Funding opportunities and mechanisms for SMEs - COSME programme

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What is COSME?

COSME is the EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (SMEs) running from 2014 to 2020 with a planned budget of EUR 2.3 billion.

SME Definition

‘The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.’

Extract of Article 2 of the Annex of Recommendation 2003/361/EC
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CIP 2007-2013

- IEE
  - Intelligent Energy
- ICT
  - ICT Support
- EIP
  - Eco-Innovation
  - Innovation
  - Competitiveness
    - Access to Finance
    - Access to Markets
    - Internationalisation
    - Entrepreneurship
    - Framework conditions

MFF 2014-2020

- Secure, clean and efficient energy societal challenge
- Leadership in enabling and industrial technologies: ICT
- HORIZON 2020
  - Climate action, resource efficiency and raw materials challenge
  - Access to risk finance + Innovation in SMEs
- COSME
  - Competitiveness
What are COSME objectives?

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

COSME budget

- €2.3 billion for 2014 - 2020
1. Improving access to finance
   (COSME Financial Instrument)
   Budget allocated over €1.3 billion
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

- **EQUITY FACILITY for GROWTH (EFG)** invests in risk-capital funds that provide venture capital and mezzanine finance to expansion and growth-stage SMEs, in particular those operating across borders.

- **LOAN GUARANTEE FACILITY (LGF)** funds 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.

**BE CAREFUL:** direct beneficiaries/final beneficiaries

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Objective 1: Improving access to finance

Zero bureaucracy for SMEs: Apply directly at banks
Objective 1: Improving access to finance

How to access the COSME financial instruments

If you are an SME or an entrepreneur looking for debt or equity finance and would like to see which financial intermediaries are working with COSME, please visit the Access to Finance portal.

If you are a financial intermediary, you can find more information on the calls for expression of interest for the COSME financial instruments:

- COSME Loan Guarantee Facility
- COSME Equity Facility for Growth
2. Improving access to markets

(Budget allocated ca. €500 million)
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: provides resources to all businesses wishing to expand into new markets. SMEs can approach the local partner in their region for advice and information. Over 600 partner organisations in 54 countries have the capacity to reach out to more than 2 million SMEs.
Objective 2: Improving access to markets

- IPR Helpdesks: for China, ASEAN countries (the Association of Southeast Asian Nations), and Mercosur countries (the South American trade bloc) to help SMEs deal with intellectual property rights (IPRs) issues in these countries.

- EU-Japan Centre for Industrial Cooperation: Created in 1987 by the European Commission and the Japanese Government, the EU-Japan Centre for Industrial Cooperation is a non-profit organisation which manages support activities for EU companies that foster trade, investment, and R&D cooperation between the EU and Japan.
3. Improving framework conditions
(Budget allocated ca. €260 million)
Objective 3: Improving framework conditions

COSME aims to create more favourable conditions for the creation of businesses and growth through:

- The reduction of the administrative and regulatory burden by removing unnecessary reporting and information requirements. Actions include:
  - measuring the impact of EU law on SMEs;
  - developing smart and business-friendly regulation;
  - reinforcing the ‘Think Small First’ principle for policy making at national and regional level.
Objective 3: Improving framework conditions

- The identification and exchange of best practice among national administrations to improve SME policy

- Analytical tools for better policy: COSME supports conferences and analytical tools such as the Competitiveness Report, and compare the performance of policies across EU countries. This is done to facilitate the preparation of new EU and national legislation in respect to SMEs.
4. Promoting entrepreneurship and entrepreneurial culture
(Budget allocated ca. €58 million)
Objective 4: Promoting entrepreneurship

The Entrepreneurship 2020 Action Plan provides the political impetus for COSME. It is a call for joint action at European, national, regional, and local level.

There are three main areas in the Action Plan:

- **Entrepreneurship education**: exchanges between educators and trainers are facilitated to support best practice in entrepreneurship education in the EU.

- **Improving the business environment so entrepreneurs can grow and flourish** - together with improving the legal and fiscal environment, experts will develop recommendations on the best ways to support businesses throughout their lifecycle. Specific support for web entrepreneurs is also foreseen.

- **Role models and outreach to specific groups** - under COSME, groups such as young people, women, and senior entrepreneurs will be able to benefit from mentoring or other tailored programmes.
Objective 4: Promoting entrepreneurship

Examples of actions already supported by COSME include:

- The European Network of Mentors for Women Entrepreneurs provides advice and support to women entrepreneurs in the start-up, running, and growth of businesses during their early years (2nd to 4th year of business).

- Erasmus for Young Entrepreneurs helps new entrepreneurs (not necessarily young in years, but in the age of their businesses) by offering them an opportunity to learn from a more experienced host entrepreneur in another country. In return, the host benefits from a fresh perspective on his or her business.
5. Geographical Areas Involved
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UE 28: Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

EFTA countries:
- **Confirmed**: Iceland
- **TBD**: Norway, Liechtenstein
- **NO**: Switzerland

Enlargement countries:
- **Confirmed**: Montenegro, Turkey and The former Yugoslav Republic of Macedonia
- **WIP**: Albania, Bosnia and Herzegovina,
- **TBD**: Serbia, Kosovo*

Eastern neighborhood countries:
- **WIP**: Moldova, Armenia, Ukraine
- **TBD**: Georgia, Azerbaijan, Belarus

Southern neighborhood countries:
- **TBD**: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, Tunisia
5. Where to find more information
Where to find more information

The Executive Agency for Small and Medium-sized Enterprises (EASME) manages COSME on behalf of the European Commission. Full information on the programme can be found on its website.

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To reply to an open call under the COSME programme, please visit the Participant Portal, where the European Commission publishes calls for tender and calls for proposals related to COSME.
Thank you!