



The Lead Market Initiative (LMI) and public procurement

1. Decision Makers in innovation policy in Europe
2. Background of the Lead Market Initiative
3. Role of public procurement activities in the Lead Market Initiative

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1. Innovation policy in Europe: who does what?

Member States

- National governments, including standardisation, public procurement and regulatory organisations
- Regional governments, cities etc
- Innovation and regional agencies

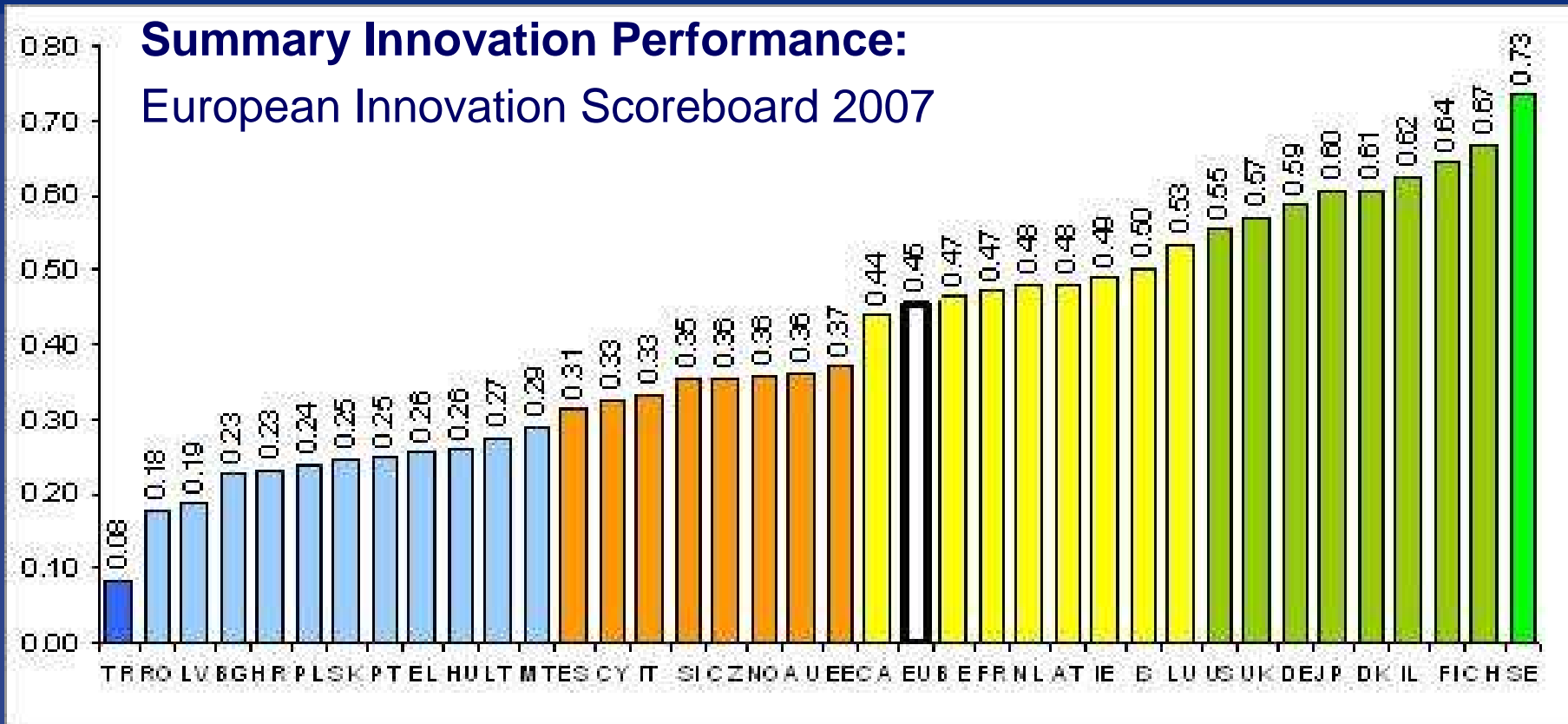
European Commission initiatives

- Complementing national initiatives

EU legislation

- Council of Ministers + European Parliament (based on proposals from the Commission)

2. Background to the LMI: Input from innovation performance studies

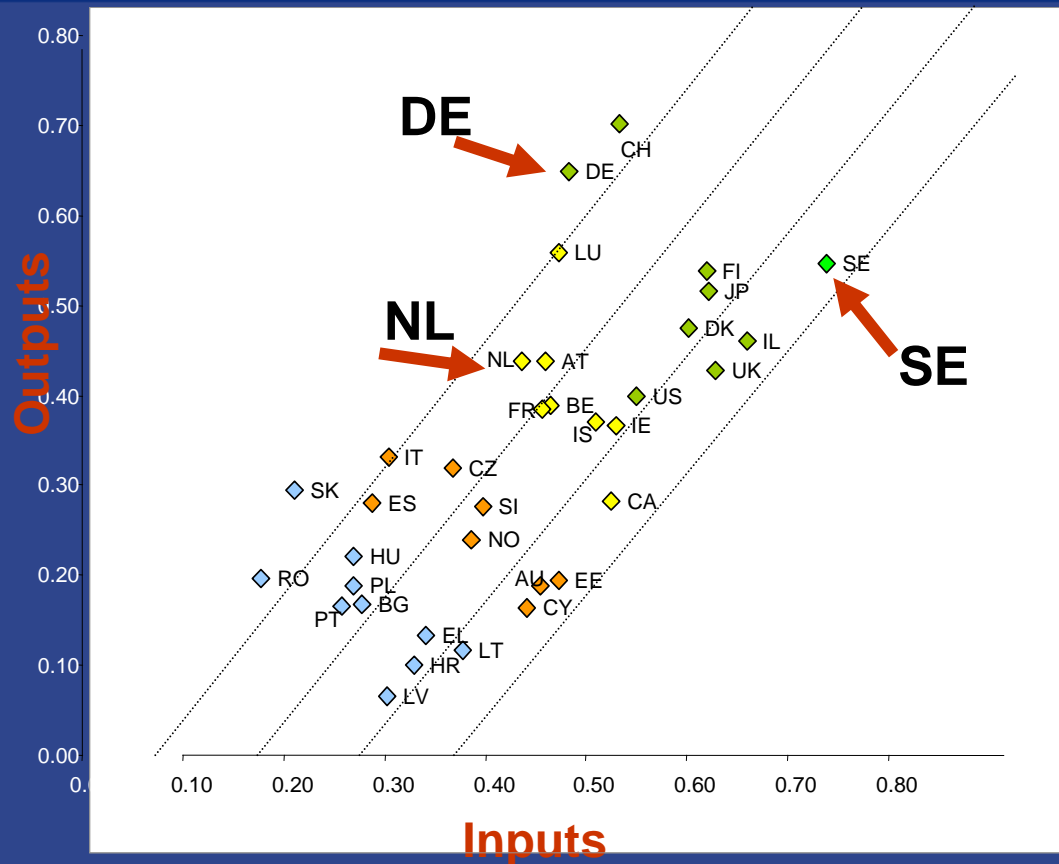


Main conclusions:

- US and Japan are still ahead of the EU average
- Although the innovation gaps have been declining, the European rate of progress is slowing down
- Convergence within the EU

The European Innovation Scoreboard

New perspectives: innovation efficiency



Innovation efficiency =
Maximising:

Inputs (innovation drivers;
knowledge creation; Innovation
& entrepreneurship)



Outputs (Applications +
Intellectual Property)

Challenge: higher innovation input (supply-side) does not automatically lead to higher innovation output (more jobs etc).

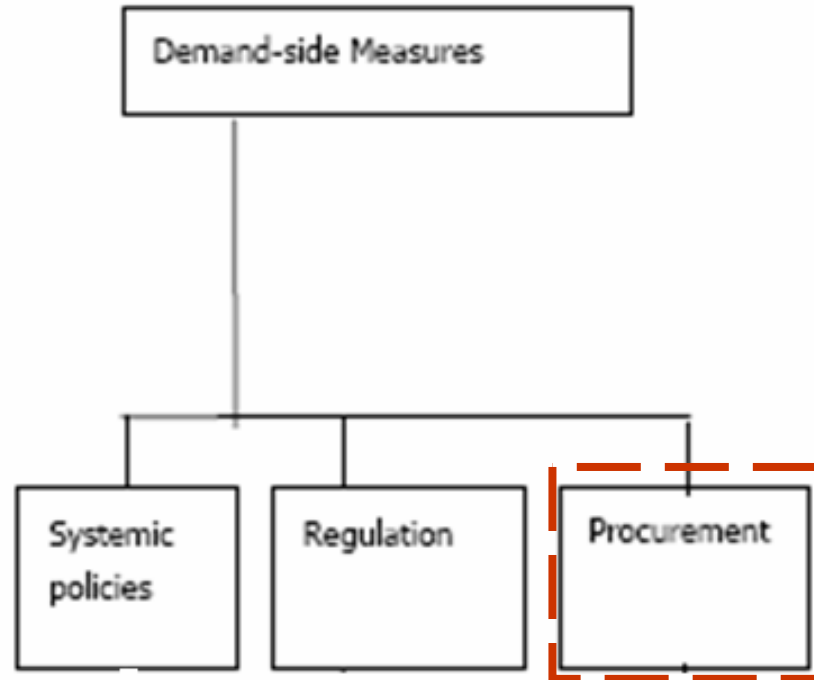
So what is happening?

> Are we lacking demand for innovative goods and services?

3. Broad-based Innovation Strategy

Communication “Putting knowledge into practice: a broad-based innovation strategy for Europe” of September 2006

- Responding to a request from the Member States and the 2006 “Aho report - Creating an Innovative Europe”: the EU needs more innovation friendly-markets and to stimulate **demand**
- Supports Member States National Reform Programmes of the Lisbon Strategy



Key success factor in demand side innovation policy:

= bringing together the full range of innovation actors involved in each lead market.

- Customers & suppliers
- Regulators
- Other stakeholders may also have significant roles.

Challenge: convince these actors that innovation is an issue, or even better: a priority and an opportunity!

3. Demand-side innovation policy: the Lead markets Initiative



- Aim: to foster demand for research and innovation intensive goods, services or technological solutions
- with a high growth potential, in Europe and globally
- where EU industry can develop competitive advantage to lead in global markets
- that require action by the public sector (as regulator, customer or facilitator)
- Priority given to measures in legislation, standardisation, labelling, certification, and public procurement

LMI package:

On 21-12-2007, the Commission adopted the LMI:

- Communication: policy approach and first round of 6 markets
- Annex I: action plans for each of these 6 markets (timeline up to 3-5 years)
- Annex II: background paper

Website: [//ec.europa.eu/enterprise/leadmarket/leadmarket.htm](http://ec.europa.eu/enterprise/leadmarket/leadmarket.htm)

Short descriptions of the 1st set of lead markets

- ***e-Health:***
telemedicine, personalised health systems and services
- ***Sustainable construction:***
improved energy efficiency, application of new materials and more sustainable production processes
- ***Protective textiles:***
intelligent personal clothing and equipment
- ***Bio-based products:***
non-food products derived from biomass, including renewable materials
- ***Recycling:***
technologies, and processes of waste products of cars and electrical/ electronic waste
- ***Renewable Energies:***
wind, solar, biomass, biogas, geothermal, wave, tidal, hydropower

The Lead Markets areas and the policy tools: some examples of quick-start actions in 2008

Lead Market Areas	Policy tools				
	Standardisation Labelling Certification	Legislation	Public Procurement	Complementary Actions	
eHealth	Recommendation for interoperability		Network to be set up by DG INFSO	Europe INNOVA, CIP, FP7, structural funds, National/ regional funding and policy measures	
Sustainable construction		Screening of national legislation	Networks of advanced public procurers to foster demand for innovation (WP EIP 2009)		
Protective textiles					
Bio-based products	Standardisation mandates				
Recycling		Revision of WEEE directive, SCP/SIP			+ Financial support for market replication projects
Renewables energies		Integrate RE sources into national grids			

NOTE that funding instruments are not a key element of the LMI, although they can support complementary activities!

LMI: Cooperation is key!

- **Member States:**
 - European Council, Competitiveness Council, EPG, and other possible expert groups. A new EPG-sub group on Innovation policy with focus on LMI has been founded, first meeting in September/October
 - Standardisation, public procurement and regulatory organisations.
- **Stakeholders:** business organisations, NGOs, trade unions, insurance companies, regional and local authorities, VC, European Technology Platforms etc.
- **Networks:** EEN, sectoral networks, cluster networks
- **EC internal coordination:**
 - DG ENTR units D1 (LMI HQ), D2 (Europe INNOVA and PRO INNO Europe), E (SBA), B1 (SCP/SIP), F5 (bio-based), G4 (protective textiles), I5 (sustainable construction)
 - DG INFSO (eHealth) and DG ENV (recycling)
 - DG MARKT + about 13 other DGs



Thank you!

Weblinks:

<http://ec.europa.eu/enterprise>

<http://www.trendchart.org>

<http://www.europe-innova.org>