



## **CIP Public Consultation Paper – G4 response**

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## **Objective**

This position paper provides the reader with the ideas from the G4 (Amsterdam, The Hague, Rotterdam, Utrecht) with reference to the future CIP programme beyond 2013. G4 is together with regional partners actively involved in the present programme and has a great interest in the successor of the Programme.

## **Opinion on the present CIP Programme**

The general objectives of the Competitiveness and Innovation Framework Programme are:

- to foster the competitiveness of enterprises, in particular of SMEs;
- to promote all forms of innovation including eco-innovation;
- to accelerate the development of a sustainable, competitive, innovative and inclusive information society;
- to promote energy efficiency and new and renewable energy sources in all sectors, including transport

All three sub-programmes are still relevant to the local governments and cities. This is reflected in the relatively high percentage of local and regional governments which are participating in the programmes (e.g. IEE). The methodology of central management of the CIP programme however, sometimes seem to create a threshold for local and regional governments to take part in the programmes compared to eg. the Structural Funds.

As almost all local governments have clear and ambitious objectives in the field of Innovation, renewable energies and/or ICT, and all have own measures on SME-support (eg. by specific regional programmes), the CIP programme should 'fit' the local policies in this respect. CIP could therefore be one of the most interesting programmes for local governments, besides the ERDF and ESF, however this is not always recognized. For example the 7<sup>th</sup> Framework Programme (e.g. Regions of Knowledge) offers less opportunities for integrated regional innovation policies. Within the G4 environment, not only the urban areas (cities) are relevant to innovation measures, but also their integrated regional economic development hotspots (e.g. Port of Rotterdam, Schiphol airport).

The G-4 cities (Amsterdam, Rotterdam, Utrecht and The Hague) have experienced the added value of cohesion policy increasingly from two ERDF article 10 pilot projects, six URBAN community initiatives (four Urban I and two URBAN II), the national Objective-2 programme for urban districts (six within the G-4 cities) and today an Operational Programme with subdelegation to the G-4 city administrations. These programmes have supported us to tackle specific urban issues in an holistic approach and strengthened the cities' position in the regional economic network. The CIP programme until now has not (or very limited) been connected directly to the Structural Fund programmes – and projects. We believe this connection could lead to more efficient and more focus on results within local and regional economic development. The Framework Programme is the most appropriate instrument for more fundamental R&D, while CIP is most suited for valorisation. Projects that boost the innovative capability of a cluster (composed of businesses and knowledge/research institutes that specialise in a particular economic sector in a particular geographic area) and for which the Framework Programme or CIP would be unsuitable (e.g. small infrastructure projects, SME projects, etc.) can be financed by the structural funds. Although there is information and guidance available on combining CIP programmes, FP7 and The Structural Funds, there is still some restraint due to the administrative procedures and requirements. Clear demarcation lines and Further simplification and coordination of programming, especially when it can be combined with local and regional funding could lead to more effective streamlining.

The G4 anticipate a positive effect from the decision to assign innovation and research to the portfolio of a single Commissioner. Even in this new situation, however, it remains necessary to ensure that the Framework Programme, CIP and the structural funds are complementary.

As in the new period 2013-2020 new programming methodologies are being proposed eg. within the cohesion policies (smart specialisation, partnership contracts and new instruments), the future CIP should take into account these developments, by looking for the best congruity. Looking at the three elements of the CIP programme, especially the EIP and the ICT PSP programme could fit the 'smart specialisation' strategy of a local and regional government. The thematic priorities stemming from the Integrated Guidelines and Flagship initiatives of the Europe 2020 strategy could offer a broader menu of themes for the Structural Funds. What is still missing in these sectoral priorities is a horizontal theme as exists today in sustainable urban development. Creating an urban dimension in the sectoral priorities could be a first (but not sufficient) step to allow for integrated planning at the local level.

As the Structural Funds possibly tend to smart specialisation, the CIP II programme therefore should NOT tend to specialise, but on the contrary, supply for a broader basic 'innovation climate' based on themes which could benefit all economic regions. A thematic approach focussed on basic themes as business framework conditions for SME's, ICT based services, promotion of renewable energies and energy efficiency is still needed to foster and support the competitiveness and innovation on a local/regional level. Each region and city should be able to use the broad CIP-themes to fit their own specific challenges.

To strengthen the effectiveness of the future CIP programme, a strong recommendation is made to focus on 'economic areas', built by both cities and regions. It is suggested to consider an 'urban agenda' in the CIP programme to meet the challenges. A more coherent approach in the support of the competitiveness of an innovative region (both by regional and local governments) will not only benefit the region, but will also contribute to the EU2020 goals.

The ERDF Operational programme 'Opportunities for West' proves that cooperation between regional and local authorities can be successfully realised. It also shows that regions can work closely together with their cities and even agree with an urban managing authority. That requires trust, cooperation and patience and possibly even a conditionality from the EU. The CIP programme – although centrally managed – could benefit from a stronger local/regional cooperation, because there will be focus and a successful working organisational infrastructure.

The G-4 believes financial engineering to be a crucial new instrument for the future EU programmes. Subsidies alone is no longer the only way forward. A mix between subsidies to cover risks and start up costs in combination with loans for the profitable elements investments offers interesting new possibilities. A stronger link between CIP and the Structural Funds should therefore be strived after.

In the urban view on economic development strategies and competitiveness the following issues are of main importance, and could preferably be addressed by the CIP II:

- Facilitating access to finance, taking into account cluster specific issues. Give room to new and innovative instruments
- Encourage stronger links between government, enterprises and universities in 'knowledge regions'
- Internationalisation. CIP II should consider to broaden it's scope to collaboration to BRIC countries e.g. under specific action-lines
- Development of new governance models focussed on creation of 'innovative climates'
- Living Labs methodologies in relation to Open Innovation (still an European strength, enabling user driven innovation success)
- Fostering entrepreneurship (e.g. in education)

- Apply ICT/eScience in specific regional strengths (eg. care, sustainability/mobility&energy, media)
- Attention for social innovation and human capital as key-enabler for ICT development
- International branding as innovative region in certain areas
- Continue to promote use of renewable energies and energy efficiency, with a focus on most effective locations
- Smart-infrastructure, open-data en smart-finance as enablers for renewable energies in cities

Summarized, The following issues need in our view attention for a competitiveness-related agenda (non-research) within the future CIP programme:

- Access to finance will be an important element in the next programming period; the way it will be organised will be of crucial importance for its success, including the involvement of local service providers
- Although new instruments are welcomed, the subsidy-instrumentation will still be needed for certain (high risk) areas for adequate innovation support measures
- Strong support for a wider Entrepreneurship & Innovation Programme with local/regional accents and support for clusters with partnerships (parallel to SF-discussion)
- Pilot and market replication projects for local/regional chosen themes (not only eco-innovation). Launch pad function for innovative ideas and approaches should be maintained and strengthened.
- Stronger cooperation of local/regional players with the Enterprise Europe Network to enhance leverage, and increased coordination and exchange of best practices between national/regional administrations
- Enabling conditions and a supportive framework for SME's still should be focus (instead of supporting SME's directly). CIP II could take into account innovative local/regional approaches (e.g. on ICT) for EU-wide dissemination
- Reduction of administrative burdens e.g. financial guarantees from public authorities, but also should be tailored to the target groups as SME's (this would certainly enhance the participation of SME's)
- We welcome the use of 'open priorities', which provide funding for relevant projects that may not fit the general themes, but could be very beneficial for 'smart specialisation' of innovative regions and/or city-areas

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