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ANNEX 1

**ANNEX**

*to the*

**Commission Implementing Decision**

**on the financing of the Programme for the Competitiveness of Enterprises and Small and Medium-Sized Enterprises and the adoption of the work programme for 2019**

## ANNEX

### Work Programme for the implementation of the Programme for the Competitiveness of Enterprises and Small and Medium-Sized Enterprises (COSME)

A. ACCESS TO FINANCE.....	5
<b>GRO/SME/19/A/01– FINANCIAL INSTRUMENTS – EQUITY FACILITY FOR GROWTH</b>	<b>5</b>
<b>GRO/SME/19/A/02 – FINANCIAL INSTRUMENTS – LOAN GUARANTEE FACILITY INCLUDING THE SME INITIATIVE.....</b>	<b>8</b>
<b>GRO/SME/19/A/03 - FINANCIAL INSTRUMENTS – ACCOMPANYING ACTIONS .....</b>	<b>12</b>
B: ACCESS TO MARKETS.....	16
<b>GRO/SME/19/B/01 – Enterprise Europe Network.....</b>	<b>16</b>
<b>GRO/SME/19/B/02 - Access to the Single Market: Reinforcing the single market tools in preparation of the planned Single Digital Gateway .....</b>	<b>19</b>
<b>GRO/SME/19/B/03– EU OPEN FOR BUSINESS CAMPAIGN 2020 .....</b>	<b>22</b>
<b>GRO/SME/19/B/04 – EU SME Centre in China .....</b>	<b>25</b>
<b>GRO/SME/19/B/05 - Co-financing of public procurement of innovation consortia .....</b>	<b>27</b>
<b>GRO/SME/19/B/06 - Creating links for the facilitation of public procurement of innovation .....</b>	<b>30</b>
C. FRAMEWORK CONDITIONS FOR ENTERPRISES .....	33
<b>GRO/SME/19/C/01 - SME POLICY (SPR, Start-ups, outreach) .....</b>	<b>33</b>
<b>GRO/SME/19/C/02 - BETTER REGULATION: REFIT platform.....</b>	<b>36</b>
<b>engaging SMEs and Stakeholders on policy design and implementation/strengthening of the Better Regulation Agenda.....</b>	<b>36</b>
<b>GRO/SME/19/C/03 - CLUSTER INTERNATIONALISATION PROGRAMME FOR SMEs.....</b>	<b>38</b>
<b>GRO/SME/19/C/04 - Implementation of the Action Plan Construction 2020 .....</b>	<b>42</b>
<b>GRO/SME/19/C/05 - Advanced Digital Skills for Industry and SMEs .....</b>	<b>45</b>
<b>GRO/SME/19/C/06 - Intelligent Cities Challenge .....</b>	<b>47</b>
<b>GRO/SME/18/C/07 – ENHANCING THE COMPETITIVENESS OF THE EUROPEAN TOURISM SECTOR .....</b>	<b>51</b>
<b>GRO/SME/19/C/08 - Accelerate and scale up innovation applications for a sustainable and circular fashion industry.....</b>	<b>55</b>
<b>GRO/SME/19/C/09 - Development of the European Food Price Indicator along the value chain.....</b>	<b>56</b>
D. ENTREPRENEURSHIP .....	60
<b>GRO/SME/19/D/01 – ERASMUS FOR YOUNG ENTREPRENEURS .....</b>	<b>60</b>
<b>GRO/SME/19/D/02 - EUROPEAN SOCIAL ECONOMY REGIONS .....</b>	<b>62</b>
<b>GRO/SME/19/D/03- Corporate Social Responsibility.....</b>	<b>65</b>

<b>GRO/SME/19/D/04 - Guidelines and best practices to develop frameworks for social enterprises .....</b>	<b>67</b>
Annex I: Overview table of the COSME 2019 Work Programme .....	71
Annex II: Eligibility criteria and Selection and award criteria.....	72

## INTRODUCTION

The Programme for the Competitiveness of Enterprises and Small and Medium-Sized Enterprises (SMEs) – COSME ("Programme") - is the Union's programme to strengthen the competitiveness and sustainability of enterprises, to encourage an entrepreneurial culture and to promote the creation and growth of SMEs. It contributes to the overall objectives of the Europe 2020 strategy on smart, sustainable and inclusive growth while seeking to optimise synergies with other EU programmes such as Horizon 2020 and the European Structural and Investment Funds (ESIF). As set out in the COSME legal base<sup>1</sup>, these objectives will be met by:

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

COSME has an overall indicative budget of EUR 2.3 billion for the seven-year period 2014-2020. The Programme is executed through an annual work programme and through support measures. The work programme for 2019 has a total budget of EUR 347 million of which some 60% is allocated to financial instruments and some 20% to activities promoting enterprises' access to markets – the two main priorities of the programme.

The Commission carried out an interim evaluation of the Programme in 2017<sup>2</sup>. The work programme 2019 implements one of the main recommendations stemming from the evaluation: the need to focus on bigger, strategic actions while keeping the flexibility of the programme to test new ideas, e.g. through innovative pilot projects.

The 2019 work programme is structured according to the four action areas of the Programme. The financial instruments will support SMEs and start-ups to access both equity and debt funding. At the occasion of the 25-year celebrations of the Single Market, several actions contribute to implementing the Single Market Strategy<sup>3</sup>, including the Communication on starts-ups and scale-ups. Three actions have been designed to reinforce Single Market tools in preparation of the Single Digital Gateway: the first one is on the further development of the IT tool. The second one aims at getting the Your Europe Business portal ready for the Single Digital Gateway and the third one is focusing on SOLVIT capacity building to better serve SMEs.

As part of the COSME work programme, the Commission aims at facilitating SMEs' access to public tender, including supporting the procurement of innovation by public bodies. Providing a better access to markets is an overarching objective of a series of recurrent actions which have already shown their impact in previous years: the Enterprise Europe Network (EEN) provides services to about 250 000 SMEs on a yearly basis, including specialised advisory services to some 70 000 SMEs. It will continue to facilitate SMEs' access to markets both within the EU and beyond. Moreover, the EU SME Centre in China aim at increasing business opportunities for European SMEs in the international markets.

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<sup>1</sup> Regulation (EU) No 1287/2013 of the European Parliament and of the Council of 11 December 2013 establishing a Programme for the Competitiveness of Enterprises and Small and Medium-Sized Enterprises (COSME) (2014 - 2020).

<sup>2</sup> <http://ec.europa.eu/DocsRoom/documents/28084>

<sup>3</sup> Communication from the Commission to the European Parliament, the Council, the European Economic And Social Committee and the Committee of the Regions - Upgrading the Single Market: more opportunities for people and business - COM(2015) 550 final: <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52015DC0550&from=EN>

A number of COSME 2019 actions are dedicated to promoting SMEs' growth, including through high-tech skills and internationalisation of clusters, with a follow-up initiative of the two cluster projects proposed in 2018. The Intelligent Cities Challenge project promotes cooperation between public authorities and businesses in order to develop high-tech innovation ecosystems to fuel industrial transformation and smart, sustainable growth.

The successful actions to promote entrepreneurship will be continued, in particular the Erasmus for Young Entrepreneurs mobility scheme. It complements the other COSME actions on skills acquisition and on benefitting from the Single Market.

The Commission has committed to mainstream climate action into Union spending programmes and to direct at least 20% of the Union budget to climate-related objectives. In this view, the need for enterprises to adapt to a low-carbon, climate-resilient, energy and resource efficient economy will be promoted through the implementation of the Programme. In line with article 8 of the Treaty on the Functioning of the European Union, the activities implemented under this work programme should ensure support to gender mainstreaming.

While overall responsibility of COSME remains with the Commission, some implementing tasks are delegated to an executive agency, the European Agency for Small and Medium-Sized Enterprises (EASME), while the financial instruments are entrusted to the European Investment Fund (EIF).

The Commission will draw up an annual monitoring report on the efficiency and effectiveness of supported activities, on the basis of a set of indicators set out in the Regulation (EU) No 1287/2013 and in this work programme.

## A. ACCESS TO FINANCE

### GRO/SME/19/A/01– FINANCIAL INSTRUMENTS – EQUITY FACILITY FOR GROWTH

#### OBJECTIVES PURSUED

Provide enhanced access to finance for SMEs in their start-up, growth and transfer phases through an equity financial instrument.

#### DESCRIPTION OF THE ACTIONS TO BE FINANCED

The Equity Facility for Growth (EFG) is one of the successor instruments of the High Growth and Innovative SME Facility (GIF) established under the Competitiveness and Innovation Framework Programme - CIP (2007 - 2013). It succeeds the GIF2 window set up under GIF to cover expansion stage investments into SMEs. Based on the experience gained under CIP and in line with requirements formulated for financial instruments under Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council<sup>4</sup> ("Financial Regulation"), the terms and conditions for the COSME financial instruments were adjusted.

The implementation of the EFG is entrusted to the European Investment Fund (EIF). A continuous open call for expression of interest, including the detailed terms and conditions, was published by the EIF to which financial intermediaries may apply at any time until 30 September 2020.

Through the EFG risk capital funds can be supported which invest into SMEs at the growth stage, predominantly on a cross-border basis, or which help portfolio companies to grow beyond their national markets with a view to supporting the development of a self-sustainable pan-European risk capital market.

The characteristics of the EFG are:

- The entrusted entity shall make direct investments in intermediary risk capital funds providing investments for SMEs typically in their expansion and growth stage. These risk capital funds shall provide equity and mezzanine finance, such as subordinated or participating loans;
- Investments shall be long-term, normally involving 5 to 15 year positions, whereby the life of an investment shall not exceed 20 years;
- Investments may also be made into risk capital funds investing at the seed, start-up and early stage in conjunction with the Equity Facility for R&I (Research and Innovation) under Horizon 2020 whereby the investment from EFG shall not exceed 20% of the total EU investment;
- In the case of multi-stage funds, the COSME EFG and Horizon's Equity Facility for R&I will contribute pro rata to the funding of the risk capital funds based on the fund's investment policy.

The EFG is demand-driven, meaning that the allocation of funding will take place based on the demand expressed by financial intermediaries also taking into account the need for a broad

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4

Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

geographical distribution (e.g. through fee incentives which the Commission has provided to the entrusted entity).

#### *Pan-European VC Funds-of-Funds programme*

An additional implementation mechanism under the EFG in the form of a contribution to the Pan-European VC Funds-of-Funds programme was put in place in 2017.

In addition to the existing continuous call for expression of interest published for the direct investments under the EFG, a separate call for expression of interest was launched by the EIF for the Pan-European VC Funds-of-Funds programme which closed end of January 2017. The selection phase has been finalised end of 2017 and signatures with VC Funds-of-Funds managers are expected in the first half of 2018<sup>5</sup>.

#### *Relationship with Horizon 2020:*

The EFG is part of the single EU equity financial instrument for EU enterprises' growth and research and innovation (R&I), together with the early-stage equity facility under Horizon 2020 (InnovFin Equity). The InnovFin Equity has been revamped in 2017 to combine resources from Horizon 2020, the SME window of European Fund for Strategic Investments (EFSI) and resources from the EIF. This facility targets risk capital funds investing in seed, start-up and early-stage SMEs and small midcaps that are RDI-driven.

Financial intermediaries are free to apply either for one of the two facilities under COSME and Horizon 2020 or for both in line with the fund's investment policy. The InnovFin Equity succeeds the GIF1 equity facility under the Competitiveness and Innovation Framework Programme.

#### *Relationship with EFSI*

In the course of 2016 a new Expansion and Growth Window was established under the EFSI Equity instrument. This window has largely the same investment focus as the EFG. However, the EFG is broader in scope as it can also invest in third countries participating in COSME.

As a result, an order of priority has been established whereby the EIF shall endeavour to first absorb investment capacity available under the EFSI Expansion and Growth Window before making use of EFG resources.

Eligible investments into funds operating and investing in third countries will continue to be made under the EFG only.

## **EXPECTED RESULTS**

The EU added-value will lay in the fact that support is provided for funds investing on a cross-border basis or funds which help SMEs to internationalise, thereby complementing national efforts which tend to concentrate on the development of national risk capital markets. The EFG will thereby have a catalytic effect for the development of a pan-European risk capital market.

It was expected that over the lifetime of the Programme between 362 and 544 firms would receive venture capital investment with overall volume invested ranging from EUR 2.6 to EUR 4.0 billion. Based on current implementation data, the numbers and volumes are foreseen to be lower in the end, due to re-allocation of budget from the EFG towards the COSME Loan Guarantee Facility (LGF)

<sup>5</sup> At the time of drafting this work programme, it is expected that the EFG allocation towards the Pan-European VC Funds-of-Funds will be fully used. If this would not be the case, any non-used resources will be available to the EIF to make direct investments into individual funds fulfilling the EFG criteria of the continuous call for expression of interest.

where market demand is very high and cannot be covered by currently available budgetary resources (including the EFSI top-up). The need of risk capital investments for SMEs in their expansion and growth stage and located in the Member States is addressed by the EFSI equity instrument.

#### **METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED**

<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
Indirect Management	Equity Facility for Growth	66 369 000 (*)

(\*) The 2019 budget may be partly covered through the annual repayments generated by the second window of the High Growth and Innovative SME Facility (GIF2) established under the predecessor Competitiveness and Innovation Programme (Decision No 1639/2006/EC of the European Parliament and of the Council<sup>6</sup>) and assigned to the EFG in accordance with Articles 12(3) and 21(4) of the Financial Regulation.

The budget amount of the EFG shall take into account the amount of annual repayments generated by the EFG and assigned to the EFG in accordance with Article 209(3) of the Financial Regulation.

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>
Delegation Agreement signed with the entrusted entity	Q3 2014
Call for expression of interest for EFG only launched by the entrusted entity	Q3 2014
Updated call for expression of interest covering the EFG and the InnovFin Equity	Q3 2015
First agreements signed with Financial Intermediaries	Q4 2015
Pan-European VC Funds-of-Funds call for expression of interest (launched and closed)	Q4 2016 / Q1 2017
Signatures with VC Funds-of-Funds managers	Q1 2018
Indicative total duration (months): The Delegation Agreement shall be valid until the last of the transactions under the Programme is fully completed (at the latest by 2034).	

<sup>6</sup> Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) (OJ L 310, 9.11.2006, p. 15).



## INDICATORS

### Indicators for 2019 budget:

Overall risk capital invested and number of firms being supported: Overall value of risk capital investments ranging from EUR 0,2 billion to EUR 0,4 billion; number of firms receiving risk capital investments ranging from 36 to 54.

The above values have been computed based on the leverage targets of COSME which calls for a leverage of 1:4 - 1:6 for the equity instrument. They refer to investments made during the life-time of risk capital funds in which EFG investments were authorised from the 2019 budget.

On a cumulative basis, the value of risk capital investments ranges from EUR 1,5 billion to EUR 2,3 billion, with the number of firms received risk capital investments ranging from 214 to 321. These values refer to new investments made by funds into SMEs over the usually 5 years' investment period under agreements signed from the cumulative 2014-2019 EFG budget allocation.

## GRO/SME/19/A/02 – FINANCIAL INSTRUMENTS – LOAN GUARANTEE FACILITY INCLUDING THE SME INITIATIVE

### OBJECTIVES PURSUED

Provide enhanced access to finance for SMEs in their start-up, growth and transfer phases through a debt financial instrument.

### DESCRIPTION OF THE ACTIONS TO BE FINANCED

One of the financial instruments set up under COSME is the Loan Guarantee Facility (LGF) which provides

- Counter-guarantees and other risk sharing arrangements for guarantee schemes including, where appropriate, co-guarantees;
- Direct guarantees and other risk sharing arrangements for any other financial intermediaries.

The LGF is the successor of the SME Guarantee Facility established under the Competitiveness and Innovation Framework Programme - CIP (2007 - 2013). Based on the experience gained under CIP and in line with requirements formulated for financial instruments under the Financial Regulation the terms and conditions for the COSME financial instruments were adjusted.

The implementation of the LGF is entrusted to the EIF. A continuous open call for expression of interest was published by the EIF to which financial intermediaries may apply at any time until 30 September 2020. The call sets out the terms and conditions for the different implementing mechanism under the LGF (capped guarantees, guarantees for securitisation transactions). It may be complemented by calls for those Member States which opt to use the COSME resources for the SME Initiative as set out below.

The characteristics of the LGF in the form of capped (counter-)guarantees are:

- Guarantees for debt financing (including via subordinated and participating loans, leasing or bank guarantees) which shall reduce the particular difficulties that viable SMEs face in accessing finance either due to their perceived high risk or their lack of sufficient available

collateral;

- Up to an amount of EUR 150,000 all types of SMEs (regardless of sector or size) are eligible for financing under the LGF. Above this threshold financial intermediaries must verify that the SME is not RDI driven and therefore is not eligible for financing under the Horizon 2020's SME & small midcaps debt financing window (InnovFin SME Guarantee Facility). As regards the level of the guarantee, the entrusted entity will provide guarantees to financial intermediaries which will cover a portion of the expected losses of a portfolio of newly generated, higher-risk SME transactions.
- The portfolios shall be composed of transactions which the financial intermediary would not have supported in the absence of the guarantee. The range of financial products which can be supported through the guarantees is intended to be broad so as not to discriminate amongst the SME population and to allow financial intermediaries to tailor products according to the specific needs of the market in which they operate.
- Individual guarantee agreements to be signed by the entrusted entity with a financial intermediary will have a maximum duration of 10 years, whereby it shall be permissible that individual financing transactions have maturities exceeding 10 years. Individual financing transactions must have a minimum duration of 12 months.

The characteristics of the LGF in the form of guarantees for securitisation transactions are:

- Guarantees for the mezzanine tranche of securitisation of SME debt finance portfolios, which are coupled with a contractual undertaking by the financial intermediary to build up new SME debt finance portfolios. The amount of this new debt financing shall be calculated in relation to the amount of the guaranteed portfolio risk. This amount and the period of time shall be negotiated individually with each originating institution by the entrusted entity.

The LGF is demand-driven meaning that the allocation of funding will take place based on the demand expressed by financial intermediaries also taking into account the need for a broad geographical distribution (e.g. through incentives to be provided from the Commission to the entrusted entity).

#### *Relationship with Horizon 2020*

The LGF is part of the single EU debt financial instrument for EU enterprises' growth and research and innovation (R&I), together with the InnovFin SME Guarantee facility set up under the Horizon 2020 programme. The InnovFin SME Guarantee facility, which is also entrusted to the EIF for implementation, provides financing to SMEs and small midcaps with significant research, development and innovation (RDI) potential or investments in RDI activities, both with significant technological and financial risk provided that these are eligible under the innovation criteria as set out in the open call for expression of interest published for this facility.

Financial intermediaries are free to apply either for one or both facilities under COSME and Horizon 2020 in line with their business objectives and possibilities to reach the potential target group of the different facilities.

#### *LGF contribution to the EU SME Initiative*

The EU SME Initiative was conceived as an anti-crisis measure with budget commitments over 3 years (2014-2016); building on the EU financial instruments that support lending to SMEs (COSME LGF and/or InnovFin SME Guarantee Facility under Horizon 2020). However, in the context of the 2014-2020 MFF review, the Commission proposed a number of legislative changes, including the extension of the duration of the SME Initiative in the Common Provisions Regulation (CPR).

The SME Initiative is implemented as a "joint instrument", i.e. - a mechanism allowing Member States to allocate European Structural and Investment Funds (ESIF) under their responsibility to programmes managed directly by the Commission, with disbursement geographically linked to contributions. This mechanism is provided for by the Common Provisions Regulation (CPR) governing the

implementation of ESIF and the principle of such combination is also contained in the legal basis for COSME and Horizon 2020.

The SME Initiative is implemented in the form of uncapped portfolio guarantees and/or securitisation operations using funds from COSME and/or Horizon 2020 and ESIF combined with resources from EIB and EIF. Member States are free to decide on the desired implementation mechanism as well as on the central EU financial instrument with which the pooling of resources shall occur.

Under both uncapped guarantees and securitisation, ESIF will guarantee the most junior tranche of the portfolio (i.e. the highest risk) and a combination of ESIF, EU (i.e. COSME and/or Horizon 2020) and EIF resources will cover the mezzanine tranche. The senior tranche will be covered by EIB and, if possible, national promotional banks. In the case of securitisation, the senior tranche should achieve high credit rating and could be sold to institutional investors.

Participation by Member States is entirely voluntary. So far the following countries have decided on pooling resources with Horizon 2020 for uncapped guarantees: Bulgaria, Spain, Malta, Romania and Finland. Italy opted in 2016 for a combination of resources with COSME under the securitisation option of the SME Initiative. The related call for expression of interest published by the EIF closed on 30 September 2017 and agreements with five Italian banks were signed end of 2017.

#### *Relationship with the European Fund for Strategic Investments (EFSI)<sup>7</sup>*

As the resources available under the LGF were not sufficient to satisfy market demand (i.e. total of applications received from Financial Intermediaries by the EIF) for the financing of SMEs, the LGF was enhanced in 2015 temporarily with additional risk-bearing capacity under EFSI so as to avoid disruptions in signing transactions with financial intermediaries.

This temporary front-loading was converted in 2017 into a permanent top-up of LGF resources with risk-bearing capacity provided under the SME window of EFSI for an amount of EUR 550 million. Following the prolongation of EFSI end of 2017<sup>8</sup>, the current top up is expected to be further increased under EFSI2.0 in the course of 2018.

Such reinforcement of LGF resources with EFSI risk-bearing capacity will allow the EIF to sign a significantly higher number of guarantee transactions in the Member States.

## **EXPECTED RESULTS**

The EU added value lies in the fact that financial intermediaries are encouraged to finance transactions which they would not finance in the absence of the guarantee due to the higher risks involved. In addition, the expertise of the EIF allows dissemination of best practices to less developed SME financing markets via dedicated information tools and can support product innovation (e.g. facilitating the creation of mezzanine products).

It was expected that over the lifetime of the Programme between 220 000 and 330 000 SMEs would receive financing for a total value ranging from EUR 14 to 21 billion thanks to the COSME budget. However, the numbers and volumes will be far higher due to some re-allocation of budget from the

<sup>7</sup> Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 — the European Fund for Strategic Investments

<sup>8</sup> Regulation (EU) 2017/2396 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub

COSME Equity Facility for Growth (EFG) towards the LFG and the substantial increase of the LGF capacity by the EFSI top-up. Especially thanks to the additional risk-bearing capacity provided by the EFSI top-up, it is expected that the initial foreseen results would more than double over the lifetime of the LGF, leading to an overall financing volume of EUR 32 to 48 billion, benefitting between 490 000 and 740 000 SMEs which would otherwise have struggled to get the financing needed.

#### METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Indirect Management	Loan Guarantee Facility including SME Initiative	154 861 000

The budget amount of the LGF shall take into account the amount of annual repayments generated by the LGF and assigned to the LGF in accordance with Article 209(3) of the Financial Regulation.

#### INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Delegation Agreement signed with the entrusted entity	Q3 2014
Call for expression of interest launched by the entrusted entity	Q3 2014
First agreements signed with Financial Intermediaries	Q4 2014
First agreements signed benefitting from EFSI support	Q3 2015
Call for expression of interest launched for the SME Initiative in Italy	Q3 2016
Agreements signed with Financial Intermediaries under the SME Initiative Italy (securitisation option)	Q4 2017
Indicative total duration (months): The Delegation Agreement shall be valid until the last of the transactions under the Programme is fully completed (latest by 2034).	

#### INDICATORS

##### Indicators for 2019 budget:

Volume of financing made available and number of firms benefiting from financing: value of financing mobilised ranging from EUR 3,1 billion to EUR 4,6 billion; number of firms receiving financing which benefits from COSME guarantee ranging from 48 000 to 71 000.

The above values have been computed based on the leverage targets of COSME which calls for a leverage of 1:20 - 1:30 for the debt instrument. They refer to new SME loan portfolios built during the

whole availability period (usually two to three years) of individual transactions with financial intermediaries authorised from the 2019 budget.

On a cumulative basis, the value of financing mobilised ranges from EUR 17,3 billion to EUR 25.9 billion, with the number of firms receiving financing backed by the COSME LGF ranging from 266 000 to 399 000. These values refer to new SME loan portfolios built during the 2-3 years availability period of individual transactions authorised from the cumulative 2014-2019 budget allocated towards the COSME LGF (excluding the additional EFSI top-up).

## **GRO/SME/19/A/03 - FINANCIAL INSTRUMENTS – ACCOMPANYING ACTIONS**

### **OBJECTIVES PURSUED**

#### **Survey on SMEs' access to finance (SAFE):**

- to collect timely information on the financial situation of SMEs;
- to increase availability and quality of data on SMEs access to finance for policy-making purposes, particularly concerning the start-up and growth of SMEs;
- to limit the statistical burden imposed on enterprises by the data collection requirements imposed by the Commission and the European Central Bank (ECB) and by conducting only one comprehensive survey.

#### **Disseminating information to SMEs about access to EU sources of financing**

- to inform SMEs how they can access EU financing from various EU financial instruments on a single web portal, to be accessed through Your Europe Business.

#### **Communication activities**

- to promote the use of guarantees, venture capital and alternative sources of finances for SMEs;
- to inform SMEs and the general public about the benefits of the COSME financial instruments;
- to update the EU guide on crowdfunding;
- to contribute to the EU campaigns (Open for Business and #InvestEU).

#### **Studies**

- to support policy making initiatives including SME taxation and SME accounting;
- to monitor the recent developments of SMEs' access to finance in Europe;

#### **Workshops**

- to bring together all stakeholders (SME representatives, banks and other organisations);
- to improve policies on financing innovation and SMEs;
- to follow, discuss and make proposals concerning SME financing in the European Union;

- to monitor the SME financing environment, exchange good practices and communicate about European Union actions.

## DESCRIPTION OF THE ACTIONS TO BE FINANCED

### **Survey on SMEs' access to finance (SAFE):**

Timely information on the financial situation of SMEs is necessary for evidence based policymaking. Taking into account our obligation to limit the burden that data collection places on SMEs, the Commission and the ECB designed a joint survey on the financial situation of SMEs. The survey provides evidence on changes in the financial situation, financing needs and access to external financing of SMEs in the EU and compares it with that of large enterprises.

The Commission survey rounds are now conducted once a year. Previous Commission rounds of the survey were conducted in 2009, 2011 and each year starting from 2013.

Survey provides comparable results across EU Member States and other participating countries. The results allow for comparison with EU average for structural analysis and comparison with previous years for trend analysis.

### **Disseminating information to SMEs about access to EU sources of financing**

The Commission will continue updating and promoting the single web portal on EU finance, to be accessed through Your Europe Business.<sup>9</sup>

### **Communication activities**

Difficulties in accessing finance are one of the main reasons of obstructing growth of SMEs. There are multiple structural and cyclical causes for this. Information asymmetries between the supply and demand of funds play a major role. The Commission promotes the use of EU financial instruments and other sources of EU finance through communication activities (case studies, events, infographics and other publications) via a variety of channels (websites, audio-visual and social media).

### **Studies**

The studies will be carried out on SME financing / SME taxation / SME accounting in order to support policy making.

### **Workshops**

Workshops with SMEs, banks and other financial institutions will be organised to monitor the market situation and to facilitate SMEs' access to finance. The workshops will be organised on an ad-hoc basis depending on interest/needs expressed by stakeholders, SME financing trends and political priorities.

## EXPECTED RESULTS

- Improved understanding of SME access to finance issues and developments;

<sup>9</sup> See [www.access2finance.eu](http://www.access2finance.eu)

- Limited statistical burden on the SMEs and efficient use of resources for the statistical purposes;
- Input for the evidence-based policy making and identification of the needs to adjust policies on SME access to finance;
- The full report and descriptive statistics results of the survey are published at <http://ec.europa.eu/growth/safe>;
- Easier access by SMEs to relevant information about EU sources of finance;
- Positive feedback from participants on quality, relevance and added value of activities;

#### METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Specific contract under a framework contract	Survey on SMEs' access to finance	700 000
Specific contract under a framework contract	Disseminating information to SMEs about access to EU sources of financing	200 000
Specific contract under a framework contract or call for tender	Studies related to SME access to finance/ SME taxation/ SME accounting	500 000
Reimbursement experts	Workshops	100 000
Specific contracts under framework contracts	Promotional activities and the EU guide on crowdfunding update	100 000
<b>TOTAL</b>		<b>1 600 000</b>

#### INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Survey/ meetings/ workshops/ studies/ single web portal/ promotion/ communication	Q1-Q4 2018
Total duration of the actions: 12 months	

## **INDICATORS**

### **Survey on SMEs' access to finance (SAFE):**

- Timely carry-out of the survey
- Geographical and thematic coverage of the survey

### **Disseminating information to SMEs about access to EU sources of financing**

- Improving web metrics regarding access to the single web portal

### **Communication activities**

- Timely preparation and coordination of all activities and material at the required level of quality;
- Feedback from speakers, participants and other stakeholders;
- Media coverage.

### **Studies**

- Timely carry-out of the studies
- Positive feedback from the stakeholders on quality, relevance and added value of studies

### **Workshops**

- Organise 3 to 5 events on issues relevant to policy making
- Positive feedback from participants on quality, relevance and added value of workshops
- Number of proposals generated or further developed through the workshops



## **B: ACCESS TO MARKETS**

### **GRO/SME/19/B/01 – Enterprise Europe Network**

#### **OBJECTIVES PURSUED**

The Enterprise Europe Network activities directly contribute to the overall Europe 2020 objectives of smart and sustainable growth, aiming at a competitive environment and stimulating the innovation capacity of businesses, especially SMEs. At the same time, the Network is a sounding board and a link between the Commission and the SME community in the implementation of the Think Small First principle and the Small Business Act. It aims to:

- Help EU SMEs finding international business, technology and research partners in the EU, COSME participating countries and third countries;
- Develop and provide a balanced integrated service range to SMEs to become active in the Single Market and beyond (e.g. regarding EU legislation and programmes, EU funding, intellectual property rights), linking up with regional actors and policies to ensure regional integration of the network's services;
- Increase competitiveness of SMEs by internationalisation and innovation support services;
- Contribute to the Start-up Initiative by providing advisory services to help scale-ups develop their activities outside their own country;
- Contribute to the SMEs feedback function to obtain SMEs opinion on Union policy options;
- Strengthen support for SMEs interested in participating in Horizon 2020 and corresponding calls for proposals, in particular encourage SMEs to participate to the European Innovation Council (EIC) Pilot actions, including the SME Instrument;
- Develop a long term relationship and provide integrated services to the beneficiaries of the EIC-SME Instrument and possible those who got a Seal of Excellence; further enhance cooperation with Horizon 2020 national contact points to help increasing participation of SMEs in Horizon 2020 actions..
- Provide support to enable SMEs to turn the climate resource efficiency and renewable energy challenge into opportunities, including providing information, assistance in participation in European-funded projects, and partnering and advice on resource efficient practices (contributing to the Climate Action, Green Action Plan and Eco-innovation Action Plan);
- Improve SME's awareness on access to finance including alternative sources of financing;
- Improve SME's awareness about other EU initiatives such as the Your Europe portal and the forthcoming Single Digital Gateway and connected assistance services;
- Ensure visibility, recognition and local awareness about the Network;
- Ensure follow-up and coordinate implementation of the priority actions defined in the Annual Guidance Note to the Network.

#### **DESCRIPTION OF THE ACTIONS TO BE FINANCED**

The Enterprise Europe Network provides business support services – in particular for SMEs – by offering information, advisory services, feedback and partnering services, innovation, technology and knowledge transfer services. The Network provides services encouraging the participation of SMEs in the COSME and Horizon 2020 programme as well as internationalisation services beyond the Single Market and informs SMEs on funding opportunities under the European Structural and Investment Funds. The Network helps SMEs with regards to access to finance and EU funding and helps them to become more resource and environmentally efficient including through eco-innovation (e.g. Green Action Plan, verification of environmental technologies (ETV)).

The budget requested in the COSME work programme 2019 will be mainly used to cover part of the fourth and last operational period 2020-2021. Applicant organisations have to be established in EU Member States or in countries participating in COSME under Article 6 of Regulation (EU) No 1287/2013; they are legal entities, fully or partly public or private bodies; corporate bodies must be properly constituted and registered under the law.

The **Network animation** tasks include:

- Governing the Enterprise Europe Network, in particular by organising the annual conference, Steering Groups, Working Group meetings or Network stakeholder meetings;
- IT tools and databases, in particular by operating, maintaining, improving and developing new IT tools and databases, ensuring data quality, and maintaining an IT helpdesk;
- Ensuring full operation of the Network in an efficient and proactive way;
- Helping the Network to provide its services in an efficient and effective manner and at the highest quality possible;
- Enabling Network partners to provide their services to European SMEs based on the "no wrong door principle".
- Network communication, information and support, implementation of the communication plan, prepare and make promotional material and infrastructure available, increase the Network visibility and facilitate networking;
- Training: implementing an operational training plan (following the guidelines defined in the training strategy for the EEN);
- Services to the Network, in particular managing knowledge contents, the forums system, valorising practices and running sector groups;
- Assistance to and mentoring of Network partners where quality of activities and services needs to be raised; regularly report on Network achievements, weaknesses, quality and risks. Report on Network achievements and performance indicators on a regular basis as defined in the monitoring and reporting guidelines, using an automated (IT developed) reporting system to avoid administrative burden where possible.

The budget for Network animation may also include the budget needed to facilitate the integration of EEN Business Cooperation Centres located in Third Countries (travel and subsistence costs for training, working groups, steering groups, annual conference or sector groups)

For the year 2019, the aim is again to organise the **Annual Conference 2019** for the Network for about 800 participants in the country holding the rotating presidency of the Council of the European Union. The action includes all practical aspects for the conference (consisting of national meetings, opening session, parallel workshops, closing session, exhibition areas, catering etc).

**JUSTIFICATION:** An ad-hoc grant will be granted to cover part of the tasks without an open call for proposals under Article 195(c) of the Financial Regulation, to the government (or its representative), of the country that will hold the EU Council Presidency (Finland in 2nd half 2019).

## EXPECTED RESULTS

The expected results are:

- Increased number of SMEs linked with other entities across Europe for cross-border business cooperation, technology and knowledge transfer and technology and innovation partnerships
- Better visibility of the EEN by promoting success stories
- Increased number of companies reporting a successful outcome on their business of advisory support services provided by the Network
- Higher rate of European SMEs exporting within the Single Market and outside the EU
- Higher rate of European SMEs participating in EU programmes

- Better understanding of European SMEs of EU legislation and of opportunities offered by EU programmes and EU access to finance
- Better knowledge in EU institutions of SMEs opinions, difficulties and expectations.

#### METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Specific grant agreement under framework partnership agreement	Enterprise Europe Network	54 195 000
Specific contract under framework contract	Network Animation 2019	2 950 000
Grant - ad hoc grant Art. 195(c) Financial Regulation	Annual conference	150 000
<b>TOTAL</b>		<b>57 295 000</b>

#### INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Signature of the contracts for Network Animation	Q1- Q4 2019
Signature Grant agreements for EEN members	Q1 2020
Grant - ad hoc grant Art. 195(c) Financial Regulation – Annual Conference	Q2-2019
Indicative total duration: 12 months for Network Animation contracts.	
Duration of 24 months for Network grants of 2020-2021.	

#### INDICATORS

For the Network:

- Number of achievements (including business/technology/research Partnership Agreements and Advisory Service Outcomes);
- Number of SMEs reached via (digital) information services;
- Number of SMEs participating in brokerage events and company missions;
- Number of SMEs receiving support services (information, partnering, advisory services on EU

legislation, access to financing, etc.);

- Impact on clients businesses: increased turnover, jobs created/maintained, new products or services developed, new markets accessed;
- Client satisfaction on the received services.

For the animation contract:

- Number of Network staff trained (centralised, de-centralised and e-learning);
- Number of Network staff having participated in staff exchange and mentoring activities;
- Number of visits to the public website of the Network

For the annual conference:

- Satisfaction of participants
- Number of participants

## **MAXIMUM RATE OF CO-FINANCING**

60% for the Network grants

90% for the annual conference grant

## **GRO/SME/19/B/02 - Access to the Single Market: Reinforcing the single market tools in preparation of the planned Single Digital Gateway**

### **OBJECTIVES PURSUED**

#### **Action 1. Single digital gateway**

– The single digital gateway forthcoming Regulation aims to reduce the administrative burden that EU citizens and businesses, in particular SMEs, face when they expand their activities in other Member States. It will provide a single point of access to the information necessary when using their single market rights, providing access to EU and national rules, online procedures, and assistance services in a non-discriminatory way (if a procedure is available for the nationals of the Member State, it should also be accessible to users from other Member States). Member States are also required to create online access to the most important and most often used procedures as listed in the forthcoming Regulation.

- The single digital gateway is part of the Single Market Strategy and the E-government Action Plan. It is a top priority for SME stakeholders.

- After charting and exploring the IT development options in 2018, the next step is to proceed to the development work, most of which will take place in 2019 and 2020. In addition, to ensure accessibility for cross-border users of national information offered through the gateway, translation of that information in a language accessible for cross-border users is required.

### **Action 2. Your Europe Business**

– The Your Europe Business portal, that will be part of the single digital gateway, acts as an enabler for European companies to carry out business across the EU’s Single Market. This action aims to get Your Europe Business ready for its enhanced role in the future single digital gateway (see Action 1). As the portal providing all EU content to the gateway and hosting the user interface, further work is needed to enhance the quality of the portal and to match the needs of micro-businesses and SME's in terms of information and assistance linked to cross-border operation in the Single Market. Your Europe links up with national business portals covering country-specific rules and provides access to business support, assistance and problem-solving services (such as Enterprise Europe Network, Your Europe Advice, SOLVIT, see Action 3).

### **Action 3. SOLVIT**

– The SOLVIT Action Plan adopted under the compliance package on 2 May 2017 foresees actions to enhance the capacity of national SOLVIT centres to support businesses operating in the Single Market.

- The action concerns advanced training for staff in the national SOLVIT centres, focusing on specific legal issues of particular importance for the business community. It aims to improve market access for SMEs within the EU, by helping them to deal with difficulties they encounter with public authorities in the Member States when attempting to or operating cross-border. The trainings will be based on the first two trainings organised in 2018.

## **DESCRIPTION OF THE ACTIONS TO BE FINANCED**

### **Action 1: Single digital gateway implementation**

- Based on the charting and exploring of various options, the 2019 actions to be financed will aim to finalise the delivery of a common search facility, and to integrate all the required IT functionalities for a launch of the single digital gateway beta version during 2019. Appropriate user feedback tools that allow users to indicate single market obstacles and quality problems in the linked portals will also be developed. Finally, national information offered through the gateway will have to be translated in a language that is most accessible for cross-border users.

### **Action 2: Your Europe Business**

- Based on the achievements of previous years and in close cooperation with the Member States, further work will in particular focus on the addition of EU content, better links with national information sources, increased user-friendliness and better findability. Promotion of the portal is essential to ensure that it effectively reaches its target audience.

### **Action 3: SOLVIT**

- The action covers the preparation, execution and evaluation of a specific training programme for SOLVIT centres in legal areas of particular relevance for SMEs operating in the Single Market. The training programme in 2019 will take in account the lessons learned from the first two trainings organised in 2018. Participants in the training programme should be certified “*fit for business*” through a competency test. The training programme will be evaluated in view of potential further actions on the basis of the satisfaction level of the participants (see also indicators).

## EXPECTED RESULTS

### Action 1:

- After the relevant options have been tested, the requirements for a beta version of the single digital gateway will be drafted, the beta version will be developed and put online. This is scheduled for Q4 2019.

### Action 2: Your Europe Business

- Companies will get quality online information on doing business in the Single Market adapted to their needs and expectations.

- Synergies with other services, such as the Points of Single Contact, the Enterprise Europe Network and SOLVIT, are exploited in the best possible way to improve the overall service offer to businesses.

- The target audience finds the portal more easily.

- The number and loyalty of visitors will further increase.

### Action 3: SOLVIT

- Reinforcing SOLVIT as an early problem solving tool for SMEs to facilitate their market access within the EU;

- Improving the quality of the service SOLVIT centres offer to SMEs and resolving more effectively problems they face with Member States' public administrations when attempting to or operating cross-border;

- Providing tailored support to Member States by strengthening their administrative capacity in legal areas particularly important for SMEs and enhancing the effectiveness of their SOLVIT centres.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
1. Specific contract(s) under a framework contract and service level agreement with the Translation Centre for the Bodies of the European Union	Implementation of the single digital gateway	1 400 000
2. Specific contracts under a framework contract	Improved quality of the Your Europe Business portal as content provider and host for the single digital gateway	600 000
3. Call for tender or specific contract under a framework contract	Capacity building for SOLVIT to better serve SMEs	150 000

<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
<b>Total</b>		<b>2 150 000</b>

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>
1. Specific contract(s) under a framework contract	Q1-Q4 2019
2. Specific contract under a framework contract	Q1-Q4 2019
3. Call for tender or specific contract under a framework contract	
- Publication of the call	Q1 2019
- Award	Q2 2019
- Signature of the contract	Q2 2019
Total duration of the contract: 12 months	

#### **INDICATORS**

<p><b>Action 1:</b></p> <ul style="list-style-type: none"> <li>- Successful launch and running of the beta version of the single digital gateway.</li> </ul> <p><b>Action 2: Your Europe Business</b></p> <ul style="list-style-type: none"> <li>- Number of visits: increase by 10%</li> <li>- User satisfaction: above 90%</li> </ul> <p><b>Action 3: SOLVIT</b></p> <ul style="list-style-type: none"> <li>- Number of participants to the legal training per SOLVIT centre, per year (target: after two trainings at least one person per SOLVIT centre has participated in the training).</li> <li>- Satisfaction level of the participants, survey (target: 75% of the participants fully satisfied or satisfied with the training).</li> </ul>
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**GRO/SME/19/B/03– EU OPEN FOR BUSINESS CAMPAIGN 2020**

#### **OBJECTIVES PURSUED**

When it comes to the Single Market, small business operators often suffer from an information deficit: they do not know enough about their Single Market rights, nor about EU funding opportunities that are available to them nor about free-of-charge EU support networks and e-tools such as the Enterprise Europe Network (EEN), SOLVIT, Points of Single Contact (PSC) and the Your Europe Business Portal. That's why chapter 2.2 of the New Single Market strategy says:

"The Commission will re-direct COSME funds to information campaigns targeting young innovative SMEs to encourage them to expand cross-border and make use of the possibilities offered by the Single Market."

The lack of knowledge about the available services and funding for SMEs could result in a misperception of the business environment.

This is why a corporate communication campaign is necessary to facilitate the access to the information on the services available for the EU business community (especially small and medium-sized enterprises - SMEs) and, as a consequent desired outcome, to increase their use by the target audience.

The more SMEs are informed on how they can benefit from the EU Single Market the more their confidence in the Single Market is boosted. Moreover, boosting the confidence in the Single Market will help stimulate economic growth.

## **DESCRIPTION OF THE ACTIONS TO BE FINANCED**

The "EU Open for business" campaign targets small business operators in at least\* 5 target countries per year that are selected on the basis of different criteria: (i) potential improvement of the economic outlook, (ii) improvable framework conditions for SMEs, Start-ups and Scale-ups (iii) improvable engagement with the European project, (iv) presence of active local partners (e.g. Enterprise Europe Network), (v) local interest in single market.

The campaign 2020 will be based on key messages addressing specific needs/problems that SMEs, Start-ups and Scale-ups are facing: e.g. finding new clients and new business partners, accessing finance.

The main communication tools will be: organisation of infodays for multipliers, advertising in print media, on the radio, on online and social media.

In order to better target the messages, focus groups will be created in order to provide feedbacks on each element of the campaign such as the creative concept, messages, media mix etc. These groups will be formed by experts and/or members of the target group (e.g. Enterprise Europe Network's local partners and/or entrepreneurs).

The campaign is part of a multiannual project targeting different Member States yearly. The first pilot campaign ran in 2015 and it was named "Corporate campaign on COSME benefits for SMEs" and it was only focused on the COSME programme. The first wave of the "EU Open for business" campaign, focused on Single Market opportunities for SMEs, ran from Q2 2016 in Denmark, Ireland, Hungary, Poland and Portugal. The second wave of the "EU Open for business" campaign ran from Q2 2017 targeting Bulgaria, Czech Republic, Estonia Lithuania and Slovenia. The 2018 campaign will run from May 2018 until November 2018 in Croatia, Latvia, Romania, Finland, and Sweden. \*The 2019 campaign will run from Q2 2019 in Germany and Austria. Due to the size of the countries and the importance of the "getting



local strategy", Germany will be targeted at regional level which will require budget for at least 4 events and 4 regional communication campaigns.

\*The 2020 campaign will run from Q2 2020 in the remaining MS (Belgium, Luxemburg, Malta and The Netherlands). Due to the importance of the "getting local strategy", Belgium will require the organisation of at least 2 regional events and at least 2 regional campaigns.

The campaign aims at increasing the use of the services/tools for SMEs provided at EU level by promoting the local networks and info access point (such as the Enterprise Europe Network and the relevant portals/web-sites).

## EXPECTED RESULTS

The objectives of the campaign are in line with the Art. 11(3)(c) of the Regulation (EU) 1287/2013 and in particular it will contribute to make it "easier for SMEs to access Union programmes and measures, in accordance with the SBA Action Plan".

The campaign is addressing directly the target audience with concrete and simple messages: e.g. EU can help you in finding new clients, new business partners and access to finance.

For each message it will be identified a concrete "call to action" such as visit the Your Europe Business portal and/or contact the local branch of the Enterprise Europe Network.

We will measure the impact on SMEs and, therefore, the increase of their use of the promoted services through the following indicators: (i) increase of web traffic on the relevant websites, (ii) increase of the number of contacts of the local Enterprise Europe Network, (iii) increase of engagement on relevant social media accounts. More detailed information about impact indicators is available below.

The deliverables of the campaign are the radio spots and any other campaign material such as Adverts, banners, Advertorials, content for social media, infographics. In order to better convey the messages of the campaign, the materials will be customised taking into account feedback of the national partners. They will be available in Q2 2020 and they will be disseminated through the EC local networks (EEN, Representations) in order to effectively reach the target.

Internet addresses are already available (Your Europe Business portal, national Enterprise Europe Network's web-sites).

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Specific contract under a framework contract	EU Open for business campaign 2020	2 000 000

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
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MILESTONE DESCRIPTION	INDICATIVE QUARTER
Signature of the contract	Q4 2019
The duration of the contract shall not exceed 15 months.	

**GRO/SME/19/B/04 – EU SME Centre in China**

**OBJECTIVES PURSUED**

To improve the access of European SMEs to the Chinese market by providing them with a first line and comprehensive range of hands-on support services (publications, practical training, ask-the-expert service, webinars...) getting them ready to do business in China.

The project's aim is to increase and diversify the exports and investment of European Union SMEs to China, facilitating their access to the promising and fast-developing but difficult Chinese market where small companies are facing specific issues.

**DESCRIPTION OF THE ACTIONS TO BE FINANCED**

China is a complex market, particularly for SMEs, and has a fast-changing business environment. A transitional financial support will be granted to continue answering the needs of EU SMEs in China, and help them going international. The action will build on the activities already carried out by the EU-SME Centre in China under phase I and II of the project financed by the European Commission (DG DEVCO) since 2008. The project has been a success, developing over the years a widely consulted online "Knowledge Centre", improving general knowledge amongst EU SMEs about the Chinese market, business conditions and opportunities, and supporting the activities of EU SMEs planning to do business in China.

The project will further develop its audience and activities in order to:

- assess European SMEs’ readiness towards establishing and developing their commercial presence in the Chinese market (through exports and/or investments) by providing EU added-value support services;
- improve synergies with other EU projects and best practice sharing at the European, national and regional EU business association levels, with the ultimate goal to benefit EU SMEs that intend to do business in China.

Through an online platform, SMEs will have access to:

- relevant publications giving practical advice on how to develop their presence on the Chinese market,
- an ‘ask-the-expert service’ providing a first line of answer to more specific questions (legal, standardisation and distribution issues, notably through e-commerce...),
- webinars,
- practical business trainings.

Respecting the principle of subsidiarity, the project will closely involve the existing European or

Member States (bilateral) Chambers of Commerce in China while increasing synergies with the Enterprise Europe Network and its Business Cooperation Centres in China, the SME IPR Helpdesk, European Network of Research and Innovation Centres and Hubs (ENRICH) and EU Gateway.

To reach out to European SMEs, the EU SME Centre will make an extensive use of electronic tools. It will also keep a full-time dedicated small team in the field, well connected to Chinese realities, to generate genuine added-value. The implementation of activities in Europe will be facilitated through a network of correspondents and partners in Europe (e.g. the Enterprise Europe Network, EU Member States national business intermediaries or chambers of commerce). The project's communication and visibility for direct beneficiaries will also be improved.

The project will complement the activities of EU Member States trade promotion organisations or national chambers in China, providing EU SMEs with a first line of information on the Chinese market before they have access to more specialised services from their national business support organisations (when present in China).

### **EXPECTED RESULTS**

1. Improved information services and helpdesk to SMEs on new business opportunities in China
2. Development of awareness-raising and knowledge of EU SMEs on China's large and complex market
3. Larger access of SMEs to publications, webinars and trainings on how to develop business in China

### **METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED**

<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
- Call for proposals or ad hoc grant	EU SME Centre in China	1 200 000

### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>
Publication of the call	Q1 2019
Award	Q2 2019
Signature of the grant agreement	Q2 2019
Total duration of the grant agreement: 18 months (1 <sup>st</sup> July 2019 to 31 <sup>st</sup> December 2020)	

### **INDICATORS**

1. Number of SMEs' enquiries (breakdown per country and sector) and contacts of the EU SME Centre for information and advice purpose
2. Number of persons/SMEs trained through webinars and workshops
3. Number of online publications (and number downloaded)

4. Number of recipients of EU-SME Centre's newsletters
5. Number and audience of events organized in both the EU and China to inform EU SMEs

## MAXIMUM RATE OF CO-FINANCING

90%

## GRO/SME/19/B/05 - Co-financing of public procurement of innovation consortia

### OBJECTIVES PURSUED

In order to continue developing public procurement of innovation (PPI) consortia, it is proposed to continue the co-financing programme under COSME started in 2018 in favour of consortia of public procurers.

SMEs already represent around 55% of the public procurement expenditure. Nevertheless, this proportion can be significantly increased if public procurers take steps to ease the access of SMEs. One of the areas with the highest potential is innovation procurement, where SMEs enjoy a privileged position as innovation suppliers. Experience in the area under previous cofinancing programmes shows that SMEs are much more likely to be involved as suppliers of innovation than as suppliers of conventional products and services<sup>10</sup>. Recently, in its Communication Europe's next leaders: the start-up and scale-up initiative<sup>11</sup>, procurement was mentioned as a key instrument for supporting the scaling-up of activities. As a result, a new call for proposals in the field of PPI will further increase in significant proportions the access of SMEs to the public procurement market. This call is also likely to increase the visibility and awareness of the advantages of procuring innovation for an ever greater number of public buyers.

This action fulfils a gap in COSME, as it is one of the very few targeting demand-side in the context of a generally supply-oriented programme. It is closely linked to another action proposed under COSME with the same general objective, called the "innovation broker".

### DESCRIPTION OF THE ACTIONS TO BE FINANCED

A second call for proposals for setting up consortia of public procurers from at least two Member States would be launched. Public procurers from participating countries could also participate in the consortia. The call will be targeting priority areas like health, clean energy or intelligent transport. At the same time, such an approach gives the possibility to take into account the lessons learnt from the 2018 call to feed them into this call.

The actions should typically last for 3 to 4 years.

<sup>10</sup> In the first FP7 innovation procurement actions, SMEs won 2.5 times more contracts than in standard exercises (73% versus 29%)

<sup>11</sup> COM (2016) 733 final, 22 November 2016

The co-financing would cover the following phases of PPI:

Assessment of their needs by public procurers;

Capacity Building and coordination between procurers (e.g. training, exchanges, secondment of personnel);

Market consultation (supporting the process of dialogue with potential contractors to assess the state-of-the-art and technological limitations for potential innovative solutions);

Specification development (supporting contracting authorities to articulate their needs in a way that ensures the best response from potential contractors);

Definition and implementation of award criteria;

Co-financing of purchasing costs;

Communication to the outside on the achievements of the projects.

## **EXPECTED RESULTS**

From a policy point of view, it is a necessary step to demonstrate the viability of PPI, which is still marginal in the EU, for public procurers. It is certainly worth noting that virtually all of the examples illustrating the guidance for innovation procurement presented by the Commission in May 2018 come from projects which received EU funding.

This action is expected to provide an impulse to the purchase of innovative solutions in the EU. The multiplier effect of previous Commission co-financing under CIP was, in some cases, staggering. For instance, the Pro-Lite project on innovative lighting, with a EUR 2 million grant, is currently leading to an approximate EUR 1,5 billion procurement of innovative solutions by Transport for London, one of the project partners. A significant part of this procurement is being attributed to SMEs. Innovation can also happen in areas where it is not necessarily expected. Following the Ecoquip project, a new catering contract in the Rotherham Hospital in the UK is delivering a higher quality catering service, with lower environmental impact and cost savings whilst accomplishing efficiency, quality and sustainability. The hospital reduced carbon emissions linked to the day to day catering operations, but also the carbon embedded in the catering supply-chain. The outcome of the project was a transformation in the service provision to better serve the needs of patients, visitors and staff; mobilization of capital investment by the supplier; and the creation of a contracted low carbon and innovation action plan. This makes a strong case, based on concrete examples, in favour of investing EU money into PPI projects.

The other benefit of such an action is the spreading of good procurement practices with a growing number of procurers. The dissemination of information on how to procure innovation or the lessons learnt in the process was very broad. The key requirements of the call enabling this achievement should be the setting up of a dedicated website and the participation in specific fora of public procurers.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Call for proposals	Co-financing of public procurement of innovation consortia	4 000 000

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Publication of the call	Q2 2019
Award	Q4 2019
Signature of the grant agreement	Q1 2020
Total duration of the grant agreement: 36/48 months*	

## INDICATORS

<ul style="list-style-type: none"><li>• Number of companies involved in the joint market consultation(s) carried out;</li><li>• Number of buyers involved in a joint commitment to purchase;</li><li>• Number of joint specifications developed;</li><li>• Number of suppliers involved in the procurement (at consultation stage, at award stage, etc.) and out of which proportion of SMEs;</li><li>• Number of countries of suppliers involved in the procurement at the different stages;</li><li>• Direct procurement amount;</li><li>• Indirect procurement amount (after the end of the action, but still linked to the action);</li><li>• Contribution of procured solutions to the public policy objectives, to be measured by indicators proposed by the applicant and validated by EASME and the Commission.</li><li>• Relevant sustainability indicator(s) (depending on the nature of the innovation e.g. CO2 emissions).</li></ul>
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## MAXIMUM RATE OF CO-FINANCING

It is proposed to co-finance 90% of collaborative actions (linked to the preparation, execution and follow-up of the public tender) and 25% (possibly 30% depending on the feedback of the first call for proposals) of the actual purchase of innovative solutions
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## **GRO/SME/19/B/06 - Creating links for the facilitation of public procurement of innovation**

### **OBJECTIVES PURSUED**

- To help innovative SMEs and start-ups grow and develop by allowing them to address public demands through the use of public procurement.
- To create adequate links between government, research institutions and the private sector by adding the buying potential of large buyers or other aggregators of public procurement to the mix. This should open up opportunities to participating SMEs and start-ups to develop new products, services and to grow or scale up their operations.
- To contribute to the creation of an innovation friendly business environment and the overall competitiveness of the European economy.

### **DESCRIPTION OF THE ACTIONS TO BE FINANCED**

This action proposes to bring together potential public buyers, suppliers of innovation (with a special focus on SMEs and start-ups), and potential investors and researchers, with a view to determine projects suitable for public procurement of innovation. The purpose will be to:

- Determine the emerging needs of the public sector (i.e. large buyers) in strategically selected technologies
- Provide network with stakeholders, such as scientists and other suppliers of knowledge (e.g. start-ups) in strategic fields
- Provide for the engagement of funding partners: public funds (such as EU funding opportunities), private funds and large enterprises willing to provide funding at various stages of commercialization of innovation
- Allow for the brokering funding opportunities, technological and business aspects between all stakeholders
- Pilot projects will be identified in order to help them developing a proof of concept.

Programme funding would include the following activities:

- A Facilitator for networking activities and stakeholders management
- Logistics, including travelling costs of participants
- the proof of concepts of selected projects
- Stakeholders' costs relating to the participation in the process (the cost of procurement of the relevant goods or services is excluded from this funding).

The facilitator would engage with large buyers and/or aggregators of public procurement to identify a small number of needs (problems). Subsequently, the facilitator would engage the "sources of innovation" (i.e. start-ups, innovative SMEs) through its network and asked them to provide solutions for the identified need. A small number of those solutions would receive funding to develop their competitive ideas to a proof of concept that the enterprises could pitch to the buyers for potential procurement at a later stage. The action would involve parties coming potentially from any EU MS. This new approach will be tested for further wider application at EU level. There is also a clear focus on the promotion of SMEs and start-up companies, who

could become involved through pilot projects to provide innovation through this programme.

**This action is a follow up of an action funded under COSME 2017 WP.**

## EXPECTED RESULTS

As a result of the Programme, the Facilitator is expected to broker a small number of public procurements of innovative products or services and demonstrate the effectiveness of this model of cooperation. Because of the complexity of these processes it is expected that such procurements could occur in the mid-term (at the earliest). The pilot projects will be well documented in order to allow for analysis of experience and future optimisation of the process and better inclusion of SMEs and start-ups. The results would also be useful for further development of the business model of operation for such Facilitators. The Facilitator will not be procuring the actual goods or services.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Call for proposals	Creating links for the facilitation of public procurement of innovation	1 200 000

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Publication of the call	Q4 2018
Award	Q2 2019
Signature of the grant agreement	Q2 2019
Total duration of the grant agreement: 24 months	

## INDICATORS

Number of public buyers engaging in the network;

- Number of private sellers engaging in the network;
- Number of established contacts / relationships between public buyers and SMEs/start-ups;
- Number of identified innovative products or services suitable to meet the identified needs of the public buyers;
- Number of good practices identified and recommendations formulated in view of a



simplification of the PPI;

- Number of identified possible additional funding opportunities for innovative products or services.

Moreover, depending on the concrete results foreseen, applicants should propose further outcome and impact related indicators in their proposals.

#### **MAXIMUM RATE OF CO-FINANCING**

90%

## C. FRAMEWORK CONDITIONS FOR ENTERPRISES

### GRO/SME/19/C/01 - SME POLICY (SPR, Start-ups, outreach)

#### OBJECTIVES PURSUED

The objective is to support the creation of a **better business environment** for SMEs with the following actions:

- the **SME Performance Review (SPR)**, providing an empirical statistical tool to monitor SME performance and guide policy making. It supports the Commission's monitoring of improvements in the framework conditions for enterprises, including the implementation of the Small Business Act (SBA);
- the **SME policy implementation** supporting the implementation of the SBA by ensuring the follow-up and monitoring including exchange of good practices;
- the **Outreach tools** providing communication and information tools to promote and inform on SME policy implementation including available support at EU and Member States level;
- the **follow-up of Start-up & Scale-up initiative, including second chance and transfer of business**, disseminating information on and providing support to the initiatives taken to improve the business environment for SMEs creation and scaling-up, facilitating transfer of businesses and helping entrepreneurs in difficulty.

#### DESCRIPTION OF THE ACTIONS TO BE FINANCED

The **SME Performance Review** is made up of annual reports and studies. The 2019 annual report to be issued in autumn will feed into the preparation for the European Semester Country Reports 2020, including an overview of the size, structure and importance of European SMEs, outline the major trends and provide a summary of recent policy developments. The country fact sheets will be instrumental in the monitoring of the SME Policy implementation. In addition, there will be thematic studies.

The **SME policy implementation** measure will cover the annual SME Assembly (including the European Enterprise Promotion Awards - EEPA), the SME Week and the Single Market Forum (SMF) events. It will also cover the meetings of the SME Envoys network, the SBA National Contact Points (Sherpas to the SME Envoys), the SME Week coordinators, the EEPA Single points of contact and other relevant experts meetings (SPR national experts, late payment directive national experts). The **Outreach tools** (web-based and audio-visual tools, printed leaflets, social media campaigns, SME definition tool) aim at communicating SME policy to SMEs and stakeholders. It will also cover communication activities linked to the SME Envoys network.

The **follow-up of Start-up & Scale-up Initiative (including second chance and transfer of business)** action will cover the organisation of events, workshops, analysis, platforms, mapping and any other action needed to support the follow-up of the Start-up and Scale-up Initiative adopted in November 2016 such as the Ideas from Europe initiative.

**JUSTIFICATION:** An ad hoc grant shall be granted, without an open call for proposals to the Dutch government and the body which is cooperating with the Commission in implementing the Ideas from Europe Initiative. The amount, EUR 300.000, will cover the follow-up of the Initiative.

#### EXPECTED RESULTS

##### **SME Performance Review:**

- Improved knowledge and understanding of the situation of European SME complementing

data from existing other Commission monitoring mechanism and building on the SME-related parts in current European Semester Country Reports;

- High quality estimation and analysis provides a basis for evidence-based policy making;
- Comparison against the large enterprises sector and benchmarking against the EU average.

**SME policy implementation:**

- Increased commitment of MS to implement the SBA through the good functioning of the SME Envoys
- Increased involvement of SME stakeholders in EU-level policy making through the annual SME Assembly and more frequent arrangements to collect feedback on future EU-initiatives.
- Maintain the SME week as a "vitrine" to allow Members States and other countries participating in COSME to showcase their SME policy instruments and activities

**Outreach tools:**

- Increased awareness of EU programmes and initiatives to support SMEs
- Increased awareness of the good practices in the area of SME policy

**Follow-up of Start-up & Scale-up Initiative:**

- Increased awareness of EU programmes and initiatives and of the good practices in the area.

#### METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Specific contracts under framework contracts	SPR	1 000 000
Specific contracts under framework contracts	SPR – Study	800 000
Call for tenders and specific contracts under a framework contract	SME policy implementation (SME Assembly, SME Week, SMF)	1 650 000
Specific contracts under a framework contract	SME policy implementation (SME Envoys network, expert meeting)	700 000
Specific grant agreement under Framework Partnership Agreement (max co-fin. 95%) & specific contracts	Outreach tools	820 000
Call for tenders, Specific contracts under a framework contract, call for proposals, ad hoc grant	Follow-up of Start-up & Scale-up Initiative	900 000
<b>Total</b>		<b>5 870 000</b>

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
SPR <i>Signature of the specific contracts</i>	Q2-Q3 2019
SPR- Study <i>Signature of the specific contracts</i>	Q3 2019
SME policy implementation (SME Assembly, SME Week, SMF) <i>Publication of the call</i>	Q1-Q2 2019
<i>Award</i>	Q3 2019
<i>Signature of the contract</i>	Q4 2019
SME Policy implementation (SME Envoy network, expert meeting) <i>Signature of the specific contract</i>	Q2-Q3 2019
Outreach tools <i>Signature of the specific contract/grant agreement</i>	Q2-Q3 2019
Follow-up of Start-up & Scale-up Initiative <i>Publication of the call</i>	Q1-Q2 2019
<i>Award</i>	Q3 2019
<i>Signature of the contracts/ad hoc grant</i>	Q4 2019
Total duration of the contract/grant agreement: 12 to 24 months depending on the action	

## INDICATORS

### **SME Performance Review:**

1. The annual report on European SMEs published in due time to inform European Semester work
2. A complete set of SBA fact sheets (average length around 15 pages each) published in due time
3. Thematic studies published in due time

### **SME policy implementation:**

1. Number of meetings organised and number of participants
2. Timely dissemination of the results
3. Progress achieved in the implementation of the measures in the 10 key areas of the SME policy

### **Outreach tools:**

1. Timely production of tools (web-based, audio-visual and/or printed leaflets, social media)

campaigns)

2 .Effective dissemination of tools and use in major events

3. Impact on target public (number of impacts, number of visits for websites, number of videos viewed online)

**Follow-up of Start-up & Scale-up Initiative**

1. Number of participants to the meetings

2. Timely dissemination of the results

3.Effective dissemination of tools and impact on target public

**MAXIMUM RATE OF CO-FINANCING**

75% or 90%

Except max 95% for the specific grant agreement under Framework Partnership Agreement for some of the Outreach tools

**GRO/SME/19/C/02 - BETTER REGULATION: REFIT platform**

**engaging SMEs and Stakeholders on policy design and implementation/strengthening of the Better Regulation Agenda.**

**OBJECTIVES PURSUED**

Advise and communicate on issues concerning Better Regulation, encouraging stakeholder input, based on the better regulation agenda (COM decision COM(2015)215 final). The REFIT platform was created on 19/05/2015 (COM decision C(2015)3260).

**DESCRIPTION OF THE ACTIONS TO BE FINANCED**

In its decision COM(2015)215, the Commission stressed the importance of Better regulation to -design better rules for better results and to ensure that policies are based on the best available evidence. This will result in more effective rules which are better accepted by citizens and business. Communication with stakeholders is a pillar of this agenda.

The REFIT Platform was launched as part of the Better Regulation Agenda to advise on how to make EU legislation and its implementation in Member States more efficient and more effective in achieving its objectives. The REFIT Platform brings together representatives from the European Economic and Social Committee (EESC), the Committee of the Regions and Member State experts, stakeholders, supporting the objective to foster smart growth by aiming to improve the regulatory environment.

The work of the Commission in this area requires contracting studies on issues of Better Regulation, reimbursing costs paid by experts to fulfill the work in the REFIT Platform and developing IT tools . IT tools like the Better Regulation portal and REFIT Scoreboard are needed to support these actions, ensure transparency and stakeholder consultations in

particular. Communication activities will also be financed to engage more actively with SMEs and Stakeholders, to encourage feedback. All of these works feed the Annual Burden Survey which the Commission carries out following the commitment taken in the Inter Institutional Agreement on better law making

## EXPECTED RESULTS

The Platform advises the Commission based on issues raised by stakeholders and the Platform members on regulatory fitness in the EU and the implementation of EU regulation.

Better Regulation will deliver more evidence-based proposals for maximum benefits at minimum costs. Stakeholders and SMEs can provide feedback at all stages to increase participation and acceptance.

Evidence gathering studies, IT tools and communication activities will support REFIT actions. A stocktaking of the overall achievements of the Better Regulation Agenda and potential improvements will be carried out. The Annual Burden Survey is a key element of this work.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Experts reimbursements (Non remunerated experts) and costs for meetings or events	Meetings/Conference	300 000
Specific contract under a framework contract and/or Open Call for tender	Studies	100 000
Specific contract under a framework contract	IT Development	355 000
Specific contract under a framework contract	Better Regulation Portal Communication	245 000
<b>Total</b>		<b>1 000 000</b>

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Conferences/meetings/events/workshops/studies/material	Q1 – Q4 2019

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Total duration of the contract: 12 months	

## INDICATORS

1. Number of plenary sessions and preparatory meetings (target: 2 Governmental experts sessions, 2 Stakeholders sessions and 3 joint (governmental and stakeholders) meetings;
2. Studies to measure regulatory burdens and costs, the results of EU actions on Better regulation or implementation best practice, supporting Studies.
3. IT tool (Better Regulation Portal, REFIT/Scoreboard tool,...) to be developed and improved;
4. Communication activities performed.

## GRO/SME/19/C/03 - CLUSTER INTERNATIONALISATION PROGRAMME FOR SMEs

### OBJECTIVES PURSUED

The main objectives of the programme are:

- To intensify cluster and business network collaboration across borders and possibly also across sectoral boundaries;
- To promote the pan-European Strategic Cluster Partnerships to go international and lead international cluster cooperation in areas of strategic interest towards third countries beyond Europe;
- To better support SMEs in global competition.

By reinforcing cluster and business network cooperation and supporting the shaping of pan European cluster consortia in a more strategic manner at European level, the action will help SMEs to internationalise and take a leading position globally.

This programme will focus on the promotion of cluster internationalisation where interested consortia will have the opportunity to develop a joint international strategy and support SME internationalisation beyond Europe, including in emerging thematic areas.

### DESCRIPTION OF THE ACTIONS TO BE FINANCED

The measure is a continuation of the on-going cluster internationalisation programme for the benefit of SMEs and envisages the action 1 Clusters Go International as follows:

Strand 1 – Preparatory phase:

Strand 1) Supporting preparatory actions for the establishment and shaping of new 'European

Strategic Cluster Partnerships for Going International' (ESCP-4i) in a wide range of European industrial sectors and value chains.

The Partnerships in Strand 1 are expected to develop a joint 'European' strategic vision with a global perspective and common goals towards specific third markets and shall contribute to better support European SMEs in global competition. They shall develop a joint international strategy and a roadmap for its implementation facilitating SME internationalisation, including in emerging industries, to support growth and employment in Europe. This strand could include support services for the identification and partnership building of strategic partners across Europe, notably building upon the Smart Specialisation Strategies of the participating regions, the development of a legal representation, the preparation of surveys among SME members to assess their needs and interest in cooperation with third countries, the preparation of a joint branding and marketing strategy and a roadmap for cooperation.

Strand 2 – Implementation phase:

Strand 2.a) Supporting the first implementation, testing and further development of 'European Strategic Cluster Partnerships - Going International' (ESCP-4i) in a wide range of European industrial sectors and value chains, except those targeted in Strands 2.b below.

Strand 2.b) Supporting the first implementation, testing and further development of up to two 'European Strategic Cluster Partnerships for Going International' (ESCP-4is) in the Space and Digital sector (use of earth observation data and related applications), specifically for downstream users of earth observation data in the context of Copernicus – the EU's Earth Observation and Monitoring programme. The objective will be to promote access to international markets for European clusters and networks involved in the development and provision of earth observation products and services (e.g. geo-information services and ICT applications supporting societal goals in a broad range of areas such as management of natural resources, precision agriculture or smart cities). Internationalisation strategies should enable cooperation with third country partners in view of exporting high value-added and knowledge-intensive products and services based, inter alia, on Copernicus data and services.

The Partnerships in Strand 2 shall demonstrate that they have an operational partnership with a well-defined internationalisation strategy ready to be implemented. This strand is expected to develop concrete activities supporting cooperation with strategic partners in third countries. This strand could include further preparatory actions such as tailored analysis and fact-finding missions or assistance for opening of a joint office abroad, operational actions involving the cluster SMEs such as the organisation of international matchmaking missions as well as follow-up actions promoting business cooperation and for learning and monitoring activities.

Eligible consortia in Strands 1 and 2 shall be composed of independent legal entities all representing a cluster organisation or a business network organisation. Each cluster organisation or business network organisation will have to demonstrate that it is involved in supporting the enhancement of collaboration, networking and learning in innovation clusters and providing or channelling specialised and customised business support services to stimulate innovation activities, especially in SMEs, in compliance with the coverage of innovation clusters given in the



section 1.2 (e), 1.3 (s) and Annex I in the “EU Framework for State Aid for Research and Development and Innovation”<sup>12</sup> and is (or planned to be) registered on the European Cluster Collaboration Platform<sup>13</sup>. Cluster members such as SMEs and technology centres, where appropriate, shall be involved in the development of this action.

Eligible consortia must be composed of at least three legal entities established in three different COSME participating countries, among which at least two EU Members States.

Applicant consortia in Strand 2 that have been funded under the previous 'Cluster Go International' calls COS-CLUSTER-2014-3-03 and COS-CLUSINT-2016-03-01 are not eligible to this call.

Applicant consortia in Strand 1 that have been funded under the previous 'Cluster Go International' calls COS-CLUSTER-2014-3-03 and COS-CLUSINT-2016-03-01 are not eligible to the Strand 1 of this call.

If there are no sufficient proposals passing the overall and individual thresholds of the award criteria in Strand 2.b of the implementation phase (Strand 2) of this action, the budget available can be used to support proposals in reserve lists in Strands 1 or 2.a.

## EXPECTED RESULTS

The Cluster Internationalisation Programme for SMEs shall contribute to accelerate the development of more world-class clusters in all COSME participating countries by facilitating cluster internationalisation in a more strategic manner at EU level to better support European SMEs in global competition.

This programme will encourage European cluster consortia to work concretely together, notably across sectoral boundaries, to exploit synergies and develop a joint ‘European’ strategic vision with a global perspective and common goals towards specific third markets.

This will contribute to increase the number of "European Strategic Cluster Partnerships – Going International" established in Europe and help more SMEs access third markets and generate growth from international activities. It is expected that overall, 24 Partnerships will be supported through this action, including 10 Partnerships in Strands 1 and 12 in Strands 2.a and 2 Partnerships in Strands 2.b.

This should generate a least 28 cooperation agreements / Memoranda of Understanding between the European Strategic Cluster Partnerships (ESCP-4i) and international partners and 56 business partnership agreements to develop collaborative projects between European SMEs involved in ESCP-4i and business stakeholders from third countries.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
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<sup>12</sup> 2014/C 198/0, See at: [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0627\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52014XC0627(01)&from=EN) with further information available at [http://ec.europa.eu/competition/state\\_aid/modernisation/rdi\\_framework\\_en.pdf](http://ec.europa.eu/competition/state_aid/modernisation/rdi_framework_en.pdf) and [http://ec.europa.eu/competition/state\\_aid/legislation/horizontal.html](http://ec.europa.eu/competition/state_aid/legislation/horizontal.html) amending the Community Framework (2006/C 323/01 see at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2006:323:0001:0026:en:PDF>)

<sup>13</sup> See at: [www.clustercollaboration.eu](http://www.clustercollaboration.eu)

<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
Grant - call for proposals Strand 1 and Strand 2.a – open to all sectors except those targeted in 2.b below	Clusters Go International – All sectors	7 400 000
Grant - call for proposals Strand 2.b – Earth observation data and applications	Clusters Go International – Earth observation data and applications	900 000
<b>Total</b>		<b>8 300 000</b>

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>
Publication of the call	Q1 2019
Award	Q4 2019
Signature of the grant agreement	Q4 2019
Total duration of the grant agreement: 24 months (a longer duration for Strand 2 applications can be considered based on duly justified arguments).	

#### **INDICATORS**

- Number of cluster organisations or business network organisations from different COSME participating countries having benefited from the supported actions;
- Number of cooperation agreements and business partnership agreements resulting from the supported actions;
- Impact of the supported actions to be measured in the number of resulting cooperation projects between clusters as well as business partners;
- Number of SMEs having directly or indirectly benefited from the supported actions;
- Increase in the percentage of the turnover from international activities, and employment in Europe, of the SMEs having benefited directly and indirectly from the supported actions, compared to a similar group of SMEs not benefiting, as measured through a survey.

#### **MAXIMUM RATE OF CO-FINANCING**

90% for entities in less developed regions in the sense of Common Provisions Regulation for the European Structural and Investment Funds () eligibility 2014-2020 (Regulation (EU) No 1303/2013)

75% for entities in the other regions

## **GRO/SME/19/C/04 - Implementation of the Action Plan Construction 2020**

### **OBJECTIVES PURSUED**

Implementation of the Action Plan Construction 2020, as defined in the Communication on the Sustainable Competitiveness of the construction sector<sup>14</sup> and taking into account the recommendations from the related High Level Forum, in order to:

- Facilitate a more rapid adaptation of the construction sector to the evolution of the markets;
- Promote a more rapid uptake of innovative approaches and research results in areas such as energy efficiency, circular economy, environmental protection and digitalisation;

Create a coherent policy and regulatory framework for the development of the enterprises and the cooperation amongst them, the Internal Market for construction products and services and industrial cooperation with selected third countries.

### **DESCRIPTION OF THE ACTIONS TO BE FINANCED**

The measure will be implemented through a series of capacity building measures, roadmaps, market analyses and collection/dissemination of good practices and an annual report on the results achieved with the Action Plan implementation. It foresees also the technical secretariat support for the High Level Forum and the Thematic Groups set up with the context of Construction 2020. It includes:

- Capacity building measures: promote exchange of good practice at policy level that could support Member States in the implementation of the strategy and establishing links with platforms, think-tanks and forum at national level to ensure commitment and capacity building of the different actors;
- Road maps for implementing the different parts of the strategy tailored to the state of development in the various Member States and sector organisations;
- Market analysis and collection/dissemination of good practices relating to different elements of the strategy and recommendations from the High level Forum. These activities would deal with specific domains or measure of the Action Plan Construction 2020 related to investment needs (e.g. for building and infrastructure renovation, recycling construction and demolition waste, smart construction, innovation), the anticipation of future sector skills and education/training needs, health and safety aspects, administrative and regulatory barriers to construction services provision, positioning of EU operators with respect to non EU operators;
- Gathering a strong factual basis on market conditions and competitive pressures on various market segments (residential, non-residential, infrastructure including for transport), employment and the level of skills in construction enterprises, the access to finance and delays of payment, investments in R&D, the cost of energy and raw materials, insurance and liability related matters, the access to non-EU markets and competition issues; a state of play of national regulatory measures with respect to sustainability in construction (energy efficiency, renewable energy production and consumption, water consumption, waste, natural resources);
- The assessment of the impact of national policy measures on the construction sector with

<sup>14</sup> COM(2012)433 of 31.7.2012

respect to the 5 objectives of Construction 2020;

## EXPECTED RESULTS

- Initiatives related to skills/traineeship on new working practices, resource efficiency, key-enabling technologies, new materials, etc. in connection with EU Skills and Human Capital Agenda and the Skills Agenda for Europe;
- An annual report about the results achieved with the implementation of the Action Plan. This report will be presented and discussed with the Construction 2020 High Level Forum.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Contract renewal	Implementation of the Action Plan “Construction 2020” – European Construction Observatory	400 000
Contract renewal	Implementation of the Action Plan “Construction 2020” – Technical secretariat	174 600
<b>Total</b>		<b>574 600</b>

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION: OBSERVATORY	INDICATIVE QUARTER
Signature of the renewal of contract	Q4 2019
Start of the services	Q1 2020
Total duration of the contract agreement: 12 months (up to 48 months – 2 possible renewals).	

MILESTONE DESCRIPTION: TECHNICAL SECRETARIAT	INDICATIVE QUARTER
Signature of the renewal of contract	Q4 2019
Start of the service	Q1 2020

<b>MILESTONE DESCRIPTION: TECHNICAL SECRETARIAT</b>	<b>INDICATIVE QUARTER</b>
Total duration of the contract agreement: 12 months (1 more possible renewal).	

## **INDICATORS**

### **FOR THE OBSERVATORY**

#### Indicator 1: Number and quality of the deliverables

- Quality of the developed methodology;
- Number and quality of the produced country profiles and policy measures fact sheets;
- Quality of the semi-annual analytical reports

#### Indicator 2: Utilisation of the website

This indicator should focus on the number of times that the EUROPA webpages are used. It concerns especially:

- Number of hits of the webpages;
- Number of unique visitors;
- Number of documents downloaded by type of documents;
- Duration of visit, repetition of visitors, geographical coverage;

#### Indicator 3: Dissemination and promotion

- Coherence and effectiveness of the dissemination strategy;
- Quality and completeness of the EUROPA webpages;
- Number of the disseminated leaflets.

## **FOR THE SECRETARIAT**

### Supporting the preparation of the meetings of the High Level Forum and Thematic Groups:

- number of people attending the meetings
- accuracy in definition of the agenda of the meetings
- quality of the briefings for the participants and the chair
- quality of the minutes of the meeting

### Ad hoc research on specific themes:

- accuracy of the approach and of the methodology
- quality and quantity of data collected
- pertinence and value of the findings

### Contribute ideas and writing for external communication about the Action Plan and its outcomes (press releases, webpage on Europa, etc.):

- number of ideas/writing submitted
- quality of the input submitted
- effective use of the input submitted

## **GRO/SME/19/C/05 - Advanced Digital Skills for Industry and SMEs**

### **OBJECTIVES PURSUED**

The digital transformation of enterprises is enabled by strong competences and professionalism at individual level and organisational capabilities at enterprise level. There is a growing demand for a digitally-savvy labour force and IT professionals who can deliver quality work and value to organisations which is not met by a sufficient supply.

Moreover, enterprises and in particular SMEs are increasingly confronted by cyber-attacks, ransomware, IT failures, data leakages etc. They also need to prepare for the adoption of new technologies such as artificial intelligence or the use of high-performance computing. The challenge of the digital skills gap is not only quantitative it is also qualitative. In this respect, it is crucial to promote IT professionalism and prepare the workforce and SMEs for the digital transformation of the economy.

The "Skills Agenda for Europe" stresses the importance of digital skills and of sectoral cooperation on skills. The objective of this action is to organise large scale communication and promotion activities in support of the IT profession and the acquisition of relevant digital skills by industry, especially SMEs, in close synergy with the "Blueprint for Sectoral Cooperation on Skills" and the "Digital Skills and Jobs Coalition", two major initiatives of the "Skills Agenda for Europe", as well as the activities of the European Committee for Standardisation (CEN) on IT professionalism in Europe.

The measure addresses the objective of the Programme:

- Improving the business environment for enterprises, including the competitiveness of enterprises and sectors.

## DESCRIPTION OF THE ACTIONS TO BE FINANCED

This action will mobilise a large number of stakeholders and support an important number of national and regional events and activities, focusing on:

- Concrete solutions and best practices related to IT professionalism and the needs of industry in the key sectors<sup>15</sup> which are implementing the Blueprint for sectoral cooperation;
- Promotion of advanced digital skills and IT professionals' jobs, education and training with the organisation of communication activities and events<sup>16</sup> in cooperation with EU Presidencies, Member States, the national coalitions of the Digital Skills and Jobs Coalition, the EEN and with the European Standardisation Committee (CEN TC 428 on IT Professionalism).
- Progress towards the recognition of the IT profession in Europe and the implementation of a comprehensive EU Framework for IT Professionalism.

It will build on the experience of the e-Skills for Jobs campaign<sup>17</sup> (2014-2016) and be implemented in cooperation with the Enterprise Europe Network (EEN), the Network of SME Envoys and relevant EC services including DG CNECT, EMPL, REGIO, EAC, RTD and COMM. The action will take into account and connect to other initiatives in this field such as ongoing and planned Pilot and Preparatory Actions.

## EXPECTED RESULTS

The benefits of the action over the period 2020-2022 include:

- Mobilising stakeholders and securing high political visibility and support at EU and national level around digital skills, in particular for advanced digital skills and the sectoral skills agenda, also preparing the ground for activities under the next multi-annual financial framework;
- Providing access on the Internet (with a central coordinating website and national websites as well as most relevant social networks) of detailed information, promotional and guidance materials to enterprises, SMEs and professionals (both in English and in their own languages) related to best practices, tools and solutions in the field of advanced digital skills;
- Promoting a shared vision with stakeholders and participating countries on advanced digital skills and IT professionalism and strengthening cooperation with national standardisation bodies;
- Accelerating the take-up of best practices on advanced digital skills and IT professionalism and the acquisition of relevant digital skills by SMEs (new curricula, new education and training opportunities etc.);
- Supporting the Blueprint for Sectoral Cooperation on Skills in synergy with the on-going pilot implementation in the selected sectors;
- Increasing the digital talent pool with a view to offer opportunities to SMEs to strengthen their digital capabilities and their adoption of new digital business models;

<sup>15</sup> See: <http://ec.europa.eu/social/main.jsp?catId=1415&langId=en>

<sup>16</sup> Including for example IT Professionals Days

<sup>17</sup> Over 450 stakeholders were involved in the campaign with 5.500 events organised in 31 countries gathering 3.4 million people; 10 high-level conferences organised with EU Presidencies; 100+ videos produced and numerous promotional materials including the e-Skills Manifesto; 10.000+ followers reached on Twitter and 7.000+ fans on the central Facebook page. It was conducted in synergy with the Grand Coalition for Digital Skills (2013-2016) paving the way for the launch of the Digital Skills and Jobs Coalition in Dec. 2016.

- Contributing to the implementation of the Skills Agenda for Europe by further maturing the IT profession based on the work of CEN and to the reduction of the quantitative and qualitative skills gaps, shortages and mismatches related to advanced digital skills and IT professionals.

#### **METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED**

<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
- Call for tenders	Advanced Digital Skills for Industry and SMEs campaign	4 500 000

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>
Publication of the call	Q2 2019
Award	Q4 2019
Signature of the contract	Q4 2019
Total duration of the contract: 36 months	

#### **INDICATORS**

1. Number of participating countries, sectors and stakeholders
2. Number of events and communication activities
3. Number of good practices promoted and implemented by stakeholders and governments
4. Quantity, quality and impact of communication material (channels and messages)
5. Number of individuals, enterprises and SMEs reached
6. Satisfaction survey regarding the relevance and the quality of the results
7. Increase of the digital talent pool, IT professionalism and reduction of skills shortages
8. Number of follow-up measures taken by the Commission, public authorities and stakeholders



**OBJECTIVES PURSUED**

Building on the recommendations, good practices and lessons learned from the Strategic Policy Forum on Digital Entrepreneurship, the European Digital Cities Challenge and the Blueprint for cities and regions as engines of digital transformation, the objective of this action is to promote the development of powerful high-tech innovation ecosystems in European cities to fuel industrial transformation and smart, sustainable growth. It builds upon and further extends the work of the on-going Digital Cities Challenge (COSME 2017 action) that provides inspiration and world-class policy advisory services to a network of 15 cities and 21 fellow cities (following the Programme on their own resources) to help them develop own ecosystems of innovation and technological transformation.

In response to the great interest expressed from cities all over Europe (92 expressions of interest by cities in 23 Member States), as well as to the strong support of the Committee of the Regions, this new action will contribute to expand the scope to more cities and cover a broader range of advanced technologies, e.g. the confluence of cyber and physical technologies such as bio-tech and bio-based materials.

The action will help cities to restore economic growth and unleash new business opportunities in all sectors of the economy by putting advanced technologies at the service of the European businesses and citizens. State-of-the-art technological applications like the Internet of Things, sensors, robotics, open data, Artificial Intelligence, or nano- and bio-based materials, will lead to modern, innovative businesses, entrepreneurial action, new jobs, and smart solutions for the local industry and SMEs as well as for the local society.

(At least 50 ) Cities will be offered inspiration and high-quality advice and coaching from experts to stimulate economic growth and social welfare, ultimately making them better places to live. The selection of the most suitable cities will be based on a multi-criteria selection process, e.g. geographic areas, economic standing, business profile and technology readiness, with the view to select those most susceptible to benefit from this action.

The aim is to foster leadership and collaboration in cities across all actors of the economy, to transform their territories and facilitate notably SMEs' access to talents, to advanced technologies and big data, to innovative business models and state-of-the-art infrastructure that would help them create the smart products and services of the future. This will be carried out by developing targeted support services to enhance European cities and businesses' trust and confidence to the technological advancements and new industrial order.

In addition the action will reinforce cross-regional cooperation and coordination to maximise the effectiveness and impact of strategies, for example by providing analytical support in the field of advanced technologies and facilitating matchmaking opportunities.

The Challenge will be complementary and work in synergy with other relevant initiatives supported by the Commission, such as the Urban Agenda Partnerships (in particular those linked to digital transition), the Urban Innovative Actions, the Smart Specialisation Platform for Industrial Modernisation, etc. For instance, relevant cities already actively implementing the actions under the Urban Agenda Partnerships will be duly informed and may wish to be involved in the Intelligent Cities Challenge to ensure a more efficient knowledge diffusion among a larger number of cities. The Challenge is developed in full coordination with relevant services, notably DG REGIO, CNECT,

ENER, Joint Research Centre (JRC) and the Committee of the Regions.

The ultimate objective is to connect cities that act as ecosystems for innovative technological transformation, with a view to improve the welfare of their citizens and boost entrepreneurship and smart growth. It shall actively disseminate best policy practices towards cities, stimulate cross-regional investments through targeted support to cities.

## DESCRIPTION OF THE ACTIONS TO BE FINANCED

This measure will support cities to design and implement evidence-based policies to effectively facilitate the deployment of innovation ecosystems and create favourable space for bottom-up initiatives in their territories. Notably, it will:

1. Assess the state of play and provide policy advisory services to about 50 cities to help them develop own successful innovation ecosystems valorising their proper strengths while enhancing their cross-border cooperation strategies. The action will build on the on-going actions, notably the European Digital Cities Challenge, learn from their achievements and the bottlenecks met and will streamline actions at local-regional level. Provided services will include socio-economic analysis of the cities susceptible to participate; analytical support based on key trends in the field of advanced technologies at EU and global level; deep re-thinking of the growth strategies, including innovative approaches to involve stakeholders and citizens in the policy making process; co-design of roadmaps for high-impact actions that provide solutions to real challenges of the citizens; analysis and advice on adequate financial sources to finance the strategies; coaching, mentoring and facilitation of their implementation and progress monitoring.
2. Assess the needs of local policy makers and key business actors to receive world-class coaching for setting up and implementing their local strategies for the uptake of advanced technologies in their city and reinforce the stakeholder eco-system.
3. Learn from good practices, organise regular academies, policy exchange workshops, seminars and fora in order to mobilise and guide local/regional policy makers and the stakeholders community, exchange information and share best practices on urban innovative ecosystems in support of SMEs, industrial transformation, entrepreneurship and social welfare.
4. Assess the need to adapt the rolling Blueprint for regions and cities as engines of smart, sustainable, fair growth.
5. Reinforce and expand the network of the Digital Cities Challenge with participating cities with a view to build inter-regional synergies and enhance their capacity to supporting their economy and businesses, notably SMEs, in their technological transformation.
6. Organise networking events and matchmaking events among cities' stakeholders, namely businesses, academia, research and technology organisations including KETs Centres, clusters, business support organisations like chambers of commerce, Digital Innovation Hubs, European Pilot Production Network, Enterprise Europe Network, etc. to strategically support joint actions for industrial transformation, start-up and scale-up initiatives, open innovation activities, reinforcing collaboration among large established industries and innovative start-ups, etc. This will help local policy makers to design their strategies for the deployment and uptake of advanced technologies in their territory, their cross-border cooperation strategies, and possibly facilitate the development of relevant smart specialisation strategies (e.g. events around a specific

technology, on a specific value chain, on how best promoting the uptake of technology by SMEs, on financing innovation, access to data, etc.)

7. Identify and provide direct support to stakeholders involved in the development of cities ecosystem of innovative transformation and mobilise them for the implementation of a bottom up approach for co-creation, participative leadership and collaborative projects to transform their territories.
8. Disseminate information and raise awareness: This will help inspire more cities by spreading good practices, success stories, new developments from cities across Europe, through regular social media, webinars, relevant press, and events.

## EXPECTED RESULTS

The action shall urge cities and all actors of the economy, governments, business, academia and citizens to take bold leadership and action to transform their territories and better leverage the potential from cross-border cooperation. It shall offer evidence-based tools, support and advice. It shall showcase how cities can profit from sharing high-level expertise around Europe and achieve tangible progress in industrial modernisation, boosting their business growth and creating high-value jobs.

The action shall accelerate the development of more cities as ecosystems for innovation and industrial transformation in Europe.

It shall contribute to the design and efficient implementation of smarter policies for the modernisation of industry in cities. This should assist enterprises, particularly SMEs, and other organisations, to take up advanced technologies and innovative business models and make their business fit for a fast-changing, technology-driven future.

Finally, the action will inspire cities to take bold leadership, reinforce stakeholder partnerships, co-design ambitious projects and prepare the ground for relevant investments e.g. through the Smart Specialisation Platform on Industrial Modernisation. Matchmaking and other events will provide opportunities for the cities of this action to discuss their strategies and plans for the modernisation of their territories with a broader stakeholder community and other cities and to agree and launch ambitious cross-regional investment projects.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Call for tenders	Intelligent Cities Challenge	7 500 000

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Publication of the call	Q1 2019
Award	Q4 2019

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Signature of the contract	Q4 2019
Total duration of the contract: 30 months	

## INDICATORS

- Quality and visibility of the deliverables, including reports and websites, soundness of economic and policy analysis underlying these deliverables, and quality and relevance of policy recommendations and good practices identified.
- Quality, number and impact of policy makers participating actively in the policy learning and the policy support services provided, to be measured by satisfaction surveys, the coverage and number of policy makers, EFSI, Horizon2020 and other public and private funds mobilised in support of a modern European industrial base.
- Quality and number of follow-up measures, in particular cross-border projects and investments, taken by public authorities at EU, national, regional and local level and/or private investors, European Partnerships and other stakeholders, as a result of these measures.
- Increased level of technological maturity, growth and social welfare of the participating cities as a result of their participation in the action.

## GRO/SME/18/C/07 – ENHANCING THE COMPETITIVENESS OF THE EUROPEAN TOURISM SECTOR

### OBJECTIVES PURSUED

Under the general objective of strengthening the competitiveness and sustainability of the tourism sector, the actions will particularly aim at improving the business environment for tourism enterprises, through enhanced socio-economic and market intelligence and exchange of best practices, diversifying and increasing the visibility of Europe's transnational tourism offer, as well as boosting capacity of tourism SMEs through transnational cooperation and knowledge transfer.

### DESCRIPTION OF THE ACTIONS TO BE FINANCED

The following types of activities will be implemented:

#### **I) Creating conditions for a favourable and competitive environment for tourism businesses, in particular through enhanced socio-economic and market intelligence and exchange of best practices**

The main actions under this objective will include.

(1a) Maintenance of and provision of additional content for the “Virtual Tourism Observatory” portal to enrich its usefulness as user-friendly tool, in particular for public authorities and SMEs (e.g. updated statistical information, analysis and mapping of policy and legislation relevant for the EU

tourism sector, specific reports or analyses).

(1b) Organisation of a number of events to debate with Member States and participating countries, regions, the industry, trade unions, academics and other stakeholders the main challenges and key priorities for the competitiveness of the sector. This will include the organisation of the European Tourism Forum (Presidency event) and the European Tourism Day, but also of other meetings and/or workshops.

**II) Diversifying and increasing the visibility of Europe's transnational tourism offer**

Under this objective, the following action will be carried out:

(2) European-wide awareness-raising and promotion of lesser known European Destinations of Excellence selected in 2007-2019 and evaluation of impacts of the EDEN initiative.

**III) Boosting capacity of tourism SMEs through transnational cooperation and knowledge transfer**

This objective will be fulfilled through the following action:

(3) Support for transnational cooperation to foster innovative solutions for sustainable tourism development and management at the level of tourism enterprises and destinations (e.g. training, coaching, capacity building, peer learning, awareness raising, etc.).

**EXPECTED RESULTS**

The actions will enhance the competitiveness and sustainability of the tourism sector. More concretely, amongst others, the actions will provide the following expected results:

- More complete EU-aggregated statistics and qualitative market intelligence to help assess the position of EU tourism in the world tourism market, its contribution to growth, employment and its effects on other economic sectors. Such information will be instrumental for public authorities to design their tourism policies and for businesses to take knowledge-based decisions for their marketing and promotion activities.
- Consolidated, regular EU-level dialogue and exchange of views / good practices with the public and private stakeholders.
- Better awareness and visibility among potential tourists of lesser known tourism European Destinations of Excellence.
- Enhanced transnational cooperation of public and private stakeholders (including SMEs) to boost tourism sustainability.

**METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED**

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Specific contracts under Framework Contract, Call for tenders, Administrative arrangement, reimbursement of experts	1. Socio-economic and market intelligence (Virtual Tourism Observatory) and exchange of best practices (events, stakeholders' meetings)	500 000

<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
Specific contract under Framework Contract & call for tender	2. European Destinations of Excellence: Awareness raising, promotion and evaluation of the EDEN initiative	1 500 000
Call for tender and/or call for proposals	3. Boosting capacity of tourism SMEs through transnational cooperation and knowledge transfer	5 000 000
	<b>TOTAL</b>	<b>7 000 000</b>

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

**1) Socio-economic and market intelligence (Virtual Tourism Observatory) and exchange of best practices (events, stakeholders' meetings)**

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>
Publication of the call	Q1-Q3 2019
Signature of the contract	Q2-Q4 2019
Total duration of the contract: Variable	

**2) European Destinations of Excellence: Awareness raising, promotion and evaluation of the EDEN initiative**

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
Specific contract under framework contract & call for tender	EDEN promotion and evaluation	1 500 000

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>	
Signature of the contracts	Q2-Q3 2019	
Total duration of the contract: up to 18 months		
<b>3) Boosting capacity of tourism SMEs through transnational cooperation and knowledge transfer</b>		
<b>INDICATIVE IMPLEMENTATION TIMETABLE</b>		
<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
Call for Proposals and / or Call for tenders	Boosting capacity of tourism SMEs through transnational cooperation and knowledge transfer	5 000 000
<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>	
Publication of the call	Q2 2019	
Signature of contracts	Q4 2019	
Indicative total duration: Variable		
<b>MAXIMUM RATE OF EU CO-FINANCING</b>		
75%		

### **INDICATORS**

- Number of data/reports/studies (co-)produced and included in the VTO knowledge base
- Number of events, conferences, workshops, expert meetings organised
- Number of registered participants per event
- Number of countries participating in transnational cooperation projects
- Number of SMEs involved in the development of transnational cooperation projects

- Number of lesser known/emerging destinations selected as European Destinations of Excellence
- Increased awareness about and visibility of lesser known/emerging European Destinations of Excellence (survey of key stakeholders)
- Number of data included in the evaluation report
- Number of events, expert meetings organised

**GRO/SME/19/C/08 - Accelerate and scale up innovation applications for a sustainable and circular fashion industry**

**OBJECTIVES PURSUED**

Both fashion industry and civil society recognize the need to turn to a more sustainable approach in the way fashion products are produced and consumed. Nonetheless, many small companies in the sector are not aware of the benefits they can obtain from adopting restorative and regenerative business models and processes. Improved sustainable performance can help business in the sector remain competitive in a market where consumers are rapidly changing their attitude towards fashion and its ecological and ethical implications.

The action is meant to provide support to SMEs and start-ups in the fashion sector to help them become more sustainable and turn their business model into a circular one.

**DESCRIPTION OF THE ACTIONS TO BE FINANCED**

The action will support partnerships between SMEs and start-ups, mainly manufacturers or creators (i.e. designers) active in the fashion industry, providers of sustainable solutions, recycling centres, environmental education centres, professional associations and public authorities. The action will provide support to companies to implement sustainable and circular standards/models in their production processes or services, but also facilitate cross-border/transnational cooperation between companies to facilitate the exchange of knowledge and best practice on sustainable/circular fashion.

The action may support the following :

1. Mapping relevant initiatives, main players, good practices, challenges and opportunities for the fashion sector to become more sustainable and circular;
2. Setting up a scheme of financial and technical support through grants for fashion SMEs and start-ups to accompany them throughout a process of innovation of their production line or services in a way that is more sustainable and resource efficient (e.g. capacity building, guidance on existing schemes for sustainable consumption and production, legal and financial advice ...);
3. Providing technical and financial support through grants to transnational collaboration with the view to facilitating knowledge transfer between companies lagging behind in terms of sustainability and more advanced companies and peer to peer learning for SMEs and start-ups in the sector.



## EXPECTED RESULTS

- Identification of the major obstacles for the sector to become more sustainable and circular;
- Identification of solutions already available for SMEs, start-ups, manufacturers active in the fashion industry to improve sustainability/circularity of the industry;
- Development and testing models to support companies to share knowledge and experiences to become more efficient in terms of use of resources;
- Increase investment in sustainable solutions for fashion industry;
- Financial support to SMEs overcoming obstacles to using sustainable solutions for production and services;
- New market opportunities for SMEs, start-ups, manufacturers active in the fashion industry;
- New market opportunities for the owners/providers of sustainable solutions.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Call for proposals AND/OR call for tender	Cross-national collaboration to accelerate and scale up innovations for a more sustainable and circular fashion industry	3 500 000

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Publication of the call	Q3 2019
Award	Q4 2019
Signature of the contract/grant agreement	Q4 2019
Total duration of the contract/grant agreement: 36 months	

## INDICATORS

- Number of transnational partnerships created
- Number of SMEs willing to participate and having benefited from the project
- Number of innovative/sustainable solutions being developed

## MAXIMUM RATE OF CO-FINANCING

EU contribution: 75%

## **GRO/SME/19/C/09 - Development of the European Food Price Indicator along the value chain**

### **OBJECTIVES PURSUED**

The project is linked to the third COSME objective – business environment for enterprises, including the competitiveness of the enterprises and sectors. The project aims to increase the public awareness on the distribution of the added value and other components across the food supply chain. It will allow operators (mostly SMEs) to compare the average costs and margins of economic operators between various Member States, allowing them to identify best practices and replicate them in the local context.

The project will also contribute to stimulate competitiveness, as it will give consumers more insight into how their money spent on groceries is used, and who benefits most from it. The SMEs who are able to showcase a large part of their cost goes to sustainability, product quality and innovation areas are likely to benefit from the greater transparency of costs and margins. Notably the project was supported by all Members of the High Level Forum for a better functioning of food supply chain, which consists of NGO-s, industry associations, retailer associations, farmers and Member States.

### **DESCRIPTION OF THE ACTIONS TO BE FINANCED**

#### **Brief description**

'Foodeuro' is intended as a food price composition indicator that aims to specify how consumer expenditure on food is distributed between the different stages of the food supply chain (farmers, processors and retailers). Such an indicator should primarily show patterns of price composition at Member State level and at the European Level. The indicator would cover the most often purchased basket of products. The indicator would also show, to the extent that this is feasible, the relationship between the output value and input costs.

The project will especially support the SMEs in the food supply chain, as they are mostly affected by the asymmetry of information on price composition, which the project aims to tackle. The SMEs unlike the larger businesses in the chain, cannot afford to procure a reliable market data information for professional consulting companies. Furthermore, they are often not aware of what are the average costs and prices in the markets beyond the national one. They often lack resources to develop a comprehensive market analysis. Finally, even if consumers would like to promote the SMEs businesses in the chain, they can never be sure whether the money they spend on the SMEs-made products effectively ends up with SMEs.

#### **Implementation**

The project could be implemented either by JRC, or by an external contractor. In the first stage the contractor would conduct the appropriate inventory of existing data. This would involve communication with the various Commission departments and national authorities. The project contractor should identify data gaps, and develop a cost-efficient methodology for obtaining them

from national authorities and businesses.

Data should come primarily from official and public sources. If necessary, project managers could explore the possibility of procuring certain data from professional food data collection services. The data concerning costs could be based on accounting information. Specific data collection on the structure of food supply chains might need to be undertaken in order to facilitate a correct interpretation of the results.

In the next stage the project contractor should complement the available data with the relevant economic models (costs, gross and distribution margins, average prices). It is suggested to aggregate different models of different sectors to illustrate the interaction between different business and consumer behaviours. In the third stage the project contractor, should develop an appropriate interpretation of the data and models, in cooperation with the steering committee consisting of the Members of the High Level Forum for a Better Functioning Food Supply Chain.

Finally, the results together with their interpretation should be communicated to the public and accompanied by an adequate description of the findings. The members of the High Level Forum committed in helping to disseminate and promoting the results to the targeted national, sectorial and organisational audiences. This targeted communication should not stray from the findings and rationale agreed in the report. The Commission should also set up a dedicated website which would present in an interactive, multilingual and accessible way the findings of the project.

#### European added value

Many Member States tried to develop in the past similar food price indicators at the national level, some of them succeeded, others did not. However, all the Member States see the value in being able to compare the trends in price formation between various markets. For this one has to develop a uniform methodology to ensure comparability of the results. The EU-wide approach is also cost-efficient as the modelling and interpretation of data can be conducted by one, central entity, rather than 28 different ones.

## **EXPECTED RESULTS**

Having an insight into how the prices are formed in different Member States will enable SMEs to identify countries with most competitive conditions and replicate the best practices used. This indicator can also increase the bargaining power of SMEs in their negotiations with the larger business partners. The food euro would give the inside in food price and cost differences among the various markets, which can incentivise SMEs to explore opportunities in the other markets and internationalise their activities. The food euro could help the SMEs in identifying the best performers on the market (lower operational costs, larger profits) and incentivise them to exchange the best practices.

Furthermore, consumers will become more aware on what their money is spent on, and will be empowered to challenge the existing inefficiencies of their national market and to get the best possible return on their expenditure.

The project will provide also substantial insight for policy-makers in the food sector as it will enable better identification of market failures and better forecast of market conditions. It will provide answers and economic evidence to many policy questions such as: (1) why food prices differ across neighbouring Member States, (2) which part of the food supply chain is getting the biggest share of

profit in the food supply chain, (3) which national policies are best at stimulating competitiveness. Furthermore, the findings will contribute to a better policy-making and implementation of the existing legislative framework in the area of food policy.

Those findings could give a basis for finding a multistakeholder agreement on how to tackle the asymmetry of information in the food supply chain and optimise the distribution of value between the trading partners.

As the project will be developed in close cooperation with all the relevant partners, and therefore its outcomes will be hard to contest.

Knowledge obtained from the study will be disseminated to the European citizens, encouraging them to make informed choices when buying food products.

A similar project, the so-called 'food dollar', has been successfully developed in the United States and it contributed to modernisation of the US agri-food sector.

#### **METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED**

<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
- Call for tenders Or - Administrative arrangement (if JRC agrees to pursue it)	Development of the European Food Price Indicator	1 000 000

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>
Publication of the call	Q2 2019
Award	Q3 2019
Signature of the contract/agreement	Q3 2019
Total duration of the contract/agreement: 16 months	

#### **INDICATORS**

Number of meetings on Foodeuro involving agri-food stakeholders

Number of presentations/communications organised to disseminate the results

Number of downloads of the final report

Number of citation in academic and policy papers

Number of media articles

## **D. ENTREPRENEURSHIP**

### **GRO/SME/19/D/01 – ERASMUS FOR YOUNG ENTREPRENEURS**

#### **OBJECTIVES PURSUED**

The objectives of the Erasmus for Young Entrepreneurs mobility scheme are:

- Helping new entrepreneurs acquire and build managerial skills and further develop their business plan/activity by learning from experienced entrepreneurs;
- Learning on the job by the new entrepreneurs by working with the host entrepreneur on concrete business projects;
- Supporting the host entrepreneur in researching, developing and testing or piloting new business concepts, products or services by the new entrepreneur's bringing in fresh ideas from another environment (in national, academic, market etc. terms);
- Raising entrepreneurs' awareness for the benefits from going international and, in particular, from exploiting the potential of the Single European Market by getting hands-on know-how about other national markets within the EU;
- Intensifying the networking and business relationship between entrepreneurs from different participating countries, especially laying the ground for further internationalisation of SMEs' businesses and for further spreading of innovative methods or products in the Single European Market.

#### **DESCRIPTION OF THE ACTIONS TO BE FINANCED**

Erasmus for Young Entrepreneurs is a mobility scheme that allows potential or newly established entrepreneurs to spend a period of time collaborating with an experienced entrepreneur in another participating country. These mobility actions aim to help the entrepreneurs enrich their experiences as well as learn and network with entrepreneurs in other participating countries. This measure will expand and strengthen the existing network of Intermediary Organisations (IO) which act as local contact points in participating countries. The IOs are in charge of recruiting and matching the entrepreneurs and facilitating the mobility actions. They also promote the programme and its benefits at local and national level.

Activities to support the network are carried out, including regular meetings with the IOs to foster networking. A Support Office assists the Commission in the promotion, the coordination of the IOs' network and the day-to-day support. This measure is a follow-up of the preparatory action carried out in 2009-2011, under the EIP objective Entrepreneurship and Innovation Culture in 2012 and 2013 and under the consolidation and further development of the action under COSME since 2014.

The interim evaluation of the preparatory action confirmed the added value of this action and the lack of similar schemes at national level. It also confirms the efficiency of the operational set up to fulfil the pursued objectives and the quality of the exchanges carried out. The cross-border nature of the action makes it unique as a way of promoting entrepreneurship and is directly relevant to a key EU policy objective of internationalisation and helping new and growing businesses to take advantage of the EU's Internal Market. This scheme is also particularly useful to support the efforts of integration of regions, in particular the EU outermost regions, being physically distant from the rest of the European continent. Promotion of the benefits and achievements of the Erasmus for Young Entrepreneurs and technical support to users will be provided.

The initiative will be implemented via Call for Proposals. The 2018 and 2019 budget will partly be used to co-finance selected proposals via Specific Grant Agreements (SGA) to cover the second operational period 1/02/2019-31/01/2022 following the call for proposals for Framework Partnership Agreements 2016-2021 (COS-EYE-FPA-2016-4-01). Consultations for SGAs will be open only for legal entities that have been awarded an FPA in 2016.

Additionally, in order to attract new IOs in the network and further expand the programme, a call for proposals for the award of grant agreements may be published.

Selected entities can be public or private whose core activity is in the field of business support.

The rate of Union co-financing shall be up to 75 % of the programme management costs and 100 % of the sum allocated by beneficiaries (IOs) to third parties (sub-grantee. i.e. new entrepreneurs) participating in a mobility action.

Financial assistance to new entrepreneurs participating in a mobility action shall take the form of a scale of unit cost of maximum EUR 6 600 per entrepreneur for the maximum duration of 6 months stays abroad. This allocation shall not be subject to taxation, fees or similar charges imposed by national authorities.

Budget is also needed for the maintenance and further development of the EYE IT tool (essential for the matching of entrepreneurs).

## EXPECTED RESULTS

The initiative expects to have achieved the following results by January 2022:

- Circa 1800 exchanges matched;
- Circa 3000 entrepreneurs registered;
- Circa 120 Intermediary Organisations involved in the implementation of the programme;
- At least 33 countries covered;
- Rate of successful exchanges above 90%.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

Implementation mode	TITLE	Budget (EUR)
Consultation for Specific Grant Agreements under Framework Partnership agreements and Call for proposals to increase the IO network	Erasmus for Young Entrepreneurs	16 000 000
Specific contract(s)	IT Tools development and maintenance	250.000
<b>TOTAL:</b>		<b>16 250 000</b>

## INDICATIVE IMPLEMENTATION TIMETABLE

Milestone description	Indicative quarter
Publication of the consultation for the SGAs	Q2 2018
Communication of results to applicants	Q3 2018
Signature of the grant agreements	Q4 2018
Start of implementation of the EYE projects	Q1 2019

## **INDICATORS**

1. Number of entrepreneurs registered for the programme
  2. Number of entrepreneurs matched (i.e. relationships achieved)
  3. Number of intermediary organisations involved in the implementation of the programme
  4. Number of countries covered by the Intermediary Organisations
  5. Index of satisfaction of the participants (entrepreneurs)
  6. Level of implementation efficiency by the Intermediary Organisations
- Long term indicators:
1. Number of resulting joint projects/cooperation agreements;
  2. Number of jobs created;
  3. Number of start-ups created.

## **MAXIMUM RATE OF CO-FINANCING**

75 % for programme management costs  
100% for financial support to third parties (new entrepreneurs)

## **GRO/SME/19/D/02 - EUROPEAN SOCIAL ECONOMY REGIONS**

### **OBJECTIVES PURSUED**

The objective of this action is to follow-up on a successful European Social Economy Regions 2018 (ESER) pilot which established a basis for creation of effective networks of social economy stakeholders at regional level across Europe. It extends the initiative to a more targeted interregional collaboration between the social economy stakeholders. The ESER 2018 project is coordinated by GROW but many DGs, notably via a dedicated task force, take part in the scheme, notably via a dedicated task, to stimulate the development of such networks.

In this respect, the ultimate goal of this project is three-folded:

- a) to continue with the awareness raising events and building networks of social economy stakeholders and attract newcomers to join the scheme;
- b) to respond to demand of the ESER pilot's participants and support targeted interregional collaboration between the social economy stakeholders throughout a series of so called social economy missions;
- c) to prepare with German Presidency a high level event on Social Economy.

The project is part of the section: "Business environment for enterprises, including the competitiveness of enterprises and sectors"

### **DESCRIPTION OF THE ACTIONS TO BE FINANCED**

The proposed project will cover the following actions:

Action 1:



- A series of awareness raising events and building effective networks of social economy stakeholders regional events (replication of the pilot's methodology with a flexible format) and with the full involvement of Commission informal Task Force on Social Economy.

Action 2 :

- A series of inter-regional "social economy missions" resulted of the ESER 2018 pilot will be organised. Indeed, during the piloting phase, the participating regions showed a clear demand for a more strategic inter-regional collaboration. The Commission will therefore develop, in close cooperation with European regional and local authorities "social economy missions" engaging a pool of the EU regional and local entities with similar social economy challenges (on one side) and expertise in the field (on the other side). Following the identification of the regional and local entities with the similar challenges to be tackled, a series of targeted "social economy missions" will be organised where social economy enterprises, mainly SMEs, with public authorities and other relevant stakeholders would gather during several days to discuss community needs, exchange best practices and find solutions to a societal issue that they have in common. Such meetings will furthermore help to create and enable an ecosystem encouraging the interaction between different partners both at public and private level. It will help to co-develop and implement sustainable and measurable innovations with clear social impact. Impact Hub Network shall be involved to assist with facilitation of the meetings.

Action 3 :

- A Social Economy Summit to be organised in autumn 2020 under the Presidency. The summit will provide an excellent opportunity for participating regions to report on outcomes of their inter-regional targeted social business missions. It will be a key event that will pave the ways to stimulate exchange and ideas to develop social economy in Europe and how it can be an instrument to foster growth and social cohesion in Europe. The event will be a participatory and interactive event like the Strasbourg event in 2014 that gathered more than 2000 participants. The launch of an online European Social Economy Collaborative hub and/or contribution to existing platforms (such as the Social Innovation Challenge Platform) and setting up a tradition of the Social Economy Excellence Award might be considered during the event.

**JUSTIFICATION** (ad hoc grant without a call for proposals): In accordance with Article 195(c) of the Financial Regulation, the COSME Work Programme 2019 for COSME provides that a grant might be awarded, without a call for proposals, to the German Presidency of the EU.

## EXPECTED RESULTS

The project shall accelerate the development and acknowledgement of social economy at regional and local level across Europe, thus developing social economy ecosystem. It will reinforce social economy stakeholders' cooperation at local, regional and interregional level contribute significantly to boosting innovation efforts, growth and create high-value jobs creation.

The project is expected to significantly raise the extent and level of strategic inter-regional collaboration. As social economy sector has a high innovation potential and could serve as an effective growth accelerator, the efficient collaboration of SE stakeholders at local, regional and interregional level shall contribute to the long-term sustainable competitiveness of the European social economy stakeholders.

The project foresees to create concrete opportunities and incentives to engage in strategic inter-regional collaboration and develop collaborative projects between SE stakeholders.

#### METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
<b>Call for proposals</b> <b>(Action 1 + 2)</b>	European Social Economy Regions – Social economy Missions	400 000
<b>Ad hoc grant</b> <b>(Action 3)</b>	Conference Social Economy 2 <sup>nd</sup> Semester 2020	800 000
<b>TOTAL</b>		<b>1 200 000</b>

#### INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Action 1 + 2	
Publication of the call	Q1 2019
Award	Q3 2019
Signature of the grant agreement	Q3 2019
Action 3	
Launch of the call	Q1 2019
Award	Q1 2019
Signature of the grant agreement	Q2 2019
<b>Total duration of the grant for Action 1+2: 24 months</b>	

MILESTONE DESCRIPTION	INDICATIVE QUARTER
<b>Total duration of the ad hoc grant agreement: single event</b>	

## INDICATORS

Quality, impact and visibility of the supported actions on raising social economy stakeholders collaboration at regional and interregional level to be measured by:

1. Number of social economy enterprises and organisations/entities having participated in awareness raising events and number of news networks created or current networks reinforced.
2. Number of inter-regional social economy missions
3. Number of participants in the European Social Economy Summit and quality/visibility of the event (questionnaire).

## MAXIMUM RATE OF CO-FINANCING

Action 1 + 2 = 90%

Action 3 = 90 %

## GRO/SME/19/D/03- Corporate Social Responsibility

### OBJECTIVES PURSUED

The project will map the take-up of Corporate Social Responsibility (CSR)/ Responsible Business Conduct (RBC) by SMEs and start-ups, look at how it can be promoted further, assess the potential opportunities for the European economy in the context of the industrial shift towards a digitalised, low-carbon economy, and organise a series of targeted events to promote uptake by SMEs.

### DESCRIPTION OF THE ACTIONS TO BE FINANCED

Specifically, the project shall:

1. Map and report on current levels of take-up of CSR/RBC codes of conduct and internal action plans within EU SMEs and start-ups, paying particular attention to variations between Member States, regions of Europe and specific sectors of the economy;
2. Look at what are the best delivery mechanisms at national and EU level to promote a greater take-up, in particular by building on existing support tools such as the Enterprise Europe Network and report on these;
3. Assess and report on the economic benefits to European SMEs and start-ups from take-up, including in the context of the UN Sustainable Development Goals and the transition towards a digitalised low-carbon economy;

4. Organise a series of targeted events to promote uptake by SMEs, including using the Enterprise Europe Network.

CSR is best understood as *the responsibility of enterprises for their impacts on society*<sup>18</sup> and is an area where private businesses, business organisations, local, regional and national authorities and the European Commission have been working for a long time to promote high social, environmental and ethical standards, most notably through the Commission's 2011 CSR Strategy. This Strategy and a range of recent EU measures such as the Conflict Minerals Regulation, Non-Financial Disclosure Directive and the forthcoming guidance on socially responsible public procurement as well as national action plans, have been and are, delivering results.

However, action has been primarily focused on the responsibilities and actions of larger – usually multinational – corporates. Up to now, there has been little analysis or data on the uptake of CSR by smaller companies and start-ups, the impact of measures on their ability to grow and innovate, and the ways in which adoption of strong CSR can help them to grow. In principle SMEs and start-ups should be well placed to benefit from CSR/RBC, using it to develop new markets and tapping into changing consumer demands (e.g. for ethically-sourced food or garments) but there is little dedicated information and analysis on this.

Such an understanding will be more and more valuable and critical as the EU steps up action on this file and on the related issues of Business and Human Rights and the implementation of the UN Sustainable Development Goals (SDGs). Without a better understanding, there is a risk of inadvertent negative regulatory or market impacts on SMEs and start-ups or at best foregone commercial opportunities and growth.

The programme will organise a series of targeted events, including using the Enterprise Europe Network, to gather potential SMEs who could benefit, exchange experiences with implementing CSR and SDG-friendly business conduct, and pitch to investors.

## EXPECTED RESULTS

The action should lead to two main improvements:

1. A better understanding of the uptake of CSR by SMEs and the impact of regulation and other public measures aiming to promote CSR/RBC and/or Business and Human Rights on SMEs and start-ups, allowing public authorities to better calibrate their policies in this area to address the specificities of SMEs;
2. An improved targeting of efforts to help SMEs and start-ups benefit from CSR/RBC to innovate and grow, including by using existing support services such as the Enterprise Europe Network.

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<sup>18</sup> COM (2011) 681 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions “A renewed EU strategy 2011-14 for Corporate Social Responsibility.”

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
Call for Proposals/tender	Promoting the take-up of Corporate Social Responsibility (CSR) by SMEs and start-ups	150 000

## INDICATIVE IMPLEMENTATION TIMETABLE

MILESTONE DESCRIPTION	INDICATIVE QUARTER
Publication of the call	Q1 2019
Award	Q3 2019
Signature of the grant/contract	Q3 2019
Total duration of the grant/contract: 12 months	

## INDICATORS

Successful delivery of report including data on the take-up of CSR/RBC codes of conduct and internal action plans within EU SMEs and start-ups, including variations between Member States, regions of Europe and specific sectors of the economy.

Analysis of the best delivery mechanisms at national and EU level to promote a greater take-up and report on this.

Assessment of the economic benefits to European SMEs and start-ups from take-up, including in the context of the UN Sustainable Development Goals and the transition towards a digitalised low-carbon economy and report on this.

Delivery of a number of events to promote the use of CSR and responsible business conduct.

## MAXIMUM RATE OF CO-FINANCING

90%

**GRO/SME/19/D/04 - Guidelines and best practices to develop frameworks for social enterprises**

## OBJECTIVES PURSUED

In 2016, the European Commission's review of *the state and development of social enterprises and their ecosystems* came to the conclusion that “*in some ... countries the impact of the new legal frameworks has been rather disappointing*”<sup>19</sup>. The main reasons for weak legal designs have been weak understanding of the concept and activities of social enterprise, insufficient stakeholder involvement, lack of suitable incentives, recognition of only part of the social enterprise population.

In view of this situation, the GECES experts<sup>20</sup> in the report endorsed in October 2016 recommended that the European Commission should help Member States to design adequate frameworks to support the flourishing and expansion of social enterprises.

The project will focus on how to legally structure a social enterprise in order to boost its development. It will help social entrepreneurs navigate through the array of legal structures that are available for them in Europe as the burgeoning field of social enterprise and the rise of impact investing have moved well beyond the dichotomy of for-profit and not-for-profit legal structures.

The project is part of the section: “*Business environment for enterprises, including the competitiveness of enterprises and sectors*”.

It will be carried out in close cooperation with DG EMPL. The results will be helpful for external DGs such as DEVCO or NEAR that are pushing for the development of social enterprises in their policies.

## DESCRIPTION OF THE ACTIONS TO BE FINANCED

The action to be launched will address this situation and invite to deliver guidance to assist Member States and participating countries at different level of governance and stakeholders by providing :

- (a) **methodological guidance** for carrying out a regulatory ex-ante assessment of social enterprise legislation, including guidance on:
- understanding the diversity of social enterprises covered by the EU definition (SBI)
  - conducting an analysis of the shortcomings of the existing legislation,
  - collecting evidence on unequal or inadequate legal or administrative treatment of different forms, business models or activities of social enterprises,
  - identifying options for overcoming legal and administrative shortcomings and barriers through introducing or revising suitable legislation to fully exploit their potential.

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1. European Commission, Directorate-General for Employment, Social Affairs and Inclusion: *Social Enterprises and their eco-systems: developments in Europe (2016)* p. 46

<sup>20</sup> See GECES Report “*Social economy and social enterprises, the way forward*”. 2016

- (b) a **methodology for drafting or revising legislation** on social enterprises, that is
- providing a step by step guidance, explaining decision points and options (incl. checklists and templates),
  - based on the analytical results under (a),
  - enabling the involvement of all relevant stakeholders in the design process through a participatory design,
  - addressing the key issues of operational definition (mission, profit distribution/asset lock, governance), requirements regarding transparency and accountability, roles and operating procedures for ensuring good governance, regulatory obligations and financial and non-financial benefits, and
  - ensuring consistency/complementarity with legislation in the fields of business start-ups and business development ( ie: fiscal , public procurement...)
- (c) a **collection of good practice examples, pitfalls and options** (identified on the basis of the EU mapping study) on each of the issues mentioned under (b), which have to be:
- easy to understand,
  - legally and administratively feasible under different legal and administrative contexts,
  - suitable for the development of social enterprises, established under different legal forms, based on different business models, pursuing working in the public interest, and carrying out different activities.

## EXPECTED OUTCOMES AND RESULTS

### Expected outcomes:

- A Manual providing options and guidance for regulating key issues of social enterprise structures and activities, and for involving key stakeholders in the ex-ante-assessment and design process, illustrated by examples of suitable social enterprise legislation/legal provisions,
- A mutual learning seminar for representatives of National governments involved in designing policies for social enterprise development
- Presentations of the Manual at the EU-level: EESC, Committee of the Regions and the Commission's expert group on Social economy and social enterprise.

### Expected results:

- Introduction or revision of legal and administrative national and regional frameworks conducive to social enterprise start, development and growth
- Mutual learning and peer capacity building between public administrators and stakeholders in the field of legal frameworks
- Stronger linkages and synergies between the social enterprises and social economy ecosystems
- Wide use of the Manual for evaluating, improving and designing policies in the EU and in Candidate Countries
- Creation of a basis for developing coherent and consistent frameworks for social economy on the long run and for a better convergence of these ones in an EU context.

## METHOD OF IMPLEMENTATION AND AMOUNT ALLOCATED

IMPLEMENTATION MODE	TITLE	BUDGET (EUR)
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<b>IMPLEMENTATION MODE</b>	<b>TITLE</b>	<b>BUDGET (EUR)</b>
Delegation Agreement with OECD	Develop frameworks for social enterprises	420 000

#### **INDICATIVE IMPLEMENTATION TIMETABLE**

<b>MILESTONE DESCRIPTION</b>	<b>INDICATIVE QUARTER</b>
Preparation of the delegation Agreement with OECD	Q1 2019
Signature	Q2 2019
Total duration of the project (delegation agreement): 24 months	

#### **INDICATORS**

<ul style="list-style-type: none"> <li>- Number of seminars (national governments/EU institutions) to present the Manual</li> <li>- Quality of the seminars to present the Manual (based on the feedback from the participants)</li> <li>- Number of new and revised national laws on Social enterprises in MS and neighbouring countries following the implementation of the Manual.</li> </ul>
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#### **MAXIMUM RATE OF CO-FINANCING**

70%
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**ANNEX I: OVERVIEW TABLE OF THE COSME 2019 WORK PROGRAMME**

<b>REFERENCE</b>	<b>TITLE</b>	<b>BUDGET</b>
GRO/SME/19/A/01	Financial instruments - Equity Facility for Growth	66 369 000
GRO/SME/19/A/02	Financial instruments - Loan Guarantee Facility	154 861 000
GRO/SME/19/A/03	Financial instruments - accompanying actions	1 600 000
	<i>subtotal</i>	<b>222 830 000</b>
GRO/SME/19/B/01	Enterprise Europe Network	57 295 000
GRO/SME/19/B/02	Access to the Single Market: reinforcing the Single Market tools in preparation of the planned Single Digital Gateway	2 150 000
GRO/SME/19/B/03	EU Open for business campaign 2019	2 000 000
GRO/SME/19/B/04	EU SME Centre in China	1 200 000
GRO/SME/19/B/05	Co-financing of public procurement of innovation consortia	4 000 000
GRO/SME/19/B/06	Creating links for the facilitation of public procurement of innovation	1 200 000
	<i>subtotal</i>	<b>67 845 000</b>
GRO/SME/19/C/01	SME Policy	5 870 000
GRO/SME/19/C/02	Better Regulation: Refit Platform	1 000 000
GRO/SME/19/C/03	Clusters Internationalisation programme for SMEs	8 300 000
GRO/SME/19/C/04	Implementation of the Action Plan Construction 2020	574 600
GRO/SME/19/C/05	Advanced digital skills for industry and SMEs	4 500 000
GRO/SME/19/C/06	Intelligent Cities Challenge	7 500 000
GRO/SME/19/C/07	Enhancing the competitiveness of the European Tourism Sector	7 000 000
GRO/SME/19/C/08	Accelerate and scale-up innovation applications for a sustainable and circular fashion industry	3 500 000
GRO/SME/19/C/09	Development of the European Food Price indicator along the value chain	1 000 000
	<i>subtotal</i>	<b>39 244 600</b>
GRO/SME/19/D/01	Erasmus for Young Entrepreneurs	16 250 000
GRO/SME/19/D/02	European Social Economy Regions	1 200 000
GRO/SME/19/D/03	Corporate Social Responsibility	150 000
GRO/SME/19/D/04	Guidelines and best practices to develop frameworks for social enterprises	420 000
	<i>subtotal</i>	<b>18 020 000</b>
	<b>subtotal of objectives 2, 3, 4</b>	<b>125 109 600</b>
	<b>TOTAL (million EUR)</b>	<b>347 939 600</b>

## ANNEX II: ELIGIBILITY CRITERIA AND SELECTION AND AWARD CRITERIA

### Eligibility criteria

Applicant organisations must be established:

- in EU Member States;
- or in countries participating in the COSME programme under Article 6 of Regulation (EU) No 1287/2013.

When relevant, additional eligibility criteria are indicated in the action description and in the call text.

### Selection and award criteria

As regards all grants envisaged in this work programme, each proposal will be evaluated on the basis of the selection criteria specified in the respective calls for proposals. Essentially, these criteria are based on the following:

- Financial capacity to complete the proposed operation;
- Stable and sufficient sources of finance to ensure the continuity of the organisation throughout the project and to play a part in financing it;
- Operational (technical and management) capacity to complete the operation;
- Capacity to manage activities corresponding to the size of the project for which a grant is requested;
- Adequate professional qualifications and experience of the team responsible for the project/operation.

An evaluation of the quality of proposals, including the proposed budget, will be based on the following award criteria:

- Relevance of the actions proposed in view of the objectives established in the call;
- Quality of the proposed actions;
- Impact on target audience;
- Budget and cost-effectiveness.

All actions under the first objective – Access to Finance will be funded on budget line 02 02 02. All other actions will be funded on budget line 02 02 01.