



UNION EUROPEENNE DE L'ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES
EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE
EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES
UNIONE EUROPEA DELL' ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE

Position Paper on the reduction of the CIP budget.

According to the agreement on the financial perspectives 2007-2013 reached during the Council of last December, and since then rejected by the European parliament, the amount of funds being allocated to promote 'Competitiveness for Growth and Employment' will be reduced by almost half – from over 132 billion euro in the original Commission proposal to the current figure of just over 72 billion euro. This section of the EU budget includes one of the most crucial programmes for SMEs, the Competitiveness and Innovation Programme (CIP). The CIP contains three specific programmes:

1. The Entrepreneurship and Innovation Programme;
2. The ICT policy support Programme;
3. The Intelligent Energy-Europe Programme;

Originally, the Competitiveness and Innovation Programme was allocated a budget of **4,212 billion** euro, which will be probably **reduced with at least 50 %.** **(A final amount of less than 2 billion is to be expected!!)**

Confronted with these severe cuts UEAPME would like to stress the following:

- As already highlighted in UEAPME's position paper on the CIP¹ (February 2005), Europe is lacking visibility especially towards SMEs. Both Europe and SMEs would gain from direct support programmes for SMEs as proposed now in the CIP programme, currently under discussion in the European Parliament.

- As SMEs and skilled crafts cover 99,8 % of all enterprises and provide two-thirds of all jobs, the financial perspectives should reflect this.

- Consequently, **the reduced budget should be allocated in the first place to the Entrepreneurship and Innovation Programme, which should target especially SMEs.**

In addition all SMEs, including the so-called traditional ones, should benefit from it.

Indeed, the Entrepreneurship and Innovation programme (Pillar II) deals with

- Access to finance for the start-up and growth of SMEs and investment in innovation activities, including eco-innovation;

¹ UEAPME's position paper on the Consultation Document on a Framework Programme for Competitiveness and Innovation, Brussels, February 2005.

- Creation of an environment favourable to SME co-operation; (including standardisation);
- Innovation in enterprises, including eco-innovation;
- Entrepreneurship and innovation culture;
- Enterprise and innovation related economic and administrative reform.

More efficiency could be gained by rationalising the existing business support networks, taking the EICs as co-ordinator which should be hosted by a representative employers or business organisation.²

The implementation of the CIP will be based on annual work programmes. At present it is foreseen that three to four Steering Committees should coordinate the activities at the Member State level. Installing just ONE Steering Committee can seriously reduce the administrative costs.

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² UEAPME Work Paper on the Future of existing Community business support networks, Brussels, 21st December 2004.