



EUROPEAN COMMISSION

PRESS RELEASE

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EU and EIB Group join forces to support up to €48 billion in R&I investment

The European Commission and the European Investment Bank Group (EIB) today launched a new generation of EU financial instruments and advisory services to help innovative firms access finance more easily. Over the next seven years, it is expected that the "InnovFin – EU Finance for Innovators" products will make available more than €24 billion of financing for research and innovation (R&I) by small, medium and large companies and the promoters of research infrastructures. This finance is expected to support up to €48 billion of final R&I investments.

European Research, Innovation and Science Commissioner Máire Geoghegan-Quinn said: *"Financial instruments provide an innovative way of investing in growth-enhancing companies and activities. The EU lags behind its global competitors in terms of business investment in innovation, so we must encourage banks to lend to these projects and help research-intensive companies get access to this finance. This will help us reach our EU target to invest 3% of GDP in R&D by 2020."*

"InnovFin – EU Finance for Innovators" will consist of a range of tailored products – from guarantees for intermediaries that lend to SMEs to direct loans to enterprises – helping support the smallest to the largest R&I projects in the EU and countries associated to Horizon 2020, the new EU research programme for 2014-20. InnovFin builds on the success of the Risk-Sharing Finance Facility, developed under the seventh EU framework programme for research and technological development (FP7), which helped provide over €11 billion of finance to 114 R&I projects worth more than €30 billion.

The EIB Group consists of the European Investment Bank and the European Investment Fund (EIF). The European Investment Bank will provide loans to medium to larger companies, or guarantees to banks lending to them. The EIF will provide guarantees to banks lending to small and medium-sized firms and – at a later stage – invest in venture capital funds providing start ups and fast-growing firms with equity.

The launch took place at a two-day [conference](#), organised by the Greek Presidency of the EU, to discuss how to improve access to finance for research and innovation.

InnovFin guarantees and loans will be backed by funds set aside under Horizon 2020 and by the EIB Group for the purpose of supporting R&I investment, which by nature is riskier and harder to appraise than tangible investments. All are demand-driven instruments, with no prior allocations between sectors, countries or regions. These debt instruments will be complemented in the near future by a suite of equity instruments managed by the EIF. In total, some €2.7 billion of Horizon 2020's near €80 billion budget will support these financial instruments.

Background on InnovFin products

InnovFin Large Projects aims to improve access to risk finance for R&I projects emanating from large firms and medium and large midcaps; 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). Loans from €7.5 million to €300 million will be delivered directly by the European Investment Bank.

InnovFin MidCap Growth Finance offers senior and subordinated loans or guarantees (including mezzanine and quasi equity financing), in order to improve access to finance mainly for innovative larger midcaps (up to 3,000 employees), but also SMEs and small midcaps. Loans from €7.5 million to €25 million will be delivered directly by the European Investment Bank to eligible beneficiaries in EU Member States and Associated Countries..

InnovFin MidCap Guarantee offers guarantees or contingent loans of between €7.5 million and €25 million, in order to improve access to finance for innovative larger midcaps (up to 3000 employees) in particular. This facility is implemented by the European Investment Bank, and is to be delivered through financial intermediaries – banks and financial institutions – in EU Member States and Associated Countries. Under this facility, financial intermediaries will be guaranteed against a portion of their potential losses by the EIB, which will also offer counter-guarantees to guarantee institutions.

InnovFin SME Guarantee provides guarantees and counter-guarantees on debt financing of between €25,000 and €7.5 million, in order to improve access to loan finance for innovative small and medium-sized enterprises and small midcaps (up to 499 employees). This facility is implemented by the European Investment Fund, and will be rolled out through financial intermediaries – banks and other financial institutions – in EU Member States and Associated Countries. Under this facility, financial intermediaries will be guaranteed by the EIF against a proportion of their losses incurred on the debt financing covered under the facility.

InnovFin Advisory services, provided by EIB on the basis of up to €28 million from the Horizon 2020 budget, aim to improve the 'bankability' and investment-readiness of large projects that need substantial, long-term investments. It will also provide advice to improve the conditions for access to risk finance for R&I. The main clients foreseen are promoters of large R&I projects that meet Horizon 2020's Societal Challenges. The advisory services are expected to accelerate the development of projects with an investment value of some €20 billion.

Additional information:

[Horizon 2020](#)

[EU Access To Finance portal](#)

[European Investment Bank](#)

[European Investment Fund](#)

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