

Brussels, 29 September 2017

Cooperatives Europe's remarks on the interim evaluation of the Programme for the Competitiveness of Enterprises and SMEs (COSME) (2014 - 2020)

Cooperatives Europe is the European cross-sectoral organization representing cooperative enterprises. On behalf of its 86 member organisations from 34 European countries across all business sectors it promotes the cooperative business model in Europe. Its members represent 140 million individual member cooperators owning 176,000 cooperative enterprises and providing jobs to 4,7 million European citizens.

COSME is Europe's 6-year Programme for the Competitiveness of Enterprises and SMEs. It is the European Union's main financing instrument to support SMEs' competitiveness. With a budget of €2,3 billion – running until 2020 – the Programme is pursuing four key objectives: (1) facilitating access to finance, (2) supporting SMEs' access to markets (incl. internationalization), (3) fostering a favourable business environment and (4) promoting & supporting entrepreneurship.

In line with its significant role to help and support SMEs, Cooperatives Europe welcomes the Commission's initiative to consult stakeholders in the evaluation of the program.

Across the EU28, the share of SMEs constitutes 99,8% of all enterprises providing 66,8% of employment in the private-sector.¹ Considering that, Cooperatives Europe estimates that the COSME Programme should be maintained as a key element for the future of European SME's and its current budget should be, ad minima, maintained in the next Multiannual Financial Framework.

Cooperatives Europe advocates that enterprises' competitiveness is as important as the number and quality of jobs maintained or created through the different tools offered by COSME.

Since 2014, the context surrounding EU SME policy has changed. The Commission is developing an approach on start-ups and scale ups, with a specific focus on digitalization and technical innovation, in line with emerging new forms of economy. Cooperatives Europe recognizes this as an important element and highlights the tremendous role of cooperative enterprises in it. However, this should not

¹ European Commission, *Annual Report on European SMEs 2015/2016. SME recovery continues*, Nov. 2016, p. 3. Available on: http://ec.europa.eu/growth/smes/business-friendly-environment/performance-review-2016_en.

impact the support given to more 'traditional SMEs' that also contribute to European competitiveness and employment within Europe.

Creating jobs is a necessity, but developing policy measures to preserve jobs, notably when business owners are retiring without succession, is also important. In such case, in collaboration with the cooperative sector, COSME could be a tool to support the transfer of business into workers-owned cooperatives, to ensure a follow-up of the two projects financed by the European Commission.

However, Cooperatives Europe also emphasizes that the COSME programme is lacking from sufficient knowledge of all business models that it impacts in terms of the opportunities that the programme can provide for (potential) entrepreneurs. Therefore, focus should be put on intermediaries and organizations that are not part of the European Enterprise Network. In line with this, Cooperatives Europe appeals for user-friendliness of the information provided.

Cooperatives Europe is of the opinion that the COSME program should better take into account the diversity of business models like cooperative enterprises and other social economy enterprises. Even though Cooperatives Europe agrees that the programme is to some extent well-structured, it is nonetheless difficult for cooperatives to find the appropriate action and/or support that are addressing cooperatives' needs under the programme. For example, the EEN does not provide any tailor-made information on cooperative enterprises due to its lack of knowledge and education on the various panels of existing business models. In this regard, as its core work, EEN's advisors should be able to comprehensively offer different kinds of business model possibilities to potential entrepreneurs. On the other hand, the Commission should also explore the opportunities offered by national and/or regional networks that support the development of cooperative enterprises.

Cooperatives Europe welcomes the fact that two of the four objectives of the programme are dedicated to foster a favorable business environment (objective n°3) and support entrepreneurship culture (objective n°4). But Cooperatives Europe deplores the fact that only 16% of the overall budget is allocated to fulfill the above-mentioned objectives, yet only a small share of resources is allocated to each project (sometimes with small amounts available). In addition to this financial issue, complying with the requirements of the programme requires a high administrative burden and follow-up. The resources appear to be spread too thinly.

The 'Access to finance' portal could be improved by mentioning the most relevant contacts for cooperative enterprises or social economy enterprises looking for financing in countries where such financial intermediaries exist.

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Contact person: Lisa Mashini, Advocacy Officer
l.mashini@coopseurope.coop

