



"The voice of crafts and SMEs in Europe"

Cohesion policy: SMEs overall satisfied with Commission's proposals

UEAPME praises conditionality, priorities, "multilevel governance" and "ring-fenced" funds for SMEs; calls for clearer ESF wording

Brussels, 6 October 2011 – UEAPME, the European craft and SME employers' organisation, was left overall satisfied by the legislative proposals on the new cohesion policy programming period unveiled by the European Commission today (Thursday). The association was particularly pleased with the introduction of conditions before European aid is granted, of clear links with the "EU 2020" policy agenda and of "ring-fenced" budget quotas for SMEs' competitiveness and for innovation-related activities. It also praised the importance placed by the Commission on the concept of "multilevel governance", by which economic and social partners will be closely associated at all levels in the operational programmes. Moreover, UEAPME welcomed the Commission's goals on administrative simplification and the increased possibilities to use structural funds for the creation of financial instruments. On the negative side, UEAPME called for improvements on some aspects of the new ESF regulation, which seems to put social partners and non-governmental organisations on an equal footing. It also warned Member States and MEPs not to water down the Commission's proposals in the upcoming legislative process.

*"The package of proposals presented by the European Commission today has the potential to create a modern cohesion policy in line with Europe's policy agenda and the needs and expectations of its 20 million SMEs. We are very pleased to see that many of our suggestions were taken on board, namely when it comes to introducing the concept of 'multilevel governance', reducing administrative burdens and 'ring-fencing' funds for SMEs and for innovation", said Secretary General **Andrea Benassi**. "The 'Partnership Contracts' are an additional reason to rejoice, as they will ensure spending in line with Europe's strategic objectives while at the same time enabling Member States to cater to their own specific situation."*

Today's proposals bring about a better framework with a clearer definition of priorities and decision levels, continued Mr Benassi. They also highlight the importance of cooperation between public authorities, economic and social partners and civil society, taking on board and bringing to the next level the concept of "multilevel and multi-actor governance" that has been a longstanding request of UEAPME, he stressed. According to this principle, economic and social partners such as business organisations will be closely involved in partnerships with public authorities from the preparation of "Partnership Contracts" to the different phases of the underlying operational programmes. Mr Benassi also welcomed the introduction of conditions before European aid is granted and of close ties with the objectives of the "Europe 2020" strategy.

On the specific clauses, the Secretary General singled out administrative simplification as a clear step forward. *"The administrative and financial procedures linked to structural funds have often discouraged SMEs and their organisations from profiting from funding. Today's simplification proposals and the introduction of a core common set of rules can bring about a change of season",* he commented. Other positive news came from the setup of "ring-fenced" budget quotas for SMEs and for innovation-related projects, as well as from the enhanced possibilities to use structural funds for the creation of financial products, for instance to back guarantee schemes that are a very effective way to prop up SME loans.

On the negative side, UEAPME expressed concerns on some aspects of the new regulation on the European Social Fund, which seems to put social partners and non-governmental organisations on an equal footing. *"The participation of civil society must certainly be promoted, but the specific roles of social partners on one side and NGOs on the other cannot be mixed up. The current proposal should be improved and clarified",* said Mr Benassi, who also highlighted the lack of specific attention towards vocational education and training (VET) in the chapter on education and lifelong learning.

"Taken as a whole, today's proposals represent a commendable effort by the Commission. They must now be designed in practical terms in close cooperation with stakeholders and economic and social partners at all levels. Good governance is the key. It will also be crucial to ensure that these plans are not watered down beyond repair in the legislative process. We hope that Member States and MEPs will paddle in the same direction to deliver a more coherent, more effective cohesion policy", concluded Mr Benassi.

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EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 82 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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