



**EUROCHAMBRES**

Connecting **business** to Europe

**Report**

February 2011



# **SMALL BUSINESS ACT 2010 IMPLEMENTATION SURVEY**

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## Executive Summary

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The European Small Business Act (SBA) presented by the European Commission in June 2008 sets out 10 principles, which aim to improve significantly the business environment for SMEs.

The Competitiveness Council of December 2008 endorsed the SBA and, also in light of the particular concerns resulting from the economic and financial crisis, decided to focus the SBA implementation initially on three priority areas, namely: improving SME access to finance, a regulatory environment supportive of SMEs' needs and enhance market access for SMEs.

These areas for urgent policy intervention were very important issues to address during the peak of the economic crisis two years ago. They remain important today, as we start to emerge from the crisis. In fact, if they are not tackled correctly by policy makers, our recovery will be compromised.

Regrettably, EUROCHAMBRES' 2010 survey shows a lack of significant progress at member state level on all three of these SBA Action Plan priorities. Facilitating SME access to finance has been one of the priorities for a majority of EU countries in 2010 as it was the case in 2009, yet to limited effect. Constrained access for business to finance and liquidity remains an important barrier to growth.

Efforts to improve the regulatory environment for businesses have been made in 2010, notably by regularly conducting impact assessments on new legislation and removing unnecessary burden and red tape. Despite these progresses, much remains to be done in this area, especially as regards the "SME Test", which is still not a common practice across the EU, and the implementation of the "only once" principle, which is disappointing in too many EU countries.

There is still scope to further improve SMEs' access to the Single Market and remove the remaining barriers. The implementation of the Services Directive in 2010 is not fully completed, the impact of the measures taken to facilitate SMEs' access to public procurement is relatively weak and services to assist businesses and citizens to take full advantage of the internal market, such as SOLVIT, lack investment and promotion.

The EU member states must redouble their efforts to ensure that favourable conditions are in place for businesses. EUROCHAMBRES now looks to the Council and the other institutions to work together to deliver on their commitments without further delay and in ways that are perceptible to our 23 million SMEs.

Reforms to support SMEs in line with the SBA have started in the EU candidate countries. Particular emphasis was placed on improving SMEs' access to finance to alleviate the negative effects of the crisis. This led to positive results. Regulatory reforms are at an initial stage (e.g. introduction of an impact assessment system, establishment of a national target for the reduction of administrative burdens) and efforts in this field should be enhanced. Very little was done to open public procurement to SMEs, while the implementation of the Services Directive is under way in Croatia and Serbia. Close monitoring will be key in this respect.

In addition to the recommendations made in July 2010 in response to the European Commission's consultation on a review of the SBA, EUROCHAMBRES puts forward in this report specific proposals to improve the overall business climate in Europe.

## **EUROCHAMBRES' main demands**

- ▶ **The commitment of the 27 EU member states and ownership at all levels of policy-making to ensure full implementation of the SBA, notably the enforcement of the “think small first” principle and further improvement of SMEs’ access to finance and markets.**
- ▶ **An increase in innovative financial instruments (such as risk-sharing mechanisms) in the future multiannual financial framework 2013-2020 in parallel with maximised EU level support for national loan guarantee schemes and funds, to respond to the financing needs of SMEs.**
- ▶ **The inclusion of a mandatory SME test in all EU national impact assessment systems and better consideration of SMEs’ interest throughout the legislative process.**
- ▶ **The progressive and swift application of the only one principle by public administrations in all member states as repeated demands for the same information is one of the irritation burdens most cited by businesses, particularly SMEs.**
- ▶ **Continued efforts to reduce administrative burdens on businesses and cutting red tape after 2012, applying a net reduction target.**
- ▶ **The rapid establishment of fully functioning Points of Single Contact which provide information and for the completion of formalities, electronically and from distance.**
- ▶ **Further efforts and measures to facilitate SMEs’ access to public procurement, including the use of e-procurement, guidance and training of the contracting authorities staff on markets and the special needs of SMEs, adaptation of the evaluation grids, better support and training of SMEs and simplification of the legal framework.**

## Methodology

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The survey was carried out by EUROCHAMBRES in the final quarter of 2010 among the national Chambers of Commerce and Industry in Europe. The survey consisted of 10 core questions related to the three priority areas for implementation identified by the Competitiveness Council in December 2008 in the Small Business Act (SBA) Action Plan, namely:

1. Improving SME access to finance;
2. A regulatory environment supportive to SMEs' needs;
3. Enhance market access for SMEs.

Each of these areas contains a number of measures (most of which are not legally binding) at European or/and at national level.

National Chambers have indicated the level of implementation of these measures by their government, evaluated their impact and, where possible, provided best practices in the framework of the different actions.

The objectives of this exercise are two-fold: firstly to assess the degree to which Member States and candidate countries are fulfilling their commitments in relation to the SBA and, secondly, to persuade national policy makers to strive to improve the business environment in Europe, particularly for SMEs.

The survey collected data from 17 countries: 14 EU member states and 3 candidate countries.

## Results in the EU member states

### Priority 1 - Improving SME access to finance

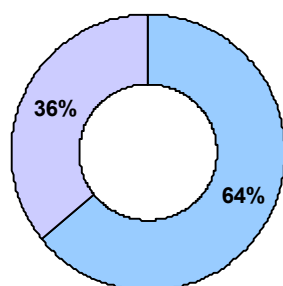
During the financial and economic crisis, the conditions for SMEs to secure funding to invest and/or finance their operations hardened. Facilitating SME access to finance has thus been one of the priorities for a majority of EU member states in 2010 as it was the case in 2009. However, the impact of the measures is disappointing, largely unfelt by businesses on the ground and access to finance remains an important barrier to growth.

#### Bank lending

Banks tightened their lending practices and decelerated the supply of credit as a result of the crisis. In 2010, almost two-thirds of the EU governments (64%) introduced measures to encourage credit institutions and banks not to restrict the availability of credit to SMEs, while others expanded the measures taken in this field in 2009, such as France, Denmark and Poland.

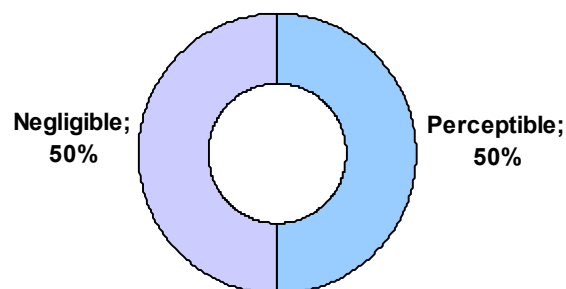
However, while measures have been implemented in a majority of countries, their impact on the real economy has been insufficient so far. 50% of national Chambers consider that the impact is negligible, and 50% that it is just perceptible. This shows that businesses are still fighting to obtain credit for working capital or new investments.

**Has your government implemented measures to encourage credit institutions/ banks not to restrict the availability of credit to SMEs during the year 2010?**



■ Yes ■ No

**How would you evaluate the impact of these measures on SMEs?**



■ Significant ■ Perceptible ■ Negligible ■ None

### National best practices

- ▶ Credit mediators have been introduced in certain member states (e.g. Belgium, France, Germany and the Netherlands) to facilitate the dialogue between banks and SMEs that have insufficient access to credit. The mediator registers and analyses complaints with regard to obtaining credit at banks, contacts the banks to find a solution and can also help with credit applications.
- ▶ The Flemish government (BE) extended “Gigant”, an ad hoc crisis guarantee system until 31/12/2010.
- ▶ The Italian Ministry of Economy, the banking association and the business associations signed an agreement in August 2009, which resulted in the approval of 150.000 applications for debt suspension (i.e. €10.5 billion compared to a residual debt of around €46 billion).
- ▶ In Spain, the Instituto de Crédito Oficial (ICO) Direct Loan Facility targeting self-employed and small business owners, who have been in business for more than one year, was launched in June 2010. Its objective is to provide financing for for new investments or liquidity, up to €200.000. By the end of 2010, 5.310 operations had been approved under this new Facility, for a total amount of € 233 million.
- ▶ The Hungarian government modified the conditions of use of the Széchenyi Card in order to increase its availability. Changes include:
  - The revolving credit can be freely used for any expenditure;
  - Introduction of a current assets loan on 2 August 2010. It is a credit facility on state supported preferential terms to finance SMEs with a maximum of 3 years duration. Its maximum amount is 25 million HUF;
  - Introduction of an investment loan on 1 September 2010. It is a credit facility up to 50 million HUF (appr. 200,000 euros) of maximum 10 years duration with a 2 years grace period;
  - Introduction of a Széchenyi Tender Financing on 1 January 2011 to support SMEs in successful participation in EU tenders (up to 50 million HUF with a maximum duration of 10 years).

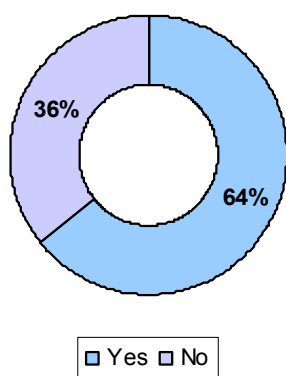
The Széchenyi Card is a successful initiative initiated by the Hungarian Chamber of Commerce to ease liquidity shortages among SMEs<sup>1</sup>.

### Alternative support schemes

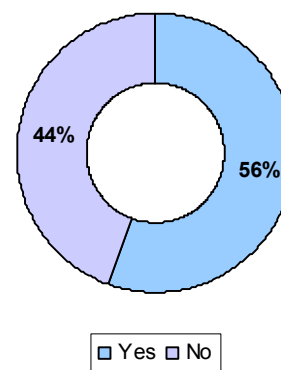
Additional support measures to facilitate SMEs’ access to finance (e.g. guarantees, equity, mezzanine finance, etc...) have been introduced in 2010 in a majority of EU countries (64%). This figure is however lower than in 2009, where 94% of member states had implemented measures in this field.

In 56% of EU countries, Chambers are involved in the support schemes by directly administering them, by bringing forward specific measures such as guarantee funds or by advising the public services on new measures.

**Has your government introduced new and/or alternative support measures to facilitate SMEs’ access to finance in 2010?**

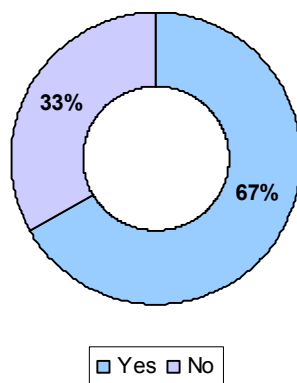


**Is your Chamber involved?**



Two-thirds of the countries that have introduced additional support measures to facilitate SMEs' access to finance, put in place schemes focussed on innovation support.

### Are any of these measures focussed on financing innovation?



### National best practices

- ▶ The Italian government adapted its Guarantee Fund for SMEs:
  - Extension of the benefits of the Guarantee Fund for SMEs to handicraft sector and cooperatives;
  - Increase of the budget of the Fund to € 740 million. As a result, €162 million was made available by the fund to SMEs in the south of Italy in July 2010 for investments in research, development, competitiveness and energy.
  - Amendment of the approval procedure of co-guarantee schemes (confidi) and other guarantee funds in September 2010 in order to provide greater flexibility and speed the procedures for the admission of consortia that want to work with the fund.
- ▶ The UK extended its Enterprise Finance Guarantee (EFG), launched in January 2009. The EFG is a loan guarantee scheme aimed at facilitating additional bank lending to viable SMEs with no or insufficient security to secure a normal commercial loan. Through this scheme, the British government has guaranteed up to 75% of the loans made to businesses.
- ▶ The SME Innovation Credit Scheme was launched in the Netherlands in 2008 with an initial budget of €25 million. In 2010, the government increased its budget to €50 million. SMEs can obtain credit to finance a technical or clinical research project. The project should consist of the development of technical new products, processes or services with a good market perspective. The available credit has a maximum of 35% of the project costs, with a maximum of €5 million. Start-ups as well as existing SMEs are eligible for funding.
- ▶ Austria has addressed smaller businesses' frequent inability to engage in research and development by making available 'innovation cheques' of up to €5,000 for cooperation with research institutions.

### State aids

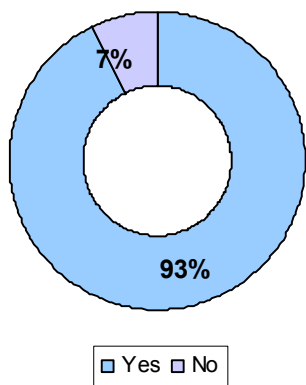
Nearly all EU governments (93%) have used the flexibility permitted by the Temporary Framework for State Aid measures to support access to finance during the economic and financial crisis.

The majority of Chambers of Commerce (71%) asks for an extension of the Temporary Framework. While the EU economy is on a surer footing than two years ago, economic conditions remain fragile. Business confidence is

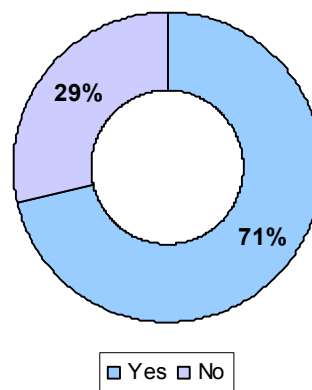


slowly recovering but is not yet back to pre-crisis levels as some uncertainty remains about the economic outlook<sup>1</sup>. Chambers of Commerce therefore favour a limited continuation of these measures until 2011 at least in order to facilitate access to finance for SMEs.

**Has your government made full use of the flexibilities permitted by the EU States Aid rules, notably the “Temporary Framework for State aid measures” ?**



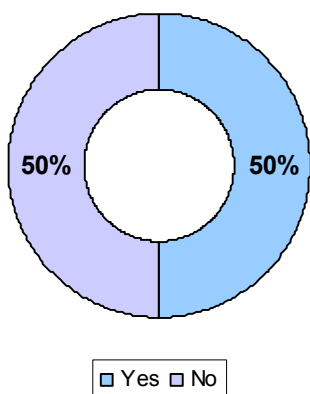
**Do you think that the current economic conditions require the extension of the “Temporary Framework for State aid measures”?**



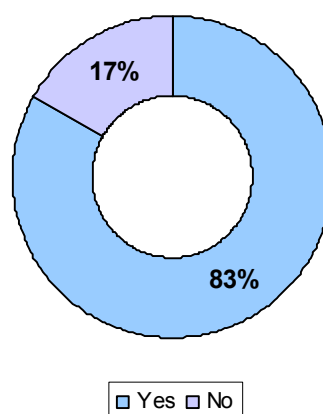
### Late payments

Half of the EU governments have implemented measures to tackle the issue of late payment in business to business (B2B) and in business to public administration (B2PA) relations, whereas 50% of them have not. This illustrates that there is considerable scope for progress in tackling the crucial issue of late payments. The measures taken are largely in line with the recently adopted revision of the Late Payment Directive at EU level in a majority of member states (83%).

**Has your government implemented measures to tackle late payments from business to business and from public administration to business?**



**Are these measures in line with the recast of the Late Payment Directive at EU level?**

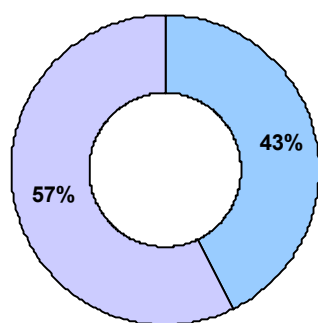


<sup>1</sup> EUROCHAMBRES Economic Survey 2011, [www.eurochambres.eu/content/default.asp?PageID=1&DocID=2919](http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=2919)

When asked to evaluate the effect of the measures taken since 2009 in this field, a majority of the Chambers says that the impact is yet to be felt (60%).

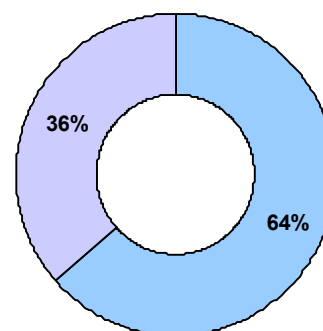
Furthermore, 64% of the Chambers point out that SMEs encounter longer payment delays in B2B transactions than B2PA, which seems to indicate that throughout the crisis, the concerns moved more on the B2B than on the B2PA.

Can you already see an effect of the measures taken both in 2009 and in 2010?



■ Yes ■ No

Do SMEs generally encounter longer payment delays in business to business transactions or from public authorities?



■ Business to Business ■ Public Administration to Business

These findings highlight the heterogeneous picture in the EU with regard to payment times and to ways in which the late payment issue is tackled.

### Priority 1 recommendations

- ▶ Chambers call on the EU institutions to push for an increase in innovative financial instruments (such as risk-sharing mechanisms) in the future multiannual financial framework 2013-2020 in parallel with maximised EU level support for national loan guarantee schemes and funds, to respond to the financing needs of SMEs.
- ▶ Chambers urge the Commission to rapidly and effectively remove barriers to the creation of a European venture capital market and welcome the proposal included in the Single Market Act in this respect;
- ▶ Chambers encourage member states to transpose into national legislation the recast Late Payment Directive as soon as possible, rather than waiting until the end of the 2-year transposition period;
- ▶ Chambers underline that the introduction of the new Basel III rules into European legislation through CRD IV should not result in disproportionate burdens and more difficult access to finance for SMEs. In this respect, Chambers would welcome a thorough assessment of the impact of such new bank capital rules, naturally incorporating an SME test;
- ▶ Chambers welcome the establishment by Vice-President Tajani of the SME Finance Forum<sup>2</sup> and will work with the objective of fostering open dialogue between businesses and lending institutions, sharing experiences and developing sustainable models for SME finance.

<sup>2</sup> [http://ec.europa.eu/enterprise/policies/finance/financing-environment/sme-finance-forum/index\\_en.htm](http://ec.europa.eu/enterprise/policies/finance/financing-environment/sme-finance-forum/index_en.htm)

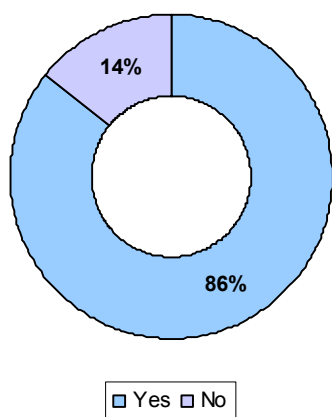
## Priority 2 – A regulatory environment supportive of SMEs’ needs

Results show that efforts have been made at national level to improve the regulatory environment in 2010. An increased majority of EU countries conduct an impact assessment on new legislation and the member states are tackling the issue of administrative burden reduction. Despite this progress, much remains to be done in this area. For instance, the SME test is still not a common practice and the implementation of the « only once » principle is disappointing.

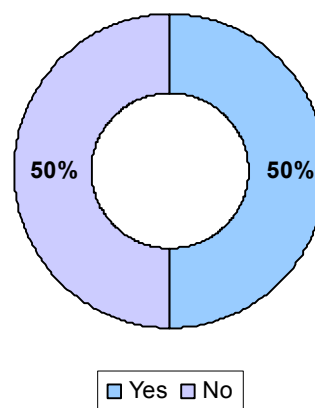
### Improving the quality of legislation

86% of EU member states regularly conduct impact assessments on new national legislation. Although the use of impact assessments is becoming an integral part of the legislative process across the EU, Chambers underline the large differences concerning the methodological focus and quality between the member states. In this respect, only 50% of the impact assessment systems at national level actually include an ‘SME test’ (i.e. cost-benefit analysis for SMEs).

**Does your government regularly conduct impact assessments on new national legislation?**

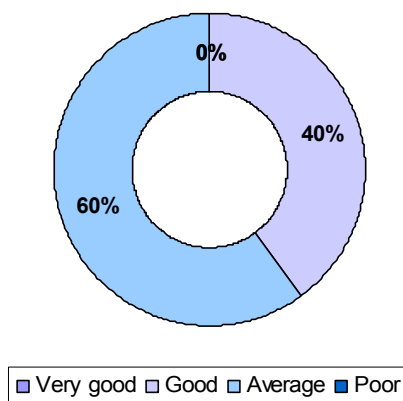


**Does your government integrate an “SME test” in all impact assessments carried out on national legislation?**



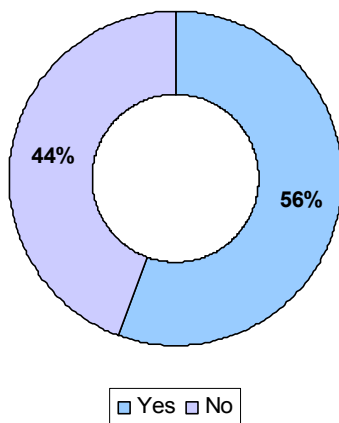
In the countries where an SME test is carried out, Chambers are not fully satisfied with its application: 60% of them say that the quality of the SME tests is average and 40% that it is good. They nevertheless recognise that there has been an improvement since the previous year. 40% of the Chambers had rated the quality of the national SME tests as poor in 2009.

**How do you evaluate the quality of these “SME tests” in terms of measuring the likely impact of new legislation on SMEs?**



In about 60% of those countries in which impact assessments are regularly conducted, stakeholders are involved in the process. However, in some countries they are consulted sporadically.

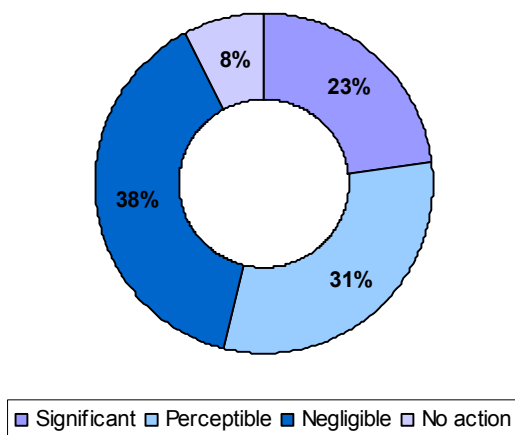
**Are business stakeholders involved in the process?**



**“Only once” principle**

More than two-thirds of Chambers are not satisfied with their government’s action regarding the implementation of the ‘only once’ principle (i.e. ensure that public administrations do not ask SMEs for information that has already been provided). 38% of Chambers consider that the efforts are negligible, 31% as perceptible and 8% say that their government has not acted at all in this field. Only 23% of Chambers believe that their government’s efforts have been significant.

**How would you rate your government’s efforts in implementing the “Only once” principle?**



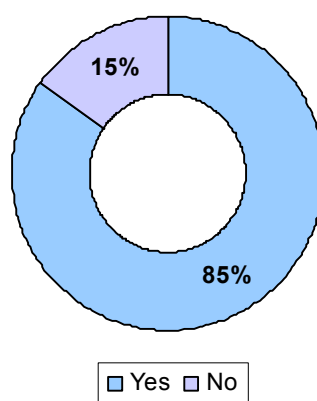
### National best practices

- ▶ ComUnica – Comunicazione Unica: in Italy, someone starting a business must, since April 2010, only submit one communication, “Comunicazione Unica”, to the Register of Companies at the Chamber of Commerce, also valid for tax, social security and welfare purposes (<http://www.registroimprese.it/dama/comc/comc/IT/cu>).
- ▶ In 2006, the public body “Statistics Austria” established a coordinator of administrative data, who evaluates relevant data sources and their use for statistics produced by the organisation.
- ▶ The Dutch government is currently setting up a system to interconnect 13 public registers containing core data for a specific domain (persons, companies, property etc.), including the business register run by the Dutch Chamber of Commerce. All public entities will be obliged to use this information in the execution of their public tasks.

### Administrative burden reduction

All member states have set up a national target for the reduction of administrative burdens. This target is comparable to the EU target of -25% by 2012 in 85% of the member states. National targets indeed vary from 15% to 30% between 2010 and 2012<sup>3</sup>.

Is the administrative burden reduction target comparable to the EU target of -25% by 2012?

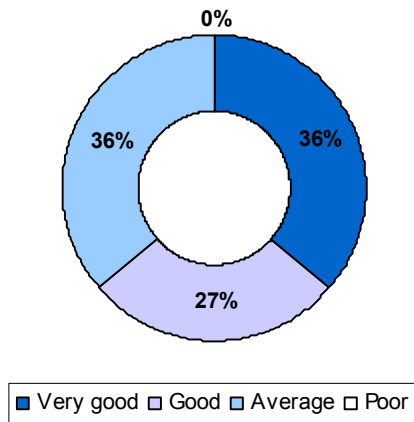


Chambers are generally satisfied with their government's efforts to meet their national administrative burden reduction target: 36% of them rate their government's efforts as very good, 27% as good and 36% as average (see below).

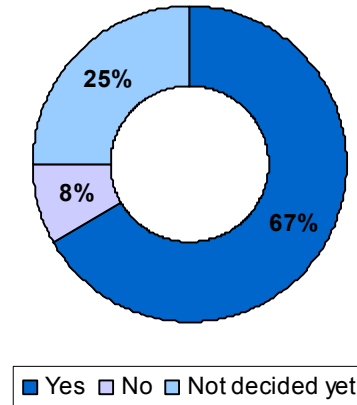
Two-thirds of EU member states are planning to continue their national programme for reducing administrative burdens on businesses beyond 2012, while 25% are still undecided (see below). This move is to be welcomed given the recent announcement by the European Commission to abandon the exercise at EU level after 2012 and the risk that this may lead to a loss of momentum in cutting red tape at national level.

<sup>3</sup> Action Programme for Reducing Administrative Burdens in the EU - Sectoral Reduction Plans and 2009 Actions, COM(2009) 544 final

How would you rate your government's efforts to meet the administrative burden reduction target by 2012?



Is your government planning to continue its national programme for reducing administrative burdens on businesses beyond 2012?



### National best practices

- ▶ Having recognised that reducing existing bureaucracy is not enough and that administrative burden introduced by new legislation also has to be avoided, some member states have set a net reduction target for administrative burden (e.g. Denmark, the Netherlands and Germany).
- ▶ Common commencement dates (CCD) for any new legislation were set up in the UK and the Netherlands. This helps companies to better prepare for a new legislation. It is estimated that UK SMEs save about € 20 million per year with the CCD.
- ▶ The Danish Burden Hunter Programme has helped the government understand better what is particularly burdensome for companies and led to the identification of a number of new initiatives to cut red tape. The programme involves sending officials to visit companies and interview them on which burdens they find most frustrating and unnecessary.
- ▶ The German government decided in 2010 to integrate implementation costs into its burden reduction programme. The objective is to reduce the so-called total measured implementation costs in 8 sectors by an average of 25% net by 2011. In this respect, the German authorities are at the moment developing a new method to measure implementation costs based on the experience gathered with the standard cost model.
- ▶ The Czech public administration has consolidated its business support services such as Solvit, ProCop (Product Contact Point) and the Points of Single Contact of the Services Directive into one single point.

## **Priority 2 recommendations**

- ▶ **Chambers call on the member states to put SMEs' needs at the forefront by truly embedding the "think small first" principle in their policy-making. This will help to avoid unnecessary new burdens.**
- ▶ **While welcoming the increased use of impact assessments across the EU, Chambers ask for the inclusion of a mandatory SME test, not only a general cost-benefit analysis for businesses, in all EU-27 national impact assessment systems, and for SME interest to be taken carefully into account through the whole legislative process.**
- ▶ **Chambers request a more transparent and early consultation of stakeholders in the framework of the national impact assessment systems so as to improve the quality of the proposals.**
- ▶ **Simple and on-line procedures involving a single contact point would significantly contribute to the reduction of regulatory burdens, while improving the efficiency of public administrations. Chambers call on member states to rapidly embrace e-government and ensure interoperability for e-government services to citizens and in particular to businesses. The "only one" principle should also be progressively and swiftly applied by public administrations in all member states as repeated demands for the same information is one of the irritation burdens most cited by businesses, particularly SMEs.**
- ▶ **Chambers acknowledge member states' efforts to reduce administrative burdens and meet their national target. Governments should maintain their efforts and continue cutting red tape after 2012, applying a net reduction target.**

## Priority 3 – Enhance market access for SMEs

Despite progress made over recent years, results show that there is still considerable scope to further improve SMEs' access to the single market and remove the remaining barriers.

National Chambers of Commerce were asked to comment on three areas, namely: the Services Directive, public procurement and SOLVIT.

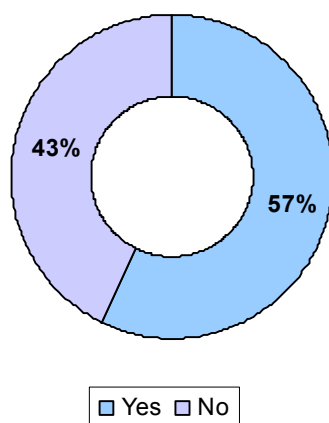
### Implementation of the Services Directive

Chambers say that the Points of Single Contact (PSC) are still not established and fully operational in 43% of the EU countries. They point out the following flaws:

- Full legal transposition is not completed in some member states;
- Not all procedures can be completed online through the PSC;
- Not much communication on PSCs at national level;

Further detailed information on the Chambers' perspective on the PSC is presented in EUROCHAMBRES' latest survey on the implementation of the services directive<sup>4</sup>.

**In the framework of the Services Directive, is the Point of Single Contact in your country established and fully functioning?**



### National best practice

Denmark has developed statistical tools to monitor activities of its PSC on the homepage of BusinessInDenmark ([www.BusinessInDenmark.dk](http://www.BusinessInDenmark.dk)). Interesting information have been collected thanks to this monitoring. For instance, the typical user accesses the Danish PSC to ask for information on start up procedures and rules. Users ask for assistance on CVR (Central Business Registration) and RUT (Register for Foreign Service Providers). They are in almost all cases foreigners and they contact the secretariat by telephone or e-mail. They mainly find the website through the Commission's Internal Market EU-GO website as well as through Google.

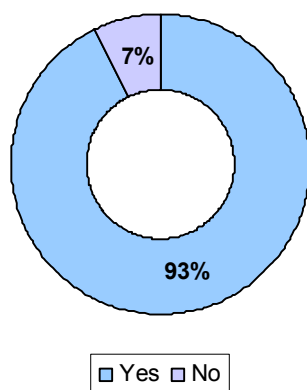
<sup>4</sup> [www.eurochambres.eu/content/default.asp?PageID=1&DocID=2994](http://www.eurochambres.eu/content/default.asp?PageID=1&DocID=2994), EUROCHAMBRES Services Directive Implementation Survey



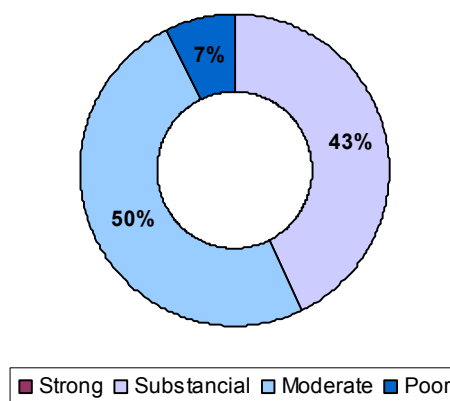
## Public procurement

Nearly all EU governments (93%) have taken action to facilitate access by SMEs to public procurement contracts, in line with the European Code of Best Practices. However, the impact of those measures seems to be relatively weak since half of the Chambers consider it as 'moderate' and 7% as "poor". The impact is substantial for 43% of the Chambers.

**Has your government undertaken actions in line with the European Code of Best Practices Facilitating Access by SMEs to Public Procurement Contracts?**



**How would you evaluate the impact of the measures taken in 2009 and in 2010 on facilitating SMEs' access to public procurement?**



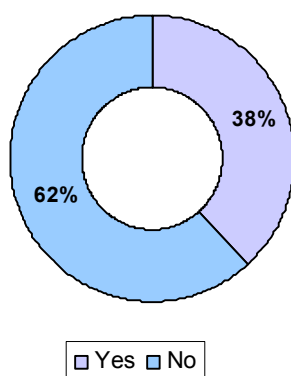
The most widespread actions taken are:

- Development of e-procurement systems;
- Publication of tenders on a single national portal;
- Publication of public procurement technical guides;
- Development of the possibility of subcontracting;
- Subdivision of projects into lots;
- Increase of the sub-threshold values for direct award of contracts.

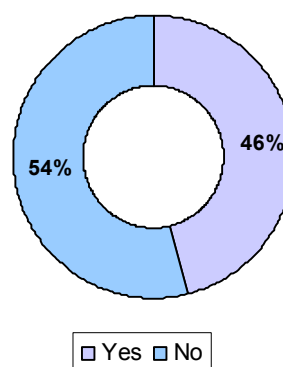
## SOLVIT

Despite more than 8 years of existence (i.e. July 2002), SOLVIT is still not known by a majority of SMEs (62%). One of the reasons is the lack of sufficient resources (human and financial) devoted to the SOLVIT centres by the EU countries, according to half of the Chambers of Commerce (54%).

**Are SMEs generally aware of the existence of the SOLVIT centre in your country and easily able to access it?**



**Does your government devote sufficient resources (human and financial) to the SOLVIT centres in your country?**



### Priority 3 recommendations

- ▶ Chambers urge all EU Member States to rapidly set up fully functioning Points of Single Contact which provide both information and for the completion of formalities, electronically and from distance.
- ▶ Chambers invite the Commission and the member states to make full use as well as strengthen the SOLVIT network, which might prove to be a key alternative dispute resolution channel on single market issues.
- ▶ Chambers ask member states to continue their efforts to facilitate SMEs' access to public procurement. Measures in this field should include: use of e-procurement, guidance and training of the contracting authorities staff on markets and the special needs of SMEs, adaptation of the evaluation grids, better support and training of SMEs and simplification of the legal framework.

## Results in the candidate countries

Three candidate countries contributed to the survey, namely Croatia, Serbia and Turkey. This section presents the situation in these countries.

### Improving SME access to finance

Croatia, Serbia and Turkey introduced measures to encourage credit institutions and banks not to restrict the availability of credit to SMEs in 2010. The Chambers in these countries are more positive regarding the impact of the measures on SMEs than their peers in the EU-27. The Croatian and Serbian Chambers consider the impact as “perceptible” and the Turkish Chamber as “significant”.

Serbia has implemented a package of stimulus measures to alleviate the negative effects of the crisis. Measures taken in 2009 were focused on reducing the cost of funding and maintaining the existing number of employees, while additional measures related to encouraging demand were introduced in 2010, such as subsidized loans for liquidity and investment, consumer loans and financial leasing for the purchase of domestic products. In the first half of 2010, a total of 7,863 liquidity loan applications amounting to €625 million have been disbursed, of which 45.9% loans were for SMEs. As far as investment loans are concerned, a total value of €26 million of loans went to SMEs.

Additional support measures to facilitate SMEs’ access to finance (e.g. guarantees, equity, and mezzanine finance) have also been introduced in 2010 in the three candidate countries. Examples of measures taken include strengthening of public schemes to finance businesses, loans for export funding and export guarantees, revision of investment incentive mechanisms, etc... The Croatian and Turkish Chambers are both involved in such support schemes by proposing measures to the government, participating in their design or implementing them. Schemes to support innovation targeting SMEs were introduced in Croatia and Serbia.

Serbia and Turkey haven’t implemented measures to tackle the issue of late payment in business to business and in business to public administration relations. In Croatia, measures focused on reducing the deadlines for honoring debts incurred by the public sector with businesses. However, the impact is yet to be felt.

Late payments represent one of the biggest problems in the Serbian economy, especially for SMEs. The Serbian Chamber of Commerce is very active on this dossier and put forward specific recommendations to the government regarding the payment period for business to business and public administration to business relations.

### A regulatory environment supportive of SMEs’ needs

Impact assessments are regularly conducted in Croatia, Serbia and Turkey. In the latter case, economic impact assessments have to be carried out for draft laws and decree laws that are estimated to have an impact higher than €4.5 million. The Prime Minister also has the power to ask for an economic impact assessment for laws that have an estimated impact less than €4.5 million.

Despite the use of impact assessment systems in Croatia, Serbia and Turkey, the SME test is not a common practice.

The three Chambers are not satisfied with their government’s action in implementing the “only once” principle. The Croatian and Serbian Chambers consider that the efforts made by their government are “negligible”, while it is “perceptible” for the Turkish Chamber.

Reforms to modernize public administration have nonetheless started. In Serbia, a one-stop-shop for business registration was introduced in 2009, the legal framework for a one-stop-shop for the registration of employees and their subscription to pension and social insurance was recently adopted and reforms of tax administrations have started with the aim of creating modern and customer oriented tax services. In Turkey, the “Centralized Legal Personality Information System” (MTK) is in a pilot phase now and expected to be fully functional at the end of 2011. It will gather information about all legal entities in an international format from one central point (i.e. data from

the Trade Registry Office, Craftsmen Registry Office, Association Information System, Foundation Information System and Ministry of Finance).

The three candidate countries have set up a national target for the reduction of administrative burdens, which is comparable to the EU target of -25% by 2012 in Serbia, but not in Croatia and Turkey. The Chambers consider that their government's efforts to meet their national target are "average".

The Turkish government has established a coordinating body, the "Coordination Council for the Improvement of the Investment Environment", with the mandate to identify and remove regulatory and administrative barriers to private investment. The Council is made of 12 technical committees dealing with specific issues and involving both public and private institutions. A steering committee coordinates and monitors the work of the technical committees. It is composed of representatives from public and private institutions, including the Turkish Chamber. The Turkish government is planning to continue its national programme for reducing administrative burdens on businesses beyond 2012.

In Serbia, the government adopted 218 recommendations from the Comprehensive Regulatory Reform Project regarding inefficient regulations, which will bring estimated savings of €85,000,000. An additional 84 recommendations are expected to be adopted soon, providing extra savings of €98,500,000 per year.

### **Enhance market access for SMEs**

Croatia and Serbia have started to implement the Services Directive. The Croatian Chamber has been given the task to organise and set up the Point of Single Contact (PSC) in the country, which has to be fully operative by the day of the full accession of Croatia to the EU. In Serbia, the implementation is new and the European Commission will provide training and technical support in 2011.

Croatia, Serbia and Turkey haven't taken any action in line with the European Code of Best Practices Facilitating Access by SMEs to Public Procurement Contracts. However, some measures in this field have been implemented, such as the establishment of a national online portal.

There are no SOLVIT Centres in the candidate countries.

## **Annex 1: The 17 national Chambers of Commerce and Industry which provided input for this survey**

<b>AUSTRIA</b>	Austrian Federal Economic Chamber
<b>BELGIUM</b>	Federation of Chambers of Commerce and Industry of Belgium
<b>CROATIA</b>	Croatian Chamber of Economy
<b>CZECH REPUBLIC</b>	Economic Chamber of the Czech Republic
<b>DENMARK</b>	Danish Chamber of Commerce
<b>FRANCE</b>	Assembly of French Chambers of Commerce and Industry
<b>GERMANY</b>	Association of German Chambers of Industry and Commerce
<b>HUNGARY</b>	Hungarian Chamber of Commerce and Industry
<b>ITALY</b>	Association of Italian Chambers of Commerce, Industry, Craft and Agriculture
<b>LUXEMBOURG</b>	Chamber of Commerce of the Grand Duchy of Luxembourg
<b>MALTA</b>	Malta Chamber of Commerce and Enterprise
<b>NETHERLANDS</b>	Netherlands Chamber of Commerce
<b>POLAND</b>	Polish Chamber of Commerce
<b>SERBIA</b>	Serbian Chamber of Commerce
<b>SPAIN</b>	High Council of Chambers of Commerce, Industry and Navigation of Spain
<b>TURKEY</b>	Union of Chambers and Commodity Exchanges of Turkey
<b>UNITED KINGDOM</b>	British Chambers of Commerce

## Annex 2: SBA monitoring questionnaire

### Priority 1: Improving SME access to finance

**1. Has your government implemented measures to encourage credit institutions/ banks not to restrict the availability of credit to SMEs during the year 2010?**

Yes  No

If so:

a) Describe the measures taken: text box

b) How would you evaluate the impact of these measures on SMEs?

Significant  Perceptible  Negligible  None

c) Any further comment: text box

**2. Has your government introduced new and/or alternative support measures to facilitate SMEs' access to finance in 2010 (e.g. credit, guarantees, equity and mezzanine finance, etc.)?**

Yes  No

If so:

a) Specify the new and/or alternative measures taken since the 2009 survey: text box

b) Is your Chamber involved?  Yes  No

c) If 'yes' to question 2.b, how is your Chamber involved? text box

d) Are any of these measures focussed on financing innovation?  Yes  No

If 'yes', please specify: text box

e) Any further comment: text box

**3. Has your government made full use of the flexibilities permitted by the EU States Aid rules, notably the "Temporary Framework for State aid measures" giving Member States additional room to tackle the effects of credit squeeze on the real economy?**

*The Member States can put in place these measures until 31 December 2010*

Yes  No

If so, specify: text box

Do you think that the current economic conditions require the extension of the "Temporary Framework for State aid measures"?  Yes  No

Any further comment: text box

**4. Has your government implemented measures to tackle late payments from business to business and from public administration to business?**

Yes  No

If so:

a) Describe the measures taken in 2010: text box

b) Can you already see an effect of the measures taken both in 2009 and in 2010?  Yes  No

Please specify: text box

c) Are these measures in line with the recast of the Late Payment Directive at EU level?  Yes  No

d) Do SMEs generally encounter longer payment delays in business to business transactions or from public authorities?

Business to business  Public administration to business

e) Any further comment: text box

**Priority 2: A regulatory environment supportive of SMEs' needs**

**5. Does your government regularly conduct impact assessments on new national legislation?**

Yes  No

If so:

a) Does your government integrate an "SME test" (i.e. cost-benefit analysis for SMEs) in all impact assessments carried out on national legislation?  Yes  No

b) If 'yes' to question 5.a, what method is used to assess the impact of new legislation on SMEs?

A chapter/part of the impact assessment dedicated to SME analysis;

Integration of an examination of costs and benefits to SMEs throughout the impact assessment

c) How do you evaluate the quality of these "SME tests" in terms of measuring the likely impact of new legislation on SMEs?

Very good  Good  Average  Poor

d) Are business stakeholders involved in the process?  Yes  No

e) Any further comment: text box

**6. How would you rate your government's efforts in implementing the "Only once" principle?**

*« Only once » principle: to avoid having public administrations asking SMEs for information that is already available to them.*

Significant  Perceptible  Negligible  No action

If additional concrete actions have been taken since the 2009 survey, specify their nature: text box

Any further comment: text box

**7. Has your government set a target to reduce administrative burdens on businesses?**

- Yes                       No

If so:

- a) Is it comparable to the EU target of – 25% by 2012?  Yes  No
- b) What additional concrete measures has your government put in place to achieve this target since the 2009 survey? Please give concrete examples if possible.  
text box
- c) How would you rate your government's efforts to meet the administrative burden reduction target by 2012?  
  
 Very Good     Good     Average     Poor
- d) Is your government planning to continue its national programme for reducing administrative burdens on businesses beyond 2012?  
  
 Yes     No     Not decided yet
- e) Any further comment: text box

**Priority 3: Enhance market access for SMEs**

**8. In the framework of the Services Directive, is the Point of Single Contact in your country established and fully functioning?**

*Note: the answer to this question will be analysed in conjunction with your response to the Services Directive survey.*

- Yes                       No

Any further comment: text box

**9. Has your government undertaken actions in line with the European Code of Best Practices Facilitating Access by SMEs to Public Procurement Contracts (setting sufficient time to draw up tenders, ensuring easy access to relevant information and improving the situation related to the size of contracts etc)?**

- Yes                       No

If so:

- a) Which measures have been taken since the 2009 survey? text box
- b) How would you evaluate the impact of the measures taken in 2009 and in 2010 on facilitating SMEs' access to public procurement?  
  
 Strong     Substantial     Moderate     Poor
- c) Any further comment: text box



**10. Are SMEs generally aware of the existence of the SOLVIT centre in your country and easily able to access it?**

Yes                       No

Does your government devote sufficient resources (human and financial) to the SOLVIT centres in your country?

Yes                       No

Any further comment: text box

This paper has been produced by **EUROCHAMBRES: the Brussels-based Association of European Chambers of Commerce and Industry**.

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