



University Spin-offs Alliance:

From the idea to the market through mentoring and transnational entrepreneurial teams

Module 5

Funding and fundraising. EU funds and support tools for entrepreneurship

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PROJECTES I FONDS EUROPEUS



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Introduction to this learning material

In our learning material you will come across different icons:



Authors



Links to webpages or further literature



Questions that inspire you to think entrepreneurially



Possible exercises and useful definitions



QR-codes for other helpful learning materials



Videoclips

Introduction

Europe's 25 million small and medium enterprises (SMEs) are the backbone of the EU economy. They employ around 100 million people, account for more than half of Europe's GDP and play a key role in adding value in every sector of the economy. SMEs bring innovative solutions to challenges like climate change, resource efficiency and social cohesion and help spread this innovation throughout Europe's regions. They are therefore central to the EU's twin transitions to a sustainable and digital economy. They are essential to Europe's competitiveness and prosperity, economic and technological sovereignty, and resilience to external shocks. As such, they are a core part of the achievement of the EU's industrial strategy.

SMEs are deeply woven into Europe's economic and social fabric. They provide two out of three jobs, bring training opportunities across regions and sectors, including for low-skilled workers, and support society's welfare, including in remote and rural areas. Every European citizen knows someone who is an entrepreneur or works for one. The daily challenges of European SMEs to comply with rules and access information, markets and finance are thus challenges for the whole of Europe.

SMEs are very diverse in terms of business models, size, age, and entrepreneurs' profiles, and draw on a diverse talent pool of women and men. They range from liberal professions and microenterprises in the services sector to middle-range industrial companies, from traditional crafts to high-tech start-ups.

This material will guide you through the different sources of funding and programmes for financing your entrepreneurial idea.



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Have you ever thought of applying for a fund to support your business idea? Keep reading to find out more!!





At the end of Module 5, students will:

- Will have knowledge about the EU funding ecosystem for entrepreneurship.
- Will learn how to recognize the different EU programmes for access to finance and markets.
- Will identify the strategies and actions put in place at the European level to fund their entrepreneurial idea.



The EU SME Strategy



The SME Strategy is part of the European Industrial Package. This also includes the EU Industrial Strategy, the Communications of the European Commission on the *Report on Internal Market Barriers* ([COM\(2020\)93 final](#)) and the *Long Term Action Plan for the Enforcement of Internal Market Rules* ([COM\(2020\)94 final](#)). The aim is to make the European Economic Area a particularly attractive location for setting up small businesses and to enable them to scale-up within the Internal Market.

To this end, the SME Strategy builds on the existing SME framework and SME support programmes, i.e. in particular the Small Business Act 2008, the Start-up and Scale-up Initiative 2016, the COSME Programme and Horizon 2020, as well as funding from the European Regional Development Fund (ERDF).

In the course of the exit strategy announced by the EU Commission, a revised Multiannual Financial Framework (MFF) in the fight against the negative economic effects of the Covid-19 crisis and an EU economic recovery plan, it is important not to lose sight of the long-term and strategic goals and requirements of the SMEs.

The **European SMEs strategy for 2021-2027** recognises their different needs, helping companies not just to grow and scale up, but also to be competitive, resilient, and sustainable. It therefore sets out an ambitious, comprehensive and cross-cutting approach, based on horizontal measures helping all kinds of SMEs as well as actions targeting specific needs.

The strategy puts forward actions based on the following three pillars:

- Capacity-building and support for the transition to sustainability and digitalisation.
- Reducing regulatory burden and improving market access.
- Improving access to financing.

 [A SME strategy for a sustainable and digital Europe](#)



The objective of the new European SMEs strategy is to unleash the power of Europe's SMEs of all kinds to lead the twin transitions. It aims to considerably increase the number of SMEs engaging in sustainable business practices as well as the number of SMEs employing digital technologies. Ultimately, the goal is that Europe becomes the most attractive place to start a small business, make it grow and scale up in the single market.

Different financing methods

When it comes to financing methods, there are **three main ways** of implementing the European policies and funding their actions. In fact, EU funding can be managed **directly** by the European Commission, **indirectly** by other authorities inside or outside the EU, or **jointly** by the European Commission and national authorities, depending on the nature of the funding concerned.



Direct management

With the direct management model, the allocation of direct funding capital is managed by the European Institutions. There are two types of funding available: grants and contracts.

- **Grants** are given to specific projects that relate to EU policies, usually following a public announcement known as a call for proposals. You may apply for a grant if you run a business or a related organisation (business associations, business support providers, consultants, etc.) that runs projects that further the interests of the EU, or if you contribute to the implementation of an EU programme or policy.
- **Contracts**, on the other hand, are issued directly by European institutions to buy services, goods or works that they need for their operations - such as studies, training, conference organisation or IT equipment.

In direct management, the European Commission is directly responsible for all steps in a programme's implementation:

- Launching the calls for proposals.
- Evaluating submitted proposals.
- Signing grant agreements.
- Monitoring project implementation.
- Assessing the results.
- Making payments.

These tasks are carried out by the Commission's departments, at its headquarters, in the EU delegations or through EU executive agencies; there are no third parties. Programmes implemented in direct management account for around 20% of the EU budget 2021-2027.

An example of a programme run directly by the Commission is the programme for the [**Competitiveness of Enterprises and Small and Medium-sized Enterprises**](#) (Single Market Programme, ex COSME), where the main objective is to support the creation and expansion of SMEs. **If an applicant is an entrepreneur**, looking for financial backing from the EU, the contact and managing department would then be the [European Innovation Council and SMEs Executive Agency](#), which runs the Single Market Programme.

Calls for proposals under direct management are published on the Funding and Tenders Portal (SEDIA).

Indirect management

On the other side of the spectrum, some funding programmes are partly or fully implemented with the support of entities, e.g. national authorities or international organisations. The majority of the EU budget allocated to humanitarian aid and international development, for instance, is implemented under indirect management. Under this management mode, the Commission delegates budget execution tasks to different types of implementing partners. This is the **indirect management** model. As already mentioned, the budget managed in this way is implemented directly by:

- Third countries or the bodies they have designated.
- International organisations such as the United Nations (UN) family, the World Bank, the International Monetary Fund (IMF).
- The European Investment Bank and the European Investment Fund.
- Decentralised agencies such as the European Centre for Disease Prevention and Control (ECDC), the European Food Safety Authority (EFSA) or the European Border and Coast Guard Agency (Frontex).

 https://ec.europa.eu/growth/smes/cosme_en

- Private law bodies with a public service mission, or bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership, including joint undertakings such as Initiative on Innovative Medicines, Shift2Rail, European High Performance Computing (EuroHPC).
- Member States Bodies such as Erasmus+ national agencies, Member States' development agencies, National Promotional Banks.
- Persons entrusted with the implementation of specific actions in the Common Foreign and Security Policy.

Shared management

Finally, in shared management, both the European Commission and national authorities in Member States, such as ministries and public institutions, are in charge of running a particular programme. Around 70% of EU programmes are run this way.

For instance, if you are a farmer anywhere in the EU, and have a project to start growing organic tomatoes, you would be eligible to apply for funds under the Common Agricultural Policy (CAP). For that, you would have to go through your country's Ministry of Agriculture, or an equivalent institution, which would be in charge of managing the funds for your project on behalf of the EU.

The Member States' administrations (at national, regional and local level) choose which projects to finance and take responsibility for day-to-day management. Working together with the Member States, the Commission makes sure that the projects are successfully concluded, and the money is well spent.



Check this website to have more details:

https://ec.europa.eu/regional_policy/en/funding/accessing-funds/#1



Do you know that there is a free online search tool to support the use of existing funding opportunities to foster economic, social and territorial cohesion?

Check [EuroAccess!](#)



If you want to find partners to develop your business idea with the support of EU funds, check this [website](#) out!

European Structural and Investment Funds (ESIF)

The [European Structural and Investment Funds \(ESIF\)](#) support the implementation of the European policies and strategies and help reduce the varying levels of development in regions across the EU. The purpose of all these funds is to invest in job creation and a sustainable and healthy European economy and environment. The ESIF mainly focuses on 5 areas.

Under the **Cohesion Policy**:

- The [European Regional Development Fund \(ERDF\)](#). To strengthen economic, social, and territorial cohesion in the European Union by correcting imbalances between its regions. ERDF will enable investments in a more competitive and smarter Europe, through innovation, digitisation, and support to small and medium-sized businesses, as well as greener, more connected, by enhancing mobility, more social and closer to its citizens, by supporting employment, education, social inclusion and locally development.
- The [Cohesion Fund](#). To support the field of environment and transport in the less prosperous EU countries (Bulgaria, Czech Republic, Estonia, Greece, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovakia, and Slovenia).
- The [European Social Fund Plus \(ESF+\)](#). It is the EU's main instrument for investing in people. It provides an important contribution to the EU's employment, social, education and skills policies.
- The [Just Transition Fund](#). New instrument of Cohesion Policy, in the context of the European Green Deal aiming at achieving the EU climate-neutrality by 2050. It supports the territories most affected by the transition towards climate neutrality to avoid regional inequalities growing.

Under the **Common Agricultural Policy (CAP)**:

 Check this intro [video](#) to have a clearer idea!

- The [European Agricultural Fund for Rural Development \(EAFRD\)](#). To finance the EU's contribution to rural development programmes (RDPs).

Under the **Common Fisheries Policy (CFP)**:

- The [European Maritime, Fisheries and Aquaculture Fund \(EMFAF\)](#). It provides support for developing innovative projects ensuring that aquatic and maritime resources are used sustainably.

For the 2021-2027 programming period, the European Commission has set down common rules for the ESIF (*Common Provisions Regulation – [Regulation \(EU\) 2021/1060 of the European Parliament and of the Council of 24 June 2021](#)*), in order to simplify rules and ensure a more efficient use of funds. The **Common Provisions Regulation** is then complemented by specific Regulations for each Fund.

Beneficiaries of the funding can be public bodies, some private sector organisations (**especially small businesses**), universities, associations, NGOs, and voluntary organisations.

European Regional Development Fund (ERDF)

The ERDF finances [programmes](#) in [shared responsibility](#) between the European Commission and national and regional authorities in Member States. The Member States' administrations choose which [projects](#) to finance and take responsibility for day-to-day management.

In 2021-2027, the fund will enable investments to make Europe and its regions:

- [More competitive and smarter](#), through innovation and support to small and medium-sized businesses, as well as digitisation and digital connectivity.
- [Greener](#), low-carbon and resilient.
- [More connected](#) by enhancing mobility.
- [More social](#), supporting effective and inclusive employment, education, skills, social inclusion and

 Would you like to listen to one of the [European Parliamentary Research Service podcasts](#) on the topic?

equal access to healthcare, as well as enhancing the role of culture and sustainable tourism.

- Closer to citizens, supporting locally-led development and sustainable urban development across the EU.

Based on their prosperity, all regions and Member States will concentrate the support on a more competitive and smarter Europe (policy objective – PO 1), as well as greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe (PO2), through the mechanism known as 'thematic concentration'.

All regions and Member States (MSs) will concentrate at least 30% of their allocation to PO2 and:

- More developed regions or MSs will dedicate at least 85% of their allocation to PO1 and PO2.
- Transition regions or MSs at least 40% to PO1.
- Less developed regions or MSs at least 25% to PO1.

All regions and Member States will also concentrate at least 8% of their allocation to urban development that will be delivered through local development partnerships with different tools.

Operations under the ERDF are also expected to **contribute 30 %** of the overall financial envelope to climate objectives.

European Territorial Cooperation – Interreg

The EU instrument connected to the implementation of the European Regional Development Fund is called [Interreg](#). Almost EUR 10 billion are shared between more than 100 Interreg programmes across the borders, in and outside the EU.

Interreg is the Union's instrument to support **cooperation across regions and countries**: a new generation of Interreg programmes in and outside the EU will further develop joint services and strengthen solidarity. Interreg provides funding for projects between Member States, their outermost regions, the EU acceding countries, and the neighbourhood countries.

Therefore, in 2021-2027, Interreg will continue to support **cross-border mobility**, and efforts to develop **environmental**

 Check the [manual!](#)



protection, emergency services, skilled jobs, and access to **public services** for the next EU generation.

In addition, two **new objectives** will steer territorial cooperation:

- **Better cooperation governance.**
- **A safer, more secure Europe.**

Interreg has an impact on citizens' lives at different levels. It encompasses cross-border cooperation along all EU land and maritime borders; transnational cooperation, including macro-regional strategies and sea basins; and interregional cooperation, which builds networks and lets leading regions share their successes and experience with other territories.

In addition, **Interreg projects beyond EU borders** cover several areas in the world:

- **Interreg NEXT**, which involves Eastern and Southern Neighbourhood partner countries.
- **Interreg Outermost Regions**, which deepens relations between the EU's remote regions and their neighbourhoods.
- **Interreg IPA**, which fosters cooperation of Member States with Western Balkan countries and Turkey and helps acceding countries to alleviate border obstacles and manage programmes in the same way as Member States are doing. Cooperation of this kind bolsters the countries' capacities to improve people's lives and builds trust with neighbouring territories.

Thanks to more than seventy measures, regional funding has become simpler post-2020, making it more straightforward to access this kind of support – whether you are a public authority, or an entrepreneur.

Changes include:

- Shorter, fewer, and clearer rules.
- Less red tape for business.
- Streamlined implementation.

With grassroots cooperation driving a green and digital coronavirus recovery, Interreg paves the way for long-term,

resource-efficient growth and competitiveness that leaves no-one behind.

The ERDF also gives particular attention to specific territorial characteristics. ERDF action is designed to reduce economic, environmental, and social problems in [urban areas](#), with a special focus on sustainable urban development. At least 8 % of the ERDF resources are set aside for this field through territorial or local development strategies, i.e., Integrated Territorial Investment (ITI), Community-led Local Development (CLLD) but also tools supporting similar initiatives designed by Member States.

Areas that are naturally disadvantaged from a geographical viewpoint ([remote, islands, mountainous or sparsely populated areas](#)) benefit from special treatment and Member States can set out integrated approaches and dedicate funds to these areas.

The [outermost regions](#) of the EU also benefit from specific assistance from the ERDF to address disadvantages due to their remoteness.

Common Agricultural Policy and its funds

Launched in 1962, the EU's [Common Agricultural Policy](#) is a partnership between agriculture and society, and between Europe and its farmers.



 If you want to take a look back at how it has shaped European farming and how the CAP is becoming greener and fairer, check this [video!](#)

 Have a look at the new [Common Agricultural Policy \(2023 – 27\)](#) and its objectives!

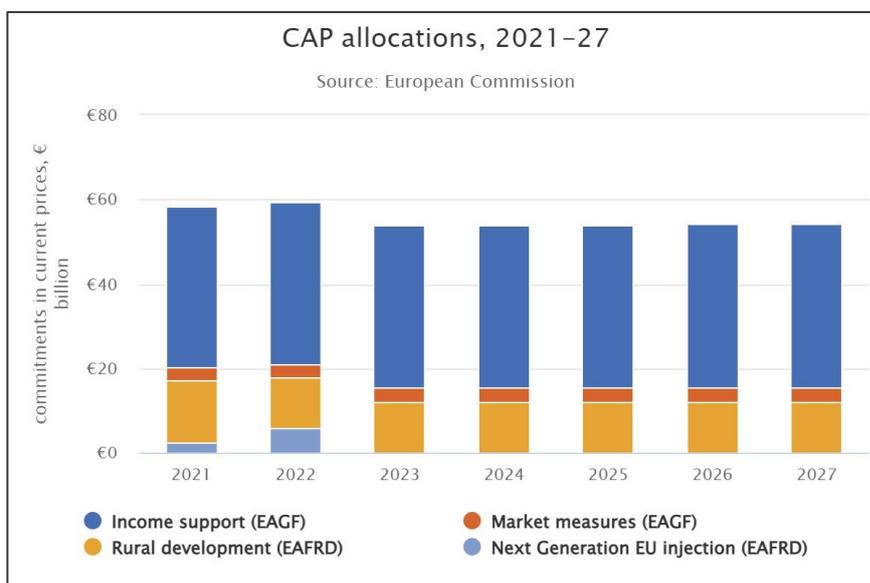
It aims to:

- Support farmers and improve agricultural productivity, ensuring a stable supply of affordable food.
- Safeguard European Union farmers to make a reasonable living.
- Help tackle climate change and the sustainable management of natural resources.
- Maintain rural areas and landscapes across the EU.
- Keep the rural economy alive by promoting jobs in farming, agri-food industries, and associated sectors.

Farming in Europe needs additional support because the agri-food sector is unlike most other businesses. That's because:

- Despite the importance of food production, farmers' income is around 40% lower compared to non-agricultural income.
- Agriculture depends more on the weather and the climate than many other sectors.
- There is an inevitable time gap between consumer demand and farmers being able to supply.

While the Commission bears overall responsibility for the financial management of the CAP, it normally does not make payments to beneficiaries. Most of the CAP budget is in fact implemented under shared management. 99.1% of its budget – including allocations for income support, market measures, and rural development – is implemented under the principle of shared management between the Commission and EU countries.



CAP Allocation 2021 – 2027 (Source: European Commission)

The **Common Agricultural Policy** is supported by two funds drawn from the long-term budget of the EU – the **European Agricultural Fund for Rural Development (EAFRD)**, and the **European Agricultural Guarantee Fund (EAGF)**.

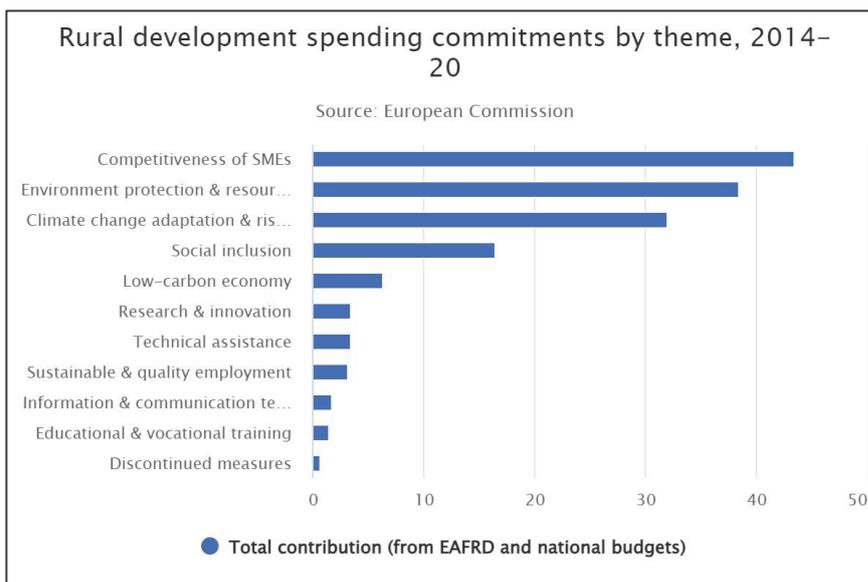
If you want to set up an **agricultural enterprise**, or actually any business engaged in farming and agricultural related industries, these will be one of the main sources of funding you may want to focus on.

European Agricultural Fund for Rural Development (EAFRD)

Regarding the **European Agricultural Fund for Rural Development** (the CAP's "second pillar"), it finances the CAP's contribution to the EU's rural development objectives:

- Improving the competitiveness of agriculture.
- Encouraging sustainable management of natural resources and climate action.
- Achieving a balanced territorial development of rural economies and communities.

These objectives are realised through national and regional [rural development programmes](#) (RDPs), which are co-financed by the EAFRD and the national budgets of EU countries. During the 2014 to 2020 programming period, the EAFRD contributed €100 billion to RDPs.



Rural development spending commitments by theme, 2014 – 2020 (Source: European Commission)

The EAFRD can also provide investment support for rural enterprises and projects through financial instruments, such as loans, guarantees, or equity. Details about financial instruments available under the EAFRD are provided on the online advisory platform [Fi-Compass](#).

Fi-compass, which is a joint initiative between the European Commission's ESIF services and the [European Investment Bank](#), analyses in detail the financial environment in which farmers and processors in each country operate. This includes banking systems, major financial players for the two sectors, and what is offered as loans, guarantees and various financial schemes with national and/or EU financing. It also provides country-specific conclusions on how to improve existing financial instruments and set up new ones. They also identify weaknesses related to low levels of farmers' financial literacy and lack of banks' knowledge on agriculture.

European Agricultural Guarantee Fund (EAGF)

The **EAGF** (the “first pillar” of the CAP) has an allocation of €291.1 billion. Up to €270 billion will be provided for income support schemes, with the remainder dedicated to supporting agricultural markets.

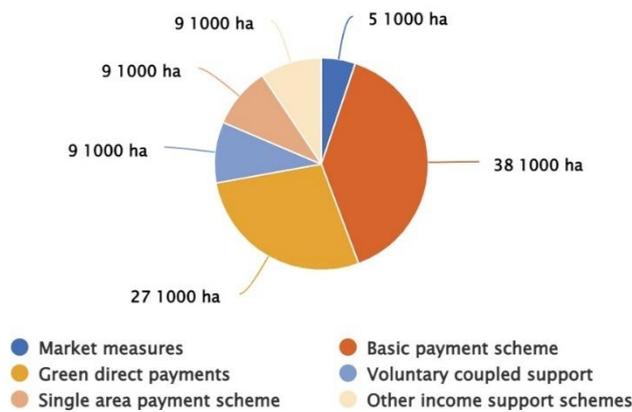
The EAGF primarily finances income support for farmers and market measures. In 2019, spending in these areas amounted to €43.81 billion.



If you want to get inspired, check these [success stories](#) on how financial instruments are being implemented around the EU!

EAGF spending on income support and market measures, 2019

Source: European Commission



EAGF spending on income support and market measures 2019 (Source: European Commission)

- **Income support.** The EAGF supports EU farmers through different payment schemes, including a basic payment scheme, a payment for sustainable farming methods (“green direct payments”) and a payment for young farmers. All payments are subject to compliance with EU rules on food safety, environmental protection, and animal welfare.
- **Market measures.** The EAGF also funds measures to support and stabilise agricultural markets, including intervention buying, private storage aid, sector-specific supports (wine; fruit & vegetables; olive oil; hops), exceptional market disturbance measures, and the EU school fruit, vegetables, and milk scheme. These market measures operate as part of the common market organisation (CMO), which sets out the parameters for intervening in agricultural markets. In addition, the EAGF finances agricultural information and promotion actions, as well as support to the outermost regions (POSEI) and smaller Aegean islands.

Single Market Programme

The **Single Market Programme** (SMP) is the EU funding programme to help the single market reach its full potential and ensure Europe's recovery from the COVID-19 pandemic. With €4.2 billion over the period of 2021-2027, it provides an integrated package to support and strengthen the governance of the single market.

The single market has been at the heart of the EU for nearly 3 decades. It enables citizens to live, work and travel wherever they wish, and offers consumers protection and greater choice of high-quality products and services at lower prices. Through legal certainty, access to markets and financial services, investment opportunities and access to funding, the single market is also a launch pad for our companies.

However, the pandemic showed that the single market is yet to materialise in several areas and can improve in others, and that a well-functioning single market is crucial for the resilience of our economy.

The programme brings together [several previous programmes](#), notably the grants and contracts part of **COSME** (the EU programme for the **Competitiveness of Enterprises and Small and Medium-sized Enterprises**), programmes on consumer protection, consumer and end-users in financial services, specific activities in the field of financial reporting and auditing standards, measures that contribute to a high level of health for human, animals and plants along the food chain and in related areas, and European statistics. It provides a more coherent and agile financing framework to support the following key objectives.

- **Food safety.** Actions under the Single Market Programme help prevent, control, and eradicate animal diseases and plant pests; support sustainable food production and consumption; support the improvement of animal welfare; and improve the effectiveness, efficiency, and reliability of official controls
- **Consumer protection.** Actions under the Single Market Programme promote the interests of European consumers and end-users, including in financial services. They ensure that consumer rights are



respected and enforced in every EU country and strengthen the consumer voice in policy-making. The SMP makes sure that products on the market are safe; empower, educate and assist consumers to make sustainable and informed choices; ensure that all consumers have access to redress mechanisms; protect vulnerable consumers in order to enhance fairness and transparency in the internal market; and support competent enforcement authorities and consumer organisations.

- **Support to small and medium-sized businesses.** The Single Market Programme (SMP) provides various forms of support to businesses, in particular SMEs. We aim to boost their competitiveness and sustainability, including in the tourism sector. The SMP facilitates access to markets; promotes entrepreneurship and the acquisition of entrepreneurial skills; promotes the modernisation of industry and address global and societal challenges.
- **A more effective single market.** The Single Market Programme aims to ensure a well-functioning EU internal market for goods and services, including in the areas of financial services, anti-money laundering and the free movement of capital. It:
 - Make the internal market work better including through:
 - Improved market surveillance.
 - Problem solving support and advice to citizens and businesses.
 - Enhanced competition policy that contributes to a level playing field and empowers businesses.
 - Implement and enforce current rules and develop them further in areas including:
 - Company and contract law.
 - Anti-money laundering.
 - The free movement of capital, goods and services.
 - Ensure financial services meet the needs of consumers, civil society, and end-users.
 - Enhance the tools and expertise of the European Commission to effectively enforce competition rules in the digital economy.

- Strengthen cooperation with authorities in EU countries and enhance advocacy.
- Ensure better functioning of the single market on the ground by helping public buyers get better value for citizens' money.
- **High quality European statistics.** European statistics are vital for evidence-based decision making in the EU. They allow us to evaluate the impact of initiatives and assess policy options for upcoming legislative proposals. They enable European citizens to understand and participate in the democratic process, and to debate the current and future state of the EU. They are also broadly used by the international research community. The Single Market Programme aims to provide financial support for the development, production and dissemination of high-quality European statistics by the European Statistical System in a timely, impartial and cost-efficient manner.
- **Effective European standards.** European standards ensure that products and services meet an agreed level of quality and safety. They can help businesses sell their products and services more easily across the EU. The Single Market Programme provides financial support to organisations that develop European-wide standards. It also provides financial support to both European and international organisations developing auditing, and financial and non-financial reporting standards.

Support tools for entrepreneurship under the Single Market Programme

In regards to our topic, there are **four main tools** under the umbrella of the **Single Market Programme** to support businesses and boost their competitiveness..

- The [Enterprise Europe Network](#), that provides an integrated package of advice to SMEs on how to innovate and grow internationally.
- The [Erasmus for Young Entrepreneurs](#) initiative, a cross-border exchange programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other countries.

- The [joint cluster initiatives](#), a new generation of actions involving industrial clusters and groups of specialised enterprises, often SMEs, or other related supporting actors in a location that cooperate closely.
- Other actions covering this objective of the SMP and implementing the [EU SME strategy](#).

Enterprise Europe Network

The [Enterprise Europe Network](#) helps businesses innovate and grow on an international scale. It is the world's largest support network for small and medium-sized enterprises with international ambitions.

enterprise
europe
network



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Helping companies innovate and grow internationally



International partnerships

Expertise, contacts and events to connect you with the right international partners to grow your business.



Advice for international growth

Expert advice for growth and expansion into international markets.



Support for business innovation

Solution-driven services to help you turn your innovative ideas into international commercial successes.

The Network is active worldwide, and it brings together experts from member organisations that are renowned for their excellence in business support.

Member organisations include technology poles, innovation support organisations, universities and research institutes, regional development organisations, and chambers of commerce and industry. **Individual businesses cannot become network members**, but they can enjoy the many services offered. Amongst them, the Enterprise Europe Network offer:

- Expertise, contacts, and events for international partnerships.

 *The success of the network is best shown through the positive results achieved so far. Check the stories [here!](#)*

- Expert advice for growth and expansion into international markets.
- Services and support for business innovation.

Erasmus for Young Entrepreneurs

Erasmus for Young Entrepreneurs helps provide aspiring European entrepreneurs with the skills necessary to start and successfully run a small business in Europe. New entrepreneurs gather and exchange knowledge and business ideas with an experienced entrepreneur, with whom they stay and collaborate for a period of 1 to 6 months. The stay is partly financed by the European Commission.

Our numbers today



There are two roles within the Erasmus for Young Entrepreneurs programme: **new entrepreneur** and **host entrepreneur**.

- As a **new entrepreneur**, you can benefit from on-the-job training in a small or medium-sized enterprise in another country. This will ease the successful start of your business or strengthen your new enterprise. You can also benefit from access to new markets, international cooperation and potential possibilities for collaboration with business partners abroad.
- As a **host entrepreneur**, you can benefit from fresh ideas from a motivated new entrepreneur in your business. He may have specialised skills or knowledge in an area you do not master, which could also complement yours. Most host entrepreneurs enjoyed the experience so much that they decide to host other new entrepreneurs afterwards.

It is really a **win-win collaboration** whereby both of you can also discover new European markets or business partners, different ways of doing business.

 Are you thinking of expanding your business idea to new markets?? Read the [programme guide](#) to understand whether this initiative could be for you! There is also an [intro video](#) that could be worth watching! The [FAQ section](#) could also be of help!

 Finally, do you want to be inspired? [Watch](#) these success stories of young entrepreneurs who were hosted by experienced entrepreneur in another country!

Joint cluster initiative

Clusters are groups of firms, related economic actors, and institutions located near each other and with sufficient scale to develop specialised expertise, services, resources, suppliers and skills. Together, SMEs can be more innovative, create more jobs, and register more international trademarks and patents than alone. There are over 1500 clusters located in more than 200 EU-27 regions. Clusters account for almost 25% of total EU employment.

EU cluster policy uses clusters to implement EU priorities. We list some of the actions below.

- [European cluster partnerships](#). These EU-wide consortiums pool resources and knowledge to work concretely together on initiatives supporting their industrial ecosystems and their SMEs. Partnerships can focus on internationalisation, innovation, smart specialisation investments or excellence.
- [European Cluster Collaboration Platform](#). The European online hub for industry clusters maps and supports their work through dedicated services, including matchmaking events.
- [Cluster mapping](#). Find a wealth of partners per country, region, sector, or industrial ecosystem in the EU or around the world.
- [ClusterXchange](#). This is our exchange programme for clusters, SMEs, and scale-up support organisations.
- [Advanced technologies for industry](#).



InvestEU

As we said, the *Single Market Programme* is just one of the main instruments at your disposal.

Within the current *Multiannual Financial Framework*, the European Union has dedicated a new fund for financing entrepreneurship, called [InvestEU](#).



The InvestEU programme is based on the successful model of the Investment Plan for Europe that mobilised more than €500 billion in the period 2015-20. It aims at boosting innovation and job creation in Europe, providing and attracting long-term funding in line with EU policies and contributing to economic recovery.

The programme is structured around four policy windows:

- Sustainable infrastructure.
- Research, innovation and digitisation.
- SMEs.
- Social investment and skills.

The funds managed within the InvestEU Programme are made available mainly through financial intermediaries such as the *European Investment Bank*. The guarantee available under the InvestEU Fund in fact is implemented via selected partners, or *implementing partners*. Among them, we can find the *EIB Group*, which has successfully implemented and managed the European Fund for Strategic Investments since its launch in 2015, and which is responsible for implementing 75% of the EU guarantee. For the first time, however, the EU guarantee is open also to national promotional banks and international financial institutions, such as the *European Bank for Reconstruction and Development (EBRD)*, the *Council of*



Check this [intro video](#) to understand what InvestEU entails and how it supports EU investments.



[How to get financing?](#)

Europe Development Bank (CEB) or the Nordic Investment Bank (NIB).

If you want to check out the opportunities and the rules of financing your entrepreneurial idea within the programme, more information can be found on the website www.access2finance.eu.

Other opportunities and support tools

So far we have talked about the **European Structural and Investment Funds** and its main 5 areas, the **Single Market Programme**, and the **InvestEU Programme**.

These, however, are just some of the main instruments for funding. EU funding for entrepreneurs, start-ups, micro companies, small and medium-sized enterprises, and larger businesses is available through another wide range of different financing, such as:

- Business loans.
- Microfinance.
- Guarantees.
- Venture capital.

The decision to provide EU financing through these means, however, will be made by the **one of over 1000** local financial institutions such as banks, venture capitalists or angel investors. The exact financing conditions - the amount, duration, interest rates and fees - are determined by these financial institutions.

If you belong to a vulnerable group or want to set up a social enterprise, for example, the EU offers another source of funding: the **European Programme for Employment and Social Innovation (EaSI)**.

The European Commission's Programme for **Employment and Social Innovation ("EaSI")** is a financing instrument, aimed at supporting the EU's objective of high level employment, adequate social protection, fighting against social exclusion and poverty and improving working



conditions. The microfinance and social entrepreneurship axis of the EaSI programme provides support to financial intermediaries that offer microloans to entrepreneurs or finance to social enterprises. The objective is to increase access to microfinance, which includes microcredit, for example loans of up to EUR 25,000, in particular for vulnerable persons and micro-enterprises.

In addition, the European Commission supports social enterprises through investments of up to EUR 500,000. The microfinance and social entrepreneurship support is currently being implemented through the EaSI Guarantee, which enables financial intermediaries to reach out to (potential) entrepreneurs that would not have been able to gain finance otherwise due to risk considerations. It is also being implemented through the 'EaSI Capacity Building Investments Window' to reinforce the capacity of financial intermediaries in the areas of microfinance and social finance through equity investments mostly.

The objectives of the programme are to:

- Increase access to, and the availability of, microfinance for vulnerable groups who want to set up or develop their business and micro-enterprises.
- Build up the institutional capacity of microcredit providers.
- Support the development of social enterprises, in particular by facilitating access to finance.

The **European Programme for Employment and Social Innovation** offers funding in order to provide senior and subordinated loans to microfinance institutions and social enterprise lenders to boost on-lending to micro-enterprises and social enterprises, or to enable microcredit providers and social enterprise investors to reach out to entrepreneurs they would not have been able to finance otherwise for risk considerations.

In addition, it offers technical assistance to support public and private financial intermediaries active in the microfinance sector in Europe. The services cover a wide range of activities aimed at improving the quality of microfinance institutions' internal processes, enhancing access to finance, and developing a sustainable European microfinance ecosystem. These services include institutional assessments, tailored

trainings, investment readiness trainings, financial or social ratings, workshops and study visits, a dedicated Helpdesk, and European Code of Good Conduct implementation trainings and compliance evaluations.

Finally, the EU offers plenty of guidance and support tools and networks for vulnerable or underrepresented groups within the entrepreneurial ecosystem.

We have already mentioned the programmes dedicated to **young entrepreneurs**, but there are many other supporting tools.

The Commission, for instance, supports several networks and initiatives providing opportunities specifically geared toward **women entrepreneurs**.

Taking into account the growing number of stakeholders willing to support women entrepreneurs around Europe, the European Commission launched **WEgate**. It is a Europe-wide online platform to help women create and run successful companies. WEgate unites all initiatives supporting women entrepreneurship into one platform dedicated to women entrepreneurs and their needs related to starting, financing, and managing their businesses. The intention is to create a hub for connecting women entrepreneurs with support organisations at local, regional, national and European level, facilitating their access to mentoring and business networks across Europe.

The **Enterprise Europe Network** – that was mentioned before – has a women [entrepreneurship group on Facebook](#) that gathers 21 partner organisations in 14 countries. The group connects women entrepreneurs to the network's business and innovation support activities and provides concrete services, such as business partnering, access to foreign markets, cooperation with local networks, as well as access to EU funding.



 [WEgate - We Open Doors for Women Entrepreneurs](#)

 [Do want to join the community?](#)

Moreover, the Commission is working to encourage the emergence of more women **business angels** in the EU and increase access to alternative sources of funding, by setting up a European community of women business angels and women entrepreneurs. Four pilot projects covering 14 EU countries ran until mid 2019 and achieved their goal of raising awareness of business angels, training women who wanted to become business angels and helping women entrepreneurs to present their business ideas to potential investors. These projects also helped women business angels to join 'mainstream' business angels networks, thus enabling them to reach a critical mass, better share risk and have more business opportunities.



*Do you know what a **Business Angel** is? Check the definition given by the EC:*

“A business angel is a private individual, often with a high net-worth, and usually with business experience, who directly invests part of their assets in new and growing private businesses. Business angels can invest individually or as part of a syndicate where one angel typically takes the lead role.”

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