



# Position Paper

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## EUROCHAMBRES' reaction to the European Commission's proposal for the 2021-27 COSME programme (within the Single Market Programme)

On 7 June 2018, the European Commission published its proposal for the Single Market Programme for the period 2021-27, which includes the COSME+ Programme, focused on improving the competitiveness of SMEs.

### Welcome elements

**The focus on the actions that delivered tangible results, had a significant impact and a clear EU added value**

In the discussions leading to the development of the Multiannual Financial Framework 2021-2027, EUROCHAMBRES advocated strengthening and enhancing those actions that have a significant impact in terms of support for SMEs and the promotion of entrepreneurship. Among these, EUROCHAMBRES stressed the key role played by the Enterprise Europe Network and the Erasmus for Young Entrepreneurs (EYE) programme, together with the financial instruments.

Against this background, EUROCHAMBRES welcomes COSME+'s intention to focus on and strengthen the actions that produced results in the current programming period, notably the Loan Guarantee Facility, the Enterprise Europe Network, the Clusters initiatives and Erasmus for Young Entrepreneurs. Initiatives such as the SME Performance Review (Small Business Act-Factsheets) and the IPR Helpdesk should also be funded under the new programme.

In order to maximise the efficiency and impact of the programme, along with focusing more resources on the actions that have demonstrated their added value and relevance for SMEs and entrepreneurship, the fragmentation that has occurred under the current COSME (especially under the specific objectives 3 and 4) should be avoided during the next period.

### Efforts towards streamlining

The implementation of the loan guarantees under the COSME programme via the 'SME Window' of Invest EU is a welcome streamlining measure. The European Commission must, however, ensure that the funds allocated to these newly created windows are used for their stated objectives and actually benefit SMEs.

## Elements of concern or where further clarification is needed

### The future relationship between the Enterprise Europe Network and Erasmus for Young Entrepreneurs

EUROCHAMBRES welcomes the Commission's emphasis on the creation of synergies between the programme's actions, an element EUROCHAMBRES advocated in its submissions on the Multiannual Financial Framework 2021-2027 and on the COSME mid-term evaluation.

There is certainly room for increasing synergies and links between the Enterprise Europe Network, Erasmus for Young Entrepreneurs, and Clusters initiatives, as underlined in the Impact Assessment on COSME+: 'the service proposed by each of these instruments could benefit the same groups of SMEs or entrepreneurs in a business development logic [...]'. For example, as the Commission observes, would-be entrepreneurs benefitting from Erasmus for Young Entrepreneurs could be encouraged by collaborating clusters to participate and be redirected to EEN for more specialised business advisory services or advice on financial instruments. Moreover, an enhanced collaboration could contribute to the objective of the Commission's Start-up and Scale-up initiative to create better opportunities for partnerships, commercial opportunities and skills.

Nevertheless, the future relationship between the Enterprise Europe Network and the Erasmus for Young Entrepreneurs programme deserves careful consideration.

An integration of the Erasmus for Young Entrepreneurs programme in the Enterprise Europe Network portfolio entails the risk that the focus on implementing a specific cross-border exchange programme for entrepreneurs, which is at the core of EYE, will disappear because it will be diluted among the different services offered by the Enterprise Europe Network. As a consequence, the number of EYE entrepreneurial collaborations and exchanges per year might drop. In recent years, the programme has been establishing between 800-1000 exchanges per year, with the results for 2017 reaching nearly 1200 exchanges. Not having a programme that specifically focuses on these entrepreneurial exchanges will inevitably weaken the achievements of Erasmus for Young Entrepreneurs, a scenario that must be avoided.

The Erasmus for Young Entrepreneurs programme currently has a network of nearly 200 Intermediary Organisations (IOs) that implement the programme across 38 participating countries, where they promote the programme, recruit entrepreneurs, support them in their participation in the programme and monitor each exchange between the two individual entrepreneurs. Integrating EYE into the EEN services would lead to a reduction of the number of experienced organisations responsible for the implementation of the programme. Even in the cases where some organisations are both EEN contact points and EYE Intermediary Organisations (approximately 10%), the work is usually split between different teams. Unless the Enterprise Europe Network is going to absorb the existing 200 intermediaries, many of which have been involved in the programme since the beginning, their expertise would be lost.

**In order to maximise the synergies between the Enterprise Europe Network and Erasmus for Young Entrepreneurs, it is instead recommended that these two complementary actions work closely together, but that their implementation remains separate.** In this way, the two strands will ensure more complete entrepreneurial support for aspiring and newly-established entrepreneurs, as well as experienced entrepreneurs. For example, new entrepreneurs from the EYE programme can be guided to obtain advice and support from the EEN services. This is extremely relevant in the context of the newly implemented concept of start-up and scale-up advisors to be put in place in the framework of EEN.

### The possible change of name of Erasmus for Young Entrepreneurs

Erasmus for Young Entrepreneurs is referred to in the Commission's proposal as 'mentoring scheme for new entrepreneurs'. Yet, this change of name might be counterproductive for two main reasons:

- Erasmus for Young Entrepreneurs is now an established brand and changing the name at this stage, with the 10th anniversary of the programme coming up in 2019, might reduce its visibility.
- More importantly, the new name used in the Commission's proposal fails to capture the essence of the programme. Mentoring is a key component of the programme but it is not the only one. Indeed,

the programme is not about the mentoring of new entrepreneurs by more seasoned ones, but it is about the **exchange of experience** between two individual entrepreneurs. Each exchange is meant to be a collaboration between the two parties that is mutually beneficial to the entrepreneurs and their respective businesses, creating a win-win situation. The focus of the programme solely on the mentorship component risks distorting the understanding of prospective participants and eliminating one of the main added-values of this programme. Mentoring programmes exist in many shapes and forms on national and European level but Erasmus for Young Entrepreneurs is the only cross-border exchanges programme for entrepreneurs in Europe.

The concerns that are often raised with regards to the confusion caused by the word “Erasmus” in the name of the programme are understandable and fair to a certain extent but it should be noted that “Erasmus” today is not purely the name of a programme, such as Erasmus+, but rather a concept- one that implies discovering new horizons and creating new networks across borders. In Erasmus for Young Entrepreneurs, the opportunity to discover new markets, new business opportunities and new partners falls very much under the Erasmus/cross-border concept.

Should the name of the programme be changed, this should be done following a careful consideration of the risks and opportunities associated with such a change and accompanied by an in-depth discussion with the actors involved in the implementation of the programme, including a possible survey about the suitability of the change and future expected impact. The “launch” of a rebrand should also be done correctly to maximise impact.

### **Synergies with Horizon Europe but lack of focus on incremental innovation**

According to the proposed Regulation, the Single Market programme also seeks synergies with the Horizon Europe programme to encourage SMEs to benefit from breakthrough innovation. However, it is worrying to verify the lack of attention, within Horizon Europe, to incremental innovation, which is crucial to boost the competitiveness of SMEs.

### **Other elements**

EUROCHAMBRES stresses the importance, also expressed in the proposed Regulation, to ensure a smooth transition without interruption between the current COSME programme and the future COSME+, as well as in general between the five various programmes currently in place and the future Single Market Programme.

In order to enhance the transparency of the Single Market Programmes, EUROCHAMBRES calls for relevant EU stakeholders to have a seat on the programme committee, a recommendation that we have also submitted in relation to the new Erasmus programme.

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*EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through members in 44 countries and a European network of 1700 regional and local Chambers.*