



# EU SME strategy

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## EUROPEAN SME STRATEGY – 3 PILLARS

### Digitalisation & Sustainability

#### Focus on capacity building:

- Sustainability services under the EEN
- European Innovation Council: funding for green projects
- Digital Innovation Hubs

### Access to finance

#### Closing the market gap:

- InvestEU SME window, promoting EU priorities
- SME IPO fund
- ESCALAR

### Cutting red tape and tapping into markets

#### Reducing burden and prompting payments:

- Single Digital Gateway as one stop shop
- Cross border pilot
- Enforcement of Late Payment Directive
- Start-up Standard

## SMEs in light of the Covid-19 crisis: impact and short term relief

### **SMEs HAVE BEEN HIT HARD BY THE COVID-19 CRISIS**



#### **Preliminary estimates from Commission's SME Performance review:**

- *number of SMEs to decline by 2.5% in 2020*
- *loss of 2.4 million jobs in SMEs alone.*
- *aggregated value added of EU SMEs expected to drop by 6%.*



*within just a couple of months, COVID may have erased the gains of a decade-long SME recovery.*

# SMEs in light of the Covid-19 crisis: impact and short term relief

## CRISIS RESPONSE: ACTIVITIES BRINGING SHORT TERM RELIEF TO SMEs

### Enterprise Europe Network (EEN)

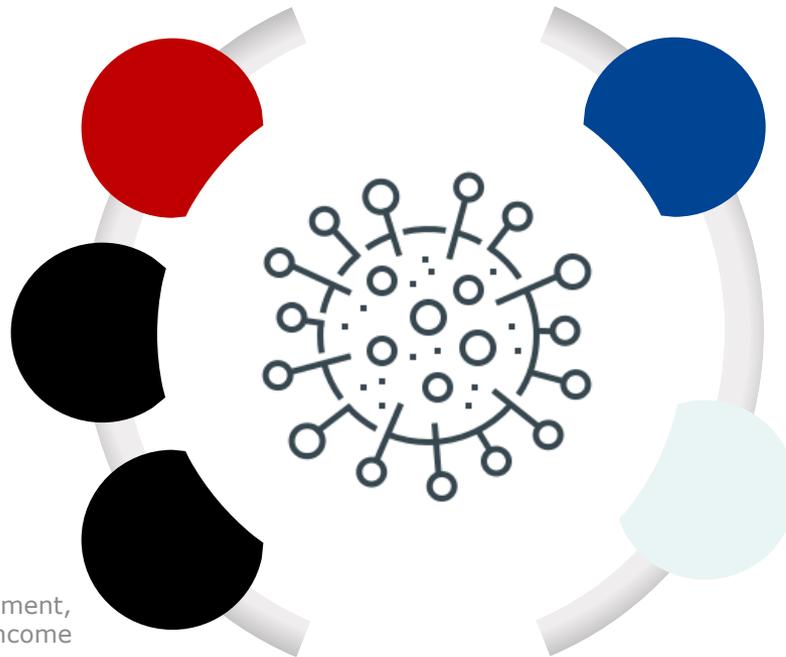
Refocusing services to provide practical support and information to those working on innovations related to the crisis (e.g. help on the EIC call on coronavirus), finding partners, information on refocusing production etc.

### SME Envoy Network

Sharing national best practices, bringing national measures together for coordinated action at EU level.

### SURE

EUR 100 billion solidarity instrument, to help workers keep their income and businesses stay afloat.



### COSME LGF

Reinforcing the instrument with EUR 714 million from EFSI: incentivising established as well as new LGF partners to lend ofr working capital & to provide credit holidays.

### ESCALAR

Supporting the liquidity needs of scale-ups through a first-of-a-kind risk/reward mechanism to boost the availability of venture capital funds for scaling up.

## FLEXIBILITY TO ADAPT TO THE NEW REALITY OF SMEs

- **Implementation** of most actions has started.
- Many of them are experiencing a “covid twist” to counter the negative impact of the crisis.

### Europe Enterprise Network

- Providing **advice and facilitating exchanges**, including for crisis-related problems.

### ESCALAR

- Providing **venture capital** to deal with the impact of the crisis and support businesses also in scaling up -> launch advanced

### European Innovation Council

- funding of **Covid actions** and **breakthrough Green Deal innovations**.

### Early Warning Mechanisms

- Efforts to work with MS to support **companies in financial distress** stepped up.

# MFF and Next Generation EU

- MFF 1200 billion euros and 800 billion euros for Next Generation EU:
  - *Horizon Europe 98,6 billion*
  - *Invest EU 9,1 billion*
  - *Digital Europe 7,6 billion*
  - *Single Market Programme 4,2 billion (incl. 1 billion for COSME)*
  - *ERDF 226*
  - *Cohesion Fund 48*
  - *REACT EU 50,6*
  - *RRF 724,7*
  - *ESF+ 99,6*
  - *ERASMUS+ 24*
  - *Agriculture and Maritime 394*
  - *LIFE 5,4 Just transition fund 19,3*
  - *Space 15, Security 4,6, Defence 9,6*

## SMEs and the recovery plan

### Next Generation EU

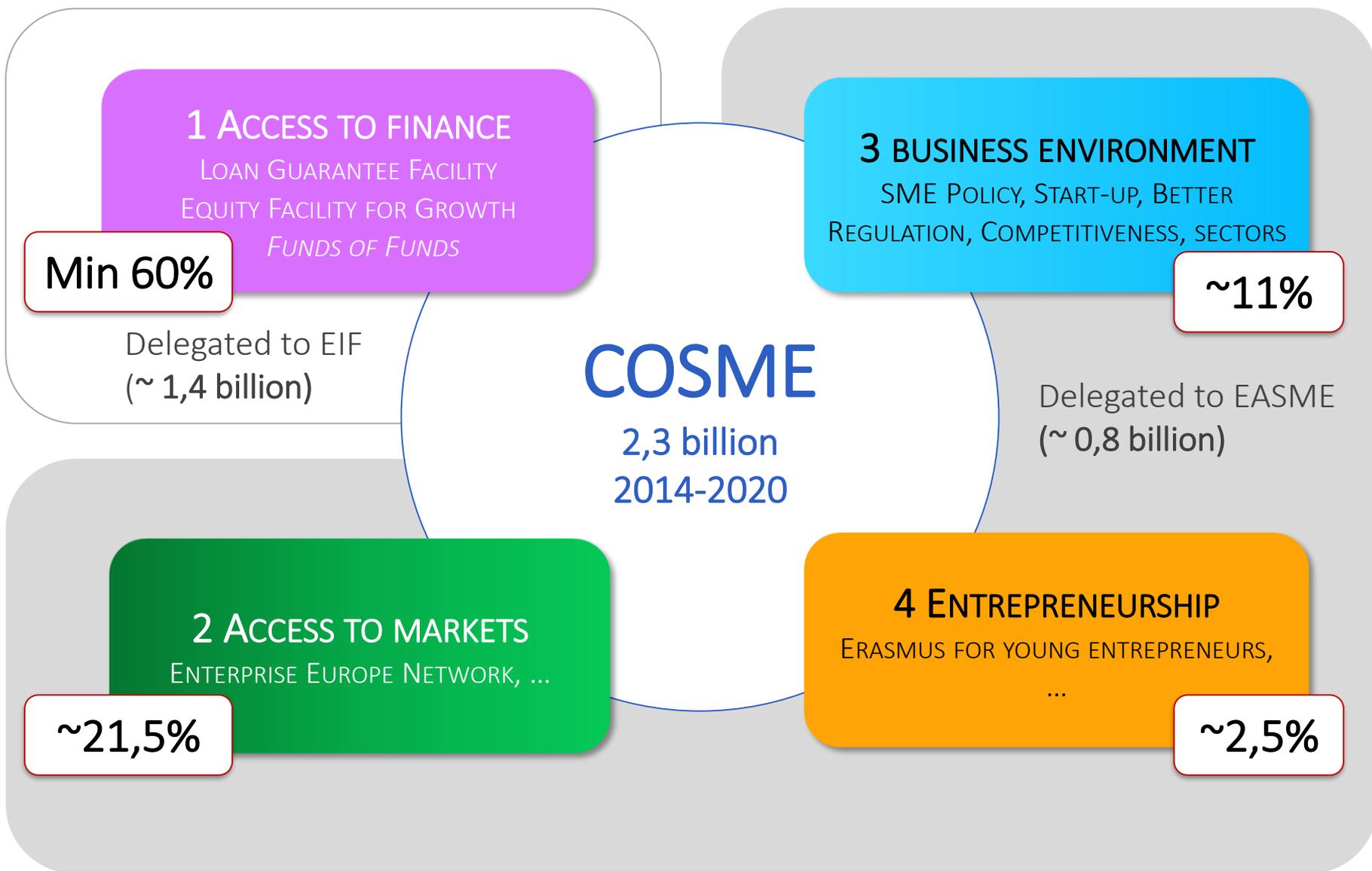
- **EUR 750 billion** to boost the EU's recovery, including a EUR 672 billion Recovery and Resilience Facility, Cohesion funds

### European Semester process

- **Recovery package and implementation of the SME strategy need to go hand in hand.**
- EC to provide guidance to MS, notably on the implementation of countries' allocation under the Recovery and Resilience Facility (RRF).

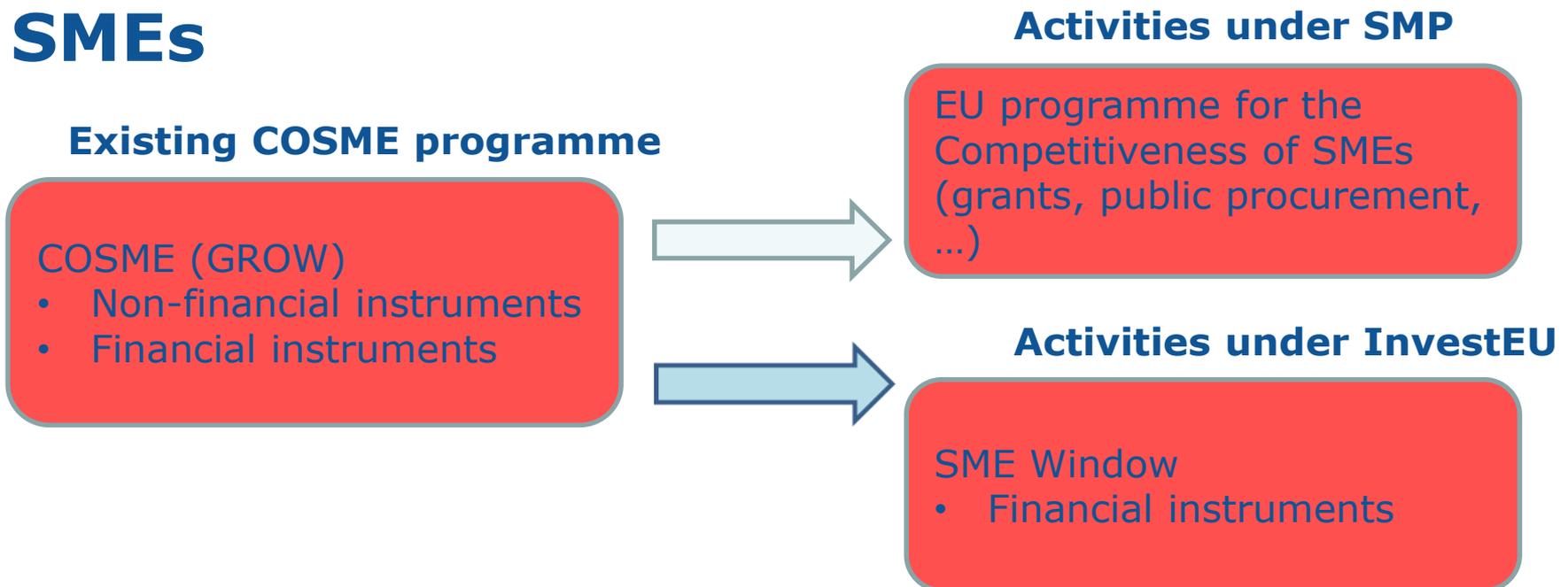
### Recovery and Resilience Facility

- Implementation is based on national **Recovery and Resilience Plans**, which should also reflect SMEs' needs.
- Involvement of **national SME envoys** is be useful.
- RRF funds **for hard investments AND reforms**, promoting cross-border cooperation (ecosystem principle). Reforms are the "foundation", providing a stable environments for investments.



# MFF 2021-2027

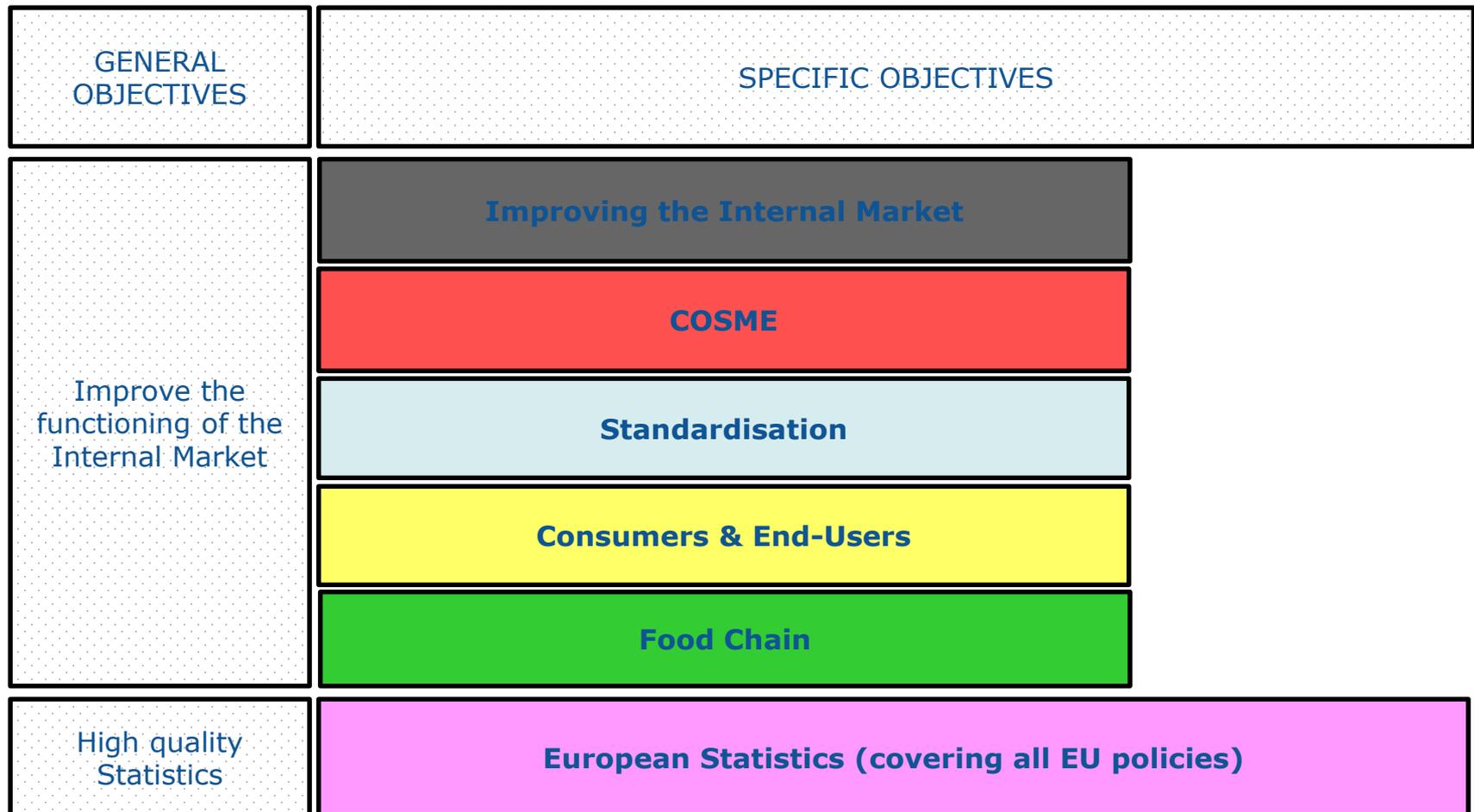
## Improving the competitiveness of enterprises with special emphasis on SMEs



# STRUCTURE AND OBJECTIVES



European  
Commission



**Gracias!**

