



“The voice of SMEs in Europe”

Press Release

FOR IMMEDIATE ISSUE

SMEs in FP7: Parliament moves from rhetoric to actions

- **Commission should follow the proposals of the Parliament**
- **15% of “Cooperation” budget heading must be reserved for SME businesses only**

Brussels, 5 July 2006. The Seventh RTD Framework Programme (FP7) as revised by the European Parliament stands out for its increased attention towards SMEs but must avoid the funding pitfalls of the preceding programme, according to UEAPME, the European SME employers’ organisation. The UEAPME Research and Innovation Committee, meeting in Brussels yesterday (Tuesday), welcomed the outcomes of the Parliament’s vote on 15 June 2006. It recommended, however, that SME-specific programmes should be worded to prevent business-reserved funding from being assigned to research organisations.

The amended FP7 allocates more than six billion Euros for SME-related research in the 2007-2013 period under two main budget lines, “Cooperation” and “Capacities – Research for the benefit of SMEs”. UEAPME experts were particularly satisfied by the clause foreseeing that at least 15% of the “Cooperation” heading should be assigned to SMEs, and urged the Commission to follow this suggestion in its revised proposal due to be published soon.

“Without such a concrete budget decision, all other amendments concerning SMEs would become rhetoric sentences without a proven impact”, said **Rainer Neumann**, Chairman of the UEAPME Research and Innovation Committee. “Lessons learnt from FP6, however, show that a stricter definition of SME is needed in the text to avoid research organisations employing fewer than 250 staff benefiting from part of this budget heading, which should be reserved for businesses only.”

Should SME-specific instruments such as “Craft and Collective Research” become oversubscribed, the revised FP7 foresees an adjustment mechanism to redirect financial support towards instruments in demand. This is paramount for SMEs, which often passed the quality mark under FP6 but were then denied funding for their projects. “Under the previous programme, only one SME proposal out of ten reached the financing stage. The new Programme should aim at backing all proposals ranking above the quality threshold – therefore, the Commission should not reduce the specific budget line below the 1328 million Euros recommended by the Parliament”, continued Mr Neumann.

The new Research Programme makes a point on including SMEs representatives in the decision-making procedures of Technology Platforms. UEAPME appreciated this amendment and stressed that while single SMEs often do not have the adequate resources to participate directly in Technology Platforms, their role is essential in establishing the strategic research agenda. Involving SMEs through their national and international representatives is a very welcome addition to FP7 in this respect.

“By introducing the 15% clause and the redirection system to sustain oversubscribed budget lines, the Parliament supported the main requests made by UEAPME in the past. We hope that the Commission will follow the Parliament’s shift from rhetoric to actions and ensure a workable FP7 for SMEs”, concluded Mr Neumann.

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EDITORS’ NOTE: UEAPME is the employer’s organisation representing crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 78 member organisations, which represent crafts and SMEs across Europe, covering over 11 million enterprises with 50 million employees. UEAPME is a European Social Partner.

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