

**Contribution by the Ministry of Industry and Trade of the Czech Republic
to the public consultations on a successor programme to the Competitiveness and
Innovation Framework Programme (CIP) 2007-2013**

February 2011

Given the priorities and views described below, there is a need to stress the importance of CIP for increasing the competitiveness of the EU. We are convinced that this programme now and its possible successor in the future would contribute to reaching the goals of the Europe 2020 Strategy (the requirements for smart, sustainable and inclusive growth), since its aim is to encourage the entrepreneurship and support of innovation (eco-innovation), ICT and energy efficiency and the use of renewable sources of energy. **Areas covered by the three pillars therefore should remain at the centre of our attention and slightly be broadened so as to reflect current trends and Europe 2020 flagship initiatives** (see comments on the pillars below).

We see the clear added value in having a programme covering the phase that brings ideas and research results from the demonstration phase into practice and enables pilot actions of innovative solutions in real settings and commercialisation of innovative ideas. Improving framework conditions targeting the business environment should continue as this enables and stimulates enterprises to take up new technologies and processes.

A balance and synergies between the possible successor of CIP, FP8 and operational programmes financed by Structural funds should be further ensured. The main priorities of these programmes, particularly those of FP8 and CIP II, should be closely concerted and inter-correlated to assure that the gap between R&D and market applications of respective R&D results is fulfilled.

Another question of fundamental importance with respect to future CIP II programme revolves around the intrinsic nature of CIP programme itself. CIP as we know it today essentially aims at **support and cultivation of innovation environments**, its legal and market environments as well as at a range of associated **indirect measures** (e.g. networking, ICT development, educational activities etc.). The key question, however, is why CIP II should not provide **direct support to the projects** enabling the R&D results (especially those stemming from FP8) to reach the market? In other words, we clearly feel that much stronger, aggressive market-oriented, practical support of individual projects of the forthcoming CIP II would be an asset. In this respect, our judgement is in full accord with the current conclusions of the Expert Panel on Services Innovation in the EU that suggested, as a key element of the future CIP II, so-called **demonstrator approach** for the development of innovation services. The demonstrators provide a staged process in which a range of alternative

solutions are initially developed, tested under **real market conditions** and then selected for further round of support and/or direct introduction to the market.

The division into three operational programmes helps in clear orientation inside the programme. However it could be useful to unify requirements on national contact points. Also, the official web site of CIP could become user-friendlier. Contrary to the ICT-PSP and the IEE programme there is not a special web site dedicated to the EIP, only the structure of the programme containing some description and links can be found. Especially for an entrepreneur browsing this web site for the first time it could be confusing.

Because the programme and projects carried out are based on international cooperation, **it would be useful to provide a unified partner search instrument for the CIP programme**. That way companies interested in taking part in the CIP can more easily find and join a consortium preparing a project in their field of interest. This would also facilitate the entrance of new companies into the programme. Until now, in many cases experienced companies were more successful in obtaining funding which lead to a narrow portfolio of companies involved in CIP. The possible successor of CIP should be designed user – friendlier so that a wider range of companies can participate in it.

In view of the importance and weight of small and medium-sized enterprises in the EU economy **we consider having a programme targeted mainly at SMEs highly relevant**. The programme contributes to reach the goals of the Small Business Act and helps to create linkages between the SBA and the Innovation Union flagships initiative.

Enhanced contact with the European Commission in terms of receiving information on the outcomes of the evaluation of the calls for proposals more in time would be welcomed by the national authorities and national contact points (particularly on project success and failure).

Some of the **financial instruments** of the current programme have a high leverage effect (up to 10 times of the amount of funds invested) and lead to closer cooperation with the private sector, hence **have a high economic impact**. Experience with new types of instruments in the current programme should be definitely used in preparation for the period after 2013. This could be one of the pluses of the possible successor of CIP.

Having said all this, **an increase in finance allocation for the possible successor of CIP should be considered and, moreover, the real EU added value of its interventions must be ensured in order to have a more significant influence on the competitiveness of the EU**. This is fully in compliance with the necessity for the next multiannual financial framework to reflect the strategic importance of R&D&I and tackle societal challenges.

To conclude, we are fully convinced of the effect of most CIP actions and the relevance of the CIP measures to foster competitiveness and innovation. This is a confirmation of the need to foster competitiveness through innovation for creating more jobs and growth in the EU and to reinforce the work done under CIP in the years to come.

Entrepreneurship and Innovation Programme (EIP)

A great interest from applicants for the eco-innovation call showed a potential for a bigger amount dedicated on that area. Also a need to have a wider range of financing options for eco-innovative SMEs (debt, equity etc.) and financing tailored to smaller scale projects was noted.

Pilot actions on key technologies, such as nano, biotech or space-related technologies, could be launched.

Promoting all forms of innovation in SMEs, including non-technological innovation and design, should be envisaged.

A certain flexibility in terms of covered areas could be useful; with view to fast changing conditions emerging needs could be tackled in due time. Financial instruments for SMEs (like equity financing and guarantees) are useful among others by covering different phases of the lifecycle of SMEs. Nevertheless steps should be taken to address more financial intermediaries in Member States and to enhance their benefits from participating in this scheme by signing an agreement with the EIF. That would enable all European SMEs to profit from this initiative (No financial institution from The Czech Republic signed a contract with the EIF as a financial intermediary yet).

Concerning different studies, analyses and support to exchange of best practice, we welcomed the continuation of the INNO-Policy Trendchart, which is very useful for uptake of the best practices in innovation policy.

The Enterprise Europe Network is already well established; regional coverage of all the partners from the consortia as well as close cooperation with different institutions providing support of entrepreneurship and innovation guarantees quality and free of charge services and information. The option of assistance in technology transfer and business matching contributes to increase of the EU competitiveness.

We fully acknowledge activities related to SME support on third markets and their internationalisation. Such an example could be SME IPR Helpdesk or EEN gateways to foreign countries like China or South Korea. Financial instruments for fast growing firms that wish to expand on global markets should be considered and services provided by EEN in that area could be strengthened, other countries should be covered.

We noted with interest and support the attention the European Commission is paying to review and improve indicators monitoring measures in order to reflect the expected impact and result of actions.

ICT Policy Support Programme (ICT-PSP)

We see the role of ICT and especially the support of the use and implementation of ICT solution to be essential for support and execution of the Digital Agenda for Europe.

The programme should increase coordination and exchange of best practices between national/regional administrations regarding business related policies and provide a platform for cooperation between the public administration and private sector in a way that would benefit the citizen and development of the single market.

Therefore the new programme should promote eGovernment services as an area that involves not only citizens but also private sector. This should be done not only through large-scale pilot projects, but also smaller projects that can serve better in testing solutions in through several states that be can in case of success further expanded.

The programme should in partnerships with industry prompt development of specific skills that would allow to further benefit and exploit the ICT (such as eSkills, IPR skills, innovation management skills).

The future EU programme for the ICT PSP area should enhance direct support, which would support pilot actions in form of grants, testing innovative solutions in real market settings and allow them to enter the single market area to become competitive and sustainable.

With regard to the tools we see a need to consolidate them into a coherent set e.g. Thematic Network and the Best Practice Network should be merged into a single instrument. We see however the Thematic Networks as important tool that should be kept and utilized for the new CIP programme, which helps to unify the various stakeholders and promote available technologies throughout the market towards the companies as well as the end users.

The CIP programme offers a functional and tested programme which can be used to encourage private and public stakeholders to fulfil the goals of Digital Agenda by promoting, monitoring and benchmarking the development of ICT and of the single digital market in Europe, by consensus building, stimulating the deployment of interoperable pan-European ICT based services, stimulating demand for innovation, increasing focus on the support of large partnerships for ICT solutions addressing key societal challenges, promoting ICT innovations at EU level, supporting specific actions for improving access to finance for innovative ICT SMEs, supporting specific actions for stimulating innovative public procurement on ICT.

Any successor to the CIP 2007-2013 should have the potential to highlight the importance of competitiveness-related expenditure in implementation/introduction of new technologies from the research in the digital single market. Its goal should be

to enhance the technological and innovation competitiveness of the EU products in the global market. It should turn the EU into a smart, sustainable economy delivering high levels of employment, productivity and adaptability to new market demands. Depending on the final design its role should be to facilitate the tools for the flagship initiatives: 'Innovation Union', 'Industrial policy for the globalisation era', 'A Digital Agenda for Europe', 'Resource efficient Europe' and 'An agenda for new skills and jobs'.

It should aim at giving support by providing adequate and accessible information focusing on key enabler technologies such as nanotech or biotech and skills, renewable energies and energy efficiency.

Providing the basis for internationalisation of enterprises to help them reap greater benefits from the EU and global markets and bringing the supporting mechanism for eco-innovation, green and innovation-friendly public procurement. Ensuring that the digital technology and the digital economy are fully exploited in Europe; supporting the deployment of interoperable pan-European ICT-based services and high-growth SMEs in ICT.

Intelligent Energy Europe Programme (IEE)

The current objectives of the programme (as set out in the Article 37 of the CIP Decision) is to contribute to secure, sustainable and competitively priced energy for Europe) by providing for action:

- to foster energy efficiency and the rational use of energy resources;
- to promote new and renewable energy sources and to support energy diversification;
- to promote energy efficiency and the use of new and renewable energy sources in transport.

should continue for the next period 2014-2020.

We also fully support the current way of managing the IEE Programme. The management of the IEE grants and part of the public contracts is delegated to the Executive Agency for Competitiveness and Innovation (EACI). Directorate General for Energy and Transport manages part of the public contracts for actions of a strategic nature, especially studies for preparation, implementation and evaluation of energy efficiency and renewables policy.

Large part of the IEE budget is allocated to the Promotion and Dissemination actions.

Concerning our recommendations for the CIP IEE Programme, we think that Member States should be provided with information on the numbers of applications for and take-up of CIP instruments by actors in their countries. Also, the Commission should continue to take steps to simplify administrative arrangements.

The Commission should develop a communication and dissemination strategy for CIP. It should reflect stakeholders' demand for simple, coherent and tailored messages.

The Commission should continue in development of appropriate monitoring and evaluation of the programme (in complementarity to FP 7/8 and Structural Funds monitoring and evaluation). The Commission should pay attention to the potential overlaps with other EU programmes and financial instruments.

Prague 1.2.2011