

**EUROPEAN POLICY ON THE DEVELOPMENT OF SMALL
AND MEDIUM-SIZED ENTERPRISES FROM THE PERSPECTIVE
OF THE EXECUTIVE AGENCY FOR SMALL AND MEDIUM-SIZED
ENTERPRISES**

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ABSTRACT

The new financing perspective in the European Union described for the years 2014–2020 and new economic and political challenges of Europe and the globalizing world demand new legal and institutional solutions. In that perspective, changes in financing policy of research programs aimed at innovative technologies and products. Small and Medium-sized enterprises demand a particular support which not always may bear the funds of reaching and implementation of innovative technologies by themselves, especially those ecological ones, fights administrative difficulties connected with quite high financial costs. For this purpose for a long time established the life of executive agencies, including The Executive Agency for Small and Medium-sized Enterprises. The Agency was entrusted the management of numerous EU's programs, so far spread on other decentralized institutions or being subject directly to the Commission. The newly created Agency remains the structure similar to the existing similar institutions

KEYWORDS:

European agencies, EU's programs, Small and Medium-sized enterprises, EU's law, EU's institutions

INTRODUCTION

The European Union, within its management activities decides to transfer some of its competences to decentralized units, called agencies that are seated in particular member states (Sitek M., 2010) That is why one of basic principles of decentralization of administration in a democratic

state (Cieślak and others, 2002), in this case an over-national organization, is being accomplished. Executive agencies were implemented on the basis of the decree of the European Council No 58/2003 from December 19th, 2002 creating the statute of executive agencies to whom some tasks within community programs management shall be mandated. Art. 308 of the Treaty establishing the European Union is the basis of that regulation. Moreover, also the motion of the Commission¹ and the opinion of the European Parliament² and the European Financial Tribunal³ (Sitek and Dobrzańska, 2009) have been considered in that matter. Pursuant to art. 9 of decree No 58/2003, an internal regulation is an internal act of the Control Committee. The agencies are appointed for a defined period and their seats, according to art. 5 of the decree No 58/2003 is located beside the European Commission, namely in Brussels or Luxembourg⁴. Executive agencies are appointed by the European Commission. The Committee for Executive Agencies supports any activities of the Commission towards executive agencies, including supervising activities. The Committee acts on the basis of decisions 1999/468/WE and the internal regulations. The basic task of executive agencies is realization of tasks connected with realization of the EU's programs. Moreover, pursuant to art. 6 of the decree No 58/2003 the tasks entrusted to the executive agencies include:

- 1) management of some or all phases of a project in relations with particular projects in the context of performing the EU's program and conducting necessary controls through adopting proper decisions while using powers transferred to the agencies by the Commission;
- 2) adopting instruments of performing budget in relation to incomes and expenditures as well as conducting all necessary activities to perform the EU's program on the basis of the powers transferred by the Commission, particularly activities connected with providing orders and admitting grants;
- 3) collecting, analyzing and transferring all necessary information to manage the performance of the EU's program to the Commission.

One of those agencies is the Executive Agency for Small and Medium-sized Enterprises which is the subject of this dissertation.

THE EU'S POLICY TOWARDS SMALL AND MEDIUM-SIZED ENTERPRISES

It has been observed for a long time that the main driving force in economic development in particular regions and EU's states belongs to

Small and Medium-sized enterprises with regards to an important role of micro enterprises. They respond approaching social changes the most and social problems caused by them, especially in the area of fighting unemployment. Thus, the EU has been undertaking numerous supporting activities for the sector of economic entities for a long time. Among many activities undertaken by the EU, the most important ones are as follows (Mikołajczyk, 1999):

- Simplification of administration procedures especially through decrease if their expenditure absorption, e.g. the decrease of taxes, labor expenditures or environmental protection costs,
- Perfection of financial and fiscal environment within simplifying adopting grants for innovations, new technologies or promotion of new products, including ecological ones,
- Europeisation and internationalization of Small and Medium-sized enterprises through advisory services and supporting research, e.g. aiming at searching new sale markets.

Supporting Small and Medium-sized entrepreneurs within implementing new and innovative technologies is of particular significance (Mikołajczyk, 2007). Creating the new Executive Agency for Small and Medium-sized Enterprises by the European Commission should be noticed in that area.

APPOINTING A NEW EXECUTIVE AGENCY FOR SMALL AND MEDIUM-SIZED ENTERPRISES

The Executive Agency for Small and Medium-sized Enterprises was appointed on the basis of the executive decision KE 2013/771/UE from December 17th, 2013⁵. Simultaneously, the decision 2004/20/WE⁶ was reversed therefore, the function of Executive Agency for Intelligent Energy, that dealt with management of the EU's activities in the area of renewable energy and energetic efficiency (Antczak, 2011), has terminated. Also the decision 2007/372/WE⁷, which the European Commission has changed the name for the Executive Agency for Competitiveness and Innovativeness pursuant to. The range of its competence for new products and programs in the area of innovativeness of enterprise and mobilities was widened pursuant to the communicate from June 29th, 2011⁸ *Budżet z perspektywy »Europy 2020«* (*The budget from the perspective of "Europe 2020"*). In that communicate, the European Commission proposed to use existing executive agencies for realizing the EU's programs in wider range

during the period overwhelmed the next long-term financial frames. Decreasing the expenditures on program management in relation to internal management, namely directly by the EU's bodies also influenced the decision to appoint a new agency. It is the saving of about 100 million Euros. Those savings let increase significantly the indicators of quality use of the EU's programs. Combining the management of Small and Medium-sized Enterprises management, being parts of the program *Horizon 2020*, into one additionally provides one place of access for potential beneficiaries and shall guarantee unanimous providing of services.

Pursuant to art. 3 of the European Commission decision 2013/771/UE, the Executive Agency for Small and Medium-sized Enterprises tasks is management of such programs as:

- The program for competitiveness of enterprises and small and Medium-sized enterprises (COSME) for the years 2014–2020⁹;
- The program of actions for environment and climate (LIFE) for the years 2014–2020¹⁰;
- The European Fishery and Marine Fund (EFMF) overwhelming an integrated marine policy, control, scientific advice and knowledge¹¹;
- The frame program within scientific research and innovativeness for the years 2014–2020 (*Horizon 2020*), included in “Part II – A leading position in industry” and Part III – Social challenges”¹².

The Executive Agency for Small and Medium-sized Enterprises inherited the following activities overwhelmed by CIP program, namely:

- Intelligent Energy for Europe,
- The Eco-innovativeness Initiative,
- The European Network of Entrepreneurs,
- IPorta Project,
- The European Information Office.

THE TASKS OF THE AGENCY

The tasks entrusted to and performed by the Agency focus mainly on management of some or all phases of program realization. The Agency may also manage some or all phases during realization of particular projects pursuant to proper programs of works adopted by the Commission. However, the Commission's power of attorney for the Agency is necessary.

Another tasks of the Agency is adopting executive budget acts in relation to the incomes and expenditures and performing any operations necessary to manage the program. Also in this case, it is necessary for the

Commission to entitle the Agency to it in the act of transferring the powers. The Agency may also support the realization of a particular program if the Commission entrusts the power of attorney to the Agency during transferring the powers. Finally, the Agency may be responsible for providing assistant administrative and logistic services. The power must result from the act of transferring the powers for the bodies realizing the program and within the programs mentioned in the act.

THE STRUCTURE

The Agency was appointed on January 1st, 2014. The Control Committee and Director are the bodies. Pursuant to art. 4 par. 1 of the decision of the Commission 2013/771/UE the members of the Committee are appointed for two years. However, pursuant to art. 4 par. 2, the Director is appointed for five years. According to art. 5 of the decision of the Commission 2013/771/UE, the Commission supervises the Agency. The Agency is obliged to submit report from its activity, especially concerning the progress in the EU's program realization or a part of those programs it is responsible for according to the agreements and frequency described in the act of transferring the powers. Pursuant to the regulation of the Commission No 1653/2004¹³ the agency has own operational budget to be performed individually (art. 6 of the decision of the Commission 2013/771/UE). The Agency employs administrative and substantial staff. Art. 7 par. 3 of the decision of the Commission 2013/771/UE regulates that it does not influence the rights and duties of the staff employed so far in the Executive Agency for Competitiveness and Innovativeness which is an ancestor of the Agency. The employees and those transferred from other EU's institutions do not lose their current classification. The same rules concern the director of the Agency if he/she moves from other EU's institution.

CONCLUSIONS

The new financing perspective in the EU described for the years 2014–2020 and new economic and political challenges of Europe and the globalizing world demand new legal and institutional solutions. In that perspective, changes in financing policy of research programs aimed at innovative technologies and products. Small and Medium-sized enterprises demand a particular support which not always may bear the funds

of reaching and implementation of innovative technologies by themselves, especially those ecological ones, fights administrative difficulties connected with quite high financial costs.

Thus, there have been executive agencies appointed for a longer time. Also, in that area there are new bodies adjusted to the new needs. That is why, in January 1st, 2014 the Executive Agency for Small and Medium-sized Enterprises started its functioning which is the ancestor of previous Executive Agency for Competitiveness and Innovativeness. The Agency was entrusted the management of numerous EU's programs, so far spread on other decentralized institutions or being subject directly to the Commission. The Agency shall manage most part of the Horizon 2020 program. In this way, it shall reach not only higher effectiveness and the EU's public funds management but also higher financial savings and increase the effectiveness of allocated assets. The newly created Executive Agency for Small and Medium-sized Enterprises remains the structure similar to the existing similar institutions, remaining proper regulations for employees of the EU bodies' staff.

On that level, it is hard to determine is the solutions undertaken by the Commission are proper. However, we should hope, the adopted assumptions concerning management effectiveness and public funds savings in relation to the development of one of the most economic sector of small and Medium-sized enterprises in the EU shall be realized.

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ENDNOTES

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