



Press Release
For immediate release
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EU funding to small businesses advances e-commerce and now needs a greater performance focus, say EU auditors

A report published today by the European Court of Auditors (ECA) finds that support from the European Regional Development Fund (ERDF) to small and medium-sized enterprises (SME) in the field of e-commerce – buying and selling goods on the internet – has contributed to increasing the availability of business services online. However, shortcomings in the European Commission’s monitoring instruments made it impossible to assess to what extent ERDF support has contributed to the achievement of national and EU information technology (ICT) goals as well as to SMEs’ own business plans. Moreover, weak selection procedures by Member States mean that many projects are unlikely to provide value for money.

“E-business is still business, and business needs planning, clear objectives and ways of measuring them,” commented Oskar Herics, the ECA Member responsible for the report. “Too many of the projects we audited did not have these elements. The Commission should make sure that Member States monitor the actual impact of their grants on small business development and, wherever possible, link payments to results. It’s good to be on the Information Super-Highway, but we have to know where we are going.”

The EU's auditors found that Member States’ operational programmes (OP) served as a good basis for providing support to SMEs in the field of e-commerce but not for performance measurement. Managers of the programmes focused more on using the money (outputs) than on achieving results at both the selection and monitoring stages. Overall, SMEs implemented the projects smoothly but the results achieved were not always apparent. The auditors therefore recommend that the Commission:

- ensure that it obtains **consistent and reliable information** from the Member States on the progress of the OPs, **not only in financial but also in performance terms**, with a particular emphasis on result indicators and targets;
- insist that the selection criteria and procedures put in place by the Member States ensure the selection of projects that **maximise added value among applicants in terms of fostering e-commerce development** in SMEs and achieving the targets set by the Digital Agenda for Europe (DAE);
- require managers of the programmes in the Member States to put management tools in place to **monitor the impact of the grant on the business development of the SMEs** supported.

The Commission accepts most of the recommendations but admits that **linking ERDF payments for e-commerce with results would be challenging**.

The purpose of this press release and notes to editors is to give the main messages of the special report adopted by the European Court of Auditors. The full report is on www.eca.europa.eu

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Notes to editors

E-commerce is the buying and selling of goods over the internet. It can boost economic growth, help develop the single market and accelerate European integration. It is vital to SMEs, which are often slow to adopt developments in ICT. The European Commission encourages e-commerce through its Digital Agenda for Europe (DAE). Three billion euro of EU money was budgeted between 2007 and 2013 (from the ERDF) to help small businesses make better use of ICT. So far only about 60 % of that money has been allocated to projects.

The DAE is one of the seven flagship initiatives of the current Europe 2020 strategy targeting growth and jobs. It focuses on, among other things, making online and cross-border transactions straightforward. Three of its 13 targets concern e-commerce and one focuses specifically on SMEs, i.e. 33 % of SMEs to make online sales and purchases by 2015. The last Digital Agenda Scoreboard showed a slow increase in the number of SMEs selling and purchasing online: from 12 % and 24 % in 2009 to 14 % and 26 % in 2013 respectively.

This Special Report (20/2014) entitled **“Has ERDF support to SMEs in the area of e-commerce been effective?”** examines whether the OPs, developed by the Member States and approved by the Commission, were a good basis for efficiently supporting e-commerce measures for SMEs, whether the managing authorities selected and monitored e-commerce projects properly, and whether the e-commerce projects co-financed by the ERDF were successfully implemented and provided measurable benefits to the beneficiary SMEs.

The audit focused on the support provided by the ERDF during the 2007-13 programming period and covered five OPs (30 projects) from the following four Member States: Greece (‘Digital Convergence’), Italy (‘Piedmont’ and ‘Emilia-Romagna’), Poland (‘Innovative Economy’) and the United Kingdom (‘Lowlands and Uplands of Scotland’). These Member States were selected because their OPs included e-commerce measures, and on the basis of the budget allocation for and amounts committed to ICT-uptake by SMEs. Altogether these four countries accounted for €1,6 billion (51 %) of the ERDF budget set aside for ICT-uptake by SMEs.

ECA special reports are published throughout the year, presenting the findings of selected audits of specific EU budgetary areas or management topics

A short video about this audit is available on the ECA's YouTube channel: [@EUauditorsECA](#).