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Recovery and Resilience Facility – an efficient implementation of national plans for SMEs

The war in Ukraine is currently leading to considerable challenges for national economies and their capacity to absorb the resources available in the national Recovery and Resilience Plans (RRPs). Indeed, the inefficient allocation of resources might put at risk the post pandemic recovery but also the long-term alignment to the European Green Deal objectives. Chambers must therefore play a strategic role alongside national governments.

The main conclusion of the 2021 Eurochambres survey on the degree of consultation and involvement of chambers in designing and implementing their respective plans, also highlighted in the position paper published on 29 June 2021 reads:

"For a successful implementation of the RRP and the effective allocation of funds, a coordinated approach at European, national, and regional level is essential. The involvement of regional and local authorities is essential to translate the EU instruments into viable projects on the ground and Chambers must be involved in the design and implementation of these plans to ensure that the necessary reforms are implemented, and SMEs can benefit from the available funds without delays."

The survey unveiled the extent of Chambers' participation in the design of the plans but also the quality of their involvement and the transparency of Member States in making their draft RRPs available to the public. Considering the critical importance of public consultations for the formulation of the national RRPs, many chambers have highlighted the low effectiveness of the dialogue procedures for the collection of opinions and suggestions. Indeed, the lack of well-established dialogues has, in some cases, resulted in limited possibilities to provide accurate and meaningful contributions to the plan designs. The limited amount of time that third bodies or stakeholders were given to share their inputs has also negatively affected the consultative procedures. As a result, the inclusion of effective business-friendly measures in the national RRPs represented a major challenge. Nevertheless, several chambers expressed positive comments on their involvement and the inclusion of their proposals into RRPs. The examples below demonstrate the involvement of Chambers in the implementation and monitoring of national RRPs.

- The SME Digital Programme implemented by WKÖ with around 15,000 funded digitisation initiatives has been included in the digital area of the Austrian RRP, remarking the key role of this funding for the digitalisation of SMEs. Other measures are implemented through intermediaries such as AWS and KPC.
- In France, chambers are partnering with the national government to support the implementation of several operations under the national RRP: accompany the digitalisation of retailers and self-employed workers, conduct energy efficiency diagnoses, raise the awareness of more than 30,000 industrial companies on specific measures to support the industry sector, the decarbonation of the industry, the development of new sectors (green hydrogen) as well as the relocation of production capacities in French regions.
- The Italian government, with the Recovery Decree, whose conversion law came into force on 1 January, established that to ensure the effective and timely implementation of the interventions of the national RRP, central, regional, and local administrations may avail themselves of technical-operational support, in addition to supervised bodies and companies with prevalent public participation, also of the chamber system.
- In Belgium, chambers are part of the monitoring committee in Flanders and Wallonia.

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POSITION

 In Greece, the creation of a Special Coordination Service of the Recovery Fund is involving the Greek Chambers of Commerce as bodies to implement actions from the national RRP aimed at promoting SMEs.

CHAMBRES

EUR

 The Spain Chamber of Commerce has created a Support Unit to guide and accompany the network of 85 territorial Chambers of Commerce and companies in the design, presentation and implementation of actions that can be financed with European funds. The expertise will be crucial for the management and implementation of several projects in the areas of digitalisation, employment, sustainability, viability, and internationalisation. Due to its considerable budget (EUR 3.068 million) and its scope, the more relevant project is the **Digital Kit Program**, targeting 1 million SMEs to start, improve or expand their level of digitalisation with services such as website creation, cybersecurity, Business Intelligence and analytics, process automation, and e-commerce, among others.

Overall, Member States have allocated almost 40% of the spending in their plans to climate measures and more than 26% on the digital transition, exceeding the agreed targets of 37% for climate and 20% for digital spending.¹ Accordingly, the commitment to implement targeted measures at the national level should be accommodated and facilitated through the constant support and technical guidance of national and regional chambers. The promotion of available instruments for companies at the national level is instrumental to raise the effectiveness of the structural reforms included in the national RRPs, particularly considering the expected decline in economic growth and rising inflation.

National governments and chambers promptly put in place a number of initiatives to support companies navigating the yet unclear framework linked to the EU sanctions on Russia and the knock-on effect of the conflict on European economies. For example, the French government launched a "Resilience Plan" with a budget of EUR 7 billion. Part of the funds has been re-allocated to help companies mitigate the effects of rising energy prices. The Spanish government approved a national plan worth EUR 16 billion, of which EUR 6 billion in direct aid and tax cuts, and EUR 10,000 through a new line of guarantees managed through the ICO. In this respect, Eurochambres recently published the results of a <u>survey</u> from 26 national chambers highlighting the initiatives taken to mitigate the adverse impact of the war on companies. The immediate technical support provided and the contribution to alleviate the humanitarian crisis remark the significant role played by chambers at the regional, national, and European levels.

To conclude, national governments should be given further flexibility in reviewing the Recovery and Resilience Plans (RRPs) to address the increase of energy prices and the difficulties linked to the supply of raw materials resulting from the current context. However, this should not jeopardize the broader objective to build more sustainable and resilient economies and societies, prepared for the challenges and opportunities of the green and digital transitions. Chambers, as expression of European companies, must be involved in more collaborative and constructive dialogues to ensure the sound financial management of the resources and the efficient monitoring of the national RRPs.

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¹<u>Recovery and Resilience Facility | European Commission (europa.eu)</u>

Eurochambres – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through 45 members and a European network of 1700 regional and local Chambers.