

Opinion of the Committee of the Regions on 'Programme for the competitiveness of enterprises and small and medium-sized enterprises (2014-2020)'

(2012/C 391/08)

THE COMMITTEE OF THE REGIONS

- welcomes the European Commission's Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014-2020) as a commitment to recognising competitiveness as a fundamental and leading factor in ensuring sustained economic growth and more jobs in the EU;
- draws attention to the numerous existing initiatives taken by local and regional authorities in all Member States, for example local small business centres, microcredits awarded by local or regional authorities or free expert advice on setting up small businesses, which often provide the basis for a successful start-up microenterprise;
- draws attention to the needs of young entrepreneurs, for whom enterprise is often the only opportunity for professional development, and who are inclined to take a risk on an activity, often developing it throughout the European market. These entrepreneurs are thus predisposed to being competitive in global markets;
- points out that achieving global competitiveness is possible only by tackling the imperfections in the European market which make European SMEs less able to compete with their counterparts from other parts of the world. SMEs must play a bigger role in implementation of EU projects and their position should be improved in relations with major entrepreneurs which are often the general contractors of such projects. To this end, it stresses the importance of networking for SMEs.

Rapporteur	Witold KROCHMAL (PL/EA), Member of Wołów Town Council and Local Authority
Reference document	Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014-2020) COM(2011) 834 final

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

1. welcomes the European Commission's Proposal for a Regulation of the European Parliament and of the Council establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014-2020) as a commitment to recognising competitiveness as a fundamental and leading factor in ensuring sustained economic growth and more jobs in the EU;
2. believes that the proposed regulation complements previous EC initiatives under the Europe 2020 strategy; it acknowledges the role played by SMEs in the EU economic system and recognises the shortcomings and turbulent nature of the SME environment, which may slow down or even limit the development of businesses and the growth in their competitiveness;
3. emphasises that the CoR position is backed up by the survey SME-friendly Regions and Cities ⁽¹⁾ involving local and regional authorities carried out by the Committee's Europe 2020 Monitoring Platform;
4. recognises that Member States and regions are largely responsible for tackling market shortcomings, but believes that the EU can help in certain areas by promoting good practices, ensuring that the single market functions effectively and improving the conditions for the business environment so that businesses, including SMEs, can compete sustainably on a global scale, this implies striving towards a low-carbon, resource-efficient economy;
5. considers that this Programme will significantly increase confidence in Europe's enterprise sector in both European and global markets. The effect of increased confidence in markets will be greater interest in enterprise and a more expansive policy by existing businesses, including SMEs, which are a major source of economic growth (58 % of turnover in the EU) and employment (67 % of private sector jobs) and which created 85 % of new jobs between 2002 and 2010 in this sector;
6. believes it is right that the Programme highlights the importance of the tourism sector, which is associated with a large number of SMEs in the EU employing a huge number of people;
7. stresses the importance of supporting businesses and SMEs at the various stages of their development, from business start-ups to businesses that already exist, or even those being restructured, on the assumption that the effect of the support is to boost the competitiveness of the business in the EU market and external markets;
8. recognises that one of the main conditions for the Programme's success is the promotion and development of an enterprise culture and business ethics in EU society; therefore welcomes the possibility to take part in the competition for the European Enterprise Award at national, regional and local level, and in other projects of this type;
9. points out that annually three European regions obtain the "European Entrepreneurial Region" awards in recognition of the favourable conditions they provide for SMEs;
10. believes that promoting enterprise should begin in school, through development of positive attitudes towards enterprise and promotion of self-reliance in the economic sphere. This will enable the making of informed decisions about the nature of the work students wish to do once they have to enter the labour market. In order for school-leavers and graduates to be able to begin work as entrepreneurs on the basis of the skills they have acquired, making it highly likely that there will be a demand for the services they provide, care must be taken that this training does not ignore the needs of the market;
11. calls for integration of enterprise trends and development into vocational training, as ongoing education for our entrepreneurs is essential for the competitiveness levels;
12. draws attention to the needs of young entrepreneurs, for whom enterprise is often the only opportunity for professional development, and who are inclined to take a risk on an activity, often developing it throughout the European market. These entrepreneurs are thus predisposed to being competitive in global markets;
13. draws attention to the numerous existing initiatives taken by local and regional authorities in all Member States, for example local small business centres, microcredits awarded

⁽¹⁾ <http://portal.cor.europa.eu/europe2020/news/Pages/InvitationtoparticipateintheSurveyonSME-friendlyRegionsandCities.aspx>.

by local or regional authorities or free expert advice on setting up small businesses, which often provide the basis for a successful start-up microenterprise;

14. also draws attention to the position of female entrepreneurs and as well as specific target groups including amongst others immigrant and expatriate entrepreneurs, who require a special initiative to develop the competitiveness of their businesses, taking into account existing EU policies in this area;

15. calls on local and regional authorities to implement the Programme; draws particular attention to the need to eliminate or reduce red tape and obstacles for obtaining external funds, and to simplify the documents submitted for contracts and dropping the requirement to provide bank guarantees for small-scale works;

Making EU businesses more competitive

16. points out that achieving global competitiveness is possible only by tackling the imperfections in the European market which make European SMEs less able to compete with their counterparts from other parts of the world. SMEs must play a bigger role in implementation of EU projects and their position should be improved in relations with major entrepreneurs which are often the general contractors of such projects. To this end, it stresses the importance of networking for SMEs;

17. points out that the EU, together with the Member States, must ensure that the single market operates effectively and improve the business environment by eliminating or reducing difficulties faced by SMEs in accessing finance, their limited ability for expansion into markets outside their country of origin both within the single market and outside it, as well as excessive tax burdens and red tape. These conditions must be met at the same time as ensuring access to knowledge and new innovative technologies as well as cooperation with local vocational schools and academic institutions which in their programmes must take account of SMEs as the driving force of the European economy;

18. considers that the Programme should place more emphasis on increasing SME involvement in the EU's research and innovation efforts, projects and programmes, including by establishing public-private partnerships. Greater involvement in research projects will boost companies' internal skills and thus also their international competitiveness.

In the proposal to establish a research and innovation programme, Horizon 2020, particular attention is drawn to the need to increase SME involvement in research projects. Increasing their involvement in research makes information and knowledge available to SMEs, some of which are world leaders;

19. notes that only such an approach will enable businesses and SMEs to develop in a way that takes account of commitments to a low-carbon economy based on the latest environmental technologies enabling goals to be achieved in the area of climate and energy policy;

20. welcomes the Programme's proposed budget which amounts to EUR 2,522bn. At the same time, notes that the amount of EUR 1,4bn earmarked for financial instruments, which will support businesses and SMEs directly, represents only 56 % of the total Programme budget. In case the demand for financial instruments is higher than could reasonably be expected, change in percentage allocations should be decided in the Committee where all countries benefiting from the Programme for the Competitiveness of Enterprises and SMEs (COSME) are represented in line with the provision of Article 16 of the draft regulation. It is the remaining part of the budget, earmarked for activities to support the SME environment, that guarantees that funds allocated for the whole Programme for the 2014-2020 period are used efficiently and effectively;

21. believes it is appropriate to allocate 1,7 % of the Programme budget to administrative support for the Programme since these funds must guarantee that the Programme operates effectively while not placing an excessive burden on the budget;

22. is of the view that measures financed from the Programme budget cannot be a substitute for initiatives at national, regional or local level, but should strengthen these measures and make them more effective, giving them an EU dimension, through effective coordination and the removal of cross-border obstacles to cooperation between private actors or public authorities. This cooperation should be encouraged by means of "horizontal" networking rather than "vertical" centralisation;

23. considers that the support provided should be fully justified by the goals and should generate positive impacts across Europe through crowding-in and multiplier effects and capitalising on the results achieved;

24. stresses that is to a large extent dependent on productivity, innovation and efficiency, which is the source of sustainable growth in incomes, on the ability of businesses to take full advantage of opportunities such as the European single market and on institutional solutions creating the conditions for sustainable growth of businesses. Therefore projects which strengthen the factors having the greatest impact on sustainable competitiveness of businesses and SMEs should be treated as a priority;

25. draws attention to the fact that the participation of third countries in the Programme on the basis of protocols to association agreements and on the basis of other agreements should be treated as an opportunity to expand the area of activity of businesses operating in the EU area and to acquire experience of how businesses function outside the EU market; the participation of other third countries in the programme should also be possible, financing should be provided from other programs designated for cooperation of EU Member States with non-Member States;

26. draws attention to the importance of enterprise education, including through lifelong learning, evolving in the direction of developing skills, attitudes and incorporating CSR

enabling people to take on the challenges of the modern global market, while respecting traditional European business ethics;

27. believes that efforts to promote enterprise and develop pro-enterprise attitudes should also cover entrepreneurs embarking on the path of self-employment beginning their professional lives, including also women who make this effort and take the risk;

28. is of the view that measures to improve access by SMEs to financing including the equity facility and the loan guarantee facility should complement the financial instruments currently used under the cohesion policy. There should also be the possibility to link them with other specifically defined funds from Member States;

29. stresses the importance of the possibility to grant cross-border credit and loans enabling SMEs to tap the huge potential of the single market, which should strengthen the competitiveness and sustainability of business initiatives, in the tourism sector for example;

30. draws special attention to the Equity Facility for Growth (EFG) focussing on funds that provide venture capital. Stresses that, on the basis of an appropriate risk assessment, the programme manager should help support as many SMEs as possible, including those which under normal banking procedures have little chance of obtaining assistance but which can help strengthen the overall potential of SMEs and reduce unemployment significantly;

31. remains sceptical on the LGF loan level and urges the Commission to specify what criteria were used to set this level as the CIP programme did not establish any limits. Highlights that loans for start-ups, investment or transfer are often for significantly higher amounts than the set limit and is concerned that this leads to a situation where higher loans would be guaranteed under the Horizon programme, even though it is only supposed to be used for innovation projects;

32. therefore calls for a return to the previous Competitiveness and Innovation Framework programme, which did not set any limits;

33. regards as legitimate the individual approach to negotiations with institutions seeking risk-sharing funding for their lending, both in terms of the size of loans, which is dependent on the amount of the guaranteed portfolio risk, and the period for which loans are granted;

34. calls for both financial instruments geared towards venture capital and funds earmarked to cover SME debt portfolios to be subject to continuous risk reduction checks;

Programme management

35. regards as appropriate the transfer of the indirect management of the Programme to the European Investment Fund (EIF) and to the executive agencies, with the European

Commission responsible for continually monitoring the Programme. This form of management guarantees that the positive experiences of the EIF as an instrument supporting SMEs, acquired over more than ten years, will be made use of;

36. recommends that use be made of the experiences in this area of the European Investment Bank (EIB) and the Enterprise Europe Network, which has experience of internationalising SMEs, including outside the EU;

37. considers that, in order to ensure the Programme is implemented successfully and that it is effective, there must be close cooperation with local and regional authorities and institutions managing the Programme, facilitating the flow of information in each area of the Programme's implementation;

38. considers experiences with the internationalisation of SMEs outside the EU and the transfer of information on this subject to be important; this should help SMEs to reduce transaction costs linked to cross-border activities. This is an area for development by experts from EU institutions, with cooperation from national and regional authorities;

39. points also to the possibility of creating centres for disseminating information about SMEs. The Committee does not, however, wish to suggest what form these bodies should take or the specific way in which they would operate. These issues should be settled in the framework of multilateral cooperation agreements among countries and regions;

40. proposes that direct management of the Programme take place mainly at regional level with support and supervision from the national authorities. This level of management should also build a system for monitoring the risks associated with projects being carried out;

41. proposes that project monitoring also be part of the assessment of implementation on the basis of the indicators for the achievement of medium-term goals, set out in Annex 1 to the proposal. Monitoring should also encompass information on the implementation of measures within the framework of the Programme relating to climate protection and other EU policies;

42. stresses that these activities must be consistent and in accordance with the monitoring activities carried out by the European Commission, whose representatives, alongside employees from the Court of Auditors and the European Anti-fraud Office (OLAF), will carry out on-the-spot audits, checks and inspections;

43. considers that the audit strategies should be geared towards the objective assessment of the Programme's implementation and should not be a burden for Programme beneficiaries. The monitoring systems should take account of the project implementation phases so as not to have a negative impact on the pace of implementation and not lead to excessive additional costs;

Current threats to the Programme

44. draws attention to the fact that, in light of the current budgetary situation in many countries, national governments are seeking the simplest means of boosting budgetary revenue by raising the level of various contributions that increase the cost of labour, which can in effect lead to the collapse of SMEs or their transition to the grey economy. We therefore call for protection of SMEs, since the policy described above will delay recovery from the economic crisis and may in practice cancel out the Programme's added value. SMEs are an effective tool for reducing unemployment;

45. believes that the administrative burdens linked to business start-ups and the tax burdens on operational companies may make it difficult for businesses, and SMEs in particular, to improve their competitiveness in many EU countries; the Committee of the Regions therefore calls for the net administrative burden in all relevant EU legislation to be reduced by 25 % until 2020; believes it would be a good idea to consider removing a broader range of barriers for stakeholders from the SME sector;

46. considers that the Programme should provide additional bonuses for the countries and regions which have adopted the most favourable systems for SMEs, enabling them to develop, increase their competitiveness and expand into external markets, in order to support such activity. Promoting positive attitudes is aimed at encouraging appropriate trends in different countries and regions;

47. calls on the European Commission to make every effort to improve access to information on development of markets in fast-growing countries, ways of investing in these countries, current legal systems and local customs governing business activity;

48. believes that information on external markets must be easily accessible for SMEs, i.e. it should be affordable, accurate and rapidly available. In addition to SME information centres, the EU's diplomatic representations in those regions of the world should play a major part;

49. stresses that developing the entrepreneurship of EU citizens requires changes in education and training system, which is a long-term activity. There is therefore a risk that medium and long-term goals will not be achieved.

50. draws attention to the possibility that SME activities could be overregulated at EU, national or local level. Such overregulation may needlessly complicate procedures linked to the activities themselves and to obtaining support within the framework of various programmes, which will have a negative impact on SMEs' competitiveness. Cutting bureaucracy and lowering the barriers to starting and running a business must be treated as a priority.

II. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

COM(2011) 834 final

Whereas (1)

Text proposed by the Commission	CoR amendment
<p>(1) The Commission adopted the Communication "Europe 2020 - A strategy for smart, sustainable and inclusive growth" ⁽¹⁾ in March 2010 (hereinafter "the Europe 2020 Strategy"). The Communication was endorsed by the European Council of June 2010. The Europe 2020 Strategy responds to the economic crisis and is intended to prepare Europe for the next decade. It sets five ambitious objectives on climate and energy, employment, innovation, education and social inclusion to be reached by 2020 and identifies key drivers for growth, which aim at making Europe more dynamic and competitive. It also emphasises the importance of reinforcing the growth of the European economy while delivering high levels of employment, a low carbon, resource and energy-efficient economy and social cohesion.</p>	<p>(1) The Commission adopted the Communication "Europe 2020 - A strategy for smart, sustainable and inclusive growth" ⁽¹⁾ in March 2010 (hereinafter "the Europe 2020 Strategy"). The Communication was endorsed by the European Council of June 2010. The Europe 2020 Strategy responds to the economic crisis and is intended to prepare Europe for the next decade. It sets five ambitious objectives on climate and energy, employment, innovation, education and social inclusion to be reached by 2020 and identifies key drivers for growth, which aim at making Europe more dynamic and competitive. It also emphasises the importance of reinforcing the growth of the European economy while delivering high levels of employment, a low carbon, resource and energy-efficient economy and social cohesion. <u>Small and medium-sized enterprises (SMEs) play a crucial role in reaching the Europe 2020 objectives. This has been reflected in the fact that SMEs are mentioned in six out of seven of its flagship initiatives.</u></p>
<p>⁽¹⁾ COM(2010) 2020 final.</p>	<p>⁽¹⁾ COM(2010) 2020 final.</p>

Amendment 2

COM(2011) 834 final

Whereas (6)

Text proposed by the Commission	Amendment
(6) In order to contribute to the reinforcement of competitiveness and sustainability of Union enterprises, in particular SMEs, the advancement of the knowledge society, and development based on balanced economic growth, a Programme for the Competitiveness of Enterprises and SMEs (hereinafter "the Programme") should be established	(6) In order to contribute to the reinforcement of <u>sustainable</u> competitiveness and sustainability of Union enterprises, in particular SMEs, the advancement of to <u>encourage an entrepreneurial culture and to promote the knowledge society, creation and development based on</u> balanced economic growth of SMEs, a Programme for the Competitiveness of Enterprises and SMEs (hereinafter " the Programme " <u>the Programme</u>) should be established.

Reason

Competitiveness and sustainability should not be understood as separate objectives. Instead, competitiveness should be understood as depending on sustainability. According to the European Competitiveness Report, 2010, sustainable competitiveness reflects the ability to achieve and maintain the competitiveness of industry in accordance with sustainable development objectives.

Amendment 3

COM(2011) 834 final

Whereas (18)

Text proposed by the Commission	Amendment
(18) As outlined in the Commission Communication of 30 June 2010, entitled "Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe"[1], which was endorsed by the European Council Conclusions of October 2010, tourism is an important sector of the Union economy. Enterprises in this sector substantially contribute to the Union's Gross Domestic Product (GDP) and job creation and have significant potential for the development of entrepreneurial activity, since it is run mainly by SMEs. The Lisbon Treaty acknowledges the importance of tourism outlining the Union specific competences in this field which complement the actions of Member States. There is clear added value for the tourism initiative at Union level, especially in providing data and analysis, in developing transnational promotion strategies and in exchanging best practices	(18) As outlined in the Commission Communication of 30 June 2010, entitled "Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe[1]", which was endorsed by the European Council Conclusions of October 2010, tourism is an important sector of the Union economy. Enterprises in this sector substantially contribute to the Union's Gross Domestic Product (GDP) and job creation and have significant potential for the development of entrepreneurial activity, since it is run mainly by SMEs. The Lisbon Treaty acknowledges the importance of tourism outlining the Union specific competences in this field which complement the actions of Member States. <u>There is This Programme should support initiatives in the field of tourism where a clear EU added value for the tourism initiative at Union level can be demonstrated,</u> especially in providing data and analysis <u>in designing transnational promotion and sales strategies,</u> in developing transnational promotion strategies <u>common quality standards</u> and in exchanging best practices

Amendment 4

COM(2011) 834 final

Whereas (20)

Text proposed by the Commission	Amendment
(20) The Programme should complement other Union programmes, while acknowledging that each instrument should work according to its own specific procedures. Thus, the same eligible costs should not receive double funding. With the aim to achieve added value and substantial impact of Union funding, close synergies should be developed between the Programme, other Union programmes and the Structural Funds.	(20) The Programme should complement other Union programmes, while acknowledging that each instrument should work according to its own specific procedures. Thus, the same eligible costs should not receive double funding. With the aim to achieve added value and substantial impact of Union funding, close synergies should be developed between the Programme, <u>and</u> other Union programmes, <u>in particular Horizon 2020</u> , and the Structural Funds.

Amendment 5

COM(2011) 834 final

Whereas (24)

Text proposed by the Commission	Amendment
(24) The Agreement on the European Economic Area and Protocols to Association Agreements provide for the participation of the countries concerned in Union programmes. Participation by other third countries should be possible when Agreements and procedures so indicate.	(24) The Agreement on the European Economic Area and Protocols to Association Agreements provide for the participation of the countries concerned in Union programmes. Participation by other third countries should be possible when Agreements and procedures so indicate. <u>Financing should be provided from other programs designated for cooperation of EU Member States with Non-Member States;</u>

Amendment 6

COM(2011) 834 final

Article 2 (1)

Text proposed by the Commission	Amendment
<p data-bbox="472 1536 549 1563"><i>Article 2</i></p> <p data-bbox="416 1579 604 1606">General Objectives</p> <p data-bbox="240 1637 791 1715">1. The Programme shall contribute to the following general objectives, paying particular attention to the specific needs of SMEs at European and global level:</p> <p data-bbox="240 1744 791 1798">(a) strengthening the competitiveness and sustainability of the Union's enterprises including in the tourism sector;</p> <p data-bbox="240 1850 791 1904">(b) encouraging an entrepreneurial culture and promoting the creation and growth of SMEs.</p>	<p data-bbox="1031 1536 1107 1563"><i>Article 2</i></p> <p data-bbox="975 1579 1165 1606">General Objectives</p> <p data-bbox="799 1637 1343 1715">The Programme shall contribute to the following general objectives, paying particular attention to the specific needs of SMEs at European and global level:</p> <p data-bbox="799 1744 1343 1823">(a) strengthening the <u>sustainable</u> competitiveness and sustainability of the Union's enterprises including in the tourism sector <u>particular SMEs;</u></p> <p data-bbox="799 1850 1343 1989">(b) encouraging an entrepreneurial culture, <u>incorporating it, together with training and encouragement for setting up businesses, in educational curricula at primary, secondary and vocational level, with a view to</u> promoting the creation and growth of SMEs.</p>

Reason

Competitiveness and sustainability should not be understood as independent objectives, since competitiveness in the long term depends on sustainability, and policies should be based on a long-term strategy.

The "Small Business Act for Europe" initiative establishes the need to create a culture that defends entrepreneurs and promotes and encourages their emergence, where their strength and ability to overcome difficulties are highlighted and valued.

Amendment 7

COM(2011) 834 final

Article 2 (2)

Text proposed by the Commission	Amendment
<i>Article 2</i> General Objectives	<i>Article 2</i> General Objectives
2. The achievement of the objectives referred to in paragraph 1 shall be measured by the following indicators:	2. The achievement of the objectives referred to in paragraph 1 shall be measured by the following indicators:
(a) percentage of growth of the Union's industrial sector in relation to total Gross Domestic Product (GDP) growth,	(a) percentage of growth of the Union's industrial sector <u>and in the tertiary sector linked to industry</u> in relation to total Gross Domestic Product (GDP) growth,
(b) Union manufacturing output growth in eco-industries,	(b) Union manufacturing output growth in eco-industries, <u>in addition to the supply of environmentally sustainable goods and services.</u>
(c) changes in administrative burden on SMEs,	(c) changes in administrative burden on SMEs,
(d) SME growth in terms of added-value and number of employees,	(d) <u>implementation of the principles of the Small Business Act and application of its priorities in Union policies and programmes.</u>
(e) and SME turnover rate.	(d) (e) SME growth in terms of added-value and number of employees,
	(f) and SME turnover rate;

Amendment 8

COM(2011) 834 final

Article 3 (1)

Text proposed by the Commission	Amendment
<i>Article 3</i> Specific objectives	<i>Article 3</i> Specific objectives
1. The specific objectives of the Programme shall be:	1. The specific objectives of the Programme shall be:
(a) To improve framework conditions for the competitiveness and sustainability of Union enterprises including in the tourism sector;	(a) To improve framework conditions for the competitiveness and sustainability of Union enterprises <u>including in the tourism sector;</u>
(b) To promote entrepreneurship, including among specific target groups;	(b) To promote entrepreneurship, including among specific target groups;

Text proposed by the Commission	Amendment
(c) To improve access to finance for SMEs in the form of equity and debt;	(c) To improve access to finance for SMEs in the form of equity and debt;
(d) To improve access to markets inside the Union and globally.	(d) To improve access to markets inside the Union and globally.

Amendment 9

COM(2011) 834 final

Article 6 (1)

Text proposed by the Commission	Amendment
<i>Article 6</i>	<i>Article 6</i>
Actions to improve the framework conditions for the competitiveness and sustainability of Union enterprises	Actions to improve the framework conditions for the competitiveness and sustainability of Union enterprises
<p>1. The Commission shall support actions to improve and strengthen the competitiveness and sustainability of Union enterprises, particularly SMEs, so as to enhance the effectiveness, coherence and consistency of national policies promoting competitiveness, sustainability and the growth of enterprises in Europe.</p>	<p>1. The Commission shall support actions to improve and strengthen the competitiveness and sustainability <u>the framework conditions for the sustainable competitiveness</u> of Union enterprises, particularly SMEs, so as to enhance the effectiveness, coherence and consistency of <u>local, regional and</u> national policies promoting competitiveness, sustainability and the growth of enterprises in Europe; <u>according to the principles of the Small Business Act.</u></p>

Amendment 10

COM(2011) 834 final

Article 6 (2) (a)

Text proposed by the Commission	Amendment
<i>Article 6</i>	<i>Article 6</i>
Actions to improve the framework conditions for the competitiveness and sustainability of Union enterprises	Actions to improve the framework conditions for the competitiveness and sustainability of Union enterprises
(...)	(...)
<p>2. The Commission may support actions intended to develop new competitiveness strategies. Such actions may include the following:</p> <p>(a) measures to improve the design, implementation and evaluation of policies affecting the competitiveness and sustainability of enterprises, including disaster resilience, and to secure the development of appropriate infrastructures, world class clusters and business networks, framework conditions and development of sustainable products, services and processes;</p>	<p>2. The Commission may support actions intended to develop new competitiveness strategies. Such actions may include the following:</p> <p>(a) measures to improve the design, implementation and evaluation of policies affecting the competitiveness and sustainability of enterprises, including disaster resilience, and to secure the development of appropriate infrastructures, world class clusters and business networks, framework conditions and development of sustainable products, services and processes; <u>and support for collective ventures promoted by SMEs such as venture capital participation in enterprises providing common services to a high number of them;</u></p>

Reason

When it comes to supporting the endeavours of SMEs, one of the first steps should be to convince them of the benefits of joining forces to implement specific ventures which would otherwise be unfeasible or less profitable on an individual basis. Inter-enterprise cooperation has proved itself to be one of the most effective forms of action with the most immediate effects.

Amendment 11

COM(2011) 834 final

Article 6(2)(c)

Text proposed by the Commission	Amendment
<i>Article 6</i>	<i>Article 6</i>
Actions to improve the framework conditions for the competitiveness and sustainability of Union enterprises	Actions to improve the framework conditions for the competitiveness and sustainability of Union enterprises
(...)	(...)
(c) support for SME policy development and cooperation between policy makers, particularly with a view to improving the ease-of-access to programmes and measures for SMEs.	(c) support for SME policy development and cooperation between policy makers, particularly with a view to improving the ease-of-access to programmes and measures for SMEs <u>and reducing administrative burden.</u>

Amendment 12

COM(2011) 834 final

Article 6(2)(d)

Text proposed by the Commission	Amendment
<i>Article 6</i>	<i>Article 6</i>
Actions to improve the framework conditions for the competitiveness and sustainability of Union enterprises	Actions to improve the framework conditions for the competitiveness and sustainability of Union enterprises
(...)	(...)
	(d) <u>measures to promote innovation and knowledge transfer throughout the EU, the use of ICTs and innovative ideas that could lead to new products and services that would generate growth and high-quality jobs.</u>

Reason

Given their significant role among the strategic objectives in the tourism sector, it is proposed that these sorts of measures be included in line with the Europe 2020 strategy, which includes smart growth among its priorities, through the development of an economy based on knowledge and innovation.

Amendment 13

COM(2011) 834 final

Article 8 (1)

Text proposed by the Commission	Amendment
<p style="text-align: center;"><i>Article 8</i></p> <p style="text-align: center;">Actions to improve access to finance for SMEs</p> <p>1. The Commission shall support actions which aim to improve access to finance for SMEs in their start-up and growth phases, being complementary to the Member States' use of financial instruments for SMEs at national and regional level. In order to ensure complementarity, these actions will be closely coordinated with those undertaken in the framework of cohesion policy and at national level. Such actions shall aim to stimulate the supply of both equity and debt finance.</p>	<p style="text-align: center;"><i>Article 8</i></p> <p style="text-align: center;">Actions to improve access to finance for SMEs</p> <p>1. The Commission shall support actions which aim to improve access to finance for SMEs in their start-up and growth phases, being complementary to the Member States' use of financial instruments for SMEs at national and regional level. In order to ensure complementarity, these actions will be closely coordinated with those undertaken in the framework of cohesion policy, <u>Horizon 2020</u> and at national <u>or regional</u> level. Such actions shall aim to stimulate the supply of both equity and debt finance.</p>

Amendment 14

COM(2011) 834 final

Article 8(2)

Text proposed by the Commission	Amendment
<p style="text-align: center;"><i>Article 8</i></p> <p style="text-align: center;">Actions to improve access to finance for SMEs</p> <p>2. As part of the actions referred to in paragraph 1, the Commission shall develop measures, subject to market demand, to improve cross-border and multi-country financing, thereby assisting SMEs to internationalise their activities in compliance with Union law.</p>	<p style="text-align: center;"><i>Article 8</i></p> <p style="text-align: center;">Actions to improve access to finance for SMEs</p> <p>2. As part of the actions referred to in paragraph 1, the Commission shall develop measures, subject to market demand, to improve cross-border and multi-country financing, thereby assisting SMEs to internationalise their activities in compliance with Union law. <u>The Commission may also examine the possibilities to develop other innovative financial instruments subject to market demand and in consultation with relevant stakeholders.</u></p>

Amendment 15

COM(2011) 834 final

Annex II – Title The Loan Guarantee Facility (LGF)

Text proposed by the Commission	Amendment
<p style="text-align: center;"><i>Annex II – Title The Loan Guarantee Facility (LGF)</i></p>	<p style="text-align: center;"><i>Annex II – Title The Loan Guarantee Facility (LGF)</i></p> <p><u>The Loan Guarantee Facility may be applied during all stages of a company's development: start-up, restructuring and transfer, without distinction in terms of activity or market size. The Facility shall cover all types of investment, including intangible investments;</u></p>

Amendment 16

COM(2011) 834 final

Annex II (3)

Text proposed by the Commission	Amendment
<p style="text-align: center;">Annex II (3)</p> <p>3. The LGF shall, except for loans in the securitised portfolio, cover loans up to EUR 150 000 and with a minimum maturity of 12 months. The LGF shall be designed in such way that it will be possible to report on the innovative SMEs supported, both in terms of number and volume of loans.</p>	<p style="text-align: center;">Annex II (3)</p> <p>3. The LGF shall except for grant loans without any upper limit and under the same conditions as in the securitised portfolio, cover loans up to EUR 150 000 <u>COSME predecessor programme "Competitiveness and Innovation framework Programme" (CIP)</u> and with a minimum maturity of 12 months. The LGF shall be designed in such way that it will be possible to report on the innovative SMEs supported, both in terms of number and volume of loans.</p>

Reason

The new upper limit makes little sense as no or only few projects will be able to go under this budget line. The old system with no upper limit should be maintained.

Brussels, 9 October 2012.

The President
of the Committee of the Regions
Ramón Luis VALCÁRCEL SISO