



Risk-Sharing Finance Facility

ICT Proposers' Days 2012

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Proposed future Financial Instruments for RDI (2014-2020)

under Horizon 2020



Financial Instruments included in proposals for 2014-2020 MFF

(*) Current price

Centrally managed by COM

Research,
Development
Innovation

Horizon 2020
Equity and Risk Sharing Instruments
EUR 4bn ()*

Growth, Jobs
and Social
Cohesion

Competitiveness & SME (COSME)
Equity & guarantees
EUR 1.4bn ()*

Creative Europe
Guarantee Facility
EUR 210m

Social Change & Innovation
Micro-finance *EUR 192m*

Erasmus for all
Guarantee Facility
EUR 881m

Infrastructure

Connecting Europe Facility (CEF)
Risk sharing (e.g. project bonds) and equity instruments

Budget not yet decided

Shared Management

Instruments under Structural and Cohesion Funds

EU level

Off-the shelf instruments

Tailor made instruments

Significantly higher amounts than currently



Proposed Financial Instruments

- **2 financial instruments proposed under HORIZON 2020 and COSME:**
 - **One Debt instrument**
 - **One Equity instrument**

- Please note: A dedicated SME instrument for research-intensive and innovative SMEs is also being proposed under HORIZON 2020 (grants!)

H2020: Loan and Guarantee facility

- **Goal: Improve access to debt finance for private companies and public entities investing in R&D and Innovation**

- **Two parts:**

- 1. "RSFF II": Loan Guarantee Facility**

For broad Mid-sized and larger companies, research institutions, PPPs, stand-alone projects, single SMEs

- 2. "RSI II": Guarantee facility for SMEs and small midcaps**

For SMEs and small mid-caps investing in R&D and Innovation
Guarantees for loans of EUR 150,000 or more within loan portfolios

Implementation in conjunction with the "Loan Guarantee facility for SMEs" under COSME and FIs proposed under the Structural/Regional funds



H2020: Equity Facility for Research & Innovation

- **Goal: Improve access to Equity/ venture capital for companies investing in R&D and Innovation**
- **Focus: Early-stage capital;**
expansion/ growth capital provision also possible within limits
- **Target group: Innovative companies (start-ups, SMEs)**
- **Implementation: intermediaries (funds)**
- Implementation in conjunction with the "Equity facility for Growth" of COSME (focus: expansion and growth investments) and FIs proposed under the Structural/ Regional funds

Proposed Budget

□ Horizon 2020 (Industrial Leadership)

“Access to risk finance”

- **€ 3.768 million** in current prices (net of administrative costs) for financial facilities supporting all sizes of companies and types of entity
- **At least 1/3 (ca. € 1.250 million) likely to be absorbed by SMEs and small midcaps**

□ COSME – “Actions to improve SME access to finance”

- **€ 1 436 million** in current prices
 - **Equity Facility for Growth: € 690 million**
 - **Loan Guarantee Facility: € 746 million**

Accompanying measures in H2020

Examples

- Technical assistance for financial intermediaries
- Investment-readiness schemes (including coaching, mentoring, etc)
- Raising awareness of VC firms and business angels
- Encouraging philanthropic foundations and individuals to support R&I and growth
- Fostering corporate venturing and the activities of family offices and Business angels

Current status and next steps

2011: Commission proposals were adopted

2012: Discussions in Council and Parliament on the legal framework (Financial Regulation, delegated act) as well as on the basic acts for the specific instruments (H2020, COSME)

2013: Expected adoption of legal bases by European Parliament and Council, negotiations with IFIs, preparations for the roll-out

2014: Roll-out, instruments are operational