Basic information

1995/2276(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Small and medium enterprises SMEs: interest subsidies on loans extended by the EIB **Subject** 3.45.02 Small and medium-sized enterprises (SME), craft industries	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ECON Economic and Monetary Affairs, Industrial Policy	EWING Winifred M. (ARE)	21/11/1995

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	KRANIDIOTIS Yannos (PSE)	24/01/1996
REGI Regional Policy	The committee decided not to give an opinion.	31/10/1995

Council of the European Union

Key events

Date	Event	Reference	Summary
30/10/1995	Non-legislative basic document published	COM(1995)0485	Summary
15/01/1996	Committee referral announced in Parliament		
25/04/1996	Vote in committee		Summary
25/04/1996	Committee report tabled for plenary	A4-0147/1996	
04/07/1996	Debate in Parliament		
04/07/1996	End of procedure in Parliament		
22/07/1996	Final act published in Official Journal		

Technical information

Procedure reference	1995/2276(COS)

Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/07247

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0147/1996 OJ C 166 10.06.1996, p. 0003	25/04/1996	
Text adopted by Parliament, single reading		T4-0386/1996 OJ C 211 22.07.1996, p. 0013-0038	04/07/1996	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1995)0485	30/10/1995	Summary
Follow-up document	COM(2000)0376	22/06/2000	

Small and medium enterprises SMEs: interest subsidies on loans extended by the EIB

1995/2276(COS) - 30/10/1995 - Non-legislative basic document

OBJECTIVE: this second Commission report deals with the implementation of Council Decision 94/217/EC regarding the provision of Community interest subsides on loans for SMEs extended by the EIB under its temporary lending facility (SME facility). CONTENT: the "SME facility" introduced by the European Council in Copenhagen in June 1993 made provision for the EIB to allocate one billion ecus under its temporary lending facility for actions to increase the competitiveness of European SMEs. In 1994, the Council adopted a decision whereby, under certain circumstances (when the loan is to finance investment projects which create jobs), the loans granted under this facility may qualify for interest subsidies (2% over a period of five years), which are underwritten from the Community budget. The facility is managed by the EIB, which grants overall loans to banks and other financial institutions throughout the EU. These banks then lend the EIB assistance in the form of smaller tranches once they have ensured that the projects comply with the directives issued by the EIB. The EIB appoints an agent in each Member State to deal with applications for subsidies in that state. Each agent receives part of the overall donation, which he then redistributes in chronological order of the applications. Provision has been made for the subsidies available under the facility to be redistributed if the appropriations allocated are not used. The Commission concludes by stressing that the impact of the SME facility on job creation has been monitored closely. Given that beneficiaries are entitled to a subsidized loan of 30,000 ecus per job created and that overall EIB loans under the facility total 1 billion ecus, at least 33,333 jobs can be created. The Commission considers that nearly 42,000 jobs have already been created (if these figures are extrapolated on the basis of total loans of 1 billion ecus, it would appear that over 45,000 jobs could be created). A general profile of the loans in each Member State is attached to the report. Approximately 95% of the total sum available under the facility had been allocated by the end of the first half of premier of 1995 and most Member States already have a long list of projects awaiting new funding. 95% of appropriations went to SMEs, thereby meeting one of the objectives of the proposal.

Small and medium enterprises SMEs: interest subsidies on loans extended by the EIB

1995/2276(COS) - 04/07/1996 - Text adopted by Parliament, single reading

Parliament adopted the report by Mrs Winifred EWING (ARE, UK) on the second report from the Commission on the provision of Community interest subsidies on loans for small and medium-sized enterprises extended by the European Investment Bank under its temporary lending facility. The report notes that the facility has been a remarkable success with 95% of the total amount available allocated as of 31 July 1995, but also highlights various weaknesses, including the need to provide a much narrower definition of an SME or to restrict the number of intermediaries and monitor the activities more effectively. The SME Facility should also be restricted to enterprises with fewer than 100 or even 50 employees. Since the initial allocation was now largely used up, the report calls on the Commission to produce proposals for an extension of the scheme or to set up an alternative scheme with the same aim, namely the creation of jobs. The facility should be accessible throughout the Union. More generally, the report calls for the EIB to be made more transparent by the setting up of a joint committee between the European Parliament and the EIB whose task, inter alia, would be to scrutinize the EIB SME Facility. The Commission and the EIB were also requested to investigate in what areas jobs had been created and whether those jobs are structural in nature.