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Fast-track to competitive business: European Commission proposes Joint Programme with Member States for research-intensive small companies

R&D-performing Small and Medium-sized companies (SMEs) are the entrepreneurial stars of Europe. Responding to their specific needs, the Commission has adopted today EUROSTARS, a new Joint Programme with 27 EUREKA countries to finance R&D partnerships with research-performing SMEs. In addition to the Commission contribution of EUR 100 million, 22 EU Member states¹ and 5 countries associated to FP7² will jointly contribute another EUR 300 million, giving a total investment of EUR 400 million over 6 years. This will, in turn, mobilise up to EUR 400 million in additional private funding, resulting in an estimated EUR 800 million package to support European R&D performing SMEs. Through EUROSTARS, participating countries will pool their national programmes and research funding in favour of SMEs, resulting in better, more efficient use of funds.

Commissioner Potočnik said *"EUROSTARS brings a new level of cooperation and integration between Community and national research programmes. Creating strong links between public and private funding, EUROSTARS will give a boost to R&D performing SMEs, allowing them to collaborate with the best research teams in Europe, and to transform new ideas into successful businesses. It is an illustration of the European Research Area at work"*.

SMEs represent 99% of all enterprises in Europe and are crucial to the success of the renewed Lisbon partnership for growth and jobs. Among these, R&D-performing SMEs have a key role to play. With their small size, flexible organisation and commitment to research, they can take advantage of a fast-changing economic environment, seize new market opportunities, and create new jobs.

EUROSTARS is one of several areas identified for a higher level of research co-operation among the Member States, with the Commission participating actively. The idea is to go beyond the mere coordination of research programmes: such programmes encompass a voluntary integration process covering scientific, management and financial aspects of research projects.

¹ Austria, Belgium, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania, Slovenia, Spain and Sweden

² Iceland, Israel, Norway, Switzerland and Turkey

This includes:

- scientific integration, which entails common definition of priorities, and common evaluation and selection of projects, on the basis of excellence and economic impact
- management integration through the establishment of a dedicated management structure for faster decision-making, and
- financial integration, which includes setting up a multi-annual financing plan, pooling EC and Member States funds into a common pot.

The EUROSTARS Joint Programme is directly tailored to the needs of R&D-performing SMEs. It will target R&D activities

- involving multi-partner multi-national projects, led by SMEs, but open to other types of participants (universities, research organisations, large companies)
- executed principally by R&D-performing SMEs
- targeted at market-oriented research and development, aiming at short to medium term commercial results

EUROSTARS will be managed by the EUREKA Secretariat in Brussels, under the authority of the Eurostars High Level Group of representatives of the participating countries. Providing a "one stop shop" for SMEs, the Secretariat will issue calls, receive project proposals, organise evaluation by independent experts, manage the financial contributions to the Joint Programme, and monitor project progress.

EUREKA is intergovernmental Initiative launched in 1985, to support market-oriented R&D and innovation projects by industry, research centres and universities across all sectors. It is composed of 38 members, including the European Community. With its flexible and decentralised Network, EUREKA offers project partners rapid access to skills and expertise across Europe and national public and private funding schemes. By encouraging and assisting businesses to innovate, EUREKA is fully complementary with the 7th Framework Programme in working actively towards the common European objective of raising investment in R&D to 3% of GDP by 2010.