



Basic information	
<p>2005/0050(COD)</p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Decision</p>	Procedure completed
<p>Competitiveness and Innovation Framework Programme (CIP) 2007-2013</p> <p>Repealed by 2011/0394(COD) Amended by 2011/0301(COD)</p> <p>Subject</p> <p>3.40.14 Industrial competitiveness 3.45.02 Small and medium-sized enterprises (SME), craft industries 3.50.04 Innovation 5.05 Economic growth</p>	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	ITRE Industry, Research and Energy		CHATZIMARKAKIS Jorgo (ALDE)	20/04/2005
	Committee for opinion		Rapporteur for opinion	Appointed
	BUDG Budgets		FERBER Markus (PPE-DE)	09/06/2005
	ECON Economic and Monetary Affairs		LANGEN Werner (PPE-DE)	10/05/2005
	EMPL Employment and Social Affairs		SILVA PENEDA José Albino (PPE-DE)	24/05/2005
	ENVI Environment, Climate and Food Safety		SACCONI Guido (PSE)	24/05/2005
	IMCO Internal Market and Consumer Protection		The committee decided not to give an opinion.	04/07/2005
FEMM Women's Rights and Gender Equality		THOMSEN Britta (PSE)	29/11/2005	
Council of the European Union	Council configuration		Meetings	Date
	Competitiveness (Internal Market, Industry, Research and Space)		2658	2005-05-10
	Competitiveness (Internal Market, Industry, Research and Space)		2715	2006-03-13
	Competitiveness (Internal Market, Industry, Research and Space)		2653	2005-04-18
	Competitiveness (Internal Market, Industry, Research and Space)		2694	2005-11-28
	Transport, Telecommunications and Energy		2754	2006-10-12

European Commission	Commission DG	Commissioner
	Internal Market, Industry, Entrepreneurship and SMEs	VERHEUGEN Günter

Key events			
Date	Event	Reference	Summary
06/04/2005	Legislative proposal published	COM(2005)0121 	Summary
18/04/2005	Debate in Council		
27/04/2005	Committee referral announced in Parliament, 1st reading		
10/05/2005	Debate in Council		
28/11/2005	Debate in Council		
04/05/2006	Vote in committee, 1st reading		Summary
12/05/2006	Committee report tabled for plenary, 1st reading	A6-0180/2006	
31/05/2006	Debate in Parliament	CRE link	
01/06/2006	Decision by Parliament, 1st reading	T6-0230/2006	Summary
01/06/2006	Results of vote in Parliament		
12/10/2006	Act adopted by Council after Parliament's 1st reading		
24/10/2006	Final act signed		
24/10/2006	End of procedure in Parliament		
09/11/2006	Final act published in Official Journal		

Technical information	
Procedure reference	2005/0050(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
	Repealed by 2011/0394(COD) Amended by 2011/0301(COD)
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/27657






Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE360.262	20/07/2005	
Committee opinion	EMPL	PE360.138	11/10/2005	

Amendments tabled in committee		PE364.718	20/10/2005	
Amendments tabled in committee		PE364.760	21/10/2005	
Committee opinion	ENVI	PE362.658	24/11/2005	
Committee opinion	ECON	PE362.822	01/12/2005	
Amendments tabled in committee		PE367.642	20/12/2005	
Amendments tabled in committee		PE367.840	09/01/2006	
Committee opinion	BUDG	PE367.763	25/01/2006	
Committee opinion	FEMM	PE367.793	07/02/2006	
Committee report tabled for plenary, 1st reading/single reading		A6-0180/2006	12/05/2006	
Text adopted by Parliament, 1st reading/single reading		T6-0230/2006	01/06/2006	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	03622/4/2006	24/10/2006	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2005)0121 	06/04/2005	Summary
Document attached to the procedure	SEC(2005)0433 	06/04/2005	
Commission response to text adopted in plenary	SP(2006)2902	22/06/2006	
Follow-up document	COM(2013)0002 	15/01/2013	Summary
Follow-up document	COM(2014)0686 	30/10/2014	Summary
Follow-up document	SWD(2014)0335 	30/10/2014	Summary
Follow-up document	SWD(2024)0219	16/09/2024	
Follow-up document	SWD(2024)0220	16/09/2024	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ESC	Economic and Social Committee: opinion, report	CES1485/2005 OJ C 065 17.03.2006, p. 0022-0026	15/12/2005	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Competitiveness and Innovation Framework Programme (CIP) 2007-2013

2005/0050(COD) - 15/01/2013 - Follow-up document

In accordance with Decision No 1639/2006/EC, the Commission presents a report setting out the interim and final evaluations of the Competitiveness and Innovation Framework Programme 2007-2013 (CIP) and its sub-programmes. It formulates the Commission's response to the evaluations' recommendations and sets out follow-up measures.

The report recalls that the CIP is divided into three operational programmes: (i) the Entrepreneurship and Innovation Programme (EIP); (ii) the Information Communication Technologies Policy Support Programme (ICT-PSP); (iii) the Intelligent Energy Europe Programme (IEE).

The evaluations of EIP came to five main conclusions:

- the Programme was performing well and was on track to achieve the expected impacts;
- in most instances, the Programme was gathering momentum, as it was building on existing achievements;
- survey evidence demonstrated the 'utility' of the Programme, by confirming that it directly meets SME needs;
- evaluators found that interviews and other evidence point to a clear European value-added;
- the monitoring system is a valuable contribution to assessing the performance of the Programme on an on-going basis, but this system was still being developed in some areas and the data on indicators needed to be presented more consistently.

The report goes on to state that the Financial Instruments achieved the objectives of facilitating access to finance for the start-up and growth of SMEs. The evaluators found the Enterprise Europe Network to be well focused on its main objectives of promoting innovation, business co-operation and cross-border trading, and added that there is a high level of client satisfaction with the Network's services.

Lastly, the approach used for EIP eco-innovation related activities is found to be relevant in addressing existing market failures that restrict the sector, targeting both the demand and supply side of the market, as well as strengthening the operational environment. The evaluators found also that the scheme was likely to be significantly over-subscribed.

Recommendations: the evaluations made some recommendations on how to improve the implementation of the CIP and design a possible successor programme which have been taken into consideration when preparing the Commission proposals for successor programmes to the CIP, [COSME programme](#) and parts of [Horizon 2020](#).

- The CIP final evaluation report stated that **further synergies** between the three sub-programmes could be created by articulating new positions on central themes of the framework programme, for example on innovation policies. The report details actions to be taken in this regard.
- The CIP's **overall lack of visibility was identified as one of its main shortcomings**. However, it was also stressed that well-known brands such as the Enterprise Europe Network, Intelligent Energy Europe, and SME Week should not be renamed. Furthermore, better dissemination of information on successful activities supported by the Programme was recommended. The Commission actively uses the Enterprise Europe Network, which is funded by CIP, to distribute information on EU policies and services available under all programmes such as FP7 or Structural Funds. It details here a number of actions that have been undertaken to reach the broadest number of potential participants.
- It was recommended that a **stable set of output, result and impact indicators be devised to help monitor the programme effectiveness** and the achievement of its objectives. The Commission's proposals on COSME and parts of Horizon 2020 are addressing most of these recommendations, introducing in the legal text general and specific objectives linked to result and impact indicators.
- The EIP final evaluation recommended that further developments in the Entrepreneurship and Innovation Programme need to take care to build on current achievements and avoid the risks of disruption inherent in any new departures. In the EIP annual work programme 2013 the Commission will propose a continuation of successful actions from previous years or new actions based on past experiences, while at the same time ensuring consistence with political priorities and economic developments.
- The evaluation recommends keeping under review **the extent to which European value-added is evident in the Financial Instruments**. The Commission has taken this into account in the preparation of the next generation of financial instruments. European added value will be a key element of the new debt and equity platforms, on whose principles all future financial instruments in the MFF for 2014-2020 will be based. The main purpose of the financial instruments under the COSME programme will be to improve access to finance for SMEs in market segments which are not covered by Member States' measures, which are restricted to investments and support within each country. The focus will be on financing expansion of growth-oriented enterprises that are aiming at international expansion and developing a cross-border SME finance market. Only an EU-level programme can fulfil this role. Similarly, in the proposal on Horizon 2020, the Equity facility for Research & Innovation will complement national schemes that cannot cater for cross-border investments in R&I.
- With regard to eco-innovation the evaluation notes that the scheme is likely to be significantly over-subscribed. The Commission has proposed to include eco-innovation as one of the priorities in the Framework Programme for Research and Innovation - Horizon 2020, and to expand EU intervention both in terms of budget and range of instruments.

The Commission invites the Council and the Parliament to make full use of these recommendations when amending the Commission's proposals in view of the final adoption of the programmes.

Competitiveness and Innovation Framework Programme (CIP) 2007-2013

2005/0050(COD) - 30/10/2014 - Follow-up document

This report from the Commission concerns financial instruments supported by the general budget according to Article 140(8) of the Financial Regulation as at 31 December 2013.

The report focuses on all centrally-managed Financial Instruments for internal and external Union policies supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as of 31 December 2013.

To recall, financial instruments, including loans or guarantees with greater risk capacity, represent a smart way to finance the real economy, and boost growth and employment. They can achieve financial leverage (multiplying scarce budgetary resources by attracting private and public funds to support EU policy objectives), policy leverage (incentivising entrusted entities and financial intermediaries to pursue EU policy objectives through alignment of interest), and institutional leverage (benefiting from the expertise of the actors involved in the implementation chain).

This report is the **first to be prepared under the new requirements of the Financial Regulation**. It is intended to **provide an informative overview of how the taxpayer's money has been used** and of the progress made in the implementation of the Financial Instruments as of 31 December 2013.

The report is complemented by a Commission Staff Working Document which provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

The report highlights that **important outcomes have been achieved through the use of Financial Instruments in the years 2007-2013**, and they will play an even more significant role in the 2014-2020 Multi-annual Financial Framework (MFF). The budgetary authorities have expressed their **political commitment and increased the necessary resources**. Furthermore, the Financial Regulation has been extended with a dedicated chapter, setting up the appropriate regulatory framework for Financial Instruments' design, management and reporting.

The main conclusions of the report are:

(1) **The implementation of the 2007-2013** centrally-managed financial instruments has been instrumental in helping to **alleviate financial market failures and leverage the positive effects of EU-wide actions**. For example, in the 2007-2013 period, the main EU-level financial instruments dedicated to SME support (CIP-GIF, CIP-SMEG 07 and RSI) and micro-SME support (EPMF) with an overall contribution (EU commitments) of more than EUR 1.6 billion, mobilised lending of nearly EUR 17.9 billion and also supported equity investments of about EUR 2.8 billion, thus enhancing access to finance for more than 336 000 SMEs.

(2) **The achieved leverage** is equal to 5 for Equity Instruments, and ranges from 4.8 to 31 for Guarantee instruments, from 10 to 259 for Risk-sharing instruments, from 1.54 to 158 for Dedicated Investment Vehicles, from 5 to 7 for Financial Instruments in the Enlargement Countries, from 5 to 27.6 for Financial Instruments in Neighbourhood Countries and Countries covered by the Development Cooperation Instrument.

With the experience gained in the course of implementation during the 2007-2013 period, and in the context of programme evaluations and audits, several lessons have been learned on how to further improve the design and management of financial instruments:

- best practices have been capitalised on the design and the management of the new generation of financial instruments;
- further, Financial Instruments will now cover **all main types of final recipients over the full funding cycle** and will include offer of both pro- and counter-cyclical instruments to respond flexibly to market needs, based on demand-driven implementation;
- effectiveness and efficiency have been enhanced through fewer instruments with larger volumes, ensuring critical mass in full consistency with State aid rules;
- alignment of interest with entrusted entities and financial intermediaries will be further achieved through fees and incentives, and risk sharing.

Since 2013 is the last year of commitment for the 2007-2013 programming period for a number of instruments, a final evaluation assessing the extent to which objectives have been achieved has not been finalised. More qualitative and in-depth feedback on the attainment of objectives will be available within one year and will be duly reported upon.

Competitiveness and Innovation Framework Programme (CIP) 2007-2013

2005/0050(COD) - 30/10/2014 - Follow-up document

This Staff Working Document (SWD) constitutes an Annex to the report of the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as at 31 December 2013. It provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

Financial instruments are a proven way to achieve EU policy objectives. They use EU funds to support economically viable projects and attract very significant volumes of public and private financing. By injecting money into the real economy, financial instruments contribute to the achievement of the EU policy objectives enshrined in the Europe 2020 Strategy, notably in terms of employment, innovation, climate change and energy sustainability, education and social inclusion.

The report gives detailed information on each financial instrument.

The High Growth and Innovative SME Facility (GIF)

Financial instruments are part of the Entrepreneurship and Innovation Programme (EIP), one of the three specific programmes under the Competitiveness and Innovation Framework Programme 2007-2013 (CIP).

The overall objective of the financial instruments under the CIP is the improvement of access to finance for the start-up and growth of small and medium-sized enterprises (SMEs) in order to support their investment in innovation activities, including eco-innovation.

GIF is implemented by the European Investment Fund (EIF) on behalf of the Commission. It aims to increase the supply of equity for innovative SMEs in their early stages (GIF1) and in the expansion phase (GIF2).

As regards duration, the commitment period for GIF ends on 31 December 2013 but the instruments will exist until the end of the GIF facility period, i.e. until after 2026.

The total budgetary commitments for the CIP financial instruments for the whole period of 2007-2013 were foreseen to be EUR 1.13 billion, with an original indicative split of EUR 623 million for GIF (including eco-innovation) and EUR 506 million for the SME Guarantee Facility.

GIF used 99.7% of its allocated budget of EUR 625.2 million. It invested in 46 venture capital funds, therefore supporting 349 final recipients and creating more than 3000 jobs as of December 2013.

Out of the fore-mentioned 46 funds, 30 funds have a multi-country focus and the remaining 16 funds target investments in specific countries. 13 venture capital funds are investing in eco-innovation.

Under GIF, the support is much more **focused and targeted** on a relatively limited number of companies that have the potential to achieve high growth, to bring innovation to the market and to create high added value jobs.

Competitiveness and Innovation Framework Programme (CIP) 2007-2013

2005/0050(COD) - 13/03/2006

The Council reached unanimous agreement on a partial general approach on a proposal for establishing a competitiveness and innovation framework programme (CIP) for 2007-2013.

The agreement was reached on the objectives, instruments and content of the CIP pending the opinion of the European Parliament and the final agreement on the financial perspectives for the seven-year period.

The agreed text on the partial general approach builds upon results achieved under previous presidencies and includes inter alia the following main features:

- clear articulation of the complementarities between the CIP and 7th research framework programme and the EU's structural funds, respectively;
- clarification and higher visibility in respect of eco-innovation;
- improvement of the monitoring and evaluation aspects of implementation of the CIP.

The future framework programme is intended to contribute to the enhancement of competitiveness and innovation capacity in the EU with a particular focus on small and medium-sized enterprises, in line with the goals of the Lisbon strategy for growth and jobs.

The CIP brings together existing specific programmes into a unified framework under three pillars: the Entrepreneurship and Innovation programme, the Information and communications technology policy support programme and the Intelligent Energy-Europe programme.

Competitiveness and Innovation Framework Programme (CIP) 2007-2013

2005/0050(COD) - 06/04/2005 - Legislative proposal

PURPOSE: to adopt a new programme to boost European competitiveness and innovation (2007-2013).

LEGISLATIVE ACT: Decision of the European Parliament and of the Council.

CONTENT: the reasons behind the Commission's proposal establishing a Competitiveness and Innovation Framework Programme (CIP) include:

- the need to boost entrepreneurship in Europe;
- Europe is lagging behind the other advanced countries in investing in ICT;
- the EU is a leader in eco-technologies;
- innovation is needed to build a knowledge-based economy.

The CIP brings together several existing EU activities that support competitiveness and innovation. For Member States and other participating countries, this framework will ensure continuity of programmes with a proven and successful track record.

1) The Entrepreneurship and Innovation Programme: This programme will bring together activities that were previously dispersed over the Multiannual Programme (MAP) for SMEs, activities for Industrial Competitiveness and elements of the existing LIFE-Environment programme. CIP will also build on innovation activities that have been successfully tested and developed under previous Research Framework Programmes. Through a single source, CIP will provide support for the improvement of the conditions in which innovation happens. It will provide the instruments to develop and sustain a supportive environment for innovative firms, encouraging clusters, strengthening access to finance and to the other resources on which innovation depends and ensuring that SMEs in particular can benefit from simple, clear and efficient access to the EU – its legislation, programmes and opportunities.

2) The ICT Policy Support Programme: This pillar will continue to extend the aims of the e-TEN, Modinis and e-Content programmes in line with the new integrated strategy i2010 - European Information Society 2010 - to be announced in May 2005. The ICT pillar will:

- stimulate the new converging markets for electronic networks, media content and digital technologies
- test solutions to the bottlenecks that delay wide European deployment of electronic services
- support the modernisation of public sector services that will raise productivity and improve services.

Actions under the ICT-policy support programme will increase the impact of ICT on competitiveness, growth and jobs by:

- underpinning regulatory and research actions of the Commission to stimulate emerging digital economy based on the convergence between network services, media content and new electronic devices.
- making a bridge between research investment and wide adoption, by providing a testing ground for pan-European electronic services in both the public and private sectors.
- reinforcing European cultural and linguistic identities by support for the production and distribution of European digital content.
- assisting the development of an open and inclusive European Information Society through stimulating innovative approaches to inclusion, quality of life and public services.

3) The "Intelligent Energy Europe" Programme: This pillar will encourage the wider uptake of new and renewable energies and improve energy efficiency, and shall foster compliance with our energy regulatory framework. This pillar aims at accelerating action in relation to the agreed EU strategy and targets in the field of sustainable energy, increasing the share of renewable energy and further reducing our final energy consumption. It includes actions to:

- increase the uptake and demand for energy efficiency,
- to promote renewable energy sources and energy diversification, and
- to stimulate the diversification of fuels and energy efficiency in transport.

The programme will also help to increase the level of investment in new and best performing technologies and bridge the gap between the successful demonstration of innovative technologies and their effective introduction to the market to achieve mass deployment. Furthermore, it will strengthen the administrative capacity both to develop strategies and policies and to implement existing regulations.

The CIP includes several new aspects:

- it will add a new risk capital instrument (the High Growth and Innovative Company Facility - "GIF2") to the existing instrument fostering SME start-ups. This is aimed specifically at innovative and high growth SMEs, which face a lack of capital at their most crucial growth phase. GIF2 will leverage private capital to create a bridge over this "valley of death" (as it has become known) for companies seeking between EUR 200,000 and EUR 2.5 million. A significant proportion of resources will be dedicated to supporting SMEs developing or using environmental technologies. This is new and innovative in its non grant-based approach; nevertheless it will follow the successful model of the existing market-based EU financial instruments in its delivery via the European Investment Fund and professional venture capital funds including funds set up by business angels.
- an instrument for the securitisation of bank loan portfolios will free up further SME loan capacity amongst smaller and regional banks, which are the typical interface for family businesses. This is important to develop the availability of proximity financing for more traditional small businesses.
- Euro Info Centre and Innovation Relay Centre networks will be developed to offer one-stop-shops for services in support of business and innovation. Their role in providing feedback for developing EU policy will be enhanced, as will their role in improving SME access to EU programmes in particular the framework programmes for research.
- A scheme to support the cooperation between national and regional programmes for business innovation (BISS) will increase the chances for SMEs to benefit from creativity, know-how and market opportunities in other EU Member States, without having to go through the EU administrative processes. This new scheme will allow tailoring trans-national initiatives to specific regional or sectoral technology and innovation needs. It aims to give an incentive to regions to support investment in innovation by enterprises, which is essential for more competitiveness in a knowledge-based economy.
- The Intelligent Energy Programme will place its emphasis in the mass replication of new and renewable energy sources and energy efficient technology, and in the faster implementation of the regulatory framework in the sustainable energy field.

In order to help Member States drive forward administrative and economic reforms, "open method" policy development tools will be complemented through twinning activities helping Member States and regions to learn from examples of good practice.

These existing and new activities will be combined into the three pillars of the CIP.

FINANCIAL IMPLICATIONS:

Policy area: Enterprise and Industry; Activities: Competitiveness, Industrial Policy, Innovation and Entrepreneurship.

Policy area: Economic and Financial Affairs; Activities: Operations and Financial Instruments

Policy area: Information Society and Media; Activities: eEurope

Policy area: Environment; Activities: Environmental programmes and projects

Policy area: Energy and Transport; Activities: "Intelligent Energy Europe" Programme.

BUDGET LINES

A new budget structure will be defined after approval of the Interinstitutional agreement on the Financial Perspective 2007-2013. For information, the current budget lines corresponding to the activities that will be carried on in the

Competitiveness and Innovation Programme are listed in the financial impact statement.

FINANCIAL RESOURCES

- financial reference amount for the 2007-2013 period: EUR 4,212,600 million of which EUR 3,926,600 million for operational expenditure and EUR 286,000 million for administrative expenditure.

- administrative expenditure not included in reference amount: EUR 22,680 million.

Total cost of intervention: EUR 4,235,280 million.

DETAILS OF RESOURCES:

1) Programme for enterprise and entrepreneurship: EUR 2,631 million, of which a maximum of EUR 520 million for the promotion of eco-innovation.

- *Objective 1*: access to finance for the start-up and growth of SMEs and investment in innovation activities, including eco-innovation: EUR 1,036 million (of which eco-innovation: EUR 150 million);

- *Objective 2*: creation of an environment favourable to SME cooperation: EUR 570 million;

- *Objective 3*: innovation in enterprises, including eco-innovation: EUR 733 million (of which eco-innovation: EUR 324 million);

- *Objective 4*: entrepreneurship and innovation culture: EUR 186 million (of which eco-innovation: EUR 46 million);

- *Objective 5*: economic and administrative reform related reform: EUR 106 million. 2) ICT policy support Programme: EUR 801.6 million.

- *Objective 1*: Single European information space and internal market for information products and services: EUR 267 million;

- *Objective 2*: stimulate innovation through a wider adoption of and investment in ICTs: EUR 181 million;

- *Objective 3*: an inclusive information society and more efficient and effective services in the areas of public interest and to improve the quality of life: EUR 353.6 million.

3) Intelligent Energy – Europe II Programme: EUR 780 million.

- *Objective 1*: energy efficiency and the rational use of energy resources: EUR 283.8 million;

- *Objective 2*: new and renewable energy resources, and energy diversification: EUR 316.35 million.;

- *Objective 3*: energy efficiency and the use of new and renewable resources in transport: EUR 179.85 million.

HUMAN RESOURCES:

- additional posts necessary for the implementation of the framework programme: 30 posts in 2007 (11 additional posts in Economic and Financial Affairs DG; 10 in Enterprise and Industry; 5 in Environment; and 4 in Information Society and Media DG).

Total annual cost: EUR 3,240 million.

Competitiveness and Innovation Framework Programme (CIP) 2007-2013

2005/0050(COD) - 24/10/2006 - Final act

PURPOSE : to establish a framework programme for Community action in the field of competitiveness and innovation covering the period from 1 January 2007 to 31 December 2013.

LEGISLATIVE ACT : Decision 1639/2006/EC of the European Parliament and of the Council establishing a Competitiveness and Innovation Framework Programme (2007 to 2013).

CONTENT : the Council adopted a decision establishing a competitiveness and innovation framework programme for the years 2007 to 2013, accepting all amendments voted by the European Parliament at first reading. This Framework Programme is established in order to contribute to the enhancement of competitiveness and innovation capacity in the Community, paying particular attention to the needs of SMEs. It brings together specific Community measures in the field of entrepreneurship, SMEs, industrial competitiveness, innovation, ICT, environmental technologies and intelligent energy. The Framework Programme does not cover research, technological development and demonstration activities carried out in accordance with Article 166 of the Treaty. It contributes to closing the gap between research and innovation and promotes all forms of innovation.

The **objectives** of the Framework Programme are as follows:

(a) to foster the competitiveness of enterprises, in particular of SMEs;

(b) to promote all forms of innovation including ecoinnovation;

(c) to accelerate the development of a sustainable, competitive, innovative and inclusive information society;

(d) to promote energy efficiency and new and renewable energy sources in all sectors, including transport.

The objectives of the Framework Programme shall be pursued through the implementation of the following **specific programmes**:

1) the **Entrepreneurship and Innovation Programme** which will provide for action 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.

2) **The Information and Communications Technologies (ICT) Policy Support Programme**, which will provide 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.

3) **The Intelligent Energy — Europe Programme**, which will provide for action, in particular:

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

After the entry into force of the Framework Programme, the Commission will publish a readable and user-friendly user manual establishing a clear, simple and transparent framework of general principles for the participation of beneficiaries in the Framework Programme. The user manual will, in particular, facilitate the participation of SMEs.

The Commission will be advised by a Strategic Advisory Board on Competitiveness and Innovation composed of representatives of industry and business associations, including those representing SMEs, and other experts. Their expertise should be related to the sectors and issues addressed by the Framework Programme, including financing, ICT, energy and eco-innovation.

The Commission will also examine synergies within the Framework Programme and with other complementary Community programmes and synergies with national programmes co-funded by the Union. Where possible, it shall examine the gender dimension and the respect of the principle of non-discrimination in programme activities.

The financial envelope for the implementing the Framework Programme is **EUR 3 621 300 000**. The indicative budgetary allocations for the specific programmes shall be the following:

- (a) 60 % of the overall budget for the pursuance of the Entrepreneurship and Innovation Programme, of which approximately one fifth shall be allocated to promoting eco-innovation;
- (b) 20 % of the overall budget for the pursuance of the ICT Policy Support Programme;
- (c) 20 % of the overall budget for the pursuance of the Intelligent Energy — Europe Programme.

Lastly, Community financial instruments shall be operated with the aim of facilitating access to finance for SMEs in certain phases of their life cycle: seed, start-up, expansion and business transfer. These instruments are the following:

- (a) the High Growth and Innovative SME Facility (GIF);
- (b) the SME Guarantee (SMEG) Facility;
- (c) the Capacity Building Scheme (CBS).

The GIF shall be operated by the European Investment Fund (EIF) on behalf of the Commission.

ENTRY INTO FORCE : 29/11/2006.

Competitiveness and Innovation Framework Programme (CIP) 2007-2013

2005/0050(COD) - 01/06/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Jorgo **CHATZIMARKAKIS** (ALDE, DE) and adopted a package of 145 compromise clauses that were agreed with the Council and Commission. (Please see the summary of 04/05/2006.) As part of the deal reached with Council, the budget for the programme, running from 2007 to 2013, will be reduced from the Commission's original proposal of EUR 4 212.6 million to EUR 3 196 million. This amount, however, is far more than the European Council's position of 16 December 2005 which included a reduction of more than 50 %.

The main points are as follows:

- the CIP must contribute to closing the gap between research and innovation and promote all forms of innovation;
- Parliament underlined that particular attention should be paid to the needs of SMEs;
- after the entry into force of the Framework Programme, the Commission will publish a readable and user-friendly User Manual establishing a clear, simple and transparent framework of general principles for the participation of beneficiaries in the Framework Programme. This should in particular facilitate the participation of SMEs;
- the compromise also gives eco-innovation more importance and clarifies certain actions. The annual report of the "Entrepreneurship and Innovation" specific programme must clearly identify eco-innovation activities. Action in relation to eco-innovation may include: supporting the take-up of environmental technologies and eco-innovative activities; co-investment in risk capital funds that provide equity also for companies investing in ecoinnovation in accordance with the procedure set out in Annex II; fostering eco-innovation networks and clusters, public-private partnerships in eco-innovation and developing innovative business services, facilitating or promoting eco-innovation; promoting new and integrated approaches on eco-innovation in fields such as environmental management and the environmental-friendly design of products, processes and services, taking into account their whole life cycle.
- Parliament inserted a new clause on innovation and eco-innovation pilot and market replication projects. This states that the Community will provide support to projects concerned with the first applications or market replication of innovative or eco-innovative techniques, products or practices of Community relevance, which have already been technically demonstrated with success but owing to residual risk, have not yet significantly penetrated the market. These will be designed to promote their broader utilisation within the participating countries and facilitate their market uptake.
- the monitoring and evaluation aspects of implementation of the CIP are improved;
- the Commission should be advised by a Strategic Advisory Board on Competitiveness and Innovation composed of representatives of industry and business associations (including those representing SMEs), and other experts;

Finally, the Entrepreneurship and Innovation Programme will have a budget of EUR 2.17 billion including EUR 430 million for the promotion of eco-innovation, the ICT Policy Support Programme will receive a budget of EUR 730 million and the Intelligent Energy- Europe Programme EUR 730 million.