

# **ENTERPRENEURSHIP AND INNOVATION PROGRAMME**

## **EIP PERFORMANCE REPORT**



**cip** competitiveness and innovation  
framework programme  
2007–2013

**January 2012**

This report has been drafted by Commission staff responsible for the management of the Entrepreneurship and Innovation Programme (EIP). It was written for the EIP Programme Committee but is also aimed at a wider audience interested in obtaining insights into the impact of the programme.

The report does not cover all the actions financed under the EIP since 2007. There are other reports available<sup>1</sup> that are more comprehensive or more detailed, but this report gives an overview of the programme's performance: it covers the most budget-intensive actions and illustrates how small scale policy actions have contributed to changing the regulatory environment for all businesses.

The picture painted by the performance report does of course depend on the progress of the actions. While some have been completed and have therefore already produced visible impacts, others started being implemented at a later stage and their impact may not yet be (fully) visible. This is not necessarily an indication of bad performance — the final picture will only be available when the programme has been completed (i.e. towards 2015).

Moreover, some actions have immediate objectives (e.g. specific conferences) while others have a longer-term perspective (e.g. eco-innovation actions); it is therefore not possible (nor is it the objective of the report) to make direct performance comparisons.

---

<sup>1</sup> [http://ec.europa.eu/cip/documents/implementation-reports/index\\_en.htm](http://ec.europa.eu/cip/documents/implementation-reports/index_en.htm)

## EXECUTIVE SUMMARY

The Europe 2020 Strategy — the EU's growth and jobs strategy for this decade — aims, among other things, at boosting the competitiveness of European businesses and creating more jobs and prosperity. The Competitiveness and Innovation Framework Programme (CIP) is the key EU funding programme to address the challenges EU industry is facing today and in the years to come. More than 2.145 million EUR are earmarked for this under the sub-programme on Entrepreneurship and Innovation<sup>2</sup> for the period 2007-2013.

**The six objectives<sup>3</sup> of the Entrepreneurship and Innovation Programme (EIP) remain highly relevant in the context of the recent economic crisis.** The EIP has made it possible to finance a number of growth-enhancing measures essential to the whole economy and especially to European small and medium-sized enterprises (SMEs).

The EIP final evaluation,<sup>4</sup> completed in April 2011, assessed the relevance, efficiency, effectiveness, information and awareness, utility and sustainability of the programme, with a specific focus on its main components: financial instruments, the Enterprise Europe Network, and innovation actions. The evaluation confirmed that **EIP is on track to achieve the anticipated impacts**. It also underlined that 'it is addressing the needs, problems and issues it was designed for and it is doing so in a particularly efficient way at European level.' The Programme is proving a real benefit to end-users, particularly SMEs.

This report outlines some of the main achievements of the programme, concrete results and successes at this half-way point in the programme.

### *Improving access to finance*

Major market gaps have been identified with regard to SMEs' access to finance. The multiannual **financial instruments** in the form of guarantee schemes, risk-sharing facilities and equity and quasi-equity support were designed to facilitate access to loans and equity finance for small businesses and to act as catalysts for public and private investors. The positive impact on the economic situation and business prospects of participating SMEs takes the form of stronger business growth and employment sustainability. Between 2007 and 2010, these instruments have assisted more than 90 000 companies,<sup>5</sup> with underlying debt financing of 6.0 billions EUR under guarantees and with investment volumes of up to 1.3 billion EUR under venture capital. More than 108 000 jobs were created or maintained.

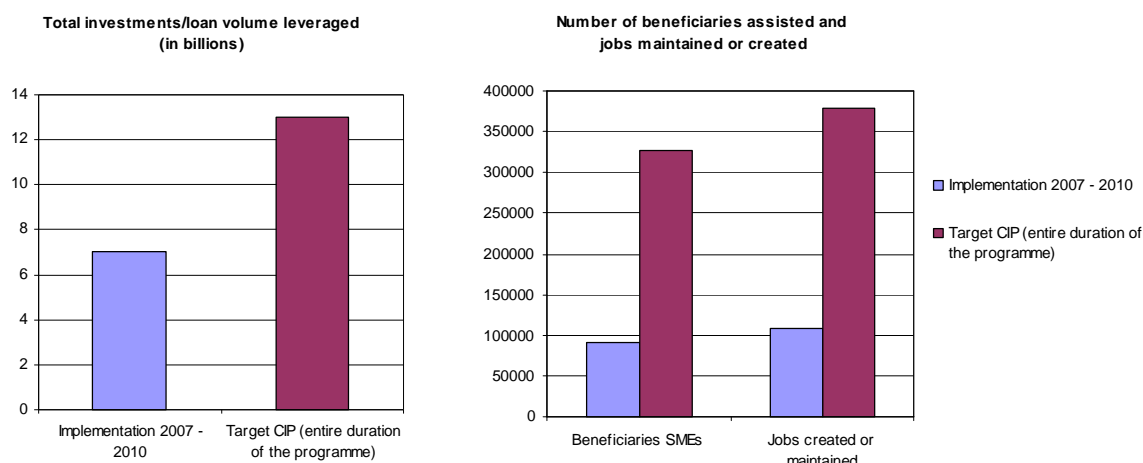
---

<sup>2</sup> The EIP is one of the three specific programmes of the Competitiveness and Innovation Framework Programme (CIP) that began in 2007.

<sup>3</sup> (a) access to finance for the start-up and growth of SMEs and investment in innovation activities; (b) 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.

<sup>4</sup> EIP final evaluation, CSES, April 2011.

<sup>5</sup> Commitments for CIP financial instruments may be made until 31 December 2013; EIF has nine months beyond that to sign guarantee agreements with intermediaries. The availability period of loans may therefore run until September 2017. The total number of beneficiaries under this scheme will only be known by then.



### Providing business support services

Despite the existence of the Single Market, doing business across borders in Europe is still subject to significant barriers for SMEs. **The Enterprise Europe Network has been in contact with more than two million SMEs each year.** More than half of the SMEs which used the services of the Enterprise Europe Network confirmed that they had accessed new markets or developed new products. For the partnership services, on average, the impact on turnover was 220 000 EUR per company. **The total impact on sales growth is estimated at 450 million EUR.** Between 2008 and 2010, 2 400 jobs have been created by firms under partnership agreements. The trend of increasing number of partnerships per year is expected to continue in the coming years.

*The **Enterprise Europe Network** provides integrated services to SMEs through its more than 3 000 staff in 600 regional offices.<sup>6</sup> The Network helps SMEs to access market information, to find potential business and technology partners and to participate in the 7th Framework Programme for Research and Technological Development (FP7). It offers advice on funding and internationalisation services. More than 15 000 promotion, information, match-making and brokerage events have been organised; 4 300 cross-border partnership agreements between companies have already been concluded through the Network in just 36 months. The number of partnership agreements between SMEs is growing steadily. Some 18% of technology profiles have led to formal technology transfer agreements brought about by the Network. The success rate for turning research profiles into agreements to submit joint proposals under FP7 stands at almost 45%.*

The Network is also a very effective mechanism in receiving feedback from SMEs. Over 10 000 contributions from SMEs have been collected, in particular on public consultations (e.g. on the SME Panels on European Contract Law or the Working Time Directive).

**Intellectual Property Rights (IPR)** stimulate research, innovation, inventiveness and creativity. Small and medium-sized businesses are frequently not able to make the most of their creativity, because they do not incorporate IPR issues into their business strategies. Public support is often provided on a national basis alone or is entirely lacking. EU-level projects were therefore initiated to improve IPR support.

<sup>6</sup> The network's geographical coverage includes EU Member States, candidate countries, future candidate countries and other third countries. For more information, see [http://www.enterprise-europe-network.ec.europa.eu/index\\_en.htm](http://www.enterprise-europe-network.ec.europa.eu/index_en.htm)

*During its three years of operation the **IPeuropAware project** organised 39 seminars on IPR enforcement and awareness-raising seminars in 15 countries with more than 400 participants, tested 72 new IP services and tools on SMEs, which were then implemented by the national IP offices, trained around 250 IP officials on enforcement issues, advised more than 4000 universities, public research organisations and SMEs and created a pan-European website with input from nearly all the European National IP Offices.*

In addition to the IPR support in the EU, a dedicated helpdesk was set up to provide similar support for EU SMEs doing business in China.

*The **China IPR SME Helpdesk** provides training for European SMEs on how to protect their IP when doing business in China. In its first three years of operation it served some 50 000 website users and offered over 400 private confidential consultations. As a result of Helpdesk advice, 30% of the users took a specific course of action (e.g. retaining lawyers, registering trademarks, undertaking administrative enforcement). This has increased the likelihood of effective protection for European SME-owned IPR, as well as offering protection against infringement, something which could potentially inflict substantial damage costs.*

#### **Improving sectoral conditions**

The EIP programme helps to **improve framework conditions for certain industrial sectors**. Unlike direct grants to SMEs, policy support measures play a part in changing the regulatory environment and thus have a significant influence on all the businesses in a specific sector.

As an example, EIP has helped to boost the competitiveness of the **construction industry**, which occupies an important place in the European economy. Not only does it generate around 10% of the GDP, it also provides 20 million direct jobs, mostly in micro and small enterprises. The programme has supported various competitiveness analyses of the construction sector. The conclusions and recommendations provide **key input to the forthcoming Communication on the sustainable competitiveness of the construction sector**. The new regulatory environment will seek greater convergence in the way EU legislation is implemented at national level, facilitating cross-border services, reducing the administrative burden, and providing more opportunities for innovative solutions.

*The study on the **Lead Market Initiative and sustainable construction** developed a generic ‘burden catalogue’ structure with deep analytical and qualitative insights into how information obligations translate into administrative burdens for companies. The conclusions and recommendations of the study will feed into the future sustainable competitiveness agenda in the construction sector in terms of ‘smart’ regulation and administrative burden.*

#### **Support all forms of innovation**

The programme is also instrumental in supporting innovation policy itself and making sector conditions as well as business support more innovation-friendly.

The Europe INNOVA initiative, for instance, supports the development of sound, targeted policy measures through partnerships of relevant stakeholders, such as innovation agencies, technology transfer offices, business incubators, financial intermediaries, cluster organisations etc. In 2009, 3 new Europe INNOVA partnerships were set up on knowledge-intensive services (KIS-IP), eco-innovation (Eco-IP), and cluster co-operation (Cluster-IP). As a result, new policy tools are now under development. For example, the partnerships under the

Innovation Platform for knowledge-intensive services (KIS-IP) succeeded in the setting up three new sector specialised venture capital funds and two new grants and voucher programmes.

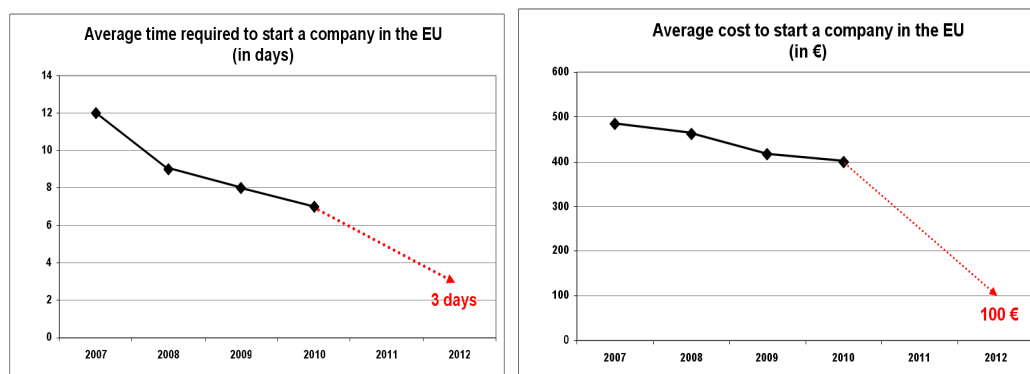
**Demonstrating eco-innovation solutions**

The programme has also supported the **market application of 134 eco-innovation projects** in various sectors such as recycling, green business, the food and drinks sector, and the buildings sector. These projects will have an added demonstration effect, by showing to the market the growth potential of these eco-innovations. This grant scheme is **highly popular among SMEs**, being an effective means of addressing the needs of innovative SMEs in the sector. Approximately 65 % of participants in these three calls were SMEs. The programme has a significant leverage effect, given that participants are required to provide 50 % of the co-funding.<sup>7</sup>

Following the first call in 2008, the very first grants were not made until 2009. It is therefore too early to predict what results and impacts the projects will have as they are still at the implementation stage.<sup>8</sup> However, a dedicated study has recently been launched, to investigate the results and achievements and to analyse the economic and environmental impact of ongoing and completed eco-innovation projects.

**Improving framework conditions for SMEs**

The EIP is also concerned with fostering **better framework condition for SMEs**. A key component is to facilitate exchanges of best practices between the CIP participating countries. For example, the EIP has financed ways of measuring and supporting Member States' progress in **simplifying the administrative procedures involved in starting up a small business**, working towards targets set by the Competitiveness Council. This takes the form of annual checks and of identifying and exchanging good practices between the participating countries. The result has been a fall in the average time and cost required to start a company in the EU, as illustrated by these graphs:



*There has been a major reduction in the time taken and the costs involved in starting up and running a small business. In 2010 the average time and **cost of starting up a private limited company** was 7 days and 399 EUR, compared to 12 days and 485 EUR in 2007; this improvement is partly due to best practice exchanges and benchmarking financed by the EIP.*

<sup>7</sup> Final evaluation of the EIP. ([http://ec.europa.eu/cip/files/docs/eip-final-evaluation-report\\_en.pdf](http://ec.europa.eu/cip/files/docs/eip-final-evaluation-report_en.pdf))

<sup>8</sup> Final evaluation of the EIP. ([http://ec.europa.eu/cip/files/docs/eip-final-evaluation-report\\_en.pdf](http://ec.europa.eu/cip/files/docs/eip-final-evaluation-report_en.pdf))

**Monitoring  
policies,  
providing  
analysis  
and bench-  
marking**

The EIP has also supported a wide range of policy-related measures such as **statistical analysis and benchmarking; policy monitoring and analysis**; workshops and exchanges of best practices between policy makers.

*Studies which involve collecting data and assessing market performance and the regulatory framework at industry level in the single market have identified strengths and weaknesses and **shaped the Europe 2020 flagship initiatives**, in particular the Communication on 'A new industrial policy for the globalisation era' and the 'Innovation Union' Communication.*

For instance, the **European Innovation Scoreboard** makes a yearly comparison of the innovation potential and performance of Member States and selected other countries, drawing on statistics from a variety of sources, primarily EUROSTAT and the OECD.

The reports **are widely used by national and regional stakeholders** in the EU in innovation policy related conferences and a range of policy and academic workshops. The scoreboard is a reference source on innovation performance in the European innovation policy community. Its results are used as a background for press articles on innovation issues. It also benchmarks EU innovation performance against that of major economic partners (e.g. the US, China, Brazil and Russia), so its results are used in a variety of international meetings as background documents for expert and political meetings.



Another example concerns the **EU SME annual reports** and the **SBA country factsheets**. The series of annual reports on the most important SME trends in the EU and the set of annually updated SBA country factsheets for a total of 37 countries (EU-27 Member States plus 10 non-member countries) are the result of extensive discussions and exchanges since 2009. These recurrent publications have helped to establish a **central monitoring tool for measuring the implementation of the Small Business Act (SBA)**. At the same time, they have greatly helped to raise the awareness of the general public on SME issues, and SBA implementation in particular. Over the reporting period, data have been cited in media articles, in both printed and electronic form.

*In the area of **sustainable industrial policy**, a number of studies were launched to identify the potential of sectoral approaches to limiting CO<sub>2</sub> emissions in a post-2012 international framework. These studies significantly contributed to the EU position on sectoral crediting in international climate change negotiations. Options for a possible mandate for a more formal type of business engagement in the international climate change negotiations were also identified. The first ideas were presented at the Copenhagen climate change conference in December 2009 and the final report at Cancun in December 2010.*

*The analysis of European industry formed the basis for the Commission Decision on sectors at risk of carbon leakage. That was essential in ensuring the competitiveness of EU industry while maintaining the environmental effectiveness of the EU emissions trading scheme. These studies made a significant contribution to the EU's leadership role on international climate change negotiations.*

#### **Boosting entre- preneur- ship**

The programme has **boosted entrepreneurship and a culture of innovation** by its common initiatives in the areas of **entrepreneurship education** and female entrepreneurial activity, developed by the Commission and countries participating in the CIP. At present, the Commission supports nine Europe-wide projects in the field of entrepreneurship education.<sup>9</sup> They will serve as models for introducing novel methods of entrepreneurship education in all the Member States. In total, the nine projects are estimated to involve around 70 000 students and young people and some 900 teachers. However, the added value is not limited to the number of direct beneficiaries, but lies also in the creation of new models that can be widely replicated.

*In the Netherlands, following measures taken by the government to promote the **teaching of entrepreneurship** in schools, the number of students in secondary education who say they want to be an entrepreneur has risen from 13 % to 23 %.*

**Female entrepreneurship** is promoted by the European Network of Female Entrepreneurship Ambassadors and the European Network of Mentors for Women Entrepreneurs. The Ambassadors aim to have successful entrepreneurs campaigning on the ground to encourage women of all ages to set up their own businesses and become entrepreneurs. The Mentors support enterprises owned and run by women during the first few crucial years, by providing women entrepreneurs with advice and support with the start-up, functioning and growth of their businesses.

*The European Network of **Female Entrepreneurship Ambassadors** has campaigned in 22 Member States to inspire women to set up businesses. 101 new women-led companies were created in the first year alone.*

#### **Reducing adminis- trative burden**

The programme has also played a part in economic and administrative reforms, e.g. by helping to **reduce regulatory and administrative burdens**. A High-Level Group of Independent Stakeholders on Administrative Burdens was set up to advise the Commission on the action programme that was launched in 2007. By the end of 2010, the Commission had proposed measures that reduce administrative burdens by more than 31 %. The Council and European Parliament have so far adopted some of these measures, amounting to a reduction of 21.8 %. The measures proposed by the Commission to date could lead to savings of more than 40 billion EUR.

The data contained in this report confirms that the programme is on track to achieve the anticipated impacts. It also shows that a lot remains to be done in the second half of the programme period. Since the beginning of the programme in 2007, the financial, economic and

---

<sup>9</sup> Dealing with such things as training teachers in entrepreneurship, producing innovative teaching material and promoting entrepreneurship among young people.



then sovereign debts crises have made the programme's objectives even more relevant. The financial instruments will continue investing in SMEs for several years to come, their intervention even more urgent with the new capital requirements for banks; the Enterprise Europe Network will reach out to millions more of SMEs with support needs; new calls for eco-innovation projects are foreseen while the current projects are followed-up and their impacts evaluated; a wide range of best practices will be identified and disseminated; policies, regulations and framework conditions for entrepreneurship and SMEs will continuously be improved. In accordance with the EU response to the crisis set out in recent European Council conclusions, and in particular with the need to frontload growth-enhancing measures, the programme will continue to support competitiveness and spur innovation in the European economy.

Building on the lessons learnt from the EIP, the Commission will propose by end 2012 the new generation of EU programmes covering the next EU financial framework (2014-2020) and therefore underpinning the Europe 2020 objectives and targets in the areas of competitiveness, SMEs and innovation.

1. INTRODUCTION .....	4
2. ACCESS TO FINANCE FOR THE START-UP AND GROWTH OF SMES AND INVESTMENT IN INNOVATION ACTIVITIES .....	5
2.1. Improving access to finance .....	5
2.1.1. EIP Financial Instruments for SMEs .....	5
2.1.2. Improving policies on financing innovation and SMEs .....	14
3. CREATION OF AN ENVIRONMENT FAVOURABLE TO SME COOPERATION, PARTICULARLY IN THE FIELD OF CROSS-BORDER COOPERATION .....	17
3.1. Business support services.....	17
3.1.1. Services in support of business and innovation • EIC Network and Enterprise Europe Network.....	17
3.1.2. Strengthening the IPR dimension of EU industry and SMEs.....	23
3.2. Sector-specific action.....	30
3.2.1. Knowledge networks for tourism.....	30
3.2.2. Enhancing competitiveness in the construction sector .....	33
3.2.3. Promoting the competitiveness of the European agro-food industry	40
3.2.4. Initiative for better involvement of defence SMEs in the European internal market.....	43
3.3. Other action to create an environment favourable to SMEs .....	45
3.3.1. Policy-relevant research on SMEs.....	45
3.3.2. Participation by SMEs and craft enterprises in the European standardisation process.....	47
3.3.3. Follow-up of implementation of the European Statute for Cooperatives .....	49
4. ALL FORMS OF INNOVATION IN ENTERPRISES .....	52
4.1. Innovation policy development.....	52
4.1.1. Innovation policy monitoring and performance analysis.....	52
4.1.2. Development of demand side policies for innovation .....	64
4.1.3. Innovation policy and experimentation.....	69
4.2. Best practices and testing of innovation policy tools and support services .....	75
4.2.1. PRO INNO EUROPE®: Fostering trans-national cooperation on support for innovation .....	75
4.2.2. European Cluster Agenda Conference.....	81

4.2.3.	EUROPE INNOVA .....	83
4.3.	Promote ICT, E-skills and E-business.....	90
4.3.1.	ICT uptake and competitiveness .....	90
4.3.2.	E-skills .....	92
4.3.3.	The Sectoral E-Business Watch.....	95
4.3.4.	The E-Business Support Network for SMEs (ESBN) .....	97
5.	ECO-INNOVATION .....	100
5.1.	Demonstration of eco-innovative business solutions .....	100
5.1.1.	Eco-Innovation: First application and market replication projects...100	
5.1.2.	Addressing challenges and opportunities on the path to a low carbon economy .....	105
5.2.	Sustainable industrial policy .....	108
5.2.1.	Global sectoral approaches .....	108
5.2.2.	Sustainable industrial policy — Building on the Eco-design Directive.....	110
5.2.3.	Sectoral approaches to fostering international action on climate change.....	112
6.	ENTERPRISE AND INNOVATION CULTURE .....	115
6.1.	Actions to promote entrepreneurship among target groups.....	115
6.1.1.	Actions to foster the entrepreneurial culture of young people, and entrepreneurship education .....	115
6.1.2.	Actions to promote and support female entrepreneurship.....	118
6.2.	Better policies and regulations.....	120
6.2.1.	Simplification of start-up procedures .....	120
6.2.2.	‘Think Small First’ Principle: Implementation at Union and national level .....	123
6.2.3.	SMEs access to public procurement.....	125
6.3.	Awareness raising on small business issues .....	127
6.3.1.	Promoting exchanges of best practices.....	127
6.3.2.	European Enterprise Awards .....	132
6.4.	Other actions to foster enterprise and innovation culture .....	135
6.4.1.	Study on SME organisations’ representatives.....	135
6.4.2.	Responsible competitiveness: Fostering Corporate Social Responsibility (CSR) in European industrial sectors.....	137

7. ENTERPRISE AND INNOVATION RELATED ECONOMIC AND ADMINISTRATIVE REFORM.....	139
7.1. Promoting regulatory reforms .....	139
7.1.1. Action Programme for the reduction of regulatory administrative burdens — High Level Group of Independent Stakeholders on Administrative Burden.....	139
7.2. Small Business Act (SBA) implementation .....	142
7.2.1. SBA communication tools .....	142
7.2.2. SME Performance Review (SPR) .....	144
7.3. Awareness raising .....	147
7.3.1. Information campaign on the marketing .....	147
8. ANNEX I: LIST OF ABBREVIATIONS .....	149

## 1. INTRODUCTION

The aims of the Europe 2020 strategy — the EU's growth and jobs strategy for this decade — include increasing the competitiveness of European businesses and creating more jobs and prosperity. The Competitiveness and Innovation Framework Programme (CIP) is the key EU funding programme to address the challenges facing EU industry today and in the years to come.

The Entrepreneurship and Innovation Programme (EIP) seeks to boost competitiveness, innovation and the promotion of entrepreneurial culture as conditions for growth — they are essential to the economy as a whole — and especially important for small and medium-sized enterprises (SMEs). It is a Commission funding programme that began in 2007.<sup>10</sup>

The objectives of the programme are:

- 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.

In order to achieve these objectives, four main instruments are used:

- 1) Financial instruments (provision of loans, guarantees and venture capital)
- 2) Business and innovation support services (provision of advice, matchmaking and other free-of charge services to make businesses more competitive)
- 3) First-application and market-replication projects (provision of grants)
- 4) Support for improving policies (including through networking, benchmarking, awareness raising activities and exchanges of best practices)

The EIP is financed by the EU budget and contributions from third countries participating in the programme. The total budget is 2 145 million EUR (EU budget only). Between 2007 and 2010, a total of 1 179 million EUR was committed (including 3<sup>rd</sup> country contributions).

This report gives an overview of the performance of the EIP since 2007. The aim is to show what concrete results and successes have been achieved at the mid-point of the programme.

---

<sup>10</sup> It is one of the three specific programmes of the Competitiveness and Innovation Framework Programme (CIP). The others are: Information and Communication Technologies Policy Support Programme (ICT-PSP) and Intelligent Energy Europe Programme (IEE)

## 2. ACCESS TO FINANCE FOR THE START-UP AND GROWTH OF SMES AND INVESTMENT IN INNOVATION ACTIVITIES

### 2.1. Improving access to finance

The EIP is contributing to improved access to finance for the start-up and growth of SMEs by providing direct support to SMEs and by improving general policies on access to finance. The Financial Instruments for SMEs includes two instruments — the GIF (High Growth and Innovative SME facility) and the SMEG (SME Guarantee facility). The measure — with an envisaged allocation of at least 50 % of the total EIP budget — is being implemented continuously over the seven year period of the Programme. Other policy related actions include studies, workshops and reports.

#### 2.1.1. *EIP Financial Instruments for SMEs*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

Multiannual financial instruments in the form of guarantee schemes, risk-sharing facilities or equity and quasi-equity support act as catalysts for public and private investors. The overall objective of the financial instruments is to improve access to finance for the start-up and growth of SMEs, including eco-innovation, by:

- Increasing the amount of investment by risk capital funds and other investment vehicles;
- Providing leverage to SME debt-financing instruments to increase the supply of debt finance to SMEs.

There are three financial instruments for SMEs foreseen in the CIP/EIP legal basis:

- **The High Growth and Innovative SME Facility (GIF)**, operated by the European Investment Fund (EIF) on behalf of the Commission, aims to increase the supply of equity for innovative SMEs in their early stages (GIF1) and in the expansion phase (GIF2). Investment proposals by financial intermediaries are selected on the basis of an open call for expression of interest,<sup>11</sup> with an initial budget allocation of 550 million EUR.
- **The SME Guarantee Facility (SMEG)**, operated by the EIF on behalf of the Commission, provides counter- or co-guarantees to guarantee schemes operating in eligible countries, and direct guarantees to financial intermediaries, in order to increase the supply of debt finance to SMEs. Intermediaries are selected on the basis of an open call for expression of interest,<sup>12</sup> with an initial budget allocation of 506 million EUR.
- **The Capacity Building Scheme (CBS)** was foreseen in the CIP legal basis, with an initial budget allocation of 73 million EUR. This instrument, however, attracted no response from the market and was therefore closed down, the resources being transferred to the GIF facility.

---

<sup>11</sup> OJ C 302 of 14 December 2007.

<sup>12</sup> OJ C 226 of 26 September 2007.

## TOTAL BUDGET

The commitment appropriations related to these measures for the period 2007-2010 amount in total to 632.35 million EUR (as at 31/12/2010).

## WHAT HAS BEEN ACHIEVED?

### Output

#### a) SMEG

At the end of 2010, 36 agreements had been signed under this facility. In total, 121 312 loans were provided to 109 779 SMEs.

*Overview of commitments/guarantees/deals and agreements/related loans and final beneficiaries as at 31/12/2010:*

— EU SMEG budgetary commitments since beginning	319.01 million EUR
— EU SMEG Total loan amount <sup>1</sup>	6 902.9 million EUR
— EU SMEG Guarantee	4 484.0 million EUR
— SMEG Guarantee Cap Amount <sup>2</sup>	281.9 million EUR
— Deals approved by EC as at 31/12/2010: deals with 30 Financial Intermediaries from 15 countries (including 8 from new Member States, one each from Norway and Croatia as well as two from Turkey), with a total of 288.6 million EUR from the budget for guarantees or counter-guarantees, corresponding to an utilisation rate of 96.2 % of the commitments available for deals (i.e. 300 million EUR over 2007-2010 available to financial intermediaries)	
— Number of signed agreements (by EIF)	36
— Number of agreements brought about by SMEG windows:	
— loan window	29
— micro-credit window	6
— equity/quasi-equity window	1
— <b>Number of SMEs benefiting as at 31/12/2010</b>	<b>109 779</b>
— Number of related loans as at 31/12/2010	121.312

<sup>1</sup> Source: EIF SMEG Report as at 31/12/2010

<sup>2</sup> Total loan amount, Guarantee amount and Guarantee Cap amount refer to EIF signed agreements with financial intermediaries.

*b) GIF*

At the end of December 2010, 19 agreements had been signed. The net amount committed to these funds was 221.6 million EUR. A total of 143 SMEs have benefited from investments.

*Overview of commitments/deals and agreements/related equity investment and final beneficiaries as at 31/12/2010:*

— EU GIF budgetary commitments since the beginning	313.34 million EUR
— EU GIF Net commitments <sup>3</sup>	221.6 million EUR
—Deals approved by EC as at 31/12/2010 : 23 deals with financial intermediaries (Funds) with a total of 292.7 million EUR in commitments from the EU budget, corresponding to an utilisation rate of 99% of commitments available for deals (i.e. 294.8 million EUR over the period 2007-2010). Out of these 23 funds, 10 funds have a multi-country focus and the remaining 13 funds each focus on investments in one of 8 different countries. Of the approved deals, 5 venture capital funds focus on investments in eco-innovation, supported by EU investments of 73.7 million EUR.	
—Number of signed agreements (by EIF): 19 (out of the 23 funds approved), for a total amount of 221.6 million EUR (as well as conditional commitments with 2 more of the approved funds for up to 35.1 million EUR).	
— Including eco-innovation: 3 deals (15.8%), amounting 49.2 million EUR (22.2%)	
— the 'stage focus' spread of the 19 agreements was:	
start-up/early stage:	7
technology transfer:	3
other (small caps/mid-market / balanced venture capital):	9
— <b>Number of final beneficiaries (SMEs) as of 31/12/2010</b>	<b>143</b>

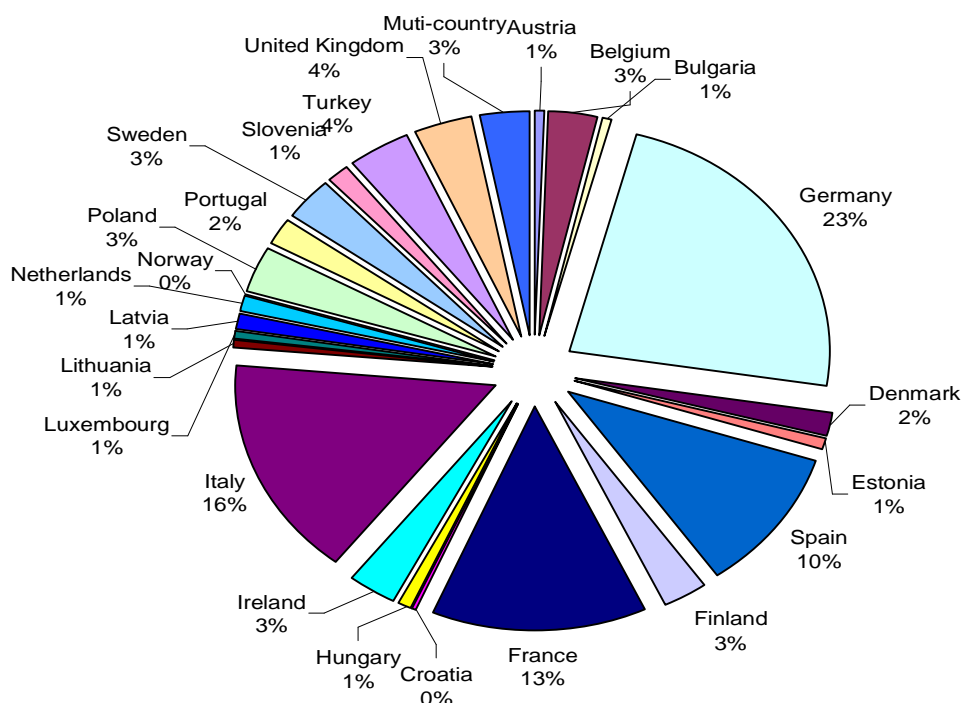
<sup>3</sup> Net commitments amount refer to EIF signed deals with financial intermediaries.



### *c) Geographical distribution of GIF and SMEG*

The figure below shows the combined geographical distribution of operations for GIF and SMEG. It shows approvals<sup>13</sup>, as percentages of the total value (EUR) of deals submitted by the EIF and approved by the European Commission as at the end of 2010.

**Geographical distribution of GIF and SMEG approvals (as of 12/2010)**



### **Results**

The Financial Instruments under CIP/EIP enhanced the access to finance for nearly 110 000 SMEs (SMEG & GIF) with a multiplier effect up to more than 24 (SMEG), while receiving highly positive feedback from the final beneficiaries.

The figures below show the results in terms of the contribution made to the long-term growth prospects of final beneficiaries / final beneficiaries' statement on the utility of the programme.

---

<sup>13</sup> Breakdown of cumulative SMEG + GIF amounts (SMEG = 288.6 million EUR and GIF = 292.7 million EUR) approved by the European Commission

a) SMEG

— Gearing effect EU Guarantee / Guarantee Cap Amount <sup>5</sup>	15.9
— Gearing effect of total loan volume (signed deals) / Guarantee Cap amount <sup>6</sup>	24.5
— Number of final beneficiaries (SMEs)	109,779
The target of 315,750 SMEs <sup>7</sup> benefitting from the EIP financial instruments by the end of the programme seems therefore achievable.	
— Contribution to long-term growth prospects of beneficiaries: ¾ of all interviewed final beneficiaries stated that the EIP support had a positive or fairly positive impact on their long term growth prospects.	
— Feedback from SMEs on added-value, utility and relevance <sup>8</sup> :	
— % of final beneficiaries stating the EU financing scheme was the only option available	46%
— % of final beneficiaries stating that they would have received only part of the funding needed without the EU financing scheme	18%
— Total of beneficiaries indicating that EU support was crucial to find the finance needed	64%
— Leverage effect assessment: % of final beneficiaries stating that having received financing from EIP, it was easier to get additional finance	42%

<sup>5</sup> EU Guarantee / Guarantee Cap Amount = 4,484.0 / 281.9; this is the 'gearing effect' officially published by the EIF; source: EIF SMEG Report as at 31/12/2010.

<sup>6</sup> For agreements signed by EIF under SMEG, as at 31/12/2010: Total loan volume / Guarantee Cap amount = 6,902.9 / 281.9; source: EIF SMEG Report as at 31/12/2010.

<sup>7</sup> Source: EIP Final Evaluation Final Report march 2011, p 51.

<sup>8</sup> Source: EIP Final Evaluation Final Report March 2011 questionnaire on 117 interviewees, chapter3, p 47, 56,57.

*Some examples of support provided through the guarantee facility:*

Support through the guarantee facility to a Slovenian company designing and engineering pool and wellness technology: Thanks to a CIP-guaranteed loan of 350 000 EUR, the company invested in its production capacity. This allowed it to increase its revenue and employ one extra member of staff, bringing the total number to 5 jobs.

Support under the micro-credit window of the guarantee facility to a newly started Spanish micro-enterprise specialised in renewable energy: Thanks to a guaranteed micro-loan of 21 000 EUR, the entrepreneur was able to start up a company providing consultancy advice, technical assessments and maintenance services and create 2 jobs. The owner himself says: 'Without micro-credit we would never have been able to start our business. Before coming to Microbank we looked at other banks but because we were unemployed they were reluctant to give us any finance.'

## b) GIF

— Gearing effect of GIF (target intermediary size/EU GIF Net commitments)	6.7 <sup>9</sup>
— Number of final beneficiaries (SMEs)	143
— Contribution to long-term growth prospects of beneficiaries: almost all (nearly 95%) of the final beneficiaries interviewed stated that the EIP support had a positive or fairly positive impact on their long term growth prospects.	
— Feedback from SMEs on added-value, utility and relevance <sup>10</sup> :	
— % of final beneficiaries stating the EU financing scheme was the only option available	39%
— % of final beneficiaries stating that they would have received only part of the funding needed without the EU financing scheme:	23%
— Total of beneficiaries indicating that EU support was crucial to finding the finance needed	62%
— Leverage effect assessment: % of final beneficiaries stating that having received financing	

<sup>9</sup> 1,484.4 / 221.6; target intermediary (fund) size as of 31/12/2010: 1.484,4 million EUR.

<sup>10</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 47,56,57

### *Some venture capital funds where the CIP has invested:*

The BaltCap Private Equity Fund which operates in the Baltic countries (Estonia, Latvia and Lithuania) and focuses on companies in their expansion phase: By the end of 2009 it had invested in 4 innovative SMEs in fields as diverse as aircraft maintenance, gas distribution and the media. The fund size is 63 million EUR, out of which 10 million EUR comes from EU resources.

The Chalmers Innovation Fund is a business incubator affiliated to the Chalmers University of Technology in Gothenburg (Sweden): The fund supports the start-up of companies in the ICT and life-science sectors. The fund size is 24.4 million EUR, of which 2.7 million EUR comes from EU resources. Up until end-2009, the fund had supported 14 SMEs.

## **Impacts**

### *Detailed impact on SMEs' turnover and employment*

The Financial Instruments under CIP/EIP improved the economic situation and business prospects of the SMEs that benefited, both in terms of boosting business growth and as regards employment sustainability (jobs created or saved due to the SMEG Facility and GIF Facility). See figures below for detailed results.

a) SMEG

– Average growth <sup>11</sup> in annual turnover of beneficiaries (SMEs financed) during the past 3 years :	
Negative (decline)	7 %
0 %	24 %
+ 1-10 %	24 %
+ 11-20 %	17 %
> + 21 %	28 %
– Number of high growth <sup>12</sup> enterprises (i.e. enterprises with annual turnover growth of over 20% over a three years period) among beneficiaries	
	28 %
– % of SMEs stating positive prospects due to financing <sup>13</sup>	
	76 %
– increase in annual turnover attributed to the financial instruments <sup>14</sup> (FIs) (% of interviewees attributing X % of their growth in the relevant year to the FIs)	
	2010
‘26-100 % of the growth in relevant year is attributed to FIs’	10 %
‘1-25 % of the growth in relevant year is attributed to FIs’	22 %
– Total jobs created or maintained in SMEs receiving financing: the number of employees in the SMEG beneficiaries <sup>15</sup> at the date of their inclusion in the programme was	
	415 075 <sup>16</sup>
– New or saved jobs <sup>17</sup> (in FTE) attributed to the FIs: 49 % of SMEG beneficiaries stated that, due to the EIP financing, jobs were created or saved in 2010.	

<sup>11</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 64.

<sup>12</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 48,63.

<sup>13</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 48, 64.

<sup>14</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 66.

<sup>15</sup> Source: annual EIF report on SMEG 31/12/2010, figure as at 31/12/2010.

<sup>16</sup> Nota for employment results & figures: the EIF 's Employment Report 2011, bringing more details in that respect, is due in October 2011 only.

<sup>17</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p66.

*b) GIF*

– Average growth in annual turnover of beneficiaries (SMEs financed) during the past 3 years:	
Negative (decline)	2 %
0 %	16 %
+ 1-10 %	16 %
+ 11-20 %	18 %
> + 21 %	48 %
– Number of high growth enterprises (i.e. enterprises with annual turnover growth of over 20 % over a three year period) among beneficiaries	
	48 %
– % of SMEs stating positive prospects due to financing	
	94 %
– part of the increase in annual turnover attributed to the financial instruments (FIs) (% of interviewees attributing X% of their growth in the relevant year to the FIs)	
	2010
‘26-100 % of the growth in relevant year is attributed to FIs’	47 %
‘1-25 % of the growth in relevant year is attributed to FIs’	15 %
– Total jobs created or maintained in SMEs receiving financing: the number of employees in the GIF beneficiaries at the date of their inclusion in the programme was	
	4 735.
– New or saved jobs (in FTE) attributed to the FIs: 89 % from the GIF beneficiaries stated that, due to the EIP financing, jobs were created or saved in 2010.	

<sup>18</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 64.

<sup>19</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 48, 63.

<sup>20</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 48, 64.

<sup>21</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p66.

<sup>22</sup> Figure as at 30/9/2010 (GIF1+GIF2), source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p 47.

<sup>23</sup> Source: EIP Final Evaluation Final Report March 2011, questionnaire on 117 interviewees, chapter3, p66.

<sup>24</sup> Nota for employment results & figures: the EIF's Employment Report 2011, bringing more details in that respect, is due in October 2011 only.

**OUTLOOK: What remains to be done after 2010?**

The implementation of the GIF and SMEG instruments will continue. After the slow-down in venture capital activities during 2010 due to the financial crisis and its impact on the economy, a clear revival of demand for venture capital deals was observed in 2011. SMEG, as a counter-cyclical instrument, has so far registered sustained demand all through the implementation period and the trend is likely to continue. Funds allocated to the 2011 implementation of the EIP financial instruments were committed well before the end of the year, proving the high demand for the instruments on the part of intermediaries and final beneficiaries.

### *2.1.2. Improving policies on financing innovation and SMEs*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objective of the policy measures under this heading is to ensure better financing opportunities for SMEs. This goal has been pursued by means of various actions:

- providing a discussion platform for stakeholders and increasing the interaction between SMEs and finance providers (first in the context of the Banks-SMEs Round tables, then in the framework of the SME Finance Forum);
- ensuring a better statistical coverage of the area of access to finance for SMEs in order to provide an improved basis for policy-making (through the survey on SMEs' access to finance, conducted in cooperation with the ECB, and the creation of the Enterprise Finance Index website, a collection of statistical data on the different financing sources for SMEs);
- increasing stakeholder awareness of the available financing instruments for SMEs through a series of information events (the EU Finance Days for SMEs) carried out in all the Member states, as well as in Iceland and Turkey;
- exploring new ways of adapting the financing environment to SME needs by commissioning studies and organising workshops.

#### **TOTAL BUDGET**

These measures were financed by the EIP between 2007 and 2010, in total with 1.8 million EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

As part of the actions in support of SMEs' access to finance, a number of studies were undertaken with a view to providing a solid basis for formulating future policy approaches. Concrete examples are the studies on the cyclicalities of SME finance, on methods to help SMEs in financial distress, on the creation of a financial market for IPR and on the effectiveness of policy measures to combat the effects of the crisis.

A great number of dissemination events, forums and workshops have been organised. Examples include the following:

- 28 SME Finance Days were organised between 2008 and 2010 in the EU Member states (with the exception of Denmark, where the event took place in 2011), Iceland and Turkey, raising awareness about the different sources of finances available for SMEs and providing a forum for sharing good practices.
- The Fifth Round table banks-SMEs, which ended in 2007, was followed in January 2009 by an ad-hoc round table on access to finance and, starting from 2010, by the SME Finance Forum. In this context, a high-level conference was organised in May 2010 on the topic 'How to exit recession and achieve smart growth'. The activity of the Forum in 2010 included also a high-level meeting in September and working group meetings in November and December.

- A number of workshops were dedicated to debating themes relevant to boosting SMEs' access to finance. These included the two expert groups convened in 2007 to discuss the availability of seed and start-up finance, the 2008 workshop on microcredit and the three venture capital workshops organised in 2010.
- Information dissemination was also done through the creation of websites. The Enterprise Finance Index website<sup>14</sup> was launched in 2008 and continued to be developed in the following years, with the objective of offering a comprehensive statistical overview of the financing sources used by SMEs. In addition to that, a dedicated website was created for the EU 'Finance Days for SMEs' initiative.<sup>15</sup>

Finally, conducting the Flash Eurobarometer on access to finance allows the Commission to reach a considerable number of SMEs: the 2009 survey covered all the EU Member states plus Croatia, Iceland and Norway, reached 8300 SMEs and it is probably the largest survey in this field. The survey will be conducted every two years, with the first wave having taken place in 2009, and is complemented by the ECB's survey for the eurozone every six months. A cooperation agreement has been signed between the ECB and the European Commission on data collection for the SME lending market.

## **Results and impacts**

It is essential that actions undertaken in support of access to finance reach a sufficient number of stakeholders in order to ensure all interests are represented and to increase general awareness of the existing support measures and the financial instruments available to SMEs.

The EU Finance Days events were very well attended, with the number of participants ranging from 60 to 500, including most of the key stakeholder organisations, and generated positive feedback from participants.

The discussion platform offered by the SME Finance Forum is also relevant for a significant number of stakeholders: the May 2010 high-level conference had around 350 participants, while 13 of the most important pan-European SME and finance providers' organisations take part regularly in the preparatory working groups.

Moreover, the Flash Eurobarometer survey on SMEs' access to finance provides crucial input to policy-making by offering an overview of the financing situation as perceived by the enterprises themselves.

These policy support actions contributed to the preparation of the Action Plan on access to finance for SMEs, scheduled for publication by the end of 2011, as well as of a legislative proposal intended to facilitate cross-border investments for venture capital funds. In the longer run, the policy actions in support of SMEs' financing capabilities aim at making available more debt and equity finance for enterprises in their start-up and growth phase.

---

<sup>14</sup> [http://ec.europa.eu/enterprise/policies/finance/data/enterprise-finance-index/index\\_en.htm](http://ec.europa.eu/enterprise/policies/finance/data/enterprise-finance-index/index_en.htm)

<sup>15</sup> <http://www.sme-finance-day.eu/>



## **OUTLOOK: What remains to be done?**

The Commission will continue to monitor trends in the lending and capital markets, encourage the exchange of good practices among Member states and explore together with stakeholders the most appropriate action to ease access to financing sources for SMEs. The implementation of ongoing actions (such as the SME Finance Forum, the access to finance survey, the development of the Enterprise Finance Index) will continue. New initiatives may be launched (for example, studies on topics such as securitisation or better assessing the size of the business angels market). The Commission proposals for the next generation of EU programmes 2014-2020 will take due account of the need to ease access to finance for SMEs.

### **3. CREATION OF AN ENVIRONMENT FAVOURABLE TO SME COOPERATION, PARTICULARLY IN THE FIELD OF CROSS-BORDER COOPERATION**

#### **3.1. Business support services**

##### *3.1.1. Services in support of business and innovation • EIC Network and Enterprise Europe Network*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objective of the **Euro Info Centre Network (2007)** and the **Enterprise Europe Network (first operational period: 2008-2010)** is to provide quality services to support businesses, in particular SMEs. The EIC Network was designed mainly to inform enterprises on EU matters and how to apply them, to help position SMEs on the European and international markets and to provide business cooperation services and a channel for communication with SMEs on forthcoming and existing EU legislation (SME feedback). These activities have been further developed and integrated with the activities of the former Innovation Relay Centre Network (not part of the CIP) and enriched with new activities within the Enterprise Europe Network (Article 21 of the Decision establishing the CIP<sup>16</sup>).

#### **The operational objectives of the Enterprise Europe Network are:**

- help enterprises find partners outside their own country for developing their business, exports, technology and knowledge;
- provide services encouraging participation by SMEs in the EU Framework Programme for RTD and promote EU policies and access for SMEs to EU programmes;
- develop Network recognition and awareness locally and make sure that the Network and its services are known by SMEs in the geographical areas covered;
- develop an integrated range of services, balancing services directed towards business development with services directed towards technology and knowledge transfer and increasing synergies between Network partners;
- guide clients towards the most appropriate service provider, implement the ‘no wrong door’ concept and build synergies with other relevant service providers within the Network and in the region to offer complementary services;
- continuously increase the quality of the integrated services provided by the Network;
- contribute to the SME feedback function by consulting businesses and obtaining their opinion on Union policy options;
- build an efficient management system reducing the administrative burden on all parties for planning, reporting and monitoring.

Implementation of the Enterprise Europe Network was entrusted to the Executive Agency for Competitiveness and Innovation (EACI) which is responsible for the project management, the

---

<sup>16</sup> Decision 1639/2006/EC of the European Parliament and of the Council of 24 October 2006

annual conference and for running the Network (including IT tools, training sessions, working groups, meetings, communication activities and services for the Network partners).

## TOTAL BUDGET

The measures were financed by the EIP between 2007 and 2010 with a total budget of 263.5 million EUR, including 13.3 million EUR for the EIC Network (2007), 168.3 million EUR for the Enterprise Europe Network grants, running costs and special calls for the period 2008-2010 and 81.8 million EUR for the next operational period (2011-2012).

## WHAT HAS BEEN ACHIEVED?

### Outputs

The Network now has 600 partner organisations in 50 countries. It has concluded agreements with 21 associated and affiliated members and signed operational agreements with Eureka, the ESA, CERN and the JRC. The Network covers the EU-27 countries, EEA countries and major economies like the USA, Russia, South Korea, Japan and China.

The total number of SMEs in contact with the Network increased from 2 million to about 3.5 million in the second period. This includes information services such as newsletters, (automatic) electronic alerts and answering simple requests for information about the EU, but also personal assistance and in-depth technology or innovation assessments, brokerage services and specialised assistance. However, the latter is of course, much more targeted and time-consuming and addresses a more limited audience.

Over 10000 contributions from SMEs have been received, many of them in response to consultations on proposed legislation (for example, SME Panels on European contract law or the Working Time Directive).

Output indicators	1st reporting period	2nd reporting period
Enterprise Europe Network	1/1/2008--30/6/2009	1/7/2009--31/12/2010
Number of local promotion and information events organised with SME participation	9 472	9 626
Number of SMEs helped with questions on EU subjects (including EU legislation and programmes)	185 966	190 050
Number of proposals for business/technology/research partnerships produced and disseminated to SMEs	11 550	20 107
Number of advisory services to SMEs (business and technology reviews, IPR, financing services, etc.)	73 000	89 666
Number of SMEs involved in brokerage events and company missions	24 649	41 521
Number of cases of feedback from SMEs taken into account in policymaking (SME Panels)	4 750	6 300

This compares very favourably with the output indicators reported for the former EIC Network (figures for 2007) when:

- 4 055 events were organised which 159 886 target group clients attended;
- 3 664 individualised assistance services were offered to 99 675 clients;
- 275 328 questions from 197 588 clients were answered;
- 3 637 business cooperation profiles were created;
- 1 531 cases of feedback from SMEs on problems encountered by companies within the internal market were registered.

A one-to-one comparison between the former EIC Network and the Enterprise Europe Network is only partly possible because of the additional integrated activities of the former Innovation Relay Centres and new services such as the FP7 partner search. Not only the output increased compared with the old networks, but also the added value and the specialised advisory services delivered.

## Results

The reports from the Network partners on the delivery of their services during the first 36 months of operation show a steady increase in Network activities with a better focus and greater efficiency.

The activities produced an increasing number of results. This is most visible in the increase in the number of partnerships agreements: up by 83 % compared with the first period. Approximately 18 % of the technology profiles have led to conclusion of a formal technology transfer agreement brought about by the Network. The success rate for turning research profiles into agreements to submit joint proposals under FP7 was almost 45 %.

### *Client satisfaction*

The client survey suggests that the Network has been delivering these integrated services to the high satisfaction of its clients, with answers to all the questions generally positive and satisfaction rates ranging between 70 % and 90 %. Satisfaction rates are particularly high (80-90 %) for general information services, Network services which SMEs can subscribe to (such as customised (automated) partnership proposals, tender alert services, legislation watch, etc.) and the Network's publications. They are around 70 % for partnership services, events and special advisory services.

Results indicators	1st reporting period	2nd reporting period
Enterprise Europe Network	1/1/2008--30/6/2009	1/7/2009--31/12/2010
Level of awareness, especially Network support recognition (number of SME contacts)	2 061 000	3 577 000
Level of satisfaction with quality of the services provided (% of SMEs reporting satisfaction or added value)	n/a	78 % satisfied
Number of cross-border business partnerships secured	257	713
Number of cross-border technology partnerships secured	771	1 040
Number of cross-border research partnerships secured	492	1 168
Number of SMEs helped by signposting them to other	8 499	9 628

local players		
---------------	--	--

## Impacts

The Network provides various types of services to SMEs which can be grouped into four categories. One of the most important is the partnership-building service for which a benefits assessment survey was undertaken in 2009. This survey collected information on the impact of the service from 628 beneficiary SMEs which had concluded partnership agreements as a result of the support they received from the Network during its first 18 months in operation (the sample covers 41 % of the total number of agreements).

Impact indicators	1st reporting period	2nd reporting period
Enterprise Europe Network	1/1/2008--30/6/2009	1/7/2009--31/12/2010
SME performance assessment: growth of sales	150 million	300 million
SME performance assessment: jobs created or maintained (as a result of cooperation services)	900	1 500
SME performance assessment: new markets, new products, services or processes launched over the past 12 months as a result of the support received	52 % of SMEs	52 % of SMEs

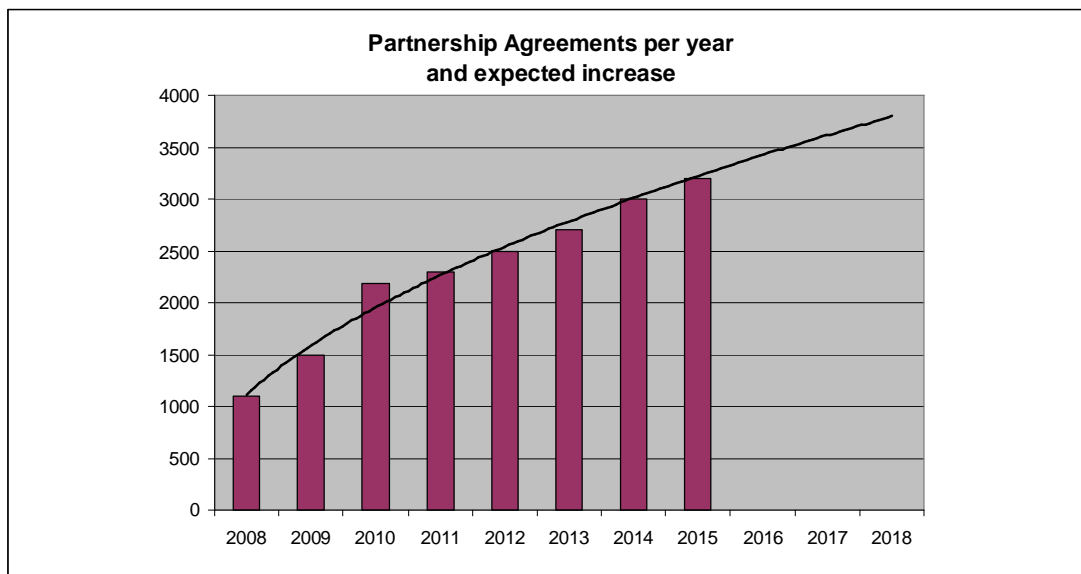
The results of the survey (based on the 1st reporting period, i.e. 1/1/2008--30/6/2009) in terms of benefits for the Network's clients involved in partnership-building services can be summarised as follows:

- **Access to new markets/new products:** access to new markets was reported by the largest proportion of respondents (over 54 %) followed by development of a new product, service or process (51 %), an increase in turnover (48 %), an improvement of a technology (45 %), participation in a new project (42 %), an increase in their number of employees (26 %) and a revision of their strategy (24 %).
- **Turnover:** nearly 45 % reported an impact on their turnover as a result of the support they had received from the Network. The average impact per firm was around 220 000 EUR per annum. Business partnerships tended to make a bigger impact per firm than technology transfer partnerships and research partnerships. This can be explained by the longer time-lag for 'further-from-market' technology and research partnerships.
- **Employment:** just over a quarter expected their firm to be able to increase its workforce or to safeguard current jobs as a result of the support it had received from the Network. Across all SMEs that gave figures for the impact on employment, the average was around 0.6 jobs created or safeguarded per firm.

During the second reporting period, the number of partnership agreements secured by the Network totalled approximately 2 800, an 83 % increase. Consequently, the figures given above for the impact on turnover and employment were revised to an increase in turnover of 200 million EUR per annum and 1 000 jobs created or safeguarded per annum (for the partnership services only, which are just one of the four categories of service delivered by the Network).

### *Expected future increase*

The upward trend in the number of partnerships per year is expected to continue. This will contribute to a parallel increase in SMEs' turnover, in jobs created and in new services developed. The impact will be a 350 million EUR per annum increase in turnover and 1 750 jobs created or safeguarded per annum up to 2015. This increase can be explained by efficiency gains as the Network services become more mature, but also by deepening the current portfolio of services and by better focusing, better networking and optimum use of resources. The increase is also fuelled by the higher number of opportunities as new countries join the Network or by better cooperation between Network partners, for example in the form of clusters or incubators.



(NB: Partnership services are just one of the four categories of service delivered by the Network.)

Finally, the Network has very strong long-term potential to link up SMEs, to contribute to better use of the single market by a significant number of SMEs and to act as a 'bridge' between the European Commission and SMEs in the regions.

### **OUTLOOK: What remains to be done?**

The first priority is to continue deepening the current set of integrated services throughout the Network which are producing an increasing number of activities and additional outcomes and impact. The Network could progressively be opened up to selected non-EU countries and new mechanisms could be put in place to support the internationalisation of SMEs beyond the EU (as an integral part of the forthcoming Commission Communication on a coherent and effective EU strategy to support the internationalisation of SMEs).

Closer cooperation between the Network and EU clusters and incubators is envisaged in order to help them internationalise and integrate into the technology transfer activities of the

Network, capitalising on the existing tools and activities. Furthermore, coordinated projects with other business support networks are to be launched to add to the benefits for local SMEs.

### *3.1.2. Strengthening the IPR dimension of EU industry and SMEs*

Intellectual property rights (IPR) stimulate research, innovation, inventiveness, creativity and, thus, the competitiveness of EU businesses, particularly small ones. Small and medium-sized businesses are frequently not getting the most out of their creativity, because they do not integrate IPR issues into their business strategies. It is every firm's individual decision whether to use formal IPR or not. However, companies need to be aware of IPR and the consequences of use of IPR by themselves and their suppliers, clients or competitors.

Parties involved in research and development, innovation or internationalisation activities are frequently confronted with IPR issues. Public support is often provided either on a national basis or not at all. This is the reason why EU-level projects have been set up to improve support for IPR in the EU and to provide such support to EU SMEs facing challenges abroad.

#### **3.1.2.1. CHINA IPR SME HELPDESK**

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The Helpdesk provides support services to help EU SMEs both protect and enforce their intellectual property rights in or relating to China. The target group spans both European SMEs in the EU and those already present in, investing in or otherwise doing business in or with China. This call followed the three years of successful activity in the pilot project of the same name. Key services provided include:

- Providing EU SMEs with front-line advice services on IPR protection and enforcement in China, plus expert liaison and signposting services for relevant government administrations, attorneys or consultants for further follow-up, as appropriate;
- Developing and providing legal background material to support EU SMEs;
- Providing trainers and training material on IPR enforcement in China and closely related subjects (such as 'know before you go' business guidance, etc.) for SME clinics and workshops in the EU and around China and planning, preparing, promoting and presenting such clinics and workshops in China;
- Creating a network between firms, industrial associations and other relevant organisations in China to inform SMEs on IPR developments and support available for enforcement;
- Providing a multilingual web portal for IPR protection in China, focusing on how to protect IPR in typical business situations.

All the above-mentioned services are provided in a variety of EU languages, proportionate to the actual needs of EU SMEs, and address intellectual property matters specifically from the point of view of SMEs' business needs (e.g. how to design production or sourcing processes so as to protect their intellectual property, what measures to take when participating in trade fairs or in logistics, etc.), rather than addressing a more specialist audience such as IPR law practitioners. Services are provided 'close to' European SMEs around Europe and also in China.



## **TOTAL BUDGET**

These measures were financed by the EIP in 2010, with a total budget of 3 million EUR.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs**

The project was approved in December 2010 and the contract covers three years of Helpdesk activities. From the time the contract was signed until August 2011, the following outputs were delivered:

- 21 training sessions/workshops were held in Europe and China;
- New training material was developed on IPR for clean technology, technology transfer, IPR in contracts and hiring, IPR for creative industries and managing IP as business assets; an e-learning module on trade secrets was published on the website;
- The web portal was redeveloped to make it more user-friendly;
- The first Helpdesk ‘webinars’ were held to offer specialised advice (e.g. per industry/sector) for participants around Europe and China.

### **Results**

- 128 confidential enquiries were addressed.
- The Helpdesk maintained or developed contacts with chambers of commerce/embassies /sectoral associations in every Member State.
- 600 SMEs participated in training sessions/workshops.
- 23 articles were prepared for sectoral and regional publications.
- An average of 2000 new visitors per month turned to the Helpdesk website.
- The Helpdesk is developing a longer twice-yearly ‘policy input’ paper to reflect the IPR situation in China ‘on the ground’ to policymakers, based on queries received and observations by Helpdesk experts.

### **Impacts**

The follow-up survey suggests that at least 30% of the users have taken firm action as a result of advice from the Helpdesk (e.g. employing lawyers, registering trademarks or undertaking administrative enforcement). The action taken by Helpdesk users has increased the likelihood of effective protection of IPRs held by European SMEs and offered protection against infringements which could potentially inflict highly costly damage on such enterprises.

## **OUTLOOK: What remains to be done?**

Helpdesk services will continue to be offered until the end of 2013. The level and type of services are expected to be maintained in the short and medium term and possibly expanded in the long term to other BRIC countries<sup>17</sup>. In particular, the Helpdesk will:

- Continue to develop new material based on expressed business needs and policy priorities (e.g. clean technology, China's priority sectors and sectors in which European SMEs are competitive);
- Put the emphasis on activities for small focused groups, such as sectoral, local or regional groups of SMEs;
- Continue to identify SMEs in need of Helpdesk services.

---

<sup>17</sup> The countries of Brazil, Russia, India and China

### 3.1.2.2. IPR AWARENESS AND ENFORCEMENT - THE IPeuropAware PROJECT

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objectives of this measure were to:

- Raise significantly SMEs' interest in and knowledge about intellectual property issues;
- Raise SMEs' understanding of the need to integrate IP into their innovation strategies and their business planning;
- Improve protection of SMEs' IP rights by increasing registration of rights across the EU and internationally and making greater use of non-registered protection methods;
- Help SMEs to improve protection of their IPR from infringements, whether originating from within or outside the EU, and improve enforcement;
- Raise SMEs' ability to fight counterfeiting.

The main activities to achieve these objectives consisted of:

- Cooperation between national IP offices to develop further IPR services for SMEs by improving national offices' IP helpdesks, testing new and improved SME support services in pilot activities, training IP office staff and business support organisations on providing support for SMEs and making SMEs aware about and training them on IPR matters;
- Development of sectoral guides on IPR for the design and fashion industries and provision of local awareness seminars to train SMEs and disseminate the guides;
- Support for participants in FP7 and the CIP in the form of direct advice, on-line material and training sessions and seminars around Europe.

#### **TOTAL BUDGET**

This measure was financed by the EIP in 2007, with a total budget of 6.2 million EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

During the three years of activities the consortium produced the following outputs:

- 39 IPR enforcement and awareness seminars were organised in 15 countries;
- 72 new IP services and tools were tested on SMEs and implemented by the national IP offices;
- More than 60 ready-to-use training or support packages were created to serve both national IP offices and business support organisations;
- 4 training sessions on enforcement issues were organised for national IP offices;
- 2 websites were created, including a pan-European website that brings together information about nearly all the national IP offices in Europe;

- 4 guides were created and 14 seminars organised on IP issues and counterfeiting for the textiles and clothing, footwear, leather and furniture industries.

## **Results**

The measure produced the following results:

- 20 European countries participated in the project, involving 20 national IP offices;
- More than 2 200 participants (43 % from SMEs) attended the awareness and enforcement seminars;
- Sectoral awareness seminars attracted more than 400 participants, and more than 2 000 printed guides were distributed in 13 languages;
- Around 250 IP officials were trained on enforcement issues;
- Around 4 000 responses gave advice to universities, public research organisations and SMEs;
- Participants in training sessions and seminars and clients seeking advice were satisfied or very satisfied, according to surveys conducted after each activity;
- More than 250 000 visits of the website were recorded over three years, with numbers growing over time.

## **Impacts**

- National IP offices are now more committed to providing SME support services; for example, 59 % of the new IP services have been implemented in a ‘sustainable’/definitive manner.
- Several new national IP offices decided to join the new project, continuing the cooperation between offices despite the reduced funding (due to the downturn).
- Cooperation networks at national level have been strengthened, both on provision of support for SMEs and on IPR enforcement matters.

## **OUTLOOK: What remains to be done?**

The measures to encourage national IP offices to provide support for SMEs should continue. Accordingly, a new project (IPorta) has been financed by the EIP in 2011. It will be useful to monitor to what extent the national IP offices have implemented the results of IPeuropeAware at national level. The support for participants in FP7 and the CIP should continue as well. Consequently, continuation of the European IPR Helpdesk has been secured with EIP 2010 funds.

### 3.1.2.3. IDENTIFICATION AND EXCHANGE OF BEST PRACTICES ON IPR ENFORCEMENT

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objectives of this measure were:

- **Identify and exchange best practices between Member States and the private sector** in the area of support measures for IP enforcement, involving the networking of public and private experts;
- **Develop good practices for IPR enforcement** support measures, advice structures, private-public partnerships, including on-the-spot networks, and enforcement practices at trade fairs, etc.

The main activities to achieve these objectives consisted of:

- **Meetings of a group of experts** from Member States from the public and business sides. The group gathered in 2008 to look at existing support measures, identify the best and find gaps in the provision of support measures;
- The expert group concluded with the **report ‘Making IPR work for SMEs’**;
- **A conference** was organised in spring 2009 to present and discuss the recommendations made by the expert group and the good practices identified with Member States and EU-level decision-makers and stakeholders.

#### **TOTAL BUDGET**

This measure was financed by the EIP in 2007 and 2008, with a total budget of 0.45 million EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

The project produced the following outputs:

- Four meetings of the expert group to identify and discuss best practices and conclude with recommendations;
- An inventory of IPR enforcement support measures in countries participating in the CIP;
- A concluding conference and report.

##### **Results**

The project produced the following results:

- The concluding report contained 10 main messages and 32 recommendations, especially to decision-makers, but also to business support organisations and SMEs directly;
- Around 200 persons participated in the conference disseminating the results of the project;

- The report and the inventory are available on the pan-European IPR website.<sup>18</sup>

### **Impacts**

- The European Observatory for Counterfeiting and Piracy has been established, which was one of the recommendations emerging from the project.
- National IP offices are now more active in the field of IPR enforcement.
- The EU and Member States are more active on IPR enforcement issues.

### **OUTLOOK: What remains to be done?**

A new best practice project is planned to assess how the original recommendations have been implemented in Member States and the state of play with support for IPR enforcement in these countries.

---

<sup>18</sup> [www.innovaccess.eu](http://www.innovaccess.eu)

## 3.2. Sector-specific action

### 3.2.1. *Knowledge networks for tourism*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

This measure aims to improve the sustainability and competitiveness of European small and micro enterprises in tourism, where they make up the majority of the enterprises involved.

In 2008 and 2009, the action focused mainly on supporting the creation of new and strengthening existing transnational networks between public administrations and business associations involved in tourism. The networks contributed to identifying practices and tools to help small and micro enterprises become sustainable and competitive, to increase the level of awareness about sustainability-related practices and tools and, thus, to foster sustainability-driven innovation in the tourism industry. Seven networks were co-financed in 2008 and 2009. These developed activities in the following main fields: integration of sustainability principles by SMEs active in tourism, especially by minimising use of resources and production of waste in the tourism sector; production of a method and communication strategy with a view to facilitating implementation of the corporate social responsibility (CSR) concept in tourism businesses; and awareness-raising on tourism accessibility.

In 2010, the action focused on improving coordination of research activities on tourism-related issues, in order to create a more favourable framework for the tourism sector and to foster transnational cooperation between research institutes and universities in this field.

#### **TOTAL BUDGET**

These measures were co-financed by the EIP in 2008-2010, with a total budget of 1.9 million EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

The measures have created or strengthened ten transnational tourism networks covering a total of 24 CIP countries,<sup>19</sup> with each of the networks covering at least three countries in 2008 and five in 2009 and 2010. Around 65 beneficiaries have been directly involved in the activities developed by the networks (e.g. chambers of commerce and industry, non-profit tourism organisations, public/private tourism associations representing tour operators, travel agents and hotels, research institutes/universities and national/regional tourism authorities).

The **2008 tourism networks** are: the European Alliance for Responsible Tourism and Hospitality (EARTH), the Chambers Active for Sustainable Tourism (CAST) and Competitiveness for European Tourism for All (CETA). EARTH promotes responsible tourism through training and awareness activities for the purpose of educating travellers and communicating with conventional tourism agencies and cooperating with local authorities, EU

---

<sup>19</sup> Austria, Belgium, Bulgaria, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Turkey and the United Kingdom.

agencies, schools and universities, research centres and other tourist operators. CAST has created a pilot network of chambers of commerce and industry active in promoting the integration of sustainability principles by SMEs active in tourism, with a focus on minimising use of resources and production of waste in the tourism sector. CETA has produced a marketing toolkit for tourism SMEs on accessible, sustainable and competitive tourism destinations and on building accessible tourism training capacity.

The **2009 tourism networks** focused on (1) devising a labelling scheme for sustainable services throughout the tourism value chain; (2) developing sustainable tourism in lake areas; (3) producing a tool for harmonisation of tourism sustainability criteria for areas protected under the Europarc Charter; (4) guiding tourist destinations and their enterprises towards sustainable management.

The **2010 tourism networks** are covering the following themes: (1) exploring and implementing service design thinking in the tourism industry; (2) defining and mapping existing research activities related to sustainable tourism, focusing on the theme ‘from research to market-place’; (3) identifying initiatives at national or regional levels as good practices for the sector. The projects started in March 2011 and will be carried out over a period of 18 months (until August 2012).

Valuable studies, surveys, reports and awareness-raising or communication leaflets have been produced by the CIP tourism networks and published on the websites established for the projects.<sup>20</sup>

## **Results and impacts**

The activities developed by the networks increased awareness among consumers about responsible tourism and travel and triggered more responsible behaviour on the part of travel organisers and tour operators. One good example of this change was the proposal for a certification scheme for travel agencies which comply with a core set of sustainability indicators when developing services and tourism packages. Among other things, the certified travel agencies had to raise tourists’ awareness of sustainable travelling and holiday behaviour (e.g. through their websites or brochures). As far as tourism accessibility criteria among tourism enterprises and intermediary organisations are concerned, the action financed developed good practices, documentation and benchmarking tools for sustainable tourism management and increased take-up of such practices by enterprises, as reported by project leaders in response to questionnaires and surveys.

The tourism networking measures are perceived as successful by stakeholders and have continued their activities beyond the end of the financing period.

## **OUTLOOK: What remains to be done?**

The final conferences on the activities co-financed under the CIP 2009 grant will be held by the end of 2011. The projects co-financed from the CIP 2010 budget are meant to pave the way for the future European Virtual Tourism Observatory (VTO). This was therefore the last call for proposals under the theme ‘Knowledge networks’. The VTO aims to enhance the

---

<sup>20</sup> Three websites give full details of the 2008 tourism networks:

<http://www.earth-net.eu/>;

[http://www.accessibletourism.org/?i=enat.en.enat\\_projects\\_and\\_good\\_practices.566admin?i=enat.en.enat\\_projects\\_and\\_good\\_practices.566](http://www.accessibletourism.org/?i=enat.en.enat_projects_and_good_practices.566admin?i=enat.en.enat_projects_and_good_practices.566)

<http://www.cci.fr/web/organisation-du-reseau>.



socioeconomic knowledge base at European level on tourism-related issues, such as trends in demand and supply or data and research on the businesses in the tourism sector. Its objective is to provide useful information to the industry and the public authorities so that they can develop effective strategies for the sector and make appropriate policy recommendations at European level. A call for tenders for a feasibility study on the future VTO was launched.<sup>21</sup> Depending on its results, the VTO may be financed under the CIP in the next few years.

---

<sup>21</sup> [http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?displayType=fo&lang=fr&tpa\\_id=174&item\\_id=5128](http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?displayType=fo&lang=fr&tpa_id=174&item_id=5128)

### *3.2.2. Enhancing competitiveness in the construction sector*

The construction industry occupies a prominent position in the European economy. Not only does it generate about 10 % of GDP, but also it provides 20 million direct jobs, mostly in micro and small enterprises. Its performance significantly influences the economy as a whole. Buildings account for 42 % of final energy consumption and generate 35 % of CO<sub>2</sub> emissions in the EU-27. The competitiveness of the construction sector is therefore important not only as a driver for businesses and for the European economy in general, but also to reduce the environmental footprint of the sector from different perspectives • from energy and raw materials consumption to waste.

#### **3.2.2.1. STUDY ON FUTURE QUALIFICATION NEEDS IN THE CONSTRUCTION SECTOR**

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objective of the study was to identify, analyse and assess the future needs for skills and qualifications in the construction sector. In view of the very large number of SMEs and self-employed in the sector, particular attention was paid to their needs and abilities to address skills shortages.

A Monitoring and Steering Group, bringing together representatives from relevant Commission departments, the Member States and other experts, provided general supervision and guidance during the whole process (three meetings at key development stages).

Initially, four plausible distinct scenarios for development of the sector and their implications regarding skills needs in the medium term (until 2020) were elaborated. These scenarios took technological, economic, environmental and social indicators into account. In parallel, the contractor identified and analysed 18 innovative initiatives at EU level and in the Member States addressing skills needs in this sector.

The analyses described above were brought together to provide valuable input to the new flexible strategy for upgrading skills and qualifications in the construction sector, based on the companies' ability and willingness to take up technological and managerial changes.

##### **TOTAL BUDGET**

This measure was financed by the EIP in 2007, with a total budget of 240 300 EUR.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs**

An inception report, an interim report and a final report were produced, as required by the contract documents. The final report fully meets the stipulations in the contract and contains the components required. The quality of the final report is well up to the standard expected and the feedback received from stakeholders indicates a high level of interest in the numerous recommendations made as part of the strategy.

## **Results**

Different groups of stakeholders are actively using the final report and its components. Many confirmed that the final report provided a useful strategy to raise qualifications in the construction sector.

## **Impact**

The study will provide key input to the process of developing a competitiveness agenda for the construction sector. Integration of the construction sector's agenda into wider action is progressing and the findings of the study have been discussed in the context of the Communication on 'New jobs for new skills'.

## **OUTLOOK: What remains to be done?**

Implementation of this measure has been completed. However, the Commission will continue to make use of the recommendations made in the study, in particular in the context of developing a competitiveness agenda for the construction sector.

### 3.2.2.2. COMPETITIVENESS ANALYSIS OF THE CONSTRUCTION SECTOR

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

This study was intended to provide the European Commission with a foundation on which to build a comprehensive strategy for sustainable competitiveness in the EU construction sector and its enterprises. Specifically, the study:

- Assesses the competitive position of the EU construction sector;
- Expands on learning points derived from implementation of the 1997 Communication on the competitiveness of the construction industry;
- Identifies and analyses key factors influencing the current and future competitiveness of the EU construction sector;
- Examines and assesses the regulatory and other framework conditions at European and national levels to identify key challenges that the mid-term strategy needs to address;
- Presents a draft strategy and implementation plan.

#### **TOTAL BUDGET**

This measure was financed by the EIP in 2009, with a total budget of 499 528 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

The report was produced in accordance with the terms of reference. The quality of the final report is very good and the feedback received from stakeholders indicates a high level of interest in the numerous recommendations.

##### **Results**

The study reports on the state of play on current EU policies and future policy options in relation to the sustainable competitiveness of the European construction sector and its enterprises. It outlines the key challenges facing the sector up to 2020 and the existing policies at European level and proposes various policy measures, taking into account the likely impact and potential risks associated with each of the measures suggested.

The strategy proposed by the study team takes into account the views of a number of stakeholders from the construction sector and national administrations. It is based on a series of policy measures and indicators to monitor progress and achievements. The study also outlines a governance structure and an implementation plan to drive and monitor the strategy proposed and is flexible enough to evaluate progress and to allow a change of direction if necessary.

## **Impacts**

The strategy proposed in the study will contribute significantly to preparation of the Communication on the sustainable competitiveness of the construction sector and its enterprises in 2011. The strategy is expected to:

- Raise the human capital profile of construction operators and their capacity to innovate and take up technological developments;
- Manage efficiently the coherence between and enforcement of various legislation and regulations at EU and national levels;
- Integrate better the various dimensions of sustainable development into public procurement, the design of construction products and projects, processes and the duration of construction assets;
- Ensure a fair level playing field in competition rules on international markets as well as on the internal market.

## **OUTLOOK: What remains to be done?**

The study has been finalised. However, its conclusions are feeding into the Communication on the sustainable competitiveness of the construction sector.

### 3.2.2.3. THE LEAD MARKET INITIATIVE AND SUSTAINABLE CONSTRUCTION

#### **Lot 1 — Screening of national building regulations**

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The scope of the study was to assess how the EU-27 Member States currently regulate requirements for sustainable construction, enforce these regulations and back them up with voluntary initiatives in partnership with the private sector. The study was also intended to assess the coherence and efficiency of the regulatory systems and to identify possible needs for coordination at EU level to consolidate the regulatory framework.

##### **TOTAL BUDGET**

This measure was financed by the EIP in 2009, with a total budget of 249 050 EUR.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs**

The report was produced in accordance with the terms of reference. The quality of the final report is good and the feedback received from stakeholders indicates a high level of interest in the numerous recommendations.

###### **Results**

The study reports on the state of play with national regulations and potential domains that might require stronger coordination. The report makes a number of recommendations about possible legislative options that could be explored at EU level. Furthermore, it calls for raising awareness at EU level and supporting voluntary action and government-industry collaboration. The study concluded that many of the starting points for smart regulation are currently not in place in the EU-27, in particular due to the lack of attention to enforcement of the sustainable construction regulations and limited collaboration between governments and businesses when designing and implementing sustainable construction regulations.

###### **Impact**

In the long term, closer convergence of the national building regulations could potentially facilitate cross-border services, reduce the administrative burden and provide more opportunities for innovative solutions.

## **OUTLOOK: What remains to be done?**

Implementation of this measure has been completed. However, the recommendations made in this study will contribute to the future Communication on the sustainable competitiveness of the construction sector, particularly in the fields of ‘smart regulation’ and administrative burdens.

### **Lot 2 — Administrative costs**

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The aim of this study was to develop a practical approach to assess the impact of EU legislation on the operation and human/financial resources of construction enterprises and related professional services. It provided a number of case studies on enterprises from the European construction sector and identified cost-effective measures which could reduce the administrative burdens involved.

The study applied a ‘case-based, company-centric’ approach that supplements the traditional standard cost model (SCM) for measuring administrative burdens. The SCM is a legal-centric approach which maps and measures the administrative burdens stemming from a specific piece of legislation and the administrative requirements contained in it. The company-centric approach looks at a broader set of burdens seen from the company’s perspective. In this way, the company-centric approach can be seen as a bottom-up supplement to the SCM approach.

#### **TOTAL BUDGET**

This measure was financed by the EIP in 2009, with a total budget of 199 800 EUR.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs**

The report was produced in accordance with the contract documents. The quality of the final report is well up to the standard expected and the feedback received from stakeholders indicates a high level of interest in the numerous recommendations.

### **Results**

During the project, the company-centric approach was applied and further fine-tuned. In particular, the generic structure of the ‘burden catalogue’ was developed as the tool for capturing the information to be used in the case studies and the horizontal analysis. The approach was applied to four case study clusters: the Energy Performance of Buildings Directive — feasibility calculations; prefabricated housing companies; demolition and site preparation companies; and housing associations and EMAS.

Overall, the strength of the case-based method lies in its ability to generate deep analytical and qualitative insights into how information obligations turn into administrative burdens for companies. The company-centric approach could be taken into account when developing the new ‘fitness check’ of the EU smart regulation agenda.

## **Impact**

The conclusions and recommendations of the study will contribute to the future Communication on the sustainable competitiveness of the construction sector, particularly in the fields of ‘smart regulation’ and administrative burdens. In the long term, closer convergence of implementation of the EU legislation at national level could potentially facilitate cross-border services, reduce the administrative burden and provide more opportunities for innovative solutions.

## **OUTLOOK: What remains to be done?**

Implementation of this measure has been completed. However, the recommendations made in this study will contribute to the future Communication on the sustainable competitiveness of the construction sector, particularly in the fields of ‘smart regulation’ and administrative burdens.



### 3.2.3. *Promoting the competitiveness of the European agro-food industry*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The diagnosis on the competitiveness of the agro-food industry carried out by the Commission in 2004-2006 concluded that its level was high, but that other international competitors were catching up. Therefore, the Commission decided, as from 2006, to support the European industry's competitiveness through a series of conferences aiming at triggering local awareness of the need for innovation in the agro-food sector, where 99 % of the companies are SMEs.

In addition, in the light of the feedback received from stakeholders after a first conference held in Brussels in October 2007, it was deemed appropriate to set up a High-Level Group on the Competitiveness of the Agro-Food Industry. This was formalised by Commission Decision 2008/359/EC of 28 April 2008.<sup>22</sup> In March 2009, the Group adopted 30 recommendations, of which three were on innovation and dissemination thereof. As a consequence, following the recommendations by four Commissioners and representatives of relevant Member States' ministries in charge of the food industry, the scope of the activities was enlarged to enhance the competitiveness of the European food industry.

In its Communication of 28 October 2009 entitled 'A better functioning food supply chain in Europe',<sup>23</sup> the Commission presented ten policy measures to correct the problems identified during the single market review of the food sector and committed itself to submit a report on implementation of the measures, based on a discussion with stakeholders.

To follow implementation of the recommendations by the High-Level Group on the Competitiveness of the Agro-Food Industry and to consult stakeholders on implementation of the Commission Communication, the Commission established an extended high-level expert group, the High-Level Forum for a Better Functioning Food Supply Chain.<sup>24</sup> The membership of the Forum is representative of all food chain operators.

In short, the activities of the High-Level Group and then the High-Level Forum have encompassed conferences, workshops and studies. The following measures were financed from 2007 to 2010: dissemination of innovation in the agro-food industry, fostering SMEs in the agro-food sector through technology, innovation, marketing capability and access to finance and follow-up and accompanying measures in response to the High-Level Group on the Competitiveness of the Agro-Food Industry.

---

<sup>22</sup> OJ L 120 of 7/5/2008.

<sup>23</sup> COM(2009) 591.

<sup>24</sup> Commission Decision 2010/C210/03 of 30 July 2010.

## **TOTAL BUDGET**

These measures were financed by the EIP in 2007-2010, with a total budget of 1.34 million EUR.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs**

Over this period, nine conferences were held, four studies carried out and one survey conducted. In addition, 13 workshops were held in connection with the High-Level Group on Competitiveness and one workshop under the recently set up High-Level Forum, plus four meetings at ministerial level.

On average more than 100 persons attended each conference. The studies supported the analytical work of the High-Level Group and, afterwards, of the High-Level Forum. The activities of these groups were warmly welcomed by the participants.

The outcomes of the conferences and of the High-Level Group/High-Level Forum are available on the Commission's website.<sup>25</sup>

### **Results**

The following countries were represented in the High-Level Group (2008-2009): Bulgaria, Denmark, France, Germany, Italy, Poland, Spain and the United Kingdom. Other members of the Group included European associations representing consumers, public health interests, workers and the food processing industry, along with heads of SMEs and CEOs from international companies.

In the High-Level Forum (since 2010), the following countries are represented at ministerial level: Denmark, France, Germany, Greece, Hungary, Ireland, Italy, the Netherlands, Poland, Slovakia, Spain, Sweden and the United Kingdom. Consumer associations, environmental and public-health organisations (NGOs), trade unions, companies (including SMEs) and trade associations from agriculture, the processing industry and commerce are also represented in the Forum.

The conferences on competitiveness and innovation in the food industry took place in eight different Member States (Slovakia, France, the Netherlands, Greece, Sweden, Spain, Italy and Belgium).

In the course of the conferences and in the work of the High-Level Group, the relationship between food producers and retailers emerged as a particular concern with regard to the competitiveness of the sector. This led to establishment of a platform on business-to-business contractual relations as a working group of the Forum. Three other expert platforms have been established — on competitiveness, on monitoring of food prices and on logistics — in response to the other main needs identified.

---

<sup>25</sup> [http://ec.europa.eu/enterprise/sectors/food/competitiveness/forum\\_food/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/food/competitiveness/forum_food/index_en.htm).

The absence of a structured social dialogue at EU level was also highlighted as a concern in a context where the food industry is failing to attract highly skilled staff. The representatives of the food industry and of the trade unions in the High-Level Group agreed to engage in a joint process to establish a structured social dialogue.

Another result is the number of hits on the website: 18 468 in 2010.

## **Impacts**

The conferences increased local awareness of the need for innovation in the agro-food sector and of ways of obtaining information and gaining access to finance. The holistic approach to the agro-food sector and the 30 policy recommendations made by the High-Level Group have received broad support in the Council. Building on the success of the High-Level Group, several Member States have taken similar initiatives at national level. Exchanges of best practices for price monitoring have resulted in establishment of national price observatories in several Member States.

The work carried out at European level has also resulted in a joint effort by stakeholders to improve business-to-business relationships all along the food supply chain.

## **OUTLOOK: What remains to be done?**

The mandate of the High-Level Forum for a Better Functioning Food Supply Chain is expected to end in December 2012. Through workshops and meetings at ministerial level, the Forum will pursue its efforts to develop a common vision and a holistic approach to the competitiveness of the agro-food sector.

Progress is still expected on a diverse range of issues. These include: improvement of contractual practices; further development of the EU food prices monitoring tool and stronger synergies with the national price observatories; continuous work on food labelling practices; take-up of corporate social responsibility all along the food supply chain; involvement of stakeholders in the initiatives which will be launched under the new Horizon 2020 Framework Programme; and a better understanding of the policy needs of the sector with regard to information technologies and logistics.

### *3.2.4. Initiative for better involvement of defence SMEs in the European internal market*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

In December 2007, the Commission adopted two Directives (one on defence procurement, the other on intra-EU transfers of defence goods) with the aim of promoting better integration of the European defence market.

To gain a better overview of the impact of those directives on SMEs in the defence sector and of how to support closer integration of the European supply chain, in November 2008 the Commission launched a study on the competitiveness of European SMEs in the defence sector.

On the basis of the results, the Commission organised an ‘initiative for better involvement of defence SMEs in the European market’. As part of this initiative, it was decided to organise conferences with, and for, defence SMEs in different Member States to discuss the results of the study and to understand better the challenges they are facing, notably in relation to implementation of the two Directives. As the study focused on six Member States, the Commission decided to hold the conferences in others.

The main objectives of the conferences were to:

- discuss with SMEs the future challenges linked to adoption of the two Directives;
- discuss the recommendations made in the study, notably in relation to opening the supply chain, with SMEs in the defence sector;
- receive feedback from SMEs on what they expect from the Commission and Member States;
- discuss the lack of data on defence SMEs, existing best practices for support at Member State level and the possible establishment of a defence SME portal;
- present to SMEs active in the defence sector the ongoing initiatives of the Commission, the European Defence Agency and the European Security and Defence Association (e.g. the Small Business Act, the Code of Best Practice in the Supply Chain, etc.).

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2009, with a total budget of 155 000 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

The first conference took place in Berlin on 21/22 October 2009. The others, all in 2010, followed on 12/13 January in Stockholm, on 27/28 January in Madrid, on 17/18 February in Budapest, on 3/4 March in Athens, on 17 March in Warsaw and the final one on 30/31 March in Brussels.

All the major stakeholders were represented at these conferences. Defence SMEs, large defence companies, national trade associations and officials from the Ministries of Defence/Economic Affairs had an opportunity to discuss the Commission’s approach and the recommendations made in the study.

The European Defence Agency (EDA) and the Aerospace and Defence Industries Association of Europe (ASD) contributed to all the conferences. At every conference representatives of the Ministries of Defence and the national defence industry associations gave keynote speeches.

## **Results and impacts**

The conferences contributed to defining future challenges and opportunities for defence SMEs linked to development of the internal market. The Commission received useful feedback on current national support policies and input for further measures. Since the conferences in Member States discussed the issue from the perspective of different industrial landscapes and economic situations, a broad range of views has been gathered. Access to information within the different national public procurement procedures, the obligation for prime contractors to subcontract to SMEs and the need for timely payment were among the main topics addressed at the conferences.

This feedback will help the Commission to define its approach to SMEs in the defence sector better, particularly the way in which it can promote integration of the supply chain at EU level.

## **OUTLOOK: What remains to be done?**

The Commission will continue to work together with the EDA, the ASD and national defence industry associations on ways to support SMEs in the defence sector better. To this end, a regular exchange of views should be organised, notably on the following topics:

### *— Data collection on defence SMEs*

The lack of data on defence SMEs was confirmed by the different stakeholders participating in the conferences. Steps will have to be taken to define what can be done to improve the availability of data.

### *— Timely payment*

Timely payment was one of the main points discussed at all the conferences. Today, the average payment period in the defence supply chain is 90 days. One area which could be analysed is whether the EDA's Code of Best Practice in the Supply Chain could be widened to add a voluntary 'commitment' on the part of prime contractors to pay their subcontractors within a set number of days (between 30 and 60).

### *— Obligation for prime contractors to subcontract to SMEs*

Article 21 of the new Public Procurement Directive gives Member States the possibility to impose an obligation on prime contractors to subcontract a certain percentage of the value of the contract. The Commission will monitor implementation of this article by Member States. This should give defence SMEs a stronger chance to gain access to the supply chains of prime contractors established in other Member States.

### *— Creation of a defence SME web portal*

There is a clear lack of information within the supply chain on contract opportunities in other Member States. The possibility of establishing a European defence SME web portal will be analysed with all stakeholders concerned.

### **3.3. Other action to create an environment favourable to SMEs**

#### *3.3.1. Policy-relevant research on SMEs*

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objective was to bring together policy managers from national SME research institutes and public administrations along with SME researchers to bridge the gap between SME research and policymaking. The need for such a group emerged from the experience that, more than other economic policy areas, entrepreneurship and SME policy lacked a consistent link and exchanges with systematic evidence from theoretical and empirical research.

Consequently, a working group was set up to discuss the policy implications of research results on entrepreneurship and SMEs and to disseminate these research results to policymakers and other stakeholder groups at national and European levels. The working group consisted mainly of researchers from dedicated national research institutions on entrepreneurship and SMEs plus international organisations such as the OECD. The working group was first established in December 2007 and continued until the end of 2008.

##### **TOTAL BUDGET**

This measure was financed by the EIP in 2007, with a total budget of 80 000 EUR.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs**

Four meetings of the working group were held in 2007 and 2008. More than 40 experts from 28 CIP countries participated. A survey targeted at key players in research on entrepreneurship and SMEs in the countries participating was carried out and a final report on the findings of the working group was put together and shared with the members of the group.

###### **Results**

Twelve presentations were given on the state of play with policy-relevant research on entrepreneurship and SMEs at European or national level. Discussions were held on improving the economic knowledge base on entrepreneurship and SMEs. The activities of the working groups were confined to the above-mentioned meetings. One of the focal points of the discussions was the new EUROSTAT-OECD Entrepreneurship Indicators Programme which is a joint effort by EU-27 Member States and other OECD countries such as the USA to enlarge and harmonise the existing statistical databases on entrepreneurship and SMEs in order to improve the evidence base for policymaking in this area.

###### **Impacts**

The working group provided an overview of existing research relevant to SME policy in selected policy fields and enabled networking between SME researchers, SME research organisations and public administrations. As a result, the collaboration between

researchers and policymakers was intensified. For instance, the meetings of the working group helped to ensure that the programme was designed as closely as possible in line with the needs of policymakers, in particular as regards the determinants of SME performance (e.g. innovation, access to markets, access to finance, internationalisation, etc.).

Also, the work of the group prepared the ground for the forthcoming ‘SME performance review’ by the European Commission.

### **OUTLOOK: What remains to be done?**

The measure has been completed. Since 2009, the expert group has had a mandate to serve as a discussion forum for the SME performance review. Consequently, the composition of the group has changed slightly, as it now includes a majority of SME policymakers from national ministries. To the extent that issues discussed by the working group will be addressed in the SME performance review, its findings will be revisited and considered in the ongoing work.

### *3.3.2. Participation by SMEs and craft enterprises in the European standardisation process*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objective of this measure is to promote participation by SMEs and craft enterprises and their interests in the European standardisation process and to improve information on and use of European standards in SMEs and craft enterprises and demonstrate the benefits of using standards.

Grant agreements were signed annually with NORMAPME aisbl to implement the activities, in particular to:

- Provide information to SMEs and craft businesses on standardisation and to act on feedback;
- Organise participation by SMEs and craft enterprises in national, European and international standardisation bodies (NSO, CEN, CENELEC, ETSI and ISO/IEC/ITU) and strengthen their cooperation;
- Appoint experts in technical committees (TCs) of the European standardisation organisations (CEN, CENELEC and ETSI) in order to represent SMEs' interests;
- Promote SMEs' interests in strategy meetings, committees and conferences;
- Disseminate information (seminars, website, newsletter, etc.);
- Write a guide for experts on SMEs' needs and set up a helpdesk for experts;
- Write user manuals on standards.

In addition, in 2010 a grant agreement was signed with the CEN for the 'SMEST II' project targeting national standardisation organisations and SMEs. It aims to increase SMEs' awareness of, information on and participation in standardisation.

An external evaluation of the action carried out from 2002 until 2008 was completed in March 2009 and a follow-up of implementation of its recommendations was finalised in July 2011.<sup>26</sup>

#### **TOTAL BUDGET**

These measures were financed by the EIP between 2007 and 2010, with a total budget of 5.99 million EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

##### *Action by NORMAPME*

- 39 SME experts are participating in around 45 technical committees and working groups of the main European standardisation organisations;

---

<sup>26</sup> Further information is available at: [http://ec.europa.eu/enterprise/policies/sme/market-access/standardisation/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/market-access/standardisation/index_en.htm)



- Newsletters are sent six times a year to individual stakeholders, in particular SMEs and sectoral associations; position papers are formulated and sent five times per year to SME associations, European standardisation organisations, the European Commission, the European Parliament, stakeholders and policymakers;
- Approximately 30 awareness-raising events for SMEs, SME associations and national standardisation organisations are organised per year;
- ESO Guide No 17 for experts in technical committees on SMEs' needs has been developed;
- A helpdesk for experts has been created;
- A website in six languages is regularly updated;
- Two user manuals simplifying one standard have been developed;
- So far, 57 seminars have been organised targeting SME associations and SMEs.

*CEN's SMEST II project* on 'External visibility and promotion to assist SMEs in Europe' has delivered the following outputs so far:

- A dynamic knowledge base and a dedicated website; guidelines on use and application thereof are being developed;
- 19 workshops with national standardisation bodies, SME associations and SMEs will be organised in 19 Member States;
- Possible cooperation between national standardisation bodies and national SME associations is being assessed and a set of recommendations will be formulated.

## **Results**

Thanks to increased participation by SMEs' experts in the technical committees and greater involvement of SMEs in the standardisation process, more SME-friendly standards are being developed. External evaluations confirm that the action taken is useful and relevant. In addition, key stakeholders are increasingly aware of barriers faced by SMEs in the standardisation process. Following awareness-raising campaigns, several SME projects have been launched so far by the European and national standardisation organisations.

## **Impact**

SMEs are expected to be better informed on standardisation and are therefore likely to make increasing use of standards and thus benefit more from the single market. This measure has contributed to take-up of recommendations on participation by SMEs in the European standardisation process in policy development at EU level, for example in the standardisation package and in the SBA review.

## **OUTLOOK: What remains to be done?**

A final conference is to be held in Brussels in 2013.

Other action to be taken will include 19 workshops and their assessments of stakeholder participation in the workshops, stakeholders' assessments of the workshops (evaluations/feedback forms), awareness about the project in publications and websites and use of dynamic knowledge-based systems/website hits.

### 3.3.3. *Follow-up of implementation of the European Statute for Cooperatives*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

Cooperatives are a form of enterprises which, besides employment, also generate social values (like education, democratic management or social services) for the community in which they are established. In addition, they proved very resilient during the crisis. In order to highlight the contribution made by cooperatives to socio-economic development, the United Nations declared 2012 the International Year of Cooperatives.

The Regulation on the Statute for a European Cooperative Society (SCE)<sup>27</sup> was adopted in order to facilitate the trans-national activities of cooperatives by using a European legal form (similar to the Regulation on the European company). The SCE Regulation states that the Commission will send the European Parliament and the Council a report on implementation of the Regulation by Member States, with proposals for amendments, if appropriate. In order to gather data, a study was financed by the Commission.

To implement action 3 in the Commission's 2004 Communication on the promotion of cooperative societies,<sup>28</sup> the Commission financed the development of statistical data (satellite accounts) for cooperatives and contributed grants for compilation of statistics on cooperatives by various countries. This measure consists of two forms of action:

#### *1. A study on implementation of the SCE Regulation (Regulation (EC) No 1435/03)*

The Regulation contains numerous options for implementation which can be used, either by the Member States at the time of adoption of national measures or directly by the SCE. Given that the rules of the place of registration (national laws) will apply to the SCE, the differences from one Member State to another, as regards the law applicable to the SCE, could be considerable. This heterogeneity could create obstacles to the efficient operation of cooperatives and European cooperatives at cross-border European level. In 2010 the Commission therefore financed a study on implementation of the statute by Member States, summarising the relevant national legislation, drawing conclusions and making recommendations for amendments of the Regulation.

#### *2. Implementation of satellite accounts (SAs) for cooperatives and mutuals*

Statistical data are necessary in order to provide visibility for cooperatives and their importance to the national economies. One of the biggest problems that cooperatives and mutuals face in the EU is their lack of institutional visibility. This is due to the peculiarities of national accounting systems which do not take into account their specific characteristics (which differ from those of traditional capital companies). In this context, in 2008 the Commission produced a manual<sup>29</sup><sup>30</sup> for drawing up SAs to collect statistics

---

<sup>27</sup> [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economy/cooperatives/index\\_en.htm#h2-3](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economy/cooperatives/index_en.htm#h2-3)

<sup>28</sup> [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economy/cooperatives/index\\_en.htm#h2-2](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economy/cooperatives/index_en.htm#h2-2)

<sup>29</sup> [http://ec.europa.eu/enterprise/entrepreneurship/craft/social\\_economy/doc/study\\_satellite\\_accounts\\_en.pdf](http://ec.europa.eu/enterprise/entrepreneurship/craft/social_economy/doc/study_satellite_accounts_en.pdf)

<sup>30</sup> [http://ec.europa.eu/enterprise/entrepreneurship/craft/social\\_economy/doc/study\\_satellite\\_accounts\\_en.pdf](http://ec.europa.eu/enterprise/entrepreneurship/craft/social_economy/doc/study_satellite_accounts_en.pdf)

on cooperatives and mutuals.<sup>31</sup> Following that, a call for proposals was launched and five pilot projects were co-financed in Belgium, Bulgaria, the former Yugoslav Republic of Macedonia, Serbia and Spain in 2010.

## **TOTAL BUDGET**

Both activities were financed by the EIP in 2009 and 2010, with a total budget of 530 000 EUR.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs**

A study on implementation of the SCE Regulation was conducted in 30 countries (the 27 EU Member States plus three EEA/EFTA countries). During the study, three expert meetings (steering committees) were organised in Brussels.

Five reports including statistics, legislation and trends for cooperatives and mutuals were provided. Five final conferences on satellite accounts projects were organised in the five eligible CIP countries, with a total of more than 250 participants. The results of satellite accounts projects were published on 10 websites.<sup>32</sup>

### **Results**

The SCE study contains conclusions and recommendations for future policies and simplification of the Regulation that will feed into the discussions on possible future proposals for amendments to the SCE Regulation.

Four national models for SAs were developed containing specific statistical data (Belgium, Spain, the former Yugoslav Republic of Macedonia and Serbia) and one national web-based system for statistics on cooperatives (Bulgaria) was built. About 29 000 cooperatives and 51 mutual societies were covered by the five projects.

### **Impacts**

The study found that the SCE Regulation is rather complicated and needs simplification. Only 17 European cooperatives have been created so far. The study increased interest in use of the SCE because of its European corporate image. Currently at least three new SCEs are being set up.

As far as statistics are concerned, the scheme financed presented the role of cooperatives and mutuals in the national economies and contributed to their visibility. The final reports also provided information about trends and relevant national legislation for cooperatives and mutuals. It has to be added that no statistical data on mutuals were found in Bulgaria, the former Yugoslav Republic of Macedonia and Serbia, i.e. no mutuals were identified in these three countries.

The Commission will examine the case for continuing to co-finance new national projects for SAs for social enterprises that include cooperatives and mutuals.

---

<sup>31</sup> SAs are increasingly regarded as a tool needed to complement conventional statistics. SAs analyse in detail overall demand for goods and services which might be associated with a given group of enterprises (like cooperatives and similar entities) and observe the operational interface with the supply of goods and services within the same part of the economy (like agriculture, housing, banking, etc.).

<sup>32</sup> [http://www.ilo.org/wcmsp5/groups/public/@ed\\_emp/@emp\\_ent/@coop/documents/publication/wcms\\_157995.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_emp/@emp_ent/@coop/documents/publication/wcms_157995.pdf)  
[http://www.ine.es/en/prensa/np665\\_en.pdf](http://www.ine.es/en/prensa/np665_en.pdf)  
[http://www.stat.gov.mk/pdf/EvropskiProekti/SAT21122010ang\\_lekt.pdf](http://www.stat.gov.mk/pdf/EvropskiProekti/SAT21122010ang_lekt.pdf)

**OUTLOOK: What remains to be done?**

The conclusions and recommendations of the SCE study were submitted to a public consultation in 2011. The synthesis of the replies will be published soon. They will be discussed, together with the results of the five projects, at a European conference in April 2012 and will serve as a basis for a possible proposal for amendments to the SCE Regulation. All these ideas will be presented at a conference under the Cypriot EU Presidency in 2012 — the UN International Year of Cooperatives. If improvements to the SCE Regulation are shown to be necessary, any suggestions may be presented at the beginning of 2013.

## 4. ALL FORMS OF INNOVATION IN ENTERPRISES

### 4.1. Innovation policy development

#### 4.1.1. *Innovation policy monitoring and performance analysis*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The EIP actions on **innovation policy and performance analysis** may be summarised into two areas:

##### *(1) Statistical analysis & benchmarking*

- This covers the **European Innovation Scoreboard** which is a tool for monitoring national innovation performance in the EU and other selected non-EU countries. It has existed since 2000, and has been financed by EIP since 2007 with a total of €1.16 million. The main purpose is to monitor the implementation of the Europe 2020 smart growth strategy and Innovation Union Flagship progress.
- Another activity is the **Innobarometer**, which is an ad hoc survey among enterprises or other groups on selected topics concerning the industrial innovation to support policy analysis and development. It is done via the Eurobarometer framework contract and has been used since 2001. Since 2007 the Innobarometer is financed by EIP with a total budget of 920 000 EUR.
- From 2011 a **new partnership with the OECD** for methodological developments is in the process of being set up (EIP contribution: 1 million EUR).

##### *(2) Policy monitoring & analysis*

- This covers the **Innovation Policy TrendChart** — a collection and analysis of information on national innovation policies and budgets with an annual report via a network of experts. This feeds into the Europe 2020 and Innovation Union policy monitoring. The initiative started in 2000 and was funded from FP6 until 2010. The first CIP-EIP 2010 funded contract (2.5 million EUR) will deliver first results in autumn 2011.
- In addition, the **Regional Innovation Monitor** is conducted. These are analysis of sub-national (regional / local) innovation policy measures and trends. The activity started in 2010 (funded from EIP 2009 budget with 2.5 million EUR). The purpose is to complement the TrendChart and feed into Structural Funds' analysis and regional development initiatives, such as the 'Smart Specialisation Platform'.
- **INNO-Grips** is several series of workshops, studies and policy briefs to collect and analyse business and academic intelligence on existing and emerging forms and fields of innovation, innovation barriers and drivers and actors. Its purpose is to have an early warning system for changes in business innovation patterns processes that require fast reactions at policy level.
- Furthermore, several **international workshops and exchanges with policy makers** in major emerging or existing innovative countries, are covered under this action. The purposes of these events are to showcase the potential and

opportunities for cooperation and mutual learning, such as methodologies for innovation policy and performance monitoring.

All actions are described in more detail below.

## **TOTAL BUDGET**

These actions were financed by the EIP in 2007, 2009 and 2010. The total committed budget sums up to 9.67 million EUR.

## **WHAT HAS BEEN ACHIEVED?**

As confirmed by the results of the EIP ex-post evaluation from April 2011, the analytical tools on innovation policy and performance present today a methodologically sound, academically well received and politically useful set of monitoring and analysis tools.

### **Outputs and results**

A total of 21 reports have been produced,<sup>33</sup> including up-to-date reports about innovation policy developments in more than 40 countries worldwide. 9 workshops<sup>34</sup> and 2 websites<sup>35</sup> created.

These analytical tools for innovation policy and performances give a comprehensive geographical overview of innovation policy and performance, as all EU Member States and the other relevant countries (accession candidates, main trading and technology partner countries etc.) have been covered. They provide unique multi-level governance insights, as both the national / central and regional / sub-national levels are analysed.

The result of this work is a decade of stable methodological development that allows observation of political and economic changes and their impacts on innovation performance and capacities over-time. It constitutes a comprehensive, publicly accessible repository of policy measures covering the complete range of innovation-relevant policy areas (easy access to information on policy measures)

This is a valuable source for Europe 2020 monitoring and evidence base for new policy development.

A large number of innovation experts from academic, business, public sector and intermediaries has been accessed and mobilised (platforms for peer-learning)

The approach of the analytical tools for innovation policy imposes only light reporting chores for government officials (related to the validation of reports and data), as networks of experts collect, translate and digest manage most of the data.

### **Impacts**

The outputs of the analytical tools for innovation policy and performances are seen as particularly relevant in addressing the need of the Commission and the Member states

---

<sup>33</sup> 3 Innobarmeters, 12 thematic and other reports under the Innovation Scoreboard and 6 studies and policy briefs under the InnoGrips II contract.

<sup>34</sup> 6 under Inno-Grips II, 2 under the Innovation Scoreboard and 1 under the Regional Innovation Monitor.

<sup>35</sup> Pro-Inno Europe ([www.proinno-europe.eu](http://www.proinno-europe.eu)); Regional Innovation Monitor ([www.rim-europa.eu](http://www.rim-europa.eu)).

policy makers for up-to-date information on innovation policy developments and of a thorough impartial assessment of policy practices and innovation performances. They provide analysis of relevant data, a cross-country comparison and assessment of the various tools that are important for the development of effective and relevant innovation policies, including the Innovation Union flagship initiative. The Commission staff and EU Member States policy makers do not have the resources to undertake this analysis in-house.

## **OUTLOOK: What remains to be done?**

The main issues that lie ahead with regard to analytical tools for innovation policy and performances are:

### *(1) Statistical analysis & benchmarking*

The innovation headline indicator (share of fast growing innovative firms) will become methodologically stable and usable as a part of the Europe 2020 monitoring complementing the 3% GDP investment target for R&D (included in the European Innovation Scoreboard and supported by an OECD contract).

Upcoming publications are: of the next **Innovation Union Scoreboard** (in February 2011), the **pilot European Public Sector Innovation Scoreboard** (September 2012) and other reports and deliverables.

The partnership with the OECD for joint developments of methodologies (EIP WP 2011: 1 million EUR) will allow drawing more on OECD expertise for the benefit of issues that are of political relevance for the EU. Following a long tradition of EU-OECD cooperation formalised in 2006 through a Framework Agreement, a 30 month project covering 4 strands<sup>36</sup> is being prepared. The project will make full use of the complementarities and aggregate analytical expertise of the two organisations, avoiding fragmentations and overlapping and providing efficiency and cost effectiveness.

### *(2) Policy monitoring & analysis:*

The joint approach in 2010 and 2011 will be revisited and the TrendChart and ERAWATCH streamlined in order to develop the future tool regarding the collection and

---

<sup>36</sup>Measurement of Innovation:

1) The Headline Indicator on High Growth Innovative Enterprises: ensure the robustness of the indicator: validate its interpretation; assess alternative definitions of 'innovative' high growth enterprises. This indicator will become over time a new headline indicator used to benchmark the performance of the EU against that of its main trading partners as part of the Europe 2020 strategy. The OECD is developing the indicator based on a definition of innovation that also includes non-technological aspects. Report by December 2011.

2) Public Sector Innovation: develop a comprehensive conceptual framework that can help guide the development of future indicators. Report by June 2013.

3) Demand driven Innovation - Public Procurement for Innovation: a review of existing evidence on the contribution of public procurement to innovation performance; the development of a measurement framework; the testing of the measurement methodology on EU and a sample of non EU countries; Report by December 2013.

4) Non -technological innovation: undertake a review of indicators of technological and non-technological innovation in business with the purpose of (a) improving cross-country comparisons; (b) delivering more robust quantitative information on expenditures for innovation and its impacts on business performance; (c) achieving increased efficiency of resources in data collection; and (d) providing an in-depth look into the role of design as a source of non-technological innovation. Report by September 2013.

analysis of research and innovation policies (with a view to focusing and deepening policy analysis on business innovation issues, included in the TrendChart contract) that should become operational in 2013.

#### 4.1.1.1. EUROPEAN INNOVATION SCOREBOARD (EIS)

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The European Innovation Scoreboard (EIS) compares and benchmarks on a yearly basis the innovation potential and performance of Member States and other selected non-EU countries, drawing on statistics from a variety of sources, primarily the Community Innovation Survey, EUROSTAT and OECD.

In its nine years of existence, the EIS has been evolving to adapt to changing economic realities. Every year different aspects and features of national innovation performance are investigated under the EIS thematic papers, which complement the analysis and findings of the main EIS report. Regional Innovation Scoreboards are produced every 2-3 years.

##### **TOTAL BUDGET**

This action was financed by the EIP in 2007 and 2010, with a total committed budget of 1.2 million EUR.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs and results**

Under the EIP funded contract 2 Innovation Scoreboards have been presented (2009 and 2010 both published on-line and 1700 copies printed). The previous 7 Innovation Scoreboards were funded under the Research Framework programmes.

In addition, 4 thematic papers have been produced each year, including the Regional Innovation Scoreboard 2009, a report on the impact of internationalisation on innovation performance in 2009 and a methodology report for the EIS 2008-2010.<sup>37</sup>

As part of the work to refine the methodology, 2 workshops were organised: the first one on the EIS 2008-2010 (attended by 30 experts) and a second one for the European Public Sector Innovation Scoreboard (attended by 20 experts). In addition, the contractor was invited to participate in numerous conferences related to innovation indicators.

This work has also contributed to the content of the PRO INNO Europe website.<sup>38</sup>

###### **Impacts**

Beyond the contractually financed events, the results of the EIS and its reports are regularly used for and quoted in speeches, presentations, EU reports and other publications. Moreover, the reports are widely used by national and regional stakeholders in the EU in innovation policy related conferences and a number of policy and academic workshops. The main Scoreboard, as well as its regional version, functions as a reference

---

<sup>37</sup> All reports are available on: <http://www.proinno-europe.eu/metrics>

<sup>38</sup> <http://www.proinno-europe.eu/metrics>



source on innovation performance in the European innovation policy community. The scoreboard is also discussed in press and its results are used as a background for several articles on innovation issues.

Due to the fact that the reports also benchmark the EU innovation performance with that of major economic partners (e.g. US, China, Brazil, Russia, etc.), the results are used in a variety of international meetings as background documents for expert and political meetings.

## **OUTLOOK: What remains to be done?**

The first EIS contract funded by the EIP came to an end in February 2011. A follow-up contract, in force since March 2011, will consolidate the Innovation Union Scoreboard as a monitoring tool of the Europe 2020 Innovation Union flagship. Apart from the regular Innovation Union Scoreboard 2011 to be published at the beginning of 2012, a new regional version will be published in 2012. Further, the publication of the pilot European Public Sector Innovation Scoreboard is foreseen for September 2012.

### **4.1.1.2. INNOBAROMETER**

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The Innobarometer captures innovation phenomena at specific target group level (firms, public administrations or citizens). It is a survey based on the Eurobarometer framework contract with interviews based on a questionnaire developed by the Commission services. The data is not available from Eurostat or other sources and provides immediate information which allows direct trans-national comparisons across EU27 on innovation-related activities and opinions.

The Innobarometer has been conducted regularly since 2001. The surveys either feed into the other analytical tools (e.g. exploring new, non-R&D innovation forms in business or innovation in new fields like the public sector, which will be picked up in the EIS contract) or are responding to new innovation policy relevant developments (e.g. effects of the crisis, public procurement and public policies). The geographical coverage is defined by the Commission and usually covers the EU27 Member States plus some Associated Countries.

#### **TOTAL BUDGET**

This action was financed by the EIP in 2007, 2009 and 2010, with a total committed budget of 920 000 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs and results**

So far, 3 studies have been presented: in 2010, *Innovation in Public Administration*; in 2009 *Strategic trends in innovation 2006-2008* on innovation spending (including the effects of the current economic downturn), the role of innovation in public procurement tenders, the effects of public policies and private initiatives undertaken to boost innovation, and other strategic trends, and in 2007 *Innovation transfer*, a survey that

explored the ways in which enterprises innovate (both product- and process-related innovation), the role of non-R&D based innovation, and the extent to which innovation is outsourced or transferred from other businesses or organisations.

This work has also contributed to the content of the PRO INNO Europe<sup>®</sup> website.<sup>39</sup>

### **Impacts**

The results of the Innobarometer surveys were used for the development of EU innovation policy, in particular the Innovation Union flagship. In addition, some of the indicators included in the surveys from 2010 and 2011 concerning the public sector innovation will support the development of EPSIS (European Public Sector Innovation Scoreboard), a unique monitoring and benchmarking tool for the public sector innovation.

The Innobarometers are also regularly exploited for and quoted in speeches, presentations, EU reports and other publications.

### **OUTLOOK: What remains to be done?**

The next survey, financed by the EIP 2011 budget, will support the development of the future European Public Sector Innovation Scoreboard (EPSIS) by seeking to analyse ‘*The impacts and perception of public sector innovation in businesses*’.

#### **4.1.1.3. THE INNOVATION POLICY TRENDCHART**

### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The Innovation Policy TrendChart is the longest running policy benchmarking tool at European level. Since its launch in 1999 — funded from Research Framework Programmes — it has produced annual reports on national innovation policy and governance, created a comprehensive database of national innovation policy measures and organised a series of policy benchmarking workshops. The first EIP funded TrendChart contract has been signed at the end of 2010 with a total budget of 2.5 million EUR.

The TrendChart aims to contribute to policy assessment and to identify examples of good practice, thus improving the basis for decision making in innovation policy. The TrendChart and ERAWATCH<sup>40</sup> operate a joint network of country correspondents, who regularly monitor the latest research and innovation policy developments in their country.

TrendChart covers 48 countries including all EU Member States, associated countries and candidate countries, as well as the EU’s main competitor countries throughout the world.<sup>41</sup>

The information collected by this network is used to run and maintain the *European Inventory of Research and Innovation Policy Measures*, a common database of the

---

<sup>39</sup> <http://www.proinno-europe.eu/page/innobarometer>.

<sup>40</sup> Funded under FP7

<sup>41</sup> EU27 plus Croatia, Iceland and Turkey (candidate countries), Norway, Switzerland (EEA countries) and Brazil, China, India, Israel, Japan and the US (rest of world) as well as 10 new countries: Albania, Bosnia, Faroe Islands, former Yugoslav Republic of Macedonia, Liechtenstein, Moldova, Montenegro, Russia, Serbia and South Korea.

TrendChart and ERAWATCH. It also feeds into analytical reports such as the ‘Innovation Policy Trends’, the ‘Innovation Policy Funding’ and other thematic reports.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs and results**

2011 has been dedicated to the re-start and reorientation of the TrendChart to align it with the Innovation Union flagship and achieve full complementarity and synergies with ERAWATCH.

In 2011, a user survey funded by EIP was conducted under the TrendChart contract to better respond to the needs of policy makers for information on national research and innovation policies. 161 responses were received from regional, national and global policy makers, public sector organisations, innovation support organisations, universities, consulting firms, private companies and other organisations. This survey shows that the TrendChart work is well-perceived.

The results of the survey were the starting point for a series of workshops with a number of relevant stakeholders on what they need from EU policy and benchmarking tools.<sup>42</sup>

The joint database of ERAWATCH and the TrendChart with research and innovation policy measures which is accessible on-line.<sup>43</sup> The innovation-related part is funded by the TrendChart under EIP.

This work has also contributed to the content of the PRO INNO Europe website.<sup>44</sup>

### **Impacts**

Since the EIP-funded TrendChart work is still in the starting phase, there is not measurable impact so far. The previous Research Framework Programme-funded TrendChart editions were regularly used for and quoted in speeches, presentations, EU reports and other publications. Moreover, the reports were widely used by national and regional stakeholders in the EU in innovation policy related conferences and a number of policy and academic workshops.

## **OUTLOOK: What remains to be done?**

The following reports will be published in 2011:

- Report on Innovation funding trends in the EU — an overview for 2010;
- Report on Innovation policy trends in the EU in 2011;
- Thematic report 2011: Demand side policies to stimulate innovation in Member States

The reports on trends in funding and policy and one thematic report will be published in 2012.

---

<sup>42</sup> Oslo, August 2011; Bratislava, September 2011; Manchester, September 2011; Istanbul, October 2011; Madrid, October 2011; and in Brussels.

<sup>43</sup> [http://erawatch.jrc.ec.europa.eu/erawatch/opencms/research\\_and\\_innovation](http://erawatch.jrc.ec.europa.eu/erawatch/opencms/research_and_innovation).

<sup>44</sup> <http://www.proinno-europe.eu/inno-policy-trendchart/page/inno-policy-trendchart>.

#### 4.1.1.4. REGIONAL INNOVATION MONITOR

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The Regional Innovation Monitor (RIM) is a regional policy monitoring and benchmarking tool that collects information on sub-national innovation governance bodies, policies and measures, with the main objective to increase the effectiveness of EU regions' innovation policies and strategies. The target groups are regional policy makers and practitioners. It currently covers 20 Member States<sup>45</sup> (203 regions covered by the EU nomenclature of the territorial units for statistics) at NUTS1 level (major socio-economic regions) (Germany, United Kingdom and Belgium) and NUTS2 level (basic regions for the application of the regional policies).

This is done by compiling and structuring available information, providing overview of regional support measures, policy documents and organisations, and by identifying systemic failures at regional level and long term policy trends. The RIM also allows an *on-line comparison* of innovation policy approaches and trends at the regional level and contributes to knowledge sharing and good practice dissemination.

RIM complements the analysis and information collection under the TrendChart (which focuses on national level policy measures).

##### **TOTAL BUDGET**

This action was financed by the EIP in 2009 with a total committed budget of 2.5 million EUR.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs and results**

A network of regional correspondents and a steering group of experts have been set up. The network is fundamental to collect information about the single regions. Information is then digested and structured by the project team. The steering group has an important role in the validation of the overall methodological approach and in providing advice on how to carry out the projects activities and how to use the results.

*RIM's innovation repository*, which is available on the RIM website,<sup>46</sup> provides an easy access and comparative overview of all relevant regional innovation support measures and strategies, policy documents as well as organisations. It includes: 183 baseline regional profiles; 740 innovation measures; 421 policy documents; 656 innovation related sub-national organisations; 191 governance and policy questionnaires.

One policy workshop was organised in October 2010 to launch the RIM, refine the methodology and start building the community of input providers. In addition, RIM has been presented in workshops at the DG REGIO Open Days 2009 and 2010, at the Smart Specialisation Workshop held in March 2011 and at the Regions for Economic Change Conference in June 2011.

---

<sup>45</sup> Countries without a significant regional structure are not included as they are covered in the TrendChart.

<sup>46</sup> <http://www.rim-europa.eu/>

Four reports have been produced so far under RIM: the annual report 2010 on '*Innovation Patterns and Innovation Policy in European Regions — Trends, Challenges and Perspectives*', and 3 Thematic Papers (one on the *conceptual layout* of the Regional Innovation Monitor (June 2010), one on *policies and processes of Smart Specialisation* (February 2011), and finally one on *Demand-side innovation policies at regional level* (August — September 2011)).

In addition, 24 in-depth Regional Innovation reports have been produced.<sup>47</sup>

All the above mentioned papers and reports are published only in electronic form.

Finally, an e-mail alert is sent every 15 days containing new information uploaded on RIM website (i.e. news, events, reports etc.) to almost 500 subscribers.

### **Impacts**

RIM is established as a key element of the 'smart specialisation strategies' platform of DG Regional Policy that aims to help regions improve and focus their innovation strategies and prepare for the new ERDF operational programmes. The RIM consortium has been invited at various events:

— Ministerial Conference on 11 October organised with the Polish Ministry for Science and Higher Education; workshop on 24 October 2011 in Vienna organised by the Austrian Federal Ministry of Science and Research; DG Regional Policy Open Days Seminar 'What is so smart about smart specialisation for regions?' (Brussels, 12 October), organised by ERRIN; Third European Innovation Summit (Warsaw, 11 October), organised by the Polish Ministry of Science and Higher Education; Regions for Economic Change: exchanging good practice between Europe's regions (Brussels, 23 June), organised by the European Commission. Smart Specialisation Strategy 'How to assist regions in developing smart specialisation strategies?' (Brussels, 11 March), organised by EURADA.

In the context of the preparation activities of the Polish Presidency semester the Polish Ministry of Economy showed interest in particular for the thematic paper on the demand side-innovation policies.

### **OUTLOOK: What remains to be done?**

The following reports are planned to be published in 2011 and 2012:

- 2 annual reports (Nov- Dec 2011, Nov- Dec 2012)
- 2 Policy workshops (October 2011; Autumn 2012)
- 3 Thematic papers, the first one on the role of universities in regional innovation

---

<sup>47</sup> Berlin, Bratislava, Lazio, Lisbon, Lombardy, London, Lower Saxony, Macedonia, Navarre, Noord Brabant, Picardie, Puglia, Rhone Alpes, South East UK, South Transdanubia, Stockholm, Styria, Silesia, Valencia, Wales, Copenhagen Capital, Ita-Suomi, Praha, Tyrol.

#### 4.1.1.5. ANALYSIS OF INNOVATION DRIVERS AND BARRIERS IN SUPPORT OF BETTER POLICIES: INNO-GRIPS II

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The ‘Global Review of Innovation Policy Studies’ — INNO-GRIPS (2006-2010, funded by FP6) and INNO-GRIPS II (2010 – 2013, funded by EIP 2009 with a budget of 2.3 million EUR) are a platform providing an accessible pool of knowledge regarding world-wide existing studies and information on innovation policy-making, business innovation and academic discussions, with the purpose to support evidence-based policy development for innovation.

This is done through information gathering and analysis of developments relating to innovation theory and policy as a basis for evidence-based policy making at EU level, and of innovation drivers and barriers at firm level and of framework conditions (e.g. implications of socio-economic trends). GRIPS II includes:

- 12 studies and 12 workshops to exchange views, ideas and best practices with innovation stakeholders in order to optimise innovation policy Europe-wide;
- a news service about international innovation policy developments, covering about 40 countries worldwide, and further dissemination activities such as newsletters;
- a platform for all stakeholders involved in the practice of innovation and in innovation policy, in particular innovation policy makers at the EU, national and regional levels; innovation intermediaries, such as innovation agencies and knowledge transfer centres; innovation practitioners and academia conducting research on innovation dynamics.

The results of studies and related issues can be discussed in a blog.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs and results**

So far 3 Policy Briefs have been prepared and distributed to almost 1 000 registered users of PRO INNO platform (on *Innovation Policy and the Business Cycle: Innovation Policy's Role in Addressing Economic Downturn* (February 2011); on *Policies in support of high-growth innovative SMEs* (June 2011); and on *service innovation* (October 2011)). The policy briefs are also distributed internally among different EC services.

In addition, 3 studies have been carried out (on *Barriers to Internationalisation and Growth* (Nov.2010); on *Implications of climate change, resource scarcity and demographic developments* (April 2011); and on *open innovation and other forms of collaboration* (August 2011)).

In total 6 workshops have been organised so far to validate Policy Briefs and studies. The workshops were attended usually by around 50-70 relevant stakeholders, including 15-20 experts in a particular topic in each workshop.

To inform about the results of policy briefs and analytical studies, as well as about main innovation initiatives of DG Enterprise and Industry, 3 Newsletters have been produced so far. There are almost 1 000 subscribers to the newsletter from the EU and worldwide. All the subscribers are also informed by an e-mail alert whenever a new policy brief or study is published on the GRIPS website.

Furthermore, GRIPS reports about business innovation related developments in more than 40 countries worldwide thanks to national correspondents' regular reports about new developments in their country.

This work has also contributed to the content of the PRO INNO Europe website.<sup>48</sup> All material (policy briefs, studies, newsletter and news) is made available only in electronic form.

### **Impacts**

The studies and policy briefs are distributed among the relevant stakeholders gathered in the PRO INNO Europe initiative and disseminated internally among the relevant Commission services to inform the policy officers about the latest trends and research results in the field of innovation policy and analysis.

Moreover, the studies and policy briefs are used for presentations given by DG Enterprise's staff to outside public, in several workshops and conferences, and are an important source of the latest innovation trends for briefings and other internal documents.

### **OUTLOOK: What remains to be done?**

The following briefs, studies and newsletters are planned be published:

- Three Policy Briefs: in January and June 2012 and in January 2013. They will cover issues related to the impact of disruptive innovation on EU industries, policies supporting innovation in public sector provision, and evolution of innovation policy and its interaction with other competitiveness policies.
- Three Studies: in January 2012 on social attitudes to innovation and entrepreneurship and the remaining two in September 2012 and January 2013. They will cover issues related to the role of multinational companies and supply chains in innovation and market failure regarding research, development and innovation that hamper business innovation.
- Three Newsletters (November 2011; June 2012, December 2012)
- Six validation workshops (January 2012 — December 2012)

#### **4.1.1.6. INTERNATIONAL INNOVATION COOPERATION**

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

International cooperation activities on innovation represent an essential component in developing a solid EU innovation policy in the current globalisation context characterised by international interdependences, cooperation vs competition and open innovation.

The action consists of workshops and meetings that gather business representatives, policy experts and government officials from the EU and selected non-EU countries to discuss innovation-related issues of mutual interest. In the beginning of 2011, a 24 months contract for consultancy and organisation services for 6 international workshops has been

---

<sup>48</sup> <http://www.proinno-europe.eu/innogrips2>.

signed (EIP 2010, with a budget of 192 700 EUR). Before this, the actions were funded from the 6<sup>th</sup> Research Framework Programme.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs, results and impact**

So far only preparatory work for the workshops has been done, i.e. agendas negotiated, dates fixed and participants / experts contacted for the first three workshops (with MEDA countries, US counterparts as part of the Trans-Atlantic Economic Partnership, Western Balkan countries). The expected result is mutual learning and more cooperation on innovation policy measurement and policy development.

### **OUTLOOK: What remains to be done?**

In total, 6 Workshops supporting international cooperation on innovation are planned for 2011-2012, covering topics like innovation instruments, encouraging the commercialisation of research results and utilisation of cluster mapping, as well as innovation policies.

Four studies and analysis are to be conducted in the partnership with OECD on the following topics:

- Measurement of Innovation — The Headline Indicator on High Growth Innovative Enterprises: ensure the robustness of the indicator; validate its interpretation; assess alternative definitions of ‘innovative’ high growth enterprises. This indicator should become over time a new headline indicator used to benchmark the performance of the EU against that of its main trading partners as part of the Europe 2020 strategy. The OECD is developing the indicator based on a definition of innovation that also includes non-technological aspects. The report will be delivered by December 2011.
- Public Sector Innovation — develop a comprehensive conceptual framework that can help guide the development of future indicators. The report will be delivered by June 2013.
- Demand driven Innovation- Public Procurement for Innovation: a review of existing evidence on the contribution of public procurement to innovation performance; the development of a measurement framework; the testing of the measurement methodology on EU and a sample of non-EU countries. The report will be delivered by December 2013.
- Non technological innovation: undertake a review of indicators of technological and non-technological innovation in business with the purpose of (a) improving cross-country comparisons; (b) delivering more robust quantitative information on expenditures for innovation and its impacts on business performance; (c) achieving increased efficiency of resources in data collection; and (d) providing an in-depth look into the role of design as a source of non-technological innovation. The report will be delivered by September 2013.



#### *4.1.2. Development of demand side policies for innovation*

### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

Demand based innovation policy is as a set of public measures to increase the demand for innovations, to improve the conditions for the uptake of innovations and to improve the articulation of demand in order to spur innovations and the diffusion of innovations.

Demand-based innovation policy actions, such as the Lead Market Initiative (LMI), are key elements of the Innovation Union<sup>49</sup> and Industry Policy Flagships. The LMI recognises a new way of coordination, linking sector policies with innovation and policies (regulatory, procurement, standardisation) in the EU. DG Enterprise plays a leading role in their implementation, both in industrial innovation policy and in its sector policies.

The Lead Market Initiative<sup>50</sup> (LMI) for Europe was launched by the European Commission in 2007, following the EU's 2006 Broad based innovation strategy and the '2006 Aho Report'. This was the first integrated approach of demand-side policies at European level, with some actions at national and regional levels. The scope of the LMI, the selection of six markets (eHealth, protective textiles, sustainable construction, recycling, bio-based products and renewable energies) and corresponding action plans was endorsed in the Competitiveness Council of May 2008. The policy instruments used in the initiative are regulation, public procurement, standardisation and some supporting activities (mostly to fund networks, market studies, and in funding demonstration projects). Since demand-side policies were embryonic in 2007, the LMI had to develop a set of policy tools itself. The most visible new activity has been the new networks of public procurers.

### **TOTAL BUDGET**

The work on demand side innovation policies has been partly financed through the CIP (all 3 pillars) and FP7. The estimated total budget of 153 million EUR from the 7<sup>th</sup> Research Framework Programme and CIP funds over 4 years (2007-2011), of which an estimated 20 million EUR from CIP-EIP.<sup>51</sup>

### **WHAT HAS BEEN ACHIEVED?**

#### **Outputs**

In total, 88 actions in 6 plans were formulated (running from 2008-2011). These actions aimed to speed up up-take and diffusion of innovations in 6 sectors in a targeted way. Most actions were implemented at EU level, as they mostly addressed imperfections in the Internal Market.

---

<sup>49</sup> See Innovation Union commitments, notably number 17 (public procurement of innovation), including aspects of commitment 18 (eco innovation), 24 and 25 (structural funds), 27 (public sector innovation), 16 (standardisation), 15 (screening regulatory framework), 19 (user-centred innovation through design thinking) and elements of 29 European Innovation Partnerships

<sup>50</sup> <http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/>.

<sup>51</sup> Since sometimes only parts of a measure related to the LMI and the budget reporting was not designed to provide detailed breakdowns, the pure LMI related CIP-EIP expenditure can only be estimated.

A number of meetings have been organised to discuss the LMI, both with the innovation policy and sector-specific stakeholder communities, a key forum being the Member State sub-group on ‘innovation and LMI’ of the Enterprise Policy Group set up in 2008. This group provided a good forum to discuss demand-side innovation and new European innovation policies that became part of the Innovation Union Flagship, such as in public procurement of innovative solutions, standards, and European Innovation Partnerships (that combine demand and supply side measures).

The LMI has also been presented at many events, i.e.: Enterprise Europe Network events, the 2009 Open Days of DG Regional Policy (LMI in regions), Member State expert groups (e.g. SET plan for renewable energy), the Environmental Technologies Action Plan (ETAP) for recycling, i2010 eHealth and the High Level Textiles Group. For bio-based products, a new ad-hoc advisory group was set up, in which representatives from existing expert groups were united.

The LMI Public Procurement strand has been supported by three Public Procurement Networks funded by the EIP 2009. They are dedicated to innovation procurement in protective textile, sustainable construction and energy efficiency for health building sectors.<sup>52</sup> The aim of these networks is to help overcome a number of barriers for public organisations to buy innovations. These trans-national networks will serve the needs of public procurers at all levels — national, regional, metropolitan and local. A common thread to all networks will be to increase their market-specific knowledge of the innovative solutions in some of the lead market sectors. This could lead to developing joint or coordinated public procurement actions. Moreover, all networks have planned actions to disseminate information about progress made to their sectors’ stakeholder communities.

The Commission and these networks organised annual European wide meetings in order to support community building and exchange of best practice. The first one has been held in Brussels in March 2010 where 250 people attended.<sup>53</sup> The second one has been organised in Brussels too, in March 2011 with 100 people attending.<sup>54</sup> The third one took place in Turin in June 2011, where 350 people attended.<sup>55</sup> Each of these networks organised also numerous specific meetings all around Europe.

A number of reports have been produced as a part of these activities, such as the one on demand-side policies (e.g. actions in public procurement, standards, legislation) in EU Member States, which was prepared by the Innovation Policy Trendchart consortium in 2009.<sup>56</sup> By October 2011, this information will be updated in new reports from the Trendchart and Regional Innovation Monitor.<sup>57</sup>

The actions in the sectors have also resulted in 3 public reports by DG Enterprise-led sectors (bio-based products, sustainable construction, protective textiles). For other

---

<sup>52</sup> Funded under the CIP-EIP 2009 WP with 2.75 million EUR; see: [http://ec.europa.eu/enterprise/policies/innovation/policy/public-procurement/pp-networks\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/public-procurement/pp-networks_en.htm).

<sup>53</sup> [http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/pp\\_conference\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/pp_conference_en.htm).

<sup>54</sup> [http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/pp-conf2\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/pp-conf2_en.htm).

<sup>55</sup> <http://www.comune.torino.it/relint/PPI/>.

<sup>56</sup> [www.proinno-europe.eu/trendchart/.../TrendChart\\_demand-side\\_policies.pdf](http://www.proinno-europe.eu/trendchart/.../TrendChart_demand-side_policies.pdf).

<sup>57</sup> [www.rim-europa.eu](http://www.rim-europa.eu)

reports, please refer to the LMI evaluation, although no complete overview of what other DGs did exist, some examples are:

- A report on Bio-based products<sup>58</sup> on measures to promote the market introduction of innovative bio-based products;
- Strategy for an anticipatory approach to products and markets for the development of the protective textiles market;<sup>59</sup>
- ELIOS project on construction insurance.<sup>60</sup>

Based on LMI experimentations, a large CIP funded study was launched in November 2010 with the intention to design options for EU support to innovation procurement in the framework of the future R&D&I programming period (EIP 2010, 250 000 EUR).<sup>61</sup> It could provide input for the development of a European SBIR (Small Business Innovation & Research) programme under Horizon 2020.

Two websites have been developed as a part of this work: one dedicated to the LMI,<sup>62</sup> and another one for the networks of public procurers.<sup>63</sup>

Two brochures were produced for the LMI: one general brochure (in all languages) and one brochure on the three networks of public procurers.

## Results

The concept of demand side instruments as part of innovation policy has been explored and developed through this initiative. It is by now acknowledged as an important element of industrial innovation policy, alongside measures to improve innovation support systems and funding. Demand based innovation policy is gradually taken up at national and regional levels in the EU. The OECD<sup>64</sup> and the 2009 Trendchart paper — that shows that about half of Member States are actively working on developing tools, and/or are implementing those in this policy area, reflect this movement.

The LMI initiative has been properly evaluated, a mid-term evaluation report was ready by the summer 2010, and the final evaluation report in July 2011. The final evaluation<sup>65</sup> signals a greater emphasis on the demand-side stimulation of innovation in Europe. The LMI's novel architecture was an innovation in itself, and resulted in interactions with new groups (some of whom are not used to operating at an EU level), and using untried procedures to deliver at both policy and implementation levels.

The evaluation also shows that the action plans have mostly delivered, and promising results were evident. There is a clear advantage in being able to address inter-related

---

<sup>58</sup> [http://ec.europa.eu/enterprise/sectors/biotechnology/files/docs/bio\\_based\\_from\\_promise\\_to\\_market\\_en.pdf](http://ec.europa.eu/enterprise/sectors/biotechnology/files/docs/bio_based_from_promise_to_market_en.pdf).

<sup>59</sup> [www.ppeconference2011.eu](http://www.ppeconference2011.eu)

<sup>60</sup> [www.elios-ec.eu](http://www.elios-ec.eu)

<sup>61</sup> [http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/pp-conf2\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/pp-conf2_en.htm).

<sup>62</sup> <http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/>.

<sup>63</sup> [http://ec.europa.eu/enterprise/policies/innovation/policy/public-procurement/pp-networks\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/public-procurement/pp-networks_en.htm).

<sup>64</sup> [http://www.oecd.org/document/61/0,3746,en\\_2649\\_37417\\_48078845\\_1\\_1\\_1\\_37417.00.html](http://www.oecd.org/document/61/0,3746,en_2649_37417_48078845_1_1_1_37417.00.html).

<sup>65</sup> [http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/final-eval\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/lead-market-initiative/final-eval_en.htm)

issues in regulation, procurement, standards and complementary actions as a distinct package. Some examples of actions that were delivered by the LMI are:

- Bio -based products: Mandates to elaborate several new European standards in the area of bio based products have been issued and accomplished
- eHealth: The main success within eHealth has been in the complementary issues — especially with regard to greater interoperability through actions such as the establishment of the CALLIOPE network and the epSOS (Smart Open Services for European Patients);
- Protective textiles: A Network of Public Authorities responsible for procuring which seeks to promote the innovative use of protective textiles through public procurement processes, particularly in relation to the fire and rescue services, is established;
- Recycling: To some extent, the LMI has helped to raise the profile of demand-side factors in environment policy;
- Renewable energy: Many of the action plan's actions have been followed up, however, this has been within other policy frameworks (e.g. SET Plan, RES Directive);
- Sustainable construction: The LMI provided added value to the sector by devising a programme of pragmatic, inter-related actions, that have been able to act as a focus for achieving important changes (e.g. public procurement networks, skills, SME needs) and engaged new stakeholder groups. In addition, a Network of Public Authorities was established with the aim to connect public authorities looking to procure innovative and sustainable solutions within their construction projects.

A conference on the final evaluation will be held on 26-27 October 2011. The Polish Presidency, Member States, other CIP participating countries and stakeholders will then discuss the final evaluation findings and future directions, such as its place in the context of European Innovation Partnerships.

The LMI received considerable attention from other policy development bodies, such as the OECD in their 2010 Innovation Strategy.

### **Impacts**

In the final evaluation report the overall judgment on the LMI, is that it has promoted the development of an important new element in innovation policy, provided indications of how coordinated demand-side initiatives might operate more extensively at a European level and delivered developments that are of some importance for at least four of the six markets (bio-based products, e-Health, protective textiles, sustainable construction).

As the LMI is a demand-side innovation policy (as opposed to supply-side funding), it has not had a dedicated budget. A lot has been achieved with very limited budgets (estimated total of 153 million EUR from the 7<sup>th</sup> Research Framework Programme and CIP and DG Enterprise's administrative funds over 4 years). It is highlighted as a particular success that the LMI triggered a number of calls under the FP7 and CIP to support the implementation of action plans; demonstration and innovation-type projects, market studies, standardisation mandates, and networks of public procurers.

Another finding is that industry representatives and other stakeholders have made a significant contribution throughout, and they have become important drivers in 3 sectors (bio-based products, eHealth and protective textiles).

## OUTLOOK: What remains to be done?

Regarding the issue of public procurement as a tool for stimulating demand for innovations, the next step is the finalisation of the feasibility study on Public Procurement of Innovation in early 2012. Its interim report has already helped in the preparation of the 2011 call for proposals. The final report will serve as input to chart out the feasibility, format and implementation modalities of the future actions (possibly under the CIP-EIP WP 2013, or Horizon 2020) and to support the implementation of Innovation Union commitment 17.<sup>66</sup>

A call for proposals dedicated to '*Supporting Public Procurement of Innovative Solutions: Networking and Financing Procurement*'<sup>67</sup> was launched in 2011 (EIP 2011, budget: 15 million EUR). The resulting pilot actions for the use of public procurement as a means to speed up the market entry of innovative solutions will begin in 2012.

For the future developments of the LMI, some lead market sectors (identification process to be set up with stakeholders), the LMI's policy approach may be continued. New sectors may be added. Following the October Polish Presidency conference on the outcome of the Lead Market Initiative and European Innovation Partnerships, the European Commission might consider next steps in the field of demand side policies for industrial innovation. One possibility would be to organise a round of consultations with stakeholders on the future of demand-side industrial innovation policy in the first half of 2012.

The Industry Policy Flagship prioritised a number of sectors for which the LMI-type approach could be used in the future, as well as continued: construction, textiles, chemical industry, bio-based products, KETs and resource efficiency.

---

<sup>66</sup> create procurement markets across the EU starting from at least €10 billion a year for innovations, equivalent to those in the US ; provide guidance and set up a (financial) support mechanism to help contracting authorities ; joint procurements between contracting entities ; revision of the procurement directives.

<sup>67</sup>

<sup>67</sup>

<sup>67</sup>

<sup>67</sup>

<sup>67</sup>

[http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item\\_id=5229&lang=en&tpa\\_id=135&displayType=fo&fosubtype=p&ref=newsbytheme.cfm%3F%26displayType%3Dfo%26fosubtype%3D%26tpa\\_id%3D135%26period%3Dlatest%2626month%3D%26page%3D1](http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=5229&lang=en&tpa_id=135&displayType=fo&fosubtype=p&ref=newsbytheme.cfm%3F%26displayType%3Dfo%26fosubtype%3D%26tpa_id%3D135%26period%3Dlatest%2626month%3D%26page%3D1) . . .

#### 4.1.3. *Innovation policy and experimentation*

### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The Commission set out its strategy for innovation in the Innovation Union flagship initiative adopted in October 2010 as part of the Europe 2020 strategy. The Commission has based this strategy on the analysis of innovation policies, framework conditions, national and regional innovation systems, drivers and barriers for innovation, new innovation processes and actors and new promising policy approaches and business innovation practices, as well as the evaluation of previous EU measures. Therein, it charted out a number of fields for new EU policy initiatives aiming both at the improvement of EU level policies and support mechanisms (e.g. funding programmes, use of procurement as innovation driver) and at the promotion of the take-up of good practices and new policy approaches and areas (e.g. social innovation, design as tool for innovation).

The EIP supports this through a call for tender for studies and activities on 'Future Innovation policy Development Actions' on the following topics:

- **Design innovation:** Secretariat of the European Design Innovation Initiative EDII to support the implementation of Innovation Union — commitment 19 — on capitalising on Europe's creative potential.
- **Social Innovation:** Hub to support the pilot action for EU wide learning and cooperation on social innovation to support the implementation of Innovation Union — commitment 26 — on a European Social Innovation pilot.
- **Study to explore options for future EU innovation funding programmes** to support the implementation of Innovation Union — commitments 6 and 7 — on streamlining of funding instruments and the simplification of access and stronger involvement of SMEs to them.

### **TOTAL BUDGET**

A total budget of 715 770 EUR has been committed to these actions in 2010.<sup>68</sup>  
More information about the above mentioned measures in separate fiches below.<sup>69</sup>

### **WHAT HAS BEEN ACHIEVED?**

#### **Outputs and results**

So far, the pilots / initiatives on design innovation and social innovation have been launched and are now in full swing:

---

<sup>68</sup> Secretariat for the European Design Innovation Initiative and its Leadership Board: 300000 EUR; Social Innovation Initiative for Europe: 216520 EUR; Study on options for future structure and implementation of EU innovation funding: 99250 EUR. The share of previous funding (e.g. for analytical work and projects) that lead to the launch of the 2010 activities cannot be specified as the financial reporting on them was either not designed to allow for this type of breakdown regarding follow-up actions or stemmed from the 6<sup>th</sup> Research Framework Programme. .

<sup>69</sup> Regarding the feasibility study on Public Procurement of Innovation, which was part of the EIP 2010 envelope for 'Future innovation policy development actions', please see the under 'Demand side policies for innovation' for more details.

- A group of eminent experts from business and academia on design and innovation (Leadership Board of the European Design Innovation Initiative — EDII) has been set up and defined its work programme.
- The social innovation hub has been launched and two first reports prepared.<sup>70</sup>

The study on the future programmes was finalised in March 2011.<sup>71</sup> Its results were fed into the relevant policy processes, notably the impact assessment report for the Horizon 2020 programme and the process for the drafting of its different specific programmes.

## **OUTLOOK: What remains to be done?**

- **Design Innovation:** by mid 2012 the EDII Leadership Board will deliver policy recommendations to enhance the role of design in innovation policies at EU, and/or national and/or regional level. Based on the type of recommendations, the dissemination will be organised. The projects that will emanate from the EIP 2011 call for proposals will support the initiative through enhanced mutual learning and will help shaping the recommendations.
- **Social innovation:** This is expected to become by 2014 (i.e. the start of the new MFF, in particular European Social Fund, Horizon 2020, ERDF) a fully-fledged policy area, concerning industrial policy (new types of working, social entrepreneurship, public sector service innovation), inclusion policy (microfinance, back-to-work programmes), regional policy (urban regeneration, new types of accommodation) and pure innovation policy (investing in ICT, new combinations of tech and non-tech with much greater end-user involvement).

Evaluations will track the impact of the measures in due time after their completion and the completion of related activities (including under FP7, Structural Funds and possible new measures to be launched in 2012 and 2013 under EIP).

### 4.1.3.1. DESIGN INNOVATION

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

Design has been increasingly recognised as a key discipline and activity to bring ideas to the market. Following a public consultation in 2009 based on the Commission Staff working Document ‘Design as a driver of user-centred innovation’,<sup>72</sup> which concludes that ‘*design has the potential to become an integral part of European innovation policy*’, the Commission decided to take initiatives to test the integration of design as a driver of user-driven innovation into innovation policies across Europe. The Commission is also raising awareness of the much broader application of strategic design to innovation — as a pioneering activity at EU level. These measures are the follow-up of commitment 19 in

---

<sup>70</sup> <http://www.socialinnovationeurope.eu>

<sup>71</sup> [http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/studies/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/studies/index_en.htm)

<sup>72</sup> Commission Staff working document SEC(2009) 501

the Innovation Union: to create a Design Innovation Leadership Board invited to make proposals to enhance the role of design in innovation policy.<sup>73</sup>

The activities consist mainly of gathering stakeholders who have an interest in integrating and mainstreaming design-thinking into innovation policies, support, programmes and projects by developing the **European Design Innovation Initiative (EDII)**. This initiative consists of a) setting up a secretariat of the initiative; b) setting up a Design Innovation Leadership Board, a high-level expert group that will work out policy recommendations for policy makers at EU/national and/or regional level (leading eventually to an action plan on design and innovation); c) launching the first call for proposals for joint actions for non-technological, user-centred innovation (EIP work programme 2011).

A call for tender financed by the EIP in 2010 for the Secretariat of the European Design Innovation Initiative was published in 2010 (contract signed in December 2010 for 24 months for an amount of 300000 EUR). The Secretariat assists the Commission in piloting the European Design Innovation Initiative and in particular it provides support to the EDII Leadership Board in its activities including organisation of plenary meetings, conferences, workshops.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs and results**

The EDII Leadership Board was set up by the end of 2010 for two years and held its first two meetings held in 2011.

### **OUTLOOK: What remains to be done?**

The EDII Leadership Board will prepare policy recommendations to enhance the role of design in innovation policies that should be presented mid 2012. In order to achieve this, the Board will hold other 4-5 meetings before the end of its mandate in 2012. In addition, a 'Design Summit' will be organised in 2012 during the Cypriot EU Presidency.

In 2011, a call for proposals for joint actions for non-technological, user-centred innovation was launched (EIP 2011 for a total amount of 3 million EUR). The projects resulting from this call are expected to commence in the first trimester of 2012. They are in particular expected to disseminate good practice on how to bring support for design thinking / methods into the mainstream of innovation support policies and systems of the Member States and to feed into the development of an action plan of the European Design Innovation Initiative.<sup>74</sup>

---

<sup>73</sup> See for more details: [http://ec.europa.eu/enterprise/policies/innovation/policy/design-creativity/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/design-creativity/index_en.htm).

<sup>74</sup> [http://ec.europa.eu/enterprise/policies/innovation/policy/design-creativity/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/policy/design-creativity/index_en.htm).



#### 4.1.3.2. SOCIAL INNOVATION

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The Innovation Union stressed that social innovation is an important new field that should be nurtured. Operational definition of social innovation is innovation which has a social means or a social outcome, which includes workplace innovation. The 2009 BEPA report said that while there is no shortage of good ideas, social innovations are not yet producing the impact that they should.<sup>75</sup> There must be more support for experimentation. Approaches that have clear advantages over current practice then need to be scaled up and disseminated. To achieve this, competent intermediaries, effective incentives and networks speeding up and facilitating mutual learning are needed.

Prior to 2010 there were no specific actions on social innovation by DG Enterprise. Except a preparatory workshop (INNO-GRIPS project, funded by FP6) was held in April 2010, where around 30 representatives from NGOs, funding organisations (national innovation agencies, EIB, EC), policy makers, economists and social enterprises came together. The workshop identified gaps for EU actions such as in funding, up-scaling and evaluation of social innovation.<sup>76</sup> In addition, funded under the 6<sup>th</sup> Research Framework Programme, two studies have been produced: one on social innovation<sup>77</sup> (March 2010) and one on ageing (December 2008).<sup>78</sup>

##### **TOTAL BUDGET**

Following commitment 26 in the Innovation Union, the *Social Innovation Europe Initiative* was set up, financed through EIP in 2010 with a total 216 520 EUR committed.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs and results**

A successful launch event was held in March 2011. Many suggestions for activities to network social innovators and support mechanisms are being developed, including supporting social enterprise and new business models for social innovators (for-profit and not-for-profit).

Moreover, the brochure ‘This is social innovation’ has been produced<sup>79</sup> and a dedicated EU website on social innovation has been created.<sup>80</sup>

---

<sup>75</sup> BEPA 2009 report on social innovation [http://ec.europa.eu/bepa/pdf/publications\\_pdf/social\\_innovation.pdf](http://ec.europa.eu/bepa/pdf/publications_pdf/social_innovation.pdf).

<sup>76</sup> See: <http://grips-public.mediaactive.fr/workshops/view/6/social-innovation-mobilising-resources-and-people/>.

<sup>77</sup> INNO-GRIPS project: <http://grips.proinno-europe.eu/workshops/view/6/social-innovation-mobilising-resources-and-people/>.

<sup>78</sup> Also INNO-GRIPS: <http://grips.proinno-europe.eu/workshops/view/3/innovation-in-an-ageing-society/>.

<sup>79</sup> [http://ec.europa.eu/enterprise/flipbook/social\\_innovation](http://ec.europa.eu/enterprise/flipbook/social_innovation)

<sup>80</sup> <http://www.socialinnovationeurope.eu>.

## **Impacts**

It is too early to evaluate the impact of the *Social Innovation Europe Initiative*, however, the website and SIE event have generated awareness in business and policy making communities. Most new MFF proposals (Structural Funds, Horizon2020) intend to make social innovation one of their priorities, but this of course depends on Member States' and regional priorities.

### **OUTLOOK: What remains to be done?**

The *Social Innovation Europe Initiative* will develop two technical reports with recommendations on funding and up-scaling social innovation. The technical reports and stakeholder inputs will provide ideas for new activities that can be supported by this measure. The actions, following recommendations of the reports may vary in duration, but it is envisaged that overall, they will take no longer than until the end of 2014. One action could be to establish a Social Innovation Prize.

#### **4.1.3.3. OPTIONS FOR FUTURE INNOVATION FUNDING**

### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

In the last years it has been noted an increasing criticism among beneficiaries and users of the complexity of the currently fragmented EU programme landscape for innovation and various public consultations confirmed the need for simplification with regard to different rules for different programmes.<sup>81</sup> Thus, in preparation of the work on the post 2013 financial perspective, a reflection process has been launched since 2009 on various options for improving the future support mechanisms for innovation, including and INNO-Views workshop on Governance in European Innovation Policy.<sup>82</sup>

### **TOTAL BUDGET**

The study on options for future structure and implementation of EU innovation funding has been financed by EIP in 2010 with a total of 199 250 EUR.

### **WHAT HAS BEEN ACHIEVED?**

#### **Outputs and results**

A specific study has been conducted to deepen the evidence-base for the reflections launched with the Innovation Union Communication, i.e. to streamline funding instruments and simplify access and stronger involvement of SMEs in the future EU research and innovation programmes. It has been conceived to complement the impact assessment or evaluation of individual programmes, by providing a comprehensive view across innovation support programmes / instruments in Europe to identify options an optimisation from a user's perspective.

---

<sup>81</sup> FP6 ex-post evaluation report (2009), FP7 interim evaluation, Green Paper consultation 'From Challenges to Opportunities: Towards a Framework Programme for research and innovation funding' (2010/2011).

<sup>82</sup> <http://www.proinno-europe.eu/events/improving-governance-european-innovation-policy>.

As part of the study in depth analysis of over 20 recent policy papers have been conducted, 7 national frameworks analysed,<sup>83</sup> an online survey has been launched among ‘end-users’ (collecting 132 responses), and 36 face to face interviews with innovators have been conducted in 7 countries.<sup>84</sup> Furthermore, a specific methodology in the form of the ‘Matrix of Innovation Support’ has been designed in order to illustrate current EU landscape as well as future options. One workshop addressed to ‘end-users’ and policy makers took place in Brussels on the 22 February 2011 (it was attended by 31 participants). The final report was published online.<sup>85</sup>

The main finding of the study was that the majority of current tools used in the programmes relies on a conception that sees innovation as the final stage of a process that starts with basic research and concludes with production of goods or services (‘from research to the product’). A broader concept of innovation tools, expanding the present concept to cover the whole ‘market to market’ cycle of innovation (ideas for innovations stemming from the market, resulting in the market introduction of innovative solutions) has been recommended for the next generation of EU innovation support tools.

## **Impacts**

The results of the study — while in no way pre-empting any Commission decision on the architecture of future EU programmes — were fed into the general preparation and impact assessment process on the post 2013 financial programme landscape for innovation, the major value added of this study being the ‘user perspective’ approach and the methodology employed.

## **OUTLOOK: What remains to be done?**

The measure is finalised.

---

<sup>83</sup> Germany, Austria, Sweden, France, Portugal, Greece and United Kingdom

<sup>84</sup> Germany, Austria, Sweden, France, Portugal, Greece and United Kingdom

<sup>85</sup> [http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/studies/index\\_en.htm](http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/studies/index_en.htm).

## **4.2. Best practices and testing of innovation policy tools and support services**

### *4.2.1. PRO INNO EUROPE®: Fostering trans-national cooperation on support for innovation*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

PRO INNO Europe® (PIE) contributes to closer cooperation between innovation policy makers and public support organisations at different levels through open platforms for mutual learning and exchange of experience on innovation policy analysis, policy learning and policy cooperation. The aim is to contribute to the development of new and better innovation policies in Europe.<sup>86</sup>

PRO INNO Europe® (PIE) assists EU Member States and other CIP participating countries and their regions to better invest in innovation, by learning from others and sharing practical experience with them. The first phase launched in 2006 contributed to jointly develop and test new innovation policy concepts to improve their efficiency and help more rapid implementation throughout Europe. The second phase was launched in 2009 and 2010 with a new set of initiatives that focused on specific priority areas, such as clusters, services and eco-innovation. Moreover, increased efforts were undertaken contributing to a more favourable innovation culture in Europe and to improve practical cooperation between innovation agencies.

In particular, 4 ‘INNO-Nets’, which are platforms of public actors responsible for innovation support, have been launched to encourage regional and national innovation policy makers and support providers to work more closely together in the following priority areas: clusters (‘TACTICS’), services (‘EPISIS’), eco-innovation (‘ECOPOL’) and support services provisions (‘INNO-Partnering Forum’).

Two ‘INNO-Actions’ have also been launched to bring innovation closer to the citizens by further developing the concept of ‘Innovation Weeks’ (‘Innovation Festivals’) and to raise the quality of services provided by cluster organisations to enterprises (‘The European Cluster Excellence Initiative’). This measure includes also an horizontal support action (‘Promotion of PRO INNO Europe® Results’) that facilitates the networking of PIE stakeholders, notably those involved in the INNO-Nets and INNO-Actions, and supports the continuous and systematic promotion and dissemination of the results and services developed under PIE.

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2009 and 2010, with 15 578 434 EUR in total.

---

<sup>86</sup> More information on PRO INNO Europe® is available at <http://www.proinno-europe.eu/>

## WHAT HAS BEEN ACHIEVED?

### Outputs

#### INNO-NETs

Four open platforms for innovation support were established, contributing to the development of guidance, new approaches and policy recommendations for better cooperation between regional and national innovation support schemes.<sup>87</sup>

#### Clusters ('TACTICS'):

The TACTICS project aims at contributing to the development of better cluster policies in Europe by mobilising national or regional public authorities and cluster experts to discuss policy trends and possible policy actions around a number of thematic areas such as cluster internationalisation, cluster marketing & branding and evaluation of cluster programmes.

For each thematic area, a number of concrete deliverables are currently developed and will be disseminated to both policy and business cluster communities, such as a handbook on how developing international strategies of clusters and a guide on how to develop successful communication strategies of clusters.

At the same time, the TACTICS consortium is acting as the secretariat of the European Cluster Alliance, an open platform involving today more than 100 policy authorities from all EU countries who are responsible for implementing cluster programmes. This platform serves for getting feedback from policy makers on policy developments and possible actions as well as for disseminating TACTICS results. In this respect, annual assemblies of the European Cluster Alliance are organised twice a year in different European countries.

#### Services ('EPISIS'):

The EPISIS promotes development of service innovations at policy, strategic and operational levels through transnational cooperation between policy-makers and innovation agencies. The EPISIS project is carried out by the Consortium of 5 leading European public authorities.<sup>88</sup> To ensure wider validation, EPISIS has established a European Service Innovation Think-Tank representing the partners and 10 additional European public authorities<sup>89</sup> responsible for the design and implementation of service innovation support activities in their countries.

The Think Tank is a high-level forum to identify emerging needs in support of service innovation and to give recommendations for better service innovation support

---

<sup>87</sup> <http://www.proinno-europe.eu/inno-nets-2009-2012>.

<sup>88</sup> The 5 EPISIS partners are the Finnish Funding Agency for Technology and Innovation (TEKES), the Project Management Agency of the German Aerospace Center (PT-DLR), the Swedish Governmental Agency for Innovation Systems (VINNOVA), the Danish Agency for Science Technology and Innovation (DASTI) and the UK department for Business, Innovation and Skills (BIS). For more information, see <http://www.proinno-europe.eu/project/episis>.

<sup>89</sup> Besides the five EPISIS partners, the Think Tank includes the following 10 authorities: the , Austrian Research Promoting Agency (FFG), the Finnish Ministry of Employment and the Economy, OSEO (France), the German Ministry of Education and Research, Enterprise Ireland, NL Agency (the Netherlands), the Norwegian Ministry of Trade and Industry, the Public Agency for Technology of the Republic of Slovenia, the Spanish Ministry of Industry, Trade and Tourism (Spain) and the Swedish Ministry of Industry, Energy and Communications. For more information, see [http://www.proinno-europe.eu/sites/all/modules/pubdnt/pubdnt.php?file=http://www.proinno-europe.eu/sites/default/files/page/10/09/Episis\\_esite\\_032010\\_Final.pdf&nid=25820](http://www.proinno-europe.eu/sites/all/modules/pubdnt/pubdnt.php?file=http://www.proinno-europe.eu/sites/default/files/page/10/09/Episis_esite_032010_Final.pdf&nid=25820).

mechanisms. The project offers an open platform for discussion on policy recommendations based on the work carried out in 7 specific Task Forces<sup>90</sup> and test new policy approaches in support of services innovation. In addition, a policy-oriented International Conference on Service Innovation is organised annually (the first one was organised in Copenhagen in June 2010 and the second in Hamburg in September 2011). These conferences are targeted at policy makers and facilitate a wider dissemination of project results and outcomes.

#### Innovation support ('INNO-Partnering Forum'):

The INNO-Partnering Forum (IPF) brings together 6 leading innovation agencies and coordinates a learning community of public stakeholders dedicated to improving the efficiency and effectiveness of policy measures supporting growth in innovative SMEs. The IPF activities are centred on three focus themes: delivering efficient support for innovation to large numbers of SMEs, stimulating demand for innovation through public innovation procurement, and providing a policy environment for higher growth in SMEs.

To support its implementation, the IPF has established a sounding board (the INNO-Partnering Council) composed of representatives from regional and national innovation agencies as well as governmental departments. These members are selected through open calls for expression of interest and after one year of operation, the number of seats has been enlarged to 25 representatives. This learning community (which involves members of the sounding board but also other public stakeholders in specific pilot activities through open calls) has been engaged so far in 4 task forces, in 7 peer review sessions and 9 twinning cases, in quality management training using the EFQM model and in work on improved service delivery.

#### Eco-innovation ('ECOPOL'):

The 'ECOPOL' initiative was launched end of 2010 with the aim at championing eco-innovation, by bringing together innovation and environmental agencies from different countries in Europe to share experience on how to promote eco-innovation and to raise public awareness. A particular focus will be on the further promotion of 'green public procurement'.

### INNO-ACTIONS

#### European Innovation Weeks ('Innovation Festivals'):

The action has brought innovation closer to citizens and at provided SMEs with detailed information on innovation support services, through awareness raising actions. The Innovation Festival (IF...) is a celebration of innovation and creativity across six European cities, mobilising their citizens, youth, businesses, researchers and other regional players to be part of events that is not only showcasing excellence and innovativeness, but also addressing societal challenges such as boosting creativity, tackling climate change or decreasing mobility barriers in urban environments.

---

<sup>90</sup> The task forces address, for instance, service typology, impact analysis and indicators, integration of services and technologies, new skills and competence to manage innovation in services, and internationalisation of high-growth service companies.

Four Innovation Festivals events were organised in 2009 and 2010 including in Barcelona (ES), Milano (IT), Kortrijk (BE), Lisbon (PT) and two are planned for 2011 in Vilnius (LT) and Tallinn (EE). All results are disseminated through a dedicated web-portal.<sup>91</sup>

#### European Cluster Excellence Initiative ('Cluster-excellence.eu'):

This initiative aims to identify quality criteria for good management of cluster organisations and benchmark the excellence of cluster management across CIP participating countries. In particular the initiative has contributed to develop:

(a) training tools, aiming to offer an integral set of teaching materials such as manuals, case studies, teaching notes, and audiovisual materials that are self explanatory so that they can be used by qualified instructors across Europe;

(b) a benchmarking tool, aiming to benchmark the performance of cluster and network organisations on the basis of indicators such assessment of their typology and governance structure, diversity and output of the services offered, financial support, international orientation and visibility, and finally achievements and reputation.

All results are disseminated through a dedicated web portal.<sup>92</sup>

#### PROMOTION OF PRO INNO EUROPE® RESULTS

Promotion of PRO INNO Europe® (PIE) Results represents a series of products and services to support the showcasing and exchange of better practices in support for innovation that are developed under the PIE initiative 2009-2012, notably by the INNO-Nets and INNO-Actions.

It includes the organisation of annual partnering events to facilitate the networking of all PIE stakeholders and to exchange knowledge and good practices. So far, two partnering events have been organised; one in 2009 in Stockholm and one in 2011 in Munich. In addition, an on-line repository of elements of better practices and results from PIE projects has been established, and continuous and systematic promotion and dissemination of the results and tools are being conducted e.g. via newsletters, the management of the PIE public Web portal and Extranet.

#### **Results and impacts**

It is still too early to measure the impact of these initiatives in policy development at national and/or regional level, but performance and impact indicators will be assessed through stakeholders' surveys at the end of initiatives. Qualitative feedback of public stakeholders having benefited from the policy dialogues and pilot actions launched under each initiative is positive. This positive impression builds also upon the positive ex-post and mid-term evaluations of PRO INNO Europe® that gives a clear indication of its potential high impact. The first generation of PRO INNO Europe® has been implemented and evaluated under FP6 (2006-2008)<sup>93</sup> and the current second generation of PRO INNO

---

<sup>91</sup> [www.innovationfestival.eu](http://www.innovationfestival.eu).

<sup>92</sup> [www.cluster-excellence.eu](http://www.cluster-excellence.eu).

<sup>93</sup> 'Ex-post evaluation of the activities carried out by DG Enterprise and Industry under the Sixth Framework Programme for research, technological development and demonstration activities -Innovation

Europe® (2009-2011), although still ongoing, has also been evaluated under CIP/EIP.<sup>94</sup> Some excerpts of the latest evaluation are attached below to illustrate the overall very positive assessment:

- ‘The evidence available clearly indicates a rather strong EU added-value from the Europe Innova and PRO-INNO Europe initiatives. The common view is that the great majority of activities would not have taken place without the Commission initiative. Even if they had, it is said, certain key elements would be missing.’
- ‘...there is evidence that the effort in this area has influenced debate across Europe and the way that national, regional and local authorities have developed their own policies and innovation support services. This approach is judged to be coherent in itself and also with the policies of Member States and other policies at a European level.’
- ‘Most agreed that such EU-wide activities could not have taken place without Commission support and that any similar actions at national level are much more limited and, critically, miss the element of cross-country comparison.’
- ‘When measured against these objectives, the results of the survey indicate that, overall, PRO INNO Europe is genuinely effective and particularly so in supporting the exchange of knowledge, experience and understanding about innovation policies and innovation support tools. More than 60% of respondents indicated important or very important benefits.’
- ‘The survey results indicate a strong interest by policy makers and intermediaries in participating in similar activities organised by PRO-INNO Europe in the future (77% stating they are quite or very interested). The responses are very similar across the different activities. This represents a clear endorsement of the activities and evidence of future interest.’

*Example: INNOWATER*

INNOWATER platform aims to provide better innovation support tools and delivery mechanisms in sustainable water and wastewater. It is a public-private partnership of public innovation agencies, water associations and technology specialists, innovation experts and eco-innovative cluster organisations.

## **OUTLOOK: What remains to be done?**

The majority of the actions are still in progress and 2012 will see the main results in fostering trans-national cooperation in support for innovation. Building upon the work related to cluster policy and initiatives (incl. TACTICS, the European Cluster Alliance and the European Cluster Excellence initiative), results will be disseminated to the wide cluster community in the EU at a final event that will be organised for this purpose in 2012.

---

and space research activities’, final report of 13.11.2008 submitted by GHK and Technopolis within the framework of ENTR/04/093-FC-Lot 1, specific contract reference: ENTR/D1/04/93/1/07/13.

<sup>94</sup> ‘Final Evaluation of the Entrepreneurship and Innovation Programme: First Findings and Recommendations Report’, February 2011, Centre for Strategy & evaluation Services (CSSES) & EIM.



In the meantime, the European Cluster Alliance will be consulted through a restricted public consultation on the main principles of a new strategy on the promotion and development of world-class clusters in Europe.

For the European Cluster Excellence initiative, an exit strategy is under preparation, e.g. the creation of a European Quality label managed by EFQM and the establishment of a European Cluster Excellence Foundation to provide training to cluster managers in Europe.

As regard service innovation, the second annual EPISIS conference took place in September 2011 in Hamburg and the final conference will take place in June 2012 in Helsinki. The work of EPISIS will also feed into the European Service Innovation Centre to be established in 2012 following the recommendations of the European Panel on Service Innovation in the EU.

#### *4.2.2. European Cluster Agenda Conference*

### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The aim of this measure was to contribute ad hoc to the organisation of the International Conference of the 'Pôles de Compétitivité' French National Programme organised in Sophia Antipolis on 18 November 2010. This conference is organised annually by Sophia Antipolis to bring together cluster policy makers. Therefore, it was an excellent opportunity to organise, as a side event to this Conference, the annual assembly of the European Cluster Alliance that is managed by the EIP-funded project TACTICS and it represents an open platform aimed to link together cluster policy makers to discuss different policy trends and develop better cluster policy actions in the EU.

### **TOTAL BUDGET**

This measure was financed by the EIP in 2008, with 149 995 EUR in total.

### **WHAT HAS BEEN ACHIEVED?**

#### **Outputs**

The Conference was organised in two days and attracted about 200 national, regional and local political personalities such as regional Senators, representatives from French Ministries and international cluster experts. Representatives from the Ministry of Research in Egypt and from the EU delegation in New Delhi in India have also joined the Conference. About 60 policy makers participated in the back-to-back assembly of the European Cluster Alliance.

#### **Results and impacts**

The issue of international cooperation was the main theme of the conference and important recommendations were discussed and addressed to policy makers including the European Commission services. As a consequence, the theme of cluster internationalisation has been taken up and is currently considered as of high priority in the EU cluster agenda. More particularly, a Call for proposals has been prepared in 2011 with a budget of 2.4 million EUR in total and 4 projects will be launched early 2012 to promote international cluster activities. Moreover, the activities of the EIP-funded European Cluster Collaboration Platform, initially aimed to promote cluster cooperation within the EU, have been streamlined to open up cluster cooperation with non EU-countries, particularly with countries that signed a MoU with this platform such as the Japan, the India and the Brazil. Finally, responding to the interest of many participants in this conference, the Foundation of Sophia Antipolis, which has a long experience in working together with southern Mediterranean countries, currently provides in the frame of the European Cluster Observatory an identification of potential partners and an analysis of cluster cooperation opportunities with such countries.

### **OUTLOOK: What remains to be done?**

Since 2010, cluster internationalisation has been a major topic for policy action at EU level. As a consequence, many EIP activities have been developed over 2011 including the establishment of a European Cluster Collaboration Platform aiming at promoting cooperation between clusters within Europe but also with clusters located outside Europe.

The European Cluster Alliance is invited to organise its annual assembly in November 2011 during the French 'Pôles de Compétitivité' Sophia Antipolis event where a number of concrete deliverables of the TACTICS project will be presented and disseminated to the cluster community.

#### 4.2.3. *EUROPE INNOVA*

##### 4.2.3.1. COLLECTION, ANALYSIS AND EXPLOITATION OF RESULTS OBTAINED FROM INNOVATION PROJECTS & EUROPE INNOVA CONFERENCES

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

Europe INNOVA is an initiative of the European Commission's Directorate General for Enterprise and Industry, which aspires to be a laboratory for the development and testing of new tools and instruments in support of innovation with the aim of helping innovative enterprises to innovate faster and better. It brings together public and private innovation support providers such as innovation agencies, technology transfer offices, business incubators, financing intermediaries, cluster organisations and others. In short, it is a partnership for better innovation support.

The horizontal support function of the Europe INNOVA initiative (2009-2011) is a measure which facilitates and coordinates the activities across the Europe INNOVA Community with a view to ensuring the systematic exploitation of results.

Key-actions include networking of all stakeholders to exchange knowledge and good practice by organising thematic workshops, annual partnering events and supporting the biannual Europe INNOVA conferences; maintaining an on-line collaboration platform; analysing project outcomes and results to extract and validate good practices and translating them into lessons and policy recommendations; continuous and systematic promotion and dissemination of Europe INNOVA activities and results via newsletters, factsheets, etc.

The horizontal support function ensures a clear European identity for the Europe INNOVA initiative by providing a uniform and coherent presentation of all activities as well as facilitating Europe-wide leveraging of the results. Activities also include cross-fertilisation with EU and other initiatives.

In addition, the measure provided ad-hoc grants to the French EU Presidency in 2008 and the Belgian EU Presidency in 2010 to organise the biannual Europe INNOVA conferences. The conferences are 2-day events that bring together some 5-600 innovation stakeholders representing high-level policy makers, researchers & academia, innovation support intermediaries and the business community to debate the latest policy ideas, opportunities and challenges for European innovation and competitiveness.

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2008 and 2010, with 2 386 209 EUR in total.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs and results**

Under the horizontal support function for Europe INNOVA 4 thematic workshops have been organised on topics ranging from standardisation and innovative SMEs to support

for satellite-enabled services and the transformative power of service innovation with an average participation of some 50 persons.

Annual Partnering Events were organised in Heraklion, (September 2009) ‘Supporting innovation in a changing world’, Copenhagen, (June 2010) ‘Service Innovation as a catalyst for the Europe 2020 Strategy’ and Berlin, (October 2011) ‘From Europe INNOVA to Large-Scale Demonstrators and European Innovation Partnerships’. These events have been attended, on average, by some 175 participants.

Four issues of the SPARKS newsletter have been published each year with information on significant progress and achievements of Europe INNOVA partnerships and on related innovation news. Annual Reports summarise, for each partnerships and the initiative as a whole, its key milestones and results. It is circulated to some 2500 subscribers and also available electronically on the Europe INNOVA website.<sup>95</sup>

Proceedings reports as well as video-reports of the Annual Partnering Events and the Europe INNOVA Conferences have been produced. The Europe INNOVA website provides a comprehensive overview of all partnerships and their activities and is being updated on a daily basis with latest news, announcements of events and reports by individual partnerships as well as information on other related regional, national and European initiatives. The website has an average of 30000 page views and 8800 visits per month. User surveys carried out for the portal provide very positive feedback on the portal as an important source of information on innovation support in general and on the tools and instruments being developed by Europe INNOVA partnerships.

In addition, printed promotional materials have been produced for all partnerships as well as exhibition material for the initiative as a whole which is used at own as well as external events such as the EU Sustainable Energy Week, SME Week and Open Days.

The Europe INNOVA Conferences organised by the EU Presidencies (Lyon 2008 ‘Accelerating Innovation in Europe’ and Liège 2010 ‘Reshaping Europe: Addressing societal challenges through entrepreneurship and innovation’) each attracted around 550 innovation stakeholders from throughout Europe and beyond. The conferences offered plenary addresses by high-level experts and policy makers, panel discussions and interactive innovation quizzes, break-out sessions on specific issues with case studies and open discussion as well as exhibition stands by Europe INNOVA partnerships; and other EU and Presidency initiatives, and innovation tours to significant innovative enterprises in the host regions. Evaluations by conference participants have been very positive, notably due to the combination of policy discussions with case study presentations and on-the-ground visits as well as the possibility to network and establish new contacts in the conference exhibitions.

## **Impacts**

The Europe INNOVA horizontal support function has been instrumental to the creation of a dynamic European community of innovator support practitioners which interactively share their experiences through the events and website of Europe INNOVA. The systematic exploitation and dissemination of results facilitated by the Europe INNOVA horizontal support function has accelerated the use of better practices and tools across Europe leading to higher multiplier effects. The wider impact achieved in supporting the generation of new start-ups and growth of SMEs is explained in more detail under the

---

<sup>95</sup> <http://www.europe-innova.eu>

following section relating to the private-public partnerships launched under Europe INNOVA.

### **OUTLOOK: What remains to be done?**

The Europe INNOVA horizontal support function is continuing until the end of 2011 and, for the remaining duration of the initiative, until the end of 2012, only the web portal will be maintained with a minimum service to continue the dissemination of news, events and reports by individual partnerships as well as from external innovation initiatives.

A last Europe INNOVA Conference is foreseen to take place in collaboration with the Danish EU Presidency in 2012.

## **4.2.3.2. ACCELERATING INNOVATION THROUGH PUBLIC — PRIVATE PARTNERSHIPS**

### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

Europe INNOVA is supporting the development and testing of new or better practical innovation support services for SMEs, notably start-ups. This is delivered by European Innovation Platforms, that bring together public-private partnerships with innovation professionals from different countries in view of the wider application of better innovation support, e.g. by the Enterprise Europe Network. The overall objective is to accelerate innovation processes and thus to facilitate the commercialisation of innovative products and services.

Launched in 2006, Europe INNOVA has identified and analysed drivers and barriers to innovation in order to design sound, targeted, supportive policy measures. Its sector-based approach has reinforced cooperation between business clusters and between finance and standardisation practitioners by establishing learning platforms for the exchange of experience, good practice and knowledge.<sup>96</sup>

In 2009, a new set of Europe INNOVA actions was launched in the three high priority policy areas. Accordingly, three European Innovation Platforms have been established: one each in the themes of cluster cooperation (Cluster-IP),<sup>97</sup> knowledge-intensive services (KIS-IP)<sup>98</sup> and eco-innovation (Eco-IP).<sup>99</sup> An action to promote the output of all three platforms for a wide impact has completed the initiative.

---

<sup>96</sup> The first generation of Europe INNOVA (2006-2008) consisted of 10 sectoral finance networks, 6 standards networks and 11 cluster networks, which involved 240 innovation service providers.

<sup>97</sup> The partnerships under the Cluster-IP include ABCEurope (in the area of biotechnology) and EcoCluP (eco-industries). These are complemented by analysis and mapping of clusters by the European Cluster Observatory. For more information, see <http://www.europe-innova.eu/cluster-ip>.

<sup>98</sup> The partnerships under the KIS-IP include BCreative (creative industries), ImMediaTe (digital media), ACHIEVE MORE (ICT), MOBIP (mobile telecommunication), KIS\_PIMS (renewable energies), KIS4SAT (space-based services), and GreenConServe (sustainable construction). These are supported by the KISPLATFORM for the promotion of KISIP results. For more information, see <http://www.europe-innova.eu/kis-ip>.

<sup>99</sup> The partnerships under the Eco-IP include BIOCHEM (bio-based products), REMake (recycling & resource efficiency), INNOWATER (water management) and EcoTroFood (food7drink industry). The ECOLINK+ project provides support for strengthening the wider eco-innovation community and the Eco-Innovation Observatory provides analytical support. For more information, see <http://www.europe-innova.eu/eco-ip>.

While the first five actions of the KIS-IP started their implementation in 2008, a second set of three actions was added for execution in 2010. The Cluster-IP and Eco-IP was established in 2010 with respectively two and three actions. The Eco-IP also comprises the European Eco-innovation Observatory of the priority Eco-innovation to better exploit synergies between the actions and has seen a last action added in 2011.

With a duration of about three years, the majority of the actions sees the main implementation effort in 2011, whose achievements will be known in 2012.

## **TOTAL BUDGET**

This measure was financed by the EIP in 2007, 2009 and 2010, in total with 31 190 447 EUR, incl. EUR 1 910 166 of eco-innovation budget.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs**

In their first year, projects commonly hold fairly technical specification documents and expert meetings to specify the new tools. Even so, a typical project holds about two technical events publicly with an average of about 30 SMEs and innovation professionals to include project-external expertise and feedback from potential users and publishes an average of five reports. The number of such events increases manifold related to the tool testing and can attain 50 to 60 in total.<sup>100</sup>

All actions of the initiative use the dissemination services made available under the measure 'Europe INNOVA: Collection, analysis and exploitation of results obtained from innovation projects & Europe INNOVA Conferences 2008 and 2010' to maximise the visibility of the actions at the European level, while most project participants also use the website of their organisation and affiliated industrial associations to spread news nationally and regionally.

Interventions of an action in public events and industry publications occur on average once a month with content-specific newsletters appearing typically quarterly.

### **Results**

The average number of different CIP countries participating in one partnership at a given time is seven, with often about two organisations per country.

So far, the tools being ready are typically area-specific databases, partnering communities, basic analytical software and training modules, of which one or two become available in the course of the first year. The innovation support services that are being developed include, for instance, training and coaching modules in innovation management, internationalisation support, market assessment and access techniques, incubation management, new forms of networking and matchmaking events, investment and investor readiness self-assessment techniques and training tools for entrepreneurs.

---

<sup>100</sup> The first generation of Europe INNOVA (2006-2008) launched, for instance, 100 sectoral finance fora with 250 early-stage investors and about 2 000 SMEs. Furthermore around 250 workshops and conferences were organised that involved 8 000 innovation actors, including 25 000 businesses.

A number of tools are already available on the Europe INNOVA portal such as in the area of satellite — GNSS and GMES, based applications and services, while other are foreseen to be ready by end 2013.

The target number of 250 SMEs per project to benefit through active involvement in the testing of the tools has been proven so far to be attainable already half-way through the projects for entry-level tools (often Web-based). More complex advisory-oriented services reach the target during the project, in some projects by using Innovation voucher schemes.

The experience of the more mature first generation KIS-IP actions suggests that the number of innovation professionals across Europe who share directly or indirectly the knowledge gained through the new tools can double.

Many actions engage with related support activities or political initiatives at EU and national level, thus demonstrating the openness of the initiative. Actions that include industry associations, in particular, have increased the awareness of sector SMEs on their topic.

The Eco-IP elaborated an open letter to the European Commission in view of the eco-innovation action plan, which has been supported by over 100 organisations, mostly from outside the initiative, requesting a number of urgent actions in support of new business ideas and solutions addressing a sustainable economy and society.

Around 30 innovation reports were issued targeting specific emerging and more traditional industries as well as horizontal issues such as service innovation, high potential start-ups, clustering analyses with new statistics and policy recommendations.

A total of 13 public-private and cluster partnerships were launched in areas with growth potential such as eco-industries, mobile services, creative industries etc. involving innovation actors such as cluster organisations, incubators, coaches' networks, venture capital and business angels' networks, innovation agencies etc.

In general, it can be said that the Europe INNOVA partnerships together with the support actions of the innovation management project MPR<sup>3</sup>OVE, the Sectoral Innovation Watch project, and the TAKE IT UP project for the promotion of novel tools & services has started already to generate numerous important and essential results and outputs.

## **Impacts**

It is still much too early to measure the impact of SMEs having benefited through active involvement in the testing of the new concepts on their innovation performance. Qualitative feedback notably of start-ups having benefited from the testing is positive.

There are however already some indications and examples that some of the partnerships of Europe INNOVA had a particular high impact by contributing to the wider implementation of new and better innovation support tools and leveraging further innovation support funding in the regions and countries of the participating partners.

For instance, the partnerships under the Innovation Platform for knowledge-intensive services (KIS-IP) succeeded in the setting up three new sector specialised venture capital funds and two new grants and voucher programmes.

The MOBIP partnership was instrumental in the setting up two new programmes together with the Greek government, which launched the ICT4Growth grants programme totalling up to 120 million EUR. and the Digi-Mobile voucher scheme totalling up to 15 million EUR, both targeting new business ideas in the field of mobile and mobility services.



Feasibility for one further grant programme is currently being explored in the region of Valencia.

The ACHIEVE MORE partnership succeeded in the setting up two new ICT-specific venture capital funds leveraging at current values a total of 25 million EUR. The ImMediaTe partnership in the sector of creative industries has been instrumental for the adoption of a 4 million EUR.voucher scheme by the Lazio Region and a further 60 million Euro of innovation grant scheme targeting knowledge intensive start-ups as well as for the launch of a new 20 million Euro venture capital fund.

Furthermore, the ongoing ABCEurope cluster partnership has also been analysed by a study for the Inter-American Development Bank conducted by COWI,<sup>101</sup> which concludes their assessment that the ABCEurope project *‘on aggregate, has a score of medium to high for incentives and high with regard to structures’ and that it ‘is regarded as potentially successful’.*<sup>102</sup>

This positive impression builds also upon the positive ex-post and mid-term evaluations of Europe INNOVA that gives a clear indication of its potential high impact. The first generation of Europe INNOVA has been implemented and evaluated under FP6 (2006-2008)<sup>103</sup> and the current second generation of Europe INNOVA (2009-2011), although still ongoing, has also been evaluated under CIP/EIP.<sup>104</sup> Some excerpts of the latest evaluation are attached below to illustrate the overall very positive assessment:

- ‘The evidence available clearly indicates a rather strong EU added-value from the Europe Innova and PRO-INNO Europe initiatives. The common view is that the great majority of activities would not have taken place without the Commission initiative. Even if they had, it is said, certain key elements would be missing.’
- ‘In relation to Europe Innova, most of the platforms created are in their first or second year of implementation and there are still no aggregate data available on the direct and indirect effects of the project. However, there is already information on some of the project outputs the results that are expected by the end of each project. [...] In fact, while SMEs are not a direct target of the Europe Innova initiatives, a large number of SMEs — more than 300 per project — are expected to benefit directly from the tools developed or adopted by the Europe Innova platforms.’
- ‘As far as Europe Innova is concerned, the feedback from the platform coordinators suggests the presence of a considerable degree of additionality’

---

<sup>101</sup> Instruments to Promote Regional Integration in Latin America and the Caribbean – Gaining Inspiration from European Experience with Special Focus on Instrument Demand, ‘Case Study: The Competitiveness and Innovation programme –ABCEurope’, final draft, October 2010.

<sup>102</sup> With regards to impact and EU-value added, the study adds that it *‘is likely that ABCEurope will contribute to further transnational regional integration. Partly as a result of its emphasis on European value added, it brings together actors from ten different countries in a number of concrete work packages. Moreover, the collaborative efforts will be supported by a number of European level institutions that are expected to exist beyond the life of the project’*.

<sup>103</sup> ‘Ex-post evaluation of the activities carried out by DG Enterprise and Industry under the Sixth Framework Programme for research, technological development and demonstration activities — Innovation and space research activities’, final report of 13.11.2008 submitted by GHK and Technopolis within the framework of ENTR/04/093-FC-Lot 1, specific contract reference: ENTR/D1/04/93/1/07/13.

<sup>104</sup> ‘Final Evaluation of the Entrepreneurship and Innovation Programme: First Findings and Recommendations Report’, February 2011, Centre for Strategy & evaluation Services (CSES) & EIM.

**OUTLOOK: What remains to be done?**

The majority of actions will in 2011-12 engage into the task of addressing SMEs for the testing of the developed tools. The fruit of the Eco-innovation Observatory's effort is also due in 2011. Furthermore, 2012 will see the main effort of promoting the availability of the tools across Europe. Also the potential for policy recommendations becomes more substantial in these two years.

Maximum effort will be undertaken to further leverage the results of Europe INNOVA into the Enterprise Europe Network so as to attain the widest possible impact for SMEs across Europe.

### **4.3. Promote ICT, E-skills and E-business**

#### *4.3.1. ICT uptake and competitiveness*

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

This measure is a study conducted as a follow-up to the Communication COM(2009)512, which sets out the aim of promoting the industrial deployment of Key Enabling Technologies (KETs) in the EU. In the Communication, the Commission announced that it will conduct an international comparison of high technology policies in other leading and emerging countries, such as the US, Japan, Russia, China and India.

The study is a tool for the Commission to gain a better understanding of the international competition in the field of KETs. It was launched in a similar context to the High-Level Expert Group on KETs, which was launched by the Commission in July 2010 in order to consult the key experts in the field for policy recommendations.

##### **TOTAL BUDGET**

This total EIP financing for this measure was 165 000 EUR in 2010.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs**

A comprehensive report was produced, which provides the Commission with a good overview of EU and non-EU policies and will serve as a good basis for the development of EU policies on Key Enabling Technologies.

In addition, several workshops between the study team and Commission staff (Inception meeting, mid-term meeting and final meeting) and a presentation of the study at the High-Level Expert Group on Key Enabling Technologies (Sherpa level) were organised.

As part of the study, an inception Report, a mid-term report and a final report, were produced.

###### **Results and impacts**

The study analysed KETs-related innovation and industrial policies in 13 EU and non-EU countries and included expert interviews in each of them. The study team interviewed 69 stakeholders, including technology developers, SMEs, researchers, downstream industry users and policy makers.

Promoting the industrial deployment of KETs is a key aim of the Commission, as outlined in the Europe 2020 strategy and its flagship initiatives "Innovation Union", "A Digital Agenda for Europe" and "An industrial policy in a globalised Era". However, to base the Commission's policies on a solid foundation, it is necessary to gain a thorough understanding of the innovation and industrial policies are currently in place in Europe and to benchmark those with other regions' policies. The study has provided the necessary basis for this undertaking.

**OUTLOOK: What remains to be done?**

The study will provide a basis for the Commission's upcoming Communication on Key Enabling Technologies in the beginning of 2012.

#### 4.3.2. *E-skills*

### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

This measure aims at contributing to the successful implementation of the long term e-skills strategy presented by the European Commission in its Communication on "e-Skills for the 21<sup>st</sup> Century"<sup>105</sup> which was adopted in September 2007. The strategy was designed in close cooperation with Member States and stakeholders. The Competitiveness Council welcomed the EU e-skills strategy in November 2007.<sup>106</sup>

Member States are increasingly designing e-skills initiatives. The EIP programme complemented projects funded from other sources at EU-level (e.g. IST programme in the field of e-inclusion and work carried out by CEN, the European standardisation body) and national level as well as new initiatives by stakeholders.

### **TOTAL BUDGET**

E-skills activities were financed by the EIP in 2007, 2008, 2009 and 2010, with total financing of 4.28 million EUR (including 2.4 million EUR in 2010 for the first European E-skills Week).

### **WHAT HAS BEEN ACHIEVED?**

#### **Outputs**

These activities have provided facts and figures on the evolution of the supply and demand of ICT practitioners and forecasts based on foresight scenarios (2010-2015), as well as an analysis of the impact of global sourcing, new curriculum guidelines for ICT education and training and three benchmark reports on multi-stakeholder partnerships, on e-learning policies and on financial and fiscal incentives in Europe. A European e-Competences Framework is now available<sup>107</sup>. Seven reports were delivered with promotional brochures<sup>108</sup>.

Two conferences were organised: in partnership with Cedefop<sup>109</sup> in Thessaloniki (2008) and with the European Economic and Social Committee in Brussels (2009). In addition, a large awareness raising campaign (European e-Skills Week) was organised in 2010. 284 stakeholder organisations and 445,200 people participated in 1,163 events in 35 countries. An external evaluation of the implementation of the EU e-skills strategy was performed in 2010.

---

<sup>105</sup> COM(2007) 496 of 07.09.2007, "e-Skills for the 21<sup>st</sup> Century"

<sup>106</sup> Council Conclusions on a long term e-skills strategy of 23 November 2007

<sup>107</sup> The European e-Competence Framework is available here: [www.ecompetences.eu](http://www.ecompetences.eu)

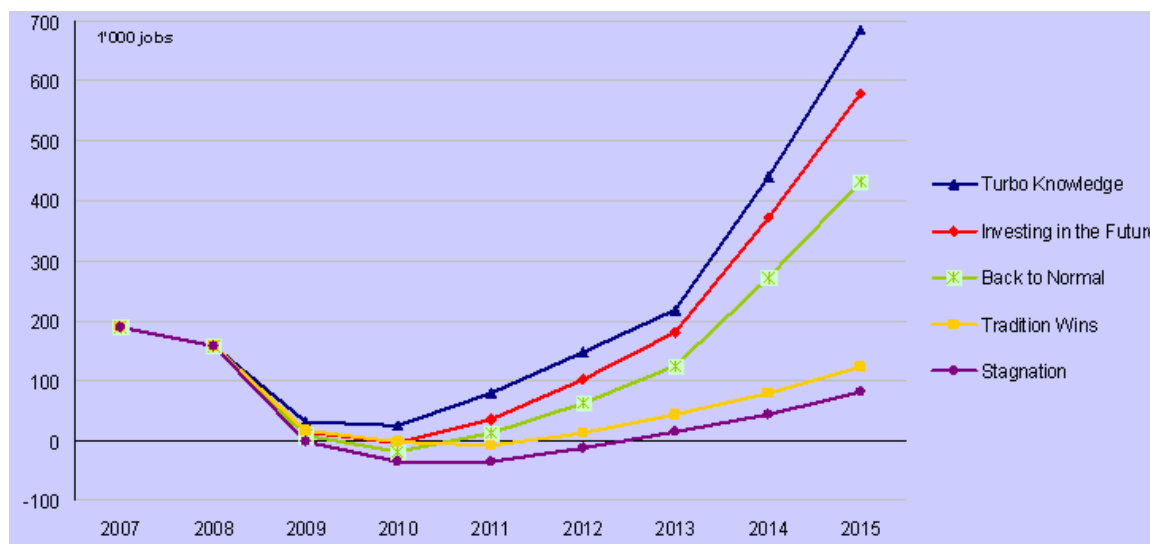
<sup>108</sup> The brochures are available here: [http://ec.europa.eu/enterprise/sectors/ict/documents/e-skills/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/ict/documents/e-skills/index_en.htm)

<sup>109</sup> European Centre for the Development of Vocational Training is an EU's agency. See: [www.cedefop.europa.eu](http://www.cedefop.europa.eu)

## Results

The countries participating in the activities were the EU 27 Member States, except for the European e-Skills Week which took place in 35 European CIP participating countries.

As a results of these measures, Member States and stakeholders now have detailed information about the evolution of e-skills gaps and shortages, relevant tools (e.g. European e-Competence Framework) and best practices in the field of policies and public private partnerships focusing on ICT practitioners.



Evolution of the size of the ICT practitioners' skills gap. Source: Foresight Report 'Anticipating the Development of the Supply and Demand of e-Skills in Europe', 2010

The external evaluation<sup>110</sup> of the implementation of the EU e-skills strategy demonstrated that the achievements and the level of activity of the European Commission in this field are rated very positively. The evaluation concluded that e-skills activities need to be undertaken on a larger scale and that effort must be sustained in the longer term.

## Impacts

According to the external evaluation report, Member States have intensified their efforts since 2007 to promote e-skills and digital literacy. Countries such as Hungary, Latvia, Poland and Romania started recently to respond to the e-skills challenges and launched new initiatives. Ireland, Belgium and Malta show high e-skills activity levels. The same is true for the Netherlands, the United Kingdom, Germany, Sweden, Finland, Denmark, France and Estonia which, however, still have significant ICT practitioners' skills gaps. The external evaluation also concluded that several countries including Bulgaria, Italy, Greece, Lithuania, Spain, Cyprus, Czech Republic, Slovenia and Portugal could benefit from further initiatives targeting ICT practitioners.

<sup>110</sup> See: [http://ec.europa.eu/enterprise/sectors/ict/files/reports/eskills21\\_final\\_report\\_en.pdf](http://ec.europa.eu/enterprise/sectors/ict/files/reports/eskills21_final_report_en.pdf)

*Example of impact at national level (The Netherlands)*

[...] The government has therefore asked the e-Skills Task Force to investigate the scale of the problem in the Netherlands and to make recommendations on how to overcome it. ... The government agrees with the findings of the Task Force and welcomes current initiatives to address the shortage of e-skills. On the basis of the Task Force's advisory report, the government reviewed what additional policies are needed. [...] To ensure that the measures taken correspond with international developments the government will align policy proposals with the initiatives launched by the European Commission to develop digital skills.

Source: Digital Agenda.nl, ICT for innovation and economic growth, 2011

**OUTLOOK: What remains to be done?**

The EU e-skills strategy has made good progress with concrete achievements for ICT practitioners. The momentum must be sustained and intensified to generate a large talent pool in Europe with a greater focus on innovation and ICT professionalism to strengthen the competitive advantages of the European industry. The 'Digital Agenda' and 'Innovation Union' recognise the need to accelerate the implementation of the EU e-skills strategy. The next European e-Skills Week is under preparation and will take place in 2012.

#### 4.3.3. *The Sectoral E-Business Watch*

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The strategic objectives of the sectoral e-Business Watch were to support and encourage the widespread adoption of ICT to enhance the competitiveness of European enterprises. More specifically, it had the following operational objectives:

- To assess the impact of ICT on enterprises, industries and the economy in general, including the impacts on productivity and growth, and the role of ICT in innovation and organisational changes;
- To highlight barriers to ICT uptake; to identify and discuss policy challenges stemming from these developments and to engage in dialogue with stakeholders from industry and policy institutions, providing a forum to debate relevant issues.

In this way, the Sectoral e-Business Watch helped improve the understanding of e-business impact at macro- and micro-economic levels and supports policy formulation. It continued activities of the previous "e-Business Watch" which was launched in late 2001, to support industrial policy, notably in the fields of competitiveness and innovation.

##### **WHAT HAS BEEN ACHIEVED?**

This action was financed by the EIP 2009 work programme with a budget of 849990 EUR.

##### **Outputs**

Five studies (on sectors and cross-sectoral themes) of specific ICT issues and two special studies were conducted in 2009. The full study reports and further deliverables such as table reports, brochures and the synthesis report can be downloaded from the archived website.<sup>111</sup>

Deliverables included two sector reports, three cross-sectoral thematic studies, two special 'on demand' studies, a brochure (printed in 4,000 copies and also available on the website) and the final synthesis report (the European e-Business Report – 2009-1010 edition "ICT and e-Business for an Innovative and Sustainable Economy"), printed in 1.500 copies and available on the website. Input to the analysis which led to these deliverables was collected through the e-business surveys, 29 case studies and desk research.

Two workshops were organised in May and September 2009 (in Milan and Brussels) to discuss findings emerging from the sectoral e-Business Watch in the course of the project with experts from academia, industry and government institutions. The main e-Business Watch Conference was held in Brussels (29 October 2009) with about 80 participants. Furthermore, the e-Business Watch contributed to third party publications and research papers, made presentations and actively participated in numerous conferences and workshops organised by third parties.

---

<sup>111</sup> <http://ec.europa.eu/enterprise/archives/e-business-watch/index.htm>



## **Results**

The Sectoral e-Business Watch underwent further transformation and innovation. Economic analysis of impacts, introduced in 2008, has been deepened as the second main pillar of the initiative alongside monitoring and assessing market developments. A completely new methodological approach (including game theory) was the basis for theoretical analysis as part of the reports. The changes and adaptations were the cause of some delay but resulted in deliverables of very high usability.

## **Impacts**

The feedback and large number of downloads from the project website confirmed that, over the years, the Sectoral e-Business Watch became a well established brand that enjoyed high recognition.

The sectoral studies provided sound analysis of the state of play in the sectors, and powerful policy recommendations. They were promoted among the relevant sectoral units in DG Enterprise and Industry, sectoral stakeholders, the eBusiness Support Network for SMEs (eBSN) and Member States. Their messages and policy recommendation were taken into account while designing further sector-specific initiatives and actions, such as the EU initiative to “Stimulate innovation through smart use of ICT”.

## **OUTLOOK: What remains to be done?**

The activity was completed in 2009.

#### 4.3.4. *The E-Business Support Network for SMEs (ESBN)*

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

This measure aims at reinforcing the competitiveness and innovation capacity of European enterprises, notably SMEs, through smart use of ICT. The objective is to create a seamless eBusiness environment in Europe, boost innovation along industrial value chains, and help SMEs better link to the Internet economy and become fully integrated international business partners. The measure consists of two axes: a policy exchange and coordination dialogue (eBSN<sup>112</sup>) and a series of demonstration actions to enable the modernisation of value chains through smart use of ICT.

This initiative is in -line with and complements the actions included in the Digital Agenda, and is a key step towards the integration of SMEs in the Digital Single Market.

The role of the EIP programme (in conjunction with the EP/PP programme) was instrumental in designing and deploying such demonstration actions, which were of the utmost importance for various industries and services sectors (actions for better functioning value chains in the automotive, tourism, food, fashion and the transport and logistics industry).

##### **TOTAL BUDGET**

This action was financed jointly by the EIP and by the EP/EE instruments in 2007, 2008, 2009 and 2010, with in total financing of with 5.47 million EUR (2.4 million EUR from the EIP budget and 3.1 million EUR from the EP/EE budget).

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs**

This measure has promoted exchanging, analysing and coordinating eBusiness policies at the EU level. It helped promote good policy practices and best eBusiness practices among European SMEs, and helped SMEs participate in the global digital economy.

Six conferences on eBusiness policies and best practices have been organised jointly with the rotating Presidency of the European Council. A web-site has been created and updated with the best eBusiness policies, foresight studies, best practices from European SMEs, etc.

Common European frameworks for ICT have been developed for the fashion industry, the automotive supply chain and the transport and logistics sectors.

###### **Results**

The countries participating in the activities were the EU 27 Member States. The eBSN policy dialogue improved policy development and stimulated multilateral collaboration such as in the eInvoicing field: a successful regional eInvoicing initiative in South Karelia, in Finland inspired similar actions in Slovenia and quickly triggered a new series of cross-

---

<sup>112</sup> [http://ec.europa.eu/enterprise/sectors/ict/ebsn/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/ict/ebsn/index_en.htm)

border joint policy initiatives, between Slovenia, Italy, Croatia, Hungary and Austria, Finland, Sweden and Denmark

The initiative to promote ICT-enabled innovation through smart use of ICT has already demonstrated remarkable results: broad SME participation, involvement of reference names in the sectors, pan-European common frameworks for ICT systems and implementation guidelines, broader industry validation and mass market penetration through the European standardisation organisations and technical specifications consortia.

In particular the demonstration action in the fashion industry, completed in July 2010, conveyed powerful messages to the industry, with the order management costs dropping by 65% due to the smart flows along value chains involved reference brands in the fashion industry, such as ZEGNA, BATA and Marc O'Polo, and touched over 4.000 SMEs from all EU member states.

The other actions are on-going and have attracted strong industry interest and active involvement.

### **Impacts**

The eBSN policy dialogue improved knowledge about European best policy practices in the eBusiness area, inspired better policy initiatives and stimulated multilateral collaboration and synergies.

The EU approach of promoting ICT-enabled innovation through smart use of ICT sets to removing existing barriers establishes a business friendly framework which enables the modernization of value chains through smart use of ICT. It facilitates a seamless eBusiness environment across the borders and contributes to the implementation of the Digital Single Market in Europe. While the initiative is conceived and designed for the smallest enterprises, the ultimate beneficiaries will be the entire European economy.

The impact for the overall society and economy will be a more innovative culture and a more dynamic and competitive economy, enabling the market entry of new players on fair terms.

Member States, such as FR, DE, IT, SP, PT, HU have increasingly been deploying policies to promote the smart use of ICT along industry-specific value chains. This pan-European approach provides them with concrete, stable cross-border frameworks which they can further validate in the national context and contributes to the successful up-scale and full roll-out in the market.

### **OUTLOOK: What remains to be done?**

Progress has been substantial. However, improving the efficiency of the EU business environment through smart use of ICT and promoting the full implementation of the Digital Single Market remain high political priorities for the EU. In this context, the remaining regulatory and technology barriers have to be tackled at the EU level, to further promote an efficient, seamless internet economy in Europe.

More demonstration actions, cutting across different sectors, are foreseen in the future to form a strategic framework for ICT-enabled innovation in Europe and stimulate successful market up-scaling. The appropriate governance of the developed frameworks by industry stakeholders should be tackled. These demonstration actions will continue to be closely aligned with relevant EU industry-specific policies as well as with the EU's regional policy

in order to further leverage good results in the broader policy context. Moreover, targeted awareness raising actions would be necessary to sensitise enterprises on the strategic importance of the smart use of ICT for business growth and competitiveness.

## **5. ECO-INNOVATION**

### **5.1. Demonstration of eco-innovative business solutions**

Eco-innovation activities are integrated horizontally across all the objectives of the EIP. For instance, a share of the financial instruments is set aside for eco-innovation related start-ups and SMEs, and some of the PRO-Innov Europe and Europe Innova measures are also earmarked for eco-innovation policy and service platforms. In addition, the Enterprise Europe Network provides environmental support services to SMEs, helping them turn environmental challenges into economic opportunities. However, the support given to eco-innovation in the EIP is largely absorbed by first application and market replication projects.

#### *5.1.1. Eco-Innovation: First application and market replication projects*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The promotion of eco-innovation through the EIP contributes to the implementation of the Environmental Technologies Action Plan (ETAP). The aim of ETAP is to stimulate eco-innovation and encourage the take-up of environmental technologies on a broad scale. This measure ensures that environmental policy continues to make a significant contribution to the green economy and combines this with economic development and jobs.

Having SMEs as its prime target, the eco-innovation programme provides grants to bridge the gap between research and the market. It helps good eco-innovative products, services and processes that protect the environment become fully-fledged commercial prospects, ready for use by business and industry. In doing so the initiative not only helps the EU meet its environmental objectives but also boosts economic growth. The non-exclusive priority areas cover material recycling, the food and drink sector, construction waste, water and new, greener management methods.

Eco-innovation is central in addressing the challenges of resource scarcity, air, water and soil pollution, water efficiency — and providing at the same time opportunities for growth and jobs. The priorities identified for the calls take into account a number of policy initiatives (e.g. the Europe 2020 strategy, and especially its flagship initiatives the Innovation Union and a Resource Efficient Europe, the Climate Change Package, the Action Plan on Sustainable Consumption and Production and the Sustainable Industrial Policy) and therefore concentrate on sectors with considerable innovation potential and the highest environmental gains.

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2008, 2009 and 2010 for a total of 95 million EUR.

## WHAT HAS BEEN ACHIEVED? Outputs, results and impacts

### Outputs

Calls for proposals are published annually. The calls are usually published in April and close in September.

In terms of promoting the eco-innovation programme, info days have been held each year, supported by events organised by national and regional authorities in a number of countries. Reflecting the efforts put into awareness raising, there has been a steady increase in the number of applications each year, from 134 in 2008 to 287 in 2010. This indicates that the initiative is increasingly visible to businesses and in particular SMEs.

#### *Eco-innovation Info Days and related events*

Eco-innovation Info Days and events	2008	2009	2010
Info days organised (national and European)	12	14	12
Related events organised	8	11	9
Countries involved	16	18	15

In addition, potential applicants have the possibility to ask for feedback on a summary of their proposal. Annually around 300 pre-screenings of potential projects and 1000 web inquiries receive general guidance from EACI project officers. This general guidance does not prejudice the evaluation results.

### Results

The programme is highly popular and there is extensive participation by SMEs and other private sector companies. Based on the data from the 2008 and 2009 calls, SMEs have accounted for more than 65 % of the total number of participants and the vast majority (83 %) are organisations from the private sector, either commercial or non-profit. Of the SME beneficiaries, 80 % are small and micro enterprises. From the 2008 call, 44 projects were selected out of a total of 134 proposals, with a total budget granted of 28 million EUR. With the exception of one project that was terminated due to the bankruptcy of the project coordinator, the remaining 43 projects are running and most of them recently finished their first year of operation.

For the 2009 call, 202 proposals were submitted, of which 45 were approved for funding with a total budget of 32 million EUR. The projects arising from the 2009 call started coming into operation in March 2010.

The 2010 call was published in April 2010 with a deadline of 9 September. A total of 287 proposals were received and 45 projects were selected for funding.

The geographical coverage of the three calls has always been quite satisfactory.

In the 2008 call, the proposals submitted came from 32 eligible countries, and only Slovakia, Iceland, Liechtenstein and Albania did not submit any proposal. Half of the proposals originated in more than one country. Referring to selected projects, 26 countries were covered, with 70 % of the projects presented by multinational consortia. The top three represented countries were Italy, Spain and Germany.

Submissions under the 2009 call covered 32 countries, with no proposals coming from Lithuania, Slovakia, Liechtenstein, Montenegro and the former Yugoslav Republic of Macedonia. 55 % of the proposals originated in one country only. In all 21 countries were

represented in the proposals selected and 45% of the projects involved transnational consortia. The top three represented countries were Spain, Italy and Germany.

Submissions for the 2010 call came from 33 countries, with Liechtenstein, Montenegro and the former Yugoslav Republic of Macedonia not being represented. Around 45 % of the proposals submitted originated in at least two countries and this share rose to 70% when referring to the projects selected. Beneficiaries were based in 28 countries, with Spain, Italy and United Kingdom leading the way.

#### *Eco-innovation indicators*

<b>Indicators</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
No of proposals received	134	202	287
No of proposals selected	44	47	45
No of participants	175	185	235
Success rate	33 %	22 %	16 %
Total funds requested	€110m	€150m	€264m
Average funds requested	€830 000	€770 000	€921 000
No of applicants	444	614	895
Percentage SME participants	74 %	70 %	66 %

In terms of the technology sectors supported by the selected projects, during 2008 there was a strong focus on the recycling sector, which represented 52% of the total projects selected. It included recycling processes and technologies, new products from recycled material and new recycling services. The green business sector included projects on cleaner production, the greening of businesses and new materials or products and represented 20% of the total. In third place, with 14% of projects, was the food and drinks sector, covering waste treatment, food packaging and labelling and eco-innovative food chain logistics. Finally, the building sectors also accounted for 14% and involved projects mostly related to new construction materials and developments which reduce the consumption of resources and production of waste.

The 2009 call was more balanced. Recycling represented 33 % of projects, while green business and food and drink 29 % each. The buildings sector was reduced to 7 %, with an additional 2 % belonging to other sectors.

In the 2010 call, there was an increase in the share of green business applications (35 %) and a reduction in those of the recycling (23 %) and the food and drink (17 %) sectors. The remaining applications came from the building and construction and other sectors.

### *Examples of eco-innovation projects*

**Greenbottle:** *the papier mâché milk bottle arrives in UK supermarkets.* Approximately 2.2 million tonnes of plastic is made into plastic bottles each year in the EU. Greenbottle offers an alternative with a 25 % reduction in the plastic used and a 50 % reduction in the carbon generated. Aimed primarily at the milk industry, the bottles are a combination of a shell made from moulded, recycled paper and a thin plastic inner lining. These separate out easily and are then recycled by consumers using current systems.

The **CAPS project** will convert paper mill sludge into an absorbent material capable of cleaning up oil and chemical spills on the water surface. The new sustainable material will be able to absorb more than 99% of the quantity of oil and chemicals from the surface of the water. The project is building two production plants in Slovenia and Finland with an annual capacity of more than 20000 tonnes of material each.

Nowadays solid waste, such as integral cattle hair, organic solid waste coming from the mechanical coarse filtration of waste water and the trimming of salted raw cattle hides, is collected and destroyed by incineration in specific authorised plants. The main objective of the **FERTILANDIA project** is to recover this waste and commercialise an organic nitrogenous fertiliser named ‘pellicino integrato’ (integrated leather meal) composed of a mix of leather meal and dewatered sludge.

The **LEAKCURE project** has been selected as a finalist for the British Water Industry Achievement Awards 2011. The aim of the proposal is to achieve market uptake of a trenchless method of repairing small water pipe leakages. The technology does not require leakage detection or location and self-penetrates the leakage, sealing and permanently curing it. The proposer is an individual SME from Israel. The first target end-user is Thames Water, serving the London area. Thames Water is looking for a solution to reduce the very high levels of leakage in its networks.

The measure is also positively assessed by beneficiaries.<sup>113</sup> The feedback from almost all the beneficiaries is that the application procedures are simple, clear and straightforward and the IT system operates smoothly. The guidance documents and examples provided are also effective and clear and no significant dispute was reported regarding project selection. An assessment of the support provided by the EACI team was also favourable, with particular praise for the pre-evaluation service and the useful feedback provided by the Agency team.

The design of the Eco-innovation scheme is also seen to be appropriate for SMEs, the prime target of the EIP. The total budget of €1-1.5 million per project with 50 % participation fits well with the characteristics of SMEs. The time to contract from application was 288 days in 2009 and 309 in 2010. Beneficiaries consider this period reasonable and have also commented that it compares favourably with other EU financial support schemes.

---

<sup>113</sup> [http://ec.europa.eu/cip/files/docs/evaluation-of-eaci-may-2011\\_en.pdf](http://ec.europa.eu/cip/files/docs/evaluation-of-eaci-may-2011_en.pdf).



## **Impacts**

The Commission, working in close cooperation with EACI, has established a monitoring system requiring beneficiaries to identify environmental and economic objectives and define relevant indicators for their specific projects. In addition, common environmental and economic indicators apply to all projects.

The indicators cover three areas of potential impact (two environmental and one economic):

- Improved environmental performance with reference to the reduction of CO<sub>2</sub> and particulate matter emissions and the tonnes of waste diverted from landfills;
- Better use of natural resources, including resource efficiency, reduction of water consumption and energy efficiency;
- Economic performance/market replication indicators, referring to expected market size, the number of start-ups to be created, the leverage factor and the resulting patents.

The guidelines for applicants require that the proposed indicators fulfil the SMART criteria and that absolute or relative values be provided both for the project end and for the situation two years after the end of the project.

All the projects are still ongoing. To provide feedback and to draw conclusions from overall analyses, comparisons, and reporting of results by individual projects, globally and by sector/area, a dedicated study is planned. The study, to be launched in the autumn of 2011, will aim to support the overall analysis and evaluation of results and achievements of ongoing and completed Eco-innovation market replication projects. It will present comprehensive reports in a suitable structure, broken down by priorities and sectors/areas, as presented in the work programmes and calls for proposals. The study will also give consolidated feedback on specific sectors such as ceramics, plastics and rubber, textiles, metals, tourism, food and drink, construction materials and construction products. It will analyse in detail the indicators used per project, aggregate them and highlight results and impacts. Finally, it will draw conclusions for setting improved economic and environmental performance indicators for CIP eco-innovation projects.

## **OUTLOOK: What remains to be done?**

Annual calls are planned until 2013. They will follow the patterns of previous calls, taking into consideration the responses from applicants to previous calls, the results of evaluations and the objectives of environmental policy.

A dedicated study on ‘Analysing and reporting on results achieved by CIP Eco-innovation market replication projects’ is to be launched in the autumn of 2011. The overall objective is to build up a picture of the economic and environmental impact of the initiative.

### 5.1.2. Addressing challenges and opportunities on the path to a low carbon economy

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

This measure has financed two studies that have provided important input data for further exploring suitable approaches to achieve a worldwide low-carbon economy.

*Study on the effects of sector-specific activities on competitiveness and productivity under the Asia-Pacific Partnership (APP) on Clean Development and Climate*

The overall objective of this study was to analyse the effects of the sector-specific activities carried out under the Asia-Pacific Partnership (APP) on industrial competitiveness and enterprise productivity, in both industrialised and developing countries. The purpose is to provide the Commission with a better understanding of the conditions under which industry participation could develop and offer added value in scaling up international climate action. In addition to literature research, the consultants were asked to send questionnaires to and conduct telephone interviews with key stakeholders to obtain their views on successes and failures of the APP activities.

*Study for the extension of the Sustainable Industry Monitor to include data on non-EU countries and available technologies*

In line with the criteria laid down in the Emissions Trading Scheme (ETS) Directive establishing an EU-wide cap-and-trade mechanism for limiting industrial CO<sub>2</sub> emissions, DG Enterprise and Industry has implemented an IT-based database (Sustainable Industry Monitor, SIM) for monitoring over time the CO<sub>2</sub> and trade intensity of industrial sectors under the EU ETS. The study covers the initial steps to further develop the SIM to include (by sector) data on non-EU countries and information on available technologies for CO<sub>2</sub> emissions reduction. In particular, the main objectives are to: identify existing data sources for non-EU countries; assess data consistency and quality against EU data; evaluate potential costs for accessing data; design procedures and protocols for automatically updating the existing SIM; conceptualise the potential to incorporate the technological dimension into the SIM; and identify relevant sectors and technologies in terms of CO<sub>2</sub> emissions reduction.

#### **TOTAL BUDGET**

These two actions were financed by the EIP in 2010. The total budget committed amounts to 173 790 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

With regard to the *study on the effects of sector-specific activities on competitiveness and productivity under the Asia-Pacific Partnership (APP) on Clean Development and Climate*:

- On-line survey: In total, 50 responses from all the sectors and countries that participate in the APP;
- Selected interviews: 7 in-depth interviews with APP participants;

- Outreach activities: 25-30 participants in a UNFCCC<sup>114</sup> side event in Bonn in June 2011, organised by the contractors to validate the study results.

With regard to the *study for the extension of the Sustainable Industry Monitor to include data on non-EU countries and available technologies*, the contract for the study was signed and entered into force at the end of 2010 with a duration of one year. Deliverables are expected in 2011 according to the work programme. These will include:

- Documents describing non-EU countries' data, their availability and consistency with EU-27 data currently included in the SIM, including prioritisation of available data sources;
- Two case studies (collection of data for two selected countries and inclusion in the SIM);
- Factsheets describing carbon abatement technologies and costs for main industrial sectors.

## Results and impacts

With regard to the *study on the effects of sector-specific activities on competitiveness and productivity under the Asia-Pacific Partnership (APP) on Clean Development and Climate*:

- For the on-line survey, the respondents spanned across a total of 13 countries<sup>115</sup> and there was broad representation of the different stakeholders: government institutions (20, 41 %), industry and trade associations (14, 29 %), research and education institutions (8, 16 %), and NGOs (3, 6 %).
- More than half of the respondents (16, 55 %) declared themselves satisfied with the results of their participation in APP activities, while 11 respondents (38 %) expressed mixed feelings and 1 expressed dissatisfaction.
- There was broad consensus about the benefits of information sharing (90 %) and networking (83 %). Other types of benefits attracted different approval ratings: access to existing technology and know-how (31 %); access to markets (21 %); access to new technology (17 %), and access to finance (14 %).

The *study for the extension of the Sustainable Industry Monitor to include data on non-EU countries and available technologies* will include a detailed analysis of the current possibilities to gather economic and CO<sub>2</sub> emissions data by industrial sector from non-EU countries. This will make it possible to assess the performance of EU industry compared to major competing economies worldwide. According to the results, support could be given to the policy debate on climate change, in particular in terms of economic and environmental performance and carbon leakage.

---

<sup>114</sup> United Nations Framework Convention on Climate Change.

<sup>115</sup> Australia (5 respondents), Canada (8), China (3), India (3), Japan (4), the Republic of Korea (6) and the United States (7). A number of respondents from European countries (i.e. observers of the APP and/or stakeholders interested in future similar international initiatives) also participated in the survey, namely from Belgium, France, Germany, the Netherlands and Switzerland (2 each) and the UK (1).

As regards the *study on the effects of sector-specific activities on competitiveness and productivity under the Asia-Pacific Partnership (APP) on Clean Development and Climate*:

- A major lesson learnt from the APP concerns the effectiveness of public-private partnerships based on sector-specific task force activities in energy supply and energy-intensive industrial sectors in partner countries. These proved to be very effective with regard to information sharing, networking, and transfer of technology and know-how, which participants consider to be major benefits. The most successful projects focus on dissemination of best practices through peer reviews, performance diagnoses, site visits or publication of handbooks.
- Another finding from the study is that the major barrier to success is lack of funding, followed by limits on the scale of technology demonstration, insufficient data collection, lack of regular review over technical aspects, and communication policy.
- The study does not find evidence to support the view that the APP has an impact on competitiveness, productivity, or other parameters related to the market or monetary issues. Although the APP did not necessarily result in new commercial opportunities, participants suggest that transfer of know-how or information sharing could create business opportunities depending on the individual cases.
- The study suggests that there is strong demand for the continuation of successful APP projects in some other forms and similar activities under existing or new initiatives. The key to success in going beyond information sharing to project development then would be to establish a viable mechanism for financing with some tools to match funding and projects.
- Finally, the study also included a range of concrete recommendations with regard to possible EU participation in follow-up initiatives. These will serve as a basis for internal reflections in DG Enterprise on possible involvement in follow-up initiatives.

With regard to the *study for the extension of the Sustainable Industry Monitor to include data on non-EU countries and available technologies*, the impacts associated with the study will rather be of an indirect kind, resulting from the policies that will be designed taking into account the results of the study. Information gathered is expected to be included in the current database, which will be open to all relevant users, according to the access plan to be established. Users will then potentially refer to available information in their day-to-day work and in all relevant discussions with industry stakeholders and third parties.

## **OUTLOOK: What remains to be done?**

The *study on the effects of sector-specific activities on competitiveness and productivity under the Asia-Pacific Partnership (APP) on Clean Development and Climate* was finalised in August 2011. The results obtained will serve as basis for internal reflections at DG Enterprise and Industry on possible involvement in the follow-up initiatives to the APP.

With regard to the *study for the extension of the Sustainable Industry Monitor to include data on non-EU countries and available technologies*, the interim report was delivered in July and presented at a meeting in September 2011.

## **5.2. Sustainable industrial policy**

### *5.2.1. Global sectoral approaches*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

In ‘Sectoral Approaches, developing’, sectoral approaches’, developing countries make efforts to reduce GHG emissions intensity in key economic sectors with assistance from advanced economy countries. This approach, if followed, initiative can help the competitiveness of industries, big and small, based in Europe by contributing to an industrial environment where all companies are subject to the same similar conditions of competition internationally. This is achieved by offering a way for emerging economies and developing countries to take action to address climate change. Several designs and definitions are possible for sectoral approaches. One of the aims of the study was precisely determining which approach would be most feasible.<sup>116</sup>

The study financed under this measure has three main strands:

- a practical data-gathering and awareness-raising exercise in certain industry sectors;
- an analytical component to model the benefits of sectoral approaches;
- a policy component to determine what would be needed to make sectoral approaches operational as part of a post-2012 climate framework.

The work had both a country-specific dimension, with studies and/or workshops being carried out in China, India, Brazil and Mexico on the electricity, aluminium, cement, and iron and steel sectors, and a multilateral dimension, looking at industry sectors in a global context, with a focus on the electricity, aluminium, cement, and iron and steel sectors.

The objective was to identify the most suitable actors that can help take forward the development of global sectoral approaches due to their position emission profile and relationships with industries globally and with key emerging economies.

#### **TOTAL BUDGET**

This measure was financed by the EIP in 2008 to the tune of 1 831 240 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs and results**

The final study’s results<sup>117</sup> were published in May 2010 and presented at a workshop in Brussels. In addition, many reports and presentations on different aspects of the study were made at different United Nations Framework Convention for Climate Change

---

<sup>116</sup> The study initially investigated a transnational approach in which all countries face similar benchmarks, a sectoral CDM approach emphasising carbon credits, and a bottom-up approach envisaging financial and technology assistance from advanced economies to support ambitious no-lose crediting baselines in developing countries.

<sup>117</sup> [http://ec.europa.eu/enterprise/policies/sustainable-business/climate-change/sectoral-approaches/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sustainable-business/climate-change/sectoral-approaches/index_en.htm).

(UNFCCC) meetings and are available on the CCAP's website.<sup>118</sup> They indicate that sectoral approaches provide a good basis for advancing even further in mitigation action, at national and international level. Because of significant differences among countries, sectoral programmes need to be tailored to the circumstances of individual countries and, therefore, the most likely way forward for sectoral approaches seems to be the development of sectoral 'nationally appropriate mitigation actions' supported through international funding. The development of new carbon market instruments (sectoral crediting or trading) can also play an important role in mobilising the private sector towards sectoral mitigation activities.

### **Impact**

By exploring the 'proof of concept' and gaining experience in formulating and applying industry-based sectoral approaches, the study carried out under this measure enabled policymakers around the globe to better understand the implications for GHG emissions and international competition. In addition, it enabled emerging economies to identify untapped opportunities and measures available for reducing energy use and GHG emissions in key sectors.

The study has contributed significantly to the development by the EU of sectoral market-based mechanisms in its negotiations position for international agreements on climate change internationally. This negotiating position has been explained in different Commission Communications, such as 'Stepping up international climate finance: A European blueprint for the Copenhagen deal' and the accompanying Commission staff working documents.<sup>119</sup> Currently the Commission is planning to launch a follow-up study on design options for sectoral mechanisms, to be financed by DG for Climate Action.

### **OUTLOOK: What remains to be done?**

Any future action will depend on the direction taken by international negotiations on climate change and the results of the new study launched by DG Climate Action. Currently, no further action is planned in the immediate future, as the measure has achieved its objectives as far as the 'proof of concept' is concerned, around which an international consensus was created.

---

<sup>118</sup> <http://www.ccap.org/index.php?component=resources&program=26>

<sup>119</sup> SEC(2009) 1172 Commission Staff Working document accompanying the Communication from the Commission to the European Parliament, the council, the European Economic and Social Committee and the Committee of the Regions: Stepping up international climate finance: A European blueprint for the Copenhagen deal

### 5.2.2. *Sustainable industrial policy — Building on the Eco-design Directive*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

DG Enterprise and Industry aims to promote the integration of sustainable development into policies that foster the EU's competitiveness, such as those that encourage innovation. Sustainable industrial policy aims to foster environmentally friendly and energy-efficient products in the internal market. The Eco-design Directive 2005/32/EC is the cornerstone of this approach. It establishes a framework for improving the environmental performance of products placed on the EU market, through mandatory minimum requirements but also through voluntary benchmarks for industry.

The eco-design studies should identify and recommend ways to improve the environmental performance of the selected products from the earliest stage of product design. They should provide the necessary analysis that will inform policy makers regarding any future decision on these products.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

Contracts were signed on 16 December 2008 for three preparatory studies (one call for tender comprising three lots) for the following three product groups: refrigerating and freezing equipment, transformers, and sound and imaging equipment such as DVD players.

For each lot, care was taken to ensure that selected contractors had the means to involve a sufficient number of stakeholders in the study (at least 15 key stakeholder groups, including SMEs). Concrete deliverables for each lot (interim and final reports, websites and stakeholder meetings) were received between 2009 and 2011.

##### **Results**

The preparatory studies used the eco-design methodology (MEEuP) to identify generic and specific requirements for each product group. These studies, together with stakeholder feedback, are the main input for work on devising eco-design implementing measures (or voluntary agreements), which has begun in 2011.

The draft studies elicited numerous position papers from industry associations, which confirm, qualify or contradict the contractors' findings. The contractors were required to consider all stakeholders' feedback and accommodate comments and suggestions where appropriate, improving the quality of the studies.

##### **Impacts**

Through the identification of eco-design requirements, primarily in the form of Minimum Energy Performance Standards, the preparatory studies will have contributed to the achievement of substantial (to be quantified) energy efficiency gains in the three product groups, as well as to the potential elimination of less energy-efficient products from the market.

## **OUTLOOK: What remains to be done?**

The preparatory studies are only the second step (after the work plan) in the regulatory process for eco-design implementing measures. Next steps will include the consultation of stakeholders, the preparation of impact assessments and the submission of a draft regulation to the Eco-design Regulatory Committee and to the European Parliament.



### 5.2.3. *Sectoral approaches to fostering international action on climate change*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

These activities are linked to and complement the above study on global sectoral approaches. The objective of this action is to identify the suitable sectors and favourable conditions that can help take forward the development and implementation of sectoral approaches in a post-2012 international framework for limiting CO<sub>2</sub> emissions.

Since the implementation of sectoral approaches will require the establishment of new mechanisms in the international framework (United Nations Framework Convention for Climate Change — UNFCCC), another objective of the study is identifying options and a possible mandate for more formal business engagement in the international negotiations on climate change to help the implementation of future climate agreements.

*The measure consisted in a series of five studies:*

Under the first two studies, ‘Support to carbon leakage assessment’ and ‘Qualitative cross-check of specific sectors’, a comprehensive analysis of the situation of European industry with regard to the risk of carbon leakage was undertaken. Sectors where official data were not available were further assessed by auditing the quality of industry-supplied data. The assessment covered all mining and industry sectors under the NACE 4-digit classification and involved close contact with industrial associations for over 40 sectors.

The third study, ‘Assessment of US climate policy’, is a detailed analysis of the draft proposals for establishing an emissions trading scheme in the United States, including options for taking into account sector-wide competitiveness issues and carbon leakage implications. A detailed comparison of the EU and US climate policy approaches was carried out, resulting in a specific analysis of the main differences and similarities, and of possible policy options for better aligning the current European and the proposed US leakage prevention programmes.

Another study, ‘Assessment of international commitment to reduce greenhouse gas (GHG) emissions’, analysed in detail 16 sectors subject to carbon leakage in terms of outputs, trade patterns and competing countries. For each sector it identified relevant trading partners and assessed the potential carbon leakage. The modelling part of the study looked at two scenarios of GHG reductions (-20% and -30%) and their impacts on GDP and industrial outputs, while also evaluating possible implications of comparable reduction commitments from other industrialised countries. A sector part provided detailed information about five sectors (aluminium, iron and steel, other basic organic chemicals, cement, fertiliser and nitrogen compounds) and the potential to develop sectoral approaches, based on industries’ main structural features and international situation.

Finally, the study on business engagement in the UNFCCC reviewed business engagement in different fora and analysed the areas where private sector engagement would bring added value to the UNFCCC, not least in the areas of finance, carbon markets, sectoral knowledge and technology development and deployment. Four workshops in different regions of the world took place in spring 2010 to test study results with stakeholders in different countries.

## WHAT HAS BEEN ACHIEVED?

### Outputs

The first two studies supported the impact assessment<sup>120</sup> accompanying the Commission Decision on the list of sectors deemed to be exposed to a significant risk of carbon leakage.<sup>121</sup> Study results on the 16 sectors subject to carbon leakage were presented at a Workshop at the end of 2010.

Results of the ‘Assessment of international commitment to reduce greenhouse gas (GHG) emissions’ study were presented at a workshop in November 2010.

The report on the assessment of US climate policy was for internal use only.

A first outline of the study on business engagement in the UNFCCC UNFCCC was presented at a side event at the Copenhagen Climate Change Conference in December 2009. Four workshops in different regions of the world took place in spring 2010 to test study results with stakeholders in different countries. The final results of the study were presented at a UNFCCC meeting in Bonn in June 2010 and again at the UNFCCC Climate Change Conference (COP 16) in Cancún, Mexico in December 2010. The project raised very positive expectations among business participants in all these events. A website was created where all project information can be found.<sup>122</sup>

### Results and impact

The analysis undertaken on European industry and carbon leakage was the basis for the adoption of the Commission Decision on sectors at risk of carbon leakage.<sup>123</sup>

Study results on the 16 sectors subject to carbon leakage were presented at a Workshop at the end of 2010. They were also used for the Communication ‘Beyond 20 % in 2020’.

The study on business engagement in the UNFCCC helped the private sector formulate concrete proposals on the added value that their increased engagement would bring, and this was an important input to discussions that took place in the so-called ‘Mexican dialogues’ during the second half of 2010, in preparation for the UNFCCC Climate Change Conference (COP 16) in Cancún, Mexico in December 2010. After COP 16, the issue of the input of businesses and civil society at large was put on the agenda of the SBI (Subsidiary Body for Implementation) for further examination in June 2011.

---

<sup>120</sup> [http://ec.europa.eu/clima/policies/ets/leakage/docs/proportionate\\_ia\\_leakage\\_list16sep\\_en.pdf](http://ec.europa.eu/clima/policies/ets/leakage/docs/proportionate_ia_leakage_list16sep_en.pdf)

<sup>121</sup> Commission Decision of 24 December 2009 determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, a list of sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage OJ L 1, 5.1.2010, p. 10.

<sup>122</sup> [www.businessandunfccc.org](http://www.businessandunfccc.org).

<sup>123</sup> Commission Decision of 24 December 2009 determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, a list of sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage, OJ L 1, 5.1.2010, p. 10.

## **OUTLOOK: What remains to be done?**

Results of the studies on sectoral approaches and carbon leakage could be used as the basis for targeted dialogues with other Commission services and stakeholders, particularly when energy-intensive sectors work on establishing their respective roadmaps towards a low-carbon economy.

A new study on the subject is being carried out, financed by the EIP, in order to improve and extend the time horizon of modelling tools and reach a higher level of sectoral disaggregation in the analysis.

Sectoral international action on climate change and bBusiness engagement in international negotiations will continue to be discussed at subsequent UNFCCC meetings.

## **6. ENTERPRISE AND INNOVATION CULTURE**

### **6.1. Actions to promote entrepreneurship among target groups**

#### *6.1.1. Actions to foster the entrepreneurial culture of young people, and entrepreneurship education*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

Europe needs more entrepreneurs, more innovation and more high-growth SMEs. This is why it is necessary to stimulate the entrepreneurial mindsets of young people. The important role of education in promoting more entrepreneurial attitudes and behaviours is now widely recognised.

Education for entrepreneurship is already high on the agenda in most countries participating in the CIP. A wide variety of programmes and activities exist across Europe. However, there is a need to promote these initiatives more systematically. The Commission is engaged in promoting education for entrepreneurship at all levels, from primary school to university and beyond.

More specifically, the Commission acts as a catalyst, provides orientations and monitors progress requested by the Member States and other participating CIP countries. The involvement of the Commission in policy development supports institutional capacity building by fostering the exchange of good practices and peer learning beyond local, regional and national levels.

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2007, 2008, 2009 and 2010, with a total budget of 4.485 million EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

Activities included: an Expert Group and a survey exploring the offer of entrepreneurship in Vocational and Higher Education respectively and identifying good practice in these areas; five High Level Reflection Panels bringing together policy makers from the EU, EEA and pre-accession countries and relevant stakeholders at EU level; and two European Symposia on Training Teachers in Entrepreneurship.

Based on priorities identified and on common work with national authorities and other relevant stakeholders, and following an open call for proposals, the Commission supports 9 European-wide projects in the field of entrepreneurship education with an aim to enhance cross-country cooperation and to set up models for further initiatives to be developed.

Concretely, the following outputs can be listed:

- 1 Expert Report on Entrepreneurship in Vocational Education (following the activities of an Expert Group set up at European level);

- 1 Study on Entrepreneurship in Higher Education
- 7 High-level Workshops or Conferences;
- 2 Technical Reports following the above events;
- 1 call for proposals published on “Entrepreneurial culture of young people, and entrepreneurship education”: out of 55 applications received, 9 projects were supported in areas such as the training of teachers in entrepreneurship, the production of innovative pedagogical material and the promotion of entrepreneurship among young people.

More information on the above activities and all the reports and documents mentioned can be found at the dedicated website.<sup>124</sup>

## Results

As common initiatives in the area of entrepreneurship education have been developed in the last 3 years by the Commission and participating CIP countries, a significant number of coherent policy measures have been introduced. In some cases entrepreneurship education is the object of new national strategies (e.g. in Denmark, the Netherlands and Sweden). Other countries are making progress by implementing or planning curricular reforms (e.g. Czech Republic and Estonia) or by consolidating their strategic approach in this field (like Austria and Portugal). In 2010 as a result of a series of High Level Reflection Panels, a progression model for building national strategies in entrepreneurship education was developed by the Commission,. This model can be used by every country or region wishing to develop a coherent policy to promote entrepreneurship education.

In terms of direct beneficiaries of the European projects supported, more than 200 higher education teachers from universities across Europe have received advanced training in entrepreneurship; the target is 320 teachers by 2012. These teachers agreed to become the ambassadors of entrepreneurial education in their respective institutions, thus ensuring a multiplier effect. In total the 9 projects currently supported are estimated to have a direct impact on around 70.000 students and young people and 900 teachers. However the added value of these activities is not limited to the number of direct beneficiaries, but lies also in the creation of models that can be widely replicated.

## Impacts

It is very difficult to link precisely the offer of entrepreneurship education – especially in primary and secondary level schools – to business creation in one country or in the EU. This is due to the long intervals of time normally separating participation in education from the possible decision to start a business, and also because of many other factors that influence start-up rates. Moreover, the outcome of entrepreneurship education is not limited to increasing the number of start-ups: entrepreneurial learning is about helping young people to be more enterprising in whatever professional or volunteer activity they engage.

However there is growing evidence on the impact of entrepreneurship programmes. For instance in the Netherlands, following measures taken by the government to promote the teaching of entrepreneurship in schools, the number of students in secondary education who say they want to be an entrepreneur has risen from 13 % to 23 %.

---

<sup>124</sup> [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/education-training-entrepreneurship/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/education-training-entrepreneurship/index_en.htm)

The conclusions of an on-going European survey conducted for DG Enterprise and Industry which aims at measuring the impact of participating in entrepreneurship education for university alumni, by looking at entrepreneurial mindsets acquired, employability and impact on the economy (in terms of new companies and number of jobs created) are currently being finalised.

#### **OUTLOOK: What remains to be done?**

To date, many good practices in entrepreneurship education have been developed. However, Europe has not been able to fully benefit and learn from these experiences: there is a lack of coordination and dissemination as well as in many cases of a systematic approach within countries. Thus, there is a need to step up the exchange of experiences across Europe to optimise the usage of existing methods and contents. The Commission will continue to support this process by means of a new call for proposals planned for 2012.

In particular it will be necessary to focus on the role of the teachers, as offering them specific training is crucial in order to make entrepreneurship education generally available and effective. Up-coming initiatives will therefore deal especially — although not exclusively — with how best to equip teachers with the skills, knowledge and attitudes they need to foster the entrepreneurial mindsets of young people.

### *6.1.2. Actions to promote and support female entrepreneurship*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The measures aim at boosting female entrepreneurial activity. The actions consist mainly of the creation of 2 networks to promote, encourage and support female entrepreneurship.

The **European Network of Female Entrepreneurship Ambassadors** aims to have successful entrepreneurs campaigning to encourage women of all ages — including women in active professional life and students — to set up their own businesses and become entrepreneurs. The ambassadors seek to make women more confident about setting up and creating successful businesses. They also act as role models to inspire other women to become entrepreneurs by ‘telling their story’.

This Ambassadors' Network is complemented by the **European Network of Mentors for Women Entrepreneurs**, which will be inaugurated in November 2011. This measure is therefore reinforcing the ambassadors, moving from promoting and encouraging entrepreneurship to supporting enterprises owned and run by women during the first few crucial years after creation. Mentors assist women entrepreneurs by providing advice and support with the start-up, functioning and growth of their enterprises. They have been selected nationally from successful and well-known business entrepreneurs by the contractors participating in the action.

In addition, there is the **European Network to Promote Women's Entrepreneurship (WES)** which is composed of government representatives responsible for the promotion of female entrepreneurship. It has members from 30 European countries. WES members provide advice, support, information and contacts regarding the existing support measures for female entrepreneurs and future policy direction. They also help in identifying good practices.

#### **TOTAL BUDGET**

The above mentioned measures were financed by the EIP in 2009 and 2010 with a total budget of 2.6 million EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

In the first year after the launch (2010), 150 female entrepreneurship ambassadors have participated in a total of 141 national kick-off meetings and other promotional and inspirational events and workshops, reaching more than 7 600 participants and resulting in a high visibility among the target audience, i.e. potential women entrepreneurs.

As a follow-up and complement, from 2011 onwards, the Mentors of the European Network of Mentors for Women Entrepreneurs will provide advice and support to women entrepreneurs on the start-up, functioning and growth of their enterprises in the early phase. They will also help in identifying and exchanging good practices.

##### **Results**

The Ambassadors' Network is made up of around 320 entrepreneurs who act as ambassadors of female entrepreneurship across Europe. The ambassadors come from 22 countries (Albania, Belgium, Croatia, Cyprus, Denmark, France, Germany, Greece,

Hungary, Iceland, Ireland, Italy, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Sweden and United Kingdom.).<sup>125</sup>

For the mentoring network it is expected to have around 170 mentors from 17 CIP participating countries.

Two Presidency events on female entrepreneurship took place: one in Stockholm in 2009 and one in Brussels in 2010. Around 500 participants attend the event each year, including stakeholders, women entrepreneurship ambassadors and the 2011 mentors.

### **Impacts**

The Female Entrepreneurship Ambassadors promote entrepreneurship among women by engaging and speaking to groups in schools, colleges, universities, community groups and the media, as well as addressing conferences, business networks and employment initiatives.

Data from only 6 countries participating in the ambassadors' network show that in many cases ambassadors have gone beyond their call of duty of promoting female entrepreneurship by actively supporting the creation of 101 new women-led companies.

The European Network of Female Entrepreneurship Ambassadors has been very successful and many participating countries' stakeholders are considering continuing the ambassadors' network nationally even after the end of the Commission's financial contribution, which is foreseen to last for two years only.

### **OUTLOOK: What remains to be done?**

The European Network of Mentors for Women Entrepreneurs will be inaugurated during a Polish Presidency event on 15 November 2011. A conference on female entrepreneurship will be organised in 2012 during the Cypriot Presidency. The Commission may prepare a communication in this area.

---

<sup>125</sup> [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/ambassadors/list\\_ambassador\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/ambassadors/list_ambassador_en.htm)



## **6.2. Better policies and regulations**

### *6.2.1. Simplification of start-up procedures*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

This measure aims at measuring and supporting Member States' progress in simplifying the administrative procedures to start up a small enterprise. It is achieved by annual checks on the indicators and methodology developed by the Commission and support via identification and exchange of good practices proposed by participating countries.

In 2006 the Council set a number of ambitious and concrete targets to facilitate start-ups throughout Europe by 2007. In 2008 these commitments were taken up and renewed by the Small Business Act and by the December 2008 Competitiveness Council with a set of wider and more ambitious targets. Amongst these it asked Member States to bring down start-up times to from 5 to 3 working days. This EIP measure has facilitated the follow-up of these Council conclusions.

There is evidence that heavy, expensive and time-consuming administrative procedures to start and run a small firm are a disincentive to too many would-be entrepreneurs and that countries with lesser administrative burdens in the procedures required to create a company (cheaper and faster start-ups) have greater numbers of business start-ups.

#### **TOTAL BUDGET**

This action was financed by the EIP in 2007, 2008, 2009 and 2010, in connection with the SME Week. The total committed budget amounts to 120,000 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

The actions consisted of expert meetings ("the network of National Start-up Coordinators") nominated by Member States and organised twice a year. Its purpose was to develop a measurement methodology, track progress and support this progress with the exchange of good practices and information.

The main output of the action is a detailed analysis and country by country information is available at a dedicated website<sup>126</sup> which has been operating since 2008. The website collects yearly updates of the situation and progress. In addition, an intranet site open to the expert network only has been developed<sup>127</sup>, sharing all identified good practices.

##### **Results**

All EU 27 Member States have participated in this action.

The average time and cost to start-up a private limited company in 2010 is 7 days with a cost of 399 EUR, compared to 12 days and 485 EUR in 2007.

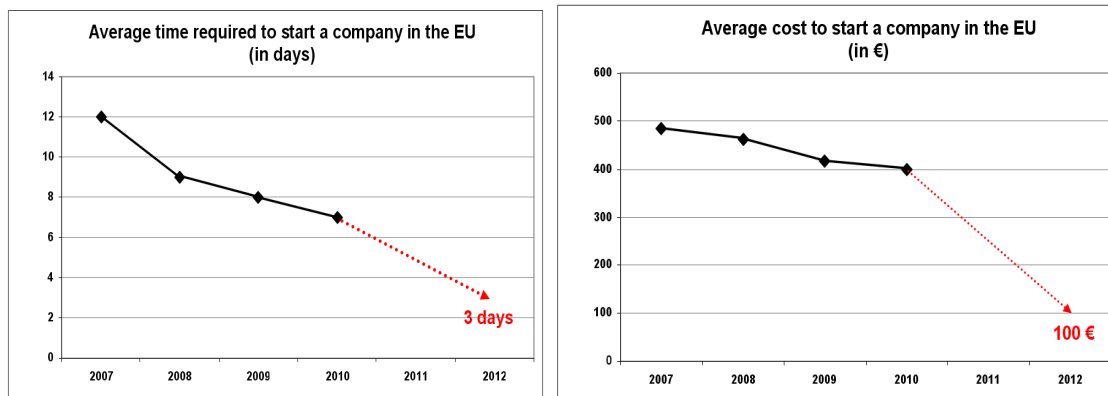
---

<sup>126</sup> [http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/business-environment/start-up-procedures/index_en.htm)

<sup>127</sup> On CIRCA

In 2002, a Commission study indicated that it took an average of 24 days and a cost of 827 EUR. Since then registration times have dropped by 70% and costs have more than halved.

According to the World Bank, which uses a slightly different methodology, the average time to start up a business in the EU was 24 days in 2006 and 14.5 days in 2010. This is a 40% reduction in time over the last 4 years.



## Impacts

In the last 2 years most Member States have reported progress in at least one area but only 7 countries comply with all three Council requests (Belgium, Denmark, Estonia, Hungary, Poland, Romania, Slovenia). Notably, some countries have been high performers (Portugal, Estonia, Slovenia) while others seem to have stalled (Poland). Despite improvements in the time required to start-up a company, the new 3 day benchmark means that only 10 countries comply (10 in 2009 and 13 in 2008 when the benchmark was 5 days).

### *Example of impact at national level*

Slovenia was already fully compliant on all three counts by the end of 2007 (one-stop-shop, time and cost). Yet they have been able to go one step further and reduce fees from 250 EUR to 0 EUR, making it free to start-up a company in Slovenia, the second country in the EU after Denmark.

The electronic one-stop-shop system e-VEM ('vse na enem mestu'), which is able to register all forms of companies, has resulted in savings of 10,2 million EUR a year for Slovenian SMEs. In 2005-2008, registration of enterprises increased by 36.7% on average per annum compared to the year before the system's introduction.

## OUTLOOK: What remains to be done?

Progress has been substantial but not uniform. Also, due to the success of the measure targets have been reviewed<sup>128</sup>. As only a few countries comply with all the targets, continuing the monitoring process and further exchanges of good practices should be continued so that all Member States comply.

<sup>128</sup> The December 2008 Competitiveness Council indicated a maximum time of 3 days; the February 2011 Communication Review of the Small Business Act indicated a maximum cost of 100 EUR.

In view of the results achieved, the SBA and the SBA review extend these commitments to include a maximum limit for the authorisation of business licenses (1 month).

### 6.2.2. *‘Think Small First’ Principle: Implementation at Union and national level*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objective of the action was to assess the implementation of the ‘Think Small First’ principle at European and national level.

The project consisted, on the one hand, of a study identifying and evaluating SME specific provisions at Union level and, on the other hand, it set up an Expert Group of national experts to collect good practices from Member States.

Further information can be found at a dedicated website.<sup>129</sup>

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2008, with a total budget of 230,000 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

The study produced a final report on the ‘Evaluation of the application of the ‘Think Small First’ principle in EU legislation and programmes<sup>130</sup>’.

In addition a series of 3 workshops took place in Brussels involving the Expert Group. The first two workshops contributed to the above mentioned study. The purpose of the third workshop was specifically the elaboration of the Expert Group’s own report.

##### **Results**

Following a thorough screening of the *acquis*, the contractor identified all existing specific SME rules in EU legislation (such as simplified reporting requirements, longer transition periods, reduced fees, exemptions etc.), thus setting the basis for a coherent approach to the application of the ‘Think Small First’ principle.

There were three one-day workshops with the Member State experts that provided input to the study and a forum for sharing ideas and, exchanging experiences between experts. In addition a Report of the Expert Group in the form of a Compendium of Good Practices on the Implementation of the ‘Think Small First’ principle was produced.

The Expert Group’s Compendium of Best Practices was made available online.<sup>131</sup>

##### **Impacts**

The recommendations of the study contributed significantly to the development of the SME test in the revised Commission Impact Assessment Guidelines and have been also

---

<sup>129</sup> [http://ec.europa.eu/enterprise/policies/sme/small-business-act/think-small-first/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/small-business-act/think-small-first/index_en.htm).

<sup>130</sup> <http://ec.europa.eu/enterprise/policies/sme/small-business-act/think-small-first/>.

<sup>131</sup> <http://ec.europa.eu/enterprise/policies/sme/small-business-act/think-small-first/>.

relevant for national initiatives in this field. Currently, slightly less than half of all EU Member States report that they already apply the SME test.<sup>132</sup>

**OUTLOOK: What remains to be done?**

The measure is completed.

---

<sup>132</sup> Germany, Latvia, Netherlands, Sweden, Finland, Hungary, Denmark, Austria, Luxemburg, United Kingdom, Romania and France.

### 6.2.3. *SMEs access to public procurement*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The measures on SME access to public procurement included:

- an evaluation of SMEs' access to public procurement market in the EU in 2007 (covering the period 2001-2005): The study identified good practices, specified success factors, as well as the progress that needs to be made in order to bring about greater SME participation in public procurement contracts and proposing procedures and/or instruments to measure the development and impact of instruments designed to promote SME participation in public procurement.
- a call for proposal for specific action by the Enterprise Europe Network launched in 2009 in view of contributing to the implementation of the 'Small Business Act' for Europe and in particular to the implementation of the 'European Code of Best practices'<sup>133</sup>, facilitating access by SMEs to public procurement contracts: The specific actions aim at compensating the lack of technical capacities in SMEs to participate in public procurement procedures and promoting SME-friendly procurement techniques to public authorities/buyers. The activities included seminars and training sessions, events bringing together public authorities and SMEs and communication activities.
- an evaluation of SMEs' access to public procurement market in the EU in 2009 (covering 2006-2008): This study follows largely the model of the 2007 evaluation. Further information can be found at a dedicated website.<sup>134</sup>

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2007 and 2009, in total with 1 749 700 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

The 2 studies provided reports<sup>135</sup> including data on the SME participation to public procurement markets in terms of value and number of contracts and a selection of case studies on good practices regarding CIP participating countries' approaches towards breaking down the barriers to SME access to public procurement.

The 2009 specific action is still being implemented. Between 3 000 and 3 500 SMEs will be directly concerned by the project. Yet, the websites, studies and materials of the 3 projects will reach an additional audience. These will be also put at the disposal of the other Enterprise Europe Network partners.

---

<sup>133</sup> [http://ec.europa.eu/internal\\_market/publicprocurement/docs/sme\\_code\\_of\\_best\\_practices\\_en.pdf](http://ec.europa.eu/internal_market/publicprocurement/docs/sme_code_of_best_practices_en.pdf).

<sup>134</sup> [http://ec.europa.eu/enterprise/policies/sme/business-environment/public-procurement/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/business-environment/public-procurement/index_en.htm).

<sup>135</sup> <http://ec.europa.eu/enterprise/policies/sme/business-environment/public-procurement/>

## **Results**

Both studies covered all EU countries and included survey results. The first study surveyed 568 SMEs and 166 Large-Scale Enterprises (LSEs) that had been successful in above EU threshold public procurement, and 84 awarding authorities, to identify factors influencing the access of SMEs to public procurement; Finally case studies exploring below EU threshold public procurement in 10 Member States were carried out to identify practices that had influenced the access of SMEs to public procurement.

As a result a set of recommendations was provided in order to reduce differentials in access between SMEs and larger companies, exchange experience and encourage peer learning activity amongst Member States and awarding authorities and improve the information and research base.

The second study contained a comprehensive statistical analysis covering all contract award notices published on Tenders Electronic Daily (TED) between 2006 and 2008. A sample of about 40 000 individual companies securing public contracts were selected and sent for identification and classification to Dun & Bradstreet. 296 European procurers and 887 European companies participating in public procurement were surveyed.

The specific action was initiated with a call for proposal published on 27 November 2009 and limited to Enterprise Europe Network members. They started in May 2010 and will continue until 2012.

## **Impacts**

The studies have played a crucial role in informing the policy on SME's access to public procurement. The data of the 2007 study on SME access to public procurement and the recommendations provided input for the European Code of Best Practices and for the 'Small Business Act' for Europe and its Review adopted in February 2011.

The 2009 study has provided valuable input for the evaluation of the public procurement directives and the Green Paper on the modernisation of the EU public procurement directives.

## **OUTLOOK: What remains to be done?**

Following the 2009 call for proposals, activities such as seminars/workshops will continue until 2012 through the Enterprise Europe Network.

### 6.3. Awareness raising on small business issues

#### 6.3.1. *Promoting exchanges of best practices*

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

A series of events have been organised, and several publications prepared to raise awareness of SME policy issues, in order to facilitate the exchange of good practice and learning from each other. From 2007, these actions were implemented in the context of the work on the European Charter for Small Enterprises, and were later superseded by the Small Business Act (SBA).

The following activities have been facilitated with the support of the EIP:

In 2007, the EIP work programme supported the organisation of the Fourth European Conference on Crafts and Small Enterprises in Stuttgart. It aimed at re-launching the dialogue with the sector, while recognising the importance of those enterprises for the economy and society.<sup>136</sup>

The EIP work programme 2007 and 2008 financed the organisation of a conference in the context of the European Charter for Small Enterprises.<sup>137</sup> In addition, the publishing of good practice cases in an easy-to-read and easy-to-use brochure in printed and electronic format; and the establishment and maintenance of a good practice database<sup>138</sup> was supported.

The action linked to the work on the European Charter for Small Enterprises was superseded in 2009 by the exchange of good practices within the framework of the Small Business Act. Yearly SBA conferences have been organised to facilitate the exchange of best practices in the implementation of the SBA.

The EIP work programme financed the 1<sup>st</sup> SBA conference during the SME Week in Prague (May 2009). In addition, this measure supported the preparation of the European SME Week as a campaign of events for promoting entrepreneurship in general, including the running of the European Enterprise Awards competition at national and European level and the organisation of the awards ceremony in 2009 (see more details below); and the organisation of meetings of the European network of women's entrepreneurship and expert groups on ethnic minority entrepreneurship as well as family businesses also with the aim to disseminate best practices in connection with the SME Week.

---

<sup>136</sup> Reference to the Conference on the following website:

[http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/crafts-micro-enterprises/conferences/4th/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/crafts-micro-enterprises/conferences/4th/index_en.htm)

<sup>137</sup> The European Charter for Small Enterprises was a self-commitment from the Member States to improve the business environment for small enterprises, which was approved by EU leaders in 2000. Under the Charter, actions in ten key policy areas were supported. Read more on:

[http://ec.europa.eu/enterprise/policies/sme/best-practices/charter/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/best-practices/charter/index_en.htm)

<sup>138</sup> <http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=practice.list>



The 2009 work programme supported the 2<sup>nd</sup> SBA conference in Madrid (May/June 2010). In addition, this action included preparatory work on specific subjects for the updating of the on-line database of good practices to include other examples under the SBA.<sup>139</sup>

The EIP work programme 2010 financed the 3<sup>rd</sup> SBA conference in Budapest that took place in May 2011. In addition, this measure supported the expansion of an on-line catalogue of good practices.

The 2010 work programme also financed the organisation of national experts' meetings on monitoring the implementation of the ten key principles of the SBA at national level and promoting the exchanges of good practices (national SBA contact points).<sup>140</sup>

## **TOTAL BUDGET**

These measures were financed by the EIP in 2007, 2008, 2009 and 2010, with a total budget of 2 556 361 EUR.

## **WHAT HAS BEEN ACHIEVED?**

### **Outputs**

The 4<sup>th</sup> European Conference on Craft and Small Enterprises held on 16-17 April 2007 in Stuttgart aimed at re-launching the dialogue with the sector, while recognising the important role of those enterprises for the economy and society. The conference included a dedicated website<sup>141</sup>, making available all conference presentations and summaries. Key-note speakers included German Chancellor A. Merkel, Federal Minister M. Glos, and Commission Vice President Verheugen.

The two SME Charter conferences in 2008 and 2009 were organised to exchange good practices and foster peer learning in the context of the Charter, inviting representatives of national, regional and local governments, European and national business organisations and business support providers from all participating countries.

In relation to these events, 2 printed good practice brochures in 21 languages was widely disseminated. In addition, the good practice database<sup>142</sup> was established with over 600 good practices and is available to national policy makers and administrations. The database is accessible all year round and serves as a tool of peer-learning.

The 1<sup>st</sup> SBA Conference was organised and took place in Prague on 13-14 May 2009, the 2<sup>nd</sup> SBA Conference was organised and took place in Madrid on 31 May-1 June

---

<sup>139</sup> [http://ec.europa.eu/enterprise/policies/sme/best-practices/charter/2010-sba-conference-madrid/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/best-practices/charter/2010-sba-conference-madrid/index_en.htm)

<sup>140</sup> [http://ec.europa.eu/enterprise/policies/sme/best-practices/charter/2011-sba-conference-budapest/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/best-practices/charter/2011-sba-conference-budapest/index_en.htm)

<sup>141</sup> [http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/crafts-micro-enterprises/conferences/4th/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/crafts-micro-enterprises/conferences/4th/index_en.htm)

<sup>142</sup> <http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=practice.list>

2010<sup>143</sup>, and the 3<sup>rd</sup> SBA Conference was organised and took place in Budapest on 24/25 May 2011.

Furthermore, the expansion of the previous mentioned on-line catalogue of good practices (previously covering the Charter good practices) was presented in a more accessible and user friendly format<sup>144</sup>. The on-line catalogue was further expanded, adapted to take account of the structure of the SBA principles, and updated regularly.

Meetings of the national SBA contacts, responsible for identifying good practice examples, were organised in 2010 (in July and December) and in 2011 (June and September). Following the adoption of the SBA Review, the SBA contact points became the “Sherpa” group for organising the meetings of the Network for SME Envoys (set-up to advice the Commission on SME issues) and the first formal meeting of this network took place in September 2011.

## Results

The 4<sup>th</sup> European Conference on Craft and Small Enterprises was attended by approximately 1000 participants from all over Europe and beyond. It was a unique opportunity for a broad discussion with craft representatives and entrepreneurs, as well as to gather new ideas to promote growth and job creation in the craft and small business sector. Conference conclusions from the craft sector were addressed to European, national and regional political level. The Commission received positive feedback from the participants.

The SME Charter conference in 2008 was attended by 500 participants and the 2009 conference by 600. The conferences triggered CIP countries to submit 251 good practice cases. The best ones were selected and widely disseminated in the previously mentioned printed brochures.

The 1<sup>st</sup> SBA Conference in Prague attracted around 360 participants from all Member States and around 30 non-Member States (including other CIP participating countries, EuroMed countries and Western Balkans), representing national and regional administrations and SME business organisations. Key topics included cutting red tape by “thinking small first” and removing barriers to entrepreneurship and new markets. The opening session was held together with delegates from the EUROCHAMBERS 16<sup>th</sup> Annual Congress.

The 2<sup>nd</sup> SBA Conference in Madrid attracted around 450 participants from all Member States and around 30 non-Member States, representing national and regional administrations and SME business organisations. The event attracted very good press coverage and formed the closing event of SME Week 2010. 25 good practices (including the shortlisted candidates for the 2010 European Enterprise Awards) were showcased during the conference workshops. In September-December 2010 there were 3 769 visits to the updated on-line catalogue of good practices, partly as a result of the previous conference.

---

<sup>143</sup> [http://ec.europa.eu/enterprise/policies/sme/best-practices/charter/2010-sba-conference-madrid/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/best-practices/charter/2010-sba-conference-madrid/index_en.htm)

<sup>144</sup> <http://ec.europa.eu/enterprise/policies/sme/best-practices/database/SBA/index.cfm?fuseaction=welcome.detail>

The 3<sup>rd</sup> SBA Conference in Budapest attracted around 340 participants from all Member States and around 30 non-Member States, representing national and regional administrations and SME business organisations. The event included the inauguration of the national SME Envoys and attracted very good press coverage. 28 good practices (including the shortlisted candidates for the 2011 European Enterprise Awards) were showcased during the conference workshops. During the first 5 months of 2011 there were 3241 visits to the updated on-line catalogue of good practices.

As a result of the national SBA contact points meetings, over 90 good practice examples in implementing the SBA at national and regional level were proposed by the group during the second half of 2010. These were validated by the Commission services and made available in 3 languages on the on-line database of good practices during the first half of 2011.

### **Impacts**

The 4<sup>th</sup> European Conference on Craft and Small Enterprises provided input for the May 2007 Competitiveness Council adopted conclusions on the follow up of the conference. As planned from the beginning, the main results were incorporated into the midterm-review of modern SME policy (October 2007) and they remained a source of inspiration for the Small Business Act. The dialogue with craft stakeholders was continued in the follow-up period. For issues such as education and training, close contacts have been established between all concerned Commission services to look into possibilities to better consider craft and small enterprise specificities in future policy initiatives at the European level.

The two SME Charter conferences resulted in exchange of information and experiences which greatly contributed to policy developments in all areas covered by the Charter, as many countries were inspired by examples of successful measures adopted elsewhere in Europe.

#### *Example: Innovation voucher concept*

The good practice database that was established made good practices available to national policy makers and administrations. The database fostered amongst others the dissemination of the innovation voucher concept throughout a number of countries. This is a system where SMEs get a voucher for a certain amount with which they can commission research institutions in their countries to solve a technical problem for them.

The annual SBA conferences, organised since 2009, supported the implementation of the SBA through exchanges of good practices at national and regional level. The feedback from conference participants usually shows a high level of satisfaction concerning the effectiveness of this kind of event in exchanging good practices.

For example, following presentations made on credit mediators, this solution has been implemented in similar ways in France and Belgium and is being considered in a number of other countries. Similarly, presentations at past conferences on reducing the time to register a start-up (e.g. ‘one hour company’ in Portugal, or the joint Estonian-Portuguese on-line company register project) have contributed to reducing the average start-up time across the EU from 12 days in 2007 to 7 days in 2010.

The discussions with business organisations at the conference allowed a dialogue between policy makers and other SME stakeholders and also provided important input for the SBA Review.

**OUTLOOK: What remains to be done?**

The 2011 EIP work programme includes a measure for organising the 2012 Conference, as well as the new SBA Governance structures (Network of SME Envoys, and SME Assembly).

### 6.3.2. *European Enterprise Awards*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The European Enterprise Awards (EEA) aim at:

- Identifying and recognising successful initiatives taken by Europe's policy and decision makers to promote entrepreneurship;
- Showcasing and sharing examples of best SME policies and practices;
- Raising awareness of entrepreneurship and SME policies.

The activities included a two stage selection and the organisation of the Award Ceremonies.

At national level, each country was free to determine the selection process for the two candidates that can be put forward. At European level, a high level jury selected the winners. The jury is composed of permanent members representing the European Commission, the Committee of the Regions, academia and business organisations (Eurochambres/UEAPME) as well as non-permanent members (an entrepreneur and an official from the two countries holding the EU presidency on each given year as well as the winner of the previous year's competition).

The Award Ceremony has usually been organised in connection with other SME related events (SME week, SBA Conference). Further detailed information can be found at a dedicated webpage.<sup>145</sup>

#### **TOTAL BUDGET**

The total cost of the European Enterprise Awards project from 2007 to 2010 was 1 380 000 EUR.

The 2009 European Enterprise Awards was financed under the 'European SME Week and initiatives to foster entrepreneurship among target groups' (250 000 EUR).

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

Every year (except in 2008 when the ceremony was merged with that of 2009) meetings of the Single Point Of Contact (SPOCs) have been organised in Brussels to plan future editions and evaluate the project organisation.

---

<sup>145</sup> [http://ec.europa.eu/enterprise/policies/sme/best-practices/european-enterprise-awards/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/best-practices/european-enterprise-awards/index_en.htm)

Four high level Award Ceremonies took place: Porto (6 December 2007), Prague (13 May 2009), Madrid (31 May 2010), Budapest (24 May 2011). Over 350 participants attended each ceremony, mostly from national and local authorities, business organisations and media.

Each participating country organised promotional events for the annual launch of the competition, as well as award ceremonies for the national nominees. The European Commission was regularly invited to attend these national award ceremonies (Portugal, Greece, United Kingdom, Germany).

A compendium of winning practices was published each year in print and electronic form in all EU languages. The printed copies were disseminated primarily by the national contact points to relevant business and regional organisations. Several countries have produced their own booklets with national nominees in order to spread good practice (Spain, Poland, Sweden, Portugal and others).

The dedicated EEA website has been regularly updated with the descriptions of the winners as well as short descriptions of all national nominees. Electronic newsletters and updates of national promotional and other activities have also been featured on the website. The winning practices have also been included in a Database of Good Practices in SME Policy run by DG Enterprise and Industry.

## **Results**

Every year around 400 projects have competed in the national competitions to demonstrate how their initiatives have furthered the facilitation of business and boosted their region's economy. Around 56 are selected by their countries to participate in the European Competition and the European jury establishes a shortlist of 12 projects of which 6 become winners.

Since 2006, almost 2000 projects have competed in national competitions to be nominated to the EEA. From the 250 national nominees, more than 30 have won an award and been showcased across Europe as a best practice.

Together, the nominated projects have created over 10000 new companies, 70000 new jobs and have safeguarded 30000 existing ones.

All Member States participate actively in the competition and Norway, Iceland, Turkey, Serbia have joined the scheme.

Media coverage of the winners has been good with the number of articles ranging between 250-300 for each edition. The articles appear in both print and electronic media and the majority are found in the countries whose projects have won an award.

National contact points express each year their satisfaction and wish to continue the project.

A survey of past winners has shown the recognition and publicity that they win from the awards has helped them expand further within their countries and has inspired similar initiatives in other countries.

## **Impacts**

The promotion of the winning projects among regional and national authorities, as well as business organisations has created a new 'treasury of ideas' where stakeholders can seek inspiration and guidance.

Regional authorities have received more attention as key players in creating the right business environment and have created networks to learn from each other.

**OUTLOOK: What remains to be done?**

The 2011 EIP work programme includes a measure for organising the 2012 and 2013 editions.

## **6.4. Other actions to foster enterprise and innovation culture**

### *6.4.1. Study on SME organisations' representatives*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The main objectives of the study were:

- To identify relevant SME organisations and assess their representation especially in new Member States. Organisations to be identified should cover SMEs in general, and where possible crafts, family enterprises, ethnic minority entrepreneurs, women entrepreneurs and high-growth enterprises in all countries covered. Their membership is then to be compared with the share of these enterprise categories.
- To draw up a database of SME organisations in participating countries.
- The following activities were carried out:
  - Elaboration of a study, by evaluating for example, the number of SMEs represented and the predominance of sectors or categories represented (craft, cooperatives, etc...).
  - Elaboration of a database of SME stakeholders identified, to be used for targeted communication activities.
- Organisation of an internal workshop to present the results.

Further details can be found at a dedicated website.<sup>146</sup>

#### **TOTAL BUDGET**

This measure was financed by the EIP in 2008, with a total budget of 177 180 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

Using an existing framework contract for SME-related studies, the contract was signed in October 2008. The progress report was presented and approved in December 2008.

An internal workshop, aimed at informing colleagues within DG Enterprise and Industry on the results of the study, was organised in March 2009.

---

<sup>146</sup> [http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item\\_id=3196&lang=en](http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=3196&lang=en)



The final report is available on-line (see above). The database of contacts is available internally (for data protection reasons) to DG Enterprise and Industry and other Commission services.

### **Results**

Around 700 organisations representing SMEs from the 27 Member States participated in the survey were selected in the 27 Member States. The representativeness of the main 300 organisations was assessed and full data included in the report and accompanying database.

### **Impacts**

The study allowed strengthening the dialogue and improving communication with SME stakeholders in order to implement the Think Small First principle.

In particular, it enabled DG Enterprise and Industry and other Commission services to better target their communication with SME stakeholders — both via information and communication tools and campaigns, and via invitations to relevant events.

### **OUTLOOK: What remains to be done?**

The study and database continue to be used, including the organisation of the SME Assembly announced in the SBA Review.

#### *6.4.2. Responsible competitiveness: Fostering Corporate Social Responsibility (CSR) in European industrial sectors*

### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The key objective of the measure was to find and describe the links between CSR and competitiveness in the chemical, textile and construction sector and to draw conclusions for public CSR policies and sector based CSR initiatives.

As the links between CSR and competitiveness were not well-known in advance, 3 sector-specific CSR initiatives were accompanied during a two-year-period of research. Furthermore a comprehensive analysis of academic literature on CSR and competitiveness in general and on sector specific issues in the construction, textile and chemical industry was carried out. The knowledge of experts on the three sectors from trade unions and business associations across Europe (Austria, Belgium, Germany, Denmark, Spain, France, Ireland, Norway, United Kingdom, Romania) was taken into account.

### **TOTAL BUDGET**

This measure was financed by the EIP in 2008 with a total budget of 432 644 EUR.

### **WHAT HAS BEEN ACHIEVED?**

#### **Outputs, results and impacts**

The final research report was published in November 2010 and is available on the web.<sup>147</sup>

Although a number of similarities between the three sectors could be found, the driving forces of competitiveness as well as the societal demands strongly differ from sector to sector. In designing and implementing future CSR initiatives, a sector specific approach should take those differences into account. Promoting CSR often needs to be done at sub-sector level to be relevant. To make CSR concrete and targeted in each sector, leading companies, business associations, trade unions and NGOs should jointly develop a common agenda for respective industry sectors. The European Commission could play a strong convening role in promoting this agenda setting.

The aim of the **PRISME2** project (chemical sector) was to initiate a networking programme dedicated to build CSR capacity in SMEs. It enabled to continuously improve health, safety and environmental performance, with the industry sector's unique Global Responsible Care® initiative. Pro bono trainings were initiated for participating companies, combined with on-site assessments. These trainings were piloted in selected countries involving relevant stakeholders before being rolled-out across Europe.

---

<sup>147</sup> [http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr/documents/competitiveness/101124\\_csr\\_comp\\_final\\_report\\_long\\_version\\_final\\_en.pdf](http://ec.europa.eu/enterprise/policies/sustainable-business/files/csr/documents/competitiveness/101124_csr_comp_final_report_long_version_final_en.pdf)

The project outline was tested and evaluated by conducting 3 business-to-business workshops for SMEs in the selected countries. The pilot projects were evaluated in a one-day workshop with all the trainers, assessing the overall results.

The **BRC** project (construction sector) aimed at verifying and demonstrating that socially responsible actions enhance the competitiveness of the business in the construction sector in comparison with the adoption of social dumping behaviours. The project partners had decided to condense the field of research to health and safety, responsible supply chain management, eco-compatibility and equal opportunities. A set of indicators was elaborated as well as guidelines for the construction companies.

The aim of the **COSMIC** project (textile sector) was to analyse the relationship between CSR and competitiveness all along the supply chain. The project focused on market and consumers, innovation and efficiency, role of credit and insurance systems and public CSR policies. After defining a detailed method for data collection in the field of SMEs it was shared between project partners. Corporate CSR policies were identified, the feasibility evaluated and results shared with partners.

All project results were published on the web and a summary of the final report evaluating all 3 sector projects was distributed to the 300 participants of the CSR Multi-stakeholder Forum in November 2010.

The learning from this initiative influenced the Commission's new strategy on CSR published in October 2011, in particular the proposal to establish sector-based platforms for CSR.

#### **OUTLOOK: What remains to be done?**

The measure was completed.

## **7. ENTERPRISE AND INNOVATION RELATED ECONOMIC AND ADMINISTRATIVE REFORM**

### **7.1. Promoting regulatory reforms**

#### *7.1.1. Action Programme for the reduction of regulatory administrative burdens — High Level Group of Independent Stakeholders on Administrative Burden*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

In 2007, the Commission launched the Action Programme for reducing administrative burdens in the European Union in order to reduce administrative burdens for businesses by 25 % by 2012. A key part of the Programme was a large-scale measurement of costs incurred by businesses in meeting legal obligations to provide information.

A High Level Group of Independent Stakeholders on Administrative Burdens (HLG AB) was set up in order to advise the Commission on this programme and on simplification matters. In particular, the HLG adopted opinions on relevant suggestions coming from stakeholders or any other source. From 2010 the HLG also looked into best practices in Member States to implement EU legislation in the least burdensome way.

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2007, 2008, 2009 and 2010 with a in total budget of with 17 253 095 EUR

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

Between 2007 and 2010, the HLG AB met 22 times, and delivered 25 opinions in which it recommended a reduction of administrative burden in 13 regulatory sectors. The 13 areas are those of the Commission's Action Programme for the reduction of administrative burdens.<sup>148</sup>

The measurement of administrative burden arising from EU legislation led to the development of Sectoral Reduction Plans through which 98 reduction measures were proposed by the Commission.

In addition, a website<sup>149</sup> dedicated to the ABR programme was designed and deployed, as well as an IT Administrative Burden calculator, to facilitate administrative burden measurement projects. This tool is currently only accessible to internal European Commission users but work has started to make it accessible to outsiders as well.

---

<sup>148</sup> Agriculture and agricultural subsidies, annual accounts/company law, cohesion policy, environment, financial services, fisheries, food safety, pharmaceutical legislation, public procurement, statistics, tax law (VAT), transport, working environment/employment relations. Please see also [http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/priority-areas/index\\_en.htm](http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/priority-areas/index_en.htm).

<sup>149</sup> [http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/action-programme/index\\_en.htm](http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/action-programme/index_en.htm).

The website includes an interactive on-line questionnaire,<sup>150</sup> which can be used by any stakeholder to report excessive administrative burden and make suggestions for reduction measures. A 'Starter Kit' was made available to Member States<sup>151</sup> willing to launch similar Administrative Burden Reduction Programmes. A competition for the best suggestion for administrative burden reduction was launched under the auspices of the HLG through the on-line questionnaire. The award went to a proposal in the area of road transport (tachographs).

An extensive overview of the HLG activities can be found at a dedicated web-site.<sup>152</sup>

## Results

At the end of 2010, the Commission had already proposed measures that reduce administrative burdens by more than 31 %. Out of this, Council and European Parliament had adopted measures amounting to a reduction of 21.8 %.

Detailed figures are given in the table below:

	<b>Adopted</b>	<b>Pending adoption by co legislator</b>	<b>Under preparation or consideration</b>	<b>Total</b>
<b>Number of measures</b>	70	14	14	98
<b>Reduction potential (in million €)</b>	- 26 999	- 11 512	- 2 218	- 40 729
<b>Reduction potential (in %)</b>	- 21.8 %	- 9.3 %	- 1.8 %	- 32.9 %

## Impacts

The joint target of reducing administrative burdens by 25 % by 2012 covers EU legislation as well as national regulatory measures. Achieving this objective could lead to an increase in the level of EU GDP of approximately 1.4 % or 150 billion EUR in the medium term. So far, the measures proposed by the Commission could lead to a reduction potential beyond 40 billion EUR.

A side effect of the Action Programme is the increase of the involvement of stakeholders through a high level of feedback mechanism: more than 400 suggestions to reduce administrative burden were received from stakeholders through the on-line questionnaire.

---

<sup>150</sup> [http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/online-consultation/index\\_en.htm](http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/online-consultation/index_en.htm).

<sup>151</sup> The 'starter kit' was launched in 2009 in order to facilitate the start up of the measurement of administrative burdens in MS and to store the data. It was made available through our Single Point of Contacts (SPOC). In October 2009 the Commission organised a training on the tool where all MS were invited. Representatives of 11 MS attended. Ireland, Finland, Estonia, Lithuania and Luxembourg were interested in using the 'starter kit' or have already used it. The 'starter kit' is not publicly available on-line.

<sup>152</sup> [http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/high-level-group/index\\_en.htm](http://ec.europa.eu/enterprise/policies/smart-regulation/administrative-burdens/high-level-group/index_en.htm).

**OUTLOOK: What remains to be done?**

In 2010, the Commission extended the length and scope of the mandate of the HLG. The Group will remain active until end 2012 and will focus more on promoting best practice in Member States to implement EU legislation in the least burdensome way. The HLG is tasked with presenting a report on this subject by November 2011. In addition, the Group will continue advising the Commission on simplification issues as well. It will also continue to support the adoption of administrative burden reduction initiatives throughout the legislative process and provide opinions and suggestions for further administrative burden reduction.

## **7.2. Small Business Act (SBA) implementation**

### *7.2.1. SBA communication tools*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The objective of this measure was to ensure effective communication of SME policy issues and the SBA implementation via a variety of communication tools (printed, audiovisual, web-based) which are targeted at SMEs and their representatives.

Activities included a web-based information campaign and the drafting of a new version of the SME visitor brochure in 2010. Further detailed information can be found at a dedicated website.<sup>153</sup>

#### **TOTAL BUDGET**

This measure was financed by the EIP in 2010, with a total budget of 170433 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

More than 2 158 articles were produced by the Euractiv network via their 82 multipliers.

Using an existing framework contract, a contract was also signed to produce a completely new version of the SME visitor brochure (previous edition funded by an EIP supporting measure) to communicate the achievements of the SBA. The brochure was made available in printed form in 5 languages and on-line in 21 language versions.

Finally, promotional items (stands, postcards, posters in 21 language versions) were produced to publicise the European Small Business Portal (itself funded under EIP supporting measures).

In addition, the production of the new SME brochure and promotional materials was launched.

##### **Results**

The Euractiv articles resulted in almost 1 million page views.

DG Enterprise's SME policy web pages are consistently one of DG Enterprise's top 15 visited sites (with 560000 page views in the first 5 months of 2010). The Small Business Portal has an overall steady user base of approximately 25 000+ page views a month.

---

<sup>153</sup> [http://ec.europa.eu/enterprise/policies/sme/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/index_en.htm),  
[http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item\\_id=5256](http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=5256), <http://ec.europa.eu/small-business/>.

## **Impacts**

The Communication actions raised the attention of stakeholders around the SME policy initiatives (SBA and SBA Review). The number of articles on SMEs appearing in the media has increased dramatically, so much so that there is now a dedicated press review on SMEs with an average of 15 articles per day.

Other indicators include the number of parliamentary questions on SME policy: there has been a 40 % increase from 2009 (66) to 2010 (95) and this trend is continuing in 2011.

## **OUTLOOK: What remains to be done?**

The SME visitor brochure was finalised in March 2011. It was made available on-line and copies were distributed at relevant conferences, notably the Budapest SBA conference of May 2011. Distribution will continue during 2011 at relevant events and during SME Week.

The items promoting the European Small Business Portal were distributed via the Enterprise Europe Network between January and April 2011.

The 2011 EIP Work Programme includes a measure for communication activities related to SME Policy/the SBA.



### 7.2.2. *SME Performance Review (SPR)*

#### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

The general objective of the SME Performance Review is to provide an empirical tool to monitor SME performance and guide policy-making, in particular enabling the Commission to effectively monitor the implementation of the 'Small Business Act' for Europe and the SME-related policies elements of the EU2020 strategy (as a successor to the Lisbon partnership for growth and Jobs).

Its specific objective is to increase and disseminate information on the characteristics and specificities of SMEs in Europe through the supply of comprehensive data, description and analysis of economic performance as well as its main determinant factors. Its operational objectives are the publication of key statistics on SMEs together with an economic analysis and policy conclusions. Further detailed information can be found on dedicated website.<sup>154</sup>

#### **TOTAL BUDGET**

These measures were financed by the EIP in 2008, 2009 and 2010, in total with a total budget of 4 937 865 EUR.

#### **WHAT HAS BEEN ACHIEVED?**

##### **Outputs**

The main outputs of the action are studies and expert meetings. The studies include recurrent publications and ad-hoc reports.

##### *Recurrent publications- EU-SME annual reports and SBA country fact sheets*

The former includes a series of annual reports on the most important SME trends in the EU and a set of annually updated SBA country fact sheets for a total of 37 countries (EU-27 Member States plus 10 non-Member States). The fact sheets come with a set of "satellite" documents and outputs, including *methodological notes*, short *summary notes* on the main findings of the fact sheets, plus two different publicly accessible *databases*, one containing all statistical data used and calculated for the fact sheets, the other comprising the SME policy measures compiled for and recorded in the individual country fact sheets. In addition, at the time of the launch of the annual reports and the fact sheets specific press material (press releases, etc) were produced.

##### *Non-recurrent/ ad-hoc publications*

The second pillar of the SME performance review are ad-hoc studies which aim at providing timely data and analysis on key issues related to SME policies and the implementation of the SBA.

---

<sup>154</sup> [http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/performance-review/index_en.htm).

Until the second half of 2009, the working groups were primarily a forum for discussion among academics with a focus on SME policy issues. Since then, they have changed their composition substantially, bringing together officially delegated SME policy makers from 37 countries. Since the second meeting of 2009, the forum has played an integral role in the production process of the SBA fact sheets. A central function of the meetings is now to discuss the draft SBA fact sheets and have policy discussions against the backdrop of the findings reflected in the country fact sheets.

In terms of publications and meetings, the complete set of outputs originally envisaged was successfully implemented according to plan:

- Since 2008, a total of two annual reports have been published plus two complete sets of SBA fact sheets (each including 37 fact sheets for the individual countries of an average length of some 12 pages each). The publication of the fact-sheets was accompanied by the previously-mentioned ‘satellite’ documentation (press releases, technical notes, databases, website, etc.). The third (2010/2011) edition of the fact sheets and the annual report plus ancillary documents is due to be published on 5 October 2011.
- As regards the ad-hoc studies, a total of nine studies have been initiated of which seven are completed and the remaining two due to be published in 2011.
- The printed publications (the Annual Reports 2008 and 2009, 500 copies) were disseminated on demand and stocks ran out almost immediately due to high demand.
- As regards the meetings, in 2009 and 2010 a total of three working group meeting took place in the framework of the SPR. A total of 63 experts took part in the meeting (or 21 on average per meeting) representing 21 countries.

## **Results and impacts**

As regards the SBA country fact sheets, they have helped to establish a central monitoring tool for measuring the implementation of the Small Business Act (SBA). The production process of the fact sheets in and by itself has generated productive discussions between DG Enterprise and countries on how to measure and assess progress in implementing the SBA agenda. In the meantime, countries have started actively using the SBA fact sheets and the data contained therein to conduct their own national analysis. In this connection, DG Enterprise has received a lot of positive feedback from policy makers in Member States on the introduction and the design of the fact sheets.

The action raised awareness of SME issues and SBA implementation in particular among the general public. Over the reporting period, data produced by various outputs of the SPR has been cited in media articles, both in printed and electronic form. Also, the SPRs’s website is visited by an increasing number of people. From May to December 2010, the SPRs webpage on Europa was visited almost 21,000 times. It should be also noted that

---

<sup>155</sup> This action is actually a continuation of an action which was pre-2009 registered under " X.1 Policy-relevant research on SMEs" (see the separate note on this)

the data and findings compiled by the SPR and in particular those that allow a comparative analysis of country performances are used by SME stakeholder associations for advocating the cause of SMEs.

**OUTLOOK: What remains to be done?**

The measure will be completed in 2011.

As the increased need for implementation monitoring was highlighted in the recent SBA review of February 2011, a further development of the SBA fact sheets is envisaged.

### **7.3. Awareness raising**

#### *7.3.1. Information campaign on the marketing*

##### **DESCRIPTION OF THE MEASURE: Main objectives and activities**

Free movement of goods is the cornerstone of the EU single market. On 9 July 2008 the new legislative framework for marketing products was adopted with the objective of removing the remaining obstacles to the free circulation of products and boosting trade in goods between EU Member States.

The CE marking affixed on a product indicates that a product is in compliance with EU legislation and thus can be marketed in the whole EU. Even though the CE marking is well known, its meaning is often poorly understood. Limited knowledge amongst manufacturers, importers and distributors, and in particular SMEs, has negative impacts on the safety of products and the competitiveness of enterprises. In order to increase stakeholder awareness of the meaning and importance of the CE marking, the European Commission has launched a Europe-wide information campaign.

The campaign is composed of a mixed set of tools in order to address the different audiences. It focuses on:

- Production of informative and promotional material;
- Presence at major commercial/professional fairs in Europe;
- Organisation of CE marking educational events/seminars;
- Development of the CE marking website.

##### **TOTAL BUDGET**

This measure was financed by the EIP in 2009, with a total budget of 2 million EUR.

##### **WHAT HAS BEEN ACHIEVED?**

###### **Outputs**

- Production of a leaflet, a brochure and factsheets for professionals and a leaflet for consumers in all EU/EFTA languages;
- Presence at the following fairs: Hannover Messe 2010 (April 2010), Paris Hospital Expo (May 2010), London CEDIA EXPO (June 2010), Berlin IFA (September 2010), Madrid Orto Pro Care (September-October 2010), Krakow Eurotool (October 2010), Nuernberg International Toy fair (February 2011), Milano fair (January 2011), Hannover Cebit (March 2011), Brno (Czech Republic) Amper fair (March-April 2011), Presence at Hannover Messe' (April 2011);
- Educational seminars in Germany, Romania, Austria, Belgium, Hungary, Portugal, Czech Republic, Spain, Estonia, France, Finland, Malta, Latvia, Poland, Slovakia;

- Development of a website in English (development of a website in the other EU/EFTA languages is on-going).<sup>156</sup> The website provides guidance on the steps manufacturers have to follow in order to be able to affix the CE Marking to their products;
- Production of two videos (one for professionals, the other for consumers);
- Placing articles in the specialised press (until the end of the campaign);
- Production of promotional material (e.g. pens, kits).

## **Results**

The campaign raises stakeholder awareness. The feed-back from the seminars and the fairs and well as the majority of the questions being asked by stakeholders on the CE Marking demonstrate that the stakeholders are becoming more familiar with the meaning of the CE Marking and are aware of their rights and obligations. In addition the guidance provided by the website reduces eventual mistakes and misunderstandings.

## **Impacts**

Raising awareness, not only helps to reinforce the EU's health, safety and environmental protection requirements, it also supports fair competition with all players being held accountable to the same rules. It will bring particular benefits for SMEs who due to their size are more vulnerable to unfair competition

In particular this measure contributes to:

- Ensuring that products placed on the market (including products imported from third countries) are safe and compliant with the related legislation;
- Ensuring a consistent and equivalent enforcement of EU legislation (level playing field for economic operators and reduction of fraud).

## **OUTLOOK: What remains to be done?**

- Educational seminars in other EU/EFTA countries;
- Continue placing articles in the specialised press;
- Production of factsheets describing the situation regarding CE Marking in various sectors.

---

<sup>156</sup> <http://ec.europa.eu/enterprise/policies/single-market-goods/cemarking/>

## **8. ANNEX I: LIST OF ABBREVIATIONS**

**ASD** — European Security and Defence Association

**CBS** — Capacity Building Scheme

**CCAP** — Center for Clean Air Policy

**CEB** — Council of Europe Development Bank

**CEN** —European Committee for Standardization

**CENELEC** — European Committee for electrotechnical standardisation

**CIP** — Competitiveness and Innovation Framework Programme

**CSES** — Centre for Strategy & Evaluation Services

**CSR** — Corporate Social Responsibility

**DC** — Developing Countries

**EACI** — Executive Agency for Competitiveness and Innovation

**EBRD** — European Bank for Reconstruction and Development

**EC** — European Commission

**ECB** — European Central Bank

**ECC — NET** — The European Consumer Centres Network

**EDA** – European Defence Agency

**EEA** — European Economic Area

**EFTA** — European Free Trade Agreement

**EIB** — European Investment Bank

**EIC** — Euro Info Centre

**EIF** — European Investment Fund

**EIP** — Entrepreneurship and Innovation Programme

**EIPC** — Entrepreneurship and Innovation Programme Committee

**EIS** — Innovation Union Scoreboard

**EMAS** — Eco Management and Audit Scheme

**EPMF** — European Progress Micro-finance Facility

**EPO** — European Patent Office

**ESO** — European standardisation organisations

**ETAP** — Environmental Technologies Action Plan

**ETF** — The European Technology Facility

**ETSI** —European Telecommunications Standards Institute

**ETV** — Environmental Technology Verification

**EU** — European Union

**FAQs** — Frequently Asked Questions

**FYROM** —Former Yugoslav Republic of Macedonia

**GHG** — Green house gas

**GIF** — High Growth and Innovative Small and Medium Enterprises Facility

**HLG** — High Level Group

**INTERREG** — Inter regional Cooperation Programme

**IPR** — Intellectual Property Rights

**IRC** — Innovation Relay Centre

**IEC** — International Electrotechnical Commission

**ISO** — International Organisation for Standardisation

**IT** — Information Technology

**ITU** — International Telecommunication Union

**JEREMIE** — Joint European Resources for Micro to Medium Enterprises

**MAP** — Multi-Annual Programme

**MEEuP** — Eco-Design methodology

**MRV** — Measurement, Reporting and Verification

**NCP** — National Contact Point

**NACE** — Statistical Classification of Economic Activities

**OECD** — Organisation for Economic Co-operation and Development

**PES** — Performance Enhancement System

**PHARE** — Poland and Hungary: Assistance for Restructuring their Economies programme

**R&D** — Research and Development **PIE** - PRO INNO Europe

**ROI** — Return on Investment

**SBA** — Small Business Act

**SA** — satellite accounts

**SMEG** — Small and Medium-sized Enterprises Guarantee Facility

**SCE** — European Cooperative Society

**SCM** — Standard Cost Model

**SMEs** — Small and Medium-sized Enterprises

**SPR** — **SME Performance Review**

**SOLVIT** — Internal Market Problem Solving System

**UEAPME** — The European Association of Crafts, Small and Medium-Sized Enterprises

**VC** — Venture Capital

**UNFCCC** — United Nations Framework Convention for Climate Change

**TC** — Technical Committee

**VC** — Venture Capital

**VTO** — Virtual Tourism Observatory



**WES** — European network to promote women's entrepreneurship