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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**on the final evaluation of the Programme for the competitiveness of enterprises and  
small and medium-sized enterprises (COSME) 2014-2020**

{SWD(2024) 226 final}

## 1 INTRODUCTION

The purpose of the report is to present findings of the final evaluation of the COSME programme. According to Article 15(4) of the COSME Regulation,<sup>1</sup> the Commission shall establish a final evaluation report on the longer-term impact and sustainability of effects of the measures.

The Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) under the 2014–2020 Multi-annual Financial Framework (MFF) established by the COSME Regulation focused on tackling challenges and obstacles for SME competitiveness, growth and entrepreneurship. It also aimed to contribute towards the goals of **creating more (and better) jobs** and **plugging the investment gaps** in the EU.

The COSME programme sought to address a number of market failures and issues that were affecting SMEs' survival and return to growth in the years after the 2008 financial crisis, as described in the impact assessment. These issues included high borrowing costs and difficulties in accessing finance (partly due to information asymmetries leading to reluctance by private financial institutions to lend to or invest in SMEs), challenges for accessing customers and international markets, and weaknesses in entrepreneurial culture.

The COSME programme benefitted from the results of the Entrepreneurship and Innovation Programme (EIP) running over the years 2007-2013. It **was set in the broader context of EU policy support** to SMEs, notably **the Europe 2020 Strategy** and **the Small Business Act for Europe**<sup>2</sup>. The Europe 2020 flagship initiative "**An Industrial Policy for the Globalisation Era**" emphasised the importance of promoting the creation and growth of SMEs. The COSME programme was one of the 11 actions put forward to implement this flagship initiative. Other key initiatives running in the same period as COSME included the Horizon 2020 programme that supported innovation and the Digital Europe that included a focus on helping SMEs to reap the benefits of digital technologies.

COSME's main objective was to enhance SME competitiveness. In accordance with the impact assessment, the four specific objectives of COSME were:

- **Improving access to finance** for SMEs in the form of equity and debt (SO1)
- Supporting SME **access to market** and **internationalisation** (SO2)
- Creating a **favourable environment for enterprises** and **supporting their competitiveness** (SO3)
- **Promoting entrepreneurship** (SO4)

Overall, the Programme displayed positive impacts on final SME beneficiaries across all objectives.

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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) and repealing Decision No 1639/2006/EC Text with EEA relevance.

<sup>2</sup> The Small Business Act for Europe adopted in 2008 and updated in 2011 provided a comprehensive framework for EU SME policy, emphasising access to finance, markets, and entrepreneurship.

## 2 BACKGROUND AND STATE-OF-PLAY

The final beneficiaries of the COSME programme were SMEs. Many actions under the programme operated through business support organisations and other intermediaries that provided advisory and support services and funding to help SMEs to boost their competitiveness and sustainability.

Implementation of some actions is still ongoing. The COSME financial instruments were designed to run over a longer period.<sup>3</sup>

The evaluation covered all specific objectives of the programme. The findings were supported by an external study<sup>4</sup>, in accordance with Better Regulation guidelines. The **methodology for this evaluation** included analysis of monitoring data and statistics provided by the Commission, the European Agency for Small and Medium-sized Enterprise (EISMEA) and the European Investment Fund (EIF), analysis of related evaluation studies, macro-economic context analysis, counterfactual analysis, data collection through a targeted consultation (surveys and 73 interviews with key stakeholders, focusing on main evaluation questions and related sub-questions), and triangulation of findings from these different sources.

There have been several **challenges for carrying out this evaluation**, notably the wide range of interventions (complexity, mitigated by mapping and prioritising actions), the different levels of detail in available monitoring data, the slow initial response to targeted consultations and stakeholder fatigue (mitigated by further promotion of the surveys, extensions to survey deadlines and additional interviews).

Concerning the **robustness** of the consultations, the evaluation study concludes that, overall, these provided the necessary evidence once the mitigating actions had been taken. Challenges were also encountered for constructing a large and robust enough control group for counterfactual analysis for the Loan Guarantee Facility (LGF) due to the large number of SMEs supported by this facility (865 387 distinct SMEs).

**COSME was implemented through Annual Work Programmes (AWPs)**, drawn up according to the Commission's policy priorities, evolving SME needs and support gaps and in cooperation with relevant DG GROW policy units. The programme committee composed of representatives of the Member States approved the work programmes.

The table below lists the actions under each specific objective. For the purposes of the evaluation, the actions were also grouped according to a set of thematic areas.

**Table 1** *List of COSME actions*

Thematic areas	Name of action and how it contributed to the specific objective
<b>SO1 Improving access to finance for SMEs in the form of debt and equity</b>	
<b>Access to finance</b>	<ul style="list-style-type: none"> <li>• <b>Equity Facility for Growth (EFG):</b> This provides equity support through venture capital investments to support the growth and expansion stage development of SMEs.</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Loan Guarantee Facility (LGF):</b> including the SME Initiative: This provides guarantees and counter-guarantees to financial intermediaries which in turn support debt financing (e.g. loans, guarantees, leases) for SMEs</li> </ul>
<b>SO2 Improving access to markets for SMEs</b>	

<sup>3</sup> For example, the last operations for the Equity Facility for Growth are due to be wound down by 31 December 2034.

<sup>4</sup> Study for the COSME final evaluation (CSES) 2024

Thematic areas	Name of action and how it contributed to the specific objective
<b>Business support networks and services</b>	<ul style="list-style-type: none"> <li>• <b>Enterprise Europe Network (EEN):</b> EEN aims to improve SMEs' access to markets by providing integrated services such as advice and information on EU funding, the internal market and internationalisation beyond the EU market, including international partnership services</li> </ul>
	<ul style="list-style-type: none"> <li>• EU-Japan centre for industrial cooperation</li> </ul>
	<ul style="list-style-type: none"> <li>• International intellectual property (IPR) SME helpdesks</li> </ul>
	<ul style="list-style-type: none"> <li>• Your Europe Business portal</li> </ul>
	<ul style="list-style-type: none"> <li>• Single digital gateway</li> </ul>
<b>Public procurement</b>	<ul style="list-style-type: none"> <li>• Supporting European SMEs to participate in public procurement outside EU</li> </ul>
	<ul style="list-style-type: none"> <li>• Co-financing of public procurement of innovation consortia</li> </ul>
	<ul style="list-style-type: none"> <li>• Creating links for the facilitation of public procurement of innovation</li> </ul>
	<ul style="list-style-type: none"> <li>• Training for SME-friendly policies in central purchasing bodies</li> </ul>
<b>SO3 Improving framework conditions and competitiveness</b>	
<b>Internationalisation</b>	<ul style="list-style-type: none"> <li>• <b>Clusters Go International:</b> This supported cluster and business network collaboration across borders and sector boundaries and the establishment of European Strategic Cluster Partnerships to lead international cluster cooperation in fields of strategic interest towards third countries beyond Europe.</li> </ul>
	<ul style="list-style-type: none"> <li>• Clusters Go international in the defence and security sector: see above – this was a separate action dedicated to the defence and security sector</li> </ul>
<b>Competitiveness</b>	<ul style="list-style-type: none"> <li>• The European Cluster Excellence Programme: this aimed to improve specialised and customised business support by strengthening cluster management excellence and facilitating exchanges and strategic partnering between clusters and specialised eco-systems across Europe.</li> </ul>
	<ul style="list-style-type: none"> <li>• E-Skills for competitiveness and innovation</li> </ul>
	<ul style="list-style-type: none"> <li>• Strategic alliances for the uptake of advanced technologies by SMEs</li> </ul>
	<ul style="list-style-type: none"> <li>• Early Warning Europe Mentor Academy</li> </ul>
	<ul style="list-style-type: none"> <li>• Intellectual Property voucher (also known as SME fund): This supports SMEs with the protection of their IP, in order to maintain their competitive position<sup>5</sup></li> </ul>
	<ul style="list-style-type: none"> <li>• Development of the European Food Price Indicator</li> </ul>
<b>Tourism</b>	<ul style="list-style-type: none"> <li>• WORTH Partnership Project: an acceleration programme which provides mentoring, coaching and visibility to business partnerships between designers, manufacturers/craftsmen and tech providers to develop new, innovative business ideas.</li> </ul>
	<ul style="list-style-type: none"> <li>• Enhancing European Tourism Competitiveness and sustainability</li> </ul>
	<ul style="list-style-type: none"> <li>• European Capital of Smart Tourism</li> </ul>
<b>Framework conditions</b>	<ul style="list-style-type: none"> <li>• Innovation uptake and digitalisation in the tourism sector</li> </ul>
	<ul style="list-style-type: none"> <li>• SME performance review: a comprehensive review of the performance of SMEs and issues affecting the business environment. Used to support SME policy-making.</li> </ul>
	<ul style="list-style-type: none"> <li>• Following and monitoring the Small Business Act including the SME Envoys Network: COSME funded the meetings of the SME Envoys (an SME policy advisory group that supports the Commission's work to make regulations and policies more SME-friendly).</li> </ul>
	<ul style="list-style-type: none"> <li>• European Enterprise Awards: an annual competition to recognise the most successful promoters of entrepreneurship across Europe and the best entrepreneurial practices.</li> </ul>
	<ul style="list-style-type: none"> <li>• Small Business Act including implementation and outreach tools such as Business Planet</li> </ul>
	<ul style="list-style-type: none"> <li>• EU REFIT platform: COSME supported the development and testing of various IT tools for consulting stakeholders to support the Commission's work on Better Regulation</li> </ul>

<sup>5</sup> COSME 2020 Monitoring Report.

Thematic areas	Name of action and how it contributed to the specific objective
<b>SO4 promote entrepreneurship and entrepreneurial culture</b>	
<b>Entrepreneurship</b>	<ul style="list-style-type: none"> <li>• <b>Erasmus for Young Entrepreneurs (EYE):</b> EYE is a cross-border exchange programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other COSME Participating Countries. The exchange of experience takes place during a stay with the experienced entrepreneur, which helps the new entrepreneur acquire the skills needed to start and run a small firm.</li> </ul>
	<ul style="list-style-type: none"> <li>• European network of female entrepreneurs and on-line e-platform, European network of mentors for female entrepreneurs</li> </ul>
	<ul style="list-style-type: none"> <li>• Support for entrepreneurship policy implementation</li> </ul>
	<ul style="list-style-type: none"> <li>• EYE IT Tool: The IT tool that supports the matching process and the management of the EYE action</li> </ul>
<b>Social Economy</b>	<ul style="list-style-type: none"> <li>• Promotion of social economy in Europe</li> </ul>
	<ul style="list-style-type: none"> <li>• European Social Economy Missions for developing inter-regional collaboration, sharing/replicating best practices, and inter-regional learning in the field of social economy.</li> </ul>

Source:

i) Thematic areas and actions: elaboration based on the supporting study for the COSME evaluation

ii) Contribution of the action to the specific objective: analysis from the supporting study and additional information from the European Commission.

### 3 BUDGET AND BENEFICIARIES

The total implemented budget of the COSME programme for the seven-year period was EUR 2.4 billion. Bearing in mind this relatively limited overall budget, the COSME programme reached a relatively large number of SMEs<sup>6</sup>. **More than 800 000 SMEs benefited from the financial instruments, over 2.9 million from the in-depth services provided under this programme<sup>7</sup>, and 21 million SMEs benefited from COSME's digital services.**

In addition to the 27<sup>8</sup> Member States, the following third countries participated in COSME: Albania, Armenia, Bosnia and Herzegovina, Iceland, Kosovo\*<sup>9</sup>, Moldova, Montenegro, North Macedonia, Serbia, Türkiye and Ukraine.

### 4 IMPACT

#### 4.1 Impacts on businesses and stakeholders

COSME's financial instruments (**Loan Guarantee Facility (LGF)** and **Equity Facility for Growth (EFG)**) facilitated access to finance for over 800 000 SMEs. Micro-enterprises, which tend to struggle to demonstrate their creditworthiness, were the main beneficiary group.

<sup>6</sup> The number of SMEs reached compares favourably to the SME competitiveness objective of the European Regional Development Fund (ERDF) which benefited from a significantly higher amount of EU funding (EUR 26.5 billion from the ERDF). Source: Evaluation study for the ex-post evaluation of Cohesion Policy programmes 2014-2020 financed by the ERDF.

<sup>7</sup> Including the in-depth support from EEN, EYE and the IP SME helpdesks

<sup>8</sup> The United Kingdom ceased to be an EU Member State as from 31 January 2020. UK beneficiaries participating in COSME actions funded under the EU budget of 2019 or from earlier years continued to participate until the end of those actions, and they were allowed to participate in COSME until the end of the transition period (31 December 2020).

<sup>9</sup> \*This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on Kosovo's declaration of independence.

The counterfactual analysis<sup>10</sup> demonstrated that the LGF had a **positive and significant impact on the number of employees and the survival rates** of the SME final recipients.

For the EFG<sup>11</sup>, SME final recipients experienced **improvements in their economic performance in the years after** receiving finance via this scheme.

The **Enterprise Europe Network (EEN)** provided **integrated advisory and support services** to help SMEs to take advantage of business opportunities in new markets both within the EU and beyond and **supported cross-border business cooperation and transfer of knowledge**. The network's services delivered on or exceeded all targets, and the targeted consultations provide evidence of the positive impacts of EEN services on SME clients' competitiveness (including access to markets, growth or maintenance of jobs, and the introduction of new products).

The **Cluster actions** promoted the **international cooperation** of SMEs, boosted their **innovation** capacity and excellence, and the **development of products and services**. The programme supported 130 clusters initiatives with EUR 51 million. Clusters delivered some useful outcomes such as boosting cluster **management skills**, boosting cluster managers' understanding of the **internationalisation process**, and led to increased **cooperation, networking**, and the development of **joint strategies**.

**Erasmus for Young Entrepreneurs (EYE)** exchanges aimed to help new and experienced entrepreneurs to learn from one another to **promote entrepreneurship** and an **entrepreneurial culture**. EYE **boosted the entrepreneurship and international business skills** of the participating entrepreneurs.

Although the descriptions of actions in annual work programmes improved in the latter years of the programme<sup>12</sup>, one key factor negatively influencing the performance of COSME, lies in the fragmentation of smaller actions which lacked a strong thematic link to other COSME initiatives and its overarching objectives. One key cause was the wide scope of the objectives.

## **4.2 Specific impacts on competitiveness**

The programme impacted on various **dimensions of SME competitiveness**: helping businesses to gain an advantage in the market by reducing costs, increasing productivity, innovating, introducing new products, and expanding into new markets.

All four specific objectives of the programme contributed towards this goal. There is stronger evidence of the contribution of SO1 and SO2 to SME competitiveness. SO3 actions contributed both directly (clusters) and indirectly (SME performance review/SME Envoys) to strengthening elements of SME competitiveness such as reducing administrative burdens. Under this objective the COSME programme supported E-skills for Jobs campaign in 2015-2016 to fill digital skill shortages, gaps and mismatches. SO4 actions contributed primarily to enhancing skills. Surveys of entrepreneurs conducted by the Commission shortly after their

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<sup>10</sup> The counterfactual analysis was carried out within the supporting study, and it used data from the Orbis database, Bureau van Dijk.

<sup>11</sup> According to data from Orbis, it is too early to formally prove a direct causal link. Nevertheless, evidence from other studies on similar equity schemes supported under previous EU programmes suggests that the positive impacts of the EFG on employment, turnover, and total assets observed with Orbis data would also prove to be valid if a counterfactual scenario were replicated once all the company data needed for the counterfactual analysis becomes available.

<sup>12</sup> As noted in point 4.1.1.1 of the supporting study.

EYE exchanges provide early-stage evidence of the positive impact of EYE on enterprise creation. However, there were no longitudinal surveys to confirm the full impacts in the longer term for COSME. Its successor the Single Market Programme is introducing such surveys to monitor careers of entrepreneurs.

**Table 2** *Impacts of specific objectives and actions on SME competitiveness*

SO1 Improving access to finance for SMEs in the form of debt and equity	<b>Financial instruments:</b> <ul style="list-style-type: none"> <li>• <b>Loan Guarantee Facility (LGF)</b></li> <li>• <b>Equity Facility for Growth (EFG)</b></li> </ul>	<ul style="list-style-type: none"> <li>• Supported day-to-day operations of riskier SMEs enabling them to remain competitive and survive, expanded SME lending, provided finance to SMEs on better credit terms and conditions, helping SMEs to limit their costs (outcome)</li> <li>• Allowed SMEs to develop and invest in innovation (including investment in energy and environment) (outcome)</li> </ul>
SO2 Improving access to markets for SMEs	<b>Enterprise Europe Network</b>	<ul style="list-style-type: none"> <li>• Improved access to markets, helped SMEs to introduce new products</li> </ul>
SO3 Improving framework conditions and competitiveness	<b>Clusters Internationalisation</b>  <b>Clusters excellence</b>   <b>SME Performance Review, and the work of the SME Envoys</b>	<ul style="list-style-type: none"> <li>• Enhanced internationalisation skills of clusters (better understanding of internationalisation issues) (outcome)</li> <li>• Enhanced management skills of clusters (outcome)</li> <li>• The quality label was used by national funding authorities as a criterion for allocating national funding to clusters. This helped to ensure that national funding was allocated to clusters that could provide better quality support to businesses.</li> <li>• Contributed to reducing administrative burdens. Inter alia good progress was made with reducing the time and cost of registering a business (two related economic impact indicators in the COSME Regulation).</li> <li>• These actions contributed to the Commission's work to monitor actions and reforms by Member States for improving the business environment. (the European Semester, the Recovery and Resilience Facility and feedback on the National Reform Programmes)</li> </ul>

SO4 Promote entrepreneurship and entrepreneurial culture	Erasmus for Young Entrepreneurs (EYE)	<ul style="list-style-type: none"> <li>• Enhanced business and internationalisation skills of both new and host entrepreneurs (outcome)</li> <li>• Data is available on the “potential impact”, i.e. the percentage of entrepreneurs “intending to” set up a business after participating in an EYE exchange:</li> <li>• In the period from 1.2.2015 - 31.1.2023, 95% of new entrepreneurs (8016 responses) supported by EYE under the COSME programme said that their participation had contributed to their ambition to start their own business (significantly: 64% or to some extent: 31%). (Source, survey of EYE participants, European Commission).</li> <li>• An additional survey would be needed at a later stage to check how many businesses were actually created.</li> </ul>
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*Source: Elaboration based on the supporting study for COSME evaluation*

### 4.3 Contribution to administrative burden reduction

The COSME programme funded studies, and meetings with stakeholders that helped to address administrative burdens in EU and national policies and find solutions for helping SMEs to address emerging issues. Examples:

- The Commission used the **SME Performance Review** to inform the European Semester and policy actions related to SMEs, including shaping the National Recovery and Resilience Plans.
- COSME funded the meetings of **the SME Envoys** and the **SME Assembly** which provide advice and feedback on issues that SMEs are facing, including administrative burdens. The SME Envoy Network provided up-to-date information on barriers/administrative burdens and national support measures for SMEs. That allowed Member States’ services for SMEs to learn from each other and coordinate support measures.
- COSME also provided annual support to the action “**Engaging SMEs and Stakeholders on policy design and implementation/strengthening of the Better Regulation Agenda**”. The 2019 edition of this action supported the definition of “call for evidence” business requirements. The 2020 work programme supported work to define the requirements and develop an internal Commission “one in, one out” calculator.

**Administrative burden in the implementation** of COSME actions was not perceived as considerable. 84% of SMEs using the Enterprise Europe Network reported incurring no direct or indirect costs linked to the EEN services. The majority of LGF final beneficiaries (62%) did not experience a high administrative burden. Less than half (46%) of surveyed LGF financial intermediaries reported an additional administrative burden associated with reporting. However, the perception of this burden varied considerably across financial instruments. EFG fund managers interviewed did not report any administrative burden associated with COSME. For most EYE entrepreneurs (64%) the administrative requirements and reporting obligations were, at worst, slightly burdensome.



## 4.4 Geographical outreach

COSME achieved a broad reach in terms of number, type, geographical and sectoral distribution of its beneficiaries. Unsurprisingly, there are a larger number of beneficiaries in the largest Member States, i.e. Italy, France and Spain where financial instruments have been of particular benefit to SMEs. The impacts of some actions can also be explained by differences in regional financial ecosystems and banking structures, where the countries with historically developed financial markets such as Germany, France, Italy and the Netherlands can benefit the most. In addition, regions with stronger international trade links or strategic positions have benefited further from EEN support to internationalisation. Given that entrepreneurial culture also varies across Europe, regions with robust entrepreneurial ecosystems, supportive networks, and educational institutions may witness stronger impacts. Countries such as Lithuania and Cyprus were among the key beneficiaries of the EYE programme relative to the size of population, whereas France and Germany registered relatively the lowest number of exchanges.

## 4.5 Contribution to wider policy objectives

At a policy level, the programme aligned with key policy priorities such as **the Small Business Act**<sup>13</sup>, **the Single Market Strategy**<sup>14</sup>, and the **Start-up and Scale-up Initiative**.<sup>15</sup> The programme played a crucial role in achieving the Commission's growth and employment priorities by improving access to finance, facilitating networking and cooperation between businesses, sharing of information and best practice, and expanding market opportunities for EU SMEs<sup>16</sup>.

COSME was highly valued by stakeholders for the focus on **fostering economic growth** and job opportunities and facilitating sustainable growth. Its contribution in areas beyond the economic sphere and addressing **societal challenges** and inclusive and sustainable growth is difficult to assess at a programme level given the evidence gathered. However, some considerations can be made at a sub-programme level such as for social economy or tourism actions.

Within the broader competitiveness objective, several actions considered **climate-related challenges** such as using innovation to become more energy-efficient or sustainable construction. Overall, the COSME contribution to the climate mainstreaming objective, set for all Commission programmes (overall 20% of the EU budget 2014-2020), is **estimated at EUR 25.6 million**.<sup>17</sup>

For example, the EFG facilitated investment of more than **EUR 62 million in SMEs in the energy and environment sector**.<sup>18</sup> Over 200 EEN expert business advisers specialise in climate-related issues. **Under Clusters Go International**, six projects out of 12 had a specific focus on helping SMEs to improve their resource-efficiency and implement the green transition

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<sup>13</sup> European Commission. 2008. European Commission communication (COM (2008) 394 Final) – “Think Small First” – A “Small Business Act” for Europe.

<sup>14</sup> Available at: European Commission. 2023. The Single Market strategy.

<sup>15</sup> Available at: European Economic and Social Committee. 2016. Europe's next leaders: the Start-up and Scale-up Initiative.

<sup>16</sup> Inter alia, evidence is provided in the effectiveness analysis for the financial instruments and the EEN.

<sup>17</sup> COSME 2020 Monitoring Report.

<sup>18</sup> EIF. 2022. COSME-Equity Facility for Growth Implementation Update,

[https://www.eif.org/what\\_we\\_do/equity/single\\_eu\\_equity\\_instrument/cosme\\_efg/cosme-efg-implementation-update.pdf](https://www.eif.org/what_we_do/equity/single_eu_equity_instrument/cosme_efg/cosme-efg-implementation-update.pdf).

in 2020.<sup>19</sup> Several studies provided evidence for policy measures on climate issues, and in particular the **European Climate Neutral Industry Competitiveness Scoreboard (CIndECS)** informed policy work related to the Clean Energy Technology Observatory and the Net Zero Industry Act.<sup>20</sup>

Tourism actions, actions supporting women entrepreneurship and social economy missions had mostly successful outcomes and demonstrated the **role that SMEs can play in territorial and social cohesion**. One focus area of the social economy missions was local or regional measures tackling unemployment. In the tourism sector, workshops and reports developed topics such as sustainability, digitalisation, and resilience and contributed evidence and experience for the **Transition Pathway for Tourism**<sup>21</sup> published by the Commission in February 2022.<sup>22</sup>

Other actions in the field of **social economy** supported inter-regional learning and collaboration for more sustainable growth. As an example, the **European Social Economy Missions of 2020**<sup>23</sup> involved a wide range of umbrella organisations focused on the social economy.

Furthermore, the **SME Performance Review** and actions addressing **framework conditions** provided solid evidence to support policy making and published materials that generated additional visibility for the Programme. The SME Performance Review reports have been useful for deepening the understanding of market trends through key performance indicators and for supporting national policy developments. Other initiatives were helpful for supporting evidence-based policy making and national reform efforts.<sup>24</sup>

## **5 WHAT WAS THE EU ADDED VALUE OF THE PROGRAMME**

COSME has offered EU added value by supporting **actions that go beyond the scope and depth of actions supported at national or regional level**. The advisory services and grants projects brought considerable additionality by **combining expertise from many countries**. This could not have been achieved by any national or regional programme. The number of businesses receiving finance and/or advisory services was beyond the capacity of any national or regional support scheme.

For the **LGF**, COSME provided EU added value by offering better conditions for SMEs than national and regional support schemes. It also ensured availability of finance for riskier businesses that did not have collateral. The **EFG** provided partial additionality by providing a wider scope or array of support than national or regional equity schemes. It played a key role in developing the European equity ecosystem thanks to its pan-European perspective which helped overcome fragmentation of the European equity market. It also provided larger amounts of capital to individual SMEs (larger ticket size) than the EU average.

COSME supported a range of in-depth advisory services for SMEs on a large and international scale. The international component of these services was not available through national services and support schemes in a large number of Member States, and therefore not available

<sup>19</sup> Clusters Go International “all sectors” call (GRO/SME/20/C/02).

<sup>20</sup> COSME 2020 Monitoring Report.

<sup>21</sup> [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_22\\_850](https://ec.europa.eu/commission/presscorner/detail/en/ip_22_850)

<sup>22</sup> Monitoring fiche. GRO/SME/20/C/081.

<sup>23</sup> These aimed to contribute to better, high-quality employment, the green, social and digital transition at a local level, and the adoption of resilient and sustainable business models. Monitoring fiche. GRO/SME/20/D/01 - European Social Economy Missions.

<sup>24</sup> For instance, the Initiative for a Built Environment, produced a monitoring tool to support the design and monitoring of construction-related measures in the context of the NRRPs Monitoring fiche. GRO/SME/20/F/103.

for a large part of EU SMEs. In particular, **EEN offered full additionality** and European value-added by supporting networking and information sharing between the EEN advisors across the EU. The **international IP helpdesks** also provided full additionality by helping SMEs to obtain tailor-made responses with complex input from several different countries.

The 2021 evaluation study on **Cluster Initiatives** under COSME, Horizon 2020 & FPI<sup>25</sup> found that cluster organisations participating in Clusters Go International considered the supported cluster partnerships to be unique in terms of developing market access for SMEs in third countries.

The EYE offered additionality and strong EU added value by providing **transnational mobility possibilities** for entrepreneurs that are not otherwise available. While Member States offer a wide range of support for entrepreneurs, there are few if any instances of national programmes supporting transnational mobility and certainly none with the scale and international profile of EYE.

The EU branding and EU-wide scope of COSME delivered EU added value in the form of a **greater international profile** for the Programme. Some COSME actions such as the EEN or the EYE are now becoming widely recognised throughout the SME community. EEN branding is widely used and its role for EU-related support is recognized, but **there is scope to increase SMEs' awareness that EEN services are EU co-funded**<sup>26</sup>.

## 6 EFFICIENCY

The assessment of the efficiency of the COSME programme covers budget and implementation structures and governance, proportionality of costs and benefits, and the administrative costs for applicants and beneficiaries. It is based on programme data on **key metrics**, notably “**Time to inform**” (TTI) and “**Time to grant**” (TTG) in relation to open calls<sup>27</sup>. It also uses the findings of the interim evaluation of COSME covering implementation in 2014-2016, and evidence gathered in the interviews and targeted surveys.

There has been a **high execution rate of the programme** budget in each year of the programme's implementation, even though there was a steady increase in the annual budget year-on-year. The execution rate ranged from 94% in 2016 to 99% in (2014, 2015 and 2020) and **the average rate over the life of the programme was 98%**.<sup>28</sup>

The COSME actions provided a diversity of quantifiable benefits for participants and beneficiaries, as well as for the EU more generally.

<sup>25</sup> Evaluation Study of & Potential Follow-Up to Cluster Initiatives under COSME, H2020 & FPI: <https://www.ideaconsult.be/en/projects/evaluation-study-of--potential-follow-up-to-cluster-initiatives-under-cosme-h2020--fpi>.

<sup>26</sup> Some of the interviewed EEN members reported that SMEs primarily recognise the name of the EEN member organisation.

<sup>27</sup> TTI refers to the time from the call deadline to the invitation to sign the contract, whilst TTG refers to the time elapsing between the closure of a call and the signature of the Grant Agreement, which typically marks the start of the project.

<sup>28</sup> Source: annual monitoring reports produced by the European Commission

**Table 3** *Main quantifiable benefits of specific COSME actions*

Action	Indicator (proxy of benefits)	Type of indicator	Value of the indicator
<b>EYE</b>	Number of host/new entrepreneurs	Output	15 096
	Number of intermediary organisations	Output	360
	Number of EYE exchanges	Outcome	7 548
<b>EEN</b>	Number of SMEs receiving EEN services	Outcome	1 957 822
	Number of SMEs using digital services	Outcome	21.5 million (2020-21)
	Number of cross-border partnership agreements signed	Outcome	18 701
<b>Clusters</b>	Number of cluster initiatives and events	Outcome	132
	Number of cluster organisations involved	Output	392
	Number of SMEs benefiting from actions	Outcome	>4 055 SMEs
	Number of sectors covered by cluster initiatives	Outcome	61
<b>LGF</b>	Total EU commitments to debt finance	Output	EUR 1.2 billion
	Number of intermediaries supported	Output	128
	Total value of lending provided on the basis of LGF as supported by the European Fund for Strategic Investments (EFSI)	Output	EUR 54 billion
	Number of SMEs receiving guaranteed loans	Outcome	865 387
	Number of jobs maintained or created in the SMEs or sector	Impact	233 146 <sup>29</sup>
<b>EFG</b>	Total EU contribution committed by DG GROW		EUR 378.1million
	Number of financial intermediaries supported	Output	23
	Total funding catalysed by instrument	Outcome	EUR 3.9 billion
	Number of jobs maintained or created in the SMEs or sector	Impact	1 604 <sup>30</sup>

Source: Elaboration based on the supporting study for COSME evaluation

## 7 RELEVANCE

COSME objectives aimed at addressing key challenges for European SMEs, and the **programme adapted to emerging needs**. Changes in budget allocation were made during the implementation of the programme to meet changing needs. Flexibility was cited in feedback provided by stakeholders benefiting from public procurement, social economy, and tourism

<sup>29</sup> This figure is based on the COSME LGF – Growth & Employment report 31-12-2019.

<sup>30</sup> This figure is based on the COSME EFG – Growth & Employment report 31-12-2019.

actions.<sup>31</sup> All programming documents took account of the **increased interest in sustainability, the digital and green transitions, and women entrepreneurship.**

As programme implementation progressed throughout the period of the programme, more emphasis was put on **innovation** and **digitalisation**. New EU policy initiatives approved in the final years of the programme included the 2018 proposal for the Digital Europe Programme<sup>32</sup> to strengthen the EU's digital capabilities.

In the 2014-2020 period, particular attention was also devoted to sustainability and the green transition. The **European Green Deal** (2019)<sup>33</sup> became a central policy framework aiming to make the EU climate-neutral by 2050. COSME has helped enterprises and clusters develop green and sustainable products, and part of the COSME financial support was allocated to SMEs which made environmentally friendly investments.

## 8 COHERENCE

The most internally coherent actions are the **financial instruments, EEN, clusters internationalisation actions, the IP help desks, and the EU Japan centre.**

The supporting study finds that progress has been made (additional synergies, leveraging complementarities and minimising overlaps) throughout the period since the time of the interim evaluation, which found that synergies within the COSME programme at that time were not strong<sup>34</sup>. Nevertheless, the supporting study also suggests a need for a more **systematic approach for identifying and implementing synergies**, and for better interaction between communication tools for different actions.

**Table 4** *Synergies, complementarities and/or cooperation with other programmes or support services*

Type or name of programme or actions	COSME actions showing synergies, complementarities, or cooperation	Overlaps
Horizon 2020	EEN, LGF, EFG	
ESIF	EFG, EEN LGF: some overlap, but SMEs' demand for credit was sufficiently strong to ensure that both regional and LGF finance were fully used.	See middle column
EFSI	LGF (complementarity and cooperation)	EFG
IP Helpdesks under various EU programmes	International IP helpdesks EU Japan Centre	

<sup>31</sup> Feedback collected from interviews on the topic for the study.

<sup>32</sup> [https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/digital-europe-programme\\_en](https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/digital-europe-programme_en)

<sup>33</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52019DC0640>

<sup>34</sup> Implementation of the interim evaluation recommendations is provided in Annex VI A of the Staff Working Document. Further information on these synergies is given in 2019 and 2020 Monitoring Reports.

National and/or regional support measures	EYE: complementary to entrepreneurship and skills actions LGF and EFG: complementary to regional FIs	
Digital Innovation Hubs <sup>35</sup>	EEN: - made good progress with regional integration - Cooperated with Digital Innovation Hubs	

Source: Elaboration based on the supporting study for COSME evaluation

## 9 CONCLUSIONS AND LESSONS LEARNT

The programme built on the results of the previous Entrepreneurship and Innovation Programme (EIP) (2007-2013). Many of the actions supported under the EIP were continued in COSME. Whilst acknowledging the importance of innovation in its interventions, COSME focussed on competitiveness. The programme made **significant progress towards achieving its general and specific objectives**, successfully tackling a range of complex issues at the same time, based on the analysis of available hard data and the feedback from the surveys.

The programme supported SMEs **in accessing finance**, in understanding how to operate in **new markets** and **global value chains** and in collaborating across borders and within clusters. More generally, it promoted **entrepreneurship and business creation** and a more business-friendly environment.

### 9.1 Key strengths of COSME

- **use of intermediaries** that understood the needs of SMEs in specific sectors and ecosystems;
- **flexibility** of the Programme;
- **strong track record on financial implementation** and sound budgetary monitoring which enabled budget re-allocations when necessary;
- **positive effects on final SME beneficiaries** across all objectives;
- **highly relevant and remained relevant** throughout its duration, demonstrating capability to help SMEs tackle new issues.

The LGF demonstrated a good impact on survival rates, but no causal proof of impact on employment, turnover and total assets. The EFG had good impact on survival rates, employment and economic performance in general.<sup>36</sup>

The EEN proved effective. The programme helped nearly 2.9 million SMEs obtain crucial advisory services, information to operate in new markets and support in finding partners. Evidence from the surveys indicates that EEN services helped SMEs to survive, maintain and

<sup>35</sup> These started off as national/regional initiatives. As of 2023, the EDIH's became operational.

<sup>36</sup> Based on counterfactual analysis. Although the EFG could not demonstrate statistically significant and positive economic benefits, largely due to the very small final sample size, the analysis demonstrates that over time, the EFG final recipients have not only exhibited high survival rates, but have also experienced significant positive trends in their economic performance, e.g. increase in turnover and assets.

increase their workforce, expand into new markets, as well as maintain or sustain their turnover. The EYE also showed some very positive impacts, notably on skills.

## 9.2 Key weaknesses of COSME

- **incomplete monitoring and reporting system** with measurable indicators not fully covering all interventions;
- monitoring of **smaller interventions focussed primarily on financial implementation**, deliverables, and addressing any issues encountered;
- the **governance structure of the programme** and in particular, the involvement of multiple intermediary bodies, contributed to challenges for data gathering on final impacts.

The evaluation found that a weakness in programme planning is an incomplete monitoring system explaining how all actions, especially the smaller ones, aim to address specific needs and market failures coherently and contribute to the programme's overall objectives and broader EU policy priorities.

Some smaller actions were more successful than others. A few actions faced implementation and performance issues that were closely monitored by the Commission.

## 9.3 Lessons learnt for the future

COSME presented several key strengths. The Programme had positive effects on final SME beneficiaries, was relevant and remained relevant throughout, presented a strong track record on implementation and confirmed the validity of intermediaries as an effective implementation mode. Yet, a number of key suggestions for future improvement can also be proposed:

- **Develop a simpler and more logical framework for monitoring** which would facilitate the assessment of the programme and ensure that all actions preserve a strong relevance.
- **Increase attention paid to the results and impacts of the programme**, including in the longer term, and to the measurement of the indicators laid down in the COSME regulation and subsequent programming documents for all the actions.
- **Improve coherence of smaller actions.** The identification and activation of synergies should be further pursued on a regular basis.

An area for improvement is developing a simpler monitoring and reporting system with measurable indicators. Although many aspects of reporting on smaller actions improved in the latter years of the COSME programme, the analysis did not find sufficiently granular monitoring data and information on their results and how they contributed to the Programme's overarching objectives.

The study also identified a need for improved data-gathering on the final beneficiaries of the programme, as regards their results and how they contributed to the programme's overarching objectives. The need for more complete monitoring data should not mean calling for additional reporting burden. Solutions are explored, including automation and use of existing data, to ensure provision of information while not adding administrative burden.

Financial instruments have demonstrated high internal coherence, with loan guarantee and equity financing being mutually supportive. Larger actions such as the EEN, the financial instruments, and actions such as the international IP SME Helpdesks built synergies with actions supported under other EU funds and programmes such as Horizon 2020. Although many smaller actions made a valuable contribution to the goals of the programme and achieved good impacts, some were less coherent.

Flagship COSME actions such as the Enterprise Europe Network could also further benefit from increased visibility among SME community. EU-wide branding has the potential to enhance the Programme's international profile, further improve uptake of actions by SMEs as well as create new opportunities for cooperation.