## Can SMEs acting as beneficiaries and directly benefitting from support be counted in the indicators on entities?

Usually, beneficiaries initiate or initiate and implement an operation that supports a number of individuals or entities fulfilling certain criteria (target group).

Note that there is a difference between a "beneficiary" and an entity "benefitting from support":

- A beneficiary is defined as a "Public or private body (…) responsible for initiating or both initiating and implementing operations …" (Article 2(10) of the Common Provision Regulation (1303/2013)).
- An entity benefitting from support is one that receives services or other support paid for (in full or in part) by the ESF which is designed to fulfil the objectives of an operation that targets entities rather than individuals. This is equivalent to the requirement for participants to be persons who benefit directly from ESF support that incurs expenditure.

In order to be counted under the indicator "Number of micro, small and medium sized enterprises supported", SMEs should, in the same way as for participants, benefit directly from ESF support that incurs expenditure. This does not mean that enterprises have to receive money directly, as they may also benefit from services paid for by the ESF without any money passing through the enterprise. See below some examples:

a) SMEs implementing an operation (fully or partially) without being supported by it:

- The PES, acting as a beneficiary, contracts an SME to provide management training courses to women aimed at helping them confront barriers to promotion in a male-dominated industry.
- The SME is delivering the services offered by the operation and is paid for this out of ESF funds. It is involved in implementing the operation and is not benefitting from support. It should not be recorded under the indicator "Number of micro, small and medium sized enterprises supported".

- Women benefitting from training should be counted as participants.
- The project should be recorded as a project supporting the participation and progress of women in employment.

b) SMEs being supported by a project without implementing it:

- The PES, acting as a beneficiary, manages a programme to support the training and upskilling of employees in SMEs in declining sectors. Payment could go directly to the training companies.
- Enterprises benefitting from training should be counted in the indicator “Number of micro, small and medium sized enterprises supported”.
- Any SMEs involved as training providers should not be counted as they receive payment for services as a routine part of their business, they are involved in implementing the project and are not benefitting from ESF support.

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