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STANDING COMMITTEE OF THE EFTA STATES

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SUBCOMMITTEE IV ON FLANKING AND HORIZONTAL POLICIES

EEA EFTA Comment on the partial general approach on the Programme for the Competitiveness of enterprises and SMEs (COSME) 2014-2020, as agreed during the Competitiveness Council meeting on 30 May 2012

PREFACE

The EEA EFTA States welcome the Council's partial agreement on the proposed COSME Programme, with a view of a timely adoption by the Council and the European Parliament by mid-2013, to allow for the decision making procedure and participation of the EEA EFTA States from 1 January 2014.

The EEA EFTA States support the Commission's opinion that there is a need to strengthen the Internal Market and to support the competitiveness and growth of European enterprises. COSME is the only programme designed to support SMEs specifically. We therefore welcome the proposal for a programme with this aim.

The EEA EFTA States would like to express their support for the Programme's aim of easing the current credit crunch and providing easier access to finance for SMEs.

The EEA EFTA countries would like to support the Commission and the Council in their efforts to provide simplification and easier access to the Programme.

Administrative burden

1. The EEA EFTA States welcome the Council's focus on the simplification agenda for the implementation of the programme. Simplified procedures will ease the participation in the programme for all actors, including SMEs, and will lead to more growth. A continued focus on the Small Business Act and a clear target for reduction and simplification measures are instrumental in achieving more growth for SMEs.
2. The EEA EFTA States would like to emphasise the importance of carrying on the simplification of administrative burdens for SMEs and cutting red tape. We support the SME test and the screening of all new legislation with the principle "Think small first". We think this is the right way forward and would like to underline the continued EU focus on supporting the Member States' red tape reduction effort as well.

3. The EEA EFTA States would like to emphasise the importance of carrying on the reduction of already existing administrative burdens for all enterprises. SMEs are particularly weighed down by administrative burdens due to their size and administrative capacity. They will therefore benefit at an even larger scale than large enterprises from a reduction in current administrative burdens.
4. The EEA EFTA States would like to see a focus on e-solutions on a transnational level as the needs are universal across Europe and there is an added value of doing this at a European level to avoid parallel and duplicate developments.

Internationalisation

5. The EEA EFTA States share the Council's ambition of increasing the transborder trade of European SMEs and welcome the initiatives of supporting SMEs in their international pursuits. The EEA EFTA States consider that concrete support is a means to lower the barriers, technical or otherwise, to transborder trade.
6. The EEA EFTA States support a common approach on building competence, strategic market orientation, contacts and an increased level of common standards and harmonisation of rules and regulations. The EEA EFTA States see that international contracts are a particularly difficult area for SMEs and would encourage the Commission to look at possible actions to this regard in the context of COSME.
7. The EEA EFTA States would like to draw the Commission's attention to the fact that such measures should be open to all countries participating in the Programme.

Access to markets

8. The EEA EFTA States support the intentions of strengthening the internal market and the aim of increasing the number of SMEs engaged in cross border trade, both within and outside the EU/EEA area. The EEA EFTA States very strongly support the Enterprise Europe Network's advisory services on the internal market and would like to see this side of the network strengthened. The advisory services of the Enterprise Europe Network is the only tool in the COSME programme helping SMEs concretely and directly with the challenges and opportunities in the internal market and it is the only network of its kind.
9. The EEA EFTA States would like to encourage the Commission to look at the Enterprise Europe Network in the light of the Council conclusions on the Governance of the single market on May 31 2012. Duplication of structures and efforts should be avoided and the existing network in place should be considered for further duties. The EEA EFTA States consider the Enterprise Europe Network as the tool to provide advisory services related to the internal market for SMEs. This competence and experience should be taken into account when developing a structure for improving internal market services at the administrative level.
10. The EEA EFTA States have had a good experience of having the network in a large, public business support organisation. This gives additional value to the host

organisation, at the same time the host organisation has the financial strength, skills and the competence to exploit the network effect and the European value the network represents.

11. The EEA EFTA countries consider it highly recommendable to use the Enterprise Europe Network for the purpose of assisting and mobilising innovative SMEs in the Internal Market and to European cooperation programmes. Hence, we would like to see a strong link between the COSME and the Horizon 2020 programme in this regard. However, the small budget of the COSME programme should not be further strained and the work towards goals and objectives in the Horizon 2020 sphere should be financed by this programme. The network's no-wrong-door-success for research and innovation in SMEs should be continued by providing resources from the appropriate sources.
12. The EEA EFTA States would like to see the development of practical tools and competence building for SMEs to improve access to markets. These could for instance include a self evaluation tool for competitiveness, the ability to build business models, the ability to understand and adapt to different business cultures both in the internal market and globally. These tools could be disseminated through the Enterprise Europe Network.

Access to finance

13. Considering the evident lack of capital in the market, the EEA EFTA States welcome the Council's focus on access to finance for SMEs.
14. The EEA EFTA States would like to draw the Council and the Commission's attention to the fact that there is a need for Europe to focus on SMEs that have the potential to grow into large leading companies. In the financial instruments, the EEA EFTA States would like to see a focus on growth, which in turn will lead to more future-oriented and robust jobs. The ceiling of EUR 150 000 for the loan guarantees might be too low for some SMEs with a particularly high growth potential and should not be absolute.
15. The EEA EFTA States would like to point to the fact that it is essential to draw a clear distinction between the way funding is allocated: all financing under COSME should be allocated to companies with a high growth potential, to support their development. Funding under the cohesion policy should focus on capacity building, development in general and employment
16. The EEA EFTA States are positive to the possibility of pooling the financial instruments in COSME with those of the structural funds or others. As well, national public funds in the EEA EFTA States should not be excluded from pooling with the financial instruments in COSME.
17. The seamless operation of the financial instrument across the COSME and Horizon 2020 needs to be clear and evident to ensure its smooth implementation.

Entrepreneurship

18. The EEA EFTA States welcome the focus on entrepreneurship and entrepreneurship culture. It is important to have a dynamic business life and to ensure added value, the EEA EFTA States would like to see a focus on entrepreneurs with a growth potential and not on entrepreneurship as an employment strategy.
19. The EEA EFTA States see a particular added value in building competence and skills and therefore welcome initiatives like Erasmus for Entrepreneurs which can be a way of supporting the so called ‘born globals’ and hence increase trade and investments across borders in the medium term.
20. The EEA EFTA States share the Commission’s focus on business transfer as an unrealised potential and would like to express support for actions in this area.
21. The EEA EFTA States would welcome actions that focus on the SMEs need and low entry level actions like seminars and courses delivered on the ground for instance by the Enterprise Europe Network instead of high profile seminars for policy makers, for instance in the context of the SME week.
22. Initiatives that provide a platform for sharing experiences and best practice, such as the European Enterprise Promotion Awards, should be continued. Further initiatives for the purpose of sharing ideas of ways of creating a more dynamic entrepreneurial culture would be welcomed, as there is a clear European added value for this.

General comments

23. The EEA EFTA States would like to point to the fact that the operational separation of innovation and competitiveness is an artificial one. The EEA EFTA States welcome the Council’s statement that there needs to be a close link between the COSME programme for Competitiveness and Growth and other EU programmes. The EEA EFTA States would particularly like to stress the importance of a very close link to the Horizon 2020 in this regard. Innovation and competitiveness are interlinked and both are needed to ensure value creation in Europe. It is therefore important that the interface between the COSME programme and the Horizon 2020 is seamless for all stakeholders. The Enterprise Europe Network could, in particular, provide a very valuable tool for delivering a seamless system of innovation and competitiveness support to European SMEs.
 24. The EEA EFTA States welcome the focus on all industries. The strong focus on the tourism sector should be implemented in a way that enforces new competence networks, the wider uptake of advanced ICT tools and the sharing of excellent practice.
 25. The EEA EFTA States would also like to emphasise the importance of taking into account the European added value of all measures and initiatives within the COSME programme. All initiatives should have an added value that extends beyond what national and regional programmes and initiatives can achieve.
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