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Access to risk finance

Under the 'Industrial Leadership' pillar, this specific objective will help companies and other types of organisation engaged in research and innovation (R&I) to gain easier access, via financial instruments, to loans, guarantees, counter-guarantees and hybrid, mezzanine and equity finance, which will now be most importantly boosted under the new Commission initiative VentureEU.

One of the key factors constraining the implementation of research and innovation (R&I) activities is the lack of available financing at acceptable terms to innovative businesses due to their complex products and technologies, unproven markets and intangible assets.

Through its actions under 'Access to Risk Finance', Horizon 2020 supports companies and other types of organisations engaged in R&I such as research centres, universities, public-private partnerships, special-purpose companies or projects, and joint ventures, to gain easier access to debt and equity financing.

Particular support is required for innovative SMEs (and in some sectors microenterprises), especially in the start-up phase or after diversifying into new markets. The availability of early-stage and growth-stage equity finance for innovative firms is being improved thanks to [VentureEU](#) [1], which will help to provide better access to finance to support the concept and proof-of-concept stage of the innovation process, as well as the later stages of development where relevant.

InnovFin - EU Finance for Innovators

</programmes/horizon2020/en/file/innovfinjpgInnovFin.jpg>

InnovFin
EU Finance for Innovators

[2]

In a joint effort, the European Commission and the European Investment Bank Group (EIB and EIF) provide finance for research and innovation to entities that may otherwise struggle to access financing. In virtue of the delegation agreement on the Horizon 2020 Financial Instruments, the [European Investment Bank](#) [3] (EIB) group has been implementing InnovFin - EU Finance for Innovators since 2014.

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EUROPEAN INVESTMENT FUND		European Investment Bank The EIB bank			
Early-Stage Enterprises	SMEs	Corporate	Science	Thematic Finance	Advisory
InnovFin Technology Transfer	InnovFin SME Guarantee	InnovFin Emerging Innovators	InnovFin Science	InnovFin Energy Demo Projects	InnovFin Advisory
InnovFin Business Angels		InnovFin MidCap Guarantee		InnovFin Infectious Diseases	
InnovFin Venture Capital		InnovFin Corporate Research Equity		InnovFin Thematic Investment Platforms	
InnovFin Fund-of-Funds					
Early-Stage Enterprises, SMEs and Small Midcaps < 500 Employees	SMEs and Small Midcaps < 500 Employees	SMEs, Midcaps, Large Caps, SPVs	Research Institutes, Universities, Research Organisations	SMEs, Midcaps, possibly Large Caps, SPVs	Public and Private Sector Promoters
Intermediated Equity Financing	Intermediated Debt Financing	Direct and /or Intermediated Financing (including equity type)	Direct Financing (including equity type)	Direct and/or Intermediated Financing (including equity type)	Financial Advisory

Direct products
 Indirect products
 Direct or Indirect products

Note: InnovFin Large Projects succeeded by InnovFin Emerging Innovators
 InnovFin MidCap Growth Finance is deployed under the European Fund for Strategic Investments (EFSI) since November 2016

EIB
 [4]

InnovFin promotes a range of [tailored debt and equity products](#) [4] from guarantees for intermediaries that lend to SMEs to direct loans to enterprises. Moreover, InnovFin provides [advisory services](#) [5], helping support the smallest to the largest R&I projects in the EU and countries associated to Horizon 2020.

The range of offered products received a substantial boost in 2015, when two important thematic finance products were launched to support combating [infectious diseases](#) [6] and high-risk [energy demonstration projects](#) [7]. A new thematic investment platform in the area of circular bioeconomy is currently under development.

The InnovFin products operates in conjunction with those of [EU programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises \(COSME\)](#), which are implemented by the [European Investment Fund](#) [9].

To locate banks, lenders or funds that provide risk finance supported by the EU, go to <http://access2finance.eu> [10].

Do you want to know which InnovFin instrument matches your needs? Go to <http://helpingyouinnovate.eib.org> [11].

Financial institutions

The [European Investment Bank \(EIB\)](#) [3] and the [European Investment Fund \(EIF\)](#) [9] play an important

role, as entrusted entities, in implementing each financial instrument facility on behalf of and in partnership with the European Commission.

The European Investment Bank provides loans to medium to larger companies, or [guarantees to banks lending to them](#) [12]. It also provides a range of technical assistance and [advisory services](#) [5], in order to help project promoters to make research, development and innovation bankable.

The European Investment Fund from its side provides [guarantees](#) [13] to banks lending to small and medium-sized firms and small midcaps and invests in [funds](#) [14] providing start-ups and fast-growing firms with equity, including through the new [VentureEU initiative](#) [1].

In addition to the cooperation with the [European Investment Bank](#) [3], the EU has recently engaged in cooperation with the [European Bank for Reconstruction and Development](#) [15](EBRD) in order to tackle the financing gap for innovative SMEs in Romania, Bulgaria and Latvia.

Accompanying measures

In addition to InnovFin products, Horizon 2020 supports SMEs and start-ups to become more investment-ready via various capacity-building actions:

- [InvestHorizon](#) [16] (2014-2017) was designed to increase investments made in innovative European SMEs through investment readiness development and investor sensitization. The project aimed to defragment the SME investment market, helping SMEs and investors to make better deals by increasing their knowledge about each other, on the crossroads of finance and innovation. A follow up action is planned for 2018-2021.
- [ACCESS4SMEs](#) [17] (2016-2019) is directed at [National Contact Points](#) [18] in the domains of access to risk finance and SMEs, fostering the use of financial instruments (incl. through exchange of best practices) and including the establishment of a community of practice facilitating access to cross-border finance.
- [Altfinator](#) [19] (2018-2020) is developing and implementing a capacity-building strategy to improve innovative SMEs' access to alternative forms of financing in South, Central and Eastern Europe.
- [TechCapMarkets](#) [20] (2018-2019) aims to improve the supply of alternative finance, including venture capital & angel investments by improving the exit opportunities for shareholders in privately held innovative SMEs.
- [Early-Stage Investment Launchpad](#) [21] (ESIL) (2017-2019) is a Pan-European community aiming to improve the angel investment market, stimulate cross border investment opportunities, find new deals, connect the most relevant networks and build a tailored training programme for local ecosystems.

For further examples of accompanying measures, please consult the Work Programmes on Access to Risk Finance, which you can find at the bottom of this page.

EFSI Boosts Innovation!

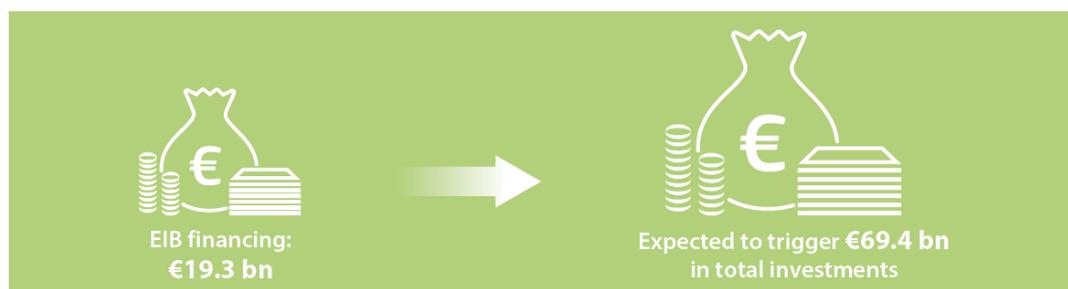
The European Fund for Strategic Investments ([EFSI](#) [22]) is widening the opportunities for financing innovation via its Infrastructure & Innovation and SME windows. The European Investment Bank group implements the products under EFSI.

Since its launch in 2015, EFSI has mobilised €335 billion in additional investment across the EU. The Juncker Plan has made a clear impact on the EU economy and revolutionised the way innovation is

financed in Europe.

[How has EFSI benefited Research, Development and Innovation?](#) [23]

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The European Fund for Strategic Investments (EFSI) can be used to finance projects in:



EC

More information is available [here](#) [24].

For the latest state of play regarding EFSI investments in RDI, please [click here](#) [25].

[Some examples of InnovFin beneficiaries](#) [26]

[Work Programme 2018 - 2020](#) [27]

[Work Programme 2016 - 2017](#) [28]

[Work Programme 2014 - 2015](#) [29]

Links:

[To locate banks or funds that provide risk finance supported by the EU](#) [30]

[European Investment Bank](#) [3]

[European Investment Fund](#) [9]

[COSME - EU Programme for the Competitiveness of Enterprises and SMEs](#) [31]

[InnovFin - EU Finance for Innovators - Product descriptions](#) [32]

[Video on InnovFin - EU Finance for Innovators](#) [33]

[Investment Plan for Europe - implementation](#) [34]

[Investment Plan for Europe - design and development](#) [22]

Source URL: <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/access-risk-finance>

Links

- [1] <https://ec.europa.eu/programmes/horizon2020/en/ventureeu>
- [2] <http://www.eib.org/products/blending/innovfin/index.htm>
- [3] <http://www.eib.org/>
- [4] <http://www.eib.org/en/products/blending/innovfin/products/index.htm>
- [5] <http://www.eib.org/en/products/advising/innovfin-advisory/index.htm>
- [6] <http://www.eib.org/en/products/blending/innovfin/products/infectious-diseases.htm>
- [7] <http://www.eib.org/en/products/blending/innovfin/products/energy-demo-projects.htm>
- [8] <https://ec.europa.eu/easme/en/cosme>
- [9] <http://www.eif.org>
- [10] <http://access2finance.eu/>
- [11] <http://helpingyouinnovate.eib.org/>
- [12] <http://www.eib.org/en/products/blending/innovfin/products/midcap-guarantee.htm>
- [13] http://www.eif.org/what_we_do/guarantees/single_eu_debt_instrument/innovfin-guarantee-facility/
- [14] http://www.eif.org/what_we_do/equity/single_eu_equity_instrument/innovfin-equity/index.htm
- [15] <https://www.ebrd.com/home>
- [16] <http://investhorizon.eu/>
- [17] <http://www.access4smes.eu/>
- [18] <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/support/ncp>
- [19] <http://www.altfinator.eu/>
- [20] <https://techcapitalmarkets.eu/fr/>
- [21] <https://www.europeanesil.eu/>
- [22] http://ec.europa.eu/priorities/jobs-growth-investment/plan/efsi/index_en.htm
- [23] https://ec.europa.eu/commission/sites/beta-political/files/rdi-sector-factsheet-297x210-july18_en.pdf
- [24] <http://www.eib.org/fr/efsi/index.htm>
- [25] <http://www.eib.org/en/efsi/efsi-projects/index.htm>
- [26] <https://ec.europa.eu/programmes/horizon2020/en/innovfin-case-studies>
- [27] http://ec.europa.eu/research/participants/data/ref/h2020/wp/2018-2020/main/h2020-wp1820-finance_en.pdf
- [28] http://ec.europa.eu/research/participants/data/ref/h2020/wp/2016_2017/main/h2020-wp1617-finance_en.pdf
- [29] http://ec.europa.eu/research/participants/data/ref/h2020/wp/2014_2015/main/h2020-wp1415-finance_en.pdf
- [30] <http://access2eufinance.ec.europa.eu>
- [31] http://ec.europa.eu/enterprise/initiatives/cosme/index_en.htm
- [32] <http://www.eib.org/products/blending/innovfin/products/index.htm>
- [33] <http://www.eib.org/infocentre/videotheque/innovfin-eu-finance-for-innovators.htm>
- [34] <http://www.eib.org/about/invest-eu/index.htm?lang=en>