

**HORIZON 2020**  
**WORK PROGRAMME 2014–2015**

*6. Access to Risk Finance*

*Revised*

**This Work Programme was adopted on 10 December 2013. The parts that relate to 2015 (topics, dates, budget) have, with this revised version, been updated. The changes relating to this revised part are explained on the Participant Portal.**

*Consolidated version following*

*(European Commission Decision C(2014)9294 of 10 December 2014)*

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## ***Introduction***

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

The priority for 2014-2015 is, above all, to continue and build on activities that have proved their worth in supporting R&I in 2007-2013: the Risk-Sharing Finance Facility (RSFF) and the Risk-Sharing Instrument for SMEs (RSI) in the Seventh Framework Programme (FP7), together with GIF-1, the early-stage part of the High-Growth & Innovative SMEs Facility in the Competitiveness & Innovation Framework Programme (CIP)<sup>2</sup>. Horizon 2020's financial instrument facilities will operate in conjunction with those of COSME<sup>3</sup>, the successor to CIP.

The coming two years will also see a significant participation by Horizon 2020 in the proposed SME Finance Initiative; the launch of a pilot facility supporting the technology transfer process; and a new focus on improving access to risk finance by larger midcap firms<sup>4</sup>. In addition, firms of all sizes, together with other types of organisation, will be able to get advice on how to make themselves more attractive to banks and potential investors. And to help prepare for new developments, studies will look into how best to encourage more business angel and crowd-funding investments in R&I; into the potential for pan-European venture capital (VC) funds-of-funds; and at the possibilities for an EU prizes scheme.

As in the previous programmes, debt and equity facilities will be run in a demand-driven manner, though the priorities of particular sectors or of other EU programmes will be targeted if top-up funding is made available, including from managing authorities wishing to invest part of their European Structural & Investment Funds (ESIF) programme contribution<sup>5</sup>. The focus remains on attracting private investments into R&I. As before, firms and other entities located in the EU or in non-EU countries associated with Horizon 2020<sup>6</sup> are eligible as beneficiaries unless otherwise specified<sup>7</sup>.

The European Investment Bank (EIB) and the European Investment Fund (EIF) will play an important role, as entrusted entities, in implementing each financial instrument facility on

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<sup>1</sup> This also includes entities undertaking innovation procurements, as such procurements are a means of attracting additional private investments and improving the opportunities of firms investing in R&I to commercialise their products and services.

<sup>2</sup> Including the positive experience in the CIP with funding SMEs active in eco-innovation.

<sup>3</sup> COSME provides a) succeeding SMEG under CIP, 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) succeeding GIF-2 under CIP, an Equity Facility for Growth (EGF) to enhance the supply of risk capital to expansion and growth-stage enterprises.

<sup>4</sup> There is no official or widely accepted definition of 'midcaps' at present. 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. In line with the definition used in the 'SMEs' context, 'enterprises' are defined as in Article 1 of Title 1 of the Annex of Commission Recommendation 2003/361/EC (OJ L124, 20.05.2003, p. 36), and headcount is calculated in accordance with Articles 3, 4, 5 and 6 of Title 1 of the same Annex.

<sup>5</sup> This could be done 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.

<sup>6</sup> Please see part A of the General Annexes.

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

behalf of and in partnership with the European Commission<sup>8</sup>. For EIF, this role includes (as under FP7 and CIP) conducting calls for expressions of interest for selecting the financial intermediaries, such as banks and risk-capital funds, that will make the actual loans to or investments in SMEs and small midcaps. While EIB will make large loans directly, it will also be able to use financial intermediaries as well, particularly when supporting medium and large midcaps<sup>9</sup>. Exploratory talks 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 or funds that provide risk finance supported by the EU, please go to <http://access2finance.eu>

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<sup>8</sup> On 8 May 2014, the EU and EIB signed a Financial and Administrative Framework Agreements defining how they will cooperate in preparing, implementing and managing financial instruments administered by EIB with a financial contribution from the EU budget. On 28 May 2014, the EU and EIF signed an analogous framework agreement. On 12 June 2014, DG Research & Innovation and EIB/EIF signed a specific agreement laying down detailed provisions for implementing the financial instrument facilities of Horizon 2020.

<sup>9</sup> See footnote 4 for definition.

## Actions supporting Access to Risk Finance<sup>10</sup>

### *Financial instruments*<sup>11, 12</sup>

#### 1. Loans Service for R&I<sup>13</sup>

This financial instrument continues and refines the Risk-Sharing Finance Facility (RSFF) under FP7<sup>14</sup>, and offers loans and hybrid or mezzanine finance.

It aims to improve access to risk finance for R&I projects emanating from large firms and medium and large midcaps<sup>15</sup>; 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 projects<sup>16</sup>). Firms and other entities located in Member States or in Associated Countries<sup>17</sup> will be eligible as final beneficiaries<sup>18</sup>.

For medium and large midcaps, this facility will offer loans and hybrid or mezzanine finance of between EUR 7.5 million and EUR 25 million. A loan to a medium or large midcap of more than EUR 25 million will be considered on a case-by-case basis. For large firms, loans of between EUR 25 million and EUR 300 million will be available. A loan to a large firm of less than EUR 25 million will be considered on a case-by-case basis. For the other entities mentioned above, loans from EUR 7.5 million to EUR 300 million will be available.

The European Investment Bank (EIB) and the European Investment Fund (EIF) will implement this instrument, which will be delivered both directly by EIB and also by financial intermediaries (such as banks). Financial intermediaries will be guaranteed against a proportion of their potential losses by EIB and/or EIF, which will also offer counter-guarantees to guarantee institutions. This is a demand-driven instrument, with no prior allocations between sectors, countries or regions, or types or sizes of firm or other entities.

Expected impact: This instrument will help address sub-optimal investment situations stemming from poor prospects within firms or other entities for the creation or

<sup>10</sup> The budget amounts for 2015 are subject to the availability of the appropriations provided for in the draft budget for 2015 after the adoption of the budget for 2015 by the budgetary authority or if the budget is not adopted as provided for in the system of provisional twelfths.

<sup>11</sup> The budget amounts for 2014 and 2015 of 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 financial instruments, in compliance with Article 52.2 of Regulation (EU) No 1290/2013.

<sup>12</sup> The budget amounts for 2014 and 2015 of the Horizon 2020 financial instruments in this work programme will be increased by the amounts of revenues and annual repayments generated by the FP7 RSFF and the CIP GIF1 and assigned to the Horizon 2020 financial instruments succeeding the FP7 RSFF and the CIP GIF1, in compliance with Article 52.3 of Regulation (EU) No 1290/2013.

<sup>13</sup> The names for the first facilities under this instrument succeeding the FP7 RSFF are InnovFin Large Projects, InnovFin MidCap Growth Finance, and InnovFin MidCap Guarantee.

<sup>14</sup> See <http://www.eib.org/products/rsff/>

<sup>15</sup> See footnote 4 for definition.

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

<sup>17</sup> Please see part A of the General Annexes.

<sup>18</sup> 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.

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.

Indicative timetable: This instrument is likely to be available from the second quarter of 2014. To stay informed, please see <http://access2finance.eu>

Selection procedure: For financial intermediaries: EIF will issue one or more calls for expression of interest, with eligibility and selection criteria defined as part of each call after consultation with DG Research & Innovation.

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

For direct financing operations: EIF will check the financial viability of a potential financing operation, while DG Research & Innovation, assisted by other Commission DGs, will check its alignment with the goals of Horizon 2020 (particularly the Societal Challenges).

Indicative budget: EUR 483.00 million from the 2014 budget<sup>19, 20</sup> and EUR 97.50 million from the 2015 budget.

## **2. SMEs & Small Midcaps R&I Loans Service<sup>21</sup>**

This is a guarantee facility. It succeeds and refines the RSI pilot under the RSFF in FP7<sup>22</sup>, and is part of a single debt financial instrument supporting the growth of enterprises and their R&I activities. It targets R&I-driven SMEs and small midcaps<sup>23</sup> requiring loans of between EUR 25 000 and EUR 7.5 million. A loan of more than EUR 7.5 million will 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 Countries<sup>24</sup> will be eligible as final beneficiaries.

The European Investment Fund (EIF) will implement this facility by providing direct guarantees to financial intermediaries (such as banks), who will extend the actual loans to final beneficiaries. The guarantee will cover 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 will also offer counter-guarantees to financial intermediaries (such as guarantee institutions) providing risk protection to banks 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.

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<sup>19</sup> This amount includes EFTA appropriations for 2014 and is subject to the outcome of discussions on the budget profile.

<sup>20</sup> Of which EUR 375 million of revenues and annual repayments generated by FP7 RSFF and assigned to the Loans Service for R&I succeeding the FP7 RSFF.

<sup>21</sup> The name for this first facility under this instrument succeeding the RSI pilot under the FP7 RSFF is InnovFin SME Guarantee.

<sup>22</sup> See [http://www.eif.org/what\\_we\\_do/guarantees/RSI/index.htm](http://www.eif.org/what_we_do/guarantees/RSI/index.htm)

<sup>23</sup> See footnote 4 for definition.

<sup>24</sup> Please see part A of the General Annexes.

However, the Commission will incentivise EIF to make a particular effort to ensure that a significant proportion of final beneficiaries are eco-innovative SMEs and small midcaps.

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.

Indicative timetable: This facility is likely to be available from the second quarter of 2014. To stay informed, please see <http://access2finance.eu>

Selection procedure: For financial intermediaries: EIF will issue one or more calls for expression of interest, with eligibility and selection criteria defined as part of each call after consultation with DG Research & Innovation.

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 106.12 million from the 2014 budget<sup>25</sup> and EUR 101.10 million from the 2015 budget.

### ***Additional participation mechanism***

#### **2.1 Joint Guarantee Instruments for R&I-intensive SMEs and Small Midcaps**

These instruments are part of a proposed EU SME Finance Initiative that will use funds from COSME, Horizon 2020 and European Structural & 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 midcaps<sup>26</sup>.

Expected impact: R&I-driven SMEs and small midcaps able to carry out a greater amount of R&I. Indicators and targets will be set during the third quarter of 2014.

Indicative timetable: These instruments are likely to be available in the fourth quarter of 2014. To stay informed, please see <http://access2finance.eu>

Selection procedure: For Horizon 2020, contractual arrangements will ensure that access to public guarantees for partner banks<sup>27</sup> 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 2014 budget<sup>28</sup> and EUR 21.00 million from the 2015 budget.

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<sup>25</sup> This amount includes EFTA appropriations for 2014 and is subject to the outcome of discussions on the budget profile.

<sup>26</sup> See footnote 4 for definition.

<sup>27</sup> Including both commercial and promotional banks.

<sup>28</sup> If this facility does not start in 2014, the 2014 budget allocation will be allocated to the 'SMEs & Small Midcaps R&I Loans Service'. 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' (successor of RSI).

### 3. Equity Facility for R&I<sup>29</sup>

This facility succeeds and refines the GIF-1 scheme under CIP<sup>30</sup>, and is part of a single equity financial instrument supporting the growth of enterprises and their R&I activities. It is designed to improve access to risk finance by early-stage R&I-driven SMEs and small midcaps<sup>31</sup> 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 Countries<sup>32</sup> will be eligible as final beneficiaries. The COSME programme's Equity Facility for Growth (EFG) complements this facility.

The European Investment Fund (EIF)<sup>33</sup> will make and manage equity investments into risk-capital funds. EIF will be able to invest in a wide range of financial intermediaries, including those cooperating with business angels. The funds concerned will make VC and quasi-equity (including mezzanine capital) early-stage investments in enterprises, which are likely to be 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. However, subject to the successful conclusion of negotiations, the Commission will incentivise EIF to make a particular effort to ensure that a significant proportion of final beneficiaries are eco-innovative SMEs and small midcaps. 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. Targets will be set during negotiations with EIF.

**Indicative timetable:** This facility is likely to be available from the fourth quarter of 2014. To stay informed, please see <http://access2finance.eu>

**Selection procedure:** For risk-capital funds acting as financial intermediaries: EIF will issue one or more calls for expression of interest, with eligibility and selection criteria defined as part of each call after consultation with DG Research & Innovation.

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

**Indicative budget:** EUR 40.00 million from the 2014 budget<sup>34,35</sup> and EUR 50.00 million from the 2015 budget.

<sup>29</sup> The name for this first facility under this instrument succeeding the CIP GIF1 will be InnovFin SME Venture Capital.

<sup>30</sup> See [http://ec.europa.eu/cip/eip/access-finance/index\\_en.htm](http://ec.europa.eu/cip/eip/access-finance/index_en.htm)

<sup>31</sup> See footnote 4 for definition.

<sup>32</sup> Please see part A of the General Annexes.

<sup>33</sup> Subject to the successful conclusion of negotiations.

<sup>34</sup> This amount includes EFTA appropriations for 2014 and is subject to the outcome of discussions on the budget profile.

<sup>35</sup> If this facility does not start in 2014, the 2014 budget allocation will be allocated to the 'SMEs & Small Midcaps R&I Loans Service'. However in that case, the 2015 budget allocation of this facility will be



**Equity Facility window****3.1 Piloting Co-Investments by Business Angels in Innovative ICT Firms<sup>36</sup>**

This pilot scheme will co-finance investments by business angels in innovative SMEs and small midcaps<sup>37</sup> that are aiming to commercialise new ICT-related products and services. Potential co-investors with business angels include family offices and equity crowd-funders. The domains of photonics, microelectronics, microsystems and robotics, and also the ICT-related creative industries, will receive particular attention. The scheme might 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. ICT-related investments should represent at least 50% of the total investments made. The Commission will incentivise the entity entrusted with implementing the pilot to make a particular effort, including targeted awareness-raising, to ensure that a significantly higher proportion of investments are ICT-related.

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

Indicative timetable: This instrument is likely to be available in 2015. To stay informed, please see <http://access2finance.eu>

Selection procedure: Under discussion with the entity who may be entrusted with implementing the pilot scheme.

Indicative budget: EUR 30.00 million from the 2015 budget<sup>38</sup>.

**4. Technology Transfer Financing Facility Pilot<sup>39</sup>**

This pilot facility will co-finance investments made by existing technology transfer (TT) funds and vehicles. It will focus 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. It builds on experience gained from the Technology Transfer Pilot (TTP) implemented in 2007-2013 by the European Investment Fund (EIF) and from the investments in TT funds made by EIF under GIF-1 in CIP. Entities located in Member States or in Associated Countries<sup>40</sup> will be eligible as final beneficiaries. It is complemented by a capacity-building and networking measure, Call H2020-CBTT-2014.

Co-financed investments will take the form of equity and other forms of risk capital, particularly convertible loans or mezzanine finance. Where possible, these investments will

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increased and the 2015 budget allocation to the 'SMEs & Small Midcaps R&I Loans Service' decreased by EUR 40.00 million.

<sup>36</sup> This name is a placeholder. A name will be proposed soon.

<sup>37</sup> See footnote 4 for definition.

<sup>38</sup> EUR 15.00 million from the budget line for 'Access to Risk Finance', and EUR 15.00 million from the budget line for 'Leadership in Enabling and Industrial Technologies / ICT'. If there is a significant lack of take-up by 30 June 2015, remainder funds will be reallocated to each of these budget-lines equally (the funds relating to the budget-line for 'Access to Risk Finance' would then be reallocated to the 'Equity Facility for R&I', i.e. the successor of GIF-1).

<sup>39</sup> This name is a placeholder. A name will be proposed soon.

<sup>40</sup> Please see part A of the General Annexes.

themselves be made alongside matching funds from the European Investment Bank (EIB)<sup>41</sup> and/or EIF<sup>42</sup> 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. Targets will be set during negotiations with EIB and EIF.

Indicative timetable: This facility is likely to be available from 2015. To stay informed, please see <http://access2finance.eu>

Selection procedure: For TT funds and vehicles acting as financial intermediaries: one or more calls for expression of interest conducted by the entity entrusted by the Commission with implementing the facility, with eligibility and selection criteria defined as part of each call after consultation with DG Research & Innovation.

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

Indicative budget: EUR 62.00 million from the 2015 budget<sup>43</sup>.

### *External expertise*

## **5. Technical and Financial Advisory Service for Risk Finance in R&I**

This service aims to improve the 'bankability' and investment-readiness of large, complex projects suffering from sub-optimal investment conditions and needing substantial, long-term investments in order to come to fruition. It will also provide assistance in improving framework conditions that facilitate access to risk finance for R&I. It succeeds and builds on a pilot operated under the Risk-Sharing Finance Facility (RSFF) in FP7<sup>44</sup>. The main clients foreseen are R&I-driven larger midcaps, large companies, and large or complex operations producing products or services of societal importance (in the sense of Horizon 2020's Societal Challenges) or that constitute a public good.

Legal entity: European Investment Bank, established at 98-100, boulevard K. Adenauer, L-2950 Luxembourg, Grand Duchy of Luxembourg.

Type of action: 7-year Framework Partnership Agreement with identified beneficiary and first specific grant agreement to identified beneficiary for a Coordination & Support Action under the Framework Partnership Agreement..

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: second quarter of 2014.

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<sup>41</sup> Subject to the successful conclusion of negotiations.

<sup>42</sup> Subject to the successful conclusion of negotiations.

<sup>43</sup> If the Technology Transfer Financing Facility Pilot does not start in 2015, the budget will be reallocated to the other financial instruments according to the level of demand. If the budget necessary appears to be lower, the remainder will also be reallocated to the other financial instruments according to the level of demand.

<sup>44</sup> See <http://www.eib.org/products/rsff/>

Indicative budget: EUR 16.00 million from the 2014 budget<sup>45</sup>.

## **6. Evaluation of proposals**

This action will support the use of appointed independent experts for the evaluation of proposals stemming from calls for proposals and, where appropriate, for the monitoring of running projects.

Type of action: expert contracts.

Indicative budget: EUR 0.04 million from the 2014 budget.

## **7. Maximising the take-up of financial instruments**

This action will be undertaken via the existing Advisory Group on Access to Risk Finance to provide inputs on maximising the take up of financial instruments under Horizon 2020 by financial intermediaries and final beneficiaries, and in particular by SMEs participating in the SME Instrument and other Horizon 2020 instruments. Activities supported by the action will include, but will not be limited to, assessments and ad hoc studies (via public procurement) and expert consultations to reinforce the evidence base. The activities carried out via the Advisory Group will be essential to the implementation and monitoring of the financial instruments implemented under Horizon 2020. The advice provided via expert consultations (which will be in addition to the advice provided by the Advisory Group) will focus on fostering the engagement of financial intermediaries, without which the financial instruments will not reach their objectives. The experts concerned will be highly qualified, with specialist expertise in one or more of the following fields: banking, investments, risk finance, financial engineering, or SME finance. They will be selected on the basis of objective criteria. In order to attract experts of sufficiently high calibre, a special allowance of €450/day will be paid to highly qualified, specialists appointed in their personal capacity who act independently and in the public interest.

Type of action: public procurement (framework contract or direct contracts), with indicatively up to six contracts; expert contracts.

Indicative timetable: 2015.

Indicative budget: EUR 0.05 million from the 2015 budget.

## ***Studies***

### **8. Understanding the Intellectual Property Aggregation Marketplace**

This study aims to improve our understanding of what is happening in the EU in this area and to make recommendations for helping build an EU patents and licensing market. It should survey and analyse intellectual property (IP) aggregation initiatives (such as funds, brokerages and patent pools) in the EU and other regions, and describe the extent of any market deficiencies and recommend possible interventions at EU level to encourage more IPR transactions for the benefit of European players.

The precise scope of the study will depend on the findings of an ongoing expert group which is looking, amongst other things, at the conditions that could justify the creation of an EU patent fund.

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<sup>45</sup> This budget will cover a maximum four years of operation.

If duly justified, the study should make recommendations for EU-level intervention to remedy market deficiencies in the IP aggregation marketplace.

Type of action: public procurement.

Indicative timetable: first quarter of 2015.

Indicative budget: EUR 0.25 million from the 2015 budget.

## **9. Understanding the Nature and Impact of Crowd-Funding in R&I**

This study should produce a comprehensive picture of what is happening in this rapidly developing area and pave the way for possible EU-level action in 2015/2016.

It will require the design of a data-capture methodology, surveys, desk-research, and workshops, and should cover all EU Member States and countries associated with Horizon 2020. Close liaison will be necessary with the operators of crowd-funding platforms and the emerging pan-European crowd-funding representative bodies. As regulatory constraints on crowd-funding may be significant, the study should also investigate existing and likely forthcoming national regulatory frameworks and the views of national regulators. Relationships and potential relationships between venture capitalists, business angels and crowd-funding investors should be a particular focus, and the study must build on earlier studies undertaken by the Commission in the same domain. It should also take account of the findings of the Commission's public consultation on crowd-funding launched in October 2013<sup>46</sup>, and take note of the Communication on crowdfunding adopted in March 2014<sup>47</sup>.

Building on the evidence-base produced by previous studies, this study should deliver a more comprehensive picture of the potential for crowd-funding investors to improve access to risk finance in the EU for, in particular, SMEs and small midcaps, together with recommendations for action at EU, national and regional levels.

Type of action: public procurement.

Indicative timetable: third quarter of 2014.

Indicative budget: EUR 0.375 million from the 2014 budget<sup>48</sup>.

## **10. Understanding the Nature and Impact of Business Angel Funding in R&I**

This study should produce a comprehensive picture of what is happening in this rapidly developing area and pave the way for possible EU-level action in 2015/2016.

It will require the design of a data-capture methodology, surveys, desk-research, and workshops, and should cover all EU Member States and countries associated with Horizon 2020. Close liaison will be necessary with the European Business Angels Network (EBAN) and Business Angels Europe (BAE). As regulatory issues may be significant, the study should also investigate existing and likely forthcoming national regulatory frameworks and the views of national regulators. Relationships and potential relationships between venture capitalists, business angels and crowd-funding investors should be a particular focus, and the study must build on earlier studies undertaken by the Commission in the same domain.

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<sup>46</sup> Please see

[http://ec.europa.eu/internal\\_market/consultations/2013/crowdfunding/index\\_en.htm](http://ec.europa.eu/internal_market/consultations/2013/crowdfunding/index_en.htm)

<sup>47</sup> [http://ec.europa.eu/internal\\_market/finances/crowdfunding/index\\_en.htm](http://ec.europa.eu/internal_market/finances/crowdfunding/index_en.htm)

<sup>48</sup> This amount includes EFTA appropriations for 2014 and is subject to the outcome of discussions on the budget profile.

Building on the evidence-base produced by previous studies, this study should deliver a more comprehensive picture of the potential for business angels to improve access to risk finance in the EU for, in particular, SMEs and small midcaps, together with recommendations for action at EU, national and regional levels.

Type of action: public procurement.

Indicative timetable: first quarter of 2015.

Indicative budget: EUR 0.375 million from the 2014 budget<sup>49</sup>.

### **11. Assessing the Potential for EU Investment in Venture Capital Funds-of-Funds**

The Commission aims to make the European venture capital (VC) industry more self-sustainable and globally competitive by reducing its dependence on the public sector and encouraging more investments from institutional and private sources, especially into early and growth-stage funds. Funds-of-funds (FoFs) have the potential to act as intermediaries between such investors and VC and other risk-capital funds investing in SMEs and small midcaps.

In this light, this study should assess the potential for the EU to invest in and/or play a role in setting up one or more public-private, pan-European FoFs.

The range of possible structures and of risk-sharing and other mechanisms for such FoFs is wide: the study should research and evaluate the options and assess the technical, budgetary and other trade-offs between them, with particular reference to the risks of crowding-out private investors. The study must also compare the pros and cons of appointing professional FoF managers versus managers from the public sector. The options analysed should include the possibility of the EU investing in existing regional, national or transnational FoFs. The study should make use of both case-studies analysis and simulation models, amongst other methods, and draw on evaluations of and academic research into public-private VC fund structures in Europe and elsewhere. Possible schemes must be attractive for private and institutional investors, help meet the policy objective, and be capable of operation under the rules governing the execution of the annual budget of the EU (i.e., the Financial Regulation).

The study should deliver recommendations for potential EU-level action, if any, starting in 2016 following preparations in 2015.

Type of action: public procurement.

Indicative timetable: third quarter of 2014.

Indicative budget: EUR 0.27 million from the 2014 budget<sup>50</sup>.

### **12. Feasibility Study for Prizes Scheme in the R&I 'Access to Risk Finance' Domain**

The aim of this study is to help inform a decision on whether, and if so on what basis, to set up and launch a prizes scheme to encourage good practices, innovations and professionalism in the 'Access to Risk Finance' domain.

The study should survey and analyse existing and prominent former prizes schemes in this domain, covering schemes managed or sponsored by Commission departments and by trade or industry federations or other bodies, and including those operating at pan-European, transnational, and national levels in the EU Member States and in the countries associated

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<sup>49</sup> This amount includes EFTA appropriations for 2014 and is subject to the outcome of discussions on the budget profile.

<sup>50</sup> This amount includes EFTA appropriations for 2014 and is subject to the outcome of discussions on the budget profile.

with Horizon 2020. The survey should form the basis for a gap and market analysis, including a description of best practices and lessons learnt. From this, the study should identify the potential for establishing one or more new prizes; develop and assess implementation, management and financial options (including an analysis of the risks of crowding-out existing schemes); and make recommendations. Close contact with trade and industry federations operating in the R&I domain will be required.

This study will form a key part of the evidence-base for deciding whether, and if so how, to set up a prizes scheme in 2015/2016 in the 'Access to Risk Finance' domain.

Type of action: public procurement.

Indicative timetable: second quarter of 2015.

Indicative budget: EUR 0.20 million from the 2015 budget.

### ***Conferences***

#### **13. Greek Presidency Conference on Access to Finance for Research, Innovation and Growth**

This 1½-day conference will raise awareness of the potential for the financial instruments, facilities and accompanying measures launched under Horizon 2020 to enhance access to finance for research, innovation and growth. A particular focus will be the interactions possible between these instruments, COSME's, and European Structural & Investment Funds (ESIF), as well as with instruments at national and local level. The event will bring together policy-makers, financial intermediaries and representatives of the research, innovation and business communities.

Legal entity: Foundation for Research and Technology Hellas (FORTH), established at 100 N. Plastira Str., Vassilika Vouton, Heraklion GR 71110, Greece.

Type of action: grant to identified beneficiary - coordination and support action

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: second quarter of 2014.

Indicative budget: EUR 0.10 million from the 2014 budget.

#### **14. Latvian Presidency Conference on Access to Finance for Research, Innovation and SMEs**

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 under Horizon 2020 to enhance access to finance for research, innovation and SMEs. A particular focus will be the interactions possible between these instruments, COSME's, and European Structural & Investment Funds (ESIF), as well as with instruments at national and local level. The event will bring together policy-makers, financial intermediaries and representatives of the research, innovation and business communities.

Legal entity: JSC, *Attīstības finanšu institūcija*, Smilšu street 1, Riga, LV 1050, Latvia

Type of action: grant to identified beneficiary - coordination and support action

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.

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Access to Risk Finance

Indicative timetable: second quarter of 2015.

Indicative budget: EUR 0.35 million from the 2015 budget.

## Call — Capacity-Building in Technology Transfer

H2020-CBTT-2014

Proposals are invited against the following topic:

### CBTT-1-2014: Capacity-Building in Technology Transfer

Specific challenge: 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.

Scope: Proposals should take account of the a) TT landscape, players and dynamics in the Member States and the countries associated with Horizon 2020 and b) the supply and demand of TT expertise in addressing:

- 1) Development of a capacity-building strategy and consequent implementation plan that makes use of techniques such as (but not necessarily limited to) secondments, coaching, mentoring, workshops, courses, training materials, social media and other forms of exchanging and transferring best practices.
- 2) The validation of the implementation plan by stakeholders.
- 3) The execution of the implementation plan.

The approach taken should complement and ideally build on or integrate with existing capacity-building schemes at EU, regional and national levels, working with them where possible. The proposal should also address how best to monitor and possibly adapt the scheme in the light of experience.

Proposers must have and must demonstrate deep knowledge of the TT domain with proven experience in the field, and also significant experience of capacity-building. This action will be linked via DG Research & Innovation with the implementation of the TT Funding Facility pilot (see action 4 above).

All intellectual property rights (IPR) pertinent to the materials, trainings, websites and other actions developed by the project will be owned by the Commission and will be shared with other EU-funded TT and IPR support measures.

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

Expected impact:

- Sustainable, comprehensive strategy for building capacity in TT across Europe.
- Higher levels of TT expertise in Europe.
- Greater commercialisation of scientific knowledge in Europe.
- Increase in cross-border TT-related investments in Europe.

Type of action: Coordination and support actions.

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



***CONDITIONS FOR THIS CALL***

Publication date: 11/12/2013

Deadline: 15/04/2014 at 17.00.00 Brussels time<sup>51</sup>

Indicative budget: EUR 2.50 million from the 2014 budget - Single stage

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. The full evaluation procedure is described in the relevant guide associated with this call.

- Indicative timetable for evaluation and grant agreement:

Information on the outcome of the evaluation	Indicative date for the signing of grant agreements
Maximum 5 months from the final date for submission	Maximum 3 months from the date of informing applicants

Consortium agreements: In line with the Rules for Participation and the Model Grant Agreement, participants in Research and Innovation Actions are required to conclude a consortium agreement prior to grant agreement.

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<sup>51</sup> The Director-General responsible may delay this deadline by up to two months.

## Call — Boosting the Investment-Readiness of SMEs and Small Midcaps

**H2020-BIR-2014**

Proposals are invited against the following topic:

### **BIR-1-2014: Boosting the Investment-Readiness of SMEs and Small Midcaps**

Specific challenge: Europe lags behind other regions in technology transfer and 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 SMEs and small midcaps<sup>52</sup> 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.

Scope: Proposals should at minimum address:

- 1) A survey of the major investment-readiness (training and pitching events) schemes in Europe, including those launched under FP7, such as the 'ICT Finance Marketplace' and 'European Investor Gate' initiatives.
- 2) An analysis of lessons to be learnt from the above (proposals are expected to build on and reinforce the outcome of these schemes).
- 3) The training of entrepreneurs (as the key focus of this action) and the sensitisation of investors.
- 4) The planning and execution of pitching events.
- 5) Strategies for involving a wide range of early-stage investors, including, at minimum, business angels, family offices and venture capitalists.

The main domains attracting equity investments for R&I — such as cleantech, ICT and medtech — should be targeted, along with a generic approach to other domains.

Proposers must have and must demonstrate a significant track-record in the investment-readiness field and also in-depth knowledge of early-stage investment.

DG Research & Innovation will ensure that companies taking part in Horizon 2020's SME Instrument have fast-track access to this investment-readiness scheme, which will also be linked to action 5 above.

Expected impact:

- Better overview of the investment-readiness landscape in Europe.
- More entrepreneurs better prepared to negotiate effectively with potential investors.
- More investors with a better understanding of the commercialisation potential of technologies and applications developed through FP7 and Horizon 2020 projects.
- More investments made into early-stage firms.
- Greater commercialisation of scientific knowledge in Europe.

Type of action: Coordination and support actions.

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<sup>52</sup> See footnote 4 for definition.

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

***CONDITIONS FOR THIS CALL***

Publication date: 11/12/2013

Deadline: 15/04/2014 at 17.00.00 Brussels time<sup>53</sup>

Indicative budget: EUR 2.50 million from the 2014 budget - Single stage

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. The full evaluation procedure is described in the relevant guide associated with this call.

- Indicative timetable for evaluation and grant agreement:

Information on the outcome of the evaluation	Indicative date for the signing of grant agreements
Maximum 5 months from the final date for submission	Maximum 3 months from the date of informing applicants

Consortium agreements: In line with the Rules for Participation and the Model Grant Agreement, participants in Research and Innovation Actions are required to conclude a consortium agreement prior to grant agreement.

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<sup>53</sup> The Director-General responsible may delay this deadline by up to two months.

## Budget

<b>Calls</b>	<i>2014 Budget EUR million<sup>54</sup></i>	<b>2015<sup>55</sup> Budget EUR million</b>
Call H2020-CBTT-2014 Capacity-Building in Technology Transfer	2.50 <i>from 08.020202</i>	–
Call H2020-BIR-2014 Boosting the Investment-Readiness of SMEs and Small Midcaps	2.50 <i>from 08.020202</i>	–

<b>Other Actions</b>	<i>2014 Budget EUR million<sup>56</sup></i>	<b>2015<sup>57</sup> Budget EUR million</b>
Financial instruments	650,12 <sup>58</sup> <i>from 08.020202</i>	346.60 <sup>59</sup> <i>from 08.020202</i>
Experts (expert evaluators, experts groups, monitors)	0.04 <i>from 08.020202</i>	0.05 <i>from 08.020202</i>
Grant to identified beneficiary	16.10 <i>from 08.020202</i>	0.35 <i>from 08.020202</i>
Public procurement	1.02 <i>from 08.020202</i>	0.45 <i>from 08.020202</i>

<b>Estimated total budget</b>	672.28	<b>347.45</b>
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<b>Contribution to Horizontal activities (08.020500)</b>	<i>2014 Budget EUR million<sup>60</sup></i>	<b>2015<sup>61</sup> Budget EUR million</b>

<sup>54</sup> The budget figures given in this table are rounded to two decimal places.

<sup>55</sup> The budget amounts for 2015 are subject to the availability of the appropriations provided for in the draft budget for 2015 after the adoption of the budget for 2015 by the budgetary authority or if the budget is not adopted as provided for in the system of provisional twelfths.

<sup>56</sup> The budget figures given in this table are rounded to two decimal places.

<sup>57</sup> The budget amounts for 2015 are subject to the availability of the appropriations provided for in the draft budget for 2015 after the adoption of the budget for 2015 by the budgetary authority or if the budget is not adopted as provided for in the system of provisional twelfths.

<sup>58</sup> Of which EUR 375 million of revenues and annual repayments generated by FP7 RSFF and assigned to the Loans Service for R&I succeeding the FP7 RSFF.

<sup>59</sup> To which EUR 15 million from Leadership in 'Information and Communication Technologies' (budget line 09.040201) will be added, making a total of EUR 362.01 million for this action. This amount may be sub-delegated to budget line 08.020202 or directly transferred to the entrusted entity.

<sup>60</sup> The budget figures given in this table are rounded to two decimal places.

**HORIZON 2020 – WORK PROGRAMME 2014-2015**

Access to Risk Finance

Dissemination activities (see Part 17 of the work programme)	0.28	<u>-0.29</u>
Corporate communication (see Part 17 of the work programme)	0.15	-
<b>Estimated total budget for the horizontal activities</b>	<b>0.43</b>	<b>0.29</b>

<b>Estimated total budget including horizontal activities</b>	<b>672.71<sup>62</sup></b>	<b>347.75</b>
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<sup>61</sup> The budget amounts for 2015 are subject to the availability of the appropriations provided for in the draft budget for 2015 after the adoption of the budget for 2015 by the budgetary authority or if the budget is not adopted as provided for in the system of provisional twelfths.

<sup>62</sup> As a result of a technical budgetary amendment to the Multiannual Financial Framework (MFF) in order, in particular, to support the European Investment Fund's (EIF) capital increase, the whole 'Access to Risk Finance' budget for the period 2014-2020 will be decreased by EUR 60 million, starting in 2014.