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Subject : Proposal for a Decision of the European Parliament and of the Council
establishing a Competitiveness and Innovation Framework Programme (CIP)
(2007-2013)

Delegations find attached the text agreed by the Permanent Representatives' Committee on 26 April 2006. This will form the basis for the European Parliament's vote on the programme, with a view to reaching a first-reading agreement.

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Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**establishing a Competitiveness and Innovation Framework Programme
(2007-2013)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 156, Article 157(3) and Article 175(1) thereof,

Having regard to the proposal from the Commission¹,

Having regard to the opinion of the European Economic and Social Committee²,

Having regard to the opinion of the Committee of the Regions³,

Acting in accordance with the procedure laid down in Article 251 of the Treaty⁴,

¹ OJ C , , p. .

² OJ C , , p. .

³ OJ C , , p. .

⁴ OJ C , , p. .

Whereas:

- (1) The Lisbon European Council of March 2000 set the objective of making Europe the most competitive and dynamic knowledge-based economy in the world. It emphasized the importance of creating a climate favourable to small and medium-sized enterprises (SMEs), and considered it important to disseminate best practice and ensure greater convergence between Member States. The Gothenburg European Council of June 2001 defined the Community Strategy for Sustainable Development to ensure that economic growth, social inclusion and environmental protection go hand in hand. Enterprises' production patterns play an important role in sustainable development.
- (2) In order to contribute to the enhancement of competitiveness and innovation capacity in the Community, the advancement of the knowledge society, and sustainable development based on balanced economic growth, a Competitiveness and Innovation Framework Programme (hereinafter "the Framework Programme") should be established.
- (3) This is in line with the Communication from the Commission to the Spring European Council entitled "Working together for growth and jobs – a new start for the Lisbon Strategy"⁵, which calls for actions to deliver growth and competitiveness and to make Europe a more attractive place to invest and work, recalling that entrepreneurial initiative must be stimulated, sufficient risk capital attracted to start up businesses, and a strong European industrial base sustained whilst innovation and notably eco-innovation, that is, innovation related to or using environmental technologies, the uptake of information and communication technologies (ICT) and the sustainable use of resources should be promoted. Whilst competitiveness is to a large measure driven by vibrant business operating in open and competitive markets and supported by the right framework conditions, in particular by a regulatory framework conducive to innovation, Community financing has a role to play in leveraging support and providing complementary funding in order to tackle situations of market failure.

⁵ COM(2005) 24, 2.2.2005.

- (3a) The European Charter for Small Enterprises, endorsed by the Council in Feira on 19 June 2000, describes small enterprises as the "backbone of the European economy". The specific nature, requirements and expectations of small and craft enterprises should be taken into account more effectively in national and European policies. Community measures to promote SMEs⁶ should take account of the objectives set out in the Charter, and the Framework Programme should be used as a means of progressing towards the objectives set by it.
- (3b) The Framework Programme will particularly address SMEs, as defined by the Commission recommendation 2003/361/EC of 6 May 2003⁷. The programme pays particular attention to the specific characteristics and requirements of "gazelles" as well as of micro and craft enterprises, target groups including women entrepreneurs.

⁶ *"Implementing the Community Lisbon Programme - Modern SME Policy for Growth and Employment" COM(2005) 551 final of 10.11.2005.*

⁷ OJ L 124 of 20.5.2003, p. 36.

- (4) The Framework Programme should bring together those specific Community measures in the field of entrepreneurship, SMEs, industrial competitiveness, innovation, information and communication technology (ICT), environmental technologies and intelligent energy that, until now, have been regulated by Council Decision 96/413/EC of 25 June 1996 on the implementation of a Community action programme to strengthen the competitiveness of European industry⁸, Council Decision 2000/819/EC of 20 December 2000 on a multiannual programme for enterprise and entrepreneurship, and in particular for SMEs⁹, Regulation (EC) No 1655/2000 of the European Parliament and of the Council of 17 July 2000 concerning the Financial Instrument for the Environment (LIFE)¹⁰, Decision No 2256/2003/EC of the European Parliament and of the Council of 17 November 2003 on a multiannual programme for the monitoring of the eEurope 2005 action plan, dissemination of good practices and the improvement of network and information security¹¹, Council Decision 2001/48/EC of 22 December 2000 on a multiannual Community programme to stimulate the development and use of European digital content on the global networks and to promote linguistic diversity in the information society¹², Decision No 1336/97/EC of the European Parliament and of the Council of 17 June 1997 on a series of guidelines for trans-European telecommunications networks¹³ and Decision No 1230/2003/EC of the European Parliament and of the Council of 26 June 2003 on a multiannual programme for action in the field of energy: "Intelligent Energy – Europe" to support sustainable development in the energy context¹⁴.
- (5) The Framework Programme establishes a set of common objectives, the total budgetary envelope for pursuing those objectives, different types of implementing measures, and the arrangements for monitoring and evaluation and for the protection of the Communities' financial interests.

⁸ OJ L 167, 6.7.1996, p. 55.

⁹ OJ L 333, 29.12.2000, p. 84. Decision as last amended by Decision No 593/2004/EC (OJ L 268, 16.8.2004, p.3).

¹⁰ OJ L 192, 28.7.2000, p.1. Regulation as last amended by Regulation (EC) No 1682/2004 (OJ L 308, 5.10.2004, p. 1).

¹¹ OJ L 336, 23.12.2003, p.1.

¹² OJ L 14, 18.1.2001, p. 32.

¹³ OJ L 183, 11.7.1997, p. 12. Decision as last amended by Decision No 1376/2002/EC (OJ L 200, 30.7.2002, p. 1).

¹⁴ OJ L 176, 15.7.2003, p. 29 .

- (5a) In line with the communication of the European Commission of 11 March 2003 on Innovation Policy and referring to the Oslo Manual¹⁵, innovation is understood as comprising the renewal and enlargement of the range of products and services and the associated markets; the establishment of new methods of design, production, supply and distribution; the introduction of changes in management, work organisation, and working conditions and skills of the workforce and covers technological, non-technological and organisational innovation.
- (6) The Framework Programme should exclude research and technological development activities carried out in accordance with Article 166 of the Treaty [...]. It should be complementary to the Community framework programme for research and technological development established in Decision [...] of the European Parliament and of the Council of ...¹⁶, by dealing with innovation, which includes non-technological as well as technological innovation, that has moved beyond the final demonstration phase and is ready for market replication (testing of innovations for application in markets). It shall be ensured that there is no financing gap between research development and application (tech-transfer activities including pre-seed phase), therefore funding the transfer of research results to commercialisation is a task to be carried out in close coordination with the Community research framework programme set up under Article 166 of the Treaty, and other relevant research programmes.
- (6a) The Framework Programme will also cover the market replication of existing technologies that are to be utilized in a new and innovative way. In certain circumstances, pilot projects for technological demonstration will be covered in both programmes. This will occur only when certain technological solutions (for example technical standards in the ICT field) have to be validated during the market replication phase of an otherwise already demonstrated technology.
- (6b) The Framework programme will complement Structural Funds and other relevant Community programmes, whilst acknowledging that each instrument will work according to its own specific procedures. Thus, the one and same eligible costs will not be double-funded.

¹⁵ "Innovation policy: updating the Union's approach in the context of the Lisbon strategy"
COM(2003) 112 final of 11.03.2003; Oslo Manual (OECD)/Eurostat, 3rd edition,
ISBN 92-64-01308-3 November 2005.

¹⁶ OJ L.

- (7) The common objectives of the Framework Programme should be pursued by specific programmes entitled "the Entrepreneurship and Innovation Programme", "the ICT policy support Programme", and "the Intelligent Energy – Europe Programme".
- (7a) The principles of transparency and of equal gender opportunity should be taken into account in all the programmes and activities covered by the Framework Programme.
- (8) This Decision establishes a financial framework for the entire duration of the programme, which is to be the principal point of reference for the budgetary authority within the meaning of point 33 of the inter-institutional agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure¹⁷.
- (9) A specific and indicative budget should be reserved for each specific programme.
- (10) In order to ensure that financing be limited to tackling market failures, and with a view to avoiding market distortions, funding from the Framework Programme should comply with the Community State aid rules and the accompanying instruments and the Community definition of SMEs in place.
- (11) The Agreement on the European Economic Area (EEA) and the additional protocols to the Association Agreements provide for the participation of the respective countries in Community programmes. Participation by other countries should be possible when agreements and procedures so allow.
- (12) The Framework Programme and the specific programmes should be regularly monitored and evaluated in order to allow for readjustments. Where possible, evaluation reports will examine gender mainstreaming in programme activities.

¹⁷ OJ C 172, 18.6.1999, p.1.

- (13) Appropriate measures should also be taken to prevent irregularities and fraud and the necessary steps should be taken to recover funds lost, wrongly paid or incorrectly used in accordance with Council Regulations (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests¹⁸, (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities¹⁹ and Regulation (EC) No 1073/1999 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF)²⁰.
- (14) The growth and competitiveness of enterprises in industrial and service sectors depends on their ability to adjust quickly to change, [...] to exploit their innovative potential and to develop quality products. This challenge concerns enterprises of all size, but is particularly acute for smaller enterprises. It is therefore appropriate to establish a specific programme, entitled "the Entrepreneurship and Innovation programme".
- (15) The Community can be the catalyst and coordinator of Member States' efforts. It can contribute to, and complement their achievements, in particular by promoting the exchange of national and regional experiences and practices, by defining and disseminating best practices, and innovative ideas, and by contributing to the availability of European wide supply of services in support of business and innovation, in particular for SMEs.
- (16) The Communication from the Commission to the Council and the European Parliament on "Stimulating Technologies for Sustainable Development: An Environmental Technologies Action Plan for the European Union"²¹ calls for Community programmes to support the development and uptake of environmental technologies and calls for the mobilisation of financial instruments to share the risks of investing in environmental technologies.

¹⁸ OJ L 312, 23.12.1995, p. 1.

¹⁹ OJ L 292, 15.11.1996, p.2.

²⁰ OJ L 136, 31.5.1999, p. 1.

²¹ COM (2004) 38, 28.1.2004.

- (16aa new) To support the creation of a European market for innovative products and services, it will be necessary for Member States and the Commission to create attractive conditions for innovative products and services, including through a proactive approach to public procurement to help create lead markets, while improving access for SMEs and the quality of public services, and through better regulation and standards based on early anticipation of needs. The Commission will provide guidance on the issue of innovation-friendly public procurement.
- (16ab) With respect to technological innovation, SMEs shall be stimulated to get involved in high technology sectors such as space and security, including stimulation to develop applications offered by the Galileo satellite positioning system.
- (16a) Eco-innovation is any form of innovation aiming at significant and demonstrable progress towards the goal of sustainable development, through reducing impacts on the environment or achieving a more efficient and responsible use of natural resources, including energy. Eco-innovation is a progressive concept: the CIP programme must remain responsive to changes. The promotion of eco-innovation through the Framework Programme aims at contributing to the implementation of the Environmental Technologies Action Plan.
- (16b) Taking into account the activities of the Environment LIFE+ Programme the Framework programme will encourage the uptake of environmental technologies through pilot and market replication projects, bridging the gap between the successful demonstration of innovative technologies and the market uptake and by removing the barriers to the market penetration. promoting voluntary approaches in fields such as environmental management, and networking relevant actors. It will support eco-innovation by enterprises through projects and co-investment in risk capital funds, but it will not double-fund the same eligible costs with LIFE+.

- (17) Market-based Community financial instruments for SMEs complement and add leverage to financial schemes at the national level. They can particularly foster private investment for the creation of new innovative companies, and they can support companies with a high growth potential in their expansion phase to reduce a recognised equity gap. They can improve access of existing SMEs to loan finances for activities that support their competitiveness and growth potential.
- (18) The European Investment Fund (EIF) is the Community's specialised vehicle for providing risk capital and guarantee instruments for SMEs. It pays special attention to support microfinance as well as early stage finance in accordance with market demand and best practice. It contributes to the pursuit of Community objectives, including a knowledge-based society, innovation, growth, employment and the promotion of entrepreneurial spirit. The EIF ensures the required continuity in the management of Community programmes and has gathered extensive experience therein. The operation by the EIF of Community financial instruments for SMEs on behalf of the Commission has therefore been considered a good practice by independent evaluations. The EIF has also the expertise to support emerging actions based on public-private partnerships launched by Member States aiming at attracting high-risk investment streams from the capital markets to the benefit of innovative small businesses.
- (19) Impending changes in the financial environment and new accounting standards make financial institutions more sensitive to risk, lead to a rating culture, and may tighten the credit supply to SMEs, at least during a transitional phase. The Entrepreneurship and Innovation programme should therefore respond to the changing financing needs of SMEs, including the need for proximity financing and their adaptation to the new financial environment whilst avoiding market distortions. Furthermore, activities should contribute to enhancing the capabilities of financial institutions to assess risk related to innovation, with a view to developing technology-rating and to improving the capabilities of SMEs to better use the financing instruments provided by the markets.

- (20) Services with high quality in support of business and innovation play an important role in ensuring SMEs' access to information relating to the functioning and opportunities of the internal market for goods and services as well as in the trans-national transfer of innovation, knowledge and technology. They also have a crucial role to play in facilitating SMEs' access to information on Community legislation applying to them and on future legislation to which they can prepare and adapt in a cost-effective way. Considerable experience and skills have been developed through existing European support networks for businesses, such as the Euro Info Centres (EICs) and Innovation Relay Centres (IRCs). External evaluations have stressed that the horizontal role in the delivery of European business support services should be strengthened, including the optimisation of the cooperation between existing services and help desks with a view to creating a "one-stop shop" on the basis of a "no wrong door" commitment. This concerns the dissemination of information on Community programmes and the promotion of the participation of SMEs in those programmes, in particular SME participation in the Community framework programme for research, technological development and demonstration. Evaluations have also stressed the importance of facilitating interaction between the Commission and SMEs.
- (21) The Community must equip itself with a sound analytical basis to support policy making in the fields of SMEs, entrepreneurship, innovation and competitiveness in industrial sectors. Such a basis should add value to the information available at the national level in these fields. The Community should provide for the common development of competitiveness strategies for industrial and service sectors, and for the promotion of best practices in relation to an entrepreneurial environment and culture, including skills, corporate social responsibility and equal gender opportunity, and to promote through inter alia education and continuous training, and from school to higher education, the emergence of young entrepreneurs.

- (22) The European Council of 20 and 21 March 2003 gave priority to innovation and entrepreneurship and stressed the need for Europe to do more to turn ideas into real value-added. It called for further action in order to create the conditions in which business innovates. The linear model of innovation, that assumes that research leads directly to innovation, has proved to be insufficient to explain innovation performance and to design appropriate innovation policy responses. Recognising that enterprises are at the heart of the innovation process, funding to stimulate innovation activities of enterprises and preparing the market-take up of innovation as well as innovation governance and culture should therefore be placed under the Entrepreneurship and Innovation programme. This should help to ensure that innovation works to promote competitiveness and is carried through into practical application at a business level. The European Council of 25 and 26 March 2004 added that clean technologies are vital to fully exploit synergies between enterprise and the environment. The promotion of eco-innovation, which includes innovative clean technologies, can help exploit their potential.
- (23) The market for knowledge transfer and absorption is frequently opaque, and lack of information or failure to make connections creates market barriers. Businesses also find it difficult to incorporate technologies which are not part of their traditional field of activity and to access new types of skills. Financial risks can be high for innovation, profitability may be delayed by development hitches and tax may not be neutral between success and failure. Skills needed to exploit opportunities may be in short supply. Institutional or regulatory obstacles can delay or undermine the emergence of new markets and access to them. Bankruptcy laws may create strong disincentives to assume entrepreneurial risk because of fear of failure. In addition, economic circumstances can determine whether innovation takes place or not. The development of a business environment conducive to entrepreneurship, competitiveness and innovation will include the improvement of enterprise- and innovation-related economic and administrative reform, in particular for increased competitiveness, reduction of administrative burdens for SMEs and a better regulatory environment for entrepreneurship, business creation and business transfer, growth and innovation.

- (24) Those barriers to the market penetration of innovation technologies are particularly relevant for environmental technologies. Market prices too often do not completely reflect the environmental costs of products and services. The part of the costs not reflected in market prices are borne by society as a whole, rather than by the producers of pollution. This market failure, together with the Community interest in preserving resources, preventing pollution and protecting the environment more cost-efficiently, justifies reinforced support for eco-innovation.
- (25) The Community's innovation actions aim to support the development of innovation policy in the Member States and their regions and to facilitate the exploitation of synergy effects between national, regional and European innovation policy and support activities. The Community is able to facilitate trans-national exchanges, mutual learning and networking and can drive co-operation on innovation policy. Networking among stakeholders is the key to facilitating the flow of knowledge and ideas that are necessary for innovation.
- (26) The Council resolution endorsed at the Telecom Council of 9 December 2004 provides the basis for the proposal of a new information society initiative to reinforce the contribution of the information society to Europe's performance. In its Communication on a new start for the Lisbon strategy, the Commission proposes to focus efforts on "delivering stronger and lasting growth and creating more and better jobs". It highlights the uptake of ICT by both the private and public sector as a key element to improve our innovation performance and competitiveness. A specific programme entitled "the ICT policy support Programme" should therefore be established.
- (26a) Actions by "the ICT Policy support Programme" should also contribute to the objectives of the i2010 strategy, while taking into consideration other Community Programmes in the field of ICT in order to avoid the duplication of efforts.
- (27) ICT provide the backbone for the knowledge economy. They account for around half of the productivity growth in modern economies and provide unique solutions to address the key societal challenges. The improvement of public sector and general interest services needs to be conducted in close collaboration with the relevant Community policies, for example, in the fields of public health, education and training, environment, transport and internal market development and competition.

- (28) The deployment and best use of innovative ICT based solutions should be stimulated, in particular for services in areas of public interest, including the improvement of the quality of life of disadvantaged sections of the public such as disabled or elderly people. Community support should also facilitate the coordination and the implementation of actions for developing the Information society across the Member States.
- (29) The midterm evaluation of the eTEN (Trans European Network for Telecom) programme recommends using a demand driven approach for Community intervention to projects supporting trans-European services in areas of public interest.
- (30) The *eGovernment*²² and *eHealth*²³ Communications from the Commission and related Council conclusions, call for increased effort in innovation, good practise exchange, interoperability and identified the need for increased synergies between related EU programmes. Interoperability is of high importance for the development of the information society.
- (31) A legislative framework has been defined to deal with the challenges of digital content in the Information Society. This is defined in Directive 2003/98/EC of the European Parliament and of the Council of 17 November 2003 on the re-use of public sector information²⁴, Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society²⁵ and Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases²⁶.
- (32) Different practices among Member States continue to create technical barriers impeding wide access and re-use of public sector information in the Community.
- (33) Community actions concerning digital content should take account of the Community's multilingual and multicultural specificity.

²² COM (2003) 567.

²³ COM (2004) 356.

²⁴ OJ L 345, 31.12.2003, p. 90.

²⁵ OJ L 167, 22.6.2001, p. 10.

²⁶ OJ L 77, 27.3.1996, p. 20.

- (34) Natural resources, the prudent and rational utilisation of which is provided for in Article 174 of the Treaty, include, apart from renewable energy sources, oil, natural gas and solid fuels, which are essential energy sources but are also the main sources of carbon dioxide emissions.
- (35) The Green Paper entitled "Towards a European strategy for the security of energy supply"²⁷ noted that the European Union is becoming increasingly dependent on external energy sources and that its dependence could rise to 70% in 20-30 years' time. It therefore stressed the need to balance supply policy against clear action for a demand policy and called for better managed and more environmentally friendly consumption, particularly in the transport and building sectors. It also called for priority to be given the development of new and renewable sources on the energy supply side in order to respond to the challenge of global warming and to achieve the target already established by earlier action plans and resolutions of 12% energy from renewable energy sources in gross internal consumption by 2010.
- (36) Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal energy market²⁸ requires Member States to set national indicative targets consistent with the Community global indicative target of 12% of gross national energy consumption by 2010 and in particular with the 21% indicative share of electricity produced from renewable energy sources in total Community electricity consumption by 2010. The Commission Communication entitled "The share of renewable energy in the EU"²⁹ warned that the target of a 12% share of renewable energy in overall energy consumption in the Community in 2010 will not be reached unless considerable extra action is taken.
- (37) Directive 2002/91/EC of the European Parliament and of the Council of 16 December 2002 on the energy performance of buildings³⁰ requires Member States to apply minimum energy performance requirements for new and existing buildings, to ensure the energy certification of buildings and to require the regular inspection of boilers and of air-conditioning systems in buildings.

²⁷ COM (2000) 769, 29.11.2000.

²⁸ OJ L 283, 27.10.2001, p. 33.

²⁹ COM (2004) 366, 26.5.2004.

³⁰ OJ L 1, 4.1.2003, p. 65.

- (38) Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of bio fuels or other renewable fuels for transport³¹ requires Member States to ensure that a minimum proportion of bio fuels and other renewable fuels is placed on their market.
- (39) Directive 2004/8/EC of the European Parliament and of the Council of 11 February 2004 on the promotion of cogeneration based on a useful heat demand in the internal energy market and amending Directive 92/42/EEC³² requires Member States to carry out analyses of their potential for high-efficiency cogeneration and to set up support schemes in conformity with the identified national potentials.
- (40) In order to facilitate the implementation of these Community measures, to achieve greater market penetration for renewable energy sources and to improve energy efficiency, there is a need for specific promotion programmes at Community level to create the conditions for moving towards sustainable energy systems, in particular to support the standardisation of equipment which produces or consumes renewable energy sources, to increase technology deployment and to spread best practices in demand side management. The same applies to the Community measures related to the labelling of energy efficiency of electrical, electronic, office and communications equipment and the standardisation of lighting, heating and air-conditioning equipment. A specific programme entitled "The Intelligent Energy- Europe Programme" should therefore be established.
- (40a) That specific programme should contribute to achieving the general objectives of improving energy diversification and security of supply, and enhancing the competitiveness of EU companies, in particular of SMEs, while protecting the environment and meeting international commitments in this area. Energy efficiency improvement measures in the specific programme will also focus on technological improvements in production processes and propose efficiency gains through improved transport logistics.

³¹ OJ L 123, 17.5.2003, p. 42.

³² OJ L 52, 21.2.2004, p. 50.

- (41) Achieving the full impact of the established strategy in sustainable energy requires not only continuity with the Community support to policy development and implementation and removal of existing non-technological barriers through enhanced promotion campaigns, but and above all, support to accelerate investment and stimulate the market uptake of innovative technologies across the Community.
- (42) Alongside environmental advantages, renewable energy sources and energy efficiency are within the fastest growing industries in the Community, creating new and innovative jobs. The European renewable energy industry leads the world in the development of technologies for renewable energy electricity generation. They benefit economic and social cohesion and avoid the dissipation of resources.
- (43) Decision No 1230/2003/EC of the European Parliament and of the Council of 26 June 2003 adopting a multiannual programme for action in the field of energy "Intelligent Energy – Europe" (2003-2006)³³ will expire on 31 December 2006.
- (44) Three of the four specific fields of the programme established by Decision No 1230/2003/EC should be continued under this programme. These are: (i) promoting energy efficiency and the rational use of energy resources ("SAVE"); (ii) promoting new and renewable energy sources ("ALTENER"); and (iii) promoting energy efficiency and the use of new and renewable energy sources in transport ("STEER").
- (45) The international dimension ("COOPENER") of the programme established by Decision No 1230/2003/EC should be continued in the framework of the new Community instruments for external assistance³⁴ as part of a thematic programme on environment and sustainable management of natural resources including energy. However, there should be a close relationship between the relevant part of the thematic programme and the specific programme "Intelligent Energy -Europe" in order help SMEs take advantage of the potential markets for intelligent energy which exist outside Europe.

³³ OJ L 176, 15.7.2003, p. 29.

³⁴ OJ C 64, 16.3.2005, p. 4.

- (46) In accordance with the principles of good governance and better regulation, the Commission has commissioned independent experts to carry out an ex-ante evaluation of a renewed multiannual Community programme in the field of energy to succeed the ongoing Intelligent Energy – Europe programme after 31 December 2006. In their report, the experts concluded on the necessity to ensure the continuity of the programme "Intelligent Energy – Europe" after 2006, and to renew it into a more comprehensive and ambitious instrument. This Programme shall be established also with a view to further improve the European strength and excellence in the field of sustainable energy technologies and their application.
- (46a) Account should be taken of the need to achieve user-friendliness and administrative simplification in implementing this Framework Programme. The Commission will publish and widely diffuse a User Manual establishing a clear, simple and transparent framework of general principles for participation of beneficiaries in the Framework Programme. This should in particular facilitate the participation of SMEs. The User Manual will describe the rights and obligations of beneficiaries; financial provisions such as eligible costs and support rates; principles governing administrative rules and procedures, in particular user-friendly applications procedures applying a two-stage application process where appropriate and with the condition that such a procedure is not extending the time period between evaluation and signing of the contract; the rules for use and dissemination of project results; and principles for the evaluation, selection and award of proposals.
- (46b) The Commission may use, on the basis of a cost-benefit analysis, a new or an existing Executive Agency for the implementation of the Framework Programme, as laid down in Council regulation³⁵ 58/2003/EC of 19 December 2002.
- (46c) The programme will also support reflection on the future structures and needs for European innovation policies.

³⁵ Council Regulation 58/2003/EC of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes.

- (47) Since the objectives of the actions to be taken concerning the enhancement of the Community's competitiveness and innovation cannot be sufficiently achieved by the Member States because of the need for multilateral partnerships, trans-national mobility and Community-wide exchanges of information, and can therefore, by reason of the nature of the actions and measures necessary, be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Decision does not go beyond what is necessary in order to achieve those objectives.
- (48) The measures necessary for the implementation of this Decision should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission³⁶.
- (49) Taking into account the nature of the issues to be dealt with under the specific programmes, the Commission should be assisted by different committees for the implementation of each specific programme. The different committees will meet simultaneously on a periodic basis to enable joint sessions to discuss issues of horizontal or common relevance, as identified by the EIPC working with the Commission.
- (49a) In the interest of improving coherence between elements of the Programme and its effectiveness, a Strategic Advisory Board on Competitiveness and Innovation shall advise the European Commission.
- (50) Decision [xxx] of the European Parliament and of the Council establishes a multiannual programme, named *eContentplus*, to make digital content in Europe more accessible, usable and exploitable. That Decision will expire at the end of 2008. Thereafter measures foreseen to make digital content in Europe more accessible, usable and exploitable should be continued under the ICT policy support Programme established by this Decision³⁷.
- (51) The measures provided for in Decision 96/413/EC should be integrated into the Entrepreneurship and Innovation programme. Decision 96/413/EC should therefore be repealed.

³⁶ OJ L 184, 17.7.1999, p. 23.

³⁷ OJ L

HAVE DECIDED AS FOLLOWS:

TITLE I
COMMON PROVISIONS

Chapter I
The Competitiveness and Innovation Framework Programme

Article 1
Establishment

1. A framework programme for Community action in the field of competitiveness and innovation, with particular attention being paid to the needs of SMEs, covering the period from 1 January 2007 until 31 December 2013, hereinafter "the Framework Programme", is hereby established.
2. The Framework Programme shall contribute to the competitiveness and innovative capacity of the Community as an advanced knowledge society, with sustainable development based on robust economic growth and a highly competitive social market economy with a high level of protection and improvement of the quality of the environment.
3. The Framework Programme shall not cover research and technological development and demonstration activities carried out in accordance with Article 166 of the Treaty. It will contribute to closing the gap between research and innovation, and promote all forms of innovation.

Article 2

Objectives

1. The Framework Programme shall have the following objectives:
 - (a) to foster the competitiveness of enterprises, in particular Small and Medium sized Enterprises (SMEs);
 - (b) to promote all forms of innovation including eco-innovation;
 - (c) to accelerate the development of a sustainable, competitive, innovative and inclusive Information Society;
 - (d) to promote energy efficiency and new and renewable energy sources in all sectors including transport.

2. The objectives of the Framework Programme shall be pursued through the implementation of the following specific programmes established in Title II, hereinafter "the specific programmes":
 - (a) the Entrepreneurship and Innovation Programme;
 - (b) the ICT policy support Programme;
 - (c) the Intelligent Energy-Europe Programme.

Article 3

Budget

1. The financial reference amount for the implementation of the Framework Programme shall be EUR 3196 million.³⁸³⁹

2. An indicative budgetary breakdown for the specific programmes is set out in Annex I.

3. Annual appropriations shall be authorised by the budgetary authority within the limit of the financial perspective.

³⁸ Figure in 2004 prices.

³⁹ The figure of 3284 million (2004 prices) convened in the Inter-Institutional Agreement on the Financial Perspectives (2007-2013) includes 88 million euro for the eContentplus programme for 2007-2008 under the legal base of that programme.

Article 4

Participation of third countries

The Framework Programme shall be open to the participation of:

- (a) EFTA countries which are members of the EEA, in accordance with the conditions laid down in the EEA Agreement;
- (b) candidate countries benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of these countries in Community programmes established in the respective Framework Agreement and Association Council Decisions;
- (c) countries of the Western Balkans, in accordance with the provisions to be determined with those countries following the establishment of framework agreements concerning their participation in Community programmes;
- (d) other third countries, when agreements so allow.

Chapter II

Implementation of the Framework Programme

Article 5

Work programmes

1. The Commission shall adopt annual work programmes for the specific programmes in accordance with the procedure referred to in Article 46, taking into account the need to adjust to future developments, in particular after the interim evaluation.

The Commission shall ensure their implementation and will inform the European Parliament on their preparation and implementation comprehensively and without delay.

2. Amendments to the annual work programmes referred to in paragraph 1 concerning budgetary allocations of more than EUR 1 million shall be adopted in accordance with the procedure referred to in Article 46.

Article 6

Common implementing measures for the Framework Programme

1. The instruments outlined in the "Implementation" sections of Chapter I, II and III of Title II constitute a common toolbox for the framework programme. They may also be used to fulfil the objectives of each specific programme of the Framework programme as specified in the relevant work programme. A comprehensive list of instruments will be set out in detail in the User Guide referred to in Article 46a.
2. The funding granted shall fully comply with the Community state aid rules and the accompanying instruments. Community rules concerning public access to documents shall apply. The principles of transparency and gender mainstreaming shall be taken into account.

Article 7

Technical assistance

The budgetary envelope established under this Decision may also cover necessary expenditure related to preparatory actions, monitoring, control, audit and evaluation directly necessary for the effective and efficient implementation of this Decision and for the achievement of its objectives.

Those actions may, in particular, include studies, meetings, information activities, publications, expenditure on informatics tools, systems and networks for the exchange and processing of information, and any other expenditure on technical, scientific and administrative assistance and expertise to which the Commission may need to have recourse for the purposes of the implementation of this Decision.

Article 8

Monitoring and evaluation

1. The Commission shall regularly monitor the implementation of the Framework Programme and its specific programmes. It will also examine synergies within the Framework Programme and with other complementary Community programmes and where possible synergies with national programmes co-funded by the EU. Where possible, it will examine the gender dimension and the respect of the principle of non discrimination in programme activities. The Commission shall establish an annual implementation report for the Framework Programme and for each specific programme regarding the supported activities by means of financial implementation, results and, where possible, impacts. The annual report of the "Entrepreneurship and Innovation" specific programme shall clearly identify eco-innovation activities .
2. The Framework Programme and its specific programmes shall be subject to interim and final evaluations. These will examine issues such as relevance, coherence and synergies, effectiveness, efficiency, sustainability, utility and, where possible and appropriate, distribution of funding with regard to sectors. The final evaluation will, in addition, examine the extent to which the Framework Programme in total and each of its sub-programmes have achieved their objectives.

Both interim and final evaluations will adopt appropriate methodologies to measure the impact of the Framework Programme, and each of the specific programmes, to their objectives, including competitiveness, innovation, entrepreneurship, productivity growth, employment and environment.

The evaluations will examine the quality of the services provided by the network partners referred to in article 20. The interim evaluations may also include ex-post evaluation elements with regard to previous programmes.

3. The interim and final evaluations of the specific programmes and the necessary budgetary allocations shall be included in the respective work programmes.

The work programmes will define a set of measurable objectives for each specific action and develop appropriate evaluation criteria and a set of quantitative and qualitative indicators to measure effectiveness in delivering outcomes that will contribute to the achievement of the overall Framework Programme objectives, and relevant specific programme objectives.

The interim and final evaluation of the Framework Programme and the necessary budgetary allocations shall be included in the work programme for the "Entrepreneurship and Innovation Programme", established in Chapter I of Title II.

4. The interim evaluation of the Framework Programme shall be completed by 31 December 2009, the final evaluation by 31 December 2011.

The interim and final evaluations of the specific programmes shall be arranged in such a way that their results can be taken into account in the interim and final evaluation of the Framework Programme.

5. The Commission shall communicate the annual implementation reports, the results of the interim and final evaluations of the Framework Programme and of its specific programmes to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 9

Protection of the Communities' financial interests

1. The Commission shall ensure that, when actions financed under this Decision are implemented, the financial interests of the Community are protected by the application of measures to prevent fraud, corruption and any other illegal activities, by effective checks and by the recovery of amounts unduly paid and, if irregularities are detected, by effective, proportional and dissuasive penalties, in accordance with Regulation (EC, Euratom) No 2988/95 and Regulation (Euratom, EC) No 2185/96, and with Regulation (EC) No 1073/1999.
2. For the Community actions financed under this Decision, Regulation (EC, Euratom) No 2988/95 and Regulation (Euratom, EC) No 2185/96 shall apply to any infringement of a provision of Community law, including infringements of a contractual obligation stipulated on the basis of the programme, resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Communities or budgets managed by them, by an unjustified item of expenditure.
3. All implementing measures resulting from this Decision shall provide, in particular, for supervision and financial control by the Commission or any representative authorized by it and by audits by the European Court of Auditors, if necessary on-the-spot.

TITLE II
THE SPECIFIC PROGRAMMES

Chapter I
The Entrepreneurship and Innovation Programme

SECTION 1
OBJECTIVES AND FIELDS OF ACTION

Article 10

Establishment and objectives

1. A programme in support of enterprise, particularly SMEs, entrepreneurship, innovation, including eco-innovation and industrial competitiveness, (hereinafter "the Entrepreneurship and Innovation Programme"), is hereby established.

2. The Entrepreneurship and Innovation Programme shall provide for action to support, improve, encourage and promote:
 - (a) access to finance for the start-up and growth of SMEs and investment in innovation activities ;
 - (b) creation of an environment favourable to SME co-operation, particularly in the field of cross-border co-operation;
 - (c) all forms of innovation in enterprises;
 - (ca) eco-innovation;
 - (d) entrepreneurship and innovation culture;
 - (e) enterprise and innovation related economic and administrative reform.

Article 11

Access to finance for the start-up and growth of SMEs

Action in relation to access to finance for the start-up and growth of SMEs and for investment in innovation activities, including eco-innovation, may include:

- (a) increasing investment volumes of risk capital funds and investment vehicles promoted by business angels;
- (b) providing leverage to SME debt financing instruments;
- (c) improving the financial environment for and the investment readiness of SMEs.

Article 12

SME co-operation

Action in relation to SME co-operation may include:

- (a) fostering services in support of SMEs;
- (b) contributing to measures helping and encouraging SMEs to cooperate with other enterprises and other innovation actors across borders, including SME involvement in the field of European and international standardisation;
- (c) promoting and facilitating international business cooperation, including at regional level, also through SME networks favouring the coordination and development of their economic and industrial activities.

Article 13

Innovation activities

Action in relation to innovation may include:

- (a) fostering sector-specific innovation, clusters, innovation networks, public-private innovation partnerships and cooperation with relevant international organisations, and the use of innovation management;
- (b) supporting national and regional programmes for business innovation;
- (c) supporting the take-up of innovative technologies and concepts and the innovative application of existing technologies and concepts;
- (d) supporting services for trans-national knowledge and technology transfer and for the protection and management of intellectual and industrial property ;
- (e) developing and exploring new types of innovation services;
- (f) fostering technology and knowledge through data archiving and transfer.

Article 13a

Eco-innovation activities

Action in relation to eco-innovation may include:

- (a) Supporting the take-up of environmental technologies and eco-innovative activities;
- (b) Co-investment in risk capital funds that provide equity also for companies investing in eco-innovation in accordance with the procedure set out in Annex II.
- (c) Fostering eco-innovation networks and clusters, public-private partnerships in eco-innovation and developing innovative business services, facilitating or promoting eco-innovation.
- (d) Promoting new and integrated approaches on eco-innovation in fields such as environmental management and the environmental-friendly design of products, processes and services, taking into account their whole life cycle.

Article 14

Entrepreneurship and innovation culture

Action in relation to entrepreneurship and innovation culture may include:

- (a) encouraging entrepreneurial mindsets, skills and culture, and the balancing of entrepreneurial risk and reward, in particular for women and young entrepreneurs;
- (b) encouraging a business environment favourable to innovation, enterprise development and growth;
- (c) supporting policy development and cooperation between actors, including trans-national cooperation of national and regional programme managers, in particular with a view to fostering the SME- friendliness of programmes and measures;
- (d) encouraging the creation and transfer of enterprises.

Article 15

Enterprise and innovation related economic and administrative reform

Action regarding to enterprise and innovation related economic and administrative reform may include:

- (a) collecting data, analysing and monitoring performance, and developing and coordinating policy;
- (b) contributing to the definition and promotion of competitiveness strategies related to industry and service sectors;
- (c) supporting mutual learning for excellence in national, regional and local administrations.

SECTION 2 IMPLEMENTATION

Article 16

Community financial instruments for SMEs

1. Community financial instruments shall be operated with the aim to facilitate access to finance for SMEs in certain phases of their life cycle: seed, start-up, expansion and business transfer. Investments made by SMEs in activities such as technological development, innovation, including eco-innovation, and technology transfer and cross-border expansion of their business activities shall be included in the scope of the relevant instruments.
2. The instruments referred to in paragraph 1 shall be the following:
 - (a) the High Growth and Innovative SME Facility (GIF);
 - (b) the SME Guarantee (SMEG) Facility;
 - (c) the Capacity Building Scheme (CBS).
3. Implementation arrangements concerning the different instruments are laid down in Annex II.

Article 17

The GIF

1. The GIF shall be operated by the EIF on behalf of the Commission.

It shall carry out the following tasks:

- (a) contributing to the establishment and financing of SMEs and the reduction of the equity and risk capital market gap, which prevents SMEs from exploiting their growth potential, with a view to improve the European venture capital market;
 - (b) supporting innovative SMEs with high growth potential, in particular those undertaking research, development and other innovation activities;
2. The GIF shall consist of two windows:

The first window, called GIF1, shall cover early stage (seed and start up) investments. It shall invest in specialised venture capital funds such as early stage funds, funds operating regionally, funds focused on specific sectors, technologies or RTD and funds linked to incubators, which shall in turn provide capital to SMEs. It may also co-invest in funds and investment vehicles promoted by business angels.

The second window, called GIF2, shall cover expansion stage investments and shall invest in specialised risk capital funds, which in turn shall provide quasi-equity or equity for innovative SMEs with high growth potential in their expansion phase. GIF2 investments shall avoid buy-out or replacement capital intended for asset stripping.

GIF may invest in intermediaries by working, where appropriate, with national or regional schemes aimed at developing small business investment companies.

In addition to the funding provided by GIF, the majority of the capital invested in any fund shall be provided by investors operating in circumstances corresponding to the market economy investor principle, irrespective of the legal nature and ownership structure of these investors.

Article 18

The SMEG Facility

1. The SMEG Facility shall be operated by the EIF on behalf of the Commission.

It shall carry out the following tasks:

- (a) providing counter-guarantees or, where appropriate, co-guarantees for guarantee schemes operating in the eligible countries;
- (b) providing direct guarantees for any other appropriate financial intermediary.

2. The SMEG Facility shall consist of four windows:

The first window, (a) debt financing via loans or leasing, shall reduce the particular difficulties SMEs face in accessing finance either due to the perceived higher risk associated with investments in certain knowledge-related activities such as technological development, innovation and technology transfer or due to the lack of sufficient collateral.

The second window, (b) micro credit financing, shall encourage financial institutions to play a greater role in the provision of loans of a smaller amount which would normally involve proportionately higher unit handling costs for borrowers with insufficient collateral. In addition to guarantees or counter-guarantees, financial intermediaries may receive grants to partially offset the high administrative costs inherent in micro credit financing.

The third window, (c) guarantees for equity or quasi-equity investments in SMEs, shall include investments which provide seed capital and/or capital in the start-up phase, as well as mezzanine financing, in order to reduce the particular difficulties which SMEs face because of their weak financial structure, and those arising from business transfers.

The fourth window, (d) securitisation of SME debt finance portfolios, shall mobilise additional debt financing for SMEs under appropriate risk-sharing arrangements with the targeted institutions. Support for those transactions shall be conditional upon an undertaking by the originating institutions to grant a significant part of the resulting liquidity of the mobilised capital for new SME lending in a reasonable period of time. The amount of this new debt financing shall be calculated in relation to the amount of the guaranteed portfolio risk and shall be negotiated, together with the period of time, individually with each originating institution.

Article 19

The CBS

1. The CBS shall be operated with international financial institutions, including the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the EIF and the Council of Europe Development Bank (CEB).

It shall carry out the following tasks:

- (a) improving the investment and technology expertise of funds and other financial intermediaries investing in innovative SMEs or SMEs with growth potential;
 - (b) stimulating the supply of credit to SMEs by enhancing the credit appraisal procedures for SME lending.
2. The CBS shall consist of the Seed Capital Action and the Partnership Action.

The Seed Capital Action shall provide grants to stimulate the supply of venture capital for innovative SMEs and other SMEs with growth potential, including those in the traditional economy, through support for seed and start-up funds or similar organisations. Support may also be provided for the long-term recruitment of additional staff with specific investment or technology expertise.

The Partnership Action shall provide grants to financial intermediaries to cover the cost of technical assistance to improve their credit appraisal procedures for SME debt financing, with the aim of stimulating the supply of finance to SMEs in countries with low banking intermediation.

For the purpose of the Partnership Action "low intermediation" shall relate to banking in countries where domestic credit as a percentage of the country Gross Domestic Product is significantly below the Community average according to relevant data established by the European Central Bank or the International Monetary Fund.

The Partnership action shall accompany the credit lines or the risk-sharing provided by international financial institutions to partner banks or financial institutions from the eligible countries. A significant part of the action shall relate to improving banks' and other financial institutions' capacity to assess the commercial viability of projects with a significant eco-innovation component.

Article 20

Services in support of business and innovation

1. Services in support of business and innovation, in particular for SMEs, shall be encouraged.
2. Taking into account the established experience and skills of existing European support networks for businesses, financial support may be granted to network partners to provide, in particular:
 - (a) Information, Feedback, Business Cooperation and Internationalisation services;
 - (b) Services for innovation and for the transfer of both Technology and Knowledge;
 - (c) Services encouraging the participation of SMEs in the Community framework Programme for RTD

Details concerning these services are laid down in Annex III.

3. The Commission shall select network partners through calls for proposals in relation to the different services referred to in paragraph 2(a), (b) and (c). Following those calls for proposals the Commission may establish a framework partnership agreement with selected network partners specifying the type of activities to be offered, the procedure for awarding grants to them and the general rights and obligations of each party. The framework partnership may cover the whole period of duration of the programme.

4. In addition to the services referred to under paragraph 2(a), (b) and (c), the Commission may provide financial support for the implementation of other activities within the scope of the framework programme following calls for proposals which may be restricted to the network partners. These services should ensure that interested parties and potential applicants may obtain comprehensive assistance relating to the possibilities of support under the framework programme.
5. The Commission shall support the network partners by making available the appropriate coordination and operational support. Organisations established in countries which are not participating in the programme may have the possibility to benefit from this coordination and operational support.
6. The Commission shall ensure that network partners shall cooperate with each other and, in the event that a network partner is unable to address an enquiry directly, it shall refer the enquiry to a competent network partner.

Article 20 a

Innovation and Eco-Innovation Pilot and Market replication projects

The Community will provide support to projects concerned with the first applications or market replication of innovative or eco-innovative techniques, products or practices of Community relevance, which have already been technically demonstrated with success but owing to residual risk, have not yet significantly penetrated the market. These will be designed to promote their broader utilisation within the participating countries and facilitate their market uptake.

[Article 21: Business Innovation Support Scheme - deleted. Due to reduction of budget level as compared to original proposal]

Article 22

Policy analyses, development, coordination and twinning

The following may be undertaken in support of policy analyses, development and coordination with participating countries:

- (a) studies, data collection, surveys and publications, based where possible on official statistics;
- (b) Twinning and meetings of experts, including from public institutions and interested parties, including representatives of SMEs, conferences and other events;
- (c) awareness raising, networking and other relevant activities;
- (d) benchmarking of national and regional performances, and work on good practices including their dissemination and implementation.

[Article 23: Twinning between authorities at national and regional level - deleted. Due to reduction of budget level as compared to original proposal].

Programme support measures

The Commission shall regularly undertake the following:

- (a) analysis and monitoring of competitiveness and sectoral issues, including for the Commission's annual report on the competitiveness of European industry;
- (b) preparation of impact assessments of Community measures of particular relevance for the competitiveness of enterprises and its publication with a view to identify areas for simplification of existing or preparation of new legislative measures aiming at making innovation more attractive in the Community;
- (c) evaluation of specific aspects or specific implementation measures in relation to this programme;
- (d) dissemination of appropriate information in relation to this programme.

SECTION 3

WORK PROGRAMME

Article 25

Work programme

The work programme shall set out in detail, in line with the objectives as set out in Article 10:

- measures needed for their implementation,
- priorities,
- qualitative and quantitative objectives,
- appropriate evaluation criteria and qualitative and quantitative indicators to analyse effectiveness in delivering outcomes that will contribute to the achievement of the objectives of the specific programmes and the overall Framework Programme,
- operational timetables,
- the rules for participation,
- the criteria for the selection and evaluation of the measures.

The work programme shall clearly identify the measures promoting eco-innovation.

Activities under article 24 (programme support measures) shall not be covered by the work programme.

Chapter II
The ICT policy support Programme

SECTION 1
OBJECTIVES AND FIELDS OF ACTION

Article 26

Establishment and objectives

1. A programme in support of information and communication technologies policy, hereinafter "the ICT Policy Support Programme", is hereby established.
2. The ICT Policy Support Programme shall provide for the following actions:
 - (a) development of the Single European information space and strengthening of the internal market for ICT products and services and ICT-based products and services;
 - (b) stimulation of innovation through a wider adoption of and investment in ICTs;
 - (c) development of an inclusive information society and more efficient and effective services in areas of public interest, and improvement of the quality of life.
3. The actions referred to in paragraph 2 shall be carried out with a particular emphasis on promotion and awareness raising of the opportunities and benefits that ICTs bring to citizens, public authorities and businesses, particularly SMEs.

Article 27

The Single European information space

Action in relation to the Single European information space shall aim at:

- (a) ensuring seamless access to ICT-based services and establishing appropriate framework conditions for rapid, appropriate and effective take up of converging digital communications and services, including interoperability, the use of open standards, as well as security and trust aspects;
- (b) improving the conditions for the development of digital content taking into account multilingualism and cultural diversity;
- (c) monitoring the European Information Society, through data collection and analysis of the development, availability and use of digital communication services including the growth of internet, access to and take-up of broadband as well as developments of content and services.

Article 28

Innovation through the wider adoption of and investment in ICTs

Action in relation to innovation through the wider adoption of and investment in ICTs shall aim at:

- (a) promoting innovation in processes, services and products enabled by ICTs, in particular in SMEs and public services, taking into account the necessary skills requirements;
- (b) facilitating public and private interaction as well as partnerships for accelerating innovation and investments in ICTs;
- (c) promoting and raising awareness of the opportunities and benefits that ICT and its new applications bring to citizens and businesses, including strengthening confidence in and openness to new ICT, and stimulating debate at the European level on emerging ICT trends and developments.

Article 29

An inclusive Information Society, more efficient and effective services in areas of public interest and improved quality of life

Actions in relation to the development of an inclusive information society and more efficient and effective services in areas of public interest, and the improvement of quality of life shall aim at:

- (a) widening ICT accessibility including to digital content and digital literacy;
- (b) reinforcing trust and confidence as well as support of ICT use, addressing, in particular, privacy [...] concerns;
- (c) improving the quality, efficiency, [...] availability and accessibility of electronic services in areas of public interest and for ICT enabled participation, including where appropriate interoperable pan-European or cross border public services as well as the development of common interest building blocks and sharing good practices

SECTION 2 IMPLEMENTATION

Article 30

General

The ICT policy Support Programme may be implemented by projects, best practice actions and thematic networks, including actions for wide scale testing and demonstration of innovative public services with a pan-European dimension.

Projects, best practice actions and thematic networks shall be aimed at stimulating the deployment and best use of innovative ICT based solutions, in particular for services in areas of public interest and for SMEs. Community support shall also facilitate the coordination and the implementation of actions for developing the Information society across the Member States.

Projects, best practice actions and thematic networks

1. The following shall be supported:
 - (a) projects including implementation, pilot and market replication projects;
 - (b) best practice actions to spread knowledge and share experience across the Community.
 - (c) thematic networks bringing together a variety of stakeholders around a given objective, so as to facilitate co-ordination activities and transfer of knowledge.

2. The projects shall be aimed at promoting innovation, technology transfer and the dissemination of new technologies that are ready for market uptake.

The Community may award a grant to the budget of the projects referred to in paragraph 1(a).

3. The best practice actions shall be conducted in clusters addressing specific themes and linked through thematic networks.

The Community contribution for the measures set out in paragraph 1(b) shall be limited to direct costs deemed necessary or appropriate for achieving the specific objectives of the action.

4. The thematic networks may be linked to best practice actions.

Support for thematic activities shall be granted towards the additional eligible costs of co-ordinating and implementing the network. The Community participation may cover the additional eligible costs of those measures.

Article 32

Applications

Applications for Community support for projects, best practice actions and thematic networks, as defined in Article 31, shall provide a financial plan listing all the components of the funding of the projects, including the financial support requested from the Community, and any other requests for support from other sources. Applications for other forms of Community support such as services or studies may also be requested to provide this information where appropriate.

Article 33

Policy analyses, development and coordination with participating countries

The following shall be undertaken in support of policy analyses, development and coordination with participating countries:

- (a) studies, data collection, surveys, and publications, based where possible on official statistics;
- (b) meetings of experts from public institutions and interested parties, including representatives of SMEs, conferences and other events;
- (c) awareness raising, networking and other relevant activities between experts from public institutions and interested parties;
- (d) benchmarking of national performances, and work on good practices including their dissemination and implementation.

Article 34

Promotion, communication, information sharing and dissemination

1. The following shall be undertaken in support of the implementation of the programme or the preparation of future activities:
 - (a) promotion, dissemination, information and communication activities;
 - (b) exchange of information, knowledge and experience, conferences, seminars, workshops or other meetings and the management of clustered activities.
2. Measures devoted to the commercialisation of products, process or services, marketing activities and sales promotion shall not be eligible for support.

Article 35

Projects of common interest: procurement based on technical specifications elaborated in coordination with Member States

Where it is necessary, in order to achieve the objectives of the ICT Policy Support Programme, and where there is a clear common interest of Member States as concerns European-level deployment of products, services, or of core service components or building blocks, the Commission may establish projects of common interest comprising necessary technical and organisational tasks. Existing initiatives should be taken in consideration, thus avoiding the duplication of efforts.

The Commission shall, in coordination with the Member States, agree on common technical specifications and implementation schedules for such projects. On the basis of the agreed common technical specifications and implementation schedules, the Commission shall issue calls for tender for implementation of the projects concerned. These calls for tenders shall be carried out solely by the Commission on the basis of the rules applicable to procurement by the Community.

SECTION 3 WORK PROGRAMME

Article 36

Work programme

The work programme shall set out in detail, in line with the objectives as set out in Article 26

- measures needed for their implementation,
- priorities,
- qualitative and quantitative objectives,
- appropriate evaluation criteria and qualitative and quantitative indicators to analyse effectiveness in delivering outcomes that will contribute to the achievement of the objectives of the specific programmes and the overall Framework Programme,
- operational timetables,
- the rules for participation
- the criteria for the selection and evaluation of the measures

Chapter III
The Intelligent Energy-Europe Programme

SECTION 1
OBJECTIVES AND FIELDS OF ACTION

Article 37

Establishment and objectives

1. A programme in support of energy efficiency, renewable energy sources and energy diversification, hereinafter "the Intelligent Energy – Europe Programme", is hereby established. The programme shall contribute to secure and sustainable [...] energy for Europe, while enhancing European competitiveness.

2. The Intelligent Energy – Europe Programme shall provide for action, in particular:
 - (a) to foster energy efficiency and the rational use of energy resources;
 - (b) to promote new and renewable energy sources and to support energy diversification;
 - (c) to promote energy efficiency and the use of new and renewable energy sources in transport.

Operational objectives

In operational terms the Intelligent Energy – Europe Programme shall aim at:

- (a) providing the elements necessary for the improvement of sustainability, the development of the potential of cities and regions, as well as for the preparation of the legislative measures needed to attain the related strategic objectives; developing the means and instruments to follow up, monitor and evaluate the impact of the measures adopted by the Community and its Member States in the fields addressed by that programme;
- (b) boosting investment across the Member States in new and best performing technologies in the fields of energy efficiency, renewable energy sources and energy diversification, including in transport, by bridging the gap between the successful demonstration of innovative technologies and their effective market uptake in broad scale in order to leverage public and private sector investment, promote key strategic technologies, bring down costs, increase market experience and contribute to reducing the financial risks and other perceived risks and barriers that hinder this type of investment
- (c) removing the non-technological barriers to efficient and intelligent patterns of energy production and consumption by promoting institutional capacity building including the local and regional level, by raising awareness, notably through the educational system, by encouraging exchanges of experience and know-how among the main players concerned, business and citizens in general and by stimulating the spread of best practices and best available technologies, notably by means of promotion at Community level.

Article 39

Energy efficiency and rational use of resources (SAVE)

Action to foster energy efficiency and the rational use of energy resources may include:

- (a) improvement of energy efficiency and the rational use of energy, in particular in the building and industry sectors, with the exception of actions covered by Article 41;
- (b) supporting the preparation of legislative measures and their application.

Article 40

New and renewable resources (ALTENER)

Action to promote new and renewable energy resources may include:

- (a) promoting new and renewable energy sources for centralised and decentralised production of electricity, heat and cooling and thus supporting the diversification of energy sources, with the exception of actions covered by Article 41;
- (b) integrating new and renewable energy sources into the local environment and the energy systems;
- (c) supporting the preparation of legislative measures and their application.

Article 41

Energy in transport (STEER)

Action to promote energy efficiency and the use of new and renewable energy sources in transport may include:

- (a) supporting initiatives relating to all energy aspects of transport, and the diversification of fuels;
- (b) promoting renewable fuels and energy efficiency in transport;
- (c) supporting the preparation of legislative measures and their application.

Article 42

Integrated initiatives

Action to combine several of the specific fields referred to in Articles 39, 40 and 41 or relating to certain Community priorities may include:

- (a) integrating energy efficiency and renewable energy sources in several sectors of the economy;
- (b) combining various instruments, tools and actors within the same action or project.

SECTION 2

IMPLEMENTATION

Article 43

Promotion and dissemination projects

The following shall be supported:

- (a) strategic studies on the basis of shared analysis and regular monitoring of market developments and energy trends for the preparation of future legislative measures or for the review of existing legislation, including as regards the functioning of the internal energy market, for the implementation of the medium and long term strategy in the energy field to promote sustainable development, as well as for the preparation of long-term voluntary commitments with industry and other stake-holders and for the development of standards, labelling and certification systems, where appropriate also in cooperation with third countries and international organisations;
- (b) creation, enlargement or reorganisation of structures and instruments for sustainable energy development, including local and regional energy management, and the development of adequate financial products and market instruments; building on the experience from past and present networks.

- (c) promotion of sustainable energy systems and equipment in order to further accelerate their penetration of the market and stimulate investment to facilitate the transition from the demonstration to the marketing of more efficient technologies, awareness campaigns and the creation of institutional capabilities ;
- (d) development of information, education and training structures, the utilisation of results, the promotion and dissemination of know-how and best practices involving all consumers, dissemination of results of the actions and projects and cooperation with the Member States through operational networks;
- (e) monitoring of the implementation and the impact of Community legislative and support measures.

Article 44

Market replication projects

The Community will provide support to projects concerned with the market replication of innovative techniques, processes, products or practices of Community relevance, which have already been technically demonstrated with success. These will be designed to promote their broader utilisation within the participating countries and facilitate their market uptake.

SECTION 3
WORK PROGRAMME

Article 45

Work programme

The work programme shall set out in detail, in line with the objectives as set out in Article 37:

- measures needed for their implementation,
- priorities,
- qualitative and quantitative objectives,
- appropriate evaluation criteria and qualitative and quantitative indicators to analyse effectiveness in delivering outcomes that will contribute to the achievement of the objectives of the specific programmes and the overall Framework Programme,
- operational timetables,
- the rules for participation,
- the criteria for the selection and evaluation of the measures.

TITLE III
GENERAL AND FINAL PROVISIONS

Article 46

Committees

1. The Commission shall be assisted by the following Committees:
 - (a) for the Entrepreneurship and Innovation Programme, by a committee called the EIP Management Committee (EIPC);
 - (b) for the ICT Policy Support Programme, by a committee called the ICT Management Committee (ICTC);
 - (c) for the Intelligent Energy Europe Programme, by a committee called the IEE Management Committee (IEEC).

2. Full co-ordination and co-operation across the whole Framework Programme, including the strategic management, and a coherent overall implementation is ensured by the Commission assisted by the EIPC in close collaboration with the other committees referred to in paragraph 1.

3. For the committees referred to in paragraph 1, Articles 4 and 7 of Decision 1999/468/EC shall apply, having regard to Article 8 thereof. The period laid down in Article 4(3) of Decision 1999/468/EC shall be three months. The Committees referred to in paragraph 1 shall adopt their rules of procedure.

Article 46a

User Manual

1. After the entry into force of the Framework Programme, the Commission will publish a readable and user-friendly User Manual establishing a clear, simple and transparent framework of general principles for the participation of beneficiaries in the Framework Programme. This should in particular facilitate the participation of SMEs.
2. The Commission shall ensure that the time between submission of applications and notification of evaluation results is as short as possible. The evaluation result shall be sent out within a reasonable timeframe.

Article 46b

Strategic Advisory Board on Competitiveness and Innovation

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

Article 47

Repeal

Decision 96/413/EC is repealed.

Article 48

Transitional measures

The implementation measures in pursuance of the objective set out in Article 27(b) shall be carried out under Decision/ .../EC of the European Parliament and of the Council⁴⁰ until 31 December 2008.

Thereafter the actions which are initiated under Decision/ .../EC on or before 31 December 2008 shall be administered in conformity with that Decision, except that the committee established by that Decision shall be replaced by the committee established in Article 46(1)(b) of this Decision.

In respect of services mentioned under Article 20 (2) (a), the Commission may continue until the 31 December 2007 the operation of the Euro Info Centre network and the conclusion of annual specific grant agreements with its members, funded under the present framework programme, and maintaining the operational modalities of the previous Multi-annual Programme for Entrepreneurship and Enterprises (2000-2005)(MAP).

Article 49

Entry into force

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

⁴⁰ OJ L....

ANNEX I

Indicative budgetary breakdown

The indicative budgetary allocations for the specific programmes are the following

- (a) 60% of the overall budget for the pursuance of the "Entrepreneurship and Innovation Programme", of which approximately one fifth will be implemented to promote eco-innovation;
- (b) 20% of the overall budget for the pursuance of the ICT Policy support Programme;
- (c) 20% of the overall budget for the pursuance of the "Intelligent Energy – Europe Programme".

ANNEX II

Implementation arrangements for the Community financial instruments for SMEs laid down in Article 16

1. Arrangements common to all Community financial instruments for SMEs

A. Budget

The budgetary allocation shall cover the full cost of each instrument, including payment obligations towards financial intermediaries such as losses from guarantees, management fees for the EIF and the international financial institutions managing the EU resources, as well as any other eligible costs or expenses.

The transfer of resources between instruments shall be kept flexible in order to respond to new developments and changing market conditions occurring during the programme.

B. Trust accounts

Separate Trust accounts shall be set up by the EIF and the relevant international financial institutions to hold the budgetary funds relating to each instrument. These accounts may be interest-bearing. Interest received until 31 December 2013 may be added to the resources and can be used for the purpose of the respective instrument.

Payments made by the trustee to honour payment obligations towards financial intermediaries shall be debited from the corresponding Trust account. Amounts to be paid back by the trustee to the general budget of the European Communities, the trustee's management fees and other eligible costs and expenses shall be debited from the Trust account in accordance with the terms set out in the agreements between the Commission and the trustee. The Trust account shall be credited with receipts originating from the Commission, interest and, depending on the instrument, with the proceeds from realised investments (GIF) or with commitment and guarantee fees as well as other receivables (SMEG Facility).

After 31 December 2013, any balances on the Trust accounts, other than funds committed and not yet debited and funds reasonably required to cover eligible costs and expenses, shall be returned to the general budget of the European Communities.

C. Fees

An appropriate fee policy shall apply to the operation of the instruments. The fees shall be established by the Commission in line with market practices⁴¹ and shall take into account:

- the overall duration of the respective instrument and the corresponding monitoring requirements which extend beyond the budgetary commitment period;
- the eligible countries;
- the degree of novelty and complexity of the instrument;
- the associated number of activities such as market research, identification of and negotiations with intermediaries, structuring of deals, closing, monitoring and reporting.

D. Visibility - Awareness Raising

Each intermediary shall provide an appropriate level of visibility and transparency to the support given by the Community, including the adequate information on the financial opportunities made available by the Framework Programme. It shall be ensured that the final beneficiaries are adequately informed about the available financing opportunities.

⁴¹ The Commission can confirm that contracts are negotiated with financial intermediaries on the basis of fee structures that do not adversely influence SMEs as this is the principle objective of the Community Financial Instruments.

2. Implementation of the High Growth and Innovative SME Facility (GIF)

A. Introduction

Fiduciary, management and monitoring aspects shall be agreed between the Commission and the EIF. The Commission shall apply specific guidelines on treasury management.

B. Intermediaries

GIF1 and GIF2 shall target commercially oriented intermediaries managed by independent teams combining the appropriate mix of skills and experience. The intermediaries shall be selected in conformity with best business and market practices in a transparent and non-discriminatory manner, avoiding any conflict of interest with the aim of working through a wide range of specialised funds or similar structures.

C. Eligibility criteria

GIF shall be complementary to the own-resource based activities of the European Investment Bank Group including the EIF by adopting an investment policy involving a higher risk profile, both as regards intermediary funds and their investment policies.

GIF 1

GIF 1 shall invest in intermediary venture capital funds and other investment vehicles investing in SMEs up to 10 years old, typically starting from pre-A (seed) and A (early stage) rounds and providing follow-on investment where appropriate. The usual maximum aggregate investment in an intermediary venture capital fund shall be 25% of the total capital held by the relevant fund, or up to 50% for new funds likely to have a particularly strong catalytic role in the development of venture capital markets for a specific technology or in a specific region as well as business angels' investment vehicles. The maximum aggregate investment in an intermediary venture capital fund shall be 50% in those cases where the fund's investment focus is on SMEs active in eco-innovation.

At least 50% of the capital invested in any fund shall be provided by investors operating in circumstances corresponding to normal market conditions (under the "market economy investor principle"), irrespective of the legal nature and ownership structure of the investors providing this part of the capital. No commitment in a single fund shall exceed EUR 30 million. GIF1 may co-invest with EIF own resources or resources under the EIB mandate or other resources managed by the EIF.

GIF 2

GIF 2 shall invest in intermediary risk capital funds investing in SMEs, typically in B and C (expansion) rounds. The usual maximum aggregate investment in an intermediary risk capital fund shall be 15% of the total capital held by the relevant fund, or up to 25% for:

- new funds likely to have a particularly strong catalytic role in the development of risk capital markets for a specific technology or in a specific region;
- funds whose main investment focus is on SMEs active in eco-innovation;
- funds set up by first time management teams.

In the case of co-investment with EIF own resources or resources under the EIB mandate or other resources managed by the EIF, the maximum GIF2 contribution shall be 15%. At least 50% of the capital invested in any fund shall be provided by investors operating in circumstances corresponding to normal market conditions (under the "market economy investor principle"), irrespective of the legal nature and ownership structure of the investors providing this part of the capital. No commitment in a single fund shall exceed EUR 30 million.

D. Investment pari passu

The investment made under the GIF in an intermediary fund shall rank *pari passu* with the private investors.

Da. Cornerstone role

For new funds likely to have a particularly strong catalytic role in the development of venture capital markets for a specific technology or in a specific region, EIF may play the role of a cornerstone investor.

Db Transparency of conditions

EIF shall ensure that terms and conditions of financing under GIF 1 and GIF2 are made transparent and comprehensible.

E. Life of the facility

The GIF shall be a long-term facility which will usually take 5 to 12 year positions in intermediary funds. In any case, life of investments under the GIF shall not exceed 19 years from the time of signature of the delegation agreement between the Commission and the EIF. Suitable exit strategies shall need to be defined in the agreements between the EIF and the intermediaries.

F. Realisation of investments

As most of the investments to be made under the GIF shall be in unquoted, illiquid entities, the realisation of those investments shall be based on the distribution of the proceeds received by the intermediary from the sale of their investments in SMEs.

G. Reinvestment of proceeds from realised investments

Proceeds, including dividends and reimbursements received by the EIF until 31 December 2013, shall be added to the resources of the Facility and used for the purpose of the Facility.

3. Implementation of the SME Guarantee (SMEG) Facility

A. Introduction

Fiduciary, management and monitoring aspects shall be agreed between the Commission and the EIF and shall be in line with normal commercial practices. The Commission shall apply specific guidelines on treasury management

B. Intermediaries

Intermediaries shall be chosen among the guarantee schemes already operating or which may be established in the eligible countries, including mutual guarantee organisations, and any other appropriate financial institution. Selection procedures shall be transparent and non-discriminatory, avoiding any conflict of interest.

Intermediaries shall be selected in conformity with best market practice with regard to:

- the effect on the volume of financing (debt, equity or quasi equity) made available to SMEs, and/or
- the effect on SMEs' access to finance, and/or
- the effect on risk-taking in SME financing by the intermediary concerned.

C. Eligibility

The financial criteria governing the eligibility under the SMEG Facility shall be determined for each intermediary on the basis of their activities, with the aim of reaching as many SMEs as possible. These rules shall reflect market conditions and practices in the relevant territory.

Financing for the acquisition of tangible and intangible assets, including innovation activities, technological development and the acquisition of licenses shall be eligible. Criteria relating to the fourth SMEG window, (d) securitisation of SME debt financing portfolios, include individual and multi-seller transactions as well as multi-country transactions. Eligibility shall be based on best market practices, in particular regarding the credit quality and risk diversification of the securitised portfolio.

D. Terms of the guarantees

The guarantees issued by the EIF on behalf of the Commission under the (a) debt financing, (b) microcredit, and (c) equity or quasi-equity windows of the SMEG Facility shall cover a part of the risk taken by the financial intermediary in a financing portfolio of individual transactions. The fourth window of the SMEG Facility, (d) securitisation, shall involve sharing the risk of certain securitised tranches which are senior to the first loss piece or leaving the risk of a significant part of the first loss piece to the originator and sharing the risk of the remaining part.

The guarantees given by the EIF relating to the (a) debt financing, (b) microcredit, (c) equity or quasi equity windows of the SMEG Facility shall usually rank *pari passu* with the guarantees or, where appropriate, with the financing given by the intermediary.

The EIF may charge to a financial intermediary a fee calculated on amounts committed but not used according to an agreed schedule ("commitment fees") as well as guarantee fees. It may also charge fees related to individual securitisation transactions.

E. EIF's capped maximum cumulative losses

The cost of the facility to the general budget of the European Communities shall be capped so that it does not, under any circumstances, exceed the budgetary allocation made available to the EIF under this facility. There shall be no contingent liability on the budget.

The EIF's obligation to pay its share of the intermediary's losses shall continue until the cumulative amount of payments made to cover losses from a specific financing portfolio, reduced where appropriate by the cumulative amount of corresponding loss recoveries, reaches a pre-agreed amount, after which the EIF's guarantee shall be automatically cancelled.

F. Loss recoveries and other revenue payable to the Trust Account

Any loss recoveries received from a given intermediary shall be credited to the Trust account and shall be taken into account in the calculation of the EIF's capped maximum cumulative losses towards the intermediary. Any other revenues, such as commitment fees and guarantee fees, shall be credited to the Trust account and, if received prior to 31 December 2013, shall be added to the resources of the Facility.

G. Duration of the Facility

Individual SME guarantees may have a maturity of up to 10 years

4. Implementation of the Capacity Building Scheme (CBS)

A. Introduction

Implementation details for the Seed Capital action and the Partnership action, including fiduciary, management and monitoring aspects, shall be subject to an agreement between the Commission and the EIF or the relevant international financial institutions.

Intermediaries shall be selected in conformity with best market practices.

Selection procedures for the provision of technical assistance shall be transparent and non-discriminatory, avoiding any conflict of interest.

B. Seed Capital action

The Seed Capital action shall be operated on a trust basis. The budgetary allocation shall cover the full cost of the action, including its management fees and any other eligible costs or expenses. The grants provided shall support investment funds which include seed capital in their global investment programme, by covering part of the resulting management costs.

C. Partnership action

The Partnership action shall be operated through the EIF or relevant international financial institutions. It shall cover technical assistance, management fees and other eligible costs supporting capacity building.

5. Evaluation

The external evaluations shall be carried out by independent experts, taking account of the impact of the Growth and Employment Initiative established under Council Decision 98/347/EC and of the Multiannual Programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) established by Council Decision 2000/819/EC. . The external evaluations shall assess the impact of the Community financial instruments for SMEs and provide a qualitative and quantitative analysis of achieved results, in particular, by assessing the leverage effect and cost-benefit of each instrument. The evaluation reports shall present statistical data for the EU as a whole and for the individual Member States and the other participating countries including:

- for the GIF, the number of SMEs reached and the number of jobs created;
- the rate of return to investors;
- for the SMEG Facility, the number and value of loans provided by the financial intermediaries to SMEs and the number of SMEs reached and the number and value of loans defaulted;
- for the Seed Capital action, the number of organisations supported and the volume of seed capital investments;
- for the Partnership action, the number of intermediaries supported and SMEs reached;
- any specific outputs relating to eco-innovation.

Appropriate visibility shall be given to the results and lessons learned from the reports of the external evaluators and to the sharing of best practices among stakeholders.

ANNEX III

Details of the services in support of business and innovation laid down in Article 20

a. Information, Feedback, Business cooperation and internationalisation services

- disseminating information relating to the functioning and opportunities of the internal market for goods and services, including signposting to tender opportunities;
- promoting pro-actively Community initiatives, policies and programmes relevant for SMEs and providing information to SMEs on the applications procedures for such programmes;
- operating tools to measure the impact of existing legislation on SMEs;
- contributing to the carrying-out of impact assessment studies of the Commission;
- operating other appropriate means to engage SMEs in the European policy-making process.
- assisting SMEs to develop cross-border activities and international networking;
- supporting SMEs to find relevant partners from the private or public sectors through appropriate tools.

b. Innovation, technology and knowledge transfer services

- disseminating information and raising awareness regarding innovation-related policies, legislation, and support programmes;
- engaging in the dissemination and exploitation of research results;

- providing brokerage services⁴² for technology and knowledge transfer, and for partnership building between all kinds of innovation actors;
- stimulating the capacity of firms, especially SMEs to innovate;
- facilitating linkage to other innovation services including intellectual property related services.

c. Services encouraging the participation of SMEs in the Community Framework Programme for RTD

- raising awareness among SMEs regarding the Community Framework Programme for RTD;
- helping SMEs to identify their RTD needs and to find relevant partners [...];
- assisting SMEs in the preparation and coordination of project proposals for participation in the Community Framework Programme for RTD.

⁴² Linguistic remark: French translation should use a term similar to "services d'intermédiation."