Eurostars Joint Programme: participation by the Community in a research and development programme aimed at supporting research and development performing SMEs undertaken by several Member States

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In accordance with Decision No 1982/2006/EC, the Commission presents its interim evaluation of the Eurostars Joint Programme. The Programme aims to support R & D performing SMEs by co-financing their market-oriented research projects and by providing them with the necessary legal and organisational framework. It is recalled that the EU decided to participate in financing Eurostars with a contribution of up to EUR100 million for the period 2008-2013, equivalent to a maximum of one third of the effective contributions of Member States and the other participating countries.

The interim evaluation was carried out by a Group of Independent Experts ("Group"), chaired by Ms Laperrouze, former Member of the European Parliament and Vice-President of the ITRE Committee. The interim evaluation report provided an analysis of the main aspects of the Eurostars programme (operational and strategic) and recommendations on both the short and longer term future. The Group has looked in particular at the progress towards the main objectives of Eurostars of supporting R&D performing SMEs and of aligning and synchronising national research and innovation programmes. The report provides the Commission views on the main recommendations expressed by the experts.

Progress of Eurostars: the Group suggested that the target population of European R&D performing SMEs is being reached and that this population provides a sustainable niche from the demand side perspective. The programme has attracted a high number of applications, with the number of qualified projects exceeding original budget allocations. With the open innovation approach rapidly becoming a common practice and the recognised importance of R&D for SMEs performance, the Group believes the demand for international R&D collaborations by SMEs to be likely to grow. The Group therefore recommends that Eurostars should be continued beyond 2013 and that in the next edition of the Eurostars Programme, the European Commission should prepare a proposal to expand the budget, using flexibility clauses, to respond to the increasing demand.

The Commission welcomes the strong SME interest in Eurostars. In its first years, **Eurostars has shown good potential as a programme** of interest to R&D performing SMEs, encouraging them to innovate. The Commission will therefore continue to support the current programme until 2013. It will be important to see whether this level of demand is maintained and that Eurostars countries are able to meet it. Furthermore, currently the majority of participating SMEs has been already involved in international research. **Whether this constitutes the intended target group could be questioned.** Discussions on the future budget allocation for Eurostars should take place in the light of the further evolution of the programme and eventually in the overall context of the future Common Strategic Framework for Research and Innovation funding and of the European Council conclusions of 4 February 2011.

Having started in 2008, the programme's operational performance still needs further improvement. In this respect, the key measure for success is a **substantially reduced time-to-contract**. The Group considers that reducing time-to-contract (defined as the time between cut-off date of the calls and the date of the signature of the grant agreement) should remain one of the top priorities for all the stakeholders of the

Eurostars programme and participant countries are invited to put the necessary measures in place. It also suggests possible actions to reduce time-to-contract: earlier financial assessment by the national level; the Secretariat to monitor and discuss with 'slower' countries; common and stricter deadlines for signature of consortium and grant agreement. The Commission agrees with the recommendations, and encourages the Eurostars countries to advance the processes in the national administrations as much as possible.

The report goes on to note that from a wider perspective, the **integration process of the national participating programmes needs to be reinforced.** The Group stated that, conceptually, Eurostars has featured a good level of integration of national programmes, in all the three aspects (scientific, management and financial), by setting up the main bodies and procedures as referred to in the Decision.

However, further improvements still remain to be made to achieve the desired level of integration at the implementation level, especially in the following areas: harmonisation of national funding rates and funding rules, synchronisation and reduction in time-to-contract and harmonisation of reporting practices. The Group recommends addressing these important issues through the development of a roadmap with measurable milestones to facilitate the monitoring and implementation of the integration process and by setting up a permanent Working Group for the exchange of Good practices. The Commission agrees with the recommendations of the Group with a view to accelerating the integration process. The Commission invites the Eurostars countries to take the integration objective of the Eurostars Joint Programme into account through a better harmonisation and simplification of funding eligibility rules and alignment of financing and disbursement practices.

Lastly, the Commission will actively engage in discussions on the possible follow up for the current Eurostars programme in the context of the next programming period, without prejudice to the preparation of the Common Strategic Framework for Research and Innovation funding and the EU Multi-Annual Financial Framework. It will take into consideration the wider political context of the Innovation Union Flagship initiative and the European Council conclusions of 4 February 2011.