

Stakeholder Consultation on the EU Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the Programme for single market, competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulation (EU) No 99/2013, (EU) No 1287/2013, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 and a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the InvestEU Programme, as they relate to the current COSME Programme and InnovFin SME Guarantee.

The Department of Business, Enterprise and Innovation is seeking views from stakeholders and interested parties to help inform Ireland's national position on the European Commission's Proposals for a **REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL** establishing the Programme for single market; competitiveness of enterprises, including small and medium-sized enterprises, and European statistics and repealing Regulation (EU) No 99/2013, (EU) No 1287/2013, (EU) No 258/2014, (EU) No 652/2014 and (EU) 2017/826 and a **REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL** establishing the InvestEU Programme. The Department is seeking views on the impact of these proposals, in particular how they impact on the current COSME Programme and the InnovFin Guarantee.

The new **Single Market Programme** follows the Commission's vision for the next long-term budget proposed on 2 May 2018. It consolidates a large range of activities that were previously financed separately, into one coherent programme. The proposed programme brings together activities financed under five predecessor programmes in the areas of competitiveness of enterprises, consumer protection, customers and end-users in financial services, policy making in financial services and regarding the food chain or financed previously under several Commission budget lines all dealing with the internal market and the competitiveness of SMEs. The proposed programme also includes new initiatives which aim to improve the functioning of the internal market – a competition policy for a stronger Union in the digital age and a Joint Cluster Initiative.

Among the Single Market Programme's main objectives is to "boost the competitiveness of businesses, in particular SMEs" by providing various forms of support including:

- Facilitate access to markets and reduce administrative burden;
- Support uptake of innovation and address global and societal challenges;
- Foster a favourable business environment and entrepreneurial culture;
- Financial support, such as grants and SME loan guarantees under the InvestEU Fund;

It proposes to do this through:

- An integrated package of advice to SMEs on how to innovate and grow internationally which will be provided through the **Enterprise Europe Network**;
- Debt and equity financing will be available under the SME Window of the **InvestEU Fund**.

The Commission is proposing a budget of €4 billion for the Single Market Programme.

Further streamlining may be achieved through the proposed **InvestEU Programme**. The Invest EU Programme will streamline the EU financial instruments currently available to support investment in the EU with the aim of making EU funding for investment projects in Europe simpler, more efficient and more flexible. The Invest EU Programme consists of the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal. **All centrally managed financial instruments at the Union level will be pooled in the InvestEU Fund** (see Table below), including debt and equity financial instruments for the benefit of SMEs. The loan guarantees for SMEs previously provided under the COSME programme will be implemented under the ‘SME Window’ of InvestEU.

It will run between 2021 and 2027 and will build on the Juncker Plan’s European Fund for Strategic Investments (EFSI) by providing an EU budget guarantee to support investment and access to finance in the EU.

Invest EU will support four policy areas:

- sustainable infrastructure;
- research, innovation and digitisation,
- small and medium-sized businesses, and
- social investment and skills.

MFF 2014-2020				MFF 2021-2027	
Programme	Budgetary Guarantee/Financial Instruments/Technical assistance	Provisioned overall budget envelope	Expected mobilised investment	InvestEU – Provisioned overall budget envelope	Expected mobilised investment
Investment Plan for Europe	European Fund for Strategic Investments	9,100	500,000	15,200	650,000
Connecting Europe Facility (CEF)	CEF Debt Instrument	658	5,580		
	CEF Equity Instrument	100	750		
Competitiveness of enterprises and small and medium-sized enterprises (COSME)	Loan Guarantee Facility	1,053	32,959		
	Equity facility for Growth	472	3,587		
Horizon 2020	Innovfin Equity	529	6,030		
	InnovFin SME and Small Mid-caps R&I Loans Service (Innovfin SME guarantee)	1,290	16,254		
	InnovFin Loan Services for R&I Facility	1,686	30,348		
Environment and Climate Action (LIFE)	Private Finance for Energy Efficiency Instrument	155	1,240		
	Natural Capital Financing Facility (NCFE)	60	168		
Employment and social Innovation	EaSI Capacity Building Investments	26	47		
	EaSI Microfinance and Social Enterprise Guarantees	96	729		
Erasmus+	Student Loan Guarantee Facility	220	1,364		
Creative Europe	Cultural and creative sectors Guarantee Facility CCSG	121	966		
Total (In EUR million)		15,566	600,023	15,200	650,000

The **InvestEU Fund** will mobilise public and private investment through an EU budget guarantee of €38 billion that will back the investment projects of financial partners such as the European Investment Bank (EIB) Group and others, and increase their risk-bearing capacity. The InvestEU Fund will be invested through financial partners. The main partner will be the EIB Group, which has managed and implemented the EFSI since its launch in 2015. In addition to EIB Group, international financial institutions active in Europe, such as the European Bank for Reconstruction and Development (EBRD), the World Bank and the Council of Europe Bank, and national promotional banks, working jointly in groups so that they can cover at least three Member States, will have direct access to the EU guarantee.

The InvestEU Fund will also feature a Member State compartment for each policy area, meaning that Member States may add to the EU guarantee's provisioning by voluntarily channelling up to 5% of their Cohesion Policy Funds to this compartment.

The **InvestEU Advisory Hub** will provide technical support and assistance to help with the preparation, development, structuring and implementation of projects, including capacity building.

The **InvestEU Portal** will bring together investors and project promoters by providing an easily accessible and user-friendly database.

Consultation Responses

The Commission's proposal on the **Single Market** is available at:

https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-single-market-regulation_en.pdf

The Commission's proposal on **InvestEU** is available at:

<http://ec.europa.eu/transparency/regdoc/rep/1/2018/EN/COM-2018-439-F1-EN-MAIN-PART-1.PDF>

Views from stakeholders and interested parties on the proposed Regulations are requested no later than Wednesday 12th September 2018. Submissions should be marked "EU Single Market and Invest EU Proposals" and can either be emailed to financeforgrowth@dbei.gov.ie or send in hard copy to the Finance for Growth and State Aid Unit, Department of Business, Enterprise and Innovation, 23 Kildare Street, Dublin 2, D02 TD30.

Further queries may be made to financeforgrowth@dbei.gov.ie

Information on Consultation Process

1. Submissions

Please note that the contribution provided may be published on our website and shared with relevant Government Departments and State organisations.

2. Confidentiality of Submissions:

Contributors are requested to note that it is the Department's policy to treat all submissions received as being in the public domain unless confidentiality is specifically requested. Respondents are therefore requested to clearly identify material they consider to be confidential and to place same in a separate annex to their response labelled 'confidential'. Where responses are submitted by email, and those emails include automatically generated notices stating that the content of same should be treated as confidential, contributors should clarify in the body of their emails as to whether their comments are to be treated as confidential.

Any personal information which you volunteer to the Department will be treated with the highest standards of security and confidentiality strictly in accordance with the Data Protection Act 1988 to 2018.

3. Relevant provisions of Freedom of Information Act 2014

Respondents' attention is drawn to the fact that information provided to the Department may be disclosed in response to a request under Freedom of Information Act. Therefore, should you consider that any information you provide is commercially sensitive, please identify same, and specify the reason for its sensitivity. The Department will consult with any potentially affected respondent regarding information identified as sensitive before deciding on any Freedom of Information request.

