Employment: financial assistance for innovative Small and Medium Sized Enterprises SMEs. Report 1999

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The committee adopted the report by Philip BUSHILL-MATTHEWS (PPE, UK). The report pointed out that encouraging the promotion of SMEs in particular, and a regulatory climate conducive to investment, innovation and entrepreneurship in general, throughout the EU and candidate countries was confirmed as a priority at the Lisbon Summit and in the 2001 Employment Guidelines. The launch of the Growth and Employment Initiative was welcomed as a positive step towards increasing and improving employment prospects throughout the EU but the report criticised the time it had taken for the first annual report to reach Parliament's Employment Committee (five months). It felt that the basic process of report preparation should be streamlined and sharpened in the future and that the annual reports should include research feedback provided by users of such funds, including the quality and sustainability of jobs created, the transparency of procedures, accessibility, costs and bureaucracy attached to such funds. The Commission and the European Investment Bank were urged to implement an effective ongoing monitoring process for all instruments of the Growth and Employment Initiative in order to provide realistic data about the job creation effects (gender of new employees, quality and sustainability of jobs and average per capita EU spending for newly created jobs). The report congratulated the EIB on the hitherto highly successful results - which should nonetheless be verified on a more detailed basis as soon as possible - of Community interest subsidies provided for loans for SMEs under its temporary lending facility. It urged the EIB to produce similar evaluation reports regarding the impact on growth and employment of the EIB and European Investment Fund's activities in general. Finally, the report called on Member States to review bilateral agreements to remove double taxation as being an obstacle to the successful roll-out of the Joint European Venture Programme; to recognise that other changes in national taxation may also be desirable; and to reach early agreement on the European Company Statute. For the same reasons, it called on the Commission to consider seriously the proposal already submitted by the European Venture Capital Association to encourage the adoption and mutual recognition by each Member State of structures based on the principle of transparency.