

VALENCIA DECLARATION – Final version

*Innovation policy priorities for Europe, especially for young innovative businesses
A stakeholders' perspective*

1. SMEs need an innovation-friendly environment that enables them to become more actively involved in technological research and development. The European Commission and the Member States should **accelerate the structural reforms** needed to achieve this.
2. **Innovation in services** will support the competitiveness of the EU economy. The Commission and Member States should ensure that their policy tools and instruments support all forms of innovation, including in services.
3. Contact with science and research should commence at school. The European Commission and the Member States need to promote **collaboration between university research staff and the business sector**.
4. Adequate venture capital is necessary for the creation, growth, boosting and bringing together of research and innovation amongst young innovative firms. Member States should build an environment supporting significantly higher risk capital investments by **identifying and removing obstacles for cross-border investment** by venture capital funds and business angels.
5. **Structural funds** should be seen as a key means of supporting research and innovation capacity. Member States are invited to take advantage of cohesion policy to pursue the Lisbon objectives of employment and growth.
6. The **links between research and industry in Europe need to be strengthened**. Member States need to help put research institutes in to closer contact with business incubators, science and industrial parks and clusters to better respond to industrial needs and achieve critical mass.
7. The EU must acquire a cost-effective and user-friendly system of **intellectual property protection** so as to attract technologically advanced companies. The protection of intellectual property must not interfere with open access to public goods and public knowledge.
8. Regions play a crucial role in the innovation process. Genuine **regional innovation policies** need to be developed integrating local, national and European instruments, strengthening regional innovation systems and fostering trans-regional cooperation.
9. The reform of the EU's State aid rules should be followed-up by a sweeping reform of **national and regional state aid programmes** to strike a better balance between big and small companies.
10. The access and participation of SMEs in public procurement markets should be facilitated. Member States should take concrete measures to stimulate innovation and research through improved **public procurement** practices.
11. The EU must take measures to better valorise knowledge on new business models for services and bring them faster to the market. The Commission should establish a **Pan-European Innovation Platform for start-ups in knowledge intense services**, linking universities, incubators and the financing community to support young innovative SMEs.
12. Europe needs to better use the substantial employment opportunities that the areas of **eco-innovation and sustainable development** are offering. Improved research and innovation policies should focus on sustainable production and design, eco-innovative technologies, products and services as well as sustainable business models and management methods.

13. The size and relative lack of specialisation of **European industrial clusters** limits their growth potential. Public policies should support them in establishing closer collaboration to foster innovation in mature industries, support the creation of spin-offs and compete globally.

14. **Networking between SMEs, large companies** and other innovation players facilitates an open innovation environment. Networking and community building initiatives should continue to be supported at national and European level.

15. Obstacles to **researchers' and engineers' mobility**, both geographical and between sectors should be reduced. This cannot be achieved without improving cooperation between Member States on taxation and the transfer of certain social benefits.

16. **Standardisation bodies** need to apply less burdensome and more timely processes and associate SMEs more closely.

17. The deadlock on the proposed **Community patent** needs to be brought to an end. The innovation community favours a single jurisdiction and a cost-effective language regime.

18. **Cluster managers** play an important role in the visibility and performance of a cluster by developing international partnerships, implementing marketing activities and monitoring the cluster's competitiveness over time. The concept of cluster managers should be further promoted and supported.

19. Within the framework of the "**Better Regulation**" initiative, impact assessment should include the effect of European legislation in businesses' research and innovation activities.

20. A **European Institute of Technology** should be established to help improve Europe's innovation capacity and performance by bridging excellence across the fields of education, research and innovation.