

Source: <http://www.eib.org/products/blending/innovfin/products/index.htm>

What InnovFin products are available and who can benefit from them?

EUROPEAN INVESTMENT FUND		European Investment Bank <i>The EIB bank</i>			
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

Source: <http://www.eib.org/products/blending/innovfin/products/thematic-investment-platforms.htm>

InnovFin Thematic Investment Platforms

InnovFin Thematic Investment Platforms

InnovFin Thematic Investment Platforms will catalyse third-party financing for thematic areas, such as the circular bioeconomy. The platforms will provide access to finance via debt or equity-type products to innovative projects in specific thematic areas and will be managed by financial intermediaries and fund managers selected through open call for expression of interest. Other Thematic Investment Platforms are expected to be added throughout the Horizon 2020 framework programme.



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Horizon 2020

Work Programme 2018-2020

9. Food security, sustainable agriculture and forestry, marine, maritime and inland water research and the bioeconomy

Important notice on the Horizon 2020 Work Programme

This Work Programme covers 2018, 2019 and 2020. The parts that relate to 2019 and 2020 are provided at this stage on an indicative basis. Such Work Programme parts will be decided during 2018 and/or 2019.

(European Commission Decision C(2017)7124 of 27 October 2017)

Other Actions¹⁸³

1. Circular Bioeconomy Thematic Investment Platform (risk-sharing financial instrument)

Specific Challenge: The bioeconomy could significantly contribute to meeting the EU priorities on growth and climate as well as some of the UN Sustainable Development Goals (SDGs), if innovative technologies, processes and business models in this domain are developed and deployed. One of the key success factors behind such development and deployment is access to finance.

An InnovFin Advisory study¹⁸⁴ has identified funding gaps in two key areas of the bioeconomy – the bio-based industries and the blue economy¹⁸⁵ –, when projects are about to enter the demonstration or commercial phases. These funding gaps stem from the innovative nature of projects in these sectors, which causes a high level of risks (such as technology risks, market risks, regulatory risks), as well as a high level of required capital expenditure for those projects reaching the higher development and deployment stages. The study recommends, amongst other, tackling these funding gaps by establishing a dedicated EU Thematic Investment Platform (a risk-sharing financial instrument). Other areas of the bioeconomy, such as the agriculture and food sectors, would also benefit from such instrument.

This instrument should not only fill the existing funding gaps in the bioeconomy sectors both on land and sea, but also contribute to the EU agenda for a circular economy. In a circular economy the value of products, materials and resources is maintained for as long as possible, and the generation of waste minimised¹⁸⁶. The circular bioeconomy is about the application of this concept to biological resources, products and materials.

¹⁸³ The budget amounts for the 2018 budget are subject to the availability of the appropriations provided for in the draft budget for 2018 after the adoption of the budget 2018 by the budgetary authority or, if the budget is not adopted, as provided for in the system of provisional twelfths.

The budget amounts for the 2019 and 2020 budget are indicative and will be subject to separate financing decisions to cover the amounts to be allocated for 2019 and for 2020.

¹⁸⁴ InnovFin Advisory "Study on Access-to-Finance Conditions for Investments in Bio-Based Industries and the Blue Economy", June 2017.

¹⁸⁵ Sectors within bio-based industries and blue economy covered by the InnovFin Advisory "Study on Access-to-Finance Conditions for Investments in Bio-Based Industries and the Blue Economy" are detailed in this study.

¹⁸⁶ Closing the loop – An EU action plan for the Circular Economy. COM(2015)614 (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions)

Horizon 2020 - Work Programme 2018-2020
Food security, sustainable agriculture and forestry, marine, maritime and inland water research and the bioeconomy

Scope: The Circular Bioeconomy Thematic Investment Platform aims at providing access to finance, in particular in the form of debt or quasi-equity, to innovative bioeconomy¹⁸⁷ projects and focusses in priority, but not exclusively, on innovative circular bioeconomy projects.

The Platform may include, amongst others, projects that use terrestrial or aquatic biomass (including waste, residues, discards and by-products from the agricultural, agro-food, forestry and aquatic sectors) for innovative bio-based products or processes, or to valorise it for other innovative purposes (amongst which food, feed, fertilisers or soil improvers).

Projects focussing exclusively or mainly on renewable energy generation (fuels, heat or power) are not in the scope of the action.

This Thematic Investment Platform will be set-up under the InnovFin Holding fund. The EU funds¹⁸⁸ for this Platform will be entrusted to a manager to be selected by the EC.

Expected impact: Expected impact: The InnovFin Circular Bioeconomy Thematic Investment Platform will help in:

- reducing perceived investment risks by investors of the projects financed under this financial instrument, and thereby crowding-in private capital that could help filling the funding gaps;
- de-risking innovative technologies, processes or business models (amongst others) by validating them from a technological or commercial viewpoint, thereby encouraging later investments in their further development or deployment;
- fostering industrial, rural, coastal and offshore development, and opening new avenues for the primary sector, hence creating jobs and growth in the EU;
- contributing to the EU priorities on climate as well as on some of the UN SDGs by supporting projects related to the transition to a circular bioeconomy;
- promoting highly circular paradigms in bioeconomy.

Type of Action: Financial Instrument

Indicative timetable: Second half 2018

Indicative budget: EUR 50.00 million from the 2018 budget

¹⁸⁷ The bioeconomy encompasses the production of renewable biological resources [terrestrial or aquatic] and the conversion of these resources and waste streams into value added products, such as food, feed, bio-based products (where bio-based products are products that are wholly or partly derived from materials of biological origin, excluding materials embedded in geological formations and/or fossilised) and bioenergy (Innovating for Sustainable Growth: A Bioeconomy for Europe. COM(2012)60 (Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions)).

¹⁸⁸ EUR 50.00 million from the Societal Challenge 2 budget 2018 (of which EUR 30.00 from SC2-RTD and EUR 20.00 from SC2-AGRI), complementing budget of EUR 50.00 million from Access to risk finance, which makes a **total of EU contribution of EUR 100.00 million to this risk-sharing financial instrument.**



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Horizon 2020

Work Programme 2018 - 2020

6. Access to Risk Finance

Important notice on the Horizon 2020 Work Programme

This Work Programme covers 2018, 2019 and 2020. The parts that relate to 2019 and 2020 are provided at this stage on an indicative basis. Such Work Programme parts will be decided during 2018 and/or 2019.

(European Commission Decision C(2017)7124 of 27 October 2017)



2.3 InnovFin Holding Fund for Thematic Investment Platforms

The InnovFin Holding Fund will aggregate budget from Horizon 2020 and other sources of funding for onward investment in a group of investment instruments.

The first such instrument is **Thematic Investment Platforms (TIPs)**. The types of financing deployed by a TIP can include (but is not limited to) grants (including claw-back and royalty-based grants), loans (including soft loans and convertible loans), venture capital, venture debt, bridge equity, guarantees or insurance, and blends of these. A TIP can support projects, firms and all other types of organisation engaged in research and innovation. TIPS will be managed by independent fund managers and aggregate money from both the InnovFin Holding Fund and other sources.

A TIP can have a single or multi-thematic focus, and themes can be industry sectors, types of entity, or one or more specific sources of deal-flow.

The first TIP theme will be 'The Circular Bioeconomy'²¹.

Expected impact: InnovFin TIPs will help in:

- reducing the risks perceived by investors, so crowding-in private capital;
- de-risking breakthrough, market-creating and highly innovative business models, services, processes or technologies by validating them from a technological or commercial standpoint and hence encouraging further investment in their development or deployment.

Type of Action: Financial Instrument.

Indicative timetable: first quarter of 2018.

Selection procedure: For TIP managers, the EIB Group will issue one or more calls for expression of interest to select managers of one or more TIPs. Managers will be selected by the services of the European Commissions with the assistance of independent experts and with the support of the EIB Group. The terms of reference of each call for expression of interest will specify, per TIP or TIPs, the investment strategy, the specific investment parameters and financing instruments to be deployed, the selection methodology, the degree of delegation entrusted to the manager or managers concerned, and specific eligibility criteria and the eligibility procedure for final beneficiaries.

For final beneficiaries, the entrusted manager will check the financial viability of each potential financing operation and determine its thematic eligibility based on pre-defined criteria agreed with DG Research & Innovation and other Commission DGs.

Indicative budget²²: EUR 50.00 million from the 2018 budget and EUR 200.00 million from the 2019 budget. This budget may be complemented by other sources of funding.

²¹ See <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52015DC0614&from=EN>



EUROPEAN COMMISSION
Directorate-General for Research & Innovation

Associated Countries

Association to Horizon 2020 is governed by Article 7 of the Horizon 2020 Regulation. Legal entities from Associated Countries can participate under the same conditions as legal entities from the Member States. Association to Horizon 2020 takes place through the conclusion of an International Agreement.

As of 01 January 2017, the following countries are associated to Horizon 2020:

- **Iceland**
- **Norway**
- **Albania**
- **Bosnia and Herzegovina**
- **the former Yugoslav Republic of Macedonia**
- **Montenegro**
- **Serbia**
- **Turkey**
- **Israel**
- **Moldova**
- **Switzerland**
- **Faroe Islands**
- **Ukraine**
- **Tunisia**
- **Georgia**
- **Armenia**

Association Agreements with all of the above countries have either entered into force or are provisionally applicable; all Agreements apply retroactively from 1 January 2014 (i.e. from the beginning of Horizon 2020) except for the Agreement with Switzerland, which is retroactively applicable as of 15 September 2014 (see below for detailed information), the Agreement with Ukraine which is applicable as from 17 August 2015, the Agreements



with Tunisia and Georgia which are applicable as from 1 January 2016 and the Agreement with Armenia which is applicable as from 7 November 2016.

Following the ratification of the Protocol on the extension to Croatia of the Free Movement of Persons Agreement between the EU and Switzerland by the Swiss Federal Council on 16 December 2016, **as of 1 January 2017 Switzerland is associated to the whole of Horizon 2020, Euratom Programme 2014-2018 and the activities carried out by Fusion for Energy.** This means that for all grant agreements signed as from 1 January 2017 onwards Swiss legal entities will be treated as entities from an Associated Country.

During the period from 15 September 2014 to 31 December 2016 the association of Switzerland to Horizon 2020 covered the following parts of the Programme: the "Excellent Science" pillar, containing the European Research Council, Future and Emerging Technologies, Research Infrastructures and the Marie Skłodowska-Curie actions; the actions under the specific objective "Spreading excellence and widening participation". During that period Switzerland was also associated to the entire Euratom Programme and the activities carried out by the European Joint Undertaking for ITER and the Development of Fusion for Energy for 2014-2020. In other Horizon 2020 priorities that are not listed directly above, **for all actions where the grant agreements were signed before 1 January 2017** Swiss legal entities continue to participate with a status of non-associated third country entities.

For more information, please see the information note on http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/h2020-hi-swiss-part_en.pdf

Given that the EU does not recognise the illegal annexation of Autonomous Republic of Crimea and the City of Sevastopol, under the terms of the Horizon 2020 Association Agreement with **Ukraine**, legal persons established in the Autonomous Republic of Crimea or the city of Sevastopol are not eligible to participate. Should the illegal annexation of the Autonomous Republic of Crimea and the City of Sevastopol end, the Agreement will be revised accordingly. The same applies in relation to the association of Ukraine to the **Euratom Programme**. For more information on the association of Ukraine to the Euratom Programme, please see the information note on http://ec.europa.eu/research/participants/data/ref/h2020/other/hi/h2020-euratom-hi-ukraine-part_en.pdf

The Horizon 2020 Association Agreement with **Armenia** does not provide for retroactive application. However, Armenian legal entities can participate in all Horizon 2020 actions funded **from the 2016 budget** (calls for proposals, calls for tenders, contests, JRC activities etc.) with the status of entities from an Associated Country as of the entry into force of the Association Agreement.

Note that, unlike in FP7, **Liechtenstein** does not intend to associate to Horizon 2020.