



## **ECEC Statement on EC communication: An SME Strategy for a sustainable and digital Europe**

European Chartered Engineers – a huge majority of which are SMEs or Microenterprises - are pioneers in green technologies, digitalisation and Artificial Intelligence. They are offering sustainable approaches and innovative solutions in regard to climate change, resource efficiency and many other current challenges. This became once again very obvious in the current COVID-19 health crisis that shows how heavily society depends on engineering intelligence as regards medical technology and infrastructure, AI applications and digital (communication) tools etc.

Thus, the ECEC welcomes the SME strategy as a potential further boost towards a sustainable and digital Europe and appreciates that the European Commission recognises that the active involvement of the SME community and companies themselves is the key to success of the strategy. As Chartered Engineers and many other SMEs in Europe are liberal professionals it is important and necessary to also include their professional bodies into further development and implementation of the strategy and its key actions. The ECEC welcomes the appointment of an EU SME envoy to examine EU initiatives in cooperation with an advisory group of entrepreneurs from all over Europe and with the network of national SME envoys. It is important that these structures take into account the diversity of European SMEs and guarantee the inclusion of interests of the liberal profession, micro-enterprises and independent self-employed.

The ECEC believes that the three pillars of the strategy offer a good approach:

### **1. Capacity-building and support for the transition to sustainability and digitalisation**

The ECEC especially welcomes the allocation of at least EUR 300 million to encourage breakthrough Green Deal innovations under the European Innovation Council as an important measure as well as other mentioned programmes and initiatives.

Nevertheless, it will require special efforts to include SMEs and especially Microenterprises as for them the access to this and other innovation and research programmes can be difficult due to the lack of resources in regard to funding proposals for R&D projects. Low-threshold offers for SMEs with uncomplicated application procedures and one-stop-shops to deliver information on funding opportunities will be necessary and partnerships between research institutes and SMEs which are not able to benefit from funding without a lead institute shall be enforced.

## **2. Reducing regulatory burden and improving market access**

### **Public Procurement:**

The ECEC agrees on the importance to enhance the market access for SMEs and would like to stress the important role of the new procurement framework in reaching this aim. SME friendly procurement procedures based on quality decisions instead of price only are indeed a very efficient way to enhance the market access for SMEs and should thus be a focus of this strategy. The ECEC would welcome any approaches to oblige public clients to quality procurement procedures for certain services and to divide larger contracts into smaller lots to create opportunities for smaller offices. The EC approach regarding the calculation of contract values saying that the contract values of planning services related to a project should generally be added together is therefore clearly counterproductive in regard to SME access to public procurement.

SME access to the future Public Procurement Market in construction is closely connected to the further development of BIM. Only the guarantee of easy and open access can ensure that SMEs will be able to stay in the market. So the ECEC appeals to the European Commission to put a focus on this aspect – also in regard to capacity building and transition.

### **Professional Regulation:**

The ECEC believes that the approach of reducing national regulations in order to enhance market access needs to be handled with great diligence. While deregulations in some fields – e.g. bureaucratic formalities – certainly can be useful, there are areas in which the negative effects can easily outweigh any positive impacts. Professional regulation regarding qualification and conduct is important in order to guarantee quality and consumer protection especially for professional branches that are systemically important and have a direct impact on health, safety and well-being of society.

The current COVID-19 Crisis once again clearly shows how dependent our society in Europe and worldwide is from professional excellence based on high-quality qualification. Risking the quality of systemically important professional services because of very controversial economic beliefs in the impacts of deregulatory measures must stop immediately. Europe is a knowledge-based society that needs to enhance and not diminish professional excellence. The current situation also brought up an important discussion about adequate remuneration for systemically relevant professionals that will need to be continued. So once the crisis is overcome it will be necessary to find - based on its impacts - a new and innovative perspective in regard to the necessary regulatory frameworks.

### **Standardization:**

Standardization is of considerable importance for SMEs especially in technical branches and in regard to innovation and digitalisation. Nevertheless, the increase of standards is enormous and goes far beyond the original idea of “technical standardization”. Standardization is more and more expanding into decision areas that should be left to the foreseen democratic procedures and not to standardization committees driven by

different economic interests. These developments lead to the existence of a very high number of standards that considerably burden SMEs instead of relieving them.

The ECEC therefore appeals to the European Commission to further rethink these aspects also within the European Standardization policy. In the long run it will be necessary to reduce the number and the contents of standards to necessary technical aspects, to reduce the liability risks in case of application of other adequate technical solutions, to further promote access to standardisation for all stakeholders - in particular SMEs - and to define clear limits of standardization.

### **3. Improving access to financing**

Access to financing is indeed of eminent importance to SMEs and especially Microenterprises, but due to restrictive banking regulations and procedures very difficult to receive. It is therefore important to strengthen traditional financing instruments such as promotional loans, grants and the proven instruments of guarantee banks and to ensure – also by according banking regulations - that the target group are really able to get access to them. Not only in times of crisis quick and effective financing instruments for SMEs and Microenterprises need to be a focus of an SME strategy. Nevertheless it will be necessary to additionally evaluate special requirements that arise due to the impacts of the current COVID-19 crisis.