



4.4. ACCESS TO FINANCE

A range of funding programmes has been implemented by Member States across the EU, making use of a wide range of different instruments. Many of these are available to companies that produce dual-use products. Key in determining SME participation in funded research programmes is the structure of the programme, particularly with respect to the structure of risks and rewards and the SME's bargaining position with its potential customers: Prime Contractors and their major suppliers.

Finance for SMEs in general tends to be rationed and it is for this reason that numerous programmes that support SME access to finance have been established. Such policies can occur at three different geographic levels: EU-wide, national or regional level.

It is challenging for SMEs to fully understand the range of financial support available and this is where NDIA's, defence-related associations and clusters can also help.

Recommendations to Member States

- » To advise SMEs about the relevant forms of funds such as grants, guarantees, loans, venture capital.
- » To facilitate SME access to information on opportunities provided by the EU funding instruments.
- » To enhance dialog with national bodies in charge of the EU funding instruments in order to support defence-related SMEs to access such instruments and programmes (e.g. European Structural and Investment Funds/ ESIF, Horizon 2020, COSME, Erasmus +).
- » To identify and introduce MoD's priorities in the national/regional programmes related to EU funding instruments and to liaise with the responsible authorities at a national or regional level.
- » To identify and point out R&T priorities and industrial capabilities in supporting labs, universities, large enterprises or system integrators as well as SMEs with the aim of developing R&T projects with the support of relevant European funding instruments.
- » To promote to Industry and particularly to SMEs the methodologies and guides provided by the EDA, European Commission and other institutions regarding the use of EU funds.