



Position on the European Competitiveness Fund



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Eurochambres welcomes the European Commission proposal to establish a European Competitiveness Fund (ECF), as part of the 2028-2034 Multiannual Financial Framework (MFF). The initiative must mark a turning point in aligning the EU budget with the Union's strategic objectives of driving Europe's innovation across all industries, as well as boosting its resilience and global competitiveness.

As the ECF reflects a firm commitment to rationalising and reinforcing the ecosystem that supports innovative EU businesses, particularly SMEs, by leveraging instruments that have demonstrated their effectiveness, the European Commission's proposal is accordingly acknowledged as valuable and beneficial. Despite this, ensuring low-threshold access for European SMEs will be essential for its success.

Eurochambres therefore calls on the European Parliament and national governments to ensure simplified and easy access to the ECF for SMEs, active and timely stakeholder involvement to increase the ECF's visibility in the regions, and a technology-open approach.

1. Executive summary

European businesses are under unprecedented pressure from global competition, rising costs, and mounting geopolitical uncertainty. Eurochambres therefore supports the Commission's approach to place competitiveness at the heart of the next MFF (2028–2034) and to establish a European Competitiveness Fund (ECF). This marks a clear recognition that Europe's prosperity, security, and global influence depend on a robust and competitive economic base.

Yet, predefining strategic technologies carries certain risks. Unless allowing for sufficient flexibility, it could tilt EU support too heavily towards a few strategic priorities, potentially overlooking innovative technologies and value chains, especially those driven by SMEs, startups, and scaleups.

The ECF has the potential to become a genuine catalyst for competitiveness, along the entire investment journey and across various dimensions such as innovation, resilience, and decarbonisation. Insofar as it reflects a clear intention to rationalise and strengthen the European business ecosystem while building on existing instruments that have demonstrated their effectiveness, it must be designed for maximum impact while safeguarding other EU policies that enable growth and ensuring an efficient, transparent use of resources.

To deliver tangible results for businesses of all sizes, the ECF must be:

- focused on excellence and measurable competitiveness outcomes;
- simple and accessible for SMEs, and administratively coherent;
- technology-open, sector-inclusive, and legally reliable;
- strategically governed with stakeholder involvement;
- backed by a rationalised funding architecture with an optimised allocation of financial resources.

Merit, excellence, and relevance to the EU's competitiveness should be maintained as the main criteria for the implementation of the fund and its allocation. The chamber network – with its presence in every EU region – is uniquely placed to support EU, national, regional, and local authorities by helping them bring the ECF closer to the businesses it is meant to serve, increase the visibility of the fund, and provide practical advice to businesses¹.

2. Boosting business competitiveness through smarter and more accessible financing

The consolidation of fourteen instruments and programmes under a single rulebook² reduces the number of standalone legal bases compared to the current programming period. While such an approach increases the flexibility of the Commission in allocating resources across strategic priorities, it may reduce the degree of legal and programmatic certainty traditionally associated with dedicated programmes. Moreover, simplification at institutional level does not automatically translate into easier access for businesses. Whether the proposed architecture will genuinely reduce complexity for European SMEs is yet to be clarified.

Within this perspective and in order to translate EU ambitions into real economic impact, the operational framework of the ECF must improve companies' access to the proposed EU financial instruments. Despite some progress made under programmes such as InvestEU, SMEs still struggle to access EU financial instruments and obtain financing via local financial intermediaries. Representing the main conduits through whom many of these instruments are channelled, they often apply overly restrictive conditions, demand excessive guarantees, and continue to operate a near “zero-risk” approach which limits SMEs' ability to secure timely financing, causing innovative and high-potential projects to stall or fail.

To ensure the ECF delivers real value for European businesses, in particular to SMEs and innovative startups, the role of financial intermediaries must evolve from risk-averse gatekeepers to proactive facilitators, ensuring faster, simpler, and more proportionate pathways for SMEs to benefit from EU support. Strengthening this facilitation role is essential to give SMEs and innovative startups rapid and appropriate access to the funding

¹ According to the DIHK Innovation Report 2023, 50% of the surveyed German companies had not used EU funding programmes because they were not aware of them.

² The ECF would bring together Horizon Europe (which would remain a stand-alone programme connected to the ECF), the Innovation Fund, the Digital Europe Programme, the Connecting Europe Facility – CEF Digital, the European Defence Fund, the Act in Support of Ammunition Production (ASAP), the European Defence Industry Reinforcement through Common Procurement Act (EDIRPA), the European Defence Industry Programme (EDIP), EU4Health, the European Space Programme, IRIS, InvestEU, the Single Market Programme (SME strand), and the LIFE Programme (for environment and climate action).

needed to scale, innovate, and contribute to Europe's competitiveness and growth.

The Commission proposal foresees dedicated, sector-specific actions targeting SMEs, start-ups, and small mid-caps (SMCs) under each policy window. While recognising the important role of SMCs in strengthening European value chains and scaling innovative activities, Eurochambres notes that their financing needs and project volumes are typically significantly larger than those of SMEs. In competitive funding environments, this may result in a disproportionate allocation of resources towards larger and more capital-intensive projects, *de facto* limiting the capacity of SMEs to benefit from the ECF support.

Simplified access to funding for SMEs is therefore critical. Application procedures must be simple, transparent, and proportionate. Eurochambres therefore calls for:

- a one-stop-shop approach, including a central entry point for companies;
- clear, user-friendly calls for proposals;
- minimal and proportionate administrative burden throughout the project lifecycle, including reporting and auditing.

3. Ensuring technology openness, securing legal certainty and caution in establishing EU preferences

While the four proposed policy windows offer a useful strategic orientation, Eurochambres stresses that technology neutrality and long-term economic value creation must remain guiding principles of the ECF. Predefining "strategic technologies" through rigid lists risks overlooking future innovations and emerging value chains. The ECF should therefore remain sufficiently flexible to accommodate market-driven developments and solutions that cannot be anticipated at the outset of the programming period.

The ECF places strong emphasis on security, resilience, and the protection of strategic interests, including in areas that may involve dual-use technologies. However, the operational implications and assessment criteria for dual-use considerations are not yet fully specified in the current proposals. To ensure legal predictability and equal competitive conditions, it would therefore be important that any dual-use-related criteria are defined in a transparent, proportionate, and operationally clear manner.

The introduction of EU preference criteria, including restrictions related to control structures, asset transfers, or supply chains, should be very carefully assessed and must not place European businesses at a competitive disadvantage or introduce disproportionate compliance requirements. The chamber network highlights the clear risk of introducing new burdensome requirements and documentation, including for European businesses, as they would also have to prove their eligibility to access funding under possibly restrictive criteria. Any preference mechanisms must therefore be proportionate, legally certain, and administratively workable.

4. Strong economic governance and business involvement

Eurochambres welcomes the Commission's intention to involve economic stakeholders in the governance of the ECF through the establishment of a Strategic Stakeholders Board (Art. 14, Art. 27). While further details are required, this mechanism should reflect the diversity of the European economy, from micro-enterprises and SMEs to scale-ups and large companies.

Chambers of commerce and industry, with their cross-sectoral expertise and direct links to businesses across all regions, should be consistently involved in strategic decision-making. The proposed "policy review dialogues" (Art. 14 (10)) also offer a valuable opportunity to evaluate the financing instruments (grants, loans, financial aid, equity capital, quasi-equity capital, mixed financing, procurement, or guarantees) that are most suitable for the respective "policy windows".

Similarly, the chamber network should be systematically involved, at an early stage, in the development of work programmes with concrete initiatives (Art. 14(11)) and in the expected Competitiveness Coordination Tool (CCT). The CCT should therefore represent a guiding mechanism, complementary to the current European Semester, aimed at ensuring efficient and comprehensive delivery of the priorities set in the Competitiveness Compass. Achieving this goal will require early and structured stakeholder involvement to improve implementation, ensure relevance, and avoid top-down approaches that are detached from economic reality. National and regional specificities must be taken into account, including when using lump-sum or simplified funding models. In this context, chambers of commerce are well-positioned to support the Commission, national and regional authorities.

5. An efficient EU for Business Network and real support for SMEs

In an environment marked by increasingly complex EU priorities and sustained economic instability, European businesses, especially SMEs and innovative start-ups, are required to build stronger resilience across multiple dimensions. The future EU for Business Network (EU4Business network) must therefore deliver comprehensive, integrated support and services to address diverse needs while remaining agile in responding to emerging challenges and external shocks.

As the EU redefines the future architecture of support measures for European businesses, it is essential to build on instruments that have already demonstrated their added value by capitalising on the proven experience and results.

While analysing the available budgetary envelope for this purpose, it becomes clear that a significant share of the ECF resources is intended to be channelled through the InvestEU instrument, with an estimated allocation of around EUR 11 billion. In addition, a substantial portion of the remaining resources is expected to be absorbed by InvestEU's advisory services, strengthening technical assistance and investment support.

This approach is consistent with the objective of supporting structured projects, complex investments, and high-potential initiatives. However, the chamber network highlights that, once these components are considered, the resources available for other essential competitiveness instruments are inadequate and structurally insufficient to ensure effective operational deployment and a tangible impact on the ground.

This situation raises legitimate concerns, as the remaining ECF resources (i.e. EUR 0.5 bn, after taking away EUR 10 bn for the InvestEU and EUR 0.5 bn for the guarantees) would need to cover crucial areas such as skills, from Support for Skills Development to the European Skills Guarantee. Crucially, this would also need to fund the new EU for Business Network, expected to merge the existing Enterprise Europe Network (EEN), the European Cluster Collaboration Platform (ECCP), and the Erasmus for Young Entrepreneurs (EYE).

Moreover, despite growing inflation and increased demand for SME support, the budget available for indirect business support measures has remained largely unchanged across programming periods. It is therefore crucial that the future network receives a realistically calibrated and inflation-adjusted budget to ensure that the future European reference network can deliver the full scope of expected support services.

These programmes and networks have been built over decades through EU investment and funding. Reinforced by more than 50% of direct co-financing from European professional organisations acting as consortium partners within EU tender frameworks, they form the backbone of SME support across Europe and beyond. The human capacity, expertise, and trust they have developed over successive programming periods are irreplaceable assets for making EU policies understandable, reachable, and actionable for the vast majority of businesses.

At a time when SMEs are facing an exceptionally harsh economic environment, indirect SME support is not a luxury but a strategic necessity. For most SMEs, especially micro and small enterprises, accessing advanced EU advisory services is simply unrealistic. Indirect support structures, provided at no direct cost to SMEs, are therefore the only effective gateway for companies to engage with EU opportunities, funding, markets, and innovation ecosystems at both European and international scales.

Within this landscape, the EU4Business Network must serve as a key horizontal enabler. Through its consortium-based governance model, it must leverage the complementary strengths of national and regional chambers of commerce, development agencies, innovation actors, sector organisations, and others. This model ensures both capacity and continuity, something no fragmented systems, including those attempted solely at member state level, could replicate with the same scale, coherence, interoperability and long-standing trust.

Beyond this enabling role, the EU4Business Network could play a key role in bridging sector-specific actions and EU innovation instruments, particularly for SMEs that struggle to navigate complex EU funding ecosystems. Concretely, the network could provide integrated advisory services, guiding SMEs through the different stages of the innovation and investment pipeline – from early research to deployment and scaling – while facilitating cross-sectoral collaboration with research organisations, clusters, and innovation ecosystems. It could also serve as an early outreach and capacity-building mechanism for first-time applicants to understand EU funding rules, prepare proposals, and develop investment-ready projects, while channelling systematic bottom-up business feedback to EU institutions to keep sectoral instruments aligned with real needs. In this way, the network would strengthen the accessibility, coherence, and impact of EU innovation and competitiveness policies for SMEs.

Maintaining a strong, integrated and networked SME support architecture coordinated at EU level therefore remains indispensable for safeguarding the long-term viability of Europe's SME ecosystem. This would also be particularly important to ensure that smaller businesses can access specialised expertise, trusted partnerships and global market opportunities

without bearing the financial and administrative burdens themselves.

Eurochambres therefore urges the European Parliament and member states to secure a clearly ringfenced financial envelope within the ECF for the future EU4Business Network and essential SME-focused programmes – ensuring continuity of service in a proven model of SME support and preventing the erosion of capabilities serving 99% of EU businesses.

Also, given that the new network is conceived within a broader logic of cross-cutting coordination and integration of several existing instruments, a thorough reflection is needed on how to optimise and rationalise the financial resources currently mobilised at the EU level. Any overlap or duplication between networks operating in similar areas should be avoided. In this context, the future relationship with the EDIHs, currently funded by the Directorate-General for Communications Networks, Content and Technology (DG Connect), requires careful assessment to determine the scope for functional convergence or strengthened complementarity within a unified “EU for Business” architecture.

Regional organisations like chambers of commerce are indispensable for effective outreach, particularly to first-time applicants. Without ringfenced, sufficient funding, the ECF risks destroying the very instruments it was meant to strengthen – a strategic mistake Europe cannot afford.

The involvement of chambers of commerce in the major pillars addressed by the EU4Business Network gives chambers a practical, implementation-level perspective on the opportunities and risks associated with deeper integration of the EEN, ECCP, EYE, and other networks under a single framework. The EU4Business Network should therefore guarantee:

- adequate and dedicated funding reserved for core delivery instruments such as the EEN and clusters, ensuring continuity and service quality;
- clear division of roles and mandates, avoiding duplication while respecting the specific strengths of each initiative;
- strong involvement of intermediary organisations, such as chambers of commerce, in both governance and implementation;
- flexibility at the national and regional level, allowing tendering business organisations in member states and other eligible countries to tailor integration models to existing ecosystems and proven structures.

This strategic reflection is essential to ensure that the future Network is supported by a financial scheme that is sufficient, predictable, and sustainable. Such a foundation is necessary for the network to provide continuous, relevant, and high-quality support to European businesses on the ground, while also enhancing the visibility, coherence and impact of EU policies as close as possible to the business community.

6. Support to skills development and promoting entrepreneurship

Eurochambres welcomes the recognition of skills as a key competitiveness enabler within the ECF. Addressing labour and skills shortages is essential for the deployment of innovation, industrial investment, and strategic value chains.

Any resources from the ECF should be used to support and scale existing successful

national and regional models, such as vocational training programmes and apprenticeship schemes, which are closely aligned with labour market needs. Regional actors with direct links to businesses should be closely involved in identifying priority skills gaps and designing support measures.

Creating parallel European structures or new centralised initiatives risks duplication, added complexity, and limited practical relevance for businesses. Support for VET partnerships (Art. 30) should therefore build on and complement established initiatives, ensuring coherence, avoiding duplication of efforts, and assessing their impact and labour market relevance. In this context, no budgetary resources should be allocated at this stage to the proposed European Skills Guarantee, particularly while pilot actions under the Union of Skills are still ongoing and their effectiveness has yet to be demonstrated.

Entrepreneurial skills should also be addressed more strategically. In line with Article 28, the ECF should promote entrepreneurship and support the acquisition of entrepreneurial and business competences through cross-cutting actions that complement and scale existing initiatives. SMEs face particular challenges in accessing skills development resources and upskilling their workforce due to limited time, financial capacity, and administrative resources. The ECF should prioritise measures that reduce barriers for SMEs to participate in training programmes. Strong synergies with the Union of Skills and the forthcoming European VET Strategy will be essential to maximise impact and avoid duplication.

To fully unlock Europe's entrepreneurial potential, the ECF should strengthen support for women entrepreneurs and young founders. Targeted measures should include dedicated advisory services, improved access to financing, and mentoring programmes. Initiatives such as Erasmus for Young Entrepreneurs already demonstrate the value of cross-border learning and practical business experience. The ECF should therefore reinforce instruments that foster entrepreneurial mindsets, facilitate business creation, and support the next generation of European entrepreneurs.

Finally, as the proposal foresees synergies between the ECF and Erasmus+, coherence and complementarity between instruments are crucial. Eurochambres has set out detailed recommendations in its dedicated [position on the future Erasmus+ programme](#).

7. Synergies between the ECF and programmes under shared management

The ECF proposal foresees synergies between the centrally managed fund and programmes under shared management, particularly cohesion policy instruments implemented at the national and regional level. The design allows for complementary use of resources, whereby projects assessed as high quality within the ECF could receive further support from national or regional funds, including through the Competitiveness Seal mechanism. In principle, this creates a framework for linking European strategic priorities with the development needs of individual member states and regions.

From the perspective of the overall MFF 2028–2034 architecture, this issue relates to systemic coherence between centrally managed instruments and programmes under shared management. The effectiveness of the new financial framework will depend on whether the envisaged synergies between governance levels are supported by clear, operational and administratively aligned mechanisms. Such clarification is needed for Cohesion Policy instruments as well as the external branch of the ECF and its interplay with Global Europe. In cases where resources are reallocated from Cohesion Policy instruments

to support the ambitions of the ECF, regions and regional stakeholders should be closely and actively involved. This is essential, as funding allocated under Pillar 1 of the MFF is dedicated to cohesion objectives, while resources under Pillar 2 are intended to strengthen competitiveness in a global context.

In this context, the ECF should also strengthen synergies with key EU innovation instruments, particularly Horizon Europe and the Innovation Fund. While essential for supporting cutting-edge research and large-scale industrial transformation, these programmes are designed to support well-prepared applicants, leaving many SMEs unable to access them despite developing valuable innovations. The ECF could therefore offer lower-threshold access points and clearer operational links between its sectoral components and existing EU programmes, enabling companies to progress along the innovation and investment pipeline from research through to market uptake, thus reducing fragmentation and widening SME participation.

8. Eurochambres messages on the proposed own resources

As part of the next MFF, the Commission proposed to expand the system of own resources by combining redirected revenues from existing instruments (ETS, CBAM) with new proposed levies (e-waste, minimum tobacco excise, CORE). While strengthening the EU revenue base is justified, the chosen mix of revenue instruments may generate cost pressures along supply chains, with potentially disproportionate effects on SMEs. In energy-intensive and export-oriented sectors, SMEs often have limited capacity to absorb additional costs without reducing investment in innovation, productivity, and skills.

Specifically, Eurochambres rejects the introduction or increase of new own resources based on taxes or levies, such as the Corporate Resource for Europe (CORE). Such a measure would increase the tax burden, reduce the fiscal autonomy of member states, and weaken the attractiveness of the EU as a business location.

Revenue-side reforms should be clearly aligned with expenditure-side competitiveness instruments, ensuring that the overall MFF package supports business transformation rather than constraining it. Instead of introducing new taxation, the chamber network highlights that priority should be given to strengthening the effectiveness of existing resources, and any proposal for new resources must be based on a broad debate among member states and industry to guarantee a fair, balanced, and competitive-neutral approach.



EUROCHAMBRES

Eurochambres – the association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers’ strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers’ member businesses – over 93% of which are SMEs – employ over 120 million people.

Previous positions can be found [here](#).

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