



EN

Horizon 2020

Work Programme 2016 - 2017

6. Access to Risk Finance

Important notice on the second Horizon 2020 Work Programme

This Work Programme covers 2016 and 2017. The parts of the Work Programme that relate to 2017 are provided at this stage on an indicative basis. Such Work Programme parts will be decided during 2016.

(European Commission Decision C (2015)6776 of 13 October 2015)



Table of Contents

Introduction	3
Call - Awareness-raising and capacity-building for business angels and other early-stage investors.....	5
CBBA-01-2016: Awareness-raising and capacity-building for business angels and other early-stage investors	5
Conditions for the Call - Awareness-raising and capacity-building for business angels and other early-stage investors	7
Other actions.....	9
1. Loans Service for R&I	9
1.1 Pilot scheme to support first-of-a-kind demonstration energy projects	10
1.2 Pilot scheme to combat infectious diseases.....	11
2. SMEs & Small Midcaps R&I Loans Service	13
2.1 Joint Guarantee Instruments for R&I-intensive SMEs and Small Midcaps.....	14
3. Equity Facility for R&I	15
3.1 Piloting Co-Investments by Business Angels	16
3.2 Fund-of-funds.....	16
4. InnovFin Technology Transfer Financing Facility (TTFF)	17
5. Expert Group on Philanthropic and Social Investments	18
6. Evaluation of proposals	18
7. Interim Evaluation of Horizon 2020 Financial Instruments and Facilities	18
8. Capacity-Building in Technology Transfer.....	19
9. Boosting the Investment-Readiness of SMEs	20
10. Prizes Scheme in the "Access to Risk Finance" Domain.....	20
11. Dutch Presidency Conference on the Role of Philanthropic and Social Investments in Fostering Responsible Research and Innovation.....	20
12. 'Innovative Enterprise Week 2016'.....	21
13. 'Innovative Enterprise Week 2017'.....	22
Budget.....	23

Introduction

Under 'Access to Risk Finance', Horizon 2020 helps companies and other types of organisation engaged in research and innovation (R&I)¹ to gain easier access, via financial instruments, to loans, guarantees, counter-guarantees and hybrid, mezzanine and equity finance.

The priorities for 2016-2017 are to continue the financial instruments and accompanying measures (including InnovFin Advisory) launched in 2014-2015 and maintain a strong focus on SMEs and small, medium and large midcaps². As before, Horizon 2020's financial instruments operate in conjunction with those of COSME³. In addition, with the advent of the Investment Plan for Europe under European Commission President Juncker⁴, strong synergies will be ensured with the European Fund for Strategic Investments (EFSI) to create the maximum possible impact.

Debt and equity facilities are run in a demand-driven manner, though the priorities of particular sectors or of other EU programmes are targeted when top-up funding is made available, including funds from managing authorities wishing to invest part of their European Structural and Investment Funds (ESIF) programme contribution⁵. Firms and other entities located in the EU or in non-EU countries associated with Horizon 2020⁶ are eligible as beneficiaries unless otherwise specified⁷.

The European Investment Bank (EIB) and the European Investment Fund (EIF) play an important role, as entrusted entities, in implementing each financial instrument facility on behalf of and in partnership with the European Commission⁸. For EIF, in particular, this role includes conducting calls for expressions of interest for selecting the financial intermediaries, such as banks, other lenders and risk-capital funds, that make the actual loans to or investments in SMEs and midcaps. While EIB generally makes large loans directly, it also

¹ This also includes entities undertaking innovation procurements.

² In implementing the Horizon 2020 financial instrument facilities and until an official definition is agreed, 'midcaps' are deemed to be enterprises comprising 250 to 3000 employees (in full-time equivalents). They are divided into 'small midcaps' of between 250 and 499 employees, and 'medium and large midcaps' of from 500 to 3000 employees

³ COSME provides a) a Loan Guarantee Facility (LGF) providing counter-guarantees and other risk-sharing arrangements for guarantee schemes (including co-guarantees where appropriate), plus direct guarantees and other risk-sharing arrangements for other financial intermediaries; b) an Equity Facility for Growth (EFG) to enhance the supply of risk capital to expansion and growth-stage enterprises.

⁴ See http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm

⁵ This can be done, for example, by creating ring-fenced compartments within a debt or equity facility for investments in Member States, regions and sectors covered by the ESIF programme concerned. It may also take the form of joint guarantee instruments such as the SME Initiative (see Action 2.1).

⁶ Please see part A of the General Annexes.

⁷ For research infrastructures, support can be given, under certain conditions, to projects or organisations in which non-EU or non-Associated Country entities participate.

⁸ On 12 June 2014, the European Commission and EIB/EIF signed an agreement laying down detailed provisions for implementing the financial instrument facilities of Horizon 2020.

uses financial intermediaries when supporting medium and large midcaps⁹. Preliminary discussions with other financial institutions of comparable stature are underway, and in future one or more may join EIB and EIF in running facilities for the European Commission.

To locate banks, other lenders or funds that provide risk finance supported by the EU, please go to <http://access2finance.eu>

In addition, the EIB Group and DG Research & Innovation have developed a loan-matching platform, *Six simple steps to loan funding*, to give easy access to information on European financing solutions for innovation projects. Please go to <http://helpingyouinnovate.eib.org>

Please note that:

1. All proposed financial instruments, products, facilities and sub-facilities are subject to review, reorientation and adaptation, including their indicative budgets, in order to ensure complementarity with the European Fund for Strategic Investments (EFSI). In addition, and according to the level of demand, the indicative budgets of each financial instrument may be reviewed in the light of the pipeline reports provided by the entrusted entities.
2. The indicative budget amounts for 2016 and 2017 for the Horizon 2020 financial instruments in this work-programme will be increased by:
 - the amounts of revenues and annual repayments generated and assigned to those same financial instruments, in compliance with Article 52.2 of Regulation (EU) No. 1290/2013;
 - the amounts of revenues and annual repayments generated by the FP7 RSFF and the CIP GIF-1 and assigned to the respective Horizon 2020 financial instruments succeeding the FP7 RSFF and the CIP GIF-1, in compliance with Article 52.3 of Regulation (EU) No. 1290/2013.

⁹ See footnote 2 for definition.

Call - Awareness-raising and capacity-building for business angels and other early-stage investors

H2020-CBBA-2016

Proposals are invited against the following topic(s):

CBBA-01-2016: Awareness-raising and capacity-building for business angels and other early-stage investors

Specific Challenge: While the number of business angels and other early-stage investors has increased in recent years, more needs to be done to:

- Increase the number of early-stage investments in Europe.
- Tap into the unexploited potential of business angels, and attract more individuals, both women and men, with the skills, capacity and potential to become an angel.
- Encourage and, where appropriate, incentivise more established and experienced business angels to share their expertise and best practices with their less-experienced counterparts.
- Provide more training, coaching and networking activities to develop the expertise of less experienced early-stage investors (both women and men) and to help professionalise business angels — in particular, regarding their mentoring and advisory role.
- Raise standards for angel training.
- Help structure and professionalise business angels' activities, including relationships with other investors and the use of online platforms for investment (including but not limited to crowdfunding platforms).
- Help develop business angels' cross-border investment activities.
- Raise awareness and visibility amongst SMEs and other players about the utility of business angels and other early-stage investors.

Scope: Proposals should take account of a) the early-stage investment landscape, players and dynamics in EU Member States and the countries associated with Horizon 2020, b) the supply of business angel expertise and funding and c) the increased demand of initial risk capital for entrepreneurial businesses and:

1. Develop a capacity-building strategy and consequent implementation plan that makes use of techniques (tailored for both women and men) such as awareness raising campaigns, coaching, mentoring, workshops, courses, training materials (in particular through social media) as well as knowledge transfer of best practices.
2. Validate the implementation plan by stakeholders.
3. Execute the implementation plan.
4. Review the impact of the implementation plan and possibly adapt the scheme in the light of experience.

The approach taken must complement and build on existing early-stage capacity-building schemes at EU, regional and national levels, working with them where possible. The proposal must also address how to ensure the continuity of the action beyond the implementation period of the call. Proposers must have and must demonstrate deep knowledge of the business angel and general early-stage domain, have proven experience in the field, and significant experience of capacity-building.

The proposal should be linked and contribute to the Horizon 2020 Financial Instrument Pilot on Co-Investments by Business Angels (Action 3.1).

The project should operate for a maximum period of 36 months.

Expected Impact:

- Sustainable, comprehensive strategy for building capacity in early-stage investments across Europe.
- Higher levels of early-stage expertise in Europe.
- Increase the number of early-stage investments in Europe, including cross-border.

Type of Action: Coordination and support action

The conditions related to this topic are provided at the end of this call and in the General Annexes.

Conditions for the Call - Awareness-raising and capacity-building for business angels and other early-stage investors

Opening date(s), deadline(s), indicative budget(s):¹⁰

Topics (Type of Action)	Budgets (EUR million)	Deadlines
	2016	
Opening: 27 Oct 2015		
CBBA-01-2016 (CSA)	2.50	16 Feb 2016
Overall indicative budget	2.50	

Indicative timetable for evaluation and grant agreement signature:

For single stage procedure:

- Information on the outcome of the evaluation: Maximum 5 months from the final date for submission; and
- Indicative date for the signing of grant agreements: Maximum 8 months from the final date for submission.

Eligibility and admissibility conditions: The conditions are described in parts B and C of the General Annexes to the work programme.

Evaluation criteria, scoring and threshold: The criteria, scoring and threshold are described in part H of the General Annexes to the work programme.

Evaluation Procedure: The procedure for setting a priority order for proposals with the same score is given in part H of the General Annexes.

¹⁰ The Director-General responsible for the call may decide to open the call up to one month prior to or after the envisaged date(s) of opening.
All deadlines are at 17.00.00 Brussels local time.
The Director-General responsible may delay the deadline(s) by up to two months.
The budget amounts for the 2016 budget are subject to the availability of the appropriations provided for in the draft budget for 2016 after the adoption of the budget 2016 by the budgetary authority or, if the budget is not adopted, as provided for in the system of provisional twelfths.

The full evaluation procedure is described in the relevant [guide](#) published on the Participant Portal.

Consortium agreement: Members of the consortium are required to conclude a consortium agreement, in principle prior to the signature of the grant agreement.

Other actions¹¹

1. Loans Service for R&I¹²

This financial instrument offers loans and hybrid or mezzanine finance. Firms and other entities located in Member States or in Associated Countries¹³ are eligible as final beneficiaries¹⁴. This is a demand-driven instrument, with no prior allocations between sectors, countries or regions, or types or sizes of firm or other entities.

The products under this instrument are currently as follows:

InnovFin Large Projects aims to improve access to risk finance for R&I projects emanating from large firms and medium and large midcaps¹⁵; universities and research institutes; R&I infrastructures (including innovation-enabling infrastructures); public-private partnerships; and special-purpose vehicles or projects (including those promoting first-of-a-kind, commercial-scale industrial demonstration projects, or innovation procurement projects¹⁶). Loans from EUR 25 million to EUR 300 million are delivered directly by the European Investment Bank (EIB).

InnovFin MidCap Growth Finance offers long-term senior, subordinated or mezzanine loans, in order to improve access to finance mainly for innovative larger midcaps (up to 3000 employees), but also SMEs and small midcaps. Loans from EUR 7.5 million to EUR 25 million are delivered directly by EIB.

InnovFin MidCap Guarantee provides guarantees and counter-guarantees on debt financing of up to EUR 50 million in order to improve access to finance for innovative larger midcaps (up to 3000 employees) in particular. This facility is implemented by EIB, and is delivered through financial intermediaries – banks and financial institutions – in EU Member States and Associated Countries. Under this facility, financial intermediaries are guaranteed against a portion of their potential losses by EIB.

¹¹ The budget amounts for the 2016 budget are subject to the availability of the appropriations provided for in the draft budget for 2016 after the adoption of the budget 2016 by the budgetary authority or, if the budget is not adopted, as provided for in the system of provisional twelfths.

The budget amounts for the 2017 budget are indicative and will be subject to a separate financing decision to cover the amounts to be allocated for 2017.

¹² The 2016 budget amount includes EFTA appropriations for 2016, is subject to the outcome of discussions on the budget profile, and may be increased, in accordance with the level of demand, from other EU sources. The 2017 budget amount includes EFTA appropriations for 2017.

¹³ Please see part A of the General Annexes.

¹⁴ For research infrastructures, support can be given, under certain conditions, to projects or organisations in which non-EU or non-Associated Country entities participate, including cases where the location of the infrastructure and the investment is outside the EU or an Associated Country.

¹⁵ See footnote 2 for definition.

¹⁶ Innovation procurements include pre-commercial procurements to purchase R&D services and public procurements of innovative solutions.

Expected impact: This instrument helps address sub-optimal investment situations stemming from poor prospects within firms or other entities for the creation or commercialisation of products or services of societal importance (in the sense of Horizon 2020's Societal Challenges) or that constitute a public good. Overall, it will improve access to risk finance. For direct loans or hybrid/mezzanine investments, the indicators are the number and volume of loans or investments made. For intermediated loans, the indicators are the number of agreements signed with financial intermediaries and the number and volume of loans made.

Type of Action: Financial Instrument

Indicative timetable: First quarter of 2016 and first quarter of 2017

Selection procedure: For financial intermediaries under **InnovFin MidCap Guarantee**: a call for expression of interest issued by EIB is open at

<http://www.eib.org/products/blending/innovfin/how-to-apply/index.htm>

For intermediated loans under **InnovFin MidCap Guarantee**: according to the internal processes of the intermediary bank or other financial institution concerned, using normal commercial criteria.

For direct financing operations under **InnovFin Large Projects** and **InnovFin MidCap Growth Finance**: EIB checks the financial viability of a potential financing operation, while DG Research & Innovation, assisted by other Commission DGs, checks its alignment with the goals of Horizon 2020 (particularly the Societal Challenges).

Indicative budget: EUR 65.00 million from the 2016 budget and EUR 171.00 million from the 2017 budget

1.1 Pilot scheme to support first-of-a-kind demonstration energy projects¹⁷

Meeting the EU's energy goals for 2020 and beyond will require continuous development and commercialisation of new generations of low-carbon energy technologies and systems. First-of-a-kind, commercial-scale demonstration projects are essential to show the technical and commercial viability of new generations of energy technologies. These actions are predominant in the Strategic Energy Technology (SET) Plan Integrated Roadmap¹⁸, especially regarding wind energy, solar energy, bioenergy and CCS (carbon capture and storage). A key barrier to implementing first-of-a-kind demonstration projects is the lack of finance for high risk/high-return projects due to their pre-commercial development stage and the unproven nature of the technologies concerned at industrial scale.

InnovFin Energy Demo Projects aims to make loans of between EUR 7.5 million and EUR 25 million¹⁹ to first-of-a-kind, commercial-scale industrial demonstration projects in the field

¹⁷ The indicative budget complements the allocation in 2015 of EUR 100 million to this pilot facility from revenues and repayments generated by the FP7 RSFF.

¹⁸ See <https://setis.ec.europa.eu/set-plan-process/integrated-roadmap-and-action-plan>

¹⁹ Transactions above EUR 25 million may be possible.

of energy at Technology Readiness Level (TRL)²⁰ 7 or 8, or to extend guarantees to financial intermediaries who will make such loans. Projects must relate to unproven pre-commercial technologies in the field of innovative renewable energy, fuel cells and hydrogen technologies. Projects might include, amongst others, first-of-a-kind power, heat, and/or fuel production plants and first-of-a-kind manufacturing plants. Projects must have a commercial component and demonstrate the ability to generate revenues after completion.

Expected impact: **InnovFin Energy Demo Projects** will help in:

- de-risking investments by demonstrating and validating, at industrial scale, technology performance, installation time and costs, operation and maintenance costs, and reliability and lifetimes;
- reducing perceived investment risks for investors;
- preparing for further roll-out to the market of the technologies by industry, with a view to achieve the EU's energy targets for 2020 and beyond;
- fostering industrial development and hence creating jobs and growth in the EU;
- contributing to the Energy Union's objectives by ensuring higher security of supply, enabling an increasing share of indigenous, low-carbon energy sources in the EU's energy mix, and supporting leading-edge technologies.

Type of Action: Financial Instrument

Indicative timetable: First quarter of 2016

Selection procedure: EIB checks the financial viability of each potential financing operation, while DG Research & Innovation, assisted by other Commission DGs, approves each operation against eligibility criteria²¹ set for the pilot.

Indicative budget: EUR 50.00 million from the 2016 budget and EUR 0.00 million from the 2017 budget (amount for the 2017 budget to be decided in 2016).

1.2 Pilot scheme to combat infectious diseases²²

Infectious diseases (ID) are a major global threat to health. ID R&D is hampered by a funding gap and a lack of investment by industry. In addition, many existing ID treatments and vaccines are jeopardised by the emergence of antimicrobial resistance, which threatens the effective prevention and treatment of an ever-increasing range of infections. Combating ID is a public health priority for the EU.

InnovFin Infectious Diseases aims to finance pre-commercial stage investments in the field of ID. To be eligible for InnovFin ID, projects developing innovative vaccines, drugs and

²⁰ Please see part G of the General Annexes

²¹ See p.2 of

http://www.eib.org/attachments/documents/innovfin_energy_demo_projects_flysheet_en.pdf

²² The indicative budget complements the allocation in 2015 of EUR 100 million to this pilot facility from revenues and repayments generated by the FP7 RSFF

medical or diagnostic devices must have successfully gone through the preclinical stage, and preferably through early-stage clinical development, and to now require clinical validation or be ready for later-stage clinical trials. Projects on research infrastructures must cover facilities, resources and related services to be used by the scientific community to conduct top-level research, and must be novel. All InnovFin ID operations, in addition, must have a proven public health impact and have potential market prospects.

InnovFin ID will make loans of between EUR 7.5 million and EUR 75 million to SMEs, midcaps, special project vehicles, research institutions and other legal entities for the purposes of corporate or project finance, and to large pharmaceutical companies for financing the development of pre-identified medical products on a risk-sharing basis. Other forms of finance may also be possible. Projects and/or the IP development (such as clinical trials) can be undertaken outside the EU or Associated Countries.²³

Expected impact: **InnovFin ID** will help in:

- increasing EU investments in ID research;
- de-risking investments and hence encouraging industry, in particular, to invest more heavily in this area;
- preparing for further roll-out to the market of new drugs, vaccines, diagnostics and medical technologies to combat ID;
- fostering the healthcare sector and hence creating jobs and growth in the EU.

Type of Action: Financial Instrument

Indicative timetable: First quarter of 2016 and first quarter of 2017

Selection procedure: EIB checks the financial viability of each potential financing operation, while DG Research & Innovation, assisted by other Commission DGs, approves each operation against eligibility criteria²⁴ set for the pilot. Eligible projects will be financed on a first-come, first-served basis.

Indicative budget: EUR 50.00 million from the 2016 budget and EUR 50.00 million from the 2017 budget. This budget may be revised on the basis of the level of demand, and may be complemented by other sources of funding.

²³ Please see part A of the General Annexes.

²⁴ See p.2 of

http://www.eib.org/attachments/documents/innovfin_infectious_diseases_flysheet_en.pdf

2. SMEs & Small Midcaps R&I Loans Service²⁵

This guarantee-based instrument is part of a single debt financial instrument²⁶ supporting the growth of enterprises and their R&I activities.

InnovFin SME Guarantee, the first and current product, targets R&I-driven SMEs and small midcaps²⁷ requiring loans of between EUR 25 000 and EUR 7.5 million. A loan of more than EUR 7.5 million can be considered on a case-by-case basis. The 'R&I Loans Service' (see action 1 above) will serve larger midcaps. R&I-driven SMEs and small midcaps located in Member States or in Associated Countries²⁸ are eligible as final beneficiaries.

The European Investment Fund (EIF) implements this facility by providing direct guarantees to financial intermediaries (such as banks and non-bank lenders), who extend the actual loans to final beneficiaries. The guarantee covers up to 50% of intermediaries' potential losses (up to 80% in the case of the additional participation mechanism described in section 2.1 below). EIF also offers counter-guarantees to financial intermediaries (such as guarantee institutions) providing risk protection to banks or other entities extending loans to R&I-driven SMEs and small midcaps.

R&I-driven SMEs or small midcaps wishing to apply for a loan should contact one of the financial intermediaries signing an agreement (see Selection procedure) with EIF. This is a demand-driven facility, with no prior allocations between sectors, countries or regions.

The demand for guarantees issued under this facility is very high. Frontloading via the European Fund for Strategic Investments (EFSI) will temporarily provide the additional capacity needed, allowing EIF to avoid any disruption in signing transactions with intermediaries. Horizon 2020 contributions will replace EFSI funds once Horizon 2020 budget becomes available.

Expected impact: R&I-driven SMEs and small midcaps able to carry out a greater amount of R&I. The indicators are the number of agreements signed with financial intermediaries and the number and volume of loans made.

Type of Action: Financial Instrument

Indicative timetable: First quarter of 2016 and first quarter of 2017

Selection procedure: For financial intermediaries under **InnovFin SME Guarantee**: a call for expression of interest issued by EIF is open at

http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/innovfin-guarantee-

²⁵ The 2016 budget amount includes EFTA appropriations for 2016, is subject to the outcome of discussions on the budget profile, and may be increased, in accordance with the level of demand, from other EU sources. The 2017 budget amount includes EFTA appropriations for 2017 and may be increased, in accordance with the level of demand, from other EU sources.

²⁶ Together with COSME's Loan Guarantee Facility (LGF).

²⁷ See footnote 2 for definition.

²⁸ Please see part A of the General Annexes.

[facility/](http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/innovfin-guarantee-facility/intermediaries.htm). EIF maintains a list of financial intermediaries that have signed an agreement at [http://www.eif.org/what we do/guarantees/single eu debt instrument/innovfin-guarantee-facility/intermediaries.htm](http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/innovfin-guarantee-facility/intermediaries.htm)

For loans: according to the internal processes of the intermediary bank or other financial institution that the SME or small midcap applies to, using normal commercial criteria.

Indicative budget: EUR 131.50 million from the 2016 budget and EUR 152.50 million from the 2017 budget

2.1 Joint Guarantee Instruments for R&I-intensive SMEs and Small Midcaps²⁹

These instruments are part of the EU's **SME Initiative**, which uses funds from COSME, Horizon 2020 and European Structural and Investment Funds (ESIF) combined with resources from EIB and EIF. The joint instruments aim to enable Member States and regions to channel significant amounts of ESIF through the 'SMEs & Small Midcaps R&I Loan Service'. Member States and regions may choose to deliver part of their operational programmes by allocating national or regional programme contributions in this way, with disbursements geographically linked to contributions. The joint instruments may take the form of joint portfolio guarantees or joint securitisation operations for the benefit of R&I-intensive SMEs and small midcaps³⁰.

Expected impact: R&I-driven SMEs and small midcaps able to carry out a greater amount of R&I.

Type of Action: Financial Instrument

Indicative timetable: First quarter of 2016

Selection procedure: For Horizon 2020, contractual arrangements will ensure that access to public guarantees for partner banks³¹ is conditional on passing on the benefits in the form of new loans to R&I-intensive SMEs and small midcaps.

Indicative budget: EUR 21.00 million from the 2016 budget

²⁹ The indicative budget may be increased, in accordance with the level of demand, from other EU sources. However, if new agreements do not start in 2016, the 2016 budget allocation will be allocated to the 'SMEs & Small Midcaps R&I Loans Service'. Furthermore, if the amount finally agreed is less than EUR 21 million, the remainder will also be allocated to the 'SMEs & Small Midcaps R&I Loans Service'.

³⁰ See footnote 2 for definition.

³¹ Including both commercial and promotional banks.

3. Equity Facility for R&I³²

This instrument is part of a single equity financial instrument³³ supporting the growth of enterprises and their R&I activities.

InnovFin SME VC, the first and current product, is designed to improve access to risk finance by early-stage R&I-driven SMEs and small midcaps³⁴ through supporting early-stage risk capital funds that invest, on a predominantly cross-border basis, in individual enterprises. SMEs and small midcaps located in Member States or in Associated Countries³⁵ are eligible as final beneficiaries.

The European Investment Fund (EIF) makes and manages equity investments into risk-capital funds. EIF is able to invest in a wide range of financial intermediaries, including those cooperating with business angels. The funds concerned make VC and quasi-equity (including mezzanine capital) early-stage investments in enterprises, which are mainly SMEs. In the case of multistage funds (i.e., covering both early- and growth-stage investments), funding can be provided pro rata from this facility and COSME's growth-stage equity facility, EFG.

This is a demand-driven facility, with no prior allocations between sectors, countries or regions. R&I-driven SMEs or small midcaps wishing to apply for an investment should contact one or more of the funds signing an agreement with EIF.

Expected impact: An increase in the risk capital available to invest in R&I-driven SMEs and small midcaps, with R&I-driven SMEs and small midcaps consequently able to develop and carry out a greater amount of R&I. The indicators are the number of agreements signed with financial intermediaries (i.e., risk capital funds), the volume of investments made in SMEs and small midcaps, and the number of SMEs and small midcaps invested in.

Type of Action: Financial Instrument

Indicative timetable: First quarter of 2016 and first quarter of 2017

Selection procedure: For risk-capital funds acting as financial intermediaries under **InnovFin SME VC**: a call for expression of interest issued by EIF is open at

http://www.eif.org/what_we_do/equity/single_eu_equity_instrument/index.htm

EIF maintains a list of intermediaries that have signed an agreement at this location.

For investments by a selected fund in an enterprise: according to the investment strategy and procedures of the fund concerned.

³² The indicative 2016 budget amount includes EFTA appropriations for 2016, is subject to the outcome of discussions on the budget profile, and may be increased, in accordance with the level of demand, from other EU sources. The indicative 2017 budget amount includes EFTA appropriations for 2017 and may be increased, in accordance with the level of demand, from other EU sources.

³³ Together with COSME's Equity Facility for Growth (EFG).

³⁴ See footnote 2 for definition.

³⁵ Please see part A of the General Annexes.

Indicative budget: EUR 55.00 million from the 2016 budget and EUR 54.00 million from the 2017 budget

3.1 Piloting Co-Investments by Business Angels³⁶

InnovFin Angels³⁷ will co-finance investments by business angels in innovative SMEs and small midcaps³⁸ that aim to commercialise new products and services. Potential co-investors with business angels include family offices and equity crowd-funders. Building on the initial pilot focusing on innovative ICT firms, **InnovFin Angels** may operate through a fund set up as a dedicated investment vehicle. Co-financed investments, made as a rule on the basis of an equal sharing of risks and rewards, will take the form of equity and, potentially, other forms of risk capital.

Expected impact: Development of co-investments and cross-border investments by business angels, and improved access to risk finance by innovative firms. Indicators and targets will be set during negotiations with the entity implementing the scheme.

Type of Action: Financial Instrument

Indicative timetable: First quarter of 2017

Selection procedure: To be clarified in the revision of the work-programme during 2016.

Indicative budget: EUR 30.00 million from the 2017 budget

3.2 Fund-of-funds³⁹

Using a fund-of funds (FoF) to invest across a wide range of risk-capital funds and geographies may significantly lower the risk to investors, as their exposure is diversified. Furthermore, the specialist expertise of a FoF's managers may well enable them to make better fund investment decisions than private- or public-sector investors could alone. In addition, specialist FoF managers with a good track-record tend to have an established client-base of institutional investors willing to invest in a FoF managed by a manager of repute, thus improving the volume and velocity of the investment pipeline. Also, as a VC or other fund seeking investments will have minimum commitment requirements that individual investors are often unable or unwilling to meet, a FoF's aggregating role could ease access to specific funds and markets and enable a better overall match between underlying funds and investors

³⁶ The indicative budget amount may be increased, in accordance with the level of demand, from other EU sources. However, if the amount finally agreed for 2017 is less than EUR 30 million, the remainder will be allocated to the 'Equity Facility for R&I'.

³⁷ This is a working title until a brand-name is agreed.

³⁸ See footnote 2 for definition.

³⁹ The indicative budget amounts may be increased, in accordance with the level of demand, from other EU sources. However, if a fund-of-fund investment is not made in 2016, the 2016 budget allocation will be allocated to the 'Equity Facility for R&I', and if the amount finally agreed is less than the amount allocated, the remainder will also be allocated to the 'Equity Facility for R&I'.

than would otherwise be the case. After an examination of these and other issues⁴⁰, EU funds may be invested in one or more funds-of-funds in the course of 2016 and 2017.

Expected impact: An increase in the risk capital available to invest in R&I-driven SMEs and small midcaps, with R&I-driven SMEs and small midcaps consequently able to develop and carry out a greater amount of R&I.

Type of Action: Financial Instrument

Indicative timetable: the indicative timetable will be decided in the first quarter of 2016.

Selection procedure: A call for expression of interest will be opened for FoF managers if a new FoF is to be established, and/or for FoFs if investments are to be made into existing FoFs.

Indicative budget: EUR 0.00 million from the 2016 budget (amount for the 2016 budget to be decided) and EUR 0.00 million from the 2017 budget (amount for the 2017 budget to be decided)

4. InnovFin Technology Transfer Financing Facility (TTFF)

The **InnovFin TTFF**⁴¹ pilot will co-finance investments made by existing technology transfer (TT) funds and vehicles. It focuses on TT undertaken via the creation of new companies and the licensing of intellectual property (IP), and concentrate on the proof-of-concept, development and early commercialisation stages of the TT process. Entities located in Member States or in Associated Countries⁴² are eligible as final beneficiaries. It is complemented by Progress-TT, a capacity-building and networking measure launched via Call H2020-CBTT-2014 of the Horizon 2020 Work Programme 2014-2015.

Co-financed investments take the form of equity and other forms of risk capital, particularly convertible loans or mezzanine finance. Where possible, these investments will themselves be made alongside matching funds from [place-holder for name of entrusted entity] as risk-sharing partners on, as a rule, an equal-risk, equal rewards basis.

Expected impact: A higher number and higher volume of TT investment deals in the EU should ensue, with a higher proportion of scientific knowledge produced in the EU commercialised. The indicators are the number of agreements signed with TT funds or vehicles and the number and volume of deals done.

Type of Action: Financial Instrument

Indicative timetable: Second quarter of 2016.

⁴⁰ In particular, taking into account the recommendations of the study *Assessing the Potential for EU Investment in Venture Capital Funds-of-Funds*, which was Action 11 in the 'Access to Risk Finance' part 6 of the Horizon 2020 Work Programme 2014-2015.

⁴¹ This is a working title until a brand-name is agreed.

⁴² Please see part A of the General Annexes.

Selection procedure: For TT funds and vehicles acting as financial intermediaries: a call for expression of interest will be opened.

Investments carried out by a TT fund or vehicle: according to the investment strategy of the fund or vehicle concerned.

Indicative budget: EUR 62.50 million from the 2016 budget

5. Expert Group on Philanthropic and Social Investments

This expert group will discuss how foundations can help foster R&I in Europe and improve access to risk finance. It will build on the results of the EUFORI study⁴³, which is quantifying and assessing foundations' financial support and policies for research and innovation in the EU, making a comparative analysis between EU Member States, and identifying trends and the potential for future developments in this sector. The group's findings will be an essential contribution to the design of a potential pilot financial instrument facility for launch in 2017/2018.

The experts concerned will be highly qualified, with specialist expertise in one or more of the following fields: philanthropy, social investments, banking, risk finance, financial engineering, SME finance, or finance for R&I. They will be selected on the basis of objective criteria. In order to attract experts of sufficiently high calibre, a special allowance of EUR 450/day will be paid to the experts appointed in their personal capacity who act independently and in the public interest.

Type of Action: Expert Contracts

Indicative timetable: First quarter of 2016

Indicative budget: EUR 0.25 million from the 2016 budget

6. Evaluation of proposals

This action will support the use of appointed independent experts for the monitoring of running projects, where appropriate.

Type of Action: Expert Contracts

Indicative budget: EUR 0.04 million from the 2016 budget

7. Interim Evaluation of Horizon 2020 Financial Instruments and Facilities

This evaluation will give feedback on the implementation of the InnovFin financial instrument products, including InnovFin Advisory, accompanying measures and external expertise services, implemented in 2014-2015, and provide recommendations for their improvement. The evaluation will assess the relevance and effectiveness of each product,

⁴³ See <http://euforistudy.eu/>

facility, sub-facility, measure or service with respect to helping achieve EU R&I-related policy objectives; their efficiency; their utility in addressing market deficiencies and sub-optimal investment situations; and their overall coherence of the facilities themselves. Coherence with respect to other financial instruments and facilities in the 2014-2020 Multiannual Financial Framework, particularly those implemented under COSME, will also be examined.

The evaluators will be required, in each case, to make a series of recommendations on how the design and functioning of each facility, and their coherence under Horizon 2020 and with the COSME facilities, can be improved. Particular attention will be paid to lessons learnt with respect to the viability, potential scaling-up (or otherwise) and evolution of pilot facilities.

These evaluations will provide a basis for reporting on the roll-out and initial achievements of the financial instrument facilities and for improving their design, potential scaling-up (in the case of the pilots) and future functioning.

Type of Action: Public Procurement - use of an existing framework contract – 1 specific contract

Indicative timetable: Third quarter of 2016

Indicative budget: EUR 0.40 million from the 2016 budget

8. Capacity-Building in Technology Transfer

Many technology transfer (TT) offices in universities, research institutes and other public research organisations, as well as a significant number of newly established TT funds and institutions and regions aspiring to set up such funds, lack staff with appropriate practical training and enough professional experience to make a success of the TT process in bringing promising R&D results to market via spin-outs or licensing. Encouraging and where appropriate incentivising the more established and experienced funds and TT offices (TTOs) to share their expertise and best practices with their less experienced counterparts will help boost Europe's ability to turn scientific knowledge into new, commercialised products and services. In addition, bringing the more established TT funds into contact with each other will help foster more cross-border investments.

The outcome of the 'ProgressTT' Coordination and Support Action launched under the Horizon 2020 Work Programme 2014-2015⁴⁴ must be taken into account.

Type of Action: Public Procurement - 1 service contract – new direct contract.

Indicative timetable: First quarter of 2017

Indicative budget: EUR 2.50 million from the 2017 budget

⁴⁴ CBBT-1-2014.

9. Boosting the Investment-Readiness of SMEs

Europe lags behind other regions in the commercialisation of R&I. Lack of early-stage investment is a major factor contributing to this situation. Facilitating the interaction of potential investors with innovative SMEs⁴⁵ participating in FP7 or Horizon 2020, together with preparing firms and entrepreneurs to negotiate more effectively with such investors, can help address this problem. In a complementary manner, investors can be trained to better understand the technologies and applications developed through FP7 and Horizon 2020 projects and thus make sounder decisions about their commercialisation potential.

The outcome of the 'InvestHorizon' Coordination and Support Action launched under the Horizon 2020 Work Programme 2014-2015 must be taken into account⁴⁶.

Type of Action: Public Procurement - 1 service contract – new direct contract.

Indicative timetable: First quarter of 2017

Indicative budget: EUR 2.50 million from the 2017 budget

10. Prizes Scheme in the "Access to Risk Finance" Domain

The aim of this scheme is to encourage good practices, innovations and professionalism in the 'Access to Risk finance' domain.

The scope and nature of the prize or prizes will be decided taking into account, amongst other things, the outcome of a feasibility study⁴⁷. Further details of the prize(s) will be provided during the course of 2016.

Indicative timetable of contest(s): 2017

Type of Action: Prize

The common Rules of Contest for Prizes are provided in part F of the General Annexes.

Indicative budget: EUR 0.50 million from the 2017 budget

11. Dutch Presidency Conference on the Role of Philanthropic and Social Investments in Fostering Responsible Research and Innovation

This 1 to 1½-day conference will focus on the role of philanthropic and social investments in tackling societal challenges⁴⁸ through responsible research and innovation, the potential of

⁴⁵ Small midcaps (see footnote 2 for definition) may be considered on a case-by-case basis if early-stage financing is needed to commercialise their R&D outputs.

⁴⁶ BIR-1-2014.

⁴⁷ *Feasibility Study for Prizes Scheme in the R&I 'Access to Risk Finance' Domain*, which was Action 12 in the 'Access to Risk Finance' part 6 of the Horizon 2020 Work Programme 2014-2015.

⁴⁸ For details of the Horizon 2020 Societal Challenges, see: <http://ec.europa.eu/programmes/horizon2020/en/h2020-section/societal-challenges>

research foundations to help tackle these challenges, and on the design of a potential tailored financial instrument, which could be piloted in 2017. The event will bring together policy-makers, financial intermediaries, foundations and representatives of the research, innovation and business communities.

Legal entities:

The Kingdom of the Netherlands or any entity designated by The Kingdom of the Netherlands under its responsibility for the implementation of the action

Type of Action: Grant to identified beneficiary - Coordination and support actions

The standard evaluation criteria, thresholds, weighting for award criteria and the maximum rate of co-financing for this type of action are provided in parts D and H of the General Annexes.

Indicative timetable: First quarter of 2016

Indicative budget: EUR 0.10 million from the 2016 budget

12. 'Innovative Enterprise Week 2016'

This 3 to 4-day conference, the 'Innovative Enterprise Week', will raise awareness of the potential for the financial instruments, facilities and accompanying measures launched, in particular, under Horizon 2020 to enhance access to finance for research and innovation. A particular focus will be the interactions possible between these instruments, COSME's, European Structural and Investment Funds (ESIF), and the European Fund for Strategic Investments (EFSI), as well as with instruments at national and local level. The event will include sessions on alternative finance, such as crowdfunding. It will bring together policy-makers, financial intermediaries and representatives of the research, innovation and business communities, including SMEs (especially young enterprises).

Legal entities:

The Kingdom of the Netherlands or any entity designated by The Kingdom of the Netherlands under its responsibility for the implementation of the action

Type of Action: Grant to identified beneficiary - Coordination and support actions

The standard evaluation criteria, thresholds, weighting for award criteria and the maximum rate of co-financing for this type of action are provided in parts D and H of the General Annexes.

Indicative timetable: First quarter of 2016

Indicative budget: EUR 0.30 million from the 2016 budget

13. 'Innovative Enterprise Week 2017'

This 3 to 4-day conference, the 'Innovative Enterprise Week', will raise awareness of the potential for the financial instruments, facilities and accompanying measures launched, in particular, under Horizon 2020 to enhance access to finance for research and innovation. A particular focus will be the interactions possible between these instruments, COSME's, European Structural and Investment Funds (ESIF), and the European Fund for Strategic Investments (EFSI), as well as with instruments at national and local level. The event will include sessions on alternative finance, such as crowdfunding. It will bring together policy-makers, financial intermediaries and representatives of the research, innovation and business communities, including SMEs (especially young enterprises).

Legal entities: to be determined in the course of 2016

Type of Action: Grant to identified beneficiary - Coordination and support actions

The standard evaluation criteria, thresholds, weighting for award criteria and the maximum rate of co-financing for this type of action are provided in parts D and H of the General Annexes.

Indicative timetable: during the course of 2017.

Indicative budget: EUR 0.30 million from the 2017 budget

Budget⁴⁹

	Budget line(s)	2016 Budget EUR million	2017 Budget EUR million
Calls			
H2020-CBBA-2016		2.50	
	<i>from 08.020202</i>	<i>2.50</i>	
Other actions			
Prize			0.50
	<i>from 08.020202</i>		<i>0.50</i>
Expert Contracts		0.29	
	<i>from 08.020202</i>	<i>0.29</i>	
Public Procurement		0.40	5.00
	<i>from 08.020202</i>	<i>0.40</i>	<i>5.00</i>
Grant to Identified beneficiary		0.40	0.30
	<i>from 08.020202</i>	<i>0.40</i>	<i>0.30</i>
Financial Instrument		335.00	407.50
	<i>from 08.020202</i>	<i>335.00</i>	<i>407.50</i>
Estimated total budget		338.59	413.30

⁴⁹ The budget figures given in this table are rounded to two decimal places.

The budget amounts for the 2016 budget are subject to the availability of the appropriations provided for in the draft budget for 2016 after the adoption of the budget 2016 by the budgetary authority or, if the budget is not adopted, as provided for in the system of provisional twelfths.

The budget amounts for the 2017 budget are indicative and will be subject to a separate financing decision to cover the amounts to be allocated for 2017.

