



EUROPEAN PARLIAMENT

2009 - 2014

Committee on the Internal Market and Consumer Protection

2011/0394(COD)

3.5.2012

DRAFT OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council establishing a Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (2014 - 2020)
(COM(2011)0834 – C7-0463/2011 – 2011/0394(COD))

Rapporteur: Emma McClarkin

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SHORT JUSTIFICATION

The Rapporteur welcomes the COSME Programme as proposed by the Commission for 2014-2020 which aims to strengthen the competitiveness and sustainability of the Union's enterprises and is intended to support the implementation of the Europe 2020 Strategy and to contribute to achieving the objective of smart, sustainable and inclusive growth. The Rapporteur considers that it should indeed focus on encouraging the competitiveness and growth of EU enterprises, particularly SMEs. It should also aim to facilitate better access to finance and promote entrepreneurship, including among target groups such as young people and women. Facilitating access to markets, particularly inside the Union, but also globally is another key objective.

The Rapporteur considers that self-employment and business development are important sources of growth and job creation at EU level. Therefore, the conditions for entrepreneurs, especially SMEs, and for citizens who want to set up businesses, need to be improved. In drafting this opinion the Rapporteur focused on a few key areas that could contribute to this objective:

- promoting the uptake of new competitive business models and the cooperation of SMEs in new value chains and new markets;
- improving SMEs' access to finance in the growth and the start-up phase;
- reducing and simplifying time-consuming barriers for SMEs;
- strengthening the promotion of the COSME programmes and funds to SMEs of the financial opportunities that they can take advantage of;
- funding of the Enterprise Europe Network especially to identify EU programmes which could improve the competitiveness and growth of businesses in the Single Market;
- supporting SMEs by providing advice and information on issues such as market entry barriers, business opportunities, standards and intellectual property rights in priority third countries;
- promoting information provisions regarding digital services.
- a monitoring system should be put in place to ensure the banks use the funds and guarantees to increase their SME lending;

The Rapporteur believes that the European Union should not duplicate measures that are already being taken by Member States. Therefore, the Rapporteur eagerly awaits the results of the mapping exercise currently being carried out by the Commission. It is fundamental that COSME brings added value and that money spent on this Programme is directed towards growth-creating measures.

In terms of support measures and simplification, the Rapporteur underlines the value of smart regulation, including fitness checks of existing legislation and impact assessments of Union measures of particular relevance for the competitiveness and growth of enterprises. To free business up and to foster growth where necessary, legislation should be simplified or appealed and burdens on SMEs should be minimised in future legislation.

The Rapporteur shares the Commission's approach that micro enterprises should be exempt from EU legislation unless there is a justification that proves otherwise. Promotion of use of the SME test and competitiveness proofing tests, which should also be carried out by Member States, is crucial to reduce burdens.

With regard to tourism, the Rapporteur has doubts about this sector being singled out when other sectors, such as public procurement and services which are crucial to growth, have not been. According to the Rapporteur, evaluating COSME, including impacts on job creation and growth, in order to monitor how well the objectives of the Programme have been met, is essential.

AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following amendments in its report:

Amendment 1 **Proposal for a regulation** **Recital 2**

Text proposed by the Commission

(2) In order to ensure that enterprises play a central role in delivering economic growth in Europe, the Commission adopted a Communication, entitled 'An Integrated industrial policy for the globalization era, putting competitiveness and sustainability at centre stage'¹² in October 2010, which was endorsed by the European Council on its Conclusions of December 2010. This is a flagship initiative of the Europe 2020 Strategy. The Communication sets out a strategy that aims to boost growth and jobs by maintaining and supporting a strong, diversified and competitive industrial base in Europe, notably through improving framework conditions for enterprises, as well as through strengthening several

Amendment

(2) In order to ensure that enterprises play a central role in delivering economic growth in Europe, **which is a top priority**, the Commission adopted a Communication, entitled 'An Integrated industrial policy for the globalization era, putting competitiveness and sustainability at centre stage'¹² in October 2010, which was endorsed by the European Council on its Conclusions of December 2010. This is a flagship initiative of the Europe 2020 Strategy. The Communication sets out a strategy that aims to boost growth and jobs by maintaining and supporting a strong, diversified and competitive industrial base in Europe, notably through improving framework conditions for enterprises, as

aspects of the Single Market, including business-related services.

well as through strengthening several aspects of the Single Market, including business-related services.

Or. en

Amendment 2
Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) The Programme should particularly address SMEs, as defined in Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises. ***Particular attention should be paid to micro enterprises, enterprises engaged in craft activities and social enterprises.*** Attention should also be paid to the specific characteristics and requirements of young entrepreneurs, new and potential entrepreneurs and female entrepreneurs, ***as well as specific target groups, such as migrants and entrepreneurs belonging to socially disadvantaged or vulnerable groups such as persons with disabilities.*** The Programme should also encourage senior citizens to become and remain entrepreneurs and promote second chances for entrepreneurs.

Amendment

(11) The Programme should particularly address SMEs, as defined in Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises. Attention should also be paid to the specific characteristics and requirements of ***specific target groups, such as*** young entrepreneurs, new and potential entrepreneurs and female entrepreneurs. The Programme should also encourage senior citizens to become and remain entrepreneurs and promote ***business transfer, spin-offs and*** second chances for entrepreneurs.

Or. en

Amendment 3
Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) Many of the Union's competitiveness problems involve SMEs' difficulties in getting access to finance because they

Amendment

(12) Many of the Union's competitiveness problems involve SMEs' difficulties in getting access to finance because they

struggle to demonstrate their credit-worthiness and have difficulties in gaining access to risk capital. This has a negative effect on the level and quality of the new enterprises created and on the growth of enterprises. The added value for the Union of the proposed financial instruments lies inter alia in strengthening the Single Market for venture capital and in developing a pan-European SME finance market. The Union's actions should be complementary to the Member States' use of financial instruments for SMEs. The entities entrusted with the implementation of the actions should ensure additionality and avoid double financing through EU resources.

struggle to demonstrate their credit-worthiness and have difficulties in gaining access to risk capital. This has a negative effect on the level and quality of the new enterprises created and on the growth of enterprises. The added value for the Union of the proposed financial instruments lies inter alia in strengthening the Single Market for venture capital and in developing a pan-European SME finance market. The Union's actions **and programmes** should be **coherent, consistent and** complementary to the Member States' use of financial instruments for SMEs. The entities entrusted with the implementation of the actions should ensure additionality and avoid double financing through EU resources.

Or. en

Amendment 4
Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) The Enterprise Europe Network **has proven** its added value for European SMEs **as a one-stop-shop for business support by helping enterprises** to improve their competitiveness and explore business opportunities in the Single Market and beyond. The streamlining of methodologies and working methods and provisions of a European dimension to business support services can only be achieved at Union level. In particular, the Network has helped SMEs to find cooperation or technology transfer partners, get advice on sources of financing, and on intellectual property and on eco-innovation and sustainable production. It has also obtained feedback on Union legislation and standards. Its unique expertise is particularly important

Amendment

(13) The Enterprise Europe Network **needs to continue to prove** its added value for European SMEs **in identifying appropriate Union** business support **programmes** to improve their competitiveness and explore business opportunities in the Single Market and beyond. The streamlining of methodologies and working methods and provisions of a European dimension to business support services can only be achieved at Union level. In particular, the Network has helped SMEs to find cooperation or technology transfer partners, get advice on sources of **Union** financing, and on intellectual property and on **Union programmes to encourage** eco-innovation and sustainable production. It has also obtained feedback on Union

in overcoming information asymmetries and alleviating transaction costs associated with cross-border transactions.

legislation and standards. Its unique expertise is particularly important in overcoming information asymmetries and alleviating transaction costs associated with cross-border transactions.

Or. en

Amendment 5
Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) To improve the competitiveness of European enterprises, notably SMEs, the Member States and the Commission need to create a favourable business environment. The interests of SMEs and the sectors in which they are most active need particular attention. Initiatives at Union level are necessary in order to develop a level playing field for SMEs and to exchange information and knowledge on a European scale.

Amendment

(15) To improve the competitiveness of European enterprises, notably SMEs, the Member States and the Commission need to create a favourable business environment ***by reducing the burden of legislation***. The interests of SMEs and the sectors in which they are most active need particular attention. Initiatives at Union level are necessary in order to develop a level playing field for SMEs and to exchange information and knowledge on a European scale. ***Digital services can be particularly cost-effective in this area.***

Or. en

Amendment 6
Proposal for a regulation
Recital 16

Text proposed by the Commission

(16) Another factor which affects competitiveness is the relatively weak entrepreneurial spirit in the Union. Only 45% of the Union citizens (and less than 40% of women) would like to be self-employed as compared to 55% of the population in the United States and 71% in China. Demonstration and catalytic effects,

Amendment

(16) Another factor which affects competitiveness is the relatively weak entrepreneurial spirit in the Union. Only 45% of the Union citizens (and less than 40% of women) would like to be self-employed as compared to 55% of the population in the United States and 71% in China. Demonstration and catalytic effects,

for example European Awards and conferences, as well as coherence and consistency enhancing measures such as benchmarking and exchanges of best practices provide a high European added value.

as well as coherence and consistency enhancing measures such as benchmarking and exchanges of best practices provide a high European added value.

Or. en

Amendment 7
Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) As outlined in the Commission Communication of 30 June 2010, entitled ‘Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe’, which was endorsed by the European Council Conclusions of October 2010, tourism is an important sector of the Union economy. Enterprises in this sector substantially contribute to the Union's Gross Domestic Product (GDP) and job creation and have significant potential for the development of entrepreneurial activity, since it is run mainly by SMEs. ***The Lisbon Treaty acknowledges the importance of tourism outlining the Union specific competences in this field which complement the actions of Member States. There is clear added value for the tourism initiative at Union level, especially in providing data and analysis, in developing transnational promotion strategies and in exchanging best practices.***

Amendment

(18) As outlined in the Commission Communication of 30 June 2010, entitled ‘Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe’, which was endorsed by the European Council Conclusions of October 2010, tourism is an important sector of the Union economy. ***The Treaty on the functioning of the European Union outlines the Union's supporting competences in this field.*** Enterprises in this sector substantially contribute to the Union's Gross Domestic Product (GDP) and job creation and have significant potential for the development of entrepreneurial activity, since it is run, ***like the majority of business sectors***, mainly by SMEs.

Or. en

Amendment 8
Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) The Programme should indicate actions for the objectives, the total financial envelope for pursuing those objectives, different types of implementing measures, and the arrangements for monitoring and evaluation and for protection of the Union's financial interests.

Amendment

(19) The Programme should indicate actions for the objectives, the total financial envelope for pursuing those objectives, ***how access to finance could be simplified, how transparency could be enhanced***, different types of implementing measures, and the arrangements for monitoring and evaluation and for protection of the Union's financial interests.

Or. en

Amendment 9
Proposal for a regulation
Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) strengthening the competitiveness and sustainability of the Union's enterprises ***including in the tourism sector***;

Amendment

(a) strengthening the competitiveness and sustainability of the Union's enterprises, ***particularly SMEs***;

Or. en

Amendment 10
Proposal for a regulation
Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) encouraging an entrepreneurial culture and promoting the creation and growth of SMEs.

Amendment

(b) encouraging an entrepreneurial ***spirit and*** culture and promoting the creation and growth of SMEs.

Or. en

Amendment 11
Proposal for a regulation
Article 2 – paragraph 2 – point c

Text proposed by the Commission

(c) **changes** in administrative **burden** on SMEs,

Amendment

(c) **reduction** in administrative **and regulatory burdens** on SMEs,

Or. en

Amendment 12
Proposal for a regulation
Article 3 – paragraph 1 – point a

Text proposed by the Commission

(a) To improve framework conditions for the competitiveness and sustainability of Union enterprises including in the **tourism** sector;

Amendment

(a) To improve framework conditions for the competitiveness, **growth, internationalisation** and sustainability of Union enterprises, **particularly SMEs**, including in the **services and procurement** sector;

Or. en

Amendment 13
Proposal for a regulation
Article 3 – paragraph 1 – point b

Text proposed by the Commission

(b) To promote entrepreneurship, including among specific target groups;

Amendment

(b) To promote entrepreneurship, including among specific target groups, **such as young people and women**;

Or. en

Amendment 14
Proposal for a regulation
Article 3 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) To improve access to finance for SMEs in the form of equity and debt;

(c) To improve access to finance for SMEs in the form of equity, **venture capital** and debt;

Or. en

Amendment 15
Proposal for a regulation
Article 3 – paragraph 1 – point d

Text proposed by the Commission

Amendment

(d) To improve access to markets inside the Union and globally.

(d) To improve access to markets, **particularly** inside the Union and **also** globally.

Or. en

Amendment 16
Proposal for a regulation
Article 6 – paragraph 2 – point a

Text proposed by the Commission

Amendment

(a) measures to improve the design, implementation and evaluation of policies affecting the competitiveness and sustainability of enterprises, **including disaster resilience, and to secure the development of appropriate infrastructures**, world class clusters **and** business networks, framework conditions and development of sustainable products, services and processes;

(a) measures to improve the design, implementation and evaluation of policies affecting the competitiveness and sustainability of enterprises, **sharing best practices regarding** world class clusters, business networks **and** framework conditions and **promoting the** development of sustainable products, services and processes;

Or. en

Amendment 17
Proposal for a regulation
Article 6 – paragraph 3

Text proposed by the Commission

3. The Commission may support initiatives accelerating the emergence of competitive industries based on cross-sectoral activities in areas characterised by a high proportion of SMEs and with a high contribution to the Union's GDP. Such initiatives shall stimulate ***development of new markets and the supply of goods and services based on the most competitive business models or on modified value-chains***. They ***shall*** include initiatives to enhance productivity, resource efficiency, sustainability and corporate social responsibility.

Amendment

3. The Commission may support initiatives accelerating the emergence of competitive industries based on cross-sectoral activities in areas characterised by a high proportion of SMEs and with a high contribution to the Union's GDP. Such initiatives shall stimulate ***the uptake of new competitive business models, the cooperation of SMEs in new value chains and the development of new markets***. They ***may*** include initiatives to enhance productivity, resource efficiency, sustainability and corporate social responsibility.

Or. en

Amendment 18
Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. The Commission shall contribute to ***promoting entrepreneurship*** by improving framework conditions affecting the development of entrepreneurship. The Commission shall support a business environment favourable to enterprise development and growth.

Amendment

1. The Commission shall contribute to ***the fostering of the entrepreneurial spirit*** by improving framework conditions affecting the development of entrepreneurship. The Commission shall support a business environment favourable to enterprise development and growth.

Or. en

Amendment 19
Proposal for a regulation
Article 8 – paragraph 1

Text proposed by the Commission

1. The Commission shall support actions which aim to improve access to finance for SMEs in their start-up and growth phases, being complementary to the Member States' use of financial instruments for SMEs at national and regional level. In order to ensure complementarity, these actions will be closely coordinated with those undertaken in the framework of cohesion policy and at national level. Such actions shall aim to stimulate the supply of both equity and debt finance.

Amendment

1. The Commission shall support actions which aim to improve access to finance for SMEs, ***and reduce and simplify time-consuming barriers for SMEs*** in their start-up and growth phases, being complementary to the Member States' use of financial instruments for SMEs at national and regional level. In order to ensure complementarity, these actions will be closely coordinated with those undertaken in the framework of cohesion policy and at national level. Such actions shall aim to stimulate the supply of both equity and debt finance.

Or. en

Amendment 20
Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

1. In order to continue improving the competitiveness and access to markets of Union enterprises, the Commission shall ***maintain its support for*** the Enterprise Europe Network.

Amendment

1. In order to continue improving the competitiveness and access to markets of Union enterprises, the Commission shall ***fund*** the Enterprise Europe Network ***to identify appropriate Union programmes which could help to improve their competitiveness and explore business opportunities, notably within the Single Market; while avoiding duplicating the efforts made by the Member States.***

Or. en

Amendment 21
Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission

2. The Commission may support actions to improve SMEs access to the Single Market including information provision and **awareness-raising**.

Amendment

2. The Commission may support actions to improve SMEs access to the Single Market including information provision (**including through digital services**), **awareness-raising** and **seeking the removal of existing legal and regulatory barriers**.

Or. en

Amendment 22
Proposal for a regulation
Article 9 – paragraph 3

Text proposed by the Commission

3. Specific measures shall aim to facilitate SMEs access to markets outside the Union, and to strengthening existing support services in those markets. SMEs may receive support through the Programme **as regards** standards and intellectual property rights in priority third countries.

Amendment

3. Specific measures shall aim to facilitate SMEs access to markets outside the Union, and to strengthening existing support services in those markets. SMEs may receive support, **advice and information** through the Programme **on, inter alia, market entry barriers, business opportunities**, standards and intellectual property rights in priority third countries. **These measures shall complement but not duplicate core trade promotion activities of Member States.**

Or. en

Amendment 23
Proposal for a regulation
Article 11 – paragraph 1 – point c

Text proposed by the Commission

(c) impact assessments of Union measures of particular relevance for the competitiveness of enterprises, with a view to identifying areas of existing legislation that need to be simplified, or areas in

Amendment

(c) **fitness checks of existing legislation** and impact assessments of Union measures of particular relevance for the competitiveness **and growth** of enterprises, with a view to identifying areas of existing

which new legislative measures *need to be* proposed;

legislation that need to be simplified or *repealed and to ensure that burdens on SMEs are minimised in* areas in which new legislative measures *are* proposed;

Or. en

Amendment 24
Proposal for a regulation
Article 12 – paragraph 2

Text proposed by the Commission

2. The Commission shall draw up an annual monitoring report examining the efficiency and effectiveness of supported actions in terms of financial implementation, results and, *where possible, impact*. The report shall include information on the amount of climate-related expenditure and the impact of support to climate-change objectives to the extent that the collection of this information does not create unjustified administrative burden for SMEs.

Amendment

2. The Commission shall draw up an annual monitoring report examining the efficiency and effectiveness of supported actions in terms of financial implementation, results and *impact, including especially job creation and growth*. The report shall include information on the amount of climate-related expenditure and the impact of support to climate-change objectives to the extent that the collection of this information does not create unjustified administrative burden for SMEs.

Or. en

Amendment 25
Proposal for a regulation
Article 12 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. In order for funds to reach SMEs, a monitoring system shall be put in place to ensure that banks use the funds and guarantees to increase their SME lending. This may include reporting schemes and a code of conduct for SME lending banks.

Or. en

Amendment 26
Proposal for a regulation
Article 14 – paragraph 1

Text proposed by the Commission

1. Financial instruments under the Programme shall be operated with the aim of facilitating access to finance for **growth-oriented** SMEs. The financial instruments shall include an equity facility and a loan guarantee facility.

Amendment

1. Financial instruments under the Programme shall be operated with the aim of facilitating access to finance for SMEs **in their start-up and growth phases**. The financial instruments shall include an equity facility and a loan guarantee facility.

Or. en

Amendment 27
Proposal for a regulation
Annex 1 – general objective 1 – title

Text proposed by the Commission

1. To strengthen the competitiveness and sustainability of the Union's enterprises **including in the tourism sector**

Amendment

1. To strengthen the competitiveness and sustainability of the Union's enterprises

Or. en

Amendment 28
Proposal for a regulation
Annex 1 – general objective 1 – impact indicator 2

Text proposed by the Commission

Change of administrative **burden** on SMEs (N° of days to set-up a new enterprise)

Amendment

Reduction of administrative **and regulatory burdens** on SMEs (N° of days to set-up a new enterprise)

Or. en

Amendment 29
Proposal for a regulation
Annex 1 – specific objective 1 – title

Text proposed by the Commission

To improve framework conditions for the competitiveness and sustainability of EU enterprises *including in the tourism sector*

Amendment

To improve framework conditions for the competitiveness and sustainability of EU enterprises

Or. en

Amendment 30
Proposal for a regulation
Annex 1 – specific objective 1 – Activities to improve competitiveness – medium term target (result) 2017 2

Text proposed by the Commission

The feedback approach with "fitness" checks will be extended to other policies and lead to simplifications impacting positively on industry. Up to twelve "fitness" checks are foreseen, with the objective of better regulation.

Amendment

The feedback approach with "fitness" checks will be extended to other policies and lead to simplifications impacting positively on industry. *At least* up to twelve "fitness" checks are foreseen, with the objective of better regulation.

Or. en

Amendment 31
Proposal for a regulation
Annex 1 – specific objective 1 – Developing SME policy – result indicator 1

Text proposed by the Commission

Number of Member States using SME test

Amendment

Number of Member States using SME test *and competitiveness-proofing test*

Or. en

Amendment 32
Proposal for a regulation
Annex 1 – specific objective 1 – Tourism – result indicator 3

Text proposed by the Commission

Amendment

***Number of entities adopting European
Tourism Quality Label*** ***deleted***

Or. en

Amendment 33

Proposal for a regulation

Annex 1 – specific objective 1 – Tourism – result indicator 4

Text proposed by the Commission

Amendment

***Number of destinations adopting the
sustainable tourism development models
promoted by the European Destinations of
Excellence*** ***deleted***

Or. en

Amendment 34

Proposal for a regulation

Annex 1 – specific objective 1– Tourism – latest known result 3

Text proposed by the Commission

Amendment

***Up to date no entity adopting European
Tourism Quality Label (action in
elaboration)*** ***deleted***

Or. en

Amendment 35

Proposal for a regulation

Annex 1 – specific objective 1 – Tourism – latest known result 4

Text proposed by the Commission

Amendment

***Number of European Destinations of
Excellence awarded in total 98 (on
average 20 per year – in 2007-10, in 2008-*** ***deleted***

20, in 2009-22, in 2010-25, in 2011-21)

Or. en

Amendment 36

Proposal for a regulation

Annex 1 – specific objective 1 – Tourism – medium term target (result) 2017 3

Text proposed by the Commission

Amendment

Coverage of 50% of the evaluation schemes eligible to participate in the European Tourism Quality Label **deleted**

Or. en

Amendment 37

Proposal for a regulation

Annex 1 – specific objective 1 – Tourism – medium term target (result) 2017 4

Text proposed by the Commission

Amendment

200 and more destinations adopting the sustainable tourism development models promoted by the European Destinations of Excellence (up to 30 per year). **deleted**

Or. en

Amendment 38

Proposal for a regulation

Annex 1 – specific objective 2 – Support for entrepreneurship – medium term target (result) 2017 5

Text proposed by the Commission

Amendment

About 7 simplification measures per year **At least 7 simplification measures adopted per year**

Or. en

Amendment 39
Proposal for a regulation
Annex 2 – paragraph 2 – point 1

Text proposed by the Commission

1. The EFG shall focus on funds that provide venture capital and mezzanine finance, such as subordinated and participating loans, to expansion and growth-stage enterprises, in particular those operating across borders, while having the possibility to make investments in early stage enterprises in conjunction with the equity facility for RDI under Horizon 2020. In the latter case, the investment from EFG shall not exceed 20% of the total EU investment except in cases of multi-stage funds, where funding from EFG and the equity facility for RDI will be provided on a pro rata basis, based on the funds' investment policy. The EFG shall avoid buy-out or replacement capital intended for the dismantling of an acquired enterprise. The Commission may decide to amend the 20% threshold in light of changing market conditions.

Amendment

1. The EFG shall focus on funds that provide venture capital and mezzanine finance, such as subordinated and participating loans, to expansion and growth-stage enterprises (***which includes expansions and growth-stage innovative enterprises***), in particular those operating across borders, while having the possibility to make investments in early stage enterprises in conjunction with the equity facility for RDI under Horizon 2020. In the latter case, the investment from EFG shall not exceed 20% of the total EU investment except in cases of multi-stage funds, where funding from EFG and the equity facility for RDI will be provided on a pro rata basis, based on the funds' investment policy. The EFG shall avoid buy-out or replacement capital intended for the dismantling of an acquired enterprise. The Commission may decide to amend the 20% threshold in light of changing market conditions.

Or. en