



Enabling SMEs to benefit more substantially from these programmes, which are currently much more widely used by public bodies, is one of the main challenges of the new programme period.

The Horizon 2020 Programme (for research and innovation) has set the objective of raising the rate of SMEs' participation to 20%. Designed for the public sector, the programmes and their administrative functioning (development of work programmes, project application process, six-year timeframe, etc.) are ill-suited to serving businesses' need to act quickly, and to responding to their concrete and immediate requirements.

Processing times for applications and granting of co-financing, as well as the repayment periods, are deterrents to SMEs, which prefer not to embark on processes with uncertain timeframes. They instead turn to other support mechanisms perceived as being better suited to real business conditions (aid provided by territorial authorities, etc.<sup>112</sup>).

Businesses are just as under-represented in the various steering, monitoring and selection committees and working groups that contribute to the programmes: a situation that appears to contradict the increasing economic focus of the new programme period. It therefore appears to be necessary to reorient the general operational rationale of programmes and of businesses' place within their governance in order to make European territorial cooperation accessible to the main players in the economic development of cross-border territories.

**To this end, the Commission recommends the increased use of financial instruments as a way of making structural funds available to SMEs.<sup>113</sup>**

These instruments, which currently make up 5%<sup>114</sup> of total resources of the ERDF, should make it possible to move away from the "subsidy culture" and improve the quality of programmes by adding a condition for repayment of investments or limiting co-financing rates. Projects must prove their value (generate income or savings) and strive towards improving their economic and financial performance in order to be of real benefit to their beneficiaries. This change in rationale aims to make the programmes attractive to the private sector and financial intermediaries and thereby enable them to benefit from private financing and expertise as public resources become increasingly scarce. Greater leeway is also given to managing authorities, which, unlike in the 2007-2013 programme period, may use financial instruments linked to all the thematic objectives covered by the OPs.

<sup>112</sup> The [aides-entreprises.fr](http://aides-entreprises.fr) website makes it possible for companies to instantly find aid available to businesses, according to their project, its location in the territory and its profile.

<sup>113</sup> European Commission, *Financial instruments in ESIF programmes 2014-2020 – A short reference guide for Managing Authorities*.

<sup>114</sup> European Commission, *Financial instruments in Cohesion policy 2014-2020*, [http://ec.europa.eu/regional\\_policy/sources/docgener/informat/2014/financial\\_instruments\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docgener/informat/2014/financial_instruments_en.pdf)