



Position Paper

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EUROCHAMBRES' position on the post-2020 Multiannual Financial Framework (MFF)

Executive summary

In consideration of the budgetary implications of the UK's impending withdrawal from the EU, it is now more important than ever that EU resources are allocated in the most effective ways to areas and actions that deliver tangible results and demonstrate a clear EU added value. The principles of subsidiarity, non-duplication, complementarity and coherence must guide the development of the next MFF.

Given the importance of SMEs in relation to economic growth, job creation, competitiveness and innovation, the SME dimension should be central in the next MFF. This translates into the need to allocate adequate funding to areas of key importance to SMEs, i.e. Single Market, internationalisation, skills and training, entrepreneurship, digitalisation, access to finance, innovation, capacity building in the areas of energy and environment, the integration of refugees into the labour market and enlargement and neighbourhood.

Among the existing actions, the Enterprise Europe Network and Erasmus for Young Entrepreneurs have proven to be particularly valuable in supporting SMEs and entrepreneurship and deserve to be strengthened and enhanced in the next MFF. Another successful action is Erasmus +, which should focus more on Vocational Education and Training in the future. Crucial to SMEs and start-ups is also the continued availability of financial instruments that facilitate their access to finance.

More synergies and further simplification should be achieved throughout the various programmes and actions, so as to ensure the maximum effectiveness in the use of EU resources.

Due to the budgetary implications of the UK's impending withdrawal from the EU, it is now more important than ever that EU resources are allocated in the most effective way to areas and actions that deliver **tangible results** and demonstrate a clear **EU added value**.

The principles of subsidiarity, non-duplication, complementarity and coherence must be central in the development of the next MFF. EU-funded programmes and actions should not duplicate services or create new structures that compete with those already existing at national and regional level. Rather, they should be used to finance actions which could not be efficiently implemented by Member States, that offer better value for money compared to actions taken at national, regional or local level and that fill the gaps or reinforce existing support services. Synergies are important not only between the EU and Members States, but also at EU level. Overlaps between EU instruments that serve similar types of actions are to be

avoided. Any competition between different forms of funding should be eliminated to ensure maximum complementarity and to provide for a coherent financial framework. More synergies between the different actions or programmes, including programmes managed by different Directorates General, should be established. This is key to ensure an optimal use of the available resources and to enhance the impact of individual actions.

Simplification should also be central in the development of the next MFF. Highly complex and bureaucratic procedures might deter interested stakeholders, notably SMEs and start-ups, from applying for EU funded projects, as the burdens of participating can be perceived as outweighing the benefits. It should be ensured that the requirements and conditions for participating in EU-funded projects make it appealing enough for the targeted stakeholders to apply. It is also paramount that funding procedures and rules are streamlined across different programmes and DGs so as to avoid that they get in the way of results.

Given the **importance of SMEs** for the European economy, it is crucial that they are central in the development of the next MFF and that there are actions that specifically target them, thus reflecting the EU political ambition of a competitive Europe.

In order to contribute to the formulation of the next MFF, this paper identifies

- the instruments, programmes and actions that had a particularly positive impact on European businesses, especially SMEs, as well as a true European added value, and that should therefore be retained or expanded
- Areas that are of significant relevance to SMEs and should be a priority in the development of the next MFF
- Instances where further simplification efforts are needed.

Single Market

The Enterprise Europe Network

Among the actions to support SMEs, the **Enterprise Europe Network**, with the wide range of services provided by its 625 partner organisations in 66 countries, is among those that deserve to be maintained and enhanced in the next MFF. The Network played a key role in helping SMEs internationalise, grow and innovate and proved to be a key tool to inform SMEs on regulatory aspects, legislation and EU funding opportunities, thereby encouraging SMEs to take advantage of the opportunities of the Single Market.

In particular,

- Some 250.000 SMEs receive every year among others internationalisation services including brokerage/partnering services, information and advice on EU law.
- In the period 2014-2016 around 8.000 businesses set up cooperation agreements with SMEs across borders.
- The EEN services mainly supported SMEs in improving the quality of their goods and services, leading to turnover growth and entry to new markets, both within and beyond Europe.
- It is estimated that, in the period 2014-2016, each EUR 1 million invested in the EEN has led to a total increase of EUR 45m in turnover and of circa 377 people in employment for clients SMEs.
- The EEN provides specialist advisory services to some 70.000 SMEs on a yearly basis that include innovation management capacity building, technology transfer and Key Account Management for SMEs receiving support from the SME Instrument of Horizon 2020.
- An external impact evaluation found in 2015 that SMEs receiving EEN services have growth rates of 3.1% higher than non-EEN supported SMEs.
- The EEN is also used to channel SMEs' feedback to the Commission on EU legislative proposals.

The added value of the Enterprise Europe Network is clear, as it allows to attain a scale and quality of services that would not be possible at national level.

Nevertheless, there is margin for improvement to further increase its impact and efficiency.

- While there seems to be a growing focus on innovation, the focus of the services offered by the EEN should remain on access to markets, particularly within the Single Market. The increasing attention to start-ups and scale-ups should not be to the detriment of other SMEs. SMEs looking to internationalise, regardless of whether they are considered innovative or not, should continue to benefit from the services of the Network as they make a significant socio-economic contribution.
- The focus of the Business Cooperation Centres (BCCs) should always favour EU businesses in order to increase the effectiveness of the EEN in helping SMEs to access third countries' markets. Moreover, the expansion of the BCC network should be coherent to trade policy objectives.
- Burdensome reporting and administrative requirements remain an issue for the Host Organisations involved in the EEN, which are obliged to spend a disproportionately large amount of time reporting to the Commission and EASME on their activities and results rather than delivering services to the SME community. Further steps need to be taken to lighten such requirements to ensure that the provision of services to client SMEs is not affected.
- Each jurisdiction should carry out a detailed evaluation of the success of its EEN Program in the current MFF cycle to identify weaknesses or lack of coverage and ensure that these are addressed in the next cycle.

Support entrepreneurs and avoid insolvency

Given that one out of two businesses goes bankrupt in its first five years and that direct job loss due to insolvency reaches 1.7 Million/year in the EU, the next MFF should foresee the continuation of actions to support early warning measures to avoid insolvency and provide guidance for second starters, as currently done under the PRE-SOLVE and the Early Warning projects. Actions in these area at EU level, including for example peer-learning and dissemination of best practices and guidance material, allow to attain a wider scale across Europe that could not be reached by national initiatives. They also allow for more evidence-based policy making. However, the two projects mentioned, co-funded respectively under the Justice Programme of the European Union (DG JUST) and the COSME programme (DG GROW), represent a clear example of overlap.

Gauging remaining barriers

In 2014, EUROCHAMBRES ran a survey to better understand the obstacles that businesses encounter when trading cross-border. The results were compelling and fed into the Commission's Single Market Strategy and subsequent Compliance Package. There remains scope and need to gather far more data and evidence about what prevents or discourages companies – particularly SMEs – from entering other EU markets. Is it specific procedures and if so which? Is it unfamiliarity with legal requirements? Is it practical challenges like language or identifying potential clients in a new market? Funding should be ring-fenced to dig deeper in order to acquire data that would help policy-makers target legislative or non-legislative measures to address these barriers more effectively.

Enforcement and compliance

More than five years after the Services Directive entered into force, EUROCHAMBRES conducted an EU-wide mystery shopper exercise and study on the Points of Single Contact (PSC). It showed that the performance of these online business portals is generally low (54%), with only two countries passing the 75% threshold of very good performance. These type of exercises can prove very useful for policy-makers to understand where the Single Market fails to deliver and compliance is not optimal. The study showed that SMEs foremost were left with unfulfilled promises and a fractured Single Market. EUROCHAMBRES encourages the Commission to come up with a follow-up of the study.

In December 2017 the Commission published the Goods package. The proposal on mutual recognition foresees a strong role for the Product Contact Points (PCPs). In order to assess whether the PCPs indeed deliver their services in accordance with the rules, conducting a similar study (also with mystery shoppers) as the one carried out by EUROCHAMBRES on the PSCs would be very helpful. Only then will it become apparent of the rules are respected and implemented by the Member States who are in charge of running the PCPs.

Awareness raising

Still too many companies are not aware of the rights granted to them by the Single Market rules. Chambers have as a traditional task to inform companies about the regulatory framework in which they operate and conduct their business and are therefore well placed to assist the Commission in this objective. Funds should be made available for awareness-raising and/or education campaigns so that entrepreneurs can make full use of their (cross-border) rights.

Concrete areas where the knowledge of SMEs should be increased are to be identified in the field of digital rights (e.g. obligations under the geo-blocking directive and GDPR obligations) and mutual recognition for the export of goods intra EU. More knowledge about what rights one has but also for instance what to do in case of a dispute with a foreign authority declining market access can only contribute to a better functioning of the Single Market. The Single Digital Gateway should contribute to the same objective, but also this type of tool deserves to receive more attention in the public eye.

Internationalisation

Supporting SMEs to go international and access new markets, one of the main objectives of the COSME programme, must receive appropriate financial resources under the next MFF, especially in view of the direct relation between more internationalised SMEs and more growth and jobs¹, a key priority of the European Commission. Exporting SMEs are generally more competitive, since they tend to be more productive, more innovative and more skill-intensive.

The support to SMEs internationalisation beyond the EU should be underpinned by a comprehensive strategy on **European Economic Diplomacy**, geared towards strengthening the links between trade policy and trade promotion, between the European Commission and the Member States and between the private and the public sector. Besides being based on the principles outlined above (i.e. subsidiarity, non-duplication, complementarity and European added value), European Economic Diplomacy should be focused on the following areas of businesses support:

- **Advocacy and visibility:** stronger promotion of the European interests and of the 'EU brand' through the development and strengthening of contacts with third country officials for lobbying purposes to improve market conditions and effectively address barriers to foreign trade and investments, all in cooperation with bilateral institutions like Chambers.
- **Market intelligence:** gathering and disseminating market information (including on IPR and standards) to facilitate trade and identify and tackle the barriers SMEs are confronted with.
- **Market access services:** supporting European businesses in accessing third countries' markets through the organisation of business delegations, matchmaking events (B2B) and sector-specific events on business opportunities as well as by providing information on project and partner opportunities and tailored advisory services on business strategies, adaptation/localisation of products and technologies, IPR protection, etc.

¹ European Commission (EC), 2010. Internationalisation of European SMEs, DG Enterprise and Industry, Brussels, pp. 54-55.

EU initiatives under European Economic Diplomacy should

- be demand-driven and ensure ownership by legitimate stakeholders, such as business support organisations and trade promotion agencies and bilateral institutions like Chambers, rather than outsource to private consultancies
- bring in the European dimension to activities, thereby ensuring a higher level of visibility and helping profile both the EU and European businesses
- consider internationalisation as a long-term process and avoid stand-alone or one-off missions without proper preparation and follow-up for the businesses involved
- support capacity-building and training activities for business organisations and companies alike, especially in Europe

EUROCHAMBRES has actively contributed to various 'pilot' initiatives in this area funded by the ICI+ budget line and the Partnership Initiative (PI): the SME Centre in China, the European Business and Technology Centre in India, the European Chamber in Myanmar, etc. More recently, EUROCHAMBRES launched the Business Beyond Borders initiative (funded under COSME), organising large scale matchmaking events for European SMEs at trade fairs around the globe. Each of these projects follows the principles outlined above, thereby increasing its impact, visibility and legitimacy.

Skills and training

In November 2017, EU Leaders agreed to strengthen and extend **ERASMUS+** to all categories of learners, given the recognised success of the programme. EUROCHAMBRES and the Chamber network have been involved in the management of projects under ERASMUS+ and acknowledge the crucial role played by this programme to foster skills and mobility of young people.

EUROCHAMBRES advocates for a **stronger focus on Vocational Education and Training** in the future programme. The importance of VET as a tool for tackling youth unemployment, and bridging the skills gap is acknowledged in various recent or forthcoming EU initiatives, including June 2016's New Skills Agenda for Europe, the EU Vocational Skills Week, the EC proposal for a Council Recommendation on a European Framework for Quality and Effective Apprenticeships as well as the debate initiated by the Estonian Presidency to the EU on the future of VET. This political priority should be translated in more financial resources allocated to VET. The urgent need to strengthen the transnational mobility of VET learners, teachers and trainers and to promote cooperation through partnerships at all levels between stakeholders concerned must be addressed through the future programme.

EUROCHAMBRES considers that it is crucial, in particular, to involve more apprentices in the future programme covering Education and Training in order to contribute increasing the attractiveness of VET overall.

EUROCHAMBRES' experience in the implementation of the project Apprenticeship coaches for SMEs (AC4SME) highlighted in particular the importance to build up the capacity of intermediary organisations so that they can support SMEs to ensure a stronger involvement of SMEs in apprenticeships.

EUROCHAMBRES considers that the future programme should further promote cooperation between schools / higher education institutions and businesses. The cross-sectorial cooperation which should have been fostered by the streamlined architecture of ERASMUS+ should be more encouraged in the future.

EUROCHAMBRES encourages further simplification of the procedures. The future programme should be better adapted to the specific characteristics of VET and the specific needs of businesses. SMEs in particular are less able to absorb onerous procedures in their internal structure and consequently more likely to refrain from applying at all.

Entrepreneurship

As stated in the European Commission's Entrepreneurship 2020 Action Plan, 'to bring Europe back to growth and higher levels of employment, Europe needs more entrepreneurs'. It is therefore crucial that promotion of entrepreneurship remains a priority under the next MFF.

Among the EU-funded initiative to support entrepreneurship, the **Erasmus for Young Entrepreneurs (EYE)** programme, currently funded under COSME, is the one with the greatest impact. EYE enables cross-border exchanges amongst the 38 COSME countries. In the programme, a new or aspiring entrepreneur is hosted by an experienced entrepreneur in another participating country for up to six months.

In the eight years since its launch, the programme has demonstrated a positive impact in stimulating innovative business practices, the development of new products and services, and the expansion into new markets for the entrepreneurs involved.

In particular,

- Some 11.000 entrepreneurs participated in the programme.
- 96% of new entrepreneurs consider that EYE has contributed to their ambition of becoming entrepreneurs.
- 36.5% of the participating would-be entrepreneurs subsequently created their own business.
- Newly established entrepreneurs, who participated in the programme, demonstrate considerably higher survival rates than average European SMEs.
- 61% of New Entrepreneurs (NE) and 54% of Host Entrepreneurs (HE) surveyed increased their turnover after participating in the programme.
- 90% of NEs have acquired intelligence about the new marketplaces they are exposed to during the exchange.
- 65% of host entrepreneurs extended their operations to other markets after the exchange, with a quarter of them going on to operate specifically in the country of the visiting entrepreneur. The level of internationalisation of the HEs after their involvement in the programme is higher than the EU average.
- More than half of NEs declared to have improved their personal skills as well as their knowledge and understanding of the host's country and sector in the 2014-2016 period.

Given the valuable contribution of this programme to entrepreneurship, EYE should be allocated adequate funding in the period post-2020 not only to be maintained but also to be further expanded (e.g. to be gradually open to new countries).

Still, EYE faces several issues, such as the uneven distribution of participating entrepreneurs across all countries as well as of NEs and HEs within each country. Moreover, in certain countries the financial support provided to new entrepreneurs is taxed by the local authorities, which can pose a significant financial challenge to the participants. In others, there is no clear status for the NE who is staying there, unlike for Erasmus+, which can often be challenging. Tackling these issues is crucial to maximise the impact of the programme.

Digitalisation

Digitalisation is currently the main driver for change in the European economies and has considerably changed business models. Digitalisation requires a forward-looking, future-oriented agenda in the various European funding schemes.

EUROCHAMBRES encourages the European Commission to set a clear focus on making Europe ready for further digitalisation, in particular

- providing the means to support companies, in particular SMEs, to fully benefit from digitalisation. It is more difficult for SMEs to comply with legal provisions, such as the GDPR, as well as protecting their digital infrastructure from cyber threats.
- Several initiatives funded through Horizon 2020 have helped to improve the innovation capacity of European companies. To further increase their impact, the results of these initiatives should be made more easily accessible for SMEs. This is especially true for projects concerning the entire economy in areas such as digitalisation. As an example, the quick dissemination of the findings of Horizon 2020 funded initiatives, such as the Cybersecurity PPP and the recently proposed Cybersecurity Competence Network, is pivotal for the economic success of SMEs not only from the core digital economy.
- Besides supporting the construction of physical infrastructure, the Connecting Europe Facility should be used better to provide a state of the art digital infrastructure which includes a better access for European companies to broadband internet.
- Making the ESF a means to convey the digital knowledge and skills necessary to fully participate in the labour market could make these structural funds a true driver of better employability. The 'smart specialisation' concept, introduced in the current MFF could be further developed to better cover training needs arising from digitalisation.

SME access to finance

According to the EUROCHAMBRES Economic Survey 2018 (EES 2018)², financing conditions remain challenging for businesses, especially for the smaller ones, in many parts of Europe. Further measures are needed to address asymmetries between supply and demand, both in terms of debt and equity financing. On the supply side, bank lending remains restricted and equity financing is still much below the levels aspired to. Progress on the Capital Markets Union must be a priority to offer greater scale and scope for businesses and investors alike. On the demand side, it is crucial to improve the investment readiness of SMEs in many countries and to take measures to prepare businesses better to pursue alternative sources of financing.

The role of intermediaries with focus on development banks who are very often a main support when it comes to easing the SME access to collateral and support for investments, inventory and working capital

The overall shift of EU budget allocation towards growth and competitiveness programmes should be more radical to meet the needs of investment, inventory and working capital. Special attention should be devoted to socio-economic developments and challenges faced by European SMEs in the global market bearing also in mind a digital dimension.

The ECB reveals that a positive net percentage of SMEs continued to indicate a tightening in the collateral and other requirements of banks. About 30% of SMEs indicated higher costs of financing related, in particular, to charges, fees and commissions. It seems that banks use these costs to partially offset lower interest revenues. Fixed investments and inventory and working capital remained the two most important purposes for which SMEs used their total (internal and external) financing, with their importance increasing strongly with firm size. This is why it remains crucial that programmes like EFSI and COSME, with their financial instruments, remain in place and gain in size.

² The EES 2018 is an assessment of the the European business community's expectations based on a survey of over 50,000 businesses in 23 countries. It is available at: <http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=7753>.

The results of the recent public consultation on the mid-term evaluation of the COSME programme show that the Equity Facility for Growth (EFG) and the Loan Guarantee Facility (LGF), together with the Enterprise Europe Network, are considered to be the COSME actions with the greatest impact. The two financial instruments have indeed increased the supply of SME-related equity and debt finance in most Member States in the 2014-2016 period. The LGF, in particular, is reported to have reached a considerable number of SMEs, proposed overall more favourable financing terms, proved leverage in SME financing and increased the supply of debt finance in most Member States. According to estimates calculated in the context of the mid-term valuation of COSME, each EUR 1m invested in the LGF has led to a total increase of EUR 11m in turnover from client SMEs.

Financial literacy

According to a study conducted by the Netherlands Chamber of Commerce³, half of entrepreneurs are insecure about their own financial literacy and knowledge of money matters. They lack in forecasting and financial planning skills. Low levels of financial literacy represent one of the main barriers that hinder the relationship between SMEs and investors. Entrepreneurs who state they have extensive knowledge of financial matters are more likely to perform better than entrepreneurs who say they are less financially literate.

Some other findings from their report⁴:

- 44% of SMEs have no help at all in financial matters
- 82% of SMEs and one-man businesses have not taken any additional training on financial matters
- The lack of knowledge mainly concerns tax matters (49%), basis principles of the balance sheet and profit and loss accounts (52%) and preparing a profitability forecast (54%).

Funding should be allocated to expanding this Netherlands exclusive survey on financial literacy to entrepreneurs across the EU. Without pre-empting the findings, there should then be scope to support measures to improve financial literacy among business and citizens. This may take the form for example of a Financial Literacy Week aimed at small and micro businesses in particular.

Cohesion Policy

Cohesion Policy and its financial instruments play a crucial role in the EU economic and social development and should be allocated adequate budget to be able to effectively deliver on the fundamental goals of territorial convergence and reduction of development disparities between European regions.

The Chamber network enhances the value of the **European Structural and Investment Funds (ESFI)** through several structural projects and support schemes, thereby significantly contributing to the economic development of SMEs. These funds are also used by numerous businesses, especially the smaller ones, to adapt to challenges such as digitalisation, innovation, circular economy and energy transition.

The future priorities of the cohesion policy should reflect such challenges while at the same time being flexible enough to offset any arising difficulties businesses might face. To successfully address collective policy challenges, territorial cooperation programmes should be streamlined so as to favour concrete projects and facilitate exchanges among different European stakeholders.

Synergies with other European funds, in particular financial instruments, should be strengthened to maximise their impact and avoid any duplication of European funding sources. Further simplification

³ In control of the company. Entrepreneurs on their financial literacy, 2016. Available at: https://www.kvk.nl/download/NetherlandsCCI_%20InControloftheCompany_tcm109-432075.pdf

⁴ About Dutch sole traders only.

efforts are needed to reduce burdensome administrative requirements for project promoters and control procedures.

Innovation

EU support to research, development and innovation is key to enhance Europe' competitiveness and growth potential as well as to tackle societal challenges. For this reason, it is crucial that the budget allocated to the **9th EU Framework Programme for Research and Innovation (FP9)** is not reduced compared to Horizon 2020, but progressively increased. The FP9 should help mobilise complementary public and private funds at national and regional level to further strengthen the performances in the field of R&I. In order to achieve its objectives in terms of competitiveness and growth, it is important that the core target rate of a 3% rate for R&D is maintained beyond 2020, that synergies between the FP9 and other EU-funded programmes are strengthened and that further efforts in relation to administrative simplification are made. In particular, the provisions on final reporting and project cost calculation should be further simplified in order to reduce the administrative burdens on businesses, notably SMEs, that were pointed out in the context of the mid-term review of Horizon 2020 and both the time-to-grant and the time-to money should be reduced so as to match shorter development and product lifecycles.

Energy and Environment

With regard to creating a **Circular Economy** and achieving ambitious recycling targets, increased funding opportunities for research and innovation will be crucial. However, one of the greatest challenges in the coming years will be how we involve SMEs in the circular economy and how we build the circular economy around SMEs. SMEs often lack time to gather data, plan specific projects and implement resource efficiency measures. That is one of the main obstacles impeding green actions. Thus, SMEs need concrete guidance on day-to-day operations and the practical implementation. They need on-location support, e.g. through temporary staff, concretely preparing, planning and implementing necessary improvements. This support should be largely cost-neutral, practice-oriented and confidential. To really drive change on the ground new capacity programmes will be required. In this regard, the very successful Intelligent Energy Europe Programme could be a good template for establishing capacity-building programmes on resource efficiency and waste management in the future.

Moreover, funds for helping SMEs to improve their energy efficiency performance and to invest in renewable energy. The experience gained from EUROCHAMBRES' STEEEP project has shown that significant barriers to energy efficiency persist. As with regard to Circular Economy, Energy saving actions are hampered mainly by a lack of time and human resources that can be dedicated to comprehensive training programmes, while limited financial resources restrict energy efficiency measures. Against this background, several recommendations can be drawn from the project experience:

- **Public support for SMEs.** The experience gained through the project has shown that practical and comprehensive support is a pre-requisite to unleashing SMEs' energy efficiency potential. Companies need individual assistance in collecting and assessing information on energy efficient technologies and practices, in monitoring energy use and in increasing their know-how. Support programmes should thus bring together an extensive network of actors, combining the required expertise. Chambers of Commerce and Industry act as trusted intermediaries between such actors and the SME end beneficiaries.
- **Raising awareness remains pivotal.** Although energy efficiency is gaining attention, the majority of SMEs still do not fully recognise its value and multiple benefits.
- **Support the collection of energy data.** Benchmarking is an important factor to evaluate potential and set clear efficiency targets. Comparisons with sector frontrunners act as strong incentives. The implementation of energy monitoring technology should be encouraged to facilitate this.

- **Avoid one-size-fits-all approaches.** It is challenging for SMEs to implement a systematic strategy on energy efficiency. Micro enterprises have different needs to medium-sized companies. Companies are more likely to respond positively to energy audit recommendations if they allow for flexibility in implementing the findings.
- **Bridging the gap between recommendations and delivery.** Energy audits can identify savings potentials and provide recommendations. However, this is only part of the equation and does not guarantee impact. To secure the conversion of the recommendations into actual implementation, SMEs in all Member States need access to appropriate and adequate sources of financing and public support.

In order to achieve strong synergies it should be clarified how capacity building will complement research and innovation activities. Project participants should be regularly informed about the latest findings out of corresponding Horizon 2020 projects, in case they are ready for prompt deployment. Moreover, the coherence and the cooperation between existing funding programmes has to be improved (e.g. resource should be combined, especially for larger investment projects, outcomes and lessons learnt should be shared).

Integration of refugees into the labour market

The integration of the refugees in the European societies and economies should be a clear **priority** in the next MFF. Its funding, currently covered by the Asylum, Migration and Integration Fund, COSME, the European Social Fund, the European Regional Development Fund, etc., should be further integrated and coordinated to enable a more efficient use of the available resources in order to avoid overlap and to maximise the impact.

Integration is a long and demanding process for the refugees as well as for all the parties involved. The successful integration of the refugees in the labour market requires the involvement of different stakeholders (public authorities at national and local level, including public employment services, business communities, Trade Unions, VET providers and NGOs) from the skill identification to the skill upgrading, the matching between the refugees and the companies and the support during the job placement. It is therefore crucial to adopt a **coordinated and multi-stakeholder strategy at EU level**.

EUROCHAMBRES has been a precursor to promote at EU level the role of the business community in the integration of the refugees in the labour market within a comprehensive and multi-stakeholder strategy, the European Refugees Integration Action Schemes (ERIAS). In this context, EUROCHAMBRES is participating in the Labour Int project (labour Market Integration of migrants) led by the European Trade Union Confederation (ETUC), under the Asylum, Migration and Integration Fund.

From this experience, EUROCHAMBRES highlights the key role played by intermediary organisations, such as Chambers of Commerce and Industry, in involving SMEs in the integration of the refugees in the labour market. It is crucial not only to share good practices from a country to another but also to build the capacity of intermediary organisations to ensure that more SMEs are ready to employ refugees.

Enlargement and neighbourhood

EUROCHAMBRES has a long-standing experience in implementing concrete initiatives in the Western Balkans, Turkey and EU neighbouring countries through both the Instrument for pre-accession (IPA) - the project Partners for Acquis Compliance and Energy efficiency (PACE) in the Western Balkans and the two phase of the EU-Turkey Chambers Forum in Turkey - and the European Neighbourhood and Partnership Instrument (ENPI) - the two phases of East Invest in the Eastern Neighbourhood as well as Invest in Med, EUROMED Invest and the New Society in the Southern Neighbourhood.

All these initiatives contributed to enhancing trade and investment between the EU and these regions while at the same time strengthening the public-private dialogue as well as the dialogue and the mutual understanding between business communities in the EU and in the Western Balkans, Turkey and the EU neighbourhood.

From this experience, EUROCHAMBRES recommends to maintain **two distinct programmes**, respectively **for the Enlargement countries and the EU neighbouring countries** given the specific needs of the candidate and potential candidate countries linked to Accession negotiations and the resources needed to apply and comply with the EU acquis. Moreover, EUROCHAMBRES advocates for more cooperation between the regions. The EU neighbourhood can play a crucial role of bridge in the triangular relations EU - EU neighbourhood - neighbours of EU neighbours. The current EU financial regulations do not allow cross-regional cooperation on global issues such as trade and investment, migration, etc. Such transregional cooperation would be essential to enhance the impact of the EU financial assistance in these countries.

The future programmes on Enlargement and Neighbourhood should put greater emphasis on **economic development and enhancing trade and investment**. From its experience in implementing projects in the regions, EUROCHAMBRES is convinced that boosting investment and trade opportunities, facilitating the regional economic integration process in each region, enhancing SME competitiveness, further developing skills needed in the labour market in particular through vocational education and training, fighting against corruption, is the best path to political stability and antidote to extremism and illegal migration.

On all these issues, the **business community**, as member of the civil society and as the main engine for growth and jobs, has a crucial role to play. The involvement of the business community in parallel to the international organisations in the implementation of the future programmes will be essential to maximise the impact and the sustainability of the EU financial assistance in the regions. Project directly involving the business community such as the EU-Turkey Chambers Forum, EUROMED Invest or East Invest have the advantage to improve the economic development while:

- increasing the mutual understanding and knowledge, in particular through partnerships, study visits and networking events between the business community from the EU and the business community from the candidate / potential candidate countries as well as the EU neighbouring countries
- strengthening the public private dialogue to enhance the regulatory environment
- improving the capacity of the business support organisations to strengthen and improve their services to companies but also to enhance their lobbying capacities towards the policy-makers
- promoting good neighbourly relations.

In addition and specifically for the programme covering the candidate and potential candidate countries, the **acquis audits** carried out in the context of previous projects implemented by EUROCHAMBRES, such as the Chambers towards Acquis Support and business Ethics (CASE) project, the Partners for acquis Compliance and Energy efficiency (PACE) project and the two phases of the EU-Turkey Chambers Forum (ETCF), have proven to be an efficient tool to provide information on the business related acquis to companies and to assess their level of compliance. Further to the publication by the European Communication of the communication 'A credible enlargement perspective for and enhanced EU engagement with the Western Balkans', it would be important to carry such acquis audit in the Western Balkans to make sure that whenever accession occurs, the companies will be ready for it.

Final remarks

It is disappointing to see that for a public consultation of this calibre, the European Commission disregarded its own guidelines concerning the minimum length of the consultation process (12 weeks).

Furthermore, the structure of the consultation is impenetrable from a stakeholder perspective, with several policy areas appearing in more than one of the 6 consultations and some absent from all.

SMEs are the heartbeat of the European economy and supporting them will help create jobs and growth, release innovation and creativity in Europe. The SME dimension should therefore be central in the next MFF.

The need for more synergy and further simplification emerge across different areas and programmes and should guide the development of the next MFF.

It is important to sustain effective programmes by ensuring their future funding sufficiently well in advance to allow efficient continuity and development, instead of creating new initiatives pursuing a similar goal and entailing similar activities from scratch.

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