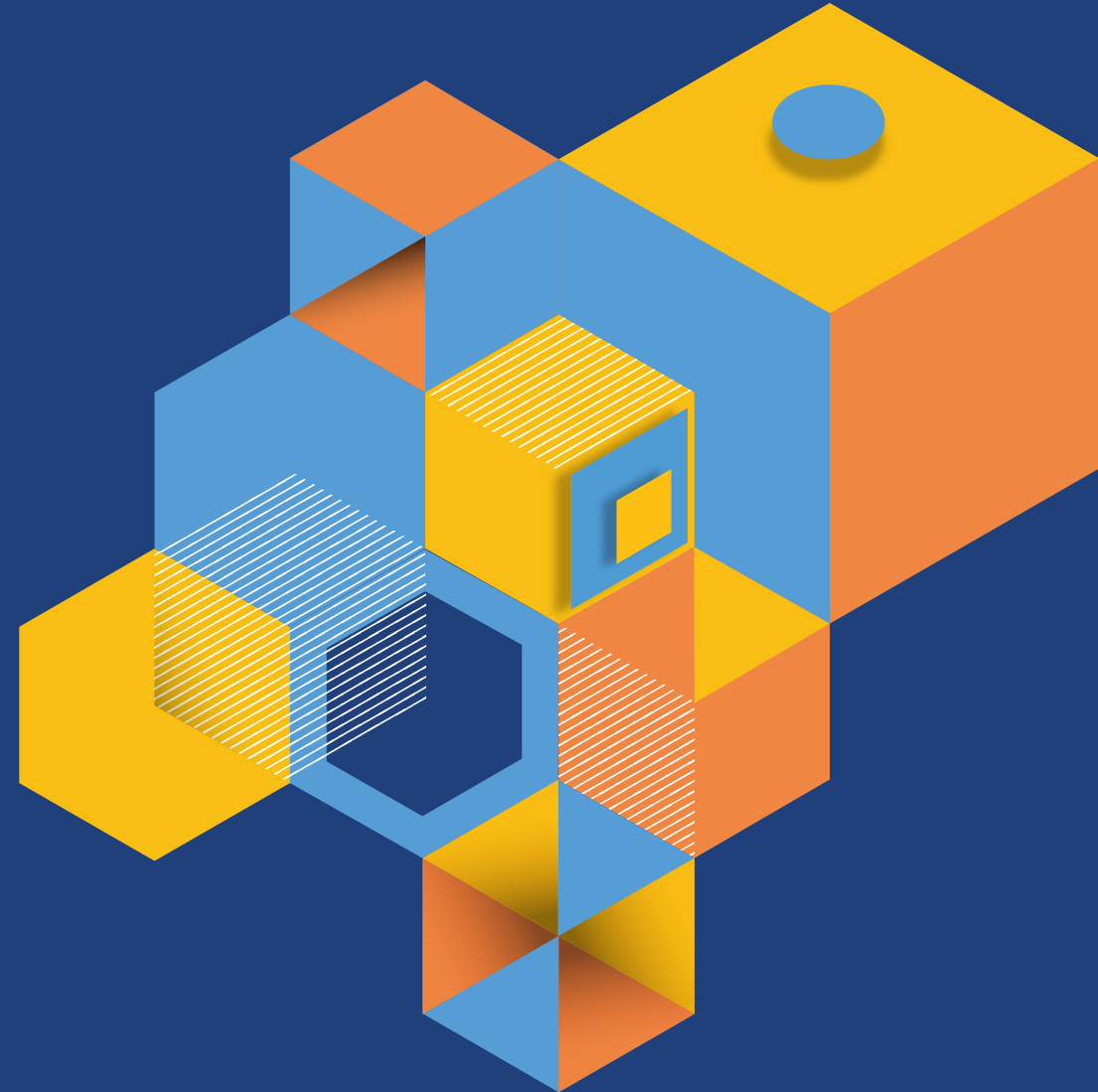


European SME Strategy

for a sustainable and digital Europe

DG GROW, Unit H1 (SME Strategy)



SMEs – THEIR **WEIGHT** IN %



99.8%

enterprises



66%

jobs



56%

of value added

MOVING FROM SHORT TERM RELIEF TO ECONOMIC RECOVERY: SME STRATEGY AND COVID-19 CRISIS

- The SME strategy was adopted on 10 March – just before the COVID-19 crisis hit the EU with full force.
- Nevertheless, the SME strategy now more important than ever as a key tool for post-crisis recovery.
- It covers the **recovery's main features: sustainable (green/social) – digital**, and will help companies to **build resilience** (« triple transition »).

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

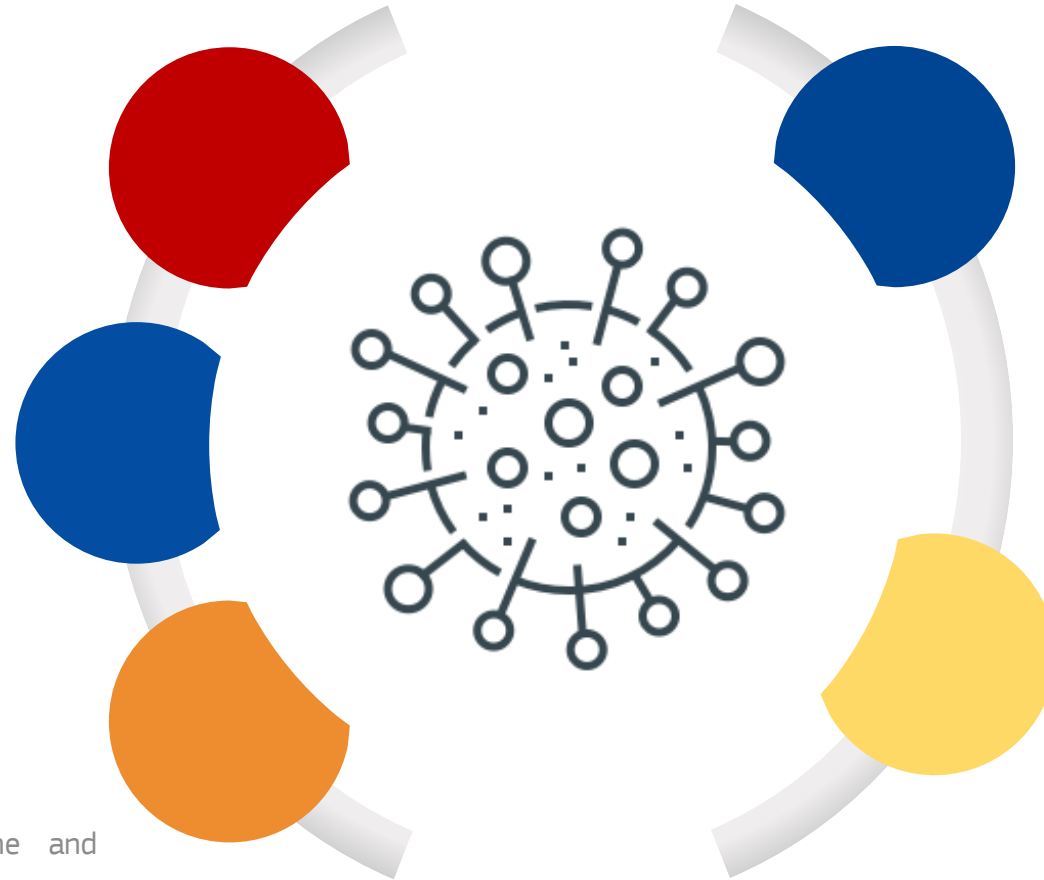
EUR 100 billion solidarity instrument, to help workers keep their income and businesses stay afloat.

COSME LGF

Reinforcing the instrument with EUR 714 million from EFSI: lending refocused on working capital as well as credit holidays. Measure will be available to current LGF and new ones with EIF simplified procedure.

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.



SMES AND THE RECOVERY PLAN

- The **Recovery Package** “Next Generation EU” proposed by the Commission on 27 May and adopted by the EU Council on 21 July foresees EUR 750 billion to boost the EU’s recovery.
- “Next Generation EU” recognizes that SMEs have been particularly hit by the COVID crisis and emphasizes that cohesion funds such as REACT-EU, and the **JUST TRANSITION FUND** should notably support SMEs.
- Recovery package and implementation of the SME strategy need to go hand in hand. **Vehicle: European Semester process.** Commission to provide guidance to Member States, notably on the implementation of countries’ allocation under the Recovery and Resilience Facility (RRF).
- RRF implementation based on national **Recovery and Resilience Plans**, which should also reflect SMEs’ needs. Involvement of **national SME envoys** could be useful.
- Member States could use the RRF to implement and expand the Single Digital Gateway or to build early warning mechanisms to support companies in financial distress (Early Warning Europe).

SMEs are very **diverse** (in terms of their size, age, entrepreneurs' profiles, sectors in which they operate, business models, etc.) and they draw on a wide **talent pool of women and men**.

However, **the European SME strategy is for all SMEs**, be it an innovative start-up or a traditional bakery or any other small and medium-sized business.

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:

- SME IPO fund
- ESCALAR venture capital funds

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

EU SME ENVOY - A PARTNERSHIP FOR DELIVERY AND MONITORING OF SME POLICY

