



European Commission

Enterprise and Industry Directorate-General

Supporting SMEs under the Competitiveness and Innovation Framework Programme

(2007-2013)

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European Commission

Directorate General for Enterprise and Industry

Financing SMEs, Entrepreneurs and Innovators





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SME finance in EU

EU-15 Eurobarometer Survey September 2005:

- 75% SMEs have sufficient financing for project development
- Banks remain the first partner for 80% of SMEs when looking for external financing
- Only 6% SMEs have obtained capital from VC funds

SME finance in EU

EU-10 Eurobarometer Survey July 2006:

- Less than 67% of SMEs have sufficient financing for their projects
- Short-term loans dominate
- Use of venture capital almost non-existent

Competitiveness and Innovation Framework Programme 2007-2013 : 3 Pillars

**Entrepreneurship and
Innovation
Programme**

€2.166 Billion

**€1.129 Billion for the
Financial Instruments**

**ICT Policy
Support
Programme**

€728 Million

**Intelligent
Energy - Europe
Programme**

€727 Million



Competitiveness and Innovation Framework Programme (CIP)

- European Parliament adopted CIP on 1 June 2006
- Council adopted CIP: 24 October 2006
- Publication in the Official Journal:
9 November 2006 (OJ L 310, p. 15)
- In force: 29 November 2006



First pillar of CIP: Entrepreneurship and Innovation Programme

The Entrepreneurship and Innovation Programme shall support:

- 1) Access to finance for the start-up and growth of SMEs
- 2) SME co-operation
- 3) Innovation, including eco-innovation in enterprises
- 4) Entrepreneurship and an innovation culture
- 5) Enterprise and innovation related economic and administrative reform



First pillar of CIP: Entrepreneurship and Innovation Programme

- 1) Access to finance for the start-up and growth of SMEs:
It will aim to increase investment volumes of risk capital funds and of investment vehicles promoted by business angels as well as provide leverage to SME debt financing instruments.
- 2) SME cooperation:
It will contribute to measures helping SMEs cooperate with other enterprises across borders, facilitate their involvement in European standardisation.
- 3) Innovation, including eco-innovation:
It will foster sector-specific innovation, clusters, public-private innovation partnerships. It will support the take-up of new technologies and technology transfer for IP.

First pillar of CIP: Entrepreneurship and Innovation Programme

4) Entrepreneurship and innovation culture:

It will provide support for a business environment favourable to innovation and encourage entrepreneurial mindsets, skills and culture in particular for young entrepreneurs.

5) Enterprise and innovation related economic and administrative reform:

It will support the collecting of specific data, monitor performance and aid the learning process of national and regional administrations.

Financial Instruments: MAP & CIP

<p style="text-align: center;">MAP</p> <p style="text-align: center;">Period: 2000-2006</p> <p style="text-align: center;">EU Budget: approx. € 500 million <i>(in 2004 prices)</i></p>	<p style="text-align: center;">CIP</p> <p style="text-align: center;">Period: 2007-2013</p> <p style="text-align: center;">EU Budget: € 1,129 billion <i>(in current prices)</i></p>
<p>ETF-Start-ups (approx. € 200 m)</p> <ul style="list-style-type: none"> - VC funds - high tech, early stages < 5 y <input checked="" type="checkbox"/> - Incubators <input checked="" type="checkbox"/> 	<p>High Growth Innovative Companies Scheme - GIF</p> <ul style="list-style-type: none"> - Venture Capital Funds <ul style="list-style-type: none"> • Early stages <input checked="" type="checkbox"/> • Expansion stages for innovative companies <input checked="" type="checkbox"/> - Co-investments in side-funds with business angels <input checked="" type="checkbox"/>
<p>SMEG (approx. € 300 m)</p> <ul style="list-style-type: none"> - SME loans guarantee <input checked="" type="checkbox"/> - Microcredit guarantee <input checked="" type="checkbox"/> - Equity guarantees <input checked="" type="checkbox"/> - ICT loans guarantees <input checked="" type="checkbox"/> 	<p>SMEG</p> <ul style="list-style-type: none"> - SME loan guarantee <input checked="" type="checkbox"/> - Microcredit guarantee <input checked="" type="checkbox"/> - Equity and mezzanine guarantee <input checked="" type="checkbox"/> - Securitisation of SME debt finance portfolios <input checked="" type="checkbox"/>
<p>JEV <input checked="" type="checkbox"/></p>	
<p>Capacity Building (approx. € 1 m)</p> <ul style="list-style-type: none"> - Seed Capital Action <input checked="" type="checkbox"/> 	<p>Capacity Building</p> <ul style="list-style-type: none"> - Seed Capital Action <input checked="" type="checkbox"/> - Partnership Action <input checked="" type="checkbox"/>

High-Growth and Innovative SME Facility (GIF)

GIF shall carry out the following tasks:

- Contributing to the establishment and financing of SMEs and the reduction of the equity and risk capital market gap
- Supporting innovative SMEs with high-growth potential

GIF consists of two parts: GIF1 and GIF2

SME Guarantee (SMEG) Facility

SMEG shall carry out the following tasks:

- Providing counter-guarantees or co-guarantees for guarantee schemes operating in the eligible countries
- Providing direct guarantees for any other appropriate financial intermediary

SMEG has four windows:

- SME loan guarantee window
- Microcredit guarantee window
- Window providing guarantees for equity or quasi-equity fund investments in SMEs
- Window for the securitisation of SME debt finance portfolios

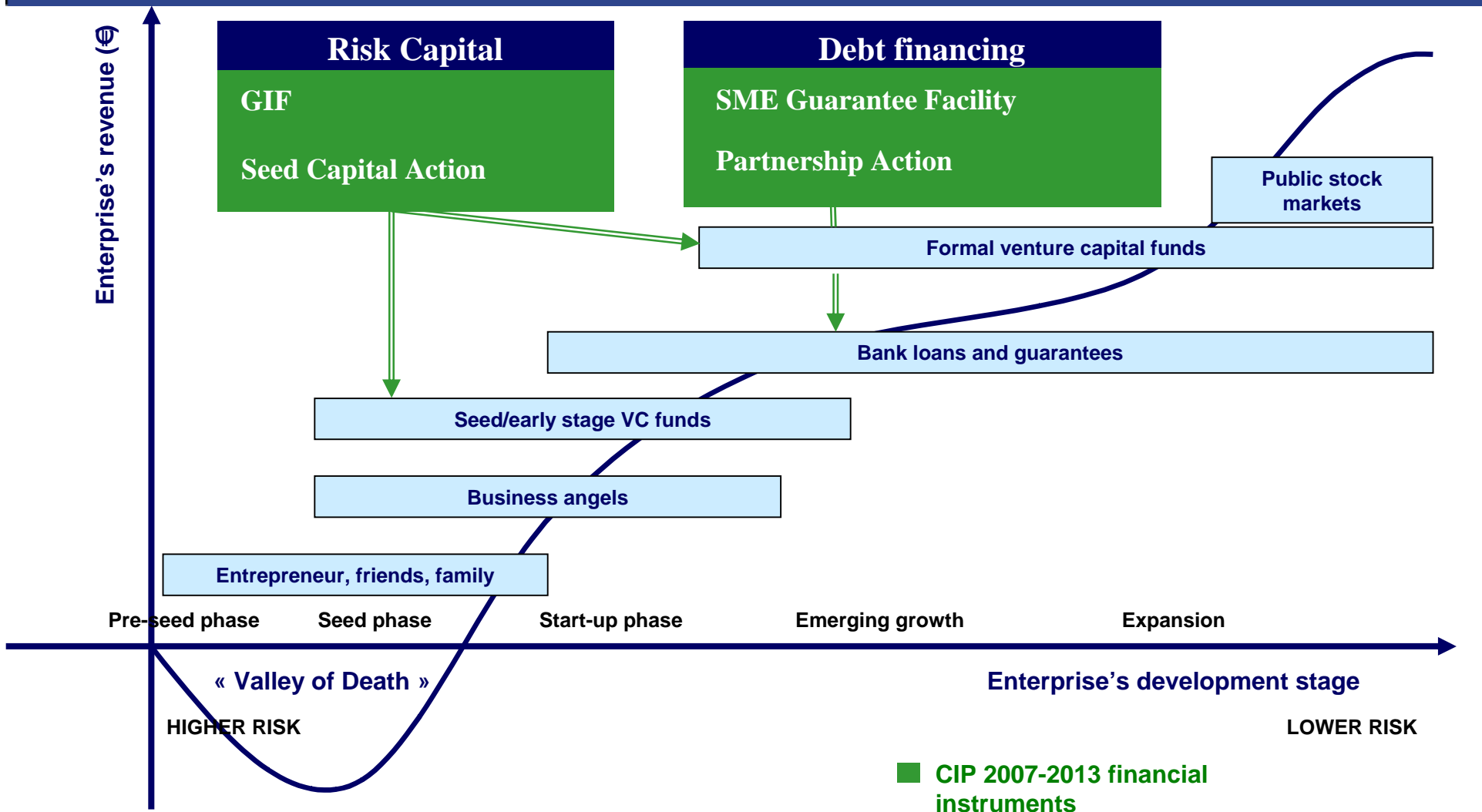
Capacity Building Scheme (CBS)

CBS shall carry out the following tasks :

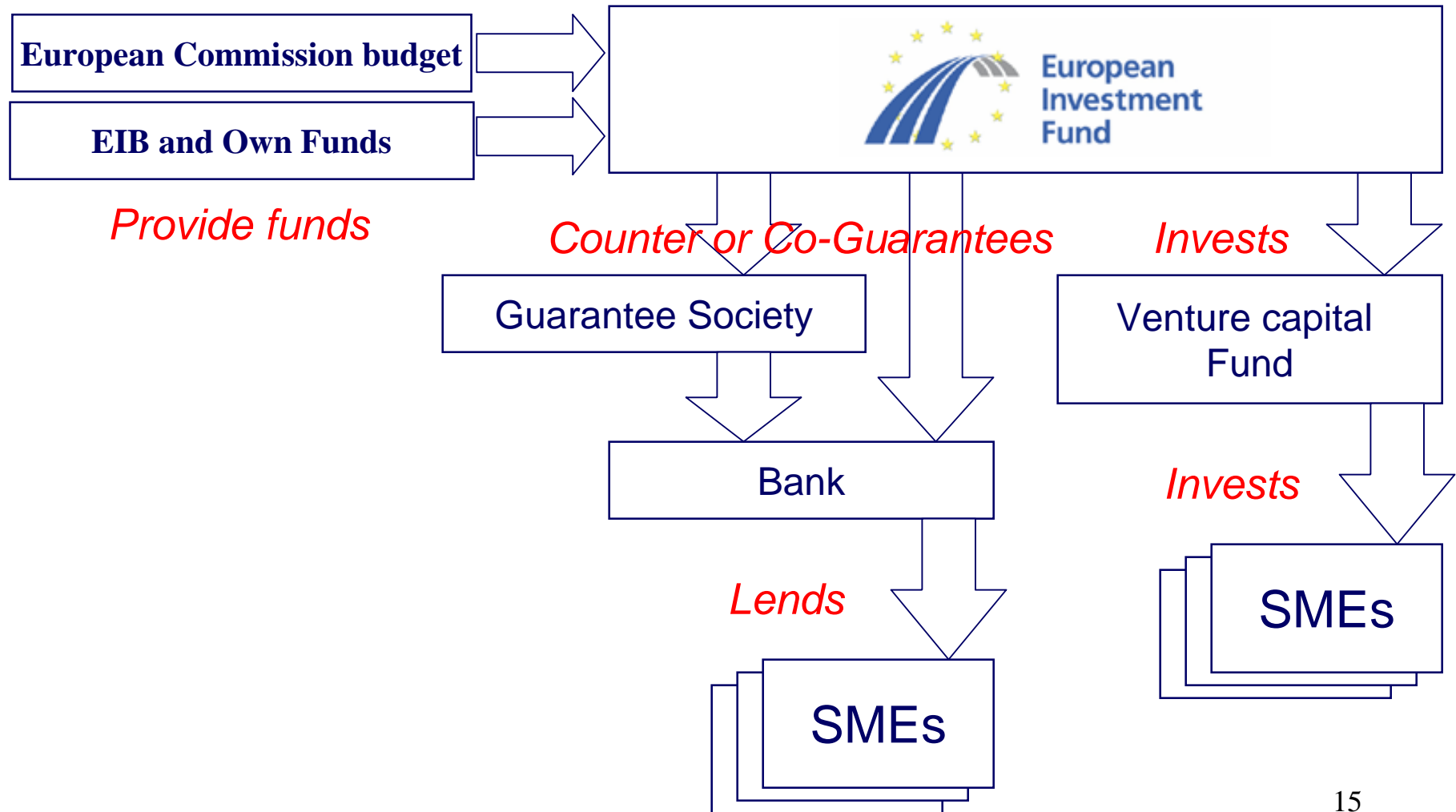
- Improving the investment and technology expertise of funds investing in innovative or high-growth SMEs
- Stimulating the supply of credit to SMEs by enhancing the credit appraisal procedures for SME lending.

The CBS shall consist of the Seed Capital Action and the Partnership Action.

CIP Financial Instruments and the life-cycle of a company



How do the Financial Instruments support SMEs in practice?



Information on SME finance policies/programmes

SME Finance:

<http://europa.eu.int/comm/enterprise/entrepreneurship/financing/index.htm>

CIP

http://ec.europa.eu/enterprise/enterprise_policy/cip/index_de.htm

Information on SME policies/programmes

- Commission SME portal: thematic pages to explain Commission initiatives/programmes in favour of SMEs
- Themes include EU funding for SMEs, online tools, support services across Europe, going international among others
<http://ec.europa.eu/enterprise/entrepreneurship/sme.htm>
- “Putting SMEs first” infopack on Commission SME policies to download in one document
http://ec.europa.eu/enterprise/entrepreneurship/sme_envoy.htm
- Euro Info Centres:
<http://europa.eu.int/comm/enterprise/networks/eic/eic.html>



Thank you

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