

# Procedure file

## Basic information

COS - Procedure on a strategy paper (historic) [2000/2245\(COS\)](#)

Procedure completed

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

Subject

3.45.02 Small and medium-sized enterprises (SME), craft industries

4.15.02 Employment: guidelines, actions, Funds

## Key players

### European Parliament

Committee responsible

Rapporteur

Appointed

**EMPL** Employment and Social Affairs

21/06/2000

PPE-DE

[BUSHILL-MATTHEWS Philip](#)

Committee for opinion

Rapporteur for opinion

Appointed

**ITRE** Industry, External Trade, Research, Energy

13/09/2000

ELDR [FLESCH Colette](#)

### Council of the European Union European Commission

Commission DG

Commissioner

[Economic and Financial Affairs](#)

## Key events

12/05/2000	Non-legislative basic document published	COM(2000)0266	Summary
23/10/2000	Committee referral announced in Parliament		
07/11/2000	Vote in committee		Summary
07/11/2000	Committee report tabled for plenary	<a href="#">A5-0335/2000</a>	
16/01/2001	Debate in Parliament		
16/01/2001	Decision by Parliament	<a href="#">T5-0012/2001</a>	Summary
16/01/2001	End of procedure in Parliament		
18/09/2001	Final act published in Official Journal		

## Technical information

Procedure reference	2000/2245(COS)

Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/5/12772

#### Documentation gateway

Non-legislative basic document		COM(2000)0266	12/05/2000	EC	Summary
Committee report tabled for plenary, single reading		<a href="#">A5-0335/2000</a> <a href="#">OJ C 232 17.08.2001, p. 0006</a>	07/11/2000	EP	
Text adopted by Parliament, single reading		<a href="#">T5-0012/2001</a> <a href="#">OJ C 262 18.09.2001, p. 0024-0071</a>	16/01/2001	EP	Summary

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

**PURPOSE:** To present an annual report to the EP and the Council concerning the different schemes on job creating SMEs that have been implemented. **CONTENT:** Following Council Decision 98/347/EC on the Growth and Employment Initiative on measures of financial assistance for job creating SMEs, the Commission is required to present an annual report to the EP and the Council concerning the different schemes that have been implemented. In particular, it should refer to ways in which SMEs gain access to the various methods of financing and consequently, what the prospects for employment are. According to the report, as far as European venture capital for companies is concerned, growth is still significantly behind the US. This weakness is being addressed by the ETF Start-up Facility, which has been set up to strengthen the availability of seed and early stage financing, through investment in specialised venture capital funds. In comparison to the other activities carried out by the European Investment Funds (EIF) and the European Investment Bank (EIB), the investment policy of the ETF Start-up Facility is oriented towards higher risk venture capital funds. Investments are made on equal terms with other equity investors and must represent between 10 per cent and 25 per cent of the total capital of the venture capital fund, up to a maximum of EUR 10 million. Following the approval of the fund proposals by the Commission, the EIF signs contractual agreements with the fund managers and the other investors in the fund. Thereafter, the venture capital funds will receive the first ETF Start-up instalments in order to start making investments. Since the signing of the co-operation agreement, the Commission has approved investment commitments to nine funds, selected by the EIF for a total of up to EUR 54 million. Altogether, these nine funds are expected to raise a total capital pool of EUR 306 million. From 1998 to date, the Commission services have approved commitments to fifteen financial intermediaries selected by the EIF for a total of up to EUR 90 million. The EIF has signed contracts with all the fifteen financial intermediaries. The corresponding EIF guarantee portfolio under the Facility amounts to EUR 1238 million. The 7,223 SMEs benefiting from the SME Guarantee Facility so far have declared that they have 32,869 employees and moreover, it is anticipated that more than 14,000 SMEs will have benefited from the SME Guarantee Facility by the end of 1999.?

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

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. ?

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

## Report 1999

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The Parliament adopted the report by Philip Rodway BUSHMILL-MATTHEWS (EPP/ED, UK) on the Growth and Employment. (Please refer to the previous document as the amendments tabled by the committee responsible mirror what the House adopted). In addition, the Parliament seeks confirmation that funds will be available not only for those SMEs involved in high technology and knowledge-based industries but also for small craft, trade, tourism and other service enterprises.?