



EUROPEAN
COMMISSION

European
Research Area

Banking on Research, Banking for Research Risk-Sharing Finance Facility (RSFF)

innovative loans for innovative ideas



RISK-SHARING FINANCE FACILITY (RSFF):
DEVELOPED BY THE EUROPEAN COMMISSION AND THE EUROPEAN INVESTMENT BANK (EIB)



more and better funding for Research and Development

Investment in research and innovation is a key factor to improve competitiveness and ensure long-term economic growth and employment in Europe.

Under the Lisbon Strategy, Europe has set the goal to become the most competitive and dynamic knowledge-based economy in the world.

The Risk-Sharing Finance Facility (RSFF) is a new way to boost investment in research, technological development, demonstration and innovation (RDI) in Europe.

The European Commission and the European Investment Bank (EIB) have joined forces to set up this innovative debt-based facility.

> objective:

To improve access to debt financing for promoters of research and innovation investments.

> how?

RSFF is built on the principle of **risk-sharing between the European Community and the EIB**. It will cover, through capital allocation and provision, the risks borne by the EIB when lending directly to the promoter, or when guaranteeing loans made by financial intermediaries (e.g. banks in Member States and Associated Countries).

> how much?

The European Union and the EIB will each provide up to EUR 1 billion for the period 2007-2013. Through a leverage effect, this contribution will underpin the expected loans and guarantees by the EIB of approximately **EUR 10 billion**.



Risk-Sharing Finance Facility (RSFF)

> for whom?

- For **private and public legal entities** promoting activities in the field of RDI, including SMEs, larger companies, universities and research organisations. RSFF extends the ability of the EIB to provide loans or guarantees to entities with a low or sub-investment grade;
- For **financial intermediaries** willing to extend their lending capacities. RSFF enhances their ability to develop new financial products in order to overcome the market's weaknesses;
- For **projects resulting from European research initiatives**, such as Research Infrastructures, European Technology Platforms, Joint Technology Initiatives and Eureka.

> where?

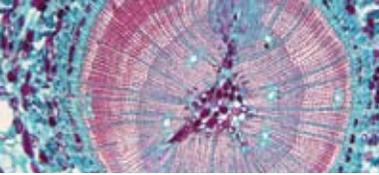
Legal entities and financial intermediaries established in European Union **Member States¹** and **Associated Countries²**

> when?

RSFF can be used for financing investment projects which start within the timeframe of the Seventh Framework Programme (2007 – 2013).

¹ Member States: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

² For a comprehensive list of Associated Countries, please refer to: http://cordis.europa.eu/fp7/who_en.html#countries



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> what can be financed?

Eligible and viable investments promoted by creditworthy counterparts, whose activities contribute to the **European research priorities**.

RSFF can support a **wide range of RDI activities**, including:

- Basic or Fundamental Research
- Applied or Industrial Research
- Experimental or Pre-competitive development
- Definition stage or feasibility studies
- Pilots and Demonstration activities.

RDI investments eligible for RSFF finance include investments in **tangible assets** (i.e. construction costs and equipment), as well as **intangibles** (i.e. salaries for researchers, working capital). RSFF finance can cover up to 50% of eligible RDI investments.

Projects to be financed by the EIB need to be technically, economically, financially and environmentally feasible according to the **European Investment Bank's project evaluation criteria**.



Risk-Sharing Finance Facility (RSFF)

> how to access?

There are no formal requirements to apply for RSFF financing.

For projects with a total project cost of EUR 15 million and above, the Bank can be contacted directly:

- **via EIB's Head Offices in Luxembourg**

100, bvd Konrad Adenauer
L-2950 Luxembourg
RDI@eib.org

- **via EIB's European External Offices** located in Austria, Belgium, France, Germany, Greece, Italy, Poland, Portugal, Spain and the United-Kingdom.

For the financing of small and medium sized RDI projects (project cost of less than EUR 15 million) and enterprises, the EIB is cooperating with a large number of financial intermediaries, through which smaller loans can be made available.

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The Seventh Framework Programme (FP7) bundles all research-related initiatives of the European Union together under a common roof, playing a crucial role in reaching the goals of growth, competitiveness and employment.

With a maximum budget of just over EUR 50 billion for the period 2007 – 2013, FP7 is the main financial tool through which the European Union supports research and development activities covering almost all scientific disciplines.

The Risk-Sharing Finance Facility is a new financing instrument supported by the Seventh Framework Programme.

- > <http://cordis.europa.eu/fp7>
- > <http://www.ec.europa.eu/invest-in-research>

The task of the **European Investment Bank**, the European Union's financing institution, is to finance projects furthering European integration and promoting EU policies.

Since 2000, the financing of innovation and the links between knowledge creation and the market has been a key priority for the Bank. In view of the success of the initial Innovation 2000 Initiative (i2i), the EIB's Board of Governors has approved the renewed programme under the name of the Knowledge Economy (i2i) on a permanent basis.

Within the scope of Knowledge Economy (i2i), the EIB intends to concentrate on three priority areas:

- Research & Development
- Innovation
- Education and training

The European Investment Fund (EIF) contributes to Knowledge Economy (i2i) through financing innovative SMEs, notably through venture capital. The EIB Group's support for Knowledge Economy-targeted sectors has already exceeded EUR 50 billion.

- > www.eib.org/rsff

RSFF provides a wealth of opportunities for innovative financing solutions directed at research-intensive companies and the research community as a whole.

Risk-Sharing Finance Facility (RSFF) Added-Value:

- By providing customised long-term financing, often ranking below debt provided by senior lenders, the EIB can **strengthen the promoter's financial profile**, thereby increasing the ability to attract additional financing.
- Risk-sharing with financial intermediaries will alleviate lending constraints, **boosting the financial community's overall capacity to support RDI activities**, particularly in the area of smaller projects.
- RSFF will enhance the ability to develop **new financial products for research** in the European financial sector.

