



"The voice of crafts and SMEs in Europe"

Research, Innovation and Competitiveness package: promising news for SMEs

"Horizon 2020" programme a step forward despite funding worries; all financial instruments should be complementary, warns UEAPME

Brussels, 30 November 2011 – UEAPME, the European craft and SME organisation, was left overall satisfied by the "Research, Innovation and Competitiveness" package of programmes for the 2014-2020 period presented by the European Commission today (Wednesday). The organisation appreciated the focus of the proposed "Horizon 2020" research and innovation programme on demand-driven, market-oriented applied research on the main challenges facing our society. However, it regretted that the allocation of funds is seemingly not in line with the programme's priorities, as "old school" research will receive a substantial increase, while it is not clear whether enough money was set aside to back up the programme's new theoretical approach. UEAPME welcomed the single, simpler set of common rules that will govern financial instruments in the various programmes presented today. On the other hand, all the different instruments should be coherent and complementary, warned UEAPME.

Secretary General **Andrea Benassi** offered this first reaction:

"The package unveiled by the Commission today has the potential to improve competitiveness and to promote sustainable growth. Acting in an integrated manner is crucial at this time of crisis, when small enterprises need a boost but public authorities face obvious budgetary constraints. Against this background, today's programmes contain the right priorities and will ensure value for money. Although the practice remains to be seen, this bodes well overall for the 2014-2020 period."

"The 'Horizon 2020' programme is heads and shoulders above its predecessors when it comes to its priorities. It rightly starts from the needs of our society and of the markets, covering all steps in the innovation cycle that are linked to research and technology, from feasibility studies on small entrepreneurs' ideas to access to technology, from the research phase to results demonstration and finally market application. This was a long-standing request of UEAPME, and we are glad to see that the Commission has taken it on board. However, how this approach will be funded remains to be seen. What is clear at the moment is that 'old school' pure R&D will receive a substantial funding increase, while funds for SMEs have grown less than the overall envelope. There is clearly room for improvement on this aspect. Moreover, it is not clear how the EC will fund innovation projects at EU level that do not fall into one of the programme's headings, as well as how much funding will be actually reserved to SMEs to ensure that the programme's ambitious goals can be put into practice."

"The single set of rules to be applied to all financial instruments across the different programmes is also good news for SMEs. This will ensure a simpler, more predictable and more transparent framework. On the other hand, all the instruments will provide added value only if they are coherent and complementary, to maximise their impact and avoid overlapping. As far as SMEs are concerned, we believe that the increased possibilities to use structural funds for the creation of financial instruments should be exploited for 'classic' SME finance, for instance to back guarantee schemes that are very effective to prop up SME loans. The financial instruments in the 'Horizon 2020' should clearly concentrate on market-oriented innovation projects, while the new 'Programme for the Competitiveness of Enterprises and SMEs' should give a special focus to 'mezzanine finance' instruments to support riskier-than-average activities such as start-ups and business transfers. This programme will also be crucial to secure the funding to fully put into practice the Small Business Act at European level."

**** END ****

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/>

FOR FURTHER INFORMATION PLEASE CONTACT:

Gerhard Huemer, Economic and Fiscal Policy Director, Tel. +32 (0)2 230 7599, Email: g.huemer@ueapme.com
 Francesco Longu, Press and Communications Officer, Tel. +32 (0)496 520 329, Email: pressoffice@ueapme.com