

Research RTD, 7th EC Framework Programme 2007-2013: Capacities specific programme for European research and innovation

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This Staff Working Document (SWD) constitutes an Annex to the report of the Commission to the European Parliament and the Council on financial instruments supported by the general budget according to Article 140(8) of the [Financial Regulation](#) as at 31 December 2013. It provides specific information on individual financial instruments, their progress made in implementation and their environment in which they operate.

Financial instruments are a proven way to achieve EU policy objectives. They use EU funds to support economically viable projects and attract very significant volumes of public and private financing. By injecting money into the real economy, financial instruments contribute to the achievement of the EU policy objectives enshrined in the Europe 2020 Strategy, notably in terms of employment, innovation, climate change and energy sustainability, education and social inclusion.

The report gives detailed information on each financial instrument.

InnovFin SME Venture Capital (Horizon 2020)

The report notes that there is evidence that larger, established R&I-intensive firms have problems in accessing debt finance to fund innovation projects. To address R&I financing needs, which can hardly be met at the national level, the Commission has set up the Risk-Sharing Finance Facility (2007-2013) and its successor InnovFin Large Projects, InnovFin MidCap Growth Finance and InnovFin MidCap Guarantee under [Horizon 2020](#).

The InnovFin SME Venture Capital succeeds and refines the the Growth and Innovative Facility (GIF-1) under Competitiveness and Innovation Programme (CIP), 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 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 will be eligible as final recipients.

The [COSME](#) programme's Equity Facility for Growth (EFG) complements this facility, which, supported by a set of accompanying measures, will support the achievement of Horizon 2020 policy objectives.

In terms of Union added value, the InnovFin SME Venture Capital will complement national and regional schemes that cannot cater for cross-border investments in R&I. The early-stage deals will also have a demonstration effect that can benefit public and private investors across Europe. For the growth phase, only at European level is it possible to achieve the necessary scale and the strong participation of private investors that are essential to the functioning of a self-sustaining venture capital market.

Current Overall (2014-2020) Programme Budget amounts to EUR 430 million.