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OPEN DAYS 2011: THE EUROPEAN WEEK OF REGIONS AND CITIES

BREAKING THE TABOO: TIME FOR SMART SPENDING OF EU FUNDS

ADDRESS BY PHILIPPE DE BUCK, DIRECTOR GENERAL OF BUSINESSEUROPE

I would like to thank you all for your presence here today. This is the fourth year that BUSINESSEUROPE has organised an event in the context of the Open Days. This year we had, yet again, an exceptional debate. This is thanks to the quality of our speakers who have accepted to be here with us today. And a special thanks to Ms Wendel who could join us to give us an overview of the Polish presidency action on regional policy. Finally, I would also like to thank audience for their lively interventions in this full room.

The discussion we have had here today is of extreme importance. The multiannual financial framework discussions are taking place in a moment of fragility of most European economies. This means we cannot ask for more funds from member states. But we can ask for more efficiency.

When it comes to the proposal on the multiannual financial framework 2014-2020, BUSINESSEUROPE recognises the efforts from the Commission but we also believe that there was room for a more radical overhaul.

What Europe needs, not only at this moment, but also in the coming decade, is growth and jobs. This is why the EU budget must focus its scarce resources on a few decisive areas aligned with Europe 2020. Within each policy area, priority should be given to those projects that can clearly have a competitiveness-enhancing impact. And every single project should be performance proofed to ensure money is well spent.

In addition, we need to be able to use more financial instruments and fewer grants. In many areas – including those that concern companies directly – projects can have a positive financial return. Why should these projects get a grant when they can repay a loan? This can improve the leverage of the budget by allowing the money to be reinvested in other projects.

More efforts should also be placed in creating a dynamic business environment, fundamental to improve regional economic performance. In the period 2000-2006, companies were responsible for more than 70% of the 1.4 million jobs created with the support of EU structural funds!



Business participation should therefore be enhanced. Naturally, this goes beyond the amount of funding provided: administrative procedures must be urgently simplified, financial instruments must be further improved and real consultation procedures must involve business representatives.

We know that some of these issues were tackled in the legislative proposals on cohesion policy issued by the Commission last week but some other issues remain open.

- We are for instance concerned with the macroeconomic conditionality that might unduly affect end-beneficiaries.
- We are also worried with the exclusion of large enterprises from the eligibility of the European Regional Development Fund. This is a measure where we intend to act on as it hurts both large companies but also SMEs as part of their value chains.

BUSINESSEUROPE is now carefully analysing the new legislation and we will react to it in due course. The European Parliament will be a crucial actor in this regard and we look forward to working with you.

I finish by calling on the representatives from EU institutions present here in the room to be determined in the negotiations over the next multiannual financial framework. We cannot miss the chance of equipping Europe with the necessary means to increase competitiveness, growth, investment and job creation in the years to come.

Thank you for your attention!

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