

Multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005)

2003/0292(COD) - 08/12/2003 - Legislative proposal

PURPOSE : to amend Decision 2000/819/EC on a multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005).

PROPOSED ACT : Decision of the European Parliament and of the Council. **CONTENT** : this proposal amends Decision 2000/819/EC on a multiannual programme for enterprise and entrepreneurship is accompanied by an evaluation report on the Growth and Employment Initiative. The evaluation of the Growth and Employment Initiative indicates that two of the three financial instruments, the SME Guarantee Facility and the ETF Start-up Facility, can be considered a success. However, the JEV programme, whose aim was to assist SMEs in creating new transnational joint ventures within the European Union (and later the European Economic Area), was not a success. This was due to low demand from the market (very little of the available budget was committed to projects), low employment creation, poor cost effectiveness for both the Commission and SMEs, and generally low satisfaction with the instrument among SMEs. The main objective of the Commission's proposal is to phase out the JEV programme as soon as possible and return the unspent funds (+/- EUR 43m) to the general budget. At the same time, the Commission proposes to make several minor amendments to Annex I of Council Decision 2000/819/EC in order to: - to make a more explicit reference to the eligibility of RTD activities under the ETF Start-up Facility; - to update the reference to the fifth framework programme for RTD (in order to take account of the launch of the sixth framework programme); - to extend the definition of the start-up period for specific high technology sectors, in particular life sciences, to 10 years (to reflect the extended pre-commercialisation product development and testing phases that are characteristic of these particular sectors). **FINANCIAL IMPLICATIONS** : - Budget heading : B5-511 "Programme for enterprises: improvement of the financial environment for SMEs": this amendment has no financial implication on the current commitment and payment appropriations of the ETF Start-up Facility, Seed Capital Action and SME Guarantee Facility for the year 2003 and onwards. - B5-512 "Completion of the Employment initiative (1998 to 2000)": However, the closing of the JEV programme, which is funded under the B5-512 based on the Council Decision 98/347/EC of 19 May 1998, will generate a decommitment which is currently estimated to amount to +/- EUR 43 million. The exact amount of decommitment can only be established when all projects have been closed, which will not be before 2007.