



European Commission

EIPC
Entrepreneurship & Innovation
Programme Management Committee

COMPETITIVENESS AND INNOVATION FRAMEWORK PROGRAMME

IMPLEMENTATION REPORT 2008

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1. INTRODUCTION

The 2008 Implementation Report of the Competitiveness and Innovation Framework Programme (CIP) outlines activities in the second year of the programme's operation.

The main aim of the CIP is to encourage the competitiveness of European enterprises by supporting innovation activities (including eco-innovation), providing better access to finance and delivering business support services in the regions. It encourages a better take-up and use of information and communications technologies (ICT) and helps to develop the information society. It also promotes the increased use of renewable energies and energy efficiency.

These general objectives are pursued through the implementation of three specific programmes:

- the Entrepreneurship and Innovation Programme (EIP);
- the Information and Communication Technology Policy Support Programme (ICT-PSP);
- the Intelligent Energy-Europe Programme (IEE).

This report provides a description of the results of the implementation in 2008 of the three specific programmes under CIP; it summarises the main activities under each of them, outlines budgetary implementation and addresses other general issues. Where available, website addresses, where detailed information on the different programmes can be found, have been included. Some examples of the projects funded have been included in boxes to illustrate the different initiatives. More examples can be found on the specific websites.

This report is based on Articles 8.1 and 8.5 of the Decision establishing the CIP¹. Additional information on the Competitiveness and Innovation Framework Programme can be found on the following website: <http://ec.europa.eu/cip>.

¹ Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310/15, 9.11.2006)

2. BUDGET ISSUES

The CIP Decision stipulates that the total budget for the CIP shall be €3.6 billion for the period 2007-2013. The EIP represents the largest expenditure component of CIP, with 60% of the CIP budget allocation, of which approximately one-fifth is allocated to promoting eco-innovation. Each of the other two programmes, ICT-PSP and IEE, are allocated around 20% of the CIP budget. The table below gives an overview of the budget allocated and the amount committed during 2008.

Budget lines	Concept	Amount (million €) ²	Budget committed (million €)	Budget committed (%)
01 04 04	EIP – Financial Instruments (out of which eco- innovation)	151.27 (26)	151.18	99.94
02 02 01 and 02 01 04 04	EIP – Competitiveness of SMEs, innovation (out of which eco- innovation)	140.05 (27.85)	137.69	98.31
09 03 01	ICT-PSP ³	44.58	44.48	99.78
06 04 06	IEE	70.93	70.22	99
	Total	406.83	403.57	99.20

² These amounts include the contributions from non-EU countries participating in the programmes.

³ This figure does not include €7.72 million that were front loaded from the budget 2008 to cover activities launched in the ICT PSP work programme 2007.

3. THE THREE CIP PROGRAMMES

The implementation of the three specific programmes under CIP in 2008 is briefly summarised below.

3.1. The Entrepreneurship and Innovation Programme

The main EIP objectives, as set out in Article 10 of the CIP Decision, are to support, improve, encourage and promote:

- (a) access to finance for the start-up and growth of SMEs and investment in innovation activities;
- (b) the creation of an environment favourable to SME cooperation, particularly in the field of cross-border cooperation;
- (c) all forms of innovation in enterprises;
- (d) eco-innovation;
- (e) entrepreneurship and innovation culture;
- (f) enterprise and innovation-related economic and administrative reform.

Four main instruments are used to achieve these objectives: Community financial instruments for SMEs; services in support of business and innovation; innovation and eco-innovation first application and market replication projects; and policy analysis, development and coordination. Additional information on the programme can be found in the 2008 EIP Implementation report on the following website: <http://ec.europa.eu/cip/cipwp.htm>.

3.1.1. Financial Instruments

The objective of the Community financial instruments is to improve access to finance for the start-up and growth of SMEs, and to invest in innovation activities, including eco-innovation.

Basically, these instruments work by increasing investment volumes of risk capital funds and other investment vehicles, and by providing leverage to SME debt financing instruments and thus increasing the supply of debt finance to SMEs.

The three financial instruments, operated by the European Investment Fund (EIF) are the following:

- *The High Growth and Innovative SME Facility (GIF)* aims to increase the supply of equity for innovative SMEs in their early stages (GIF1) and in the expansion phase (GIF2). It has been operational since November 2007 and, by the end of 2008, 14 transactions with financial intermediaries (venture capital funds) from 10 countries had been approved. In 2008, more than € 153 million of EU investments were committed⁴ via this instrument, supporting 28 innovative companies with high-growth potential. It has also contributed to the eco-innovation objective and, by the end of

⁴ For these commitments, also 2007 budgetary appropriations have been used

2008, three agreements with venture capital funds investing in eco-innovation were signed, with EU commitments of nearly €34 million.

An example of an investment in a venture capital fund focusing on eco-innovation is the Capricorn Cleantech Fund located in Leuven (Belgium). Up to the end of 2008 it invested in 10 innovative SMEs. The fund size is € 112 million, of which € 15.2 million is EU investment.

- *The SME Guarantee Facility (SMEG)* provides counter- or co-guarantees to guarantee schemes operating in eligible countries, and direct guarantees to financial intermediaries, in order to increase the supply of debt finance to SMEs. It has been operational since September 2007. By the end of 2008, 12 deals with Financial Intermediaries from 9 countries (3 from new Member States) had been approved, committing €110 million for guarantees or counter-guarantees from both the 2007 and 2008 EU budgets. By the end of 2008, SMEG supported 26,269 loans to 24,551 SMEs.
- *The Capacity Building Scheme (CBS)* aims at supporting the capacity of financial intermediaries by improving the investment and technology expertise of funds and other financial intermediaries investing in innovative SMEs or SMEs with growth potential. It also stimulates the supply of credit to SMEs by enhancing the credit appraisal procedures for SME lending. Two actions were foreseen in the Legal Base: the "Seed Capital Action"(SCA) and the "Partnership Action" (PA). However, as the CBS has shown no response from the market, the Commission services are currently examining the possibility to re-allocate the budget to technology transfer and eco-innovation under GIF.

For the financial instruments, the total of 2008 commitments was €151.18 million.

With the aim of highlighting the funding opportunities for SMEs, "EU finance days for SMEs" are being organised in all EU capitals from 2008 to 2010. The finance days are intended to improve the visibility of the programme at the level of final beneficiaries, the Enterprise Europe Network and other stakeholders. In 2008, EU finance days took place in seven capitals.

With a view to raising the awareness of the financial instruments, the European Commission developed in collaboration with the EIF a website (<http://www.access2finance.eu>) to help SMEs identify the financial intermediaries cooperating within the CIP.

For additional information on the financial instruments the following website can be consulted: <http://ec.europa.eu/enterprise/policies/finance>.

3.1.2. *Enterprise Europe Network*

The second main instrument of the EIP is the Enterprise Europe Network, a network of services in support of business and innovation. The Network is the key action under the objective of creating a favourable environment for SME cooperation, particularly in the field of cross-border cooperation.

The Enterprise Europe Network is made up of 567 partner organisations in 44 countries, promoting competitiveness and innovation at local level in Europe and beyond. The official launch of the Network in February 2008 received high visibility with more than 1100 participants. During the first weeks, partners in each country organised national events explaining and promoting the Network's services.

The Network offers support and advice to businesses across Europe and helps them make the most of the opportunities in the European Union. The Network offers services specifically designed for SMEs. The Network partners provide information and practical advice on market opportunities, European legislation and policies relevant to a company or sector. They can help SMEs to find suitable business partners by using either business or technology cooperation database, and provide information on EU funding opportunities and international networking.

Some examples of the work done by the Enterprise Europe Network in 2008 are:

- Support and advice to SMEs on market opportunities and finding partners:

In 2008 more than 5000 companies introduced their profile in the business cooperation data base. Companies regularly benefit from this tool:

- A sports equipment business in Moravia wanted to expand by importing thermal sportswear and found an Italian provider for their products;
- A British technology company developed a chemical detection system which makes powerful sensors available to markets where it had previously not been cost-effective to use them, such as in passenger vehicles. To find the right partner to help them exploit these markets, the Enterprise Europe Network worked with the firm's team to produce a technology profile. The company was soon in tentative discussions regarding a possible partnership with one of Europe's leading suppliers of sensor solutions in the global automotive market.

- The Network helps SMEs to find the right technology or funding, as well as providing information on EU legislation and policies:

A French family firm specialised in plumbing, situated on the border with Luxembourg, decided to expand into providing services in the neighbouring country. The local Enterprise Europe Network partner helped it to find the answers to questions about trading in the European Union and on issues such as setting up a business abroad. Moreover, it guided the company through the legal requirements for providing services in another EU country. Now the company does a quarter of its business across the border.

- The Network provides innovation and business support to small businesses across the EU. It helps SMEs to understand how European legislation applies to them and the potential effect on their business:

An Austrian kitchen and cookware retailer sold barbecue grills into the Central European market. The Enterprise Europe Network provided advice to the firm on the legal position in relation to the labelling and security of these products, since it was concerned about the high risk of liability.

- The Network gives a helping hand for accessing EU finance and grants:

A small German company provided integrated coastal zone management services. When its management wanted to apply for funding under the EU's environment fund, the Life+ programme, the Enterprise Europe Network assisted it in preparing a project proposal, finding suitable partners and dealing with the application paperwork. The project was funded and it now implements a practical process for the ecological certification of products from sustainable marine aquaculture.

At the end of 2008, the Network covered EU27 countries, the EEA countries (Iceland and Norway) and partners in accession and candidate countries (Croatia, the former Yugoslav Republic of Macedonia and Turkey), in countries of the Western Balkans (Montenegro, Serbia, Bosnia and Herzegovina) and in other third countries (Armenia, Chile, China, Egypt, Israel, Russia, Switzerland, Syria and the USA).

An amount of €81.2 million was committed in 2008 for the EC contribution to the activities of the Network together with an amount of €1.55 million to support the network animation tasks.

For additional information on the Network the following website can be consulted:
<http://www.enterprise-europe-network.ec.europa.eu>.

3.1.3. Innovation projects and eco-innovation first application and market replication projects

Regarding the eco-innovation first application and market replication projects, in 2008 a call for proposals was launched with a committed budget of €27.85 million. The call focused on areas such as cleaner production processes, innovative environmentally-friendly products and services, and support for enterprises (especially SMEs) in greening their business, products and management methods. Among those areas, the one that had the highest response of the market was “recycling” with around 30% of the projects. The 2008 call notably succeeded in addressing the SME market: in total around 75% of the 444 participants were SMEs, and 44 projects were selected for funding. The implementation of the first projects started in the first half of 2009.

In the sector of recycling, one of the selected projects foresees a new use for old tyres. The automotive industry needs to meet its recycling targets and tyres make up a significant part of the material that needs to be re-processed. The project aims at demonstrating the technical viability for ground tyres on the European market, produced by a heat and chemical free process. The product's market viability will be explored in a real-scale test with results fed back into the production process, giving a final, optimised model, ready to be used.

To know more about activities in support of innovation the following website can be consulted: <http://ec.europa.eu/ecoinnovation>.

3.1.4. Policy analyses, development and coordination

The budget committed totalled €6.7 million in 2008. Several actions were undertaken in this area, such as the SME performance review, entrepreneurship education actions, Corporate Social Responsibility measures and studies and conferences.

A key measure in this area is the “Community programme for the reduction of regulatory administrative costs”. Its main objectives are to carry out measurements of administrative costs deriving from specific EU policy areas, to provide assistance to Member States where administrative costs measurements have not been carried out, to provide input for the setting of a common cost reduction target at EU level, and to launch administrative costs reduction programmes, both at the Community and Member State levels. It provides indications of areas most suitable for rapid reduction and of how this can be achieved.

In 2008, one of the main policy analysis activities supported by the EIP was the European Competitiveness Report. It focused mainly on the recent changes in the EU’s productivity growth. Besides this, it analysed different factors that may have an impact on competitiveness, such as the openness in trade and Foreign Direct Investment and Corporate Social Responsibility as well as the recent proposals for a sustainable industrial policy. It also studies in depth the competitiveness of the most important segment of the European economy, the small and medium enterprises.

Among the other measures supported were the European Enterprise Awards, which recognise and reward outstanding initiatives that support entrepreneurship at the regional level.

3.2. The Information and Communications Technologies (ICT) Policy Support Programme

According to Article 26 of the CIP Decision, the ICT Policy Support Programme provides for the following actions:

- (a) development of the Single European information space and strengthening of the internal market for ICT products and services and ICT-based products and services;
- (b) stimulation of innovation through the wider adoption of and investment in ICT;
- (c) development of an inclusive information society and more efficient and effective services in areas of public interest, and improvement of quality of life.

The ICT PSP aims to accelerate the development of a sustainable, competitive, innovative and inclusive information society. It aims at stimulating innovation and competitiveness through the wider uptake and best use of ICT by citizens, governments and businesses.

The ICT PSP work programme 2008 was based primarily on the following two main themes:

- Theme 1: ICT for user-friendly administration, public services and inclusion;
- Theme 2: ICT for energy efficiency and sustainability in urban areas.

These main themes have been addressed through specific objectives to be supported by a limited number of high impact pilot projects or thematic networks.

A third theme “Internet evolution and security” has been also addressed through thematic networks only.

The pilots and the thematic networks have been selected through a call for proposals open from 29 April to 9 September 2008. A portfolio of 20 retained proposals (from 66 received) for an overall budget of nearly €40 million, provides a very good coverage of the themes and objectives addressed, with high quality projects involving a mix of public authorities, private companies and standardisation bodies among the participants.

Overall, public bodies represent 40% of participants in the selected proposals of the Call. SMEs represent almost 25% of the participants, 15% were large enterprises and the rest concerns other entities such as intermediaries or user associations.

Two types of pilot actions are supported:

- Pilot A: pilot building on existing national initiatives aimed at developing interoperability and preparing for EU-wide implementation of ICT-based services.

One large-scale pilot action (Pilot A) has been selected for theme 1. It directly involves national authorities in Member States, in order to prepare the implementation of the Services Directive⁵ and to develop interoperable exchanges of authentic electronic dossiers. Simple Procedures Online for Cross-border Services (SPOCS) regroupes 9 Member States and foresees further participation. The EU funding is €7 million for a total budget of €15.6 million.

- Pilot B: pilot showcasing and testing innovative ICT based solutions on a real scale to demonstrate technical, organisational and legal feasibility.

13 Pilot B's have been selected (6 for the theme 1 and 7 for theme 7). They involve consortia comprising a good mix of stakeholders (local authorities, user associations, service providers and ICT solution providers, including SMEs) from the value chain of the tested services.

Some examples of these "Pilot B's" are the

- The project "SOCIABLE" (theme 1) will pilot innovative ICT-enabled on-line services for assessing and accordingly reinforcing the mental state of the elderly suffering from mild dementia, through activities for cognitive training, while at the same time boosting their social networking. The EU funding is €2.6 million for a total budget of €4.97 million for the project.

- The project "HosPilot", (theme 2), will be pilot innovative ICT-based solutions for lighting and HVAC (Heating, Ventilation and Air Conditioning) for achieving significant energy reduction in the complex environment of hospitals while improving the level of comfort of the users. The EU funding is €2.17 million for a total budget of €4.34 million for the project.

The pilot actions are complemented by the launching of 6 **Thematic Networks** with a view to building consensus and developing a roadmap for wider deployment in the domains of eHealth, Inclusive eGovernment (2 thematic networks in theme 1), energy efficiency (2 thematic networks in theme 2), RFID technology, and trusted biometrics technologies (2 thematic networks in theme 3).

Other actions such as benchmarking, studies, conferences and events have also been supported through calls for tenders or grants without call for proposals for a total amount of €4.5 million.

The total commitment appropriations for the ICT PSP Work Programme 2008 amount to €45.58 million. This adds to €7.72 million from the ICT PSP budget 2008 that were front loaded for supporting actions in Work programme 2007. In total, the amount of commitment appropriations in 2008 was €52.31 million (€44.58 million + €7.72 million) and the execution rate was 99.79%.

Additional information on this Programme can be found on the dedicated website at the following address: http://ec.europa.eu/ict_psp.

⁵ Art. 8 and other appropriate articles of the Services Directive 2006/123/EC (http://ec.europa.eu/internal_market/services/services-dir/index_en.htm): to "ensure that all procedures and formalities relating to access to a service activity and the exercise thereof may be easily completed, at a distance and by electronic means through the relevant point of single contact and with other competent authorities.

3.3. The Intelligent Energy-Europe Programme

The main objective of the Intelligent Energy-Europe (IEE) Programme as set out in Article 37 of the CIP Decision is to contribute to secure and sustain energy for Europe, while enhancing European competitiveness. It provides for action:

- (a) to foster energy efficiency and the rational use of energy resources (SAVE);
- (b) to promote new and renewable energy sources and to support energy diversification (ALTENER);
- (c) to promote energy efficiency and the use of new and renewable energy sources in transport (STEER).

In addition, the IEE programme provides for action across the above fields to promote, for instance, energy efficiency and renewable energy sources in a combined way (Integrated initiatives).

The main activities carried out in 2008 in these four different programme strands are outlined below. The emphasis is on the results of the Call for Proposals (Call) 2008 which in total attracted 342 proposals. An electronic submission system was introduced to speed up their evaluation that was completed by the end of the year.

In parallel, the evaluation of the Call for proposals 2007 was completed, 73 grant agreements were signed for the selected proposals and pre-financing processed.

3.3.1. Energy efficiency and rational use of energy (SAVE)

This strand foresees the improvement of energy efficiency and the rational use of energy, in particular in the building and industry sectors, and supporting the preparation and application of legislative measures.

The Call 2008 priorities in this field were related to (a) energy-efficient buildings, for action raising the energy performance of new and existing buildings in both the residential and tertiary sectors; and (b) industrial excellence in energy, for action increasing energy efficiency in industry, in particular SMEs.

The Call 2008 attracted 97 SAVE proposals, of which 11 were selected for funding, representing a Community contribution of more than €11 million.

Some examples of selected projects are the following:

- In the field of buildings:

- *European Network for the Energy Performance Certification of Buildings (ENFORCE)*. It aims at giving consumers independent and qualified information and assistance on energy certification of their buildings, allowing them to make informed decisions. It tackles obstacles to intelligent patterns of energy use by creating a trans-national network of trained energy auditors and by operating a call-centre for consumers as a first contact point, providing the requested information and access to the network of auditors.

- In the industry sector:

- *Regional clusters in energy planning (RegCEP)*. Its objectives are the production of intelligent energy plans with start-up of pilot projects for regional clusters, the empowerment of European enterprises to integrate intelligent energy into their business practices, the development of a trans-national toolkit for regional clusters and energy planning. The projects exploit regional clusters as a tool for energy planning by industry and then provide a local instrument for the development of intelligent energy by enterprises.

3.3.2. *New and renewable energy resources (ALTENER)*

This action includes the promotion of new and renewable energy sources for centralised and decentralised production of electricity, heat and cooling and thus supporting the diversification of energy sources, the integration of new and renewable energy sources into the local environment and the energy systems, and support to the preparation and application of legislative measures.

In 2008 there were several key actions in this field. The action *Electricity from renewable energy sources (RES-e)* aimed at supporting EU policy by tackling barriers to market growth and helping to achieve future renewable energy targets, while the objective of the action *Renewable energy heating/cooling (RES-H/C)* was to promote greater use of biomass, solar and geothermal heating and cooling, especially in buildings and industry.

Other actions related to *Domestic and other small-scale RE applications*, which aimed at increasing the use of small-scale renewable energy systems in buildings, and to *Biofuels*, whose target was the promotion of the use of sustainable forms of biodiesel, alcohols, biogas and bio-additives to replace fossil fuels for transport applications and to contribute to achieving future EU targets.

Under ALTENER 95 proposals were submitted under the Call 2008. The total budget allocated was more than €17 million.

Some examples of projects under negotiation are the following:

- In the field related to biofuel:

- *Promoting the Uptake of Gaseous Vehicle Fuels, Biogas and Natural Gas in Europe (GasHighWay)*: This project aims at promoting the uptake of gaseous vehicle fuels (biomethane and compressed natural gas), by creating a network of “specialised” filling stations spanning from north to south Europe (the "GasHighWay"). The project activities will include the promotion of the implementation and expansion of distribution systems for gaseous vehicle fuels, the support to potential and existing biogas producers and the creation of a roadmap for the European GasHighWay.

- In the field related to electricity from renewable energy sources:

- *Regulatory Framework for Offshore Grids and Power Markets in Europe: Techno-economic Assessment of Different Design Options (OffshoreGrid)*. This project will provide policy recommendations towards such a grid in pursuing the efficient integration of renewables, regional markets and security of supply. It will cover the regions in the Baltic and North Sea and the results will also be transferred in qualitative terms to the Mediterranean region. The scenarios will consist of time-series of offshore wind power generation with high temporal and spatial resolution.

3.3.3. *Energy in transport (STEER)*

This action aims at promoting energy efficiency and the use of new and renewable energies sources in transport. It includes the support to initiatives relating to all energy aspects of transport and the diversification of fuels; the promotion of renewable fuels and energy efficiency in transport; and the support to the preparation and application of legislative measures.

The Call 2008 priorities in this field were related to (a) energy-efficient transport, for action reducing transport demand and encouraging a shift of passengers and/or freight to less energy-intensive modes; (b) alternative fuels and clean vehicles, for action increasing their European market share; and (c) Capacity-building in transport for existing local and regional agencies.

The Call 2008 attracted 26 SAVE proposals, of which 6 were selected for funding, representing a Community contribution of more than €8 million.

In the field of clean vehicles, selected projects include the *Electric Vehicle Awareness Raising Initiative for Municipalities (EVARIM)*. The project first assesses the current state of the art and the trends of the international market of electric vehicles with a focus on electric two-wheeled vehicles, then informs municipal decision makers on the results in especially designed Road-Show Information Days held in five partner countries.

3.3.4. *Integrated initiatives*

Integrated initiatives cover actions where energy efficiency and renewable energy sources are addressed together, or actions covering several of the priorities listed above for SAVE, ALTENER and STEER.

Under the Integrated Initiatives the Call 2008 priorities were related to various fields. There were some focusing on the local level, such as *the creation of local and regional energy agencies*, the *European networking for local action, sustainable energy communities*. Moreover, some key actions implemented initiatives in the fields of *bio-business, energy services combined heat and power and intelligent energy education*.

The Call 2008 attracted 122 Integrated Initiatives proposals, of which 22 were selected for funding, representing a Community contribution of more than €13 million.

In the field related to the intelligent energy education initiative, projects under negotiation include the project *50/50 European network of education centres (euronet50/50)*. This project aims to spread the 50/50 methodology to at least 50 educational centres all over Europe. The project aims for a minimum annual energy reduction of 2.5% for each school and it is based on the concept that 50% of the total energy (and finally money) savings achieved from the energy efficiency measures implemented by the students are retained by the school, whereas the other 50% will be a net saving on the fuel bills paid for often by a public authority.

The total amount of the IEE 2008 budget was €78.41 million, including a subsidy to the Executive Agency for Competitiveness and Innovation and expenditure on administrative management.

Most of the IEE II budget is implemented by means of competitive allocation of financial support to independent parties proposing action in line with the Programme's priorities (grant procedure - calls for proposals - or Concerted Action) or procurement (call for tenders). The management of the majority of the IEE budget is delegated to the EACI.

Regarding the Concerted Actions (CA) with Member States and participating countries, these concern a limited number of specific activities in relation to the implementation of Community legislation and policy. They aim at fostering the exchange of information and experience among Member States and participating countries with regard to the implementation of Community legislation and policy.

In 2008 two Concerted Actions were managed: one aimed at addressing specific issues concerning implementation of Directive 2006/32/EC on energy end-use efficiency and energy services; and one addressing Directive 2002/91/EC on energy performance of buildings.

In 2008 8 public procurements contracts were signed, including contracts for the 'Mid-term evaluation of the IEE Programme', 'Work on preparatory studies for eco-design requirements for energy-using products', 'Buildings platform', 'Assistance with drafting a report on implementation of the EU Biomass Action Plan', 'Sustainable Europe Campaign' and 'Support for the Covenant of Mayors'. As far as communication activities are concerned, during 2008 the EACI continued to promote the call for proposals by organising Info Days in order to increase awareness of the programme: more than 70 projects were set in 2008, while 35 National Info Days were organized in 24 countries.

Furthermore, information about call for proposals, calls for tenders and events related to the IEE Programme are published on the DG TREN⁶ and ManagEnergy⁷ websites.

On 31st January, 460 participants took part in the European IEE Info Day 2008 held in Brussels during the European Sustainable Energy Week 2008. It provided participants with essential information and advice on how to develop a good project proposal and apply successfully. It also offered the chance to find project partners from across Europe. Among the participants there were local, regional and national authorities, private companies, European and national trade associations, non-governmental organisations, European institutions, current IEE project partners, and future applicants.

More information on the IEE programme is available on the following website: <http://ec.europa.eu/energy/intelligent>

⁶ http://ec.europa.eu/energy/index_en.htm

⁷ <http://www.managenergy.net/>

4. OTHER ISSUES

The **Executive Agency for Competitiveness and Innovation (EACI)** was set up by the Commission in May 2007 by enlarging and renaming the existing Intelligent Energy Executive Agency, which had managed the first IEE Programme since 2005. With regard to the CIP, the EACI has been entrusted with the implementation of certain projects of the EIP, such as the Enterprise Europe Network or eco-innovation first application and market replication projects, and the IEE II Programme. By the end of 2008, the building-up of the Agency's operational capability for the newly delegated programmes and projects had largely been finalised. Additional information on the Executive Agency for Competitiveness and Innovation can be found on the website <http://ec.europa.eu/eaci>.

In March 2008 the first meeting of the **Strategic Advisory Board on Competitiveness and Innovation** took place. It was established in October 2007 further to Article 48 of the CIP Decision and consists of 20 stakeholder representatives who have the responsibility to advise the Commission on the implementation of the CIP. The Board discussed, among other topics, how to increase complementarities among CIP implementing measures and also between the CIP and the 7th Research and Development Framework Programme as well as the coordination between CIP and similar national programmes supporting innovation to avoid overlapping. The following website provides information on the Board: http://ec.europa.eu/cip/ciplegalbase_en.htm.

During 2008 the European Commission prepared a "**Practical Guide to EU Funding Opportunities for Research and Innovation**". The Guide is conceived as practical and user-friendly in order to help potential beneficiaries of European funding programmes find their way through the three funding instruments (i.e. CIP, FP7 and Structural Funds) and identify the most appropriate funding scheme for them. The guide provides a concise description of the three funding sources. It explains how they can in practice be combined and provides policy makers with advice on setting up mechanisms at the national and regional levels to foster co-ordinated access to them.

The Guide is available on-line in several languages on the website http://cordis.europa.eu/fp7/consultation_en.html.

In May 2008 the **interim evaluation of the Entrepreneurship and Innovation Programme** was started. The overall aim of this interim evaluation is to provide recommendations regarding the effectiveness and efficiency of the EIP and on whether or not there is a need to readjust the implementing methods and/or means. The evaluation has focused on the performance of the previous EIC and IRC Networks and of the setting-up of the Enterprise Europe Network, and on the impacts of the financial instruments funded under the EIP and its predecessor programme. It confirmed that the objectives are highly pertinent and addresses the right issues in an efficient way. This evaluation, which was finalised in early 2009, has also provided a series of recommendations to improve the quality and relevance of the programme.

The **interim evaluation of the CIP Information and Communication Technologies Policy Support Programme (ICT PSP)** was conducted by a panel of experts from September 2008 to May 2009. The panel used an extensive range of Commission policy documents and reports concerning ICT-PSP and related activities. Interviews with selected National Contact Points have been also conducted and two reports have been produced specifically for the evaluation: an analysis of the available evidence performed by evaluation experts, and a self-assessment carried out by the DG INFSO services responsible for the design and implementation of ICT

PSP. The experts expressed confidence that the ICT-PSP established the basis for achieving impact. It also urged that the next phases of the programme would require a larger budget to bring about more significant impacts in deployment and interoperability. In addition, the evaluation has made a number of recommendations for further improving the ICT-PSP's design and implementation process.

In December 2008 the **interim evaluation of Intelligent Energy Europe Programme** was launched. The results of the evaluation are expected by the end of June 2009.

An **interim evaluation of the Competitiveness and Innovation Framework Programme** was launched in early 2009. As required under Article 8 of the Legal Base, the purpose is to evaluate progress in implementing the programme in line with the agreed objectives, with a particular emphasis on resolving practical problems that represent obstacles to its progress. The results of this evaluation are expected by the end of the year.

According to Article 4 of the Legal base, **non-EU countries may participate** in the CIP. In January 2009, the following non-EU-member countries were participating in the three specific CIP programmes:

- Entrepreneurship and Innovation Programme (EIP): Norway, Iceland, Liechtenstein, Croatia, the former Yugoslav Republic of Macedonia, Montenegro, Turkey and Serbia fully participate in the EIP; Israel and Albania participate in certain parts.
- Intelligent Energy Europe Programme (IEE): Norway, Iceland, Liechtenstein, and Croatia.
- ICT Policy Support Programme (ICT-PSP): Norway, Iceland, Liechtenstein, and Croatia.

5. CONCLUSIONS

During the second year of operation of the CIP most of the instruments and actions had been established. The execution rate of the total budget allocated to the three different programmes was above 99%.

Under the EIP, the financial instruments and the European Enterprise Network were fully operational and supporting European SMEs. As far as the eco-innovation first application and market replication projects are concerned, the call for proposals launched had a good response in terms of participation, in particular regarding SMEs (about 75% of participants were SMEs).

Under the ICT-Policy Support Programme, pilots and thematic networks were selected through a call for proposals involving a large number of public bodies and SMEs.

The actions of the IEE Programme implemented by procurement or competitive allocation of financial support reached a large number of public and private beneficiaries. There was a high proportion of SMEs among private beneficiaries and the calls benefited from the active involvement of applicants from all participating countries.

Promotion activities to raise awareness of the three specific programmes' instruments and measures took place in the participating countries. Specific websites of the initiatives and programmes remained the main communication instrument of the CIP.

Early in the programme period, some synergies were emerging, especially through the work of the Executive Agency for Competitiveness and Innovation, managing several aspects of the CIP, and the work of the Enterprise Europe Network, enhancing the information of all aspects of the CIP to SMEs. Other synergies were developed between the CIP and the main EU funds on research and innovation, such as the 7th Research Framework Programme and the Structural Funds.

The financial and economic crisis that began in 2008 has dramatically changed the economic environment for SMEs. This also has an impact on the operation of the CIP. Whereas the programme has a long-term objective, the Commission is carefully monitoring the implementation and the competitiveness needs. Interim evaluations of the three specific programmes were launched in 2008 and an interim evaluation of the CIP will take place in 2009.