Innovation Union](#)



[Scoreboard](#), the [Innovation Output Indicator](#), the Innovation Union Self-Assessment Tool (SAT) or peer review exercises.

Challenges ahead and gaps remaining

While progress can be reported in all areas, the report also identifies several challenges ahead to fully reach the goals set under the Innovation Union strategy until 2020. For instance, it detects the inconsistencies of rules and practices despite the progress made in the development of a single market. These inconsistencies are still remaining and are recognized as an obstacle to the development of high growth innovative firms. Better coordination between policies at the European and Members States level would be highly profitable, notably with regards to researchers' mobility, open recruitment and uptake of the Innovative Doctoral Training Principles. Furthermore, the skills shortage is still evident despite great progress made through the [European Institute of Innovation and Technology](#), the [Knowledge Alliances](#) and other skills development schemes. The document highlights the need to involve the society in all phases of the innovation cycle to foster a wider innovation culture in Europe, to make innovation more relevant and acceptable and to improve its uptake, and concludes that the peer review exercises or the SAT have also only been requested or used by a small number of countries. As an increasingly recognized key driver of innovation, the public sector's role in promoting innovation through regulation, fiscal policies, standard setting, procurement and supply-side policies has been tested in the past. While there is still room for an increased uptake of such tools in the future and for a better mix of supply and demand policies – its capacity to innovate itself so as to become more user-friendly, efficient and effective should be further explored.

All of the Innovation Union commitments are currently on course, setting the building blocks for increased growth and jobs. To continue to reap the fruit of all the measures that the Innovation Union has put in motion, it is now essential to ensure their full roll-out and use as well as to anticipate, where possible, further actions to optimise their impact, based on the lessons learnt during the first years of implementation.

Sources and further information:

[1] European Commission's Directorate-General for Research and Innovation: "[State of the Innovation Union – Taking stock 2010-2014](#)", Brussels, 10 June 2014.

[2] [Innovation Union website](#)