

EU funding opportunities supporting the growth of SMEs

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Cohesion policy funds

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Funding SME competitiveness

Financial Instruments in cohesion play a crucial role to support SMEs

66% of ESIF FIs funding have been allocated to SME competitiveness (end 2022)

665,000 SMEs supported (end 2022)

About 23 billions of FIs paid to final recipients, with leverage achieved of 62 billions

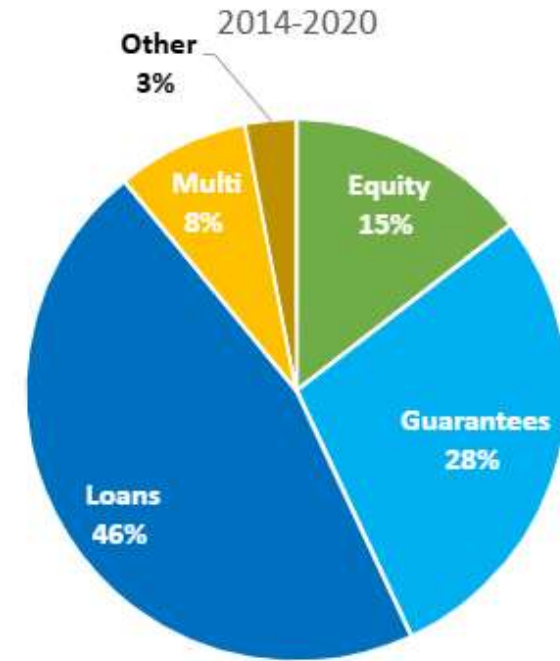
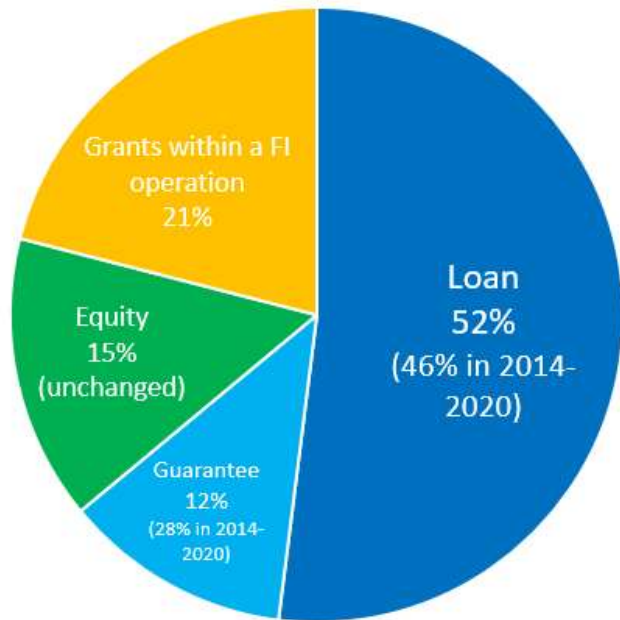


Figures Allocations FIs 2021-2027

Policy objectives	Grants	Financial Instruments	Equity or quasi-equity	Loan	Guarantee	Grants within a FI operation	Grand Total
Connected Europe	40.275	50	50				40.325
Europe closer to citizens	18.706	630	38	426	28	137	19.336
Greener Europe	86.108	6.354	103	3.697	406	2.140	92.462
<i>Smarter Europe</i>	<i>62.351</i>	<i>10.599</i>	<i>2.498</i>	<i>4.941</i>	<i>1.797</i>	<i>1.362</i>	<i>72.950</i>
Social Europe	19.322	139	20	74	2	43	19.460
Grand Total	226.762	17.771	2.710	9.138	2.234	3.682	244.533



Allocations 2021-2027 vs 2014-2020



■ Support through financial instruments: loan

■ Support through financial instruments: guarantee

■ Support through financial instruments: Grants within a financial instrument operation

■ Support through financial instruments: equity or quasi-equity



Overview of financial products

- Loans: main instrument in cohesion since early days but diversification is needed:
 - to close the innovation gap in Europe we need to expand the use of equity
 - Loans are well spread among MS, as in Europe we are bank centric (this has also an impact on the conservative approach to risk (culture in USA is less adverse to risks)
- Guarantees
 - Instrument that provides high leverage
 - Increased during COVID: great crisis instrument to support SMEs
 - In 2021-27 weight of guarantees lower but ready for next crisis
- Equity
 - Underrepresented instrument in cohesion and heterogeneous presence in the MS
 - Proof of positive impact on innovation ecosystem
 - Favourable political momentum (Draghi r., Letta r., SIU, Competitive Compass, start-up scale up strategy)
 - FIs package on innovation



What's next

- Political priorities (CC, SIU, SS Strategy ...) all lead to innovation and Innovative SMEs to be supported by equity ...
- Clear call to promote equity to create a friendly start up ecosystem in EU to gain on productivity and growth we need to close the innovation gap
- Model FIs for innovation and competitiveness



FI models for innovation and competitiveness to support SMEs

Model Equity and grant combined

- Targeting VC and Equity investors
- Targeting enterprises in pre-seed, seed, start-ups stage

Model innovation loan and grant

- Targeting banks and NPB
- Targeting enterprises in growth and mature stage

The two FI models are complementary and targeting the whole lifecycle of a company as well as different types of financial actors in the markets. The grant component aims to cover different types of costs and activities.



Thank you



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