

The European Union **“Risk Sharing Instrument for** **innovative, research oriented** **SMEs & Small Mid-Caps” (RSI)**

RSI is a joint pilot guarantee scheme - managed by EIF - launched in cooperation with the European Investment Bank (EIB) and the European Commission (DG Research & Innovation) to improve access to debt finance of innovative SMEs and Small Mid-Caps (enterprises with less than 500 employees) in support of their Research, Development and Innovation (RDI) projects. RSI complements the scope of the Risk Sharing Finance Facility (RSFF), managed by the EIB, as RSFF is mainly addressing large Corporates and Mid-Caps.

The EIF does not support entrepreneurs directly but through selected financial intermediaries.

In December 2013 the European Investment Fund (EIF) and Austria Wirtschaftsservice (aws) have signed the first counter-guarantee agreement in Europe. The RSI-initiative allows aws to provide guarantees to banks financing innovative companies in Austria enhancing access to a total of EUR 29 m of debt financing over the next two years with the support of a 50 % counter-guarantee offered by EIF.

Following aws-programmes are covered by RSI:

- Guarantees for Investments in Austria
- Guarantees for the Internationalisation of Austrian Companies

To be eligible under RSI one of the following criteria has to be fulfilled:

- the SME intends to use the SME Transaction to invest in innovative producing or developing products, processes and/or services;
- "fast-growing enterprises" as measured by employment or by turnover (with average annualised growth in employees or in turnover greater than 20 % a year, over a three-year period, and with ten or more employees at the beginning of the observation period);
- the SME shall have a significant innovation potential and/or be an "RDI-driven enterprise", satisfying at least one of the following elements:
 - at least 20 % of the SME Transaction nominal covers RDI-expenses/investment;
 - at least equal to 90 % of the SME Transaction amount will be spend in RDI expenses/investment in the next 24 months;
 - the SME has been formally awarded grants, loans or guarantees from European RDI-support schemes or national research and/or innovation support schemes over the last 24 months;
 - the SME has been awarded an innovation prize over the last 24 months;
 - the SME has registered at least one patent in the last 24 months;
 - the SME has received cash investment from an innovation driven venture-capital fund (life science/clean energy/technology);
 - the SME has, at the time of the signature of the SME Transaction, its registered seat in a science, technology and/or innovation park;
 - the SME has benefited from tax credit or tax exemption related to investment in RDI in the last 24 months.