

## Prior Information in relation to the study and low value contract < €60 000

**Services contract on 'new financial instruments for innovation as a way to bridge the gaps of EU innovation support'**. This publication is made pursuant to Article 124 of the Rules for Applications of the Financial Regulation that provides for ex ante publication on the Institutions' websites of contracts with a value up to €60 000.

### **Context and objective of the Study**

The current framework programme, Horizon 2020, provides grants<sup>1</sup> and debt and equity finance<sup>2</sup> in support of R&I. While Horizon 2020's legal base foresees combining and blending these three forms of funding<sup>3</sup>, this has not so far taken place: DG Research & Innovation lacks understanding of the potential and utility of the various combinations and permutations possible, and does not have an overview of what is done at national level and internationally. In this light, and in view of preparations of the European Innovation Council, the study should look into best practices and the potential for Venture Capital (VC) Co-investment instruments, blended instruments and revolving funds/claw back schemes to be designed and tested at EU level.

In view of finding possible complementary tools for approaches currently advocated on EC level, including use of European Funding Strategic Investments (EFSI) for innovation, establishment of pan-European VC Fund-of-Funds, pursuing the development of the portfolio of InnovFin instruments and carrying out the activities foreseen within number of EC-driven grant programs for innovative firms (SMEI, FTI, FET Open, Eurostars, etc), the study shall review, analyse and assess the current state-of-the-art and propose a way forward.

### **Methodology**

The study shall analyse the VC Co-investment instruments, blended instruments and revolving funds/claw back schemes with the highest possible rigour and clarity. The contractor shall come up with a comprehensive proposal for the methodology; it shall include but not be limited to:

1. Literature review of the most up-to-date academic and analytical sources in the field;
2. Overview of the relevant instruments currently applied national level, both within and outside the EU;
3. Evaluation of the trends in the area, identifying the most promising avenues to consider;
4. Review of on any formal assessments that have been generated with regard to the financial instrument in question;
5. Description of governance structure, incentive design, level of complexity and communication strategies of the most successful schemes, considering them as critical success factors for the relevant instruments;

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<sup>1</sup> For legal framework, see notably Title II, Chapter II of [https://ec.europa.eu/research/participants/data/ref/h2020/legal\\_basis/rules\\_participation/h2020-rules-participation\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/h2020/legal_basis/rules_participation/h2020-rules-participation_en.pdf)

<sup>2</sup> For legal framework, see pp. 995-996 of [http://ec.europa.eu/research/participants/data/ref/h2020/legal\\_basis/sp/h2020-sp\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/legal_basis/sp/h2020-sp_en.pdf)  
For descriptions of the debt and equity products available, see <http://www.eib.org/products/blending/innovfin/products/index.htm>

<sup>3</sup> Prizes and procurement are also available, but are outside the scope of this study. [see Article 6 of the link at [1]]

6. Taking into account the state-of-play of financial instruments on EU level, investigate the potential for applying any additional policy tool, including arguments for EU added value and the way forward.

***Selection criteria***

A declaration of compliance with the selection criteria is requested (with a CV attached).

The candidate must have the necessary technical, professional, economic and financial capacity to execute the contract. A minimum of 5 years' academic work in the area of financial instruments for innovation is required, as documented by a publications list (to be provided with the proposal).

***Estimated amount:*** Maximum: EUR 60 000

***Estimated launching date: end September 2016***

Economic operators interested in participating in this call for tenders may express their interest by writing [RTD-PUBLIC-PROCUREMENT-A6@ec.europa.eu](mailto:RTD-PUBLIC-PROCUREMENT-A6@ec.europa.eu) not later than 3 weeks after publication. An acknowledgement of receipt will be sent to interested bodies by the EC services in charge of the procedure.