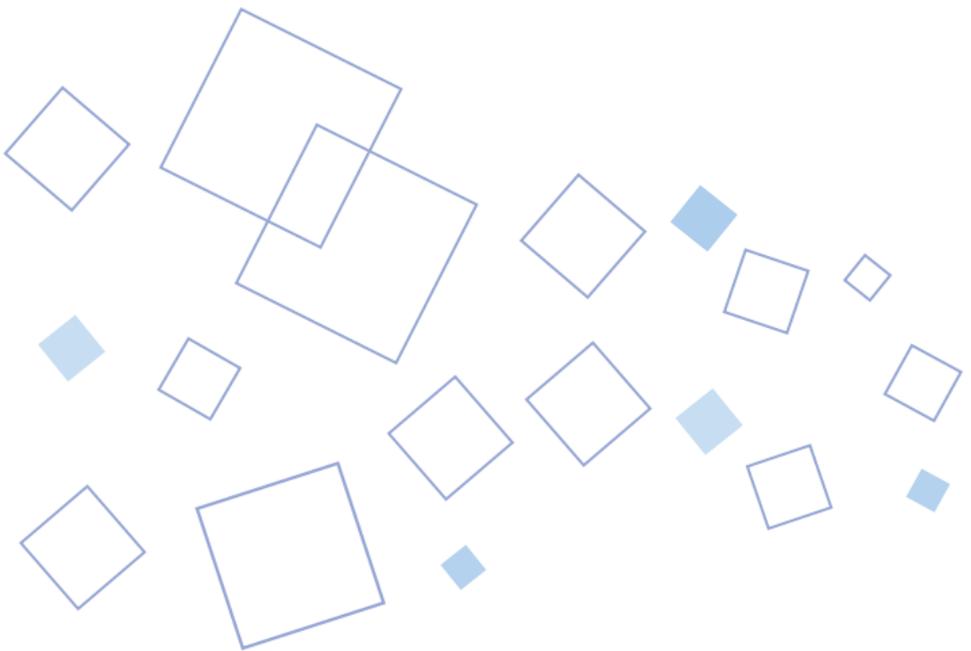




# COSME

## financial instruments



## What is COSME?

COSME is an EU programme for the Competitiveness of Small and Medium-sized Enterprises (SMEs). A significant part of the COSME programme is dedicated towards financial instruments managed by the European Investment Fund (EIF) under a European Commission mandate.

The COSME financial instruments aim at improving access to finance for SMEs and encouraging the competitiveness of European enterprises. The COSME financial instruments run from 2014 to 2020 with a planned budget of EUR 1.3bn. EIF aims to enhance access to finance for SMEs through selected financial intermediaries – including local financial institutions or private equity funds selected by EIF through a call for expression of interest. Financial Instruments are funded by the European Union, under the COSME programme.

## What kind of financial instruments does EIF offer to financial intermediaries under COSME?

Under COSME, EIF offers two different financial instruments to financial intermediaries:

- The Equity Facility for Growth (“EFG”)
- The Loan Guarantee Facility (“LGF”)

## Which companies does COSME support?

COSME was created to support SMEs, which play a crucial role in the creation of growth and employment but which also face difficulties in accessing finance.

Via its selected financial intermediaries, EIF provides risk capital financing to SMEs allowing them to reach their next development stage.

While there is no specific sector focus, potential target companies must not be active in any of the EIF restricted sectors.

## Which countries does COSME target?

COSME, via selected financial intermediaries, targets SMEs which are established and operating in European Union Members States, as well as in Iceland and Montenegro.

Other countries may be included in the scope of COSME and updated information can be found on the European Commission's website.

# Loan Guarantee Facility

## How does the COSME LGF work?

Through COSME LGF, EIF offers guarantees and counter-guarantees, to selected financial intermediaries (e.g. guarantee institutions, banks, leasing companies) to help them to provide loans and leases to SMEs which they would otherwise not support. By sharing the risk, the COSME guarantees allow the financial intermediaries to widen the range of SMEs and the type of transactions that they can finance.

Via the LGF, the EIF also offers guarantees for the securitisation of SME debt finance portfolios with the aim of enabling financial intermediaries to generate new SME debt finance portfolios.

LGF is a successor to the SME Guarantee Facility (SMEG), successfully implemented under the Competitiveness and Innovation Framework Programme (CIP) in the 2007-2013 programming period.

## What kind of financial institutions are eligible to become intermediaries under COSME LGF?

Financial or credit institutions or loan (debt) funds duly authorised to carry out lending or leasing activities (or in the case of the counter-guarantee: guarantee schemes, guarantee institutions or other credit or financial institutions duly authorised to issue guarantees).

## How are financial intermediaries selected?

EIF selects intermediaries after carrying out a detailed due diligence based on established selection criteria including financial standing, financing capacity, operational capabilities, and expected impact (e.g. volumes and geographical reach).

## What are the benefits of becoming an intermediary?

Depending on the nature and strategy of each institution, there are various benefits of becoming a COSME intermediary including an increase in loan volumes and the possibility to gain new customers. COSME gives the financial intermediary a great degree of autonomy, allowing the intermediary to have full delegation on the origination, credit decisions, servicing, etc.

## How to apply for COSME LGF

Applicants are encouraged to visit the EIF website, read the Call for Expression of Interest and download the application document at the following address: [http://www.eif.org/what\\_we\\_do/guarantees/single\\_eu\\_debt\\_instrument/cosme-loan-facility-growth/index.htm](http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/cosme-loan-facility-growth/index.htm). Applications can be made at any time but must be made at the latest before 30th September 2020. EIF will select intermediaries on a continuous basis following a due diligence process.

# Equity Facility for Growth

## How does the COSME EFG work?

Through COSME EFG, EIF invests in selected venture capital and private equity funds - acting as financial intermediaries - that provide funding to SMEs predominantly in their expansion and growth stages. Up to EUR 30m may be invested in a selected financial intermediary, limited to 25% of total commitments at any closing. EIF typically participates in the first closing of a selected fund.

Fund managers are required to operate independently and on a commercial basis, committing to invest in SMEs with the greatest growth potential.

The Equity Facility for Growth (EFG) is a successor to the High Growth and Innovative SME Facility ("GIF2"), under the Competitiveness and Innovation Framework Programme (CIP) implemented in 2007-2013.

## Which financial institutions can become intermediaries under COSME EFG?

To become a financial intermediary, fund managers must fulfil certain conditions, a number of which are listed below:

- Be based in a Participating Country;
- Provide long-term equity and/or quasi-equity financing;

- Commit to invest at least 50% of invested amounts into SMEs at the growth and expansion-stage, according to applicable legislation, established and operating in one or more of the EU Member States and COSME Participating Countries;
- Carry out activities which should not breach ethical principles or contravene to EIF restricted sectors.

Further requirements can be found in the Call for Expression of Interest.

## How to apply for COSME EFG

Applicants are encouraged to visit the EIF website where the Call for Expression of Interest is published and download the application document at the following address:  
[http://www.eif.org/what\\_we\\_do/equity/single\\_eu\\_equity\\_instrument/cosme\\_efg/index.htm](http://www.eif.org/what_we_do/equity/single_eu_equity_instrument/cosme_efg/index.htm)

An application can be made at any time but must be made at the latest before 30th September 2020 and sent to [cosme.efg@eif.org](mailto:cosme.efg@eif.org). The EIF will select intermediaries following a commercial and legal due diligence process.

Interested financial intermediaries can find information on how to work with the European Investment Fund on its website at:

[www.eif.org](http://www.eif.org)

## European Investment Fund

37B, avenue J.F. Kennedy

L-2968 Luxembourg

☎ (+352) 24 851

[www.eif.org](http://www.eif.org)

### Information for businesses - How to access EU financing

Businesses can contact selected national financial institutions in their country to get access to finance supported by the EU:

[www.access2finance.eu](http://www.access2finance.eu)

