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EVALUATION

Accompanying the document

**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**

{ COM(2024) 425 final }

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Glossary

<i>Term or acronym</i>	<i>Meaning or definition</i>
COSME	Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014 - 2020)
DG ENTR	European Commission Directorate-General for Enterprise Policy (until January 2015)
DG GROW	European Commission Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (since January 2015)
EASME	European Commission Executive Agency for Small and Medium-sized Enterprises (2014-2021). Responsible for management of the COSME programme during this period (see also EISMEA).
EEN	Enterprise Europe Network
EFG	Equity Facility for Growth
EIF	European Investment Fund
EIP	Entrepreneurship and Innovation Programme (the predecessor to COSME)
EISMEA	European Agency for Small and Medium-sized Enterprises, established in April 2021 (the successor to EASME). Ensures management of COSME legacy actions, the Single Market Programme (2021-2027), including the SME Pillar (the successor to COSME), and European Innovation Council support.
EYE	Erasmus for Young Entrepreneurs
ERDF	European Regional Development Fund
HE	Host Entrepreneur: an experienced entrepreneur that hosts a new or aspiring entrepreneur for an exchange supported by Erasmus for Young Entrepreneurs.
Horizon 2020	EU Funding programme for research and innovation
ISG	Interservice Steering Group
LGF	Loan Guarantee Facility

NE	New or aspiring entrepreneur. Erasmus for Young Entrepreneurs offers NEs the possibility for a stay with an experienced entrepreneur to learn about running a business.																
PE	Private equity																
PPI	Public Procurement of Innovation																
REFIT	The European Commission’s regulatory fitness and performance programme																
SME	<div>SME Definition¹ A business that meets the following criteria for 1. staff headcount or 2. either turnover or balance sheet total</div> <table><tr><th>Company category</th><th>N° of staff</th><th>Turnover <u>or</u></th><th>Balance sheet total</th></tr><tr><td>Medium-sized</td><td>< 250</td><td>≤ € 50 m</td><td>≤ € 43 m</td></tr><tr><td>Small</td><td>< 50</td><td>≤ € 10 m</td><td>≤ € 10 m</td></tr><tr><td>Micro</td><td>< 10</td><td>≤ € 2 m</td><td>≤ € 2 m</td></tr></table>	Company category	N° of staff	Turnover <u>or</u>	Balance sheet total	Medium-sized	< 250	≤ € 50 m	≤ € 43 m	Small	< 50	≤ € 10 m	≤ € 10 m	Micro	< 10	≤ € 2 m	≤ € 2 m
Company category	N° of staff	Turnover <u>or</u>	Balance sheet total														
Medium-sized	< 250	≤ € 50 m	≤ € 43 m														
Small	< 50	≤ € 10 m	≤ € 10 m														
Micro	< 10	≤ € 2 m	≤ € 2 m														
SPR	SME Performance Review																
TTG	Time to grant: in relation to open calls, TTG refers to the time between the closure of a call and Grant Agreement signature, which typically marks the start of the project.																
TTI	Time to inform: in relation to open calls, TTI refers to the time from the call deadline to the invitation to sign the contract.																
VC	VC Venture capital																

¹ Commission Recommendation of 6/5/2003 (SME definition): <http://data.europa.eu/eli/reco/2003/361/oj>

1.1 Purpose and scope of the evaluation

According to Article 15(4) of the COSME Regulation, the Commission shall establish a final evaluation report on the longer-term impact and sustainability of effects of the measures.² The conclusions and lessons learned would be considered in the implementation of the SME Pillar of the Single Market Programme (the programme supporting SME competitiveness and sustainability in the 2021-27 financial period³) and the implementation of financial instruments for SMEs in the framework of InvestEU⁴. Regarding the SME pillar of the SMP, the findings of this evaluation would be taken into account in the design of future work programmes, and in the implementation of monitoring activities.

The Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME) (2014 - 2020) established by the COSME Regulation⁵ 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 on 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. 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 the entrepreneurial culture.

The COSME programme was set in the broader context of EU policy support to SMEs, notably the Europe 2020 Strategy and the Small Business Act for Europe⁶. 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 also built on the achievements of previous EU support programmes for SMEs, in particular the Entrepreneurship and Innovation Programme 2007-2013 (EIP)⁷. The strong

³ Regulation (EU) 2021/690 of the European Parliament and of the Council of 28 April 2021 establishing a programme for the internal market, competitiveness of enterprises, including small and medium-sized enterprises, the area of plants, animals, food and feed, and European statistics (Single Market Programme) and repealing Regulations (EU) No 99/2013, (EU) No 1287/2013, (EU) No 254/2014 and (EU) No 652/2014.

⁴ InvestEU programme Regulation: <http://data.europa.eu/eli/reg/2021/523/oj>

⁵ 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.

⁶ 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.

⁷ The EIP was part of the Competitiveness and Innovation Framework Programme (CIP) 2007-13.

continuity from the EIP to COSME was acknowledged by the Commission in the proposal for the programme.⁸ Improving access to finance for SMEs (during the different phases of their lifecycle) and access to markets, supporting entrepreneurship and better framework conditions for enterprises were key objectives of both programmes. Both programmes targeted micro-enterprises and SMEs. COSME carried forward key EIP measures that had demonstrated their value-added and impact for SMEs⁹, notably the financial instruments, the Enterprise Europe Network (EEN) and Erasmus for Young Entrepreneurs (EYE). Some adaptations were made to EEN to take account of issues noted during the EEN impact evaluation covering the 2008-2014 period, in particular putting in place of a new quality and performance framework.

There were also important differences between the EIP and COSME. Whilst the EIP had a dedicated focus on entrepreneurship and innovation and supported first application and market replication projects in the field of eco-innovation, the EIP actions for innovation were not carried over into COSME, as technological innovation was mainly supported through the Horizon 2020 programme in 2014-2020. In contrast to the EIP, COSME developed actions in the areas of tourism, public procurement and social economy. COSME also included actions to promote awareness, information and support measures and tools towards SMEs (including the EU Open for Business campaigns). The number of target groups was higher in COSME and efforts were made to achieve long term impacts and simplify the governance of the programme.¹⁰ The Impact Assessment for the COSME programme¹¹ finalised in 2011 concluded that the best option was a modest budgetary expansion for all of the identified components, It also referred to findings from the final evaluation of EIP¹² on monitoring and evaluation, noting the good progress made so far, but also highlighting a need to make further improvements to data gathering and presentation, and to indicators.

The specific focus of COSME measures was adapted over time to take account of new EU policy initiatives related to SMEs, particularly the Single Market Strategy (2015)¹³ and the Startup and Scaleup initiative (2016)¹⁴. The SME Strategy (March 2020) also fed into the implementation of actions under the 2020 work programme, leading to an increased focus on sustainability, digitalisation, boosting resilience, and addressing new challenges affecting businesses (notably supply chain issues).

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/or funding to help SMEs to boost their competitiveness and sustainability.

⁸ EC Proposal COM(2011) 834 final establishing COSME, Context of the Proposal, p.9.

⁹ According to the final and the ex-post evaluations of EIP.

¹⁰ For further information, see European Parliament (2012) Briefing note ‘Differences and Similarities Between CIP and COSME’.

¹¹ Commission Staff Working Paper, Impact assessment accompanying the Proposal for a regulation of the European Parliament and the Council establishing a Programme for the Competitiveness of enterprises and small and medium-sized enterprises (2014 to 2020), COM(2011) 834 final and SEC(2011) 1453 final: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011SC1452&rid=1>

¹² Ex-post evaluation for the Entrepreneurship and Innovation Programme (EIP), Staff Working Document, European Commission (2024)

¹³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52015DC0550>

¹⁴ Europe's next leaders: the Start-up and Scale-up Initiative, COM/2016/0733 final <https://ec.europa.eu/docsroom/documents/20262/attachments/1/translations/en/renditions/native>

COSME ran from 2014-2020 with a total planned budget of EUR 2.3 billion. Implementation of some actions is still ongoing. The COSME financial instruments were designed to run over a longer period.¹⁵

In addition to the Member States, the following countries participated in COSME: Albania, Armenia, Bosnia and Herzegovina, Iceland, Kosovo*¹⁶, Moldova, Montenegro, North Macedonia, Serbia, Türkiye and Ukraine.

Taking account of the impact assessment for COSME referred to above and the interim evaluation of the programme completed in 2017¹⁷, the final evaluation assesses the extent to which the programme has achieved its objectives and its performance related to all five Better Regulation criteria¹⁸. It also considers the longer-term impacts and sustainability of the measures supported, and the progress towards fulfilling the recommendations set out in the interim evaluation. It also develops concrete conclusions and lessons learned covering policy aspects, strategy, and operational levels. The evaluation covers the full programme duration and all countries participating in the programme.

The evaluation covered all specific objectives of the programme. The findings were supported by an external study¹⁹ (hereinafter ‘the supporting study’), in accordance with Better Regulation guidelines. The methodology for this study included analysis of monitoring data and statistics provided by the Commission including Eurostat, European Agency for Small and Medium-sized Enterprise (EISMEA) and the European Investment Fund (EIF), macro-economic context analysis, counterfactual analysis, data collection through surveys and 73 interviews with key stakeholders (focusing on six main evaluation questions and related sub-questions), and triangulation of findings from these different sources. Further information on the process and methodology to carry out this evaluation is available in Annexes I and II.

Due to the large number of actions supported by the programme the supporting study (see below) presents a mapping and prioritisation of actions to focus on. This mapping is based primarily on the amount of EU funding allocated to the action, and the expected level of impacts on SME beneficiaries. It also includes several actions that were less successful or for which issues were encountered.

1.2 Robustness of the findings and any limitations:

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 fatigue²⁰ (mitigated by further promotion of the surveys, extensions to survey deadlines and additional interviews). There is a lack of final beneficiary data for specific objectives SO2-4 (only data on intermediate bodies is available) and this is addressed by data gathering by means of targeted surveys and interviews.

¹⁵ The last operations for the COSME financial instruments are due to be wound down by 31 December 2034.

¹⁶ *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.

¹⁷ <https://data.europa.eu/doi/10.2873/87360>

¹⁸ Evaluation criteria according to the Better Regulation Toolbox: Effectiveness, Efficiency, Coherence, Relevance, EU value added ([Better regulation toolbox \(europa.eu\)](https://data.europa.eu/doi/10.2873/87360))

¹⁹ Study for the COSME final evaluation (CSES) 2024 [COSME study](#)

²⁰ and also due to the fact that the consultations took place over the summer holiday period.

Concerning the robustness of the consultations, the supporting study concludes that, overall, these provided the necessary evidence once the mitigating actions had been taken. However, the usefulness of the different consultation exercises varied. Five of the six targeted consultations attracted a good response²¹. There was a modest response to the targeted consultation of EEN's SME clients (67), reflecting the challenge in reaching this population and getting them to respond. The 72 interviews provided valuable qualitative evidence to complement the quantitative data from the analysis of the programme portfolio and the targeted consultations. The call for evidence and the public consultation had a low response rate (3 and 24 responses respectively) despite the efforts to promote them, and the results were less useful and representative.

As the consultant carrying out the supporting study only had access to Orbis data for the years 2013-2022, there was a potential data gap for counterfactual analysis on businesses supported by financial instruments in the first year of the COSME programme. However, in practice, Orbis data was only needed for 2013-2022, as the Loan Guarantee Facility only delivered finance to SMEs as from 2015, and the Equity Facility for Growth only started financing SMEs at the end of 2015²².

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). The consultant carrying out the supporting study proposed an alternative approach for the counterfactual scenario for the LGF, making use of the “the estimator of Callaway and Sant’Anna (2021)²³”, This involved using a pool of not-yet supported companies (e.g. companies that received funding only from 2019 and onwards were used as a control group for companies supported in 2018 to measure the effects in the year the guarantee was received). It should also be noted that the representativeness of the sample size is not uniform at the geographical level. While Italian companies are well represented in the final sample, SMEs from other key countries, such as Spain and France, are not. Furthermore, medium-sized enterprises present particularly positive trends in relation to the overall population and yet this is not reflected in the overall net causal impact because, among other factors, the share of medium-sized enterprises equals only 1% of the overall sample of final recipients.

The results of the counterfactual analysis for the LGF (good impact on the number of employees and survival rates over time, but a non-significant effect on the turnover, personnel costs and total assets compared to businesses that had **not yet received** LGF support) only partly align with existing studies on LGF's predecessors (e.g., under CIP and MAP). Previous studies²⁴ demonstrated that EU guaranteed loans impacted positively on SME growth in terms of employment, sales, and profits.

Due to the above-mentioned alternative approach, the counterfactual analysis results cannot be directly compared with previous research on financial instruments. One possible

²¹ EEN member organisations (109), host entrepreneurs and new entrepreneurs participating in Erasmus for Young Entrepreneurs (1,200), Providers and beneficiaries of other COSME co-funded services (110).

²² For the LGF no results related to SMEs supported were available for 2014, because the COSME Delegation Agreement was signed on 22/07/2014, the call for expression of interest was published on 04/08/2014. Similarly, for the EFG, no results related to SMEs supported were available for 2014 and 2015, because the COSME Delegation Agreement was signed on 22/07/2014, the call for expression of interest was published on 04/08/2014 and the first fund agreements were signed only at the end of 2015.

²³ <https://www.sciencedirect.com/science/article/pii/S0304407620303948>

²⁴ See for example, Brault, J., and Signore, S. (2019). The real effects of EU loan guarantee schemes for SMEs: A pan-European assessment. EIF Working Paper 2019/56, EIF Research & Market Analysis. June 2019. http://www.eif.org/news_centre/publications/EIF_Working_Paper_2019_56.htm

explanation for these different results is that the control group of businesses that had “not yet benefited” from LGF support were better prepared²⁵ than the businesses used as a control group for previous studies (that did not subsequently benefit from any funding from financial instruments at all). Further additional tests/checks (notably a check using the “log linear specification”) to track the relative causal effect of the loans, and breakdown businesses that had benefited, and businesses that had not yet benefited were carried out to improve the robustness of the approach.

In the case of the EFG, it was too early to formally establish a causal link for the full set of SME beneficiaries. Most SME recipients for the EFG received support as from 2021 and the methodology for the counterfactual analysis requires data from 2-3 years after the intervention, which is not yet fully available. The available Orbis data suggests that impacts for EFG so far are in line with those from previous studies on equity facilities from previous programmes.

2 WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

2.1 Description of the intervention and its objectives

At the end of 2011 when the impact assessment for COSME was finalized, SMEs constituted 99% of European businesses, provided two out of three private sector jobs and contributed more than half of the total value-added created by businesses in the EU.²⁶ In the five years preceding the impact assessment, 80% of new jobs in Europe had been created by SMEs.²⁷ By 2013, SMEs had recovered to pre-crisis levels in terms of value added but SME employment had dropped by 2.6% with a loss of 1.9 million jobs.²⁸

A number of market, institutional and policy failures undermined the competitiveness of European enterprises, including SMEs, and as well as their possibilities for growth linked to access to finance and global markets. The impact assessment shed light on key challenges faced by SMEs at that time:

- Access to finance: In many Member States, SMEs experienced difficulties in obtaining a bank loan. According to the external impact assessment study²⁹, between 400 000 and 700 000 SMEs were unable to obtain a loan from the formal financial system, with total foregone loans ranging from EUR 40 - 70 billion, because financial institutions required substantial collateral and extensive financial and business records.
- According to a 2010 ECB survey³⁰ access to markets was a cause of concern.
- There were specific problems related to entrepreneurship, SME creation and growth. According to a 2009 Eurobarometer survey dedicated specifically to entrepreneurship, only 45% of European citizens indicated that they would like to be self-employed, as compared to 55% in the United States and 71% in China.

²⁵ For example, they could have been in the process of improving their business plans in preparation for seeking additional finance in future.

²⁶ Structural Business Statistics (SBS), Eurostat

²⁷ Structural Business Statistics (SBS), Eurostat

<https://ec.europa.eu/eurostat/web/structural-business-statistics/overview>

²⁸ A net increase of EUR 44,3 billion in SME value-added and an increase of 354 308 SMEs in EU-28 compared to 2008. The 2.6% drop in SME employment corresponded to 1 962 808 jobs.

²⁹ COSME impact assessment supporting study

³⁰ <https://www.ecb.europa.eu/press/pr/date/2010/html/pr101022.en.html>

- SME competitiveness was hampered by administrative burdens and by the other issues referred to above. According to different surveys, between 70% and 88% of businesses regarded administrative difficulties in other Member States as ‘very important’ or ‘important’ in deciding whether to engage in cross-border trade.³¹

These issues were still prevalent in 2014 when COSME started. For instance, the 2013 SAFE survey identified the main challenges for SMEs (access to customers, followed by access to finance, availability of skilled staff and experienced managers, as well as competition and supply side pressures).³² The 2014 Innobarometer³³ found that the lack of financial resources represented the main barrier encountered by companies in the commercialisation, marketing and distribution of their innovative products and services.

Market failures due to information asymmetries and lack of soft information affect both the ability of financial providers to assess SMEs’ requests for finance in a cost-effective way, and the ability for SMEs to access full information on market opportunities in other countries and on how to overcome single market barriers.³⁴

The intervention logic³⁵ describes the rationale for the intervention (market failures, challenges and issues in the business environment), the hierarchy of general and specific objectives of the programme, and the inputs and activities leading to desired outcomes (measured in terms of outputs, results, intermediate outcomes and impacts). It is consistent with the version in the impact assessment but has been further elaborated in the context of this evaluation, taking account of the COSME Regulation and programme documents.

COSME’s main objective was to enhance SME competitiveness. It also aimed to contribute to creating more (and better) jobs and plug investment gaps. 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)

The programme also supported the implementation of the Europe 2020 Strategy - EU 2020³⁶ (contributing to the EU2020 objectives of “smart, sustainable and inclusive growth” and employment creation) and the Small Business Act for Europe - SBA (2008 and 2011), including the implementation of SBA monitoring governance³⁷

The expected impacts were increased competitiveness, growth in SME value-added, improved sustainability performance of SMEs, improved SME access to markets, reduced

³¹ European Business Test Panel, Commercial Disputes and Cross Border Debt Recovery, 14.07.2010–13.08.2010, <http://ec.europa.eu/yourvoice/ebtp>

³² The 2013 SMEs’ Access to Finance survey:

<https://ec.europa.eu/docsroom/documents/7864/attachments/1/translations/en/renditions/pdf>.

³³ https://ec.europa.eu/commission/presscorner/detail/en/IP_14_610.

³⁴ [eif_working_paper_2022_84.pdf](#)

³⁵ The intervention logic was originally defined at the time of the impact assessment and updated at the end of 2016 based on the COSME Regulation and work programmes, and subsequently in the context of the interim evaluation.

³⁶ The Europe 2020 Strategy (EU2020) was the EU’s agenda for growth and jobs and a reference framework for policy interventions at the EU, national and regional levels (COM(2010)2020).

³⁷ The SBA laid down an overarching framework for EU SME policy fixing 10 key priorities including access to finance, framework conditions for SMEs, and entrepreneurship. The 2011 SBA review proposed a set of new actions in response to the economic crisis focusing on smarter regulation, SMEs’ financing needs, and introduced an SBA governance structure: <https://eur-lex.europa.eu/EN/legal-content/summary/a-small-business-act-for-european-smes.html>

administrative burdens for SMEs, the implementation of new business concepts, models, products or services by SMEs (including for digitalisation and sustainability), strengthened entrepreneurship capabilities, and growth in SME employment.

The final evaluation of the previous programme (EIP) pointed to a need for a clearer structure with fewer objectives and more focused activities closely related to the core objectives in order to use budget efficiently, facilitate communication with stakeholders, and strengthen internal programme management. This need was partially addressed through the clearer structure of the COSME Regulation in comparison to the CIP and the inclusion of indicators in the COSME Regulation that provided a more solid basis for managing the programme. However, further work is still needed as some indicators proved difficult to measure. IT tools were put in place in the COSME programme to address reporting burdens identified by intermediaries during the EIP.

Table 1: Intervention Logic

COSME Programme intervention logic – updated in November 2023 as part of the final evaluation of the programme

External factors affecting the implementation of COSME <ul style="list-style-type: none"> ▪ Nature and scale of societal challenges and policy response ▪ Wider policy context e.g. industrial policy, policy focus on sustainability and digitalisation ▪ Macroeconomic context and political conditions e.g. recovery, unconventional monetary policy, Brexit ▪ Financial market regulation and conditions, National support measures ▪ Other EU programmes and initiatives e.g. EFSI, Chesion funds 					
<u>Rationale for intervention</u>	<u>Inputs</u>	<u>Activities</u>	<u>Outputs</u>	<u>Outcomes</u>	<u>Impacts</u>
<ul style="list-style-type: none"> ▪ Increasing difficulties to obtain access to finance and to markets ▪ Lack of entrepreneurship due to weak entrepreneurial culture and unfriendly business environment ▪ Lack of competitiveness due to problems in accessing finance, low levels of business creation, issues in industrial specialisation and limited internationalisation of SMEs 	European Commission <ul style="list-style-type: none"> ▪ EU financing ▪ Technical expertise of staff ▪ Institutional inputs e.g. policy steer ▪ Coordination efforts EISMEA <ul style="list-style-type: none"> ▪ Technical expertise of staff ▪ Institutional inputs e.g. organisational tools, structures ▪ Coordination efforts EIF <ul style="list-style-type: none"> ▪ Technical expertise of staff ▪ Institutional inputs e.g. AAA rating, reputation and reach, systems and processes External experts <ul style="list-style-type: none"> ▪ Technical expertise 	Financial instruments <ul style="list-style-type: none"> Loan guarantees Equity financing Business support services <ul style="list-style-type: none"> Enterprise Europe Network International IPR Helpdesks EU-Japan Centre for Industrial Collaboration Cluster initiatives <ul style="list-style-type: none"> European Cluster Collaboration Platform Clusters Go International European Cluster Excellence Programme Outreach tools <ul style="list-style-type: none"> Your Europe Business Portal SME Portal Single Digital Gateway Sector specific initiatives <ul style="list-style-type: none"> A wide range of activities targeting specific sectors e.g. tourism, fashion, textiles Activities promoting entrepreneurship	<ul style="list-style-type: none"> Investment volumes in VC , and guarantee scheme Number of financial intermediaries/ fund supported Number of SMEs receiving business support and advisory services Number of participants in cluster initiatives; Outputs delivered by cluster initiative Number of users of outreach tools Number of participants in exchange programmes and professional networks Number of beneficiaries of sector specific initiatives such as accelerators, capacity building and technical and financial support etc. Stakeholders participating in events; Number of studies, reports, events etc. 	<ul style="list-style-type: none"> Improved access to debt and risk capital by SMEs (SO1) Improved access to markets by SMEs: EU cross-border and international (SO2) Emergence/ development of strong industrial clusters (SO3) Evidence informed and better policy making (SO3) Improved framework conditions and competitiveness (SO3) Creation of new businesses (SO4) Enhanced culture of entrepreneurship (SO4) 	<ul style="list-style-type: none"> Increased levels of Competitiveness Growth in SME value-added Improved SME performance as regards sustainability Improved SME access to other EU and international markets Reduced administrative burdens for SMEs Businesses put in place new businesses concepts, models, products or services (including for digitalisation and sustainability) Strengthened Entrepreneurship capabilities Growth in SME employment
Key assumptions underpinning Inputs>> Activities>> Outputs: <ul style="list-style-type: none"> ▪ There is awareness of COSME funded measures and actions among relevant stakeholders ▪ There is demand for and take-up of COSME funded measures and actions ▪ Presence of suitable intermediaries/ delivery partners for supported measures and actions ▪ EIF and EISMEA appropriately identify and target the SMEs and stakeholders needing the support ▪ COSME funded measures and actions are implemented as planned 			Key assumptions underpinning Results>> Outcomes>> Impacts: <ul style="list-style-type: none"> ▪ Supported measures and actions would not have taken place without COSME or at a reduced scale or slower pace ▪ Financial support is used by SMEs for productive purposes ▪ Business advice and support is utilised by SMEs i.e. follow-up action is taken by them ▪ Policy makers act on the evidence generated 		

The table below lists Programme's actions under each specific objective. For the purpose of this evaluation, the actions were also grouped according to a set of thematic areas. The actions in bold were given greatest consideration by the evaluation after a processing of mapping and prioritisation (as explained in Annex B).

Table 2: Actions within the COSME programme (2014-2020)

Thematic areas	Name of action and how it contributed to the specific objective
SO1 Improving access to finance for SMEs in the form of debt and equity	
Access to finance	<ul style="list-style-type: none"> • Equity Facility for Growth (EFG): This provides equity support through venture capital investments to support the growth and expansion stage development of SMEs.
	<ul style="list-style-type: none"> • Loan Guarantee Facility (LGF): 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 riskier SMEs
SO2 Improving access to markets for SMEs	
Business support networks and services	<ul style="list-style-type: none"> • Enterprise Europe Network (EEN): 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
	<ul style="list-style-type: none"> • EU-Japan centre for industrial cooperation
	<ul style="list-style-type: none"> • International intellectual property (IPR) SME helpdesks
	<ul style="list-style-type: none"> • Your Europe Business portal
	<ul style="list-style-type: none"> • Single digital gateway
Public procurement	<ul style="list-style-type: none"> • Supporting European SMEs to participate in public procurement outside EU
	<ul style="list-style-type: none"> • Co-financing of public procurement of innovation consortia
	<ul style="list-style-type: none"> • Creating links for the facilitation of public procurement of innovation
	<ul style="list-style-type: none"> • Training for SME-friendly policies in central purchasing bodies
SO3 Improving framework conditions and competitiveness	
Internationalisation	<ul style="list-style-type: none"> • Clusters Go International: 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.
	<ul style="list-style-type: none"> • Clusters Go international in the defence and security sector: a separate action dedicated to the defence and security sector
Competitiveness	<ul style="list-style-type: none"> • 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.
	<ul style="list-style-type: none"> • E-Skills for competitiveness and innovation
	<ul style="list-style-type: none"> • Strategic alliances for the uptake of advanced technologies by SMEs
	<ul style="list-style-type: none"> • Early Warning Europe Mentor Academy
	<ul style="list-style-type: none"> • Intellectual Property voucher (also known as SME fund): This supports SMEs with the protection of their IP, in order to maintain their competitive position.³⁸
	<ul style="list-style-type: none"> • Development of the European Food Price Indicator
Tourism	<ul style="list-style-type: none"> • 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.
	<ul style="list-style-type: none"> • Enhancing European Tourism Competitiveness and sustainability

³⁸ COSME 2020 Monitoring Report.

Thematic areas	Name of action and how it contributed to the specific objective
Framework conditions	<ul style="list-style-type: none"> • Capital of Smart Tourism • Innovation uptake and digitalisation in the tourism sector
	<ul style="list-style-type: none"> • SME performance review: a comprehensive review of the performance of SMEs and issues affecting the business environment. Used to support SME policy-making.
	<ul style="list-style-type: none"> • Following and monitoring the Small Business Act including 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.
	<ul style="list-style-type: none"> • European Enterprise Awards: an annual competition to recognise the most successful promoters of entrepreneurship across Europe and the best entrepreneurial practices.
	<ul style="list-style-type: none"> • Small Business Act including implementation, outreach tools including Business Planet
	<ul style="list-style-type: none"> • 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
SO4 promote entrepreneurship and entrepreneurial culture	
Entrepreneurship	<ul style="list-style-type: none"> • Erasmus for Young Entrepreneurs (EYE): 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.
	<ul style="list-style-type: none"> • European Network of female entrepreneurs and on-line e-platform, European Network of mentors for female entrepreneurs
	<ul style="list-style-type: none"> • Support for entrepreneurship policy implementation
	<ul style="list-style-type: none"> • EYE IT Tool: The IT tool that supports the matching process and the management of the EYE action
Social Economy	<ul style="list-style-type: none"> • Promotion of social economy in Europe
	<ul style="list-style-type: none"> • European Social Economy Missions for developing inter-regional collaboration, sharing/replicating best practices, and inter-regional learning in the field of social economy.

Source:

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

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

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.

Progress towards the objectives was monitored according to key performance indicators (KPIs). One step forward in comparison to previous programmes was the inclusion of an initial set of indicators in the legal base for COSME. These were subsequently further elaborated.³⁹ As presented in further detail in the effectiveness analysis, most of the actions met or exceeded their performance targets. However, for approximately 25% of the indicators, there were either issues for gathering data, or performance was not fully on target.

An interim evaluation of COSME covering the activities funded in the 2014-2016 period was undertaken in 2017.⁴⁰ The interim evaluation found a strong alignment of the COSME

³⁹ A full list of programme level indicators is presented in Annex VII, and indicators for specific actions are mentioned for each action in the efficiency analysis (point 4.1).

⁴⁰ Technopolis (2017): Interim Evaluation of the COSME Programme, Final report.

programme with the needs of SMEs at the time and market failures that needed to be addressed, and a high relevance for citizens in terms of its targets of jobs creation and growth. It also confirmed that the programme had made progress towards its objectives and expected outputs. However, synergies between actions of the programme and other EU interventions could have been improved. The main conclusions of the interim evaluation are summarised in Annex VI A.

An example of one key recommendation that was taken into account in the final implementation of the COSME programme was the evolution of EEN services after the interim evaluation. The EEN and the Commission worked together on a medium-term strategy for revamping EEN's services and service delivery models to ensure that it could meet SME's changing needs. A central feature of this new approach was a focus on SME clients' needs and a medium-term client journey with more in-depth services to support SME competitiveness and internationalisation. Towards the end of the programme EEN also progressively started to build capacities for providing sustainability advisor services and started delivering these services on a small scale.

COSME falls under the responsibility of DG GROW. DGs ECFIN and BUDG are closely associated in the implementation of the programme for matters related to the COSME financial instruments (SO1). Other DGs were also closely associated with COSME actions in their fields, including Secretariat General (for actions related to regulatory fitness and the reduction of regulatory burdens) and DG for Defence Industry and Space (DEFIS) for actions related to defence/dual use industries.

The implementation of the COSME financial instruments was delegated to the European Investment Fund (EIF) whereas EASME (now EISMEA) ensured the management of delegated actions under the other specific objectives of the programme.

2.2 Point(s) of comparison

The COSME Regulation stipulates that the programme should build on the achievements of the previous programme (the Entrepreneurship and Innovation programme strand of the Competitiveness and Innovation Programme). It also indicates a number of matters to pay attention to, notably the visibility of financial instruments, synergies with other EU and national programmes and to make further advances with the quality, performance and visibility of EEN.

The present evaluation was informed by the above intervention logic and focuses primarily on the outputs, outcomes and impacts levels. It also takes account of the issues identified in the impact assessment (see the start of point 2.1) and the consultations designed to address the questions on whether COSME has effectively resolved all the problems faced by SMEs identified therein.

The recommendations made in the interim evaluation of COSME (2017)⁴¹ serve as important points for comparison (see Annex VI A), and the present evaluation includes an assessment of the progress made in this respect, broadened with additional indicators on other relevant aspects.

⁴¹ <https://op.europa.eu/en/publication-detail/-/publication/a7255ab4-a9d2-11e9-9d01-01aa75ed71a1>

3 HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

3.1 Current state of play

The total implemented budget of the COSME programme for the 7-year period⁴² was EUR 2.4 billion. Bearing in mind this relatively limited overall budget, the COSME programme **reached a relatively large number of SMEs⁴³. More than 2.9 million SMEs⁴⁴ benefited from the financial instruments and/or the in-depth services provided under this programme, and 21 million SMEs benefited from COSME's digital services** such as EEN web sites, digital information tools published by the IP SME helpdesks and the Your Europe Business Portal.

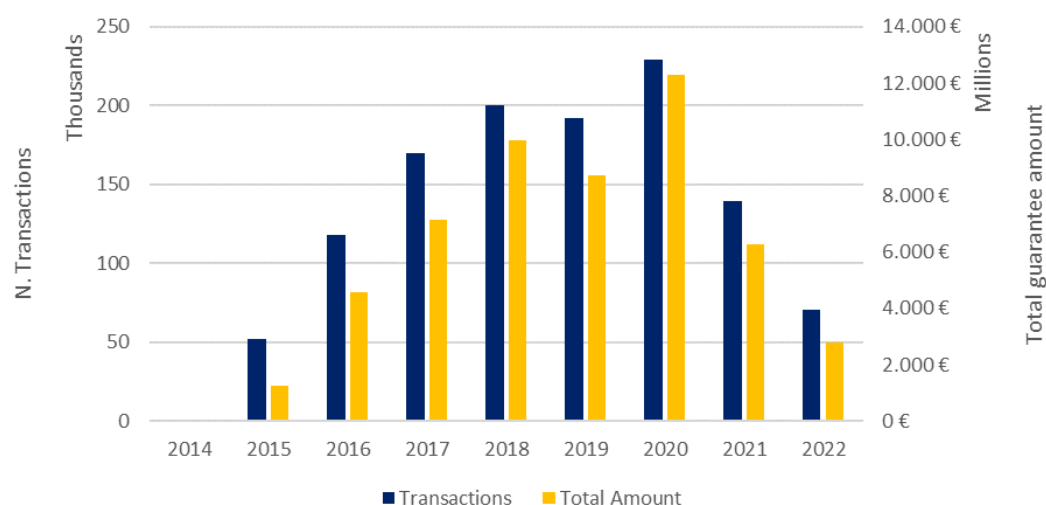
Further information on KPIs and targets is provided in the effectiveness analysis (see point 4.1.1).

3.1.1 Specific objective 1 SO1 - Access to finance

Loan Guarantee Facility (LGF)

Between 2014 and 2022, the Loan Guarantee Facility (LGF) signed a total of 163 guarantee contracts with 128 financial intermediaries,⁴⁵ in 35 countries. This resulted in 1 173 780 transactions for a total guarantee amount of EUR 53.9 billion provided to 865 387 final recipients, i.e. SMEs.⁴⁶ The number of transactions progressively increased until 2020 when there was a peak in demand and a substantial top-up from EFSI, and decreased from 2021 onwards⁴⁷.

Figure 1: Evolution of the number of LGF transactions and total guarantee amount



⁴² Breakdown by year in Annex VI.

⁴³ The number of SMEs reached compares favourably to the SME competitiveness objective of the 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.

⁴⁴ Including the financial instruments, in-depth support from EEN, EYE and the IP SME helpdesks

⁴⁵ Out of the 114 financial intermediaries that signed a guarantee contract under COSME, 26 had also signed agreements in the predecessor programme SMEG (the SME Guarantee Facility)

⁴⁶ The figures provided are based on the study's own calculations combining EIF monitoring data and the COSME LGF Quarterly Report as of 31 December 2022.

⁴⁷ The number of transactions dropped as agreements signed with intermediaries earlier in the programme period started to expire and as the 2014-2020 budget for signing new transactions (with intermediaries) was increasingly used up.

Source: Elaborations on EIF monitoring data for the supporting study

The LGF supported 865 387 distinct SMEs (i.e. final recipients) as of 31 December 2022. The countries with the highest number of final recipients are Italy, France, Spain, Greece and Poland. The geographical distribution of supported SMEs is mainly determined by the portfolio volume of the financial intermediaries in each country⁴⁸.

Most firms that benefited from the LGF are micro-enterprises (less than ten employees) - 89% of the final recipients reached. Small- (10-50 employees) and medium-sized enterprises (50-250 employees) account for 10% and 1% of the number of SMEs financed respectively. Overall, 50% of the firms financed under the LGF are sole proprietors. This is not unexpected given that the LGF set a EUR 150 000 loan threshold above which intermediaries had to apply a special procedure to verify the companies' eligibility.

Demand for the LGF was high throughout the programme and the budget was increased with several top-ups from the European Fund for Strategic Investments' (EFSI) SME Window. The top-ups amounting to nearly EUR 1.5 billion in total for 2014-2020 were successfully implemented.⁴⁹

COSME Equity Facility for Growth (EFG)

The EIF signed EFG agreements with 23 financial intermediaries and committed an overall amount of about EUR 324 million from the EU budget to their funds in addition to the EIF own resources alongside with other private resources investing in these funds.⁵⁰ Under the core part of the COSME EFG⁵¹, the EIF has committed EUR 278 million into 21 intermediaries. The additional two operations (bringing the total to 23) for EUR 45 million have been signed under the Pan European VC Funds-of-Funds.

Under the core COSME EFG programme, investments were made, with either private debt, private equity (PE) or venture capital (VC), into 104 COSME EFG eligible final recipients (distinct SMEs)⁵², amounting to EUR 822 million in total. As some funds are still in the investment period, additional investments are also expected.

⁴⁸ Further country information is given in Annex VI.

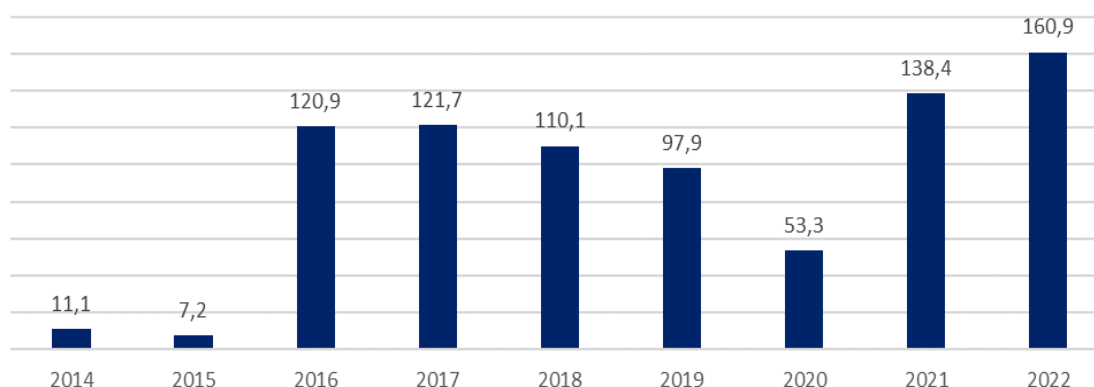
⁴⁹ The top-ups from EFSI are an additional guarantee (both commitments and payments) on top of the LGF commitments. The LGF commitments almost doubled thanks to that extra guarantee. This allowed for signatures of significantly more agreements with financial intermediaries that provided much more financial support to riskier SMEs. Payment wise, however, the EFSI top-up guarantee will be called (in cash terms) only when the LGF commitments (as payments) are fully exhausted, i.e. the top-ups act as a second loss piece.

⁵⁰ Source: EIF database extract (June 2023).

⁵¹ The core part focuses on providing risk capital investment to funds that in turn invest in SMEs in their expansion and growth-stage, with a view to supporting growth and employment. In doing so, the EFG aims to contribute to the tackling of persistent market gaps in risk capital availability for SMEs.

⁵² To be determined as COSME EFG eligible a final recipient must be compliant with several criteria, such as for example: a) an SME immediately before or after the time of first investment; b) established and operating in a Participating Country at the time of first investment; c) in its Expansion and Growth Stage at the time of first investment; d) not being an excluded final recipient.

Figure 2: Evolution of total amount invested in core EFG beneficiaries by year, million EUR



Source: Elaborations on EIF database extract for the supporting study

The number of EGF final recipients and the total amount invested were closely correlated. The top 5 countries for both were Germany, France, Finland the Netherlands and Greece.

Size of SMEs supported by the EFG

The majority of investments made under the EFG were directed to medium-sized enterprises (50-250 employees), which accounted for 57% of the final recipients. Small enterprises (10-50 employees) represented 38% of the SMEs financed, while micro-enterprises (fewer than 10 employees) made up only 5% of the COSME eligible final recipients.

Pan European Venture Capital Funds-of-Funds Initiative

In 2016 the Commission launched the Pan European Venture Capital Funds-of-Funds. The EIF invested in two multi-country funds established in Luxembourg providing EFG commitments of EUR 12 and 33 million respectively (14% and 12% of the funds' size). These Funds-of-Funds invest in other funds which in turn finance the final beneficiaries of the programme. The two Funds-of-Funds supported a total of 45 funds which made 460 investments into COSME EFG eligible SMEs.

The eligibility criteria under the Pan European VC Funds of Funds are wider than for the core EFG programme. The COSME EFG eligible EU Target Investees for the Funds-of-Funds are SMEs that are established or operating in the EU, whereas the eligible final recipients for the core EFG operations are established and operating in a COSME Participating Country.

The Pan European VC Funds-of-Funds supported an overall investment of EUR 3.1 billion in the targeted SMEs. The funds' investment activities remained low in the early years and started to gather momentum as from 2019 (EUR 545.8 million invested in the targeted SMEs), reaching a peak in 2021 (EUR 1.2 billion invested in EU target investees). As some funds are still in the investment period, additional investments are expected.

The average amount invested in the companies is smaller when compared to the core COSME EFG operations: 65% of the businesses received less than EUR 5 million, and 191 investments (42%) were less than EUR 1 million. In contrast with the EFG, the majority of investments under the Pan European VC Funds-of-Funds were made in small enterprises (10-50 employees), which accounted for 35% (155 firms) of the eligible final

recipients. Micro and medium enterprises accounted respectively for 28% (115 firms) and 19% (91 firms) of eligible final recipients.

The EFG met most targets: 554 SMEs received investments (target: 360-540) and the overall financing volume was EUR 3.9 billion (target: EUR 2.6 - EUR 3.9 billion). It achieved a leverage ratio of 1:11⁵³, target: 1:4 - 1:6⁵⁴. The additionality target could not be measured.

The LGF met all targets: 873 751 SMEs received loans (target: 220 000- 330 000) and the overall financing volume was EUR 54 billion (target: EUR 14.3-21.5 billion). It achieved a leverage ratio of 1:21⁵⁵(target: 1:20 – 1:30) and an additionality of 85% of final recipients considering that financial support received could not have been obtained by other means (target 64 %).

SO 2-4 were mainly implemented through calls for proposals and calls for tenders. There were also a small number of actions implemented through specialised bodies/organisations, including the OECD and the European Chemicals Agency and European Union Intellectual Property Office (EUIPO). There were 69 calls for proposals in total, and these were published from 2014 - 2021. Since that time work has focused on implementing ongoing (legacy) projects which are expected to close by the end of 2025 at the latest⁵⁶. The most important action in financial terms was the Enterprise Europe Network.

At the end of September 2023, 64 COSME projects were still ongoing for SO 2-4. The total EU funding for these ongoing projects (EUR 52 million) amounts to 18.8 % of the combined 2019 and 2020 EU budget for these programme objectives.⁵⁷

Further information on country participation is given under the specific headings below. Across these three specific objectives there was high participation from Italy, Spain and France.

3.1.2 Specific objective 2 SO2 - Access to markets

Under Specific Objective 2 (S02) 13 actions were implemented through 27 project calls with a total EU contribution amounting to EUR 396.5 million (57% of projects' total costs). Most of this was allocated to business support networks and services.

Enterprise Europe Network

Since 2008, the EEN has supported 2.9 million SMEs by providing different services, including a wide range of advisory services on topics such as access to EU funding, internationalisation and single market, and cross-border partnering services thus supporting their innovation and growth both within the EU Single Market and globally. EEN's services evolved over time to help SMEs deal with new needs and challenges.⁵⁸

⁵³ Calculated as total volume invested, divided by the COSME EFG budget committed.

⁵⁴ EUR 1 from the Union budget will result in EUR 4-6 in equity investments over the lifetime of the COSME programme.

⁵⁵ Calculated as total supported lending to SMEs, divided by the COSME LGF budget committed.

⁵⁶ At the end of September 2023, 60 COSME projects for specific objectives 2-4 were still ongoing of which 2 are due to close by the end of 2023, 57 by the end of 2024 and 5 by the end of 2025.

⁵⁷ Based on data provided by EISMEA on 26/9/2023.

⁵⁸ Tailored innovation support services for SMEs were introduced in 2014 - supported by a Horizon 2020 grant, scale-up services (started in 2017), support for digitalisation, sustainability, boosting resilience and supply chain issues (2020 onwards).

In total, 664 distinct organisations in 42 different countries participated in 93 EEN consortia.⁵⁹ These consortia were located in all EU Member States and all countries associated with the COSME programme⁶⁰. Their composition remained stable throughout the programme. The allocated budget per country/region was based on, inter alia, the size of the population, GDP and cost of living in the respective country. Further information on EEN calls and key figures on outputs and results⁶¹ are provided in Annex VI.

Information on EEN KPIs fixed in the COSME Regulation and the end of programme results are given under the effectiveness heading below. For example, EEN digital services reached 21.5 million businesses.

Concerning results for specific contractual periods, inter alia EEN achieved 5 101 partnership agreements over 2-years from 2015-2016, 5 740 from 2017-18, 2 945 in 2019, and 5 095 from 2020-21 (systematically exceeding the target of 2 500 per year). EEN also provided 102 866 advisory services from 2015-6 and 81 442 from 2020-21⁶².

The Your Europe Business portal provides information in 23 languages about rights and obligations when doing business in another EU country, and access to assistance services. The COSME programme supported IT development and maintenance, and promotion of Your Europe Business portal YEB with an annual EU budget of EUR 350 000. The number of unique visitors increased by 21% from 2014-2015,⁶³ and doubled from 2015-2016.⁶⁴ In 2016 there were 2.9 million visitors (11% of all SMEs in COSME countries).^{65,66} Most users were from large and EU countries such as Italy, Poland, the United Kingdom, Spain, France and Germany, but also non-EU countries such as Russia and the United States.

The Single Digital Gateway (SDG)⁶⁷ provides information on how EU rules and procedures are applied in each Member State, and access to assistance and problem-solving services to help businesses and citizens that are operating across-borders in the Single Market. COSME contributed EUR 7.1 million to IT development, translation and functionalities for the SDG in 2019 and 2020 enabling it to go live on schedule in December 2020.⁶⁸

The International IP SME Helpdesks in China, South East Asia, Latin America and India provide first line advice, information and awareness raising services to help European SMEs to protect their IP when doing business with these target markets. They received EUR 20.7 million of COSME funding in total.

⁵⁹ Each consortium signed a 7-Year Framework Partnership Agreement (FPA) in follow up to one of the calls for proposals published in 2014 and 2015 (the main call was published in 2014, and the 2015 call was for associated countries that joined the programme meanwhile). The FPAs were complemented by separate grant agreements for 1-2 year work programme periods (2015-16, 2017-18, 2019, and 2020-21). This resulted in 518 grant agreements.

⁶⁰ EU Member States, EEA countries, associated countries from the Balkans and from two overseas territories (New Caledonia and French Polynesia). This denotes the countries where EEN consortia are based. Each EEN consortium provides services to SMEs in their own region or country. The European dimension of EEN comes from the cooperation between EEN members in different countries for dealing with cross-border enquiries and partnership requests.

⁶¹ Further information is given in Annex VI.

⁶² The targets were the sum of the individual targets in each EEN consortium's work programme for each period: 107,164 for 2015-6, and 62,322 for 2020-21.

⁶³ COSME monitoring report 2015.

⁶⁴ COSME monitoring report 2016.

⁶⁵ All visitors were counted.

⁶⁶ European Commission. 2017. Interim evaluation of the COSME programme.

⁶⁷ Regulation (EU) 2018/1724 establishing a single digital gateway.

⁶⁸ COSME Monitoring Report 2019.

Between mid-2020 and 2023, the International IP SME Helpdesks replied to 7 830 enquiries⁶⁹ and participated in 585 matchmaking events (meeting or exceeding overall targets for both). Over 200 of the events were for the South-East Asia Helpdesk alone⁷⁰. See Annex VI for information on KPIs and outputs and Annex VIII for a case study.

The EU-Japan Centre for Industrial Cooperation fosters industrial, trade and investment cooperation between the EU and Japan and contributes to economic diplomacy with Japan.⁷¹ COSME provided EUR 21 million in funding to the centre from 2014-20. Figures on the centre's key outputs are provided in Annex VI.

3.1.3 Specific Objective 3 SO3 - Framework conditions and competitiveness

SO3 covered 7 thematic areas, “Internationalisation”, “Competitiveness”, “Tourism”, “Social Economy”, “Framework conditions”, “Design of consumer goods” and “Fashion”.

SO3 was implemented through 21 actions and 30 calls. Most of the EU contribution went to Tourism (EUR 28.8 million), Internationalisation (EUR 26.6 million), and Competitiveness (EUR 25.8 million). Consistently with the fund allocations there were also many calls and projects in these three thematic areas. Many sectoral projects focused on helping SMEs to implement innovative methods (including digitalisation and environment-friendly processes⁷²).

The 1 066⁷³ project participants under SO3 were based in 37 distinct countries, including both EU and associate countries. Overall, the largest demand and a relatively large share of participants were located in Italy (17%), Spain (16%), and France (9%) while a minority (45) were located in associate countries (Albania, Bosnia and Herzegovina, Iceland, Moldova, Montenegro, North Macedonia, Norway, Serbia, and Türkiye).

3.1.4 Specific objective 4 SO4 - Entrepreneurship

Under specific objective 4, 88% of the EU funding went to EYE (EUR 58.5 million). The remainder was allocated to smaller actions, notably “European Network for Early Warning and for Support to Enterprises and Second Starters”, “Migrant Entrepreneurs Best Practice Exchange”, “The European Entrepreneurship Education NETwork”, and “Social Economy Missions”.

The 478 participating organisations were located in 38 distinct countries. The countries with the largest number of participants are Italy (12.7% of the total), Spain (12.5%), and Belgium (6.5%), followed by France (5.3%), Portugal (4.8%) and the United Kingdom (4.8%). It is noteworthy that all projects that received a grant under SO4 were implemented by transnational consortia. These had 3 to 17 distinct partners.

⁶⁹ including over 2,500 queries for the China Helpdesk (of which 98.8% were answered within 3 working days). The Latin America Helpdesk answered 83.1% of queries within 1 day.

⁷⁰ These figures are from the COSME Work Programme 2020, International IP SME Helpdesks, Synthesis report. EISMEA. 2023.

⁷¹ The Centre is a joint venture established in 1987, funded and managed jointly by the European Commission (DG GROW) and the Japanese Government (METI), with its head office in Tokyo and an office in Brussels. It provides a coherent ‘package’ of tools, support and services to SMEs, including several help desks (on the Economic Partnership Agreement between the EU and Japan (EPA), public procurement, technology transfer. It also runs the ‘Get Ready for Japan’ scheme, the Vulcanus in Japan programme traineeship scheme (including a placement in a Japanese host company) for engineering and science students. It also delivers seminars/webinars.

⁷² Source: COSME Monitoring reports, examples 2019 and 2020.

⁷³ This number refers to unique and distinct participants (i.e. participants in more than one thematic area are only counted once).

4 EVALUATION FINDINGS (ANALYTICAL PART)

To what extent was the intervention successful and why?

4.1 Effectiveness

This section provides an evidence-based assessment of the successes and shortcomings of the programme in terms of its effectiveness.

For specific objective 1 (financial instruments) measurement of success was based on evidence that the schemes mobilized additional finance for riskier SMEs (leverage), the number of riskier SMEs reached, and evidence of positive impact on company performance (notably survival rates, employment, turnover and total assets). The findings of the supporting study took account of the results of the counterfactual analysis, the targeted surveys and other findings from desk research.

For specific objectives 2-4, measurement of success was based on evidence that the actions delivered on the targets defined in the indicators (outputs, outcomes and impacts). Concerning impacts key measures of success for SO 2-4 were the impact on SMEs' financial performance and other aspects of competitiveness (growth, survival, turnover, SME employment, new markets, new jobs, skills, including skills for doing international business). The targeted surveys and desk research, including monitoring data, previous evaluation studies, and case studies, were the main sources of information for this part of the analysis. Some highlights from the findings are given below, together with general observations on effectiveness.

Bearing in mind the relatively small scale of the programme in terms of EU budget, COSME reached a relatively large number of beneficiaries and businesses (SMEs, entrepreneurs including new and female entrepreneurs, business support organisations, intermediary organisations and other stakeholders across the EU and beyond). Within the SME categories the largest number of beneficiaries are microenterprises (notably via the LGF).

The broad reach of COSME in terms of number, type, geographical and sectoral distribution of its beneficiaries is illustrated in 3.1 above and Annex VI F. 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 supporting study notes that the impacts of some actions can be explained also 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. Entrepreneurial culture also varies across Europe so 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.

80% of the COSME budget was allocated to a few main actions: financial instruments (60.42%⁷⁴), EEN (15%), EYE (2.2%), and Clusters actions (1.9%). The financial instruments, EEN and EYE were particularly successful in achieving the expected results and most original performance targets set in the Regulation were accomplished or exceeded⁷⁵. Available information, albeit limited, indicate that clusters actions have also delivered some good results and impacts, but reporting data on indicators was incomplete. Further information and justification is provided under the headings for each specific objective / action below.

To summarise:

- COSME's financial instruments (LGF and EFG, SO1) facilitated access to finance to over 800 000 SMEs. Micro-enterprises which tend to struggle to demonstrate their creditworthiness was the main beneficiary group. The counterfactual analysis 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, according to data from Orbis, SME final recipients experienced significant positive trends in their economic performance in the years after receiving finance via this scheme. However, it is too early to formally prove this causal link⁷⁶. Nevertheless, evidence from other studies on similar equity schemes supported under previous EU programmes⁷⁷ 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.⁷⁸
- The EEN (SO2) provided integrated advisory and support services to help nearly two million 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 and/or exceeded all targets and evidence from the targeted consultations shows the impact of EEN on various components of SME competitiveness.
- The cluster actions (SO3) 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 of its budget⁷⁹. As described in the specific heading on clusters actions below, the clusters delivered some useful outcomes such as boosting cluster management skills, boosting cluster managers' understanding of the internationalisation process, and led to increased

⁷⁴ The implemented EU budget for LGF and EFG amounted to 60.42% of the implemented COSME budget. This increases to 60.65% when the accompanying measures for access to finance are included (inter alia, these accompanying measures funded communications materials on the financial instruments, and events such as the 2020 European Angel Investment summit organised in cooperation with DG ECFIN (EU Invest portal), EBAN and EEN.

⁷⁵ Further information on indicators (targets and results) is provided under the headings for each specific objective below.

⁷⁶ Most of the SMEs supported through the EFG received support in the later stages of the programme, as from 2021. The methodology for the counterfactual analysis requires data from 2-3 years after (and before) the intervention (for both the treated beneficiary SMEs and not-yet treated control groups. In addition, it should be noted that it generally takes several months after the end of the relevant financial year for company data to be entered in Orbis.

⁷⁷ EIF (2021), The European venture capital landscape: an EIF perspective Volume VI: The impact of VC on the exit and innovation outcomes of EIF-backed start-ups. EIF (2019), The economic impact of VC investments supported by the EIF. EIBG (2022), Evaluation of EIB Group Equity and quasi-equity support for SMEs and midcaps. Final report.

⁷⁸ That is to say, also allowing complete counterfactual analysis for businesses supported as of 2021 and a related control group including Orbis data from 2-3 years after the year in which support was provided by the scheme.

⁷⁹ There were 4 generations of calls for ESCP-4i under COSME: 1. 2016-2017 (15 partnerships funded), 2. 2018-2019 (25 partnerships funded), 3. 2020-2022 (24 partnerships funded) and 2021-2024 (14 partnerships funded).

cooperation, networking and the development of joint strategies.

- EYE exchanges (SO4) aimed to help new and experienced entrepreneurs to learn from one another (SO4) in order to promote entrepreneurship and an entrepreneurial culture. EYE performed well on its KPIs and one key outcome observed in the targeted surveys was boosting the entrepreneurship and international business skills of the participating entrepreneurs (see the specific heading on EYE).

The advisory and support services for SMEs and many of the projects (EEN, EYE, financial instruments and Clusters) were implemented by intermediary bodies and entities with established relations and knowledge of the specific community targeted by the different initiatives. The supporting study found that the use of intermediaries in this way was a key strength of COSME⁸⁰.

Key success factors for the effectiveness of specific actions, and factors negatively influencing performance are mentioned in the following points:

- Two **key success factors** for LGF are the favourable conditions offered to financial intermediaries (to lend to riskier SMEs) combined with the reputational benefit of the EU support⁸¹ which boosted the supply of loan finance for SMEs, leading to improved survival rates and maintaining and/or increasing jobs.
- Key success factors for EEN services were the proximity of service providers in the local environment, the established relations between EEN members and the know-how developed over time. However, the use of local intermediaries also made it more difficult to raise awareness among final beneficiaries about the EU's contribution to these actions (based on the interviews with EEN members carried out for the study), the supporting study also notes that this also impacted on the availability of monitoring data at a central level as data on final beneficiaries (EEN clients) was held at the level of intermediaries⁸².

Further examples, and evidence are provided throughout the efficiency analysis.

Effectiveness of COSME for enhancing SME competitiveness

The measures supported by 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/services, and expanding into new markets).

All four specific objectives of the programme contributed towards this goal. For matters related to the methodology and the selection of actions for this evaluation, there is stronger evidence of the contribution of SO1 and SO2. SO3 actions contributed both directly (clusters) and indirectly (SME performance review/SME envoys) to strengthening elements of SME competitiveness. The latter supporting the work of the Commission and the Member States for reducing administrative burdens which are widely recognised as a significant cost for SMEs. SO4 actions contributed primarily to enhancing skills and promoting entrepreneurship. The impacts of the latter could be understated, as there is no

⁸⁰ Inter alia, there is evidence of this from the interviews with Commission officials and EISMEA staff. This was also mentioned in the Interim evaluation of the COSME programme.

⁸¹ These generated good leverage, boosting the supply of loan finance available to SMEs which in turn impacted on survival, and maintaining / increasing jobs.

⁸² With the exception of the main actions (access to finance, EEN, EYE), there are no granular monitoring data on the number and type of final beneficiaries of COSME interventions, their geographical and sectoral distribution and other characteristics. The lack of this data poses limitations on the assessment of the performance of these actions and outcomes achieved as explained in the methodology (Annex II).

source of longer term data, for example on whether entrepreneurs actually created a business after participating in EYE⁸³. The table below summarizes the impacts of different actions on competitiveness, and further details and evidence for each specific action is given in the points below the table.

Table 3: Impacts of specific objectives and actions on SME competitiveness

S01	Financial instruments: <ul style="list-style-type: none"> • Loan Guarantee Facility • Equity Facility for Growth 	Supported day-to-day operations of riskier SMEs enabling them to remain competitive and to survive, expanded riskier SME lending, provided finance to riskier SMEs on better credit terms and conditions, helping those riskier SMEs to limit the costs of their external financing (outcome) to an acceptable level from economic point of view. Allowed SMEs to develop and invest in innovation (including investment in energy and environment) (outcome)
SO2	Enterprise Europe Network	Improved access to markets, helped SMEs to introduce new products (impact)
S03	Clusters Internationalisation Clusters excellence SME Performance Review, and the work of the SME Envoys	Enhanced internationalisation skills of clusters (better understanding of internationalisation issues) (outcome) Enhanced management skills of clusters (outcome) The quality label was used by national funding authorities as a criterion for allocating national funding to clusters. This therefore helped to ensure that national funding was allocated to clusters that could provide better quality support to businesses. 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) but this does not prove a causal link. These actions contributed to the Commission's work to monitor actions and reforms by Member States for improving the business environment. (European semester, Recovery and resilience facility and feedback on national reform programmes).
SO4	Erasmus for Young Entrepreneurs	Enhanced business and internationalisation skills of both new and host entrepreneurs (outcome) Boosted entrepreneurship, and boosted motivation to set up a business. There is also evidence of early-stage impacts of EYE exchanges on enterprise creation, but no longitudinal data.

The financial instruments enabled SMEs to secure working capital or acquire/lease small-scale equipment, supporting their day-to-day operations. **This allowed SMEs to remain competitive.**

The **LGF** finance filled a market niche and demonstrated additionality⁸⁴. Within the partner financial intermediaries, COSME LGF has contributed to the expansion of riskier SME

⁸³ As explained under the heading "Specific objective 4 SO4 - Entrepreneurship" below, some data is available on the number of businesses created in the very early stages after the EYE exchanges.

⁸⁴ Section 4.2 of this document

lending and the enhancement of credit terms and conditions⁸⁵. **Such a competitive financing offer helped those riskier SMEs limit the costs of their external financing to affordable level from economic point of view.**

The evidence on higher survival rates of companies that benefited from the financial instruments shows that the COSME support often helped them to meet their basic needs. If those companies were more likely to survive also after the LGF support stopped, it means that they were also more competitive, could keep clients or gain new ones, keep their costs down, and be innovative – to secure their position in the market.

According to the survey of SMEs supported by the LGF, the loans allowed 54% of recipients (50/92) to develop a new product or service and 51% (47/92) to develop a new technology or process.

The **EFG** had a positive impact on enhancing SMEs' access to finance and stimulating the creation of the Venture Capital /Private Equity market.

EFG targeted the subset of SMEs which are often young fast-growing innovative firms with a risk profile and business model that often makes them unable to obtain financing from the traditional system of financial intermediation. The key sector supported by the EFG was computing and consumer electronics, a sector renowned for its focus on innovation. The EFG also facilitated investment of more than EUR 62 million in SMEs in the energy and environment sector⁸⁶.

Over time, EFG final recipients have not only exhibited high survival rates, but they have also experienced significant positive trends in their economic performance⁸⁷.

The positive impacts on turnover, where identified, confirm the positive impact on competitiveness. For example, regardless of their size at the time of investment, data from Orbis confirms that **SMEs benefiting from EFG have grown in terms of employment, turnover, and total assets**. According to these figures SMEs benefiting from EFG, have almost doubled the number of employees from the year before to the year after the intervention⁸⁸. As explained in further detail in the previous sections, it is still too early to prove this via counterfactual analysis, but the results of previous surveys on similar financial instruments indicate that these impacts are likely to hold should a counterfactual analysis be held in future.

International competitiveness has been supported by the services delivered by EEN: Advice, pairing of business partners, guidance, etc. As mentioned earlier, among EEN client SMEs, 62% of respondents to the targeted survey pointed to expanding to new geographical markets. The COSME interim evaluation survey showed that more than 75% of client SMEs had entered a new market, including an international market for more than 20%. More than half of respondents attributed these results at least to some extent to the

⁸⁵ The financial intermediaries that were interviewed for the study emphasised that LGF allowed them to offer loans to riskier SMEs on more favourable terms than they typically would have. Since the LGF guarantee was provided at no cost, financial institutions had greater flexibility to pass on financial benefits to their SME clients. This translated into lower interest rates compared to similar client profiles and longer loan maturities.

⁸⁶ 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.

⁸⁷ See Table 8 on evolution in key economic performance indicators before and after the intervention. Furthermore, Table 6 on survival rates of businesses benefiting from EFG support confirms that for the investment periods 2014-2017, 100% of the SMEs supported were still in business in year t+4 (4 years after the intervention). For businesses that received funding in 2018/19 the survival rates at t+4 were 96% and 94.4% respectively.

⁸⁸ For example, micro enterprises increased their staff from 4-8 in that period. For small enterprises the increase in staff was from 19 to 39 and medium-sized enterprises had an increase from 76-139 employees. Further figures on economic impacts are provided in Annex VII.

services provided by EEN. Of the EEN client SMEs responding to the targeted survey (59%)⁸⁹ confirmed that the network's support had enabled them to develop new products or services and **63% (20/32) confirmed that EEN services had helped them to safeguard the number of employees.**

Development of skills can also help increase competitiveness. EEN offered workshops, trainings, advice and support. The COSME Programme also supported E-skills for Jobs campaign in 2015-2016 to fill digital skill shortages, gaps and mismatches.

The Your Europe Business portal supported by COSME is also a source of knowledge for SMEs to refer to.

The 2021 evaluation study on clusters actions noted **several important benefits/impacts of the clusters actions related to SME competitiveness**, in particular:

- The clusters excellence action enabled clusters to enhance their management skills.
- Participation in the clusters excellence action also made it easier for clusters to obtain national funding, as many national support schemes for clusters targeted their support towards clusters organisations that had obtained the clusters excellence quality label.
- Clusters Initiatives also offered SMEs the unique opportunity to create new networks and develop new ideas with different partners.
- Clusters internationalisation actions enhanced the expertise of clusters in the field of internationalisation and enabled them to pool expertise.

However, the supporting study notes that there is insufficient evidence to determine the extent to which Clusters Go International increased SME internationalisation and competitiveness⁹⁰.

The 2021 evaluation study on clusters⁹¹, found that the clusters excellence action contributed to strengthening the management skills of clusters and the clusters internationalisation action enabled them to gain a better understanding of issues related to internationalisation and to pool expertise.

The EYE programme allowed new entrepreneurs to **gain skills, and boosted entrepreneurship** by helping them to prepare better to start their own business:

- Amongst the entrepreneurs responding to the targeted survey, nearly 100% (654/655) of new entrepreneur respondents reported that participation in EYE had improved their knowledge and skills, particularly personal skills but also technical and managerial skills.
- Among the HEs 73% (165/227) confirmed that they had boosted their knowledge and skills. According to the survey of NEs carried out by DG GROW after the EYE exchanges (based on data from 1.2.2015 till 31.1.2023), 73.4 % of the 8009 respondents were planning to set up a business (either immediately: 5.3%, in the

⁸⁹ The question asked EEN clients to confirm the different positive impacts of EEN support on their business. 19/32 of the respondents confirmed that they had developed new products or services as a result of EEN's support.

⁹⁰ According to interview feedback, it is difficult for clusters organisations to obtain follow-up data on participating SMEs, due to, among other factors, the time lags between initial contacts and the realisation of positive outcomes in terms of profitability and exports for SMEs

⁹¹ European Commission. 2021. Evaluation Study of and Potential Follow-Up to Cluster Initiatives under COSME, H2020 and FPI, Final report.

next 12 months: 29.9% or in the next 3 months: 11.8%), and **9.5% had already set up a business by the time of this follow-up survey**⁹².

Effectiveness of the programme for reducing administrative burdens

Under S03, the COSME programme funded studies and meetings with stakeholders that supported the work by the Commission and the Member States to address administrative burdens in EU and national policies and to find solutions for helping SMEs to deal with emerging issues. The monitoring forms provide good evidence of how these actions impacted on policy making and helped enhance the business environment and reducing administrative burdens, for example:

- The Commission used the SME Performance Review surveys – financed by COSME – to inform its inputs to the European Semester and to policy actions related to SMEs, including its input to shaping national recovery programmes.
- COSME also funded the meetings of the SME Envoys and SME Assembly which provide advice and feedback to the Commission on issues that SMEs are facing, including administrative burdens. The SME Envoy Network regularly provided all Member States with 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 Commission Secretariat General’s 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”⁹³, (e.g. EUR 850 000 from COSME Work programme 2020). Some actions aimed to reduce the admin burden resulting from EU policy measures (e.g. the EU REFIT platform).

Regarding administrative burdens in the implementation of COSME actions:

- Of the SMEs responding to the targeted survey for EEN SME clients 85% (26/31) reported incurring no direct or indirect costs as a result of receiving the EEN services (including administrative burden and reporting obligations).
- The majority of LGF final beneficiaries (SMEs) responding to the targeted survey did not experience a high administrative burden (57/92; 62%). Just less than half (46%; 18/39) of surveyed LGF financial intermediaries reported an additional administrative burden associated with reporting (heightened programme monitoring requirements compared to the EIP). However, according to interviews, the perception of this burden varied considerably across financial instruments.
- EFG fund managers interviewed did not report any administrative burden associated with COSME.

⁹² For the moment, there is no longitudinal follow-up survey to track the number of enterprises created over a longer period as a result of an EYE exchange.

⁹³ Meanwhile this tool is operational and is used across the Commission for entering information on administrative burden, notably in relation to impact assessments, with a view to reducing the burden of EU legislation for companies (including SMEs).

- For the majority of EYE entrepreneurs (64%, 522/ 827) responding to the survey, the administrative requirements and reporting obligations were, at worst, slightly burdensome. However, 33% did observe burdens⁹⁴.

Factors negatively influencing the performance of the programme

Although the quality of descriptions of actions in annual work programmes improved in the latter years of the programme⁹⁵, one key factor negatively influencing the performance of COSME, lies in the fragmentation of smaller actions⁹⁶ which lacked a strong thematic link to other COSME initiatives and its overarching objectives. This includes a number of studies which did not have a strong thematic consistency with the programme, some pilot actions which did not foresee any follow up and were therefore perceived as a “one-off” by stakeholders, and other small actions which received few project applications due to the very limited budget offered.

In most cases, although these smaller actions delivered the planned outputs (in terms of studies, events, training and other products), the monitoring data and reports do not clarify how and to what extent these actions contributed to COSME’s main objectives. This was particularly the case in the earlier years of the programme. In the latter years of the programme, the monitoring reports (notably the 2020 monitoring report) provided a clearer picture of how the smaller actions fitted into the overall programme goals.

Adapting to changing needs

In the 2020 COSME Monitoring Report, examples were provided of how particular components of COSME were adapted to reflect the changing needs of SMEs. For instance, an EFSI top-up supported LGF transactions related to the digitalisation pilot launched in 2019 to enable financial intermediaries to provide broader and more comprehensive debt support to SMEs for digital transformation in line with EU policy. In addition, the pilot allows the Financial Intermediary to enter a (Counter-) Guarantee Agreement dedicated to the digital transformation of SMEs.⁹⁷

Feedback from consultations conducted for the supporting study indicates that the EEN services also supported enterprises in implementing disruptive innovations and managing changes resulting from the crisis, while providing advice on overcoming emerging barriers and accessing finance.

The following sections provide an in-depth assessment of the effectiveness of COSME key actions. Further information on specific actions, particularly some of the smaller actions, is provided through case studies (Annex VIII). These also include a number of case studies illustrating weaknesses. For example, the WE-GATE action that has only delivered to a limited extent on its goal to become self-sustaining after the project.

⁹⁴ Nearly one quarter (24%, 195 out of 827) the administrative requirements and reporting obligations were not burdensome at all. Only 9% (78 out of 827) found the requirements to be very burdensome

⁹⁵ As noted in point 4.1.1.1 of the supporting study.

⁹⁶ The COSME programme remained fairly fragmented throughout the 7-year period. One key cause was the wide scope of the objectives and the imperative of addressing each of these goals. In 2020, 8.7% of the programme budget went on 28 smaller actions with a budget of less than EUR 1 million each. The COSME monitoring report 2020 confirms the relevance of many of these smaller actions to wider programme goals. Nevertheless the programme remained fragmented in terms of the size of actions supported. Only 26% of the COSME 2020 budget was spent on actions with a total budget of more than €5 million each (11 actions in total). The link between smaller actions and the programmes’ key objectives was less clear in the earlier years of the programme, as the work programme and monitoring report were less detailed at that time.

⁹⁷ <https://www.eif.org/what-we-do/guarantees/single-eu-debt-instrument/cosme-loan-facility-growth/call/annex-v-digitalisation-pilot-term-sheet.pdf>.

4.1.1 Specific Objective 1 SO1 - Access to finance

This section presents the supporting study findings on the effectiveness of COSME financial instruments combining the results of the portfolio analysis with evidence gathered from desk research, targeted consultations and interviews.

Overall, EUR 1.6 billion were committed to the COSME financial instruments for the 2014-2020 programming period (slightly above the 60% target set in the COSME Regulation⁹⁸). The main longer-term impact of the LGF was helping riskier SMEs to enhance their viability, improve their survival rates and helping to maintain and create employment. For the EFG, there is evidence from Orbis data and previous studies on similar actions that the support is likely to generate positive impacts on SME employment, turnover and total assets. This is described in further detail under the EFG heading below.

Based on the portfolio analysis, including the analysis of KPIs and targets (see Table 4 below), it is possible to conclude that the COSME financial instruments met or exceeded their final targets in terms of number of SMEs supported, the overall volume of investments and leverage.

Table 4 – Achievements of the COSME financial instruments against targets

Indicator	Target	Achieved as of 31 December 2022
EFG		
Number of VC-backed firms (final recipients)	Between 360 and 540	521
Overall volume invested	Between EUR 2.6 and EUR 4 billion	EUR 3.9 billion
Leverage ratio	1:4 - 1:6 ⁹⁹	1:11 ¹⁰⁰
Additionality	More than 62% of the final recipients consider that financial support received could not have been obtained by other means	Not available
LGF		
SMEs receiving guaranteed loans (final recipients)	220 000 - 330 000	873 751
Overall financing volume	EUR 14.3-21.5 billion	EUR 54 billion
Leverage ratio	1:20 – 1:30	1:21
Additionality	More than 64% of the final recipients consider that financial support received could not have been obtained by other means	85%

Source: elaboration for the supporting study based on EIF monitoring data and target data (Annex to the COSME Regulation and COSME Work Programme 2020)¹⁰¹

Loan Guarantee Facility (LGF)

Looking at specific results achieved by financial instrument, COSME LGF supported 873 751 distinct SMEs through 1 173 780 transactions (as, for example, some SMEs received more than one loan). As of 31 December 2022, EUR 54 billion had actually been provided

⁹⁸ Financial instruments accounted for 60.42% of the total implemented budget for the programme. Source European Commission, DG GROW.

⁹⁹ EUR 1 from the Union budget will result in EUR 4-6 in equity investments over the lifetime of the COSME programme.

¹⁰⁰ Calculated as total volume invested, divided by the COSME EFG budget committed.

¹⁰¹ European Commission. 2020. Commission implementing decision COSME WP 2020, <https://ec.europa.eu/docsroom/documents/43487>.

to those distinct SMEs. The financial intermediaries involved in LGF transactions were mainly commercial banks and guarantee institutions, covering the EU and COSME associated countries (see Annex VI).

The LGF demonstrated strong additionality. It offered financial intermediaries and riskier SMEs a product that went above and beyond what was available from alternative public sources of finance (see section 4.2). According to the interviewed financial intermediaries, the LGF addressed market failures (leading to a lack of finance for SMEs) in a more effective way than other national public programmes. Also, 19/24 respondents to the public consultation declared that COSME provided higher or similar support than other comparable national or regional programmes.

The supporting study also found that no commercial product could rival the advantages offered by the LGF, namely the attractive guarantee rate, the reputational benefit due to the support provided by the EU and the EIF and the fact that the guarantee was considered state aid consistent. Participants in the survey of financial intermediaries declared that their lending activity to SMEs would have been considerably different without the LGF guarantee. About 66% of survey respondents indicated that SME loans would have had higher collateral requirements, or higher costs (52%), or the volume of lending would have been reduced (59%). Financial intermediaries interviewed also confirmed that without the LGF they would have reduced their lending to SMEs, since most of them would not have had sufficient collateral to back their loan. The absence of LGF support would have significantly increased the barriers to finance for riskier SMEs.

For SMEs that benefited from COSME LGF, there were few comparable alternatives available. Respondents to the SME survey conducted for the supporting study, were asked to report what would have happened to their business or investment project if they had not received the EU-guaranteed COSME financing support. Only 12% of respondents reported that they would have been able to secure financing from alternative sources at similar terms and conditions and without having to downsize their investment. The others indicated that they would have opted for loans that had either higher interest rate (59% 19/32) or worse collateral requirements (53% 17/32).¹⁰² The consultation also asked SMEs to share their opinions on the processes, terms and conditions of the EU-guaranteed financing compared to offers available on the market when they applied for the support. A majority stated that, compared to offers that were available on the market at the same time, the LGF guarantee was either much more favourable or favourable in relation to the overall terms and conditions (71% 65/92), as well as the interest rate they had to pay on the borrowing (61% 56/92), the collateral/security requirements (65% 60/92), the speed of processing the application (51% 47/92), and the repayment period (50% (46/92).

COSME LGF had a positive impact on enhancing SMEs' access to finance. Contributions to the targeted consultation emphasise that this is perhaps the most significant advantage of COSME: its ability to bridge the gap for businesses that would otherwise struggle secure financing or, if they did, would face less favourable terms, such as higher interest rates and stringent collateral requirements (see the statistics in the previous paragraph on how the LGF compared to other offers on the market). A substantial majority of financial institution respondents (82%; 32/39) reported that their primary motive for seeking COSME loan guarantees was to extend lending opportunities to viable SMEs with insufficient collateral. The financial intermediaries that were interviewed for the supporting study also emphasised that LGF **allowed them to offer loans to riskier**

¹⁰² The question allowed multiple choices.

SMEs on more favourable terms than they typically would have. Since the LGF guarantee was provided at no cost, financial institutions had greater flexibility to pass on financial benefits to their SME clients. This translated into **lower interest rates** compared to similar client profiles and longer loan maturities.

COSME LGF played a role in expanding access to finance for specific segments of the SME market, particularly those experiencing higher loan rejection rates, such as sole proprietorships, microenterprises, and start-ups (see Annex VI). However, it is worth noting that this outcome was not universal. It depended on the market strategies and deliberate choices made by financial intermediaries. For instance, it was more pronounced when financial intermediaries had a dedicated focus on these sectors, such as commercial banks providing microcredit and small loans, or leasing companies predominantly serving microenterprises. In some cases, national promotional banks and guarantee institutions also played a significant role in shaping these outcomes by focusing explicitly on start-ups.

Impacts on LGF final recipients' economic performance

LGF final recipients exhibit very high survival rates in the years that followed the loans. Based on Orbis data, on average only 0.6% of companies were liquidated one year after having received the loan, while the share increases up to 6% after five years. This is even more surprising if compared with the EU27 average survival rates in 2020 that ranged between 85.7% after one year and 58.4% after four years¹⁰³ (i.e. 14.3% and 41.6% respectively did not survive). This analysis alone could not establish a causal link between company performance and the support received, which is instead captured by the counterfactual analysis. Surprisingly, the share of active businesses after the intervention is broadly uniform over all the years of investment.

Table 5: Share of active firms by year of first LGF financing and years after investment

Cohort	t+1	t+2	t+3	t+4	t+5	t+6	t+7	t+8	t+9
2014	98.9%	98.9%	98.9%	97.8%	94.4%	92.2%	88.9%	86.7%	86.7%
2015	99.1%	97.7%	96.0%	94.3%	93.1%	91.9%	90.5%	89.8%	-
2016	99.1%	97.6%	95.9%	94.4%	93.1%	91.6%	90.7%	-	-
2017	99.2%	97.9%	96.6%	95.4%	93.9%	93.0%	-	-	-
2018	99.3%	98.4%	97.2%	95.5%	94.6%	-	-	-	-
2019	99.7%	99.0%	97.5%	96.4%	-	-	-	-	-
2020	99.5%	98.6%	97.7%	-	-	-	-	-	-
2021	99.4%	98.9%	-	-	-	-	-	-	-
2022	99.7%	-	-	-	-	-	-	-	-
Total	99.4%	98.3%	97.0%	95.4%	93.9%	92.3%	90.6%	89.7%	86.7%

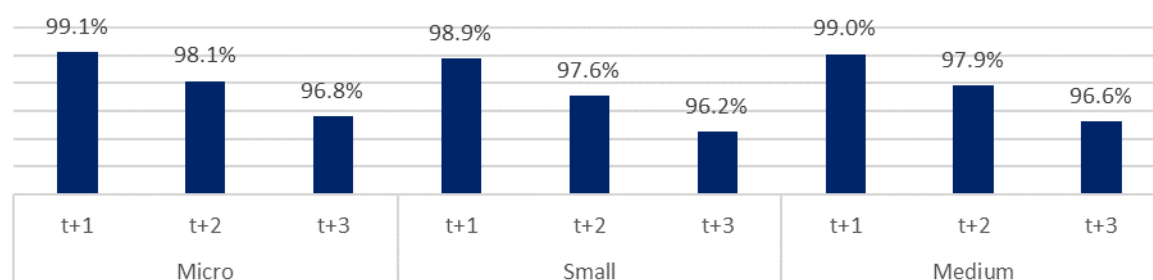
Source: Elaboration by the consultant for the supporting study based on Orbis data

The analysis was also narrowed to SMEs that received a LGF guaranteed loan between 2014 and 2020 and observed the evolution in the share of active enterprises up to three years after having received the loan across countries and company size. The share of active

¹⁰³ Data are drawn from Eurostat - Business demography by size class and NACE Rev. 2 activity (2004-2020)

enterprises amongst small enterprises is lower compared to micro-enterprises which were expected to be more vulnerable to shocks.

Figure 4.1: Share of active LGF final recipients by size and years after investment (loans disbursed 2014-2020)



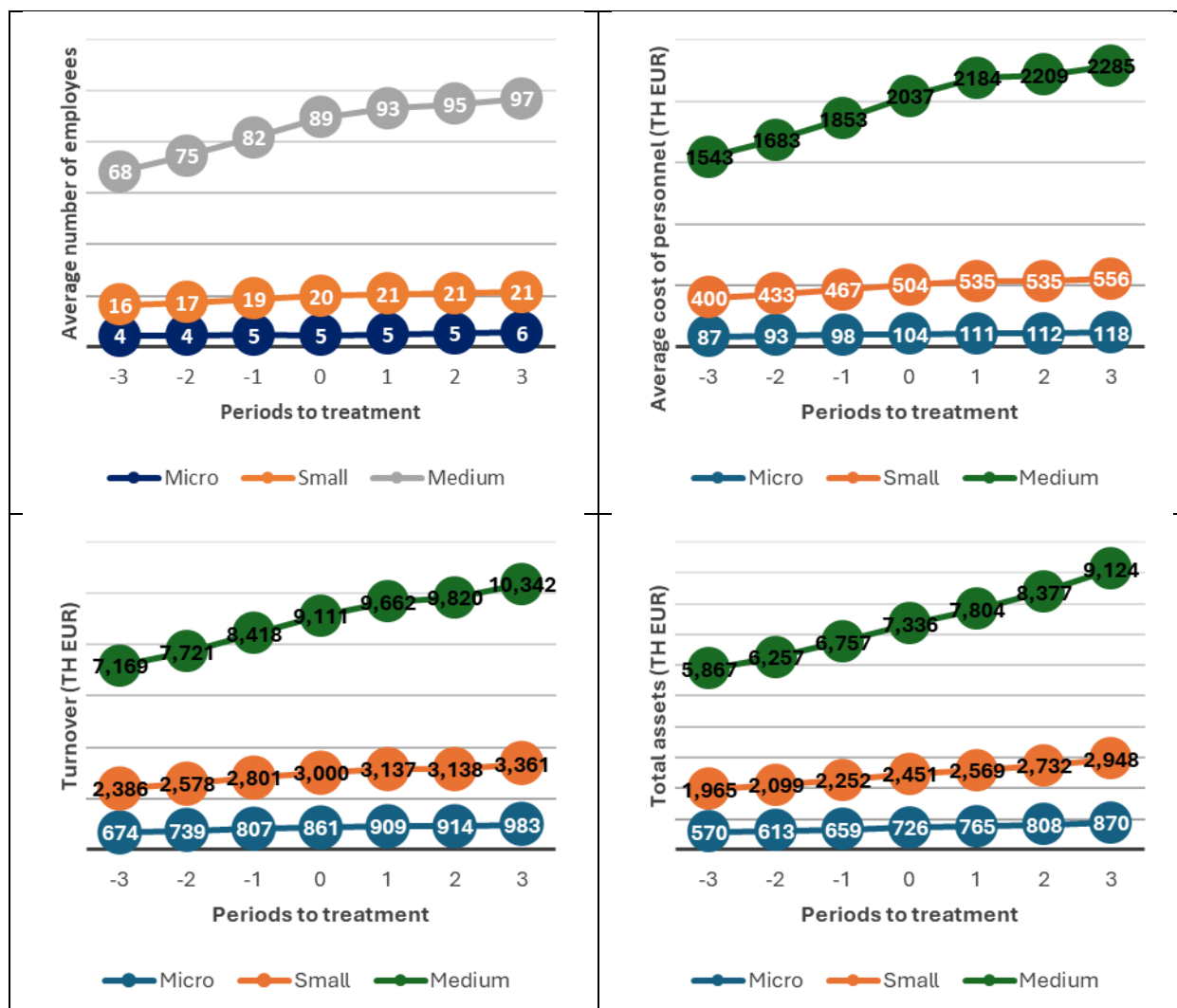
Source: Elaborations for the supporting study based on Orbis data

Across countries, the share of active enterprises is quite homogeneous. A few exceptions are Croatia, Denmark, Finland, Kosovo*, Luxembourg, the Netherlands, Sweden and the United Kingdom where the share of active enterprises each year after the loan is significantly below the average.

Despite the limited increase in the absolute number of employees, it is worth noting that the growth rates between one year before having received the guaranteed loan and three years after is more significant. On the one hand, the average growth rates in the number of employees equals 20% for micro-enterprises, and so do the growth rates in the cost of personnel. On the other hand, the average growth rates in the number of employees equals 11% for small enterprises and 19% when the cost of personnel is concerned. In contrast, medium-sized enterprises have experienced on average an increase in their number of employees (and so their average costs of personnel) both in absolute and relative terms. As far as the turnover and the total assets are concerned, all SMEs have shown positive trends, even though medium-sized enterprises have experienced larger growth rates.

Considering the wider macro-economic context and the significant challenges SMEs faced in the aftermath of the financial crisis these results are nonetheless positive.

Figure 4.2: Evolution in LGF final recipients' employment before and after the loan, by size



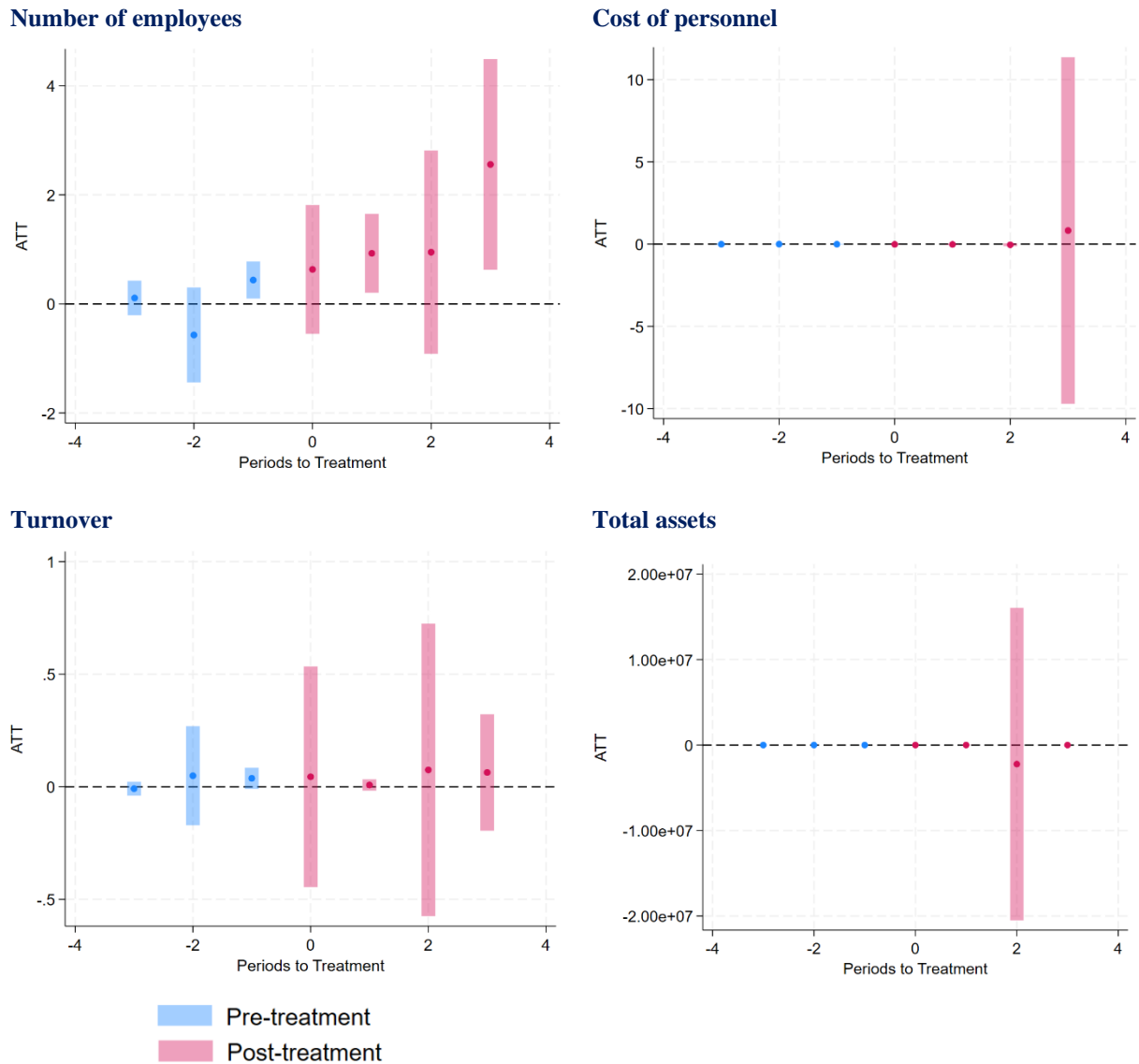
Source: Elaborations for the supporting study based on Orbis data

Since the trends analysis does not allow to draw any causal conclusion on the observed patterns, a counterfactual analysis was conducted as part of the supporting study to estimate the net causal impact of the LGF intervention on SMEs' economic performance (number of employees, cost of personnel, turnover, total assets).¹⁰⁴ The analysis has revealed that the LGF support led to an increase in the number of employees but it did not lead to an increase in turnover, and total assets as compared to not-yet-treated companies (see Figure below). These results only partly align with existing studies on the predecessor of LGF (e.g., CIP and MAP). Previous studies indeed found a positive impact of EU guarantee loans on SME growth in terms of employment, sales, and profits, even though the results are not always consistent across countries and schemes. The results obtained in the supporting study are to be considered with caution because of a series of limitations to the overall analysis¹⁰⁵.

¹⁰⁴ Details on the counterfactual analysis are provided in the methodological annex.

¹⁰⁵ For example, the sample size is not fully representative. While Italian companies are well represented in the final sample, SMEs from other key countries, such as Spain and France, are not. Another potential issue is that, due to data limitations, the consultant for the supporting study carried out the analysis exploiting a sub-sample of companies that received the LGF guaranteed loan between 2015 and 2020, while the intervention spanned from 2014 until 2022. Moreover, the positive trends observed amongst medium-sized enterprises are not fully reflected in the overall net causal impact because, among other factors, the share of medium-sized enterprises equals only 1% of the overall sample of final recipients.

Figure 4.3: Evolution of the Average Treatment on Treated on economic performance before and after the intervention (average 2015 – 2020)



Note: In the figures above, the dot points equal the estimates of the ATT in the pre-treatment and post-treatment period, while the bars represent the confidence intervals at 95%.¹⁰⁶

Source: Elaborations for the supporting study based on Orbis data

¹⁰⁶ ATT refers to the effect of the treatment for those who actually received treatment (in this case, the impact of LGF finance on final recipients).

The counterfactual analysis demonstrated that LGF had a positive and significant impact on the number of employees and the survival rates over time, but did not lead to an increase in turnover, cost of personnel and total assets of beneficiaries as compared to not-yet-treated companies. These results only partly align with earlier studies on the predecessors of LGF (e.g., CIP and MAP).^{107,108} These earlier studies observed a positive impact of EU guaranteed loans on SME growth in terms of employment, sales, and profits, even though the results are not always consistent across countries and schemes. As explained earlier, the results of the counterfactual analysis for COSME LGF cannot be directly compared with the previous surveys, due to the alternative methodological approach followed. The results of the supporting study are therefore considered likely to (at least partially) under-represent the full extent of the economic impacts of the programme.

One possible explanation for these different results is that the control group of businesses that had “not yet benefited” from LGF support were better prepared¹⁰⁹ than the businesses used as a control group for previous studies (that did not subsequently benefit from any funding from financial instruments at all).

The financial intermediaries interviewed for the supporting study reported that, in many instances, the LGF guaranteed loans were used to support the day-to-day operations of companies. The loans backed by the LGF were useful to SMEs, but the size of the loans, which were capped at EUR 150 000, did not allow firms to undertake sizeable investments.

This data underscores the utility of LGF-backed loans in supporting SMEs but suggests that they **did not play a disruptive or catalytic role in promoting substantial growth for these businesses**. The LGF support was primarily directed towards **securing working capital or acquiring/leasing small-scale equipment**. These investments were vital for maintaining the enterprises’ operational continuity, by providing access to finance to SMEs facing difficulties due to their higher risk profiles. However, on average, they did not result in business expansion.

Equity Facility for Growth (EFG)

(see Table 4 above for related KPIs)

The funds benefiting from EFG support invested in portfolios of final recipients including COSME EFG eligible firms¹¹⁰. The investments in COSME EFG Eligible firms amounted to EUR 3.9 billion distributed through investments in 554 distinct SMEs as reported by the EIF as of December 2022. There was geographic concentration of equity investments, as the majority of the investment (53%) went to enterprises located in Germany, France and the United Kingdom.¹¹¹ This is to be expected considering that private equity (PE) / venture capital (VC) activity is often concentrated in geographical hubs and the availability of VC has a positive effect on the demand for external equity (i.e. firms are more likely to seek

¹⁰⁷ Brault, J., and Signore, S. (2019). The real effects of EU loan guarantee schemes for SMEs: A pan-European assessment. EIF Working Paper 2019/56, EIF Research & Market Analysis. June 2019. http://www.eif.org/news_centre/publications/EIF_Working_Paper_2019_56.htm

¹⁰⁸ Bertoni, F., Colombo, M., and Quas, A. (2023). The long-term effects of loan guarantees on SME performance. Journal of Corporate Finance. [The long-term effects of loan guarantees on SME performance - ScienceDirect](#)

¹⁰⁹ For example, they could have been in the process of improving their business plans in preparation for seeking additional finance in future.

¹¹⁰ The eligible final recipients for the core EFG operations were SMEs **established and operating in** a COSME Participating Country

¹¹¹ COSME EFG Quarterly Report December 2022.

external equity when the local availability of VC is high).¹¹² It is important to note that the uptake of the EFG coincided with the development of the European equity market.¹¹³

The average **ticket size (amount of finance provided to an SME recipient)** under EFG backed funds is around EUR 5 million, which is about three times the average European risk capital ticket size. This demonstrates that COSME has contributed to increasing the average volume of investments made by European PE/VC funds, addressing a structural weakness identified by the InvestEU impact assessment¹¹⁴ and in numerous studies, such as the feasibility study to examine the potential for Venture Capital Funds-of-Funds.¹¹⁵ Moreover, it is worth mentioning that despite its initially slow rollout, the EFG **surpassed its intended leverage effect**.

Interviewed fund managers for the EFG confirmed that the EIF involvement **helped unlock fundraising** by crowding-in other private investors even if it still remains challenging for a first-time team. It contributed to sustaining the level of capital allocation with the effect of achieving the outputs documented above.

In contrast, the cap imposed on EFG investment¹¹⁶ is perceived by the financial intermediaries interviewed to have been a barrier to increasing the effectiveness of this instrument. Yet, fund managers also complain about the absence of a matchmaking process between funds and other investors in addition to EIF. Sharing a list of investors making similar investments in Europe and putting in contact, e.g., limited partners (LPs)¹¹⁷ and venture capitalists would enlarge the outreach of the instrument.

COSME EFG had a positive impact on enhancing SMEs' access to finance and stimulating the creation of the VC/PE market which is underdeveloped in relation to the U.S. 11% of (15) interviewed investees stated that they used the equity investment received to develop new products they probably would not be able to develop otherwise.

¹¹² EIF. 2016. The European venture capital landscape: an EIF perspective Volume I: The impact of EIF on the VC ecosystem.

¹¹³ Private equity and venture capital markets grew rapidly in the EU starting from 2010/2011 and the total equity amount invested in European companies increased steeply in 2019 and continued to grow in 2020 and 2021, see: Kraemer-Eis, H., Botsari, A., Gvetadze, S., Lang, F. and Torfs, W. 2021. The European Small Business Finance Outlook 2022.

¹¹⁴ SWD(2018) 314 final.

¹¹⁵ Assessing the potential for EU investment in venture capital and other risk capital fund of funds, Final report, available at: <https://op.europa.eu/en/publication-detail/-/publication/8557bb3e-e10a-11e5-8a50-01aa75ed71a1/language-en>.

¹¹⁶ Each EFG Investment shall represent: (i) at least 7.5% of total commitments to the EFG financial intermediary at the closing at which the EFG investment is made; and (ii) up to 25% of the total commitments to the EFG financial intermediary at any closing. In any event, the maximum size of the EFG investment in an EFG financial intermediary shall be limited to EUR 30 million or equivalent.

¹¹⁷ Limited partners are entities or individuals who contribute capital to venture capital funds.

EFG final recipients exhibit very high survival rates in the years that followed the investments.¹¹⁸ Out of those found in Orbis, for all years of the intervention except 2018 and 2019, none of EFG related final recipients were liquidated one year after having received the investment, while the share increases to only 3.4% after five years. The results are even more positive if compared with the EU27 average survival rates in 2020 that ranged between 85.7% after one year and 58.4% after four years.¹¹⁹ This analysis could not establish a causal link between company performance and the support received, which instead could only be captured by the counterfactual analysis. The share of active businesses two years after the intervention is 100% for the investment years 2014-2017, and falls by 4% to 96% for intervention year 2018, and ranges between 97.8-98.8 % for 2020-2021. These rates remain nevertheless high when compared with the EU27 average survival rates referred to above.

Table 6: EFG survival rates by year of investment and period after the intervention

Cohort	t+1	t+2	t+3	t+4	t+5	t+6	t+7	Sample size
2014	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	1
2015	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	6
2016	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	9
2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		17
2018	96.0%	96.0%	96.0%	96.0%	96.0%			25
2019	98.1%	98.1%	96.3%	94.4%				54
2020	100.0%	97.8%	94.4%					90
2021	100.0%	98.8%						167
2022	100.0%							94
Total	99.4%	98.4%	96.0%	96.4%	96.6%	97.0%	93.8%	463

Source: Elaborations for the supporting study based on Orbis data

The survival rates differ somewhat across countries. While in the United Kingdom 95.5% of the 67 supported companies were still active after two years from the intervention, the share lowers to 77.70% for the 130 final recipients in Germany, and to 25% in Slovenia and Slovakia.

The LGF performed very well overall on survival rates by size class as can be seen in the table below. SME survival rates one year after the intervention were consistently good for micro, small, and medium-sized businesses. Surprisingly, micro enterprises had higher survival rates than small or medium-sized businesses two years after the intervention. The table also displays data on mid-caps (based on size category information from Orbis), but it should be noted that at the time that LGF support was provided all final recipients were SMEs.

¹¹⁸ These results might be overestimating the survival rates due to lag in reporting company defaults in the Orbis database.

¹¹⁹ Data are drawn from Eurostat - Business demography by size class and NACE Rev. 2 activity (2004-2020).

Table 7: EFG survival rates by company size and period after the intervention

Size	t+1	t+2	Sample
Micro	97.2%	97.2%	72
Small	97.9%	95.9%	146
Medium	97.0%	96.0%	100
Mid-cap	100.0%	100.0%	16

Source: own elaborations on Orbis data

EFG final recipients have experienced significant positive trends in their economic performance, as well as high survival rates. As shown in the table below, regardless of their size at the time of investment, SMEs have grown in terms of employment, turnover, and total assets. On average, they have almost doubled the number of employees from the year before to the year after the intervention. The EFG instruments have indeed targeted the equity needs of young and fast-growing enterprises. Whilst this is positive, a causal link could not yet be formally established for the full set of SME beneficiaries as most received support from 2021 and the methodology for the counterfactual analysis requires data from 3 years after the intervention.¹²⁰ Most equity investments were provided after 2021. It was therefore not possible to document their performance in the three years after the investment. Nevertheless, previous studies on similar schemes supported by EU institutions, showed a positive causal relationship between the provision of equity support and the economic performance of SMEs (e.g., employment, turnover, assets).¹²¹ Therefore, it can be assumed that the positive impacts observed through the descriptive statistics would hold also in a counterfactual scenario if the analysis is replicated in the future once all expected impacts have materialised. In line with this positive expectation, the average ratio of job creation at the end of 2019 was 1.44.¹²²

Table 8: EFG Evolution in key performance indicators before and after the intervention (average numbers per company)

Size class	t-1	t	t+1	Delta ¹²³ year after year before	Sample size
Number of employees					
Micro	4	5	8	4	20
Small	19	27	39	20	42
Medium	76	106	139	62	34
Turnover (TH EUR)					

¹²⁰ A necessary condition for a counterfactual analysis of this type is access to robust data for both the treated (beneficiary SMEs) and not-yet treated (control groups) entities for 2-3 years before and after the treatment. In addition, it should be noted that it generally takes several months after the end of the relevant financial year for company data to be entered in Orbis.

¹²¹ EIF (2021), The European venture capital landscape: an EIF perspective Volume VI: The impact of VC on the exit and innovation outcomes of EIF-backed start-ups. EIF (2019), The economic impact of VC investments supported by the EIF. EIBG (2022), Evaluation of EIB Group Equity and quasi-equity support for SMEs and midcaps. Final report.

¹²² Average job creation is the ratio of employees in 2019 (regardless of the year of investment) to employees at the time of the investment. Source: Growth & Employment report 31-12-2019.

¹²³ Difference between the variable in time t+1 (year after the intervention) and t-1 (year before the intervention).

Size class	t-1	t	t+1	Delta ¹²³ year after year before	Sample size
Micro	2 012	2 955	3 444	1 432	6
Small	4 173	3 730	6 874	2 701	17
Medium	17 714	21 342	27 082	9 368	23
Total assets (TH EUR)					
Micro	2 102	5 792	27 976	25 874	19
Small	8 948	14 631	16 406	7 458	38
Medium	17 045	32 081	43 017	25 972	36

Source: Elaborations for the supporting study based on Orbis data.

The expected positive impacts on the economic performance of EFG-backed companies were further confirmed by interviewed funds. As an illustrative example, one fund declared to have successfully divested itself from nine different companies with performance in terms of turnover ranging between 2x and 3x as compared to other firms in the targeted industry. Among the companies supported by the interviewee the number of jobs created was between 500 and 1 000. Despite these positive outcomes, the interviewee acknowledged that a high-risk component permeates these investments which can result in a portfolio with a relatively high number of companies filing for bankruptcy.

Overall, combining the core EFG operations with the Pan European Venture Capital Funds-of-Funds initiative, evidence shows that the EGF enhanced access to finance, particularly in the form of equity products, in countries where supply was less developed.

4.1.2 Specific objective 2 SO2 - Access to markets

Table 9: KPIs and targets for EEN set in the Regulation

EEN KPIs as per the Regulation	Long term target (2020)	Results (year 2020)
Number of cross-border partnership agreements signed ¹²⁴	Partnership agreements signed: 2 500/year	18 701
Recognition of the EEN amongst SME population	Increase in the recognition of EEN amongst SME population compared to baseline (last known result in 2015 (8% of SMEs aware of EEN ¹²⁵))	Not measured since 2015
Client satisfaction rate (% SMEs stating satisfaction, added-value of specific service provided by EEN)	Client satisfaction rate > 82%	92% ¹²⁶
Number of SMEs receiving support services	500 000 per year (for COSME countries)	1 957 822 (for COSME countries) ¹²⁷

¹²⁴ Partnership Agreements are signed between organisations to make the cooperation official following a successful matching in the EEN matchmaking database.

¹²⁵ The 2015 Eurobarometer included a question on SME awareness of EEN. This survey was not repeated in the original format. The 2022 edition of the Flash Eurobarometer focused on small and medium enterprises (SMEs), resource efficiency and green markets.

¹²⁶ Data from the EEN 2021 client satisfaction survey.

¹²⁷ Data on the EEN provided by EISMEA.

EEN KPIs as per the Regulation	Long term target (2020)	Results (year 2020)
Number of SMEs using digital services (including electronic information services) provided by EEN	2.3 million SMEs per year using digital services	21.5 million SMEs ¹²⁸
In the EEN 2020 Final activity report, the Commission noted that the aggregated high-level targets had been achieved. ¹²⁹		

Source: Study Final evaluation of COSME (CSES) based on data provided by EISMEA

Enterprise Europe Network

The COSME Regulation set specific targets and indicators in relation to the EEN performance¹³⁰ which were reached and often exceeded.

The satisfaction rate of client SMEs has been high at around 85% throughout COSME implementation increasing to 92% in 2019-20.¹³¹ EEN members interviewed reported that the most effective services were advisory services, which create competences within SMEs and help them innovate and grow, and B2B or matchmaking events that foster new partnerships. Some areas for further improvement were mentioned by individual interviewees (a need to focus quality checks on content more than on form and to better differentiate between offers for basic common products).

In the targeted consultation of EEN's SME clients¹³² the vast majority of respondents (91% -29 unique SMEs/32) confirmed that EEN's services had resulted in one or several positive impacts for their business (in particular, safeguarding the number of employees (63% of respondents), expanding to new geographical markets (63%), and developing new products or services (59%), and maintaining turnover (59%) or increasing turnover (56%)¹³³. These positive impacts were also confirmed by past consultations (notably the 2017 interim evaluation¹³⁴, which also refers to an earlier impact study).

The impact survey conducted by the EEN for EASME for the 2015-2016 period identified areas where the EEN had positive impacts.¹³⁵ such as improved market share in existing markets (57%) and increased turnover (67%), while job growth was less supported (only 32%).¹³⁶ The COSME interim evaluation survey showed that more than 75% of client SMEs had entered a new market, including an international market for more than 20%. More than half of respondents attributed these results at least to some extent to the services provided by EEN.¹³⁷ In addition, the interim evaluation of COSME showed that SMEs that

¹²⁸ Data on the EEN provided by EISMEA.

¹²⁹ Special Report No 07/2022: SME internationalisation instruments

¹³⁰ Annex to Regulation (EU) No 1287/2013.

¹³¹ Based on a review of EEN satisfaction surveys, 86% of clients were satisfied or very satisfied with network services in 2015-2016, 88% in 2017-2018 and 85% in 2019-2020. In 2020-2021, 92% of EEN clients confirmed their satisfaction, see also COSME Monitoring Report 2017, 2019 and 2020 respectively.

¹³² Maintain the number of employees (63% of respondents 20/32, expand to new geographical markets (63% 20/32), maintain their turnover (59% 19/32), increase their turnover (56% 18/32).

¹³³ Of the SMEs that responded to this survey 91% (29 unique SMEs/32) reported one or several positive impacts: The following impacts were most widespread: maintain the number of employees in their firm (63% of respondents 20/32, expand to new geographical markets (63% 20/32) and maintain their turnover (59% 19/32) or increase their turnover (56% 18/32).

¹³⁴ The interim evaluation confirmed that the EEN services mainly supported SMEs. The interim evaluation mentioned the quality of EEN services, leading to (expected) growth in turnover and especially, entry to new (geographical) markets, both in Europe and beyond. It also indicated that the beneficiaries most often cited an improved performance in existing markets and increased turnover as a result of EEN services. Job growth seemed to be much less supported in this case.

¹³⁵ Data for the 2015-2016 EEN impact survey was presented in the 2017 interim evaluation of the COSME programme.

¹³⁶ N= 1 579 respondents to this question.

¹³⁷ European Commission. 2017. Interim evaluation of the COSME programme.

used the EEN services performed better than SMEs that did not, with 6.45% more turnover growth and 9.45% more employment growth. However, 50% of SMEs did not attribute any of their growth to EEN.¹³⁸

The majority of EEN SME clients responding to the targeted survey for this evaluation stated that the EEN services had a positive impact on their business¹³⁹ overall (21/32 or 66% ‘greatly’, 8/32 or 25% ‘to some extent’).¹⁴⁰ In another survey of EEN member organisations conducted for the supporting study, 49% (33/68) of EEN member respondents believe that the EEN services they provided have been effective in helping SMEs to access international markets to a great extent and 49% (33/68) to a reasonable extent.¹⁴¹ A large majority of SME clients (74% or 25/34) also stated that the EEN support received was effective in responding to their needs or in addressing the barriers they had.¹⁴²

A key success factor for the effectiveness of the EEN services is the profile of EEN members, and in particular their credibility and close ties with their regional and national industrial and innovation ecosystems.¹⁴³ The networking and knowledge-sharing activities between EEN members, training and the various EEN events are also key to ensuring the effective functioning and quality of services.¹⁴⁴ It should be noted that while collectively most of the targets were achieved, the achievements in the number of partnership agreements signed and advisory services vary between countries and consortia^{145 146}

From 2017, EEN scale-up advisors were put in place to help young innovative SMEs develop their activities outside their home country. As of 2019, support for start-ups and scale-up enterprises became part of EEN’s core services. This implies, in a longer-term perspective, a shift from demand-based service provision to a long-term connection, with the provision of higher added-value services which can be enhanced by efficient signposting within EEN and by identifying external stakeholders to support clients’ needs in more specialist areas.¹⁴⁷ There is strong continuity in the EEN membership. The majority (72%) of EEN Network members have remained the same under COSME compared to the previous programming period. This has allowed knowledge and relationships between EEN members to be consolidated over time.

EEN also helps SMEs to plan their twin transitions (sustainable and digital).

In light of the good performance of the EEN so far, it is planned to continue this service at least until 2027.¹⁴⁸

¹³⁸ Interview feedback.

¹³⁹ Some EEN SME clients reported an increase in turnover (between 12 and 2613% in the 2015-2023 period). Furthermore, SME clients reported an increase in their staff of up to 157% while 2 SMEs reported a decrease between 17 and 54%

¹⁴⁰ N= 32 respondents to this question.

¹⁴¹ N= 68 respondents to this question.

¹⁴² N= 34 respondents to this question.

¹⁴³ European Commission. 2017. Interim evaluation of the COSME programme.

¹⁴⁴ In the 2015-2016 period, about two thirds of the EEN staff participated in EEN network training. In the interim evaluation (2017) EEN members reported having increased their expertise and ability to provide services to their client SMEs by participating in EEN. EEN staff also received other local training from their host organisations and local EEN team members.

¹⁴⁵ European Court of Auditors. 2022. Special report 07/2022: SME internationalisation instruments

¹⁴⁶ For example, from 24 achievements per FTE head of staff in Ireland and 20 in Lithuania, to 2-4 in many other countries.

¹⁴⁷ COSME Monitoring Report 2018.

¹⁴⁸ Continuity of flagship actions such as EEN, EYE and clusters support will be ensured throughout the 2021-2027 period. The current EEN covers the period 2022-2025 (Call for proposals: https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/smp/wp-call/2021/call-fiche_smp-cosme-2021-ee_n_en.pdf). Another call is planned for the period 2025-2028.

Box 1: Summary of an EEN success story - Italy

The Italian biomedical company has developed two products: an X-ray-free mammogram for breast cancer detection, and a device for brain stroke detection and classification. In 2017, the EEN provided the company with a coach to help them review their business and development plan and develop their presentations for commercialising their products. In 2017 and 2018 the company obtained two Horizon 2020 grants which allowed it to expand its international clinical trials in other European hospitals. It was subsequently awarded a Marie Curie project in a consortium with 13 other international partners which allowed it to deepen its research. The EEN has been helping the company for 6 years and this SME has experienced a steady growth, from a few associates to 20 staff members. The EEN played an important role in this development thanks to their advice and networking services.

See Annex VIII for other examples

Your Europe Business portal and Single Digital Gateway

Table 10: KPIs and targets - Single Digital Gateway (SDG)

KPI	Targets	Results
Preparatory study (2018), successful launch of beta version (2019), and of the SDG in 2020	Beta version: 2019 SDG: December 2020	Preparatory study, beta version, and SDG successfully delivered as planned.
Number of visits to Your Europe Business	Year on year increase by 10%	2019: 7 766 937 2020: 8 217 193 (increase by 5.8%) 2021: 7 166 623 (decrease by 12.8%)
User satisfaction figures for the Your Europe Business component of the SDG (based on user satisfaction surveys ¹⁴⁹)	90% positive rating	2019: 93% positive rating 2020: 94% positive rating 2021: 92% positive rating

Source: Elaborations for the supporting study based on COSME Monitoring Reports 2019 and 2020

The Your Europe Business portal registered high satisfaction rates for the service provided. The overall user satisfaction rate remained above the target figure of 90%, reaching 93% in 2019 and 94% in 2020.¹⁵⁰ The key success factors are the multi-lingual format and its links to other national and EU support. In addition, the portal can help SMEs clarify simple issues by themselves, freeing up time for EEN to help SMEs with more complex questions.¹⁵¹

¹⁴⁹ Further information on the YEB annual user surveys:

- 2019: 1 349 responses, data gathering period: 11 February to 11 March 2019
- 2020: 1 354 responses, data gathering period: 3 February to 6 March 2020
- 2021: 1 634 responses, data gathering period: 1 February to 7 March 2021

¹⁵⁰ COSME Monitoring Reports 2019 and 2020.

¹⁵¹ European Commission. 2017. Interim evaluation of the COSME programme.

Since the launch of the Single Digital Gateway, the number of visits to it has fluctuated, ranging from 7.2 million visits (2021) to 8.2 million visits (2020) and the user satisfaction remained high (92-94%), as presented in the KPIs in Annex VI.

EU-Japan Centre for Industrial Cooperation

Table 11: Key KPIs and targets - EU-Japan Centre for Industrial Cooperation (EUTC) 2020-2022

KPI	Targets	Results
Business Support - Infodesk (Answer EU & Japan-related inquiries within 48 hours)	N/A	1016 inquiries processed
Number of webinars organised covering sectors/operational and cross-cultural matters in Japan	12 webinars	40 webinars
Number of meetings facilitated (via company missions, brokerage events, or incoming missions)	500 meetings	1525 meetings facilitated
Vulcanus in Japan (2x12-month traineeships + reports in Japan)	2 session with 2x (22 to 30) participants	30 traineeships
N° of companies listed in the EU Japan Centre database	5 000 in Japan 36 000 in the EU	2 421 32 722

Source: Elaboration for the supporting study based on the Monitoring data

A majority of EEN members (69%) and national trade promotion organisations (90%) reported satisfaction with the services provided and the cooperation with the EU-Japan Centre.¹⁵² The main reasons for satisfaction include the continuity of the Centre (in place since 1987), its role as an EEN member and national contact point for R&I programmes, and its close interaction with key stakeholders, including Trade Promotion Organisations (which gave the Centre a satisfaction rating of over 90 %) and business associations.¹⁵³

Box 2: Example of a success story of the EU-Japan Centre for Industrial Cooperation

After a stay in Japan during a start-up programme organised in Osaka, the CEO of the Spanish company, developer of 3D printers for the food industry, contacted the EU-Japan Technology Transfer Helpdesk and the EEN at the EU-Japan Centre to find a Japanese partner. The Centre connected them with the Japanese company, specialised in the distribution of consumer electronic products, organised a meeting and ensured follow-up between the two parties. This led to the signature of a partnership agreement to boost the sales of printers in the Japanese market.

Source: Elaboration for the supporting study based on EU-Japan Centre for Industrial Cooperation EEN Japan (2021)

¹⁵² European Court of Auditors. 2022. Special report 07/2022: SME internationalisation instruments

¹⁵³ European Court of Auditors. 2022. Special report 07/2022: SME internationalisation instruments

International IP SME Helpdesks

Table 12: Key KPIs of the IPR Helpdesks during the COSME period

Helpdesk	Target	Result
Enquiries answered through the IP helpline		
China	2015-2022: 3 900	2015-2022: 4 864
South-East Asia	2015-2022: 3 118	2015-2022: 3 700
Latin America	2018-2022: 2 000	2015-2022: 3 265
India	2020-2022: 667	2020-2022: 627
All helpdesks	2015-2018: 2 553 2018-2020: 3 200 2020-2022: 3 932	2015-2018: 4 643 2018-2020: 3 266 2020-2022: 4 547
Matchmaking events supporting EU SMEs		
China	2015-2022: 155	2015-2018: 281
South-East Asia	2015-2022: 204	2015-2022: 334
Latin America	2018-2022: 128	2015-2018: 352
India	2020-2022: 56	2020-2022: 59
All helpdesks	2015-2018: 90 2018-2020: 201 2020-2022: 252	2015-2018: 432 2018-2020: 209 2020-2022: 385
Training sessions implemented		
China	2015-2022: 405 (185 in China, 220 in EU)	2015-2022: 398 (194 in China, 204 in EU)
South-East Asia	2015-2022: 320 (170 in SEA, 170 in EU)	2015-2022: 269 (139 in SEA, 130 in EU)
Latin America	2018-2022: 124	2015-2022: 208
India	2020-2022: 58	2020-2022: 59
All helpdesks	2015-2018: 430 2018-2020: 181 2020-2022: 296	2015-2018: 435 2018-2020: 201 2020-2022: 298
Participants in training sessions (SMEs)		
China	2015-2022: 14 500	2015-2022: 15 394
South-East Asia	2015-2012: 11 600	2015-2022: 13 539
Latin America	2018-2022: 1800	2018-2022: 3 164
India	2020-2022: 900	2020-2022: 980
All helpdesks	2015-2018: 22 500 2018-2020: 2 700 2020-2022: 3 600	2015-2018: 18 644 2018-2020: 8 224 2020-2022: 6 189

Over the 2015-2022 period, the international Intellectual Property Rights SME Helpdesks achieved most of their targets by running a successful helpline, developing and updating a wide range of business-friendly IP publications, running training sessions with the help of Chambers of Commerce and other business intermediaries, providing IP support to EU

SMEs for business field trips and trade fairs and organising matchmaking events where SMEs are supported.

All KPIs indicators were achieved except for the number of enquiries addressed by the India IP helpdesk which was slightly below target (627 queries responded out of a target of 667), due to the delay in launching the website.¹⁵⁴ The Helpdesks collaborated with the EEN and sought cooperation with other EU actions (e.g. SME Assembly, EU Industry Days, EIC Days, etc).¹⁵⁵ More detailed KPIs with a break-down per contractual period are provided in Annex VII.

In addition, a large majority of IPR Helpdesk users reported satisfaction (around 90%) with the Helpdesk services.¹⁵⁶ A majority of EEN members (80%) also reported satisfaction on the cooperation with the IPR SME Helpdesks.¹⁵⁷ The box below presents an example of a use case of the Latin America IPR Helpdesk.

Box 3: Example of case study of the Latin America IPR Helpdesk

An Italian-based SME providing tailor-made solutions and the implementation of machines and plants for agri-food processing contacted the Latin America IPR Helpdesk as it was seeking to expand to Argentina and potentially also to Brazil and Mexico. As this SME had no IP protection strategy yet, the IP expert indicated priority areas to address and advised them to identify and prioritise their IP and to estimate the financial resources needed and to seek professional IP advice.

Based on this advice, the company decided to define a proper IP strategy before entering the Latin American market. They prioritised trademark registration, ensured that their products did not infringe any valid patents in Argentina, contacted a patent engineer to see if some of their inventions are patentable, and sought funding for registering IPR. The company also started using non-disclosure agreements (NDAs) in negotiations with third parties and including Technological Protection Measures (TPMs) when sharing information on their products or services.

The information provided by the IPR Helpdesk had an impact on the company's knowledge of IP and its strategy for entering the Latin American market. It was estimated that the Helpdesk support saved the company EUR 3 000 of costs for legal research NDA drafting and legal advice on how to tackle IP cases and saved them four months of time that would have been spent in trademark searches on public databases and collecting information to file trademarks in the different trademark and patent offices.

Clusters actions and internationalisation

Given that there was an evaluation study of clusters actions in 2021 the efficiency analysis for this evaluation relies largely on the findings of this earlier study. Further evidence includes monitoring data and the results of a targeted consultation for various beneficiaries including clusters.

COSME funded 130 initiatives for EUR 51 million that promoted clusters. Clusters actions aimed to improve the competitiveness of SMEs by strengthening their capacity to identify

¹⁵⁴ It responded to 627 queries. Overall for the 2020-2022 period the 4 international IP SME helpdesks responded to 4547 queries, exceeding the target of 3952 queries.

¹⁵⁵ EISMEA. 2023. COSME Work Programme 2020, International IP SME Helpdesks, Synthesis report.

¹⁵⁶ Data provided by EISMEA.

¹⁵⁷ European Court of Auditors. 2022. Special report 07/2022: SME internationalisation instruments

growth opportunities internationally, innovate and excel, and develop long-term strategic partnerships. This was the purpose of the Clusters Go International action, one of the largest initiatives under COSME SO3.

A key factor for enhancing the effectiveness of clusters is good cluster management. In this respect, the European Cluster Excellence Programme (ECEP) funded under the COSME programme was designed to directly respond to this need by developing a methodology for effective cluster management including a **quality label scheme** and the **ClusterXchange mobility scheme** (launched in 2020) to support short-term exchanges to better connect Europe's industrial ecosystems¹⁵⁸.

Other important actors involved in innovation ecosystems such as research-performing institutions and academia more generally also benefited from these actions, for example, in Spain the EXXTRA cluster in the sector of rail supplier industries. This excellence cluster has over 840 members, of which over 500 are SMEs and 130 are universities/research centres.

The 2021 evaluation study on clusters actions showed that the ECEP was effective with regards to a number of objectives.¹⁵⁹ It was considered successful in facilitating cluster cooperation and in enhancing cluster management skills. For Member States which did not have national-level labelling schemes, ECEP labels added more value and were used as a criterion for channelling national funding to cluster organisations.

Figure 4 - Long lasting effects of the Clusters Excellence initiative¹⁶⁰



Source: Prognos/CSSES/Idea Consult (2021).

The 2021 evaluation study of clusters also indicated that the **projects** for establishing European Strategic Cluster Partnerships for Going International (strand 1) enabled beneficiaries and participants to **improve their understanding of the**

¹⁵⁸ The labelling scheme focused on continuous learning and benchmarking with other clusters. By 2020, 1,383 cluster organisations in Europe had been awarded a European cluster excellence label. Source: European Commission. 2023. European Clusters Excellence.

¹⁵⁹ European Commission. 2021. Evaluation Study of and Potential Follow-Up to Cluster Initiatives under COSME, H2020 and FPI, Final report.

¹⁶⁰ Source: Evaluation Study of Cluster Initiatives under COSME, H2020 and FPI, 2021

internationalisation process by working together on a common internationalisation strategy fostering cross-sectoral cooperation. This enabled them to gain an understanding of the complexity involved in the internationalisation process. They established strategic partnerships on the European level and in most cases, partnership agreements were signed by the involved clusters **to merge their expertise and efforts on an international level**. In total, 53 cluster partnership agreements were signed by clusters involved in the first two generations of projects from 2016-17 and 2018-19 respectively.

This 2021 evaluation also indicated that the work carried out by cluster organisations for internationalisation actions was seen as a ‘first step’ for SME internationalisation and linkages to global value chains.

The targeted survey was addressed to clusters for the supporting study. The respondents confirmed that the Cluster partnerships for going international successfully fostered collaboration between cluster organisations. A large majority of clusters organisations who responded to the survey considered the Clusters Go International action to be effective (91%, 20 out of 22). The initiative contributed to addressing key obstacles in the collaboration between clusters such as the lack of awareness around the potential benefits deriving from the collaboration (especially the identification of common goals, bottlenecks and joint actions), the lack of management capacity in the partner clusters and of financial resources dedicated to cluster cooperation. Furthermore, it offered SMEs the unique opportunity to create new networks and develop new ideas with different partners and enhanced the expertise of SMEs’ managerial staff in the field of internationalisation.

This targeted survey also confirmed that one main achievement of the action was the cooperation agreements signed between EU companies and organisations outside the EU (e.g. the agreements with USA and Canadian and Chinese cluster ecosystems brought together many innovative SMEs for further partnership). A key success factor for projects supported through this action, was the quality of the partners’ management and the level of commitment. Among the possible areas for improvement, survey respondents indicated a stronger orientation towards innovation.

There is a strong view among stakeholders interviewed for this evaluation that clusters and business networks are an important and strategic tool to support the internationalisation of SMEs. Matchmaking and B2B events with visitors and local companies are particularly appreciated by stakeholders consulted. However, this is only one aspect of internationalisation. Export promotion programmes supported by national governments and regional organisations are also valued. The financial support provided by national and regional public sector bodies was also deemed relevant.

4.1.3 Specific Objective 3 SO3 - Framework conditions and competitiveness

The meetings with SME Envoys and other stakeholders and, in particular, the studies funded under SO3 such as the SME Performance Review 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 Recovery and Resilience Programmes). Relevant results are given below.

For example, good progress was made with reducing the time and cost of registering a businesses. The REFIT action contributed to reducing burdens imposed by EU legislation.

Table 13: KPIs and targets - SMEs and reducing administrative burdens

KPI	Targets	Results
Number of days to set up a business This indicator and the related indicator below on the “cost of setting up a business”, were designed to measure the impact of work to encourage Member States to reduce the administrative burden of setting up a business (inter alia, the SME Performance Reviews, and the meetings of the SME Envoys).	Marked reduction in number of days to set-up a new SME (COSME Regulation)	There was a steady downward trend in the number of days to set up a business from 15.63 in 2014 to 11.9 in 2020 but the full time series is not directly comparable due to a change in the methodology used by the World Bank for its Doing Business Surveys ¹⁶¹ .
Cost of setting up a business	Marked reduction in the average start-up costs in the Union compared to baseline	The original baseline of EUR 372 for cost had reduced to EUR 300 in 2018. The World Bank replaced this methodology by an index in 2019
Number of Member States that had implemented the SME test	2020: a marked increase in the number of Member States using the SME test	By 2017, 27 Member States were already using the SME test
Making the regulatory framework fit for purpose (REFIT)	Up to 5 fitness checks to be launched over the course of the programme	Already achieved early in the programme Last measurement: 5 in 2018

Clusters actions

The first two generations of Clusters Excellence and Clusters Go International actions met or exceeded most of their targets. In particular, the first generation of Clusters Excellence projects showed excellent performance with the number of supported SME exceeding expectations by far and the Clusters Go International projects were successful in reaching the expected outcomes.

The final results for the Clusters Excellence 2020 projects are not yet fully available as some projects were only recently completed¹⁶². Based on the partial reporting data available for the period up to July 2023, the indicators seem generally in line with expectations. For 5 of the 9 indicators progress towards final targets was well under way¹⁶³. The work programme 2020 projects were hampered by a delay in the development of the

¹⁶¹ According to data calculated using the old methodology the original baseline of 5.4 days had reduced to 3.1 in 2017, and the original baseline of EUR 372 for cost had reduced to EUR 300 in 2018. As from 2019 data on the cost of setting up an SME was calculated on the basis of % of income per capita. The index went down from .05 in 2014 to .03 in 2020. Source MFF Performance Results Report 12/06/2023, page 921.

¹⁶² The 15 projects closed very recently (including one that closed at the end of May 2024) and are still in reporting stage. Data shown in the KPIs table below are based on the 3rd synthesis report finalized in January 2024 that covered the period up to July 2023. The next consolidated synthesis report with final data is expected not earlier than Q4 2024 – Q1 2025. However, from preliminary and partial data coming through individual reports, indicators seem generally in line with expectations.

¹⁶³ The number of ClusterXchanges is significantly below target for the moment and also the number of cooperation projects/cooperation agreements/business agreements and/or interregional partnerships resulting from the supported activities.

ClusterXchange IT tool¹⁶⁴ which was only available and fully functioning in Q1 2023. This caused a postponement of several exchanges.

The Clusters Go International 2020 projects are still ongoing. Based on the partial reporting data currently available, the actions are on track towards meeting all targets except three¹⁶⁵. However, these specific targets are normally achieved towards the end of the project lifetime after the various international business missions have been concluded (at the end of a long preparatory phase and market analysis).

The first call for proposals for Joint Clusters Actions under the Single Market Programme SME Pillar took account of the emerging findings from the clusters evaluation study and issues/trends emerging from reporting data at the time. The ongoing interim evaluation of the SMP will also focus close attention on lessons learnt from these projects.

Table 14: KPIs and targets - Clusters Excellence

	Results	Target
<i>Work programme 2015 projects</i>		
Number of project related surveys into cluster members	56	24
Number of added value tools related to cluster management and skills enhancement	25	18
Number of SME member's need analyses, surveys and/ or alternative feedback from cluster SMEs and other cluster members	98	81
Number of cluster, value chains and market analyses	41	17
Number of coaching or mentoring actions	10	11
Number of educational visits and key networking activities such as visits (including those to regional authorities, incubators, accelerators, risk-capital providers of a cluster partnership).	21	14
Number of cluster organisations engaged in benchmarking, accreditation, labelling	10	10
Number of staff benefiting from training activities	51	42
Number of participants in the events organised	988	704
Number of cluster organisations, business networks having been involved in the activities	43	33
Number of SMEs having benefitted from the supported actions through the provision of more professional services	1285	970
Number of bilateral/ multilateral partnership agreements signed	16	19
WP 2018 projects	Results	Target
Number of educational visits and key networking activities (e.g. visits, including to regional authorities, incubators, accelerators, risk-capital providers of a cluster partnership).	237	165
Number of cluster organisations engaged in benchmarking, accreditation, labelling	105	94
Number of staff benefiting from training activities	286	190
Number of strategic analyses produced including, cluster innovation and growth potential, value chain analysis, European and global, smart specialisation analysis	73	64

¹⁶⁴ The ClusterXchange IT tool is the ECCP tool and dashboard used for registering the exchanges, signing the agreements and uploading the reports.

¹⁶⁵ Number of cooperation projects/cooperation agreements/business agreements and/or interregional partnerships resulting from the supported activities, the number of cluster organisations and business networks from different COSME participating countries having benefited from the supported actions, and the number of resulting cooperation projects between clusters as well as business partners (result).

Number of cross-sector analyses including industrial transformation trends, relating to digitisation, servitisation, creativity and resource-efficiency, circular economy, SMEs and other cluster members surveys	61	34
Number of cluster strategies, implementation roadmaps developed or updated	82	82
Number of new or updated mission and vision statements for the cluster	67	66
Number of exchanges through the ClusterXchange pilot scheme	495	710
Number of workshops and meetings with cluster members including those with regional authorities, European Structural and Investment Funds managing authorities and implementing bodies where relevant	247	153
Number of joint projects/ cooperation agreements where relevant	83	61
WP 2020 projects <i>Final reporting is in progress for these projects that finished at the end of January 2024. This data is based on the 3rd synthesis report (early 2024).</i>	Results	Target
Number of cluster organisations engaged in benchmarking, accreditation, labelling	53	77
Number of strategic analyses produced	168	174
Number of new support services developed by cluster organisations for their SME members	68	117
Number of posts published on the ECCP site relating to specific awareness-raising actions undertaken by the partnership	99	311
Number of staff benefitting from training activities	366	275
Number of trainings attended by cluster managers to enhance their skills	125	182
Number of exchanges through the ClusterXchange pilot scheme	493	1386
Number of promotional events organised by the partnership	131	172
Number of cooperation projects/cooperation agreements/business agreements and/or interregional partnerships resulting from the supported activities	80	448

Table 15: KPIs and targets - Clusters Go International

KPIs	Results	Target
Indicators 2017		
Number of promotional events organised by the partnership	20	17
Number of bilateral/ multilateral partnership agreements signed	2	2
Number of cluster organisations and business networks from different COSME participating countries having benefited from the supported actions	20	11
Number of cluster and business matchmaking meetings supported	6	3
Number of SMEs having directly or indirectly benefited from the supported actions, resulting in cooperation projects	100	59
Impact of the supported actions in terms of number of resulting cooperation projects between international cluster and business network partners	5	8
Indicators 2019	Results	Target
Number of cooperation projects/cooperation agreements/business agreements and/or interregional partnerships resulting from the supported activities	314	293
Number of promotional events organised by the partnership	629	388
Number of cluster organisations and business networks from different COSME participating countries having benefited from the supported actions	638	317
Number of cluster and business matchmaking meetings supported	5391	2667
Number of SMEs having directly or indirectly benefited from the supported actions, resulting in cooperation projects	21729	7764
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, as measured through a survey by the end of the action	4,5%	9,5%
Impact of the supported actions in terms of number of resulting cooperation projects between international cluster and business network partners	87	79

Indicators 2020 This is based on reporting data from the 3rd Synthesis report (early 2024). The projects are still ongoing until 15 September 2024	Results	Target
Number of cooperation projects/cooperation agreements/business agreements and/or interregional partnerships resulting from the supported activities	102	262
Number of promotional events organised by the partnership	477	301
Number of cluster organisations and business networks from different COSME participating countries having benefited from the supported actions	169	250
Number of cluster and business matchmaking meetings supported	355	177
Number of SMEs having directly or indirectly benefited from the supported actions, resulting in cooperation projects	3186	3796
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, as measured through a survey by the end of the action	3,5%	5%
Impact of the supported actions in terms of number of resulting cooperation projects between international cluster and business network partners	30	9
Impact of the supported actions to be measured in the number of resulting cooperation projects between clusters as well as business partners	37	103

4.1.4 Specific objective 4 SO4 - Entrepreneurship

SO4 supported various actions for entrepreneurship, notably Erasmus for Young Entrepreneurs described in further detail below and a number of tools, networks and initiatives to support entrepreneurial opportunities and culture for women. For example, WEgate¹⁶⁶ was established to help women create and run successful businesses. This action is presented through a case study in Annex VIII.

Another entrepreneurship-related activity which particularly benefitted women was “Scale Up Innovation for a Circular Fashion Industry”, where three in four funded partnerships were female-led. The social economy measures also witnessed a large contribution from female entrepreneurs.¹⁶⁷

In the earlier years of the programme there were also actions for other specific target groups such as migrant entrepreneurs.

Erasmus for Young Entrepreneurs (EYE)

EYE is a cross-border exchange programme to support entrepreneurship. It gives new or aspiring entrepreneurs an opportunity to benefit from first-hand, practical coaching from an experienced entrepreneur who runs a small and medium-sized business in another participating country. The new entrepreneur receives financial support for spending time on site in the experienced (host) entrepreneur’s business. This enables both entrepreneurs to learn from one another and enrich their experience.

EYE is implemented via **intermediary organisations**. These organisations take care of promoting the programme on local level and recruiting entrepreneurs to participate. They match the new and experienced entrepreneurs, and provide them with assistance for benefiting from this scheme. The intermediary organisations receive a grant from the COSME programme for implementing these support activities.

The COSME programme also provides support for the EYE IT tool that supports the matching process and the management of the action, and the EYE support office that coordinates and supports activities of intermediary organisations (IOs) and supports EISMEA and the European Commission (EC) in the daily management of the EYE programme.

Overall, the evidence from the desk research and consultations for the supporting study indicates that the EYE¹⁶⁸ was effective in boosting the entrepreneurship skills of the participating entrepreneurs.

Overall, 15 600 new and host entrepreneurs were supported by EYE during the COSME programme. The performance of this action can be measured against several KPIs. The table below presents the main targets for EYE defined in the COSME annual work

¹⁶⁶ WEgate.eu. 2023. <https://www.wegate.eu/>.

¹⁶⁷ European Commission. 2022. COSME, 2014-2020 Programme for the Competitiveness of Enterprises and SMEs, 2019 monitoring report, COM(2022) 527 final.

¹⁶⁸ More recently, there was a pilot project and preparatory action (funded outside the framework of the COSME programme) to temporarily expand the EYE programme to third countries beyond the EU that are not associated with the COSME programme. Through EYE Global, new entrepreneurs from EU countries and the UK were able to go on exchanges with host entrepreneurs from Canada, Israel, Singapore, South Korea, Taiwan and the USA. Source: COSME Monitoring report 2020.

programmes, whilst the following table summarises the achievements against the key performance indicators across all years.

Table 16: EYE targets set out in work programmes 2014-2019

Indicator	2014 WP: by Jan 2017	2015 WP: by Jan 2018	2016 WP: By Jan 2019	2017 WP: by Jan 2020	2018 WP: by Jan 2021	2019 WP: By Jan 2022	Total
Entrepreneurs newly-registered	2 000	2 000	5 500	5 000	2 500	3 000	17 000
Entrepreneurs participating	1 300	1 300	4 800	2 600	2 000	3 600	15 600
Matches	650	650	2 400	1 300	1 000	1 800	7 800
Intermediary Organisations	100	100	120	100	120	120	660
Countries covered	25	25	28	28	28	33	33
Rate of successful exchanges	>90%	>90%	>90%	>90%	>90%	>90%	>90%

Source: Annual COSME Work Programmes 2014-2019

Table 17: Achievement against targets (EYE)

Indicator	Work Programme						Total
	2014 Cycle 7 by Jan 2017	2015 Cycle 8 by Jan 2018	2016 Cycle 9 By Jan 2019	2017 Cycle 10 by Jan 2020	2018-19 Cycle 11 (SGA-2) by Jan 2022	2019 Cycle 12 by Jan 2023	
Matches ¹⁶⁹	871	1 022	1 421	792	2 525	917	7 548
Participating entrepreneurs	1 742	2 044	2 843	1 583	5 051	1 833	15 096
Intermediary organisations ¹⁷⁰	111	131	110	95	99	77	623
Countries covered	-	28	29	29	-	-	>30
Rate of successful exchanges	98%	93%	83%	>90%	95%	95%	92%

Source: EISMEA

Based on the analysis carried out for the supporting study, including a detailed review of monitoring data, the EYE realised **between 792 to 2 525 matches a year** and it is possible to conclude that EYE met the set targets and achieved important results. The dynamic progress towards achievement of these quantitative targets is well illustrated by the steady increase in the number of registrations, matches, and exchanges completed from the time of EYE's inception as a pilot under the EIP¹⁷¹ until 2019.

¹⁷⁰ The total for all years is the number of annual participations by intermediary organisations not the total of organisations, as some organisations may have participated in multiple years.

¹⁷¹ Between 2009 and 2012 (under the previous EIP programme) the number of registrations increased fivefold, up to 5 000.¹⁷¹ By 2015, already 12 000 entrepreneurs' profiles were registered and there had been 3900 matches involving 7 700 entrepreneurs.

In the targeted survey of EYE entrepreneurs carried out for this evaluation, respondents confirmed that EYE achieved a range of positive results for the stakeholders involved, and for the European business environment more broadly. Nearly 100% (654/655) of new entrepreneur (NE) respondents reported that participation in the EYE **had improved their knowledge and skills** at least to some extent, and the corresponding figure for host entrepreneurs (HEs) was 73% (165/227). Only 7% of the survey participants have not witnessed such a result at all. Based on feedback from HE gathered by the Commission, the HE considered the NE entrepreneurial attitude, commitment and flexibility as key factors in the success of the scheme, followed by NE skills, language and knowledge of the sector.

There is no firm evidence of the impact of EYE on the number of enterprises actually created as a result of these exchanges. Surveys of the participating entrepreneurs after the exchanges carried out by DG GROW included a question on the percentage of new entrepreneurs that intended to set up a business. It should also be noted that the intermediary organisations are required to pay specific attention to evidence of the new entrepreneur's intention to set up a business, when selecting candidate new entrepreneurs.¹⁷² For this potential impact to be properly assessed there would be a need for an additional survey longer after the time of the exchange.

The EYE Support Office (that coordinates and supports activities of the Intermediary Organisations (IOs) and supports EISMEA and the European Commission (EC) in the daily management of the EYE programme), was effective in promoting EYE and coordinating the IOs network,¹⁷³ as well as the provision of support and the day-to-day management of activities connected to the IOs.¹⁷⁴

Based on the analysis carried out by the evaluation team, EYE is expected to produce positive long-term impacts. Interview feedback suggests that the role of intermediary organisations was crucial in supporting the entrepreneurs returning from EYE exchanges to their home countries. In this context, the after-care programmes, the availability of legal support for EYE beneficiaries, and access to local support were identified as good practice that was effective in fostering longer-term impacts stemming from EYE exchanges. With respect to good practice within the EYE, interview feedback also suggested already having a business set up before participating in an EYE exchange might be a factor contributing to the production of long-term benefits.

Next to the actions which performed very well, the supporting study also identified some actions which faced challenges during implementation and where performance issues were identified (Box 4 presents one example). This has also been investigated through case studies (Annex VIII).

Box 4: Example of an action which faced implementation/performance issues

The **EWE Mentor Academy** (GRO/SME/20/C/013) aimed to create training content for mentors supporting SMEs facing various challenges. It aimed to develop a modular training programme, identify best practice in business mentoring, and build networks of mentors and support organisations across Europe. Challenges emerged during the

¹⁷² This is also confirmed in the quality manuals for intermediary organisations. See for example the quality manual for the 2019 call: https://eismea.ec.europa.eu/funding-opportunities/calls-proposals/cos-eye-2019-4-01-erasmus-young-entrepreneurs_en.

¹⁷³ The Intermediary Organisations provide guidance and support to new and experienced entrepreneurs throughout the application process and EYE exchange.

¹⁷⁴ COSME Monitoring Fiche - GRO/SME/20/D/021 Support to Erasmus for Young Entrepreneurs - Support office.

project, due to issues in the consortium. These affected activities such as communication and training curriculum creation, leading to delays and the withdrawal of a partner. Despite the delays, mitigation steps were taken, such as reinforcing the team and revising the implementation plan with external expert assistance. This helped steer this project back on track towards successful completion.

Effectiveness of the programme for addressing key policy priorities

At a policy level, the programme aligned with key policy priorities such as the Small Business Act¹⁷⁵, the Single Market Strategy¹⁷⁶, and the Start-up and Scale-up Initiative.¹⁷⁷ 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 SMEs¹⁷⁸.

COSME was highly valued by respondents to the consultations for the supporting study due to its focus on fostering economic growth and job opportunities and facilitating sustainable growth. However, 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. Some considerations can be made at an action/sub-programme level such as for social economy or tourism actions.

Several actions considered climate-related challenges. 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 (6% of the 2020 financial allocation). Over 200 expert EEN business advisers specialise in climate-related issues, and several studies provided evidence for policy measures on climate issues, 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. However, there is no monitoring or assessment of the precise financial contribution of most COSME measures to climate mainstreaming, as emphasised in the COSME 2020 Monitoring Report,

The COSME also considered environmental challenges and goals, such as fostering a more circular economy or promoting clean technologies. Monitoring fiches and annual monitoring reports provided qualitative data and concrete examples of how specific actions had contributed to such objectives. For example, the EFG facilitated investment of more than EUR 62 million in SMEs in the energy and environment sector. Under the Clusters Go International all sectors 2020 call, 6 of the 12 projects had a specific focus on helping SMEs to improve their resource-efficiency and implement the green transition.

Tourism actions, actions supporting female entrepreneurship and social economy missions had mostly successful outcomes and demonstrated the role that SMEs can play in territorial

¹⁷⁵ European Commission. 2008. European Commission communication (COM (2008) 394 Final) – ‘think small first’ – A ‘small business act’ for Europe.

¹⁷⁶ Available at: European Commission. 2023. The single market strategy.

¹⁷⁷ Available at: European Economic and Social Committee. 2016. Europe's next leaders: the Start-up and Scale-up Initiative.

¹⁷⁸ Inter alia, evidence is provided in the effectiveness analysis for the financial instruments and EEN.

and social cohesion. One focus area of the social economy missions was local or regional measures tackling unemployment. In the tourism sector, some smaller workshops and reports led to positive results, developing topics such as sustainability, digitalisation, and resilience and contributing evidence and experiences for the Transition Pathway for Tourism¹⁷⁹ policy published by the Commission in February 2022.¹⁸⁰ A number of events in 2020 led to proposals for concrete action points on the long-term transition towards green, digital and resilient tourism.¹⁸¹

Other actions in the field of Social Economy supported inter-regional learning and collaboration for more sustainable growth. The European Social Economy Missions of 2020¹⁸² involved a wide range of umbrella organisations focused on the social economy.

Furthermore, the annual SME Performance Reviews and smaller actions addressing the theme of Framework Conditions provided solid evidence to support policy making and published materials that generated additional visibility for the programme. For instance, the SME Performance Review reports have been useful in deepening the understanding of market trends through key performance indicators and in supporting national policy developments. Other initiatives were helpful in supporting evidence-based policy making and national reform efforts.¹⁸³

Some smaller actions supported SMEs in key sectors such as tourism – and others contributed to improving the framework conditions for the competitiveness and sustainability of enterprises in the EU. As indicated in the targeted consultations, a factor which contributed to their success was their focus on tackling specific issues or SMEs’ specific needs. Their strong coherence with other initiatives in the programme was also mentioned, and their contribution to the achievement of longer-term impacts.

4.2 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 data sources such as programme documentation and programme data on key metrics, notably “Time to inform” (TTI) and “Time to grant” (TTG) in relation to open calls¹⁸⁴. 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 carried out for this evaluation and the results of earlier surveys (for EYE), and the findings of previous evaluations including evaluation studies on clusters actions and the international SME IP Helpdesks.

Efficiency of programme management

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

¹⁷⁹ https://ec.europa.eu/commission/presscorner/detail/en/ip_22_850

¹⁸⁰ Monitoring fiche. GRO/SME/20/C/081.

¹⁸¹ These were presented at the European Tourism Convention (October 2020), see Monitoring fiche GRO/SME/20/C/083.

¹⁸² 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.

¹⁸³ 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.

¹⁸⁴ 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

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%.¹⁸⁵

Table 18: Budget commitments within COSME 2014-2020

Year	Budget available (EUR m)	Budget implemented (EUR m)	Percentage implemented
2014	259.0	257.0	99%
2015	329.3	326.1	99%
2016	357.6	337.6	94%
2017	405.8	396.8	98%
2018	434.5	422.1	97%
2019	448.1	440.5	96%
2020	440.5	436.4	99%

Source: annual monitoring reports produced by the European Commission

This high execution rate is broadly in line with other EU programmes. For example, the execution rate for the Creative Europe programme was close to 100%¹⁸⁶ and Horizon Europe implemented 99.99% of commitments.¹⁸⁷

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.

Several actions considered climate-related challenges. 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 (6% of the 2020 financial allocation). Over 200 expert EEN business advisers specialise in climate-related issues, and several studies provided evidence for policy measures on climate issues, 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. However, there is no monitoring or assessment of the precise financial contribution of most COSME measures to climate mainstreaming, as emphasised in the COSME 2020 Monitoring Report.

The COSME also considered environmental challenges and goals such as fostering a more circular economy or promoting clean technologies. Monitoring fiches and annual monitoring reports provided qualitative data and concrete examples of how specific actions contributed to such objectives. For example, the EFG facilitated investment of more than EUR 62 million in SMEs in the clean energy and environment sector. Under the Clusters Go International 2020 call, 6 out of 12 projects has a specific focus on helping SMEs to improve their resource-efficiency and implement the green transition.

¹⁸⁵ Source: annual monitoring reports produced by the European Commission

¹⁸⁶ European Commission, Directorate-General for Communications Networks, Content and Technology, Directorate-General for Education, Youth, Sport and Culture, European Education and Culture Executive Agency, Creative Europe – Monitoring report 2020, Publications Office, 2021, DOI: 10.2759/602038.

¹⁸⁷ European Commission. 2023. Horizon Europe Performance.

The share of the programme budget devoted to administrative expenditure is relatively low in the last 5 years of the COSME programme (3%)¹⁸⁸. In the first 2 years (2014-2015), the administrative expenditure was slightly higher (4.6% of total programme budget).

Overall, the percentage of the COSME programme budget devoted to administrative expenditure is comparable with other EU programmes or agencies:

- The administrative expenditure for other programmes ranged from 3.6% for LIFE¹⁸⁹ to 7% for Urban innovative actions, and Horizon 2020 was between these figures at 5%.¹⁹⁰
- The administrative costs for agencies generally ranged from 2.6 to 2.7% (INEA: 0.77%, REA: 2.6%, EISMEA H2020 actions: 2.7% and ERCEA: 2.75%)¹⁹¹

The supporting study points out that the higher percentage of administrative costs in the first two years of the COSME can be largely explained by the need to establish programme management arrangements. It also suggests that the delegation of programme management tasks to EISMEA is a key factor explaining the decrease in the administrative costs over time for COSME, referring to the cost benefit analysis conducted by the Commission in 2013¹⁹² on the delegation of programme management to executive agencies.

Regular monitoring has allowed the programme implementation bodies to reallocate funds¹⁹³. In 2018, funds were reallocated from the EFG to other actions, because agreements for equity took longer to sign, due to the complexity of due diligence and fundraising processes. In 2019, budget was reallocated notably to the LGF, reflecting high market demand for guarantees and counter-guarantees. In 2020, EUR 815 000 was reallocated to the tourism call due to the high level of oversubscription of good quality proposals for this action¹⁹⁴.

The programme implementation bodies also took steps to respond to challenges which affected several actions funded by 2019 and 2020 budget. They also carried out a specific monitoring of the affected projects, with re-allocation of funds and extensions to the duration of projects where appropriate¹⁹⁵:

In the response to the targeted survey for this evaluation that included “Improving Framework Conditions” actions¹⁹⁶ respondents reported high levels of satisfaction with the support and assistance offered.

¹⁸⁸ Source: Annual monitoring reports for COSME

¹⁸⁹ LIFE is an EU programme for environment and climate. See: https://cinea.ec.europa.eu/programmes/life_en.

¹⁹⁰ Horizon 2020 administrative expenditure: Horizon 2020 interim evaluation [swd 2017 222 en.pdf \(europa.eu\)](#)

¹⁹¹ 2017 Interim Evaluation of Horizon 2020. INEA was the Innovation & Networks Executive Agency in the financial period 2014-20. It ran the Connecting Europe Facility, and parts of the Horizon 2020 programme and other programmes. REA is the European Research Executive Agency, and ERCEA is the European Research Council Executive Agency.

¹⁹² Cost-benefit analysis conducted by the Commission in 2013 provided evidence that the delegation of programme management to external bodies or Executive Agencies is a more efficient and cost-effective approach (SEC(2013) 493 final).

¹⁹³ Source: COSME monitoring data and monitoring reports.

¹⁹⁴ COSME Monitoring Report 2020, p. 14.

¹⁹⁵ COSME Monitoring Reports 2019 and 2020.

¹⁹⁶ Survey of providers and beneficiaries of COSME actions including those involved in framework conditions actions.

- 71/75 of providers and beneficiaries responding to the targeted survey confirmed that they were either very satisfied (37) or satisfied (34) with the support provided by the European Commission and EISMEA.
- 57/61 beneficiaries reported being very satisfied or satisfied with the support offered by the relevant intermediary organisations.

4.2.1 Costs of the different actions and cost-effectiveness metrics

Table 19: Total EU contribution to COSME per COSME specific objective

Specific objective	Budget committed (million EUR)
SO1 (LGF, EFG)	1587
SO2 (EEN, IPR Helpdesks, Your Europe, etc.)	482
SO3 (Clusters Go International ECCP, Tourism, SME policy, etc.)	256
SO4 (EYE, etc.)	78
TOTAL	2403

Source: European Commission (ABAC for SO1 and COSME Monitoring Data 2014-2020 for SO2-4)¹⁹⁷

It should be noted that within SO2, EEN accounted for most funding (93%), and within SO4, EYE accounted for most funding (89%).

Regarding the cost-effectiveness metrics, their comparison with relevant indicators from other programmes proves challenging as different financial instruments have different design, policy purpose, implementation mechanism and financing conditions. A dedicated horizontal study comparing financial instruments would have to take into account all specificities of the financial instruments by weighting the final results from a cost effectiveness perspective.

Table 20: Efficiency indicators for individual actions (2014-2020)

This table presents some efficiency metrics for COSME key actions that can be compared with 2014-2016 figures from the interim evaluation (in brackets when available):

€m = 1 million EUR

Action	CEA Indicator description	[A] Benefits (n° of units) based on results achieved and monitoring data	[B] Direct costs (€m) (EU contribution + administrative costs incurred by EISMEA, the EIF or the European Commission)	[C] Indirect costs to beneficiaries (€m) * Co-funding from project partners, EFSI guarantee for LGF, costs incurred by EYE entrepreneurs	CEA Indicator 1** (n° of units of benefit per €m invested) [A/B] x 1 million	CEA Indicator 2*** (n° of units of benefit per €m invested) [A/B+C] x 1 million
EYE	no. of new and experienced entrepreneurs supported, per €m invested	15 096 no. of EYE entrepreneurs supported (both new and experienced entrepreneurs)	EUR 58.5 million (direct costs at interim stage EUR 25.9 million)	EUR 10.1million (value at interim stage EUR 12.2 million)	258 entrepreneurs supported, per EUR 1million invested	220 entrepreneurs supported, per EUR 1 m invested (n° at interim stage 98)

¹⁹⁷ The final implementation as per the Commission's accounting system offers a higher figure than the work programmes in respect of SO1, i.e. EUR 1 587 million, as Article 4 of each working programme provided for flexibility, which was ultimately used by the Commission to commit more based on the high market demand and availability of budget.

Action	CEA Indicator description	[A] Benefits (n° of units) based on results achieved and monitoring data	[B] Direct costs (€m) (EU contribution + administrative costs incurred by EISMEA, the EIF or the European Commission)	[C] Indirect costs to beneficiaries (€m) * Co-funding from project partners, EFSI guarantee for LGF, costs incurred by EYE entrepreneurs	CEA Indicator 1** (n° of units of benefit per €m invested) [A/B] x 1 million	CEA Indicator 2*** (n° of units of benefit per €m invested) [A/B+C] x 1 million
		(no. at interim stage 3 737)			(at interim stage ¹⁹⁸ 144)	
EEN	n° of SMEs supported, per EUR m invested	1 957 822 no. of SMEs supported (no. at interim stage 210 000)	EUR 367.28 million (direct costs at interim stage EUR 154.1 million)	EUR 294.07 million	5 337 (value at interim stage 1 363)	2 960
EEN	no. of cross-border partnerships signed, per €m invested	18 701 no. of partnership agreements signed	EUR 367.28million (EUR 294.07 million	56.4	31.3
LGF	no. of SMEs supported though LGF financing, per €m invested	865 387 no. of SMEs supported, monitoring data (no. at interim stage 300 000)	EUR 1.203 billion (direct costs at interim stage EUR 367.5 million)	EUR 1.34 billion (value at interim stage EUR 262.4 million)	719.36 (value at interim stage 798.9)	340.30 (value at interim stage 470.3)
EFG	no. of SMEs supported by EFG funds, per €m invested	521 no. of SMEs supported, monitoring data	EUR 378.1million	0	1.38	1.38
*C does not include costs incurred by other stakeholders that are not directly targeted ** CEA1 reflects value generated by the programme per EUR 1 million invested (without the 'other' costs) *** CEA2 reflects value generated by the programme per EUR 1 million invested (including the 'other' costs)						

The approach followed by the table above is in line with that of the interim evaluation of COSME. The two cost-effectiveness indicators (CEA) above reflect the number of outputs and outcomes produced per million Euro invested in the programme (with or without 'other' costs). The analysis is not exhaustive as it only considers the costs sustained by the Commission and other participants and not the costs to society. For benefits (A), the analysis looks at direct benefits of the programme, i.e. the number of SMEs supported, partnerships signed, etc. or outputs as proxy indicators of benefits.

The budget committed per beneficiary has decreased for EEN and EYE which may indicate a higher efficiency and increased slightly for LGF comparing the budget per beneficiary at the interim stage and at the end of the programme.

¹⁹⁸ The Interim evaluation of COSME confirmed that the 98 SMEs per €1 million invested included both host and new entrepreneurs (see page 68).

For the LGF, the cost effectiveness indicators (798.9 as CEA I and 470.3 as CEA II) as expected at the time of the COSME midterm evaluation are higher than those in the COSME final evaluation (719.36 for CEA I and 340.30 for CEA II). This is due to a modification to the LGF in the period after the 2017 interim evaluation. More flexibility was given to users of the LGF and the LGF guarantee rate was increased from 50 to 80% accordingly. When a larger guarantee rate is provided, less SMEs will be supported under other equal budgetary terms. Hence, the cost effectiveness indicators (which are ratios between SMEs supported via the LGF and EU guarantee) are lower in the final evaluation.

4.2.2 Benefits of the different actions

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

Table 21: Main quantifiable benefits of specific COSME actions

Action	Indicator (proxy of benefits)	Type of indicator	Value of the indicator
EYE	Number of host/new entrepreneurs	Output	15 096
	Number of intermediary organisations	Output	360
	Number of EYE exchanges	Outcome	7 548
EEN	Number of SMEs receiving EEN services	Outcome	1 957 822
	Number of SMEs using digital services	Outcome	21.5 m (2020-21)
	Number of cross-border partnership agreements signed	Outcome	18 701
Clusters	Number of cluster initiatives and events	Outcome	132
	Number of cluster organisations involved	Output	392
	Number of SMEs benefitting from actions	Outcome	>4,055 SMEs
	Number of sectors covered by cluster initiatives	Outcome	61
LGF	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 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	233 146 ¹⁹⁹
EFG	Total EU Contribution Committed by DG GROW	Output	EUR 378.1million
	Number of financial intermediaries supported	Output	23
	Total funding catalysed by instrument	Outcome	EUR 3.9 billion

¹⁹⁹ This figure is based on the COSME LGF – Growth & Employment report 31-12-2019.

Action	Indicator (proxy of benefits)	Type of indicator	Value of the indicator
	Number of jobs maintained or created in the SMEs or sector	Impact	1 604 ²⁰⁰

Source: COSME monitoring data

Table 22 - Main benefits for beneficiaries

An additional summary of information on the main benefits for beneficiaries based on data from the targeted surveys, studies, the interim evaluation, counterfactual analysis, and Orbis data (for LGF) is given below:

Action	Indicator (proxy of benefits)	Type of indicator and data source	Value of the indicator and explanation
LGF	Impacts on business:	Impact based on targeted survey data	Out of 92 LGF final beneficiaries surveyed, between 47 and 72 agreed that EU-guaranteed financing had different positive impacts on their business (see Annex V).
	Impact on the number of employees, survival rates, turnover, cost of personnel and total assets of beneficiaries as compared to not-yet-treated companies	Impact based on counterfactual analysis	The counterfactual analysis demonstrated that LGF had a positive and significant impact on the number of employees and the survival rates over time , but a non-significant effect on the turnover, cost of personnel and total assets of beneficiaries as compared to not-yet-treated companies (see Annex VII below). As explained earlier, the counterfactual analysis is likely to (at least partially) under-represent the full extent of the economic impacts of the programme.
EFG	Trends in survival rates/economic performance	Impact based on Orbis data and studies on other similar financial instruments	Over time, EFG final recipients have not only exhibited high survival rates , but they have also experienced significant positive trends in their economic performance, e.g. increase in turnover and assets . Regardless of their size at the time of investment, data from Orbis confirms that these SMEs have grown in terms of employment, turnover, and total assets. On average SMEs, have almost doubled the number of employees from the year before to the year after the intervention . These positive growth trends combined with the results of other studies for similar equity actions supported by the EIF would suggest that the EFG is likely to produce similar positive impacts over the longer term.
EEN	Responding to SME's needs / addressing barriers faced by SMEs	Outcome based on targeted survey	A large majority of SME clients (74% or 25/34) also stated that the EEN support received was effective in responding to their needs or in addressing the barriers they had. ²⁰¹
EEN	Impacts for EEN's SME clients	Impacts on EEN clients	The overwhelming majority of SME respondents to the targeted survey reported that EEN services delivered positive impacts for their business (91%

²⁰⁰ This figure is based on the COSME EFG – Growth & Employment report 31-12-2019.

²⁰¹ N= 34 respondents to this question.

Action	Indicator (proxy of benefits)	Type of indicator and data source	Value of the indicator and explanation
	(employment, new markets, new products or services, turnover)	based on targeted survey and the interim evaluation	29/32202). EEN services had the greatest impact on SME employment, either for safeguarding employees (63% of SME respondents 20/32) or for helping them to expand their workforce (47% 15/32). Other key impacts of EEN services for SMEs' business were expansion to new geographical markets (62% of respondents), developing new products or services (59%) and maintaining turnover (59%) or increasing turnover (56%). ²⁰³ The findings on turnover are consistent with the assessment provided in the interim evaluation which also quantified the impact in monetary terms at that time. The interim evaluation found that over the 2014-2016 period, each EUR 1 million invested in the EEN led to an increase of EUR 45 million in turnover and an increase in employment of circa 377 people among all client SMEs. ²⁰⁴
EEN	Helping SMEs to access international markets (EEN members perception of benefit for SMEs)	Outcome Based on survey data.	In another survey of EEN member organisations conducted for this study, 49% (33/68) of EEN member respondents believe that the EEN services they provided have been effective in helping SMEs to access international markets to a great extent and 49% (33/68) to a reasonable extent. ²⁰⁵
EEN	Benefits for EEN members of belonging to EEN	Outcome based on survey data	The EEN members perceived that the main benefits of belonging to EEN were the increased professionalism of staff in their organisation (95%), followed by the development of their organisation (70% 42/60).
EYE	Commercial benefits for EYE entrepreneurs	Impact based on survey data	The vast majority of EYE Host entrepreneurs (90% 193/214) reported that hosting the new entrepreneur contributed (to a great extent or to some extent) to one or several commercial benefits: including development or growth of the business (45%), an increase in jobs or safeguarding of jobs (43%) ²⁰⁶ . Only 19% of host entrepreneurs reported not gaining any of those benefits at all.
EYE	Increased knowledge and skills of	Impact – based on survey data	In the targeted survey of EYE entrepreneurs, 73% of HE respondents (165/227) confirmed that they had boosted their knowledge and skills as a result of participation in EYE.

²⁰³ Expansion of workforce: to a great extent 34% (11/32), to some extent 13% 4/32.

Expansion to new geographical markets (62% 20/32): to a great extent 34% 11/32, to some extent: 26% 8/32.

Maintain turnover: (59% 19/32: to a great extent 34% 11/32, to some extent 25% 8/32,

Increase turnover: 56% 18/32 to a great extent: 34% 11/22, to some great extent: 22% 7/32

²⁰⁴ This is based on an increase of 2 employees per company in the period 2014-2016 (calculated from the SME client survey conducted for the interim evaluation), the total number of companies supported (210 000), and the additionality factor. Source: European Commission. 2017. Interim evaluation of the COSME programme.

²⁰⁵ N= 68 respondents to this question.

²⁰⁶ Other benefits included expansion of sales to new countries (17%), expansion of operations in new countries (23%), increase in export turnover (14%) to new countries (36%), increase in the number of employees (26%), safeguarding jobs (17%) and an increase in turnover (29%), increased export turnover (14%).

Action	Indicator (proxy of benefits)	Type of indicator and data source	Value of the indicator and explanation
	EYE host entrepreneurs		
EYE	Increased knowledge and skills of EYE new entrepreneurs	Impact – based on survey data	Amongst the new entrepreneurs responding to the targeted survey, nearly 100% (654/655) of respondents reported that participation in EYE had improved their knowledge and skills, particularly personal skills but also technical and managerial skills. An overwhelming majority of NEs (99%, 630/635) confirmed that EYE contributed to strengthening their business and internationalisation skills and capacities. ²⁰⁷
EYE	Intention to set up a business	Outcome	There are no data on actual enterprise creations as a result of EYE exchanges but 61% of New entrepreneurs responding to the targeted survey confirmed their intention to set up a business within the next 12 months as a result of the exchange.
International IP SME Helpdesks	Increased awareness of IP issues /	Outcome Based on the 2018 Support Study for the Evaluation of the international SME IP helpdesks.	One of the main benefits of the International IP SME Helpdesks highlighted in the 2018 Support Study for the Evaluation of these helpdesks is raising awareness among SMEs about IP management and protection issues.
International SME IP Helpdesks	First line support for SMEs with IP issues / helping SMEs to find out how to protect their IP before and after market entry	Output Based on the above-mentioned study	The above mentioned study also highlighted that the helpline, websites and events offered by the international IP SME Helpdesks enable European SMEs to obtain information on IP matters and how to protect their IP before entering a foreign market, but also after market entry. The study notes that helpline stands out as a useful service that is also in considerable demand and it seems to cover all major IP topics in an understandable manner and is considered a fast first-line support, particularly useful for micro-enterprises. The 2018 study also highlighted a related benefit: the helpdesks' local presence and respective know how about the specific countries they provide advice on. This is considered particularly important by users dealing with South East Asia and China.
International SME IP Helpdesks	Potential impact	Potential impact – not measurable, but expert opinion points to this	Experts interviewed for the above-mentioned 2018 study highlighted the importance of these helpdesks for helping SMEs to avoid litigation (and hence save costs), but the study highlighted that this benefit is difficult to measure in practice as it entails measuring costs that did not materialise.

²⁰⁷They confirmed that EYE contributed (to a great extent or some extent) to at least one of the following benefits: learning about another country/market (86%), new knowledge and skills in running a business (83%), development of business plan/activities, (77%), encouragement to be professionally active in another EU country (73%), identifying potential business contacts and opportunities (70%).

Action	Indicator (proxy of benefits)	Type of indicator and data source	Value of the indicator and explanation
		Based on the above-mentioned study.	

4.2.3 Proportionality of costs and benefits

This section illustrates key findings on the cost-effectiveness of the main actions of the programme looking at the costs for the actions (considering figures in 2014-2016) and the benefits achieved. The targeted consultations with COSME participants for the supporting study have gathered some more comprehensive data on the extent to which the costs for intermediaries and final beneficiaries are proportionate to the benefits gained. This allows some comparison of the findings with those of the interim evaluation. This analysis covers those actions that received most funding (aside from the financial instruments), namely EEN and EYE. In addition, the end of this section contains analysis on the proportionality of benefits relative to costs for the international IP SME Helpdesks, and for the clusters internationalisation and clusters excellence actions, based on the results of recent evaluations of these actions.

Some caveats are required here, as Toolbox 57 of the Better Regulation Guidelines states that a cost-effectiveness analysis (CEA) entails the quantification of the benefits and that the typical method used within a CEA to compare options is the benefit-cost ratio, which means dividing the benefits by costs. In the case of the COSME programme, whilst the financial costs can be known with some accuracy, a diversity of (quantifiable and unquantifiable) benefits are produced. For that reason, a benefit-cost ratio cannot be calculated. Toolbox 57 also suggests that CEA is less easily applicable to interventions that have a number of objectives or that generate important indirect impacts, whereas the COSME programme addresses multiple objectives and is intended to generate both direct and indirect impacts. Given the requirement of the Better Regulations Guidelines, the approach proposed here is to apply the broad concepts of a CEA, whilst recognising that the detailed requirements of a CEA cannot be satisfied.

Taking this approach – which depends largely on the perceptions of participants and beneficiaries – the proportionality of costs and benefits is assessed in four ways. These are the extent to which participants and beneficiaries reported that:

- the benefits they gained exceeded the costs they incurred;
- the COSME actions offered value for money;
- the EU funding was sufficient for them to achieve the intended benefits;
- the administrative costs for them were proportionate (see next section).

First, the majority of participants and beneficiaries of the EEN and EYE report that the benefits they experienced exceeded the costs they incurred. As shown in the table below, this was confirmed by the targeted consultations undertaken at the interim and final evaluation stages.

Table 23: Proportionality of the benefits relative to costs

	Source: Interim evaluation of COSME	Data from targeted consultations	Source: Interim evaluation of COSME	Data from targeted consultations
	Benefits outweighed Costs to a great/some extent		Benefits outweighed Costs ²⁰⁸ not at all/to limited extent	
EEN				
SMEs	68%	91%	5%	9%
Member Organisations	63%	92%	10%	5%
EYE				
Host entrepreneurs	69%	55%	11%	31%
New entrepreneurs	67%	64%	8%	23%

Second, the majority of participants and beneficiaries report that the EEN and EYE offered value for money. For EYE, 71% (439/618) of new entrepreneurs reported that the exchange offered value for money. The figure was slightly lower at 61% (129/212) for host entrepreneurs. On the other hand, 22% (133/618) of new entrepreneurs and 29% (62/212) of host entrepreneurs responded that that benefits only outweigh costs “to a limited extent or not at all”²⁰⁹.

The vast majority of EEN members responding to the targeted survey (92%, 55/60) reported that EEN services offered value for money, given the benefits gained and the costs incurred.²¹⁰

Third, majority of participants and beneficiaries of the EEN and EYE report that the EU funding was sufficient to achieve the intended benefits. Within the EYE programme, 48% of NE responding to the Commission’s feedback survey on EYE found this financial support to be “more or less” sufficient, and 28% found it to be sufficient, while 23% found the support to be insufficient.

Only a small proportion of EEN member organisations faced challenges around the sufficiency of funding to achieve the desired benefits. Of the EEN member organisations responding to the targeted survey, 79% (62/78) reported that the EEN COSME grant was sufficient to provide all planned services, while 17% (13/78) disagreed. Overall, 91% (54/60) of the EEN members active during the COSME period considered that the EEN services offered value for money to a great extent (50% 30/60) or to some extent (41% 25/60).

The costs incurred for hosting a new entrepreneur for EYE varied but were rarely above EUR 5 000, according to the survey of EYE participants. The host entrepreneurs who

²⁰⁸ The numbers are based on survey responses to consultation for this evaluation. For EEN, the SMEs receive the services for free but the surveys included a question on the administrative burden and those from reporting obligations. For EYE, respondents were asked whether the EY had offered value for money, given the benefits arising and the costs incurred.

²⁰⁹ Some HEs shared feedback on possible ways to reduce the costs and increase the value derived from the exchange (notably by simplifying administrative, reporting and IT requirements). Overall, many HEs recognised that this situation has improved since 2018.

²¹⁰ Offered value for money to a great extent (50% of respondents 30/60), to some extent (42% - 25/60)

quantified this in their responses mostly reported costs of no more than EUR 3 000 and nearly all reported costs below EUR 5 000. The feedback questionnaire commissioned by the Commission on EYE in 2023 indicated that 28% of new entrepreneurs considered the money to be sufficient, a further 47% considered the money to be more or less sufficient.²¹¹ Finally, 25% of respondents considered the money to be insufficient.

For Clusters Excellence, 64%²¹² of respondents to the survey for the 2021 Evaluation Study of Cluster Initiatives under COSME, H2020 and FPI confirmed that benefits generated by the initiative(s) exceeded the costs. Similarly, 87% of respondents²¹³ to the survey questions on Clusters Go International for this 2021 evaluation confirmed that benefits generated by the initiative(s) exceeded the costs.²¹⁴

Regarding the international IP SME Helpdesks, as mentioned earlier, the 2018 Support Study for the Evaluation of the IP SME Helpdesks noted that the available evidence base for the efficiency criterion was limited, due to difficulties of fully measuring the possible benefits (ie potential cost savings of not being infringed or involved in litigation/enforcement of IP rights). This limits the possibility to use a classical cost/benefit (CB) ratio.

4.2.4 Administrative costs for applicants and beneficiaries

Across the COSME actions, the applicants and beneficiaries tended to report that they found the administrative costs they incurred to be proportionate.

The proportion of ineligible proposals depends on various factors including the experience and capabilities of the applicants, the level of attention paid to the provisions in the call and the clarity of the call documents. One situation that wastes time for applicants and evaluators is low eligibility rates and poor quality proposals resulting from unclear call documents. The interim evaluation suggested that the relatively high proportion of ineligible proposals for Tourism grants, Cluster excellence and EYE²¹⁵ pointed to a need to improve the description of the eligibility criteria. Conversely the interim evaluation also mentioned the link between the clarity of the work programme descriptions and requirements for applicants and high proportion of eligible applicants, notably for actions such as EEN²¹⁶ (4% ineligible), design-based consumer goods (4%) and migrant entrepreneurship support schemes (8%).

Across the full programme period, intermediaries and final beneficiaries found the costs and burdens associated with participation to be affordable and acceptable. At the interim evaluation stage, the costs and burdens were found to be affordable and acceptable across almost all actions. However, some bodies (especially financial intermediaries) reported that the overall administrative burden was high. The evidence gathered for this final evaluation suggests a higher level of satisfaction on the part of intermediaries and final beneficiaries compared with the interim evaluation, as explained below.

²¹¹ N= 6 050 NEs participating in exchanges between 2018 and 2023.

²¹² N= 33.57% responded positive and 7% very positive.

²¹³ N= 66: 42% very positive and 45% positive.

²¹⁵ Share of ineligible proposals: Tourism grants (24%), Cluster excellence (24%) and EYE (18%)

²¹⁶ The high eligibility rate for EEN proposals was also partly due to the fact that most applicants had previous experience in the network.

Financial intermediaries for the LGF report a reasonable level of satisfaction with the administrative burden: less than half (21/47) reported an additional administrative burden associated with reporting. This suggests some potential for streamlining the reporting process in this area.

The majority of financial intermediaries are positive about the LGF process itself. Out of 45 surveyed, the majority reported being satisfied with the different procedural requirements, namely application (40), appraisal and due diligence (36), time taken to sign the contract (29), and reporting requirements (27). The main exceptions to this positive experience overall tended to be small intermediary organisations and newcomers. Three issues mentioned were: the lengthy period for negotiating and signing the contract, the complexity of the contract (difficult to understand), and a linguistic barrier (as contracts and reporting documents were only available in English).²¹⁷

Private Equity and Venture Capital fund managers interviewed for this evaluation did not report any administrative burden specifically associated with COSME, although some highlighted aspects that could be improved.²¹⁸ The EIF's in-depth due diligence and risk management process was reported by a few of the fund managers interviewed to have slowed down investment operations, although others felt it was necessary - especially when dealing with public money - while increasing the transparency and quality of the investment. Moreover, the requirement to prove that the investment is part of the EU taxonomy based on NACE codes can also limit or delay investment opportunities.²¹⁹

Final beneficiaries of the LGF report a high level of satisfaction with the administrative and reporting process. In the targeted survey, only a minority reported increased complexity (9% 8/92) or costs (17% 16/92) related to the EU nature of the financing, and only 3% reported dissatisfaction with the reporting requirements (3/92). This is consistent with the evidence from the survey of final SME beneficiaries carried out as part of the interim evaluation. Of the final beneficiaries responding to the targeted survey, the majority had not experienced a greater administrative burden (62% 57/92) or greater complexity (74% 68/92) compared with similar SME support programmes. Just over half (62% 57/92) had not experienced substantial additional costs under the LGF.²²⁰ When asked to state the specific costs or administrative burdens incurred, most referred to those related to obtaining or preparing the necessary documentation. 47/92 LGF beneficiaries surveyed for this evaluation claimed that the speed of the processing of the application was more favourable than for other offers on the market, and 29/92 said it was the same. 61/92 did not need any external help for this and 68 encountered no additional complexity due to the EU nature of the programme.

Nevertheless, financial intermediaries noted an increase in administrative costs during the transition from the EIP to COSME. This resulted from the heightened programme monitoring requirements stemming from the recommendations in the EIP final evaluation - the need to collect data on SME beneficiaries for programme assessment.²²¹

²¹⁷ Source: intermediaries responding to the targeted consultations and one of the position papers for the public consultation.

²¹⁹ Frontier technologies in ICT and energy transitions do not always fit neatly into NACE codes and hard data requested to prove that they are part of the taxonomy discouraged firms from seeking support.

²²⁰ European Commission. 2017. Interim Evaluation of the COSME programme.

²²¹ Especially given the limited availability of external data sources for certain SMEs, particularly microbusinesses.

As regards the EEN, the survey feedback indicates that there were no significant costs related to administrative burdens for SME clients or for EEN members. Of the SME clients responding to the targeted survey²²², 84% (27/32) reported incurring no direct or indirect costs because of receiving the EEN services (including administrative burden and reporting obligations). When asked in the targeted survey to comment on overhead costs incurred in the provision of EEN services, 11% of EEN members (12/106) reported incurring such costs.

Intermediary organisations and SMEs involved in the clusters actions report high satisfaction with administrative aspects. In the targeted consultation for this evaluation, 82% (18/22) confirmed that low human and financial costs of monitoring and reporting requirements contributed to some or a great extent to the clusters' success. 86 % of respondents (19/22) said the same about simple administrative procedures.

Similarly, for COSME clusters internationalisation actions, respondents to the surveys for the 2021 evaluation study on clusters actions²²³ tended to be satisfied overall with the application process, the timeliness of support provision, the clarity of requirements and consortium agreement requirements. However, they were less satisfied with the frequency of calls.

Concerning EYE, the majority of the participating entrepreneurs (64%) did not find the administrative requirements and reporting obligations to be particularly burdensome. Over a third of them found the obligations to be fairly or very burdensome (25% and 9% respectively).²²⁴

4.3 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 considerable progress has been since the time of the interim evaluation, which found that synergies within the COSME programme at that time were not strong²²⁵. Nevertheless, it also suggests a need for a more systematic approach for identifying and implementing synergies, and for better interaction between communication tools for different actions.

The COSME LGF and EFG were complementary, given that different types of SMEs had different financing needs.²²⁶ Both instruments were found to be mutually supportive.

There is strong coherence between the international IP helpdesks and other services supported by the programme. According to the most recent monitoring data, the international IPR Helpdesks for China, South-East Asia, and Latin America cooperated and created synergies with the International IP Helpdesk India (COSME). They also cooperated with IP helpdesks funded by other EU programmes. Moreover, there was close cooperation between the EU Japan Centre, the international IPR Helpdesks and the clusters internationalisation programme (Clusters Go International and the ECCP platform). In its

²²² In total, 67 SMEs responded to this targeted survey, but the number of responses to individual questions varied.

²²³ European Commission. 2021. Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Galdiga, L., Van de Velde, E., Sadlik, A. et al., Evaluation study of and potential follow-up to cluster initiatives under COSME, H2020 and FPI, Publications Office, 2021, DOI: [10.2873/977418](https://doi.org/10.2873/977418).

²²⁴ N = 827 respondents to this question

²²⁵ Information on these synergies is given in Monitoring reports 2019 and 2020.

²²⁶ For example, start-ups and scale-ups/higher growth firms are proportionately more likely to need equity finance, whereas many established SMEs will only consider loan finance to fund their development and would be reluctant to use the equity instruments.

2022 special report on SME Internationalisation activities²²⁷, the European Court of Auditors confirmed the good level of cooperation between the EU Japan Centre and EEN.

The support for entrepreneurship was complementary to the financial instruments and the EEN, where some organisations are involved in implementation of both actions and the EYE HEs are invited to the EEN annual conference, and EYE NEs receive information packages on EEN and its services.

The majority of EEN members surveyed for the supporting study (62% 37/60) also reported complementarity with services such as Your Europe Business portal and network, SME internationalisation portal, cluster networks and EYE. EEN members also actively informed their SME clients of the opportunities available under COSME, especially financial support.

The Your Europe Business (YEB) portal included information from various sources relevant to SMEs, links to the EEN website and a form to submit questions to EEN. The EU-Japan Centre cooperated with EEN for partnership services and EEN concluded a bilateral agreement with IPR Helpdesks. However, in the targeted stakeholder survey for the supporting study, only 10% (3/31) of SME client respondents reported that they also benefited from other COSME actions. This would suggest that there is potential for improving synergies within the programme.

The study also suggests that COSME communication tools seemed not to have sufficient interaction with the different actions (e.g. for entrepreneurship support actions). One exception was the EU Open for Business campaign that did involve synergies between the main services and tools supporting SMEs. More could be done to signpost SMEs to the different forms of support available²²⁸.

Table 24: Synergies, complementarities and/or cooperation with other programmes or support services

Type or name of programme or actions	COSME actions that with 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 the middle column
EFSI	LGF (complementarity and cooperation)	EFG
IP Helpdesks under various EU programmes	International IP helpdesks EU Japan Centre	
National and/or regional support measures	EYE: complementary to entrepreneurship and skills actions LGF and EFG: complementary to regional FIs	

²²⁷ European Court of Auditors. 2022. Special report 07/2022: SME internationalisation instruments

²²⁸ The study and recent monitoring data, notably the COSME 2020 monitoring report and the 2023 update of the monitoring fiches.

Digital Innovation Hubs ²²⁹	EEN: <ul style="list-style-type: none"> - made good progress with regional integration - Cooperated with Digital Innovation Hubs 	
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Further details are given below, in the study, and the annual monitoring reports.

4.3.1 Specific objective 1 SO1 - Access to finance

Interviews with beneficiaries and the EIF carried out for this evaluation pointed to synergies between the COSME Loan Guarantee Facility (LGF) and the European Fund for Strategic Investments (EFSI) SME Window, which enabled SMEs to benefit from additional finance for working capital and for digitalisation.

According to the monitoring reports and the interviews with beneficiaries and the EIF for the supporting study, beneficiaries found EFSI support more attractive (cheaper and with a longer tenure).²³⁰ Following an arrangement with EIF, EFSI resources were fully used to support investments in the EU, and EFG resources were used for investments in non-EU participating countries only. The 2020 COSME Monitoring Report noted that this challenged the deployment of COSME EFG resources as they could only be used for non-EU participating countries where demand was much lower as the equity markets are much less developed in those non-EU participating countries. Since the market demand for the other COSME financial instrument LGF was much greater, the Commission addressed the situation also by allocating resources from EFG to LGF.

Based on targeted surveys, the supporting study suggests that there is some overlap between the LGF and ESIF (e.g. in regions where ESIF managing authorities had designed guarantee facilities with similar risk levels to COSME)²³¹. It also finds them to be complementary. ESIF financial instruments are only implemented in the national or regional territories covered by the relevant programmes, which may lead to a fragmented delivery. The LGF, on the other hand, is pan-European. The COSME instruments provide SMEs with access to finance that would not otherwise be available or would only be available on less favourable terms and conditions.²³²

The financial intermediaries surveyed emphasised that a distinct advantage of COSME financial products, is their lack of geographical restrictions.²³³

Coherence between COSME and Horizon 2020 financial instruments is strong. This final evaluation validates the preliminary finding of the interim evaluation.²³⁴

COSME LGF and national guarantee programmes were, in some cases, overlapping and competing against each other. The COSME interim evaluation raised some concerns that the very favourable terms and conditions of the LGF could have displaced national

²²⁹ These started off as national/regional initiatives. As of 2023, the EDIH's became operational.

²³⁰ The Expansion and Growth Window under the EFSI Equity instrument has largely the same investment focus as the COSME EFG. However, the COSME EFG is broader in geographical scope as it can also invest in third countries participating in COSME.

²³¹ The targeted surveys of LGF financial intermediaries and SME beneficiaries.

²³² For example, 65 out of 92 LGF surveyed claimed that overall terms and conditions were more favourable compared to other offers.

²³³ This made it easier for partner banks to construct a compatible portfolio, resulting in high and rapid absorption rates.

²³⁴ EFG and Horizon 2020 InnovFin equity instruments were complementary (the EFG focused on funds investing in SMEs in the expansion and growth stage and InnovFin Equity focused on funds investing in early-stage companies - pre-seed, seed, start-up phase, and small midcaps that are RDI-driven. There was no overlap between the LGF and H2020 financial instruments. Synergies include the H2020 funding provided for specific EEN innovation services, and the cooperation between the international IP SME helpdesks and the IP Helpdesk supported under H2020.

guarantee programmes. The interviews for the supporting study confirmed that both were complementary - the national schemes targeted different types of SMEs than LGF, particularly those seeking larger loan amounts.

4.3.2 Specific objective 2 SO2 - Access to markets

Enterprise Europe Network

EEN members and SME beneficiaries report synergies between the EEN services and business support services offered by Member States. This was confirmed by 68% (41/60) of EEN members²³⁵ responding to the survey for this final evaluation. 48% of EEN clients (15 out of 31) found that the EEN services complemented the existing national or regional support services.

There was a high level of synergies and complementarity between EEN and innovation support activities funded through the Horizon 2020 programme (H2020). This finding was confirmed by the desk research and interviews undertaken for this final evaluation. The EEN members interviewed for the supporting study confirmed that they collaborated with Horizon 2020 National Contact Points, for example by signposting clients to them and organising joint events.

The EEN provides information and advisory services to SMEs to identify relevant funding opportunities and support services offered by other EU programmes. The EEN members interviewed for this evaluation confirmed that they signposted clients towards such services²³⁶.

The design of the EEN helps ensure coherence with other support services offered to SMEs. The EEN calls for the 2014-20 financial period required that network services should be embedded in national regional and local support environments and seek synergies with existing actions such as the European Institute of Innovation and Technology (EIT) under Horizon 2020 and ensure that their services are complementary.

The Commission also concluded bilateral agreements with organisations active in the field of SME internationalisation, who became associate members providing services to the EEN.²³⁷

Nevertheless, the supporting study also suggests that there is scope for improving the integration of EEN services into the wider support offered to SMEs. The interim evaluation of COSME highlighted a need to strengthen EEN's regional integration and improve its visibility.²³⁸

²³⁵ N=60 respondents to the question

²³⁶ COSME Monitoring report 2020. Services provided by Horizon 2020 NCPs, ERDF, Interreg projects, EURES, Europe Direct centres, clusters and Digital Innovation Hubs. There was also regular collaboration between the EEN and a range of EU initiatives supporting SME internationalisation including the EU Gateway and Business Avenues.

²³⁷ There were 7 European associate members (including Eurochambres, EBN, and European sectoral organisations such as European Major Exhibition Centres Association *EMECA*), a number of national business organisations). EU agencies and networks (for example, the international IP SME helpdesks and EU-OSHA (health and safety)).

²³⁸ Ibid.

Other internationalisation actions

There are no significant overlaps between COSME SME internationalisation actions and support offered by Horizon 2020. However, there are sub-programmes within Horizon 2020 that indirectly support SME internationalisation.

The international IPR Helpdesks in China, South-East Asia, and Latin America and India cooperated and created synergies with the European IP Helpdesk (Horizon 2020), the Africa IP Helpdesk (EU Intellectual Property Office) and IP Key (DG TRADE) for organising joint events related to intellectual property. The international IP helpdesks also share a website with the European and Africa Helpdesks.²³⁹

The 2021 clusters evaluation identified some synergies between both the European Cluster Partnership for Internationalisation and other EU programmes. For example, 36% of respondents to the survey for the 2021 evaluation²⁴⁰ considered the Horizon 2020 programme to be very coherent with the European Cluster Partnership for Internationalisation. They also benefited from support under other EU programmes.

The COSME programme also contributed to the Single Market Strategy and enabled SMEs to capitalise on the opportunities afforded by the EU's internal market notably through EEN service and by supporting the Single Digital Gateway.²⁴¹

4.3.3 Specific objective 3 SO3 - Framework conditions and competitiveness

The COSME tourism actions, by their unique focus on tourism SMEs, complement other forms of EU support for tourism. There are 17 EU programmes that offer the possibility of support for tourism businesses²⁴², but they have no funding specifically targeted at this sector. The COSME tourism actions complemented these by providing specific support for the competitiveness and sustainability of tourism SMEs (127 projects funded from 2014-20)²⁴³. COSME also funded several studies that provided data and findings relevant to other EU programmes and to national/regional support measures, including studies on out of season tourism flows, resilience, digitalisation and sustainability²⁴⁴ and a flash Eurobarometer on tourism (2021).

4.3.4 Specific objective 4 SO4 - Entrepreneurship

The supporting study observes that there are similarities but no obvious overlaps between COSME support for entrepreneurship and other initiatives in the Commission's Entrepreneurship 2020 Action Plan.²⁴⁵

²³⁹ COSME monitoring fiche IP Helpdesk 2020.

²⁴⁰ See page and 9 of the evaluation report: H2020 EEN (44/52) respondents, H2020 (43/56) Smart Specialisation Platform for Industrial Modernisation (S3P-Industry) (32/44), ESIF (13/24). See p113 of this report for stakeholder survey results on Synergies between Clusters excellence and other EU support activities.

²⁴¹ European Commission. 2017. Interim Evaluation of the COSME programme.

²⁴² European Commission. 2023. Guide on EU funding for tourism, https://single-market-economy.ec.europa.eu/sectors/tourism/eu-funding-and-businesses/funding-guide_en.

²⁴³ European Commission. 2021. COSME: Seven years supporting the growth of EU Tourism, https://eisma.ec.europa.eu/news/cosme-seven-years-supporting-growth-eu-tourism-2021-05-31_en.

²⁴⁴ GRO/SME/20/C/081 – events organisation - Very low value contract – Support to the stakeholder consultation process for preparing the transition pathway for tourism on Resilience, Digitalization and Sustainability.

²⁴⁵ https://single-market-economy.ec.europa.eu/smes/supporting-entrepreneurship/entrepreneurship-education/commissions-actions-entrepreneurship-education_en

Overall, EYE was coherent with a number of EU policy goals and strategies in the field of SME and entrepreneurship policy, skills and education, and also single market.²⁴⁶ EYE has also shown additionality to national, regional and local measures: the interim evaluation found that EYE paved the way in emerging areas such as migrant entrepreneurship, and complemented existing EU activities²⁴⁷ in more established areas of support to entrepreneurship²⁴⁸. The cross-border dimension of EYE is highly relevant to many entrepreneurs and is a key feature distinguishing it from corresponding national schemes.²⁴⁹

The action “Enhancing Digital and Entrepreneurial Competences in Girls and Women” supported the implementation of the SME Strategy, the Skills Agenda, and the European Digital Education Action Plan.²⁵⁰

4.4 How did the EU intervention make a difference and to whom?

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 brought considerable additionality by combining expertise from a large number of countries. This could not have been achieved by any national or regional programme.

The programme enabled relatively large numbers of companies to benefit from finance and advisory services, bearing in mind the overall EU budget for the 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. These findings were confirmed by interviews with fund managers for this evaluation. The EFG has 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, helping SMEs that needed larger amounts of finance to support their growth.

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 many Member States, and therefore not available for a large part of EU SMEs. EEN offered total additionality and European value-added by supporting networking and information sharing between the EEN advisors across the EU. This in turn enabled the network to provide in-depth services with a transnational and cross-border dimension which would not otherwise be offered by national or regional services. According to EEN clients responding to the survey, the main value-added of EEN was the individual services tailored to the needs of the enterprise, the support and connections for finding business partners abroad and quick and relevant information on

²⁴⁶ See supporting study for further information. In the EYE targeted survey (N=635), 86% of NEs agreed that the EYE exchange contributed to their learning about another market, 83% were encouraged to be professionally active in another MS, and 83% gained new knowledge and skills in running a business.

²⁴⁷ European Commission. 2017. Interim evaluation of the COSME programme.

²⁴⁸ European Commission. 2017. Interim Evaluation of the COSME programme.

²⁴⁹ National schemes are complementary and serve a different audience. Furthermore, over 70% of new entrepreneur respondents to the EYE targeted surveys (N = 635) reported gaining benefits related to operating internationally.

²⁵⁰ Monitoring Fiche. GRO/SME/20/D/032 Enhancing Digital and Entrepreneurial competences in Girls and Women.

EU legislation and EU funding opportunities. 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, H2020 & FPI251 found that cluster organisations participating in Clusters Go International considered the supported cluster partnerships to be unique in terms of offering a cross-regional and cross-sectoral EU approach to developing market access for SMEs in third countries. All 22 respondents to the targeted survey for clusters and SMEs benefiting from cluster services for the COSME evaluation reported that the COSME funded actions would not have been funded in the absence of support from the programme.

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.

Other examples of projects benefiting entrepreneurship include those supporting cooperation and peer learning between regions. These provided additionality vis-à-vis national programmes by fostering the cross-border exchange and transfer of entrepreneurial expertise that was more developed in certain regions and helped build a critical mass of specialised services and funding across individual ecosystems.

Small actions to enhance framework conditions offered a stronger pan-EU focus than could have been offered by national funding and the funding of studies that contributed to EU policy actions for boosting competitiveness. For example, COSME supported monitoring actions for the construction sector under the National Recovery and Resilience Plans providing a comparison between Member States and revealing differences and potential for improvement.

The EU branding and EU-wide scope of COSME has delivered EU added value in the form of greater international profile. 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-funded²⁵².

4.4.1 Specific objective 1 SO1 - Access to finance

The LGF has filled a gap in financing for some SMEs that would not have been entirely filled by other sources of finance. Based on answers to the targeted survey²⁵³, it could be concluded that the additionality is 85%²⁵⁴, i.e. more than eight out of ten SMEs could not secure from other sources the same financial support that they received from COSME. This form of EU added value was also confirmed by the interim evaluation, where the additionality was 63%. Of the SME beneficiaries surveyed in 2017, most relied on LGF

²⁵¹ 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>

²⁵² Some of the interviewed EEN members reported that SMEs primarily recognise the name of the EEN member organisation and do not always realise or remember that the services are co-funded by the EU.

²⁵³ Question 'What would have happened if your business had not received the EU-guaranteed financing?'

²⁵⁴ 85% is the sum of: 39% (32/83) of SMEs would have obtained the same amount obtained, but with different terms/conditions; 25% (21/83) of SMEs would have obtained smaller amount with different terms/conditions; 11% (9/83) of SMEs would have obtained smaller amount with same terms/conditions and 10% (8/83) of SMEs would not be able to obtain the financing needed at all, i.e. they had no other source.

financing because other options at regional or national level were either unavailable or insufficient²⁵⁵ and the LGF provided leverage by allowing the national and regional intermediaries to support more enterprises than they would be able to on their own. The possibility to combine national and LGF support led to even higher leverage, particularly in smaller markets.

The LGF has provided more favourable financing for SMEs than would otherwise be available. In the targeted survey for LGF final beneficiaries most respondents stated that, compared to offers that were available on the market at the same time, the LGF guarantee was either much more favourable or favourable than other sources of finance in relation the terms and conditions offered²⁵⁶.

Intermediaries report in the interviews for the supporting study that the LGF has provided more favourable terms and conditions for financing compared to similar national programmes. Furthermore, even when compared to national programmes with comparable or better contract conditions, such as a free of charge guarantee without a cap rate, COSME remained more advantageous. This was primarily due to its agile implementation framework, based on a delegated management system. In contrast, many national guarantee programmes often required individual loan authorisation before disbursement, making them less suitable for smaller loans and unusable for leasing companies.

The EFG provides more favourable and less fragmented financing than would otherwise be available. The fund managers consulted for the interim evaluation agreed that action at EU level is more efficient. The fund managers interviewed for this evaluation confirmed these findings. The EFG's pan-European perspective has been crucial in overcoming the fragmentation in the European equity market. Interviewees also highlight that the first-time teams (or fund managers that establish a private equity fund for a first time) might not have been created without EFG support. SMEs surveyed in the interim evaluation indicated that in the absence of EFG financing, they would have considered other equity financing sources, but expected that their growth rate would have been lower. The SME interviewed for the final evaluation confirmed that, in the absence of the EFG, the financing would have been received on less favourable terms, if at all.

4.4.2 Specific objective 2 SO2 - Access to markets

The EEN has a clear EU added value due to the scale and quality of their services, their cross-border nature in a Single Market context and the reciprocity.

EEN services offer a transnational and cross-border dimension, which would not otherwise be offered by national or regional services. In the interim evaluation of COSME, 87% of intermediaries and 48% of client SMEs indicated that EEN's EU level support was 'very important' as opposed to only national support.²⁵⁷ In the survey for the supporting study, 78% (47/60) of EEN members and 62% of SME clients²⁵⁸ consider it important ('to a great extent'/'very') for SMEs to have EU-level support services such as EEN as opposed to (only) national level support.

²⁵⁵ European Commission. 2017. Interim evaluation of the COSME programme.

²⁵⁶ Percentage of respondents confirming that the following points were much more favourable or favourable: overall terms and conditions (71%; 65/92), interest rate they had to pay on the borrowing (61%; 56/92), the collateral/security requirements (65%; 60/92), speed of processing the application (51%; 47/92) and the repayment period (50%, 45/92).

²⁵⁷ European Commission. 2017. Interim Evaluation of the COSME programme.

²⁵⁸ N = 36 respondents to the question.

The EEN introduced certain services that were not otherwise available at national or regional level. According to EEN members surveyed and interviewed for the final evaluation, the EEN added value to the host organisations, expanding their networks and knowledge, for example through the cross-border working groups and the brokerage events.²⁵⁹ Moreover, despite a strong focus on cross-border issues, such as SME internationalisation, some EEN services also cover domestic markets issues, such as digital transformation and sustainability. In the targeted survey, EEN members reported that they were especially well supported by the Network for training (82%), monitoring/reporting (83%) and contractual management (73%).²⁶⁰

The EEN provides SMEs with free-of-charge access to professional services that they would not otherwise be able to afford. According to EEN members interviewed for the final evaluation, the main EU added value of the EEN is in providing access to professional advice, such as lawyers, accountants or business development specialists in internationalisation. According to the SME clients responding to the survey, the main value of EEN was the individual services tailored to the needs of the enterprise, the support and connections in finding business partners abroad and the quick and relevant information on EU legislation and EU funding opportunities.

In its 2022 special report on SME internationalisation activities²⁶¹, the European Court of Auditors confirmed the high level of satisfaction on additionality of the EU Japan Centre. This was based on a survey of EEN members and trade promotion organisations conducted by the European Court of Auditors.

4.4.3 Specific objective 3 SO3 - Framework conditions and competitiveness

EU added value is offered by the COSME tourism actions by providing a better understanding of the development of the sector and a greater contribution to its visibility than national actions. For example, the actions for boosting innovation in tourism addressed the need to assist this ecosystem at an EU level, especially to support digital transition which was progressing more slowly than in other sectors.²⁶² Reports, studies and support actions funded by the Programme such as the Eurobarometer survey on tourism²⁶³ and the European Capital of Smart Tourism²⁶⁴ addressed these needs.

The clusters actions offer EU added value. For example, the 2021 evaluation study on cluster initiatives under COSME, H2020 and FPI found that clusters organisations consider the Clusters Go International support unique for developing market access for SMEs in third countries.²⁶⁵

The same evaluation study also covered the European Cluster Collaboration Platform (ECCP) and the European Strategic Cluster Partnerships for Excellence scheme. This 2021 evaluation study noted that the added value of the ECCP lies in strengthening clusters, companies or the regional ecosystem, offering new knowledge, links to important funding opportunities, and connecting similar clusters. The benefits include finding partners and

²⁵⁹ 62% EEN members in the targeted survey agreed that EEN activities helped their organisation develop. N=60

²⁶⁰ N=60 respondents to the question.

²⁶¹ European Court of Auditors. 2022. Special report 07/2022: SME internationalisation instruments

²⁶² GRO/SME/20/C/07 (TOURINN) - Boosting the uptake of digitalisation, innovation and new technologies in tourism through transnational cooperation and capacity building.

²⁶³ GRO/SME/20/F/116 - Eurobarometer Tourism 2020.

²⁶⁴ GRO/SME/20/C/06 - European Capital of Smart Tourism - Fostering smart tourism solutions in EU destinations through the European Capital of Smart Tourism.

²⁶⁵ In the survey for the supporting study, 82% of respondents (N=72) rated this EU level support as very important (and a further 14% responded 'important'). Some 77% indicated that the funding allowed them ('to a great extent') to undertake actions that would not otherwise have been funded, and a further 23% 'to some extent'

obtaining access to information that would otherwise not be available. Concerning the European Strategic Cluster Partnerships for Excellence scheme, this 2021 evaluation study noted that they provide value added via widening of the network that leads to capacity building of cluster organisations and improved services for members.

Small actions on framework conditions have offered a stronger pan-EU focus on the issues in question.^{266,267}

4.4.4 Specific objective 4 SO4 - Entrepreneurship

The EYE offers transnational mobility possibilities for entrepreneurs that are not available elsewhere. The interim evaluation of COSME emphasised the importance of EYE's transnational, large-scale approach and noted that this would not have been possible under national or regional initiatives.

74% of EYE HEs surveyed for this evaluation reported gaining new ideas or fresh perspectives for their business, 55% improvements in internal skillsets and expanded knowledge of methods or techniques, and 41% highlighted the NE's contribution to the development or growth of their business.

The projects supporting collaboration and peer learning among “European Entrepreneurial Regions”²⁶⁸ provided EU added value by exchanges of entrepreneurial expertise (and addressing potential regional gaps). They strengthened regional policy development capacities and helped to build specialised services and funding across ecosystems.²⁶⁹

4.5 Is the intervention still relevant?

The specific programme's objectives are in line with a series of EU initiatives and strategies including the 2008 Small Business Act for Europe (SBA),²⁷⁰ the Europe 2020 strategy for smart, sustainable and inclusive growth, the Single Market Strategy (2015)²⁷¹ and the Start-up and Scale-up Initiative (2016).²⁷² The “Think Small First” principle set forth in the SBA was at the core of COSME.

COSME objectives aimed at addressing key challenges for European SMEs, and the programme adapted to emerging needs, building on its predecessor, the EIP. The supporting study suggests that programme's flexibility enabled it to address evolving priorities, including new issues faced by SMEs and new EU policy priorities. 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 actions²⁷³. All programming documents

²⁶⁶ For example, a dashboard for monitoring actions for the construction sector under National Recovery and Resilience Plans, provided a comparison between Member States, revealing differences and potential for improvement. GRO/SME/20/F/103 - Initiatives for a Built environment.

²⁶⁷ The Better Regulation action supported the further development of consultation tools for gathering stakeholder feedback (a mandatory part of the process of preparing EU legislative proposals). GRO/SME/20/C/11 - Better Regulation: Engaging SMEs and Stakeholders on policy design and implementation/strengthening of the Better Regulation Agenda.

²⁶⁸ European Committee of Regions. 2022. Summary of the EER final workshop of the COSME project on Connecting entrepreneurial ecosystems.

²⁶⁹ Monitoring Fiche, fostering collaboration through mapping, analysing and interlinking European Entrepreneurial Regions – Phase II (30_GRO-SME-20-C-01 F-EER II).

²⁷⁰ Communication (COM(2008) 394 final) — ‘Think small first’ — A ‘small business act’ for Europe.

²⁷¹ Communication (COM(2015) 550 final) —Upgrading the Single Market: more opportunities for people and business

²⁷² Communication COM(2016) 733 final —Europe's next leaders: the Start-up and Scale-up Initiative.

²⁷³ Feedback collected from interviews on the topic for the study

took account of the increased interest in sustainability, the digital and green transitions, and female entrepreneurship.

The financial instruments (LGF and EFG), EEN, Clusters actions and EYE exchanges have positively contributed to achieving the objectives of COSME and addressing the market failures. These types of interventions need to continue to support the SMEs' competitiveness, growth and performance and provide an SME-friendly business environment and a stronger entrepreneurial culture in successor programmes.

4.5.1 Specific objective 1 SO1 - Access to finance

The need for SMEs to access finance to support business growth remained relevant throughout the 2014-2020 period (and beyond). There are differences in SME access to finance across the EU. Overall, insufficient collateral or guarantees as well as high interest rates or prices hindered SMEs from getting bank loans.²⁷⁴

All financial institutions interviewed for the supporting study (22) confirmed that the main reason for rejecting SME loan applications is the lack of collateral. COSME LFG effectively addressed the issue of lack of collateral by diminishing or entirely removing collateral prerequisites through its guarantees.

In the second quarter of 2021, more than one in four SMEs that replied to the SAFE survey²⁷⁵ was still reporting difficulties in accessing finance, but the share of SMEs perceiving this as a highly important issue decreased over time, pointing out that financing conditions had slightly improved.

The EFG tackled strong market failures in the equity market and was highly relevant to SME needs. Young, fast-growing, innovative SMEs rely on equity financing more than other SMEs and these instruments are often not in sufficient supply.²⁷⁶ Equity can also be important for mature mid-market firms, helping them to unlock growth potential. Almost all of the fund managers that were interviewed for the supporting study (6 out of 7) confirmed that the EFG's scope and the nature and volume of allocated resources were tailored to the needs of the different funds that it backed, and consequently the SMEs that were supported.

4.5.2 Specific objective 2 SO2 - Access to markets

Finding customers was a pressing problem for SMEs of all class sizes across the EU-28 throughout the programme and this was reported as the most pressing problem in 2020²⁷⁷. The 2014 SME performance review noted that there were many internal and external barriers that impeded the internationalisation of SMEs²⁷⁸. It also noted that SMEs were usually less well equipped with in-house expertise and financial or human resources than larger enterprises.

²⁷⁴ According to the Commission's 2014 Survey on the Access to Finance of Enterprises (SAFE), 59% of SMEs in EU-28 expected their firm's turnover to grow over the next 2-3 years. This figure remained broadly constant (at 58%-65%) during 2014-2019, falling only slightly to 50% in 2020. To finance this growth, more than half of all SMEs (51%) required additional financing of more than 100 000 EUR, whilst another 26% required 25 000 EUR or more. During 2014-2020, 48-50% of SMEs continued to require additional financing of more than 100 000 EUR, whilst another 24-26% required 25 000 EUR or more.

²⁷⁵ <https://single-market-economy.ec.europa.eu/system/files/2021-11/Analytical%20report%202021.pdf>

²⁷⁶ Interim evaluation.

²⁷⁷ SAFE Survey 2014 and SAFE survey 2020 p. 9.

²⁷⁸ Related to market information, finding possible customers and the right partners, and compliance with foreign laws . SME Performance Review 2014, final report, p. 60.

The EEN services were relevant to addressing specific SMEs needs and market failures, in particular, information asymmetries and a lack of know-how on management processes, customer needs and how to enter foreign markets. Business cooperation services tackled networking failures of SMEs, by helping them to find partners.

Overall, 58% (44/76) of EEN members participating in the targeted consultation for this evaluation, believe that the EEN services were pertinent to the needs of SMEs during the COSME period and 38% (29/76) to some extent.²⁷⁹ A majority of SME client respondents agreed that the EEN services were relevant to their business (22/34 or 65% ‘very relevant’ and 9/34 or 26% ‘fairly relevant’).²⁸⁰ According to the SME clients, the most useful services were business cooperation services (24/34 or 71% rated them ‘very useful’), followed by information services (22/34 or 65%) and advisory services (21/34 or 62%).²⁸¹

During the COSME period, EEN evolved to offer deeper support for SMEs, adapting to changing SME needs. EEN shifted towards providing more customised and customer-centric services for SMEs, while online services expanded and improved. EEN started providing Innovation Management Support in 2015 under separate grant agreements funded by the Horizon 2020 programme. The scale-up advisors started in 2017 and other services on digital transformation, energy savings management and sustainability were introduced towards the end of the programme.

The Support Study for the Evaluation of the IP SME Helpdesks published in 2018 noted the increasing importance of internationalisation and global value chains, including for SMEs. It found that SMEs (especially the helpdesk users) use selected IP management techniques, but not the entire portfolio and that support to improve this situation was still relevant. Survey respondents also supported a geographical extension of the help desk, in particular to India. In follow-up to this, the IP SME Helpdesk for India was set up (COSME work programme 2020).

4.5.3 Specific objective 3 SO3 - Framework conditions and competitiveness

At the start of the programme, SMEs faced particularly challenging framework conditions. Whilst they were in some ways more resilient than large enterprises during the downturn after the 2008 crisis, their recovery remained slow during 2011-2014. The 2014 SAFE survey also highlighted compliance with regulation, availability of skilled and experienced managers, competition, and labour and production costs as pressing problems for many SMEs. This challenging context warranted specific measures to improve the SME business environment and ensure that SMEs could benefit fully from the wider growth expected in the first years of the programme.

COSME cluster support actions are relevant to address the clusters’ needs for internationalisation strategies. The targeted survey carried out for the supporting study found that the Clusters Go International action programme was, overall, highly relevant to meeting the requirements of cluster organisations to develop joint strategies. It addressed key issues for setting up collaborative cluster organisations to support SME internationalisation: lack of finance (pointed to by 30% of programme participants), lack of personnel (30%), challenges in setting up joint investments (26%), lack of awareness of the potential benefits of joint activities (22%), and lack of regional support (29%).²⁸²

²⁷⁹ N= 76 respondents to this question.

²⁸⁰ N= 34 respondents to this question.

²⁸¹ N= 34 respondents to this question.

²⁸² Percentages of the respondents who strongly agreed that the mentioned factors constituted important obstacles to the cooperation among clusters in Europe at the time when they participated in the programme. N=23

The 2021 Evaluation Study of Cluster Initiatives under COSME, H2020 and FPI notes that the European Strategic Cluster Partnerships for Excellence action remains relevant since it enhances cluster cooperation, cluster management skills as well as strategy development.

Tourism actions were relevant to the needs for SMEs in the sector to move towards sustainable and smart tourism practices.²⁸³ Overall, feedback from the interviews for the supporting study indicated that there was a significant gap in awareness and knowledge about sustainable and smart tourism practices among crucial stakeholders across the EU, coupled with a notably low rate of implementation of sustainable tourism initiatives among SMEs.^{284 285} Although there were very few responses from the sector to the targeted survey²⁸⁶, the results provide some insights into benefits of the COSME project. 82% of respondents (9/11) confirmed that the projects led to improved capacities for networking and knowledge sharing in the sector, and 73% (8/11) confirmed that the projects had improved exploitation of new tourism demand trends²⁸⁷.

The SME performance review provides valuable insights into the state of SMEs across the EU with data-driven assessments of their performance and challenges, and further support is provided by the SME Envoys, the European Enterprise Awards²⁸⁸ and the EU REFIT platform²⁸⁹. The COSME interim evaluation, and stakeholders consulted for the final evaluation considered these measures to be relevant as they contributed to a more business friendly environment.

4.5.4 Specific objective 4 SO4 - Entrepreneurship

The supporting study found that the Promoting entrepreneurship and entrepreneurial culture objective was relevant at the outset of the programme and throughout its implementation.

The need for a stronger entrepreneurial culture has been highlighted in, inter alia, the 2014 SME Performance Review ("Entrepreneurship" identified as a challenge²⁹⁰), and the Small Business Act (a need to pay attention to all situations that entrepreneurs face, including start-up, growth, transfer and bankruptcy (second chance), entrepreneurship education, as well as benchmarking and exchanges of good practices).

In a number of entrepreneurship actions, COSME targeted potential, young, new and female entrepreneurs. The main action is the Erasmus for Young Entrepreneurs (EYE) programme. The survey of EYE entrepreneurs for the supporting study confirmed the programme's relevance²⁹¹, with nearly 80% of respondents stating that it addressed their

²⁸³ In the targeted survey, 46% of participants agreed that the action improved networking and knowledge sharing in EU tourism, and improved exploitation of new demand trends. N=11

²⁸⁴ Feedback collected from interviews on the topic.

²⁸⁵ The study and the 2019 and 2020 monitoring reports highlight several examples of projects and studies that were particularly relevant to this goal including projects contributing to the transition pathway for tourism on resilience, digitalisation and sustainability and the Eurobarometer Tourism 2020 that demonstrated the growing importance of sustainable tourist offers. (GRO/SME/20/F/116).

²⁸⁶ Targeted survey of providers and beneficiaries of other COSME/EIP actions.

²⁸⁷ Senior, youth, low season, sustainable tourism, cultural tourism, enhancing uptake of innovation and technical tools in the sector.

²⁸⁸ Awards that recognise outstanding SME achievements, promoting innovation and entrepreneurship.

²⁸⁹ A platform that focuses on regulatory fitness, reducing administrative burdens, and improving the business environment.

²⁹⁰ 2014: A partial and fragile recovery - Annual report on European SMEs.

²⁹¹ In particular, more than 74% of host entrepreneurs and 76% of new entrepreneurs indicated that the EYE addressed "a lack of entrepreneurial culture and weak entrepreneurial spirit" at least to some extent, 72% of both HE and NE

needs to some or a great extent.^{292,293} These results are consistent with the 2017 interim evaluation²⁹⁴.

Relevance to new EU policy priorities

As programme implementation progressed, more emphasis was put on innovation and digitalisation. New EU policy initiatives approved in the final years of the programme include the Digital Europe Programme (2018) to strengthen the EU's digital capabilities. The study suggests that COSME complemented these initiatives and the Horizon 2020 programme by supporting projects and services (such as EEN and sectoral projects) to support businesses with digital integration. The EU Single Digital Gateway (SDG) was set up to simplify access to information and single market services for citizens and businesses in the EU.

In the 2014-2020 period, particular attention was also devoted to sustainability and the green transition. The European Green Deal (2019) became a central policy framework aiming to make the EU climate-neutral by 2050. COSME funded initiatives 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.

5 WHAT ARE THE CONCLUSIONS AND LESSONS LEARNT?

5.1 Conclusions

Overall, the final evaluation confirms the positive conclusions reached by the interim evaluation of COSME and provides further evidence on the final years of the programme.

The programme built on the results of the previous EIP (2007-13) from which it has inherited most of its actions. Whilst acknowledging the importance of innovation in its interventions, COSME adopted a broader scope. 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.

One key strength of COSME was the use of intermediary bodies and entities with established relations and knowledge of the community targeted by the different initiatives to implement projects and deliver support services to SMEs. Other key strengths were the flexibility of the programme, the strong track record on financial implementation, and good budgetary monitoring, which enabled unused budget to be re-allocated to other actions.

stated that it helped with “obstacles to entrepreneurs setting up businesses”, and 65% that EYE supported “new businesses struggling to survive and grow” and 61% of HE and 66% of NE agreed that it addressed “low levels of entrepreneurial firm creation”

²⁹² N=500 respondents to this question.

²⁹³ Altogether 45% of new entrepreneurs (NE) and 52% of host entrepreneurs (HE) assessed that EYE responds to the needs of entrepreneurs at least to some extent, while a further 28% of NE and 27% of HE reported that it had addressed their needs to a great extent. N=124HE and N=376NE

²⁹⁴ European Commission. 2017. Interim evaluation of the COSME programme., p. 32.

The evidence gathered through the consultations and further research conducted for the study suggests that COSME had positive effects on final SME beneficiaries across all of its objectives.

The COSME financial instruments supported thousands of SMEs, including microenterprises, and exceeded the original targets in terms of the volume of investments and funding mobilised. The counterfactual analysis for LFG 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. Although the EFG could not demonstrate statistically significant and positive economic benefits, largely due to the very small final sample size, nevertheless, 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.

The EEN was also effective. It 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/or increase their workforce, expand into new markets, and maintain or sustain their turnover. EYE also showed some very positive impacts, notably on skills.

It can be concluded in a qualitative way that the support provided by the programme contributed to the competitiveness of the companies which obtained the support.

Other thematic actions (including entrepreneurship, clusters and tourism) were successful, and many smaller actions made a valuable contribution to the goals of the programme. Some smaller actions were more successful than others. A few actions faced implementation and performance issues were closely monitored by the Commission.

The evaluation finds that the programme was implemented efficiently and in a cost-effective way. Evidence from the consultations indicate that costs and burdens associated with the programme are affordable and acceptable, although it was challenging to quantify the benefits. For most participants, the benefits generated by the programme outweighed the costs. However, reporting obligations in some cases were found to be somewhat burdensome (for instance in the tourism sector). The desk research confirmed the comparatively low administrative costs of the programme, providing benchmarks with other EU programmes. The execution rate of the programme budget remained high throughout the programme and regular monitoring allowed the COSME budget to be re-allocated, in response to emerging needs.

The evaluation finds that COSME demonstrated a significant added value at the EU level. It provided SME support that goes beyond what is typically available at the national or regional level. These benefits include providing financing options that are not available in Member States on the same terms, offering value-added advisory services on a more international scale, and delivering effective support for entrepreneurs for transnational cooperation and exchanges.

The COSME programme was highly relevant, both at the start and throughout its duration. It addressed deep-seated market failures affecting the Union economy, notably high borrowing costs and difficulties in accessing finance due to information asymmetries, an

insufficient supply of equity finance, challenges for accessing customers and international markets, and weaknesses in entrepreneurial culture.²⁹⁵

It helped SMEs to survive, grow, and reap the benefits of the single market. Moreover, the programme performed well on adaptability to changing needs, adjusting its interventions, and directing funding to respond to new challenges. The programme addressed these challenges notably through the financial instruments, information and advisory services such as EEN to support SMEs with market access and help them deal with formalities related to cross-border business, EYE and other actions for entrepreneurship, and through studies and reports such as the SME Performance Review, and cooperation with SME stakeholders to address administrative burdens.

COSME's interventions were also aligned with broader EU policy priorities such as the green and digital transition, gender equality and mainstreaming, social cohesion and inclusion. Attention to these objectives increased in the later years of the programme.

The supporting study identifies adequate levels of internal and external coherence overall (notably for the larger actions such as EEN and the financial instruments) and notes the progress made since the time of the interim evaluation.

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

5.2 Lessons learnt

The evaluation found that an area for improvement in programme planning is developing a more complete logical framework 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 priorities²⁹⁶. Developing further such a framework would facilitate the on-going assessment of the programme and ensure that all actions preserve a strong relevance. Such a framework could also provide a valuable tool at the work-programme design stage for screening of proposed actions.

The results for LGF only partially align with those for the predecessor financial instruments under the CIP and MAP programmes.²⁹⁷ The supporting study concluded that the counterfactual results cannot be directly compared with previous research, due to the alternative methodological approach followed for the COSME study. The study notes that one possible explanation for these different results is that the control group of businesses that had “not yet benefited” from LGF support were better prepared²⁹⁸ than the control

²⁹⁵ These issues are highlighted in various studies and reports, including SAFE surveys, the annual SME Performance reviews and EIF papers such as [eif_working_paper_2022_84.pdf](#).

²⁹⁶ The supporting study observed progressive improvements in internal and external coherence throughout the programme, notably for larger actions. The supporting study also noted the improvements to work programme descriptions in the final years of the programme. These allowed to improve coherence of the supported actions.

²⁹⁷ These previous studies demonstrated that EU guaranteed loans impacted positively on SME growth in terms of employment, sales and profits.

²⁹⁸ For example, they could have been in the process of improving their business plans in preparation for seeking additional finance in future.

group used for previous studies (that did not subsequently benefit from any funding from financial instruments at all).

The involvement of multiple intermediary bodies has clearly contributed to relevance/effectiveness of the actions. However, this mode of implementation has also contributed to the fragmentation of the actual monitoring and reporting system, and challenges for gathering data on final impacts which in turn hampers the assessment of the impacts of the programme. Nevertheless, benefits stemming from involvement of many actors outweigh the downsides of Programme fragmentation.

Evidence from the consultations indicate that the costs and burdens associated with participation in the programme's actions were affordable and acceptable, though some participants in specific actions (for instance in the tourism sector) found reporting obligations to be somewhat burdensome. In light of this, further work on monitoring would benefit from increased attention to avoiding additional burdens, for example by better integrating project reporting with Programme monitoring.

In general, a significant part of the findings is based on stakeholder consultations and targeted surveys. Although the public consultation resulted in a limited number of replies, targeted surveys were more successful and provided the Commission with evidence that can be considered robust, given the size of the programme.

COSME demonstrated an adequate level of internal and external coherence overall, but there is still room for improvement. The identification of synergies for main actions could be better pursued on a regular basis. The evaluation suggests that a better signposting of support available for SMEs and entrepreneurs, and developing stronger links between the programme's actions at the operational level could further enhance effectiveness.

Key lessons learnt:

COSME presented a number of 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.

Lead DG

The DG for Internal Market, Industry, Entrepreneurship and SMEs (GROW) is the lead DG for this evaluation (PLAN/2022/491).

Organisation and timing

The final evaluation of the COSME programme was carried out in parallel with the ex post evaluation of the Entrepreneurship and Innovation programme (2007-2013), the predecessor to the COSME programme. In this context, DG GROW set up one inter-service steering group (ISG) to guide both evaluations and certain deliverables such as the methodology are common to both evaluations.

The ISG was established on 8 July 2022 involving representatives from the Secretariat-General, Legal Service, DG for Research and Innovation, DG for Budget, DG for Competition, DG for Communications Networks, Content and Technology, DG for DG Defence Industry and Space, DG for Economic and Financial Affairs, DG for Employment, Social Affairs and Inclusion, DG for Energy, DG for International Partnerships, DG for Structural Reform Support, DG for Taxation and Customs Union, DG for Trade and DG for Internal Market, Industry, Entrepreneurship and SMEs. The Joint Research Centre joined the ISG in September 2023 and also provided input at the time of the RSB upstream meeting in June 2023. DG Environment and EIF²⁹⁹ joined the group in September and November respectively.

The ISG contributed to the evaluations and ensured that they met the necessary standards for quality. Six meetings³⁰⁰ were held between November 2022 and December 2023. An additional meeting took place in June 2024 to present the draft Staff Working Documents for this evaluation.

The Commission published a **call for evidence** on the final evaluation of the COSME Programme on 17 March 2023 that was open for feedback until 14 April 2023.

The Commission published a **public consultation** on the final evaluation of the COSME Programme on 15 June 2023 that was open for feedback until 18 September 2023.

Five targeted consultations related to COSME were carried out by the consultant who performed the supporting study³⁰¹. The consultation period ran from early August 2023 until the end of September 2023³⁰². 72 interviews were carried out with key stakeholders.

Consultation of the RSB

The RSB was consulted informally in an upstream meeting on 9 June 2023. As a follow-up, a checklist was prepared and guidance was provided to the consultant on related points to address in the supporting study.

A formal consultation of the RSB took place on 31 January 2024.

²⁹⁹ The EIF was closely involved from the onset through the intermediary of DG GROW C1 and ECFIN.

³⁰⁰ 1) 16/11/2022, 2) 13/4/2023, 3) 23/5/2023, 4) 25/10/2023, 5) 4/12/2023, 6) 13/12/2023

³⁰¹ The 6th targeted consultation related purely to the ex post evaluation of EIP.

³⁰² Further information, including the consultation dates is available in the Annex II (Methodology)

The RSB issued a **positive opinion** on the evaluation.

Table 25: Table on follow-up to RSB's observations

COMMENT RSB	REPLY
1.The report does not explain clearly enough the robustness of the counterfactual analysis and additionality of COSME.	
The report should more explicitly present the robustness of the counterfactual analysis given the observed limitations such as the use of the Orbis data and the selection of the control group. It should better explain the reasons for any substantial methodological deviations from similar research and approaches. The report should explain what tests/checks were undertaken to ensure the robustness of data and whether results on economic impacts coming from different models diverge or not from the results of the counterfactual analysis.	Additional explanations were provided in the report with regards to the robustness of the counterfactual analysis such as limitations in the use of Orbis data, checks undertaken and conclusions on robustness (sections 1.2. and Annex IIA.). In particular the section "Robustness of the findings and any limitations" contains an explanation on the challenges of constructing a control group for the LGF. Regarding the EFG, the methodology for the counterfactual analysis requires data from 2-3 years after the intervention, which is not yet fully available. This was made clear in the text.
The analysis of the additionality of COSME should be further developed, especially for the actions other than the Loan Guarantee Facility. The report should better elaborate to what extent similar effects could have been achieved with different instruments, at the EU or Member States level. The analysis should be underpinned by evidence and adequate level of quantification. It should differentiate between the full additionality (no alternatives available) and partial additionality (alternatives available but at less favourable conditions or smaller scale). The additionality analysis should also inform the assessment of EU added value and relevance.	Additional improvements and clarifications on the additionality of COSME in the area beyond LGF, including limitations of data, were made throughout the report, in particular in the section related to the EU added value "How did the EU intervention make a difference and to whom?". Explanations on partial additionality vs. full additionality were added in this section.
2.The effectiveness and efficiency assessments are not sufficiently clear.	
The report should be clearer whether the analysis was able to establish a causal link between company performance and the support received. It should explain how company performance was defined and whether the results vary for different parts of COSME. The report should better explain how effective COSME was in reaching the objective of enhancing SMEs competitiveness. The effectiveness analysis should also include more details on how effective COSME was in achieving the expected impact of reduced	Additional improvements on effectiveness were made in the report, notably on the causal link between company performance and support received as well as the reduced administrative burden for SMEs. For the LGF the causal link was only demonstrated for the number of employees. For the EFG it is too early to prove the causal link. Company performance was defined in the section 4.1.1. as "survival rates, employment, turnover and total assets".

administrative burdens for SMEs. Targets and expected impacts included in legislation or subsequent documents should be clearly referenced.	<p>Outside the financial instruments, the findings indeed vary as it is not possible to demonstrate causality in the same way as for the counterfactual analysis.</p> <p>A new subsection “Effectiveness of COSME for enhancing SME competitiveness” was added in the effectiveness part, section 4.1.1. A new subsection “Effectiveness of the programme for reducing administrative burdens” was added in the effectiveness part, section 4.1.1.</p> <p>Additional information on indicators and targets has been added in section 4.1.1 and an overview of all indicators laid down in the COSME Regulation (targets and results) is given in Annex VII).</p>
The report should improve the efficiency analysis. It should better explain the conclusions on the benefits outweighing the costs and COSME providing good value for money. In this respect, the report should be clearer about the evidence base underpinning those statements, in particular whether or not they are only based on the perception of surveyed beneficiaries. The benefit analysis should be strengthened with qualitative analysis going beyond summarising different consultation activities. The report should provide further explanation of the efficiency (cost-effectiveness) metrics by providing their comparison with relevant indicators from other appropriate EU or international programmes.	Additional improvements on the efficiency analysis were made in the report, in particular about the evidence base underpinning statements regarding benefits and costs. Qualitative analysis was added, notably on the cost savings of avoiding litigation in case of IP SME helpdesks and benefits exceeding costs for the Clusters Excellence action (heading “Proportionality of costs and benefits” in section 4.1.2). The explanation on the cost-effectiveness comparison with other programmes was made in the report under the heading “Efficiency of programme management”.
3. The conclusions and lessons learnt do not reflect well enough the key findings of the analysis.	
The conclusions and lessons learned should reflect the overall analysis in the report and make a clear connection with the existing evidence. The conclusions should be more explicit on the robustness of the analysis. The report should highlight how the lessons learned are going to be used to improve the future monitoring and evaluation arrangements for EU actions subsequent to COSME.	Conclusions and lessons learnt have been reviewed to better reflect the key findings of the analysis. Additional language on the robustness of the analysis was added. In particular, the section detailing key strengths and weaknesses as well as lessons learnt was expanded in the section “What are the conclusions and lessons learnt?”.

Evidence, sources and quality

This evaluation report drew on the following sources of evidence:

- Supporting study for the final evaluation of COSME, 2024³⁰³. The study was carried out by Centre for Strategy and Evaluation Services (CSES) and Centro Studi Industria Leggera SCRL(CSIL), members of the Oxford Group A/S consortium. The study has been published.
- The COSME Programme Impact assessment, 2021³⁰⁴
- Interim evaluation of the COSME Programme, 2017³⁰⁵
- COSME Annual Monitoring Reports and data³⁰⁶
- Economic data including SME Performance Reviews³⁰⁷, SAFE Surveys covering the period 2014-20³⁰⁸

³⁰³ COSME supporting study (2024) [COSME](#)

³⁰⁴ [SEC\(2011\)1452](#), November 2011

³⁰⁵ <https://data.europa.eu/doi/10.2873/87360>

³⁰⁶ https://single-market-economy.ec.europa.eu/smes/cosme/programming-monitoring-and-evaluation_en

³⁰⁷ https://single-market-economy.ec.europa.eu/smes/sme-strategy/sme-performance-review_en

³⁰⁸ https://single-market-economy.ec.europa.eu/access-finance/data-and-surveys-safe_en

A. Summary of the methodology, limitations, mitigating actions and overall robustness

The final evaluation addresses the seven years of operation of the COSME programme, from January 2014 to December 2020 also including actions and projects funded by 2014-2020 budget that continued after this period and those still ongoing at the time of the final report. The evaluation was carried out in line with the five evaluation criteria of the Commission's Better Regulation Guidelines, complemented with an additional criterion on the long-term **impacts and implications** for beneficiaries and stakeholders (and action taken to ensure the measures had long-lasting effects).

Sources of information and data analysis

The evaluation methodology built on different analysis methods and data sources. The evaluation is mainly informed by the supporting study, incorporating case studies, and using the wealth of evidence already collected by previous studies (including previous evaluations of the programme), the programme impact assessment, annual monitoring reports for the programme, monitoring forms filled in for each action, data from the European Investment Fund and EISMEA (see Annex I) and other relevant economic data (including data from the annual SME Performance Review).

Supporting Study Design and methods

Annex VIII of this document includes full case Studies, together with a number of shorter summaries of case studies and success stories.

Reliability of data provided by EIF and EISMEA

The impact of the above-mentioned limitations was mitigated to a maximum possible extent, in particular by counter balancing lacking reliable quantitative data with qualitative and quantitative data from the targeted surveys and the sources of additional evidence listed in Annex I.

Reliability of data and critical assessment of work carried out by the contractor

There were some **limitations in the availability/completeness of data** provided by the EIF, EISMEA and DG GROW. These were compensated by quantitative and qualitative data provided in the targeted surveys and the interviews.

Targeted surveys: Due to the risk of stakeholder fatigue identified in the inception phase of the study, the timing of the consultation period (2023 summer holiday period), and the low initial response in August, the consultancy team adopted all possible **mitigation measures to achieve a good response rate (as outlined in the full methodology later on in this annex)**. The consultant, the Commission and EISMEA promoted these consultations through multiple dissemination channels and by involving intermediary organisations in the survey dissemination process. These measures significantly increased the survey response rate in September. The number of responses to the 5 targeted surveys covering COSME³⁰⁹ are in line with the results achieved in previous consultations **with particularly good results for the EYE survey**.

As part of the consultation plan for the study, the consultant conducted **72 interviews with key stakeholders** (surpassing the initial target of 45-60).

The original consultation strategy foresaw separate targeted consultations (surveys) **for intermediaries and beneficiaries of equity support**. It was agreed, however, to conduct targeted more in-depth interviews with a sample of EFG fund managers and SMEs, given that another survey

³⁰⁹ The number of responses ranged between 67 (final recipients of SMEG and LGF guaranteed loans) and 1200 (EYE)

outside this evaluation was planned for the summer, due to the limited population targeted, and with a view to increasing the response rate.

Counterfactual approach

The design of the counterfactual approach was based on an extensive literature review of counterfactual analysis of debt-based support instruments within and outside the EU. This was relevant for drawing hypothetical conclusions on the EIP programme that could not be tested via a counterfactual analysis but that could be discussed in the interviews.

The counterfactual analysis has quantitatively assessed the net causal impact of the COSME financial instruments on final beneficiaries' performances in the short and medium term. This was the only methodological approach that enabled causal conclusions to be drawn within a policy evaluation framework.

The assessment of impacts focused on indicators relating to firm performance, such as the number of employees, the cost of personnel, turnover, and total assets. During the assignment further work was done in cooperation with JRC with a view to trying to widen the list of indicators. However, due to data limitations it was not possible to use counterfactual analysis to capture impacts on areas such as firms' cross-border trade, contribution to climate objectives or gender mainstreaming because of lack of data proxying the phenomena. **These non-economic impacts were assessed by means of targeted consultations and interviews.**

The final beneficiary analysis (based on monitoring data from EISMEA, EIF and the Commission) was used by the consultant to leverage a database developed in the context of the interim evaluation of COSME (especially the methodology for identifying and classifying different types of stakeholders and sectors of activity).

This monitoring data was combined with data from Orbis³¹⁰ to assess final beneficiaries' performance before and after they received the support (e.g survival rates, evolution in the number of employees, evolution of turnover, etc.) for the COSME LFG and EFG firms.

- The consultant managed to locate 60% of the beneficiary enterprises in Orbis but missing data was a key issue that reduced the sample size
- One measure taken to maximize the sample size was the use of control groups with a different geographical distribution to that of the beneficiaries

Due to data limitations (an Orbis licence allowing access to the last 10 years of data), it is also not possible to carry out a counterfactual analysis on the very first years of the COSME programme. However, in practice this has no significant impact as the implementation of the financial instruments only took off after the first couple of years of the programme.

Recognised methodologies were used for addressing any issues related to data or the sampling for the control group, including a methodology to maximise the sample size that could be used for each

³¹⁰ Database by Bureau Van Dijk, <https://www.bvdinfo.com/en-gb/>

question (the analysis on each indicator was performed using different samples of treated SMEs (those with sufficient data available for that indicator)).

Due to the challenges of constructing a large enough sample in the limited timeframe of the survey, a pool of not-yet supported companies was used to simulate the counterfactual scenario (e.g. companies that received funding only from 2019 and onwards were used as a control group for companies supported in 2018 to measure the effects in the year the guarantee was received). It is worth highlighting that this is a substantial deviation from similar research carried out on predecessor programmes by the EIF (Brault and Signore, 2019) as well as in peer-reviewed research (Bertoni et al., 2023), in which a pool of never supported companies (but potentially benefitting from similar financial instruments) is typically used to simulate the counterfactual scenario. As a result, the selected empirical approach is likely to under-represent the full extent of the economic impacts of the programme.

The Difference-in-Differences (DiD) counterfactual method was used to establish whether there are any visible impacts on SME performances that can be attributed to the COSME interventions.

A special approach was followed to take into account the fact that some businesses receive several rounds of financing, utilizing the approach recently developed by Callaway and Sant’Anna (2021), specifically suited to cases where final beneficiaries receive support at different points in time.

The evidence from this analysis showed that the LGF had a positive and significant impact on the number of employees and the survival rates over time, but a non-significant effect on the turnover, cost of personnel and total assets of beneficiaries. For EFG the analysis could not demonstrate statistically significant and positive economic benefits, largely due to the very small final sample size. Nevertheless, the analysis demonstrates that over time, the EFG final recipients have not only exhibited high survival rates, but they have also experienced significant positive trends in their economic performance, e.g. increase in turnover and assets.

Different specifications were carried out to test the sensitiveness of the results and the preliminary results of the counterfactual analysis were analysed. As a result, additional controls were performed for ensuring the robustness of data (for example, a check using a “log-linear specification” to track the relative causal effect of guaranteed loans).

The approach used for the counterfactual analysis seems robust enough. However, it contradicts similar previous counterfactual analyses³¹¹, which provided evidence that the guaranteed loans provided under the MAP and CIP programmes significantly³¹² boosted firm growth with particularly visible effects for SMEs that, as predicted by theory, are the most likely to face financing constraints. This potential contradiction, (i.e. diverging results on economic impacts compared to the results of other studies, might be due to either:

(i) a different methodological approach, e.g. that the counterfactual analysis for COSME compares SMEs benefiting from COSME with SMEs not yet benefiting from COSME but benefiting from other EU and/or national interventions; whereas the previous counterfactual analyses managed to identify as a control group indeed SMEs that have not yet benefited from COSME or other similar interventions; or to

³¹¹ CIP-MAP counterfactual analysis for Italy, the Benelux and Nordic countries: <https://publications.europa.eu/en/publication-detail/-/publication/7c0f4808-13c2-11e9-81b4-01aa75ed71a1/language-en/format-PDF>

MAP-CIP counterfactual analysis for France: https://www.eif.org/news_centre/publications/eif-wp-52.pdf

MAP counterfactual analysis for Central, Eastern and South-Eastern European countries:

https://ec.europa.eu/info/publications/economy-finance/economic-impact-eu-guarantees-credit-smes-evidence-cesee-countries_en

³¹² https://www.eif.org/news_centre/publications/EIF_Working_Paper_2019_56.htm

(ii) the fact that an average LGF guaranteed loan³¹³ would be much lower in comparison to the schemes covered by previous studies and, in the majority of cases, would only be used for working capital needed for the day-to-day operations of SMEs and not for sizeable investments.

Other limitation factors to the current COSME counterfactual analysis worth highlighting are the fact that the sample at geographical level is not fully representative, the data limitations and the small share of medium-sized enterprises in the overall sample of final recipients. Also, the companies in the sample, both treated and not-yet-treated, might in general exhibit different characteristics to “an average company”, e.g. have more entrepreneurial managers, who proactively look for support. Therefore, the results obtained in the current COSME counterfactual analysis are to be considered with caution because of a series of limitations to the overall analysis as outlined above.

Critical assessment of work carried out by the external contractor

The work carried out by the contractors is of good quality. The conclusions of the support study are sound and based on a good understanding of the complexities and the wide range of actions implemented within the COSME Programme.

The ISG confirms the robustness of the methodology, but highlights that due to the alternative empirical approach, the outcome of the counterfactual analysis for the financial instruments cannot be directly compared with previous findings and diverges from other research on financial instruments carried out on predecessor programmes by the EIF³¹⁴ as well as in peer-reviewed research³¹⁵. As a result, this alternative empirical approach is considered likely to (at least partially) under-represent the full extent of the economic impacts of the programme.

³¹³ Generally around 40,000 euros for approximately about ten years.

³¹⁴ Brault, J., and Signore, S. (2019). The real effects of EU loan guarantee schemes for SMEs: A pan-European assessment. EIF Working Paper 2019/56, EIF Research & Market Analysis. June 2019. http://www.eif.org/news_centre/publications/EIF_Working_Paper_2019_56.htm

³¹⁵ Bertoni, F., Colombo, M., and Quas, A. (2023). The long-term effects of loan guarantees on SME performance. *Journal of Corporate Finance*, 80, 102408.

B. Detailed description of the methodology

This annex gives more information on the methodology used for the evaluation, the research plan, the challenges encountered and mitigation actions taken. Note that this is a common section of both the COSME final evaluation and the Entrepreneurship and Innovation ex-post evaluation as much of the supporting work was undertaken in parallel.

The **objective** of the final evaluation of COSME was to assess the implementation of this programme, against its general and specific objectives. The study addressed a number of evaluation questions grouped around five evaluation criteria (**relevance, effectiveness, efficiency, coherence and EU added value, and also examined the longer-term impacts**) defined in line with the EU's Better Regulation Guidelines (BRG). The draft final reports provide the full list of evaluation questions.

1. Conceptual and Evaluation Framework for COSME

The evaluation study set out a **comprehensive conceptual and evaluation framework (also covering the ex-post evaluation of the Entrepreneurship and Innovation Programme (EIP))**. In the Inception Report and subsequently in the Progress Reports, this framework was revised and refined taking into account the feedback from the Commission Inter-Service Steering Group (ISG), the preliminary comments made by the Regulatory Scrutiny Board and results of the research.

2. Document Review

The consultant's research team reviewed:

- key programme documentation (including COSME work programmes, implementation reports, monitoring data and fiches)
- previous evaluations (including the interim evaluation of COSME),
- other secondary sources (listed in the bibliography or the supporting study).

3. COSME - Mapping and Grouping of actions

As discussed during the Kick-off meeting, the study scope is broad and it was not possible to cover all interventions, given the wide scope. A meaningful **prioritisation, grouping and selection of the programmes' activities** was key to providing a coherent structure to the evaluation. Consideration was also given to the approach used in previous evaluations. Selection of COSME actions to cover in the evaluation was informed by the following criteria:

- **Size of the actions and policy relevance.** The study focused on COSME's main actions including the financial instruments, the EEN and EYE, that

absorb the majority of COSME's budget.

- **Demand-driven selection.** In addition to focusing on the main actions, some smaller/thematic actions were selected (e.g. supporting tourism, clusters and social economy) for which impacts on SME beneficiaries were expected to be high. These were deemed particularly important by stakeholders.
- **Performance of selected actions.** Finally, a few actions that have faced implementation challenges and/or performance issues were also covered, including for instance, the Early Warning Europe (EWE) mentor academy, the EYE IT Tool and a study on the 'Development of European Food Price Indicator along the value chain'.

The table below presents the results of this selection.

Table 7: Mapping of main programme measures against SOs: COSME

Specific objectives	Thematic area	Actions
SO1 Improving access to finance for SMEs in the form of debt and equity	Access to finance	Equity Facility for Growth
		Loan Guarantee Facility including the SME Initiative
SO2 Improving access to markets for SMEs	Business support networks and services	Enterprise Europe Network
		EU-Japan centre for industrial cooperation
		International intellectual property (IPR) SME helpdesks
		Your Europe Business portal
		Single digital gateway
	Public procurement	Supporting European SMEs to participate in public procurement outside EU
		Co-financing of public procurement of innovation consortia
		Creating links for the facilitation of public procurement of innovation
SO3 Improving framework conditions and competitiveness	Internationalisation	Training for SME-friendly policies in central purchasing bodies
		Clusters Go International
	Competitiveness	Clusters Internationalisation programme for SMEs in the Defence & Security sector
		European Cluster Excellence Programme with ClusterXchange scheme connecting ecosystems and cities
		E-Skills for competitiveness and innovation
		Strategic alliances for the uptake of advanced technologies by SMEs
		Early Warning Europe Mentor Academy
		Intellectual Property voucher (also known as SME fund)
	Tourism	Development of the European Food Price Indicator
		Enhancing European Tourism Competitiveness and sustainability
		Capital of Smart Tourism
		Innovation uptake and digitalisation in the tourism sector
	Framework conditions	SME performance review
		Following and monitoring the Small Business Act including SME Envoys Network
		European Enterprise Awards

Specific objectives	Thematic area	Actions
SO4 promote entrepreneurship and entrepreneurial culture		Small Business Act including implementation, outreach tools including Business Planet
		EU REFIT platform
	Entrepreneurship	Erasmus for Young Entrepreneurs
		European Network of female entrepreneurs and on-line e-platform, European Network of mentor for female entrepreneurs
		Support for entrepreneurship policy implementation
		EYE IT Tool
	Social Economy	Promotion of social economy in Europe
		European Social Economy Missions

Source: Elaboration for the supporting study. Social economy actions were moved to SO4, in line with EISMEA data

The assessment for the COSME evaluation study draws on the review of COSME monitoring data³¹⁶ including monitoring fiches for selected actions, other secondary sources, and targeted stakeholder surveys and interviews with selected stakeholders. Furthermore, case study research was conducted on eight actions from the table above (See Annex VIII).

4. Statistical analysis

Overall approach The task consisted of providing an analysis of various sets of monitoring data along with external data sources. By doing so, the statistical analysis enabled achieving two main objectives:

- Depict the programme's state of play (through the use of monitoring data)
- Answer several evaluation questions related to relevance, effectiveness and additionality (by combining monitoring data with external data sources).

Data type	Programme	Level	Source
Data hub for COSME	COSME - SO2, 3, 4	Projects	EASME/EISMEA
SME Performance Review data	COSME - SO1, 2, 3, 4	Aggregated	DG GROW

³¹⁶ COSME Monitoring reports 2014-2020. Also available on: https://single-market-economy.ec.europa.eu/smes/cosme/programming-monitoring-and-evaluation_en.

Data from Quarterly reports	COSME - SO1	Aggregated + financial intermediaries + final recipients	DG GROW
Data from EIF	COSME - SO1	Intermediaries and final beneficiaries	EIF
Country/region statistics	COSME - SO1	Countries/regions	Eurostat/ SAFE/ ECB/ EIBIS
Final recipients' balance sheet	COSME - SO1	Final recipients	Orbis

Portfolio analysis

The portfolio analysis involved mapping the policy mix used in the programme by reconstructing COSME expenditures by several parameters (e.g., operations and budget distribution over the different structural components of the programme). The table provides an overview of the data analysed.

Data type	Programme	Level	Source
Data hub for COSME	COSME - SO2, 3, 4	Projects	EASME/EISME A
SME Performance Review data	COSME - SO1, 2, 3, 4	Aggregated	DG GROW
Data from Quarterly reports	COSME - SO1	Aggregated + financial intermediaries + final recipients	DG GROW
Data from EIF	COSME - SO1	Intermediaries and final beneficiaries	EIF
Country/region statistics	COSME - SO1	Countries/regions	Eurostat/ SAFE/ ECB/ EIBIS
Final recipients' balance sheet	COSME - SO1	Final recipients	Orbis

For the portfolio analysis, data on both planned and committed operations/budgets have been collected. The distribution of operations and budget has been determined across policy instruments and thematic areas (and corresponding action lines). Using data disaggregated at the country level, the analysis was enriched to detect geographical patterns.

The portfolio analysis generated findings regarding:

- **Relevance of the COSME programme**, in terms of the budget allocated for the attainment of specific objectives and sub-objectives as an illustration of the relative importance attributed.
- **Efficiency of implementation**, in terms of the extent to which COSME allocated sufficient levels of budget to specific actions and projects within these actions, and the eventual distribution or fragmentation of the budget over multiple actions with similar objectives.

The portfolio analysis has been contextualised with data on macroeconomic conditions using macroeconomic statistics (such as GDP, business demography) and data on the evolution of relevant indicators (mainly EIBIS and SAFE data). Multivariate analyses combining portfolio data with macroeconomic data have allowed to draw conclusions amongst others, on whether the amount paid is mostly concentrated in countries where the macroeconomic conditions are more constraining, i.e., where there is lower access to finance.

Final beneficiaries' analysis

The final beneficiary analysis consisted of profiling the stakeholders involved in the financial instruments of the COSME programme. The main variables covered by the analysis were the geographical locations of the beneficiaries, the types of stakeholders involved in the actions funded, and their sectoral distribution.

Overall, the final beneficiary analysis leveraged the database developed in the context of the *Interim evaluation of COSME*, especially the methodology for identifying and classifying different types of stakeholders and sectors of activity. Additionally, the existing information was complemented with an elaboration on data drawn from the Orbis database. By combining monitoring data with Orbis data, it was possible to assess final beneficiaries' performance before and after they received support (e.g., survival rates, the evolution in the number of employees, evolution of the turnover etc.) for the COSME LGF and EFG firms.

Despite the very large share of micro-enterprises benefitting from the programme, it was possible to find almost 60% of companies in Orbis. Nevertheless, missing values emerged as a key issue when reviewing the available Orbis data, which further reduced the sample size of the analysis.

Another constraint that finally did not have any impact on the COSME evaluation was the fact that the contractor's Orbis licence did not allow access to company data from before 2013. As the roll out of the COSME financial instruments only took off as of 2015, this access was largely sufficient for gathering the data needed to analyse the situation of the businesses before they had benefited from treatment.

Finally, the analysis (including the counterfactual) of the Orbis data was based on a sample which was not balanced with respect to the original sample of firms (in particular in terms of the location and size of firms).

5. Assessment of Costs and Benefits

Regarding the assessment of costs and benefits, in so far as possible, the consultant aligned its approach with the approach adopted during the Interim evaluation of COSME (Technopolis, 2017).

The analysis of the costs is not exhaustive as it only considers the costs sustained by the Commission (EU contribution to the programme and its actions) and costs incurred by participants. It does not include direct or indirect costs to other stakeholders not targeted or participating in the actions (e.g. industry representatives, sub-contractors). The analysis considers the outputs and outcomes of the programme as proxies of the benefits generated. The impacts achieved by the programme were also explored through the study consultation. However, stakeholders were not able to provide specific estimates to allow quantification. Therefore, the metrics presented in the report provide a partial picture of the benefits generated. This was complemented in qualitative terms by the consultation feedback on the impacts.

In terms of costs and benefits, the consultant have thus considered the following:

- direct costs of the programme (i.e. EU contribution in 2014-2020). The data extraction included a portfolio analysis involving the mapping of the policy mix used in the programme by reconstructing COSME expenditure and by several parameters (e.g. budget distribution over the different structural components of the programme). Data was obtained from the quarterly reports, information on budget committed and information on administrative costs when available.
- other costs to beneficiaries. For the Enterprise Europe Network (EEN), this includes the co-funding from member organisations; for Erasmus for Young Entrepreneurs (EYE) it includes additional costs incurred by hosts and new entrepreneurs; and for the LGF, indirect costs include the additional guarantee provided under EFSI. These come from portfolio data provided by EISMEA (for EYE and EEN) and from Q4 2022 quarterly report (for LGF and EFG). The figures represent the total for the 2014-2020 period.
- the benefits produced by the actions (based on the results achieved). Monitoring data from the different actions informed the assessment of the benefits.

Two cost-effectiveness indicators (CEA) are produced using the above data. The first indicator (CEA Indicator 1) reflects the benefits produced per million Euro invested by the programme. The second indicator (CEA Indicator 2) reflects the benefits produced over the cost of the programme and the indirect costs to beneficiaries.

These metrics can be compared across actions. In particular, the analysis focuses on the following actions: EYE, EEN, LGF and EFG. The value of these indicators at the interim stage (assessed in the earlier evaluation) is also considered when available. This allows to understand whether there have been any improvements in the cost/ benefits ratio.

6. Open Public Consultation and analysis of responses to the calls for evidence

Call for Evidence

The call for evidence opened on 17 March 2023 and closed on 14 April 2023. There was a very limited response to this initial consultation exercise as only three responses were received, although these included position papers. The supporting study team summarised the contributions received the Inception Report. The feedback received was considered in the scope of the analysis, i.e. concerning the COSME programme.

Open Public Consultation (OPC)

An OPC on the COSME programme was carried out between 15 June and 18 September 2023. The OPC received 24 responses in total. Furthermore, 2 position papers submitted via EU Survey. The results of the OPC are presented in the **Synopsis Report** submitted together with the supporting study.

The objective of the OPC consultation was to provide COSME's stakeholders with an opportunity to express their views and experiences of the measures evaluated under COSME. It also sought to encourage them to contribute to the data-gathering channels that have been set up during the overall evaluation, such as the public consultation in question and other targeted consultations that have been part of the overall study. Everyone was welcome to participate to the consultation.

7. Targeted surveys of COSME stakeholders

A series of online surveys targeted intermediaries and beneficiaries served by the COSME, as shown in the table below. (It should be noted that each consultation covered both COSME and the previous EIP period, thus the number of responses received includes intermediaries and beneficiaries not only for COSME, but also for the EIP. The questionnaires for the targeted consultations are provided in the supporting study.

There was a slow initial response to targeted consultations (reflecting stakeholder fatigue and the fact that the consultations were launched during the summer), which was mitigated by further promotion of the surveys, extensions to survey deadlines and additional interviews. After taking the mitigating actions, the targeted consultations provided the necessary evidence on the opinions and experiences of stakeholders and beneficiaries. Five of the six targeted consultations attracted a good response: EEN member organisations, entrepreneurs participating in EYE, and providers and beneficiaries of other COSME co-funded services. There was a modest response to the targeted consultation of SME clients served by the EEN, which reflected the challenge in reaching this population (i.e. relying on EEN member organisations to forward the invitation to their clients, the time elapsed since some SMEs were served by the EEN and those clients perhaps feeling somewhat remote from the COSME programme). The 72 interviews provided valuable qualitative evidence to complement the quantitative data from the analysis of the programme portfolio and the targeted consultations.

Table 10: Results achieved by targeted consultation

Target group	Sampling strategy	Responses received
Financial intermediaries for the LGF (COSME) and SME Guarantee (SMEG) Facility (EIP)	Sample of 102 intermediaries	59
SMEs supported by the LGF (COSME) and SMEG (EIP)	SMEs served by a sample of 48 financial intermediaries	201
EEN member organisations	All beneficiaries	109
SME clients served by the EEN	All beneficiaries	67
Host entrepreneurs and new entrepreneurs participating in Erasmus for Young Entrepreneurs	All beneficiaries	1,200
Providers and beneficiaries of other COSME co-funded services (including tourism actions, clusters, social economy)	All beneficiaries	110

8. Interviews

A series of 72 one-on-one interviews was undertaken, as shown in the table below (compared with the initial target of 45-80). It should be noted that each consultation covered both the COSME and EIP periods. The questionnaires for the interviews are provided together with the supporting study.

Table 11: Overview of the interview target groups

Interview target	Interviews	Performed
1. Representatives from EU institutions and bodies (DG GROW, DG ECFIN, EIF, EISMEA)	3-5	9

2. MS Competent Authorities and Agencies (including agencies/ministries in charge of delivering SME support)	7-10	7
3. EIP SMEG / COSME LGF Financial Intermediaries	17-20	21
4. EIP GIF / COSME EFG Funds	7-15	7
5. EIP GIF / COSME EFG Investee companies	2-5	5
6. Providers and partners of COSME/EIP co-funded services to SMEs (e.g. EEN member organisations, EYE support office, cluster managers, NGOs/civil society relevant to the social economy) and representatives from different categories of stakeholder organisations (e.g. Business Support Organisations, associations) ³¹⁷	10-15	23
Total	45-60*	72

* This was the original target set before adding EIP GIF / COSME EFG stakeholders to the interview programme.

The original consultation strategy foresaw separate targeted consultations (surveys) for intermediaries and beneficiaries of equity support. However, the EIF suggested not to conduct a survey of fund managers, given that another survey was planned and the population was limited (23). Instead, the EIF proposed more in-depth interviews with a sample of fund managers. Similarly, the EIF recommended replacing the survey for investee companies with more in-depth interviews about additionality, costs, and the impact of support received by a sample of beneficiaries. The primary reason for this change was to mitigate the risk of survey fatigue among beneficiaries. Consequently, the team sampled fund managers and investee companies and conducted interviews with them.

9. Counterfactual analysis

Overall approach

The counterfactual analysis assessed the net quantitative causal impact of the COSME financial instruments on final beneficiaries' performances in the short and medium term. It involved a comparison of the supported SMEs to a control group of "not-yet-supported" SMEs. This was the only feasible methodological approach that enabled causal conclusions to be drawn within a policy evaluation framework. The assessment of impacts focused on indicators relating to firm performance, such as the number of employees, the cost of personnel, turnover, and total assets. Given the data limitations explained below, the consultant carrying out the supporting study has not further enriched the list of indicators. Other type of impacts, e.g., on firms' cross-

³¹⁷ These stakeholders are at the same time beneficiaries of the programme but also partners in the provision of services to SMEs.

border trade, contribution of the actions to climate objectives or gender mainstreaming could not be captured by the counterfactual analysis because of lack of data proxying the phenomena. These impacts were assessed by means of targeted consultations and interviews.

A necessary condition for any counterfactual analysis is access to reliable and extensive data for both the treated (beneficiary SMEs) and “not-yet-treated” (control groups) entities for at least the two years before and after the treatment. The contractor’s subscription to Orbis, covering the period as of 2013, was sufficient for gathering the company data needed for the counterfactual analysis for the early years of the COSME programme as the roll out of the financial instruments only became significant as of 2015. However, in the case of the EFG, a causal link could not yet be formally established for the full set of SME beneficiaries as most received support from 2021 and the methodology for the counterfactual analysis requires data from 2-3 years after the intervention.³¹⁸

One key challenge for the consultant was the construction of a large enough sample for the control group for the counterfactual analysis in the limited timeframe for the study, due to the large number of SMEs supported by the LGF (865,387). The approach for the counterfactual scenario for the LGF made use of the estimator proposed by Callaway and Sant’Anna (2021),³¹⁹ an approach that has been widely used in peer-reviewed academic works. This involved using a pool of not-yet supported companies (e.g. companies that received funding only from 2019 and onwards were used as a control group for companies supported in 2018 to measure the effects in the year the guarantee was received). It should also be noted that the representativeness of the sample size was not fully satisfied at the geographical level.³²⁰

The results of the counterfactual analysis for the LGF (good impact on the number of employees and survival rates over time, but a non-significant effect on the turnover, personnel costs and total assets compared to businesses that had not yet received LGF support) only partly align with existing studies on LGF’s predecessors (e.g., under CIP and MAP). Previous studies demonstrated that EU guaranteed loans impacted positively on SME growth in terms of employment, sales, and profits.³²¹ However, due to the alternative approach followed for this counterfactual analysis, the results cannot be directly compared with previous research on financial instruments. One possible explanation for these different results is that the control group of businesses that had “not yet

³¹⁸ A necessary condition for a counterfactual analysis of this type is access to robust data for both the treated (beneficiary SMEs) and not-yet treated (control groups) entities for at least the two years before and after the treatment. In addition, it should be noted that it generally takes several months after the end of the relevant financial year for company data to be entered in Orbis.

³¹⁹ <https://www.sciencedirect.com/science/article/pii/S0304407620303948>

³²⁰ Italian SMEs were well represented in the final sample, but SMEs from other key countries, such as Spain and France, are not. Moreover, the positive trends observed amongst medium-sized enterprises are not reflected in the overall net causal impact because, among other factors, the share of medium-sized enterprises equals only 1% of the overall sample of final recipients.

³²¹ See, for example: Brault, J., and Signore, S. (2019). The real effects of EU loan guarantee schemes for SMEs: A pan-European assessment. EIF Working Paper 2019/56, EIF Research & Market Analysis. June 2019. http://www.eif.org/news_centre/publications/EIF_Working_Paper_2019_56.htm.

benefited” from LGF support were better prepared than the businesses used as a control group for previous studies (that did not subsequently benefit from any funding from financial instruments at all).³²²

The following paragraphs, after having presented the results of a literature review on the topic, present the approach followed by the consultant for the supporting study for assessing the short and medium-term impacts of COSME debt financing measures including the provision of portfolio guarantees. Credit enhancement support is excluded because the underlying operations provide capital relief to financial intermediaries, but usually, no financial advantages are transferred to final beneficiaries. The geographical scope of the “counterfactual analysis” extends to all countries eligible for the programme, despite the heterogeneity of the data coverage across countries.

Box 5: Literature review of impact assessment studies of financial instruments (debt-based)³²³

Indicators	Positive	Negative	Null
Turnover	19	-	5
Employment	23	1	3
Survival rate	8	-	4
Assets	16	-	3
Profitability	10	1	8

In contrast, the evidence related to the impact on the beneficiary’s profitability, including profit (e.g., EBIT, EBITDA), productivity, returns on assets (ROA) and investment (ROI) is more mixed. Among the 18 papers that examine the impact on profit, 10 papers indicate positive results, meaning that there is a positive and statistically significant difference in the profit between the treated SMEs and their control group. However, 8 out of 34 papers do not find any difference between the two groups. The absence of a positive effect on profit is explained by the literature through two possible factors. Firstly, the observed difference in the output of the production process (increased turnover) and inputs (increased assets, employment) offset each other leaving the profits almost unaltered. Secondly, profit measures from balance sheet data are less available than other output and input indicators and this strongly reduces

³²² For example, they could have been in the process of improving their business plans in preparation for seeking additional finance in future.

³²³ A similar literature review has been carried out by one of the partners in the consortium carrying out the study (CSIL) within the remit of an EIB evaluation of EIBG equity-based support to SMEs and midcaps to review different methodologies that have been used to assess the impact of equity-type support on portfolio companies.

the reliability of results based on profitability. Lastly, profitability indicators come downstream in the income statements after having factored in taxation, which makes attribution to the policy under investigation more difficult.

According to the literature, most of the impacts materialise in the short-medium term, particularly between 1 to 4 years: firstly, a direct impact on assets (after one or two years after the loan); later, indirect impacts on turnover, employment, and other economic performance indicators. However, it should be said that the time horizon of impacts covered by the papers depends on data availability with only 4 papers (out of 34) looking at the long-term impacts, namely from 5 to 10 years after the treatment.

The literature also highlights that impacts are not homogeneous and there are important factors that shape the magnitude of publicly supported debt-based products on SMEs' performance. These are:

Age of the beneficiary SME: the effect on key performance indicators is larger for younger companies, which face higher financial constraints as compared to larger companies;

Size of the beneficiary SME: the effect is larger for smaller companies, especially micro, which are more likely to lack collateral and credit history;

Geographical location. Evidence from pan-European and multi-country studies identifies a different geographical distribution of benefits. These studies support the idea that the effects on both intermediated loans and loan guarantees are larger in less developed regions where more barriers to credit access exist as compared to developed areas (Nyikos et al., 2020). For instance, Amamou et al., (2020), and Asdrubali and Signore (2015) show that the effects are larger in Central, East Europe, and South Europe as compared to West and North Europe. Similarly, Barrot et al. (2020) argue that the effect is larger in areas characterised by high unemployment rates.

Economic cycle. 10 out of 34 papers reviewed look for economic-cycle specific impacts and all of them corroborate the hypothesis that intermediated loans and guarantee schemes act as countercyclical policies. Access to finance is likely to make a difference in a period characterised by financial and economic turmoil having positive impacts on assets, investments and survival probability.

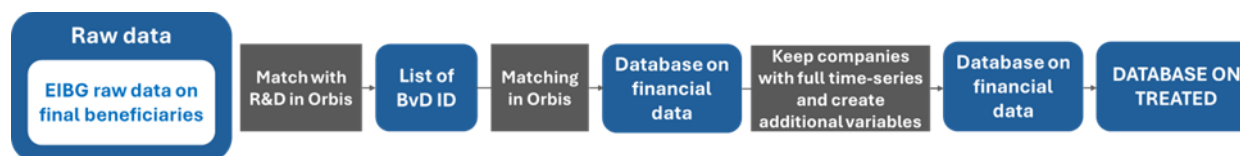
Source: Elaborations for the supporting study.

10. Create the beneficiaries' dataset

The consultant relied on granular portfolio data provided by the EIF (the list of final beneficiary SMEs) and cross-sectional data series on SMEs' economic performance from Orbis. Orbis is widely used in economic research as a source of firm-level data for micro-econometric analysis and has been widely used in existing studies on the impact of guaranteed loans on SMEs and midcaps, as well as on the impact of equity financing.

The two sources of data (portfolio data and Orbis data) were matched using the companies' Orbis ID, and when this was not available the matching was based on the company name, VAT number, and locations. The figure below shows the process followed by the consultant to construct the database on treated companies. This database was also used for the final beneficiary analysis (see Statistical Analysis).

Figure 5: Database construction



Source: Elaboration for the supporting study

The matching process was time-consuming since it was based on Orbis batch algorithm search and manual checks needed to be performed to ensure the correctness of the results.³²⁴ To make the process as efficient as possible, the batch search was carried out only for companies with more than one employee at the time of investment. The consultant combined all data retrieved using the software STATA 17. The assessment of impacts focused on indicators relating to firm performance as listed in the table below.

Table 13: Selected variables relevant to this “counterfactual analysis”

³²⁴ The EIF provided the Bureau van Dijk ID (BvD ID) unique firm identifier for 60% of the portfolio. This facilitated the downloading of firms' financial data, but a consistent number of batch searches were needed to retrieve data on the entire portfolio.

TOPIC	VARIABLE	SOURCE
Firm's structural feature	Country, year of incorporation, firm size	Orbis
Economic performance	Number of employees, Personnel cost, Turnover, Profit, Revenue, Operating Costs, Liabilities, Total assets, Fixed assets, Profitability ratio, Solvency ratio	Orbis

Source: Elaboration for the supporting study

Once data had been downloaded, the data went through a cleaning procedure to finalise the database of treated companies. Out of the companies that were successfully matched in Orbis, some had incomplete time series. 8.6% (42,530) of LFG beneficiaries found in Orbis and 18.1% (85) of EFG beneficiaries found in Orbis were excluded for this reason. In addition to this, the consultant also excluded observations with odd or inconsistent values, firm-year observations in which data from the balance sheet have negative values; firm-year financial statements when the basic balance-sheet equivalences are violated by more than 10%. Finally, variables were deflated using the country-specific Harmonised Index of Consumer Prices (HICP) deflators.

After having cleaned the data, we assessed the degree of data attrition (see table below). To avoid losing too many observations, the analysis on each indicator was performed using different samples. In other words, the sample of treated SMEs varies across the analysis depending on the data availability on the explanatory variable and the covariates included in the model.

Table 14: Overview and completeness of LGF final recipients' data in Orbis

Country	Number of final recipients	Number of companies found in Orbis	Number of companies in the final database	Number of employees	Cost of personnel	Turnover	Total Assets
COSME - LGF							
Albania	209	170	137	0	0	0	0
Austria	3,400	2,762	1,933	0	10	1	577

Belgium	4,879	3,501	2,950	426	456	48	752
Bosnia and Herzegovina	448	410	409	266	92	174	276
Bulgaria	11,531	11,439	11,330	6,474	4,878	6,373	6,476
Croatia	1,048	392	386	172	132	205	205
Czech Republic	14,756	13,864	13,598	442	1,603	1,940	3,536
Denmark	681	622	425	0	0	0	0
Estonia	1,596	1,258	1,258	730	652	894	920
Finland	4,053	3,576	3,574	439	1,151	1,426	1,618
France	236,425	170,122	165,246	530	4,114	4,792	9,922
Germany	31,929	5,999	3,735	15	14	2	358
Greece	21,448	3,998	3,965	1,686	1	1,670	1,690
Hungary	13,956	13,098	13,074	6,009	6,570	7,874	8,605
Iceland	62	19	19	2	1	0	5
Ireland	3,828	297	279	64	16	0	167
Italy	183,861	125,080	122,438	43,575	40,335	51,584	51,710
Kosovo	2,057	1,596	76	6	0	0	0
Latvia	1,021	837	771	563	20	502	25
Lithuania	990	699	697	434	0	336	214
Luxembourg	199	170	163	0	1	0	29
Montenegro	1,081	767	752	513	71	451	513

Netherlands	6,145	5,321	1,055	24	2	0	142
Poland	65,112	29,843	8,752	48	887	1,345	1,410
Portugal	6,982	6,408	6,406	3,495	3,206	3,647	3,727
Romania	13,120	11,917	11,917	6,301	5,098	6,295	6,291
Serbia	18,029	16,393	16,380	4,826	4,632	4,670	4,831
Slovakia	4,320	4,273	4,262	39	1,034	1,862	2,025
Slovenia	2,298	2,199	2,194	1,491	1,456	1,510	1,726
Spain	173,057	52,126	51,089	14,504	15,074	17,949	18,511
Sweden	26	22	22	6	5	11	13
Türkiye	31,947	4,324	1,894	1	1	143	130
United Kingdom	3,235	2,265	2,051	31	20	39	1,070
TOTAL	863,729	495,767	453,237	93,112	91,532	115,743	127,474

Table 15: Overview and completeness of EFG final recipients' data in Orbis

Country	Number of final recipients	Number of companies found in Orbis	Number of companies in the final database	Number of employees	Cost of personnel	Turnover	Total Assets
COSME – EFG							
Austria	2	2	2	0	0	0	0

Belgium	5	5	5	3	3	0	3
Bulgaria	6	6	6	3	3	3	3
Croatia	2	2	2	2	2	2	2
Cyprus	1	0	0	0	0	0	0
Czech Republic	7	7	7	2	3	3	3
Denmark	13	12	12	0	0	0	0
Estonia	2	2	2	0	0	0	0
Finland	13	12	12	6	6	7	7
France	79	47	46	3	2	4	4
Germany	134	133	92	3	1	2	14
Greece	7	6	6	2	0	4	4
Hong Kong	1	1	1	0	0	0	0
Hungary	4	4	4	4	4	4	4
Ireland	12	12	10	3	0	0	1
Israel	6	6	0	0	0	0	0
Italy	1	1	1	1	1	1	1
Latvia	1	1	1	0	0	0	0
Luxembourg	4	4	2	0	0	0	0
Mexico	1	1	1	0	0	0	0
Netherlands	36	36	31	1	0	0	3

Norway	2	2	2	0	0	0	0
Portugal	2	2	1	1	1	1	1
Romania	4	4	4	1	1	1	1
Serbia	1	1	1	1	1	1	1
Slovakia	4	4	4	0	1	1	1
Slovenia	4	4	4	4	4	4	4
Spain	18	17	12	4	4	4	4
Sweden	22	21	21	5	5	5	5
Switzerland	9	9	5	0	0	0	0
Türkiye	1	1	0	0	0	0	0
United Kingdom	74	69	58	3	1	2	8
United States	45	36	29	0	1	1	3
Total	523	470	384	52	44	50	77

Table 16: Overview and completeness of LGF final recipients' data in Orbis

Year of investment	N. Final recipients	N. companies found in Orbis	N. companies in the final database	N. employees	Cost of personnel	Turnover	Total Assets
COSME – LGF							
2014	466	100	92	0	0	0	0
2015	50,119	26,526	25,174	2,853	3,145	3,977	5,446
2016	97,907	59,104	55,395	8,610	9,064	11,534	13,258
2017	129,509	76,693	72,744	16,044	15,649	20,077	22,053
2018	138,082	90,590	84,168	20,539	19,520	25,051	26,634
2019	134,916	84,655	73,905	12,494	12,287	16,022	17,550
2020	160,453	99,073	91,200	25,322	25,104	30,983	32,609
2021	99,988	40,010	35,205	7,250	6,763	8,099	9,924
2022	52,254	18,992	15,339	0	0	0	0
2023	35	24	15	0	0	0	0
Total	863,729	495,767	453,237	93,112	91,532	115,743	127,474

Table 17: Overview and completeness of EFG final recipients' data in Orbis

Year of investment	N. Final recipients	N. companies found in Orbis	N. companies in the final database	N. employees	Cost of personnel	Turnover	Total Assets
COSME - EFG							
2014	2	2	1	0	0	0	0

2015	6	6	5	0	0	1	1
2016	11	9	9	3	1	2	3
2017	18	17	17	5	4	4	7
2018	25	25	24	9	6	7	11
2019	61	56	52	6	3	6	8
2020	97	91	70	2	4	4	7
2021	195	169	137	11	10	11	20
2022	108	95	69	16	16	15	20
Total	523	470	384	52	44	50	77

Finally, the consultant performed some data processing along a number of important dimensions that are needed as control variables. This included using data on location, company's age, sector of activity, independence indicator.

11. Control group design

Constructing the sample of potential controls is another crucial step for any counterfactual analysis. The main challenge of the evaluation of the impacts is that the control group cannot be observed by construction, and the consultant needed to select a pool of not-supported companies to simulate the counterfactual scenario. Control companies should not have received the COSME support and should perform as the supported SMEs and midcaps. Ideally, not-supported companies should not have received any type of support. Since constructing an ad-hoc group of never treated companies would have not been feasible because of time constraints, the consultant has used not-yet-treated companies as a control group. This implies that companies who received the treatment in 2019 have been used as control group for companies that have received the support in 2018. This approach excluded those receiving support in 2021 from the analysis since they were the last group receiving support.

12. Econometric analysis

This analysis establishes if there are any visible impacts on SMEs' performance that can be attributed to COSME interventions. The consultant deployed a Difference-in-Differences (DiD) as the counterfactual method, whereby the net impact of the COSME's guaranteed loans is measured by the difference in means between the observed outcomes (employment, turnover, total assets) in the treated and not-yet-treated group, and before and after the treatment period. The DiD estimator produces very accurate and, often, conservative estimates of the net effect of policy interventions. It allows control for other sources of selection bias, including unobservable characteristics specific to the individual firms, which remain stable over the time period covered by the analysis and influence the observed outcomes (e.g., the quality of the management).

To account for the fact that the treatment is delivered over multiple time periods (i.e., staggered treatment adoption), the consultant followed the approach recently developed by Callaway and Sant’Anna (2021). Traditionally, Two-Way Fixed Effect (TWFE) estimators and their dynamic variation would have been applied. However, both approaches do not necessarily provide unbiased estimates. Authors (Borusyak and Jaravel, 2017; de Chaisemartin and D’Haultfœuille, 2020; Goodman-Bacon, 2021; Sun and Abraham, 2020) have demonstrated that the TWFE estimator might not be interpreted as a causal parameter nor as reliable measures of dynamic treatment effects, especially if there is heterogeneity of the impact across cohorts. Indeed, in TWFE specifications, OLS only considers variations in the treatment dummy variable and does not consider the fact that the treated were not exposed to the treatment at the same time but that, within the treated group, there are separate cohorts.

The estimator of Callaway and Sant’Anna (2021) overcomes this issue and explicitly accounts for the fact that among treated units, there are cohorts exposed to the treatment at different points in time. Another key advantage of this estimator is that it compares in each year companies that have been supported with those that have not yet been supported (i.e., not yet treated) without the need for pure controls (i.e., never treated). Additional details on the underlying theoretical framework are described in the box below.

Box 6: The identification strategy in a nutshell

Let Y_{it} be the observed outcome variable of company i in period t ;

$D_{it} \in \{0,1\}$ be the staggered treatment adoption variable, with $D_{it} = 1$ if the company i has received the treatment in period t or before and 0 otherwise (this is the irreversibility of treatment assumption: $D_{it} = 1$ implies that $D_{i(t+1)} = 1$ for $t = 1, 2, \dots, T$).

G be the time period when a company first becomes treated; this variable defines the cohorts among treated units;

$G_{ig} \in \{0,1\}$ be the treatment starting dummy (or cohort dummy), with $G_{ig} = 1$ if company i is first treated at time g and 0 otherwise;

$p_{gs}(X)$ be the generalised propensity score ($p_{gs}(X) = P(G_g = 1 | X, G_g + (1 - D_s)(1 - G_g) = 1)$) indicating the probability of being first treated at time g , conditional on pre-treatment covariates X and on either being in the group g such that $G_g = 1$ or a in the not-yet-treated group at time s such that $(1 - D_s)(1 - G_g) = 1$.

The consultant estimated the average treatment effect for the group of companies first treated at time g in the calendar time t as follows:

$$ATT(g, t) = \mathbb{E}(Y_t(g) - Y_t(0) | G_g = 1), \text{ for } t \geq g$$

Then, the consultant estimated the overall average treatment effect by means of weighted averages of the $ATT(g, t)$. Specifically, $\sum_{g=2}^T \sum_{t=2}^T \mathbf{1}\{g \leq t\} w_{gt} ATT(g, t)$. Two weighting schemes were exploited, and results were compared to investigate the differences: i) simple weighted average of all $ATT(g, t)$; ii) average effect of participating in the treatment for the group of companies that have been exposed to the treatment for exactly k time periods.

As in the traditional DiD framework, also in this framework, parallel trends assumption on both never treated groups and not-yet-treated groups must hold.

Elaboration by the consultant for the supporting study

The estimation phase assessed the impact of COSME on supported SMEs and midcaps. As previously mentioned, the consultant for the supporting study employed the DiD approach with multiple time periods, recently developed by Callaway and Sant'Anna (2021) to obtain the DiD estimator (i.e., the ATT) using the STATA command “csdid”. Thus, the consultant measured the net casual impact of COSME support on each outcome variable for each cohort (by year of first investment) as well as the aggregated impact. To ensure the robustness of the results, the consultant conducted different specifications to test how sensitive the results were to certain specifications. Finally, robustness checks by the consultant confirmed the obtained. The consultant tested the

parallel trends assumption underlying the DID estimation of the ATTs. This assumption requires that both treated and not-yet-treated firms share the same trend in the outcome variables in the pre-treatment period in the absence of the treatment.

13. Results

The table below shows the aggregated results obtained for final recipients of the LGF and EFG, separately. As shown in the table and elaborated upon in the main report, the evidence suggests an average null effect of both financial instruments on the economic performance of supported companies. An exception is the positive and significant impact of LGF on the number of employees. However, these findings may be biased by the fact that the sample of analysis is not fully representative of the entire population, particularly in terms of geographical distribution. As shown in the tables above, for the LGF instrument, a significant portion of French and Spanish companies was not included in the analysis due to data availability issues. Moreover, the findings are likely to be influenced by the relatively small average ticket size of LGF support, which was primarily used by SMEs for working capital purposes rather than for expansion. Conversely, the results obtained for the EFG may be biased due to the small sample size and the restriction of the sample to companies that had full time series, as EFG mostly targeted very young companies. Moreover, most EFG recipients received equity financing starting from 2021, which was too early to determine if any impact materialises.

Table 18: Aggregated results of the counterfactual analysis for final recipients of the LGF and EFG

	N° of employees	Cost of personnel	Turnover	Total assets
ATT_LGF	1.170**	0.875	0.0304	-465,223.9
	(0.451)	(1.970)	(0.161)	(1946415.3)
N. observation	93,112	91,532	115,743	127,474
ATT_EFG	17.10	1093.6	0.359	23.96
	(27.02)	(1007.4)	(0.626)	(16.24)
N. observation	52	44	50	77

Standard errors in parentheses: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

To check the robustness of the results, the consultant carried out the pre-trends analysis using the “csdid” STATA command. Results are provided in the table below. It should be noted that the null hypothesis (H0) states that all pre-treatment are equal to 0. Although for turnover, the overall Chi2 statistics did not allow the consultant to conclude that the pre-trends assumption holds, it is noted that the event study shows that the coefficients associated with ATT in each pre-treatment period are never statistically significant.

Table 19: Results of the pre-trends analysis available in the csdid STATA command

	N° of employees	Cost of personnel	Turnover	Total assets
Chi2_LGF	20.3738	18.0649	38.0428**	17.4266
p-value	0.1581	0.2593	0.0009	0.2940
N. observation	93,112	91,532	115,743	127,474

Chi2_EFG	7.7815	12.0797	22.0106*	12.7226
p-value	0.9322	0.5999	0.0374	0.6237
N. observation	52	44	50	77

Standard errors in parentheses: * p<0.05, ** p<0.01, *** p<0.001

The Commission requested additional tests/checks (notably a check using the “log linear specification”) to track the relative causal effect of the loans, and a breakdown of businesses that had benefited, and businesses that had not yet benefited. The results were consistent with those obtained with the main specification: an average null effect was estimated for both financial instruments on the economic performance of supported companies.

14. Case studies

A series of case studies was produced by the consultant that carried out the supporting study to explore some of the key evaluation issues in greater depth. The case studies included flagship actions, good practice examples, and examples of activities that had not performed as well as expected.

The case studies provide a qualitative assessment to complement the quantitative work under the counterfactual (econometric) analysis to assess the longer-term impacts of interventions supported by COSME.

More specifically, the case studies include **examples of flagship actions and their achievements, examples of good practice/success stories** to investigate the factors that have led to the effective implementation of the activities as well as examples of initiatives that have **not performed as effectively** in order to identify and review barriers and disabling factors that have prevented the achievement of results. The analysis of these examples allows the identification of lessons learnt and of the elements and contextual factors to take into account, in order to maximise the effectiveness of future initiatives for SME growth and competitiveness. The case studies are presented in Annex VIII of this report.

15. Main challenges and mitigation actions

Table 20: Main challenges encountered in the implementation of this evaluation and mitigation actions taken.

Challenges	Description of the challenge and mitigation actions taken
Scope of the study	The scope of the study was broad, as COSME supported a wide range of interventions that pursued different objectives and targeted different beneficiaries. The consultant for the supporting study found it challenging to strike the right balance between different actions supported by the programme (between larger and smaller actions for instance). To address this issue, the consultant took a balanced approach in its research efforts for COSME, making the best use of available evidence from monitoring data, past evaluations, and studies
Lack of common reporting arrangements/ level of detail in monitoring data	The availability of monitoring data and information on actions varies significantly based on their type and value. Additionally, there was no unified monitoring and reporting system for all actions, and a clear set of indicators for assessing the programme performance, especially for smaller actions, is missing. Targeted consultations and interviews with selected stakeholders were used to gather relevant information and data on some of these smaller actions.
Lack of quantitative data on benefits for the assessment of the efficiency criterion	Limited quantitative data was found in relation to efficiency. The consultant's team followed a similar approach to that of the earlier evaluation by assessing the costs, both direct costs to the Commission, and other costs incurred by beneficiaries in order to

	<p>develop some efficiency metrics, relative to the number of beneficiaries. Other costs include the costs by other organisations, non-EU and including beneficiaries. These include co-funding costs or additional guarantees, for instance under EFSI. These were calculated from the total costs of the action subtracting the EU contribution.</p>
<p>Monitoring and programme data gathering process/governance structure</p>	<p>The consultant's research team conducted an extensive data collection exercise involving different stakeholders (e.g., EISMEA, EIF, intermediary organisations, business umbrella organisations etc.) to gather relevant monitoring information as well as data on the programmes, the projects and final recipients supported through the different specific measures. This complex governance structure has posed some challenges to the data gathering process. The monitoring data are indeed managed by different entities at different levels of granularity. As an illustrative example, for financial instruments data was collected at the level of the final recipients, i.e., SMEs, while for other measures/thematic actions, the most granular unit of analysis were the intermediate bodies (rather than final beneficiaries). Therefore, one key challenge has been that the information was fragmented and so ad-hoc requests for clarification and meetings had to be scheduled. To accommodate the data availability, multiple datasets have been built depending on the unit of analysis available and the type of measure. The size of each dataset widely differs, ranging from 5,788 rows for grants to more than 1 million for the LGF. Furthermore, the team has ensured a smooth cooperation and exchange of information with the Commission, EISMEA and the EIF to discuss data availability and needs.</p>
<p>Slight delay in the launch of the targeted consultations &</p>	<p>The testing and finalisation phase of the six survey questionnaires with the Commission, EISMEA and the EIF took slightly longer than expected (more than one month). This was due to the fact that different Commission, EISMEA and EIF services were involved in the</p>

<p>Contractor responsible for the dissemination of the surveys</p>	<p>review of the questionnaires. However, the Commission believes that this resulted in better quality surveys.</p> <p>As regards the dissemination, according to the original consultation plan, the EIF and EISMEA were expected to play a significant role in the dissemination of the surveys to targeted stakeholders in order to ensure higher participation. However, the EIF could not play this role due to the potential burden imposed on the front office. The contractor agreed with the EIF on a solution: the contractor would disseminate the survey links to the selected financial intermediaries using the contact details shared by the EIF and keep the EIF's front office copied into the communications to encourage a better response. Unfortunately, the surveys of financial recipients and beneficiaries did not receive a significant response during the first two weeks of the consultation. To mitigate this issue and boost participation, the research team translated the survey questionnaire for final recipients into different EU languages. The EIF also supported the contractor in sending follow-up messages to the intermediaries.</p>
<p>Limited response to interview requests and surveys</p>	<p>Overall, the consultations provided the necessary evidence (e.g. needs addressed, activities undertaken, and the characteristics, opinions and experiences of stakeholders and beneficiaries). A number of mitigating actions were taken to ensure a sufficient response rate. Two main challenges were faced: a general 'consultation fatigue' among the targeted stakeholders given that other consultations were launched just before or in parallel to the evaluation; and the fact that some of the consultations overlapped with the summer period. The successful mitigating actions included working closely with the Commission, the EIF, and EISMEA to identify stakeholders willing to participate in interviews and leverage effective channels for survey dissemination and extended the deadlines for completing surveys.</p>

<p>Risk that emerged during the project: The limited duration of the contractor's Orbis licence could hamper counter-factual analysis for interventions at the start of the programme.</p>	<p>The contractor's Orbis licence, only covered access to company data from 2013 onwards. In practice, there was no need to go back earlier than 2013 for analysing the control group's performance, as the LGF only started delivering finance to SMEs in 2015, and the EFG at the end of 2015.</p>
<p>Challenge arising during the assignment: constructing a large enough sample for the LGF control group in time due to the large number of SMEs supported (865,387)</p>	<p>The consultant proposed an alternative approach for the counterfactual scenario for the LGF, making use of the "the estimator of Callaway and Sant'Anna (2021)³²⁵<a \"pmshare\":true}&ctp='LeastProtected&rct=Normal&wdorigin=ItemsView&wdhostclicktime=1717780951688&instantedit=1&wopicomplete=1&wdredirectionreason=Unified_SingleFlush\""},' a="" academic="" already="" analysis="" and="" approach="" been="" commission="" companies.="" consultant="" counterfactual="" data="" europeaeu.sharepoint.com\",="" explained="" further="" has="" href="https://euc-word-edit.officeapps.live.com/we/wordecorframe.aspx?ui=en-US&rs=en-IE&wopisrc=https://europeaeu.sharepoint.com/teams/GRP-COSMEEIPEvaluationISG/_vti_bin/wopi.ashx/files/c38dc58cfa23404d6ea6fb5511376c0e&wdenableroaming=1&mssc=1&hid=605E30A1-80AF-9000-0A43-6ACFD16FEAD8.0&uih=sharepointcom&wdlcid=en-US&jsapi=1&jsapiver=v2&corrid=fb9a7735-2994-2e01-33ad-aac5ec956ccb&usid=fb9a7735-2994-2e01-33ad-aac5ec956ccb&newsession=1&sftc=1&uihit=docaspx&muv=1&cac=1&sams=1&mtf=1&sfp=1&sdp=1&hch=1&hwfh=1&dchat=1&sc={\" in="" involved="" is="" main="" methodology="" not-yet="" of="" on="" p="" peer-reviewed="" pmo\":\"https:="" points="" pool="" provided.<="" recent="" report.="" requested="" section="" supported="" tests="" that,="" the="" this="" used="" using="" which="" widely="" works.=""> </p>

³²⁵ <https://www.sciencedirect.com/science/article/pii/S0304407620303948>

ANNEX III. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)

Final COSME Evaluation questions				
EFFECTIVENESS				
General Questions	Information source(s)	Indicators/specific evidence	Draft final report sections	
EQ1.1 How effective was COSME in achieving its general and specific objectives, in terms of outputs, results and long-term impact of its measures?	Desk research <ul style="list-style-type: none"> Portfolio analysis Flash Eurobarometers, trade statistics, annual burden survey, etc.)²⁸⁹ - Review COSME monitoring system (Annual monitoring reports) Interviews and Targeted consultations	Assessment of achievements of the programme by COSME specific objective <i>(Note: Part 2 of this document provides more detailed 'effectiveness' KPIs by programme specific objective. These can be considered as measures of 'success'. KPIs presented in Part 2 which are also reported in this table by relevant evaluation question are marked with a '*' and colour coded: red for output indicators, blue for result indicators and black for impact indicators)</i>	4.2, 4.2.1	
EQ 1.1.1 What have been the outputs, outcomes, results and impacts of COSME actions (for the 4 specific objectives), in both quantitative and qualitative terms? To what extent have these actions contributed to the general and specific objectives of COSME?	Desk research <ul style="list-style-type: none"> Portfolio analysis Flash Eurobarometers, trade statistics, annual burden survey, etc.) - Review COSME monitoring system (Annual monitoring reports) Targeted consultations			
EQ 1.1.2 Who were the main beneficiaries of COSME? In particular, what types of enterprise benefitted? Were any measures more effective for certain types of SMEs than others?	Desk research <ul style="list-style-type: none"> Portfolio analysis Review of COSME monitoring system (Annual monitoring reports) 	Beneficiary coverage by type (size, sector, turnover, assets) and country (SO1) Beneficiary coverage by Member State (Other SO) .	3, 4.2, 4.2.1, 4.3.1.	

	Interviews and Targeted consultations			
EQ 1.1.3 To what extent did the effectiveness of the Programme vary across different Member States and participating third countries?	<p>Desk research</p> <ul style="list-style-type: none"> Portfolio analysis Review of COSME monitoring system (Annual monitoring reports) <p>Interviews and Targeted consultations</p>	<p>Beneficiary coverage by Member State/COSME country (e.g. for financial support: Number of SMEs getting finance, volume of finance, agreements signed with intermediaries, international collaborations)</p> <p>Contribution of actions to COSME objectives by MS/participating country based on feedback from consultations</p>	3, 4.2.1	
EQ 1.1.4 Are the results achieved thus far in line with the objectives and milestones foreseen in the prior Impact Assessment or to the baseline for KPIs indicated in the Regulation? Where expectations have not been met, what factors have hindered their achievement?	As above	<p>Assessment of achievements and estimations/baseline KPIs²⁹⁰</p> <p>Changes in SME growth, GVA, competitiveness, sustainability based on feedback from consultations</p> <p>Factors cited in consultations - by thematic group of actions</p>	4.2, 4.2.1, 4.2.1.3, 4.2.1.4, 4.3	
EQ1.2 How was COSME implemented over the Programme period?	Desk research	Implementation milestones	2.2, 3.3, 3.4, 4.2.1	
EQ1.2.1 How was the budget allocated per specific objective and type of action (as defined by the COSME Regulation)?	<ul style="list-style-type: none"> Portfolio analysis Review COSME monitoring system (Annual monitoring reports) <p>Interviews and Targeted consultations</p>	<p>Budget allocation in terms of amounts, annual number of operations, geographical allocation, type of financial instrument (SO1)</p> <p>Budget allocation in terms of amounts, specific objectives, group of actions (other SOs)</p>	3, 3.1.2, 4.2, 4.2.1.1	
EQ1.2.2. How has the effectiveness of the programme evolved over the years of its implementation?	<p>Desk research</p> <ul style="list-style-type: none"> Portfolio analysis Review COSME monitoring system (Annual monitoring reports) <p>Interviews</p>	<p>Evolution of financial and accounting ratios of the programme over the years by type of financial instrument and sectors (SO1)</p> <p>Changes in the nature of actions/flexibility of the programme to adapt and respond to new needs (digitalisation, new markets, response to external factors)</p>	3, 4.1.1.2, 4.2, 4.2.1.1, 4.2.1.2	
EQ1.2.3 Which factors drove or hindered progress and why, and how did these factors vary across the different actions in the Programme?	Desk research Interviews,	Factors cited in consultations - by thematic group of actions	4.2.1	

EQ1.2.4. How effectively has information about the availability of the programme instruments and the results and impacts of actions been transmitted to potential stakeholders and beneficiaries?	Desk research Interim evaluation • Review COSME monitoring system (Annual monitoring reports) Targeted consultations	Promotion efforts by action/group of actions Recognition of the EEN Network amongst SME population Evidence of beneficiaries' awareness cited in consultations	4.2.2	
EQ1.3. To what extent and how has the Programme contributed to broaden EU policy priorities and objectives?	Desk research • Flash Eurobarometer surveys on SMEs, Resource Efficiency and Green Markets? • <u>Eco-Management and Audit Scheme (EMAS) (europa.eu)</u> • Interim evaluation • Review COSME monitoring system (Annual monitoring reports) Interviews and Targeted consultations	Contributions to EU policy priorities cited in consultations Feedback from participants regarding an improved regulatory framework Other impact indicators in Part 2	4.2.2	
EQ1.3.1 How far has the Programme contributed to the 5 Union priorities for smart, sustainable and inclusive growth in the period up to 2019 (including climate objectives and gender mainstreaming) and to the current Commission's keynote objective "An economy that works for people"?	• Interim evaluation • Review COSME monitoring system (Annual monitoring reports) Interviews and Targeted consultations Counterfactual (econometric) analysis	Contributions to climate & gender mainstreaming priorities cited in consultations Performance of SMEs as regards sustainability	4.2.2	
EQ1.3.2 Has the programme/its measures achieved any unintended effects?	Interviews, Targeted consultations	Assessment of unintended (positive/negative) impacts	4.2.2	
Specific questions on Action: (SO 1) LFG & EFG				
- To what extent have the financial instruments contributed to improving access to finance for SMEs? How is any improvement in access to finance for SMEs measurable and/or objectively verifiable? What are other key achievements and impacts?	Desk research and Annual Monitoring reports Interviews, Targeted consultations	*Funding distributed by EFG /Total EC commitments to debt finance *Number of VC funds supported /Number of intermediaries supported *Sectoral distribution of EFG and LGF *Total funding catalysed by instrument *Total value of lending provided on the basis of LGF *Gearing effect of the instrument) *% of SMEs reporting difficulty in accessing finance *Leverage Ratio *Number of jobs maintained or created in the SMEs or sector *% of SMEs reporting a positive impact as a result of the funding received (growth, added-value and employees)	4.2, 4.2.1.1.1, 4.2.1.1.2, 5.2.1.1.3	

		*Feedback regarding changes in lending/ investment patterns of financial instruments as a result of COSME *Change of venture capital availability indicator (EU average) 2014-2020 *Change of access to loans indicator (EU average) 2014-2020		
- To what extent did the instruments reach the target groups or groups of beneficiaries envisaged? What could be done to improve targeting?	As above	* Funding take-up by country where access to finance is more constrained (signature amounts, number of SMEs supported) *Number and type of SMEs receiving guaranteed loans	4.2, 4.2.1.1.1, 4.2.1.1.2, 5.2.1.1.3	
- What are the barriers, if any, impeding access by beneficiaries to the instruments? What could be done to make access easier?	As above	*% of SMEs reporting difficulties in accessing finance	4.2, 4.2.1.1.1, 4.2.1.1.2, 5.2.1.1.3	
- To what extent has the principle of additionality been ensured? What was done/could be done to improve additionality?	As above	*% of SMEs reporting full (no alternatives available) or partial additionality (alternatives available but at less favourable conditions or smaller scale)	4.2, 4.2.1.1.1, 4.2.1.1.2, 5.2.1.1.3	
- To what extent have the visibility and promotion of the instruments been ensured and to what extent has the support provided from the instruments been recognised in the market (including by final recipients)?	As above	*% of intermediaries and final beneficiaries recognising the origin of the support	4.2, 4.2.1.1.1, 4.2.1.1.2, 5.2.1.1.3	
- To what extent has EFSI contributed to increasing effectiveness of the LGF instrument?	As above	EFSI impacts on LFG : additional signatures made possible by EFSI top-ups, additional SMEs reached and investment mobilised	4.2, 4.2.1.1.1, 4.2.1.1.2, 5.2.1.1.3	

Specific questions on Action: (SO 2) EEN				
- How effective was the Enterprise Europe Network in achieving its aim?	Desk research <ul style="list-style-type: none"> Annual monitoring reports Final evaluation of EEN (dated 2014) Interim evaluation of COSME Interviews Targeted consultations	*Number of EEN member organisations *Number of SMEs receiving EEN services (or which advisory services such as EU programmes, IPR, technology review, financing services etc.) *Number of SMEs using digital services (incl. electronic information services) provided by the network *Number of co-operation agreements *Number of partnership agreements signed *Global and average SME client satisfaction rate *% of SMEs reporting positive impact due EEN support (growth, jobs, others)	4.2, 4.2.1.2, 4.5.3	
- Are certain aspects of the Enterprise Europe Network more or less effective than others? (Information, Feedback, Business cooperation, Internationalisation beyond the EU, Innovation and transfer of technology and knowledge, Encouraging the participation of SMEs in the Community framework programme for RTD, Networking activities)	As above Case Studies	*Feedback from SMEs and EEN organisations on effectiveness and utility of specific EEN services Identification of success stories	4.2, 4.2.1.2, 4.5.3	
- How have the services of the Enterprise Europe Network evolved over the period of the Programme and from the EIP?	As above	Key variations in service provision (number of regional/local events, level of advisory support)	4.2, 4.2.1.2, 4.5.3	
Specific questions on Action: (SO 4) EYE				
- How effective was the Erasmus for Young Entrepreneurs (EYE) in achieving its aim?	Desk research – <ul style="list-style-type: none"> Annual Monitoring reports <u>European business exchange programme - Erasmus for Young Entrepreneurs</u> (erasmus-entrepreneurs.eu) Interviews, Targeted consultations	*Number of host/new entrepreneurs participating in the EYE programme *Number of successful EYE matches *Number of intermediary organisations involved in the EYE programme *Feedback regarding the number of new enterprises created and enhanced capacities/knowledge etc. following the EYE exchange	3.3,4.2, 4.2.1.4, Case Study 2	

- Which impacts did EYE have on the participants (New Entrepreneurs(NEs)/Host Entrepreneurs (HEs))?	As above	*% of EYE entrepreneurs reporting other positive impacts of the EYE exchange in terms of jobs created, joint projects/cooperation agreements, others *Increase in the entrepreneurship rate: percentage of entrepreneurs who have started a business or currently taking steps to start one	3.3,4.2, 4.2.1.4, Case Study 2	
- How has EYE evolved over the period of the Programme in terms of its impacts?	As above	Key variations in nature and level of impacts	3.3,4.2, 4.2.1.4, Case Study 2	
Other actions - tourism actions, cluster actions, social economy				
- To what extent and how have the smaller actions contributed to COSME objectives?	Desk research • -Trade statistics (see Small businesses exporting outside the EU employ over 13 million people (europa.eu)) Interviews Targeted consultations	See Part 2 (objective C)	Case Study 5, Case Study 6, Case Study 7, Case Study 8	
- Are there any aspects/means/actors that render certain aspects of these actions more or less effective than others, and – if there are – what lessons can be drawn from this?	As above	Factors cited in consultations Factors explaining performance variations	Case Study 5, Case Study 6, Case Study 7, Case Study 8	
- How have the selected actions evolved over the period of the Programme in terms of their impacts?	As above	Time sequence of main performance variables of actions	Case Study 5, Case Study 6, Case Study 7, Case Study 8	

COSME Evaluation Questions				
Efficiency				
General	Information source(s)	Indicators/specific evidence	Draft final report sections	
EQ3.1 To what extent were the effects (benefits) of COSME achieved at a reasonable cost (including the administrative and reporting burden on participants, beneficiaries and stakeholders)? Were the costs (direct and indirect) generated by the	Desk research • Cost data from programme monitoring / expenditure information through portfolio analysis • Interim evaluation • SME Performance Review • External: Annual Burden Survey (europa.eu)	Benefits derived from the participation in COSME Reported costs including the administrative and reporting costs	4.3.1	

programme proportionate to the benefits generated?	Interviews Targeted consultations Case studies Econometric analysis (benefits / impacts)			
EQ3.1.1 What are the regulatory/administrative costs and the benefits for the different participants and stakeholders?	As above	Benefits derived from the participation in COSME Reported administrative and reporting burden/costs experienced by participants and other stakeholders	4.3.3, 4.3.2.1.	
EQ3.1.2 Which interventions of COSME were the most efficient or inefficient, especially in terms of resources mobilised by stakeholders?	As above	Benefit cost ratio/comparison of different actions (NB: not all benefits may be quantifiable so a ratio may not be feasible) Extra resources mobilised by actions (e.g. own resources)	4.3.2.1	
EQ3.1.3 What was the potential for simplification and reduction of the administrative burden?	Desk research • Interim evaluation Interviews Targeted consultations	Simplifications cited by stakeholders	4.3.3	
EQ3.2 How efficient was the implementation structure and governance of the programme?	As above	Perceived ease of use, complexity, and speed of operations Share of the programme devoted as administrative expenditure	4.3.1	
EQ3.3 How did overlaps/complementarities between COSME and any other Community action in the relevant areas affect the administrative burden?	As above	Assessment of costs/benefits generated by overlaps with other Community actions (joint collaborative actions and any savings from these)	4.3.3	
Action: (SO 1) LFG & EFG				
- Given the results that have been or are likely to be generated, to what extent are the costs of managing the instrument reasonable?	Desk research (programme management data on EIF costs of administering instruments on delegated basis) Interviews Case studies	Qualitative assessment of administrative costs/burden in relation to finance provided Human resources allocated to process applications (e.g. for financial instruments).	4.3.2.1, 4.3.3	
- To what extent are the costs in line with the initial expectations and with comparable instruments, and (if intermediated) those of financial intermediaries?	As above	Comparative analysis of costs incurred with other comparable schemes (qualitative assessment)	4.3.2.1, 4.3.3	

- Have the instruments, including the respective asset management, been implemented efficiently by the EIF and DG GROW, BUDG and ECFIN?	As above	Number of FTE devoted at EC to manage LGF and EFG Steps taken to ensure efficiency by EC and the EIF	4.3.2.1, 4.3.3	
- What lessons can be learned including for further alignment of the design of financial instruments on the most efficient and up-to-date market practices?	As above	Lessons cited by stakeholders and own judgements	4.3.2.1, 4.3.3	
Action: (SO 2) EEN				
- Are the costs of the EEN structure (direct and indirect) proportionate to the benefits obtained?	Desk research Interim evaluation Annual monitoring reports Interviews	Feedback on the proportionality of costs Ratio between EU funds and own resources for the EEN activities (reported in the interviews and in the survey)	4.3.2.1, 4.3.2.2.	
- Are certain activities or components of the Enterprise Europe Network more or less efficient than others, and – if this is the case – what lessons can be drawn from this?	As above	Lessons cited by stakeholders	4.3.2.1, 4.3.2.2.	
- Use a few specific examples or case studies of Partnership Agreements to describe the cost-efficiency of the EEN services provided for this purpose	Case studies	Examples of Partnership Agreements cited, their costs and benefits	4.3.2.1, 4.3.2.2.	
- Use a few specific examples or case studies of Advisory Service Outcomes to describe the cost-efficiency of the EEN services provided for this purpose.	Case studies	Examples of Advisory Service Outcomes cited, their costs and benefits	4.3.2.1, 4.3.2.2.	
Action: (SO 4) EYE				
- How efficient was EYE? (Comparing the costs and benefits).	Desk research Interim evaluation Annual monitoring reports Interviews Case studies	Benefits derived from the participation in EYE Costs incurred for participating in EYE	4.3.2.1, 4.3.2.2., Case Study 2	
- Use a few complementary examples or case studies of	Case studies	Examples of successful matches cited	4.3.2.1, 4.3.2.2., Case Study 2	

successful matches to describe the cost-efficiency of the support provided to achieve each match ²⁹¹ ?				
- Use a few complementary examples or case studies to illustrate what is the cost-efficiency of one new job/enterprise created by EYE?	Case studies	Examples of successful creation of jobs/enterprises cited	4.3.2.1, 4.3.2.2., Case Study 2	
Other actions - tourism actions, cluster actions, social economy				
- To what extent was it cost-efficient to implement the specific objectives of the programme by a significant number of small actions?	Desk research Interviews Interim evaluation Annual monitoring reports Targeted consultation	costs/benefits of participating in actions based on estimates provided by survey respondents Areas for improvement in terms of cost-efficiency Percentage of survey respondents that indicate that costs deriving from participating in COSME were proportionate to the benefits derived from it	4.3.1, Case Study 5, Case Study 6, Case Study 7, Case Study 8	

COSME Evaluation Questions				
Relevance			Draft final report sections	
EQ5.1 To what extent were COSME's initial objectives relevant and pertinent to the needs, problems and issues they were designed to address?	Desk research Interviews	Correspondence between actions and needs, problems and issues identified in Programme legislation	4.1.1, 4.1.1.3,	
EQ5.1.1. Were the initial objectives and measures more relevant to specific types of SMEs than others?	As above	Mapping of actions to needs of different SME	4.1.1	
EQ5.2. To what extent were COSME's objectives and measures relevant to the needs and problems faced by SMEs throughout their implementation period? How did the programme adapt to new needs, priorities, problems?	As above	Identification of new needs, priorities & problems and responses Identification of the main changes made	4.1.1	
EQ5.2.1 To what extent were adaptations made to meet current and emerging needs and problems of different types of SMEs	As above	As above	4.1.1, 4.1.2, 4.1.3	

EQ5.2.2 To what extent were there adaptation mechanisms in place to ensure that the programme meets new needs in response to political, economic, technological, and scientific and social developments?	As above	Description of adaptation mechanisms & their use in relation to specified political, economic, technological, and scientific and social developments	4.1.1, 4.1.3	
EQ5.2.3 How did COSME adapt to political priorities for instance to the new Single Market Strategy and its particular objective to support Start-ups and Scale-ups?	As above	Changes made to support new policy priorities	4.1.1	
EQ5.2.4 How did COSME adapt to deal with major new challenges affecting businesses, in particular the Covid-19 crisis?	As above	Changes made to respond to Covid-19	4.1.1, 4.1.2	
EQ5.2.5 To what extent are the COSME actions addressing new market deficiencies?	As above	Identification of new market deficiencies & responses	4.1.1, 4.1.1.1.1, 4.1.3	
Action: (SO 1) LFG & EFG				
- To what extent were the instruments' objectives pertinent to the needs, priorities, problems and issues they were designed to address?	Desk research Interviews	Correspondence between financial actions and finance needs, problems and issues identified in Programme legislation	4.1.1.1	
- To what extent are they relevant to current needs?	As above	Correspondence with current finance needs and market gaps/ weaknesses	4.1.1.1	
Action: (SO 2) EEN				
-To what extent were the objectives set for the network at the start of the programme, and the network's initial services in line with SMEs' needs at that time?	Desk research Interviews Targeted survey As above	Correspondence between network objectives and the services provided	4.1.1.2, 4.1.2,	
- To what extent do EEN objectives and services meet current needs/challenges faced by SMEs?		Identification of current service needs and correspondence with EEN objectives & services	4.1.2, 4.1.3	
Action: (SO 4) EYE				
- To what extent did EYE respond to the needs/ problems and challenges identified at the start of the programme?	Desk research Interviews	Correspondence between perceived problems and challenges and EYE responses	4.1.1.4, Case Study 2	
- To what extent does EYE respond to current needs and challenges faced by SMEs?	As above	Identification of current needs of new entrepreneurs and correspondence with EYE objectives & services	4.1.1.4, Case Study 2	
Action: Other actions - tourism actions, cluster actions, social economy				

- To what extent were the smaller actions relevant to the needs, priorities, and problems that the COSME programme was designed to address?	Desk research Interviews Targeted survey	Identification of contribution of other actions to needs, priorities, and problems expressed in the Programme legislation	4.1.1.3, 5.1.3, Case Study 5, Case Study 6, Case Study 7, Case Study 8	
- To what extent were the smaller actions pertinent to the current needs, priorities, and problems faced by SMEs?	As above	Identification of current needs in areas covered by other actions and correspondence with current provision	4.1.1.3, 5.1.3, Case Study 5, Case Study 6, Case Study 7, Case Study 8	

COSME Evaluation Questions				
Coherence			Draft final report sections	
EQ7.1 To what extent has the internal coherence of the four specific objectives been maximised? What are the lessons learnt?	Desk research Interviews Case studies	Identification of interaction between the actions under the 4 objectives Identification of potential for further interaction	4.4.1	
EQ7.1.1 To what extent were/are the different actions of COSME implemented coherently between one another? Are/were there any issues of internal coherence between the various components of the Programme?	As above	Identification of key elements in COSME implementation processes & interaction between them	4.4.1	
EQ7.1.2 To which extent have the individual components of the Programme been coordinated to maximise the effects of the Programme and, in this regard to which extent has there been active management of synergies in place?	As above	Examples of co-ordination within COSME Identification of any management of synergies	4.4.1	
EQ7.2 Are there overlaps or complementarities between the measure and any other EU action which have similar objectives?	As above	Identification of main overlaps/complementarities with other EU action	4.4.2	
EQ7.2.1 How have the different COSME instruments overlapped/synergised with the activities of ESI funds, the Innovfin, SME instrument and Innosup actions of Horizon 2020 or the SME window of EFSI (European Fund for Strategic Investments), EASI (Employment and Social Innovation) and other measures impacting SMEs in other programmes?	As above	Examples of main overlaps/synergies with the other EU SME actions	4.4.2, 4.4.2.1	

Action: (SO 1) LFG & EFG				
- To what extent are the financial instruments complementary to others such as EFSI (European Fund for Strategic Investment), Horizon 2020's Innovfin or financial instruments set up under ESIF (European Structural and Investment Funds)? To what extent have EGF and LGF been implemented in synchronicity as part of the single equity/debt financial instruments, respectively? Are there complementarities with other relevant EU-level financial instruments?	As previous	Institutional arrangements for co-ordination of EU financial instruments by EIF Identification of particular contributions of EFG & LGF & their interaction with other EU funds	4.4.1, 4.4.2.1	
- To what extent has the external coherence between COSME financial instruments and national programmes maximised?	As previous	Identification of overlaps/ synergies between COSME financial instruments and national programmes Evidence of competition/ 'deal shopping'	4.4.1, 4.4.2.1	
- How could complementarities be improved, particularly with ESIF instruments (cohesion policy)?	As previous	Improvements cited during consultations, particularly in relation to ESIF	4.4.1, 4.4.2.1	
Action: (SO 2) EEN				
- What is the level of interaction of different support services for businesses (Your Europe Business portal, and the EEN)?	Desk research Interviews Case studies	Identification of interaction between EEN services and between EEN & related services provided by COSME	4.4.1, 4.4.2.2.	
- Does the intervention (for the EEN) create synergies with/contradict other EU interventions that have similar objectives? (e.g., for the EU: cluster networks, Erasmus for Young Entrepreneurs programme, business centres in third countries, EIAH (EFSI related), Gateway and Executive Training programmes with third countries, helpdesks etc.):	As previous	Identification of main complementarities or frictions between EEN services & other EU action	4.4.1, 4.4.2.2.	
- Does the intervention (for the EEN) create synergies with/contradict other Member States interventions that have similar objectives? (e.g. chambers of commerce in third countries etc.).	As previous	Identification of main complementarities or frictions between EEN services and national/regional services	4.4.1, 4.4.2.2.	
Action: (SO 4) EYE				
- To what extent are the objectives and implementation of EYE coherent with the Enterprise Europe Network?	Desk research Interviews Case studies	Identification of main complementarities between EEN and EYE services	4.4.2.4, Case Study 2	

Action: Other actions - tourism actions, cluster actions, social economy				
- To what extent are the other actions coherent with the overall objectives of COSME?	Desk research Interviews Case studies	Identification of relative contribution of other actions to overall COSME objectives	4.4.2.3, Case Study 5, Case Study 6, Case Study 7, Case Study 8	

COSME Evaluation Questions				
EU Value-added			Draft final report sections	
EQ9.1 How did COSME and its measures deliver added value, compared to what could be achieved on merely national, regional and/or local level?	Desk research Interviews Case studies Validation Workshops	Identification of main instances of COSME EU added-value	4.5, 4.5.1	
EQ9.1.1 How has the Programme tackled the challenges it is addressing at the level of each of its 4 specific objectives?	As previous	Identification of distinctive contributions of COSME in relation to each of the 4 objectives	4.5, 4.5.1	
EQ9.1.2 How has COSME helped to improve the business environment across the EU?	As previous	Feedback on improvements attributable to COSME	4.5, 4.5.1	
EQ9.1.3 To what extent has the programme supported the development of cross-border business activities?	As previous	Identification of extent of support to cross-border activity across COSME actions	4.5, 4.5.1	
EQ9.1.4 How and to what extent have Programmes' actions synergised or overlapped with national and regional programmes?	As previous	Feedback on duplications in COSME and country-level provision and effects	4.5, 4.5.1	
EQ9.1.5 Are the Programmes' actions better addressing the market failures detected than national or regional programmes?	As previous	Contributions to addressing market failures of COSME and national or regional programmes	4.5, 4.5.1	
EQ9.1.6 The Impact Assessment accompanying the proposal for a COSME regulation established five areas making up the potential European added value. To what extent have the actions demonstrated that they add value at European level?	As previous	Observed value-added in the 5 areas identified by the Impact Assessment	4.5, 4.5.1	
EQ9.2 To what extent do the issues addressed by the Programme and its measures continue to require action at EU level?	As previous	Identification of instances of continuing need for EU action	4.5, 4.5.1	
EQ9.2.2. What would be the most likely consequences of stopping or withdrawing the measure?	As previous	Principal anticipated impacts of stopping or withdrawing the measure	4.5, 4.5.1	
Action: (SO 1) LFG & EFG				

- To what extent have the COSME financial instruments contributed to improving access to finance for SMEs at EU level in comparison to national or regional similar instruments and what is their EU added value?	Desk research Interviews Case studies	EU-value added of COSME financial instruments,	4.5.2	
Action: (SO 2) EEN				
- To what extent can the added value of the Enterprise Europe Network be considered EU added value? To what extent do the stakeholders attribute the perceived added value to the EU?	Desk research Interviews Case studies	Identification of the nature and extent of EU value-added by the EEN. Recognition of EU contribution evidenced in consultations	4.5.3	
- Which services do host organisations (chambers of commerce etc.) provide exclusively under the umbrella of the Network compared with those services that they provide in their own right without support from the Programme?	As previous	Identification of services exclusively provided through the EEN	4.5.3	
Action: (SO 4) EYE				
- To what extent is EYE creating EU added value?	Desk research Interviews	Identification of nature & extent of EYE EU added-value	4.5.1, 4.5.5., Case Study 2	
Action: Other actions - tourism actions, cluster actions, social economy				
- What is the EU added-value of the other actions?	Desk research Interviews	Identification of nature & extent of the EU added-value of the other actions	4.5.4., Case Study 5, Case Study 6, Case Study 7, Case Study 8	

COSME Evaluation Questions				
Longer term continuity and impacts			Draft final report sections	
EQ11.1 What measures were taken to foster the longer-term continuity and impact of actions that generated positive changes or impacts for SMEs and stakeholders? Could any further measures be taken to this scope?	Desk research Interviews Validation Workshops	Identification of COSME measures positively fostering longer-term continuity and the impact of actions	5.2.1	

Part 2: List of performance indicators by specific objective (focus on effectiveness and impact)

EQ1.1 How effective was COSME in achieving its general and specific objectives, in terms of outputs, results and long-term impact of its measures?	Draft final report sections	
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Specific objectives	Operational objectives	COSME activities	Indicators (red: output, blue: result, black: impact)		
a. To improve access to finance for SMEs in the form of equity and debt	Improve SMEs' access to venture capital and mezzanine markets and strengthen EU wide markets for these instruments	EFG (Equity Facility for Growth)	<p>Funding distributed by EFG Number of VC funds supported Sectoral distribution of EFG</p> <p>Funding take-up by country where access to finance is more constrained (signature amounts, number of SMEs supported)Total funding catalysed by instrument % of SMEs reporting difficulty in accessing finance % of SMEs reporting full (no alternatives available) or partial additionality (alternatives available but at less favourable conditions or smaller scale)</p> <p>Number of jobs maintained or created in the SMEs or industry Leverage ratio % of SMEs reporting a positive impact as a result of the funding received (growth, added-value and employees) Change of venture capital availability indicator (EU average) 2014-2020</p>	4.2.1.1.,4.2.1.1.1, 4.2.1.1.2, 4.2.1.1.3.	
	Improve conditions for guarantees and other forms of risk sharing including cross-border lending and commercial activities	LGF (Loan Guarantee Facility)	<p>Total EC commitments to debt finance Number of intermediaries supported Sectoral distribution of LGF</p> <p>Number and type of SMEs receiving guaranteed loans Total value of lending provided on the basis of LGF Leverage ratio Feedback from SMEs on added-value, utility and relevance (e.g. firms stating financial instruments as only/significant source of finance) % of intermediaries and final beneficiaries recognising the origin of the support</p> <p>Number of jobs maintained or created in the SMEs or industry % of SMEs reporting a positive impact as a result of the COSME guarantees (growth, added-value and employees)</p>		

			Feedback reading changes in lending/ investment patterns of financial instruments as a result of COSME		
b. To improve access to markets, particularly inside the Union but also at global level	Help SMEs take full advantage of the Single Market	Enterprise Europe Network (EEN)	<p>Number of EEN member organisations (</p> <p>Number of SMEs receiving EEN services (or which advisory services such as EU programmes, IPR, technology review, financing services etc.)</p> <p>Number of SMEs using digital services (incl. electronic information services) provided by the network</p> <p>Enterprise Awards with media publications/clippings in all Member States</p> <p>Number of co-operation agreements</p> <p>Number of cross-border partnership agreements signed</p> <p>Global and average SME client satisfaction rate</p> <p>% of SMEs reporting positive impact due EEN support (growth, jobs, others)</p> <p>Feedback from SMEs and EEN organisations on effectiveness and utility of specific EEN services</p>	4.2.1, 4.2.1.2,, 4.2.1.3	
	Help SMEs to access and develop activities in markets outside the EU	Support for SME internationalisation including: 1) EU-Japan centre for industrial cooperation 2) Your Europe Business portal 4) China IPR Helpdesk 5) other Helpdesks	<p>Number of activities organised</p> <p>Number of information material (leaflets, web pages, etc.)</p> <p>Number of users of services (e.g. use of help lines/services/website)</p> <p>Clients/users satisfaction rate</p> <p>Trade balance of goods/services as % of total exports of goods/services</p>		
c. To improve framework conditions for the competitiveness and sustainability of	Enhance the effectiveness of policies and institutions supporting competitiveness and growth	Activities to improve European competitiveness	Feedback from participants regarding an improved regulatory framework	3, 4.2.2.	

Union enterprises, particularly SMEs, including in the tourism sector	Foster the competitiveness of targeted EU sectors	Support for specific industry sectors - tourism	Number of total applications for tourism related funding opportunities Number and type of beneficiaries supported		
	Facilitate market uptake of sustainable, inclusive products, services and processes	Clusters Internationalisation	Feedback the improved visibility of tourism destinations and products		
		European Cluster Excellence Programme with ClusterXchange scheme connecting ecosystems and cities	Number of cluster initiatives and events (workshops/conferences/match-making organised) Number of cluster organisations and SMEs participating in events Number of sectors covered by cluster initiatives Numbers of SMEs assisted to export within or outside the Union Successful cluster matching and cooperation agreements Feedback from cluster organisations and cluster managers on the added-value of the supported activities and cluster actions % of SMEs reporting positive impact from cluster actions (growth, jobs, others)		
	Improve framework conditions and SME policy	SME performance review Small Business Act for Europe (SBA) including implementation, outreach tools and communication activities EU REFIT platform	Reduction of start-up time and complexity for new enterprises		

d. To promote entrepreneurship and entrepreneurial culture	<p>Foster entrepreneurial attitudes, mindsets, skills and capabilities</p> <p>Improve framework conditions for entrepreneurship development</p>	Erasmus for Young Entrepreneurs (EYE)	<p>Number of host/new entrepreneurs participating in the EYE programme (per year of the programme)</p> <p>Number of successful EYE matches (per year of the programme)</p> <p>Number of intermediary organisations involved in the EYE programme (per year of the programme)</p> <p>Feedback regarding the number of new enterprises created and enhanced capacities/knowledge etc. following the EYE exchange</p> <p>Increase in the entrepreneurship rate: percentage of entrepreneurs who have started a business or currently taking steps to start one (survey feedback)</p> <p>% of EYE entrepreneurs reporting other positive impacts of the EYE exchange in terms of jobs created, joint projects/cooperation agreements, others</p>	4.2.1.4	
		<p>Other actions supporting entrepreneurship e.g.</p> <p>European Network of female entrepreneurs and on-line e-platform,</p> <p>Support for entrepreneurship policy implementation</p>	<p>Feedback regarding new policy measures for entrepreneurship in MSs (survey feedback)</p>		

ANNEX IV. OVERVIEW OF BENEFITS AND COSTS [AND, WHERE RELEVANT, TABLE ON SIMPLIFICATION AND BURDEN REDUCTION]

The following Tables offer an overview of costs and benefit identified, assessed compared to the situation that preceded the COSME programme, and of the potential for burden reduction.

Table 1. Overview of costs and benefits identified in the evaluation ³²⁶									
	Citizens/Consumers		Businesses		Administrations		Other : European Fund for Strategic Investments (EFSI), participants in different actions		
	Quantitative	Comment	Quantitative	Comment	Quantitative	Comment	Quantitative	Comment	
Costs description: The costs from the COSME Programme focused on the costs and investments sustained by the European Union and participant organisations. The COSME programme had a total implemented budget of EUR 2.4 billion (incl. administrative costs) of which 66% was assigned to improve access to finance for SMEs (SO 1), and 20.1% to improve access to markets (SO 2). The rest was aimed at improving framework conditions and competitiveness (SO 3) (10.7%) and promoting entrepreneurship (SO 4) (3.2%). Costs are available on specific activities, such as access to finance initiatives (Loan Guarantee Facility and Equity Facility for Growth), Enterprise Europe Network (EEN), Erasmus for Young Entrepreneurs (EYE). In the context of the programme, direct compliance costs are understood to represent EU contribution.									
	Type: one-off or recurrent	Monetary value	Comment	Monetary value	Comment	Monetary value	Comment	Monetary value	Comment
Direct costs – activities to do with improving access to finance (Specific Objective 1)	One-off	N/a	N/a	N/a	N/a	EUR 1.587 billion were committed to these activities for programming period 2014-2020 (of which 1.2 billion to LGF)		EUR 1.34 billion	Costs incurred by the European Fund for Strategic Investments (EFSI) to top-up the COSME LGF budget

³²⁶ Where there is a prior impact assessment, the table should contain as a minimum the costs/benefits identified in the IA with the information gathered on the actual cost/benefit. As available, the table should include the monetisation (€) of the costs/benefits based on any quantitative translation of the data (time taken, person days, number of records/equipment/staff etc. affected or involved represented in monetary value – see Standard cost model, for example). For all information presented, it should be included in the comments section whether it relates to all Member States or is drawn from a subset. An indication of the robustness of the data should be provided in Annex II on Methodology and analytical models used.

Direct costs – activities to do with improving access to markets (Specific Objective 2)	One-off	N/a	N/a	N/a	N/a	EUR 482 million for this objective, with 367.3 million of EU contribution going to the EEN. Actions included the EEN, public procurement of innovation (PPI), actions to support internationalisation such as the Intellectual Property Rights (IPR) Helpdesks in China, Latin America and south-east Asia, and initiatives to improve SME access to information, such as the Your Europe Business portal and the Single Digital Gateway.		EUR 294 million ³²⁷ supported by participants in the different actions (e.g. own financing by the EEN members and the participants in other projects)	
Direct costs – activities to do with improving Framework Conditions and Competitiveness (Specific Objective 3)	One-off	N/a	N/a	N/a	N/a	EU contribution EUR 256 million of which EUR 94.6 million. went into projects funded by actions related to Tourism (EUR 28.8 million),		EUR 32.7million ³²⁸ sustained by project participants	

³²⁷ The costs were obtained through a portfolio analysis involving the mapping of the policy mix used in the programme by reconstructing expenditures by several parameters (e.g., operations and budget distribution over the different structural components of the programme). The overall costs (i.e, 2014-2020) were retrieved from the Q4 2022 quarterly report (Access to Finance) and from the data provided by EISMEA (for the other actions). Those data referred to the whole period.

³²⁸ Ibid.

						Internationalisation (EUR 26.6 million), and Competitiveness (EUR 25.8 million).			
Direct costs – activities to do with Promoting Entrepreneurship and Entrepreneurial culture (Specific Objective 4)	One-off	N/a	N/a	N/a	N/a	EU contribution amounted to EUR 78 million with the largest contribution being to EYE (EUR 58.5 million)		EUR 10.1 million sustained by project participants.	
Indirect costs (indirect compliance costs or other indirect costs such as transaction costs)	One-off	N/a	N/a	Survey has revealed some costs to participants in EYE. Of the host entrepreneurs responding to the survey of EYE participants who offered a figure, nearly all reported costs between zero and EUR 5 000. These costs included welcome and hospitality costs, equipment (office supplies and material), workplace, travel costs. These costs are however not obligatory. Other indirect costs		N/a	N/a	N/a	N/a

				from EEN services are reported to be limited					
Benefits description: The benefits from COSME vary according to the different actions but range from better conditions on access to finance, direct benefits, to improving innovation (indirect benefits). In most cases, the benefits (measured as outcomes) have not been monetised, but there are quantitative metrics on the number of beneficiaries that can be used as proxies of impacts (outputs indicators).									
Direct benefits – activities to do with improving access to finance (Specific Objective 1)	One-off	N/a	N/a	Between 2014 and 2022, the LGF signed a total of 163 guarantee contracts with 128 financial intermediaries, which resulted in 1 173 780 transactions for a total guarantee amount of EUR 53.9 billion provided to 865 387 final recipients, i.e., SMEs. The EIF signed EFG agreements with 23 financial intermediaries and committed an overall amount of about EUR 324 million. Overall, core COSME EFG operations supported an overall	Benefits for companies by enabling them to access finance at a cheaper rate than in their national markets.	N/a	N/a	N/a	N/a

				investment of EUR 822 million in SMEs. Under the Pan European VC Funds-of-Funds Initiative, EFG committed EUR 45 million in the two funds of funds, which resulted in EUR 3.1 billion in investments in eligible SMEs.					
Direct benefits – activities to do with improving access to markets (Specific Objective 2)	One-off	N/a	N/a	COSME implemented 13 actions, through 27 project calls. EEN is the largest action with ten calls for projects to provide advisory services to SMEs were launched during the programme, relating to a total of 518 distinct projects and 664 beneficiaries. The number of SMEs being supported is nearly 2 million a year.	91% of the SMEs clients that responding to the targeted survey on EEN services confirmed that EEN's support had helped them to maintain the number of employees in their firm, to expand to new geographical markets and/or maintain or increase their turnover. 59% of SMEs responding to this targeted	N/a	N/a	N/a	N/a

				<p>IP SME Helpdesks: 33 000 SMEs participated in events organised by the helpdesks and the helpdesks responded to 12 456 helpline queries</p>	<p>survey reported that the EEN services helped them to maintain, and 56% reported an increase in their turnover.</p> <p>The services of the IP SME Helpdesks enable SMEs to save costs for protecting their IP for moving into a foreign market. The 2018 evaluation study also highlights the “potential benefit” of these services for helping SMEs to avoid litigation (potentially huge cost savings but non-measurable benefit)</p>				
<p>Direct benefits – activities to do with improving Framework Conditions and Competitiveness (Specific Objective 3)</p>		N/a	N/a	<p>COSME supported 21 actions, through 30 project calls, and financed 263 projects. In total, grants were</p>	<p>Of the 11 tourism sector respondents to the targeted survey for “beneficiaries and providers of</p>	N/a	N/a	N/a	N/a

				<p>provided to 1175 participants.</p> <p>other COSME actions” 82% (9/11) confirmed that the projects led to improved capacities for networking and knowledge sharing in the sector, and 73% (8/11) confirmed that the projects had improved exploitation of new tourism demand trends.</p> <p>Clusters internationalisation actions enhanced the internationalisation skills of clusters (better understanding of internationalisation issues)</p> <p>Clusters Excellence actions : enhanced management skills of clusters</p> <p>The clusters excellence quality label was used by national funding</p>					
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					authorities as a criterion for allocating national funding to clusters. This therefore led to increased funding for clusters that could provide better quality support to businesses.				
Direct benefits– activities to do with Promoting Entrepreneurship and Entrepreneurial culture (Specific Objective 4)		According to the survey of NEs carried out by DG GROW after the exchange, 73.4 % of the 8009 respondents were planning to set up a business (either immediately:		COSME implemented 5 actions, through 12 project calls, financing 111 projects. The action that funded the largest number of projects is “Erasmus for Young Entrepreneurs” (EYE) where EU contributions was granted to	Erasmus for Young Entrepreneurs (EYE) action : - 90% of Host entrepreneurs (HEs) reported that hosting the new entrepreneur contributed to one or several commercial benefits including development or	N/a	N/a	N/a	N/a

		(5.3%, in the next 12 months: 29.9% or in the next 3 months: 11.8%), and 9.5% had already set up a business.		360 intermediate organisations and the number of projects totalling 83. Host entrepreneurs responding to the targeted survey reported that hosting the new entrepreneur contributed (to a great extent or some extent) to: development or growth of the business (50%), expansion of sales to new countries (36%), expansion of operations to new countries (32%), increase in the number of employees (32%), safeguarding jobs (29%) and an increase in turnover (29%), increased export turnover (21%).	growth of the business (45%), an increase in jobs or safeguarding of jobs (43%) Other benefits for new and host entrepreneurs from EYE exchanges include improved skills (Almost 100% of NE and 73% of HE confirmed that the exchanges strengthened their skills and knowledge). Other benefits included the possibility to meet potential partners or collaborators and suppliers 55% of the host entrepreneurs within EYE thought that the exchange offered value for money.				
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TABLE 2: Simplification and burden reduction (savings already achieved)

Report any simplification, burden reduction and cost savings **achieved already** by the intervention evaluated, including the points of comparison/ where available (e.g. REFIT savings predicted in the IA or other sources).

	Citizens/Consumers/Workers		Businesses		Administrations		Other : participating parties/beneficiaries	
	Quantitative	Comment	Quantitative	Comment	Quantitative	Comment	Quantitative	Comment
<p>Administrative costs savings to the Commission. The share of the programme budget devoted to administrative expenditure is relatively low particularly in the latest years (3% of the total programme costs). In the initial years (2014-2015), when the programme was being established, the administrative expenditure was slightly larger than comparable programmes, but it has fallen since then. Following a cost-benefit analysis conducted in 2013³²⁹, the Commission recognised that the delegation of programme management to external bodies or Executive Agencies is a more efficient and cost-effective approach. Estimates from the last evaluation are of around EUR 6.9 million a year which is just below the EUR 7.2 million per annum calculated in the previous evaluation conducted in 2014.</p>								
Type: Recurrent	N/a	N/a	N/a	N/a	Estimates from the last evaluation are of around EUR 6.9 million a year which is just below the EUR 7.2 million per annum calculated in the previous evaluation conducted in 2014.	The reduction in administrative costs is due to a delegation of programme management to executive agencies; but any figures should be interpreted with caution.		Across the full programme period, intermediaries and final beneficiaries found the costs and burdens associated with participation to be affordable and acceptable.
<p>PART II: II <u>Potential</u> simplification and burden reduction (savings)</p> <p>Identify further potential simplification and savings that could be achieved with a view to make the initiative more effective and efficient without prejudice to its policy objectives³³⁰.</p>								
	Citizens/Consumers/Workers		Businesses		Administrations		Other :Participating parties	
	Quantitative	Comment	Quantitative	Comment	Quantitative	Comment	Quantitative	Comment

Description: According to the evaluation, there was a high share of ineligible proposals in some actions in the early years of the programme (in areas such as tourism grants and the clusters of excellence due to the lack of clarity of the work programme descriptions, which represents an unnecessary cost for applicants and evaluators of proposals. It has also been highlighted in the interviews conducted for the evaluation that some of the synergies between the actions could have been enhanced, with may have resulted in some administrative savings. No quantification has been possible, however.

Type: One-off	N/a	N/a	N/a	N/a	N/a	N/a		Costs of submitting proposals if lack of clarity
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³²⁹ CBA conducted by the Commission (SEC(2013) 493 final)

³³⁰ This assessment is without prejudice to a possible future Impact Assessment.

ANNEX V. STAKEHOLDERS CONSULTATION - SYNOPSIS REPORT

This is an overview of the results of the consultation activities carried out in the context of the COSME final and EIP ex-post evaluations, including the targeted and public consultations as well as the interviews. Further details on the consultations are in standalone survey reports, attached the supporting studies.

Call for Evidence

The feedback period started on 17 March 2023 with a deadline for feedback by 14 April 2023. In total, 3 stakeholders provided feedback. There were 2 business associations from Belgium and an NGO from Slovakia. The feedback received was considered in the scope of the analysis.

Public consultation (the Summary report is available online³³¹)

The consultation was published on 15 June 2023 and responses were accepted until 18 September 2023. 24 organisations and individuals responded to the consultation. The responses came from Italy (8 replies), Belgium (2), Germany (2), Netherlands (2), Romania (2), Finland (1), France (1), Hungary (1), Luxembourg (1), Malta (1), Poland (1), Portugal (1) and Spain (1). No responses were received from non-EU countries.

Overview of the Consultation Strategy

The consultation activities carried out for the supporting study included: an interview programme with selected stakeholders and 6 targeted consultations conducted via online survey.

As regards the interview programme, 73 interviews were carried out with key stakeholders (the agreed target was 45-60). These includes scoping interviews with EC and Executive Agency officials, interviews with financial intermediaries, funds, investee companies and other participants in thematic actions. On multiple occasions, interviews were conducted with more than one stakeholder (these have been counted as single interview).

As part of the consultation strategy, 6 targeted consultations were carried out via online surveys. These were used to obtain evidence on the programme and specific actions which complemented the statistical analysis and the results of the review of available monitoring data/secondary sources. All surveys were launched on 7 August and ran until 25 September (apart from the financial support ones kept open for a few more additional days to encourage participation). The approach to dissemination is explained in the table below.

Stakeholder Groups Involved in the Targeted Consultations

The online surveys targeted different stakeholders relevant to either strand of the supporting study (COSME and EIP) or both. These included: COSME/EIP financial

³³¹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13399-COSME-programme-evaluation/public-consultation_en

instruments intermediaries and final recipients of SMEG / LGF support, EEN member organisations and SMEs clients, EYE host and new entrepreneurs, as well as providers and beneficiaries of other COSME/EIP co-funded services (including tourism actions, clusters, social economy and others).

No	Target groups	Approach to the dissemination	Initial estimate	Number of responses
1	Final recipients of SMEG and LGF guaranteed loans	The evaluation team agreed on the approach with EIF and invited the financial intermediaries to disseminate the survey link to clients in portfolio.	5 000 ³³²	201
2	Financial Intermediaries for SMEG and LGF	The evaluation team agreed on the approach with EIF and invited the financial intermediaries to contribute.	128 ³³³	59
3	EEN member organisations ³³⁴	The research team asked EISMEA to send the survey link to member organisations	530	109
4	EEN beneficiary SME clients	The research team asked EISMEA to invite the EEN Contact Points to forward a survey link to SMEs which received EEN support services	10 000	67
5	Providers and SME beneficiaries of other measures (e.g. cluster international organisations/managers, thematic actions including tourism, social economy)	The research team asked EISMEA to forward a survey link to intermediary agencies and final beneficiaries of other actions	Not known	110
6	EYE Entrepreneurs (host and new entrepreneurs)	The research team asked EISMEA and GROW EYE team to promote the survey and send the link to entrepreneurs.	4,143	1,200

³³² This figure is an estimate of the number of responses the survey could target. This value accounts for less than 1% of the total population of final recipients of financial support under COSME and the EIP (based on available data). However, the target takes into account the approach and response rate obtained by the LGF beneficiaries survey from the COSME interim evaluation (at that time, the total population of LGF final recipients was equal to 70,000. The survey received 356 responses, which represented less than 1% of the population). The target will not include final recipients that have been involved in recent evaluations, such as the EFSI ex-post evaluation.

³³³ This figure is an estimate of number of responses that could be obtained by the survey based on the list of intermediaries available at the time when the Inception Report was produced.

³³⁴ Member organisations of the EEN consist of regional development organisations, universities and research institutes, chambers of commerce and industry and innovation agencies.

The results achieved in terms of response rate are in line with past consultation exercises.

As part of the consultation strategy, the supporting study team carried out 6 targeted consultations via online surveys, tailored to 6 different groups of stakeholders, covering different interventions of the COSME programme and the EIP. 5 of the surveys covered COSME. These were used to obtain evidence on the programmes and key interventions. The evidence gathered complemented the statistical analysis and the results of the secondary research and interview programme.

All surveys operated on-line from 7 August to 25 September 2023 (with exception of two surveys LGF and SMEG (EIP) guaranteed loans were kept live until 27 September 2023, to obtain more responses).

The online surveys targeted different stakeholders relevant to either strand of the study (COSME and EIP) or both. These included: SMEG and LGF financial intermediaries and final recipients of support, EEN member organisations and SMEs clients, EYE host and new entrepreneurs, as well as providers and beneficiaries of other COSME/EIP co-funded services (including tourism actions, clusters, social economy and others). The rationale behind the selection of these stakeholder groups was illustrated in the technical proposal. The approach was then refined in the inception phase to address the ISG feedback.

To ensure continuity with past assessments of the programmes, the survey questionnaires were drafted considering the questionnaires used for the consultation supporting the COSME interim evaluation and the EIP Final Evaluation. These questionnaires were adapted and refined in order to reflect the specific aims and scope of this study.

The survey questionnaires were piloted and tested with the Commission's Services, EISMEA and the EIF. The survey testing and piloting phase lasted from 30 June until 7 August 2023. All comments and feedback received were promptly addressed and contributed to improving the quality of the questionnaires.

The research team discussed and agreed the survey dissemination strategy with DG GROW, EISMEA and the EIF. In particular, the team adopted different dissemination approaches tailored to the survey targets (as summarised in the table below). As regards the survey for SMEG and LGF financial intermediaries, the team randomly sampled the financial intermediaries, excluding those invited in the interview programme and obtained their contact details from the EIF. Overall, 102 financial intermediaries were invited to contribute to the survey. As regards the consultation with final beneficiaries of SMEG and LGF guaranteed loans, the consultant took the following steps:

- They sampled financial intermediaries that will be invited to cascade the survey link to their final beneficiaries, based on country, type of institution (commercial bank, leasing company, promotional institution, guarantee institution), programme (COSME, EIP) and type of support (direct guarantee, counter guarantee, on-lending).
- They randomly sampled the final recipients within their portfolio, considering the distribution of SMEs in terms of country and sector (in line with the approach used in the COSME Interim Evaluation), and considered the most recent transactions. For the selection of final recipients, the following rules applied:
 - COSME-LGF: they selected the entire the portfolio if this included less than 500 SMEs. Otherwise, around 500 companies were chosen in order to maintain the distribution of SMEs in terms of country and sector. For the interim evaluation of

COSME, the threshold was 250. For this study, the consultant has doubled the threshold to obtain a larger target sample.

- EIP-SMEG: The entire portfolio was selected if the portfolio included less than 250 SMEs. If the portfolio was larger, the consultant chose around 250 final recipients ensuring that the distribution of SMEs in terms of country and sector remained the same. The lower threshold for EIP-SMEG is justified by the fact that it had less than half of the number of beneficiaries reached by LGF.

In total, 48 financial intermediaries were asked to cascade the survey link to final recipients in their portfolio and were provided with the list of targeted SMEs. The results of this sampling and the targets are presented below.

Table 21: Results of sampling and targets for SMEG and LGF final participants

Survey to SMEG and LGF final recipients	COSME	EIP
A. Number of unique SME beneficiaries	864 024	388 378
B. Number of SME in selected FI portfolio	249 796	54 078
C . % of potential target over total population (B/A)	28.9%	13.9%
D. Number of SME sampled	14 092	4 941
E. % of sampled SMEs over total population (D/A)	1.6%	1.3%
F. % of sampled SMEs over potential target (D/B)	5.6%	9.1%
Expected N of responses (assuming a response rate between 2% and 5%, over D)	ca. 280-700	ca. 100-250

Table 22: - Results achieved by targeted consultation and the initial estimates.

No	Target groups	Approach to the dissemination	Initial estimate	Number of responses received
1	Final recipients of SMEG and LGF guaranteed loans	The evaluation team agreed on the approach with EIF and invited the financial intermediaries to disseminate the survey link to selected clients in their portfolio.	5 000 ³³⁵	201
2	Financial Intermediaries for SMEG and LGF	The evaluation team agreed on the approach with EIF and invited the sampled financial intermediaries to contribute.	128 ³³⁶	59

³³⁵ This was an estimate of responses the survey could have obtained. However, the survey of LGF beneficiaries conducted for the COSME interim evaluation received 356 responses, which represented less than 1% of the original population. From this perspective, the result achieved is in line with past exercises.

³³⁶ This figure was an estimate of number of responses that could have been obtained by the survey based on the list of intermediaries available at inception stage. The result achieved accounts for 57% of targeted population.

No	Target groups	Approach to the dissemination	Initial estimate	Number of responses received
3	EEN member organisations ³³⁷	EISMEA disseminated the survey link to member organisations	530	109
4	EEN beneficiary SME clients	EISMEA invited EEN member organisations to forward a survey link to SMEs which received EEN support	10 000	67
5	Providers and SME beneficiaries of other measures (e.g. cluster international organisations/managers, thematic actions including tourism, social economy)	EISMEA forwarded the survey link to intermediary agencies and final beneficiaries of other actions.	Not known (the survey addressed different stakeholders)	110
6	EYE Entrepreneurs (host and new entrepreneurs)	EISMEA and DG GROW EYE team disseminated the survey link to intermediary organisations and final beneficiaries, entrepreneurs. The survey link was posted on programme social media, and in the alumni section of the EYE platform.	4,143	1,200

The number of responses obtained through the different surveys are in line with the results achieved in previous consultations about the programme. It should also be noted that the surveys were launched and carried out during the summer period. Given the limited participation of targeted audiences over the month of August, the team adopted all possible mitigation measures to achieve a good response rate. These included: collaborating closely with the Commission, EISMEA, EIF to identify and activate multiple dissemination channels, sending follow-ups to encourage participation, extending the survey deadlines and enhancing the involvement of intermediary organisations in the survey dissemination process. Furthermore, the survey for final recipients of SMEG and LGF guaranteed loans was translated into French, Italian, German and Spanish to facilitate participation. These measures significantly increased the survey response rate in September (with the EYE survey achieving particularly good results).

Interview Programme

As part of the consultation plan for the study, the consultant conducted 72 interviews with key stakeholders (surpassing the initial target of 45-60). These include scoping interviews with EC officials and interviews with financial intermediaries, funds, investee companies and other participants in thematic actions. On several occasions, they conducted interviews

³³⁷ Member organisations of the EEN consist of regional development organisations, universities and research institutes, chambers of commerce and industry and innovation agencies. The number of responses obtained is approximately 20% of the population.

with multiple stakeholders, counting them as single interviews. The interview programme complemented the desk research and the review of monitoring data.

The interview programme and target groups were refined by the consultant during the Inception and Data Collection Phases. Initially the plan also included financial entities that did not apply to COSME financial instruments. This target was removed due to the lack of information and records on intermediaries who did not apply or were rejected.

Another important change relates to the consultation of COSME – EFG and EIP – GIF funds and investee companies. The original consultation strategy presented in the Inception Report foresaw separate targeted consultations (surveys) for intermediaries and beneficiaries of equity support. During a project meeting, the EIF suggested not conducting a survey of fund managers, given that another survey was planned for the summer and the population was limited (23 people). Instead, they proposed conducting more in-depth interviews with a sample of fund managers. Similarly, the EIF recommended replacing the survey for investee companies with more in-depth interviews about additionality, costs, and the impact of support received by a sample of beneficiaries. The primary reason for this change was to mitigate the risk of survey fatigue among beneficiaries. Consequently, the consultants' team sampled fund managers and investee companies and conducted interviews with them. The table below provides an overview of the stakeholders involved in the interview programme.

Table 23: Overview of the interview target groups

Interview target	Interviews	Performed
1. Representatives from EU institutions and bodies (DG GROW, DG ECFIN, EIF, EISMEA)	3-5	9
2. MS Competent Authorities and Agencies (including agencies/ministries in charge of delivering SME support)	7-10	7
3. EIP SMEG / COSME LGF Financial Intermediaries	17-20	21
4. EIP GIF / COSME EFG Funds	7-15	7
5. EIP GIF / COSME EFG Investee companies	2-5	5
6. Providers and partners of COSME/EIP co-funded services to SMEs (e.g. EEN member organisations, EYE support office, cluster managers, NGOs/civil society relevant to the social economy) and representatives from different categories of stakeholder organisations (e.g. Business Support Organisations, associations) ³³⁸	10-15	23
Total	45-60*	72

* This was the original target set before adding EIP GIF / COSME EFG stakeholders to the interview programme.

The following sections provide details on the performed interviews and the sampling of financial support stakeholders. Section 1.5 of this report contains the interview checklists. It should be noted that these checklists were tailored to the specific interviewee during the interview.

Where possible, the consultant tried to create synergies between the research activities supporting the final evaluation of COSME and the ex-post evaluation of the EIP. Therefore, in the interviews reported below the consultant asked questions relating to both COSME and the EIP.

³³⁸ These stakeholders are at the same time beneficiaries of the programme but also partners in the provision of services to SMEs.

Table 24 - Scoping Interviews

Entity	Thematic scope
EC	EEN
EC	EEN (COSME and EIP)
EC	COSME Financial instruments
EC	EIP Financial instruments
EC	COSME (all actions)
EC	EIP (all actions)
EISMEA	Competitiveness and internationalisation actions
EISMEA	COSME (all actions)
EIF	COSME Financial instruments

SMEG³³⁹ / LGF Sampling and Interviews

A total of **21 financial intermediaries** contributed to the study. The selection was made considering several criteria: including the programme covered (EIP/COSME), geographic diversity, different categories of financial intermediaries. To prevent consultation fatigue, intermediaries who were recently interviewed for other evaluations were excluded from the list. The sample was approved by the EIF who helped establish initial contact with the selected financial intermediaries. The resulting interviewee sample is not fully representative of the entire financial intermediaries' population because in some countries existing intermediaries had either very tiny portfolios or had no longer active relationships with the EIF. However, intermediaries that were not selected for the interviewees were reached out through the targeted consultations.

The selected financial intermediaries were also invited to complete a survey and provide structured feedback. The interviews offer more flexibility in data collection and allow to delve into contextual aspects that are not covered by the survey questionnaire.

Table 25 – Overview of selected financial intermediaries

Financial Intermediary	Programme	Country	Type of support	Type of Financial Intermediary
Austria Wirtschaftsservice GmbH	COSME / EIP	Austria	Counter Guarantees	Guarantee Institution
Banca Transilvania S.A.	COSME	Romania	Direct Guarantees	Commercial Bank
Bank of Valletta P.L.C.	EIP	Malta		Commercial Bank
Caixa Geral de Depósitos S.A.	COSME	Portugal	Direct Guarantees	Promotional Institution
Ceskoslovenska obchodna banka, a.s.	COSME / EIP	Slovakia	Direct Guarantees	Commercial Bank
CM-CIC Leasing Solutions	COSME / EIP	France	Direct Guarantees	Leasing Company
Franfinance SA	COSME	France	Direct Guarantees	Leasing Company
Ethniki Trapeza Tis Ellados A.E.	COSME	Greece	Direct Guarantees	Commercial Bank
Bygðastofnun	COSME	Iceland	Direct Guarantees	Guarantee Institution
K&H Bank	COSME	Hungary	Direct Guarantees	Commercial Bank
KfW Bankengruppe	COSME / EIP	Germany	On-lending	NPB

³³⁹ SMEG is the SME Guarantee Facility, a financial instrument providing loan guarantees to stimulate the supply of debt finance to SMEs under the EIP Programme (2007-13).

Národní rozvojová banka, a.s.	COSME	Czechia	Counter Guarantees	Guarantee Institution
Credito Emiliano S.p.A.	COSME	Italy	Direct Guarantees	Commercial Bank
Nuevo MicroBank S.A.U.	COSME / EIP	Spain	Direct Guarantees	Commercial Bank
PKO Leasing S.A.	COSME / EIP	Poland	Direct Guarantees	Commercial Bank / Leasing Company
PMV Standaardleningen NV	COSME	Belgium	Direct Guarantees	Promotional Institution
NLB Komercijalna banka ad Beograd	COSME	Serbia	Direct Guarantees	Commercial Bank
Privredna Banka Zagreb d.d	COSME / EIP	Croatia	Direct Guarantees	Commercial Bank
Swedbank AS (Latvia)	COSME	Latvia	Direct Guarantees	Commercial Bank / Leasing Company
United Bulgarian Bank AD	COSME	Bulgaria	Direct Guarantees	Commercial Bank
Vækstfonden (EIFO)	COSME / EIP	Denmark	Counter Guarantees / Direct Guarantees	Promotional Institution

GIF³⁴⁰ / EFG Sampling and Interviews

Overall, 7 out of the selected 15 funds contributed to the interview programme. The selection was informed by the following criteria: country coverage, programme coverage (EIP/COSME), fund size, beneficiary coverage, venture capital or private equity, fund generation. To mitigate the risk of consultation fatigue, funds who were recently interviewed for other evaluations were excluded from the list. The sample for the interviews was discussed and agreed with the EIF who helped establish initial contact with fund managers.

Table 26: Funds that contributed to the interview programme

Fund Name	Fund Manager	Programme	Country	Strategy
Arx CEE IV	ARX Equity Partners B.V.	COSME	Netherlands	Private Equity
Bullnet Capital Fund II	Bullnet Gestión SGEGR	EIP	Spain	Venture Capital
CapHorn 2, FPCI	CapHorn Invest	COSME	France	Venture Capital
EMH Digital Growth Fund GmbH & Co. KG	EMH Partners GmbH	COSME	Germany	Venture Capital
HPE PRO Institutional Fund	HPE Growth B.V.	EIP	Netherlands	Private Equity
MVP Fund II GmbH & Co. KG	MVP Management	EIP	Germany	Venture Capital
SET Fund II C.V.	SET Management B.V.	COSME	Netherlands	Venture Capital

Furthermore, for every fund manager, the consultants' team extracted a random sample of final beneficiaries. In total, 4 interviews with representatives from five investee companies were conducted.

Table 27: Final beneficiaries that contributed to the interviews

Fund Name	Fund Manager	Programme	Country
Electrochaea GmbH	MVP Fund II GmbH & Co. KG	CIP	Germany

³⁴⁰ GIF is the High Growth and Innovative SME Facility, a financial instrument providing equity financing under the EIP Programme (2007-13).

As good as new	MVP	CIP	Germany
Knowledge Development for POF S.L. + Knowledge Development for Rugged Optical Communications SL	Bullnet Capital Fund II	CIP	Spain
Fenestra Wieden s.r.o.	ARX CEE IV	COSME	Czech Republic

Interviews with COSME and EIP Providers and Beneficiaries

The consultants' team contacted 100 providers and beneficiaries of COSME and EIP actions. This included intermediary organisations, agencies, bodies and other participants in COSME and EIP interventions as well as final beneficiaries.

Table 28: Providers and beneficiaries of COSME and EIP evaluations interviewed

Entity	Thematic scope
Agency for Development and Innovation of the Nouvelle-Aquitaine	Tourism
Antik Art LLC	EYE
BIZGARDEN SRO	Tourism
Chamber of Commerce and Industry of the Republic of Moldova	EEN
Center for Technology Transfer and Innovation (CTT)	EEN
Municipality of Vila Nova de Famalicão - Portugal	Social Economy
Municipality of Buti - Italy	Social Economy
Consorzio Materahub - Cultural and Creative Industries	EYE
DITECFER – District of Railway Technologies	Competitiveness
Bourgogne Franche-Comté Chamber of Commerce and Industry	EEN/EYE
Business House Central Jutland - Denmark	EYE
ESBA - European Small Business Alliance	EYE
Estonian Health Insurance Fund	Public Procurement
G.A.C. Group - Innovation & Performance for Impact	Cluster action
European Innovation Council and SMEs Executive Agency (EISMEA)	Public Procurement
Federturismo Confindustria	Tourism
IAPMEI - Agency for Competitiveness And Innovation	EEN
Instituto Tecnológico de Canarias	EYE
Interreg Europe Policy Learning Platform	Internationalisation
IT Solution	EYE
Center for Security Studies (KEMEA)	Public Procurement
Latvian Technological Center foundation	EEN
NEST Tourism Innovation Centre	Tourism
NorthDenmark EU Office	EEN
Public Procurement Policy Group – Ministry of Defence	Public Procurement
SMEUnited	Business support
VDI/VDE Innovation + Technik GmbH	Competitiveness
Financial Services Specialist Group, Vienna Chamber of Commerce	EEN
Municipality of Reggio Emilia	Social Economy
REVES- European Network of cities and Regions For The Social Economy.	Social Economy

ANNEX VI. ADDITIONAL INFORMATION ON THE IMPLEMENTATION OF THE PROGRAMME, INCLUDING COUNTRY INFORMATION

A. COSME Interim Evaluation recommendations and how they were addressed

Table 29: Interim evaluation recommendations and how they were addressed

Interim Evaluation of COSME - Recommendations
<p>Recommendation 1: The Commission should carefully explore ways to improve COSME's alignment with EU policy goals relating to the improvement of EU global competitiveness and sustainable and inclusive growth. COSME serves as Europe's programme for small and medium-sized firms. SMEs are essential to achieving these EU policy goals, as several studies and initiatives on policy have shown.</p>
<p>Recommendation 2: A stronger emphasis on industrial competitiveness would make it easier for the COSME programme to be more fully integrated into all of DG GROW's initiatives and strategies.</p>
<p>Action taken to address Recommendations 1 and 2: Increased attention was paid to actions for supporting competitiveness, and sustainability (including actions for industrial ecosystems) in the latter years of the programme, including several substantial calls for clusters projects. The EEN and the Commission worked on a medium-term strategy for revamping EEN's services and service delivery models to ensure that it could meet the changing needs of SMEs. A central feature of this new approach was a focus on SME clients' needs and a medium-term client journey with more in-depth services to support SME competitiveness and internationalisation. Towards the end of the programme, EEN also progressively built capacities for providing sustainability advisor services and started delivering these services on a small scale.</p>
<p>Recommendation 3: The programme should be able to limit or even prevent financing for specific standalone activities and guarantee the integration of smaller actions within the broader programme portfolio with a better description of the COSME priority areas and the boundaries of its duties. It is advised that the Commission think through the best ways to increase COSME's comparative cost-effectiveness.</p>
<p>Action taken to address Recommendation 3: The process for screening actions and drafting the work programme improved throughout the programme (also taking account of advice from EISMEA on the scope for enhancing cost-effectiveness: size of calls, number of projects, etc.). Nevertheless, the supporting study found that some smaller actions from the latter years of the programme had a weaker link with overall programme goals.</p>
<p>Recommendation 4: To promote better COSME programme management efficiency and an improved ability for a quality execution of the monitoring and evaluation role, the Commission must adopt a more consolidated approach to data management.</p>
<p>Action taken to address Recommendation 4: A review of data for the evaluation study confirmed that the quality of data gathering and monitoring reports improved in the latter years of the programme allowing more complete reporting to be provided on the coverage of the activities, outputs and state of play, also for smaller actions. However, the quality and completeness of the data on beneficiaries remains sub-optimal with the exception of the larger actions. For example, this was the case for secondary beneficiaries (i.e. SMEs) within the Clusters programmes and internationalisation.</p>
<p>Recommendation 5: The COSME's integration with other EU projects and its synergies/added value with national and regional programmes and policies might both be strengthened by the Commission.</p>

Action taken to address Recommendation 5: Progress has been achieved with internal and external synergies, in particular for larger actions such as EEN, financial instruments, the international SME IP helpdesks, and the EU Japan Centre.

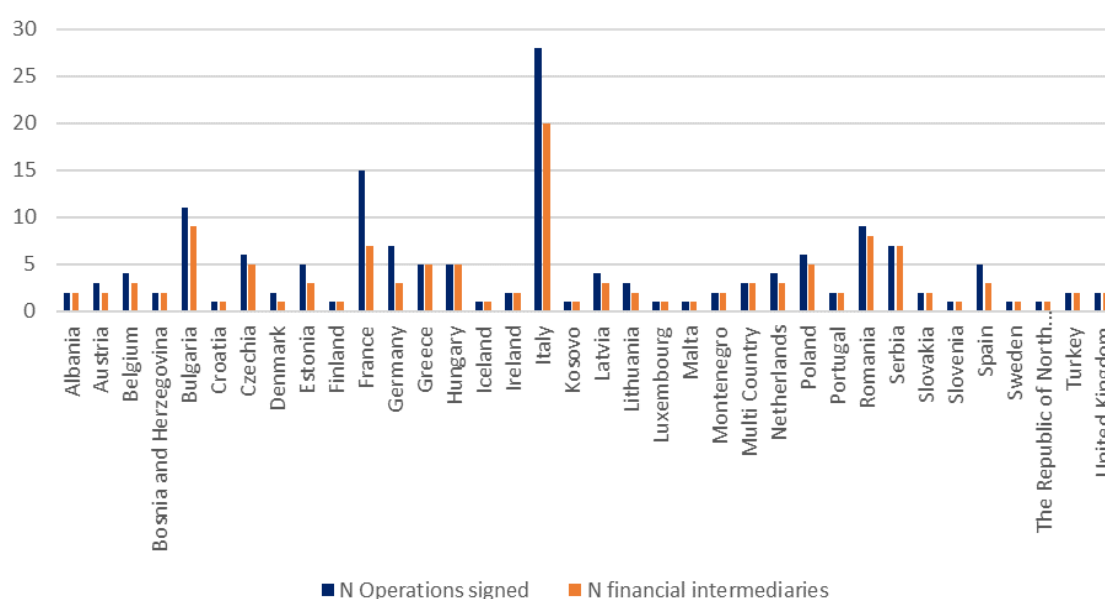
Recommendation 6: We advise the Commission to direct the programme's resources towards those areas of intervention where they will have the greatest impact in the line with the mandate of COSME.

Action taken to address Recommendation 6: A large proportion of the budget was allocated to flagship actions which had demonstrated their impacts such as the financial instruments and EEN.

B. Further information on implementation - SO1 - Access to finance

The Loan Guarantee Facility (LGF)

Figure 6: Number of LGF operations signed and financial intermediaries by country



The 163 guarantee agreements were signed by **financial intermediaries located in 35 countries**. Since some of the agreements have terminated, the following analyses are based only on the 157 active ones. As shown in the figure above, the countries with the highest number of active guarantee agreements are Italy,³⁴¹ France,³⁴² Bulgaria,³⁴³ and Romania.³⁴⁴ The only COSME Participating Country where no agreement was signed is Cyprus. Among eastern neighbouring countries, Armenia, Moldova and Ukraine did not participate in the COSME financial instruments, although they had signed an International Agreement under the COSME programme, whereas, in Malta and North Macedonia, the signed guarantee agreement did not generate any financing as of December 2022.

Concerning the type of financial intermediaries that signed agreements, two considerations emerge. The role of National Promotion Banks and guarantee institutions has been instrumental in facilitating participation in the programme in certain countries. This holds

³⁴¹ 28 active agreements (18%) signed by 20 distinct financial intermediaries (16%).

³⁴² 15 active agreements (10%) signed by 7 financial intermediaries (6%).

³⁴³ 11 active agreements (7%) signed by 9 financial intermediaries (7%).

³⁴⁴ 9 active agreements (6%) signed by 8 financial intermediaries (6%).

true not only for countries that exclusively participated through their NPBs but also for Belgium, Bulgaria, France, Hungary, Italy and Poland.

Regarding the involvement of leasing companies in the LGF, their participation in some cases (e.g., France, Netherlands) was influenced by the specific characteristics of national guarantee programmes. These programmes either do not consider these intermediaries as eligible for financing, or the terms at which these programmes are offered do not align well with the business model of leasing companies.

Out of the 157 active guarantee contracts signed, 92 (59%) aimed to provide direct guarantees, 51 (32%) counter guarantees, 9 (6%) an SME Initiative Securitisation Instrument, and 5 (3%) on-lending.

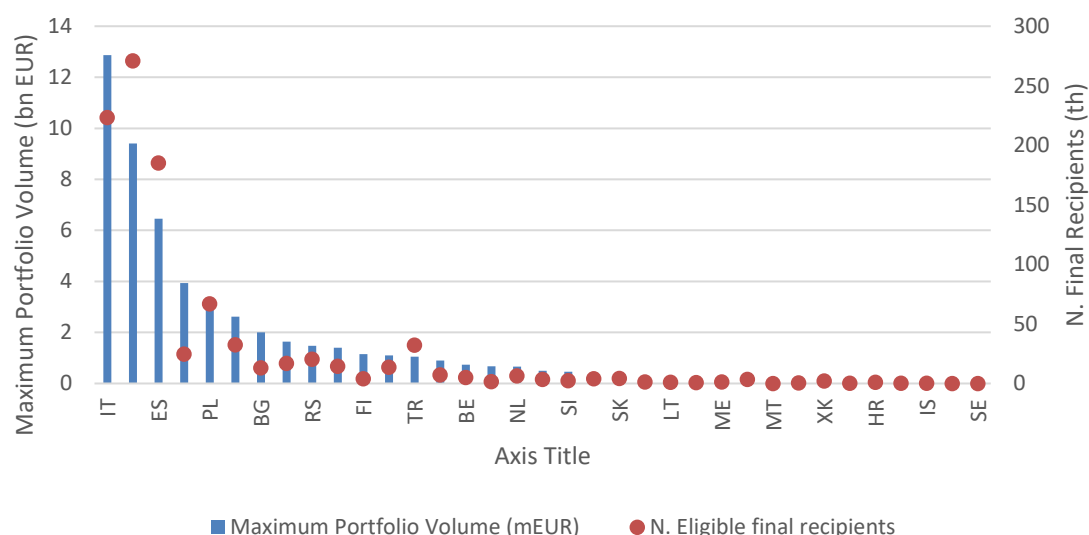
Although commercial banks signed a larger number of guarantee contracts, guarantee institutions and promotional banks, by providing counter-guarantees through sub-intermediaries, managed to generate a significantly higher number of transactions, with **56% of the LGF final recipients receiving support through counter-guarantees** (almost twice as many final recipients as those reached by commercial banks (guarantees)).

The reasons for the higher results of the counter-guarantees are several. On one hand, on average, counter-guarantees provide for a higher leverage of the budget committed to an individual transaction (calculated as total supported lending to SMEs, divided by the COSME LGF budget committed). This is achieved thanks to the additional guarantee layers present in the structure, with each additional layer mobilising additional resources alongside the COSME LGF resources. On the other hand, while a greater number of contracts were signed under the direct-guarantee structure, the value of these contracts is lower with ca. 57% of the budget having been signed under counter-guarantee.

LGF Final recipients

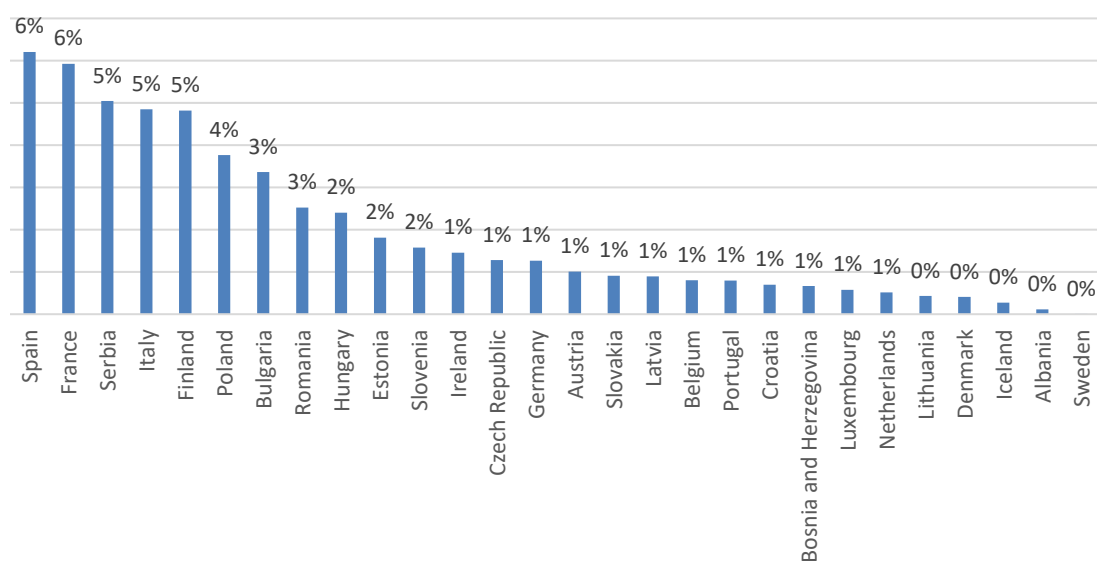
The LGF supported 865 387 distinct SMEs (i.e. final recipients) as of 31 December 2022. The countries with the highest number of final recipients are Italy, France, Spain, and Poland. The geographical distribution of supported SMEs is mainly determined by the number of agreements signed in each country and the size (maximum portfolio volume) of these agreements. In addition to this there were other factors at play, such as the average size of loans the EIF agreed with the financial intermediaries in the different countries. As shown in the Figure below, in general, the larger the maximum portfolio volume signed, the larger the number of SMEs supported in each country.

Figure 7: LGF final recipients and maximum portfolio volume signed by country



Source: Consultant's own elaborations on COSME LGF Quarterly Report as of 31/12/2022

Figure 8: LGF final recipients as a percentage of all SMEs in each country



Size of investment and size of business supported

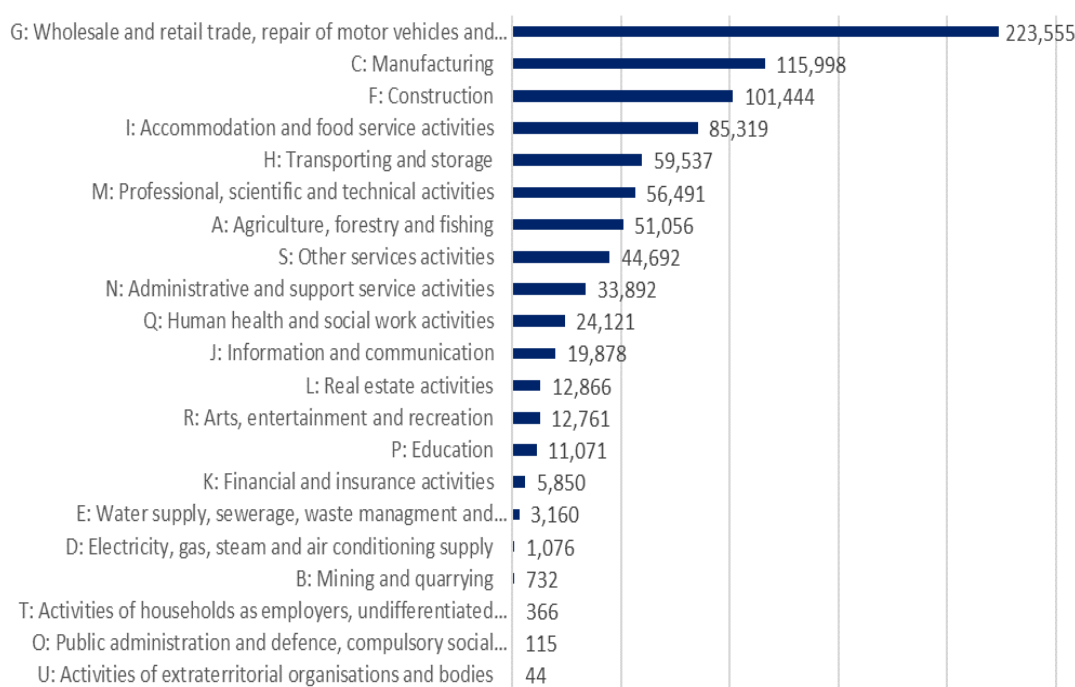
The relationship between the average size of final recipient transaction (i.e., average ticket size) and the GDP per capita across Member States highlights that there are strong differences across countries. On the one hand, in France and the UK, where the GDP per capita is more than EUR 30,000, the average size of final recipients' transaction was less than EUR 25,000. On the other hand, in Albania and Bulgaria where the GDP per capita is respectively EUR 4,700 and EUR 8,900, the average ticket size was EUR 102,000 and EUR 119,000.. This heterogeneity of ticket sizes is mainly driven by the different strategies implemented by the intermediary banks, which in some cases mainly lend to micro-enterprises, while in others also targeted other SMEs with larger loans.

As far as the size of final recipients is concerned, **most firms reached by the programme are micro-enterprises**, i.e., they have less than ten employees. These firms represent 89% of the final recipients reached by the LGF. Small (10-50 employees) and medium (50-250 employees) enterprises account for 10% and 1% of the number of SMEs financed respectively. **Overall, 50% of the firms financed under the LGF are sole proprietors.** This is not unexpected given that the LGF set a EUR 150,000 loan threshold above which intermediaries had to apply a special procedure to verify the company eligibility for financing under the LGF.

Number of enterprises supported by sector

A quarter of final LGF recipients (SMEs) operated in sector G, “Wholesale and retail trade, repair of motor vehicles and motorcycles”, in almost all countries supported³⁴⁵. The second most common sector was sector C “Manufacturing”, followed by sector F “Construction”.³⁴⁶ Overall, the sectoral distribution of LGF final recipients is in line with the distribution for SMEs in Eurostat Structural Business Statistics (SBS). It reflects the sectors where SMEs, and in particular micro-enterprises, are mostly active.

Figure 9: Number of final recipients by Sector (NACE level 1)



Source: Elaboration for the supporting study on EIF monitoring data

Equity Facility for Growth

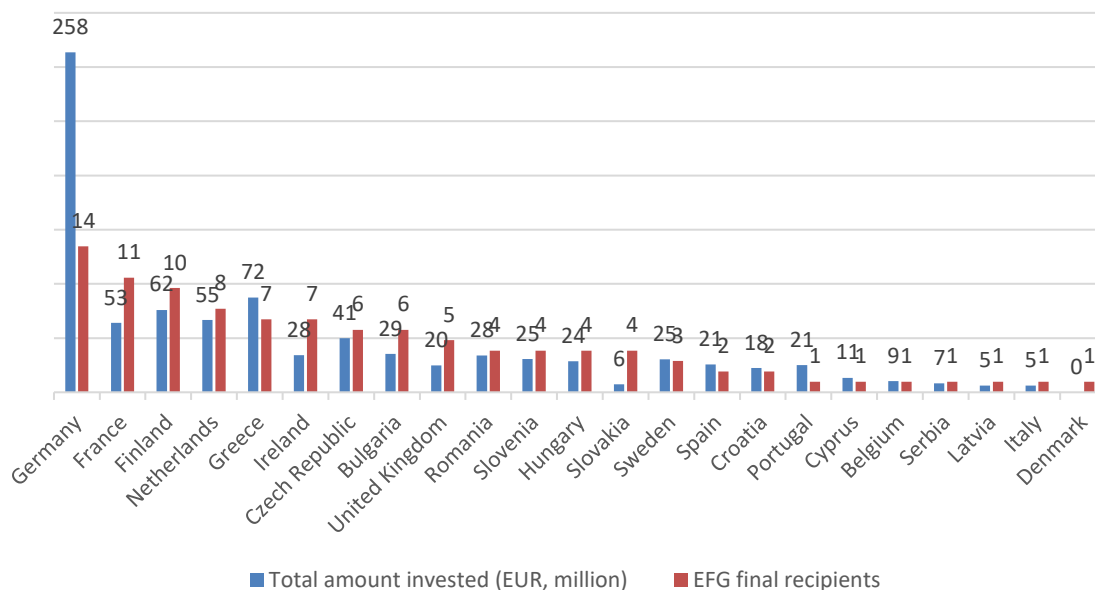
Under the EFG agreements were signed with 21 selected funds located in 17 countries. Typically, operations within one country are provided by a single fund. However, multiple funds signed operations in Bulgaria, Germany, the Netherlands and Portugal. Out of the 21 funds, the majority (14) focused on the expansion and growth stage only, while the

³⁴⁵ There were some differences in sector coverage between countries as further described in Annex VI.

³⁴⁶ NACE code sectors, following the classification applied by Eurostat

remainder were multi-stage (as also co-invested by InnovFin): six funds offered venture capital, while only one fund provided private debt.

Figure 10: Core EFG eligible final recipients and total amount invested by legal country



COSME EFG eligible final recipients' headquarters were located in 23 different countries. The countries with the highest number of EFG final recipients' headquarters were Germany (14, 13%), France (11, 11%), and Finland (10, 10%), followed by the Netherlands (8, 7%), Greece (7, 6%) and Ireland (7, 6%). In 15 countries, less than five SMEs received investment. This distribution is in line with the overall distribution of EIB group³⁴⁷'s equity operations in the period 2010-2021. For the EIB group's operations in general, funding was concentrated in a few countries notably the UK, France, Germany and Sweden.

The study notes that when these investment flows are compared to the size of the equity markets in the respective country, it emerges that the EIF provided significant support to companies in Member States with less mature and underserved equity markets.

EFG – average size of investments and size of businesses supported

The majority of investments made in EFG final recipients were below EUR 10 million (47% of the firms received between EUR 5 and EUR 10 million, while 34% received less than 5 million. This is in line with the average ticket size³⁴⁸ in the EU market.

The majority of investments made in EFG final recipients were below EUR 10 million. In particular 47% of the firms received between EUR 5 and EUR 10 million, while 34% of the beneficiaries received less than 5 million. By way of casting some light on this range, the 2019 report of the European Court of Auditors³⁴⁹ on centrally-managed EU interventions for VC shows that EU-backed VC funds have invested, on average, EUR 1.4 and EUR 2.6 million per SME in the seed and start-up stages respectively, while the

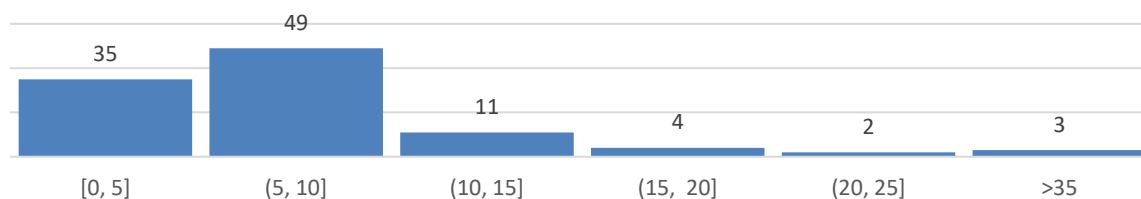
³⁴⁷ The EIB group refers to both the EIB and the EIF.

³⁴⁸ In the interviews for the study EFG backed investors/ Fund managers reported that depending on the investment round (e.g., seed, series A, Series B) or the investee life-cycle, the ticket size varies between EUR 1 to EUR 8 million.

³⁴⁹ ECA. 2019. Centrally managed EU interventions for venture capital: in need of more direction, Special report.

average investment in the growth and buy-out stages per SME were EUR 4.9 and EUR 7.2 million respectively.

Figure 11: Distribution of final recipients by invested amount, million EUR

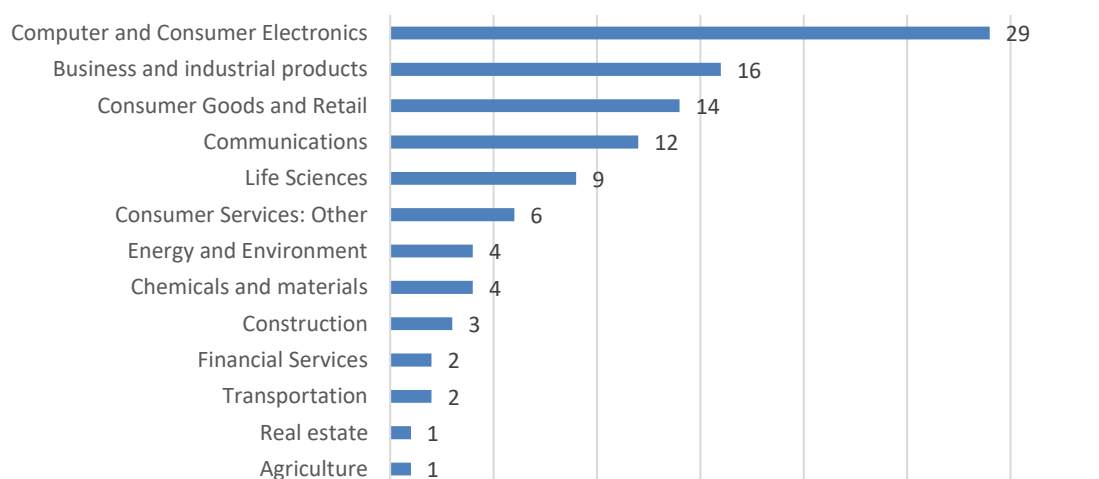


Source: Own elaborations on EIF monitoring data

EFG – Main sectors supported

Most EFG final recipients are in the “Computer and Consumer Electronics” or “Business and industrial products” sectors. Differently from LGF investments, **EFG tended to target SMEs which are young fast-growing innovative firms**. Their innovation-oriented risk profile and business model often made it impossible for them to obtain financing from the traditional financial intermediation system.³⁵⁰

Figure 12: Number of EFG final recipients by sector of activity



Source: Elaborations for the supporting study on the EIF database extract

³⁵⁰ In exchange for the higher risk, these instruments offer higher expected returns to investors—usually beyond the profit-generating capabilities of traditional SMEs. These innovative firms also tend to rely heavily on intangible assets that often cannot be used as collateral for loans.

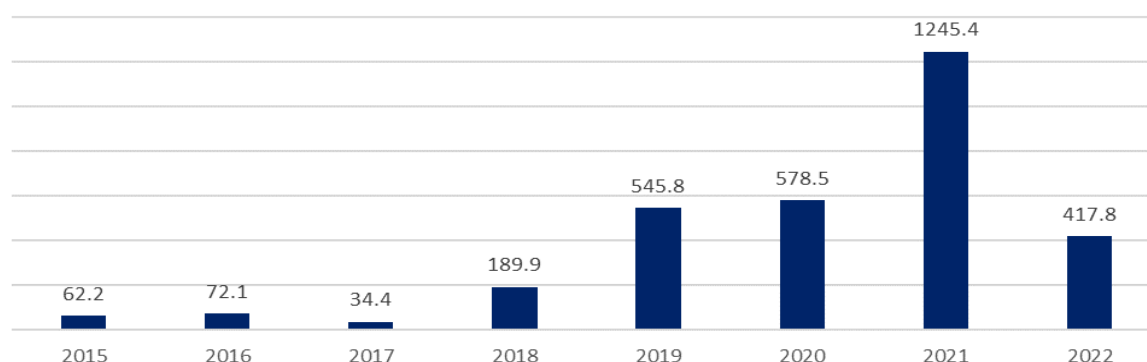
Pan European VC Funds of Funds

In 2016 the Commission launched the Pan European VC Funds of Funds initiative. The targeted Funds-of-Funds act as financial intermediaries and, instead of directly investing in firms, they invest in other funds which in turn finance the final beneficiaries of the programme. Under this initiative two operations were signed with multi-country funds based in Luxembourg and EFG committed respectively EUR 12 and 33 million to these funds. These investments corresponded to 14% and 12% respectively of the size of these intermediaries. Together the two Funds-of-Funds supported a total of 45 funds.

The funds that the Funds-of-Funds invested in made 460 investments into 418 distinct COSME eligible EU target investees (companies that were eligible under this scheme). They were also allowed to invest in businesses in other countries (without EU support) in order to balance the overall risk in their portfolio.

The Pan European VC Funds-of-Funds initiative supported **an overall investment of EUR 3.1 billion in the targeted firms**. It has to be noted however, that some funds are still in the investment period, therefore additional investments are expected. As from 2018 the invested amount ramped up with a considerable peak in 2021.

Figure 13: Total amount invested in EFG eligible EU target investees by year, million EUR



Source: Elaborations by the consultant for the supporting study on EIF database extract

The EFG participation in the Pan European VC Funds of Funds far surpassed the EFG intended leverage effect. In fact, while the targeted leverage effect for the signed operations was between 4 and 6 as per COSME Regulation,³⁵¹ the leverage effect obtained through the Funds-of-Funds operations equals 69.3³⁵².

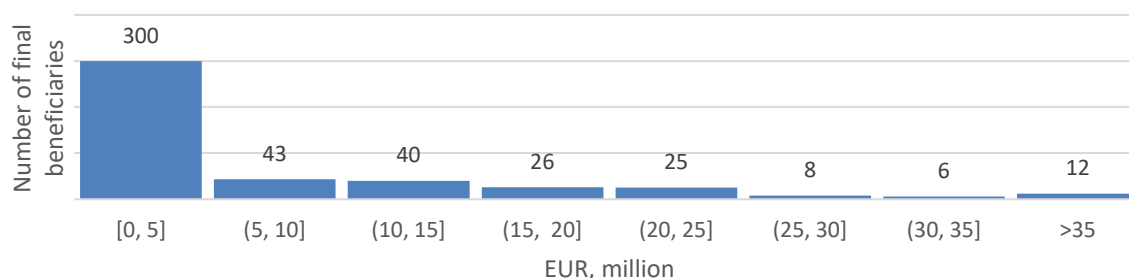
As far as the COSME EFG eligible EU Target Investees are concerned, their headquarters are based in 22 distinct countries. As underlined above the eligibility criteria also include companies whose legal country is not a COSME Participating Country (companies with headquarters outside EU), as long as it is operating in the EU. The country where the largest number of beneficiaries were reached are Germany (with 29% of the total), United Kingdom (17%) and France (16%). These are followed by United States (11%) and the Netherlands (7%). The top five countries in terms of the number of final recipients are also the top five countries in terms of the total amount invested.

³⁵¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32013R1287>

³⁵² Ratio of the total invested amount by the intermediaries over the total EFG commitment.

As shown by the figure below, on average the amount invested in the companies is smaller as compared to the core COSME EFG operations. Most of the firms received investments worth less than EUR 5 million (65%). In particular 191 investments (42%) amounted to less than EUR 1 million. This figure is particularly surprising considering that among the eligible final recipients benefitting from the core COSME EFG operations only 2 investments (2%) were worth less than EUR 1 million. This can be explained by the size of the companies receiving the investments, as explained in the next paragraph.

Figure 14: Distribution of COSME EFG eligible EU Target Investee by financed amount

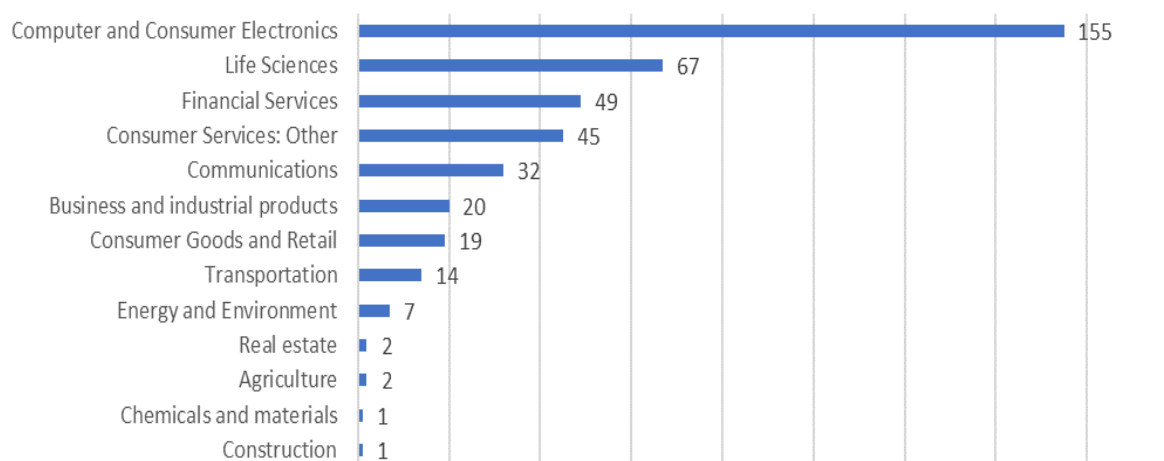


Source: *Elaboration for the supporting study based on an EIF database extract*

When considering the firms' size, it is noteworthy that, differently from beneficiaries of core EFG operations, the majority of investments made under the Pan European VC Funds-of-Funds initiative were directed to small enterprises (i.e., 10-50 employees), which accounted for 35% (155 firms) of the eligible final recipients. Micro and medium enterprises instead accounted respectively for 28% (115 firms) and 19% (91 firms) of the eligible final recipients. Finally, for 64 companies (13%) the headcount was not available while in 23 cases (5%) the final recipients counted more than 249 employees, therefore falling into the Mid-cap category. Nevertheless, note that the headcount might have grown since the time of first investment, therefore making some enterprises, which must had been SMEs at the time of the investment, change their size category.

As far as the sector of activity is concerned instead, the sector where the largest number of firms is active is the "Computer and Consumer Electronics" (with 37% of the firms for which the information is available), the same as that of the core COSME EFG eligible beneficiaries. The second most common sector is instead the Life Sciences sector (16%) followed by the Financial Services (12%). Note that these two sectors only represented 9% and 2% of the core COSME EFG eligible beneficiaries respectively.

Figure 15: Number of COSME EFG eligible EU Target Investees by sector of activity



Source: Elaboration for the supporting study based on an EIF database extract

Country distribution and sectors

The headquarters of the COSME EFG eligible EU Target Investees are based in **22 distinct countries** (including non COSME Participating Countries). The countries with the largest number of EFG eligible EU Target Investees are Germany (29% of the total), United Kingdom (17%) and France (16%). These are followed by United States (11%) and the Netherlands (7%).

Generally, the invested amount is proportional to the number of firms reached.

The main sector benefiting from the Funds-of-Funds is “**Computer and Consumer Electronics**” (37% of the firms for which sector information is available), the same as for the core COSME EFG eligible beneficiaries. The second most common sector is the Life Sciences sector (16%) followed by Financial Services (12%). Note that these two sectors only represented 9% and 2% of the core COSME EFG eligible beneficiaries respectively.

C. Further information on implementation - SO2 - Access to markets

Table 32: SO2 - Actions, calls, projects, total cost, EU contribution, and benefitting organisations by thematic area

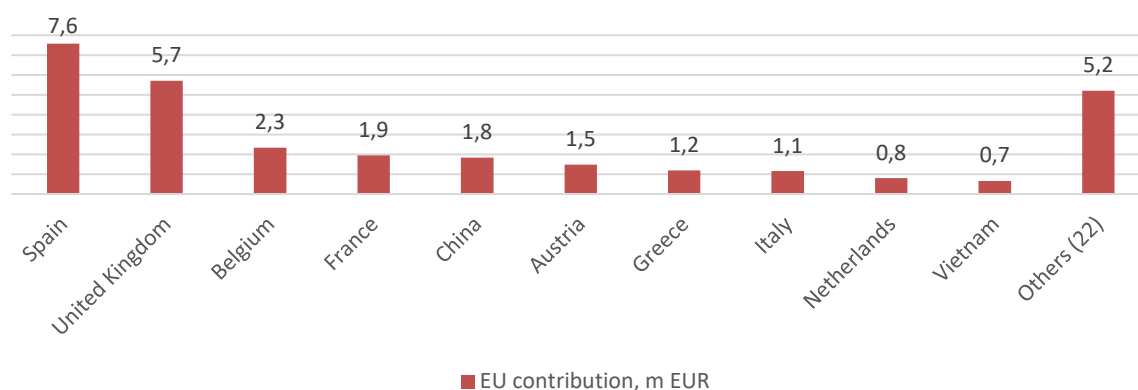
Actions	N Calls	Total costs	Maximum EC grant amount	N. projects	Beneficiaries
Business support networks and services total					
Enterprise Europe Network	10	663 345 624.4	367 277 676.5	518	664
Awareness-raising for entrepreneurs on the Points of Single Contact	1	61 801	46 350	1	2
EU SME Centre in China	1	1 333 253	1 199 925	1	3
Information Platform on Parcel Delivery Services to reduce barriers to e-commerce	1	526 718	360 000	1	5

Actions	N Calls	Total costs	Maximum EC grant amount	N. projects	Beneficiaries
International intellectual property SME helpdesks	1	10 209 423	9 188 481	4	15
IP Pre-Diagnostic and Improving Access to Patent Protection for Innovative EU SMEs.	1	4 548 231	4 084 186	1	2
SME Internationalisation	1	356 537	264 568	2	1
Public procurement					
Co-financing of public procurement of innovation consortia	2	5 017 792	7 172 257	4	26
Creating links for the facilitation of public procurement of innovation	2	2 380 299	2 099 835	3	13
Facilitating access to regulations on light remotely piloted aircraft systems	1	1 147 680	1 032 912	1	8
Improving SMEs Access to Cross-Border Public Procurement	1	1 250 439	937 220	4	22
Supporting European SMEs to participate in public procurement outside EU	1	2 967 996	2 225 993	6	18
Training for SME-friendly policies in central purchasing bodies	4	1 388 424	1 249 577	4	2

Source: Elaboration for the supporting study based on EISMEA data

The geographical distribution of EU grants for SO2 was well aligned with the distribution of participants by country. Most of the EU contribution was granted to participants based in Spain, the United Kingdom, and France. Concerning the different countries involved in international projects, it is interesting to note that in most of the cases the participants were from multiple EU countries. Five projects involved organisations located in non-COSME participating countries, namely in Brazil, China, Chile, Mexico, Thailand and Vietnam, which were supporting EU enterprises. These organisations received considerable amounts for activities supporting the internationalisation of EU enterprises to those third countries.

Figure 16 : Total COSME SO2 funding by participants' country (excluding EEN)



Source: Elaboration for the supporting study based on data from EISMEA.

A general overview of these actions is provided in the body of the report. Some further information on EEN is given below.

Enterprise Europe Network members are situated in all EU Member States and other countries participating in the COSME programme. And they provide services in all regions of these countries.³⁵³ The number of organisations participating in EEN consortia varies from one country to another, either because of the size of the country, or because of the number of relevant organisations with the necessary operational capacities in the regional / national business and innovation support ecosystem³⁵⁴.

The representation of the EEN around the world is crucial to provide SMEs with the services to access global markets (including support for international partner search and country information)³⁵⁵. The third country members of the EEN network (known as “Business Cooperation Centres (BCCs)” in the 2014-20 period). supported the EEN network with partnership and market information services. There were 73 BCCs in 29 third countries and these centres did not receive a grant from the COSME programme.³⁵⁶

Since 2008, the **EEN has supported 2.9 million SMEs** by providing different services (including advisory services, partnering services and brokerage events and information on EU grants and funding opportunities, Intellectual property rights) **thus supporting their innovation and growth both within the EU Single Market and globally**. EEN’s services evolved over time. In 2014, the EEN introduced tailored innovation support for enterprises (supported under a separate grant from the Horizon 2020 programme). In 2017, the EEN launched targeted scale-up services. By the end of the programme, different services had been introduced to support SMEs through digitalisation, sustainability (extending earlier services that focused more on green/climate aspects of sustainability) and to help boost their resilience.

³⁵³ Typically at NUTS1 level for EU member States (NUTS 2021 classification: Statistical regions in the European Union and partner countries — NUTS and statistical regions 2021).

³⁵⁴ E.g many EEN organisations were located in Italy (11.6%), Germany (10.7%) and Spain (9.8%).

³⁵⁵ Special Report No 07/2022: SME internationalisation instruments.

³⁵⁶ These receive non-financial support from the Commission, in the form for instance of technical assistance and access to online services. BCC do not rely on financial support from the EU but rather from national authorities elsewhere including in third countries. At the end of 2020.

Table 33: EEN - Calls, projects, total cost, EU contribution, and beneficiary organisations by call year

Call Year	N Calls	Total Costs (EUR)	Maximum EC Grant Amount (EUR)	N of contracts	N of benefitting organisations
2014	3	178 417 151.9	97 804 863.5	174	602
2015	1	6 154 598.8	2 912 171.5	10	46
2016	2	187 357 828.9	103 598 787.9	147	544
2017	1	1 763 751.3	1 025 533.2	3	20
2018	1	96 742 152.4	53 872 308.7	92	529
2020	2	192 910 141.1	108 064 011.7	92	516
TOTAL	10	663 345 624.4	367 277 676.5	518	664

Source: Elaboration for the supporting study based on data from EISMEA

There was a high level of synergies and complementarity between EEN and innovation support activities funded through the Horizon 2020 programme (H2020). This included the SME Instrument (where the EEN acted as an intermediary between SME beneficiaries and coaches), the European Innovation Council – EIC (which provided EUR 10 million of funding for EEN partners to provide advice to SMEs for implementing projects and enhancing their innovation management capacities).³⁵⁷ This was also the case for the “Innovation in SMEs” (INNOSUP) programme, which offered highly specialised support services aiming to complement existing national and regional support initiatives.³⁵⁸ This finding was confirmed by the desk research and interviews undertaken for this final evaluation. Whereas H2020 funded the testing of new approaches for better innovation support through funding opportunities for innovation actors across the EU, for instance, through cross-sectoral SME projects, the EEN focused on entry-level innovation awareness support and innovation capacity building.³⁵⁹

Single Digital Gateway

Table 34: KPIs for the Single Digital Gateway

KPI	Targets	Results
Preparatory study (2018), successful launch of beta version (2019), and of the SDG in 2020	Beta version: 2019 SDG: December 2020	Preparatory study, beta version, and SDG successfully delivered as planned.
Number of visits to Your Europe Business	Year on year increase by 10%	2019: 7 766 937 2020: 8 217 193 (increase by 5.8%) 2021: 7 166 623 (decrease by 12.8%)

³⁵⁷ Monitoring fiche COSME EEN grants 2020.

³⁵⁸ European Commission. 2017. Interim evaluation of the COSME programme.

³⁵⁹ Innovation audits and strategy, advice on IPR, technology and innovation brokerage services and advice on technology marketing; Monitoring fiche COSME EEN grants 2020.

User satisfaction figures for the Your Europe Business component of the SDG (based on user satisfaction surveys ³⁶⁰)	90% positive rating	2019: 93% positive rating 2020: 94% positive rating 2021: 92% positive rating
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Source: Elaborations by the consultant based on COSME Monitoring Reports 2019 and 2020

D. Further information on implementation – SO3 - Framework conditions and competitiveness

Under Specific Objective 3 (SO3) “Improve framework conditions for the competitiveness and sustainability of Union enterprises”, COSME supported 21 actions, through 30 project calls, and financed 263 projects. While the total cost of these projects amounted to EUR 127.5 million, the corresponding EU contribution amounted to EUR 94.8 million. Therefore, the EU contribution represented about 75% of the total project costs. The remaining costs were sustained by projects participants using own resources.

Table 35: SO3 - Actions, calls, projects, total cost, and EU contribution by thematic area

Thematic Area	N. Actions	N. Calls	N. Projects	N. Participants	Total costs (million, EUR)	EU contribution (million, EUR)
Competitiveness	5	9	58	257	32.2	25.8
Design of consumer goods	1	2	10	27	16.5	8.2
Fashion	1	1	4	25	4.5	3.4
Framework conditions	2	2	3	27	1.6	1.4
Internationalisation	1	5	78	283	33.1	26.6
Social economy	1	1	7	10	0.5	0.4
Tourism	10	10	103	546	39.2	28.8

Source: Elaboration for the supporting study based on data from EISMEA

The actions funded under this specific objective were grouped into seven thematic areas, “Internationalisation”, “Competitiveness”, “Tourism”, “Social Economy”, “Framework conditions”, “Design of consumer goods” and “Fashion”. Most of the EU contribution went into projects funded by actions related to Tourism (EUR 28.8 million), Internationalisation (EUR 26.6 million), and Competitiveness (EUR 25.8 million). Coherently with the fund distributions, these three thematic areas were also those under which a high number of calls were launched, and projects funded. Among the actions under the “Tourism” thematic area, there is a mix of actions that were funded with small grants and studies, and actions with larger grants e.g., “Boosting sustainable tourism development and capacity of tourism SMEs through transnational cooperation and knowledge transfer”.

The “Internationalisation” thematic area, which is the second in terms of EU contributions, includes a single action, the Clusters Go International action. This action is among the most

³⁶⁰ Further information on the YEB annual user surveys:

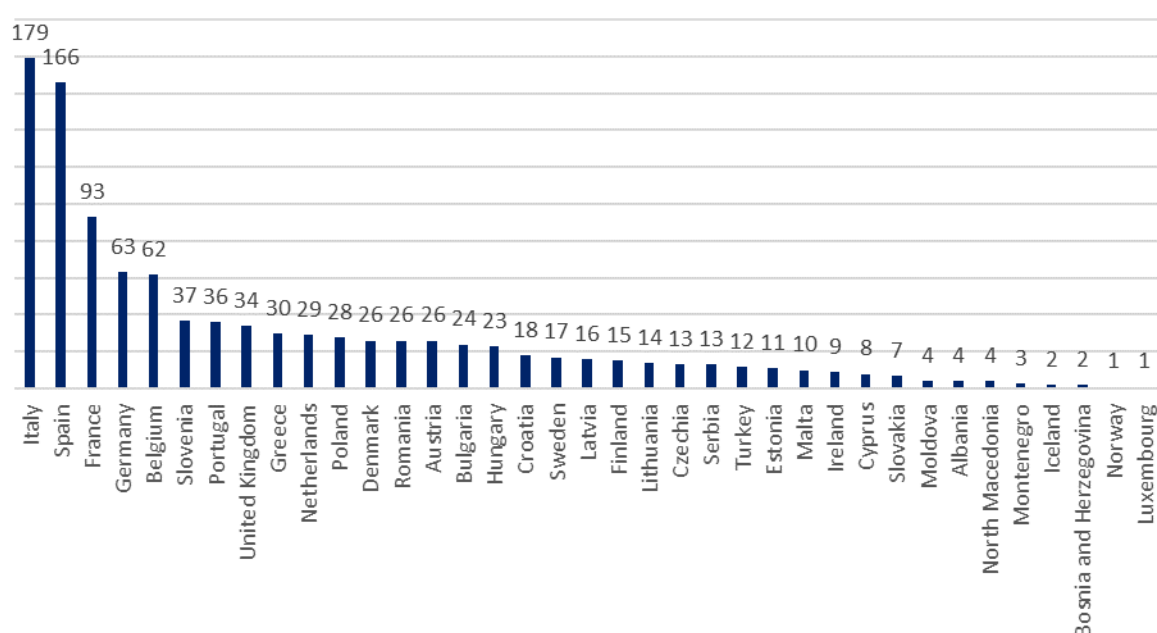
- 2019: 1,349 responses, data gathering period: 11 February to 11 March 2019
- 2020: 1,354 responses, data gathering period: 3 February to 6 March 2020
- 2021: 1,634 responses, data gathering period: 1 February to 7 March 2021

significant under SO3, having funded 72% of the total number of projects and accounted for nearly 26% of the project costs. Through five calls, 78 projects were funded.

Clusters bring together businesses, institutions and other economic actors. They help enterprises achieve higher levels of productivity and innovation mainly by facilitating the exchange of good practices, knowledge and information within networks. There are around 3,000 specialised clusters in Europe, accounting for 54 million jobs.³⁶¹

As regards the project participants, SO3 provided grants to 1,066 participants based in 37 distinct countries, including both EU countries and associate countries. Overall, a relatively large share of participants was located in Italy (17%), Spain (16%), and France (9%) while a minority of participants (45) were located in an associate country (namely, Albania, Bosnia and Herzegovina, Iceland, Moldova, Montenegro, North Macedonia, Norway, Serbia, and Turkey).

Figure 17: Number of SO3 project participants by legal country of the participant



Source: own elaborations on EISMEA data

E. Further information on implementation – SO4 - Entrepreneurship

Table 36: SO4 - Projects, total cost, and EU contribution by action

Action	N Call s	N Project s	N beneficiaries	EU contribution (million, EUR)	Total costs (million, EUR)
Erasmus for Young Entrepreneurs	8	83	360	58.5	68.6

³⁶¹ According to data from the European Cluster Collaboration Platform (<https://clustercollaboration.eu/content/how-joining-cluster-provides-vital-support-eu-smes>).

The European Entrepreneurship Education NETwork	1	1	17	0.3	0.5
Migrants Entrepreneurs best practice exchange	1	4	32	1.5	1.6
European Network for Early Warning and for Support to Enterprises and Second Starters	1	1	92	3.6	4.8
Social Economy Missions	1	22	4	2.1	2.4
TOTAL	12	111	505 (478 different organisations)	66.1	77.9

Source: Elaboration for the supporting study based on EISMEA data

The actions funded under this specific objective all relate to entrepreneurship and include the following: “Erasmus for Young Entrepreneurs”, “European Network for Early Warning and for Support to Enterprises and Second Starters”, “Migrant Entrepreneurs best practice exchange”, “The European Entrepreneurship Education NETwork”, and “Social Economy Mission”. As shown in the Table below, the action that funded the largest number of projects is “Erasmus for Young Entrepreneurs” (EYE). Through this action EUR 58.5 million in EU contributions was granted to 360 intermediate organisations, participating in 83 distinct consortia, with the aim of promoting and organizing exchanges between new and experienced entrepreneurs. The total costs of these projects amounted to EUR 68.6 million. The remaining actions funded a very limited number of projects.

As far as project participants are concerned, SO4 provided grants to 478 organisations located in 38 distinct countries. The countries with the largest number of participants are Italy (12.7% of the total), Spain (12.5%), and Belgium (6.5%). Those are followed by France (5.3%), Portugal (4.8%) and the United Kingdom (4.8%). It is noteworthy that all projects that received a grant under SO4 were implemented by consortia with 3 to 17 distinct partners. Moreover, all the consortia included organisations that were located in different countries.

Table 37: SO2-4 Actions, calls, projects, total costs and EU contribution

Specific Objective	N° of actions	N° of project calls	N° of projects	N° of participants	Total costs of projects (EUR million)	Total EU contribution (EUR million)	EU contribution as % of total project costs
SO2 (access to markets and internationalisation)	13	27 (of which 10 for EEN)	550 (518 for EEN)	781	694.4 (of which 663.3 for EEN)	396,5 (of which 367.3 million for EEN)	57%

SO3 (framework conditions)	21	30	263	1175	127.6	94,6	74,1%
SO4 (entrepreneur ship / entrepreneurial culture)	5	12	111	505	77.9	66.1	84.7%
Total	39	69	924	2461	900	557.4	61.9%

F. Country Information

The country information included in the previous points is also consolidated in this point for ease of reference, together with cross-references to graphs (figures).

- LGF financial intermediaries and final recipients:
 - The 163 guarantee agreements were signed by **financial intermediaries located in 35 countries**. Since some of the agreements have terminated, the following analyses are based only on the 157 active ones. The countries with the highest number of active guarantee agreements are Italy,³⁶² France,³⁶³ Bulgaria,³⁶⁴ and Romania.³⁶⁵ The only COSME Participating Country where no agreement was signed is Cyprus. Among eastern neighbouring countries, Armenia, Moldova and Ukraine did not participate in the COSME financial instruments, although they had signed an International Agreement under the COSME programme, whereas, in Malta and North Macedonia, the signed guarantee agreement did not generate any financing as of December 2022.
 - Concerning the type of financial intermediaries that signed agreements, two considerations emerge. The role of National Promotion Banks and guarantee institutions has been instrumental in facilitating participation in the programme in certain countries. This holds true not only for countries that exclusively participated through their NPBs but also for Belgium, Bulgaria, France, Hungary, Italy and Poland.
 - Regarding the involvement of leasing companies in the LGF, their participation in some cases (e.g., France, Netherlands) was influenced by the specific characteristics of national guarantee programmes. These programmes either do not consider these intermediaries as eligible for financing, or the terms at which these programmes are offered do not align well with the business model of leasing companies.
 - The LGF supported 865,387 distinct SMEs (i.e. final recipients) as of 31 December 2022. The countries with the highest number of final recipients (SMEs receiving finance via the LGF) are Italy, France, Spain, and Poland. The geographical distribution of supported SMEs is mainly determined by the number of agreements

³⁶² 28 active agreements (18%) signed by 20 distinct financial intermediaries (16%).

³⁶³ 15 active agreements (10%) signed by 7 financial intermediaries (6%).

³⁶⁴ 11 active agreements (7%) signed by 9 financial intermediaries (7%).

³⁶⁵ 9 active agreements (6%) signed by 8 financial intermediaries (6%).

signed in each country and the size (maximum portfolio volume) of these agreements.

In addition to this there were other factors at play, such as the average size of loans the EIF agreed with the financial intermediaries in the different countries. (See Figure 7 - LGF final recipients and maximum portfolio volume signed by country). In general, the larger the maximum portfolio volume signed, the larger the number of SMEs supported in each country.

- As shown in Figure 8 (LGF final recipients as a percentage of all SMEs in each country), the percentage of the national SME population receiving LGF support was highest in Spain and France (6%), followed by Serbia, Italy and Finland (5%), and Poland (4%).
- EFG Funds and final recipients:
 - COSME EFG eligible final recipients' headquarters were located in 23 different countries. The countries with the highest number of EFG final recipients' headquarters were Germany (14, 13%), France (11, 11%), and Finland (10, 10%), followed by the Netherlands (8, 7%), Greece (7, 6%) and Ireland (7, 6%). In 15 countries, less than five SMEs received investment. This distribution is in line with the overall distribution of EIB group³⁶⁶'s equity operations in the period 2010-2021. For the EIB group's operations in general, funding was concentrated in a few countries notably the UK, France, Germany and Sweden. For further information see Figure 10: Core EFG eligible final recipients and total amount invested by legal country, page 170.
- Specific Objectives SO2 – SO4
 - SO2: Access to markets – networks and services

Figure 16 : Total COSME SO2 funding by participants' country (excluding EEN) on page 176 provides an overview of country participation for this specific objective.

The geographical distribution of EU grants for SO2 was well aligned with the distribution of participants by country. Most of the EU contribution was granted to participants based in Spain, the United Kingdom, and France. Concerning the different countries involved in international projects, it is interesting to note that in most of the cases the participants were from multiple EU countries. Five projects involved organisations located in non-COSME participating countries, namely in Brazil, China, Chile, Mexico, Thailand and Vietnam, which were supporting EU enterprises. These organisations received considerable amounts for activities supporting the internationalisation of EU enterprises to those third countries.

Enterprise Europe Network members are situated in all EU Member States and other countries participating in the COSME programme. And they provide services in all regions of these countries³⁶⁷. The number of organisations participating in EEN consortia varies from one country to another, either because of the size of the country, or because of the number of relevant organisations with the necessary

³⁶⁶ The EIB group refers to both the EIB and the EIF.

³⁶⁷ Typically at NUTS1 level for EU member States (NUTS 2021 classification: Statistical regions in the European Union and partner countries — NUTS and statistical regions 2021).

operational capacities in the regional / national business and innovation support ecosystem³⁶⁸.

The representation of the EEN around the world is crucial to provide SMEs with the services to access global markets (including support for international partner search and country information)³⁶⁹. The third country members of the EEN network (known as “Business Cooperation Centres (BCCs)” in the 2014-20 period). supported the EEN network with partnership and market information services. There were 73 BCCs in 29 third countries and these centres did not receive a grant from the COSME programme.³⁷⁰

- S03 Framework Conditions and Competitiveness

SO3 provided grants to 1 066 unique and distinct participants based in 37 distinct countries, including both EU countries and associate countries. Overall, a relatively large share of participants was located in Italy (17%), Spain (16%), and France (9%) while a minority of participants (45) were located in an associate country (namely, Albania, Bosnia and Herzegovina, Iceland, Moldova, Montenegro, North Macedonia, Norway, Serbia, and Türkiye).

See also: Figure 17: Number of S03 project participants by legal country of the participant, page 179.

- SO4 (Entrepreneurship)

SO4 provided grants to 478 organisations located in 38 distinct countries. The countries with the largest number of participants are Italy (12.7% of the total), Spain (12.5%), and Belgium (6.5%). Those are followed by France (5.3%), Portugal (4.8%) and the United Kingdom (4.8%). It is noteworthy that all projects that received a grant under SO4 were implemented by consortia with 3 to 17 distinct partners. Moreover, all the consortia included organisations that were located in different countries.

³⁶⁸ E.g many EEN organisations were located in Italy (11.6%), Germany (10.7%) and Spain (9.8%).

³⁶⁹ Special Report No 07/2022: SME internationalisation instruments.

³⁷⁰ These receive non-financial support from the Commission, in the form for instance of technical assistance and access to online services. BCC do not rely on financial support from the EU but rather from national authorities elsewhere including in third countries. At the end of 2020.

ANNEX VII. PERFORMANCE AGAINST INDICATORS

The Annex to the COSME Regulation provided indicators for the general and specific objectives of the programme. The table below summarises the evidence of achievement against the indicators and, where necessary, provides a comment.

Indicator	Evidence of achievement	Comment
General objective: To strengthen the competitiveness and sustainability of the Union's enterprises, particularly SMEs		
A.1. Performance of SMEs as regards sustainability		
<ul style="list-style-type: none"> Increase in the proportion of Union SME producing green, i.e. environmentally friendly, products compared to baseline 	<p>Quantitative data unavailable to the evaluation</p> <p>Several actions contributed to this indicator. (See section 4.2.7 of the main report.)</p> <p>Difficulties in attributing impacts to the COSME programme</p>	<p>Programme Regulation specifies measurement by means of a Eurobarometer survey. However, no survey was undertaken.</p>
A.2 Changes in unnecessary administrative and regulatory burden on both new and existing SMEs		
<ul style="list-style-type: none"> Marked reduction in number of days to set-up a new SME 	<p>As from 2019, this criterion looked not only at the minimal legal requirements, but also took account of input from experts about how long it takes in practice to set up a business. The reported number of days has therefore been considerably higher than before 2019. The data for this indicator is complete and shows a continuous decrease throughout the programme from 15.6 days in 2014 to 11.9 days in 2020.</p>	<p>Based on the methodology used by the World Bank for the Doing Business Report</p>
<ul style="list-style-type: none"> Marked reduction in the average start-up costs in the Union compared to baseline 	<p>As from 2019, the data for cost to set up a new SME is expressed in % of income per capita. There was a progressive decrease from 4.84% in 2014 to 3.09% in 2020.</p>	<p>Based on the methodology used by the World Bank for the Doing Business Report.</p>
<ul style="list-style-type: none"> Marked increase in the number of Member States where the time needed to get licences and permits (including environmental permits) to take up and perform the specific activity of an enterprise is one month 	<p>The time to obtain licences to start up a company, the milestone target for 2017 had already been reached in 2014.</p>	<p>A study carried out in 2015 provided additional data on licencing procedures, including those related to protection of the environment, health and safety which typically represent a challenge for start-ups.</p>
<ul style="list-style-type: none"> Marked increase in the number of Member States with a one-stop shop for business start-ups 	<p>The baseline was already 18 Member States in 2009 with good progress in the early years of the programme.</p>	<p>Reporting on this indicator was discontinued in the latter years of the programme.</p>
A.3. Changes in the proportion of SMEs exporting within or outside the Union (Impact indicator)		

Indicator	Evidence of achievement	Comment
<ul style="list-style-type: none"> Increase in the proportion of SMEs exporting and increase in the proportion of SMEs exporting outside the Union compared to baseline 	2018 targets achieved in 2014: <ul style="list-style-type: none"> 30% of SMEs export (2009 baseline: 25%) 20% of SMEs export outside the EU (2009 baseline: 13%) 	Lack of data for assessing further progress, as there was no later Eurobarometer surveys to update this data.
General objective: to encourage an entrepreneurial culture and promote the creation and growth of SMEs		
B.1. Changes in SME growth		
<ul style="list-style-type: none"> Increase of SME output (value added) compared to baseline 	<ul style="list-style-type: none"> Targets were fully met until 2018. The result was slightly below target in 2019 (3.84% compared to the target of 4%). 	Source: European Commission
<ul style="list-style-type: none"> Increase of employees compared to baseline 	<ul style="list-style-type: none"> Employment exceeded the target figure of 1% for all years from 2014-2019, except 2015. 	Source: European Commission
B2. Changes in the proportion of Union citizens who wish to be self-employed (impact indicator)		
<ul style="list-style-type: none"> Increase in the proportion of Union citizens that would like to be self-employed compared to baseline 	<ul style="list-style-type: none"> [not known] 	Performance against this indicator was to be measured every 2-3 years by a Eurobarometer survey. But no survey on entrepreneurship has been performed since 2012.
Specific objective: To improve access to finance for SMEs in the form of equity and debt		
C. Financial instruments for growth		
<ul style="list-style-type: none"> C1. Number of firms benefiting from debt financing 	<ul style="list-style-type: none"> 865 387 supported by the LGF (target: 220 000 to 330 000) 	Source: COSME programme data
<ul style="list-style-type: none"> C2. Number of venture capital investments from the COSME programme and overall volume invested 	<ul style="list-style-type: none"> 521 investments, including the core COSME EFG and the VentureEU SMEs (target: 360 to 540) EUR 3.9 billion of investments (target: EUR 2.6 billion to 3.9 billion) 	Source: COSME programme data Some funds are still in the investment period, therefore additional investments are expected.
<ul style="list-style-type: none"> C3. Leverage ratio 	<ul style="list-style-type: none"> Debt instrument: 1.21 (target: 1:20 - 1:30) Equity instrument: 1.11 (target: 1:4 - 1:6) 	Source: COSME programme data
<ul style="list-style-type: none"> C4. Additionality of the EFG and LGF (Proportion of final beneficiaries considering that the EFG or the LGF provide funding that could not have been obtained by other means) 	<ul style="list-style-type: none"> EFG: data unavailable (baseline: 62%) LGF: 85% (baseline: 64%) 	It had been planned to measure the EFG additionality via the interviews of SME beneficiaries of EFG for the final evaluation of COSME. As interviews for other evaluations took place at the same time, the Commission decided that extensive online surveys should be replaced by targeted interviews.
Specific objective: To improve access to markets, particularly inside the Union but also at global level		
D: International co-operation		

Indicator	Evidence of achievement	Comment
<ul style="list-style-type: none"> D1. Number of cases of improved alignment between Union and third countries' regulations for industrial products 	<ul style="list-style-type: none"> [no data] 	The Commission discontinued reporting on this indicator due to measurability issues.
E: Enterprise Europe Network (EEN)		
<ul style="list-style-type: none"> E1. Number of partnership agreements signed 	<ul style="list-style-type: none"> 18 701 cross-border partnership agreements (target: 2,500 per year) 	Source: COSME programme data
<ul style="list-style-type: none"> E2. Recognition of the Network amongst SME population 	<ul style="list-style-type: none"> 8% (2015) 	The Commission discontinued reporting on this indicator as the underlying survey to provide this data was not renewed.
<ul style="list-style-type: none"> E3.: Client satisfaction rate (% SMEs stating satisfaction, added-value of specific service provided by the EEN) 	<ul style="list-style-type: none"> 92% (target: 82%) 	Source: EEN 2021 client satisfaction survey This was measured throughout the programme.
<ul style="list-style-type: none"> E4. Number of SMEs receiving support services 	<ul style="list-style-type: none"> 1 957 822 (target: 500 000 per year) 	The methodology was changed in 2015. EEN partners no longer need to record the number of clients. If the old methodology had been continued, the reported figures would have been approximately 3,800,000 (compared with the target of 3,500,000).
<ul style="list-style-type: none"> E5. Number of SMEs using digital services (including electronic information services) provided by the Network 	<ul style="list-style-type: none"> 21.5 million (target: 2.3 million per year) 	Data on the EEN provided by EISMEA.
Specific objective: To improve framework conditions for the competitiveness and sustainability of Union enterprises, particularly SMEs, including in the tourism sector		
F: Activities to improve competitiveness		
<ul style="list-style-type: none"> F1. Number of simplification measures adopted 	<ul style="list-style-type: none"> 2014: 5 (target: 7) 2015: 4 (target: 4) 	This refers to the number of simplification measures adopted and accompanied by an impact assessment. This quantitative reporting was discontinued in subsequent years.
<ul style="list-style-type: none"> F2. Making the regulatory framework fit for purpose 	<ul style="list-style-type: none"> 2014-2018: 5-8 fitness checks launched per year (target: 5 during 2014-2020) 	Data was not available for subsequent years.
<ul style="list-style-type: none"> F3. Number of Member States using the competitiveness proofing test 	<ul style="list-style-type: none"> [no data] 	Quantitative data unavailable to the evaluation.
<ul style="list-style-type: none"> F4. Resource efficiency: Increase in the proportion of Union SMEs that are: i) taking at least one action to be more resource efficient; ii) are planning to implement additional resource efficiency actions every two 	<ul style="list-style-type: none"> [no data] 	Programme Regulation specifies measurement by means of a Eurobarometer survey. However, no survey was undertaken.

Indicator	Evidence of achievement	Comment
years.		
G: Developing SME policy		
<ul style="list-style-type: none"> Number of Member States using SME test 	<ul style="list-style-type: none"> 2017: 27 (baseline: 15) 	As the underlying report providing the data for this indicator was discontinued by the Commission, no data is available for subsequent years.
Specific objective: To improve framework conditions for the competitiveness and sustainability of Union enterprises, particularly SMEs, including in the tourism sector		
H: Tourism		
<ul style="list-style-type: none"> H1. Participation in transnational cooperation projects 	<ul style="list-style-type: none"> >3 countries covered per project 	This indicator was measured from 2017-2021 with a data gap for 2020. Figures were consistently above target, in all years where data was provided.
<ul style="list-style-type: none"> H2. Number of destinations adopting the sustainable tourism development models promoted by the European Destinations of Excellence 	<ul style="list-style-type: none"> 2018: 158 (baseline: 98; target: 200) 	Data unavailable for subsequent years.
I: New Business Concepts		
<ul style="list-style-type: none"> I1. Number of new products/services in the market 	Transnational partnerships: <ul style="list-style-type: none"> 2017-2021: 152 2021-2025: 138 	This indicator measures the number of new partnerships supported by WORTH, an acceleration pilot project providing support to develop innovative business ideas. The 2017-2021 edition supported 152 transnational partnerships. The second edition supported by work programme 2020 is ongoing until 2025. So far it has supported more than 138 partnerships (against a target of 200).
Specific objective: To promote entrepreneurship and entrepreneurial culture		
J. Support for entrepreneurship		
<ul style="list-style-type: none"> J1. Number of Member States implementing entrepreneurship solutions based on good practice identified through the programme 	<ul style="list-style-type: none"> 28 (baseline: 22) 	Source: European Commission Programme Statement for the COSME Programme .
<ul style="list-style-type: none"> J2. Number of Member States implementing entrepreneurship solutions targeting potential, young, new and female entrepreneurs, as well as other specific target groups 	<ul style="list-style-type: none"> 28 	Source: European Commission Programme Statement for the COSME Programme .

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Introduction

This annex presents nine case studies undertaken as part of the study supporting the evaluation of the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME) 2014-2020 and the Entrepreneurship and Innovation Programme (EIP) 2007-13. The case studies were developed to illustrate, using practical examples, the implementation of the different Programme actions. The purpose of the case studies is to provide an additional research tool to explore some of the key evaluation issues in greater depth. The case studies provide a qualitative assessment to complement the quantitative work under the counterfactual (econometric) analysis to assess the longer-term impacts of interventions supported by COSME.

More specifically, the case studies include **examples of flagship actions and their achievements, examples of good practice/success stories** to investigate the factors that have led to the effective implementation of the activities as well as examples of initiatives that have **not performed as effectively** to identify and review barriers and disabling factors that have prevented the achievement of results. The analysis of these examples allows the identification of lessons learnt and of the elements and contextual factors to consider, in order to maximise the effectiveness of future initiatives for SME growth and innovation.

The case studies draw primarily on data and desk research. Interviews with beneficiaries and intermediaries provide specific insights on the topics and allow exploration of the contextual elements in more depth.

The table below provides an overview of the case studies and the sources used.

Case study topic	Rationale for selection	Data sources
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Table VIII.1: Overview of case studies

1. Support for entrepreneurship policy implementation	Success story	Desk research
2. IT Tool Erasmus for Young Entrepreneurs	Difficult action	Interviews
3. The EWE Mentor Academy	Difficult action	Survey results
4. WEGate Platform for Women Entrepreneurship	Difficult action	Identification of costs and benefits
5. European Capital of Smart Tourism - Fostering smart tourism	Success story	
6. Social Economy Mission	Success story	
7. Cluster Go international	Flagship Action	
8. Training for SME-Friendly policies in Central Purchasing Bodies	Success story	
9. Enterprise Europe Network: CarVertical	Success story	

CASE STUDY 1: SUPPORT FOR ENTREPRENEURSHIP POLICY IMPLEMENTATION

Context: The support for entrepreneurship policy implementation aimed to address the specific needs and difficulties faced by European entrepreneurs through support for establishment of pro-entrepreneurship policies across the EU. Specifically, taking into account the specific objectives of the three public events that it delivered, the support aimed to contribute to the development of: policies supporting liberal professionals across the EU; policies supporting honest failed entrepreneurs and destigmatising business failure;³⁷¹ and, development of knowledge and good practices around business transfers.

The action involved the delivery of three conferences:

- “Conference on Boosting the Business of Liberal Professions” (2014)
- “Conference on Transfers of Business” (2017)
- “Conference on Second Chance for Honest Failed Entrepreneurs” (2015).

Objective: The general objective was to support the implementation of entrepreneurship policy, whilst each conference had its own specific objective.

The specific objective of the “Conference on Boosting the Business of Liberal Professions” was to follow up on the outputs of the working group on liberal professions from 2013 and provide a

³⁷¹ The data on EU business survival rates indicate that one in five newly-established firms would fail during their first year: Statista.com (2021). One-year business survival rates in selected European countries by country, 2018. <https://www.statista.com/statistics/1114070/eu-business-survival-rates-by-country/#:~:text=One-year%20business%20survival%20rates%20Europe%202018%2C%20by%20country,survival%20rates%20in%20the%20European%20Union%20for%202018> (accessed: 11.10.2023).

forum for discussion of the draft paper: "Action Lines for Bolstering the Business of Liberal Professions". The policy paper included proposals for measures targeting support for liberal professionals within five thematic areas (Reduction of Regulatory Burden; Access to Finance; Strengthening Representation and Participation at European Level; Access to Markets; Education and Training for Entrepreneurship), that were analysed by the attendees of the conference.

The specific objective of the "Conference on Transfers of Business" was to "follow-up on the Commission expert group in 2013 and earlier Communications and recommendations and to promote the findings of the Evaluation of the implementation of previous Commission recommendations (1994) and Communications (2006) on business transfers conducted in cooperation with the Commission expert group throughout 2013".³⁷² The Conference built on the previous findings around regulatory and financial issues connected to business transfers and support for using on-line platforms for business transfers.

The specific objective of the "Conference on Second Chance for Honest Failed Entrepreneurs" was to provide a follow-up to the expert group run by the Commission since 2010 and to the 2017 Communication concerning stigmatisation of business persons who previously experienced failure in their businesses while maintaining integrity, overcoming of such a stigma, and possibilities to support such persons in starting over again.

Outputs and results: The "Conference on Boosting the Business of Liberal Professions" reported the following outputs: 103 representatives of national and European organisations in the area of liberal professions attended, and peer-learning has been facilitated among EU Member States. The resources accessed by the evaluation team, including the referenced monitoring fiche, indicate that this provided a suitable forum for discussion of the draft policy paper, the event contributed to more joined-up and cohesive policies and actions supporting the expansion of the business of liberal professions across Europe. The conference was followed by the meeting of the Working Group on Liberal Professions in the SME Assembly that took place in late 2014 in Italy.

The "Conference on Transfers of Business" resulted in identification of good practices around regulatory and financial issues related to business transfers, including good practices to support utilisation of on-line platforms for such transfers. The results included testimonials by policymakers, businesspersons and business support providers. More than 100 participants attended the one-day conference. Attendees included national and regional decision-makers, as well as a range of other relevant stakeholders. The participants had an opportunity to attend four workshops and two plenary sessions where they contributed towards development of tangible solutions for business transfer issues. The participants' contribution led to exchange of knowledge between stakeholders from different Member States, and increased awareness of the subject and of good practices across Europe.

"The Conference on Second Chance for Honest Failed Entrepreneurs" reported attendance of 280 representatives of academia, public administration, businesses, and other stakeholder groups. Key topics addressed during the conference included financial support for persons who previously failed in business, legal knowledge connected to business failures, and information on how to learn from past mistakes made in entrepreneurial activity. Specific recommendations were developed and included in the report summarising the conference's proceedings. The COSME 2014 Monitoring Report noted that the conference had paved the way for the initiative on the European network of early warning and advisory services for a second chance established in 2016.

Costs and benefits: Overall, the "Support for entrepreneurship policy implementation" was one of the minor activities financed under the fourth specific objective of COSME, namely "Promoting entrepreneurship and entrepreneurial culture". Its share of the overall envelope devoted to this

³⁷² Commission Staff Working Document - Accompanying the document Report from the Commission to the European Parliament and the Council COSME - Programme for the Competitiveness of Enterprises and SMEs 2014-2020 - Monitoring Report 2014, SWD(2016) 274 Final.

objective was roughly 4% (EUR 0,6M out of EUR 12,9M). By comparison, the financial investment in EYE was more than ten times larger.³⁷³

The eventual costs of all three conferences were considerably below the initial budget. The planned budgets of the both the “Conference on Transfers of Business” and the “Conference on Second Chance for Honest Failed Entrepreneurs” were EUR 200 000 and the ultimate commitments were EUR 149 140 each. The third initiative, “Conference on Boosting the Business of Liberal Professions”, had a planned budget of EUR 300 000, while the reported commitment totalled EUR 178 358. It follows that the planned budget for all three the initiatives totalled EUR 700 000, while the total commitment reached close to EUR 480 000.⁴

Conclusions and lessons learned: Overall, taking into consideration COSME’s broader framework, the “Support for entrepreneurship policy implementation” particularly contributed to the creation of a favourable environment for European businesses’ competitiveness and development, based on a tangible contribution to an improved policy framework for European firms. The three conferences allowed for a knowledge exchange, discussion, and refinement of policy proposals to improve a policy framework for three, specific areas of the European economy. The follow-up actions identified based on the documentation analysis confirmed the relevance of the initiative to the needs of the European business landscape. Moreover, the feedback on the conferences cited in the COSME Monitoring Report from 2014 further confirmed their success in terms of contribution to development of European business.³⁷⁴ The “Conference on Boosting the Business of Liberal Professions” was part of a broader trend of support for development of Liberal Professionals-targeted policy that was supported at the time also by the Italian EU Presidency and by the European Parliament. No information on the feedback to the “Conference on Second Chance for Honest Failed Entrepreneurs” has been identified. However, the information on the conference’s outputs suggests that it has delivered the results matching the expectations. The “Conference on Transfers of Business” was described as “highly relevant, informative and successful” by the organisers and participants.

CASE STUDY 2: IT TOOL ERASMUS FOR YOUNG ENTREPRENEURS

Context: From its launch in 2009 as a pilot under the EIP until February 2023 the **Erasmus for Young Entrepreneurs** (EYE) programme delivered 11 000 transnational exchanges between experienced host entrepreneurs and new entrepreneurs in other countries. During this period, there was a significant technological progress. The original IT technology supporting EYE was ColdFusion, a web programming language that allows online applications to **maintain** communication with back-end systems. That technology, however, stopped being supported by the European Commission. This warranted investment in a new IT Tool (the full name of the action: **IT Tool Erasmus for Young Entrepreneurs - GRO/SME/20/D/02**). The starting date of the contract for the investment was March 2020, and the project closed in late October 2021.

Objectives: The objective of the project was to re-develop the original EYE IT Tool database in light of the technological advances made since its creation in 2008. Given the decision to no longer use ColdFusion, the European Commission had planned to assess the technology to be used for the investment, then plan, develop, and test several modules of the new IT tool, and at the same time maintain the old version of the IT tool to support implementation of the EYE.

Outputs and results: Based on the assessment of the documentation, the action delivered partial results. Some deliverables were developed according to original plans and some deliverables had

³⁷³ Report from the Commission to the European Parliament and the Council COSME Programme - for the Competitiveness of Enterprises and SMEs 2014-2020 Monitoring Report 2014, COM(2016) 526 final.

³⁷⁴ Report from the Commission to the European Parliament and the Council, COSME Programme for the Competitiveness of Enterprises and SMEs 2014-2020 Monitoring Report 2014, COM(2016) 526 final.

to be re-classified as negative priorities due to external factors that impacted the cost and availability of IT staff. These issues are explained in the point on challenges below.

The modules that were re-developed included the Registration process, European Partnership and Intermediary Organisation management and the New/Host entrepreneurs management. The 2020 monitoring report specifically reports that “these deliverables [*had been*] provided on-time and according to requirements”. The 2020 Monitoring Fiche reported that the necessary maintenance and updates had been made to the old system which in turn allowed participants to apply and participate in the EYE programme.³⁷⁵ Overall, the challenges described in this case study had no impact on the overall implementation of the EYE, as all the project activities were carried out as planned.

Those modules that were originally envisaged but finally were not developed nor tested during 2021 implementation (funded by 2020 budget) included Search and Match, Relationships, Monitoring, Reporting and Administration).³⁷⁶ The challenges encountered are explained below.

Challenges: While the original plan was to redevelop the abovementioned modules, this was no longer feasible due to a lack of resources. The problem with resourcing stemmed from the requirement (under the DG DIGIT framework contract) for the IT specialists working on the project to be based in Belgium. There were difficulties and delays in recruiting, which increased the costs of the project. Moreover, in light of DG DIGIT’s requirements for project owners to move away from using ColdFusion (the EYE IT Tool had been written in that technology), the project had to invest more resources to switch to one of the technologies supported by DG DIGIT (PHP Symphony, JAVA, Drupal).

Costs and benefits: The above-mentioned challenges resulted in a need to increase the budget. In the third quarter of 2020, the revised 2023 work programme confirmed an increase in the IT Tool action’s budget from EUR 200,000 to EUR 300,0000. The actual cost incurred was within the increased budget at EUR 299,813.

Lessons learnt: Overall, the IT Tool for the EYE action can be seen as a necessary response to a changing technological environment. It was also heavily impacted by external market conditions, and changing compliance requirements which led to additional costs. However, based on the Commission’s feedback, such challenges had no impact on the overall implementation of EYE, as the old version of the tool was fully operational and allowed the programme’s activities to be carried out. Prompt action was taken to minimise the incidence of these exceptional challenges on the adaptations to this IT tool and to ensure that the best possible set of updates were made taking account of budgetary constraints. The IT Tool for the EYE was a key enabler for EYE, in particular it helped to connect new and experienced entrepreneurs together with collecting participants’ feedback. Hence, its contribution to COSME’s objectives of supporting entrepreneurship and growth should not be understated.

CASE STUDY 3: EARLY WARNING EUROPE EWE MENTOR ACADEMY

Context: The action “Improving the availability and the scope of services for companies in financial difficulties - GRO/SME/20/C/013 – 1” (branded as “Early Warning Europe *EWE* Mentor Academy” to increase its attractiveness towards businesses and entrepreneurs) was planned to start in late 2021 to respond to the needs of firms at risk of insolvency, both in EU Member States and in third countries participating in COSME. It should be seen as a direct follow-up and a support to the transposition of Article 3 of the Directive on Restructuring and Insolvency of the Parliament and the Council (Directive (EU) 2019/1023) providing for early warning tools.

Objectives: The project had a strong adult-learning component and focused largely on building up company resilience. It supported the development of training courses targeted at future mentors

³⁷⁵ Monitoring fiche, IT Tool Erasmus for Young Entrepreneurs - GRO/SME/20/D/022.

³⁷⁶ Monitoring fiche, IT Tool Erasmus for Young Entrepreneurs - GRO/SME/20/D/022.

who would support entrepreneurs facing challenges connected to solvency at different company life-cycle stages. Based on hands-on experiences, the activity anticipated mapping best practices and supporting connections between business mentors and a broader community of European and country-level providers of business support.

Outputs and results: There is very limited information on the outputs and results of the action. The monitoring fiche for the EWE, covering the period up to May 2023, reported a period of underperformance and the intention to suspend the action in April 2022. Subsequent mitigation measures were implemented to steer the project back on track, with a view to its successful completion.³⁷⁷ These measures included:

- introduction of a revised implementation plan following the withdrawal of one of the consortium partners (for example: acknowledging that some project activities will be run in parallel instead of sequentially);
- strengthening of the project team with some new, senior-level hires (a new Task Leader on Training and QA, a new Leader on the Communication Task, and a new Task Leader on Pilot and Training); and,
- a review of the project by an external expert, and the subsequent implementation of several recommendations to address issues.

The project is expected to be concluded in November 2024. As of October 2023, according to interview feedback, 30 networks are operating under its framework, which allows the project to source adequate know-how inputs. Beyond that, it was reported that there are direct, positive consequences of its activities, such as partnership established by some mentors to provide pro-bono services (e.g., in Italy and Serbia), businesses that have avoided court costs connected to insolvencies, and individuals that avoided bankruptcy. In the first year of implementation, the project met or exceeded most of its progress indicators, including recruitment of mentors, organisation of substantive activities such as peer-learning workshops, facilitation of networking, or conducting research on the existing resources around the project's area of interest.

Challenges: Several challenges are reported in the monitoring fiche.³⁷⁸ Some activities (e.g., communication and creation of modular training curricula) were affected by “a rather unfortunate composition of the consortium which hindered the implementation of specific parts of the activities” (including the withdrawal of one of the consortium partners). Other challenges in project implementation included: poor quality assurance leading to some deliverables being of insufficient quality, or the social media channels functioning sub-optimally during the deployment of the action. These delays impacted some of its deliverables. Based on the interview feedback, it has also been identified that the administrative requirements around the project were seen as burdensome (detailed reporting on 9 workshops) by the implementing party.

Costs and benefits: According to the work programme, the budget totalled EUR 900 000 over three years of the programme, while the funding committed in practice was EUR 842 064,43. The implementing party that was interviewed described the project as very cost-efficient, with trainers often providing the courses for free.

Conclusions and lessons learned: The EWE Mentor Academy can be seen as an example of an important and relevant initiative that was facing challenges around successful delivery on its aims, having been significantly undermined by internal project management-related issues within the project consortium. On the other hand, the EWE Mentor Academy can be seen also as an important illustration of an under-performing initiative getting back on track by sourcing external expertise. It illustrates how early detection of implementation issues by the contracting authority can trigger

³⁷⁷ Monitoring Fiche, IT Tool Erasmus for Young Entrepreneurs-GRO/SME/20/D/022.

³⁷⁸ Monitoring Fiche, Improving the availability and the scope of services for companies in financial difficulties - GRO/SME/20/C/013.

the development of a contingency plan and raise awareness of additional resources available in the broader market to help making good use of public funding that would have otherwise been wasted.

CASE STUDY 4: WEGATE PLATFORM FOR WOMEN ENTREPRENEURSHIP

Context: WEGate was established in 2016 as an online platform, and funded again in 2020 with the aim of ensuring its long-term economic viability. The platform was one of several solutions set up by COSME to support women's entrepreneurship, aiming at bringing female-targeted initiatives together in a single online space. Since early 2020, it has been under EASME management (based on a grant procedure), with EASME functioning as a contracting authority through COSME ("WEGate Platform for Women Entrepreneurship - GRO/SME/18/F/204"). The project ended in January 2023.

Objective: The objective of the project was to support women in establishing, managing, and securing financing for their firms. The operational objectives included the development of a "European women entrepreneurship community of practice" and involving more stakeholders, and not just women entrepreneurs, in supporting female businesspersons. The aim was to see the "women entrepreneurs' community reflourishing in Europe" and indeed, based on the interview with the managing organisation, the project attempted to build an umbrella organisation for stakeholders involved in supporting female entrepreneurship, and ensure there would be a vivid community centred around WEGate. To help with this, WEGate planned an updated visual identity for the platform, with contributions from "an external consortium with high communication skills and academic, financial and scientific backgrounds".

Outputs and results: According to the 2017-18 COSME monitoring report, the project was to feature events providing inspiration to aspiring female entrepreneurs, promoting role-models, or stimulating the women entrepreneurs' ecosystem (including facilitated access to training, mentoring, or networking). Other planned activities conceived as follow-up items included peer-learning (workshops, networking events, webinars), or communication and outreach (activities targeting the youth and beginner entrepreneurs, awareness-raising, coaching, sharing of information, newsletter publication, blogging, press releases, rebranding of WEGate, its promotion and others), a strategic and multifaceted community building process, as well as implementation of specific activities connected to project coordination, and management of an e-platform (including e.g., preparation of optimised layout and navigation, richer contents, or achieving a more engaged community). The activities supported by the project included "a homogeneous set of services, i.e., organisation of meetings/events, peer learning workshops, communication and community building activities and finally [...] one practical tool to network and support female entrepreneurs."

The majority of WEGate participants were female entrepreneurs representing many sectors, particularly the service sector and ICT sector. The WEGate developed an online assistance module providing information on a broad range of female entrepreneurship/entrepreneurship-related subjects. Subjects addressed by the website's materials include women empowerment through skills-development, digital transition, advocacy, access to funding, and support for women entrepreneurs in Ukraine). Another initiative implemented through the platform was a WEBarometer survey that mapped challenges and needs of female entrepreneurs. The results of the survey informed the choice of subjects for the subsequent public activities (such as webinars) implemented under the project. Importantly, the WEGate platform served as a tool for sharing best practices regarding women's participation in the European business landscape. Finally, according to the organisation managing WEGate, the summits (the third summit was organised in Brussels in October 2022) organised under the project had been particularly productive, having fostered lobbying and networking in the context of female entrepreneurship, both online and in person.

As of 2020, WEGate featured 1,814 members from 43 countries, including all 28 EU Member States. As of October 2023, there were 4,000 members of the project, and 50 networks on a European level, involved in its community. The available data suggests that the action was successful in achieving the end goals, in particular in contributing to gender mainstreaming. The

successful performance of the project in terms of its outreach is well illustrated by the fact that WEGate gained approximately 2,000 followers on LinkedIn, which was assessed by the managing organisation as a success.

To secure the long-term impacts of the project, it was necessary to ensure the community's functioning beyond the official end of the project. For this reason, the proposal accepted for continuation of EU funding for WEGate stressed that there would be a business plan developed to allow WEGate to become self-sustaining. Indeed, such a business plan had then been developed and it was decided that WEGate would be transformed into a Brussels-based association, funded by its members' fees. The feedback on this proposal, provided by the stakeholders addressed by the WEGate management team, confirmed the community's willingness to participate in the cited association and start the process for its establishment.

Challenges: Challenges to successful implementation of the project include a delay in implementation due to the change of the managing team. The change was prompted by a suboptimal communication between the managing team and the project coordinator. To make the internal cooperation on the project smoother a completely new team for implementing the project was appointed by the lead of the consortium (ESBA) to start work on the project in August 2020, with a view to reinvigorating the initiative.³⁷⁹ The new consortium successfully took over and established connections with the WEGate partners and a broader community, even if initially the new managers had to build trust among the WEGate stakeholders.

One success factor in the implementation of the project was the good communication between the management team and the Commission's policy officers. Moreover, based on the feedback from the interview with the institution in charge of the project, the involvement of the target audiences (the community) in shaping the project (most importantly, via direct communication and the WEBarometer tool) ensured that WEGate delivered results of high relevance to the needs of female entrepreneurs across Europe. This now allows for WEGate's sustainability, as the community itself requested for the initiative to be continued. The project was also implemented in a flexible manner, being gradually amended in line with the changing perception of the target community's needs. Finally, during an interview the managing organisation highlighted the importance of a responsible and engaged approach to the use of EU funding.

Costs and benefits: According to the COSME detailed report for 2017-2018, the budget committed to this project totalled EUR 850 000. The 2018 COSME implementation report further specified that administrative expenditure accounted for 3% of the annual budget of the project. According to data from EISMEA, the COSME-funded project finished at the end of January 2023 as planned. A long-term business strategy was adopted by the managing organisation with a view to ensuring continuity of services in the long term, with the members of the new association potentially contributing financially to WEGate.

Conclusions and lessons learnt: The WEGate is an example of a project where implementation issues led to some challenges around delivery, but the successful sourcing of human resources allowed it to get back on track. It should be seen as significantly relevant to the COSME's intervention logic, having supported the European business landscape, and at the same time successfully mainstreaming gender-focused approach into promotion of entrepreneurship. As such, it exemplified two dimensions of COSME, as a programme that is both business-driven, and conducive to broader societal development. One success should be noted: the effective integration of the target audiences' voices into the design and delivery of activities (which supported relevance and sustainability of the investment). The ongoing state of play also illustrates the type of challenges typically faced by projects once EU support has ended. Almost one year after the end of the grant agreement, this project remains self-sustaining to some extent. Inter alia, the web site remains accessible providing access to a number of tools that will continue to be relevant to women entrepreneurs over the medium-term (notably, recordings of webinars). More recently, the start of

³⁷⁹ We-gate.eu, <https://www.WEGate.eu/WEGate-is-back-with-a-new-managing-consortium/>, access: 03.10.2023.

work on the 2023 WEbarometer has been announced. However, given the lack of new materials and news items on the site, it is not clear to what extent the animation of this project continues.

CASE STUDY 5: EUROPEAN CAPITAL OF SMART TOURISM – FOSTERING SMART TOURISM SOLUTIONS IN EU DESTINATIONS THROUGH THE EUROPEAN CAPITAL OF SMART TOURISM

Context: The survey of providers and beneficiaries of EIP/COSME actions provided a picture of the context and needs of the European tourism sector when the action "GRO/SME/20/C/06 - European Capital of Smart Tourism" was implemented. The action was prompted by several factors. Firstly, there was a significant gap in awareness and knowledge concerning sustainable tourism practices among key stakeholders, coupled with a notably low rate of implementation of sustainable tourism initiatives among SMEs. Public authorities were keen to address these issues and sought to bolster the development of sustainable tourism and support small tourism businesses, necessitating access to funding for the tourism sector. In addition, there was a challenge at the level of providers of tourism-related services as they displayed limited interest in environmental and sustainability aspects. The overall landscape also revealed a lack of public-private cooperation within the tourism sector, as well as insufficient collaboration between various tourism stakeholders.³⁸⁰

Objectives: The action "GRO/SME/20/C/06 - European Capital of Smart Tourism" aims to promote innovation, intelligence, and sustainability within the tourism industry, primarily through the exchange of best practices at the EU level. It recognises and rewards exceptional tourism initiatives in larger European cities and destinations, designating two as the European Capitals of Smart Tourism.³⁸¹ This initiative provides European cities with a platform to showcase their innovative approaches as smart tourism destinations and acknowledges their efforts by awarding titles in four key categories: sustainability, accessibility, digitalisation, and cultural heritage and creativity.³⁸²

Through this programme, cities across Europe are encouraged to implement outstanding measures and enhance their tourism offerings while contributing to the broader goal of advancing intelligent and sustainable tourism practices in the EU.³⁸³

Outputs and Results: The action successfully achieved its planned objectives, which involved providing European cities with the opportunity to share their exemplary practices as smart tourism destinations and promoting cooperation among cities at the EU level for innovative and smart tourism initiatives. This success was notably demonstrated by awarding the titles of European Capital of Smart Tourism through an EU-wide competition to cities that implemented outstanding measures. The outcomes included the selection of two European Capitals of Smart Tourism per year for 2022 and 2023, the exchange of good practices among cities (both winners and non-winners), the organisation of events, and effective communication, media coverage, and public relations activities to enhance the visibility of the winners. Notably, this action generated long-term appreciation, even among non-winners, as they benefited from valuable information exchanges.

Success Factors: The success of the action "GRO/SME/20/C/06 - European Capital of Smart Tourism" is evident on several fronts. Firstly, it has significantly enhanced international networking opportunities, bringing together cities from diverse backgrounds and facilitating the exchange of innovative ideas and practices. This diversity of participating cities has proven extremely valuable, encouraging the cross-pollination of new approaches across different regions and countries. Furthermore, the action's ability to draw more tourists to these cities not only

³⁸⁰ Survey of providers and beneficiaries of EIP/COSME actions

³⁸¹ COSME 2020 Monitoring fiche on action FRO/SME/20/C/06

³⁸² https://smart-tourism-capital.ec.europa.eu/index_en

³⁸³ https://smart-tourism-capital.ec.europa.eu/system/files/2021-04/Compendium_2020_FINAL.pdf

contributes to their economic growth but also supports the market expansion of SMEs within these geographic areas. It might be beneficial to further investigate whether winning cities indeed experience a notable increase in tourist numbers. Additionally, this action enhanced the uptake of innovation and technological tools in the tourism sector, exploiting the synergies between tourism offers and other industries and assets (e.g. culture, creative industries, sport, nature, etc.).³⁸⁴

The action on European Capital of Smart Tourism has spurred a wave of exemplary practices across the EU in various categories. In terms of Accessibility, cities such as Vienna have implemented comprehensive accessible tourism strategies, ensuring that public spaces, attractions, and transportation are fully accessible to people with disabilities. Regarding Digitalisation, Barcelona stands out for its innovative use of technology, offering augmented reality apps and digital maps to enhance visitor experiences and navigation. In the Sustainability category, Ljubljana has excelled in promoting eco-friendly practices by emphasising green mobility, sustainable tourism, and waste reduction efforts. For Creativity and Cultural heritage, Athens showcases its rich history and culture through immersive exhibitions and cultural events, while also encouraging creativity in the arts. Collectively, these cities demonstrate the diverse and impactful ways in which the "European Capital of Smart Tourism" initiative is driving positive change in European tourism, fostering accessibility, digital innovation, sustainability, and cultural preservation.³⁸⁵

Challenges: The main challenge was the significant time and resources required to administer the action. Clearer and more comprehensible guidelines at the outset of the project would have also enhanced its execution. Finally, further promotion of tourism offers at the transnational level and extending beyond Europe would have strengthened the initiative's impact and reach.³⁸⁶

Costs and Benefits: The total budget available as per work programme for this action was EUR 2 million. The action facilitated international networking, encouraged diverse participation, and recognized outstanding smart tourism practices in various categories. The initiative demonstrated the potential for economic growth and SME market expansion through increased tourism.

Conclusion and lessons learned: In summary, the "GRO/SME/20/C/06 - European Capital of Smart Tourism" initiative successfully addressed key challenges in the European tourism sector by promoting innovation and sustainability. However, it faced challenges due to administrative demands, unclear guidelines, and the need for broader transnational tourism promotion. Despite these obstacles, it has made significant progress in advancing intelligent and sustainable tourism practices in the EU, benefiting both cities and the tourism sector as a whole.³⁸⁷ The action indirectly supports SMEs in the tourism sector and contributes to COSME's goals of improving competitiveness and access to finance for European SMEs.

CASE STUDY 6: SOCIAL ECONOMY MISSION

Context: As noted by the Commission, fostering social innovation at the local, regional and inter-regional level is seen as crucial to support green transition and stimulate cohesion and inclusiveness.³⁸⁸ The social economy, in all its diversity of forms and business models, offers the potential for the necessary changes. However, awareness of this potential is uneven across the EU and hampered by the application of different definitions in the Member States and by uneven take-up of EU tools and support schemes. Nonetheless, social economy stakeholders expressed a clear desire to gain insights from the experiences and good practices of other countries. Additionally, SMEs engaged in social projects lacked avenues to connect with similar initiatives, highlighting a need for improved networking and communication within the sector.³⁸⁹

³⁸⁴ Survey of providers and beneficiaries of EIP/COSME actions

³⁸⁵ https://smart-tourism-capital.ec.europa.eu/system/files/2021-04/Compendium_2020_FINAL.pdf

³⁸⁶ Survey of providers and beneficiaries of EIP/COSME actions

³⁸⁷ Feedback collected from interviews on Tourism actions

³⁸⁸ Call for proposals: European Social Economy Missions (SMP-COSME-2023-RESILIENCE)

³⁸⁹ Feedback collected from interviews on Social Economy Mission

Objective: This action aimed to promote inter-regional collaboration and knowledge sharing among social economy stakeholders. It involved numerous workshops with the participation of 88 beneficiary organisations from 27 EU/COSME countries.³⁹⁰ Furthermore, the project aimed to establish a network of regional and local authorities across the EU and COSME countries with similar social economy priorities, fostering inter-regional learning and collaboration. Ultimately, the goal was to facilitate the development of a social economy community of practice as an integral part of a sustainable European economic model.³⁹¹

Outputs and Results: The action successfully achieved its planned objectives. It effectively motivated participants to engage in future projects and fulfilled the crucial need for a cross-sectoral network of social economy actors. Furthermore, it significantly increased the visibility of initiatives in its domain and promoted the sharing of best practices, resulting in improved knowledge and connections with stakeholders. The action facilitated bilateral dialogues and enhanced responsiveness to stakeholder needs. It also enabled the involvement of socio-economic institutions in innovative work tools.³⁹² Importantly, the action established an inter-regional network of SMEs actively engaged in the social economy, fostering collaboration, peer learning, and the exchange of best practices across different regions. Overall, it generated valuable materials to enhance regional and local social economies through a series of inter-regional workshops, engaging over 2,500 participants from 27 EU/COSME countries and resulting in the identification of 350 good practices.³⁹³ The experiences of this action contributed to a subsequent action “Social economy and local green deals supporting SMEs to become more resilient” that aimed to accelerate the green and digital transition in different industrial ecosystems and economic sectors.

Success Factors: The action demonstrated several successful factors. First, it showcased significant flexibility in adapting to new emergencies and needs, benefiting from robust support from Commission officials. The work was engaging and produced valuable local outputs. Effective communication and dissemination of best strategies was ensured, leveraging various channels, including social media, local newsletters, and interviews. The action's strong commitment to dissemination and communication contributed to its success, aided by comprehensive support from the COSME programme. Networking added significant value, fostering active involvement and a keen interest in long-term impact. Even participants facing language barriers found opportunities to engage.³⁹⁴

Challenges: Despite its successes, the action faced several challenges. The lack of in-person study groups also hindered their full potential. While the action facilitated the exchange of practices, it lacked tools for concrete applications, limiting the potential for shareable results. Stakeholders expressed a need for more local, in-person visits to complement the action's efforts. In addition, the duration of the project was considered too short by some partners, and that more time for information sharing was needed.³⁹⁵

Costs and Benefits: The total EU funding per work programme was EUR 1 900 000. Examples of the type of expenses of the action included workshop organisation, translation, interpretation, and video production, with many experts participating voluntarily. Subcontracting was employed to enhance events development.

Conclusions and lessons learned: In conclusion, the implementation of the Social Economy Mission action has proven successful in achieving its objectives and promoted the creation of a social economy community. This initiative managed to effectively promote inter-regional collaboration and knowledge sharing among social economy stakeholders by establishing a network of authorities across the EU with similar social economy priorities, fostering inter-regional

³⁹⁰ COSME 2020 Monitoring Report

³⁹¹ Monitoring fiche 2020, Social Economy Mission

³⁹² Feedback collected from interviews on Social Economy Mission

³⁹³ Monitoring fiche 2020, Social Economy Mission

³⁹⁴ Feedback collected from interviews on Social Economy Mission

³⁹⁵ Feedback collected from interviews on Social Economy Mission

collaboration.³⁹⁶ The project's ability to adapt to emerging needs, supported by Commission officials, demonstrated remarkable flexibility. It created a valuable cross-sectoral network of actors, significantly increased the visibility of social economy initiatives, and facilitated the sharing of best practices. Moreover, it established an inter-regional network of SMEs actively engaged in the social economy, fostering collaboration and peer learning.

CASE STUDY 7: CLUSTERS GO INTERNATIONAL: ESCP-4i

Context: Clusters contribute to industrial innovation by supporting collaboration and linking of enterprises within a given region, especially SMEs.³⁹⁷ COSME provided EUR 51 million funding for clusters for capacity building and networking from 2014-2021.³⁹⁸ Since 2015, the European Cluster Collaboration Platform (ECCP) has provided a platform for cluster networking and growth. It hosts European Strategic Cluster Partnerships (ESCP) which pool resources and knowledge so that clusters can carry out joint actions for their members to improve competitiveness, growth and resilience. Within ESCP, one of the four strands of work is internationalisation towards third countries through ESCP-4i (Clusters Go International).

Objectives: The objective of ESCP-4i is to get clusters collaborating to develop and implement joint internationalisation strategies so that SMEs develop new value chains and leading global positions. There are two strands in ESCP-4i: one to develop joint internationalisation strategies and roadmaps, the other to develop specific activities that support co-operation with partners in third countries.^{399,400}

Outputs and results: According to the survey for this study, cluster organisations valued support to help them deal with issues such as lack of finance and personnel, challenges in making joint investments, lack of awareness of the benefits of joint action and lack of regional support. The clusters were, as a result, able to develop common internationalisation strategies, communications, market research, etc., all of which were highly valued. There were three generations of calls for ESCP-4i under COSME (2016-2017, 2018-2019 and 2020-2022). Under the first generation, 15 co-partnerships were funded (10 on a voluntary basis), 25 under the second-generation, and 24 in the third generation (2020-2022). Under first and second-generation projects, 1,314 cluster-to-cluster events were organised. 45 collaboration projects were established as a result of the first-generation projects and 180 from the second generation.⁴⁰¹

The cluster organisations participating in these projects gained an improved understanding of the internationalisation process and better access to international markets for SMEs that put them in a good position to strengthen their support for internationalisation. These projects have also helped increase awareness of the benefits of internationalisation among SMEs (indirect beneficiaries) and provided support for their internationalisation journey. The International matchmaking activities and the support for initial identification of new strategic partners provided by the clusters were highly valued by the SME final beneficiaries.⁴⁰² However, there is no evidence that these clusters actions led to successful SME internationalisation (new value chains or global positioning) in third countries on a significant scale.

Success factors: Factors identified as contributing to the success of ESCP-4i in the survey for this study were: good collaboration between clusters and the Commission, duration of the programme,

³⁹⁶ Feedback collected from interviews on Social Economy Mission

³⁹⁷ Support for clusters has been a recognised part of the economic development arsenal of the EU since the 1980's.

³⁹⁸ Within COSME specific objectives C: improving framework conditions

³⁹⁹ Prognos, CSES, Idea Consult (2021); Evaluation Study of and Potential Follow-Up to Cluster Initiatives under COSME, H2020 and FPI, DG GROW, European Commission, Brussels, p.34

⁴⁰⁰ Two assessments of the ESCP-4i have been undertaken: one, by Prognos et. al. (op.cit.), the other by Sociedade Portuguesa de Inovação (SPI) (2019); Progress Report on the European Strategic Cluster Partnerships, EOCIC, EASME

⁴⁰¹ Prognos et. al., p.34

⁴⁰² Prognos et. al. p.63 and targeted survey.

simple administration, the funding level, good stakeholder engagement and the level of resource inputs required.

The main change between EIP cluster initiatives and ESCP-4i was that, in the case of ESCP-4i, there was a focus on planning for entering new markets and then implementing these plans whereas the EIP initiatives focused more on joint collaboration between clusters. Both the targeted survey and the 2021 evaluation identified synergies with the H2020 programme, as well as the EEN (e.g. to find contacts in third countries and for match making events) and the Smart Specialisation Platform for industrial modernisation. Links with national and regional programmes could be improved.⁴⁰³

Challenges: In the 2021 evaluation, cluster organisations pointed out that after 24 months (duration of a call) only a modest number of successful co-operation cases were counted because development of business relationships needs time and trust, and it is difficult to follow up after the end of the project.⁴⁰⁴ While SMEs see ESCP-4i as a door-opener and way to achieve a critical marketing mass (travelling as part of a European delegation) compared to travelling alone,⁴⁰⁵ they see participation in ESCP-4i as only part of the internationalisation process, and other activities are not funded under ESCP-4i. National and regional programmes funded some activities not supported by ESCP-4i.

Costs and Benefits: In the survey for this study, some cluster organisations indicated that their costs for implementing ESCP-4i projects ranged from EURO 20k to EURO 100k. Benefits related to the ESCP-4i can most readily be identified as accruing to cluster organisations (see above – outputs and results), although these would have been passed on to SMEs.

Conclusions: The evidence gathered by this evaluation and the 2021 evaluation demonstrates that the EU support has largely been effective in stimulating the formation of clusters at EU level and in generating direct benefits for the organisation and also, indirectly, for SMEs served by such organisations. However, the available data is insufficient to form a robust view regarding the long-term impacts of Clusters Go International. Conducting an ex-post evaluation after the completion of the projects could be beneficial to observe the expected benefits for participating SMEs.

CASE STUDY 8: TRAINING FOR SME-FRIENDLY POLICIES IN CENTRAL PURCHASING BODIES

Context: SMEs across the EU faced challenges in accessing public procurement opportunities at the time when COSME was implemented, EU public sector bodies had a limited understanding of the impact of public procurement rules on SMEs and the difficulties SMEs experienced in meeting those requirements and accessing the market.⁴⁰⁶ Under COSME, numerous actions and initiatives aimed to improve SMEs' access to public procurement markets by boosting their knowledge about the procurement process and their rights within and outside the EU, navigating the perceived administrative barriers and capacity-building for procurement authorities.

Objectives: The action "Training for SME-Friendly Policies in Central Purchasing Bodies (CPBs)" can be considered as a good practice example for future actions. This action aimed to equip CPBs staff members from COSME participating countries with the necessary skills to better involve SMEs in important public procurement tenders. Further objectives included promoting the professional growth of CPBs in the EU, increasing awareness about facilitating SME participation in public procurement, and encouraging the use of strategic procurement practices, including innovation, sustainability, and social considerations.⁴⁰⁷ This training initiative targeted CPBs in COSME participating countries, particularly those with structurally weak or newly established

⁴⁰³ Prognos et.al., p.69

⁴⁰⁴ Prognos et.al., p.65

⁴⁰⁵ Prognos et.al., p.65

⁴⁰⁶ Feedback collected from interviews on the action: Training for SME-friendly policies in central purchasing bodies.

⁴⁰⁷ https://eisma.ec.europa.eu/system/files/2022-02/call-SME-friendly-training-central-purchasing-bodies_en.pdf

procurement systems, such as Bulgaria, Croatia, the Czech Republic, Greece, Hungary, Italy, Latvia, Malta, Poland, Romania, Slovakia, and Slovenia.⁴⁰⁸

Outputs and results: The action was considered by participants to be very successful in meeting its objectives. It provided CPBs' staff members with an established and well-connected network of experts, an improved interaction with SMEs and it contributed to developing fairer and more transparent procurement processes. Notable achievements include the acquisition of valuable insights into daily tasks and work processes, offering a better understanding from the perspective of SMEs and the creation of an international network of CPBs' staff members across the EU Member States.

Success factors: As emphasised by interviewees contributing to this study, key success factors included: increased competences of experts in public procurement, the creation of networks and platforms which enable concrete collaboration across regions and the elimination of entry barriers for SMEs thanks to the simplification of the procurement criteria and procedures that EU SMEs had to meet. Furthermore, it tailored procurement approaches for smaller countries, simplified entry criteria, and provided SMEs with timely access to essential information. Barriers to SME entry were strategically and systematically dismantled, and the establishment of a dedicated SME helpline enhanced overall transparency in the process.⁴⁰⁹ The added value of the action also lies in the contribution to developing and consolidating networks both across CPBs and SMEs through workshops and events, which created new market opportunities for less-connected SMEs.⁴¹⁰

Challenges: It has been reported that, despite its successes, the action faced minor challenges. Beneficiaries from the action reported that the intensive nature of the programme, requiring participation six days a week might have been too intensive for the attendees. However, such logistical issues have been addressed in the subsequent programme batches.⁴¹¹ Visibility and promotion were also perceived as minor challenges, with a need for more effective advertising and outreach efforts. Ineffective information-sharing practices were identified, emphasising the need for clearer communication. Furthermore, ensuring SME commitment as reliable partners was highlighted, as a lack of commitment and understanding of contract obligations could lead to implementation issues. To address this, a feedback loop was introduced to better understand delays and derive lessons from these experiences in collaboration with SMEs. Furthermore, the interviewees reported that it was appreciated that the programme was designed for subject experts on public procurement, however, at the same time, it was suggested that, given the specific needs of different sectors, it would have been highly beneficial to make sure that the number of experts per field attending the workshop is evenly distributed.

Costs and Benefits: The maximum grant amount per Specific Grant Agreement (SGA) resulting from the first consultation for SGAs was EUR 400 000.⁴¹² While the programme's intensity posed scheduling challenges, the in-person format was deemed highly valuable. The action's benefits included improved public procurement expertise, reduced barriers for SME entry, and the establishment of networks, enhancing market opportunities for less-connected SMEs. It also simplifies entry criteria and offers a dedicated SME helpline for transparency.

Conclusions and lessons learned: the "Training for SME-Friendly Policies in CPB" action effectively addressed the pressing issue of SMEs' access to public procurement markets. It provided significant value for participants. The adjustments in the timing of the action and flexibility shown proved advantageous. It contributed to establishing a network of experts which is expected to deliver value in the long term by facilitating the sharing of knowledge and good practices. The initiative also complemented existing actions in participating countries.

⁴⁰⁸ Annex I: Details of COSME actions in 2019

⁴⁰⁹ Feedback collected from interviews on the action: Training for SME-friendly policies in central purchasing bodies.

⁴¹⁰ Feedback collected from interviews on the action: Training for SME-friendly policies in central purchasing bodies.

⁴¹¹ Feedback collected from interviews on the action: Training for SME-friendly policies in central purchasing bodies.

⁴¹² https://ec.europa.eu/research/participants/data/ref/other_eu_prog/cosme/wp-call/cosme-call-cos-tsmfriend-fpa-2019-2-02_en.pdf

CASE STUDY 9: ENTERPRISE EUROPE NETWORK: CARVERTICAL

The way that EEN operates and the impact of its services on competitiveness is illustrated in the published EEN success story about the Lithuanian business “CarVertical”. CarVertical is a Blockchain-based technology firm that compiles data on the previous history of second hand cars, providing an accurate picture of a vehicle’s history for use by potential buyers.

Background and services provided by EEN

The entrepreneur planning to set up this business contacted an EEN member in Lithuania who advised him in relation to an Initial Coin Offering. The successful outcome of this provided enough funding to get the business up and running. EEN then successively provided various advisory and partnership services to support the business with growth and internationalisation. To continue its international expansion, CarVertical needed to access information from other European countries to broaden the coverage of its Blockchain database. Given the complex array of legal requirements and procedures across Europe for accessing this type of vehicle data, the business needed in-depth advice. The Lithuanian EEN member networked with EEN members across the EU to clarify the exact procedures to follow for accessing this data.

Impacts of EEN services on the growth and competitiveness of this business

The Network’s support had a significant impact on this business, and it has achieved its goal of rapid expansion. Within 12 months, CarVertical launched its product within 16 different countries. CarVertical also created jobs in Lithuania, growing from 8 to 28 members of staff as a result of the Network’s support. Revenue continues to increase at a rate of 30% per month. "The Network was one of those key factors that enabled us to scale our business fast" said the entrepreneur who created this business.

Source: published EEN case study.⁴¹³

⁴¹³ <https://een.ec.europa.eu/success-stories/lithuanian-technology-firm-accelerates-towards-international-growth>