



"The voice of crafts and SMEs in Europe"

Regional funds and programmes are not reaching SMEs, warn UEAPME members

UEAPME General Assembly meets in Vienna, discusses possible actions with Commissioner Hahn and Danuta Hübner MEP

Brussels / Vienna, 25 June 2010 – Despite the crucial role they play in regional development, craft enterprises and small businesses have gained little access to regional funds and programmes so far. This is due to a generalised lack of engagement from regional authorities, which wrongly prefer to concentrate their activities on a few larger, more visible and easier to manage projects, according to UEAPME, the European craft and SME employers' organisation. Meeting today (Friday) in Vienna, the General Assembly of UEAPME discussed the role of crafts and SMEs in regional development and how to enhance their access to EU programmes with Johannes Hahn, European Commissioner for Regional Policy, and his predecessor Danuta Hübner, now Chair of the European Parliament's Regional Development Committee. At the meeting, UEAPME presented a discussion paper (1) containing the organisation's analysis of the role of SMEs in the regions, as well as a series of proposals for the next financial perspectives for the 2014-2020 term and for several existing financial instruments. Building on the lessons learnt so far, UEAPME called for the full application of the "Think Small First" principle at regional level, less red tape, more stakeholder involvement, more coherence between programmes and across levels. It also stressed the need to fund future-oriented activities and investments in competitiveness rather than consumption.

"European crafts and SMEs are deeply rooted in their regions. The vast majority operates at local level, providing a vast array of products and services to the community. When larger industries are present, SMEs are often irreplaceable partners and dependable subcontractors. In least favoured areas and declining industrial regions, SMEs are frequently the only local source of private employment and a key player in ensuring social cohesion. All crafts and SMEs concur to their region's economic dynamism and create growth and employment, even in this time of crisis", said UEAPME President **Georg Toifl**. *"However, crafts and SMEs have only picked up the crumbs of European funds and financial programmes so far. This must change. Regional policies must be better targeted to SMEs' needs, by simplifying administrative requirements, making sure that all programmes are accessible to all SMEs and involving them in the decision making process."*

The experience so far with European funds and programmes has proved to be difficult at best and frustrating at worst, continued Mr Toifl, to the point that more and more SME associations have stopped presenting projects, hampered by high administrative barriers and lack of support from regional authorities. Against this background, the "Think Small First" principles must be fully applied at regional level and become the guiding principle of the next generation of regional programmes, stressed President Toifl. All funds must be open to all enterprises, including the smallest, and all funds must be part of an overall strategy that must be designed by involving all relevant stakeholders, including representative craft and SME associations, and with a clear definition of roles and responsibilities ensuring coherence between different levels.

As far as the future financial perspectives for the 2014-2020 period are concerned, UEAPME stressed that they must support the main goals of the "EU 2020" strategy. From a small business perspective, future-oriented investments promoting innovation, ICT uptake, training and qualification, the efficient use of resources and the improvement of the business environment should be prioritised, explained Mr Toifl. Moreover, financial instruments must be coherent across different areas and territorial levels to avoid duplication and ensure consistency. Cohesion policy should shift from financing consumption to financing competitiveness by a stronger focus on infrastructure and on access to finance, according to UEAPME, which also put forward concrete proposals on how to improve specific instruments such as the European Regional Development Fund, the European Social Fund, the "FP8" and the Competitiveness and Innovation Programme.

"Regional funds and programmes, as they are designed and put into practice at the moment, are of little help for European crafts and SMEs. The proposals we have put forward today have the potential to put an end to this unfortunate situation. We hope that policymakers at all levels will guarantee them the follow-up they deserve", concluded Mr Toifl.

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(1) http://www.ueapme.com/IMG/pdf/100618_SME-Region_StructuralFunds_final.pdf

EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 85 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

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