



EU COHESION POLICY 2014-2020

Targeting Investments on Key Growth Priorities

The new Cohesion Policy means regions and Member States must target EU investments on four key areas for economic growth and job creation:

- Research and Innovation
- Information and Communication Technologies (ICT)
- Enhancing the competitiveness of small and medium-sized enterprises (SMEs)
- Supporting the shift towards a low-carbon economy

Priority: Enhancing the competitiveness of small and medium-sized businesses

Why should the EU invest in SMEs?

- 99% of businesses in the EU (some 20 million) are SMEs, i.e. they have fewer than 250 employees. These enterprises serve as a key driver for economic growth, innovation, employment and social integration. They are the backbone of Europe's economy.
- Europe's SMEs are key to its recovery, generating 2 out of every 3 private sector jobs and maintaining double the employment growth rate of larger enterprises.
- SMEs need help accessing finance and attracting skilled workers, and they are more vulnerable to economic change.
- In order to stay competitive in a global market, SMEs need to be more productive and to improve the quality and differentiation of their products, services and marketing.

How has Cohesion Policy supported SMEs in 2007-2013?

So far reporting by Member States has shown:

- Cohesion Policy investments supported more than 73 500 start-ups and created more than 263 000 jobs in SMEs.
- Nearly €70 billion was used to support companies – mainly SMEs – to become more innovative, make more use of ICT, access skills, or modernise working practices.

Cohesion Policy 2014-2020 will further support SMEs by:

Cohesion Policy Funds will promote entrepreneurship and support SME's growth by tackling the problems which hinder their development. The objective under the reformed Cohesion Policy will be to double the current support to around €140 billion for 2014-2020, partly through the increased use of financial instruments. This increased investment will help SMEs to:

- Access finance with grants, loans, loan guarantees, venture capital, etc.
- Tap into business know-how and advice, information and networking opportunities including cross-border partnerships.
- Improve their access to global markets and mitigate entrepreneurial risk.
- Exploit new sources of growth such as green economy, sustainable tourism, health & social services, including the “silver economy” and cultural and creative industries.
- Train entrepreneurs, managers and workers to be adaptable to new challenges.
- Invest in human capital and in organisations providing practice-oriented vocational education and training.
- Forge valuable links with research centres and universities to promote innovation.

New simplified and common rules and measures make it easier for SMEs to access Cohesion Policy Funds in 2014-2020. These include:

- online reporting of how the Funds are used;
- clearer eligibility rules;
- more targeted and less frequent audits for small operations; and
- wider scope and simplification of the set-up and access to financial instruments.

A new strategic approach

- Each Member State should draw up a “strategic policy framework for inclusive start-ups” presenting a comprehensive vision of entrepreneurship support.
- This should include actions to raise awareness and develop entrepreneurial skills, as well as measures to help start-ups to launch and access to finance, notably micro-finance.
- The Small Business Act for Europe is also an EU action to put into place a comprehensive SME policy framework for the EU to improve and promote entrepreneurship.