

INPACT Priority XI

Adapt political structures and processes to breakthrough technologies and new business models, including digitization

Notes from Working Group Meeting

11 April 2017, European Parliament, Brussels

MEP Stewards: Angelika Mlinar MEP (ALDE, Austria), and Michal Boni MEP (EPP, Poland)

Participants see annex

Summary of discussions:

MEPs Opening statements:

Ms Mlinar opened the discussion underlining the importance of communication as a crucial element for the successful transfer of scientific knowledge to the market. She insisted that Europe needs more software engineers and a closer collaboration between business and academia.

Michal Boni put forward the need for a broad perspective: a comprehensive, “incubating” eco-system for businesses and entrepreneurs with an “open, innovation-driven climate”, but also including consumers. Such eco-system would contribute to a better, higher quality exchange of information between various domains involved in the generation of breakthrough technologies.

Mr Boni also stressed the importance of finding the right balance between hard and soft regulation, and making the access to funding more flexible. The participants have discussed the need to create a ‘looser’ regulatory framework, with a large degree of flexibility allowing for timely adaptation to technological change. Israel was mentioned as a best practice example, as they provide the necessary freedom for researchers and entrepreneurs to work and, thus attracting them from all over the world.

Michael Theurer (MEP, ALDE, Germany), has spoken about the necessity to create a capital market supporting breakthrough technologies. In his view business models that match the needs of the breakthrough technologies.

Key discussion points:

- The key challenge is to adapt the regulatory framework to the highly dynamic and disruptive environment of breakthrough technologies: a disruptive approach to legislation is needed in order to create a regulatory framework able to be responsive to the emergence of new technologies; current misfit between the timing of the regulatory framework and the considerably faster evolving technology market.
- Standardisation being crucial to the development of inter-operable technologies on the European and global markets
- The importance of incubators and innovation hubs which could foster the interaction between the key players: academia, science, industry and start-ups.

- Stress on the software development education in view of Europe's underperformance in comparison with the US.
- Address the lack of "risk money" in Europe, develop a financial model and funding structures that work (South Korea cited as the best-practice example)

Examples of breakthrough technologies

- Uniper faces a considerable misfit between hydrogen technology developments and the regulatory framework. The inability to scale-up hydrogen applications' commercialization due to the absence of the required infrastructure. Allow for hydrogen to be considered and accounted for by refineries as an important means to reduce CO₂.
- The smart city parking initiative/start-up (Ekinolab) is confronted with a lack of necessary infrastructure. This type of smart city technology can only be successful by making the use of public data available.

Examples need to be further elaborated including for novel food processing, photonics, CO₂ re-use, blockchain etc.

Note: On 7 April the Commission signed the first Innovation Deal on "Sustainable Waste Water Treatment Combining Anaerobic Membrane Technology (AnMbr) and Water Reuse" The Innovation Deal is a voluntary agreement aiming to bring together relevant national, local and EU regulatory bodies to help innovators overcome perceived regulatory barriers to innovation. The concept of Innovation Deals has been launched in the scope of the Commission's [Circular Economy](#) package.

The aim is to provide more clarity on the regulatory situation towards the end of the year. This will serve as a basis for investment decisions in the technology. The Innovation Deal will explore solutions to overcome the perceived barriers, what the impacts and consequences of the solutions may be and which stakeholders should be involved. The Commission may decide to start follow-up actions.