NOTE
From: European Commission
To: Council (Competitiveness), 5 March 2009 (Any Other Business)
Subject: Information Note to Ministers:
– Small Business Act for Europe (SBA): overview of implementation

I. Background

The Commission proposed the SBA on 25 June 2008 to establish a comprehensive framework of common principles and legislative and policy measures with a view to improving the overall policy approach to entrepreneurship, irreversibly anchoring the “Think Small First” principle in policy-making and promoting SMEs’ growth.

The Member States endorsed the SBA at the Competitiveness Council on 1 December 2008 and committed themselves to the immediate implementation of an Action Plan of measures aimed at addressing challenges linked to the financial and economic crisis in three key areas: improving access to finance, creating a regulatory environment supportive of SMEs needs and enhancing SMEs’ access to markets. The Council finally called upon Member States and the Commission to report on progress made in the framework of the new 2008-2010 cycle of the re-launched Lisbon strategy for growth and jobs.
The December European Council endorsed the SBA Action Plan and invited Member States and the Commission to implement it fully.

The important role of the SBA in the context of the response to the crisis was also stressed in the European Economic Recovery Plan presented by the Commission in November 2008. Building on the SBA and on the Action Plan, the European Recovery Plan has singled out SME support measures which have the strongest potential to contribute to the recovery:

- EIB €30bn loan package + €1bn for Mezzanine capital
- State aid temporary measures
- Cost-free registration of a business within 3 days
- One stop shops for hiring the first employee
- Possibility for exemptions for micro-enterprises from annual accounts
- Speeding up the adoption of the Private Company Statute
- Public authorities to pay invoices within 1 month
- Reduction of patent fees and maintenance by 75%
- Reduction of employers’ social charges on lower income jobs
- Adoption of a Directive on reduced VAT rates before European Council Spring Summit

A first assessment of the implementation of the European Recovery Plan will be presented by the Commission on 4 March.

II. Ensuring rapid implementation

In the current economic context, priority needs to be given to the implementation of the SBA Action Plan starting with the measures singled out in the European Recovery Plan. In this context, the Commission proposes a regular exchange of views at the Competitiveness Council meetings on the progress achieved. This would provide an opportunity for a regular stock-taking, for exchange of best practice and for a possible assessment of the results achieved.
The Commission will report back on the implementation of the priority actions to the Competitiveness Council in May.

Regarding the SBA as such, Member States are invited to report on the implementation of its principles and actions in the context of the reporting cycle of the Growth and Jobs Strategy in the autumn.

In this context the Commission would appreciate if there could be regular discussions on the implementation of the SBA action plan at Council meetings, if implementation of the SBA in 2009 could concentrate on the priority measures identified in the European Recovery Plan, and if the Commission could be kept informed in case Member States think that further measures from the SBA Action Plan should be given priority.