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Delegations will find attached document SWD(2023) 26 final (4/5).

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PART 4/5

COMMISSION STAFF WORKING DOCUMENT

2023 Annual Single Market Report: Single Market at 30

Annex 3: Stocktaking of the implementation of the 2020 SME Strategy

Colour-coding

	Implemented / launched before December 2022
	Under preparation

Action	State of implementation
Capacity building and support for the twin transition	
The Commission will enhance and upgrade the Enterprise Europe Network including with dedicated Sustainability Advisors and other sustainability services to provide SMEs with the necessary support in the twin transition.	Ongoing. The new Enterprise Europe Network has started in January 2022, incorporating the Sustainability Advisors. A new sector group on proximity and social economy was established in 2022 and will contribute to broaden the provision of services by EEN partners to social economy entities.
The Commission will launch a “ digital volunteers ” programme to allow young skilled people and experienced seniors to share their digital competence with traditional businesses.	Concluded. A pilot programme concluded in July 2022. A total of almost 50 large European companies participated and digitally skilled staff of large companies supported SMEs in their digital transformation. More information can be found here: https://digital-skills-jobs.europa.eu/en/about/digital-volunteers
The Commission will develop Digital Crash Courses for SME employees to become proficient in areas like AI, cybersecurity or blockchain.	Ongoing. A call for applications from the DIGITAL Europe Programme for short term training courses was launched, a consortia will deliver these trainings.
The Commission will update the Skills Agenda for Europe , including a Pact for Skills with a dedicated component for SMEs,	The Commission launched a Pact for Skills in 2020. Dedicated services have been deployed through the Pact, such as a networking and knowledge hub and

and will propose a Council Recommendation aimed at modernising vocational education and training.	<p>training centers of excellence providing vocational education and training (VET) to offer support for SMEs.</p> <p>The Council adopted in November 2020 the Commission's Proposal for a Council Recommendation on VET for sustainable competitiveness, social fairness and resilience.</p> <p>Action 6 of the Skills Agenda is supporting skills to accompany the green and digital transitions.</p>
The Commission will expand Digital Innovation Hubs in connection with Startup Europe and the EEN to provide a seamless service within local and regional ecosystems.	<p>Ongoing.</p> <p>Many European Digital Innovation Hubs (EDIH) are based on existing clusters or include organisations that are part of an Enterprise Europe Network (EEN) consortia. Strong cooperation between EEN, clusters and DIHs is ensured.</p>
The Commission will allocate at least EUR 300 million to encourage breakthrough innovations delivering Green Deal objectives under the EIC .	Ongoing.
For the SMEs which focus their activities on short-term accommodation rental services, the Commission will continue to explore a possible collaborative economy initiative .	Commission proposal for a regulation was adopted on 7.11.2022 (Proposal for a regulation of the European Parliament and of the Council on data collection and data sharing on short-term accommodation rentals)
Reducing regulatory burden and improving market access	
The EU SME Envoy and the network of national SME Envoys will contribute to the work of the Commission's Single Market Enforcement Task Force, to be set up as a result of the Enforcement Action Plan, to address among others gold-plating in the transposition process with a view to keep the regulatory burden on SMEs to a minimum.	The Single Market Enforcement Task Force (SMET) is fully operational and the SME Envoy network is involved.
The Commission will encourage Member States to implement the Single Digital Gateway in a business friendly way. Member States	Ongoing.

link their services in a one-stop-shop .	
The EU SME Envoy will filter EU initiatives to signal to the Commission those that merit close attention from an SME perspective and have a specific role in the new Fit for Future Platform.	Ongoing.
The Commission will mobilise Member States behind an EU Start-up Nations Standard to share and adopt best practices to accelerate growth of high tech SMEs and start-ups.	The European Start-up Nations Standard was launched through a joint Member States declaration in March 2021. The result of this initiative is the formation of the Europe Startup Nations Alliance (ESNA), which support its member countries in implementing best practices for startups and monitoring their progress via a digital platform. ESNA became operational in July 2022 and is headquartered in Lisbon.
The Commission calls on Member States and their contracting authorities to use the flexibility offered by the new EU's procurement framework to enhance opportunities for SMEs including through the use of digital tools and platforms to step up cross border procurement. The Commission will issue guidance and support to contracting authorities .	With new publication notices (eForms), it is possible to indicate in a competition that a particular procurement is also suitable for SMEs. The field is called 'Suitable for SMEs'.
The Commission will encourage Member States to develop proposals for regulatory sandboxes by launching a pilot.	<p>The European Commission launched a regulatory sandbox for blockchain and decentralized data solutions in November 2022, which provides a pan-European experimentation framework for innovative technology solutions involving blockchain and DLT. This will help increase legal certainty for Economy web 3.0, which relies on convergence of innovative technologies.</p> <p>The goal of the European Blockchain Regulatory Sandbox is to foster a dialogue and cooperation between national and EU-level regulators with companies and thus remove legal and regulatory uncertainties for use cases based on decentralized solutions on blockchain, in combination with other technologies, such as Artificial Intelligence or Internet of Things. It will serve as an interface to SMEs and companies of all scales enhancing their understanding of the relevant rules and standards and offering them the opportunity to consult with competent regulators.</p> <p>The European Blockchain Sandbox will run for 3 years with 3 cohorts of about 20</p>

	<p>companies each. The first call for expression of interest to participate in the sandbox is expected in Q1 2023.</p> <p>Cooperation with other regulatory sandboxing efforts will be secured to facilitate the exchange of best practices and complementarity with other relevant efforts at the EU and Member State level.</p>
The Commission will launch a call for pioneer partnerships among border regions to enhance regional cooperation in enforcing the Single Market and removal of administrative barriers.	Completed.
<p>The Commission will support the Member States in enforcing the Late Payment Directive by setting up monitoring and better enforcement tools and exploring the feasibility of alternative resolution/mediation mechanisms for SMEs.</p> <p>Furthermore, ongoing reflection to identify a roadmap of additional actions, (not originally included in the Strategy) to ensure a more targeted response in view of the crisis (e.g. a possible Communication).</p>	<p>Ongoing.</p> <p>The Commission will revise the Late Payment Directive to establish a culture of fairness in business-to-business and business-to-government transactions.</p> <p>The EU Observatory on late payments will monitor payment performance and unfair payment practices by public authorities to businesses and in B2B transactions, across supply chains. Pilot work on the Observatory is ongoing in the construction sector. The Alternative Dispute Settlement Resolution Mechanism will make it easier for SMEs to settle unresolved payment claims while preserving the commercial relationship with their clients.</p>
The Commission will facilitate cross border cooperation with and among SMEs under the European Defence Fund and map strengths in its research and innovation eco-system.	European Defence Fund-related actions are being deployed over 2021-2027. Following the EDF 2021 calls for proposals, 62 collaborative defence research and development projects with a total EU support of almost EUR 1.2 billion have been selected for funding. Almost 700 entities will be participating in these projects, of which SMEs represent 43%.
The Commission's will launch a Space Entrepreneurship Initiative 'CASSINI' .	The initiative was kicked off in 2021 and it is now fully operational with all its components across Europe including hackathons, Matchmaking, Prizes, Accelerator and Seed & Growth Fund of funds. Execution will continue until 2027, in close coordination with EIB/EIF, EUSPA, EIC and the European Space Agency.

<p>The Commission will support Member States in transposing the recently adopted Directive on preventive restructuring frameworks and second chance, by helping them set up early warning mechanisms for companies in financial difficulties to avoid bankruptcy.</p>	<p>Ongoing.</p> <p>In November 2021 the Commission launched a 3-year follow-up project: The Early Warning Europe Mentor Academy aims at expanding the network of mentors and services for companies in distress. The project will create a modular training programme for business mentors working with companies in financial crisis and it will provide them with tools to identify the most effective ways to enhance company resilience.</p>
<p>The Commission will explore with Member States possible measures to create a supportive environment for transfer of SMEs.</p>	<p>Commission project on improving the evidence base and data collection methods on business transfers across the EU completed in December 2020. A common methodological approach to predictive data collection was developed to allow Member States collecting more reliable and more comparable data on business transfers.</p>
<p>The Commission will continue to enhance SME access to third country markets including through dedicated SME chapters, use of dialogues to exchange good practices with trade partners and a new information portal. The Commission will facilitate SME access to trade defence instruments.</p>	<p>Free Trade Agreement (FTA) negotiations including SME chapters were either concluded or are still ongoing with several third countries.</p> <p>‘Access2Markets’ (A2M) information portal launched in 2020: https://trade.ec.europa.eu/access-to-markets/en/content.</p> <p>The Trade Defence SME Helpdesk and the online course on Trade Defence Instruments for SMEs were put in place to help SMEs use the Trade Defence Instruments.</p>
<p>EU Delegations will provide support by addressing queries of SMEs linked to the FTAs.</p>	<p>Ongoing.</p>
<p>The Commission will extend the Erasmus for Young Entrepreneurs Global scheme.</p>	<p>Ongoing.</p> <p>The Erasmus for Young Entrepreneurs Global scheme was extended in March 2021 to six non-European destinations: USA, Canada, Israel, Singapore, Taiwan, South Korea. The implementation is currently ongoing with more than 90 business exchanges already completed.</p>
<p>Improving access to financing</p>	

The Commission will support Initial Public Offerings (IPOs) of SMEs with investments channelled through a new private-public fund, to be developed under the InvestEU programme under the Capital Markets Union.	InvestEU implementation has started, and calls for expression of interest for financial intermediaries have been published by the European Investment Fund (EIF).
The Commission will introduce a first of a kind risk/reward mechanism to boost the size of venture capital funds and crowd in private investments for scaling up through the ESCALAR initiative .	InvestEU implementation has started, and calls for expression of interest for financial intermediaries have been published by the European Investment Fund (EIF).
The Commission will launch a gender-smart finance initiative to stimulate funding for women-led companies and funds and to empower female entrepreneurship.	InvestEU implementation has already started, and calls for expression of interest for financial intermediaries have been published by the European Investment Fund (EIF).
The Commission will launch a green tech investment initiative to pool funding from the EU, Member States and the private sector to increase the access to equity finance for innovative SMEs and start-ups that develop and adopt green tech solutions.	InvestEU implementation has already started, and calls for expression of interest for financial intermediaries have been published by the European Investment Fund (EIF).
The Commission will launch a blockchain-based initiative enabling issuance and trading of SME bonds across Europe, using the European Blockchain Services Infrastructure.	Investigation of existing examples of issuance and trading of SME bonds and scope of the use case is ongoing. The Commission has launched a call for proposals under the Digital Europe Programme in 2022, for consortia to put forward projects that make use of European Blockchain Services Infrastructure (EBSI) for use cases that give SMEs access to financial services.
The Commission will co-fund tech due diligence services under an EU pilot project to enable more precise valuations high tech start-ups and prepare their investment readiness.	An EU funded project for tech due diligence and venture building services to innovative startups and SMEs started in 2022. The project is utilising the Innovation Radar to detect high potential innovations and its innovators from the Horizon programme, targeting them with its services.
The Commission will further simplify the existing state aid rules on combinations of national funds with InvestEU and Horizon funds. This will make it easier for SMEs to benefit from pooled	The simplification to achieve synergies with InvestEU and Horizon Europe was introduced in 2021 in the MFF General Block Exemption Regulation.

resources to help them with the twin transitions. Furthermore, as part of its ongoing review of state aid rules, the Commission will revise state aid rules for risk finance and the IPCEI communication, to further support SME involvement, ensure crowding-in of private investment while avoiding distortions of the level playing field.	<p>The revised Communication on important projects of common European interest (IPCEI) was adopted in November 2021. The revised Guidelines on State aid to promote risk finance investments were adopted in December 2021. Both apply from 1 January 2022. The revised Guidelines on State aid for climate, environmental protection and energy were adopted and apply as from January 2022.</p> <p>The revised communication on state aid rules for research and development and innovation was adopted in October 2022.</p>
Governance	
The Commission will appoint a high level EU SME Envoy.	The nomination process of the EU SME Envoy is ongoing.
The Commission will reinforce the SME Envoys Network to strengthen the link between the EU and national level on SME policy.	Ongoing.
The Commission will launch a group of Strategic Entrepreneurship Ambassadors.	Reflections within Commission ongoing.
The EU SME Envoy will raise awareness on SME-related aspects in a regular dialogue with the Regulatory Scrutiny Board .	Pending nomination of EU SME Envoy. In the meantime, EU SME Envoy network raises awareness on SME-related aspects.