Resolution on the Small Business Act Review

2011/2667(RSP) - 12/05/2011 - Text adopted by Parliament, single reading

Following the debate which took place during the sitting of 11 May 2011, the European Parliament adopted a resolution on the Small Business Act Review.

The resolution was tabled by the EPP, ALDE, EFD, ECR, S&D, and Greens/ALE groups.

It notes that 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. However, 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.

SBA implementation: Members welcome the Commission review of the SBA and the successful adoption of almost all legislative proposals under the SBA. They strongly urge Member States to adopt the last remaining proposal on the European Private Company Statute, which would enable SMEs to trade throughout the EU, and also to implement the revised Late Payments Directive. The level of implementation of measures in the SBA varies from one Member State to another, and Parliament considers that the Commission's regular monitoring has to ensure that implementation is carried out in a systematic manner. Members welcome the appointment of the new SME Envoy by the Commission, and calls on Member States to appoint national SME Envoys to coordinate SME policies and control the implementation of the SBA across different administrations.

They are concerned that the **SME test**, according to the Commission, has not been applied consistently in all new legislative proposals, particularly at the national level, and call on 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, which must be carried out in an independent manner. Members of the **Impact Assessment Boardshould 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,** and the SME Envoy should be a permanent member of the Impact Assessment Board to overview the proper execution of the SME test.

Smart regulation: the resolution 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. It underlines that micro-businesses (less than 10 employees) constitute 91.8% of all EU businesses and therefore deserve more attention and the corresponding tailored approach.

Access to finance: a successful strategy to foster innovative SMEs should not be based on offering more subsidies but on creating a business environment. Parliament 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. It calls in particular for improving access to financial support for the initial stages of innovation in the form seed and angel funding, more equity and quasi-equity financing for start-ups and small innovative companies at the European, regional and local level. It stresses the need to set up a European Fund for Venture Capital. The Union should expand the permanent risk-sharing products offered by the European Investment Bank (EIB) via the Risk Sharing Finance Facility (RSFF), and Parliament highlights the important role that the EIB could play by fostering programmes such as JASMINE and JEREMIE. It welcomes 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, and calls for a further increase in

funding for these financial instruments, as they help promote innovation which is the basis for European competitiveness.

Access to markets: Parliament considers that the dialogue between SMEs and public procurers should be strengthened in view of **facilitating the participation of SMEs in contract award procedures**. Members call on the Commission to carry out an impact assessment and to examine 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. They also call 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.

SME support: Parliament calls again 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.

Research and Innovation: Members call for continuing efforts in simplifying funding for research, development and innovation (R&D&I) and appropriate programme management. They view with regret the fact that few of our innovative SMEs grow into larger companies and point out that there are also fewer young, R&D-intensive, innovative firms in the EU than in the US and that serious shortcomings in terms of innovation and e-skills prevent SMEs from adopting innovative, smart business models and new technologies. National governments are asked to consider tax incentives for innovative small business start-ups for their first years of operation.

Skills, education and professional training: Parliament 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. It calls for the development of 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. The Commission is asked 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: lastly, Parliament 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. It welcomes the Commission proposal to adopt an Eco-innovation Action Plan, and calls for ambitious measures supporting SMEs in introducing eco-innovative solutions at all stages of the value chain, including design.