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## **INTERNATIONAL FINANCIAL PROGRAMME COSME (THE PROGRAMME FOR THE COMPETITIVENESS OF ENTERPRISES AND SMALL AND MEDIUM-SIZED ENTERPRISES): A PROSPECT FOR ENTREPRENEURS**

### Introduction

For Ukraine, European integration is a way to modernize the economy, overcome technological underdevelopment, attract foreign investment and new technologies, create new jobs, improve the competitiveness of the domestic commodity producer and enter the world markets, mainly, the EU market. As an integral part of Europe Ukraine focuses on the socio-economic development model adopted by the leading European countries.

In May 2016 Ukraine officially joined the Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME). As of now, Ukrainian businessmen don't know much about it. At the same time, the Ministry of Economic Development and Trade believes that this is a unique opportunity for the Ukrainian business to receive assistance in development.

According to the assessment of the countries' trade attractiveness (according to the trade promotion index) presented in 2014 in the World Economic Forum report (the Global Enabling Trade Report), Ukraine was ranked 83rd out of 138 countries, and in 2016 it fell to the 95th place. The analysis of the most problematic factors for export in Ukraine shows that the sale of goods on international markets by Ukrainian companies, regardless of size, is mainly constrained by the lack of access to trade financing, the inadequate level of production technology and skills of employees, problems with the identification of potential markets and buyers, lack of compliance with technical requirements and standards, as well as non-competitive access to imported raw materials and commodities.

On February 22, 2017, the Verkhovna Rada of Ukraine ratified the Agreement between Ukraine and the European Union on Ukraine's participation in the EU program "For the Competitiveness of Enterprises and Small and Medium-sized Enterprises". Ukraine became the eighth country outside the EU, which joined the COSME program. Also among these countries are Montenegro, Macedonia, Moldova, Turkey, Albania, Serbia and Armenia.

COSME is one of the key EU programs with a budget of € 2.3 billion, which is aimed at helping the enterprises enter foreign markets. From now on, Ukrainian businessmen will be able to receive professional consultations and analytics, support of export-import activity and expansion of trade and economic ties. The educational part of the program includes the exchange of experience, allocating the funds under the Erasmus for entrepreneurs program, various conferences, trainings, seminars, exchange programs, internships, and search for the partners in the EU.

Public organizations, regional development agencies, government agencies, educational institutions, trade unions, business associations and ordinary legal entities that support and develop small and medium businesses can receive financial aid.

As noted above, Ukraine's joining the COSME programme has made it possible to implement three prioritized components of this program in Ukraine. Those are:

I. Improving SMEs' access to markets (21.5% of the COSME program budget, ~ € 500 million): provision of advisory and analytical services related to the export-import activities of enterprises, their internationalization and expansion of trade and economic ties. Among the tools funded by the COSME program the following will be available for domestic companies:

1. Enterprise Europe Network (EEN) [5] – The European network of companies, which provides partner search services in 65 countries, promotes innovation and technology transfer.

The EEN includes:

- over 600 organizations on business support and development;
- over 2 500 000 participating organizations;
- over 6 000 tech profiles;
- over 10 000 business profiles;
- over 100 major events and 18 000 b2b meetings per year [6];

2. Your Europe Business Portal [7] – a portal created to give entrepreneurs the information on EU laws and their application in practice (at the local level) in each EU country;

3. Support for SME Internationalization [8] – support for the internationalization of SME's and the strengthening of cooperation between national agencies and the European Commission;

4. EU-Japan Centre for Industrial Cooperation [9] – facilitating access to the Japanese market: information on local business conditions, provision of tangible and intangible logistical support;

5. Export Helpdesk [10]– Export Support Service in the EU: requirements and taxes, customs tariffs on import of goods and other import rules, trade statistics, preferential agreements;

6. IPR Helpdesks [11] – intellectual property issues support service;

7. Improved Points of Single Contact – contact points for facilitating access of SMEs to domestic markets: information on regulatory requirements, online administrative services;

II. Improving conditions for competitiveness (11.5% of the budget, ~ € 300 million): identifying and removing unnecessary regulatory barriers in the EU internal market, implementing the Small Business Act for Europe in third countries, ensuring the proper functioning of the SME Envoys Network, as well as the participation of third countries in their work, the creation of sectoral working groups for the exchange of experience among representatives of the relevant government bodies, etc.

III. Forming a business culture:

- raising the level of education: the exchange of experience between entrepreneurs from different countries;

- improving the field (entrepreneurship infrastructure development, advisory support on legislation);

- identifying and developing individual business groups (development of female entrepreneurship, clusters for the internationalization of SMEs, support for young entrepreneurs).

## Conclusions

Thus, an important factor in improving the efficiency of domestic business, in particular its internationalization is the development of business infrastructure and improvement of business support. On the way to international markets, enterprises face insufficiency of information on access to trade finance, potential markets and buyers, international technical requirements and standards. The elimination of these barriers will be facilitated by the implementation of the European Union Program "For the Competitiveness of Enterprises and Small and Medium-sized Enterprises" (COSME) in 2014-2020, aimed at strengthening the competitiveness and sustainability of *Ukrainian* enterprises and encouraging entrepreneurial culture.

## References:

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3. *Enterprise Europe Network: [Electronic resource]. - <http://een.ec.europa.eu/>*