

ANNEX 1:

REPORT ON THE ONLINE SURVEY ON THE FUTURE OF THE CIP ACTIONS.

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Main Abbreviations and Acronyms

CIP	Competitiveness and Innovation Framework Programme
EEN	Enterprise Europe Network
EIP	Entrepreneurship and Innovation Programme
EU	European Union
ICT	Information and Communication Technology
ICT-PSP	ICT – Policy Support Programme
IEE	Intelligent Energy Europe Programme
NGO	Non Governmental Organisation
R&D	Research and Development
SME	Small and Medium Sized Enterprises

1. EXECUTIVE SUMMARY

This public consultation forms part of an impact assessment which will inform the design of a possible successor programme to the Competitiveness and Innovation Framework Programme (CIP 2007-2013), consisting of three operational programmes: the Entrepreneurship and Innovation Programme, the ICT – Policy Support Programme and the Intelligent Energy Europe programme. The consultation was undertaken in order to provide the Commission with public views on what the future priority areas for an EU intervention in these areas should be, and what instruments should be used.

PROFILE

A total of 676 participants took part to the public consultation. Nearly a third (32%) of all participants took part as individuals, while 68% responded on behalf of an organisation. Of these, nearly 30% were representatives of Small and Medium Enterprises (SME), the majority of which (60%) were Micro Enterprises. France and Spain based individuals and entities were the most represented among all participants, each accounting for 11% of all responses. They were followed by Belgium based (9%), Netherlands based (7%) and Germany based (7%) individuals and organisations. A large majority of participants had been involved in an EU programme or initiative at some point.

OBJECTIVES

- ***The appetite for an EU intervention in the areas of business support, innovation, technology and energy efficiency is very high*** among most categories of stakeholders, from policymakers to bankers, support organisations and businesses. Nearly all participants (95%) considered that an EU intervention designed to improve the business and innovation environment was needed at least to some extent. Circa 90% stated likewise with regards to sector-specific support, while 75% agreed on the need for EU-wide SME-targeted support.
- ***When asked about what they thought these interventions should specifically be seeking to achieve, the enthusiasm was equally high:*** the vast majority of participants agreed on the need for a future EU programme to seek to improve framework conditions targeting the business environment in which companies operate (92%), to provide better access to finance from local sources for start-up and growth of SMEs and innovation (90%), to improve business support services through intermediaries (84%) and to enhance direct support in the form of grants to pilot actions testing innovative solutions in real settings or to market replication projects (91%).
- ***Direct support in the form of grants to pilot actions testing innovative solutions was seen as the top priority such policies should focus on,*** with 58% strongly agreeing that this objective should be pursued by a potential future CIP.
- Improving access to finance from local sources (venture capital and loans) for start-ups, growth of SMEs and innovation came second in the list of priorities (52%), while the improvement of framework conditions targeting the business environment came just behind (50%). The improvement of business support services through intermediaries received the lowest support among the objectives that a future CIP should pursue, with 46% of participants strongly supporting it.

INSTRUMENTS

- ***Business and innovation support, whether in the form of hands-on support or in the form of grants, seems to be the single most popular area of intervention as part of EIP,*** with 55% all respondents stating it as a very relevant area of intervention. Support was particularly high among representatives of associations of enterprises (64%) and support organisations (62%).

- Support for eco-innovation and clean technologies (49%), and support for the internationalisation of SMEs (46%), was also high amongst all categories of participants.
- There seems to be a large appetite for actions pushing through the ICT agenda for Europe. Each of the ten areas for intervention presented in the questionnaire as ones the ICT-PSP programme should be focussing on in the future was highly rated by all categories of respondents, with at least 80% stating they were at least somewhat relevant.
- ***Actions supporting specific actions for improving access to finance for innovative ICT SMEs received the largest support***, with 36% judging it as a very relevant area for intervention. Representatives of regional and local administrations and financial institutions were particularly enthused by the idea (48%) as well as representatives of NGOs (44%) and national administrations (43%).
- Actions designed to help implementing a sustainable energy policy and supporting the use of renewable received overwhelming support amongst participants. Of the seven initiatives put forward in the consultation, none was rated as irrelevant by more than 4% of all respondents. Between 83% and 88% rated the initiatives as at least somewhat relevant, and between 61% and 79% rated them as relevant or very relevant.
- ***The implementation of actions fostering the use of renewable energies came first in terms of perceived priorities the EU should be focusing on as part of the IEE programme in the future***. Nearly 50% of all respondents rated the idea as very relevant, a view shared by an even higher proportion of NGO, Local, Regional and National administration representatives.

It is to be noted that while SMEs are the principal target of most of the initiatives presented in the questionnaire, they were seldom the most enthusiastic category of participants in terms of support for EU intervention, though there were a few exceptions: actions to support the internationalisation of SMEs, to stimulate the entrepreneurship spirit and to help take innovative ideas on the route to market and commercialisation received large support among SMEs.

2. POLICY CONTEXT

2.1.1. *Current CIP*

The Competitiveness and Innovation Framework Programme (CIP) 2007-2013¹ is one of the key EU funding instruments to support competitiveness. The CIP is made up of three sub-programmes which have the following objectives:

- **Entrepreneurship and Innovation Programme (EIP)** - improvement of the business environment, with particular attention to the needs of small and medium enterprises (SMEs) and promoting innovation;
- **ICT Policy Support Programme (ICT-PSP)** - acceleration of an information society;
- **Intelligent Energy Europe programme (IEE)** - promotion of energy efficiency and renewable energy sources.

The three sub-programmes use a variety of instruments to achieve their objectives. These include:

- Facilitating access to finance through loan guarantees (SME Guarantee Facility) and venture capital (SME Guarantee Facility) of the EIP or the ELENA Facility of the IEE;
- Offering business support services, such as the Enterprise Europe Network. Intermediaries supported currently include: innovation agencies, chambers of commerce or regional development agencies;
- Pilot and market replication projects, such as in the eco-innovation and ICT sectors;
- Actions supporting innovation, such as Europe INNOVA or PRO-INNO Europe;
- Promoting trans-national cooperation and mutual learning among relevant public and private actors, including business and innovation providers or policy makers at the European, national and regional levels;
- Promotional campaigns, such as the Sustainable Energy Europe Campaign and the European SME week;
- Europe-wide studies aimed at improving policy.

2.1.2. *Policy context*

A possible successor to the CIP 2007-2013 has the potential to highlight the importance of competitiveness-related expenditure outside the research area. Competitiveness-related expenditure in areas which come after the research phase is important to implement the Europe 2020 strategy. This strategy aims to turn the EU into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion. Depending on the final design, a possible successor instrument may have a role in underpinning a number of "Europe 2020" flagship initiatives including: "Innovation Union", "Industrial policy for the globalisation era", "A digital agenda for Europe", "Resource efficient Europe" and "An agenda for new skills and jobs".

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¹ http://ec.europa.eu/cip/index_en.htm

2.1.3. Challenges

The Commission is therefore looking for the best ways to address the key challenges which relate principally to:

- How EU programmes can better support enterprises, in particular SMEs. Proposed initiatives aim to provide support by facilitating their access to finance, improving the business framework conditions, making accessible and providing adequate information, and facilitating the internationalisation of enterprises to enable them to benefit more from the EU and global markets
- How to foster competitiveness and innovation in sectors of major development potential. Initiatives focus on supporting eco-innovation, clusters, green and innovation friendly public procurement, key enablers: technologies like nanotech or biotech and skills;
- How to stimulate a wider uptake of innovative ICT based services and the exploitation of digital content across Europe. Initiatives are aimed at:
 - ensuring full exploitation of the digital technology/economy in Europe;
 - supporting the deployment of interoperable pan-European ICT based services;
 - supporting high growth SMEs in ICT in Europe
- How to promote the use of renewable energies and energy efficiency.

2.2. Objective of the consultation

This public consultation forms part of an impact assessment which will inform the design of a possible successor instrument to the CIP 2007-2013. The consultation was undertaken in order to provide the Commission with public views on what the future priority areas for an EU intervention in these areas should be, and what instruments should be used.

2.3. Target audience

This survey was addressed to organisations or individuals who wished to give their views on how a possible successor to the CIP might be structured and what its priorities should be. In particular the survey was addressed to the following:

- Enterprises who are beneficiaries of the CIP – both individual companies and associations;
- Business and innovation support providers – both public and private;
- National, regional and local public administrations;
- Financial organisations.

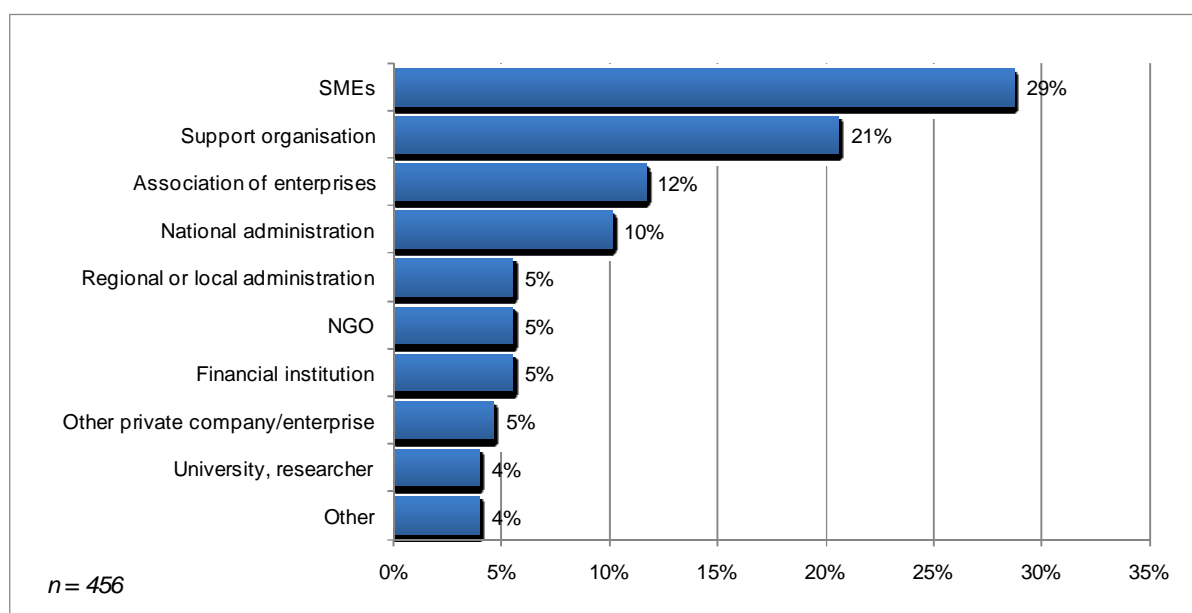
The consultation took place between 5 November 2010 and 11 February 2011, and the questionnaire was available in six EU languages (English, French, German, Spanish, Italian and Polish).

3. PROFILE OF CONSULTATION PARTICIPANTS

A total of 676 participants took part to the public consultation. Nearly a third (32%) of all participants took part as individuals, while 68% responded on behalf of an organisation.

Of these, nearly 30% were representatives of Small and Medium Enterprises (SME)², the majority of which (60%) were Micro Enterprises³. Among those responding on behalf of an organisation, support organisations were also heavily represented with circa 25% of all respondents, followed by Associations of Enterprises (12%) and National Administration Representatives (10%). Figure 1 below shows the distribution of all respondents by type of organisation.

Figure 1: Whom participants responded on behalf of



Source: Public Consultation about a possible successor to the CIP, 2011

Over 25% of all respondents stated their main occupation was in the area of Business and Innovation Support, while another 45% of respondents were evenly split between the professional fields of Research & Technological Development, Policy design and the Development, Production and Marketing of products and services, with each category accounting for circa 15% of all respondents.

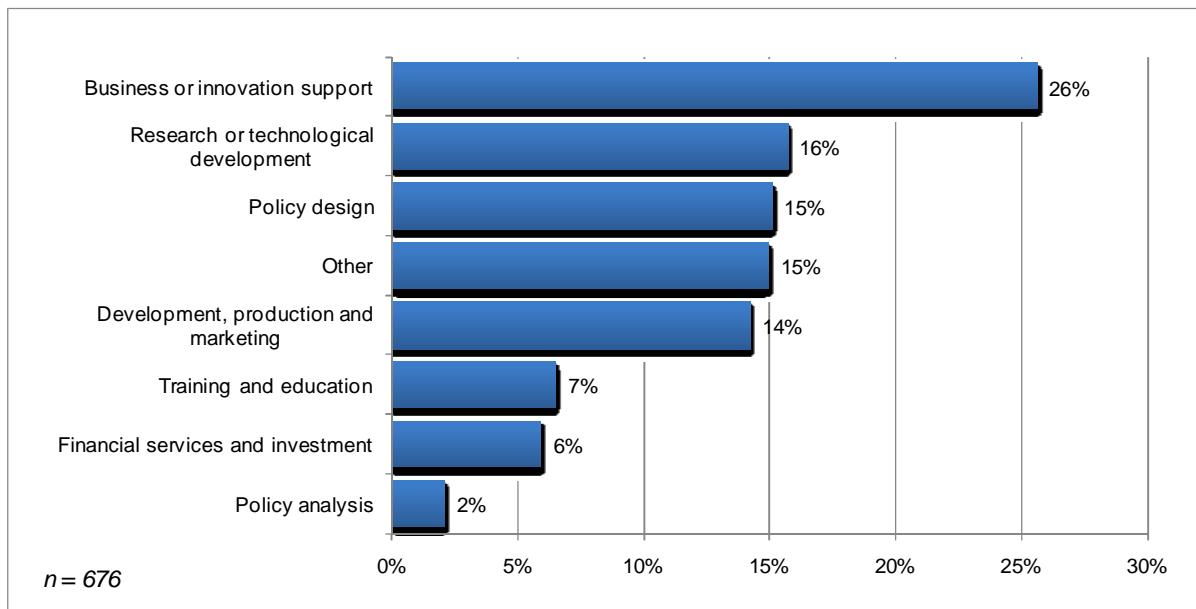
² A Small or Medium Enterprise is defined by an enterprise which fulfils one or more of the following criteria:

- Employing less than 250 people;
- Turnover less than or equal to €50 million;
- Balance sheet total less than or equal to €43 million.
-

³ A Micro Enterprise is defined by an enterprise which fulfils one or more of the following criteria:

- Employing less than 10 people;
- Turnover less than or equal to €2 million;
- Balance sheet total less than or equal to €2 million.

Figure 2: Respondents' main activity

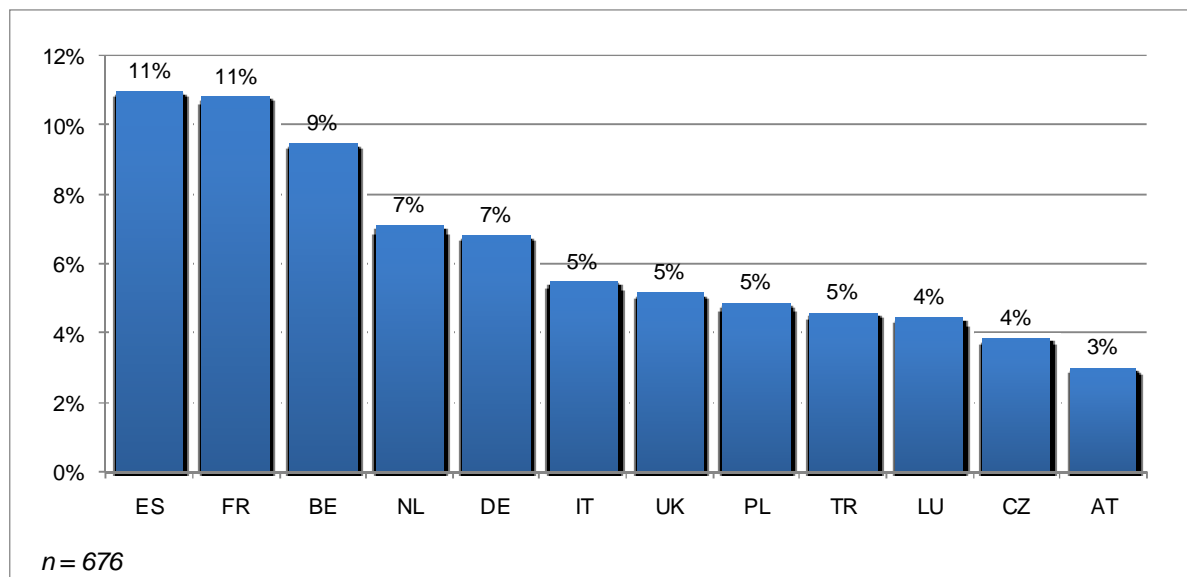


Source: Public Consultation about a possible successor to the CIP, 2011

Figure 2 above depicts the occupational profile of participants. A qualitative analysis of the “Other” category, which accounts for 15% of all respondents, reveals that the vast majority of those were involved in lobbying activities on behalf of the industrial sector they represent, at the national or pan-European level.

A geographical analysis showed that France and Spain based individuals and entities were the most represented among all participants, each accounting for 11% of all responses. They were followed by Belgium based (9%), Netherlands based (7%) and Germany based (7%) individuals and organisations. Turkey was the most represented non-EU member in this consultation, accounting for 5% of all responses, putting it on a par with Italy, United Kingdom and Poland based individuals and organisations. Figure 3 below shows the twelve most represented countries among the consultation participants. All 27 EU Member States were represented by at least one participant.

Figure 3: Geographical location of respondents



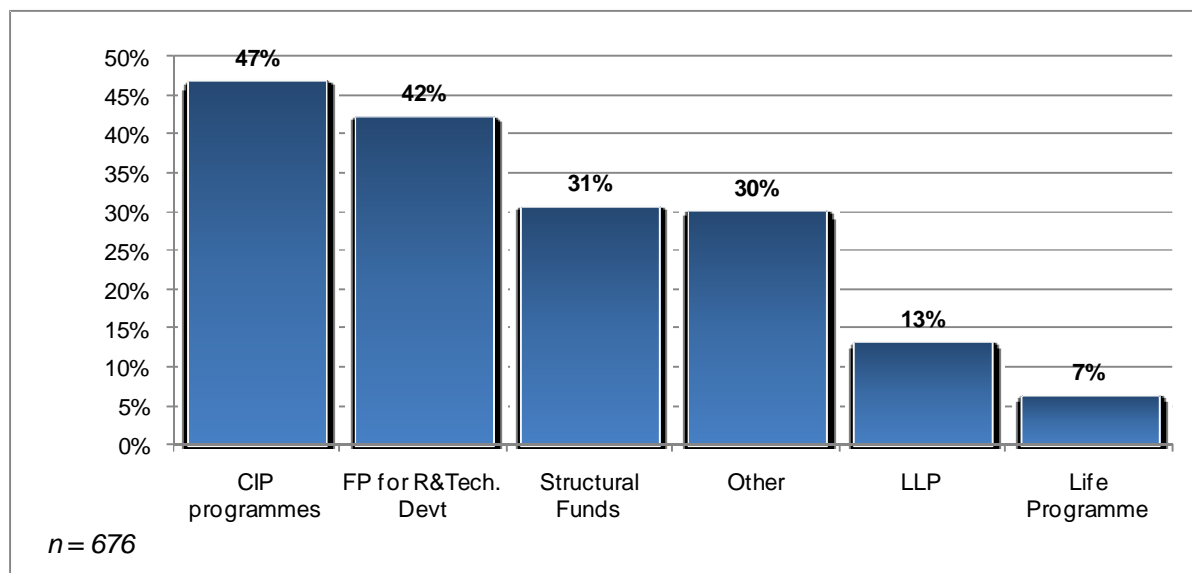
Source: Public Consultation about a possible successor to the CIP, 2011

Over 75% of respondents claimed having been involved in EU projects or benefited from EU support. However this proportion was significantly lower for SMEs (60%) and lower still for Micro Enterprises (53%). At the other end, Support Organisations and Universities were the most likely to have interacted with EU institutions, with 91% and 94% respectively claiming that they had been involved in EU projects or received support from the EU. Those who took part to the consultation as individuals were just as likely to have interacted with the EU as those responding on behalf of organisations (75% each).

Of those who had participated in EU projects (512), over 60% reported they had been involved in at least two different programmes. Of the seven EU programmes listed in the questionnaire⁴, the Framework Programme for Research and Technological Development was by far the most widely used among participants, with 56% claiming they had been involved. It was followed by the EU structural Funds (41%), EIP (29%) and ICT-PSP (19%). 30% respondents stated they had been involved, or benefited from other, non-listed EU programmes. Figure 4 above summarizes the degree of involvement reported by respondents in a range of EU programmes.

Figure 4: Percentage of respondents involved in a range of EU programmes

⁴ Entrepreneurship and Innovation Programme (EIP); ICT-Policy Support Programme (ICT-PSP); Intelligent Energy Europe Programme (IEE); Framework Programme for research and technological development; European Structural Funds; Life Programme; Lifelong Learning Programme (LLP).



Source: Public Consultation about a possible successor to the CIP, 2011

The likelihood of having been involved in one particular EU programme seemed to differ significantly depending on whether they were responding to the consultation as individuals or on behalf of an organisation. For instance, the former were significantly more likely to have been involved in the FP for Research and Technological Development than the latter (69% as opposed to 52%), while the opposite is true of EIP (24% as opposed to 31%).

4. AWARENESS OF CURRENT INTERVENTIONS

The consultation asked participants to rate their level of knowledge with regards to a range of current programmes falling under the remit of CIP, as well as to a range of services provided as part of CIP.

4.1. General awareness of programmes and services

Responses revealed, as would be expected, *varying degrees of awareness between the different programmes and services* enquired about in the survey. While 75% of all respondents stated being somewhat or very aware of CIP, they were only 57% to state a similar degree of knowledge for the EIP programme in particular, 50% for the ICT-PSP programme, and 44% for the IEE programme.

The variation in levels of awareness was greater still when looking at the services provided under CIP. Enterprise Europe Network was by far the commonly known service among respondents, with 58% stating they were aware of it at least to some extent. It was followed by actions supporting innovation (such as Europe INNOVA) with 49%, the CIP Financial Instruments with 46%, and ICT pilot and networking actions with 41%. Only 16% of all participants were at least somewhat aware of the ELENA facility.

4.2. Awareness by type of organisation and activity

The professional background plays an important role in determining the level of awareness of each individual CIP programme and service. Participants' likelihood of being familiar with specific CIP programmes or services varied significantly depending on which type of organisation they belonged to, and what their main field of activity was.

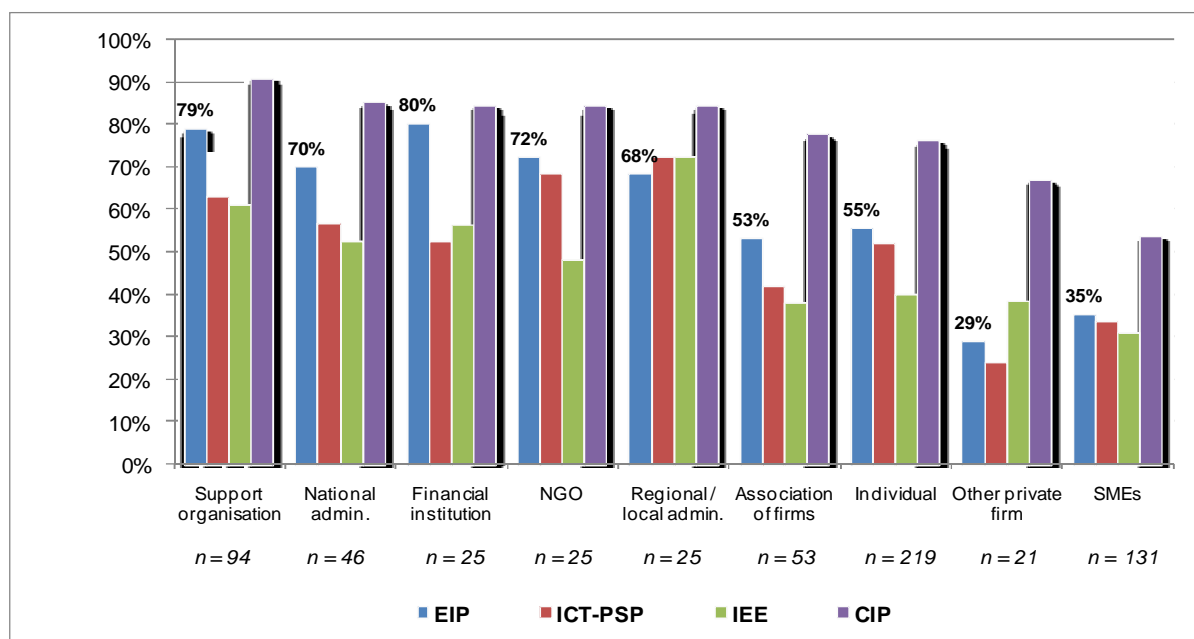
For instance, while 90% of Support Organisation representatives stated being at least somewhat familiar with CIP, just over 50% of those answering on behalf of an SME stated likewise. The IEE programme was most commonly known among Regional and Local Administration representatives (72%) and least known by SMEs (31%) and associations of enterprises (38%). Circa 80% of Financial

Institution and Support Organisation representatives were familiar with the EIP programme, which was also least known by SMEs and other private enterprises (35%).

All but one Financial Institution representatives claimed to be at least somewhat aware of the CIP financial instruments, while just 25% of Small enterprises stated likewise (Micro and Medium sized firms were significantly more knowledgeable than the Small enterprises with 37% and 39% respectively stating they were at least somewhat aware of the CIP financial instruments). Enterprise Europe Network was most commonly known amongst Support organisations (87%), Researchers (72%) and Regional or Local Administrations (64%). A similar trend applies to Innovation support activities provided under CIP.

A similar pattern emerges when controlling for participants' main activity, or that of the organisation they represent. While over 90% of those involved in Policy analysis or Policy design were at least somewhat aware of CIP, only 43% of those developing, producing or marketing good and services (principally private enterprises) stated likewise. The former were consistently the most aware across all specific CIP programmes and services, and the latter consistently the least aware.

Figure 5: Awareness of CIP and CIP programmes, by type of organisation



Source: Public Consultation about a possible successor to the CIP, 2011

5. MARKET FAILURE ASSESSMENT

The consultation went on to assess the extent to which stakeholders perceived a need for an EU wide intervention in the form of programmes designed to create a more favourable business and innovation environment, to support SMEs and to provide sector-specific support, for example in ICT or eco-innovation.

The appetite for such interventions seems very large, regardless of the type of organisation respondents belong to or the type of activities they are involved in. Nearly all participants (95%) considered that an EU intervention designed to improve the business and innovation environment was needed at least to some extent. Circa 90% stated likewise with regards to sector-specific support, while three quarters agreed on the need for EU-wide SME-targeted support.

When asked about what they thought these interventions should specifically be seeking to achieve, the enthusiasm was equally high: the vast majority of participants agreed on the need for

a future EU programme to seek to improve framework conditions targeting the business environment in which companies operate (92%), to provide better access to finance from local sources for start-up and growth of SMEs and innovation (90%), to improve business support services through intermediaries (84%) and to enhance direct support in the form of grants to pilot actions testing innovative solutions in real settings or to market replication projects (91%).

Those respondents involved in Policy Analysis were the least likely to agree with the two last statements, though a large majority still endorsed these ideas (64% and 71% respectively).

6. PERCEIVED RELEVANCE OF FUTURE INTERVENTIONS

The last part of the questionnaire, and also the largest, was seeking to establish how relevant a number of potential future specific interventions under each of the CIP main policy areas were perceived by the public.

6.1. Entrepreneurship & Innovation Programme (EIP)

6.1.1. General EIP related policy options

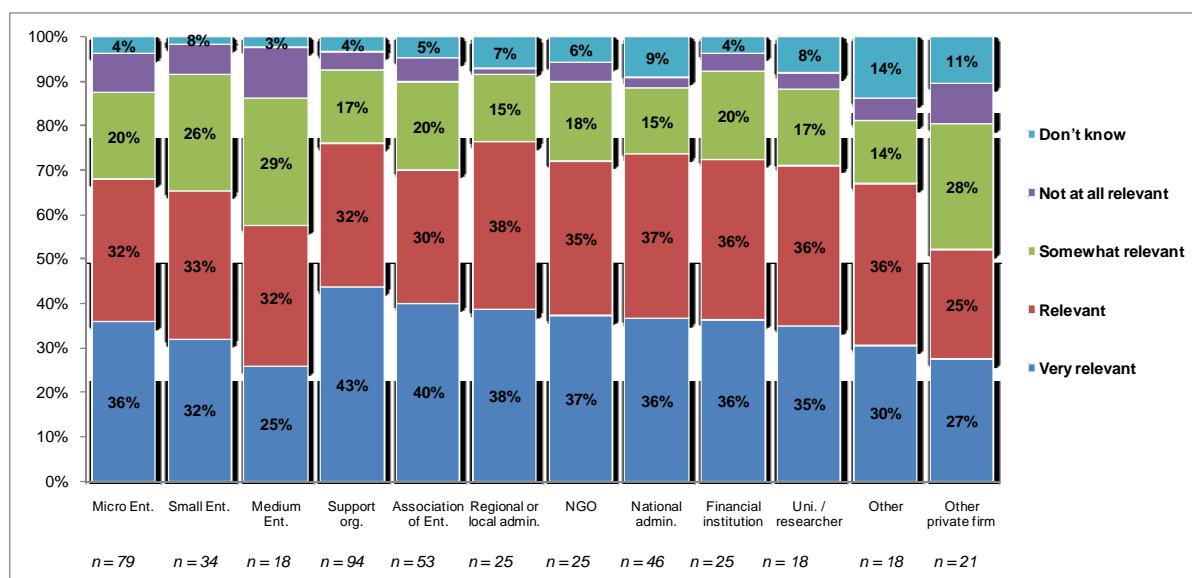
A range of seventeen areas for intervention were presented to participants for testing. *Feedback for most of these was overwhelmingly positive, with circa 90% of respondents judging them at least somewhat relevant.*

- *Business and innovation support, whether in the form of hands-on support or in the form of grants, seems to be the single most popular area of intervention*, with over 50% of all respondents stating it as very relevant. Support was particularly high among representatives of associations of enterprises (64%) and support organisations (62%).
- Financial institution representatives were overwhelmingly supportive of *EIP financial instruments*, as 37% stated them as very relevant. Support for these was also high among National administration representatives (52%).
- *Support for eco-innovation and clean technologies, and support for the internationalisation of SMEs*, were also seen as highly relevant by all categories of participants.

When asked to elaborate about the types of actions or areas for intervention that a future EIP should take into consideration, key themes emerged including:

- Access to financial instruments;
- Support in applying for funding;
- Hands-on support to help licence and commercialise innovative ideas;
- Better dissemination of information relating to innovation - Technology Transfer;
- Support collaboration with research entities to develop innovative ideas;
- Help to internationalise.

Figure 6: Perceived relevance of EIP initiatives by category of respondents



Source: Public Consultation about a possible successor to the CIP, 2011

A specific question was asked about the areas the Network should focus on, if it was to be renewed. **There was a broad support (76%) for the Network to keep providing both business and innovation services**, as well as to help Network partners in the regions to improve their service delivery (50%), regardless of the type of organisation participants represented, or the type of activities they are involved in.

While all of the five proposed eco-innovation specific interventions were seen as at least somewhat relevant by 90% of respondents, support in the form of grants for market replication projects received the largest support as 40% stated it as being very relevant. This was followed by support to green public procurement (37%), support to debt refinancing (30%) and support to the provision of venture capital and the exchange of good practices (29% each).

6.2. ICT Policy Support Programme (ICT-PSP)

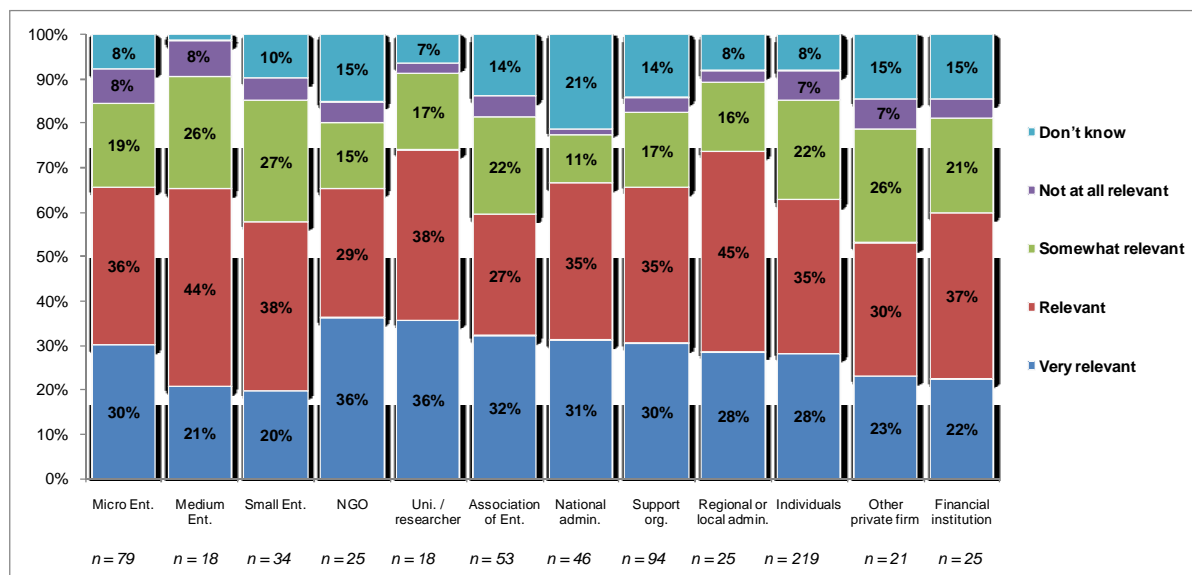
There seems to be a large appetite for actions pushing through the ICT agenda for Europe. The relevance of each of the ten areas for intervention presented in the questionnaire the ICT-PSP programme should be focussing on in the future was highly rated by all categories of respondents, with at least 80% stating they were at least somewhat relevant. None of the initiatives proposed were seen as irrelevant by more than 9%.

Activities supporting specific actions for improving access to finance for innovative ICT SMEs received the largest support, with 36% judging it as a very relevant area for intervention. Representatives of regional and local administrations and financial institutions were particularly enthused by the idea (48%) as well as representatives of NGOs (44%) and national administrations (43%).

The direct support of ICT SMEs through the award of grants also received broad support: 35% of all participants rated it as very relevant. Research organisations and Micro Enterprises were particularly supportive of the idea (56% and 46% respectively).

The stimulation of innovation friendly markets in ICT through pilot actions, as well as the deployment of interoperable pan-European ICT based services, were rated as very relevant by circa 30% of all participants, and received particularly high support among national administration representatives.

Figure 6: Perceived relevance of ICT-PSP initiatives by category of respondents



Source: Public Consultation about a possible successor to the CIP, 2011

6.3. Intelligent Energy Europe (IEE)

Implementing a sustainable energy policy and supporting the use of renewable energies is seen as one of the top priorities the EU should focus on in the future. Of the seven initiatives put forward in the consultation, none was rated as irrelevant by more than 4% of all respondents. Between 83% and 88% rated the initiatives as at least somewhat relevant, and between 61% and 79% rated them as relevant or very relevant.

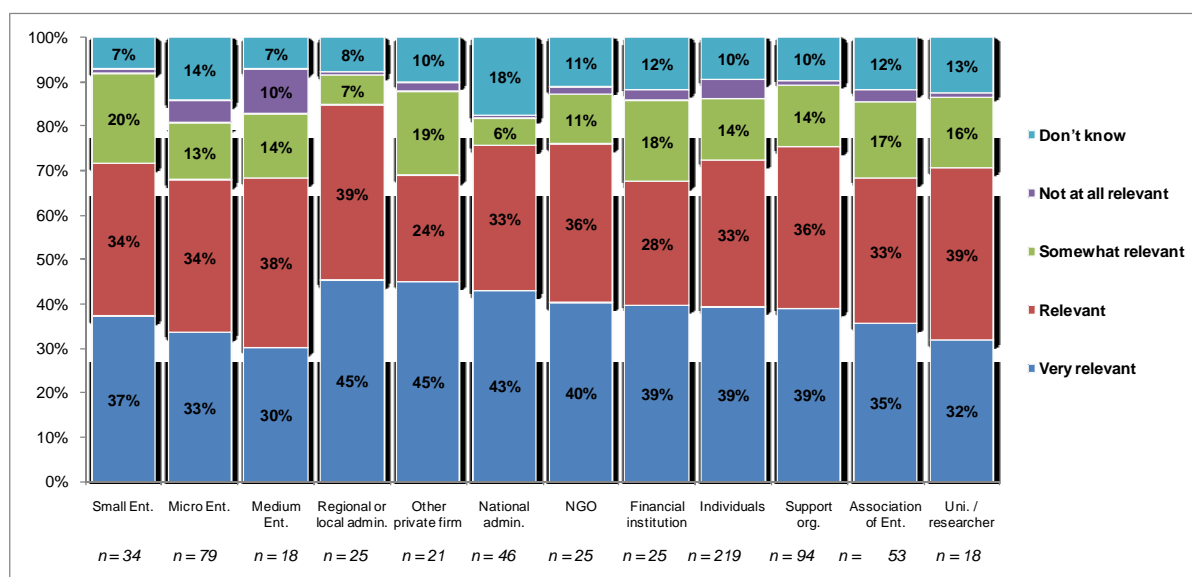
The implementation of actions fostering the use of renewable energies came first in terms of perceived priorities the EU should be focusing in the future. Nearly half of all respondents rated the idea as very relevant, a view shared by an even higher proportion of NGO, Local, Regional and National administration representatives.

Actions designed to instil a more efficient and rational use of energy were also deemed particularly relevant by a large proportion of respondents, and especially so by administration representatives, as well as respondents participating on behalf of large companies.

The importance of pushing for this shift towards energy efficiency and the use of renewable energies in the sector of Transport seems well understood by the public. The promotion of energy efficiency and the use of new and renewable energy sources in transport were rated as very relevant ideas by 45% of all respondents, and by as many as 60% of regional and local administration representatives.

SME representatives appeared as the least keen for the EU to intervene in the area of renewable energies and energy efficiency. This finding also applies to representatives of associations of enterprises defending the interests of firms operating in specific industrial sectors.

Figure 7: Perceived relevance of IEE initiatives by category of respondents



Source: Public Consultation about a possible successor to the CIP, 2011

7. CONCLUSIONS & RECOMMENDATIONS

OBJECTIVES

- The appetite for an EU intervention in the areas of business support, innovation, technology and energy efficiency is very high** among most categories of stakeholders, from policymakers to bankers, support organisations and businesses. Nearly all participants (95%) considered that an EU intervention designed to improve the business and innovation environment was needed at least to some extent. Circa 90% stated likewise with regards to sector-specific support, while 75% agreed on the need for EU-wide SME-targeted support.
- When asked about what they thought these interventions should specifically be seeking to achieve, the enthusiasm was equally high:** the vast majority of participants agreed on the need for a future EU programme to seek to improve framework conditions targeting the business environment in which companies operate (92%), to provide better access to finance from local sources for start-up and growth of SMEs and innovation (90%), to improve business support services through intermediaries (84%) and to enhance direct support in the form of grants to pilot actions testing innovative solutions in real settings or to market replication projects (91%).
- Direct support in the form of grants to pilot actions testing innovative solutions was seen as the top priority such policies should focus on,** with 58% strongly agreeing that this objective should be pursued by a potential future CIP.
- Improving access to finance from local sources (venture capital and loans) for start-ups, growth of SMEs and innovation came second in the list of priorities (52%), while the improvement of framework conditions targeting the business environment came just behind (50%). The improvement of business support services through intermediaries received the lowest support among the objectives that a future CIP should pursue, with 46% of participants strongly supporting it.

INSTRUMENTS

- ***Business and innovation support, whether in the form of hands-on support or in the form of grants, seems to be the single most popular area of intervention as part of EIP***, with 55% all respondents stating it as a very relevant area of intervention. Support was particularly high among representatives of associations of enterprises (64%) and support organisations (62%).
- Support for eco-innovation and clean technologies (49%), and support for the internationalisation of SMEs (46%), was also high amongst all categories of participants.
- There seems to be a large appetite for actions pushing through the ICT agenda for Europe. Each of the ten areas for intervention presented in the questionnaire as ones the ICT-PSP programme should be focussing on in the future was highly rated by all categories of respondents, with at least 80% stating they were at least somewhat relevant.
- ***Actions supporting specific actions for improving access to finance for innovative ICT SMEs received the largest support***, with 36% judging it as a very relevant area for intervention. Representatives of regional and local administrations and financial institutions were particularly enthused by the idea (48%) as well as representatives of NGOs (44%) and national administrations (43%).
- Actions designed to help implementing a sustainable energy policy and supporting the use of renewable received overwhelming support amongst participants. Of the seven initiatives put forward in the consultation, none was rated as irrelevant by more than 4% of all respondents. Between 83% and 88% rated the initiatives as at least somewhat relevant, and between 61% and 79% rated them as relevant or very relevant.
- ***The implementation of actions fostering the use of renewable energies came first in terms of perceived priorities the EU should be focusing on as part of the IEE programme in the future***. Nearly 50% of all respondents rated the idea as very relevant, a view shared by an even higher proportion of NGO, Local, Regional and National administration representatives.

It is to be noted that while SMEs are the principal target of most of the initiatives presented in the questionnaire, they were seldom the most enthusiastic category of participants in terms of support for EU intervention, though there were a few exceptions: actions to support the internationalisation of SMEs, to stimulate the entrepreneurship spirit and to help take innovative ideas on the route to market and commercialisation received large support among SMEs.