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B7-0286/2011

## MOTION FOR A RESOLUTION

further to Questions for Oral Answer B7-0301/2011 and B7-0302/2011

pursuant to Rule 115(5) of the Rules of Procedure

on the Small Business Act Review

**Bendt Bendtsen**

on behalf of the PPE Group

**Edit Herczog**

on behalf of the S&D Group

**Fiona Hall, Jürgen Creutzmann**

on behalf of the ALDE Group

**Reinhard Bütikofer, Raül Romeva i Rueda**

on behalf of the Verts/ALE Group

**Giles Chichester**

on behalf of the ECR Group

**Niki Tzavela**

on behalf of the EFD Group

**European Parliament resolution on the Small Business Act Review**

*The European Parliament,*

- having regard to the Commission communication of 23 February 2011 entitled 'Review of the "Small Business Act" for Europe' (COM(2011)0078),
  - having regard to its resolution of 10 March 2009 on the Small Business Act<sup>1</sup>,
  - having regard to its resolution of 16 February 2011 on practical aspects regarding the revision of EU instruments to support SME finance in the next programming period<sup>2</sup>,
  - having regard to Rules 115(5) and 110(2) of its Rules of Procedure,
- A. whereas the 23 million small and medium-sized enterprises (SMEs) in the EU, which account for around 99% of all businesses and provide over 100 million jobs, make a fundamental contribution to economic growth, social cohesion and job creation, are a major source of innovation, play a vital role in sustaining and increasing employment, and contribute to achieving the main goals of the EU 2020 flagship initiatives,
- B. whereas the Small Business Act (SBA) is based on a number of important policy pillars, such as access to finance, access to markets (single market, international markets, public procurement) and better regulation; whereas progress within Member States in taking concrete steps to improve the business environment for SMEs is variable and often marginal in spite of declared political commitment to the SBA principles,
- C. whereas SMEs continue to face significant problems in extending their activities, improving their ability to innovate and accessing markets, which stem primarily from their difficulties in obtaining financing as well as persistent administrative burdens that should be further reduced,
- D. whereas the Competitiveness and Innovation Framework Programme (CIP) has proved successful, with 100 000 participating SMEs benefiting from the programme and further ones expected to do so by the end of its term in 2013,

**SBA implementation**

1. Welcomes the Commission review of the SBA and expresses support for the new proposals focused on further improving access to finance, enhancing market access and continuing debureaucratisation through strengthened governance and monitoring and through smart regulation and measures such as the SME performance review;
2. Welcomes, furthermore, the successful adoption of almost all legislative proposals under

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<sup>1</sup> Texts adopted, P6\_TA(2009)0100

<sup>2</sup> Texts adopted, P7\_TA(2011)0057

the SBA; strongly urges the Member States to adopt without delay the last remaining proposal on the European Private Company Statute, which would enable SMEs to trade throughout the EU while cutting costs and encouraging growth in this area, promoting the 25% reduction of administrative burden indicated in the SBA, contributing to the effectiveness of the Single Market Act, counteracting any protectionist economic policies of Member States and stimulating business;

3. Urges Member States to swiftly implement the revised Late Payments Directive to effectively combat late payments and their negative effects in particular on SMEs; in this regard also calls on the Commission to implement the approved pilot project to support SMEs in setting up efficient credit management systems, facilitating cross-border debt recovery;
4. Points out that the level of implementation of measures foreseen in the SBA varies from one Member State to another; to this end, strongly urges Member States to step up their efforts in that direction and to make concrete commitments at the next Competitiveness Council;
5. Considers that the Commission's regular monitoring has to ensure that implementation is carried out in a systematic and comprehensive manner; believes that the Commission should dispose of more effective tools to encourage the Member States to implement the principles of the SBA and calls on it to report annually on progress in SBA implementation at both the European and Member State levels;
6. Welcomes the appointment of the new SME Envoy by the Commission, and supports his mandate to monitor the progress of the Member States in the implementation of the SBA and to promote SMEs' interests throughout the whole Commission, ensuring in particular that the 'Think Small First' principle is being applied effectively; calls on Member States to appoint national SME Envoys to coordinate SME policies and control the implementation of the SBA across different administrations;
7. Calls on the Commission, in view of the transversal role of SME policy and to ensure policy consistency, to nominate Deputy Directors-General for SME affairs in relevant DGs (such as Research, Environment, Internal Market, Employment, Trade) who would collaborate closely with the SME Envoy;
8. Is concerned that the SME test, according to the Commission, has not been applied properly and consistently in all new legislative proposals, particularly at the national level; calls therefore on the Member States and the Commission to ensure that all new legislation is evaluated in terms of its potential impact on SMEs and that the SME test is applied regularly as part of impact assessments; calls further on the Commission to put forward minimum standards and requirements, based on best practice, for the SME test to be applied at the EU and national level;
9. Stresses that impact assessments including the SME test need to be carried out in an independent manner and to be always based on an objective, reasoned analysis of potential effects; considers therefore that members of the Impact Assessment Board should be appointed by the European Parliament and the Council on the basis of a Commission proposal, and no longer subject to the instructions of the Commission

President; suggests that the SME Envoy should be a permanent member of the Impact Assessment Board to overview the proper execution of the SME test;

### **Smart regulation**

10. Warns against continued bureaucracy and administrative burdens which present a major impediment for SMEs; welcomes the view of the Commission that Member States should avoid 'gold-plating' by exceeding the requirements of EU legislation when transposing Directives into national law; is of the opinion that Member States should apply correlation tables when transposing European directives into national laws, thus clearly showing which part of the proposal stems from European and which form additional national legislation;
11. Stresses the importance of e-government and the 'only once' principle, whereby Member State authorities should not duplicate demands for information;
12. Welcomes the renewed Commission effort in its Communication to push forward the reduction of administrative burdens on SMEs at the national level since not all Member States have introduced, or are meeting, national reduction targets; calls on Member States for stronger political commitment in establishing, and greater effort in enforcing, these targets;
13. Stresses that administrative burden is relatively higher the smaller the size of the company and calls therefore for the differentiation between micro-, small and medium sized businesses; underlines that microbusinesses (<10 employees) constitute 91.8% of all EU businesses and therefore deserve more attention and the corresponding tailored approach;

### **Access to finance**

14. Underlines that a successful strategy to foster innovative SMEs should not be based on offering more subsidies but on creating a business environment where SMEs have more freedom and better access to all forms of funding and financing instruments, such as grants, guarantees and equity financing; notes that a certain level of failure is inherent in innovation, and therefore stresses the importance of 'second chance' finance for non-fraudulent, failed SME entrepreneurs;
15. Calls in particular for improved access to financial support for the initial stages of innovation in the form of seed and angel funding, more equity and quasi-equity financing for start-ups and small innovative companies at the European, regional and local level; stresses the need, as regards this aspect, to set up a European Fund for Venture Capital; considers that the Union should expand the permanent risk-sharing products offered by the European Investment Bank (EIB) via the Risk Sharing Finance Facility (RSFF);
16. Considers that, given that the new Basel III requirements on banks could impact substantially on their funding for SMEs, specific attention should be paid to a comprehensive SME test as part of the impact assessment for the CRD IV regulation currently being prepared, and that more emphasis is needed at EU level on providing guarantee schemes as an alternative financing method;

17. Welcomes, in this respect, the fact that the EIB entrusted EUR 1 billion to be invested on its behalf by the European Investment Fund as Mezzanine Facility for Growth through investment funds targeting growing, innovative and competitive SMEs across Europe; calls therefore for a further increase in funding for these financial instruments, as they help promote innovation which is the basis for European competitiveness;
18. Strongly supports the CIP and its proven success and warns about a possible impact on its efficiency and flexibility if its structure is to be changed following its potential merger into the future EU research programme; calls for the CIP to remain an independent flagship programme for SMEs; a specific SBA budget line should be implemented in the future CIP programme to finance specific SBA priorities;
19. Regrets that by the end of 2009 only 75% of the total amount of EUR 21 billion worth of financial support was made fully available – through intermediary banks – for only 50 000 SMEs out of 23 million; therefore, calls for measures to make the payment mechanism, especially the intermediary partnerbank system, more transparent, accessible and efficient to avoid the emergence of deficits and to be able to meet the target of lending the full amount of EUR 30 billion to SMEs between 2008 and 2011;

#### **Access to markets**

20. Welcomes the adoption of the Single Market Act, based on an initiative of the European Parliament, in line with the Monti report; welcomes in particular legislative measures enabling SMEs to reap the full benefits of the single market, such as European rules for venture capital funds, revised VAT rules and a simplification of the Accounting Directives; urges the Council to make a strong commitment to the implementation of the Single Market Act, in particular the adoption of its priority measures by the end of 2012; calls on the Commission and the Council to carefully consider the interests of SMEs for all measures throughout this process;
21. Considers that the dialogue between SMEs and public procurers should be strengthened in view of facilitating the participation of SMEs in contract award procedures; in this sense, suggests exploring options assisting SMEs to form partnerships and consortia and to bid jointly in public tenders; calls on the Commission to carry out an impact assessment and to examine the possibility of increasing the thresholds for EU public procurement, which will allow SMEs to participate in contracts that would otherwise be subject to specific requirements and thus unattainable for them; calls on the Commission to examine how to improve the publication of all public procurement notices throughout Europe and to eliminate the administrative burden that prevents European firms from engaging in cross-border public procurement; calls on all Member States to more systematically apply the 'European Code of Good Practice facilitating SMEs' access to public procurement';
22. Calls on the Commission, in the forthcoming proposals for the modernisation of the European standardisation system, to ensure SMEs' interests are adequately represented in the European standardisation bodies and to make standards more accessible for SMEs;
23. Stresses the role of initiatives such as the Small Business Research Initiative (SBRI) in assisting public sector bodies to procure research and development from small businesses with a view to establishing solutions to public needs while fostering the development of

innovative products and services;

### **SME support**

24. Reiterates its previous call for the establishment of national dedicated physical or electronic information contact points and support agencies for SMEs in line with the 'one-stop shop' principle, offering access to various sources of information and support services, structured according to the life-cycle of a business;
25. Considers that small businesses should be assisted to increase their ability to compete in international markets by: enhancing their ability to export; disseminating information concerning programs and initiatives facilitating international market access and penetration of SME goods and services; ensuring that the interests of small businesses are adequately represented in bilateral and multilateral trade negotiations;

### **Research and Innovation**

26. Calls for continuing efforts in simplifying funding for research, development and innovation (R&D&I) and appropriate programme management, in particular for the benefit of SMEs and as outlined in the European Parliament's resolutions of 11 November 2010 on 'Simplifying the implementation of the Research Framework Programmes' and of 16 February 2011 on 'Practical aspects regarding the revision of EU instruments to support SME finance in the next programming period';
27. Welcomes the Commission's intention to propose lighter administrative and financial rules for SMEs as well as a set of streamlined instruments to strengthen their innovation capacities over the full innovation cycle, including non-technological innovation, within the future Research and Innovation financing framework and, in particular, successor programmes of FP7 and CIP; reminds the Commission about the importance of delivering local support for SMEs, for example, through the involvement of innovation centres, chambers of commerce, business organisations and innovation clusters;
28. Calls for the adoption of the single European patent and further development and European coordination of instruments and programmes (such as innovation vouchers) that promote SMEs' innovation management capacity, their access to research and innovation services and other knowledge-based business services (business modelling, risk assessment, etc.); points in particular to Member States' best-case practices of university-based technology transfer centres that facilitate SME access to R&D; calls on the Commission to assess the feasibility of creating a European patent fund to facilitate these technology transfers between research centres and businesses, in particular innovative SMEs;
29. Calls on national governments to consider tax incentives for innovative small business start-ups for their first years of operation;

### **Skills, education and professional training**

30. Regrets that the SBA does not pay enough attention to social and labour market issues that affect entrepreneurship and SMEs' capacities to fulfil their employment potential and

recruit labour force with the appropriate skills;

31. Recognises that growth and innovation are largely driven by entrepreneurial SMEs; emphasises that more attention should be devoted to fostering the development of an entrepreneurial mindset at all levels of education and training, employing innovative methods such as real mini-companies in secondary education; emphasises the importance of supporting the development of the managerial and digital skills that small businesses require to be successful in the current market environment;
32. Calls on the Commission and the Member States to develop and promote initiatives supporting better identification and forecasting of SMEs' skill needs, in particular to enable them to operate in a more sustainable way, and to develop strategies for entrepreneurship education and professional training based on best practice from Member States;
33. Calls on the Commission to put the 'Erasmus programmes for young entrepreneurs' programme on a permanent footing with a sufficient budget, based on the very encouraging results of the preparatory action even though it is still running on a limited scale;

#### **Resource efficiency**

34. Welcomes the recognition by the Commission that SMEs have a key role to play in the transition to a resource-efficient economy; believes that meeting resource-efficiency objectives requires a value-chain approach; therefore, calls on the Commission for the establishment of sectoral SMEs coordinated projects and activities aiming at identifying potential resource-efficient innovations within the value and supply chains;
35. Welcomes the Commission proposal to adopt an Eco-innovation Action Plan; calls for ambitious measures supporting SMEs in introducing eco-innovative solutions at all stages of the value chain, including design; believes that it is necessary to increase funds for initiatives in this field through, for instance, the future CIP, but also through targeted use of the Structural Funds; calls on the Commission to report bi-annually on Member States' progress with regard to fostering SME eco-innovation;
36. Draws attention to the energy-saving potential of SMEs, as only up to 24% of SMEs are actively engaged in actions reducing their environmental impact today; highlights that applying cost-effective energy efficiency measures would help SMEs to reduce their energy bills and increase their capacity for reinvestment; believes that there is a strong need to promote the improvement of 'low-carbon literacy' on the part of small and medium entrepreneurs; stresses that while there is at least one financial consultant available for each SME, there are very few experts providing advice to SMEs on energy savings and efficiency;
37. Instructs its President to forward this resolution to the Council, the Commission and the Governments and Parliaments of the Member States.