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FI4INN

Financial instruments to boost innovation in SMEs and start-ups

Catalogue of Solutions from the FI4INN project

Version 1
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INTRODUCTION

Access to suitable finance remains one of the main challenges for innovative SMEs and startups in Central Europe. Although many regions have strong research capacities, entrepreneurial talent and innovation potential, funding schemes for market-driven research and innovation are still limited, fragmented or difficult to access. As a result, many promising ideas struggle to move from research and early development towards market application.

The **FI4INN project — Co-designed impactful financial instruments for boosting innovation in SMEs and start-ups** — addresses this challenge by supporting the design and improvement of financial instruments that respond more effectively to the needs of innovators, finance providers and public authorities. The project focuses on improving access to credit and widening the range and quality of financial instruments available for Research and Innovation activities in SMEs and startups.

Funded by the **Interreg Central Europe Programme**, FI4INN brings together partners from **8 countries, 10 regions and 10 organisations**, with a total budget of **€2.02 million**, 80% of which is funded by the European Regional Development Fund. The project runs from **June 2023 to May 2026** and pilots new financial instruments in **seven regions**.

This catalogue presents a selection of FI4INN solutions developed and tested by project partners across Central Europe. Each solution responds to a specific regional challenge, from improving startup evaluation and investment readiness to designing blended finance models, basket bonds, public-private support schemes and ecosystem coordination frameworks.

Together, these solutions show that innovation finance is not only about providing more money. It is also about designing smarter instruments, simplifying access, improving coordination between actors, combining financial and non-financial support, and adapting tools to the real needs of SMEs and startups.

The catalogue aims to make these solutions easier to understand, compare and replicate. It is intended for public authorities, innovation agencies, financial institutions, ecosystem organisations and other stakeholders interested in strengthening innovation financing in their own regions.

Who Is This Catalogue For?

This catalogue is intended for stakeholders working on innovation finance, SME support and regional development. It presents FI4INN solutions in a simple format, helping readers identify ideas for replication, inspire financial instruments and support knowledge transfer across regions.

Main audiences include: public authorities and managing authorities, regional development and innovation agencies, financial institutions and investors, business support organisations, clusters, incubators, accelerators, policymakers and ecosystem builders, SMEs, startups and social economy actors.

Explore more FI4INN resources

Virtual Knowledge Centre

An online space collecting practical examples of innovative financial and support schemes for SMEs and startups.

It includes:

- case studies and best practices
- factsheets on financial instruments
- examples of loans, guarantees, equity, quasi-equity and combined instruments
- tools and resources to support replication in other regions

Link: https://startupregions.eu/fi4inn/

FI4INN Podcast

A series of conversations with project partners, experts and stakeholders on innovation finance.

It explores:

- how SMEs and startups access finance
- how public authorities and finance providers design better instruments
- lessons from FI4INN pilot actions
- practical insights from Central European innovation ecosystems

Link: https://www.youtube.com/@sern-startupeuroperegionsn14/podcasts

RDI NEXT

Step-by-Step Finance for Innovation SMEs in Slovenia

Key Info

Solution type: Modular Blended Finance Instrument for TRL 3-6 SMEs
Pilot territory: Slovenia
Partner: GZS – Chamber of Commerce and Industry of Slovenia
Target group: RDI-intensive SMEs and startups
Innovation stage: TRL 3-6, from concept validation to demonstration
Funding source: public RDI funding, with repayable finance and private investment
Management: Public authorities, implementing agencies, ecosystem actors support SME engagement

Description

- RDI Next is a proposed financing model that helps innovative SMEs and startups move from research and early testing towards market-ready solutions.
- It focuses on the difficult stage known as the "valley of death", where companies have promising ideas but struggle to access funding because their projects are still too risky for private investors.
- The model uses a modular approach. This means the instrument is divided into connected stages of support, called modules. Each module matches a different level of innovation maturity and offers a different mix of funding and services.
- The solution covers TRL 3-6. TRL means Technology Readiness Level and shows how mature an innovation is. In this case, it refers to projects that have moved beyond basic research but still need testing, prototyping and demonstration before reaching the market.
- At the beginning, the money would mainly come from public RDI funding, because early-stage innovation is still risky. As projects become more mature, the instrument can gradually introduce repayable finance and private investment.

How it works

The instrument includes three modules:

- **Module A — Early idea testing**
  For SMEs checking whether their idea is feasible. Support is mainly grant-based, with possible advisory support.
- **Module B — Development and demonstration**
  For SMEs developing, prototyping and testing their solution. Support can combine grants with repayable funding.
- **Module C — Market readiness and scaling**
  For SMEs closer to the market. Support introduces more repayable finance and possible private investor involvement.

SMEs apply through simplified calls and select the module that matches their project stage. As their innovation progresses, they may move from one module to the next.

Summary box - Main points

Problem: Innovative SMEs often lack suitable funding between research and market entry

Solution: A step-by-step finance model offering different support depending on how mature the innovation is.

Funding: Mainly public RDI funding at the beginning, with repayable finance and private capital introduced later.

Management: Public authorities, implementing agencies such as Slovenian Research and Innovation Agency, Chamber of Commerce and Industry of Slovenia and ecosystem actors.

Added value: Simpler access to finance, more continuous support, stronger coordination and a clearer path from research to market.

REGIONAL STARTUP GUARANTEE FUND

Adaptable & Modular Business Plan Framework for Startup Finance in Friuli Venezia Giulia, Italy

Key Info

Solution type: Adaptable and Modular Business Plan Framework for Startup Finance as Ex-Ante Evaluation framework
Pilot territory: Friuli Venezia Giulia, Italy
Partner: TEC4I FVG
Target group: Innovative startups and SMEs, investors, financial and support intermediaries (BSOs), and public authorities
Main focus: Improving the quality, comparability and transparency of startup evaluation processes for innovation financing
Funding link: Initially designed to support instruments such as the FVG Venture Capital Guarantee Fund, while adaptable to different financing sources including grants, debt, equity and hybrid financing mechanisms
Management: Used by evaluators, fund managers, investors, financial intermediaries, BSOs and public authorities involved in startup financing and ex-ante evaluation processes

Description

- A practical framework helping startups prepare stronger and more coherent business plans, while supporting clearer and more transparent evaluation processes.
- It addresses a common problem: innovative startups are often difficult to evaluate due to limited financial history, intangible assets and fragmented information requests from different financing sources (banks, investors and public bodies).
- The solution introduces a common and adaptable business plan and ex-ante evaluation structure usable across grants, debt, equity and guarantee schemes.

- A modular approach combines a CORE structure with optional modules activated according to the needs of specific evaluators or financing instruments, ensuring both consistency and flexibility.

How it works

- The framework combines a CORE business plan structure with optional modules covering areas such as financial data, qualitative assessment, ESG and impact considerations.
- Each section includes relevance indicators for banks, venture capital/business angels and public bodies, showing which information is useful, important or essential for each financing source.
- It supports startups preparing investment proposals and helps evaluators, investors and public authorities perform clearer and more comparable ex-ante evaluations.

Summary box - Main points

Problem: startup evaluation is often inconsistent and fragmented, especially for companies with limited financial history and different business plan requirements depending on the financing source.

Solution: an adaptable and modular business plan framework serving as an ex-ante evaluation tool for innovation financing.

Funding: supports venture capital guarantee schemes, grants, debt, equity and hybrid financing mechanisms.

Management: used by startups, evaluators, investors, financial intermediaries, BSOs and public authorities.

Added value: more transparent evaluation, stronger business plans, reduced information asymmetry and better alignment between startups and finance providers.

VENTURE FUND – CVF

An Innovation Finance Pathway for Startups and SMEs in Carinthia, Austria

Key Info

Solution type: Governance and financing coordination model
Pilot territory: Carinthia, Austria
Partner: build! Gründungszentrum
Target group: Innovative startups and SMEs
Main focus: Connecting grants, equity finance and incubation support
Funding link: Public funding, regional venture capital and incubation support
Management: KWF, CVF and build! Gründungszentrum, with regional ecosystem actors

Description

- **Venture Fund -CVF** is a coordination model designed to help innovative startups and SMEs navigate the regional funding and financing ecosystem more easily.
- In Carinthia, support for startups is strong but fragmented. Companies may have access to grants, venture capital and incubation services, but these are not always well connected. This makes it difficult for startups to understand which support is available, when to use it and how to move from early-stage funding to growth finance.
- The solution creates a more structured pathway between public funding, equity financing and incubation support. It also explores how traditional non-repayable grants could gradually evolve into more hybrid or equity-oriented models with revolving characteristics.

How it works

- The model brings together three key actors: **KWF** (the regional funding authority), **CVF** (regional venture capital instrument), and **build!** (incubator and ecosystem orchestrator).

- Together, they coordinate support for startups, improve transparency and strengthen monitoring. ESG and impact considerations are also integrated into the financing pathway.
- Here, the “pathway” means a clearer route for startups: from early public support, to incubation, to more advanced financing options such as equity or hybrid finance.

Summary box - Main points

Problem: Startup support in Carinthia is available but fragmented across grants, equity and incubation services.

Solution: A coordinated finance pathway linking public funding, venture capital and incubation support.

Funding: Public grants, regional venture capital and possible hybrid or equity-oriented financing.

Management: KWF (the regional funding authority), CVF (regional venture capital instrument), and build! (incubator and ecosystem orchestrator)

Added value: Clearer access to finance, stronger coordination, better ESG integration and a more sustainable innovation finance ecosystem.

TECHNOLOGY INCUBATION 2.0

A methodology for the co-creation of startup support in Czechia

Key Info

Solution type: Evaluation and co-creation methodology
Pilot territory: Czechia
Partner: CzechInvest
Target group: Public authorities, innovation agencies, programme managers, and indirectly startups and SMEs (as beneficiaries of support)
Main focus: Improving public innovation support programmes
Funding link: Supports better design of public support instruments and incubation programmes
Management: CzechInvest and organisations managing innovation support programmes

Description

- The solution represents a methodology that was developed and validated through a pilot action focused on improvement of the Technology incubation (main Czech public incubation program for startups). **It helps public autohorities and innovation support institutions evaluate and redesign startup support programmes in a more structured and evidence-based way.**
- This addresses a common challenge: public support instruments are not always adapted to the real needs of startups and innovation ecosystems. They may lack data-driven evaluation, stakeholder feedback or clear processes for improvement.
- Rather than proposing one fixed measure, the solution provides a **repeatable process** that can be used to improve different types of programmes.

How it works

- The methodology combines **stakeholder co-creation** with **data-driven evaluation**.
- It starts by defining goals, collecting data and gathering input from stakeholders such as startups, public authorities, programme staff and ecosystem actors. The collected ideas and problems are then organised into a longlist.
- Each possible improvement is assessed according to expected impact and implementation cost. This helps classify actions into categories such as quick wins, strategic changes or measures to avoid.
- Results can be shown through dashboards, making the process more transparent and easier to use for decision-making.

Summary box - Main points

Problem: Public startup support programmes are not always evaluated or redesigned in a systematic way.

Solution: A structured methodology to assess, prioritise and improve innovation support programmes.

Funding: Helps improve the design and efficiency of publicly funded support instruments.

Management: CzechInvest and other programme operators can apply the methodology.

Added value: More evidence-based decisions, better-targeted support, stronger stakeholder involvement and continuous programme improvement.

STARTUP FACTORY PROGRAMME

Public-Private Support for Deep-Tech and MedTech Startups in Hungary

Key Info

Solution type: Public-private co-investment and incubation model
Pilot territory: Hungary
Partner: NIÜ – Hungarian Innovation Agency
Target group: Early-stage and growth-phase startups, especially deep-tech and MedTech ventures
Main focus: Improving the Startup Factory call and launching a specialised MedTech call
Funding link: Public innovation funding combined with incubator resources and private investment
Management: NIÜ, in cooperation with the National Research, Development and Innovation Office

Description

- **Startup Factory Plus** is an improved **public-private support model** for high-potential startups in Hungary, with a specific focus on deep-tech and MedTech innovation.
- The solution builds on the existing Hungarian Startup Factory programme and aims to make it stronger, more targeted and more attractive to private investors, while drawing inspiration from different incubation business models, such as venture studios.
- Hungary faces several **innovation finance challenges**, including limited venture capital depth, gaps between angel and VC funding, low ESG awareness and difficulties turning strong research potential into scalable companies. MedTech innovation also has untapped potential, especially from hospitals, clinical environments and research institutions.

How it works

- The model allocates funding to incubators selected via an open call, that the incubators can transfer to startups selected by their own methodology. These incubators are expected to bring their own resources and provide not only funding, but also mentoring, investment readiness support, IP guidance and connections to investors.
- The **public funding** helps reduce risk at the beginning. As startups progress, the model aims to mobilise private capital, including follow-on investment during or after incubation.
- For the MedTech call, the solution encourages stronger links between incubators, healthcare institutions, universities and inventors. This helps identify promising clinical ideas and support them towards patenting, market entry and investment readiness.

Summary box - Main points

Problem: Hungary has funding gaps for early-stage and deep-tech startups, limited VC depth and untapped MedTech innovation.

Solution: An improved Startup Factory model with a systematic performance evaluation and impact assesment combining public funding, incubator support and private capital mobilisation.

Funding: Public startup funding at the beginning, complemented by incubator financial and expert resources and additional private Investment.

Management: NIÜ and NRDIO, with incubators, investors, universities and healthcare institutions eliminating the governance and data gaps.

Added value: Improved startup pipelines, stronger investment readiness, more private capital with appropriate cap table management, improved MedTech innovation, and stronger links between research, healthcare and markets.

BASKET BOND INITIATIVE

A market-based financing model for SMEs in Piedmont, Italy

Key Info

Solution type: Market-based financing instrument
Pilot territory: Piemonte, Italy
Partner: Finpiemonte
Target group: Innovative and growth-oriented SMEs
Main focus: Helping SMEs access long-term finance outside traditional bank lending
Funding link: SME minibonds, private investors, public guarantees, anchor investment and grants for issuance costs
Management: Regional authorities, Finpiemonte, specialised financial intermediaries and investors

Description

- Piemonte's **Basket Bond** is a market-based financing model that **helps SMEs access long-term finance** for innovation, digitalisation, sustainability, internationalisation and business growth.
- Many SMEs struggle to obtain suitable long-term financing from traditional banks, especially when they invest in intangible assets or strategic expansion. At the same time, some SMEs are reluctant to use equity because they do not want to dilute ownership.
- A minibond is a debt instrument issued by a company to raise finance. The company receives funding and repays it over time, without giving up ownership.
- The Basket Bond model offers an alternative to traditional financing. Instead of each SME approaching the market alone, several SMEs issue **minibonds** that are grouped together into one diversified portfolio, called a **"basket"**.

How it works

- Eligible SMEs issue minibonds, which are subscribed by professional investors. These minibonds are grouped into a diversified basket, **reducing risk** for investors.
- **Public support** helps make the model more attractive and accessible. This can include an anchor investment by the regional financial agency, public guarantees to reduce portfolio risk and non-repayable grants to cover part of the issuance costs.
- The money therefore comes from a **mix of private capital and public support**. Private investors provide the main market finance, while public actors help reduce risk and lower costs for SMEs.

Summary box - Main points

Problem: Innovative SMEs need long-term finance but often depend too much on bank lending or avoid equity.

Solution: A Basket Bond model allowing SMEs to issue minibonds grouped into one investment portfolio.

Funding: Private investors provide capital, supported by public guarantees, anchor investment and grants for issuance costs.

Management: Finpiemonte, regional authorities, financial intermediaries and institutional investors.

Added value: More access to market-based finance, less dependence on banks, mobilisation of private capital and support for SME growth and innovation.

FINANCIAL INSTRUMENTS + EDUCATION FOR SOCIAL ENTREPRENEURSHIP

A financing support and ecosystem coordination framework in Silesia, Poland

Key Info

Solution type: Financing support and ecosystem coordination framework
Pilot territory: Silesia, Poland
Partner: ARRSA, The Regional Development Agency in Bielsko-Biała
Target group: Early-stage startups, SMEs and Social Economy Entities

Main focus: Helping beneficiaries become investment-ready and improving coordination between regional finance providers
Funding source: Existing regional financial instruments, repayable finance, public support schemes and potential follow-on funding
Management: ARRSA owns the framework idea and would coordinate gradual implementation with regional authorities, financial institutions, NGOs and business support organisations

Description

- The framework is a **practical model** designed to make regional financing support clearer, more coordinated and easier to use.
- It responds to a **fragmented ecosystem** where many financial instruments exist, but they are not well connected or easy to understand. Early-stage startups and Social Economy Entities often struggle to access finance because they lack credit history, collateral or confidence in using repayable finance. Many beneficiaries also depend strongly on grants and may have a "fear of debt".
- The solution aims to shift the region from isolated grant distribution towards a **"capital + competence" approach**. This means that financial support should be combined with education, mentoring and

preparation, so that organisations are not only funded, but also better equipped to use finance successfully.

- At first, funding would mainly come from existing regional and public instruments. Rather than creating a new fund, the framework helps beneficiaries understand, access and combine available finance, including repayable instruments and follow-on funding.

How it works

The framework is organised as a **five-stage support pathway**.

1. **Diagnosis**
   Assess the beneficiary's development stage, business model, investment readiness and basic ESG or impact potential.
2. **Matching**
   Map funding options and define a realistic sequence.
3. **Preparation**
   Provide mentoring, training and simple guidance to reduce fear of debt and improve readiness.
4. **Application Support**
   Help beneficiaries validate budgets, review documents and prepare for evaluations, interviews or pitches.
5. **Development and Scaling**
   Continue support after funding through KPI monitoring, further funding guidance and scaling support.

The model also introduces the idea of **"knowledge collateral"**: instead of relying only on physical assets or credit history, beneficiaries strengthen their credibility through training, better business models and stronger applications.

Summary box - Main points

Problem: The regional finance ecosystem is fragmented and hard to navigate, limiting access for early-stage or social economy actors.

Solution: A "capital + competence" framework combining finance with mentoring, education and application support.

Funding: Mainly existing public and regional financial instruments, with better guidance on how to access and sequence them.

Management: ARRSA, together with regional authorities, financial institutions, NGOs and business support organisations.

Added value: Clearer access to finance, stronger investment readiness, reduced grant dependency, better coordination and more bankable startups, SMEs and Social Economy Entities.

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