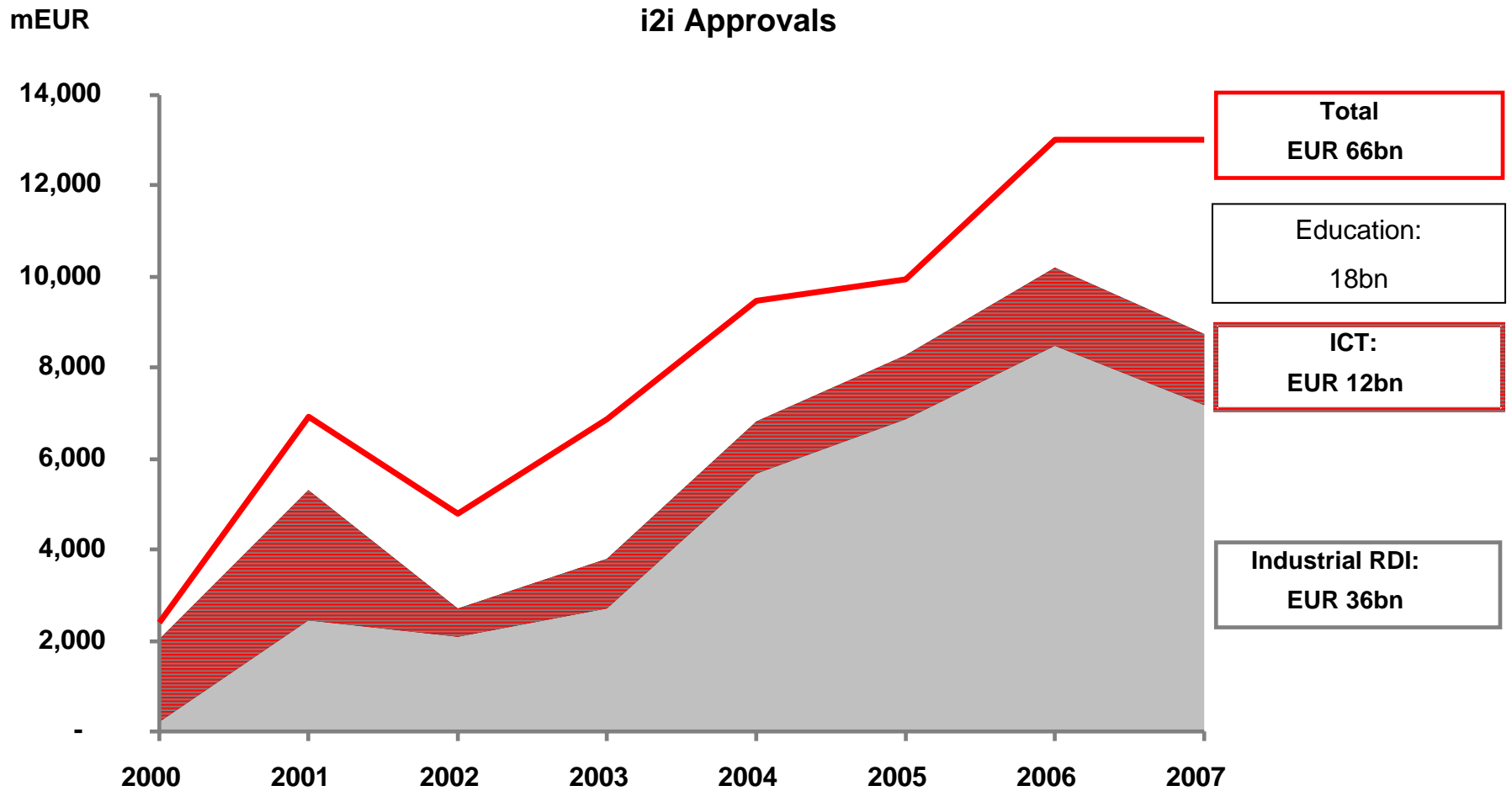


The EIB's Innovation 2010 Initiative

Promoting a Competitive Knowledge Economy in the 21st Century

Jacques van der Meer

i2010i – Outcome



Investment agenda Knowledge & Innovation:

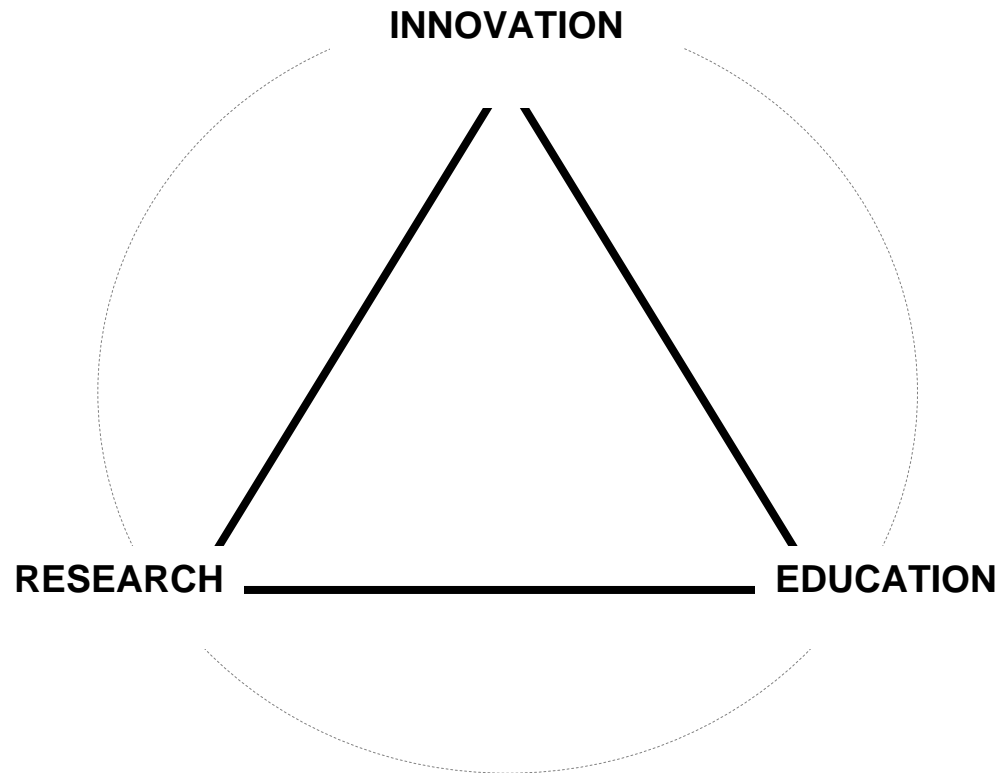
- National Reform Programmes with national R&D-investment targets
- Galileo; EIT, ERC, RSFF, JTI to be promoted and implemented
- Scientific e-infrastructure / high speed internet for all schools by 2010
- EU-wide market for VC; role for EIF
- Strengthen science (academy)-industry linkages, innovation clusters, networks and research infrastructures of pan-European interest
- Joint programming of research, complementary int'l S&T cooperation strategies.

People and modernisation of labour markets: high-quality education, life-time investment in human capital & creativity to fight inequality, poverty and youth unemployment. Address the skills shortage by 2020, taking into account technological change and ageing population. Enhance geographic and occupational mobility. Economic migration?

Fifth Freedom cross border mobility of S&T workers and students, making labour markets more open and competitive; higher education reforms, facilitating and promoting IP so as to increase knowledge transfer to industry “IP-charter”, Encouraging open access to knowledge and open innovatio; Fostering scientific excellence; Launching a new generation of world-class research facilities; Promoting mutual recognition of qualifications

SMEs: Support of research oriented and innovative SMEs, facilitating their access to finance, clusters and public procurement

Way Forward – “the Knowledge Economy”



Promotion of the EU's Knowledge Triangle

Education & training – Focus on improving skills and employability

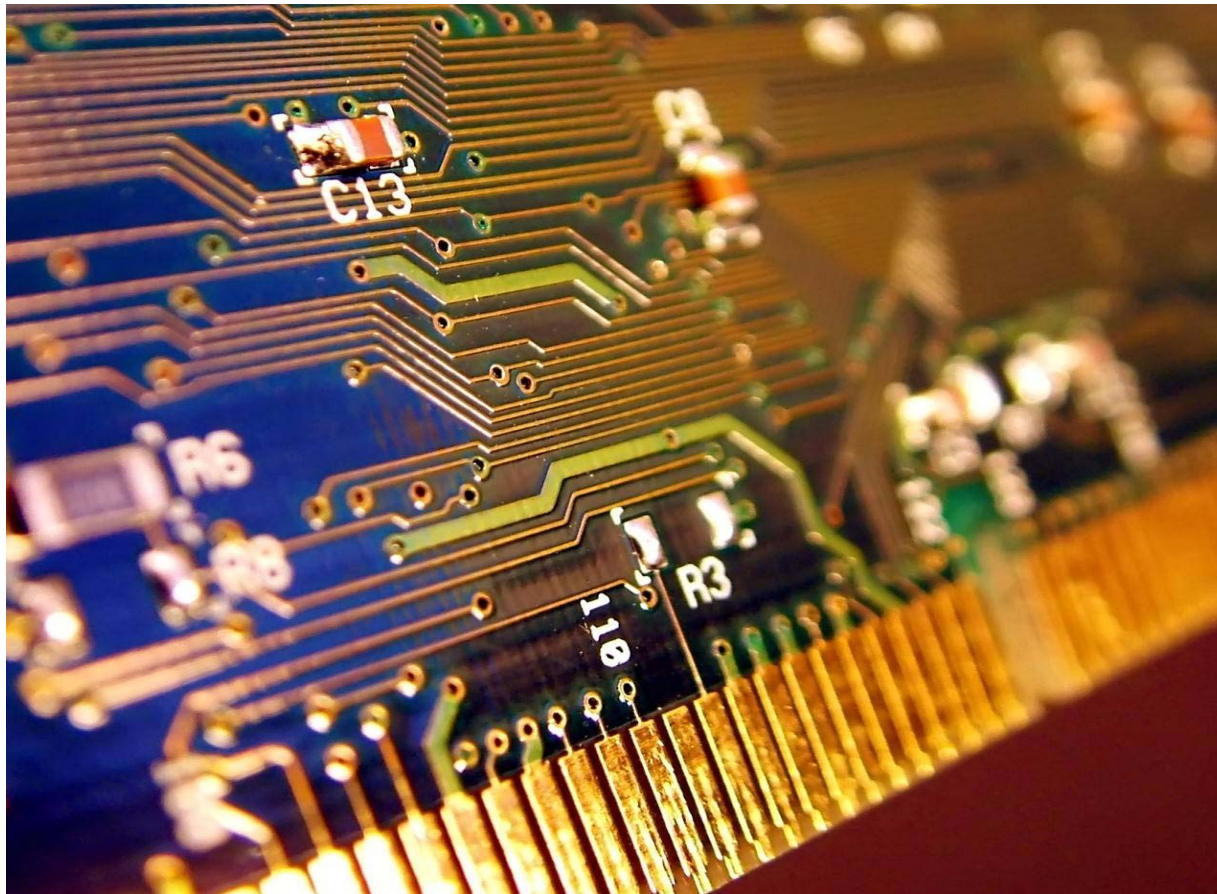
- improving quality of education; implementation of the lifelong learning concept: early childhood education – “learning how to learn”; all day schools – encouraging youngsters to learn more, whilst allowing parents to work more; quality enhancing investments in teacher training; vocational education and training (VET); corporate / on the job training; work-based adult learning – keeping pace with developing skill needs, as well as extending working life and participation;
- supporting the European Higher Education Area and the European Research Area, with tertiary education and academic research to drive the knowledge frontier (leading edge universities in search of excellence, including support to the nascent European Institute of Innovation and Technology (EIT); reforms targeting the quality and competitiveness of tertiary education);
- encouraging mobility of students, researchers and academic staff – the “fifth freedom” – by supporting relevant national programmes and demand side measures through tailored loan schemes;
- bridging gap between academia and business enterprises; promote innovation by lending to technology transfer initiatives and relevant national programmes;
- promoting projects addressing social exclusion and demographic change, including supporting reforms induced by new technologies (ICT) and facilitating the educational integration of immigrants.

Research & development – Focus on excellence in knowledge creation:

- Emerging technologies with possibly significant impact on the economy: life sciences (mainly biotechnology) and material sciences (notably nanotechnology);
- Environmental technologies; energy efficiency / climate change in transport, manufacturing and process industries, power generation and renewables, such as hydrogen, solar, wind, 2nd generation biofuels (along the lines of the ETAP, CCS also in the context of the SET-Plan);
- New technologies in mature sectors, steel, chemicals, agro-food, etc benefiting from incremental innovation and productivity gains;
- Joint research programmes at EU and national level, including projects associated with the ETPs, JTIs, EUREKA;
- New generation research infrastructures, including those identified by, but not limited to the European Strategy Forum on Research Infrastructures (ESFRI);
- Academic research in public and private universities, and downstream actions and investment in support of incubators, science and technology parks and clusters etc to facilitate the transfer of knowledge and expertise between academia and the business sector;
- SME and Mid-Cap company activities in leading-edge technology sectors, cross-fertilisation of knowledge, including patenting activities.

Innovative applications – Furthering knowledge creation:

- Financing of innovative technologies, products and services, across all industries, until commercial market launch that lead to significant productivity increase (including prototyping and demonstration plants up to first commercial application, but short of mere capacity increase);
- Support of projects to comply with changes in the regulatory environment at EU and national level (e.g. CO2);
- Contribute to ICT infrastructure projects that further strengthen and accelerate the diffusion of information, knowledge and innovation (e.g. next generation access – fibre to the home, mobile broadband – 3G+, the efficient use of the radio spectrum – digital dividend) or promote technology competition;
- Financing of projects promoting the widespread adoption of ICT including innovative software, audiovisual and multimedia content to provide e-services.



New Financial instruments: **The Risk Sharing Finance Facility (RSFF)**

21-Aug-08

RSFF implementation strategy

Strategic objectives

- Support the financing of innovative companies of any size and ownership for the implementation of eligible RDI projects
- Provide value added by sharing risks with promoters, banks and other financiers for the financing of eligible projects
- Offer RSFF access to small and medium sized projects and companies
- Priority of European Technology Platforms, Joint Technology Initiatives and Eureka
- Support European Research Infrastructures

The Risk Sharing Finance Facility

Principles and Rationale



Eligibility

Beneficiaries

EIB Products

Size of Loans

EUR 10bn in Financing Capacity

Risk Sharing Finance Facility (RSFF)

What type of projects can be financed by the RSFF ?

Cooperation:

Developing R&D Networks, Platforms, undertakings and programmes

- Financing the different Research and Technology Framework Programme-projects and Joint Technology Initiatives within thematic areas.
- Technology platforms and Initiatives.
- R&D and innovation R&D and innovation across EU Policy; space, transport, marine technology, health, environment.

Risk Sharing Finance Facility (RSFF)

What type of projects can be financed by the RSFF ?

People:

Facilitating European Human Resources in S&T

- Measures that involve policies to further employment skills, encourage trans-national mobility and career opportunities in Science and Technology Areas, such as harmonisation/ recognition of academic and training qualifications.
- Development of poles, knowledge networks of centres of excellence in R&D, like in new materials, health care.

Risk Sharing Finance Facility (RSFF)

What type of projects can be financed by the RSFF ?

Capacity:

Strengthening Regional / Local Endowment for R&D&I

- Science and Technology Parks, incubator centres and technopoles and research driven clusters (incl. Regions of Knowledge).
- Public and private R&D-centres.
- Furthering/diffusion/adoption of R&D and innovation in regional industrial clusters.

Risk Sharing Finance Facility (RSFF)

What type of projects can be financed by the RSFF ?

Ideas:

Furthering R&D and Innovation

- Private/Public sector R&D and innovation (product/process/service, IPR and technology licensing, emphasis on SMEs); including product and process prototypes, pilot plants and first stage industrial and commercial applications, adoption/diffusion of new technologies.
- R&D co-operation between European industrial firms.
- Public R&D; public/university-industry partnerships.

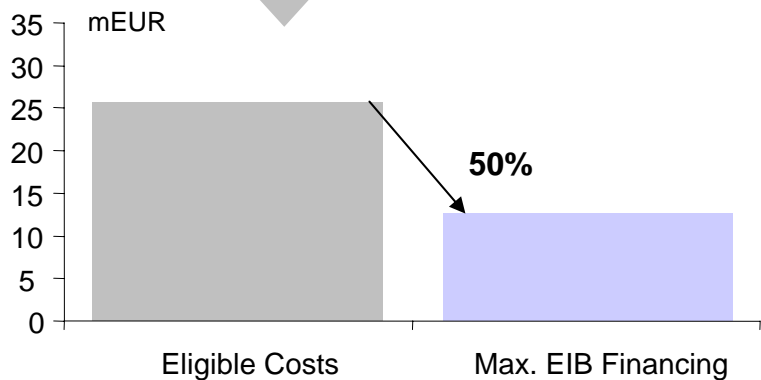
Risk Sharing Finance Facility (RSFF)

What costs can be financed by the RSFF ?

ELIGIBLE COSTS	
Year 1	€10m
Year 2	€10m
Year 3	€5m
Total	€25m

• Project related CAPEX on tangible & intangible assets
 • Research staff cost
 • Incremental working capital
 • Related operating costs

Eligible Costs
RDI Budget

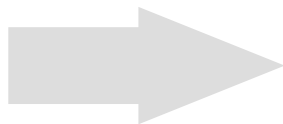


- RDI includes: basic research, industrial research, development, pilot & demonstration plants; innovation (technological or organisational)
- Product innovation includes testing, prototyping and launch of pre-series of first commercial application
- Process innovation refers to development and introduction of new working methods and tools, such as ICT-driven innovation
- Eligible project cost include: project capital expenditures in tangible & intangible assets, and operating expenses, such as research staff cost, incremental working capital needs, feasibility studies, acquisition of IPR, and other related operating expenses
- R&D budgets typically cumulated over 3-4 years

RSFF implementation strategy

Beneficiaries of RSFF financing

- Mid-Caps and large corporates (typically unrated / sub investment grade / turnaround situations)
- SMEs (through intermediation)
- Research Institutes
- Universities
- Special Purpose / Project Companies / Cluster companies
- “Research Infrastructure” promoters



Any size and ownership

RSFF implementation strategy

RSFF products

- Corporate Loans (senior / junior)
- Guarantees
- Project Finance (limited/non recourse)
- Mezzanine Loans
- Risk Sharing Facilities with banks / regions
- Other structured products,

RSFF implementation strategy

Financing terms

- Medium and long term financing
- Minimum size per loan: > EUR 7.5m (minimum “project-size” EUR 10-15 million)
- Project assessment : eligibility, techno-economic and financial viability

Dr. Jacques B.H. van der Meer

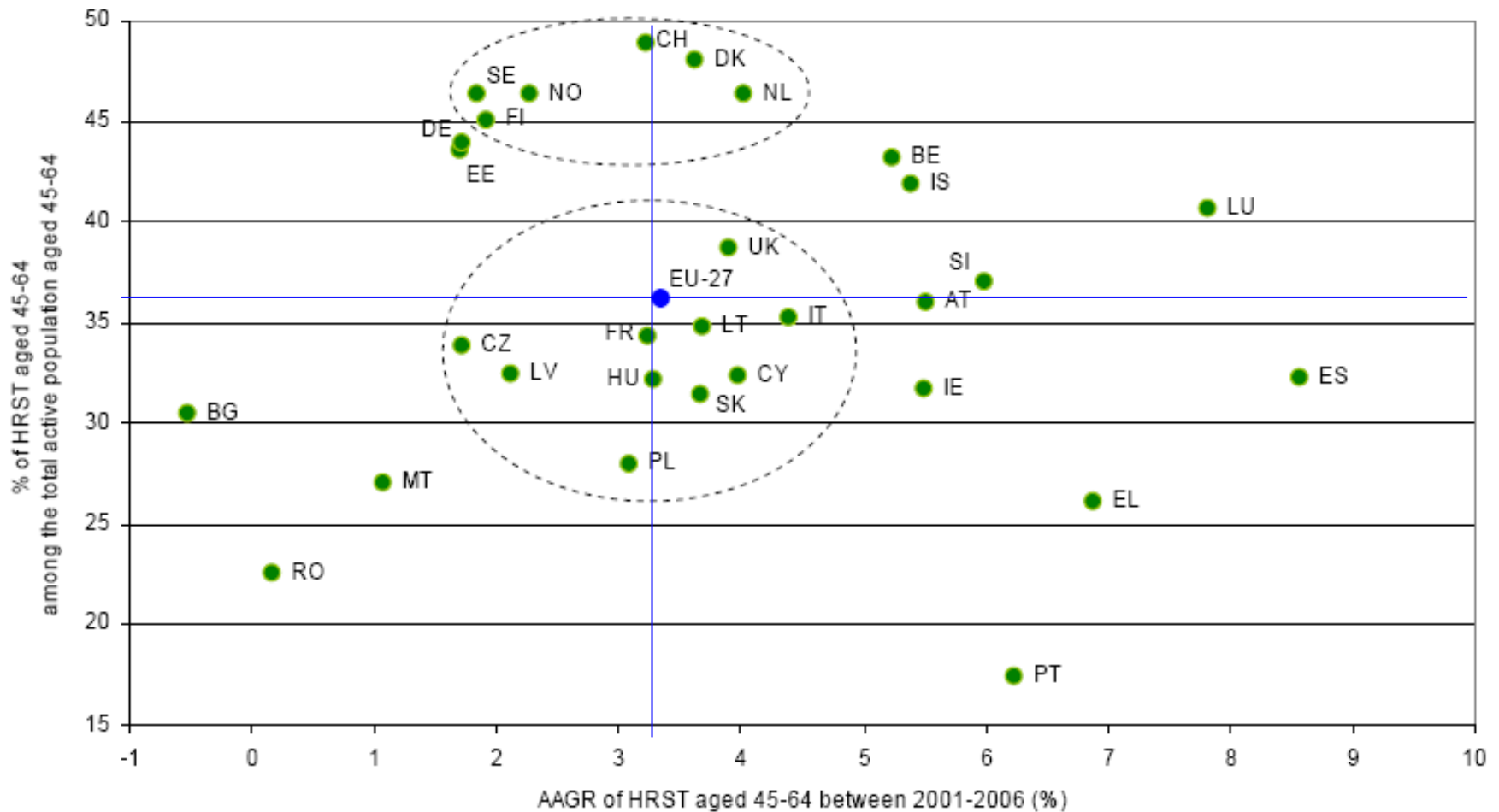
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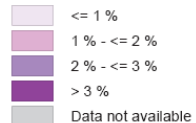


Stock evolution of HRST



Total R & D expenditure as a percentage of GDP, all sectors, by NUTS 2 regions, 2003

EU-27: 1.87 %



AT: 2002, UK: 1999
 BE, EL, FR9, UK: NUTS 1
 NL, PT: estimates
 DE22, DE23: confidential data
 BG: R & D expenditures only available for BG41 of the NUTS 2007 regions
 CH: total R & D expenditure not available at regional level
 NO: GDP not available at regional level before 2004

Statistical data: Eurostat database: REGIO
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 Cartography: Eurostat — GISCO, 11/2007

