Postion paper

RECOMMENDATIONS FOR THE INTERINSTITUTIONAL NEGOTIATIONS ON THE REGULATION LAYING DOWN COMMON PROVISIONS IN COHESION POLICY: PRIORITY FOR PARTNERSHIP

Executive Summary

In the light of the ongoing negotiations on the regulation laying down common provisions in cohesion policy, SMEunited is concerned for SMEs needs in the regions, notably for the representation of SMEs. Therefore the priority should be given to a real partnership. The success of different programs will depend on the setting up of a real involvement of the economic and social actors under the form of a "multi-level and multi-actors governance" guaranteeing that decisions will be taken in real consultation and agreement between public and private partners. The priority on the partnership will benefit the SMEs in the regions and the economy and society in Europe.

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In its position on the proposal for a regulation laying down common provisions, SMEunited:

- supports the proposal, particularly with regard to measures for SMEs, the concentration of thematic objectives into five strategic objectives, access to finance, simplification measures and the maintenance of the principle of partnership. SME united is pleased to note that the five strategic objectives directly concern SMEs;

- considers that the success of different programs will depend on the setting up of a real involvement of the economic and social actors under the form of a "multi-level and multi-actors governance" guaranteeing that decisions will be taken in real consultation and agreement between public and private partners;

- underlines the essential role of the economic and social partners and asks the European Commission and Member states to put in place measures for capacity building of the partners;

- considers that the flexibility granted to the Member States must be accompanied by a strengthening of the partnership which must become the rule and be binding at European, national and regional level. The Code of conduct on Partnership should be revised and become compulsory;

- reminds that SMEs and microenterprises are the backbone of regional economies, especially of weaker regions. Enhancing growth and competitiveness of SMEs should therefore remain an own policy objective, or at least an own element of thematic concentration like in the current period;

- underlines that small and microenterprises can benefit from the funds only through the measures put in place by their local, regional or even national associations and representative organisations that play a role of coaching and mentoring that should be supported in the different programs' support.

As part of the negotiations, SMEunited fully supports the amendments adopted by the European Parliament on 13/02/2019, in particular:

- amendment 3 Recital 1a: It is important for the future of the European Union and its citizens that cohesion policy remains the main investment policy of the Union, keeping its funding in the 2021-2027 period at least at the level of the 2014-2020 programming period;

- amendment 63 on article 4-1.a: a more competitive and smarter Europe by promoting innovative and smart economic transformation and strengthening small and medium-sized enterprises;

- amendments 74 to 78 on article 6, more specifically amendment 78 on article 6-2 : In accordance with the multi-level governance principle and following a bottom-up approach , the Member State shall involve those partners in the preparation of Partnership Agreements and throughout the preparation, implementation and evaluation of programmes including through participation in monitoring committees in accordance with Article 34. In that context, Member States shall allocate an appropriate percentage of the resources coming from the Funds for the administrative capacity building of social partners and civil society organisations. For cross-border programmes, the Member States concerned shall include partners from all participating Member States;

- amendment 82 on article7-1: 1. Each Member State shall prepare a Partnership Agreement which sets out arrangements for using the Funds in an effective and efficient way for the period from 1 January 2021 to 31 December 2027. Such Partnership Agreement shall be prepared in accordance with the code of conduct established by the Commission Delegated Regulation (EU) No 240/2014;

- amendment 205 on article 30-1: At the initiative of a Member State, the Funds may support actions, which may concern previous and subsequent programming periods, necessary for the effective administration and use of those Funds, for the capacity building of the partners referred to in Article 6, as well as to ensure functions such as preparation, training, management, monitoring, evaluation, visibility and communication;

- amendment 285 on article 64-4a new: 4a. Without prejudice to paragraph 6 of Article 63, the Commission shall provide for a complaints handling system which shall be accessible to citizens and stakeholders;

- amendments 343 to 353 on article 104 to 108 on the increase of allocations for each fund and for the percentages of allocations according to the territories;

- amendment 354 on article 107-1 and amendment 47 on recital 69 concerning the revision of the Code of conduct: In addition the power to adopt acts in accordance with Article 290 of the TFEU should be delegated to the Commission in respect of the amendment of the European code of conduct on partnership in order to adapt the code to this Regulation;

- amendment 359 to 363 on annex I – policy objective 1, on investments in fixed or intangible assets for SMEs and for microenterprises linked to research and innovation activities or linked to competitiveness;

- amendment 394 on annex IV Policy objective 4 ESF+ , on the support acquisition of key competences including digital skills and to facilitate the transition between education and work, informal and non-formal learning, adult education and learning, facilitating learning mobility for all;

- SMEunited also supports in particular the amendments on the integration of European agricultural fund for rural development (amendments on article 1) and the consideration of rural areas as well as those concerning the communication (amendment 202 on article 29-1ter);

- SME United underlines the importance of amendment 302 on article 73-3-1a new: In case of a disagreement between the Commission and a Member State on audit findings, a settlement procedure shall be put in place.. This amendment should be extended to litigations in Member states between beneficiaries/ project managers and the managing authorities.

In addition to the Parliament's amendments, SMEunited asks the negotiators:

- Article 6 Partnership - In point 2: Expressly maintain as it is the article 6 and the words “shall involve” and add point 3: the Commission Delegated Regulation n° 240/2014 must be revised and updated in close cooperation with the EU economic and social partners;

- Article 23 Territorial strategies. Add in point 2 “Territorial strategies shall be drawn up under the responsibility of the relevant urban, local or other territorial authority or bodies with the involvement of relevant economic and social partners”;

- Article 29 Technical assistance at the initiative of the Commission. Add point 5 new “The Commission may request the relevant economic and social partners to implement the actions provided for in point 1 and support the actions they propose on their own initiative”;

- Article 30 Technical assistance - Point 1 “At the initiative of a Member State or a Regional Authority, the Funds may support actions, including by economic and social partners and other relevant bodies Article 6, which may concern previous and subsequent programming periods, necessary for the effective administration and use of those funds”;

- Article 32 Financing not linked to costs for technical assistance of Member States. “In addition to article 31, the Member States may propose to undertake additional technical assistance actions to reinforce the capacity of Member State authorities, beneficiaries and relevant partners, including partners and bodies Article 6, necessary for the effective administration and use of the Funds”;

- Article 33 Monitoring Committee. Add a point 5 new “Each regional authority may decide to set up a Regional Monitoring Committee where appropriate to cover all programs at regional level”. They apply the measures point 2,3 and 4”;

- Article 43 Communication officers and networks. Add a point 4 new “The Commission shall support the actions of communication, training and information of economic and social partners and other bodies Article 6 which are also involved with the activities of the network provided f point 3”;

- Article 57 Eligibility. Add a point 10 new: Access for companies located in third countries to tendering procedures related to projects financed by the EU should be conditional to an equivalent access for EU companies to third country procurement markets;

- Article 63 or 73 or 77: add a new point : in order to simplify the settlement of disputes between beneficiaries or project managers with the managing, auditing and control authorities concerning problems of interpretation of the texts, auditing or payments, Member States may implement national or regional alternative dispute resolution systems;

- Article 77 Enhanced proportionate arrangements -Add a point 4 new "according to the principle Only Once of the Small Business Act for Europe, the small and microenterprises must provide only once for all the information to the regional managing and audit authorities, which will forward it to the relevant national and European authorities";
- -Add a point 5 new "in the case of micro and small enterprises receiving European funding of less than € 50,000 per operation, the audit authority may decide to apply a "de Minimis principle": no justification is required if the expected results have been clearly and demonstrably achieved.";
- -Add a point 6 new "for SMEs, the managing authority and/or the audit authority may simplify procedures by promoting two-steps controls - accountancy control by a chartered accountant and control of results - as well as a continuous control system by regularly receiving information from of the beneficiary.";

- Article 87 Common rules for payments -Add a point 8 new "Managing authorities cannot impose SMEs to deposit bank guarantees. The necessary guarantees may be provided in any form of banking, accounting, administrative or other";
- -Add a point 9 new: "no beneficiary may be required to engage an action before receiving the first public payment";

- Article 106: Determination of co-financing rate - Add a point 6 new: "whereas sub-regional areas of great poverty or difficulty due to economic restructuring or the impact of particular social situations may exist in the transition regions and in the more developed regions, the actions specifically designed to fight against the situations generated in these areas can exceptionally go up to 70% by decision of the Commission";

- Article 108 Exercise of the delegation - Add in the article :“Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In order to ensure that the delegated acts are in line with the realities of the beneficiaries' situations and to reduce the risks of interpretation and gold plating, the Commission also consults the European economic and social partners”;

- Article 109 Committee procedure. Add a point 3 new “Following the example of the ESF Committee, (Article 40 ESF+) the Commission can ask the European social partners to participate in the work of the Committee in the form of a technical working group in order to benefit from their expertise”.