

COSME leaflet

Europe's Programme for SMEs

Small and Medium Enterprises (SMEs) are the backbone of Europe's economy, providing 85 % of all new jobs. The European Commission aims to promote successful entrepreneurship and improve the business environment for SMEs, to allow them to realise their full potential in today's global economy.

COSME is the EU programme for the Competitiveness of Enterprises and SMEs running from 2014 to 2020 with a budget of €2.3billion. COSME will support SMEs in the following area:

- Facilitating access to finance
- Creating an environment favourable to growth
- Supporting the internationalisation and access to markets
- Encouraging an entrepreneurial culture

COSME is an instrument that implements the Small Business Act (SBA) which reflects the Commission's political will to recognise the central role of SMEs in the EU economy.

Access to finance

One of COSME's main objectives is to provide enhanced access to finance for SMEs in different phases of their lifecycle: creation, expansion or business transfer. In order to achieve this objective, the EU will mobilise loans and equity investments to SMEs.

- The programme will fund guarantees and counter-guarantees for financial intermediaries (e.g. guarantee organisations, banks, leasing companies) to help them provide more loan and lease finance to SMEs (mainly up to € 150 000);
- The programme will invest in equity funds that provide risk capital to SMEs mainly in the expansion and growth-stage phase.

Using the Guarantee Facility, it is expected that COSME will enable between 220 000 and 330 000 SMEs to obtain financing for a total value of between **€14 and €21 billion**. The Equity Facility should help between 360 and 560 firms to receive equity investment with an overall volume invested ranging from **€ 2.6 to € 4.0 billion**.

Access to markets

The programme provides support to European enterprises in order to **benefit from the EU's Single market** or to internationalise by establishing business links outside their home country.

COSME funds tools such as the 600 offices of the **Enterprise Europe Network (EEN)**. They are local support points to help SMEs find business, technology partners, understand EU legislation or help access EU financing.

The network provides services for companies wishing to benefit from EU programmes such as *Horizon2020* for research and innovation or *European Structural and Innovation Fund (ESIF)* for regional development.

SMEs can have access to websites specifically designed for them such as **Your Europe Business Portal** or the **SME internationalisation Portal**. The first provides practical online information for entrepreneurs who want to become active in another Member State. The latter puts the emphasis on support measures and adequate information available in Member States for companies which want to develop their business in third countries.

COSME supports the ASEAN, China and MERCOSUR intellectual property right (**IPR SME Helpdesks**) that offer first-line advice and support to European SMEs facing IPR difficulties in, or arising from China, Latin America and South East Asian countries. It responds to individual business queries and offers expert advice through workshops and e-learning tools.

The programme also finances the **EU-Japan Centre for Industrial Cooperation**, to promote all forms of industrial, trade and investment cooperation by facilitating exchanges of experience and know-how between EU and Japanese businesses, in particular SMEs.

Creating better framework conditions for competitiveness

COSME funds concrete actions to reduce administrative burden that affects SMEs, develop smart and friendly regulation, and reinforce the use of the "Think Small First" principle for policy making at national and regional level.

COSME supports European competitiveness through actions on clusters development or promotion of ICT, e-skills and e-leadership for the business community.

Encouraging entrepreneurship

The entrepreneurship mind-set is relatively underdeveloped in Europe, lagging behind many of our international competitors. Recent data shows that in Europe 37% of citizens prefer to be self-employed, while in the United States, for example, this proportion is 51%. Among the challenges Europe faces are the lack of a strong entrepreneurial culture, legal and administrative framework conditions that can impede business development, insufficient entrepreneurship education, and substantial untapped entrepreneurial potential amongst specific groups, such as women and seniors.

COSME supports the implementation of the **Entrepreneurship 2020 Action Plan** 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 is given to digital entrepreneurship and e-skills to help businesses reap the benefits of the Digital Single Market that are crucial for their competitiveness.

For more information:

ec.europa.eu/enterprise/cosme

access2finance.eu

http://ec.europa.eu/small-business/index_en.htm

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