

EUROSTARS Commissioner
Janez POTOČNIK

**Launch of EUROSTARS
Cooperation between the
European Community and
EUREKA**

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Distinguished guests, Members of Parliament, ladies and gentlemen,

Today we are setting another step in the realisation of a European Research Area, this time to the benefit of small and medium-sized enterprises.

It is common wisdom that these enterprises are the lifeblood of the European economy. In Europe, we count about 23 million SMEs; they provide 75 million jobs and account for 99% of all businesses in Europe.

SMEs can be strong drivers of innovation. Not only do they provide for breakthrough innovations in technology, production process or services, they also often transfer an innovation throughout the whole supply chain.

As we are out to build a true knowledge economy, we have to make it easier for these companies to exploit new research opportunities and emerging technologies. We want to see more “research-intensive” SMEs that are able to perform R&D and to develop cutting edge technologies in their field.

So, it is no surprise that support to small and medium-sized enterprises is a key component in research and innovation policies, at regional, national and European levels. In the Framework Programmes, SMEs have traditionally had special treatment and this was further enhanced in the 7th Framework Programme. SMEs have also been able to find support through the EUREKA network.

And it is fair to say that we have good success stories in Europe.

I was recently told about a French SME, MESATRONIC, which was created in 1993 by a group of engineers from the electronics and microelectronics sector and which is now a world leader in the design and manufacturing of test equipment for semiconductor chips. In 1998, MESATRONIC patented a probe card technology called “DOD Technology” which makes it possible to test a new generation of silicon wafers. MESATRONIC participated in the EUREKA project NEWTECT, the results of which helped the company to grow. It now counts 64 employees and has a turnover of € 9 million.

Two years ago, I visited Televic, a Belgian SME which develops and manufactures solutions for multimedia and communication markets. They are, for example, supplying many hospitals with

nurse call communication systems. Their specialised equipment for conference rooms is used in many international organisations, like in our Berlaymont building, in the European Parliament or in the UNESCO building in Paris. Televic has 240 employees, of whom 55 are active in R&D. It participates in research projects with research institutes, universities and engineering schools, including through projects funded by the Framework Programme.

We may have some such success stories, but we need many more of them. We need to create an environment in which it is much more common for SMEs to grow their business through R&D-based innovation.

That is where the EUROSTARS programme comes in. EUROSTARS is the first dedicated trans-European support scheme for this kind of small and medium-sized enterprises.

EUROSTARS is not a Commission initiative. It is in fact a joint invitation from 27 countries, the EUREKA network and the European Commission to Europe's entrepreneurs and SMEs for them to seize R&D opportunities.

Eurostars is a structural improvement in Europe's landscape responding to the specific needs of research-performing SMEs. The Eurostars programme will offer funding to those companies with less than 250 employees, who invest at least 10% of their annual turnover in R&D activities or who employ at least 10% of their workforce in R&D, and who wish to lead international market-driven collaborative research projects.

Eurostars is based on three years of preparations and combines the strengths of both the Framework Programme for Research and Development and the EUREKA partnership.

From the Framework Programme, it takes the centralised management, the common and single evaluation and selection process, as well as the secured funding once the project is selected.

From EUREKA, it takes the decentralised network, the proximity to small and medium-sized enterprises and the market orientation of the R&D.

The result is a well-balanced marriage, which we are announcing today! The Eurostars initiative also marries European-level inputs with national contributions and combines public with private resources.

Last Friday, I proposed to the Competitiveness Council that the European Union supports the

Eurostars Joint Programme with a financial contribution of €100 million.

22 Member States of the European Union and 5 countries associated to the Seventh Framework Programme for Research have jointly agreed to bring together another €300 million, giving an amount of €400 million of public funding. This will in turn mobilise an equivalent amount of additional private funding, resulting in a total package of up to €800 million to support European R&D-performing SMEs.

It is important to realise that Eurostars goes beyond the mere coordination of national programmes, as it establishes scientific, management and financial integration of different research programmes:

- > Scientific integration takes place through the common definition of priorities and calls for proposals, together with the common evaluation and selection of projects on the basis of excellence and economic impact.
- > Management integration is realised through the establishment of a dedicated management structure for faster decision-making. The EUREKA Secretariat will have a key role to play in implementing the programme.
- > Financial integration includes the setting-up of a multi-annual financial plan, pooling the financial resources of the Framework Programme and of the national programmes.

This integration of research programmes is a dynamic process and I expect this integration to be further strengthened throughout the lifetime of the Eurostars programme.

The success of the Eurostars Joint Programme will obviously depend on the strong and ongoing commitment of the participating Member States and Associated countries. This is true in particular with respect to the provision of financial resources that goes well beyond the initial honeymoon period!

As we all know, in a marriage, it is not sufficient to say yes only at the beginning. You have to keep showing that you mean it.

Before concluding, I would like to pay tribute to the partnership between EUREKA and the European Community in the promotion of science and technology development in Europe, as well as the role of EUREKA in this initiative.

For many years, co-operation between EUREKA and the Community's Research Programmes focussed on exchange of information, best practices and expertise, the holding of joint events

for industry, etc.

Recently, we see a number of joint initiatives which are made possible thanks to the Seventh Framework Programme for Research. There is Eurostars, but also the Joint Technology Initiatives ARTEMIS and ENIAC, which are under the responsibility of my colleague Mrs Reding. Our Green Paper on the future of the European Research Area emphasises the important role of intergovernmental organisations such as EUREKA in structuring the European Research Area. We have to keep searching for avenues to bring more coherence to Europe's research system and to combine the strengths and resources of all existing programmes and organisations. In this context, I trust that the Eurostars joint programme can be a pioneering initiative, with tangible benefits for SMEs. I am particularly pleased that Eurostars is already open for business, as it is opening its first call today. This demonstrates the commitment of the various partners to make swift progress and I would be very surprised if Member States and the European Parliament, which co-decide on the Commission's proposal, would not want to mark their approval very quickly.

Ladies and gentlemen,

The Eurostars programme provides a good example of where Community funding is able to leverage a larger amount of national and private funding.

It shows how Member States can co-operate by bringing their national programmes closer together, providing a welcome impetus to the development of the European Research Area.

But above all, it shows the strong willingness that exists in Europe to support entrepreneurship, research and innovation.

Thank you all for your attention.