






Commissioner Carlos Moedas

Meeting with [REDACTED], [REDACTED] of Cisco Systems

Commissioner's Office

Thursday, 8 March 2018

10:00-10:45

<p>Main contact persons:</p> <p>[REDACTED],  [REDACTED] RTD-B.1,</p> <p>[REDACTED],  [REDACTED] RTD-B1,</p> <p>Contributor:</p> <p>[REDACTED] e,  [REDACTED] RTD-D.1, [REDACTED]</p>	<p>Cabinet member: Alfredo Sousa</p>
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1. STEERING BRIEF

Scene Setter

You are meeting [REDACTED], [REDACTED] Cisco Systems. The meeting was requested by [REDACTED], [REDACTED] of Public Policy and Government Affairs for Europe, Middle East, Africa & Russia.

You met [REDACTED] at the Award ceremony organized by the Startup Europe Partnership (SEP) and Mind the Bridge in December 2017. On that occasion, Cisco received the 'Corporate Startup Star' award in recognition for their work to support start-ups across Europe.

Cisco is working to accelerate the digitisation of the EU by investing in areas such as smart cities, cyber security, start-ups and digital skills. Cisco opened a number of innovation centres, including in Berlin, Paris, Barcelona and London.

Cisco has signalled their wish to exchange views on incentives for better innovation, and explore how to collaborate with the EU. Also, [REDACTED] is personally committed to supporting STEM education and developing the next generation of talent.

Objectives

- Illustrate the EU's priorities in fostering open innovation across Europe;
- Highlight the importance of innovation support by the Commission, also in the next MFF, and the potential role of Cisco in this context;
- Get Cisco interested in participating in EU initiatives on skills for innovation and future industry;
- Demonstrate the Commission's support for start-ups (by highlighting the ambitious instruments under the European Innovation Council pilot, as well as the success of the European Capital of Innovation Award) and women entrepreneurship (EU Women Innovator Prize).

Line to Take

- Underline the importance of introducing the right incentives for innovation and developing innovation-friendly regulation;
- Underline the attractiveness of Horizon 2020 and FP9 for industry; highlight that the Commission works in partnerships where industry has a strategic role in providing solutions to global challenges including industrial and digital transformation; stress that both the public as well as industry need to invest more in research and innovation;
- Convince [REDACTED] of the benefits of being involved in actions launched by the European Commission to support cooperation between industry, research, and education and training systems – as for example the Blueprint for Sectorial Cooperation on Skills, within the New Skills Agenda for Europe;
- The European Capital of Innovation is a leading EU initiative rewarding cities with the best 'local innovation ecosystems', thus creating a favourable environment for supporting start-ups;
- The EU Prize for Women Innovators is another notable initiative by the Commission aimed at raising public awareness of the need for more female innovation and entrepreneurship, which Cisco also supports.

2. SPEAKING POINTS

- The European Union strives to create enabling framework conditions for open innovation to thrive. In an effort to institute incentives for open innovation, the following actions are pursued:
 - Eliminating barriers to cross-border capital flows (Capital Markets Union and Digital Single Market);
 - Shaping the right conditions for data, knowledge, ideas and technology to circulate as openly as possible (European Open Science Cloud);
 - Embedding innovation in regulatory practice through the application of the "Innovation Principle" (*please see details in the background*).
- We consider EU industry as a key driver of productivity and innovation. Partnerships with industry under Horizon 2020 have delivered, and are good examples of collaborative research across "borders" - countries, sectors, technologies. FP9 is still work-in-progress, but it will address digital as well as industrial technologies. We would therefore welcome and encourage Cisco's participation in a wider range of European R&I activities across thematic areas to help spread digitisation.
- The European Commission will also aim to extend the use of financial instruments that crowd in private investment in digitalisation. EUR 5.8 bn have already been approved Under the European Fund for Strategic Investment (EFSI) for projects in the digital sector.
- Innovation implies adapting skills to rapidly evolving technologies and business opportunities. Europe needs to improve the relationship between industry, researchers and education and training systems. The Lamy Group Report "LAB-Fab-App" underlines the importance

of reinforcing the support for skills and competence development in the post-2020 EU programme for research and innovation.

- The New Skills Agenda for Europe has put in place several actions to tackle industry needs in terms of skills of the future (*please see details in the background*).
 - Among these, the Blueprint for Sectorial Cooperation on Skills is receiving input from research and innovation. For example, the new initiative on Additive Manufacturing builds on European research and innovation activities. Other sectorial initiatives directly related to innovation are in the automotive sector, construction, green technologies & renewable energy, or the steel industry. Also digital skills are addressed.
- To accelerate the upskilling of Europe's citizens and take advantage of digitisation, corporates like Cisco have a key role to play:
 - Cisco can contribute to identifying and anticipating the competences and skills needed for addressing the social, economic and technological challenges at stake and how to generate them through education and training;
 - Cisco's innovation centres facilitate knowledge transfer and collaboration between different actors – especially innovators and industry. This will be one of the priorities of the EIC;
 - Cisco's innovation centers in Europe (in Berlin, Paris, Barcelona and London) have positive impact on city ecosystems. In 2017, also thanks to its thriving start-up scene, Paris was named 'European Capital of Innovation' (Station F is the world's largest start-up campus, and it can host up to 1,000 start-ups).
- Recognising the need to support entrepreneurs in order to capitalise on Europe's scientific excellence, I have made the establishment of a European Innovation Council a priority of my mandate.

- The EIC aims to meet the needs of entrepreneurs, and streamline existing support structures to simplify access. The EIC pilot, which is currently running until 2020, offers a range of instruments including funding opportunities, coaching as well as business acceleration services. I am confident these measures will have a significant impact on speeding up the translation of ideas into breakthrough, market-creating innovations, and empowering European entrepreneurs to scale up their businesses internationally.
- Today [March 8th] I will be announcing the finalists of the EU Prize for Women Innovators, recognising female entrepreneurs who have developed and brought an outstanding innovation to the market. The European Commission commends Cisco's efforts to promote the upskilling of girls and support the development of female talent in technology.
- We commend Cisco on its commitment to promoting STEM education. STEM education is key to increasing society's appetite for innovation, and ensuring that Europe is at the forefront of scientific and technological advancement. Building capacities and developing innovative ways of connecting science to society has been a priority under Horizon 2020.

3. BACKGROUND NOTES

3.1 CVs

		Cisco Systems Inc.		

Pastora Valero, Vice President, Public Policy and Government Affairs, for Europe, Middle East, Africa and Russia (EMEAR) for Cisco Systems Inc.



Pastora Valero is Vice President, Public Policy and Government Affairs, for Europe, Middle East, Africa and Russia (EMEAR) for Cisco Systems Inc., the global leader for networking for the Internet. She leads government affairs activities for Cisco in the EMEAR region and is responsible for developing and advancing Cisco's technology and communications policy agenda with respect to broadband, Internet governance, IP enabled services, trade, energy and technology policy issues. She joined Cisco in 2003, and prior to her regional role, she led Cisco's European Union Government Affairs strategy between 2003 and 2013. Pastora has almost two decades of experience in regulatory and public policy issues in the telecommunications and Internet related areas, as well as on EU public policy with respect to competition, trade and information technology regulation.

Prior to Cisco, she was Vice-President Regulatory Affairs for Global TeleSystems (GTS), a pan-European fibre optic network operator. She started her career with the Brussels law firm Van Bael & Bellis, and dealt in particular with EU trade and competition law issues. Pastora holds leadership positions within several industry organizations including as Chair of the Digital Economy Committee of the American Chamber of Commerce to the E.U., and Board member of the Trans-Atlantic Business Council (TABC). She is a qualified lawyer in Spain, holds a Masters degree in European law (ULB, Brussels) and an L.L.M in International law (VUB, Brussels).

3.2 Implementation of the Innovation Principle

In May 2016 the Council adopted conclusions on 'Better Regulation to Strengthen Competitiveness' and 'Research and Innovation Friendly Regulation' which call on the Commission together with Member States to promote the use of the Innovation Principle. This was also strongly echoed by the strategic note of the European Political Strategy Centre (EPSC) on 'Towards and innovation Principle Endorsed by Better Regulation', issued on 30 June 2016.

Following the Commissioners' Project Team meeting in January 2017 DG RTD completed a full screening of the Commission Work Programme 2017 to identify those initiatives where the Innovation Principle could be piloted. The screening identified six legislative initiatives in four thematic areas for priority application of the Innovation Principle. In addition, work is still ongoing to examine the application of the Innovation Principle in two policy initiatives that will be developed in 2018. Some of the initiatives are already adopted others will be adopted in the first semester of 2018. They are the first concrete examples of an Innovation Principle applied in the European legislative process.

3.3 Blueprint for sectoral cooperation on skills

The Blueprint for Sectoral Cooperation on Skills was launched as part of the New Skills Agenda in June 2016. The Blueprint is a framework for strategic cooperation in a given economic sector between key stakeholders such as: business, trade unions, research, education and training institutions (focusing on Vocational Education and Training) and public authorities. The aim is to support an overall sectoral strategy and to develop concrete actions to address short and medium term skills needs that will after be rolled-out at national and regional level.

The Blueprints are launched and funded under the Erasmus+ programme. The partners cooperating in the Blueprint will look into how major global, societal, and technological developments are likely to affect jobs and skills needs, and assess their potential impact on growth, competitiveness and employment in the sector.

The first five Blueprint Alliances, starting work in January 2018 include:

- Automotive;
- Maritime technology;
- Space - geo information;
- Textile, clothing, leather and footwear;
- Tourism.

The next six sectors in the current call under Erasmus+ are:

- Additive manufacturing;
- Construction;
- Green technologies & renewable energy;
- Maritime shipping;
- The paper-based value chain;
- The steel industry.

3.4 European Capital of Innovation Award 2018

The fourth edition of the European Capital of Innovation Award was launched on 22 February 2018 at the Covenant of Mayors Ceremony.

iCapital is an award foreseen within the Horizon 2020 Work Programme 2018-2020, Challenge 6. The Award acknowledges outstanding achievements of a city in opening up its innovation ecosystem to new models of innovation, experimentation, and citizens' engagement. Cities that make the most to promote innovation within their communities and that have mainstreamed innovative practice in ordinary urban processes will be awarded and set as inspiring role models for others.

The 2018 European Capital of Innovation will altogether award 6 prizes:

- 1 European Capital of Innovation 2018, that will be awarded with EUR 1 million.
- 5 Runner-Up cities, that will receive EUR 100 000. This number has increased from previous editions, when only 2 Runners-Up were awarded.

With an increase in the number of prizes, this award will increase the likelihood of awarding even more cities, mayors, and perhaps smaller (or non-capital) cities. Also, more cities will be invited to hearings and to be part of the iCapital Alumni Network. The prize setup (eligibility, award criteria, and titles of the winning cities) is based on previous editions and ensures consistency to potential applicants. The main goal of this year's prize management is to enhance the visibility of the prize also outside the circles of potential applicants and bring it to the level of other EC prizes for cities.

3.5 EU Prize for Women Innovators 2018

Awards have a strong potential to drive innovation through the recognition of achievements and the promotion of role models. Following the success of its four editions in 2011, 2014, 2016 and 2017, the EU Prize for Women Innovators 2018 was launched on 05 September and closed on 15 November. Three prizes of €100,000, €50,000 and €30,000 will be awarded in the main Women Innovators category and one prize of €20,000 will be awarded to the winner of the Rising Innovator Award (innovators aged 30 or younger).

The aim of the Prize is to raise public awareness of the need for more innovation and more women entrepreneurs, and to recognise the success of women in innovation. Although women are increasingly active in research and innovation, there are still too few of them who create innovative enterprises. This represents an untapped potential for Europe, which needs to use all its human resources to their full potential to remain competitive and find solutions to economic and societal challenges.

The 2018 contest was open to women of all nationalities residing in an EU MS or associated countries to Horizon 2020. They must be the (co-) founder of an active company across any sector which was registered before 1 January 2016, and whose annual turnover was at least EUR 100,000 in 2015 or 2016 (EUR 50,000 for the rising innovator category). The contestants must have received public or private funding for Research and Innovation.

Like for the 2017 edition, 2018 winners will be selected by a jury composed of independent experts from business, finance and academia.

1. All application are assessed against the following criteria:
2. The originality and marketability of the company's product or service.
3. The economic impact measured by the number of countries where the product or service is sold, and by the size of the turnover achieved with this service or product in 2015 and 2016.
4. The societal impact of the company's product or service, measured by the number of jobs created and the potential of the service or product to help Europe address a grand societal challenge.
5. The impact and leadership role of the contestant.

The finalists are announced on 8 March and the winners will be awarded in June 2018.

3.6 EU Support for STEM Education

Science Education forms the basis for the full achievement of the Innovation Union and the European Research Area. Under the Science With and For Society agenda, a range of initiatives have been financed to pursue greater participation of young people in science and encourage long-term scientific careers. Innovative formal and informal science education teaching and learning is important in order to raise both young boys' and girls' awareness of the different aspects encompassing science and technology in today's society and to address the challenges faced by young people when pursuing careers in STEM.

The annual European Union Contest for Young Scientists (EUCYS) is one of Europe's premier events for showcasing young scientific talent. It is an annual science competition that brings together winners of national science competitions (young people between 14 and 20 years of age) to compete with their European counterparts. It was established in 1989 to promote the ideals of co-operation and interchange between young scientists and to attract young people to careers in science. It was held in Tallinn in 2017 and will be held in Dublin in September this year. The contest awards over 30 different prizes. The most prestigious ones are monetary and funded by the European Commission.

Scientix, the on-line community for science education in Europe was developed to ensure a wide uptake and dissemination of STEM education practices. Scientix promotes and supports a Europe-wide collaboration among STEM teachers, education researchers, policymakers and other STEM education professionals. This activity is funded by the Horizon 2020 SwafS programme.

3.7 EU Investment in Digitisation

Between 2001 and 2011, over 30% of all economic growth in the EU can be attributed to digital investment and production.

Support for digital is spread across a range of programmes

- Horizon 2020 (€13 bn.)
- The Connecting Europe Facility (CEF, €1 bn.)
- The Creative Europe Programme (€1 bn.)

A major source of funding is the European Structural and Investment Funds (ESIF) [€17bn. were invested in digital in the European Regional Development Fund (ERDF) and €2.3 billion are planned to be invested to digital skills under the European Social Fund (ESF) in 2014-2020].

The EU supports investment in digitisation, offering private investors extensive support:

- Around €20 billion were put to digital projects under European Structural Investment Funds (ESIF).
- A significant part of EFSI is spent on digital projects (€6 b, 11%).
- We are also working with centrally managed financial instruments such as Connecting Europe Facility (CEF, an equity fund for broadband), Creative Europe: Cultural and Creative Sectors Guarantee Facility (CCS GF).
- Generic EU financial instruments are InnovFin and COSME Equity for Growth, implemented through EIB/EIF.
- France and Germany are thinking about creating a scheme to digitise their industries, with the focus on SMEs.

4. SOCIAL MEDIA

Accounts:

Cisco's corporate account: @Cisco

Chuck Robbins: @ChuckRobbins

Pastora Valero: @pastora_valero

Hashtags:

#EUSkillsAgenda

#iCapitalAwards

#WIPrizeEU