

Programme for the Competitiveness of Enterprises and SMEs (COSME)

Short general description: COSME is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs). It builds upon the successes of the current Competitiveness and Innovation Programme (CIP). With a total budget of 2.3 billion euros, COSME is set to run from 2014 until 2020.

Objectives:

General objectives: COSME aims at strengthening the competitiveness and sustainability of the Union's enterprises, particularly SMEs and encouraging entrepreneurial culture and promoting the creation and growth of SMEs.

Specific objectives: The specific objectives of the Programme are:

- (a) to improve access to finance for SMEs in the form of equity and debt;
- (b) to improve access to markets, particularly inside the Union but also at global level;
- (c) to improve framework conditions for the competitiveness and sustainability of Union enterprises, particularly SMEs, including in the tourism sector;
- (d) to promote entrepreneurship and entrepreneurial culture;

Supported activities: COSME provides enhanced access to finance for SMEs in their start-up, growth and transfer phases through two financial instruments:

- a loan guarantee facility (LGF) i.e. counter-guarantees and other risk sharing arrangements for guarantee schemes, an Equity Facility for Growth (EFG) to enhance the supply of risk capital.
- COSME provides support to European enterprises and, in particular, to SMEs to benefit from the Single market by establishing business links outside their own country and as well to export outside Europe. An important tool to support SMEs locally is the Enterprise Europe Network with more than 600 offices in the EU and beyond. COSME also provides directly concrete support to SMEs, for example through the ASEAN, China and MERCOSUR IPR SME Helpdesks.
- COSME funds concrete actions aiming at reducing administrative burden, supporting smart and SME-friendly regulation, strengthening coordination of Member States' industrial policies and reinforcing the use of the 'Think Small First' principle. COSME

promotes resource efficiency, sustainability and corporate social responsibility. It includes actions to improve the competitiveness of strategic sectors. These actions are aimed at targeting industries which have a strategic importance for the European economy including, among others, tourism.

- Supporting the implementation of the Entrepreneurship 2020 Action Plan, COSME proposes actions to create a more entrepreneurial Europe through entrepreneurship education and training, mobility exchanges, mentoring, and development of materials and support services for new and potential entrepreneurs, including young, women and senior entrepreneurs. A special focus will be given to digital entrepreneurship and e-skills to help businesses reap the benefits of the Digital Single Market that is crucial for their competitiveness. Also, the European mobility programme Erasmus for Entrepreneurs helps new entrepreneurs acquire and build entrepreneurial skills and knowledge and to further develop their business activity by learning from experienced entrepreneurs.

Eligibility (in the context of the ENP): The COSME regulation stipulates in Article 6 (TBC) the rules for third countries participation in the Programme. The participation of the European neighbourhood policies is possible only if specific agreements are signed between the respective countries and the EU, allowing them to participate in Union programmes. An entity established in a country may participate in parts of the Programme where that country participates under the conditions laid out in the respective agreements described in paragraph 1 of Article 6 of the COSME Regulation.

According to Article 7 of the COSME Regulation, in the absence of a specific agreement for participation to the programme, entities from the countries mentioned above may participate in actions but not be entitled to receive EU financial contributions, “except where it is indispensable for the Programme, in particular in terms of competitiveness and access to markets for Union enterprises” and if they are not profit-making entities.

Modalities of participation: In order to implement the Programme, the Commission will adopt annual work programmes. Work Programmes will set out description of the actions to be financed, the objectives pursued for each action, the expected results, the method of implementation, an indication of the amount allocated to each action, a total amount for all actions and an indicative implementation timetable and payment profile. Most actions will be implemented through financial instruments, public procurement and grants.

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Examples of activities where ENP countries can be involved: While enterprise, in particular SMEs from ENP countries would be able to benefit from the support provided under the COSME programme (e.g. benefitting more easily of loans or venture capital, access to markets services), their business support organisations (e.g. chambers of commerce, cluster organisations) can benefit from dedicated support and networking activities. Finally, ENP policy makers could benefit from activities (e.g. exchanges of best practices) aiming at improving the framework conditions for business.