Research for REGI Committee - Enhancing the competitiveness of SMEs

1. Introduction

Small and Medium-sized enterprises (SMEs) are essential to the economies of EU regions, both in terms of employment and competitiveness. In 2014, SMEs employed almost 90 million people and it has been estimated that for every km$^2$ of land surface the EU has an average of 5 SMEs. Almost all SMEs (93%) are micro enterprises and employ less than 10 people and the majority of SMEs are active in the five following sectors: ‘wholesale and retail trade’, ‘manufacturing’, ‘construction’, ‘business services’ and ‘accommodation and food services’.

For the 2014-2020 period the European Structural and Investment Funds (ESI Funds) support investments in SMEs through all thematic objectives, particularly through Thematic Objective 3 (TO3) on enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF). In order to first evaluate the main challenges of the implementation of TO3, the European Parliament Committee on Regional Development (EP REGI) requested the Policy Department for Structural and Cohesion Policies to draw up this briefing in support of the ongoing implementation report on "Enhancing the competitiveness of SMEs" (Rapporteur: Rosa D'Amato).

2. EU Support to SMEs: overview

Notwithstanding their importance, EU SMEs face several challenges related to access to finance, administrative and regulatory burdens, difficulties in attracting and retaining talent and skills and in supporting the internationalisation of their economic activities. SMEs also lack support services for commercialisation of new products and services (please see Graphic 1). Considering this, the EU support to SMEs has several forms and can be provided through a) regulatory measures; b) assistance schemes/financial support and c) advice services and networking, as follows:

a) Regulatory measures: e.g. the Small Business Act (SBA) adopted in 2008 and reviewed in 2011, which provides the framework for the EU policy on SMEs and defines 10 guidelines linked to the "Think Small First" principle;
b) **Assistance schemes**\(^4\) can be divided in four categories:

- **Thematic programmes** (with specific objectives and implemented by the EC), for example the Competitiveness of Enterprises and Small and Medium-sized Enterprises programme (COSME) and the EU research programme Horizon 2020;
- **Cohesion policy** support through the ESI Funds;
- **Financial instruments** (through financial intermediaries or set up at EU level): COSME facilitates and improves SMEs’ access to finance through two financial instruments, namely the Loan Guarantee Facility and the Equity Facility for Growth; the SME Initiative, etc.;
- **Support for the internationalisation of SMEs**: through the ESI Funds for example.

c) **Advice, support services and networking**: covering many areas and policies, in some cases delivered through internet based platforms offering information. Some examples are: the Enterprise Europe Network (co-financed by the COSME Programme), the European Small Business Portal; EU External business centres in third countries (e.g. China, India), etc.

### Graphic 1: Problems facing SMEs in the EU28

<table>
<thead>
<tr>
<th>Finding Customers</th>
<th>Access to Finance</th>
<th>Regulation</th>
<th>Availability of Skilled Staff or Experienced Managers</th>
<th>Competition</th>
<th>Cost of Production or Labour</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>13%</td>
<td>16%</td>
<td>17%</td>
<td>15%</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Source:** EC, European SMEs, Infographics based on the Annual Report on European SMEs 2014/2015

3. **Cohesion Policy support to SMEs: Thematic Objective 3 on "Enhancing the competitiveness of SMEs"**

The ESI Funds play a key role in providing funding to SMEs for the 2014-2020 period and they can support SMEs through 11 thematic objectives (TOs),\(^5\) based on the Europe 2020 strategy:

1. strengthening research, technological development and innovation;
2. enhancing access to, and use and quality of, ICT;
3. enhancing the competitiveness of SMEs, of the agricultural sector (for the EAFRD) and of the fishery and aquaculture sector (for the EMFF);
4. supporting the shift towards a low-carbon economy in all sectors;
5. promoting climate change adaptation, risk prevention and management;
6. preserving and protecting the environment and promoting resource efficiency;
7. promoting sustainable transport and removing bottlenecks in key network infrastructures;

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\(^4\) These four assistance schemes have been defined by the EC in 2012, in the document "European Union Support Programmes for SMEs" and have been updated/revised by the author for the purpose of this briefing

\(^5\) Common Provisions Regulation (CPR) (EU) No 1303/2013, Chapter I, Article 9(3)
promoting sustainable and quality employment and supporting labour mobility;
(9) promoting social inclusion, combating poverty and any discrimination;
(10) investing in education, training and vocational training for skills and lifelong learning;
(11) enhancing institutional capacity of public authorities and stakeholders and efficient public administration.

Amongst the thematic objectives, TO3 is specifically related to SMEs - targeting competitiveness of SMEs - and the other TOs that are most relevant for SMEs are TO1 for innovation, TO2 for ICT, TO4 for supporting the shift towards a low-carbon economy and TO8 for promoting sustainable and quality employment and supporting labour mobility. The relevance is explained by the fact that competitiveness for SMEs means “the advantage that a firm gains by lowering its costs, increasing productivity, improving the quality and differentiating and innovating products and services offered, and by improving marketing and branding”. However, research, innovation and entrepreneurship are also drivers of SMEs competitiveness.

In terms of ERDF support, TO3 is one of the four obligatory thematic objectives and has a broader scope than TO1. TO3 can target SMEs which focus mainly on local and regional markets and should cover SMEs' access to finance, access to business-relevant know how, information and contacts (e.g. business advice, consultancy services) and access to markets (e.g. internationalisation initiatives) as follows:

ERDF\(^8\) -
- investments which contribute to creating and safeguarding sustainable jobs;
- investments in equipment and small-scale infrastructure, including small-scale cultural and sustainable tourism infrastructure, services to enterprises, support to research and innovation bodies and investment in technology and applied research in enterprises;
- networking, cooperation and exchange of experience between competent regional, local, urban and other public authorities, economic and social partners and relevant bodies representing civil society, studies, preparatory actions and capacity-building;

The ESF, EAFRD and EMFF support to SMEs related to TO3 should contribute to the following main activities:

ESF\(^10\) -
- Self-employment, entrepreneurship and business creation including innovative SMEs;
- Adaptation of workers, enterprises and entrepreneurs to change;
- Enhancing the competitiveness and long-term sustainability of SMEs, through promoting the adaptability of enterprises, managers and workers, increased investment in human capital, and support for bodies providing practice-oriented vocational education and training;

EAFRD\(^11\) -
- Knowledge transfer and information actions for the benefit of persons engaged in the agricultural, food and forestry sector, land managers and other economic actors which are SMEs operating in rural areas;

EMFF\(^12\) -
- Encouraging new aquaculture farmers practising sustainable aquaculture;

ERDF funding to TO3 is also linked to the obligation to fulfil the thematic ex ante conditionality 3.1. stating that “specific actions have been carried out to underpin the promotion of entrepreneurship taking into account the Small Business Act (SBA)”\(^13\). The specific actions include measures with the objective of

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6 EC, DG REGIO, SME Competitiveness, 2015
7 Ibid.
8 ERDF Regulation (EU) No 1301/2013, Article 3, (a) e) and f)
9 Ibid.
10 ESI Regulation (EU) No 1304/2013, Article 3 (1.a) iii) v)
11 EAFRD Regulation (EU) No 1305/2013, Art. 14 and Art.15
12 EMFF Regulation (EU) No 508/2014, Art. 52
reducing the time and cost involved in setting-up a business; actions to reduce the time needed to get licenses and permits to take up and perform the specific activity of an enterprise, taking account of the targets of the SBA and actions in place to monitor the implementation of the measures of the SBA which have been put in place and assess the impact on SMEs (an "SME test")\footnote{2015 survey conducted by the European Association of Craft, Small and Medium-sized Enterprises (UEAPME) indicated that\footnote{52}: 

- **Regarding the process:** "the initial level of consultation was broadly satisfactory but it was difficult to reach the responsible people outside of consultation meetings, there was lack of permanent involvement and of concrete influence on the decision-making process; public consultations were not always seen as enough/satisfactory";
- **Regarding the involvement of social and economic actors:** it appears that "there was no balanced representation of large, medium and small companies in several countries" and that "positive involvement of relevant social and economic actors was more obvious for ESF than for other funds such as ERDF";
- **Regarding the content/outcomes of the Partnership Agreements/Operational Programmes:** "Positive experience of participating in selecting thematic objectives in just 8 countries, negative in 11"; "in some countries consultations merely formal exercises (and limited to public consultation involving several stakeholders), not a real exchange";
- **Joint recommendations** by ETUC, BUSINESSEUROPE and UEAPME on the implementation of the European code of conduct on partnership: "a) to conduct a more in depth analysis on the full implementation of the partnership principle and of Article 5, as well as of the specific provisions of the Code of Conduct on Partnership; b) to give serious considerations to the application of partnership principle in the analysis of ex ante Conditionalities for OPs;"  

From the point of view of the authorities responsible for coordinating, managing and implementing the OPs, a recent EP study on the "Implementation of Cohesion Policy 2014-2020: Preparation and Administrative capacity of Member States" highlighted that "TO3 was one of the themes where authorities had the most-effective management capacity" and also indicated that thematic concentration was a challenge for the EU12, especially in terms of support to SMEs and this was due to the fact that for 2007-2013 "the focus was on improving infrastructures"\footnote{15}. 

Another recent EP study on the "Review of the Adopted Partnership Agreements"\footnote{17}, indicates that the TO3 ex ante conditionality has been either fulfilled or is partially fulfilled by all Member states and TO3 is one of the thematic objectives with the highest percentage of overall funding, after TO6 and TO7. According to the EC\footnote{16}, Member States support TO3 through ERDF with around EUR 33 billion, through EAFRD with around EUR 27 billion and through EMFF with around EUR 2 billion. In total, approximately 20% of the ERDF resources will be allocated to SMEs (EUR 57 billion, other TOs included).

\footnote{Guidance on Ex ante Conditionalities for the European Structural and Investment Funds, PART II, February 2014}
\footnote{ETUC, BUSINESSEUROPE and UEAPME, Implementation of the European code of conduct on partnership, March 2015}
\footnote{EC, DG Regio Open Data Portal, December 2015}
More specifically and according to the latest data, TO3 has the highest budget allocation in Italy, Poland, Portugal, Spain and France (see Table 1). In terms of ERDF allocation, TO3 comes in second position after TO1 (around EUR 33 billion and EUR 41 billion respectively), showing the redirection of funding to Europe 2020 priorities and a general support for thematic concentration among Member States.

Table 1. Financial allocation to TO3 (ERDF, EAFRD, EMFF in EUR billion)

<table>
<thead>
<tr>
<th>Member State</th>
<th>Financial allocation to TO3</th>
</tr>
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<tr>
<td>AT</td>
<td>2.148.048.610</td>
</tr>
<tr>
<td>BE</td>
<td>1.082.759.658</td>
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<td>BG</td>
<td>1.334.671.374</td>
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<td>CY</td>
<td>140.587.033</td>
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<td>CZ</td>
<td>2.030.567.648</td>
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<tr>
<td>DE</td>
<td>6.998.746.815</td>
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<tr>
<td>DK</td>
<td>323.882.525</td>
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<tr>
<td>EE</td>
<td>773.027.786</td>
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<tr>
<td>IE</td>
<td>486.402.346</td>
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<tr>
<td>EL</td>
<td>3.062.184.320</td>
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<tr>
<td>ES</td>
<td>8.486.261.032</td>
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<tr>
<td>FI</td>
<td>1.424.296.177</td>
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<tr>
<td>FR</td>
<td>7.654 060 958</td>
</tr>
<tr>
<td>HR</td>
<td>2.310.639.452</td>
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<tr>
<td>IT</td>
<td>14.666.657.783</td>
</tr>
<tr>
<td>LV</td>
<td>1.002.028.555</td>
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<tr>
<td>LT</td>
<td>1.396.188.037</td>
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<tr>
<td>LU</td>
<td>113.400.000</td>
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<tr>
<td>HU</td>
<td>3.807.890.840</td>
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<td>MT</td>
<td>109.615.709</td>
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<td>NL</td>
<td>343.729.936</td>
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<td>PL</td>
<td>14.081.854.902</td>
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<td>PT</td>
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<td>RO</td>
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<td>SI</td>
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<td>SK</td>
<td>1.354.420.391</td>
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<tr>
<td>SE</td>
<td>1.058.842.501</td>
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<td>UK</td>
<td>4.316.165.963</td>
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</table>

Source: Extracted from DG REGIO Open Data Portal, December 2015

3.2. Financial Instruments in support of Thematic Objective 3

Cohesion policy support to TO3 can be implemented through Financial Instruments (FIs), designed based on an ex-ante assessment “which has established evidence of market failures or sub-optimal investment situations and the estimated level and scope of public investment needs”\(^\text{21}\). FIs “shall target the establishment of new enterprises, early stage-capital, i.e. seed capital and start-up capital, expansion capital, capital for the strengthening of the general activities of an enterprise, or the realisation of new projects, penetration of new markets or new developments by existing enterprises, without prejudice to

\(^{19}\) Ibid.

\(^{20}\) C. Mendez and J. Bachtler, Permanent Revolution in Cohesion Policy: Restarting the Reform Debate, EoRPA Paper, 15/4October 2015

\(^{21}\) Common Provisions Regulation (CPR) (EU) No 1303/2013, Subject Matter and Definitions, Paragraph 35
applicable Union State aid rules. These FIs can be set up at a) Union level, managed directly by the Commission or b) national, regional, transnational or cross-border level, managed by or under the responsibility of the managing authority.

FIs at Union level are referred in Article 39 of the CPR, which allows Member States to use ERDF and EAFRD funding in favour of SMEs. This ESI Funds allocation to the SME Initiative can be combined with other resources such as the ones from the COSME and/or Horizon 2020 programmes, or the ones from the EIB Group. However, according to preliminary analysis, the usage of new implementing options such as the SME Initiative is not consistently successful in all Member States. Spain, Italy, Malta, Bulgaria, Romania and Finland are participating in the SME Initiative. Spain, Italy, Bulgaria and Malta have ERDF OPs exclusively dedicated to TO3 and delivered through this financial instrument. In Spain, for example, the ERDF funding (EUR 800 million) is being combined with funding from Horizon 2020 and with senior risk coverage by the EIB group. It has been estimated that between 32,000 and 40,000 Spanish SMEs could benefit from this instrument.

Some reasons for the lower uptake of the SME Initiative might be related to the fact that this initiative was "introduced later in the regulatory process (...) when many Member States were already negotiating the OPs" and it seems that Member States fear "losing control over their allocated ESIF funding by channelling funds back to EU level" instruments.

3.3. Synergies between TO3 and other instruments

The Common Strategic Framework (CSF) provides strategic guiding principles in order to achieve synergies between ESI Funds and other Union instruments and policies (e.g. combining ESI Funds and Horizon 2020).

Such synergies cannot be evaluated at this early stage but in many EU regions there have been clear synergies between TO3 and TO1 ("strengthening research, technological development and innovation"), including with the TO1 ex ante conditionality on smart specialisation strategies which encourage SME innovation (e.g. incubation, voucher schemes, process, design and service innovation, university-business cooperation, clusters and networking).

Another example of synergies is the SME Initiative for funding TO3, where resources can be grouped from the ESI Funds and COSME and/or Horizon programmes (please see point 3.2 above).

More broadly, synergies between Horizon 2020 and ESI Funds might trigger some challenges related to the fact that these funding schemes have different strategies, objectives and implementation mechanisms; it should also be taken into account that synergies are a tool, not a target in themselves, and, according to some of the ESIF’s Partners Group of Experts, synergies should be measured through a place-based approach and not through a "project based approach".

4. The European Parliament and SMEs

In the European Parliament the committee responsible for the Union’s industrial policy and related measures, and the application of new technologies, including measures related to SMEs, is the Committee on Industry, Research and Energy. Nevertheless, other EP committees are responsible for policies which have an impact on SMEs, such as the Regional Development Committee.

23 Ibid. Art. 38
24 EC, Effectiveness and added value of Cohesion Policy: Non-paper assessing the implementation of the reform in the programming for cohesion policy 2014-2020, July 2015
26 EC, DG Regio website, January 2016
27 A. van der Zwet and J. Bachtler, Review of the role of the EIB Group in European Cohesion Policy, 2016 (upcoming publication), p.116
29 EC, Structured Dialogue with ESIF’s Partners: Synergies between funds and innovation, 23 April 2015
The EP has always highlighted that "SMEs are the backbone of the EU economy and have a huge potential for job creation; 20, 7 million SMEs account for over 67 % of private-sector employment in the EU, with 30 % deriving from micro-enterprises. The EP also considers that "SMEs are the key drivers of European long-term economic growth and sustainable job creation opportunities within the 28 Member States". 

During the CPR negotiations the partnership principle was a political priority for the European Parliament and partnership was seen as an essential way to meet SMEs expectations. The lack of partnership was identified at that time as one of the key reasons for the low overall impact of structural funds on SMEs and micro enterprises (in 2012 only 2-3% of small businesses were benefitting from Structural Funds).

Regarding the ERDF negotiations the European Parliament introduced the element of cooperation between large enterprises and SMEs for productive investment with a "view to supporting larger enterprises in the ICT" and agreed with the introduction of the financial instrument "SME Initiative", managed indirectly by the EC and implemented by the EIB; however, the EP requested to lower the initial ceiling of this initiative to EUR 1.5 billion.

In 2014, the Regional Development Committee stated that "(...) cohesion policy for the 2014-2020 period is an important and effective instrument for creating smart, sustainable and inclusive growth and achieving the Europe 2020 targets while supporting, through a wide range of measures and innovative financial instruments, the start-up and development of small and medium-sized enterprises (SMEs), including micro-enterprises, as one of the main job creators in the EU" and asked "Member States and regions to put effective information and support systems in place so as to enable micro-enterprises and SMEs to benefit from EU funding, and also to adopt ambitious measures as part of the joint risk-sharing mechanism by blending EU budgetary resources, i.e. from COSME, Horizon 2020 and the European Structural and Investment Funds (ESI Funds)".

More recently, the 2015 EP Resolution on "Investment for jobs and growth: promoting economic, social and territorial cohesion in the EU" emphasised the key role of SMEs in job creation (and accounting for 80 % of jobs in the Union) and called for a favourable regulatory environment that is conducive to the setting-up and running of such enterprises, especially those launched by young people and those situated in rural areas; underlined the importance of cutting bureaucratic burdens imposed on SMEs and of facilitating their access to finance, as well as the need to support programmes and training that promote the development of entrepreneurial skills.

5. Lesson from the past: European Commission (EC) ex-post evaluation of the 2007-2013 programming period

Already for the period 2007-2013, cohesion policy devoted EUR 70 billion to support companies, mainly SMEs and for the 2014-2020 period the aim is to double this amount (also with the help of Financial Instruments) .

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30 EP resolution on Hospitable environment for enterprises, businesses and start-ups to create jobs, P7_TA(2014)0394, 15 April 2014
32 The SME Initiative ex post evaluation is to be completed by 31 December 2019.
33 Opinion of the Committee on Regional Development for the Committee on Employment and Social Affairs Report on "How can the European Union contribute to creating a hospitable environment for enterprises, businesses and start-ups to create jobs?", 12 February 2014
35 EC, DG Regio data
As a general figure, for the 2007-2013 period, cohesion policy supported 73,500 start-ups and created more than 263,000 jobs in SMEs. A more detailed analysis will be provided after the ex-post evaluation of the 2007-2013 period, which is being carried out by the European Commission. (The regulatory deadline for this evaluation was December 2015 but the publication has been delayed).

For 2007-2013 there were 204 ERDF Operational Programmes supporting research and innovation and SME growth and development (around EUR 70 billion). The EC is currently analysing the contribution of the ERDF to SMEs in 50 Operational Programmes, which have been selected by DG REGIO according to the relevance of investments [e.g. Germany and Spain (with 5 OPs each), followed by Italy, France and Poland (with 4 OPs each)]. Specifically, the OPs where the highest share of funding (more than 80%) has been expended for research, innovation and SME-related fields are:

- The national ‘Economic Development Operational Programme’ (Hungary);
- ‘Factores de Competitividad 2007-2013’ (Portugal);
- ‘Innovation og Viden’ (Denmark), ‘Development of the Competitiveness of the Bulgarian Economy’ (Bulgarian); and
- The regional Burgeland OP (Austria).

Around half of total ERDF financing subject to evaluation has been allocated to ‘Investment in firms directly linked to research and innovation’ and to the general label of ‘other investment in firms’. The form of finance mostly used across all categories of expenditures is non-repayable aid, followed by aid such as loans, interest subsidy and guarantees, which is concentrated on selected priorities. In general, venture capital and other forms of finance are much less common forms of delivery.

For the 2007-2013 (data available up to 2012) 200,000 projects supported investment in SMEs and a majority of those investments was provided through financial instruments (Article 44a of Council Regulation No 1083/2006). Therefore, for 2014-2020 and relevant for TO3, some Member States have already a considerable experience in using financial instruments.

6. Challenges and Possible Recommendations

The implementation of TO3 is at an early stage but some policy challenges and possible recommendations have been identified by the Council of the European Union, by the European Committee of the Regions (CoR), by researchers and associations and summarised in the following tables:

Policy Challenges/Recommendations:

General

- Clear strategy on SMEs (for the moment there are many European initiatives/instruments which support SMEs and a more strategic approach is needed);
- Efficient policy instruments need to take into account not only SMEs size but to reflect the entire range of parameters that determine the nature of each SME (industry, location, level of innovation) and the different lifecycle phases of SMEs (e.g. start-up, mature enterprise);
- "SMEs have been better integrated in the design and development of policies. However, the elaboration of the post-2020 strategy for ESI funds will require a higher and more active involvement of SMEs and SME organisations at all levels" (UEAPME Association);
- Concerns related to the progressive ‘transformation’ of Cohesion Policy into a thematic policy that

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36 EC, EU cohesion policy 2014-2020: Targeting Investments on Key Growth Priorities, 2014
37 EC, DG Regio, Ex post evaluation of cohesion policy programmes 2007-2013 financed by the European Regional Development Fund (ERDF) and Cohesion Fund (CF), 2014, p. 16
38 Ibid., p. 17
39 CoR seminar, Putting SME internationalisation into practice – what tools are available to regions and cities? 9 December 2015
40 Herta Tödtling–Schönhofner, et al. (Metis GmbH), Laura Polverari, et al. (University of Strathclyde), Impact and Effectiveness of Structural Funds and EU policies aimed at SMEs in the regions, European Parliament, Policy Department for Structural and Cohesion Policies, 2011
is in danger of losing sight of its cohesion purpose, and acting as a delivery agent for other EU objectives – and in the longer term calling into question the need for Cohesion Policy⁴¹;

- There appears to have been good partnership orientation during the programming stage in the Member States. Yet, it remains unclear whether the partnership principle will be applied also during programme delivery and there is a danger that partner involvement has been merely a formalistic exercise; Both the Commission and the European Parliament should actively monitor the application of the partnership principle during the implementation of the programmes.⁴²
- For countries receiving limited funding and targeting a small number of objectives (such as Denmark) an option to merge thematic objectives could provide added flexibility;⁴³

**Simplification/ Administrative capacity**

- Simplification (for the moment there is a lack of proportionality in administrative requirements compared to the amount of funding obtained)⁴⁴ and administrative obstacles still prevent SMEs for seeking ESI Funds support (UEAPME Association);
- Support local capabilities in assisting SMEs⁴⁵;

**Access to Finance**

- Different types of SMEs have different needs and tailored support for SMEs should be envisaged: "while most medium-size enterprises require an easier access to finance, small and micro enterprises are asking to a greater extent for accompanying measures, coaching and mentoring";⁴⁶
- To foster the usage of Financial Instruments and to simplify them when possible, addressing implementation challenges⁴⁷;
- Easing access to finance, particularly for SMEs and start-ups⁴⁸;

**Synergies**

- "Complementarity and synergies between Structural Funds programmes and other national and EU investment programmes should be strengthened⁴⁹;
- possible synergies and complementarities between ESI Funds and the European Fund for Strategic Investments (EFSI) should be explored⁵⁰;
- EU and national/regional initiatives to support SMEs internationalisation (wider concept than just export) should be more coherent and coordinated⁵¹;
- There is room for more coordination between EC DGs in terms of SMEs support/strategies⁵²;

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⁴² Ibid.
⁴⁴ Ibid.
⁴⁵ CoR seminar, *Putting SME internationalisation into practice – what tools are available to regions and cities?* 9 December 2015
⁴⁶ CSIL Centre for Industrial Studies, PPMI Public Policy and Management Institute, *SMEs in the cohesion policy management cycle*, European Parliament, Policy Department for Structural and Cohesion Policies, 2013
⁴⁷ Council of the EU, *Outcome of the Council Meeting (Implementation of Cohesion policy reform)*, 3401st Council meeting, General Affairs, Luxembourg, 23 June 2015
⁴⁸ Outcome of the Council Meeting, 3431st Council meeting, *Competitiveness (Internal Market, Industry, Research and Space)*, 30 November/1 December 2015
⁴⁹ Herta Tödtling–Schönhofer, et al. (Metis GmbH), Laura Polverari, et al. (University of Strathclyde), *Impact and Effectiveness of Structural Funds and EU policies aimed at SMEs in the regions*, European Parliament, Policy Department for Structural and Cohesion Policies, 2011
⁵⁰ Council of the EU, *Outcome of the Council Meeting (Implementation of Cohesion policy reform)*, 3401st Council meeting, General Affairs, Luxembourg, 23 June 2015
⁵¹ CoR seminar, *Putting SME internationalisation into practice – what tools are available to regions and cities?* 9 December 2015
⁵² Ibid.
# List of Abbreviations

<table>
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<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>CPR</td>
<td>Common Provisions Regulation</td>
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<td>EAFRD</td>
<td>European Agricultural Fund for Rural Development</td>
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<td>EC</td>
<td>European Commission</td>
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<tr>
<td>EMFF</td>
<td>European Maritime and Fisheries Fund</td>
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<td>EP</td>
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<td>Committee on Regional Development</td>
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<td>Small and Medium-sized enterprises</td>
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<td>TO</td>
<td>Thematic Objective</td>
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**ISBN:** 978-92-823-8587-6 (paper)  
**Catalogue number:** QA-02-16-055-EN-C (paper)  
**DOI:** 10.2861/152542 (paper)

**ISBN:** 978-92-823-8588-3 (pdf)  
**Catalogue number:** QA-02-16-055-EN-N (pdf)  
**DOI:** 10.2861/427679 (pdf)

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