The Lisbon European Council of March 2000 set the objective of making Europe the most competitive and dynamic knowledge-based economy in the world. Amongst others, it emphasised the importance of creating a climate favourable to small and medium-sized enterprises (SMEs).

The 'Competitiveness and innovation framework programme' (CIP) is a coherent and integrated response to the objectives of the renewed Lisbon Strategy (February 2005), calling for actions to deliver growth and competitiveness and to make Europe a more attractive place to invest and work. The new start recalls that entrepreneurial initiative must be stimulated, sufficient risk capital attracted to start up businesses, and a strong European industrial base sustained. At the same time, innovation and notably eco-innovation, the uptake of information and communication technologies (ICT) and the sustainable use of resources should be facilitated.

The CIP is expected to become one of the main Community measures contributing to generating economic growth and creating more jobs and is foreseen as an instrument to support competitiveness and innovation in the single market between 2007-13. It will bring together, into a coherent framework, specific Community support programmes and relevant parts of other Community programmes in the fields most critical to boosting European productivity, innovation capacity and sustainable growth, whilst also addressing complementary environmental concerns.

The CIP is one of a series of flagship programmes that will define the Commission's actions from 2007 and they will work in parallel and complement each other. CIP will complement other major programmes covering:

- Cohesion activities
- Research, technological development and demonstration activities
- Life-long learning

The ‘Competitiveness and innovation framework programme’ (CIP) will:

- foster the competitiveness of enterprises, in particular SMEs;
- promote innovation including eco-innovation;
- accelerate the development of a competitive, innovative and inclusive information society;
- promote energy efficiency, new and renewable energy sources in all sectors including transport.

The 'Competitiveness and innovation framework programme' (CIP) will combine Community actions in the fields of entrepreneurship, SMEs, industrial competitiveness, innovation, ICT development and use, environmental technologies and intelligent energy. It will be complementary to the 'Seventh Community framework programme for research and technological development' (FP7) by dealing with innovation, which includes non-technological and technological innovation that has moved beyond the final demonstration phase and is ready for market replication.

The objectives of the CIP shall be pursued through the implementation of the following three specific programmes:

- the ‘Entrepreneurship and innovation programme’ (EIP);
- the ‘Information and communications (ICT) policy support programme’ (ICT-PSP);
- the ‘Intelligent energy-Europe programme’ (IEE).

1.) The ‘Entrepreneurship and innovation programme’ (EIP)

This programme will bring together activities in support of enterprise, particularly entrepreneurship, SMEs, industrial competitiveness and innovation including eco-innovation. The EIP will provide for action to support, improve, encourage and promote:
- access to finance for the start-up and growth of SMEs and investment in innovation activities;
- the creation of an environment favourable to SME co-operation, particularly in the field of cross-border cooperation;
- all forms of innovation in enterprises;
- eco-innovation;
- entrepreneurship and innovation culture;
- enterprise and innovation-related economic and administrative reform.

The Community financial instruments for SMEs will ease access to finance for SMEs in certain phases of their life cycle: seed, start-up expansion and business transfer. Towards this purpose the following instruments will be used:

- the 'High growth and innovative SME facility (GIF)';
- the 'SME guarantee (SMEG) facility';
- the 'Capacity building scheme (CBS).

2.) The 'ICT policy support programme' (ICT-PSP)

This programme will be one of the means to support actions identified in the new initiative called 'i2010: European Information Society' for growth and development. It will build on the lessons learned from the previous eTen, eContent and MODINIS programmes.

This programme provides for the following actions:
- development of the single European information space and strengthening of the internal market for ICT and ICT-based products and services;
- stimulation of innovation through a wider adoption of and investment in ICT;
- development of an inclusive information society and more efficient and effective services in areas of public interest and improvement of the quality of life.

These actions shall be carried out with a particular emphasis on the promotion and awareness-raising of the opportunities and benefits that ICT brings to citizens, public authorities and businesses, particularly SMEs.

3.) The 'Intelligent energy-Europe programme' (IEE)

The objective of this specific programme is to support sustainable development as it relates to energy and to contribute to the achievement of the general goals of environmental protection, security of supply and competitiveness.

The IEE programme will be structured in three specific fields promoting:
- energy efficiency and the rational use of energy resources;
- new and renewable energy sources and support of energy diversification;
- energy efficiency and the use of new and renewable energy sources in transport.

The Commission shall draft individual workprogrammes for each three specific programmes. The workprogrammes shall set out in detail the objectives and priorities, the criteria for the selection and evaluation of the measures needed for their implementation, operational timetables and the rules for participation.

One or more of the following type of implementation measures shall be used for implementing of the specific programmes of the 'Competitiveness and innovation framework programme' (CIP):

a) Community financial instruments for SMEs managed by the European Investment Fund (EIF) and international financial institutions;
b) projects, best practice actions and thematic networks bringing together a variety of stakeholders;
c) promotion and dissemination and market replication projects as well as other measures to support the take-up of innovation;
d) services in support of business and innovation, in particular for SMEs;
e) innovation and eco-innovation pilot and market replication projects;
f) policy analyses, development, coordination with participating countries;
g) promotion, communication, information sharing and dissemination for raising awareness;
h) support to joint actions of Member States or regions;
i) projects of common interest: procurement based on technical specifications elaborated in cooperation with the Member States;
j) twinning between authorities at national and regional level.

The Commission shall establish annual work programmes for the specific programmes and ensure their implementation. In its task, the Commission will be assisted by distinct committees for the implementation of each specific programme:
- the EIP Management Committee (EIPC) for the 'Entrepreneurship and innovation programme';
- the ICT Management Committee (ICTC) for the 'ICT policy support programme';
- the IEE Management Committee (IEEC) for the 'Intelligent energy-Europe programme';
The Commission will publish a readable and user-friendly user manual in order to establish a clear, simple and transparent framework of general principles for the participation of beneficiaries in the CIP. This is expected to facilitate in particular the participation of SMEs.

A 'Strategic advisory board' on competitiveness and innovation will advise the Commission. It will be composed by representatives of industry and business associations, including those representing SMEs and other experts. The expertise of the representatives should be related to the sectors and issues addressed by CIP, including financing, ICT, energy and eco-innovation.

The Community financial instruments for SMEs will mainly be managed by the European Investment Fund (EIF). The cooperation with international financial institutions will involve international development banks such as the European Bank for Reconstruction and Development (EBRD).

The CIP is open to the participation of third countries including:

- European Free Trade Association (EFTA) countries that are members of the European Economic Area (EEA);
- accession and candidate countries benefiting from a pre-accession strategy;
- countries of the Western Balkans;
- other third countries, when agreements and procedures so allow.

The CIP and its specific programmes shall be subject to interim and final evaluations. Such evaluations will examine issues such as relevance, coherence and synergies, effectiveness, efficiency, sustainability utility, and, where appropriate, distribution of funding with regard to sectors. In addition to these, the final evaluation will examine the extent to which the CIP as a whole, and each of its specific programmes has achieved its objectives. The evaluations shall include external evaluations to be conducted by independent, impartial bodies.

A specific and indicative budget shall be reserved for each specific programme.

**Context**

From: 1 January 2007
To: 31 December 2013

Previous programme: FP6-INNOVATION

Programme funding: € 3621.3 million


See all projects funded under this programme or topic