Programme for the competitiveness of enterprises and SMEs, COSME 2014-2020

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This Commission report presents an overview of the implementation of the COSME budget in 2015, including support measures and administrative expenditure.

COSME is the programme for EU actions to improve the competitiveness of enterprises, with special emphasis on small and medium-sized enterprises (SMEs). It brings added value by addressing transnational issues and market failures in four key areas defined by the legal base: (i) improving access to finance for SMEs in the form of equity and debt; (ii) improving access to markets inside and outside the Union; (iii) improving framework conditions for businesses and the competitiveness of enterprises, including SMEs; (iv) promoting entrepreneurship and entrepreneurial culture.

COSME has an overall indicative budget of EUR 2.3 billion for the seven-year period of COSME's existence (2014-2020). In total, 99% of the EUR 329 million available was committed. For payments, the implementation rate was on average 89%.

During 2015, the programme **became operational** as the implementation of the projects launched in 2014 took their first steps.

The main results for 2015 are as follows:

Access to finance: the COSME Regulation specifies that at least 60% of the total budget (EUR 1.4 billion) should be allocated to financial instruments for the period 2014-2020.

Access to finance remains a **key policy area**. The total committed budget for the loan guarantee facility (LGF) amounted to EUR 148.5 million, while the total budget committed for the equity facility for growth (EFG) amounted to EUR 50.7 million. The budget committed in 2015 for accompanying actions was EUR 0.8 million. These actions included the promotion of financial instruments and the gathering of data on SMEs access to finance:

- more than **51 000 SMEs** received financing of almost EUR 1,300 million under the LGF and guarantee agreements were signed in 17 countries;
- five commitments were signed by the EIF in 2015 under the EFG for the establishment of funds that focus mainly on investments in Italy, France, the Netherlands, Greece and Germany, but are open to cross-border investments. The expected volume of investments into eligible final recipients amounts to almost EUR 395 million and is expected to provide risk capital to around 53 SMEs;
- in 2015, the GIF (High Growth and Innovative SME Facility) instrument also continued to provide risk capital to SMEs, with equity investments into 68 additional SMEs.

Access to **Finance information events** saw over 3,000 participants in 2015. The 'Your Europe – Business' portal attracted 1.6 million unique visitors, the second most visited section is financing.

Access to markets: COSME, including the integrated business support services of the Enterprise Europe Network, contributed to facilitating SMEs' access to finance and markets, to decrease the disproportionate administrative burden and to promote entrepreneurship across the EU.

On a yearly basis, the network provides services to about **250 000 SMEs**, including specialised advisory services to some 70 000 SMEs. In 2015, 527 participating organisations from 90 consortia covering all EU regions and 8 COSME participating countries, including Serbia and Armenia, joined the Network.

Improvement of general conditions and competitiveness of enterprises: in 2015, **EUR 24.3 million** were directed to this objective from the Work programme and EUR 5.8 million from the Support Measures, representing 11.7% of the financial envelope. COSME funded actions aim at reducing the administrative burden, strengthening coordination of Member States' industrial policies and reinforcing the use of the 'Think Small First' principle:

- the 'Clusters Internationalisation Programme for SMEs' focuses on the promotion of cluster internationalisation where interested consortia have the opportunity to develop a joint international strategy and support SME internationalisation beyond Europe, especially in emerging thematic areas;
- another action aims to strengthen the competitiveness of European SMEs active in the **design-based consumer goods** sector by encouraging the market to adopt new and creative solutions in this field;
- **tourism initiatives** funded by COSME 2015 have contributed to strengthening the competitiveness of the European tourism sector.

Entrepreneurial culture: in 2015, a budget of **EUR 12.9 million** was implemented to promote entrepreneurship, in particular for the **Erasmus mobility programme for young entrepreneurs**, representing 4% of the total amount committed to COSME.

Nearly 12 000 entrepreneur profiles were registered and 3 900 matches involving 7 700 entrepreneurs were made. A survey shows that more than a third of the potential entrepreneurs who participated in this programme have set up a business.

As an SME-focused programme, the COSME actions complement other EU programmes and build on the solid experience from the predecessor programmes.