

# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Decision <a href="#">2003/0292(COD)</a>	Procedure completed
Multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005) Amending Decision 2000/819/EC <a href="#">2000/0107(CNS)</a>	
Subject 3.45.02 Small and medium-sized enterprises (SME), craft industries 3.45.03 Financial management of undertakings, business loans, accounting 3.45.06 Entrepreneurship, liberal professions	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ITRE</b> Industry, External Trade, Research, Energy		21/01/2004
		PPE-DE <a href="#">RÜBIG Paul</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ECON</b> Economic and Monetary Affairs	The committee decided not to give an opinion.	
	<b>EMPL</b> Employment and Social Affairs		17/12/2003
		PPE-DE <a href="#">BUSHILL-MATTHEWS Philip</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Agriculture and Fisheries</a>	<a href="#">2599</a>	19/07/2004

Key events			
08/12/2003	Legislative proposal published	<a href="#">COM(2003)0758</a>	Summary
15/12/2003	Committee referral announced in Parliament, 1st reading		
06/04/2004	Vote in committee, 1st reading		Summary
06/04/2004	Committee report tabled for plenary, 1st reading	<a href="#">A5-0237/2004</a>	
21/04/2004	Debate in Parliament		
22/04/2004	Decision by Parliament, 1st reading	<a href="#">T5-0363/2004</a>	Summary
19/07/2004	Act adopted by Council after Parliament's 1st reading		
21/07/2004	Final act signed		

21/07/2004	End of procedure in Parliament		
16/08/2004	Final act published in Official Journal		

### Technical information

Procedure reference	2003/0292(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Decision
	Amending Decision 2000/819/EC <a href="#">2000/0107(CNS)</a>
Legal basis	EC Treaty (after Amsterdam) EC 157-p2
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/20496

### Documentation gateway

Legislative proposal	<a href="#">COM(2003)0758</a>	08/12/2003	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0237/2004</a>	06/04/2004	EP	
Text adopted by Parliament, 1st reading/single reading	<a href="#">T5-0363/2004</a> <a href="#">OJ C 104 30.04.2004, p. 0745-0977 E</a>	22/04/2004	EP	Summary
Economic and Social Committee: opinion, report	<a href="#">CES0950/2004</a>	30/06/2004	ESC	

### Additional information

European Commission	<a href="#">EUR-Lex</a>
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### Final act

[Decision 2004/593](#)  
[OJ L 268 16.08.2004, p. 0003-0005](#) Summary

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

**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 amend 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.?

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

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In the light of the failure of the Joint European Venture (JEV) programme for small and medium-sized firms (SMEs), the committee adopted the report by Paul RÜBIG (PES, D) broadly approving the Commission's proposal to phase out the JEV programme as soon as possible and return the unspent funds to the EU budget. It tabled just a few amendments under the 1st reading of the codecision procedure. One of these stressed that the purpose of the programmes must be to address efficiently market failures in the access of SMEs to risk capital through enhancing participation of both private and public actors. The committee also called on the Commission to present an annual report to Parliament and Council on the implementation of the financial instruments of the programme for 2004 as well as a similar end report for 2005 (the final year). ?

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

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The European Parliament adopted the report by Paul RÜBIG (PES, D) broadly approving the Commission's proposal to phase out the JEV programme as soon as possible and return the unspent funds to the EU budget. It tabled just a few amendments under the 1st reading of the codecision procedure. Parliament outlines that JEV has fallen short of its objectives. It is expensive, slow and complicated to administer, demand for it has been low and any substantial simplification aimed at improving both its attractiveness and its effectiveness would entail losing the entire unused committed budget of approximately EUR 42 million. Moreover, the existing committed budget cannot be used for projects involving the candidate countries. MEPs therefore support the Commission's plan to phase out the programme as soon as possible on the grounds of poor cost-effectiveness and lack of demand. The Parliament also states that the purpose of these programmes must be to efficiently address market failures in the access by SMEs to risk capital through enhancing participation of both private and public actors aiming at reaching distribution rates of 100%. The Parliament welcomes the fact that the Commission has committed itself to reform the existing multiannual programme in due time taking into account the necessity of promoting cooperation between enterprises and business organisations and of supporting dialogue between horizontal and sectoral or professional organisations of small and micro-enterprises and craft enterprises. Lastly, the Commission shall present an annual report on the implementation of the financial instruments of the programme for 2004 as well as a similar end report for 2005 (the final year) and shall submit these two reports to the European Parliament and the Council.?

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

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**PURPOSE :** to phase out the JEV programme and return the unspent funds to the general budget of the EU.

**LEGISLATIVE ACT :** Decision 593/2004/EC of the European Parliament and of the Council amending Council Decision 2000/819/EC on a multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005)

**CONTENT :** the Commission's evaluation of the Growth and Employment Initiative as at 29 May 2002 concludes that the take-up of the JEV programme by the market is low, the job creation effect limited and the administrative cost very high and that JEV should be phased out as soon as possible. This decision phases out the JEV and returns the unspent funds to the general budget. The financial intermediaries may present applications for financial contributions from SMEs to the Commission until 29 December 2004.

The Commission will submit to the European Parliament and to the Council an annual report on the implementation of the financial instruments of this programme for 2004 as well as a similar end report for 2005 (the final year).

In addition, the Decision:

- makes a more explicit reference to the eligibility of RTD activities under the ETF Start-up Facility;
- updates the reference to the fifth framework programme for RTD (in order to take account of the launch of the sixth framework programme);
- 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).

**ENTRY INTO FORCE :** 05/09/2004.