Small and medium-sized enterprises SMEs: job creation, financial assistance. Growth and employment initiative

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The Committee adopted a report by Bartho PRONK (EPP, NL) on the measures of financial assistance for innovative and job-creative SMEs. The Commission proposal for a Council decision provides a legal base to actions which were proposed in Parliament's employment initiative last autumn and which were allocated 450 mecu over three years in the 1998 budget. The proposal consists of a risk-capital scheme managed by the European Investment Fund (EIF), a scheme for financial contributions supporting the creation of transnational SME joint-ventures managed by the Commission and a SME guarantee facility operated by the EIF . Contrary to the Parliament's original proposal, the Commission intends to allocate 420 mecu to these measures but leave out innovative actions and projects in the labour market, to which the Parliament was willing to allocate one fifth of the total funding, i.e. 30 mecu per year. The Committee adopted a number of amendments to the Commission proposal. It stressed that a part of the programme should be devoted to the financing of SMEs in non-profit making activities. Priority should be given to enterprises with less than 100 employees. The Commission should provide an evaluation on the programme within two years from its adoption and nine months before its expiry. This would help the possible adjustments to be made to the schemes and the distribution of resources among them. In addition, the implementation of the different schemes should be evaluated annually. The final assessment of the programme should be conducted by an independent body which should take into account the quality and type of job created, the sectors concerned and future prospects.