

## Access to Finance



Identifying which EU financial instrument is the most relevant for your specific case is not an easy task, since each EU financial instrument has indeed its own purpose and specificities. The EU can support you throughout your development phases with these instruments, as shown in the figure below.

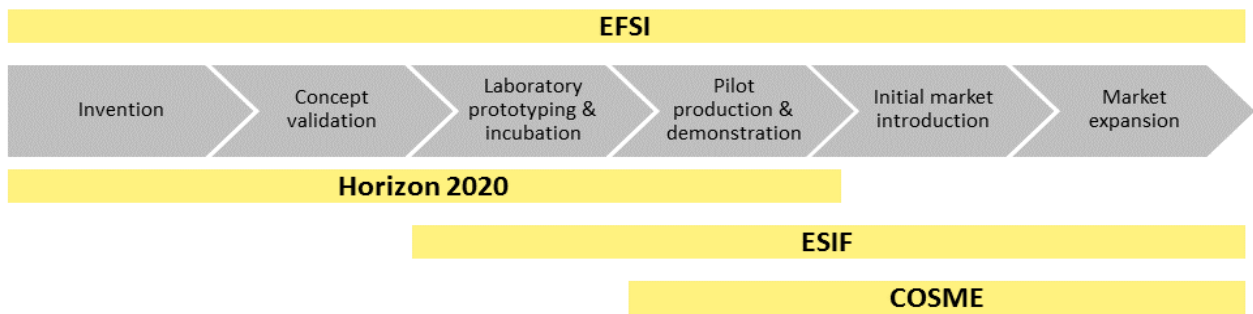


Figure 5 : EU funding instruments related for research and innovation chain

### Which are the EU financial instruments relevant to your needs?

As underlined in the table provided on the EDA website at [www.eda.europa.eu/eufunding](http://www.eda.europa.eu/eufunding), the type of funding and EU financial instruments that may be appropriate for you will vary according to your needs.

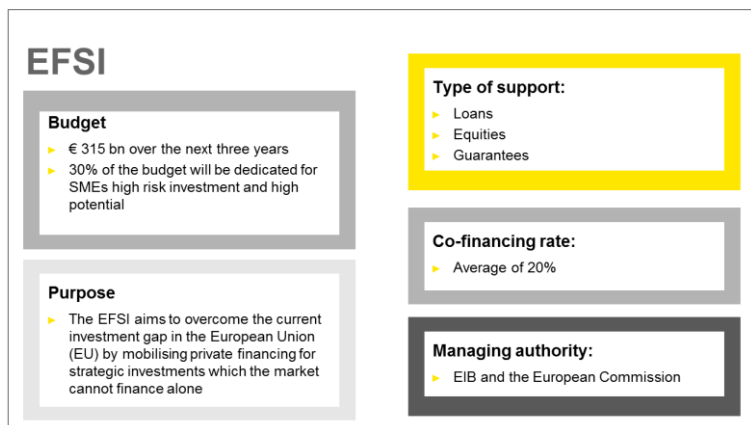
	European Structural and Investment Funds (ESIF)			COSME		Horizon 2020		
	European Regional Development Fund (ERDF)	European Territorial Cooperation (ETC)	European Social Fund (ESF)	Financial instruments	Access to markets (EEN)	Thematic areas	SME instrument	Financial instruments
OVERALL GOAL	Job creation and competitiveness	Cross-border / Transnational cooperation	Human capital training and skilling	Financing SMEs	SME/Clusters access to markets	Cross-border Research and Innovation (R&I)	Research and Innovation in SMEs	Access to Risk Finance for R&I

(for) WHAT	Projects on dual-use items	Dual-use projects	Dual-use skills development	Enterprise expansion and growth	Projects on partnership building / cluster internationalisation	Research and innovation activities with an exclusive focus on civil applications	Research and innovation activities with an exclusive focus on civil applications	Enterprise viability and growth
WHICH (funding tool)	Grants, loans, loan guarantees, equity	Grants, loans	Grants, loans	Loans, loan guarantees, equity	Grants	Grants, prizes, procurement, pre-commercial procurement, public procurement of innovative solutions	Grants	Loans, loan guarantees, equity
HOW MUCH (per capita)	Up to EUR 50 mn (but also above if EC approves)	Up to EUR 50 mn (but also above if EC approves)	Not defined (call related)	Loans: ≤ EUR 150.000 for all SMEs; above only for "non-innovative" SMEs	Not defined (call related)	Funding range: EUR 1-50 mn	Phase I: EUR 50.000 (lump sum) per project. Phase II: EUR 500.000- 2,5 mn	Loans: between EUR 25.000 and EUR 7,5 mn
HOW	Project folder application	Project folder application	Project folder application	No need for projects or business plans	Project folder application	Online application (Horizon 2020 participant portal)	Online application (Horizon 2020 participant portal)	No need for projects or business plans

Figure 6 : Identification of EU relevant financial instruments

There are two additional EU financial instruments that can be relevant for defence-related SMEs:

## EFSI (European Fund for Strategic Investments)

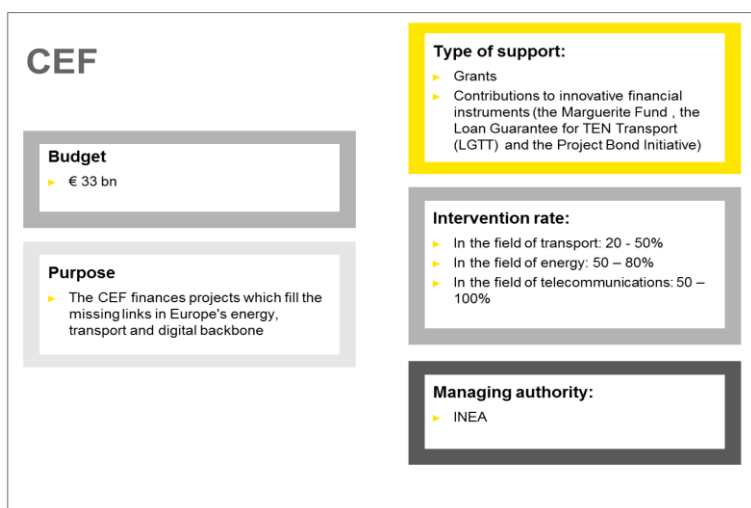


The programme includes support to infrastructure (transport, energy, digital, environment etc.), education, R&D, ICT, innovation, renewable energy and energy efficiency, support to SMEs and mid-cap companies.

Useful information about EFSI can be found on the EIB website (<http://www.eib.org/about/invest>

<http://www.eib.org/about/invest-eu/index.htm?lang=en>). The EFSI Regulation (in particular Article 10-2 (a)) details the selection process at <http://www.eib.org/projects/cycle/index.htm?lang=en>.

## Connecting Europe Facility (CEF)



The aim of the Connecting Europe Facility (CEF) is to finance projects related to energy, transport and digital matters that will foster the overall European network. Information related to calls for proposals and procedures to be followed are released on the Innovation and Networks Executive Agency (INEA) website (<https://ec.europa.eu/inea/en/connecting-europe-facility>).

## The EIB Group

The EIB Group brings the European Investment Bank (EIB) and the European Investment Fund (EIF) together. The EIB Group cannot be your direct point of contact. It has a partner network which provides loans for SMEs. Indeed, the EIB Group shares its investment risk with partner institutions (such as banks, guarantee funds, mutual guarantee institutions or microcredit organisations) that act as financial intermediaries.

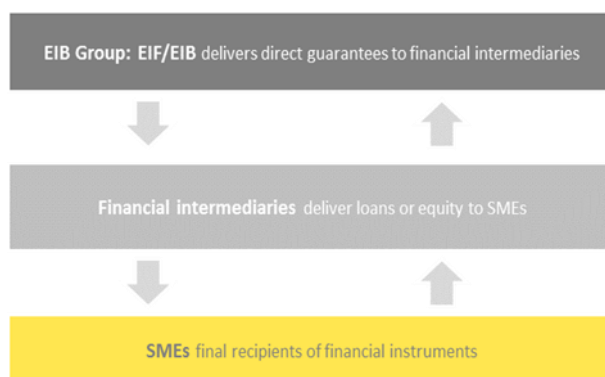


Figure 7 : Functioning of the EIB Group's delivery of support to SMEs

The list of financial intermediaries and their related financial instruments is accessible through this link: [http://www.eif.org/what\\_we\\_do/where/index.htm](http://www.eif.org/what_we_do/where/index.htm)

However, it is important that you keep in mind that not all activity sectors are eligible to receive financial support from the EIB Group. The list of excluded activities can be found by following [this link: http://www.eib.org/attachments/documents/excluded\\_activities\\_2013\\_en.pdf](http://www.eib.org/attachments/documents/excluded_activities_2013_en.pdf). The lending policy of EIB exclude the “ammunition and weapons, military/police equipment or infrastructure”.



### **Tips to successfully apply for EU funding**

- ▶ Defining your financial needs is an essential preliminary step to identify which EU financial instrument(s) could support you.
- ▶ Familiarise yourself with the objectives behind each initiative.
- ▶ Go through a self-evaluation process by reviewing your market potential, your business model and checking its coherence with the chosen financial instrument.
- ▶ Identify the financing option best suited to the nature and maturity of your business:
  - How to choose between equity and debt (general guidelines):
    - Equity financing shifts risk bearing from the company to the investors and depends on your willingness to give up a portion of your company.
    - Debt financing puts a weight on the company and challenges its future ability to pay back the loan. However, debt financing does not give the lender control over your company. Furthermore, if you are in a low risk business with predictable cash flows, debt financing can be a good motivator for the management and could allow you to benefit from leverage effect.
    - In order to select the most suitable financial strategy for your business, consult with industry experts and financial advisors and watch the industry’s financing trends.
- ▶ Identify the right type of financial intermediaries according to your location of activity and to their investment strategies.
- ▶ Highlight what contribution the received investments will bring to the growth and competitiveness of your business and provide a detailed plan for the use of this financial support.
- ▶ Contact SMEs that have already been funded through this process in order to get practical operational information on the procedures and the consequences of receiving investment.
- ▶ The identification of a Point of Contact (in the Managing Authority corresponding to the selected EU financial authority) can be considered as a necessary step for the application. This person can indeed provide you with useful information for your application.
- ▶ Stick to the deadlines of the different calls related to each program.