



European Commission

EIPC
Entrepreneurship & Innovation
Programme Management Committee

COMPETITIVENESS AND INNOVATION FRAMEWORK PROGRAMME (CIP)

IMPLEMENTATION REPORT 2009

[EIPC-13-2010]

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1. SUMMARY

As a result of the world-wide financial crisis that started in 2008, banks have reduced their capacity to increase their lending. Confidence is weakened and credit is scarce. Companies and households are facing difficulties to borrow and invest. The EU is also confronted with other challenges not stemming from the financial crisis, such as the relatively rapid ageing of the overall population structure, climate change or fierce global competition.

The Competitiveness and Innovation Framework Programme (CIP) is a key programme to address the challenges the EU is facing now and in the years to come. Its objectives correspond to the flagships of the recently presented EU 2020 Strategy where smart and sustainable growth is presented as a key priority for EU intervention to strengthen the EU economy. More than € 3,620 million are devoted to achieving these goals for the overall period of 2007-2013. For 2009, the budget allocated was € 520,477.

The CIP improves SMEs' access to finance. The financial instruments guarantee scheme has, in the period 2007 – 2009 enabled 58,767 SMEs to receive loans. In addition to that, 82 highly innovative SMEs benefited from venture capital (16 of them in the eco-innovation sector).

CIP also provides personalised and professional services particularly oriented to SMEs:

- More than 570 partners of the Enterprise Europe Network provide services all over Europe and beyond in support of business and innovation. Among other services, the Network provides information on EU matters; it has contacted more than 2.2 million SMEs via weekly newsletters and has organised local events where more than 457,000 SMEs have participated so far. In 2009 a number of Network partners teamed up to provide specialised services to SMEs on eco-innovation, one of the thematic priorities of the CIP.
- Services on Intellectual Property Rights (IPR) are also provided to innovation and research companies and organisations.

Support for introducing new technologies in the market was reinforced during 2009. An increased number of pilot projects were funded in the area of ICT-based services and eco-innovation which are the main CIP thematic priorities along with sustainable energy. The pilot and market replication projects aim at testing in real conditions innovative solutions that have not yet significantly penetrated the market due to high residual risks. The results of these projects have an impressive leverage effect, mobilising public and private funds and breaking down barriers in the market. By way of example, most ICT projects aim at ensuring interoperability of new ICT based services. This means that new services can be provided to citizens, creating business opportunities.

But the CIP also aims at tackling non-technological barriers to energy efficiency and renewable energy. In 2009, under Intelligent Energy Europe Programme new dissemination and information projects were recommended for funding in 2009 involving an impressive variety and number of market actors, including a high proportion of SMEs. Moreover, in December 2009 European Local Energy Assistance (ELENA facility) was established in cooperation with the European Investment Bank that helps local and regional public authorities to structure and implement bankable sustainable energy projects. Together with

other actions about € 90 million were allocated in 2009 for a more intelligent energy future in Europe.

Other measures are designed to create favourable market conditions for SMEs. In 2009 some CIP actions aimed at having more SME-friendly standards; other measures co-funded platforms of innovation actors at regional or national level with the aim of improving innovation policies in the EU. In 2009, the CIP tackled innovation from the “demand side” as well: three networks of public procurers in three different key sectors, such as sustainable construction, were established in order to make public administrations greater buyers of innovative products.

2. INTRODUCTION

The 2009 Implementation Report of the Competitiveness and Innovation Framework Programme (CIP) outlines activities under the three CIP specific programmes during the third year of the programme's implementation:

- the Entrepreneurship and Innovation Programme (EIP);
- the Information and Communication Technology Policy Support Programme (ICT-PSP);
- the Intelligent Energy-Europe Programme (IEE).

These three programmes have their own specific implementation reports where more detailed information is provided¹ on the activities carried out. Some examples of the projects funded have been included in this document to illustrate the different initiatives. More examples can be found on the specific websites.

The actions listed in this report are those whose budget was committed during 2009. Some actions are multiannual and in that case results are only visible after several years; in other cases, measures start close to the end of the year and the implementation takes place within the following year. In those cases, even though these actions are included in this document, results will only be known later on and cannot be reported here.

This report is based on Articles 8.1 and 8.5 of the Decision establishing the CIP². Additional information on the Competitiveness and Innovation Framework Programme can be found on the CIP website: <http://ec.europa.eu/cip>.

¹ http://ec.europa.eu/cip/documents/implementation-reports/index_en.htm

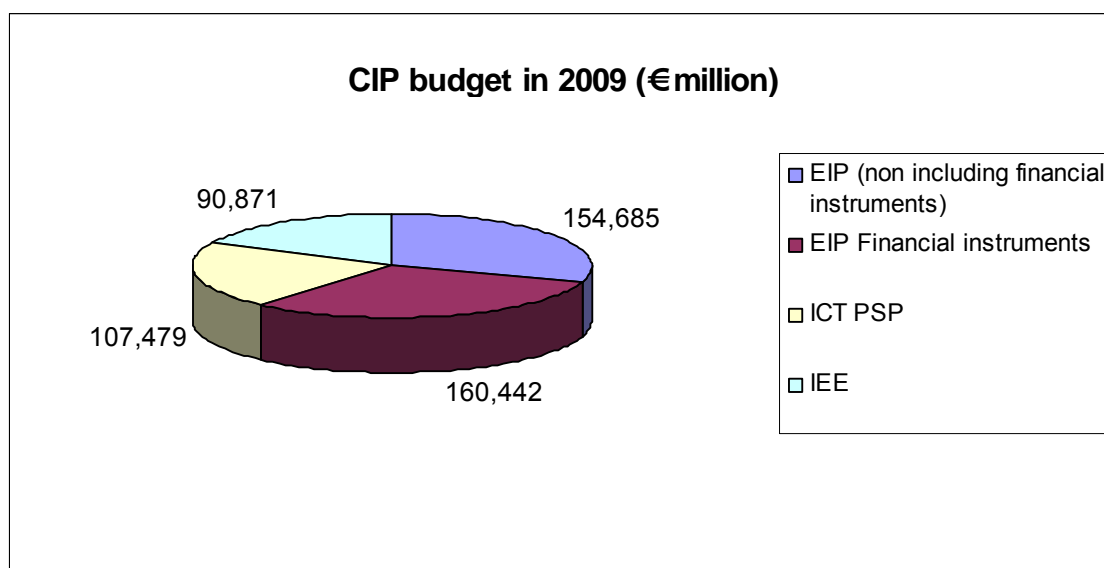
² Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310/15, 9.11.2006)

3. OVERVIEW OF CIP BUDGET EXECUTION IN 2009

The CIP Decision stipulates that the total budget for the CIP shall be € 3.6 billion for the period 2007-2013. The EIP represents the largest expenditure component of CIP, with 60 % of the CIP budget allocation, of which approximately one-fifth is allocated to promoting eco-innovation. Each of the other two programmes, ICT-PSP and IEE, are allocated around 20 % of the CIP budget. The table below gives an overview of the budget allocated and the amount committed during 2009.

Budget lines	Concept	Amount (€) ³	Budget committed (€)	Budget committed (%)
01 04 04	EIP – Financial Instruments (out of which eco-innovation)	160,442,000 (29,000,000)	160,442,000	100 %
02 02 01 and 02 01 04 04	EIP – Competitiveness of SMEs, innovation (out of which, eco-innovation market replication projects)	154,685,000 (32,153,000)	151,669,000	98.05 %
09 03 01	ICT-PSP	114,479,000	113,311,000	98.98 %
06 04 06	IEE	90,871,000	90,871,000	100.00 %
	Total	520,477,000	516,293,000	99.19 %

Figure 1: CIP budget in 2009



³ These amounts include the contributions from non-EU countries participating in the programmes.

4. ACTIVITY OF THE CIP SPECIFIC PROGRAMMES IN 2009

The main aim of the CIP is to encourage the competitiveness of European enterprises, in particular SMEs, by supporting innovation activities (including eco-innovation), providing better access to finance and delivering business support services in the regions. It encourages a better take-up and use of information and communications technologies (ICT) and helps to develop the information society. It also promotes the increased use of renewable energies and energy efficiency.

The objectives of the CIP are pursued through the implementation of three specific programmes. This section describes the main actions funded by the three programmes during 2009.

4.1. The Entrepreneurship and Innovation Programme

The main EIP objectives, as set out in Article 10 of the CIP Decision, are to support, improve, encourage and promote:

- (a) access to finance for the start-up and growth of SMEs and investment in innovation activities;
- (b) the creation of an environment favourable to SME cooperation, particularly in the field of cross-border cooperation;
- (c) all forms of innovation in enterprises;
- (d) eco-innovation;
- (e) entrepreneurship and innovation culture;
- (f) enterprise and innovation-related economic and administrative reform.

Several instruments are used to achieve these objectives: CIP financial instruments for SMEs; services in support of business and innovation; eco-innovation first application and market replication projects; policy analysis, development and coordination of innovation policy actors. Other actions focus on promoting entrepreneurship and innovation culture or reducing administrative burden.

4.1.1. Better access to finance for SMEs

The objective of the CIP financial instruments is to improve access to finance for the start-up and growth of SMEs, and to invest in innovation activities, including eco-innovation. Basically, these instruments work by increasing investment volumes of risk capital funds and other investment vehicles, and by providing leverage to SME debt financing instruments and thus increasing the supply of debt finance to SMEs.

The financial instruments, operated by the European Investment Fund (EIF), are the following:

- ***The High Growth and Innovative SME Facility (GIF)*** aims to increase the supply of equity for innovative SMEs in their early stages (GIF1) and in the expansion phase (GIF2). It has been operational since November 2007 and, by the end of 2009, 18 agreements with venture capital funds from 15 different EU countries had been approved. Four out of these contracts were reached in 2009. As far as the end of 2009, more than € 204.9 million of EU investments were committed via this instrument, supporting 82 innovative SMEs with high-growth potential.

Four out of the venture capital funds (from 4 countries) are investing in eco-innovation which is a thematic priority for the EIP, and in particular, for the financial instruments.

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 invested in 4 innovative SMEs in fields as diverse as aircraft maintenance, gas distribution and the media. The fund size is € 63 million, out of which € 10 million 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, out of which € 2.7 million comes from EU resources. Up until end-2009, the fund supported 14 SMEs.

- ***The SME Guarantee Facility (SMEG)*** 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. It has been operational since September 2007. By the end of 2009, 27 deals with Financial Intermediaries from 14 different countries had been approved, committing € 195 million for guarantees or counter-guarantees so far. By the end of 2009, SMEG supported 64,327 loans to 58,767 SMEs.

Support through the guarantee facility: a Slovenian company designing and engineering pool and wellness technology. Thanks to a CIP-guaranteed loan of € 350,000, the company has invested in their production capacities. This allowed them to increase their 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: a newly started Spanish micro-enterprise specialised in renewable energy. Thanks to a guaranteed micro-loan of € 21,000 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 being unemployed they were reluctant to give us any finance."

- ***The Capacity Building Scheme (CBS)*** was foreseen in the CIP legal basis. This instrument has, however, shown insufficient response from the market. As a consequence, the Commission will use the budget originally earmarked for the CBS to support mainly eco-innovation and technology transfer under GIF.

With the aim of highlighting the funding opportunities for SMEs, "EU finance days for SMEs" are being organised in all EU capitals from 2008 to 2011. The finance days are intended to improve the visibility of the programme at the level of final beneficiaries, the Enterprise Europe Network and other stakeholders. In 2009, EU finance days took place in 13 capitals.

With a view to raising the awareness of the financial instruments among SMEs, a website has been developed (<http://www.access2finance.eu>) to help SMEs to identify the financial intermediaries cooperating within the CIP in their country.

For the financial instruments, the total of 2009 commitments was €160,442,000.

For additional information on the financial instruments the following website can be consulted: <http://ec.europa.eu/enterprise/policies/finance>.

4.1.2. Enterprise Europe Network: business support in the regions

The second main instrument of the EIP is the Enterprise Europe Network, a network of partners providing services in support of business and innovation. The Network is the key action under the objective of creating a favourable environment for SME cooperation, particularly in the field of cross-border cooperation.

The Enterprise Europe Network is made up of **572 member organisations across the EU and beyond**. They include chambers of commerce and industry, technology centres, universities and development agencies.

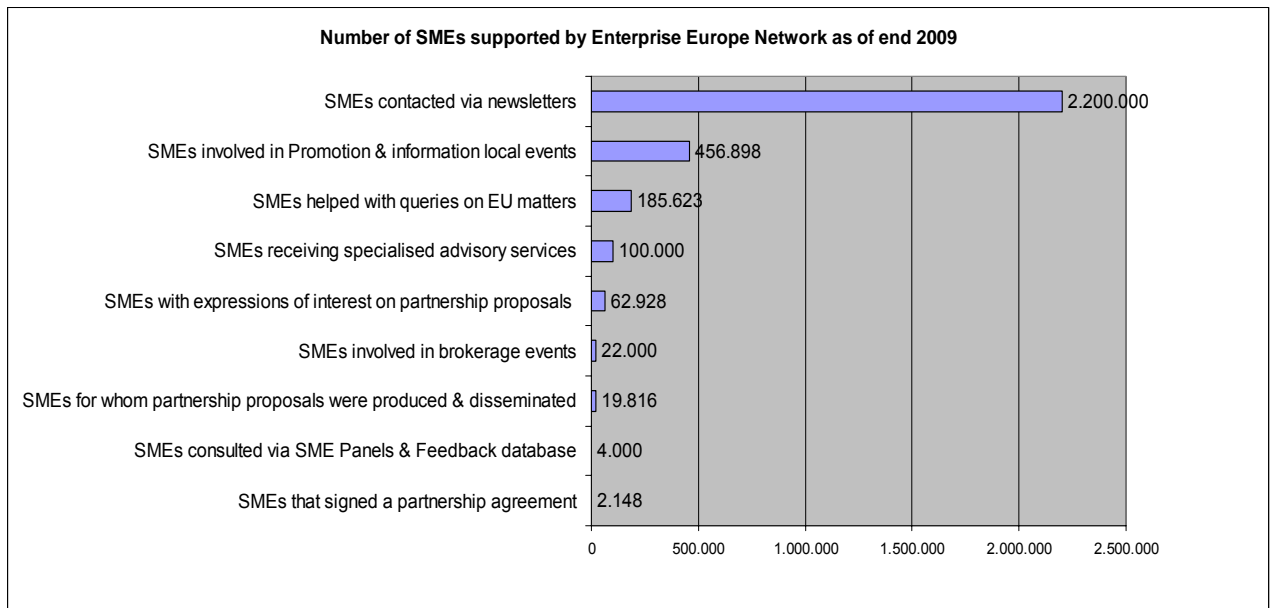
The Network offers support and advice to businesses across Europe and helps them make the most of the opportunities in the European Union. The Network's partners offer services specifically designed for SMEs. They provide information and practical advice on market opportunities, European legislation and policies relevant to a company or sector. They can help SMEs to find suitable business partners by using either business or technology cooperation databases, and provide information on EU funding opportunities and international networking.

A new project was launched in 2009 and from 2010, 55 organisations of the Network's partners will also offer **environmental services for SMEs**. It is expected that these Network partners will deliver services to about 7,500 SMEs in 55 regions for selected sectors of activity (9 in total), and sign cooperation agreements with more than 400 environmental service providers.

With the same aim of supporting SMEs with customised support in key economic sectors, experts in 17 key areas such as agro-food, automotive or sustainable construction from all across the Enterprise Europe Network have teamed up to create the **Network's sector groups**.

The Network's Sector Groups organise brokerage events to help company reach technology transfer or cooperation agreements with other organisations from the same sector. They can also advise on how to find partners to apply for EU-funded joint research projects in that specific field.

Figure 2: Number of SMEs supported by Enterprise Europe Network by end of 2009



Some examples of the work done by the Enterprise Europe Network in 2009 are the following:

The Network supports and provides advice to SMEs on market opportunities and finding partners. By the end of 2009 more than 12.000 companies introduced their profile in the business cooperation database. Companies regularly benefit from this tool:

Researchers at the University of Applied Sciences in Osnabrück have developed a computer-aided method for detecting which buildings in an area can accommodate solar power. The 'Sun-AREA' research project calculates the solar power potential for every roof within a given area. Thanks to the Enterprise Europe Network, they found a business partner in Austria who is now preparing solar maps for South Tyrol, Italy and a handful of Austrian regions. After footing the initial bill for the solar mapping, local authorities – as well as residents and companies – can then decide whether to invest in photovoltaic energy.

The Network helps SMEs to find the right technology or funding, as well as providing information on EU legislation and policies

Dr Małgorzata Włodarczyk was looking for ways to improve her private dental practice in Cracow, Poland, but did not know where to turn. Fortunately, the Enterprise Europe Network helped her secure EU funding of about € 11,000, covering 40 % of the cost to invest in modern equipment that would make drills and other tools more precise, safer and more comfortable for patients. "Thanks to the Enterprise Europe Network I could get through the complicated procedures and finally obtain significant financial support for my business," says Włodarczyk.

The Network provides innovation and business support to small businesses across the EU. It helps SMEs to understand how European legislation applies to them and the potential effect on their business

A London-based SME clinched an export deal on exporting live crabs to China thanks to quick and accurate advice on documentation procedures from the local Enterprise Europe Network partner, the London Chamber of Commerce and Industry. They walked the company through all the steps for acquiring the necessary export documentation. They also provided the company with pages from a guide on exporting to China that was unavailable online.

The Network gives a helping hand for accessing EU finance and grants

Hydraulic technology firm Mac3 has been a market leader in its native Italy since 1989. It is an

innovative firm, with its own electronic lab. So when CEO Dr Mirian Ronchi contacted Promofirenze, Enterprise Europe Network's branch in the Tuscan region, the potential for international expansion was clear. Thanks to the Enterprise Europe Network, they received over € 18,000 to finance a feasibility study for entering new markets such as France, the UK, Mexico, Argentina and Peru. "If it was not for the Network, we would not have been able to identify or track this great funding opportunity" said Dr Ronchi.

For additional information on the Network the following website can be consulted: <http://www.enterprise-europe-network.ec.europa.eu>.

4.1.3. Supporting Eco-innovation from different angles: funding the test of innovative solution, facilitate access to finance, networking and analytical activities

The Entrepreneurship and Innovation Programme contains a number of tools to support eco-innovation with an earmarked budget in 2009 of € 67.16 million. This includes € 29 million under financial instruments for investment into eco-innovation; € 2 million to create a "Networked Observatory on eco-innovation"; € 3 million to support policy exchange in this field; and € 1 million for providing environmental services for SMEs under the Enterprise Europe Network.

Eco-innovation first application and market replication projects are clearly oriented towards SMEs and aim to close the gap between research and market up-take as well as allow for a broader market penetration of eco-innovation. A call for proposals was launched in 2009 with a committed budget of € 32.15 million. The call focused on areas such as cleaner production processes, innovative environmentally-friendly products and services, and support for enterprises in greening their business, products and management methods. Among priority areas, "recycling" and "green business" are the sectors attracting most proposals, followed by "food and drink" and "buildings".

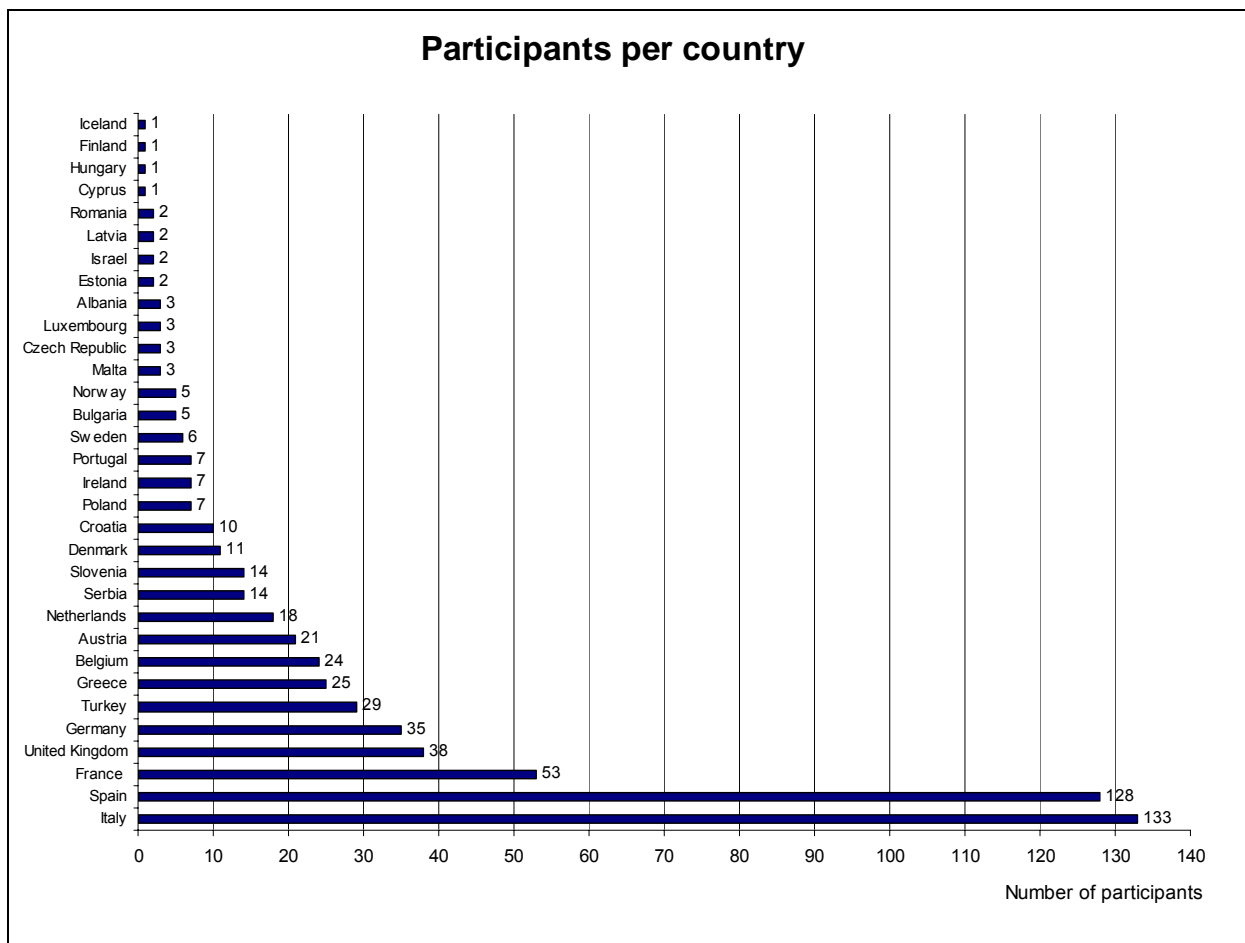
The 2009 call notably succeeded in addressing the SME market: in total around 70 % of the participants taking part in proposals are SMEs. 83 % of participants come from the private sector.

Many of awarded projects are clearly success stories, combining business and environmental benefits:

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 a yearly capacity of more than 20,000 tonnes of material each."

Nowadays solid waste, like integral cattle hair, organic solid waste coming from waste water mechanical coarse filtration and trimming of salted cattle raw hides, are collected and destroyed by incineration in specific authorised plants. The main objective of the FERTILANDIA project is the recovery of this waste and commercializing an Organic Nitrogenous Fertilizer named "pellicino integrato" (integrated leather meal) constituted of a mix of leather meal and dewatered sludge.

Figure 3: Participants per country in 2009 eco-innovation call.



More eco-innovation projects are presented at: <http://ec.europa.eu/ecoinnovation>.

4.1.4. Improved innovation policy in the EU

Accelerating innovation processes through increased cooperation between innovation actors across Europe

The CIP aims at accelerating innovation processes and thus facilitating the commercialisation of innovative products and services. In 2009 under the Europa INNOVA initiative, among other actions, support was given to reinforce or establish European Innovation Platforms (EIPs) in three priority areas: transnational cluster cooperation, knowledge-intensive services and eco-innovation. These European Innovation Platforms will run for three years, with the expectation that clear “exit” strategies will be defined on how the new innovation support services developed and tested by the EIP sectoral partnerships can be widely deployed.

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.

ABCEurope platform aims to promote and enhance partnerships between European biotech clusters and their companies thereby contributing to the creation of more world-class biotech clusters in the EU. ABCEurope will develop and test new cluster support service packages for innovative SMEs. These are intended to create better framework conditions and also a favourable environment for transnational cooperation, innovation, entrepreneurship and especially growth, within the biotechnology sector.

Closer cooperation between EU innovation policy makers

Through the PRO INNO Europe® initiative, the CIP brings together public actors responsible for innovation with a view to fostering transnational cooperation on support for innovation through different instruments.

Partnerships of regional and national innovation policy makers and support providers are established with two objectives: working more closely together in well-defined priority areas such as clusters, services, eco-innovation and support services provisions; and contributing to the creation of a more favourable innovation culture in Europe.

The Innovation Festival is an INNO-Action under the PRO INNO Europe® initiative; it is a celebration of innovation and creativity across six European cities, mobilising their citizens, youth, businesses, researchers and other regional players to broaden their minds and be part of multiple events that will not only showcase excellence and innovativeness but also address important societal challenges such as boosting creativity, tackling climate change or decreasing mobility barriers in urban environments

Making European public administrations greater consumers of innovation

Three networks of public procurers were launched in September 2009 and will run for three years. This is the first time that the Commission has funded specialised procurement networks dedicated to innovation. The aim is to enhance the demand side to facilitate the up-take of innovation solutions. Each network receives about € 1 million funding. The areas covered were: sustainable construction in public buildings, sustainable construction for health care sector buildings and protective textiles products.

4.1.5. Support to entrepreneurship and SMEs

Several actions were conducted during 2009 focusing on supporting entrepreneurship and innovation culture.

Reaching SMEs all around EU and beyond: 1200 events under the European SME week

A very successful measure that reaches an impressive number of citizens and business is the European SME Week. In 2009 this initiative consisted of more than 1200 national, regional and local events that took place in various settings of the 35 participating countries. The events addressed a wide range of topics regarding SMEs.

Breaking down SMEs' barriers

Other actions under the EIP aim at making standards more “SME friendly”. SMEs often report that standards are too difficult to understand, too costly to implement and include too many references so that buying several standards is necessary.

One of the actions undertaken in 2009 was the appointment of 46 experts in specific Technical Committees (TCs) of the European Standards Organisations (ESOs) so that SMEs' points of views are taken into account when drafting the standard. Another action in coordination with the ESOs is developing a "guide for writing standards taking into account micro and SMEs' needs" addressed to the experts in TCs, in order to draw their attention to the SMEs' specificities.

Boosting entrepreneur culture among the youth and women

In 2009 the CIP funded 9 transnational projects with high European added value aimed at promoting successful ideas that will serve as models for further European, national and regional projects in the field of education for entrepreneurship and in improving the entrepreneurial mindsets of the European youth.

The CIP supports the creation of a European Network of Female Entrepreneurship Ambassadors to increase the rate of European female entrepreneurs. In coordination with the partners of Enterprise Europe Network, successful entrepreneurs campaigning on the ground to encourage women — including women in active professional life and students — to set up their own businesses and become entrepreneurs. By 2010 this network will be organised in at least 15 countries participating in the CIP.

4.1.6. Analytical work for better EU policies

Surveys and studies with a European dimension are funded to guide policy making regarding SMEs and innovation. In that sense the CIP funded in 2009 the *SMEs Performance Review*, an empirical tool to monitor SMEs' performance and gather and disseminate information on the characteristics and specificities of SMEs in Europe.

Regarding innovation, the *Innobarometer* is the instrument developed by the Commission to capture innovation phenomena at company or citizen level. The Innobarometer 2009 survey was conducted in April 2009 and provided valuable information and insights on trends in companies' innovative investments and behaviour and the effects of the economic crisis. It was an input to policy documents such as the Commission's Communication "Reviewing Community innovation policy in a changing world" COM(2009) 442.

Other analytical studies had as objective 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 CO2 emissions. A comprehensive analysis of the situation of European Industry with regard to the risk of carbon leakage was undertaken in 2009.

Additional information on the EIP programme can be found in the 2009 EIP Implementation report on the following website: http://ec.europa.eu/cip/documents/implementation-reports/index_en.htm

4.2. The Information and Communications Technologies (ICT) Policy Support Programme

4.2.1. Approach and priorities for 2009

Approach

The Information and Communication Technology (ICT) Policy Support Programme (ICT PSP) aims to accelerate the development of a sustainable, competitive, innovative and inclusive information society. It aims at stimulating innovation and competitiveness through the wider uptake and best use of ICT by citizens, governments and businesses.

The uptake of ICT in businesses is in general addressed by the private sector and public policies need to focus on creating the best conditions for business developments and on raising awareness of the benefits of the technology innovations notably to SMEs.

Innovative and more efficient services in areas of public interest like health, inclusion, public administrations or energy efficiency require wider and better use of ICT based services. More proactive policies are needed to promote this uptake.

The major hurdles preventing this include the unavailability or too low emergence of those ICT-based services despite technology maturity, the lack of interoperability of solutions across the Member States as well as the market fragmentation of ICT-based solutions.

The CIP, through the ICT PSP, helps overcome those hurdles by hindering the development of an information society. It helps develop markets for innovative ICT-based solutions notably in areas of public interest. This helps open a wide range of new business opportunities in particular for innovative SMEs that provide ICT-based solutions.

The ICT PSP co-funds pilot and market replication actions for solving interoperability issues and validating innovative services in real setting, and gives incentives for networking actions that support experience sharing and consensus building. Those actions are complemented by other measures such as monitoring and benchmarking the development of the information society in Europe, supporting policy coordination by analysis and awareness raising actions.

From 2007 to 2009, around 80 % of the budget went to pilots, nearly 10 % to networking actions and a bit more than 10 % to other measures.

The total budget available for the ICT PSP Work programme 2009 was € 114.479 million.

Priorities for 2009

The WP2009 was based on the following eight themes that have mobilised the main part of the budget:

- Theme 1: ICT for health, ageing and inclusion
- Theme 2: Digital Libraries
- Theme 3: ICT for government and governance
- Theme 4: ICT for energy efficiency and environment
- Theme 5: Multilingual Web

- Theme 6: Public Sector information
- Theme 7: Internet evolution and security (including RFID)
- Theme 8: Open innovation, user experience and living labs

Each of them have focused on specific objectives to be addressed through a limited number of high impact pilot projects, best practice networks or thematic networks that have been selected through two open calls for proposals. In total 49 proposals (out of 187 received) have been retained for an overall budget of € 107.230 million.

The remaining part of the budget has served to other measures such as benchmarking, surveys, studies, conferences and events have been also supported through calls for tenders or grants without call for proposals were planned for a total amount of more than € 7 million in 2009.

4.2.2. *Innovating through ICT to address the challenge facing EU society*

The programme addresses main societal challenges such as climate change of demographic ageing focusing on health, ageing and inclusion and energy efficiency.

Under the theme **ICT for health, ageing and inclusion** five pilot projects and 1 thematic network have been selected in 2009 for € 16.9 million, complementing a portfolio of 11 pilot projects and 3 thematic networks already launched.

The pilot **projects type A** are building on existing National initiatives and aiming at developing interoperability and preparing for EU wide implementation of ICT based services

The ICT PSP is co-funding a large scale pilot A under the health theme: “epSOS” (www.epsos.eu) - in view of enabling a wider deployment of Electronic Health Records (EHR) that has been identified as a major opportunity for a sustainable and high quality healthcare. By validating in real life settings, interoperable patient summaries and e-prescription (addressing cross border deployment aspects), the pilot is enabling Member States to cooperate on solving the political, legal, organizational, semantic and technical issues which are hindering the deployment of EHR. It is planned that more than 300.000 patients will have the possibility to use the services across Europe.

The project regroups 27 beneficiaries including representatives of 12 Ministries of Health in the EU and a team of industries representing more than 30 companies. 5-6 additional states have approached the Consortium about being included in a possible future extension of the project. Beyond the epSOS pilot itself, such cooperation is an essential step towards deploying interoperable eHealth systems.

The pilot **project type B** are projects to show casing and testing innovative ICT based solutions at real scale to demonstrate technical, organisational and legal feasibility.

Many of the challenges of getting older such as reduced mobility, increased risk of falling (which concerns 1/3rd of all 65+ seniors), social isolation or mild dementia, need to be addressed through a multi-factor, personalised, life course oriented approach. Innovative ICT based solutions help to address those issues and offer new opportunities for improved services. Pilots involving large partnerships – often with a nexus at regional/city level - are the best appropriated way to accelerate the uptake of such solutions.

It is indeed necessary to bring together around the older user, his or her family and social network, social care workers for example for domestic assistance, local community service providers, service providers for transport, security, retail shopping etc., health professionals, and authorities regulating

provision and reimbursement – and of course ICT companies providing either the ICT itself or ICT-based services such as a call centre.

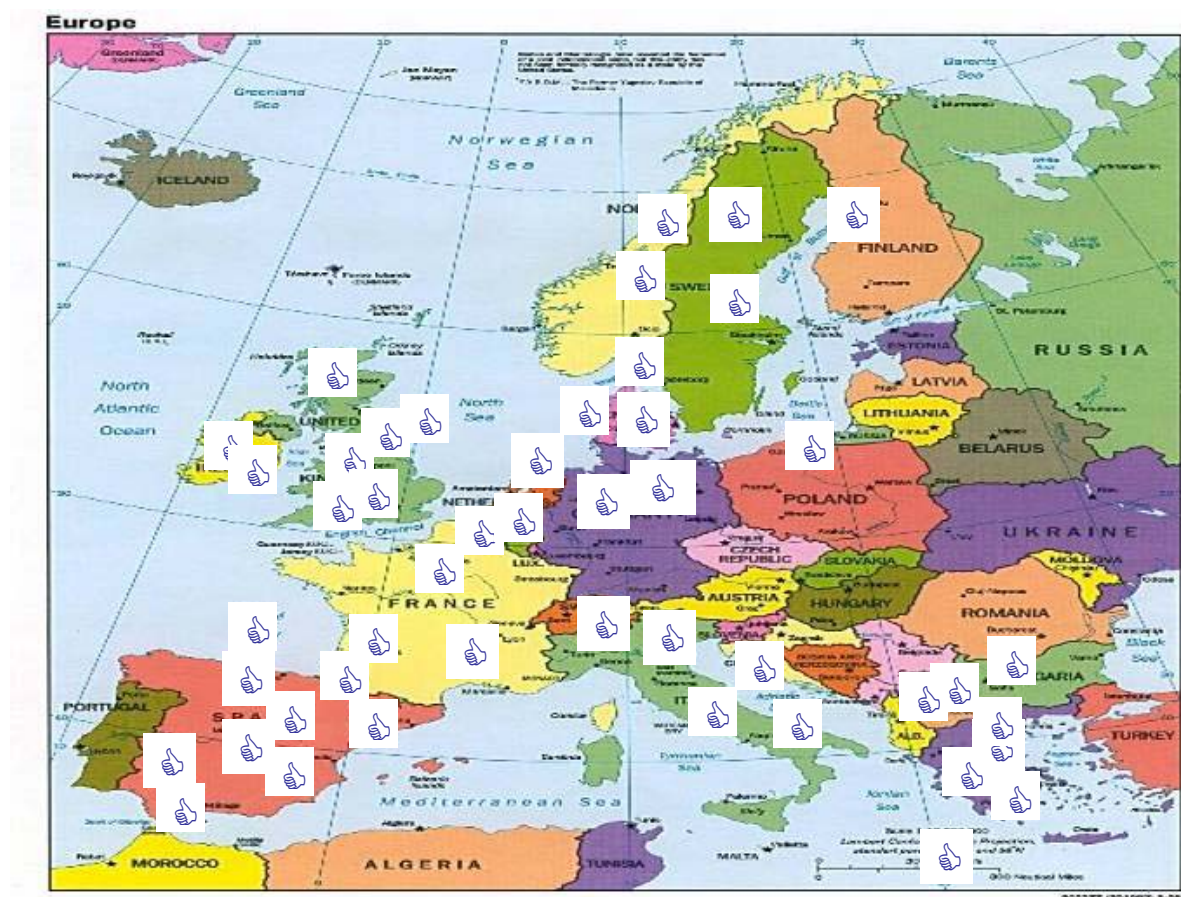
Currently funded by ICT Policy support programme for ICT for ageing well, the pilot type B “INDEPENDENT” aims to define, deliver and pilot a well thought out multiplatform digital services infrastructure, supporting coordinated cross-sector delivery of timely support to prevent older people from slipping out of safe independent living and to maintain their quality of life.

Collectively the pilots supported by ICT PSP in this area create the critical mass necessary to provide convincing large-scale evidence for public and private investment in market take-up and replication: the ongoing ageing well pilots involve not only over 40 regional projects but also more than 10,000 users, both the elderly and their carers. They are developing common impact measurement and common technical and interoperability specifications.

Under the theme *ICT for energy efficiency*, three pilot projects have been selected for nearly € 7 million. This comes in complement of four pilot projects and two thematic networks already supported.

eSESH is a pilot project type B that aims at sustained reductions in energy consumption across European social housing by providing usable ICT-based energy management and awareness services directly to tenants, by providing effective ICT monitoring and control of local power generation and the full heat delivery chain for district / building systems and by providing data in support of more targeted policy and investment decisions at national and regional level. Operational services are to be tested in a 10 sites involving around 5000 users.

Figure 4: Coverage of the CIP pilot projects under the theme ICT-PSP Ageing & e-Accessibility: 40 regional sites involved



4.2.3. *Exploiting Europe's cultural heritage and diversity*

Under the theme *Digital Libraries*, four best practice networks and six pilot projects have been selected for a total EU contribution of € 26.6 million. The bulk of the effort supports the development of Europeana⁴, in particular by improving services and aggregating more digitised content available through it.

The best practice networks in this area promote the adoption of standards and specifications and their implementation in real life context, for making European digital libraries more accessible and usable.

CARARE is an aggregation service to make available through Europeana digital content from the archaeology and architectural heritage domain. It expands Europeana's network of content providers by involving heritage organisations, archaeological museums and specialist archives. Distributed 2D and 3D content for heritage places will be brought together and linked up in Europeana, increasing the critical mass of geographically referenced content and creating the potential for new map-based commercial and public services for tourism, education or research.

Another theme priority is the support of *Multilingual Web*. Nine pilot projects are launched in this new domain of ICT PSP for a total budget of € 13.95 million.

4.2.4. *Improving public services and interactions between citizens, businesses and administrations*

Three main priorities look at better governance, at ameliorate the services offered and facilitate the contact and among public administration and users. Three themes have been funded in 2009 to achieve those goals.

In 2009, under *ICT for government and governance* theme, two ongoing large scale pilot projects building on Member State initiatives (type A) have been enlarged to include additional Member States in the consortia; three pilot projects (type B) and one thematic network have been selected for a total EU contribution of € 24.4 million, complementing a portfolio of 7 pilots projects and 3 thematic networks.

Support is provided to large scale pilots that seek to overcome digital barriers in electronic procurement, electronic identity management and the implementation of the Services Directive, which is essential for reducing fragmentation and ensuring interoperability in the delivery of services.

Electronic Identity management is a key enabling component for the right delivery of on-line services. STORK (www.eid-stork.eu) is a pilot type A that aims at making it easier and facilitating the access to

⁴ Europeana is a European digital library that aims to foster growth and jobs in the information society and media industries. It is built on Europe's rich heritage, combining multicultural and multilingual environments with technological advances and new business models

online public services across borders. It supports the development and testing of common specifications for mutual recognition of national electronic identity and piloting the solution for safer chat, student mobility, electronic delivery and change of address. It will demonstrate how:

- people will be able to authenticate themselves securely and easily for online access Government services across Europe, using their national eID system;
- administrative formalities can be simplified by providing online access to a range of public services. People will be able to use cross-border services over the Internet;
- secure interoperable eID authentication can encourage the growth of online services;
- interoperable eID authentication is a key enabler for the EU Services Directive, helping Member States to set up points of single contact for access to Government services.

18 Member States participates in STORK after its enlargement.

Under the theme **Public Sector information**, five pilot projects and one thematic network are launched in a new domain for ICT PSP for € 8.57 million. These networks aim at sharing experiences and developing consensus.

Thematic network on Legal Aspects of Public Sector Information (PSI)

Information generated and collected by public sector entities represents a veritable minefield; it might make a much greater contribution to EU economies and societies, if current legal barriers to access and re-use were removed and relevant incentives were proposed. The LAPSI network deals both with established PSI areas (geographic, land register data, etc.) as well as novel areas (cultural data from archives, libraries, scientific information, etc.) or environmental figures. LAPSI brings together crucial stakeholders from a large number of EU jurisdictions around cycles of seminars and conferences in view to produce and promote a set of policy guidelines and practices.

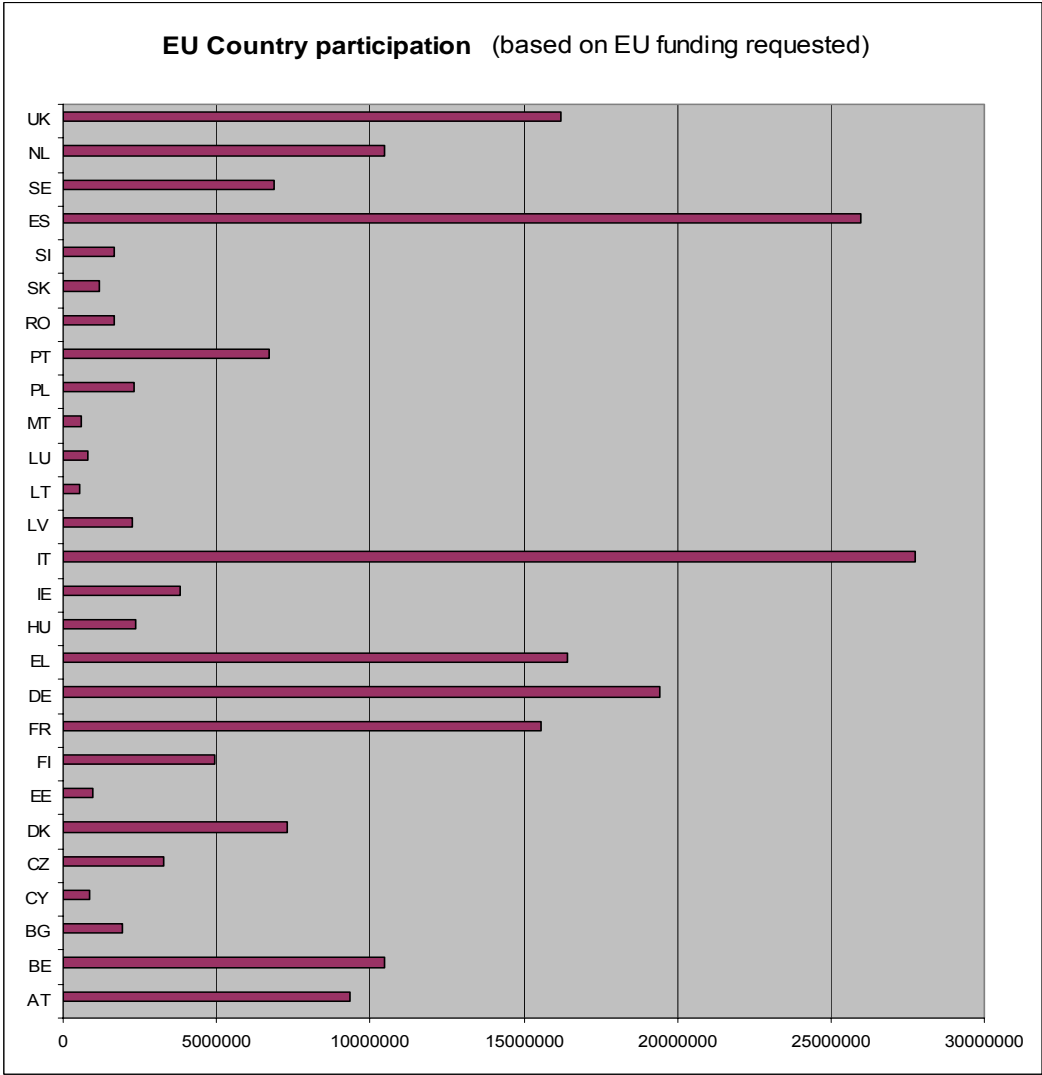
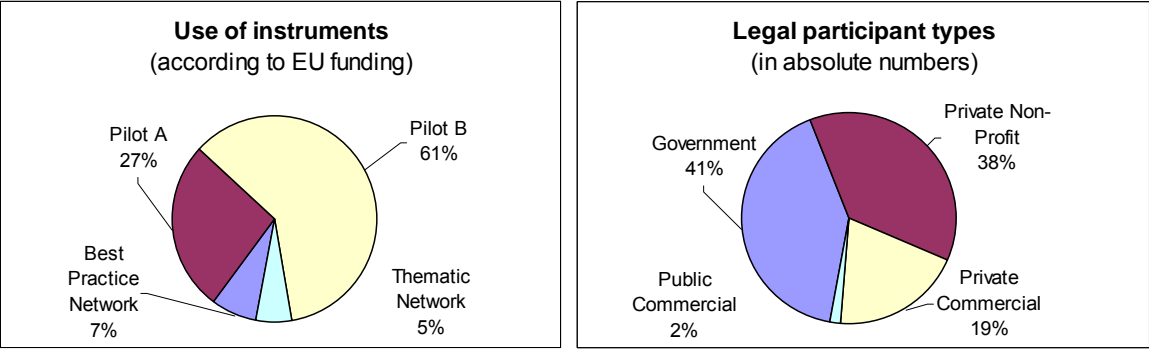
Two pilot projects have been selected for the theme 7: "**Internet evolution and security**" and one pilot project on the theme 8: "**Open innovation, user experience and living labs**" for a total EU contribution of € 10 million.

4.2.5. Participation

When looking at the consortia involved in those 49 proposals selected in 2009, overall public bodies represent 40% of participants in the selected proposals of the Call. SMEs represent more than 30% of the participants, 27% were large enterprises and the rest concerns other entities such as intermediaries or user associations.

The overall participation since the launch of the programme is illustrated in the figure number 5.

Figure 5: Participation in ICT PSP (over 2007-2009)



Additional information on ICT-PSP programme can be found on the dedicated website at the following address: http://ec.europa.eu/ict_psp.

4.3. The Intelligent Energy-Europe Programme

4.3.1. Objectives and thematic priorities

The main objective of the Intelligent Energy-Europe (IEE) Programme as set out in Article 37 of the CIP Decision is to contribute to security and sustainability of energy supply for Europe, while enhancing European competitiveness. It provides for action:

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

In addition, the IEE programme provides for action across the above fields to promote, for instance, energy efficiency and renewable energy sources in a combined way (Integrated Initiatives).

The actions funded under IEE II are mainly implemented through “promotion and dissemination projects”. These are of a "soft" nature: they tackle non-technological barriers and work in a catalytic way, by triggering market mechanisms or to induce third parties to take action in line with the Programme's objectives. Other actions covered by the Programme include launching the technical assistance facility (ELENA Facility) that supports local and regional authorities to prepare and define bankable projects in line with their sustainable energy action plans, support the preparation and implementation of the EU energy policy or actions with standardisation bodies.

The main activities carried out in 2009 in these three different programme strands are outlined below. As the main part of the budget was allocated to the promotion and dissemination projects, the emphasis of this report is on the results of the 2009 Call for Proposals which in total resulted in 59 projects recommended for funding on the following field of action.

A. Promotion and dissemination projects

a. Energy efficiency and rational use of energy (SAVE)

This strand foresees the improvement of energy efficiency and the rational use of energy, in particular in the building and industry sectors, and supporting the preparation and application of legislative measures. The following two priorities were open for funding under the Call 2009:

- ***Energy-efficient buildings:*** for action raising the energy performance of new and existing buildings, in both the residential and tertiary sectors, where the potential is estimated to be around 27 % and 30 % of energy use, respectively. Seven new proposals were selected.
- ***Energy-efficient products:*** for action increasing the market share of energy-efficient products and encouraging users to choose and use them rationally. Six new proposals were selected.

The 'Smart-e buildings' project, under the energy-efficiency theme, is an industry-led Europe-wide mobilisation campaign addressed to public authorities at national, regional and local levels, as well as citizens in view of empowering them to act with information about concrete ways to foster sustainable buildings in their respective domain, and guiding them when they are willing to act. It will also target and educate national and EU parliamentarians and the media. In its focused approach to massive mobilisation, Smart-e buildings will use a central interactive web portal linked to a large number of social networking sites. It will allow for volunteering and user group space on the portal, where activists can get organised and plan the annual EU Smart buildings days.

The 'Energy Saving Outdoor Lighting (ESOLI)' project under the Energy-efficient products theme, aims at accelerating the use of intelligent street lighting systems. By dimming lights automatically in response to the time, date, traffic frequency, and ambient conditions, these systems have proved to generate significant savings. The project will help municipalities reduce lighting energy use, offering them information on innovative forms of funding where the hardware is paid by energy service companies in exchange of part of the savings. At least 250 municipalities will be mobilised across Europe.

b. New and renewable energy resources (ALTENER)

This action includes the promotion of new and renewable energy sources for centralised and decentralised production of electricity, heat and cooling and thus supporting the diversification of energy sources, the integration of new and renewable energy sources into the local environment and the energy systems, and support to the preparation and application of legislative measures.

18 projects have been funded in this field that focus, as in 2008 call, on the following issues:

- ***Electricity from renewable energy sources (RES-e)*** aimed at supporting EU policy by tackling barriers to market growth and helping to achieve future renewable energy targets, while the objective of the action.
- ***Renewable energy heating/cooling (RES-H/C)*** was to promote greater use of biomass, solar and geothermal heating and cooling, especially in buildings and industry.
- ***Biofuels***, whose target was the promotion of the use of sustainable forms of biodiesel, alcohols, biogas and bio-additives to replace fossil fuels for transport applications and to contribute to achieving future EU targets.

A new field supported in 2009 was ***RES in buildings***. 4 projects are funded to promote the use of renewable energy systems in the building sector.

In the field related to electricity from renewable energy sources, (SEANERGY 2020) is a project under negotiation that focuses on the delivering of offshore electricity to the EU. The issue of maritime spatial planning (MSP) is one of the major issues influencing the development of the offshore energy sources (wind, wave and tidal stream power). Having in mind the important role that the offshore sources of energy are supposed to play in the future electricity sector in Europe, this project will look at the existing MSP practices (or lack thereof) in countries bordering on the Baltic Sea, North Sea, Atlantic and Mediterranean Sea. Based on the outcomes of the project policy-makers will be able to create a more favourable legal framework for the development of offshore energy sources. This will have a major impact on speeding-up the process of development of these energy sources.

In the field of RES Buildings, training courses of installers of small-scale renewable energy systems in buildings are the main objective of "Install+RES": With the number of small-scale renewable energy installations in buildings rapidly increasing, the way in which these are installed remains the major

concern. Therefore Install+RES addresses directly installers and SMEs active in the RES field. During the project's lifetime 15 training courses will be established in five European countries (Poland, Slovenia, Italy, Greece and Bulgaria), for a total of at least 240 certified and qualified installers, thus eventually resulting in high quality installations, a more reliable and efficient market and consumers more confident in these technologies. In this way this project directly refers to the requirements of the Renewable Energy Directive concerning the qualification of installers of renewable energy systems in buildings.⁵

Implementation plan for Bio-Energy Farm (BioenergyFarm). This project under the field of bio fuels, aims at providing farmers from Germany, the Netherlands, Belgium, Italy, Poland and Estonia with a comprehensive tool to find out what options they have in regard to the production and use of bio-energy sources. If a "Bio-energy Scan", readily available online, suggests, that production of bio-energy on their farm would be profitable and sustainable, a more detailed check of the available options, made by one of 52 experts trained within the scope of the project, will be performed. Subsequently – if the profitability of the change to bio-energy is confirmed - the farmers will also be helped in the preparation of the business plan. The aim is to attract at least 100 000 farmers to visit the website dedicated to the project, which will lead to the establishment of additional 40 MW of bio energy projects.

c. Energy in transport (STEER)

This action aims at promoting energy efficiency and the use of new and renewable energy sources in transport. It includes the support to initiatives relating to all energy aspects of transport and the diversification of fuels; the promotion of renewable fuels and energy efficiency in transport; and the support to the preparation and application of legislative measures.

Under the Call 2009, the number and quality of transport proposals increased considerably compared to previous years. A total of 50 proposals were submitted on issues related to energy aspects in transport. This was twice as much as under the Call 2008 and showed a growing interest in this part of the IEE programme. Part of this increase results from renewed efforts to reinforce communication in this field, targeting transport multipliers as much as possible. For instance, a specific workshop was organised by the EACI during the 2009 EU Sustainable Energy Week.

Ten projects were funded, addressing most of them (9 out to 10) “*energy-efficient transport*”.

These projects should prepare the ground for more effective implementation of European sustainable transport policies; contribute to widening the potential range of market players and accelerate the take-up and transfer of best practices. Projects should tap the potential of the various modes and combined use thereof as a contribution to more energy-efficient transport. Policies related to integrated strategies and (dis)incentives will likewise help to steer the behaviour and decisions of transport users, authorities and operators

In the field of energy-efficiency transport, the *TRAILBLAZER project* aims at *increasing the energy efficiency of transport logistics by local authorities*. It will achieve a reduction in energy used in urban freight transport through public sector policy interventions across Europe by showcasing good practices and promoting Delivery and Servicing Plans. The consortium comprises local authorities, private sector industry leaders and communications experts. A group of experienced organisations will

⁵ Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC, art. 14.3 and Annex VI.

transfer knowledge and experience to a group of less experienced authorities. This project addresses a topic which has received very little attention so far.

Another project was funded on “*alternative fuels and clean vehicles*”:

The Clean Drive project aims at increasing the share of the most energy efficient vehicles by training key players in the purchase chain in particular car-dealers, car-rental companies and car-leasing companies. Campaigns will also be implemented to stimulate end-users to purchase cleaner vehicles. The Clean Drive concept is based upon a working model tested in Sweden with good results. The results in terms of energy savings will be carefully monitored during the course of the project.

d. Integrated initiatives

Integrated initiatives cover actions where energy efficiency and renewable energy sources are addressed together, or actions covering several of the priorities listed above for SAVE, ALTENER and STEER.

14 projects under Integrated Initiatives were funded in 2009. They focus on a more limited number of priorities in comparison with previous years. The field chosen were: the *European networking for local action, sustainable energy communities, the bio-business initiative and the energy service initiative*.

Examples of projects under negotiation are the following:

Local Action:

The *ENGAGE project* (namely Local authorities communicating to engage stakeholders and citizens) aims at increasing the involvement of citizens and local stakeholders, such as schools, professionals, companies or public administrations, to promote responsible behaviours through voluntary commitments. Supported by a PR campaigning in 12 pioneer cities, over 3500 voluntary commitments concerning CO₂ emissions and energy savings, as well as participation of the municipal energy policy-makers, will lead to real energy savings. The commitments will be monitored to yield concrete and quantifiable results. The project will be replicated by further 150 communities to have a serious impact on the municipal CO₂ emissions.

Sustainable Energy Communities:

The *ENNEREG project* (namely 'Regions paving the way for a Sustainable Energy Europe') represents 12 regional partnerships committed to serve as pioneers in demonstrating how regions of all types and sizes can be a key driving force in fulfilling the European 2020 targets. The project is expected to generate significant energy and CO₂ savings in the various regions covered by the project thanks to the elaboration of regional sustainable energy action plans, the implementation of some 150 investment oriented projects and the launch of 10 new Covenant of Mayors' Supporting Structures. A replication programme where each of the partner regions supports another region in adopting relevant energy strategies will ensure the sustainability of the approach and wider impact of the project.

B. Other actions funded during 2009

In addition to the grants that have been allocated through a call for proposals, a cooperation scheme with the EIB was launched in 2009: the European Local Energy Assistance Facility (**ELENA**). The official launch of ELENA was 15 December 2009 with the signature of a contribution agreement between the European Commission and the European Investment Bank. The European Union shall contribute a maximum amount of EUR 15 million from the

2009 IEE II budget to cover Eligible Costs, costs of external auditors in relation to the audits of the Trust Account and the Management Fee. The EU contribution shall cover up to 90 % of all Eligible Costs. More information is available at the ELENA Facility website http://www.eib.org/products/technical_assistance/elena/

Regarding the **Concerted Actions (CA)** with Member States and participating countries, these concern a limited number of specific activities in relation to the implementation of Community legislation and policy. They aim at fostering the exchange of information and experience among Member States and participating countries with regard to the implementation of Community legislation and policy.

In 2009 there was a CA addressing the Directive 2002/91/EC on Energy Performance of Buildings (EPBD). This action delivered timely inputs for policy-making in the field of buildings. It focuses on finding common approaches to the most effective implementation of the EPBD. The executive outcomes of the Concerted Action being based on practical implementation of the legislation, and as communicated to co-legislators in Brussels to act as supporting documentation for reaching political agreement on the recast of the Directive, were instrumental in demonstrating the solid viability of the Commission's proposal for a recast.

Finally, an important communication effort has been undertaken during 2009: Info days and other events were organised for potential applicants on how to develop a good project proposal and apply successfully; The EU Portal for energy efficiency in buildings (BUILD UP) was released in June 2009 and has become the backbone for all EU activities related to energy conservation measures in the building sector.

In addition to events and conferences other communication tools were used such as: the production of video news releases, emails news alert services or publications. Thanks in particular to the new IEE projects database, the IEE website remain the main communication tool with more than 166,000 pages views each month.

Figure 6: Selected projects for funding under IEE programme in 2009

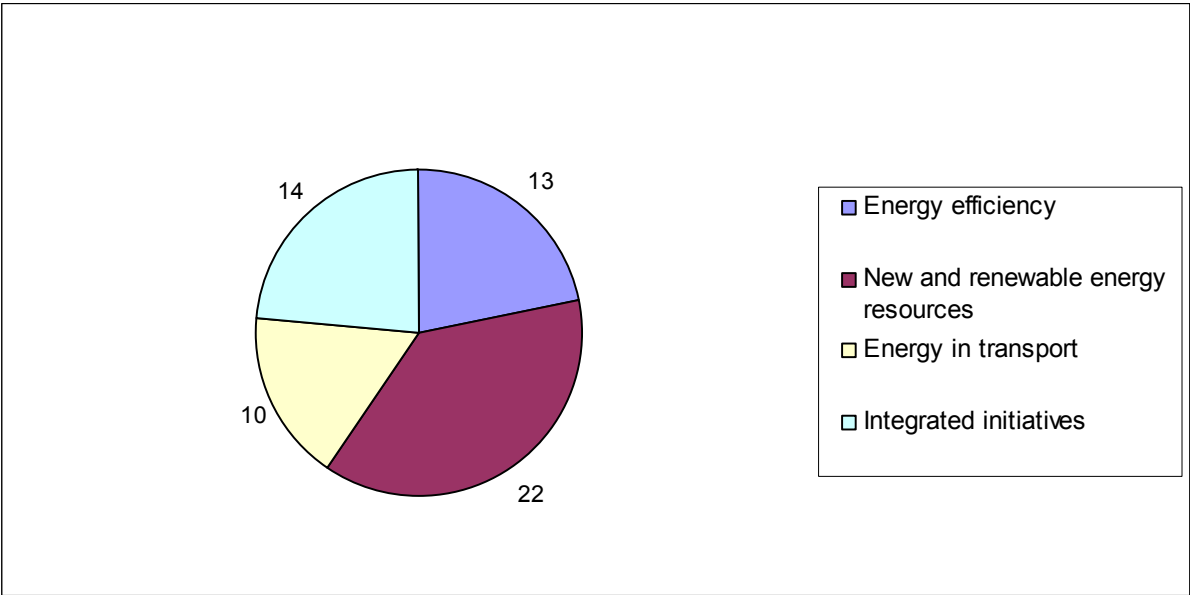


Figure 7: Participants per country and legal participant types in the 2009 Call

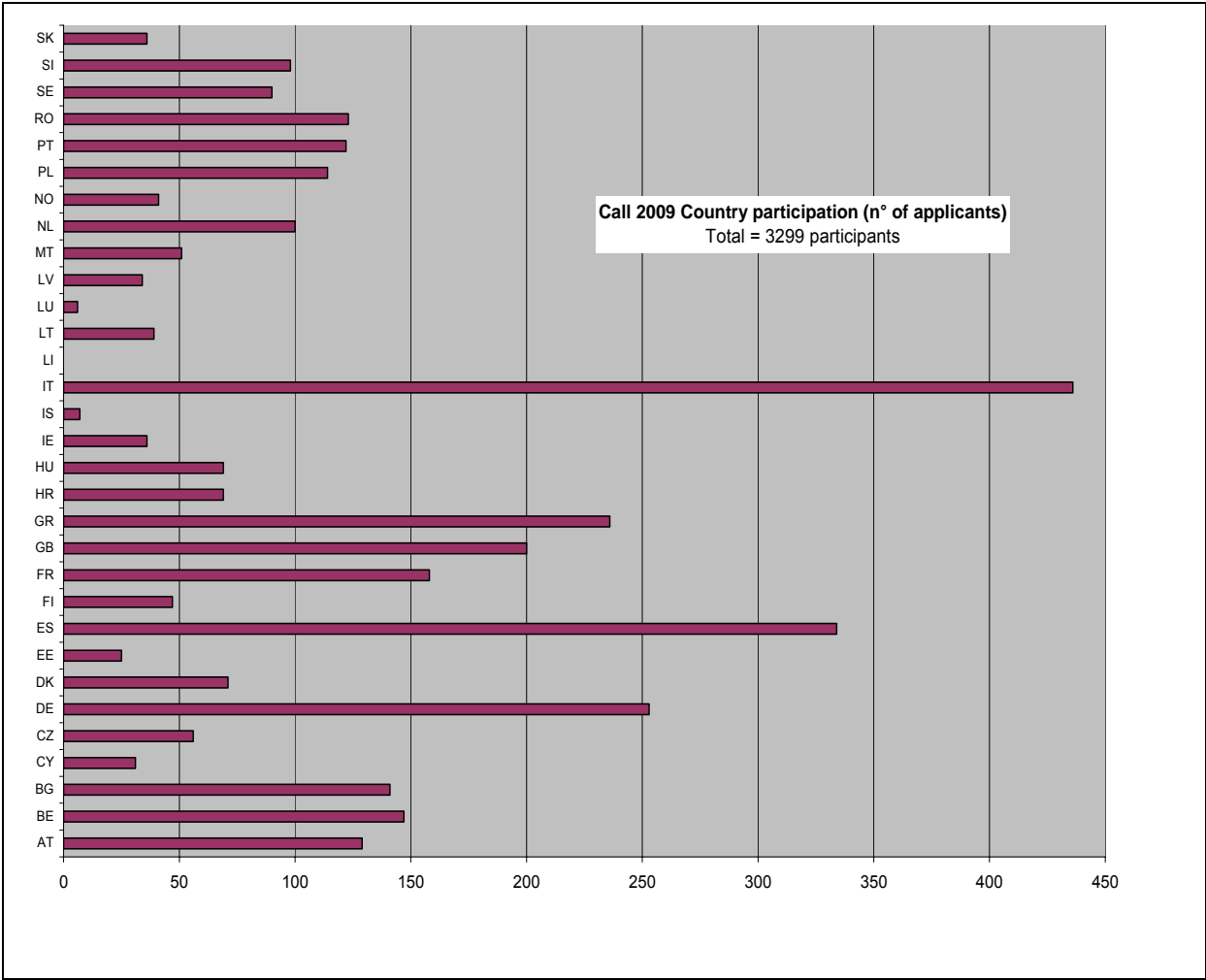
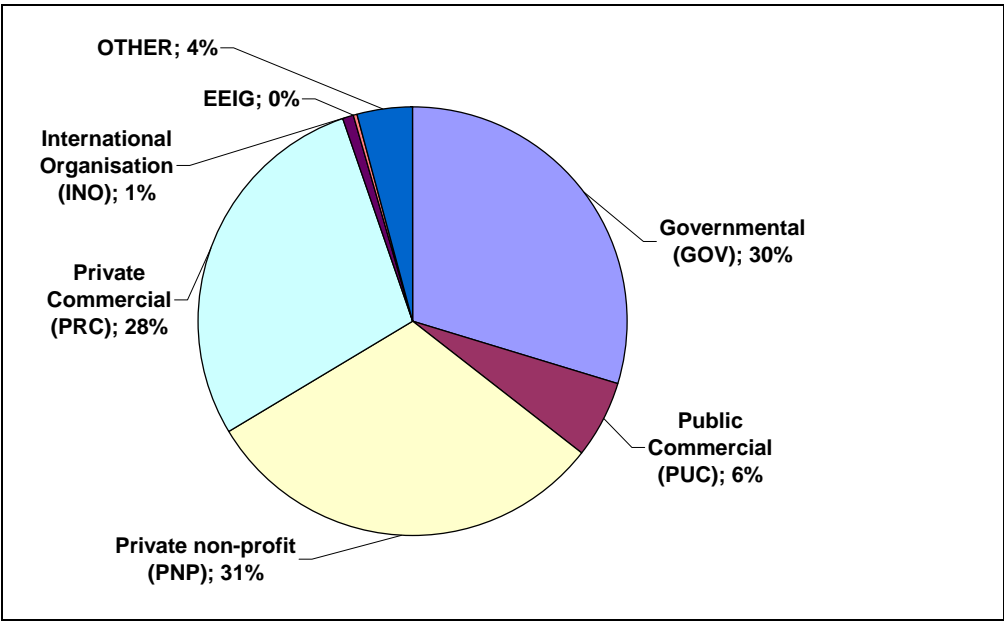


Figure 8: Legal participant types



4.3.2. Budget

The Call for proposals 2009 is being negotiated with an expected 59 proposals to amount to a total EC contribution of 68.971.596.EUR which corresponds to an overall co-financing rate of 75 % for projects.

For the 2009 IEE Work Programme, the total operational budget amounted to EUR 88.741.400. Contributions from EFTA countries to the latter operational budget totalled 2.129.794 EUR and Croatia's⁶ contribution totalled 494.480 EUR.

6.676.000 EUR was provisionally allocated to cover the operating expenses of the Executive Agency for 2009, the 2009 subsidy paid amounted to 5.805.521 EUR.

The execution rate of the total budget allocated to the IEE II for 2009 is expected to be close to 100 % for the EACI.

More information on the IEE programme is available on the following website: <http://ec.europa.eu/energy/intelligent>

⁶ Memorandum of Understanding with Croatia was signed at the beginning of October 2007 and ratified by the Croatian Parliament on the 19th October 2007.

5. OTHER ISSUES

5.1. Interim evaluation of the Competitiveness and Innovation Framework Programme

Following the interim evaluations of the three specific CIP programmes that were conducted in 2008, an interim evaluation of the Competitiveness and Innovation Framework Programme was carried out during 2009 by an external evaluator. As required under Article 8 of the Legal Base, the purpose was to evaluate progress in implementing the programme so far. The evaluation report was delivered to the Commission beginning of 2010 and is available on the CIP web: <http://ec.europa.eu/cip>. The evaluation confirms the relevance, effectiveness and efficiency of the CIP but it also provides some recommendations for the improvement of the programme. The Commission is following up the suggestions.

5.2. Strategic Advisory Board on Competitiveness and Innovation

In June 2009 the annual meeting of the Strategic Advisory Board on Competitiveness and Innovation took place. It was established in October 2007 further to Article 48 of the CIP Decision and consists of 20 stakeholder representatives that advise the Commission on the implementation of the CIP. The Board discussed, among other topics, how to increase complementarities among CIP implementing measures and also between the CIP and the 7th Research and Development Framework Programme.

5.3. Participation of non-EU countries in CIP

According to Article 4 of the Legal base, non-EU countries may participate in the CIP. In 2009 Turkey joined the ICT PSP programme and Serbia fully participated in the EIP and ICT-PSP programme.

By the end of 2009, the following non-EU-member countries were participating in the three specific CIP programmes:

- Entrepreneurship and Innovation Programme (EIP): Norway, Iceland, Liechtenstein, Croatia, the Former Yugoslav Republic of Macedonia, Montenegro, Turkey and Serbia fully participate in the EIP; Israel and Albania participate in certain parts.
- Intelligent Energy Europe Programme (IEE): Norway, Iceland, Liechtenstein, and Croatia.
- ICT Policy Support Programme (ICT-PSP): Norway, Iceland, Liechtenstein, Croatia, Turkey and Serbia.

6. CONCLUSION

In 2009 all CIP instruments and actions were fully operational showing encouraging results. The execution rate of the total budget allocated to the three different programmes was above 99.5 %.

During the third year of implementation, some CIP measures extended the coverage of their actions and then the number of possible beneficiaries. This was the case of the financial instruments (more than 58,800 SMEs benefited from their support by the end of 2009).

Other actions, such as the European Enterprise Network increased the services offered (new service on eco-innovation) and the number of SMEs reached. By the end of 2009, and among other services, the partners of the Network contacted more than 2.2 million SMEs via newsletters every week. They have also involved more than 457,000 SMEs in local promotion and information events.

The response from the market to the grants published was very positive. Actions such as the pilot and market replication projects on ICT-based services and eco-innovation or the dissemination and information actions on sustainable energy had an increased number of applications and, in most cases, the number of projects funded during 2009 was higher than in previous years. One of the most evocative cases is the call on eco-innovation, where the total funding request increased by almost 40 % compared with the 2008 call.

The calls benefited from the active involvement of applicants from all participating countries and it is worth mentioning that there was a high proportion of SMEs among private beneficiaries. The share of SMEs was even slightly higher than in previous years for some measures (going up to 70 % under eco-innovation market replication projects).

Regarding communication on CIP actions, promotion activities to raise awareness of the measures of the three specific programmes took place in the participating countries. Specific websites of the initiatives and programmes remained the main communication instrument of the CIP, but video releases, publications, and other communication tools were also used to reach the target audience of each measure.

The financial and economic crisis that began in 2008 has dramatically changed the economic environment for SMEs. This also has an impact on the operation of the CIP. Whereas the programme has a long-term objective, the Commission is carefully monitoring the implementation and the competitiveness needs. The Commission is also analysing the results of the CIP interim evaluation that was conducted in 2009 in order to detect any room for improvement within the CIP.

The conclusions of the interim evaluations were encouraging and underlined the important leverage effect of some CIP actions and the relevance of the CIP measures to foster competitiveness and innovation. Analytical studies carried out in 2009 show us that stronger countries in terms of innovation have been able to overcome the crisis quicker than others with lower rates in that field. This is again a confirmation of the need to foster competitiveness through innovation for creating more jobs and growth in the EU and to reinforce the work done under CIP in the years to come.