



# EUROCITIES Response to the public consultation on a possible successor to the Competitiveness & Innovation Framework Programme (CIP)

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EUROCITIES is a political platform networking and representing the interests of over 135 major European cities.

We see this consultation in the context of the future of the EU budget and the roll-out of the EU2020 flagship initiatives, in particular the resource-efficient Europe, European Platform against Poverty, Innovation Union and Digital Agenda.

Europe 2020 sets out the European Union's overarching priority within an increasingly competitive global context, as 'smart, sustainable and inclusive growth'. This will not be achieved without **smart, sustainable and inclusive cities**. Cities account for 75% of our population, 80% of energy use and 85% of Europe's GDP.

If we want Europe to maintain its economic competitiveness in this rapidly changing world, to deliver a high quality of life for our 500 million Europeans, we must invest in our cities so that they perform economically, socially and environmentally, driving the development of their regions and countries for the benefit of all.

EUROCITIES believes that the successor to the current Competitiveness and Innovation Programme (CIP) will have a crucial role to play in supporting activities across a range of different flagship initiatives. This consultation gives us the opportunity to address a number of issues that are relevant to EUROCITIES members participating in the current CIP and to provide input on where we see the future priorities.

## Designing a successor to the CIP

A new CIP should continue to fund a main share of available money through direct grants, whilst experimentation with other financial instruments should be widened and existing tools improved.

Within a new multi-annual financial framework, a CIP successor should attempt to reduce administrative burdens and barriers to accessing finance. The current review of the EU's financial regulation and other attempts to simplify EU funding frameworks should form the basis for this.

Points to address include<sup>1</sup>:

- improved access to the programme and user support
- optimised timing of deadlines

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<sup>1</sup> See 'Contribution from EUROCITIES to European Commission Consultation on the Review of the Financial Regulation' (2009).

- allowing easier access for small and new participants
- better coordination and coherence with other EU instruments, in particular structural funds and Framework Programmes
- support for debt financing to facilitate access to finance for small and medium enterprises (SMEs), e.g. EU guarantee on a bank loan; risk sharing arrangements

In addition, the successor to the CIP must be a central instrument for the implementation of the EU2020 flagships. The Innovation Union is one example: after 2013, there is an opportunity for a CIP successor to encourage more strongly the coordination of innovation and advisory services at regional and national level, and invest in incubator and Living Labs support, investigating the interplay between public procurement and market uptake of new products and services. It should also serve to drive the Innovation Union, in particular the proposed European research programme on public sector and social innovation and the piloting of a European Public Sector Innovation Scoreboard in 2011, as well as support to key innovation partnerships.

The new CIP should also:

- support as a programme: market replication, transferability, exploitation, capacity building and stakeholder engagement, for example, so it is not just a research oriented programme.
- target pilot and market replication and foster the creation of a favourable business environment, including strong support for the commercialisation of innovative products and services. Sector-specific support, such as the current operational programmes on ICT, energy and entrepreneurship, should be maintained.
- improve framework conditions targeting the business environment in which local companies operate, provide better access to finance from local sources for start-up and growth of SMEs and innovation (venture capital and loans), and improve business support services through intermediaries (e.g. clusters organisations, innovation agencies, chambers of commerce or regional development agencies).
- continue to support capacity building and mutual learning activities through the IEE promotion and dissemination projects, concentrating on small scale pilot activities and offering routes to better explore these.
- support better coordinated and integrated sources of information and best practices. For example, the Intelligent Energy for Europe's e-library and the BUILDUP website, clean vehicle portal, ManagEnergy website, CIVITAS measures' database, Covenant of Mayors website all focus on similar topics but are not currently connected with one another.

## Thematic scope of the future programme

In terms of thematic coverage of the future programme, we would like to see more emphasis on internationalisation, supporting new partnerships and specific support for actions under the digital agenda for Europe.

In addition, there are specific actions that we believe could be included or strengthened under the three strands of the programme.

### Entrepreneurship and Innovation Programme (EIP).

It is essential that we support the development of a stronger entrepreneurial culture in the EU. As stated in the EU2020 strategy, entrepreneurship must be developed by concrete policy initiatives. The business environment should be further improved and administrative burdens for companies reduced.

Moreover, from those mentioned in the consultation, we would like to stress the need for:

- Support for the internationalisation of SMEs, such as providing business services to EU companies entering in other EU or non-EU countries
- Support for innovative public procurement, e.g. through transnational collaboration of procuring authorities
- Support for the development of specific skills (such as eSkills, innovation management skills)
- Focus on inclusive entrepreneurship: support local actions to promote entrepreneurship among disadvantaged groups, such as the unemployed, disabled or people from ethnic minorities.

#### **Information Communication Technologies Policy Support Programme (ICT PSP)**

We believe it is important to:

- Promote, monitor and benchmark the development of ICT and of the Digital economy in Europe
- Support the Digital Agenda for Europe by policy analysis, consensus building, and awareness raising events
- Stimulate the deployment of interoperable pan-European ICT based (private & public) services
- Increase support for large-scale partnerships and test bedding for ICT solutions addressing key societal challenges
- Support specific actions for stimulating innovative public procurement on ICT

#### **Intelligent Energy Europe Programme (IEE)**

A future programme should widen the funding scope and include small projects and large projects, as some cities have the capacity to match-fund bigger exercises. Funds should be given on a longer term to meet the reality of 5-10 year sustainability targets/plans. Cities define the following areas as relevant:

- Actions for fostering energy efficiency and the rational use of energy resources
- Actions to increase the use of renewable energies
- Climate change adaptation and resilience
- Decentralisation of energy production
- Leveraging significant investments in energy efficiency and renewable energy through more flexible financial instruments
- Actions focussing on refurbishment and improved energy performance of existing buildings (residential, commercial, industrial)
- Actions targeting energy in transport to reduce CO<sub>2</sub> emissions (e.g. from personal car traffic)

We strongly believe that a future programme can only have an impact if it is easily accessible, practically relevant, meets funding needs, and links to the strategic European initiatives that will condition the thematic orientation of all European funds in the future. EURO CITIES is keen to work further with the Commission and other stakeholders to ensure we have a successor to the CIP that will truly support the implementation of Europe 2020 at the local level, and as a result, drive Europe forward towards smart, sustainable and inclusive growth.