



COSME

*Seminar on Participation in COSME
for Enlargement and Neighbourhood Countries*

3 December 2013, Brussels

*Edward Tersmette
International Affairs and Missions for Growth (ENTR.A2)
DG Enterprise and Industry - European Commission*

Outline

1. What is COSME aiming at?

- *Improving access to finance*
- *Improving access to markets*
- *Improving the framework conditions of EU businesses*
- *Promoting entrepreneurship*

2. What will happen to CIP actions?

3. Third Country Participation

1. What is COSME aiming at?

What are the problems?

- *Between 70% and 88% of businesses regard **administrative difficulties** in other EU Member States as 'important' in deciding whether or not to engage in cross-border trade*
- ***Only 37% of European citizens would like to be self-employed**, as compared to 51% in the United States and 56% in China*
- *Between 400,000 and 700,000 SMEs are **unable to obtain a loan** from the formal financial system*
- ***Only 25% of SMEs in the EU export** directly outside national markets and **only 13% export beyond the EU***

COSME: Programme for the Competitiveness of Enterprises and SMEs

- Strengthening the competitiveness and sustainability of the Union's enterprises, particularly SMEs
- Encouraging an entrepreneurial culture and promoting the creation and growth of SMEs
- Main target audience: SMEs, Entrepreneurs, Business Support Organisations, regional and national Administrations

€2,3 billion for 2014 – 2020

Specific Objectives:

- 1) Improving access to finance (min 60%)
- 2) Improving access to markets (+/- 21,5%)
- 3) Improving framework conditions (+/- 11,5%)
- 4) Promoting entrepreneurship and entrepreneurial culture (+/- 2,5%)

Objective 1: Improving access to finance

Streamlining set of financial instruments, developing EU-wide venture capital market, supporting cross-border lending, improving information about EU finance available for SMEs

- **An equity facility** (to invest in SMEs in expansion phase)
- **A loan facility** (to provide guarantees to cover loans for SMEs)
- **Analytical tools** (e.g. Enterprise Finance Index)
- **Exchange of good practice** (e.g. SME Finance Forum)

Horizon 2020 & COSME financial instruments

Equity instruments

- Equity Facility for R&I (H2020)
- Equity Facility for Growth of SMEs (COSME)

Debt instruments

- SMEs & Small Midcaps Guarantee Facility for R&I (H2020)
- Loan Guarantee Facility for SMEs (COSME)

CIP successes so far

Multiplier effect of CIP Financial Instruments

- *510 million EUR of CIP budget has funded 7.4 billion EUR of guarantees, which should result in up to 13.4 billion of loans for SMEs*
- *220,000 SMEs have already benefited from a loan*
- *Up to 2.3 billion EUR of venture capital mobilised with 430.5 million EUR of EU investment*
- *Positive job creation effect (around 6% according to the latest Employment Survey) despite the effects of the financial crisis*

*Biotech GmbH both produces orthopaedic implants, providing mobility solutions for patients in Hungary. In 2010, Biotech went to UniCredit Hungary for a **loan**, bought a new factory, warehouse and office and also created a new R&D centre. Thanks to this recent **expansion**, the company can now take on **another 28 employees** in 2011.*

Objective 2: Improving access to markets

One-stop-shop for SMEs, disseminating widely information on SME, providing SMEs information on how to expand outside EU, mapping and filling gaps in support services, training programmes for SME managers

- **Enterprise Europe Network**
- **Analytical tools** (*studies on mapping of EU business support abroad*)
- **On-line portals** (e.g. Your Europe Business portal, new portal on access to markets outside EU, China IPR helpdesk)
- **Awareness raising campaigns, trainings**
- **Exchange of best practices, workshops** (*e.g. optimising EU portfolio of business support for SMEs*)

CIP successes so far

Enterprise Europe Network

- *600 business support organisations in 53 countries*
- *Total impact on sales growth: 450 million EUR (220,000 EUR per company)*
- *2,400 jobs created between 2008 and 2010*
- *4,300 concluded cross-border partnership agreements*

The **China IPR SME Helpdesk** (EP preparatory action, as of 2010 in CIP) provides training for European SMEs on how to protect their IP when doing business in China. In 3 years it served 50,000 website users and offered over 400 private confidential consultations per year. As a result of Helpdesk advice, 30 % of the users took a specific course of action (e.g. retaining lawyers, registering trademarks, undertaking administrative enforcement).

Objective 3: Improving framework conditions (1)

Reducing administrative burden, supporting smart regulation (SBA/SME test, competitiveness proofing, fitness checks), strengthening coordination of MS industrial policies, reinforcing the use of the 'Think Small First' principle

- **Statistical analysis, benchmarking, policy monitoring** (*e.g. Annual EU Competitiveness Report, EU SME Performance Review, SBA country factsheets*)
- **Workshops and exchanges of best practices between policy makers** (*e.g. HLG on reduction of administrative burden, SME Envoys*)

Objective 3: Improving framework conditions (2)

Accelerating the emergence of competitive industries. Stimulate development of **new markets** Competitive business models. Enhance productivity, resource efficiency, sustainability and corporate social responsibility.

➤ **Support to Clusters**

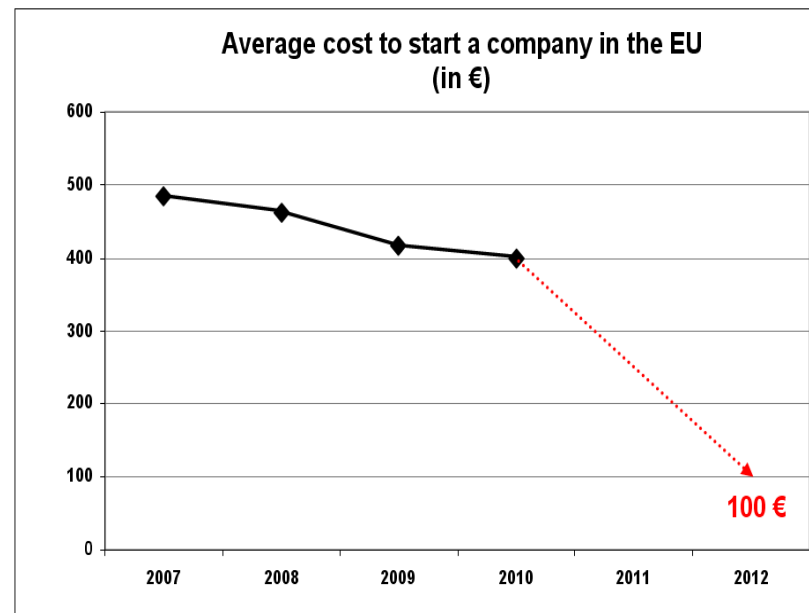
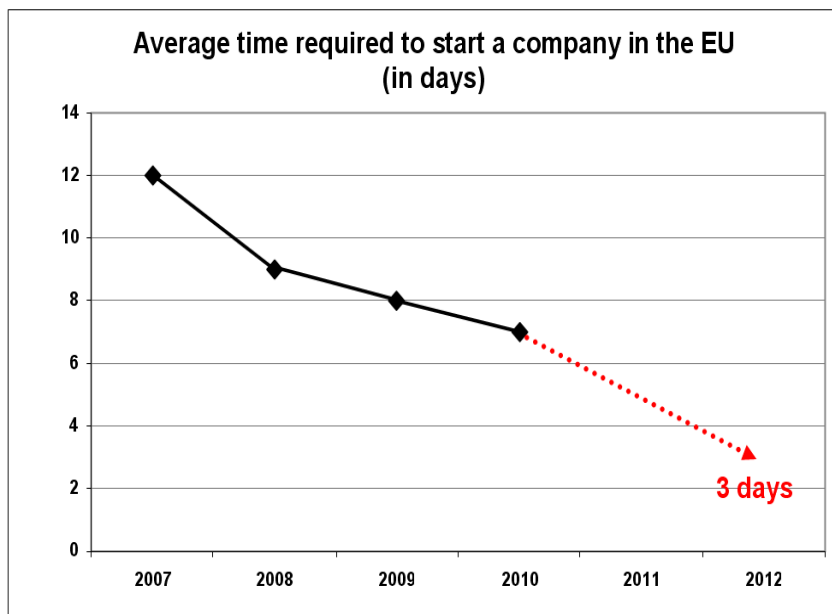
➤ **Sectorial policies:** *eg. tourism, KETs, digital-economy, construction...*

CIP successes so far

- **A High-Level Group of Independent Stakeholders on Administrative Burdens:**
 - *set up to advise the Commission, action plan launched in 2007*
 - *studies, IT tools for screening legislation, expert meetings*

*By early 2012, the Commission had proposed **measures that reduce administrative burdens** by approximately 33 %. The Council and European Parliament have so far adopted some of these measures, amounting to a reduction of almost 25 %. The measures proposed by the Commission to date could lead to **savings of more than 40 billion EUR.***

CIP successes so far



*In 2010 the **average time and cost of starting up a private limited company** was 7 days and 399 EUR, compared to 12 days and 485 EUR in 2007; this improvement is partly due to best practice exchanges and benchmarking financed by the EIP.*

Objective 4: Promoting entrepreneurship

Developing of entrepreneurial skills and attitudes, especially among new entrepreneurs, young people and women, creating mentoring schemes, promoting social entrepreneurship

- **Workshops and exchanges of best practices** (*European Network of Mentors for Women Entrepreneurs*)
- **Trainings** (*Erasmus for Entrepreneurs exchange programme, trainings for teachers*)
- **Promotion activities** (*projects promoting education for entrepreneurship and self-employment at school and university*)
- **Awareness raising activities** (*European SME Week*)¹⁶

CIP successes so far

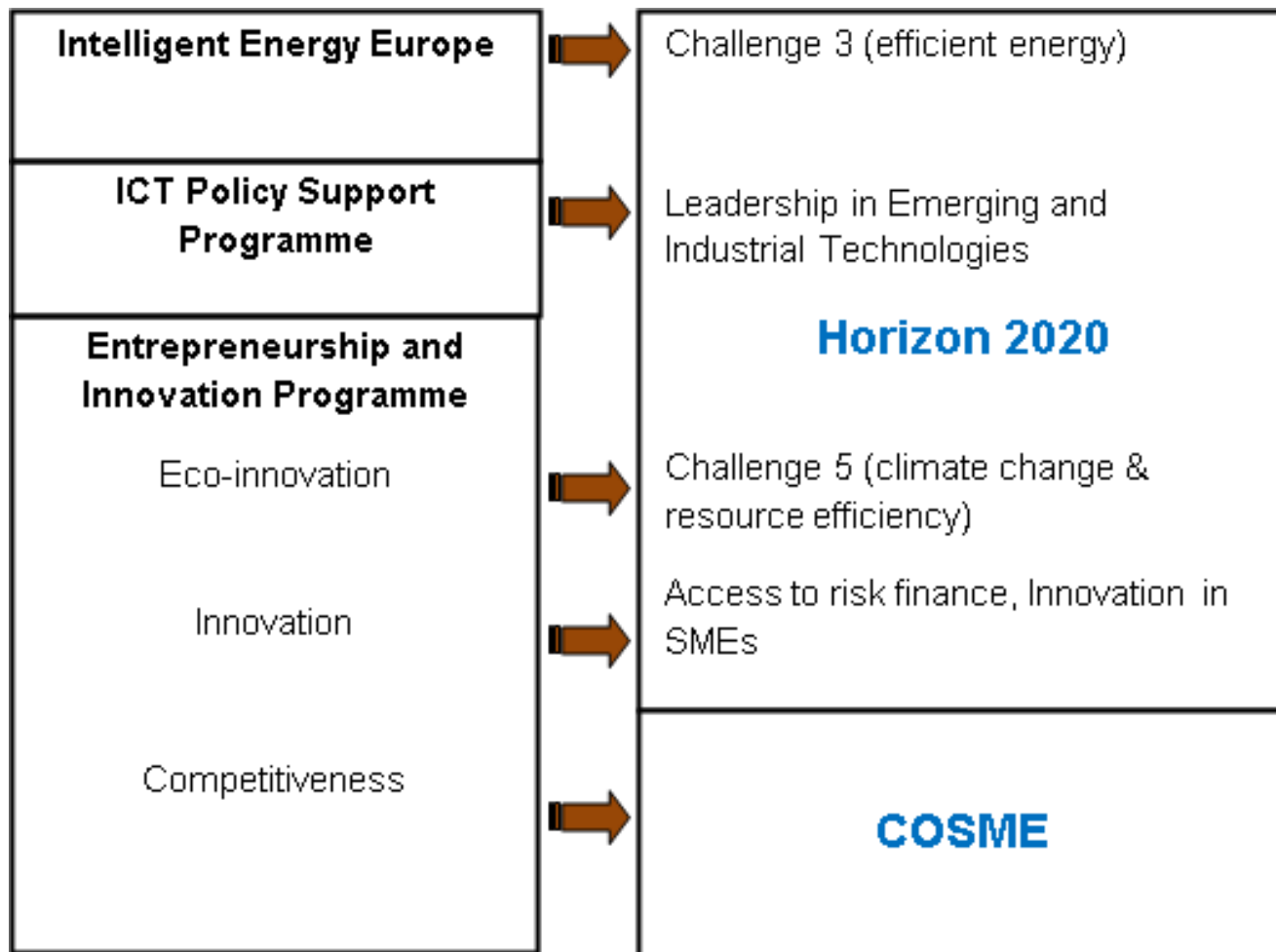
The European Network of Female Entrepreneurship Ambassadors (*active in 22 CIP countries, as a result of the first wave of Ambassadors in 10 countries, 210 new women-led companies have been started*)

Trainings (*Projects preparing teachers to introduce entrepreneurship education into the classroom with 45 countries participating in 2011*)

*In the Netherlands, following measures taken by the government to promote the **teaching of entrepreneurship** in schools, the number of students in secondary education who say they want to be an entrepreneur has risen from 13 % to 23 %.*

2. What will happen to CIP actions?

Where have CIP programmes gone?



3. Third Country Participation

Why participate in an EU programme for SME's and Competitiveness ?

- **Creation of a common business space ? All of our markets are still smaller than those of India, China etc.**
- **Greater policy affinity across borders makes it also easier for companies and investment to cross borders.**
- **Competitiveness is not a zero sum game. And in many areas we face common challengers (textile from China for instance) or challenges (greening of industry, returning back to sustainable growth)**
- **Developing a strong SME sector provides an economy with backbone and innovative potential; and an economy becomes less vulnerable to external shocks. Both (EU and neighbours) benefit from each other's efforts.**

Countries which already participated in EIP/CIP

Albania

the former Yugoslav Republic of Macedonia

Montenegro

Serbia

Turkey

Israel

Expressions of interest received for COSME

Albania

Montenegro

Serbia

Turkey

Procedural aspects

Expression of interest letter to Vice President Tajani

Enlargement group – full participation

Neighbourhood group – no access to Financial Instrument unless asked explicitly

Entry ticket- based on relative GDP

All those who have a possibility to enter, have already been sent the draft agreement and entry ticket calculation.

Thank you for your attention!



Find out more:

<http://ec.europa.eu/cip/cosme>