

# Infoday Horizon 2020 Financial instruments for Research and Innovation

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Director of Strategic Development and EU Policies

# EIF - Overview



European Investment Fund (EIF) is part of EIB Group and is:

“Europe's leading developer of risk financing for entrepreneurship and innovation“

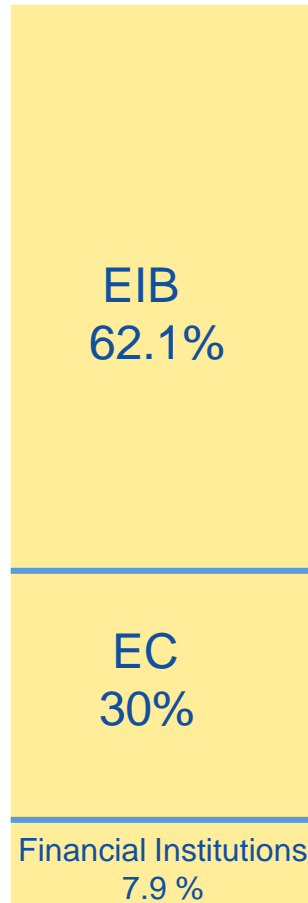
Multilateral Development Bank (MDB) status

Basel II 0% risk weighting

Aaa/AAA/AAA ratings (Moody's/S&P/Fitch)

Shareholders : EIB 62%, EC 29%, Banks 9%

EUR 3bn - paid-in EUR 600m (20%)



AWS Austria Wirtschaftsservice GmbH  
UniCredit Bank Austria AG  
Erste Group Bank AG  
Raiffeisen Bank International AG  
Bulgarian Development Bank A.D.  
Croatian Bank for Reconstruction and Development (HBOR)  
Vaekstfondene 3  
Caisse des Dépôts et Consignations (CDC)  
KfW Bankengruppe  
Landeskreditbank Baden-Württemberg-Förderbank  
LfA Förderbank Bayern  
NRW.BANK  
Sächsische Aufbaubank - Förderbank (SAB)  
Hungarian Development Bank Ltd  
IMI Investimenti S.p.A.  
Intesa Sanpaolo S.p.A.  
Banque et Caisse d'Epargne de l'Etat, Luxembourg (BCEE)  
Bank of Valletta p.l.c.  
Bank Gospodarstwa Krajowego  
Banco BPI S.A.  
Instituto de Crédito Oficial (ICO)  
Agencia de Innovación y Desarrollo de Andalucía (IDEA)  
Industrial Development Bank of Turkey (TSKB)  
Barclays Bank PLC  
Scottish Enterprise

Access to finance for SMEs: leading developer of risk financing for entrepreneurship and innovation

Art 2 “pursuit of the objectives of the EU”

Art 24 “...and generate an appropriate return on its resources”

in the EU, the candidate and potential countries to the Union and the European Free Trade Association (EFTA) countries

# EIF business model: products



- **Debt guarantees, credit enhancements and other debt instruments** to support lending and leasing for SME's by other financial intermediaries (portfolio approach)
  - EIF issues guarantees for both own-risk and mandate transactions
  - Guarantees issued under mandates are collateralized by cash provided by the mandator and are not part of EIF's balance sheet
- **Investing in private equity funds** oriented toward providing equity to SMEs
  - EIF does not invest in individual companies
  - Private sector investors must provide at least 50% of an equity fund's capital
- Fund management and advisory services

# EIF's activity in Portugal



## Product Transactions

EURm	Signature Date	Resource	Deals	Amount
EQ UITY	29/11/2007	RCR-EIF	Explorer II	10.00
	11/04/2008	RCR-EIF	Portugal Venture Capital Initiative PVCi	15.00
	16/06/2008	CIP-MAP	Albuquerque FCR	13.14
	30/06/2010	FO F Rgional Mandate	Explorer III	15.00
	10/08/2010	FO F Rgional Mandate	Fundo Inter-Risco II	15.00
	30/06/2011	FO F Rgional Mandate	Vallis Sustainable Investments I	15.00
	06/12/2011	FO F Rgional Mandate	Fundo Inter-Risco II	5.00
	06/12/2012	FO F Rgional Mandate	Pathena Fund	20.00
	28/12/2012	FO F Rgional Mandate	SC1 - Private Equity Fund	15.00
	06/12/2013	RCR-EIF	OxyCapital Mezzanine Fund	20.00
<b>TO TAL EQ UITY</b>				<b>143.14</b>

EURm	Signature Date	Resource	Deals	Amount
GUARANTEE	27/06/2006	CIP-MAP	SPGM - LGF (SMEG 2001)	2.50
	15/11/2006	OWN FUNDS	Lusitano SME 1	75.05
	20/12/2012	CIP-MAP	SPGM - LGF (SMEG 2007)	5.20
	17/04/2013	RS	BANCO BPI RS 2013	30.00
	24/10/2013	RS	BANCO ESPIRITO SANTO - RS 2013	80.00
	15/11/2013	RS	BANCO BPI RS 2013	50.00
<b>TO TAL GUARANTEE</b>				<b>242.75</b>

EURm	Signature Date	Resource	Deals	Amount
MICRO	15/12/2011	PRO GRESS FMA	Millenium bcp - EPMF	.31
	17/01/2013	PRO GRESS FCP	BES- Banco Espirito Santo	8.75
	29/07/2013	PRO GRESS FMA	Millenium bcp 2 - EPMF	.48
	17/09/2013	PRO GRESS FMA	Millenium bcp 2 - EPMF	.48
<b>TO TAL MICRO</b>				<b>10.01</b>

<b>G RAND TO TAL</b>				<b>395.90</b>
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“ We manage resources  
from different stakeholders ”



## European Investment Bank

- Risk Capital Resources (RCR) **EUR 7bn**
- European Risk Enhancement Mandate (EREM) **EUR 4bn**

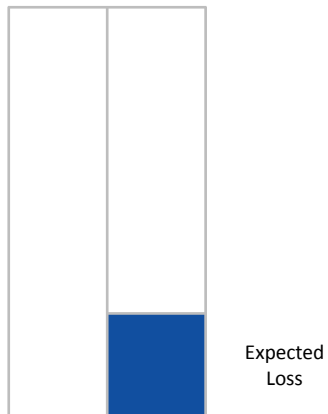
## European Commission

- Competitiveness and Innovation Framework Progr. (CIP) **EUR 1bn** allocated to equity and guarantees
- Risk-Sharing Instrument (RSI) **EUR 270m**
- Progress Microfinance **EUR 200m**

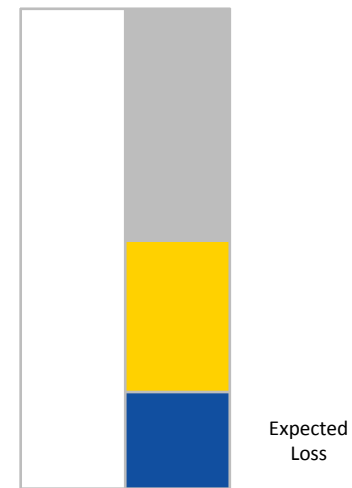
## National & Regional Funds

- **20** European and regional Funds-of-Funds including Germany, Portugal, Spain, Turkey, UK
- **14** Holding Funds supported by structural funds **EUR 1.3bn**

# 2 types of guarantees



**COSME**  
(First Loss)



**Risk Sharing  
Instrument**  
(uncapped)





# Financial Instruments for Research & Innovation

1. RSFF
2. RSI
3. Venture Capital

# Why EU intervention is needed



- Continued market failures and deficiencies in debt and equity markets supporting R&I and growth
- Need to encourage more private investment in growth and R&I and to complement national and regional “access to finance” schemes for SMEs
- Answering to banks/investors increasingly risk-averse behavior in a context of reinforced prudential rules (Basel III, Solvency II) and difficult economic/financial times
- Significant gap in the market between the demand and the supply of loans and guarantees for enterprises’ growth and R&I
- Enduring difficulties for SMEs in accessing start-up / growth finance
- Equity finance scarce for early/growth-stage investments; VC fund sizes sub-critical; need to build an integrated European VC market

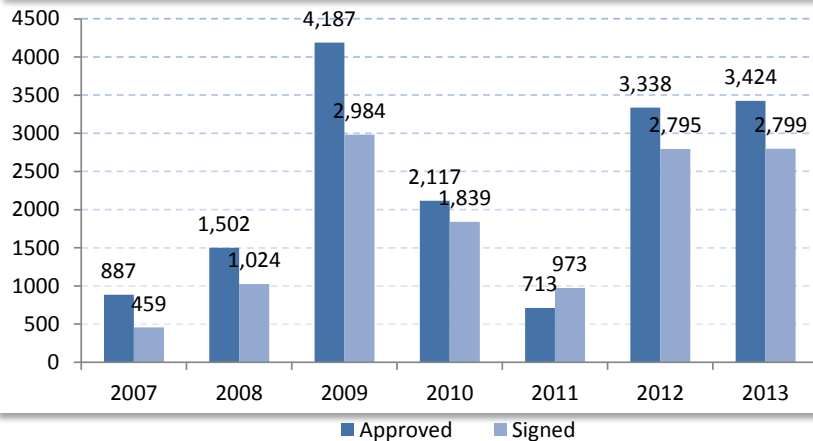
# 1. RSFF – A Unique Success Story for the EIB



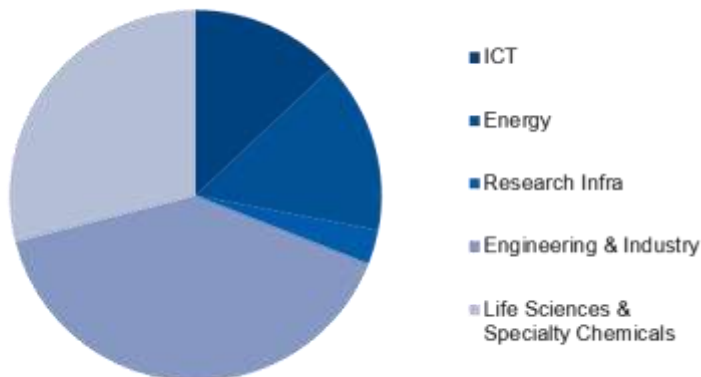
- With a final total financing volume (incl. RSI) of **EUR 14.4bn**, disbursements almost at **EUR 10bn** and more than **EUR 40bn** of investments supported, RSFF confirms to be the **largest and most successful Joint Financial Instrument**.
- Since 2012, regional EIB-front office teams have successfully taken over origination and execution responsibility for mainstream RSFF business.
- All “reachable” Performance Indicators have been met, triggering total **performance fees of over EUR 15m**.
- **RSI** (innovative SMEs and small midcaps; EIF) has successfully established itself and will become a key **mainstream product** complementing the Bank’s SME lending.
- The **EIB growth financing** pilot started successfully with 2 first signatures in 2013; 2 more to follow in 1Q2014; pilot scheme (EUR 150m) expected to be completed in 1H2014.
- The **mid-cap risk sharing** product is developing well; first appraisals underway, first signature expected in April 2014.

# Risk Sharing Finance Facility (RSFF) Portfolio Overview

RSFF Approved and signed transactions 2007- 2013 (in € m)



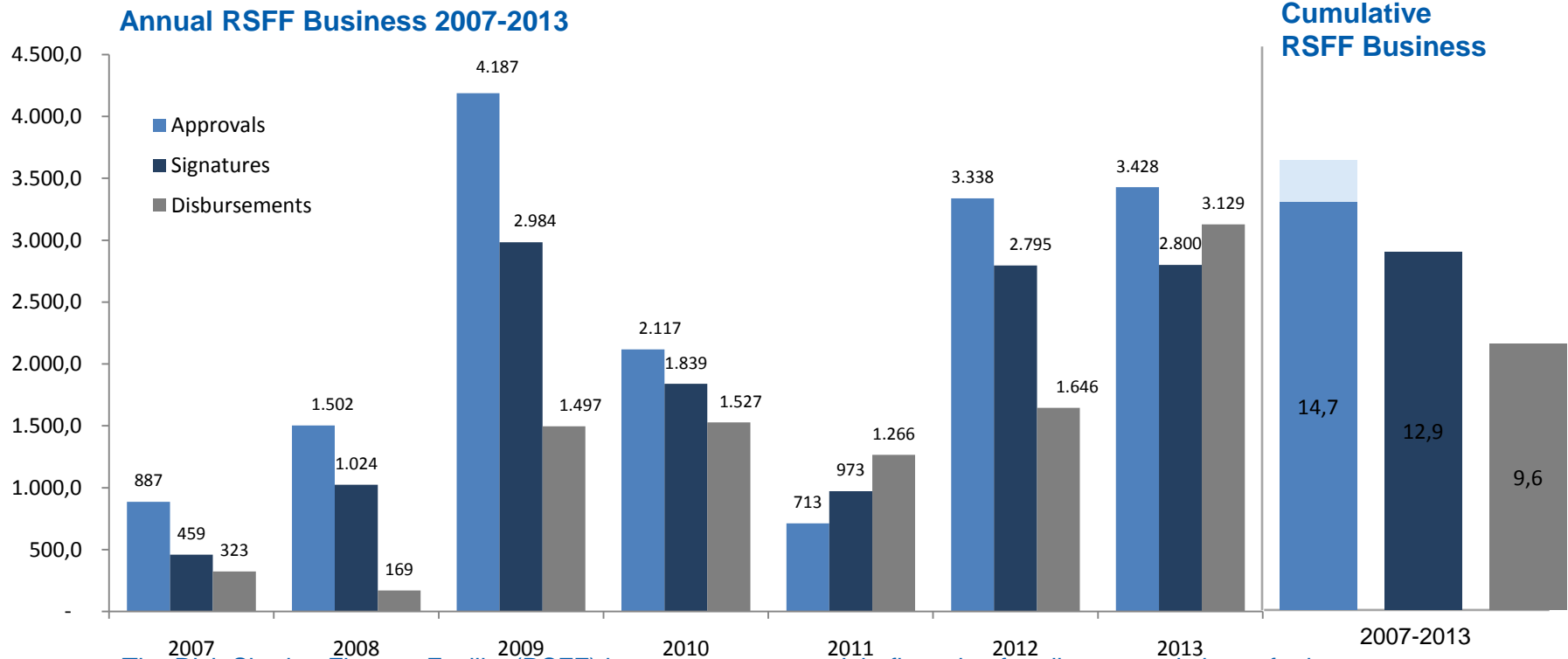
RSFF Portfolio Distribution by Industry Segments



RSFF Portfolio - Geographical Distribution

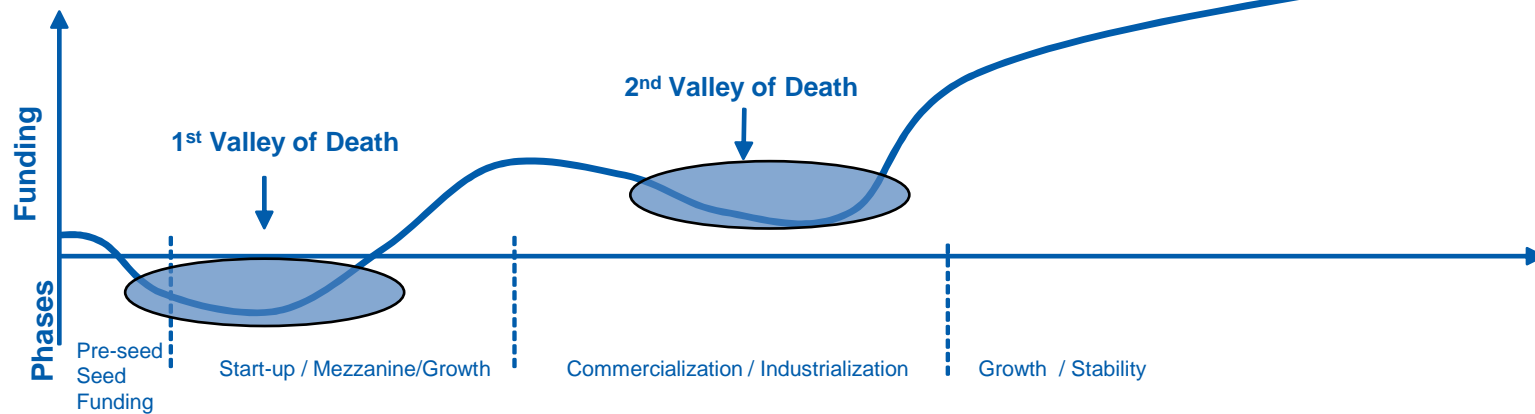
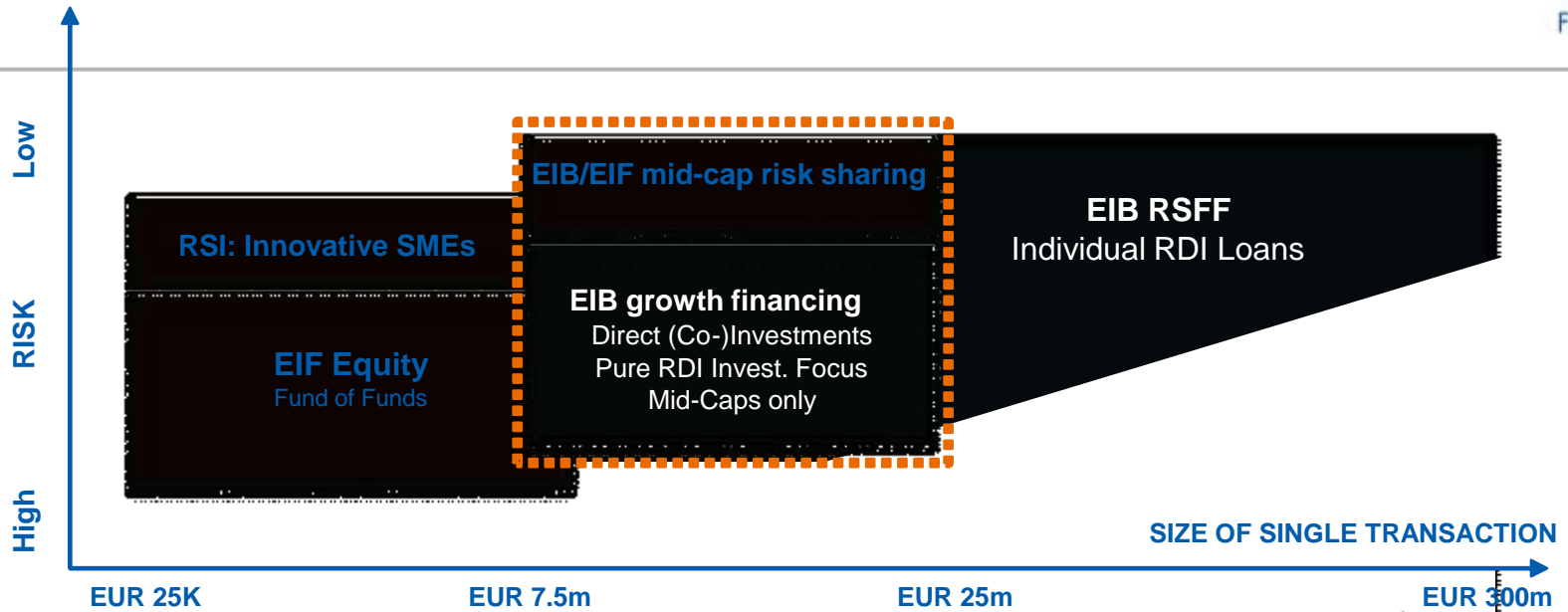


# RSFF Results to end 2013



The Risk Sharing Finance Facility (RSFF) improves access to debt financing for all types and sizes of private company and public institution undertaking RDI projects. The scope of eligible activities is wide, including infrastructure, equipment, salaries, etc.. RSSF can support all RDI activities, starting from basic or fundamental research to pilots and demonstration activities, provided the investment is technically, economically, financially and environmentally sound.

Total approvals of EUR 16.2bn, of which EUR 1.5bn to be transferred to H2020



## 2. Risk Sharing Finance Facility (RSFF) - Background




- 2007-2013: European Commission + EIB joint instrument to address lack of debt financing for risky **Research, Development and Innovation** projects
- Combines funding and risk-taking, typically for larger projects on a case by case basis, mostly by midcaps and large corporates:
  - Minimum project size signed: EUR 24.1 million

 **Instrument not adapted to Small Mid-caps and SMEs**

**Demand for complementary products dedicated to SMEs and Small Mid-caps**

 December 2011: creation of a **new window** dedicated to **SMEs and small mid-caps** (RSI):

- **Guarantee products** within the existing RSFF mandate
- Jointly developed by EC (DG Research and Innovation), EIB and EIF

 Jan 2013: Given the success of the product, increase of the RSI Pilot (and expansion to guarantee institutions) was decided

# Risk Sharing Instrument for Innovative and Research oriented SMEs and small Mid-Caps (RSI) - Overview



- **EIF** mandated to implement the **RSI Facility**
- Purpose - **improve access** to debt finance for innovative SMEs and Small Mid-Caps (Beneficiaries)
- EIF provides **direct (and indirect) financial guarantees** to selected Financial Intermediaries (FIs)
- Thanks to EIF Multilateral Development Bank status (MDB) and pursuant to Basel II, **no capital charge** expected on the covered part of the Portfolio
- Transfer of benefit
- Acceptable portfolio risk profile



- Max guarantee amount is **EUR 80 m** per intermediary (**EUR 150 m** per intermediary group)
- With a 50% guarantee rate, this means max portfolio of **EUR 160 m** per intermediary (or **EUR 300 m** at group level)
- Target: up to c. EUR 2.5 bn diversified European-wide portfolio (guarantee amount of c. EUR 1.25 bn)
- **≥ 16 countries** covered by RSI\* including at least 2 Associated Countries\*\* and at least 2 countries of a defined Sub-group\*\*\*
- Given the Target RSI Portfolio of c. EUR 2.5 bn, guarantee agreements with **c.25 FIs** are expected to be signed in the pilot phase
  - RSI is expected to be part of the new programming period 2014-2020 with a higher budget

\* RSI covers: EU 27 Member States + \*\* Associated Countries - Associated Countries means: Iceland, Liechtenstein, Norway, Switzerland, Israel, Turkey, Croatia, the former Yugoslav Republic of Macedonia and Serbia, Albania and Montenegro, Bosnia & Herzegovina, Faroe Islands, Moldova

\*\*\* Sub-group means: Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia

- **Eligible financing:**
  - **New loans and/or financial leases;**
  - to be originated within a **two-year period** by the selected intermediary
- **Eligible debtors:**
  - **SMEs** (EC definition) and **Small Mid-caps** (< 500 employees);
  - Operating in EU-27 and other RSFF eligible countries (Norway, Turkey...); and
  - **Innovative:**
    - invest in producing or developing innovative products, processes and/or services and where there is a risk of technological or industrial failure; or
    - “innovative” SMEs/Small Mid-caps, i.e. satisfying at least one of a list of pre-defined criteria;
    - “fast growing enterprises”, measured by employment or by turnover: annual increase > 20%

# Underlying Portfolio Criteria

- Purpose of financing:
  - investment in tangible and intangible assets, and/or
  - working capital
- Loan amount: minimum **EUR 25,000**; maximum **EUR 7.5 m**
- Loan maturity: minimum **2 years**, maximum **7 years**
- Fixed repayment schedule (no revolving loan)
- Currency: **EUR and local currency**

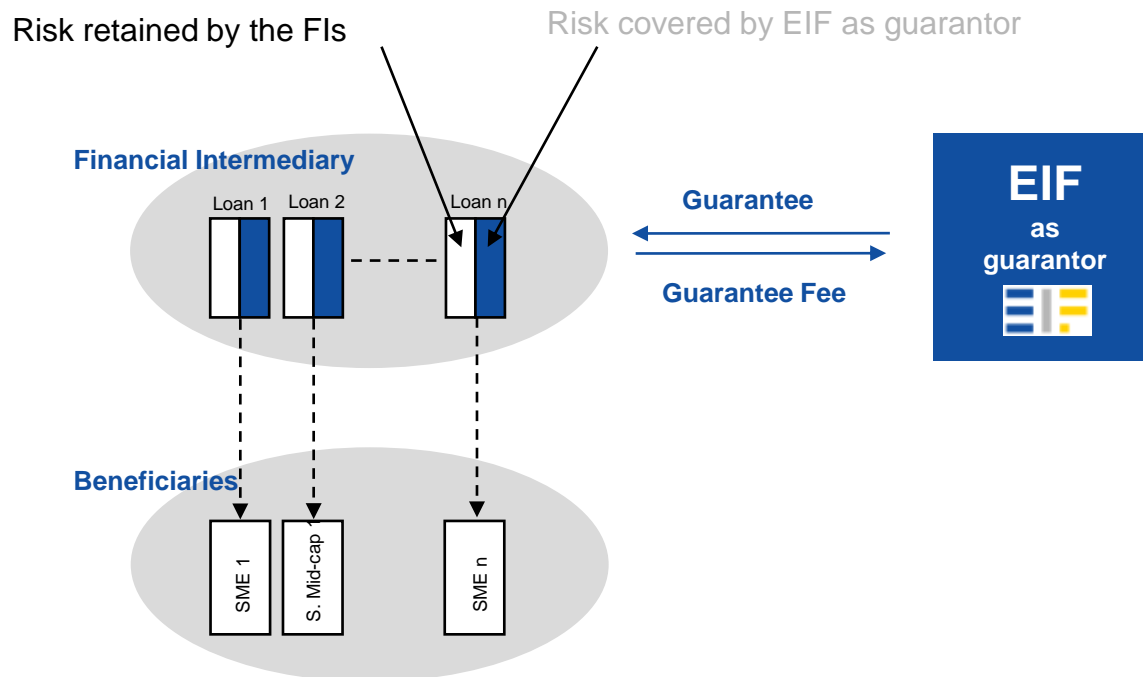


See Appendix I for more detailed Eligibility Criteria

- Portfolio criteria to allow an appropriate level of granularity and diversification

# RSI Direct - Guarantee structure

- Guarantee Rate: **up to 50%** of losses incurred in each loan
- **Min 20% economic exposure** to be retained by FI throughout the loan life



# Key Guarantee Terms

- Financial guarantee covering principal and interest loss
- Guarantee payment upon default, with pro-rata sharing of recoveries
- Guarantee Fee:
  - **0.25% p.a.** for SMEs (EC definition) with loan/lease amount equal or lower than EUR 3 m
  - **1% p.a.** otherwise (SMEs with loan/lease amount > EUR 3 m and Small Mid-caps)
  - Payable either quarterly based on the average portfolio balance or up-front on a discounted basis
- **Automatic inclusion** (based on Eligibility criteria) in the Portfolio
  - Full delegation to FIs
  - Quarterly loan-by-loan reporting to EIF
- FIs are required to **transfer the benefit** of the guarantee (in terms of reduced interest rate) to SMEs & Small Mid-caps
  - Additional transfer of benefit required by EIB Loan
- Governed by English law

# RSI Selection Process



- Selection of FIs through a Call for Expression of Interest

<http://www.eif.org/RSI>

- Application assessed on a « first come, first served » basis by EIF

- Selection procedure:

- Assessment of compliance of Expressions of Interest with the formal criteria
- Pre-selection of Expression of Interest based on the evaluation criteria
- Due diligence process of pre-selected Applicants
- Selection by EIF


- Terms of confidentiality available at the following link:

[http://www.eif.org/news\\_centre/publications/rsi\\_terms-of-confidentiality.pdf](http://www.eif.org/news_centre/publications/rsi_terms-of-confidentiality.pdf)

# Pre-selection of Expression of Interest – Scoring

- Applications meeting formal criteria requirement will be run through the following assessments:
  - Quality assessment (quality score A, B or C)
  - Assessment of the expected impact on the overall RSI portfolio (portfolio score 1, 2 or 3)

A1	B1	C1
A2	B2	C2
A3	B3	C3



Legend:  
■ Pre-selected  
■ On the Reserve list  
■ Not pre-selected

- Only applications with combined “quality” and “portfolio” scores A1, A2 or B1 are pre-selected and advance to due diligence stage
- Evaluation criteria (among others) on
  - Implementation plan to efficiently deploy RSI
  - Absorption capacity and geographical coverage
  - Transfer of Financial Benefit for SMEs and Small Mid Caps

# RSI - a success story to be continued....

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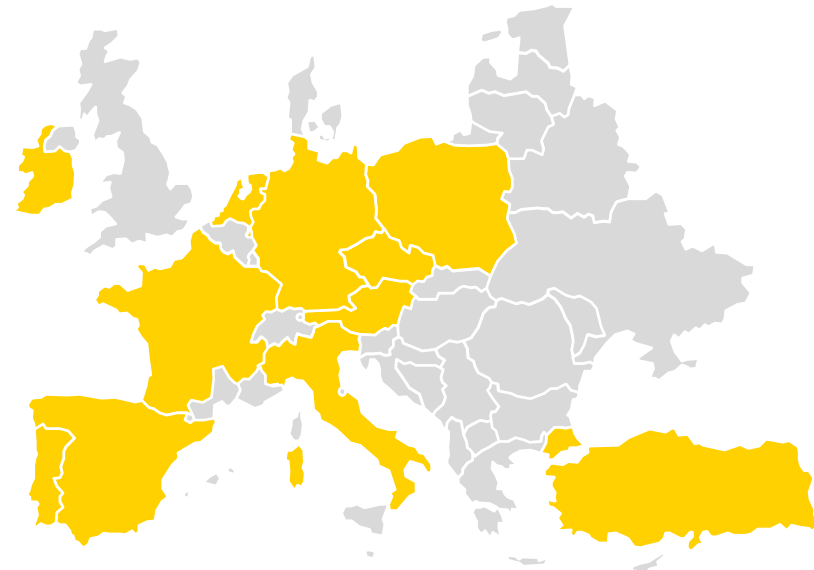
## Implementation Status



# Risk Sharing Instrument for Innovation

## Status of RSI implementation

- **47** applications (including **4** increase)
  - **44** for the direct guarantee
  - **3** applications for the counter-guarantee
- **31** guarantee contracts signed
  - covering **15** countries
  - for a total guarantee amount of EUR **1,409** million
- Enabling > EUR 2,5 bn of loans/leases to innovative SMEs and small mid-caps
- **10** guarantee contracts under process (including **4** new countries not yet covered by RSI)



# Available in 15 Countries so far...



As of 07-February-14 (CONFIDENTIAL)

#	RSI - Financial Intermediary Names	Country	Guarantee Amount (EUR m)	Signature date	#	Countries covered*
1	Unicredit Bank Austria	Austria	60.0	03-Oct-12	1	Austria
2	Ceska Sporitelna (Erste)	Czech Republic	45.0	08-Nov-12	2	Czech Republic
3	ABN Amro	Netherlands	60.0	26-Nov-12	3	Germany
4	Bankinter	Spain	60.0	27-Nov-12	4	Ireland
5	AIB	Ireland	40.0	28-Nov-12	5	Italy
6	Banco Popolare (joint application - 2 Fis)	Italy	60.0	07-Dec-12	6	Netherlands
7	Cassa Di Risparmio di Cento	Italy	20.0	07-Dec-12	7	Poland
8	Deutsche Bank	Germany	60.0	23-Jan-13	8	Portugal
9	Komerční banka	Czech Republic	50.0	15-Mar-13	9	Spain
10	BPI	Portugal	30.0	17-Apr-13	10	Turkey
11	Bank Pekao	Poland	40.0	27-May-13	11	France
12	BPCE (joint application - 17 Fis)	France	125.0	24-Jun-13	12	Sweden
13	Credito Valtellinese Group (joint application - 4 Fis)	Italy	50	24-Jul-13	13	Hungary
14	Raiffeisen Leasing Polska	Poland	30	31-Jul-13	14	Bulgaria
15	Halkbank	Turkey	50	17-Sep-13	15	Slovakia
16	Bpifrance financement	France	80	25-Sep-13	16	Croatia
17	Sparbanken Öresund AB	Sweden	17.5	09-Oct-13	17	Montenegro
18	Bankinter (increase)	Spain	20	15-Oct-13	18	Estonia
19	Alba Leasing	Italy	60	17-Oct-13	19	Denmark
20	BES	Portugal	80	24-Oct-13	20	Switzerland
21	Deutsche Bank PBC	Poland	25	29-Oct-13		
22	FiBank	Bulgaria	7.5	18-Nov-13		
23	BPI increase	Portugal	50	18-Nov-13		
24	IKB Leasing	Hungary	25	26-Nov-13		
25	Unicredit Bank Austria (increase)	Austria	20	06-Dec-13		
26	Komerční banka increase	Czech Republic	30	06-Dec-13		
27	AWS (counter-guarantee)	Austria	11.5	13-Dec-13		
28	ICCREA	Italy	60	31-Jan-14		
29	Nordea	Denmark	70	31-Jan-14		
30	DB Spain	Spain	32.5	03-Feb-14		
31	Credem (join application - 2 Fis)	Italy	40	07-Feb-14		
<b>Total Signed</b>			<b>1409.0</b>			

\* all applications to RSI included

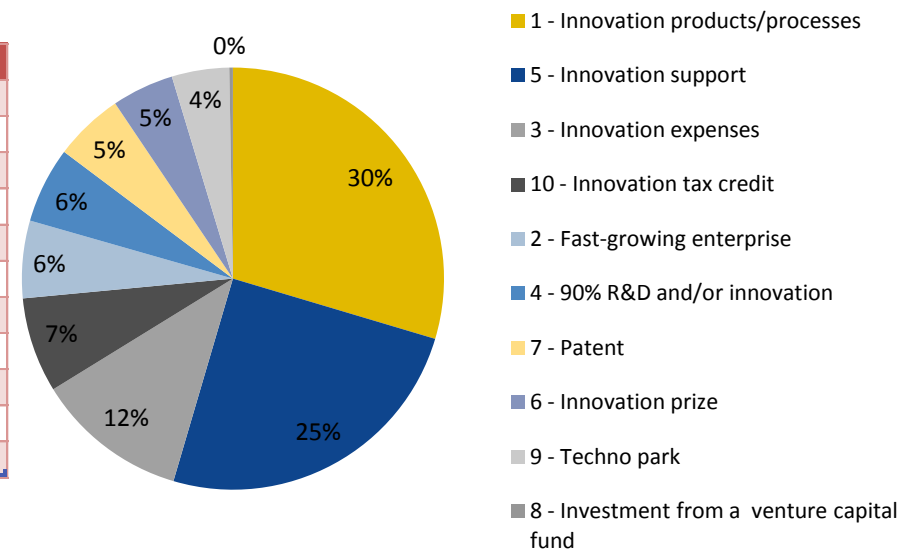
# Supporting “Innovative SMEs and Small Mid-Caps”



As of 30/09/2013

Eligibility criteria	Nbr Transaction	Committed Amount in EUR
1 - Innovation products/processes	129	70,571,360.50
5 - Innovation support	76	59,436,005.14
3 - Innovation expenses	52	27,799,005.39
10 - Innovation tax credit	29	17,372,223.34
2 - Fast-growing enterprise	28	14,137,203.29
4 - 90% R&D and/or innovation	20	13,863,056.36
7 - Patent	13	12,697,391.97
6 - Innovation prize	12	11,320,160.00
9 - Techno park	22	10,486,918.14
8 - Investment from a venture capital fund	1	650,000.00
<b>Grand Total</b>	<b>382</b>	<b>238,333,324.14</b>

Committed Amount to SMEs per RSI criteria

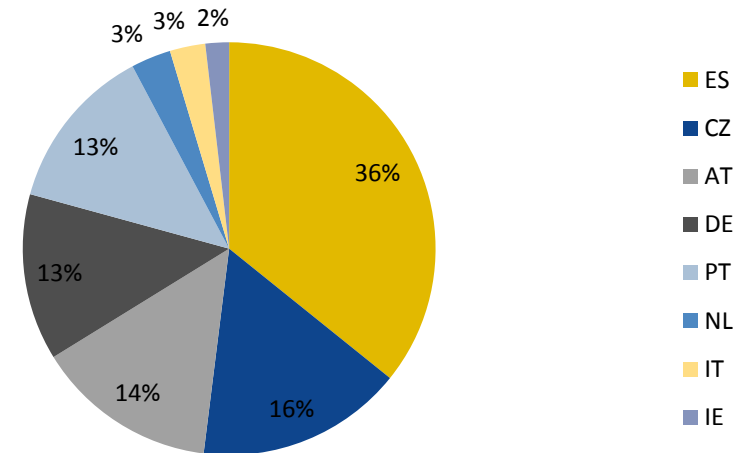


# By country

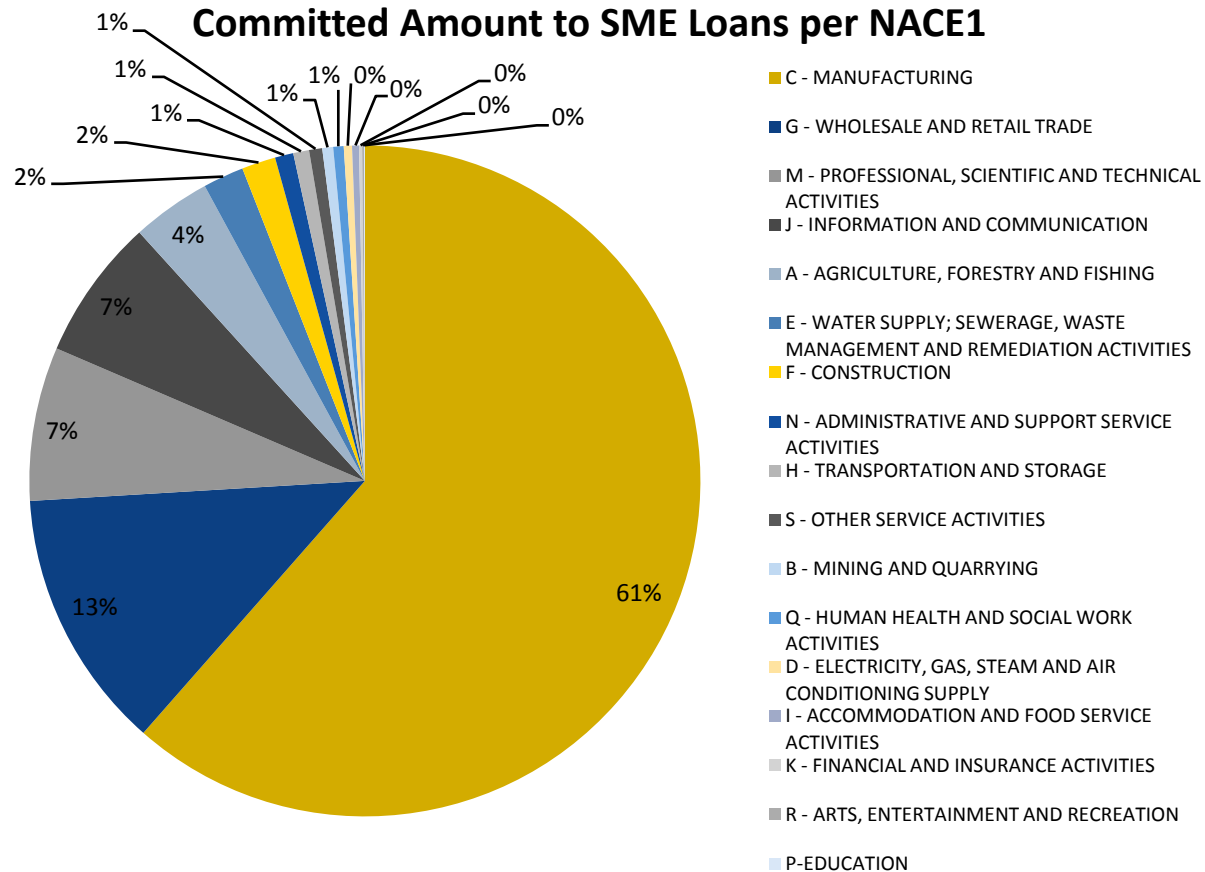
## Committed Amount to SMEs per country

As of 30/09/2013

Country	Nbr Transaction	Committed Amount to SME Loans (in EUR)
ES	172	85,280,400.48
CZ	85	38,591,623.66
AT	31	33,910,000.00
DE	13	31,112,000.00
PT	45	30,955,000.00
NL	8	7,450,000.00
IT	22	6,624,300.00
IE	6	4,410,000.00
<b>Grand Total</b>	<b>382</b>	<b>238,333,324.14</b>



# By industry code



# Contact



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## Appendices

## Appendix I – Beneficiary eligibility criteria (1/2)

RSI Eligibility Criteria (at least one to be met)	To be met at <u>signing date</u> of the loan/lease agreement with:
The enterprise <u>intends to use</u> the financing to invest in producing or developing products, processes and/ or services that are innovative and where there is a risk of technological or industrial failure as evidenced by the <u>business plan</u> , or	Appropriate evidence of: (i) declaration of intent and (ii) business plan where such risks of failure are evidenced.
The enterprise is an R&D and/or innovation-driven “fast-growing enterprise”, as measured by employment or by turnover, i.e. (i) is an R&D and/or innovation enterprise (ii) with average annualised growth in employees or in turnover greater than 20% a year, over a three-year period, and (iii) with ten or more employees at the beginning of the observation period, or	Appropriate evidence of: (i) enterprise’s business plan being significantly based on carrying out R&D and/or innovation activities, (ii) growth rate and (iii) employees at beginning of observation period.
The enterprise shall have a significant innovation potential and/or be an “ R&D and/or innovation-driven enterprise”, satisfying <u>at least one</u> of the following elements:	
<ul style="list-style-type: none"> <li>its certified accountant(s) have highlighted R&amp;D and/or innovation expenses/investment in the latest financial statements in an amount at least equal to 20% of the SME transaction nominal;</li> </ul>	Appropriate evidence of such information provided by the certified accountant(s)
<ul style="list-style-type: none"> <li>it undertakes to spend an amount at least equal to 90% of the financing amount in R&amp;D and/or innovation (RDI) expenses/investment (including new machines or new machinery, but excluding non-RDI related replacement and/or non-RDI related expansion investments) in the next 24 months as indicated in its business plan;</li> </ul>	Appropriate evidence of: (i) undertaking and (ii) business plan where such expenditures are evidenced.
<ul style="list-style-type: none"> <li>it has been formally awarded grants, loans or guarantees from European R&amp;D and/or innovation support schemes (e.g. Seventh Framework Programme (FP7) and/ or through FP7 funding instruments (e.g. Joint Technology Initiatives, "Eurostars")) or national research and/or innovation support schemes over the last 24 months;</li> </ul>	Appropriate evidence of award dated less than 24 months before
<ul style="list-style-type: none"> <li>it has been awarded an innovation prize over the last 24 months;</li> </ul>	Appropriate evidence of an innovation prize delivered less than 24 months before
<ul style="list-style-type: none"> <li>it has registered at least one patent in the last 24 months;</li> </ul>	Appropriate evidence of a patent registration dated less than 24 months before
<ul style="list-style-type: none"> <li>it has received cash investment from an innovation driven venture-capital fund (life science/clean energy/technology);</li> </ul>	Appropriate evidence of the investment
<ul style="list-style-type: none"> <li>it has, at the time of signature, its registered seat in a science-, technology and/ or innovation park; and</li> </ul>	Appropriate evidence of registered seat
<ul style="list-style-type: none"> <li>it has benefited from tax credit or tax exemption related to investment in R&amp;D and/or innovation in the last 24 months.</li> </ul>	Appropriate evidence of the tax credit or tax exemption dated less than 24 months before



## Appendix I – Beneficiary eligibility criteria (2/2)

<b>SME Eligibility Criteria (all to be met)</b>	<b>To be met at <u>signing date</u> of the loan/lease agreement with:</b>
Shall be micro, small or medium-sized enterprises as defined in the Commission Recommendation 2003/361/EC (OJ L124, 20.05.2003, p. 36), as amended, restated, supplemented and/or substituted from time to time or Small Mid-caps (defined as enterprises with less than 500 employees full-time equivalent);	Appropriate evidence of criteria being met and information source.
Shall not be a “firm in difficulty” within the meaning of Article 2.1 of the Community guidelines on State aid for rescuing and restructuring firms in difficulty (OJ C 244, 1.10.2004, p. 2.), as amended, restated, supplemented and/or substituted from time to time;	Appropriate evidence of criteria being met and information source.
Shall not have a substantial focus on one or more Restricted Sectors (which determination shall be made by the intermediary in its discretion based, without limitation, on the proportionate importance of such sector on revenues, turnover or client base of the relevant enterprise);	Appropriate evidence of Restricted Sectors, criteria used to assess the focus and information source.
Shall be established and operating in one or several of the Member States and Associated Countries;	Appropriate evidence of information source.
Any additional eligibility criteria as may be specified in the relevant guarantee agreement.	Appropriate evidence of criteria being met and information source.

<b>SME Eligibility Criteria (always to be met)</b>	<b>To be met at <u>all times</u> with:</b>
Shall not perform RDI activities which are related to human cloning, genetic heritage of human beings, human embryos, human stem cells, nuclear energy and/or military applications	Appropriate evidence of information source.

## Appendix I – New loans/leases' eligibility criteria



- Newly originated loans/leases shall be entered into by the selected financial intermediaries no later than on the 31 December 2015;
- The purpose of financing shall be (1) an investment in tangible or intangible assets, and/or (2) working capital;
- The financing shall not be in the form of mezzanine loans, subordinated debt or quasi-equity and, in case of leasing, it shall be in the form of finance lease;
- The financing shall not be lower than EUR 25,000 (or equivalent, if different currency) and not exceed EUR 7.5 million (or such lower amount as specified in the relevant guarantee agreement);
- The repayment schedule (which, for the avoidance of doubt, shall exclude any revolving facility) shall be fixed;
- The maturity of the loans/leases shall:
  - not be lower than 24 months (or such longer period as specified in the relevant guarantee agreement); except in the case of a loan financing working capital whereby the minimum maturity shall be 12 months provided that it contains at least one year renewable option;
  - not exceed 84 months (or such shorter period as specified in the relevant guarantee agreement) including the relevant grace period if any
- the customary spread applicable to the relevant loan/leases shall be reduced by the level of the financial benefit as specified in the guarantee agreement;
- any financing shall be denominated in EUR or local currency of the jurisdiction of the relevant financial intermediary jurisdiction; and
- any additional eligibility criteria as may be specified in the relevant guarantee agreement.

# 3. EIF Venture Capital Activities 2014-2020



## Resources:

### **EIB Risk Capital Resources Mandate EUR 7bn +**

EC 690m COSME / early stage

EC 450m Horizon 2020 / early stage

/ Technology Transfer + capacity building

## (new) Segments covered:

T.T., Business Angels, Seed, early stage, Social Impact funds, funds of funds



EIF is the largest Venture Capital investor in Europe

- Enhanced cooperation with national public investors: fund of funds or co-investment facilities (UK, Poland, the Baltics, etc...)
- Development of new segments: notably Tech Transfer (with universities and research centers) and Business Angels
- Focus point of placement memorandum:  
team; investment strategy; track record; target market; deal flow;  
geographical scope; target sectors; fund size; legal structure; proposed terms; expected returns; other investors; timing of fund raising

# EIF key words



- Risk finance for SMEs
- Countercyclical
- Leverage
- Catalyst
- Partnerships (national institutions, 200 banks, 350 VC funds)
- Additionality
- Value added
- Sustainability
- Pioneering role
- EU Policies: Growth, Innovation, Regional Policy, Employment, ...
- Best market practice
- Market structuring

# EIF TT Transactions



Research commercialisation / TT

Business Creation and Acceleration

Sweden: Karolinska Development

Sweden: Chalmers Innovation

Latvia: Imprimatur Capital, Seed and VC fund

UK: Cancer Research Technology

Lithuania: Strata/Mes Business Angel Co-investment fund

UK: UMIP Premier Fund

Lithuania: Practica Incubator and follow-on fund

UK: IP venture fund UK

Belgium KU Leuven CD3

Bulgaria : Eleven Start-up accelerator

Belgium: NausecaBusiness Angel fund

Bulgaria : LaunchUp Start-up accelerator

3<sup>7</sup> (Telecoms Institutes)

France: Inria IT2: Digital technologies

Elaïa (Applied Maths – ENS, Dauphine, Collège de F, X)

Greece: Openfund, Seed Fund

France: Institut Pasteur / IRT Lyon Infectious diseases / vaccines

Greece: Piräus Fund, Seed Fund

# Two distinct approaches

## Research Commercialisation and TT

- Based on innovative High Tech
- Partnering with Research
- Projects and IP licensing
- Spin-out funds

## Business incubation and acceleration

- Development of innovative businesses
- Bases on innovative ideas and business models
- Incubators
- Accelerators
- With Business Angels

# TT Finance Facility - TTFF



- Funding from proof-of concept : involve industry/investment community from the earliest stages
- Professional, independent decision-making
- Legal robustness, simple, cost-effective
- Pilot 2015 to 2017 – 2017 evaluation
- Risk-sharing – EC 65m contribution subordinated (tbd) + EIF 65/130m depending on conditions
- Part of H2020 under RSFF (first EIF RSFF equity programme)
- EC have indicated finalisation during 2014



# Contact



EIF VC contacts:

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## Appendix

# 2014-2020 EU-EIF financial instruments

