

Position Paper

UEAPME¹ position on the legislative proposals for laying down common provisions on the European Regional Development Fund (ERDF), European Social Fund (ESF), Territorial Cooperation Fund (TCF), Social Change and Innovation (PSCI), European Grouping Territorial Cooperation (EGTC), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime Fishery Fund (EMFF).

Brussels, 15 February 2012 - v2

- Key points of the proposal

1 - General and specific items

- Implement the Small Business Act and its principles “Think small fist” and “Only once”;
- Article 5 of the General regulation of the governance partnership is one of the keys to the success of cohesion policy. One should 1) guaranty the participation of economic and social partners and representatives of various categories of SMEs at all levels, particularly for operational programmes and partnership contracts; 2) ensure its implementation by Member States and the Regions.
- Ex ante conditionality is positive, but the criteria must be defined with relevant partners to be really useful;
- Grant a margin of flexibility for regions to enable them to take action on specific target audiences in specific situations;
- Allocate a minimum percentage of 30% for development and sustainability of SMEs and exclude from the Structural Funds enterprises relocating their business;
- Give priority to long term and continuous development of all types of SMEs, irrespective of their market, including nearby markets, not only the competitiveness of innovative companies and internationalisation.
- Measures to support mentoring and counselling, tangible and intangible investment, particularly in training and activities of intermediary organisations acting for different categories of SMEs;
- The performance reserve is counterproductive if it encourages investment policy in infrastructures with immediate effect instead of growth policies based on more sustainable investments in human capital, the effect cannot be measured in the long run.
- Administrative simplification: complete or specify the proposed measures 1) by drafting texts that require harmonised implementation and where managing authorities see no margin in the interpretation of these texts.
- Interpretation, 2) more clearly defining the rules for inspection and audit, the criteria for applying the principle of proportionality as well as the rules of payment and payment delays.
- Adopt fully and inclusively e-cohesion and implement appropriate training for all managing authorities and project beneficiaries;

¹ UEAPME subscribes to the European Commission’s Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is [55820581197-35](#).

- Implement in the Member States, at the appropriate level, dispute regulation systems based on equal cooperation between representatives of the beneficiaries and managing authorities.
- Provide training and continuous information to the beneficiaries as well as management authorities.

2 – Key proposals for each regulation

-General regulation: 1) ensure the participation of organisations representing the different categories of SMEs according to the partnership principle of article 5; 2) target micro enterprises and self-employed; 3) invest in vocational training and lifelong learning; 4) strengthen the capacity of economic and social partners to administer and use funds; 5) apply the proportionality principle ‘only once’, controls and audits; 6) the beneficiary must not advance financing and may not be required to start the project without having received community funding first; 7) the Commission shall set a precise and non-exhaustive list of technical, administrative and accounting documentation which will also include detailed rules of control, management and audit that may be required of the beneficiaries; 8) audits are carried out in proportion to € 100 000 European co-financing.

- Regional development ERDF: 1) Support tangible and intangible investments, not only productive investments, 2) support long term and continuous development of different types of SMEs, not only their competitiveness, 3) support mentoring and advice to enterprises 4) support access to proximity markets and markets within Europe, not only international markets, 5) promote business transfer, 6) invest in initial and continuous vocational training as well as alternating education, 7) capacity building of economic and social partners and not only of administrations and public services, 8) establish an ERDF technical committee to prepare the works of the funds coordination.

- ERDF and territorial cooperation: 1) promote cooperation amongst enterprises; 2) support cooperation amongst SMEs and intermediary organisations as well as amongst economic and social partners; 3) expand cross-border cooperation with NUTS level 2 regions.

- European Social Fund ESF: 1) support initial and continuous vocational education and training, 2) support long term and continuous development and transfer of businesses, not only the creation of enterprises, 3) facilitate access of young people to the labour market, 4) promote the adaptability of business leaders 5) not limitation of the choice to four investment priorities but set priorities in consultation with social partners, 6) simplified costs for 50 000€ and 100 000€ on EU co-financing not only for public financing 7) formally maintaining ensure the existence of the ESF Committee.

- Social change and innovation: 1) involve associations representing small and micro enterprises 2) open the possibility to use “Progress” for initial and continuous vocational training institutions and SME organisations.

- Cohesion fund: Support tangible and intangible investments, including training, adaptation to climate change, including for SMEs and micro enterprises.

- European grouping of territorial cooperation: enabling organisations representing different categories of SMEs to become a member and participate in the activities of the EGTC.

- Rural development EAFRD: 1) Open the consulting services to SMEs and intermediary organisations and involve SMEs and micro- enterprises 2) reserve to SMEs and micro enterprises the assistance to beneficiaries other than farmers 3) aim to support processed goods directly transformed into consumption goods 4) support the transformation in the form of local industries involving agricultural and non agricultural activities 5) provide assistance to non- agricultural processors, not only to primary producers 6) promote local industries involving producers, processors and retailers of non farming SMEs, not only to farmers 8) ensure that all types of aid apply by the rules of competition and do not distort competition between identical activities carried out by farmers and non-farmers.

- Maritime affairs and fisheries: 1) involve economic and social partners in the preparation of unique national operational programmes; 2) make SMEs’ intermediary organisations eligible for the EMFF, 3) support the

establishment of enterprises other than fishing ones under national law and give them the right for business set-up, 4) include all local and regional economic actors who are involved in conservation, processing and marketing of biological resources.

I - General remarks

- Overall UEAPME welcomes the proposals for the general regulation and the specific regulations for structural funds 2014-2020. They represent a positive step forward which should allow a better involvement of SMEs in the cohesion and the development of territories. We are pleased to notice that a large number of UEAPME proposed elements for simplifying and improving the participation of SMEs were taken into account. This was achieved in particular through the introduction of mechanisms such as the multi-actors and multilevel governance, proportional control and audit, alternative dispute resolution, pre-financing and payment delays, dematerialization and result based measures for efficiency.

- UEAPME reminds that it is in the regions that the main objectives and priorities of the EU 2020 strategy will be implemented. To ensure their implementation by small enterprises (more than 95% of European companies are small ones), which do not have internal consulting services; UEAPME considers that instruments of cohesion policy must include:

- Information tools, advice services, training, to be provided by their representative organisations at regional and national level;
- Financial means, to facilitate tangible and intangible investments, such as initial and continuous training.

- Given the major role of private or public "intermediary organisations" that support and advise SMEs and micro enterprises in their development, UEAPME recommends to EU- Institutions as well as national and regional authorities:

- Create dialogue and partnership with these organisations in order to define national and regional policies concerning the development of territories;
- Provide them with the necessary means, in form of consulting and training for entrepreneurs and their employees;
- Provide them access to funds Make them eligible for funds under the cohesion policy in order to carry out grouped actions for companies, especially small ones, and ease the task of the project managers.

Specific points

- **Application of the Small Business Act (SBA):** although its principles are supposed to be visible in regulation texts, the only references to the SBA appear in the appendix to the general regulation in ex ante criteria. Ideally it should be the political basis for the structural funds, as it fails to be a legal basis. UEAPME requests that it is clearly mentioned in the texts, in Article 1 of the general regulation as well as in the specific regulations and put in practice:

- taking into consideration the diversity and the different situations of SMEs in the objectives and the operational measures
- involving the different types of SMEs in the process of partnership as mentioned in article 5 of the general regulation
- applying the principles "Think small first" and "Only once" in the programmes and modalities of their implementation, in administrative procedures, in the definition of indicators and stages of performance

- **Governance and partnership:** the participation of the economic and social partners to the whole process of elaboration, implementation and follow-up (art. 5 general regulations) is an essential part, securing the efficiency of the contracts of partnership and operational programs. Nevertheless, it needs to be assured that Member States apply at all levels including the local action groups, that national and regional representative organisations of the different types of SMEs are really involved as mentioned in Article 5 of the general regulation. The code of conduct should clearly indicate the participating members, the priorities of this kind of governance as well as the groups and committees to which they should be associated. UEAPME requests that this code is discussed with the economic and social partners before adoption.

In conformity with the SBA, it is essential that the representatives of the different types of SMEs are distinctly involved and that they are systematically associated to all committees and working groups at European, national and territorial level. The putting in place of this governance should become one of the criteria for ex-ante conditionality.

-Ex ante conditionalities: the idea is being well received, but with legislative proposals their added value and utility are limited. Furthermore some criteria are not at all relevant. They should be discussed before their adoption with the concerned partners at European level in order to check their pertinence and efficiency instead of being clearly and uniformly defined and in order to avoid diverging interpretations. Furthermore, all administrative and managing authorities should have to apply them.

- Priority investment: UEAPME agrees with the list of thematic objectives. It is important that the European finances are intended to put in place policies defined in the strategy EU 2020 and which should be priorities as well for Member States and the regions.

However, considering the specificities of numerous regions and the differences in priorities, it is necessary to grant flexibility to regions or groups of regions. They should be allowed to lead specific operations corresponding to their situations and specific public objectives or interregional difficulties: numerous globally "rich" regions include some «territorial or economic poverty pockets » that also have to be taken into consideration.

UEAPME believes, however, that the counterpart of this flexibility should be to ensure partnership governance in developing partnership agreements and operational plans, both among regions and local authorities with the authorities of the member states, and on the other hand amongst the representatives of the economic and social partners and regional and national authorities.

To UEAPME, these partnerships should be seen as an essential criterion of conditionality.

- Thematic concentration: if SMEs are one of the priorities of the funds, UEAPME worries about abandoning 30 % initially foreseen for SMEs and of the dilution of this priority in a measure associating research innovation and sustainable development. As underlined by the SBA, small and micro enterprises have more difficulties than large companies to integrate the priorities of the strategy EU 2020 and to position themselves on markets. In the area of innovation most SMEs will not have the possibilities to benefit from Horizon 2020 and structural funds will remain the only possibility of innovation development in all its forms for the majority of SMEs.

UEAPME is taking into account the current debates within the EU-Institutions and the Member States in favour or opposed to fixed percentages. UEAPME reminds the European and national political decision-makers that the main objectives of cohesion funds are the territorial cohesion and the re-launching of the economic activity and the creation of jobs. In all the regions and particularly regions in difficult economic situations local SMEs, micro and craft companies, that they act for local markets or outside, are key actors to allow these regions to boost the economic activity and employment and that it is necessary to support their activities.

UEAPME asks specifically:

- That the development of the SMEs, micro, and craft enterprises remain one of the essential objectives according to the SBA and that a minimum of 30 % is clearly awarded to them;
- That structural funds can be allocated only to companies representing the real economy and which have a direct effect on growth and local development including job creation excluding those companies which relocate their activity outside their region;
- These choices should be done in close cooperation with the economic and social partners, the regions and the political authorities.

- Adoption of the Common Strategic Framework (CSF) and the Code of Conduct: UEAPME does not oppose to the fact that the CSF, which defines the eligible operational measures and the code of conduct be adopted by procedure of delegation, provided that they are subject to prior consultation with the European economic and social partners, as long as they involve particular SMEs and national as well as territorial partners.

The Code must clarify and clearly define the role of each partner at European national and regional level as well as social dialogue issues that fall under the strict competence of social partners.

The CSF must also consider a "sustainable vision" of SMEs. As currently drafted, the legislative proposals still have a restricted approach of small enterprise confined to their competitiveness and essentially consider exclusively those innovative SMEs, giving priority to business creation and access to international markets. UEAPME considers that the challenges lie in the long term and continuous development of all categories of SMEs independent of their markets. UEAPME requests that the regulations including the ESF ones expressly incorporate this objective for long term and continuous development in SMEs.

- **Performance and performance reserve:** if the idea as such can be accepted, it can be counter-productive. In order to benefit from the performance reserve, the authorities can privilege projects regarding infrastructure in short term with fast showing results, while the development of a territory often asks for long-term measures such as investment in training, know-how development and competencies. Whilst results can be measured often only in the long term this initiative can be counterproductive if it addresses policies with immediate results instead of growth policies with sustainable investments in human capital.

- **Result based approach:** it is an important evolution requested by UEAPME for some time. However, its implemented will radically change the methods of analysis and work: 1) the result of an action can often be measured in the long run; 2) the result can be quantified only by an analysis cost / efficiency exceeding the simple accounting analyses. This principle will be efficient only if the managing authorities and the beneficiaries / project managers are adequately trained to apply these measures.

- **Applying the measures of administrative simplification:** the proposed measures meet the expectations for most SMEs. However, the implementation of the principle of proportionality evoked repeatedly, in particular art 4.5 of the General Regulation and the reduction of the administrative constraints (article 4.10 General Regulation) must still be specified.

It is necessary to take into account two key issues already raised by UEAPME²: 1) the managing authorities at the national and local level interpret freely the community devices and add to every level many useless additional constraints, 2) these authorities are often forced to apply public accountancy rules which are sometimes incompatible or contradictory with the European requirements.

The administrative complexity and the contradictory interpretations are one of the essential reasons of the disengagement of SMEs and micro-companies in structural funds use. UEAPME asks again the Commission to draft texts which clearly explain and define the rules for eligible measures and financing, rules of control and audit, rules of payment, the application of the principle "only once" and of the IT dematerialization as well as clear criteria to apply the proportionality principle.

Regarding payment delays, the EU regulation regarding late payments should be applied to payments made by the managing authorities to the final beneficiaries as soon as there is agreement from the audit results. The Commission must provide, for this purpose, the authorities of control and audit a specific deadline for giving consent.

- **E-Cohesion:** UEAPME fully supports the initiative e-cohesion that meets the expectations of SMEs and micro enterprises projects holders. It urges the Parliament and the Council to adopt this initiative and to support the implementation in the Member States of appropriate training for managing authorities and beneficiaries, as well as the development of single software and technical documents.

- **Dispute resolution:** the implementation of alternative dispute regulation systems is an important measure which UEAPME had asked for in order to help resolving issues linked to differences in interpretation of texts, excessive requirements for control and audit, and payment delays. UEAPME asks the Commission to set them up and make them obligatory in all the Member States at the most relevant territorial level and according to the most suited method respecting the national specificities. The principles and ways of functioning should be defined with the partners of the governance art 5 by respecting the roles between the representatives of beneficiaries and those of the managing authorities.

- **Need for training:** training modules should not only be offered to the administrative authorities but to all partners. UEAPME asks that is put in place a strategy for life-long learning of the national and regional economic and social partners who are, or may become, beneficiaries and project managers as well as essential resources and information providers.

- **Urban development and rural-urban inter-action:** the legislative proposal rightly mentioned the urban development; however the priority for large urban agglomerations does not consider the importance of towns nor the interaction between urban centres and peri-urban areas. The concept of a territory requires a joint approach of urban, peri-urban and rural areas. Rural areas between small towns, deeply interconnected, are not mentioned in statutory proposals.

² UEAPME position paper "105 measures of administrative and financial simplification" – April 2010

II - Proposal for the Regulation of common provisions Com (2011) 615

II.1 Proposals in the text

- ***Whereas 2bis new***: add a point 2 bis referring to the SBA:

"Structural funds should take into account from their conception to their implementation the priorities and the principles of the Small Business Act for Europe - SBA for Europe, in particular the principle "Think small first".

- ***Whereas 9***: completed

" ... The Commission should be empowered to adopt, by means of delegated act, **and after consultation of the European social partners**, a code of conduct..."

- ***Whereas 14***: modified

"The Commission should propose to the Parliament and to the Council, **after consultation of the European economic and social partners**, a common strategic framework.
(Article 5.3, Article 10 and Article 12 should be amended accordingly.)"

- ***Whereas 71***: Add at the end:

"... Which would enhance the accessibility and transparency of information on funding opportunities and project beneficiaries, **particularly through organisations representing the various stakeholders.**"

- ***Article 1***: add at the end of the article:

«The rules in this regulation should reflect the priorities and principles of the SBA for Europe and allow his implementation applied at European, national and territorial level.»

- ***Article 5***: add to the end of the point 4:

"To this end, the Commission proceeds beforehand to an analysis of this implementation and **participation of the relevant partners**";

Article 5: partnership and governance:

3. The Commission shall ensure ... to establish, **in cooperation with the European economic and social partners and the European partner organisations** a European code of conduct..."

4. Add to the end of point 4:

"To this end, the Commission undertakes beforehand an analysis of this implementation and the participation of stakeholders, particularly the economic and social partners."

- ***Article 9, thematic objective 3***: completed

(3) Strengthen the competitiveness **of the medium, small and micro enterprises as well as the self-employed**, and the farming sector ...

- ***Art 9. Thematic objective 10***: completed

(10) Invest in education, skills, **vocational training and life-long learning**;

- ***Art 9, thematic objective 11***: completed

(11) **Strengthen the institutional capacities and the efficiency of the public administration as well as the partners as mentioned in art 5.**

- ***Article 11 on the contents of the Common strategic framework***: modify the first paragraph:

"**In cooperation with the European economic and social partners**, the common strategic framework..."

- ***Article 14 content of the partnership programme***: add

- a new paragraph (f)

- "Measures and procedures for implementation of priorities and principles of the Small Business Act, SBA

- a new paragraph (g): "The CSC foresees a margin of flexibility to allow members states and regions to propose specific actions justified by regional or sub-regional specificities or innovative pilot actions, provided that they are developed in cooperation with the partners referred to in art 5."

- **Article 17 ex ante conditionalities:** add at the end of paragraph 5
 “However, the suspension may not be to the detriment of the final beneficiaries.”

Article 21 Conditions relating to the coordination of economic policies: add at the end of paragraph 7:
 “In particular with regard to the impact of the suspension on the economy of the Member State concerned.
The suspension should in no way prejudice the economic and financial interest of beneficiaries and proper implementation of projects in the Member State concerned.”

- **Art 26 modification of the programmes:** add a point 3 " the modifications of programmes must be elaborated by respecting article 5 of the regulation."

- **Article 29 local development strategies:** complete paragraph 3
 “3. The local development strategies are chosen by a committee appointed for that purpose by the authorities involved in management programmes. **Partners mentioned in art 5, in particular social partners, are members of this committee.**”

- **Article 43 Features of the Monitoring Committee:** complete paragraph 4:
 “The monitoring committee may make recommendations to the managing authority regarding the implementation, evaluation of the programme **and reducing the administrative burden on beneficiaries...**”

- **Article 44 Implementation reports:** complete the end of paragraph 2:
 “... These reports shall also set out actions taken to fulfil the ex ante conditionalities, **the administrative simplification** and any issues ...”

- **Article 48 Ex ante evaluation:** add to paragraph 3:
 « 3 the ex-ante evaluation examines....
 (n) Steps taken to involve partners referred to in Article 5, including social partners, as well as measures of administrative simplification. »

- **Article 51 technical supports:** add two actions:
 (K) Information as well as initial and continuous training of the partners and the beneficiaries / project managers and administrators of projects mentioned in article 5;
 (L) The implementation at the national and / or regional level of systems of alternative dispute resolution linked to differences of interpretation of texts, to conflicts bound to audits, controls and terms of payment, generally in any measures arisen from differences between the beneficiaries / project managers, the partners and the authorities of management.

- **Article 52 – Technical assistance of the Member States:** paragraph 1, second phrase to be completed:
 “ ... and actions to reinforce the capacity of Member State authorities, **economic and social partners** and beneficiaries to administer and use the CSF Funds...”

- **Article 55 Eligibility:** ad at the end of the paragraph 1:
 “...The national eligibility rules must reflect the principles of the SBA and proportionality under Art 4.5 and reducing the administrative burden for beneficiaries (art 4.10)

- **Article 57 Forms of grants:** complete 1 (c)
 (c) Lump sums not exceeding EUR 100 000 of public contribution **or a percentage of (7% to 10 %) in case of grouped projects or network actions.**

- **Article 63-3 examination of complaints:** explain:
 “Member States shall establish and implement a **procedure with equal representation of both sides amongst the managing authority and the representative organization of the beneficiary**, guaranteeing the examination and the regulation independent from complaints concerning **the selection, the execution, the controls and the payments** of operations co financed by funds coming from the CSF. Member States shall report the results of these examinations and the **proposed solutions to the Commission with the aim of implementing a portal for information of the managing authorities, beneficiaries and partners aimed at in art 5. These solutions shall be made known and shared.**

- **Article 65 on audits:** add a paragraph 5:

"5 new: the audits and controls are conducted in accordance with the principle of "Only once" the Small Business Act and must be proportionate to the amount of state aid allocated to an operation and its degree of risk. It is up to the Coordinating Committee of the funds of the art 143 to define the application rules."

Title IX financial management: add a section of subsection applied to chapters I and II:

"General provisions: the provisions of Chapters I and II shall not in any way impede the payment in full of the amounts of state aid due to the beneficiary or adversely affect its economic and financial interests of the successful completion of the project".

- **Article 67 Common rules for payments:** add three new points:

- 4 new: the beneficiary cannot be required to advance the part of the public funds: Member States must provide the financing of the operation as well as interim payments before the launch of the initial phase and follow-up phases, on time to avoid unwarranted interruption of the operation."

- 4 new: late payments to beneficiaries due to non compliance with deadlines in the text or the delay in processing cases will be subject to payment of default interest under EU law relating to payment delays."

- 6 new: recognized recipients, intermediary representative organisations or organisations which can provide non bank guarantees, those who have already taken action through public funding, are not required to provide bank guarantees. In any case, managing authorities should seek to reduce the use of bank guarantees and focus on all other forms of guarantees. The structures of alternative dispute resolution under article 63.3 are empowered to handle complaints in this area."

- **Article 72 Payment of initial pre-financing:** add a point 3:

"The beneficiaries can choose to only commit the operation connected to the implementation of the program after reception of the pre-financing or any commitment of the managing authority setting an imperative deadline for the payment."

- **Article 95 Content of joint action plans:** add a point 10:

"A state of play of measures taken to associate the partners in the setting up of the common action plan and their role in the implementation, follow-up and evaluation".

- **Article 97 Steering Committee and amendment of the joint action plan:** add to paragraph 1 point 2:

"Its composition is decided on by the member state in agreement with the managing authority; **the relevant partners referred to in article 5 to the common action plan are also members**".

- **Article 101 Implementation reports:** add a point 1 (d):

(d) "Of the implementation of the priorities and the principles of the Small business act for Europe".

- **Article 107 Information and communication officers:** complete the point 1:

"Every Member State appoints a person in charge of the information and the communication asked to coordinate **in connection with the partners at the suited level** the actions of information and communication concerning one or several funds and informs the Commission about it. **He can delegate to one or several representative organizations of the partners referred to in article 5 all or any of the tasks of information and communication with their members**".

- **Article 112 Responsibilities of Member States:** paragraph 3: add three points:

- new point 4: "as a general rule, by virtue of the principle "Only once" of the Small business act, the beneficiary can be asked to supply only once the necessary information, whatever is the technical support, the authorities of management at the regional, national and European level, whatever is the Fund (Collection) of the concerned CSC. It is task of the various management authorities to exchange information between them.

- point 5 new: " the Commission shall adopt, by means of implementing acts and after consultation of member states and European representatives of the partners art 5, the precise and not exhaustive list of the due technical, administrative and accounting parts for all the funds, as well as the specific parts for every fund. It decided besides the detailed rules relative to the management, to the control and to the audit which can be required from the beneficiaries by the managing authority, from certification and from audit, at the territorial, national and European level".

- Point 6 new: "a Member State or a regional authority may, for reasons of national specificities, request additional pieces with authorisation of the Monitoring Committee. For the information of the recipient, the list of additional parts must be attached to the Agreement of national Partnership Contract partnership and in some cases to the operational programmes concerned. This list is subject to an assessment by the Commission as part of the approval process of the Partnership Agreement and, where applicable operational programmes.

- Article 114 Functions of the managing authority: paragraph 2, add point (f):

“(f) Secure according to the Small Business Act for Europe – SBA - a distribution of data from SMEs by differentiating between medium, small and micro enterprises.”

- Article 126 interim payment applications and for their payment: add a paragraph 6:

“6. The initial pre-financing and the intermediate payments have to reach the beneficiaries before the commitment of the program or the following phase, securing that the deadlines of payment cause no delay in the realization of the program and that the beneficiary does not have to make the advance of the public financing ”.

- Article 133 Submission of closure documents and payment of the final balance: add a paragraph 3:

“3 The beneficiary has to receive the entire final payment of the balance within the deadlines and on the conditions fixed by the European late payment directive.”

- Article 140 Proportional control of operational programmes: modify paragraph 1 :

1. Operations for which the **European co-financing** does not exceed EUR 100 000 ... “

II.2- Proposals on Ex ante conditionalities.

1-Thematic objective Research & Innovation

<u>Ex ante conditionalities</u>	<u>Verification criteria</u>
« 1.2 Support for innovation in and by the small and micro enterprises. »	<ul style="list-style-type: none"> - Measures of information and advice / support (mentoring) and cooperation between companies with the research clusters centres, including with the " sleeping innovators ", in small and micro enterprises; - Support for the creation of innovation advisors in the intermediary organizations - Support for patenting

3 – Thematic objective – Enhancing the competitiveness of small and medium-sized enterprises (SMEs) SME

<p>Modify the condition 3-1 on the SBA:</p> <p>3.1: Implement the fundamental principles of the SBA</p> <p>3.2 Application of the measures of the SBA and the revised SBA</p> <p>3.3. Actions of advice and accompaniment of companies</p> <p>3.4 Support for the actions of the intermediate organizations in information and training and in advice and participation of the representative organizations of the various categories of SMEs in the governance.</p>	<p>The condition 3.2 proposed on late payment is significant and not bound to structural funds.</p> <ul style="list-style-type: none"> - Implementation of the principles of governance, only once and think small first in the contracts of partnerships and territorial measures; - Participations of the various representative organizations and the consideration of the realities and differences of situation of the various categories of SMEs - Application of the priorities of the SBA and the revised SBA - Actions of information, advice, mentoring / coaching of the small and micro-companies, in particular to help them to adapt to the priorities of EU 2020, the standardization, the innovation, the sustainable development, the search for new markets ...
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- Objective 8: Promoting employment and supporting labour mobility (Employment target)

<p>8.2 self-employment, entrepreneurship spirit, business creation and business transfer in connection with the SBA</p> <p>8.5 Adaptation of workers, companies and business managers to the changes</p>	<ul style="list-style-type: none"> - Actions of information and raising awareness at secondary education level - Support / advice and preparation for new business start-ups, - Measures intended for the preparation and for the follow-up of business transfer
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- Objective 9: Investing in skills, education and lifelong learning (Education target)

<p>9.4 Vocational education and training</p>	<p>Recognition of vocational education and training as engine for sustainable development and inclusive growth</p> <ul style="list-style-type: none"> - Measures to improve the quality and efficiency of initial and continuous vocational training - Measures to promote vocational education and training
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- Objective 11: Enhancing institutional capacity and efficient public administration

<p>11.2 reinforce the competencies and effectiveness of the partners mentioned in article 5</p>	<ul style="list-style-type: none"> - Training programmes for the partners for structural funds project managements - Support for the capacity building of national and territorial partners and strengthening of social dialogue in the territories - Support for the implementation of governance - Implementation of regulation systems for dispute management - Support for creating services of expert-advisors in partner organisations for adaptation to the priorities EU 2020 - Implementation of exchange systems for cooperation and partnerships amongst partners of different Member States
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II – 3 General ex-ante conditions

7 – Statistic systems and result indicators

<p>Statistic systems</p> <p>System indicators</p>	<ul style="list-style-type: none"> - Development of indicators and statistics detailing the actions of the different funds for different categories of SMEs in particular medium sized enterprises, small businesses, microenterprises, businesses with no employees, local businesses, and crossing this with indicators related to activities / professional sectors and different thematic priorities and objectives relating to them; - cost-effectiveness indicators and statistical analysis in terms of economic performance and social impact of the operational programs of the different categories of SMEs in terms of economic growth and job creation.
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II 4 Annexe V

Paragraph 2.2 – 1: completed

« All information and communication measures provided by the beneficiary **on the project funded by the EU** shall acknowledge support ... »

III – Proposals for the ERDF COM (2011) 614

- Whereas 5 on the role of ERDF: completed

“The ERDF should contribute to the Europe 2020 strategy, thus ensuring greater concentration of ERDF support on the priorities of the Union. **It should also help implementing the principles and priorities of the Small business act for Europe – SBA for Europe ...**

- Whereas 12 delegated acts: modify:

“...It is of particular importance that the Commission carries out appropriate consultations **before adoption, in particular with the European representatives mentioned in article 5 of the General Regulations of the Funds....**”

- Article 2: Tasks of the ERDF: add at the end

“...It implements the principles and priorities of the Small Business Act.”

- Article 3: Scope of support from the ERDF: modify 1(a) and 1(d) ii:

1. The ERDF shall support:

- (a) (*take out* productive) investment, which contributes to creating and safeguarding sustainable jobs, through direct aid to tangible and intangible investment in small and medium-sized enterprises (SMEs), as well as long term continuous development taking into account their diversity.
- (d) (ii) support for, services **and accompaniment** to enterprises, in particular to **the different categories of SMEs including micro enterprises;**

- Article 4: Thematic concentration: *In accordance with the Small Business Act, there should be a minimum percentage for SMEs related to the implementation of Article 3.1 (a) and 3.1 (d)ii. UEAPME urges to resume the percentage originally proposed by the Commission, 30% for most developed regions and transition regions and 20% for less developed regions.*

- Article 5: Investment priorities: completed and modified

5 (1) research, technological development and innovation: add

d) New: mobilise the innovation capabilities of SMEs in all areas, including coaching/ mentoring for small and micro enterprises

5 (3) Enhancing the competitiveness of SMEs: add/ modify:

- (a) Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms **as well as business transfer;**
- (b) **Support for strengthening the competitiveness of companies operating on nearby markets,** and promoting business R&I investment, product and service development,
- (c) supporting **tangible and intangible assets in SMEs as well as information activities, training and mentoring, in particular their adaptation to the requirements of sustainable development, the low carbon economy and energy efficiency;**
- (e) **Support for actions aimed at the SME participation in intra-European markets and their internationalisation;**

5 (4) supporting the shift towards a low-carbon economy in all sectors:

- (b) Promoting energy efficiency, micro-generation and renewable energy use in and by SMEs; **support innovations of SMEs in the field of low-carbon technologies**
- (c) Supporting energy efficiency and renewable energy use in public infrastructures and in the housing sector **as a whole;**

5.8 Promoting employment and supporting labour mobility:

- (a) Development of business incubators and investment support for self-employment **and micro enterprises** as well as business creation and **transfer;**
- (c) Investing in infrastructure for public employment services **as well as initial and continuous vocational training centres.**

5 (10) Investing in education, skills and lifelong learning by developing education and training infrastructure including initial and continuous vocational education and training as well as dual training.

5.11 enhancing institutional capacity and an efficient public administration and public services **as well as organisations representing the economic and social partners, through increased efficiency for those involved in the implementation of the ERDF and supporting actions** supported by the ESF.

(a) Supporting actions for the partnership governance amongst public services and the organisations representing the economic and social partners at all levels.

- **Article 8: Urban development platform:** add to the paragraph 2:

(c) new: the establishment of a partnership within the meaning of article 5 of the general regulation.

- **Article 13: Exercise of the delegation:** add a new point

2 bis new: "Delegated acts on the ERDF are established in cooperation with the European representatives of the partners referred to in article 5 of the regulation package.

- **Article 14: Committee procedure:** add a new item 3 new:

3 new "For the implementation of this programme, the Commission shall establish a ERDF technical committee together with the European social partners and the representatives of Members States in order to prepare the work of the funds coordinating committee

IV – Proposals for the regulation ERDF and territorial cooperation COM (2011) 611

- **Whereas 17:** add at the end

« ...and by the development and implementation of macro-regional and sea-basin strategies. **It would be useful, especially in the context of the objective "SME competitiveness", to promote cooperation amongst companies and amongst their intermediary organisations as well as amongst economic and social partners. It would also be useful to support their participation to achieve other thematic objectives such as knowledge, research, innovation and employment, education and training, especially development of apprenticeship schemes vocational training and youth mobility.**»

- **Article 2 – Components of the objective "European territorial cooperation":** add a paragraph 4 new.

4) Actions of cooperation amongst SMEs and amongst the SMEs organisations aiming at developing their competitiveness by supporting measures such as economic, commercial cooperation, exchanges and coordinated actions such as INTERPRISE at all three levels of co-operation. The "cooperation" objective supports the same measures to encourage their participation in the achievement of the thematic objectives.

- **Article 3 Geographical coverage: modify article 1:**

1. For cross-border cooperation, the regions to be supported shall be the **NUTS 2 level** regions of the Union along all internal and external land borders...

V – Proposals for the ESF COM (2011) 607

UEAPME considers that all ESF provisions regarding the European Social Dialogue the European are exclusively of the competence of the social partners. As such, it requires that the current ESF Committee is included explicitly in the ESF proposals.

- **Whereas 5:** modified

« (5) In addition to these priorities, **in all regions and Member States**, and with a view to increasing ...

- **Whereas 6:** modified

« (6) At the same time, it is crucial to support the development and competitiveness of the **different categories** of small and medium-sized enterprises ...

- **Article 2 Mission of the ESF: complete the point 3 end the paragraph:**

3."...in particular in the fields of social policies, employment, education, **initial and continuous vocational education and training**

- **Article 3 Scope of support:** add to point 1 (a)
 (ii) Facilitate access of young people to the labour market
 (iii) Self-employment, entrepreneurship, business creation, **long term development and transfer of SMEs in particular small and micro enterprises**
 (v) Adaptation of workers, enterprises and entrepreneurs to change; **in particular in SMEs and micro enterprises**

- **Article 3 Scope of support:** add to point 1 (d) ii):
 ii) Capacity building for stakeholders delivering employment, **including the partners mentioned in article 5 of the general regulation....**

- **Article 3 scope:** add to point 1 (b) iii):
 (iii) **Better access to lifelong learning**, including initial and continuous vocational education and training, apprenticeship **and upgrading of skills...**

- **Article 3 Scope of support:** add to point 2 (d)
 (d) Enhancing the competitiveness **and long term and continuous development** of micro, small and medium-sized enterprises, through promoting the adaptability of **workers and managers** and increased investment in human capital, **especially training of young people and apprenticeship.**

- **Article 4 Consistency and thematic concentration: modify items 3 a), 3 b) and 3c)**
 Take out in these three paragraphs the sentences on a maximum of four investment priorities and to replace them with “...**on the investment priorities chosen in consultation with economic and social partners.**”

-**Article 12 Specific provisions on the treatment of particular territorial features:** complete point 1
 “1. The ESF may support community-led local development strategies by local **economic and social** actors...”

- **Article 14 Simplified cost options:** modify paragraph 3 and 4
 3. End of the paragraph:” where the **EU co-financing** does not exceed EUR 100000.
 4. Grants for which the **EU co-financing** does not exceed EUR 50000 ...

- **Article 16 Exercise of delegation:** add to point 2 bis new:
2 bis new: “Delegated acts are established in cooperation with the European representatives of the partners mentioned under art 5 of the general regulation in consultation with the ESF Committee.

- Annexe (1) Common output indicators on participants: add a point;
 graduates of vocational education

- **Annexe (2)** Common output indicators for entities: modify point 3
 Number of micro, small and medium-sized enterprises supported as well as enterprises with no employees.

VI – Proposals for Programme for Social Change and Innovation COM (2011) 609

- **Whereas 9:** completed
 (9) Civil society organisations **as well as the representative organisations of small and micro enterprises** active at various levels ...

- **Article 6-3: Support for main actors in regard to:**
 - (b) ... and microcredit providers, **as well as economic and social partners representing small and micro enterprises.**
 - (d) ... and employment services **as well as competent structures for lifelong learning, including initial and continuous vocational education and training**, at European level;
 - (f) ... between national administrations **as well as amongst national social partners.**
 - (g) new: Capacity building for organisations representing small and micro enterprises for the implementation of the priorities of the Progress axis of the creators involved and for access of **micro enterprises to finance.**

- Article 15 Specific objectives: complete

- (c) Provide policy-makers **and partners covered by article 5 of the general regulation** financial support to test ...
- (d) Provide Union and national **concerned** organisations **and social partners** with financial support...

- Article 16 - 2 Participation: add a point (j) new:

(j) Initial and continuous vocational training institutions, organisations representing small and micro enterprises as well as the competent bodies for lifelong-learning;

- Article 18 Committee: add a point 4:

4 new: "The Commission sets up a technical committee composed of representatives of Members States, social partners and partners mentioned in article 5 of the general regulation."

- Article 22 Specific objectives: Microfinance and Social Entrepreneurship: add a 4th specific objective

4. New: Support the work of information, training and consulting by the intermediary organisations of small and micro enterprises with persons involved in the priority 1;

VII – Proposals relating to the Cohesion Fund COM (2011) 612

- Article 3 Investment priorities: supplement (b) i)

(i) Supporting **tangible and non-tangible investment such as training** for adaptation to climate change **including in SMEs and micro enterprises;**

- Annexe Common Indicators / energy and climate change: add an indicator:

"Number of micro, small and medium enterprises have received investment aid and measures of intangible investment for business owners and employees.

- Annexe Indicators/transport: urban transport: add an indicator:

« The number of small and urban transit companies that received tangible or intangible investments.

VIII – Proposals on the European grouping of territorial cooperation EGTC COM (2011) 610

- Whereas 8: add at the end of the paragraph:

"Representative organisations of different types of SMEs can become members of the EGTC"

- Article one: add to section (3) a new point 1 (f)

"(f) National, regional or local organisations representing SMEs as well as social partners"

IX - Proposals on the EAFRD – rural development COM (2011) 627

- Whereas 16: modified

(16) "Farm advisory services **and the intermediary organisations for SMEs help on the one hand** the farmers and forest holders and **on the other hand micro, small and medium sized enterprises** to improve the sustainable management and overall performance of their holding or business...".

"Advice may also cover issues linked to the economic, agricultural and environmental performance of the holding **as well as the economic and environmental performances of SMEs...** »

- Whereas 19: adding at the end

"For the same reason, should aid to beneficiaries other than farmers be allocated **to micro, small and medium sized enterprises?**"

- Whereas 25:

“...and in the processing and marketing of forest products **as well as processed goods for direct use**, aimed at improving the economic and environmental performance of forest holders”

- Whereas 36:

« Support for horizontal and vertical co-operation among actors in the supply chain and the **transformation through local chains associating farming and non-farming activities**, as well as for promotion activities in a local context...”.

- Article 5: priorities for rural development / promotion of the food chain:

(a) better integrating primary producers **and non-agricultural processors** into the food chain through quality schemes, promotion in local markets ...

(c) the promotion of local chains involving farmers, SME processors and retailers.

- Article 17 Quality schemes:

1. Support under this measure shall cover new participation by farmers **and SMEs** in:...

- Article 18 Investments in physical assets:

1. (b) concern the processing, marketing and/or development of agricultural products covered by Annex I to the Treaty or of cotton farmers **and non-farming SMEs**.

- Article 28, 1 (b) Setting up of producer groups

1(b) jointly placing **non-transformed** goods on the market, including preparation for sale, centralisation of sales and supply to bulk buyers;

-Article 73 Managing Authority: add an item 4

4 The Member State or managing authority shall ensure that any type of assistance must respect and apply the rules of competition and that the aid does not create distortion of competitiveness distort competition amongst identical activities carried out by farmers or by non-farmers.

X – European Maritime and Fisheries Fund EMFF COM (2011) 804 final

Measures of these funds may be of interest to

- Organisations of SMEs and micro enterprises in coastal areas and islands
- Professional and sectoral organizations for food and processing of fishery products
- Social partners

- Whereas 4: added:

(4) Complementing the different EU policies that touch upon them, notably the Common Fisheries Policies, transport, industry, **the competitiveness of SMEs, research and innovation**, territorial cohesion, environment, energy and tourism...

- Whereas 22: supplement:

(22) Action by the Union should be complementary to action carried out by Member States **taking into account that the conservation of biological resources, their processing and marketing involves all the local and regional economic actors**, or seek to contribute ...

- Whereas 26: added:

(26) Each Member State should prepare a single operational programme **in cooperation with the partners referred to in Article 5 of the Regulation on common rules**....

- Whereas 58: supplement:

(58) Community-led local development should be implemented through a bottom-up approach by local partnerships that are composed of representatives of the public, private and civil society sectors, **including economic and social partners** and mirror correctly the local society ...

- Article 9: Partnership

... The European organisations **representing the partners referred to in art 5** regarding the implementation of aid granted under the EMFF and coordination with other programmes in accordance with article 10 of this regulation.

- **Article 12: Admissibility of applications:** insert a new point 1 defining the term “operator” to clarify which are the private and public organisations as well as the intermediary organisations that are admissible for support from the EMFF.

- **Article 32: Facilitating diversification and job creation:** complete item 1 a) and 2)
 “1. a) for business start-ups outside fishing, **under the national law creation of small and micro enterprises, as well as the development of training programmes and requested professional and managerial advice.**”

- **Article 62: Fisheries local action groups:** clarify point 3 a)

3. The FLAGS shall:

“(a) Broadly reflect the main focus of their strategy and the socio-economic composition of the area through a balanced representation of the main stakeholders, **including the social and economic partners**, the private sector, public sector and civil society;”

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