# SEED FUND

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# WP2 GUIDE

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## Introduction

The aim of this study is to present the work package number 2 which is related with the project SeedFund. The project Seedfund has as an aim to introduce information of funding opportunities of SMEs at the different countries that participate at the project. At this working package are presenting the following issues: desk research about the current situation of funding opportunities of SMEs at the six countries that participate at the project, Bulgaria, Cyprus, France, Greece, Poland and Spain. Then, the study focuses on the best practices that each country has implanted for the above-mentioned subject. At the last part of this study are presented the results at each country. These results are concentrated on the main obstacles related to the access to finance for SMEs, the dialogue related to alternative financing tools, the public policy followed in each country and finally the critical role of universities related to this subject.

### 1. DESK RESEARCH - BULGARIA

Start-ups play a vital role for development of each national economy, for labour market's adjustment and for introducing digital economy. They are also major drivers of innovations and key segment of innovation ecosystem at national and pan-national level (Kopeva, D., Shterev, N., 2018). Bulgaria ranks first among the leading ecosystems in the Balkans according to Startup Blink's annual report: "Global Startup Ecosystem Index 2023"[1]. Bulgaria also receives the highest business score, which shows that the business environment is the most favorable for the development of young companies. The Bulgarian startup scene attracts European entrepreneurs and digital nomads thanks to the low cost of living and tax breaks offered by the public sector. According to the data, 29 deals worth over 81 million dollars were completed in our country last year. For comparison, funding in 2021 reached 26.7 million EUR in 62 deals, and in 2020 - 18.3 million EUR in 37 deals. Bulgaria occupies 38th place in the prestigious ranking Global Startup Ecosystem Index 2023, a year earlier the country was on the 36th place from the first 100 countries.

More promising steps are also being taken by the government to create new agencies to promote entrepreneurship and attract global startups, such as Invest Sofia,

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as well as launching initiatives such as the startup visa. The Bulgarian Entrepreneurship Association (BESCO) is an interesting example of the startup ecosystem that helps the public sector to shape policies related to young enterprises and a macroeconomic environment supporting growth".

The main possibilities for funding startup ideas of graduate students will be presented, which can be divided into private and public.

| PRIVATE EQUITY | PUBLIC EQUITY |
|---|---|
| • Startup Accelerators – private capital<br>• Private Equity & Venture capital Funds<br>• Business Angels<br>• Corporate Investors<br>• Founder's own capital<br>• Family & Friends<br>• Crowdfunding<br>• Bootstrapping<br>• Bank Loans | • Public Institutions<br>• European and national Programs<br>• European and national Funds<br>• Bank Loans<br>• Accelerators – public capital |

## 1.1.Private Equity Funding Options

### 1.1.1.Startup Accelerators

Startup accelerators are a relatively new and "modern" type of for-profit business incubator that attracts smaller teams of people through an open enrolment system and provides funding, mentoring and training to a select number of inexperienced and new companies to start their businesses. Accelerators select a cohort of early-stage business founders to participate in a mentored development program. This is a good option for start-ups without contacts. A cash injection is also possible after the completion of the program in exchange for a share of the capital. Accelerators are programs for start-up businesses, most often in the technology, web and mobile sectors. They provide teams with seed money to get started, help from mentors and partners, and some of them, a workplace in an incubator. The initial monetary investment they make varies from 20 thousand euros to 50 thousand euros. Some accelerators provide the opportunity for the next round of investment of up to 200,000 euros. It is important question, that some accelerators are funded by venture capital, so there are some mixed functions. The following are examples of some successful accelerators

- Innovation Accelerator Bulgaria

Innovation Starter Accelerator is an educational acceleration program for pre-seed startups. The accelerator is powered by the team of the first Bulgarian innovation agency – Innovation Starter, which operates the projects Innovation Explorer Forum and Innovation Academy as well as the support of corporate partners. Their vision is to focus on key high-priority sectors in the local economy with potential for disruptive and scalable innovation – including Healthcare, Education, Care for the elderly, Transport & logistics, Frontier digitalization, Food industry, Eco-innovation – and to support their transformation through professional innovation management in high-potential start-up businesses. The accelerator program operates entirely with private capital with an initial indicative amount of 1 million. euros and invests from 10,000 to 25,000 euros in a company.

- IBM Sofia Accelerator

The IBM Sofia Accelerator provides a 12-week intensive professional program designed to foster the development of solutions targeting the enterprise market (not limited to). The program targets companies that have already received funding in the post-Seed and Round A stages, with the ultimate goal of establishing enduring technology and business partnerships with IBM on a global scale. The program's objective is to furnish startups with industry knowledge and emerging technologies, enabling them to broaden business prospects and attract investor support.

- Tech2Impact Accelerator

The program is aimed at founders of startups who work on projects with social impact (impact startups). The organizer of the accelerator is the international startup network tech2impact. The program is aimed at founders of startups working to solve key societal challenges using new technologies. Projects must work towards one or more of the seventeen UN Sustainable Development Goals (SDGs).

- Startup Sofia Accelerator

The Accelerator is a 3-month accelerator by Sofia Municipality, it is funded by public budget. It provides mentoring, institutional support, and access to shared workspace. Startups also get grants of up to 5000 euro per project and help in their process of preparing for application for funding from banks and investors. Supported are 625 SMEs, the total guarantee portfolio is for 60 million EUR.

- Start it Smart

It represents 10-week pre-accelerator, offering a mentorship program of over 40 trainings and a coworking space. Start It Smart has helped more than 300 start-ups. They support young people in creating successful startups. Start It Smart is the founder of the first pre-accelerator educational program in Bulgaria – Start It Smart | Pre-Accelerator and of many other projects with which they support and inspire entrepreneurs – workshops, events, consulting services, pitching competitions, trainings, mentorships, etc. Their portfolio of projects is growing along with the organization itself and they have successfully started over 300 projects targeting entrepreneurs and wannapreneurs.

- Founder Institute Sofia

The Founder Institute is a 3,5-month pre-seed start-up accelerator that has helped its startups raise over $700M. It is a network that turn ideas into fundable startups, and startups into global businesses. More than 3,500 startups with a total market capitalization of USD 30 billion have successfully finished their accelerator program.

#### 1.1.2. Private Equity & Venture Capital

It is important to be mentioned, that there is a Bulgarian Private Equity and Venture Capital Association, which is a focal point of private investors, venture capital funds and the entrepreneurial community in Bulgaria. The association works alongside its members to improve the business environment and to drive innovation and growth in the country and the CEE region. BVCA collects data on member activities in private equity and venture capital and identifies industry players in the ecosystem. Giving voice to the community it represents, BVCA advocates on behalf of the industry to ensure sound public policy that encourages a favourable investment environment. All presenter Private Equity and Venture capital examples are appropriate to be used as funding options for startups from graduate students and are open for applicants.

- LAUNCHub

**LAUNCHub** is a leading early-stage venture capital fund focused on investing in startups in South-Eastern (SEE) and Central-Eastern (CEE) Europe. Since 2012, we have been involved in the region and its diaspora, helping exceptional teams create the next generation of game-changing companies. We are currently investing out of our third fund, with a size of €74M, dedicated towards ambitious early-stage founders. The focus of LAUNCHub is Pre-seed and seed investing with initial tickets between **€0.3 - 3M**. **75% of their portfolio companies raise follow-on funding** by exceptional VCs from our co-investors network, raising over €400M of capital in total.

- Eleven Capital

Eleven is an early-stage Venture Capital investing in technology companies in Central and Eastern Europe. The company Eleven Capital is an equity investor with a focus on entrepreneurs from Bulgaria and the region. The company's team is one of the pioneers in early-stage investing in Eastern Europe and consists of successful entrepreneurs and professionals with extensive experience in equity investments.

- Sofia Angels Venture

Sofia Angels Ventures is a EUR 13 million co-investment venture capital fund backed by the European Investment Fund to co-invest on deal-by-deal basis alongside private co-investors (angels, family offices, funds and other private institutions).

- Vitosha Venture Partners

Vitosha Venture Partners invests between EUR 25,000 and EUR 1,000,000 in early-stage and growth-stage companies that are based in or related to Bulgaria. They are looking for resourceful founders, ideas that matter, and strong execution and focus on leveraging our investment experience, global network, and market access, helping turn entrepreneurs into champions.

### 1.1.3. Business Angels

Business angels are wealthy individuals who invest their own capital in start-up companies (usually at an early stage) in exchange for an equity stake. They have extensive management experience behind them and, in addition to capital, support entrepreneurs with know-how and contacts. They mostly invest in software, healthcare products, biotech products and other high-tech industries. Most business angels in Bulgaria expect a return on investment of 2 to 40 times over a period of 3 to 8 years. The amount of investment can vary from 20 thousand euros to 500 thousand EUR, depending on the needs of the company. The funds they invest in are personal. The business angel is involved in the strategic management and active development of the start-up company. In Bulgaria, there are several groups that recruit business angels and support the stratification of innovative business ideas.

The Bulgarian Business Angel Association is a non-government, national organization that seeks to support and develop the Bulgarian entrepreneurial ecosystem, through the powerful support of Business Angels, The Association supports initiatives aimed at creating one's own business, providing financial support from Business Angels, institutions and companies.

Bulgarian Angels Club is a group of top executives and entrepreneurs who invest their own money in start-up companies in return for an equity stake for profit. Bulgarian Angels Club is looking for early-stage startups (usually after being in an accelerator/incubator) that have the potential to grow very quickly. Entrepreneurs must be able to show us how, based on our one-time investment, their company: 1) can reach a phase where it is self-sustaining (break-even) 2) Or can take a bigger next investment from a bigger investor ( eg fund) in the next 12-24 months. The startups they consider have an already formed small team (from 2 to 5 people) that has serious expertise in a certain area and a product that has already been launched on the market or has a ready beta version with a significant number of users.

## 1.2. Public funding options. The role of the Government

Innovation policy is a key factor for increasing the economic growth of the country, for maintaining the competitiveness of the Bulgarian economy, for creating better jobs, as well as for improving the quality of life. Innovation is at the heart of the transition to a green and digital economy. Bulgaria has successful researchers and innovators, traditions in education and science and potential for the development of modern technologies. The upgrading of these foundations of innovation policy is the main goal of the Ministry of Innovation and Growth, which organizes, coordinates and controls the implementation of state policy in the field of innovation, technological and economic development and growth of the Republic of Bulgaria. The ultimate goal is to achieve an Innovative Bulgaria with an economy based on knowledge and smart growth through measures in the field of education, digital skills, science, innovation, technology and the interrelationships between them.

### 1.2.1. Fund of Funds

The Fund of Funds supports startups through both equity and microcredit debt instruments. The total value of the resources provided through the instruments for equity investments is 279 million BGN public resources, and private resources have been attracted for another nearly 80 million BGN. Applications for participation in the third edition of the national competition "Best Youth Startup in Bulgaria" are open. The competition is organized by the Fund of Funds and the Faculty of Economics of Sofia University and is under the patronage of the Minister of Innovation and Growth and the

Rector of SU. Applications from young people from all over the country are accepted through the competition website https://www.startup-competition.fmfib.bg/ until March 15th, 2024.

### 1.2.2. Bulgarian SMEs Promotion Agency

The Agency is having more consulting and supporting functions in connecting startup ideas with the funding party. BSMEPA is joining forces with Plug and Play, the world's largest startup accelerator and innovation platform, to provide an exclusive opportunity for Bulgarian SMEs and startups to take part in the 4 different areas of the workshop. Plug and Play, with a network of 70,000 startups, 500 leading global corporations and hundreds of venture capital firms, universities and government agencies worldwide, will be your new market door. The agency supports a number of small and medium-sized enterprises in their participation in various forums and contests for funding startups.

### 1.2.3. Bulgarian Development Bank

The Bulgarian Development Bank, in partnership with the Pan-European Guarantee Fund, is offering a new loan for start-ups on the softest possible terms: Amounts up to 125 000 EUR, minimum 10% deductible. The funding is provided by the EGF Guarantee Facility, implemented by the European Investment Fund (EIF) with the financial support of the Member States of the European Union, which contribute to the Pan-European Guarantee Fund (EGF).

### 1.2.4. European Programs

The European Union offers a number of opportunities for grant funding for start-up businesses 2021-2027. The potential beneficiaries of the funds from the operational programs can be state agencies and institutions, NGOs, central and local government bodies, private sector, etc:

- Program "Competitiveness and innovations in enterprises for the period 2021-2027“
- Operational program for the development of human resources for the period, 2021-2027
- Rural Development Program, 2021-2027
- Maritime and Fisheries Program
- Program „Development of innovations in enterprises”

### 1.2.5. Grant Programs

What grant programs can small and medium-sized enterprises (SMEs) apply for in 2024? Small and medium-sized enterprises (SMEs) have access to a number of grant programs provided by the European Union in 2024. These programs are diverse and are designed to support different types of business activities, innovation and growth.

Single Market Program

The Single Market program aims to support SMEs in their quest to integrate more effectively into the EU Single Market. The aim is to facilitate access to new markets and financing, which is crucial for the growth and development of small and medium-sized businesses. This program enables SMEs to increase their visibility and competitiveness within the EU by offering a variety of tools and resources to help in this process. The management of the program is in the hands of the Executive Agency for the European Innovation Council and for SMEs (EISMEA), which ensures that policies and measures are adapted to the needs of small businesses.

Connecting Europe Facility (CEF)

The Connecting Europe Facility (CEF) is extremely important for SMEs involved in energy, transport and digital projects. This mechanism offers funding for infrastructure projects that are important for strengthening the internal market and supporting the overall economic development of the EU. The CEF acts as a catalyst for the development of key sectors, while offering opportunities for SMEs to participate in major projects. The mechanism is managed by two agencies, the European Climate, Infrastructure and Environment Executive Agency (CINEA) and the European Health and Digitalization Executive Agency (HaDEA), which provides a specialised approach in the different support areas.

Horizon Europe

Horizon Europe is the EU's flagship program for funding research and innovation. It offers significant opportunities for SMEs seeking innovative development and the introduction of new technologies. The program supports a wide range of research activities, covering a variety of areas, from fundamental research to applied scientific development. Horizon Europe is the successor to the successful Horizon 2020 program and continues to be a key instrument to support scientific innovation in the EU, thereby supporting the growth and competitiveness of SMEs across the European Union.

European Cohesion Policy

European Cohesion Policy focuses on reducing disparities between different EU regions and supporting the economic development of less developed regions. It provides significant financial resources for investment in regional development, which includes support for SMEs. Cohesion policy plays a key role in stimulating growth and job creation, while addressing social and economic challenges. SMEs in the different regions of the EU can benefit from this policy by receiving support to expand their activities and increase their competitiveness at local and national level.

Progress Microfinance Facility

The Progress Microfinance Facility is an important tool for SMEs, especially those that are just starting their business or expanding their activities. It offers microloans worth up to 25,000 euros, which are particularly suitable for small businesses and the self-employed. The Facility works in partnership with various microcredit providers across the EU, thus facilitating access to finance for entrepreneurs who often face difficulties in obtaining traditional bank financing. This mechanism is especially useful for start-up entrepreneurs and micro-enterprises looking for ways to finance their ventures.

## 1.3. How UNWE is supporting students and graduates to start up a new Business idea

### 1.3.1. Workshops, conferences, meetings, discussions

The first Interuniversity Center for Career Development (ICCD) in Bulgaria was built in 2002 and has been operating successfully since 2003 at UNWE. The center serves both students, doctoral students and teachers from UNWE as well as from other Bulgarian and foreign higher schools. ICCD actively participates in the processes of professional orientation and career development of students with the aim of their successful implementation on the labor market. His team works to achieve a high level of student awareness of the requirements, challenges and opportunities of the modern labor market, as well as their active participation in the processes to achieve successful career development.

In May 2022, the only one in Bulgaria University **Startup Hub** at UNWE was opened. Its main role is to attract students with an innovative business vision and entrepreneurial spirit, to help them develop their ideas, as well as to look beyond the boundaries of the possibilities offered by business. Students receive support from the startup hub team with consultations, training, networking, open lectures, mentoring meetings with representatives of start-up and already developed businesses. Some of the events held by Startup Hub are:

- Startup mentoring program of UNWE (October 2022) – a series of meetings of students from UNWE with representatives of the startup ecosystem, in which each of them talked about their successful path in the implementation of their innovative projects.
- Training on the topic "Entrepreneurship with limited resources" (November 2022) - the lecturer Gospodin Bodurov presented to the participants his path to success, as well as indicated the main qualities that a successful entrepreneur must possess;
- Over thirty mentoring coffees with representatives from the Fund of Funds (November 2022 - January 2024) - more than 100 students took part in the events, who were consulted by representatives from the Fund of Funds and the Startup Hub team, they shared their innovative ideas, for which they also received invaluable advice on the way to implementation. Currently, 15 of them are in the funding readiness phase;
- Startup day at UNWE with founders of successful startups (November-December 2022); - Training on the topic "Skills for entrepreneurship" together with JobTiger (December 2022) - the event is part of a series of similar trainings in which leading experts, entrepreneurs, educators in the field and representatives of investment funds share experience and knowledge with the aim to develop the entrepreneurial and innovation skills of young people and to inform them about the possibilities of financing start-ups, how to prepare business plans and how to present their ideas to investors;
- Game simulation for young entrepreneurs in partnership with $S^3$ Business Incubator (m. March 2023) - over 50 students took on the role of innovators through a specially developed application, which makes them part of a startup project in which each participant can plan about the future company development;
- Sharing of resources at the Training Center of the Bulgarian Academy of Sciences and organizing a series of webinars "Science, innovation and business" - "Start your business prepared - How to successfully implement a scientific development or innovative idea in practice" ( March 2023), "Entrepreneurship and science for the benefit of society" (April 2023), "Digital content in the customer journey and

use of artificial intelligence (AI)" (May 2023) - over 400 students and PhD students from UNSS and BAS took part in the joint series of events "Science, Innovation and Business", the main goal of which is to teach entrepreneurship to young researchers;

### 1.3.2. Successful startups of UNWE graduates:

Gamifino, VRtual Space LLC , Pleggi, MindFit, Colibra, Phyre

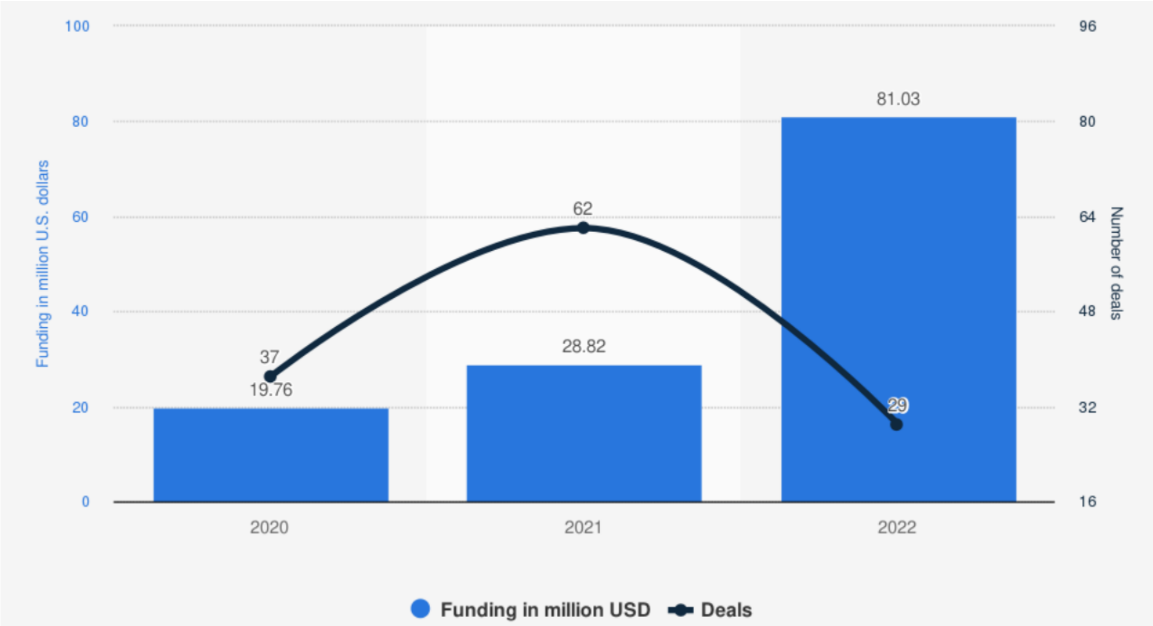
## 1.4.Respective quantitative data related to Bulgaria

Bulgaria has a relatively small market, but checks several boxes for a robust startup ecosystem: strong digital infrastructure, variety of support programs, and top tech talent. Bulgaria has so far created a strong startup support environment with a number of successful accelerators and incubators. The local startup ecosystem has also achieved a major milestone in 2022 with its first unicorn, Payhawk. This success story has brought new breath to the ecosystem as Bulgaria grabs the attention of the American and West European VCs.

Since 2023, Bulgaria lost 2 spots in the Global Startup Ecosystem Index, having now positioned itself as 38th worldwide.

The most entrepreneurially active individuals are the 25-44-yearolds. The group of 18-24-year olds shows a participation rate almost as high as the subgroup of 35-44-year-olds. Young entrepreneurs have some significant strengths including the low opportunity cost of time and stimulating entrepreneurship among them might be particularly effective. Providing conditions for entrepreneurial opportunities for the youth has the potential to decrease the rate of youth emigration and even become one of the key factors to stimulate returnees.In Bulgaria, there is no evidence for a gender gap regarding entrepreneurship. This must have a positive impact on the overall economic environment because economies with high female labour force participation are more resilient as they experience economic growth slowdowns less often.

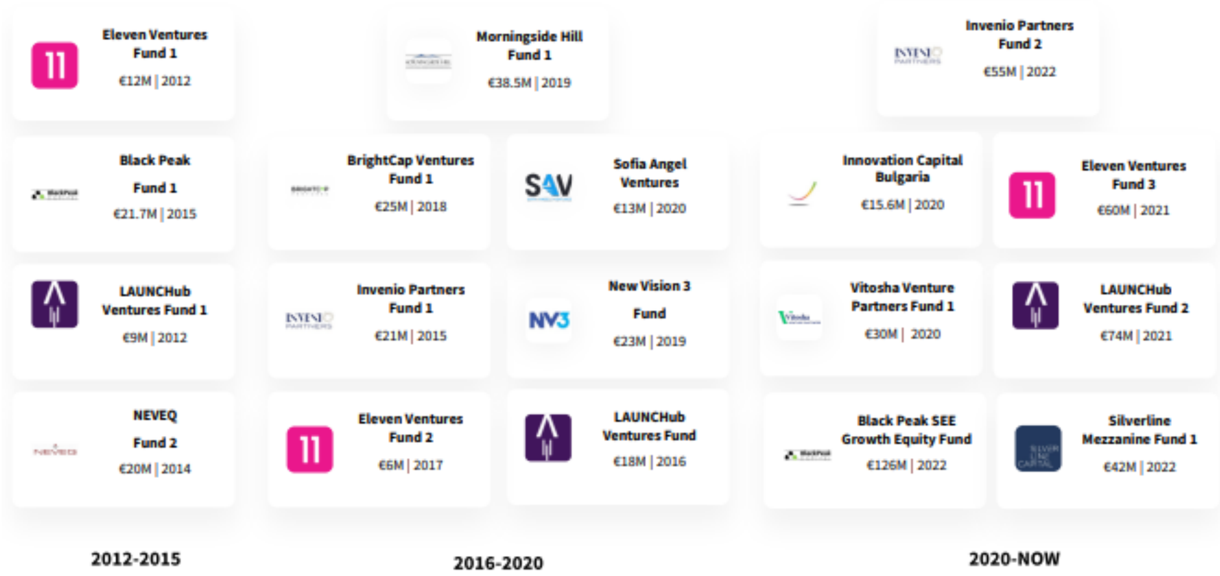
**Size of the startup market in Bulgaria from 2020 to 2022, by funding value and number of deals:**



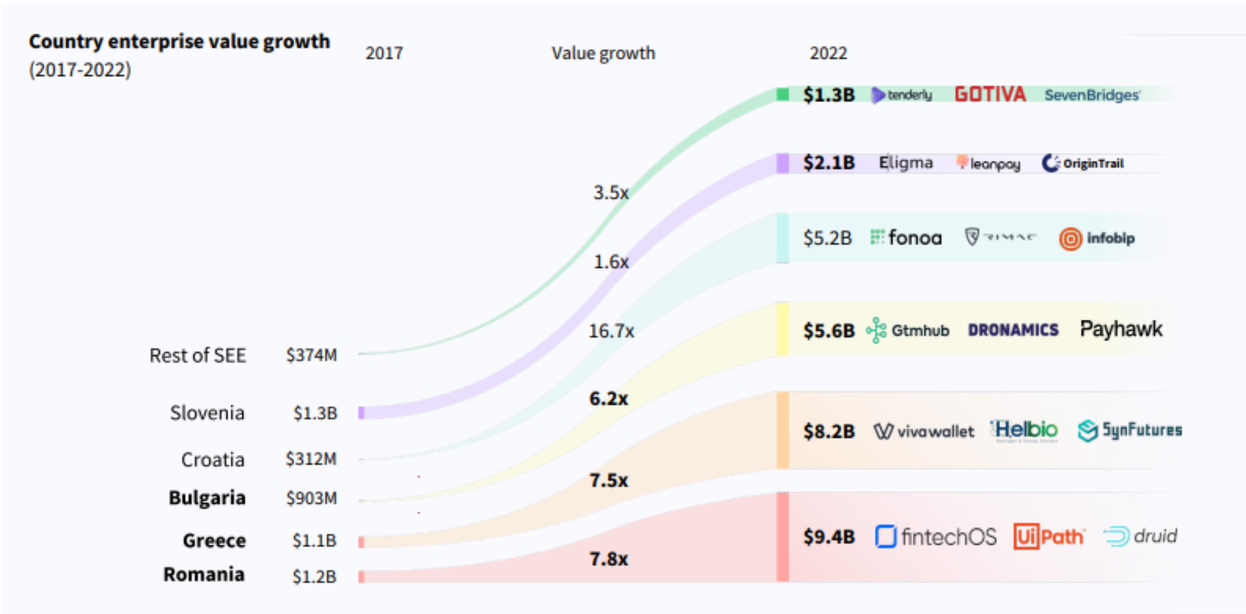

Source: StartUp Blink, Statista

**Bulgaria is one of the leading investor hubs in SEE.**

## A wave of new funds has emerged in Bulgaria since 2012

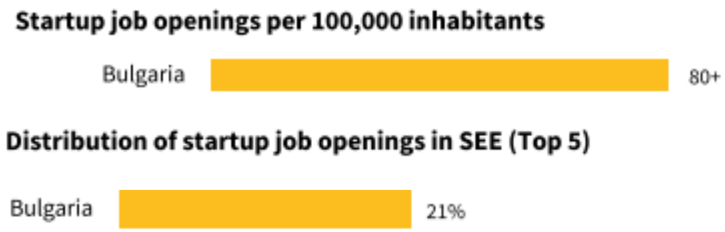



## Romania, Greece & Bulgaria have grown to make up more than 70% of the SEE ecosystem enterprise value

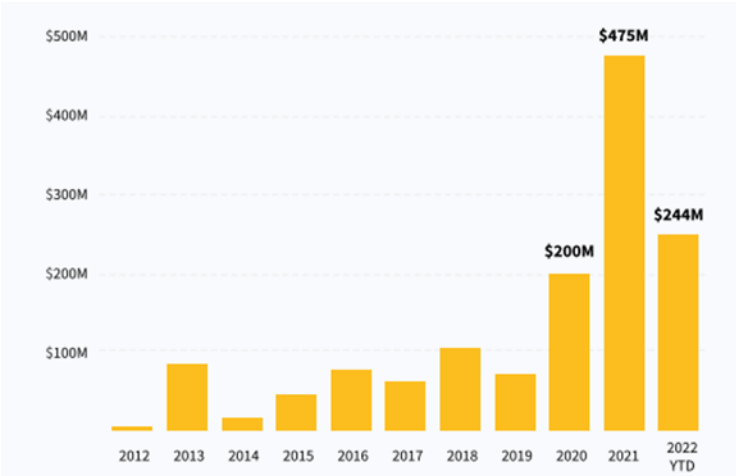



Source: SEE Report 2022-November (bvca.bg)

**According to SEE Report 2022-November Startups create opportunities for talent across South Eastern Europe:**




**2022 is already the second highest year for VC investment into Bulgarian startups, only behind record-breaking 2021**




# 2. DESK RESEARCH – CYPRUS

## 2.1. Country's financing tools and initiatives

As new established enterprises, startups offer innovative products or services that are constantly spreading throughout Cyprus (Deloitte, 2020; Kollmann et al, 2016). However, Cyprus has not yet developed a comprehensive and specialised registration system for startups. Therefore, the terms, regulations and requirements / criteria appear to be the same with any new market entry business that potentially applies to this framework. Currently, the entrepreneur of a startup registers as a self-employed person. Like any other new business, the startup also needs access to financial support tools for its rapid development. Usually in the first steps of a startup the funding emerges from its founders. But self-financing is not enough for most of the cases in the field and other sources of financing are often being sought. This particular pursuit of financial instruments to support startups in Cyprus constitutes a challenge that the startup faces, respectively. Seamless access to financial tools is essential namely for the establishment, growth and survival of that kind of young business. In Cyprus, it is possible to find funding for startups through various sources. Hence, these sources can also be utilized by graduate entrepreneurs in order to finance their own startups. Among the referred sources, we observe the following options:

### i. Source of co-financed programmes for new business activity

For the 2021-2027 period, Cyprus is implementing co-financed programmes from the European Structural and Investment Funds. These programmes aim to promote new, sustainable and competitive enterprises. One such programme called "TH.AL.E.I.A." 2021-2027 which provides opportunities and capabilities for business development in the form of non-repayable grands / financial support (Ministry of Energy, Trade and Industry, 2021). Specifically, the responsibility for the programme lies with the Department of Industry and Technology of the Ministry of Energy, Trade and Industry. In parallel, the Research and Innovation Foundation also manages co-funded programmes for the establishment and development of innovative entrepreneurial initiatives.

### ii. Source of State subsidies

It is evident that in Cyprus, startups are given the opportunity to be financed and supported through government grants from the stage of their establishment to their development. This capacity is channelled through the Research and Innovation Foundation as well as the Industry and Technology Service (BUSINESS in CYPRUS, 2023).

### iii. Source of bank financing and relevant loans

Small and medium-sized enterprises in Cyprus, including startups, can obtain financing from Cypriot banks in the form of loans. Bank lending requires that the business activity is partially financed with own capitals/equity and that the bank is secured through guarantees or mortgages. A comprehensive business plan and additional evidence of the viability of the business activity must also be submitted to the bank.

### iv. Source of alternative funding mechanisms

In addition to the above funding schemes, alternative funding mechanisms have been developed in Cyprus over the last few years. In particular, the Cyprus Network of

Business Angels (CYBAN) and the Crowdfunding Platform, which also support youth entrepreneurship. Lastly, certain venture capital deals have been deployed between businesses and investors in the broader area of Cyprus (Ministry of Energy, Commerce, Industry and Tourism, 2015).

## 2.2.The role of government, civil society, universities, hubs and industry

### 2.2.1. Information on the role of government and governmental bodies in promoting financing tools for startups.

Aiming to support innovation and entrepreneurship, many ministries and other governmental bodies promote funding opportunities. In detail:

**The Ministry of Energy, Commerce and Industry**

As Cyprus is a member of the EUGO Network, The Ministry of Energy, Commerce and Industry developed the Point of Single Contact (PCP Cyprus) to facilitate the establishment of new businesses in the services sector (Business in Cyprus, 2023; EU 2023). PCP Cyprus is a portal that entrepreneurs can use to get information on practical aspects or purchase assistance. On the portal, entrepreneurs can also find information about the *Research and Innovation Foundation (RIF)*, which is the main body for financing business research and innovations, and the *Industry and Technology Service* that offers support through several programmes.

**The Deputy Ministry of Research, Innovation and Digital Policy**

The Deputy Ministry of Research, Innovation and Digital Policy is responsible for the implementation of the "Cyprus Startup Visa" project that allows entrepreneurs outside the EU to establish their startup in the country. A practical guide is available on the website of the Ministry. The Deputy Ministry of Research, Innovation and Digital Policy also supports start-ups to participate in international workshops and events. This year the Ministry offered financial support to selected start-ups for participating in the 25o MIT Global Startup Workshop (MIT GSW) 2023 (DMRID, 2023).

**Research and Innovation Foundation (RIF)**

The Research and Innovation Foundation (RIF) was established in 1996 and is the national authority responsible for supporting and promoting research, technological development and innovations (RIF, 2023). RIF acts as a startup incubator. On the online platform, entrepreneurs can find information about funding opportunities such as the

EU Horizon Call or the ReStart Research calls. The Research and Innovation Foundation (RIF) also organizes workshops to familiarize entrepreneurs with the funding opportunities and the submission proposals.

**Industry and Technology Service**

The Industry and Technology Service of the Ministry of Energy, Commerce and Industry aims to support innovation in the manufacturing sector, improve the digitalization of businesses, strengthen the interaction of the service sector with the manufacturing industry, support entrepreneurship and improve access to financing opportunities (MECI 2023). The Service attempts to use the EU funding opportunities to boost entrepreneurship. Thus, Grant Schemes are designed to strengthen and support the manufacturing sector as well as young and female entrepreneurship and digital readiness.

**Invest Cyprus (hub)**

Invest Cyprus[2], the National Investment Promotion Authority of Cyprus attempts to attract and facilitate foreign investment and business development into Cyprus (Invest Cyprus 2023). Invest Cyprus informs through several publications (Invest Cyprus 2019) the EU citizens about the opportunity to come in Cyprus and start their business. It also informs non-EU citizens about the Cyprus Start-up Visa and funding opportunities that a startup can take advantage of, such as the EU Horizon 2020 Program or the Cyprus Entrepreneurship Loan (loans with favorable financing terms for startups). It also provides investors with information on the operation of the *Research and Innovation Foundation (RIF)* and the *Cyprus Business Angels Network (CyBAN)*.

**The Department of Registrar of Companies and Intellectual Property**

The Companies Section of the Department of Registrar of Companies and Intellectual Property, operating under the auspices of the Ministry of Energy, Commerce and Industry, is responsible for promoting the development and operation of business activity including the establishment of new businesses (Companies Section, 2023). On the website of the Companies Section potential or existing businesses can find a detailed guide to starting a new business in Cyprus or abroad, merging existing businesses,

[2] Invest Cyprus in a Non-Profit National Body of the Government

incorporating a partnership, etc.. While The Companies Section of the Department of Registrar of Companies and Intellectual Property supports new businesses to cope with the legal framework, its attempts to promote the available financing opportunities are limited.

### 2.2.2 Information on the role of the industry in promoting financing tools for startups

Cyprus Business Angels Network (CyBAN) is an online network that aims to connect start-ups with potential investors. Start-ups receive advice on business planning, pitching investors, funding/grant opportunities and applications (CyBAN, 2023). CyBAN participates, in collaboration with EU Universities, in Erasmus+ and EU Horizon calls in order to support entrepreneurship and innovation and to increase the knowledge of entrepreneurs about possible funding opportunities.

In the same vein Cyprus Chamber of Commerce, a private corporate body financialy independent from the state, aims to promote business interests and thus, it offers training, support and information to start-ups (CCCI, 2023). Local chambers act accordingly.

### 2.2.3. Information on the role of incubator-accelerator centers in promoting financing tools for startups

- In Cyprus there is infrastructure in terms of incubator-accelerator centers. Deloitte runs the Innovation and Entrepreneurship Center (IEC) in Limassol, which is dedicated to helping local and incoming startups grow (Deloitte, 2023). Moreover, IEC in cooperation with the Bank of Cyprus established Aris, an accelarator center that aims to help innovative ideas to turn into start-ups. Aris is managed by IEC while experts and academics participate in the related procedures. Deloitte's financial advisory services connect young entrepreneurs with potential private investors and help them develop business plans, assist them in their day-to-day operations and support them during the negotiation stage. They also help young entrepreneurs to match their offering with the European Calls and to develop and submit proposals.
- The IDEA Innovation Center is another non-profit accelerator-incubator center supported by the Bank of Cyprus aiming to encourage young Cypriot entrepreneurs (Bank of Cyprus 2023).

- Junior Achievement Cyprus is also a non-profit organization, member of the Junior Achievement Worldwide, aiming to inspire, educate, encourage, and support young entrepreneurs (Junior Achievement Cyprus 2023).

### 2.2.4. Information on the role of Universities in promoting financing tools for startups

Although Universities in Cyprus provide information about funding opportunities there is still room for improvement. A small number of Universities share information through their websites about EU Horizon 2020, Erasmus+, COST, LIFE and other calls (CUT 2023). They also deliver workshops and seminars to inform young entrepreneurs about the potential funding opportunities. Universities claim to support graduate students to start their own businesses by providing advice and encouraging them to participate in start-up networks and competitions. Neapolis Paphos University, through its liaison office informs students and alumni about opportunities such as the Junior Achievement Start-Up Cyprus competition (NUP, 2023a). Last year, three graduate students of Neaopolis University Pafos participated in the final stage of the JA Cyprus competition with their innovative idea “World Historical Treasures” (NUP, 2023b). To implement similar initiatives universities have established their innovation or research centers, but the structure and services provided are not clear (INTENTIP, 2023).

Moreover, in many cases universities undertake the responsibility to lead or support the development, submission and implementation of research proposals that involve start-ups and new businesses.

# 3. DESK RESEARCH – FRANCE

In France, entrepreneurship, in general, is highly regarded, reflecting the nation's strong inclination towards innovation and creativity, which is deeply rooted in its cultural and historical heritage. Over the years, France has strategically positioned itself as an innovation-driven nation, recognising the crucial role of entrepreneurial training in economic growth and addressing societal challenges. As a result of these efforts, France ranks as the world's fifth largest economy by being home to 31 of the world's 500 most powerful companies (Industrial Dynamism and French innovation, 2023). In addition, by maintaining 71 clusters, the country comprises an attractive ecosystem with around 13,000 startups thriving despite a challenging international economic environment. These startups have shown a notable revenue growth of +32% between 2021 and 2022, driven by a strong domestic market and international expansion (France Digitale, 2023). The evolving trends in the French startup scene have reinforced the value of entrepreneurship training and support initiatives as a mean to prepare aspiring entrepreneurs to meet the challenges of this dynamic sector while securing the necessary funds to scale

## 3.1. Funding sources in France

### 3.1.1.Financing tools students and young entrepreneurs can benefit from

**Jeune Entreprise Universitaire (J.E.U.):**

The French finance law of 2008 introduced the Jeune Entreprise Universitaire (J.E.U.) initiative, targeting the promotion of business creation among students and research personnel within higher education. This program recognizes companies as J.E.U. until the end of the financial year just before their eighth anniversary, under the condition that they are managed or directly owned (minimum 10%) by students, recent masters, or doctorate graduates (within five years), or individuals engaged in teaching or research. The J.E.U. offers several financial incentives to qualifying companies, including comprehensive tax exemptions such as the complete waiver of the annual flat-rate tax, corporate tax, territorial economic contributions, and property tax on built properties for a duration of seven years. In addition, these companies are exempt from employer social contributions and can benefit from both the research tax credit and profit tax exemptions simultaneously. An attractive feature is also the option for reimbursement of research tax credit debts for the entire period of qualification, facilitating significant financial relief for young university-based enterprises.

**Professional Networks and Competitions for Entrepreneurial Support:**

Parallel to governmental financing tools, professional networks and competitions offer vital support for French young entrepreneurs. The BGE network plays a significant role in assisting very small businesses from their creation stage to development, providing a structured coaching system tailored to the business's progress level. Initiative France also emerges as network comprising local entrepreneurs, offering financial solutions such as loans of up to €10,000 coupled with personalized support, thus addressing the critical needs of nascent businesses. Another notable entity, the Moovjee network, specifically targets entrepreneurs aged 18 to 30, offering mentoring services and annual awards of up to €10,000. These awards and the mentoring program are designed to strengthen young entrepreneurs, providing them with the necessary resources and guidance to ensure their business ventures are both successful and sustainable.

In addition, for students and young entrepreneurs looking to transform innovative ideas into tangible businesses, a variety of financing tools offer essential support and resources:

**ACRE** (Aide aux Créateurs et Repreneurs d'Entreprise) stands out by providing relief from certain social charges over the first year of business, facilitating a smoother startup phase. It's particularly beneficial for those in the early stages of developing or acquiring a business, helping to lessen the financial burden by providing a 50% reduction in social contributions for up to the first 12 months. Eligibility hinges on being at the onset of business activity and not having utilized ACRE for a different business venture within the preceding three years, making it a targeted measure to encourage fresh entrepreneurial endeavors.

**ADIE** (Association pour le Droit à l'Initiative Économique) addresses the needs of entrepreneurs who might not qualify for traditional bank loans. This organization offers microloans and tailored advice, targeting unemployed individuals or those on social benefits through free guidance for business creation, access to micro-credits of up to €12,000, and comprehensive training programs designed to enhance entrepreneurial capabilities.

**Honorary loans** provided by organizations such as Réseau Entreprendre and Initiative France furnish zero-interest financial support, ranging from €5,000 to €50,000, to strengthen business equity without necessitating a personal financial investment, thereby facilitating a smoother transition from idea to enterprise.

Other r**egional aids** across various parts of France provide substantial financial incentives to entrepreneurs, aiming to stimulate business growth in targeted areas. For instance, the "exonération en zone franche urbaine (ZFU)" offers a tax exemption on profits for the first five years following a company's establishment, provided specific conditions are met, encouraging business activities within urban zones. In rural areas, aid for taking over a business can include tax exemptions and rebates, alongside direct financial support, fostering economic development in these regions. The social security contribution exemption system in "zones de revitalisation rurale (ZRR)" enables businesses to benefit from an exemption on certain employer social security contributions for 12 months when hiring specific categories of employees, promoting employment in rural areas. Additionally, regional aid tailored for young entrepreneurs or tax credits are available, varying by region and project, demonstrating the localized support aimed at nurturing entrepreneurial ventures across the country. These measures collectively form a diverse toolkit of aids, designed to address the unique needs of businesses in different geographic and economic contexts.

## 3.2.Role of government and other institutions

France's approach to integrating national and European financing competence frameworks and tools to support recent graduates and aspiring entrepreneurs, in general, is notable. This integration, which spans various levels and includes specialised training as well as regional financing tools, is particularly focused on making entrepreneurship and financing accessible to a wide demographic. The "Student Centers for Innovation, Transfer, and Entrepreneurship" (Pépites), which were launched in 2014 by the French Ministry of Higher Education and Research across 33 locations to foster entrepreneurship among students from high schools, colleges, and higher education institutions is an indicative example of such efforts. Pépites focus on three main actions: raising entrepreneurship awareness through various communication methods and educational integration, providing training that covers essential aspects of starting a business such as market entry, intellectual property, and financing, and offering hands-on support for business creation, including networking opportunities, financial solution guidance, and access to digital resources. Additionally, the Pépite Prize recognizes outstanding projects, offering winners support and a monetary award of up to 10,000 euros to help bring their innovative ideas to fruition.

The **National Student-Entrepreneur Status**, implemented in 2014 by the French Ministry of Higher Education and Research is another example allowing students and recent graduates to initiate or take over business projects within their educational institutions, offering a pathway to pursue entrepreneurial ventures without tuition fees. To qualify, applicants must hold a baccalaureate or equivalent diploma and be enrolled in higher education or have recently graduated. Essential to obtaining this status is involvement with a Pépite. Granted in collaboration with the ministry, this status affords various benefits including training, support, the possibility of a gap year for business development, access to financing, and project validation through ECTS credits. To let numbers speak for themselves, 5,303 students benefited from the student-entrepreneur status in 2021 while 21,184 projects have been supported by PEPITE since 2014. The National Student-Entrepreneur Status gives access to the student-entrepreneurdiploma (mandatory for young graduates).

The **student-Entrepreneur Diploma (D2E)** complements this status by providing tailored educational support for student entrepreneurs, valid for one year with a possibility for renewal. Recognized by the Ministry of Higher Education and Research and listed in the National Directory of Professional Certifications (RNCP), the D2E involves a contractual agreement between the student and two mentors. Although the tuition fee is capped at 500 euros for individuals under 28, it varies for older participants. The diploma extends several advantages, such as social security for graduates, transportation subsidies, and access to student dining facilities, alongside eligibility for training, business project support contracts (CAPE), and potential grant.

## 3.3 Quantitative data related to student entrepreneurs

**Quantitave data related to student entrepreneurs:**

21,184 project holders under the national student-entrepreneur status have been supported by PEPITE since 2014,

Number of students in higher education (Bachelor, Master and Doctorate=LMD) in 2021in France: 1,192,000,

5,303 students benefited from the student-entrepreneur status in 2021,

5,303/1,192,000 = In France in 2021, the proportion of students with the student-entrepreneur status among all students (in the LMD cycle) that year is 0.44%, which is n ot even 1%.

**Quantitave data related to the J.E.U scheme:**

J.E.U : In 2013, 96 companies opted for J.E.U status for a social exemption amount of 2,100,000 euros.

**Quantitave data related to a Pepite in Grand-Est named ETENA:**

Pepite ETENA supported 244 student entrepreneurs leading to the creation of 58 companies in 2022.

After joining ETENA, 20%-25% of students go on to create their businesses.

Impact assessment analysis published in 2023.

# 4. DESK RESEARCH – GREECE

## 4.1. Country's financing tools and initiatives for startups

Startups in Greece have been growing rapidly over the last few years. This is mainly due to the technological, economic and social environment that has been shaped in combination with the country's legal and regulatory framework as well as the access to financial tools (Research and Analysis Organization, 2022). Unhindered access to financial instruments play a pivotal role in the growth of startups and university graduates who want to develop entrepreneurial activities.

i. Through Bootstapping: Financing business startups utilising entrepreneur's own capital is a common practice if the startups do not require large amounts of capital..

ii. Through family and friends: In Greece, the institution of the family appears to be strong under the distinctive element of mutual support among family members. When a family member wants to establish an entrepreneurial activity, it is quite common to seek the financial support of family members. The same occurs when seeking funds through friends or certain other acquaintances.

iii. Through small business centers: Those facilities provide access to financing as well as support services. They could lend to startups allowing the entrepreneur to have control over the startups. This lending requires that a grant of 15% of the funding comes from equity or bank lending to secure the loan.

iv. Through business angels/seed investors: These cases refer to individuals, usually retired entrepreneurs or financially well-off, who have experience and wish to support startups. The support can be both financial and advisory. These persons have networks of contacts and financial resources elements necessary for the development of startups businesses.

v. Though crowdfunding: In Greece, collecting money from a large number of people (open calls to the public) to finance start-ups is limited as a technique in general. The effort to seek resources from the public is done through the web / online.

vi. Through bank loan: Bank lending is one of the oldest forms of lending. To secure the loan, which is a time-consuming process, collateral or mortgages are required. This fact makes the whole issue complicated for young people who usually do not have assets or own properties to use them as security for the loan.

vii. Through co-financed programmes with European and national funds: It is evident that many co-funded programmes utilising European and national resources are also directed to start-ups.

viii. Through nationally funded programmes and development laws: In Greece there are national resources that are geared towards startups. Such resources exist also through the development legislation supporting enterprises.

## 4.2. The role of government, civil society, universities, hubs and industry

In Greece, the role of central government, local self-administration, universities, research centers, civil society and businesses themselves is crucial for the development of start-ups. More precisely:

### i) The Greek government and local self-administration

They are major contributors to the creation of a favorable business environment for startups. The government shapes the institutional and legal framework for the operation of startups and at the same time provides the mechanisms for their financing through European and national resources.

In this regard, the *Research and Innovation Foundation* disposes of financial programmes to support startups, such as the PRE-SEED programme (Research and Innovation Foundation, 2023).

Simultaneously, it utilizes resources from the *European Structural and Investment Funds* to foster the development of startups as well as allocates national resources towards certain investment legislation. Moreover, the referred Foundation creates state-run business development incubators hatching start-ups. These state incubators offer housing and funding from external sources of capital.

The first *business incubator* in Greece was created with state and EU funding from the "ELEFTHO" programme. The state contributes to the funding of research centres and higher education institutions and also provides incentives for the development of startups. Such incentives in Greece are the tax deduction, the patent box and the tool of the development law.

At the same time, the regional self-administration manages European-funded programmes to support startups and creates entrepreneurship networks. One such network has been created by the municipality of Athens.

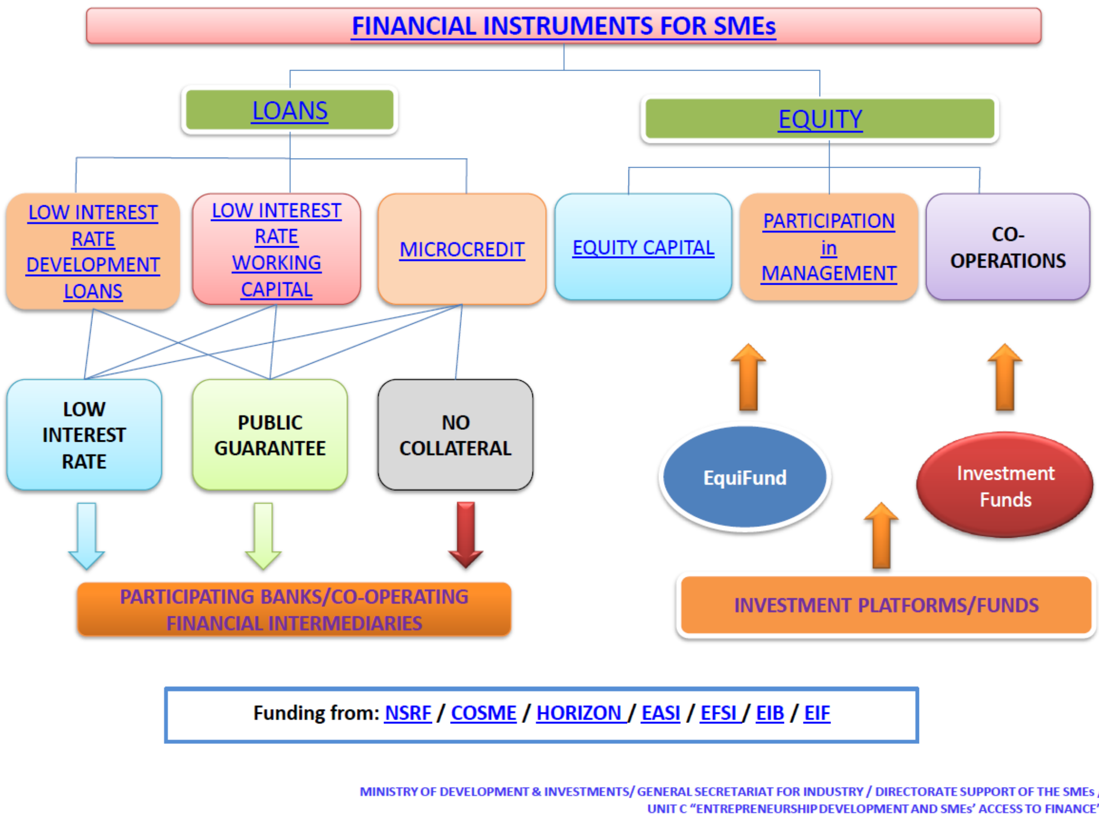
### ii) Greek universities

They have developed the respective business dimension which is gradually transforming them into entrepreneurial universities. Hence, they promote innovative projects towards startups and in many cases act as incubators for entrepreneurship. In this light, they cooperate with public and private bodies and develop concrete innovative technologies and practices. They create Science and Technology Parks many of which offer incubation services to startups. They establish innovative and entrepreneurial units, robust research centres as well as other forms of business incubation mechanisms (IOBE, 2020).

In parallel, the role of businesses is of great importance in supporting and strengthening startups with their respective networks. Startups companies in Greece also leverage resources through their participation in these networks. Such networks are the incubators, co-working spaces and accelerators. Thus, these organizations provide material and immaterial resources to startups businesses. Both accelerators and incubators constitute innovative investment schemes that have the potential to enhance startups. Lastly, the co-working spaces enable startups businesses to acquire facilities and develop powerful relationships with other enterprises.

## 4.3. Financial instruments that have been used for startups and for existent SMEs

According to Greek Ministry of Economy and Development (https://www.ggb.gr/en/Finance_SMEs_instruments) an overview of the financial instruments available to the Greek SMEs is given from the following graph:




Financial instruments mobilize combined public and private resources to address market failures and meet the financing needs of businesses, especially Small and Medium Enterprises (SMEs). They thus contribute to the financing of SMEs by means of loan financing, but also by equity capital through co-investment with participating financial institutions (banks or specialized investment schemes). Funding comes from national and European public funds through a series of programs.

The two main sources are either loan funding or private equity.

i) Loan funding

In the case of loan funding, financial instruments address the capital needs of enterprises by issuing low interest rate loans or/and guarantees, as well as through micro financing. Such loans may provide either development capital (for investment in tangible or intangible assets) or working capital.

**a) Low Interest Rate Development Loans/Public Guarantee**

Development Loans are loans tailored to support business investment plans. Eligible expenditure may relate to the purchase of tangible or intangible fixed assets and expenditure for the modernization of machinery and professional equipment.

Subsidized issued loans have favourable terms such as lower - than the market - interest rate, longer grace and repayment period. Additionally, participating banks request reduced collateral (cash, tangible or personal guarantees) due to the guarantees or funds provided by public or EU institutions.

Examples of such type of loans are those available from the European Investment Bank for SMEs and mid caps that cooperate with financial intermediaries (e.g. Greek Banks) for low interest rate loans. Another example is that of the European Central Bank that enhances access of SMEs which support women's entrepreneurship and enhance the presence of women in leadership positions (Funding program for SMEs and SMEs for the professional empowerment of women).

b) **Low Interest Rate Working Capital/Public Guarantee**

These are loans focused on providing liquidity to support companies' short-term operating needs. They usually have duration of 12 months and can be renewed for 3 to 5 years. Such loan fundings are the COSME Loan Guarantee Facility, the Creation of Financial instruments for Western Macedonia Region enterprises (*** New * Western Macedonia Region Development Fund** (WMDF)**.**

**c) Microcredit**

Microcredit (also known as microfinance) refers to low interest rate loans ranging from € 3,000 to € 25,000 that focus on existing micro-businesses and unemployed persons aiming to materialize their business idea. Micro-credits are provided to support existing and new small, micro-enterprises and self-employed entrepreneurs.

They are usually provided by banks, without tangible collateral, while guarantees are provided by Expertise Government/Public Agencies. The amount of the loan can be used both as working capital and for development expenditure. In Greece organizations providing microcredit operate under the Employment and Social Innovation (EaSI) program. For instance, the National Bank of Greece provides financial support up to 25.000€ through the EaSI program backed by EIF guarantees for SMEs. Eurobank provides also microfinance provision to micro enterprises in cooperation with the Action Finance Initiative (AFI). Other regional banks such as the Pancretan Cooperative Bank, the Cooperative Bank of Karditsa and the Cooperative Bank of Thessaly who provide microcredit subject on guarantees from the European Investment Fund. Also microcredit loans (1.000 to 25.000€) to existing small and micro enterprises and start-ups (6 months minimum operation period) combined with Enterprise Development Services are provided by Microstars an NGO operating in the region of North Greece (www.microstars.gr).

ii) Private equity

This type of funding applies to SMEs at any stage of their development; pro-seed, seed, early/later stage or even mezzanine financing just before a company's Initial Public Offering. Besides equity, venture capital firms may contribute in management, mentoring and developing of cooperation networks. A company that raises capital through private equity has the following options:

**a) Private Equity Capital Funding**

Financing for an SME may take place through acquiring a share in a company's equity or convertible bonds or even with syndicated loans.

-Holding Capital Fund of Funds – EquiFund.

EquiFund is an initiative created by the Hellenic Republic in cooperation with the European Investment Fund (EIF). EquiFund is co-financed by the EU and national funds, as well as funding from the EIF.

**-Other Private Venture Capital Funds**

Private investment funds that have signed agreements with national or/and European public institutions through open calls for interest in order to co-finance SMEs' investment plans such as the private equity firm DECA INVESTMENTS who Co-finances with the EIF through the COSME Equity Facility for Growth – EFG (COSME - Equity Facility for Growth (EFG) (eif.org)) which supports EU enterprises' growth and research and innovation (R&I) from the early stage, including seed, up to expansion and growth stage. Another example is that of SouthBridge Co-financed by the EIF through the cooperation of the European Investment Bank (EIB Risk Capital Resources – RCR).

Recently the European Investment Fund which is constantly in touch with the local market and with the Ministry of Development and Investments developed of a new co-investment fund with business angels, called Genesis Venture. The scheme is funded by funds that returned from the JEREMIE initiative demonstrating the importance of the repayable nature of financing tools, to create a continuous cycle of funding and support to SMEs and startups. The first Greek business angel fund, Genesis Ventures, was launched in 2023, backed by the European Investment Fund (EIF). The venture capital, besides its own funds, also involves and co-invests alongside business angels (thefoundation.gr).

**b) Participation in Management**

Private equity capital firms tend to participate actively in business management of the financed company and provide consultancy services (coaching, mentoring).

**c) Co-operations between local and European funds.**

# 5. DESK RESEARCH – POLAND

## 5.1 Mapping of the country's financing tools and initiatives that can be used by graduate students in order to finance their startups

The market of polish startups is dominated by small, short-lived companies, primarily led by individuals in their 20s and 30s, with a notable gender disparity. The key regions for startup activity include Lower Silesian, Mazovian, and Lesser Poland Voivodeships (Dziewit, 2022).

Startups in Poland have access to different financing sources. These sources can be classified considering both their subjective and objective structure. The subjective structure can be characterized by taking into account various criteria, such as considering the sector from which the funds come (public or private; emphasizing the role of public-private partnerships), the form of capital provided (equity through shares or stocks of the company or through the use of debt instruments), and the location of the funding source (domestic or foreign). On the other hand, the objective structure of financing is based on the division into equity (ownership) and debt capital (Michalczyk, 2022).

Acquiring equity for startups in Poland encompasses internal funding methods, which involve using the company's own resources, as well as external financing options that involve external entities in exchange for shares or stocks. Debt capital is categorized into two main types: long-term, for durations exceeding one year, and short-term, applicable for periods up to one year (Michalczyk, 2022), following Bednarz and Gostomski, 2018; Janasz et al., 2020; Prystrom and Wierzbicka, 2015). Founders' decisions on capital sources impact autonomy and control, crucial for startups navigating dynamic environments

Common financing methods in Poland encompass founders' funds, strategic investors, bank loans, public grants, EU funds, accelerators, entrepreneurship incubators, venture capital, business angels, and crowdfunding. Other options include factoring, leasing, and franchising (Arwaj et al., 2020; Dziewit, 2022; Kogut, 2017; Kowal and Kowal, 2019; Nieć, 2019). The evolving support landscape reflects a comprehensive and mature system (Grycuk, 2019).

## 5.2. Information on the role of government, civil society, universities, hubs and industry in promoting financing tools for startups

The government plays a key role in promoting funding tools for startups in Poland through various initiatives and programs, such as: creating appropriate regulations, support for innovative R&D projects, cooperation with European institutions, or organizing competitions and grant programs. It is worth noting the activity of various types of public entities directing capital to the SME sector, especially to innovative startups. The most prominent entities and funding channels in Poland in this field - both direct and indirect, encompassing not only those whose direct beneficiaries are startups - include multiple options that are presented in the Table 1 below.

**Table 1: Public Sources of Financing for Startups**

| | |
|---|---|
| **a) European Union and its funds**:<br>• **Horizon 2020 and Horizon Europe programs**: Including, for example, InnovFin, MSCA (Marie Skłodowska-Curie Actions), "Future and Emerging Technologies" (FET), grants from the European Research Council, and the European Innovation Council. This encompasses actions specifically aimed at small and medium-sized enterprises, such as EIC Accelerator, EIC Transition, EIC Pathfinder, Eurostars 2, 'Fast Track to Innovation,' research and innovation projects, guarantee instruments, preferential financial instruments, public procurement, and research infrastructures.<br>• **Operational programs**: Under the 2014-2020 financial perspective, these were categorized as Infrastructure and Environment, Intelligent Development, Knowledge Education Development, Digital Poland, Eastern Poland, Technical Assistance, and Fisheries 2014-2020.<br>• **Rural Development Programme**<br>• **Regional programs**<br>• **COSME** - Framework Programme for the Competitiveness of Enterprises and Small and Medium-sized Enterprises 2014-2020<br>• **Euratom** | **h) National Centre for Research and Development**<br>• Competitions for funding R&D projects<br>• Various national and sectoral programs<br>**i) Sectoral programs:**<br>• Innolot<br>• Innomed<br>• BRIdge Classic<br>• BRIdge Alpha<br>• BRIdge Mentor<br>• BroTech<br>• CuBR<br>• Technological Initiative 1<br>• Innotech<br>• Social Innovation<br>• KadTech<br>• Innovation Wizard<br>• Leader<br>• Patent Plus<br>• Applied Research Programme<br>• Spin-Tech<br>• Tango, etc.<br>**j) Polish Agency for Enterprise Development**:<br>• Guarantee and loan funds<br>• Working capital grants<br>• Acceleration programs<br>• Start-up platforms<br>• Innovation vouchers for SMEs<br>• Legal support for start-ups<br>• Support for SMEs in accessing the capital market (e.g., 4Stock)<br>• Development of start-ups in Eastern Poland<br>• Creation of network products by SMEs |

| | |
|---|---|
| • **Cross-border cooperation programs**<br>• **Innovation Union program**<br>**b) Ministerial programs:**<br>• Academic Creativity Centre<br>• Innovation Brokers<br>• Diamond Grant<br>• Generation of the Future<br>• Grants for Grants<br>• Innovation Incubators<br>• Top 500 Innovators, etc.<br>**c) Local government funds and local programs**<br>**d) European Investment Fund (JEREMIE, JESSICA, JASPERS programs)**<br>**e) Norwegian Financial Mechanism and European Economic Area Financial Mechanism**<br>**f) Polish Development Fund Group**<br>**g) Foundations:**<br>• Foundation for Polish Science<br>• Foundation for Polish-German Cooperation<br>• Stefan Batory Foundation, etc. | • Small grants scheme for enterprising women<br>• Grants for Eurogrants<br>• Grants for Seal of Excellence<br>• Scale Up<br>• Poland Prize<br>• Connect & Scale Up<br>• Industry 4.0<br>• inno_LAB |

Source: NCBiR, 2021; PARP, 2021b; Prystrom and Wierzbicka, 2015; Zembura, 2016, Michalczyk, 2022

Certainly, fostering a supportive environment and showcasing interest in entrepreneurship is primarily the responsibility of relevant authorities, whether at the central, regional, or local level. For instance, two notable initiatives are currently in progress at the Presidential Palace. The Economic Award of the President of the Republic of Poland, bestowed annually for two decades, stands as a significant economic accolade. Additionally, "Startups in the Palace" is a project designed to bolster innovative Polish enterprises by facilitating their quest for growth opportunities, which may include securing investors, forging business partnerships, and exploring new markets.

Civil society, i.e., the organized social sphere outside the government and businesses, also plays an important role in promoting funding tools for startups in Poland, such as: social capital (crowdfunding), entrepreneurship education and promotion, or lobbying in support of startups.

Finally, universities play a crucial role in advancing startup funding in Poland through diverse initiatives such as technology transfer, incubation, and acceleration programs. These programs engage students in entrepreneurial projects. In Poland, academic business incubators are categorized into pre-incubation and incubation phases. They offer various forms of support from business registration to obtaining EU funds. Established in the 1990s, these incubators, often affiliated with universities, fall into three main groups: those by the Students' Forum of the Business Centre Club and the Academic Business Incubators Foundation (now AIP), technology-linked ones at state universities, and those initiated by student organizations. The most dynamic are AIPs, situated in major academic hubs, with 40 in operation. Over 18 years, they've supported nearly 20,000 projects, facilitating their activities without market registration. This streamlined approach, backed by experts and mentors, has led to a total turnover exceeding PLN 721 million, with over 840,000 invoices issued and almost PLN 60 million in VAT paid.

## 5.3. Capturing the financial instruments that have been used in your country for startups and for existent SMEs

The landscape of financial instruments available to startups and SMEs in Poland is diverse, encompassing both public and private sources and international financial institutions. However, despite these options, many Polish startups encounter difficulties securing funding for their development. That often leads them to rely on internal funds, such as current revenues. The lack of a robust startup ecosystem, particularly at the preseed stage, contributes to this challenge.

Research conducted by the Startup Poland Foundation in 2023 revealed that many Polish startups (76%) rely on bootstrapping, using their funds. Domestic Venture Capital (VC) funds and business angels play vital roles in providing startup capital, with approximately 28% and 25% of startups receiving financing from these sources, respectively. Additionally, crowdfunding, particularly equity crowdfunding, has gained popularity among Polish entrepreneurs.

An analysis of the financial instruments used by Polish startups over the past decade shows that their primary funding sources are internal funds and funds generated by ongoing operations. However, there has been an increase in the usage of funds from institutions such as the Polish Agency for Enterprise Development and the National

Center for Research and Development. This increase may be attributed to enhanced cooperation between these institutions, resulting in a more coherent and comprehensive support system for entrepreneurs and scientists.

## 5.4. Respective quantitative data related to Poland

Poland has about 2.4 million non-financial enterprises, defined as active. Among them dominate microenterprises, which account for 97.2% of all enterprises. Small, medium-sized, and large enterprises comprise 2.1%, 0.6%, and 0.2% of the enterprise structure. In 2022, 386,000 new enterprises were registered, while 221,000 were deleted. The number of newly established enterprises increased by 4.8%, while the number of liquidated enterprises rose by 16.3% compared to 2021. Despite fluctuations, the number of newly established enterprises remained consistent from 2013 to 2022.

## 5.5.The primary research results summary

The primary research took place on December 19, 2023, to gather insights from students, lecturers, and entrepreneurs regarding the sources of financing for startups and the factors influencing access to funding. It was conducted in the form of interviews. The participants included 17 students and recent graduate entrepreneurs, three finance academics, and six business representatives. The interviews were facilitated by three academics who specialize in entrepreneurship. Each interview took about an hour and followed a structured questionnaire designed specifically for this study.

The results of interviews regarding the main obstacles to SME Access to Finance show that, according to the students, the main challenges faced by SMEs in accessing financial resources include bureaucratic hurdles, lack of funding knowledge, concerns about risk, capital-related issues, and fears regarding investor involvement. Students recognize the potential of AI in financial data analysis but express concerns about risk acceptance and suggest integrating AI with human experience. Addressing information asymmetry requires continuous education, simplified procedures, and enhanced access to financial information through online platforms and AI tools. In the opinions of entrepreneurs and academics, things look similar. Entrepreneurs state that SMEs need help accessing financial resources, marked by bureaucratic hurdles, insufficient funding knowledge, apprehensions about risk, capital-related issues, and concerns about investor involvement. Respondents acknowledge the potential of AI in financial data analysis but emphasize the importance of integrating AI with human experience to manage risks effectively. A consensus emerges for continuous education, streamlined procedures, and improved access to financial information through online platforms and AI tools to address information asymmetry.

According to academics, the main obstacles to startups obtaining financing include a lack of knowledge about funding sources, lack of experience, and low management competence of entrepreneurs. In addition, startups seeking funding have an unconsidered and superficial business model and a poor financial plan based on inaccurate data or unrealistic assumptions. Meanwhile, potential investors need detailed forecasts of revenues, costs, and a break-even point. According to the lecturers, the problem for startups also often lies in an underdeveloped market offer, a lack of product/service differentiators, and a clearly defined value proposition. In many cases, however, startups' difficulties in obtaining financing are due to problems finding investors in specific regions or industries, insufficient support from business incubators, and excessive bureaucracy and paperwork when applying for grants. Moreover, academics state that in the case of existing SMEs, the main obstacle to obtaining financing is the need for more credit history and insufficient guarantees. In addition, the high costs of financing and obtaining financing discourage entrepreneurs. According to academics, many entrepreneurs need knowledge of various financing sources and a proactive business approach. Therefore, education and awareness are critical, according to the lecturers, in overcoming many of the financing problems of SMEs. The most common responses from academics on reducing the information asymmetry resulting from SMEs' lack of access to financial and credit data point to the need to educate SME owners, improve the availability of financial information, work with rating agencies, and use technology to collect data. Transparency in communication and relationship building with financial institutions are also crucial. Finally, they stressed the importance of trust through audits, credit ratings, and honest communication. According to academics, to increase SMEs' access to traditional bank financing, SMEs must first and foremost improve their creditworthiness and learn to create solid business plans. They must be financially transparent and aware of existing support programs. In this context, enhancing cooperation between the banking sector and microenterprises and educating entrepreneurs regarding finance and presentation skills is essential.

Analytical tools and artificial intelligence, in the opinions of academics, are critical elements in improving access to finance for SMEs. However, they highlight issues related to the acceptance and parallel evaluation of AI and the human element in decision-making processes. They see the main benefits of analytical tools and AI in better data analysis. AI tools enable faster processing of vast data, leading to more accurate risk evaluation. They also result from process automation, speeding up credit processes and reducing the costs of evaluating credit applications. In addition, thanks to AI, there is an increase in the objectivity of granting, the elimination of human error, and the security of financial transactions. In addition, AI can help dynamically adjust credit terms based on a company's current financial performance, which can benefit well-growing companies. Academics, however, point out the risks associated with using AI. Their concerns include how people will use AI tools and the acceptance of artificial intelligence in decision-making processes. According to one participant, the ideal approach is to evaluate AI and humans in parallel to consider both objective aspects and human emotions.

The awareness of alternative financing tools among students *and* entrepreneurs was similar. Moderate understanding exists among them regarding funding opportunities for startup SMEs, focusing on bank loans, personal funds, grants, business angels, VC, subsidies, crowdfunding, and incubators. The student's knowledge level of financial technologies in SME financing is moderate, emphasizing the need for further education. They desire diverse financial tools, expressing concerns about trust and the need for tailored education for micro and small business owners. Meanwhile, in entrepreneurs' case, there is a notable gap in understanding the role of financial technologies in reducing barriers to SME access to finance. Respondents strongly support the implementation of non-traditional financing instruments, with a preference for crowdfunding, which is seen as highly beneficial for introducing innovative financing methods. Despite this enthusiasm, the overall awareness of asset-based finance and alternative financial tools remains relatively low, indicating a need for increased education and promotion of these financing options among the surveyed individuals.

Academics generally know funding sources and have a moderate to good understanding of financial technology and digital solutions. They also demonstrate strong knowledge of asset-based financing and alternative financial tools. While acknowledging the benefits of funding non-traditional, academics stress the importance of responsible approaches. The academics believe fostering diversified funding sources requires more straightforward regulations, reducing bureaucracy, offering tax reductions and incentives to investors, clarifying regulations on new forms of financing, strengthening legal protection for investors and education, and training entrepreneurs.

The next issue raised in the interviews was the policy towards SME financing. Talking about it, students emphasized that challenges for entrepreneurs arise because of frequent legal changes, contributing to instability. According to students, entrepreneurs call for simplified regulations, increased legal awareness, collaborative efforts, stable legal frameworks, explicit tax exemptions, and financial education. They state that public policy support is crucial for expanding financial product options for young entrepreneurs.

Entrepreneurs also proposed simplifying tax regulations, reducing bureaucracy, and increasing supervision of over-funded institutions. Moreover, they called for a unified application process for obtaining funds from various sources and stabilization efforts post-elections, underscoring the multifaceted approach required for fostering legal stability. Additionally, according to them, there is a shared sentiment regarding the importance of public policy in nurturing a diverse financial product offering for young entrepreneurs, with preferential loans identified as a tangible outcome. While opinions differ on the impact of international regulatory coordination on cross-border financing, respondents exhibit limited awareness of specific sustainable financing instruments, with ESG recognition standing out. Concerns of entrepreneurs were raised about the potential limitations posed by ESG disclosure requirements on SMEs' utilization of alternative financial instruments, with respondents emphasizing the added financial burdens and the need for timely preparation. Overall, the interviews with entrepreneurs reveal a complex landscape of legal, tax, and regulatory considerations impacting SMEs' access to finance in Poland.

Academics, such as entrepreneurs, believe that there needs to be more legal certainty in Poland, and improvements are needed in this area, as it affects investments and the operation of companies. They think fostering diversified funding sources requires more straightforward regulations, reducing bureaucracy, offering tax reductions and incentives to investors, clarifying regulations on new forms of financing, strengthening legal protection for investors and education, and training entrepreneurs. According to academics, governments can offer loan guarantees to lower the risk for lenders and encourage lending to young entrepreneurs. They can also create tax breaks for start-ups and their investors, support research and development, introduce education and mentoring programs, and create and support the activities of incubators and other business environment organizations. Moreover, academics agree that international regulatory coordination can be critical in promoting cross-border SME financing, benefiting entrepreneurs and investors in the global financial market.

According to academics there is a potential in ESG requirements for financing but recognize challenges for SMEs. They state that, on the one hand, ESGs contribute to higher costs for SMEs to comply with ESG standards and reporting, which can be a heavy burden for smaller companies with limited resources. On the other hand, however, clear and transparent ESG reporting can increase SMEs' access to capital. Additionally, investors and funds increasingly target companies demonstrating social and environmental responsibility.

The last unit of interviews concerned the role of universities in enhancing financial skills. In that area, students noticed that, at present, collaboration between universities and stakeholders includes guest lectures, workshops, internships, and competitions. Students highlight the importance of personal finance, budget management, investing, and business financing skills. They deem non-financial issues like business plans, management, and interpersonal skills essential. They state that flexible educational programs covering practical and theoretical aspects are advocated. Students' Recommendations include entrepreneurship incubators, business simulation games, and online economic simulations to prepare young entrepreneurs for SME challenges.

Similarly, as students, entrepreneurs perceive a diverse landscape in the collaboration between Polish universities and stakeholders in financial literacy initiatives. They also outline examples of such cooperation, covering lectures, workshops, and internships as part of collaborative efforts. There's a clear consensus among entrepreneurs on the need for universities to offer comprehensive financial education covering topics ranging from accounting to personal finance management. Non-financial aspects such as business plan development, financial risk management, and soft skills like pitching and leadership are highlighted by entrepreneurs as crucial for SME managers. They propose education programs for young entrepreneurs that span degrees in entrepreneurship and finance, marketing, and digital strategies. The suggested modules encompass foundational economics, financial management, and marketing. Regarding innovative education methods, entrepreneurs suggest that simulation games, networking events, and virtual trading are emphasized for their practicality and real-world applicability.

In the opinions of academics, collaboration between universities and various entities supports the financial sector and entrepreneurship development. Their recommendations for university programs include diverse finance topics, practical entrepreneurial education, and coverage of emerging trends, especially in technology. In particular, academics outline the role of various initiatives, such as business incubators, accelerators, and educational programs, in supporting young entrepreneurs across different SME business cycle stages.

# 6. DESK RESEARCH – SPAIN

## 6.1. Map of funding tools

Currently in Spain, there are various instruments, both public and private, for the financing of new start-ups, either directly through investors or through participation in accelerators and events specifically oriented towards entrepreneurs.

Next, we will provide a description of the main sources of funding for start-ups in Spain based on their typology, as well as other instruments that facilitate access to financial resources.

The main sources of funding include: Business Angels, Venture Capital, Corporate Investors and Business Events.

### 6.1.1. Business angels

Experienced professionals with a proven track record, typically high-level executives of companies, who, due to their knowledge of a specific sector or empathy with entrepreneurs, often invest privately in the initial stages of new companies operating in their professional field. While their primary activity is not investment, they maintain a diversified investment portfolio in projects with good business prospects.

These investors usually operate through Business Angels Networks, which aim to facilitate contact between early-stage companies and private investors. Their role involves attracting Business Angels and entrepreneurs with innovative projects, facilitating their meeting and overseeing the process to ensure the authenticity of proposals from both parties, leading to the final agreement. In Spain, there are around fifty such networks, generally not specialized in any specific sector, and they are driven by business associations, chambers of commerce, municipalities, or regional governments, and are grouped under the **Spanish Business Angels Association** (https://www.aeban.es/). Among the main networks, we can highlight:

- BAN MADRID (https://www.madrimasd.org/emprendedores/ban-madrid). Seed and pre-seed financing for innovative companies in the Madrid region.
- FELLOW FUNDERS (https://fellowfunders.es/). Multisectoral crowdfunding platform that provides a meeting space for entrepreneurs and investors.
- ESADE BAN (https://www.esadealumni.net/es/inversores/sobre-esade-ban). Investor network affiliated with the ESADE business school that organizes meetings between investors and entrepreneurs, based on the stage of each project: Seed, Growth, and Expansion, some of which are sector-specific: Healthcare, Real Estate, DeepTech, Tourism, etc.
- BIZANGELS BARCELONA (https://bizangels.barcelona/). Project evaluation and presentation to investors.

### 6.1.2. Venture capital

Capital investments to acquire a stake in a small or medium-sized company, typically start-ups, are usually carried out by Venture Capital firms. In Spain, there is a large number of these firms, some of which are specialized in specific sectors (health, digital, etc.) or the initial state of the company:

- **PRE-SEED:** very early investment stages, often involving public funding for conducting proof of concept, feasibility studies, etc.
- **SEED:** financing for the launch of a company, establishing a business structure, developing a product or service until it is validated by the market, and the company stops generating losses.
- **EARLY (Series A/B):** investment in the growth phases of a company that already generates revenue and may not yet be profitable. These investors seek high-risk divestment operations with high returns.

Many of these funds are associated with accelerators, complementing the work carried out with financing. An example of Venture Capital firms in Spain includes:

- INVEREADY (https://inveready.com/).

Investment in 4 verticals: life sciences, digital technology, debt, and hybrid financing.

Provide capital in early stages: Seed/Early.

- KFUND (https://www.kfund.vc/).

Investment in products and services with a strong technological component.

Provide capital in the Seed phase.

- YSIOS CAPITAL (https://ysioscapital.com/)

Investment in companies focused on human health and life sciences.

Participation in early stages: Seed/Early.

- CUPIDO CAPITAL (https://www.linkedin.com/company/cupido-capital/)

Entrepreneurs investing in entrepreneurs with multisectoral operations.

Investments in very early stages: Pre-Seed/Seed.

### 6.1.3. Corporate investors

Funds for investment originating from large companies that have their own business acceleration programs, seeking entrepreneurs with disruptive ideas capable of leading projects with high expectations. For entrepreneurs, this entails the participation of a partner in the company who can contribute business volume by becoming a client and provide a multitude of contacts.

The main corporate funds in Spain include:

- WAYRA (https://www.wayra.es/): Affiliated with the multinational Telefónica, Wayra provides acceleration services to start-ups, including financing, specializing in digital businesses. It has Innovation Hubs in Madrid and Barcelona where entrepreneurs receive support.

- CAIXA CAPITAL RISK (https://www.caixacapitalrisc.es/es): Caixa Capital Risk is the venture capital manager of CriteriaCaixa (Caixa Bank), investing in innovative companies in their early and growth stages. It has three specialized teams in the areas of Information Technology, Life Sciences, and Industrial Technologies, currently managing over 200 million euros through 9 specialized vehicles.

- LANZADERA (https://lanzadera.es/): Owned by entrepreneur Juan Roig, owner of the Mercadona supermarket chain, Lanzadera supports entrepreneurs, including financing, with the aim of creating the necessary conditions to contribute to the establishment of efficient companies that add value to society and implement a solid business model. Since its inception in 2013, they have accelerated 1.300 companies and granted loans worth 21.9 million Euros.
- FUNDACIÓN INNOVACIÓN BANKINTER (https://www.fundacionbankinter.org/): Through the Start-ups program, Fundación Innovación Bankinter supports entrepreneurs with decision-making tools such as the Start-up Observatory or Scaleup Spain Network, up to the Venture Capital program, where investments are made in projects.

#### 6.1.4. Business events for entrepreneurs

Spain hosts numerous events aimed at showcasing startups and presenting them to potential investors who can get to know both the team and the business possibilities associated with the idea. Among these events, two stand out:

- SOUTH SUMMIT (https://www.southsummit.io/es/): Recognized as one of the world's leading platforms for entrepreneurship and innovation, South Summit is one of the most important networks for high-value connections among key players in the ecosystem. Its activities include organizing investment forums for entrepreneurs.
- STARTUP OLÉ (https://startupole.eu/): This is a technological event held annually since 2014. Attendees include investors, companies, entrepreneurs, accelerators/incubators, media, government/public administrators, and universities/scientific and technological parks. It features a combination of CEOs and founders of new tech companies, spin-offs, and innovative SMEs, along with various individuals from the entire entrepreneurial ecosystem.

### 6.2. Role of the government and other institutions

Both, the Government of Spain and various regional governments employ various tools to facilitate access to advice and support for the financing of new startups. These include the following:

### 6.2.1. Spanish government

The Entrepreneurial ([3]) **Nation Spain Strategy** lays the groundwork to encourage private capital investment in innovative seed-stage entrepreneurship through the application of fiscal benefits. The objective is to increase the flow of capital directed towards innovative entrepreneurship in the early stages, contributing to the activation of productive fabric, boosting economic activity, and generating employment

Among the tools for attracting funding for startups, two stand out:

- ENISA (https://www.enisa.es/): Lines of participative loans for entrepreneurs associated with the evolution and financial profitability of companies. Notable among these are those oriented towards young entrepreneurs, women entrepreneurs, and digital entrepreneurs.
- NEOTEC (https://programa-neotec.es/): Assistance from the Center for Technological Development and Innovation for launching technological projects, consisting of a grant of up to 70% of the action's budget, with a maximum of 250,000 Euros.

### 6.2.2. Regional governments

Spain has 17 regional governments with the authority to support entrepreneurs, including financing tools and sector-specific or cross-cutting acceleration programs.

Similar to the private sector at the regional level, there are public Venture Capital firms for very early-stage projects (Pre-seed/Seed). In Castilla y León, **SODICAL** (https://sodical.es/) operates in this capacity. Additionally, the region has the entrepreneurship acceleration program **WOLARIA** (https://empresas.jcyl.es/web/es/creacion-empresas/aceleradora-empresas.html),offering coaching, mentoring, training, and access to both public and private financing.

### 6.2.3. Universities

Most Spanish universities have advisory programs for entrepreneurs. While they may not have specific financing programs for companies, they serve as a bridge for these

[3]1) Spain Entrepreneurial Nation Strategy. https://nacionemprendedora.gob.es/estrategia-espana-nacion-emprendedora

companies to present their projects to investors and receive guidance in seeking public financing.

These university entrepreneurial support programs are directly dependent of the university or Scientific Parks managing business incubation and acceleration programs. The University of Burgos, for example, offers the **UBUemprende** program (https://www.ubu.es/ubuemprende), providing services such as awareness, training, advice, assistance in finding financing, and project incubation with qualified personnel.

#### 6.2.4. Other entities

At the national level, various business associations, chambers of commerce, and other entities manage programs for both entrepreneurial advice and project financing. In some cases, they establish investor clubs that analyse projects for participation in the companies's capital.

### 6.3. Quantitative data

According to **the Entrepreneurship Map** developed by ([4]) South Summit and IE University, the profile of an entrepreneur is that of a male (80%) with an average age of 32, holding a university degree (98%), and possessing industry experience gained from working in a company operating in those markets.

In Spanish universities, including their scientific parks, there are over 5,780 incubated companies in areas such as medicine, health, and the environment. This means that, for example, according to data from the **Conferencia de Rectores de las Universidades Españolas in 2021**, more than 400 companies linked to research groups with a strong technological focus were created in Spain.

Regarding funding, as per the ([5]) **Startup Investment Trends** report by the Fundación Innovación Bankinter (2), for the first half of 2023, the key findings for Spain in 2023 are as follows:

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[4] 2) South Summit and IE University

[5] 3) Fundación Innovación Bankinter. Tendencias de inversión en España 2023. Julio 2023. Observatorio del Ecosistema de Startups en España.

- The investment volume in startups reaches €1.035 million, a 30% decrease compared to the second half of 2022, although the number of transactions has increased by 12% to 209.
- Venture Capital funds lead in both activity and investment volume, although Corporate Venture has seen a significant growth of 295%, reaching €312 million.
- The Fintech/Insurtech sector has attracted the most investments, totaling €155 million, also leading in the number of transactions with 29.

Regarding the distribution of investment based on the source of funds, **Venture Capital** captures the majority of operations and invested resources, followed by **Corporate Venture**, which has grown significantly in the last year

In Spain, there are over 100 funds and investment vehicles specialized in investing in startups. The majority of Venture Capital is concentrated in the two major Spanish entrepreneurial hubs: **Madrid and Barcelona**, with the capital city hosting over 70 risk capital funds compared to Barcelona's more than 60. On the other hand, according to the ([6])Spanish Association of Business Angels -Asociación Española de Business Angels- (AEBAN), there are over 3.000 private, non-professional investors who choose to engage in startup participation.

# 7.BEST PRACTISES – BULGARIA

## 7.1.LAUNCHHUB

**LAUNCHub Ventures** is a leading early-stage venture capital fund, investing in technology startups in the Seed and Series A funding stages. They invest in Central and Southeastern Europe (SEE & CEE), and in companies built by ambitious founders from

[6]4) Spanish Association of business Angels (AEBAN),

that region who are based in the leading startup hubs such as London, San Francisco, and beyond. Their initial investment is between €300K and €2M, with capacity to continue supporting the funding needs of our portfolio companies in future rounds. They are leading investment rounds up to 4M.

**Industries:** SaaS, Fintech, Proptech, Big Data, Blockchain, Artificial Intelligence, Medicine, Internet of Things

**Major investments:** GTMHub, OfficeRnD, Taylor & Hart, Cleanshelf, FintechOS, Charlie Finance, FindMeCure

## 7.2.Bulgarian Private Equity and Venture Capital Association (BVCA)

**The Bulgarian Private Equity and Venture Capital Association (BVCA)** is the focal point of private investors, venture capital funds and the entrepreneurial community in Bulgaria. The Association will work alongside its members to improve the business environment and drive innovation and growth. BVCA is committed to popularizing the role of private investment as a reliable and sustainable source of funding for innovative start-ups in Bulgaria and the region. The Association will collect comprehensive data on investment activity in Bulgaria and communicate it with its members, the political and institutional communities, as well as with the general public. Giving voice to the venture community, BVCA will advocate on behalf of the industry to ensure sound public policy that encourages a favorable investment environment. The association represents its members' interests on a national and international level, actively communicates with institutional and private stakeholders. The Association collects comprehensive data on investment activity in Bulgaria and communicates it to its members, the political and institutional communities, as well as the general public.

## 7.3.Eleven Ventures

**Eleven** is one of the leading early-stage VCs in Southeast Europe, investing in startups since 2012. With 150+ collective investments over 12 years, Eleven's team has been instrumental in catalyzing the regional startup ecosystem. Eleven supports tech companies in four priority verticals - Fintech, Healthcare, Future of Work, and Sustainable Food. Some of the startups that Eleven has backed include Payhawk, Quantive, Dronamics, SMSBump, Kanbanize and Nitropack. The technology industry in SEE is reaching new heights, with reportedly €2.25 billion raised by regional companies in 210 deals over the last 12 months. With 150 collective investments over 9 years, Eleven Ventures has been at the heart of this huge growth, and has already built an impressive track record of picking winners at the earliest stage. The firm is the first institutional investor in Payhawk, which recently raised $112 million at a $570 million valuation in November 2021; early backer of Gtmhub, which raised a $120 million Series C in December 2021; and the only VC investor in SMSbump, which was acquired by US e-commerce marketing platform Yotpo in 2020.

## 7.4.“Encouragement of Entrepreneurship”

The **"Entrepreneurship Support"** procedure for granting grant-in-aid is aimed at:
– Preparation of persons wishing to develop their own business, incl. unemployed and employed, for planning and starting an independent business activity and self-employment;
– Provision of a complex of trainings and services to support the target groups in the development and evaluation of their entrepreneurial ideas, the acquisition of knowledge and skills necessary for the management and development of the business and the development of the business ideas into viable plans for the realization of a real business activity;
– Providing support for starting a real business activity and finding suitable sources of financing, access to services and mentoring for business development.
The "Entrepreneurship Support" operation is part of the overall support through the ODA for start-up entrepreneurs and the achievement of employment through self-employment, and it is envisaged to prepare final recipients of the intended financial instruments under the ODA. The grant procedure is implemented with the financial support of the European Social Fund. The total amount of the grant under this procedure is BGN 5,000,000.

## 7.5.“Technostart 3 – Promotion of Innovation Activism of Young People in Bulgaria”

National competition for applying on project **“Technostart 3 – Encouragement of Innovation Activities of Young People in Bulgaria”**, The applicants can be either students or graduates with a Bachelor's or Master's degree. The project aims to encourage young people with innovative and viable ideas to implement their ideas as well as to promote their success by providing them with grants to set up their own companies "Technostart 3" project accomplishes the priority areas "Entrepreneurship" and "Skills and Innovation" which are part of the National strategy for Small and Medium-sized enterprises 2014-20. The amount of the grant for the project amounts to 90% of the total amount needed or up to BGN 19, 800 for each approved business plan. In order to obtain funding for the project each approved applicant must register their own company (SMLLC or Sole Trader) and provide their own contribution of 10% of the total amount needed or up to BGN 2,200 for each approved business plan. The project finances only start-ups with a business idea in the field of industry and R&D. The eligible project costs include costs for acquisition of tangible fixed assets and intangible fixed assets; utility costs, such as electricity, water, heating and rent of premises; costs for purchasing materials and consumables; costs for external services and others.

## 7.6.Sofia Tech Park

**Sofia Tech Park** is an ambitious project which proves that: it is the first science and technology park in Bulgaria and the region. It is was launched in June 2012 with the financial support of the Bulgarian Government and the European Regional Development Fund. It is coordinated by Sofia Tech Park JSC, a state-owned company which set a goal to "advance research, innovation and technology growth in Bulgaria" through different projects in the areas of ICT, life sciences and energy. The Park include an Incubator and Innovation Forum, which will host different high-profile tech events and meetings with investors. They have also benefit from modern office and sport facilities as well as cooperation with researchers and public servants who worked just next door. Another good point is that Sofia Tech Park team aims to develop a network of partnerships with private and public institutions in order to create an innovation hub where they could work together on different projects or provide assistance. For the development and management of the park, Sofia Tech Park has established partnerships with leading universities, the Bulgarian Academy of Science, business clusters, multinational companies, SMEs, local and national authorities, NGOs and other bodies. The Sofia Tech Park company is responsible for overall project development and additional activities such as marketing, financing, leasing and construction. Partner institutions will help to compile a common scientific equipment database, establish contacts and partnerships with third parties on topics of mutual interest and participate actively in Sofia Tech Park initiatives.

## 7.7.Start it Smart

**Start It Smart** is an entrepreneurship organization founded in 2009 that was created with the goal to spread and develop the entrepreneurship mindset in Bulgaria while supporting young people in starting and developing their own business.

**PROJECTS**

Start It Smart is the founder of the first pre-accelerator educational program in Bulgaria – Start It Smart | Pre-Accelerator and of many other projects with which we support and inspire entrepreneurs – workshops, events, consulting services, pitching competitions, trainings, mentorships, etc. Our portfolio of projects is growing along with the organization itself and we are happy to share that so far we have successfully started over 300 projects targeting entrepreneurs and wannapreneurs.

**CLUB INITIATIVES**

We gather people whose personal cause is developing the entrepreneurship in Bulgaria. We are people who develop ourselves on daily basis in terms of business and personal development and we are devoted to supporting others to succeed in their projects. A big part of our members are entrepreneurs themselves and through our club initiatives we support each other and share skills, know-how, brainstorm on different cases, share ideas and give each other mentorships while we have fun together. Our Club is what keeps the family together and helps us be effective in our startups.

**DEVELOPMENT**

Start It Smart gives the opportunity to all its members not only to work with a devoted and ever developing team but also to meet all the active people in the entrepreneurship ecosystem in Bulgaria and not only. Entrepreneurs, the biggest companies in Bulgaria and abroad and all of the world formats and organizations associated with developing entrepreneurs – we partner with them and look together for the newest and the best alternatives for the startups in Bulgaria.

## 7.8.Empower Capital

Established by entrepreneurs for entrepreneurs – **Empower Capital** is a EUR 21 million fund financed by the European Investment Fund – JEREMIE Initiative Bulgaria with the mandate to provide unique access to equity and quasi-equity funding to growing Bulgarian companies.

The team brings together extensive international operating experience, expertise and deep industrial knowledge, along with a comprehensive understanding of SME strategic management and finance. They have a proven track-record of both investing in and managing companies in Bulgaria, including raising substantial amounts of money from a range of investors (high net worth individuals, banks, funds etc.) and completing exits to international strategic buyers.

Playing vital role in helping companies achieve their potential, they uncover value by identifying great organizations and enhancing their performance by providing growth capital, strategic contribution and operating support to strong management teams.

## 7.9. Postscriptum Ventures

**PostScriptum** is an investment group with a broad portfolio of sustainable investments. Established in 2006, PostScriptum and its subsidiaries have been among the global pioneers in the energy transition, investing in wind and solar energy, biomass, storage, energy efficiency, hydrogen, and sustainable building materials. PostScriptum Energy holds investments in large-scale renewables, while PostScriptum Ventures invests in innovative technology and disruptive business models. They invest in the following areas: Large Scale Renewable Energy, Energy Storage, Distributed / Off-grid Generation, Energy Efficiency, IT & Digitalization, Resource Efficiency and Recycling Although Postscriptum is an investment group, their goal is to always find opportunities where they can add management value and where their expertise can leverage the financial contributions we make. Aim: to deliver outstanding results to their shareholders and create maximum positive impact for all stakeholders, the environment and society at large.

### 7.10. AEVentures

**AE Ventures** is an investment company, focusing on funding early-stage projects, as well as driving collaboration and growth of the entire blockchain ecosystem. Mission: to support projects that make blockchain technology and SaaS globally scalable and usable. Æ Ventures, an investment company providing initial funding to blockchain projects, announces that its Starfleet Accelerator program surpassed $1.6M in investments. Æternity Ventures, based in Sofia, Bulgaria, is in charge of the business side of æternity's global incubator and accelerator programs.

## 8.BEST PRACTICES -CYPRUS

### 8.1.The case of Enterprise Europe Network Cyprus (EEN-Cy)

**EEN-Cy** constitutes a network that offers free of charge integrated support services for Cypriot SMEs including startups as well. Specifically, EEN-Cy provides:

- Information and guidance on existing opportunities to access financial instruments
- Opportunities for Cypriot businesses to gain cooperation chances abroad
- Advisory services to SMEs willing to engage in research and innovation in order to improve their production and competitiveness
- Specialised information on designs for the registration, exploitation and protection of intellectual property rights
- Potential feedback and information exchange between SMEs and EU institutions to achieve a two-way flow in understanding the problems faced by Cypriot businesses. In this respect, the implementation of policies and measures to support Cypriot SMEs in addressing their problems is sought.
- Support on innovation management and strategy issues

The operation of EEN-Cy to date creates added value for Cypriot SMEs and is considered a source of best practice in this area.

## 8.2.The case of the Bank of Cyprus

**a.IDEA start-up incubator**

**The Bank of Cyprus' IDEA start-up** incubator supports young entrepreneurs to develop their business until their venture reaches the market by acquiring 5% of the equity of each business. On top of that, startups participating in the respective programme are accommodated for nine months in the fully equipped facilities of the Bank of Cyprus IDEA incubator. They are also provided with advisory services, business development training, services for accounting and legal issues, marketing strategies, meetings with other entrepreneurs to exchange views, contacts with interested investors, information and access to funded European programmes as well as a significant initial capital from the Bank of Cyprus for the launch of the startups. Since its establishment in 2015, the Bank of Cyprus IDEA incubator has successfully hosted many start-ups in general.

**b. BOC Hackathon**

The marathon, which promotes technological and business innovation in the financial sector, is an initiative of the Bank of Cyprus and IDEAcy and takes place annually. The boc hackathon #fintech brings together teams, developers and startups every year to create innovative solutions around Fintech, up to the stage of a Minimum Viable Product (MVP) with the prospect of future development into full functional applications. Alongside the prizes, the Bank is exploring with the teams possible business partnerships, allowing the teams to develop collaborations with boc hackathon #fintech operators and supporters.

**c. Factoring**

Providing comprehensive solutions for businesses, Bank of Cyprus offers factoring services. Services include financing and collection of trade receivables, cash flow management, debtor assessment, credit coverage and effective debtor management. The Bank provides a quick solution to cash flow problems by converting credit sales invoices or post-dated cheques into immediate cash. Moreover, they facilitate the discounting of post-dated cheques, enabling businesses to convert up to 75% of the cheque value into immediate cash. For businesses seeking efficient factoring solutions, this comprehensive approach ensures financial stability, liquidity and flexibility.

### 8.3.The case of the European project "Scale-Up" in Cyprus

The experience of the services developed in the framework of the European project "Scale-Up" in Cyprus has been positive and is considered a best practice for start-ups wishing to accelerate their growth. Moreover, the project has contributed to bridging the start-up ecosystem and the entrepreneurial community in Cyprus. Initially, the programme involved start-ups with defined objectives in a training process with external experts. Additional mentoring services were provided to a number of SMEs that meet specific quality characteristics. It is worth noting that these services are offered free of charge.

### 8.4.The case of Deloitte Financial Advisory in Cyprus

Deloitte provides to startups consultating, tax, assurance and financial advisory services. The company has established the Innovation and Entrepreneurship Center, through which it promotes open innovation and encourages the establishment and operation of local startups. In particular, SMEs are supported by recognized professionals at all stages, from starting their business, finding funding from private investors, obtaining grants from European or national programs and successfully establishing themselves in the market.

### 8.5.The case of National Reform Programme

The National Reform Programme of Cyprus has been prepared according to the guidelines of European Commission in December 2021. The NRP’s main objective is to strengthen the Cyprus economy’s resilience and enhance its competitiveness and sustainable growth. Among the priorities of NRP, the Cypriot Ministry of Finance and the Ministry of Energy, Commerce and Industry have been implemented various measures to improve SME’s competitiveness in line with EU policies for the enterprises.

### 8.6. EIB Direct Lending/Government Guarantee Scheme for SMEs and Mid-caps

The Council of Ministers has approved the financing, in the amount of €1bn, of the Government Guarantee Grant to the EIB for the granting of loans to Cypriot Banks for the financing of SMEs and Mid-caps in Cyprus. This initiative aims to further strengthen the Cyprus economy and in particular the private sector. 10 Cyprus Banks out of 12 in total have signed 14 different Guarantee Agreements for a total amount of

€680 million. Approximately €400 million have already been disbursed to over 240 SMEs and mid-caps, facilitating more than 350 investments in Cyprus. This programme provides SMEs with alternative medium and long-term financing to maintain and promote their activities and growth, and it should be stressed that the programme has also contributed significantly to the reduction of lending rates.

### 8.7.Crowdfunding Platforms

There are many crowdfunding platforms in Cyprus, among which the best known are *Crowdrise, Crowdbase, SeedCrowd, Seedcamp, Kicktraq, Bayard, IndieGoGo, Crowdsourcinghub*. These platforms offer opportunities for startups looking for investors to fund their business. The platforms allow funding for various startups, including technology, fashion, food delivery, web development and medical companies. Investors can start with a small amount of funding disclosed by the platforms.

### 8.8. P2P lending

P2P lending, an alternative method of financing, allows individuals to receive loans directly from other individuals, cutting out the financial institution as an intermediary. In Cyprus there are three P2P crowdfunding platforms, *Kviku Finance, Maclear* and *Scramble*. These offer a variety of investment opportunities for startups, SMEs or personal loans. Minimum investment amounts vary from platform to platform, usually ranging from €10 to €100. Each platform generally receives a small fee from the loan transaction; the lender can also set the interest rate it requires the borrower to pay. With its low interest rates, quick and easy online access to funds without a credit score, it has emerged as a highly attractive alternative to traditional bank loans.

## 9.BEST PRACTICES - FRANCE

### 9.1. Student Centers for Innovation, Transfer, and Entrepreneurship (Pépites)

Initiated in 2014 by the French Ministry of Higher Education and Research, the **"Student Centers for Innovation, Transfer, and Entrepreneurship" (Pépites)** are a hallmark of excellence in promoting entrepreneurship across France. Spread over 33

locations, these centers aim to cultivate entrepreneurial skills among students from high schools, colleges, and universities. Pépites' strategy incorporates three pivotal areas: enhancing entrepreneurship awareness through diverse communication channels and integrating entrepreneurship into the educational curriculum, delivering training on critical business startup aspects, and providing practical support for establishing businesses, which includes facilitating networking, offering financial advisories, and granting access to technological resources. In support of this, the analysis of Pepite ETENA's impact and a satisfaction study by EUROPE ETUDES 2023 revealed positive outcomes for supported entrepreneurial ventures. Notably, 93% of these ventures are still active, with a diverse mix leaning towards SAS structures (44%) and a strong presence in both B2B (59%) and B2C (41%) sectors, mainly in service and digital fields. The study further indicates varied project phases among participants, with a 32.3% project abandonment rate, showcasing the challenging yet dynamic nature of entrepreneurship.
Link: https://www.pepite-france.fr/en/

## 9.2. La Jeune Entreprise Universitaire (J.E.U.)

Introduced in the French finance law of 2008, the **Jeune Entreprise Universitaire (J.E.U.)** initiative aims to encourage business development among students and research staff in higher education institutions. This program allows companies to be recognized as J.E.U. up until the last day of the fiscal year before their eighth anniversary, provided they are either managed or directly owned (with a minimum stake of 10%) by students, recent graduates holding masters or doctorates (within five years of graduation), or individuals involved in teaching or research. Qualifying companies under the J.E.U. scheme are eligible for numerous financial benefits, including full exemptions from various taxes such as the annual lump-sum tax, corporate income tax, local economic contributions, and property taxes on buildings for up to seven years. They are also relieved from paying employer social security contributions and can simultaneously take advantage of the research tax credit and exemptions on profits tax. Moreover, these enterprises have the privilege of obtaining refunds for any research tax credit debts accrued during their eligibility period, offering substantial financial support to emerging companies rooted in academic environments.

Link: https://www.enseignementsup-recherche.gouv.fr/fr/la-jeune-entreprise-universitaire-jeu-46467

### 9.3. Grand Est Region - Be EST Entrepreneurship#FINANCING Program

The **Grand Est region** has initiated the "Be EST Entrepreneurship#FINANCING" program with the primary goal of simplifying access to bank financing for all potential entrepreneurs, including job seekers and employed individuals, who reside within the region and possess a business creation or takeover project with a financial plan exceeding €20,000. The program offers two main services: financial expertise and financing, along with post-financing monitoring. The financial expertise service, with a maximum duration of two months, is designed to evaluate and endorse the financial elements of the project and suggest relevant training. The financing and post-financing monitoring service extends over four months for financing arrangements and continues for three years to oversee post-financing activities, aiming to identify and utilize available financial tools like honorary loans and guarantees, and to assist in compiling financing applications. This comprehensive support is delivered at no cost to the beneficiaries through an associative network of 207 local organizations, ensuring personalized assistance throughout the entrepreneurial process. Link: https://www.grandest.fr/wp-content/uploads/2017/05/beest-entreprendre-plaquette.pdf

### 9.4. Île-de-France Region - Entrepreneur#LEADER Program

In the **Île-de-France region, the "Entrepreneur#LEADER"** program is structured to offer guidance on financing solutions, specifically aimed at facilitating the process of starting or taking over a business, with a special emphasis on individuals under the age of 26. The program focuses on informing participants about available financing options and assessing the eligibility of their projects through both collective and individual meetings. It also provides a thorough analysis of the business plan, covering financial, human resources, marketing, accounting, and legal aspects. Participants have the opportunity to access various forms of financing, including microcredit, bank guarantees, or zero-interest loans, with additional bank assistance available if needed. This program represents a key initiative for young entrepreneurs in the Île-de-France region, offering crucial support in financially structuring their projects at no cost.

Link: https://www.iledefrance.fr/toutes-les-actualites/entrepreneur-leader-3-etapes-pour-faciliter-la- creationreprise-dentreprise

# 10. BEST PRACTISES - GREECE

## 10.1.The Athens Incubator for Start-ups

**The Athens Incubator for Start-ups** was created on the initiative of the Athens Chamber of Commerce and Industry (ACCI) for the economic and social recovery of the metropolitan municipality of Athens. The aim of the Athens Start-up Business Incubator is to support young entrepreneurs who wish to create their own start-up business. Specifically, it empowers entrepreneurship, regardless the potential existence of technologies or other technological innovations. Notably, it is designed to host for eighteen months over fifty entrepreneurial ventures. Among the services offered are hosting and housing of start-ups, specialised education and training services, as well as expert business consultancy services. It also helps in networking business units and in evaluating the progress of investment teams.

## 10.2.The Research and Entrepreneurship Liaison Node EPI.noo / EPISEI-NMP

**EPISEI-NMP** constitutes a significant initiative of the National Metsobio Polytechnic University and the Research University Institute of Communication and Computer Systems in collaboration with the Municipality of Athens, aiming to help those who wish to move from the academic community to the entrepreneurial sector. It operates as a business accelerator for students and researchers as well as business teams. The particular case creates the conditions for linking research to entrepreneurship through personalised guidance and mentorship. Furthermore, it aims at attracting original and innovative ideas to convert them into reliable products and services. This initiative offers benefits to young researchers, doctoral and post-doctoral candidates as well as teams of researchers who have generated ideas and wish to turn these ideas into viable businesses. In this regard, it supports start-ups and researchers who want to operate in dynamic sectors of the Greek economy while it is beneficial to enterprises that wish to transform their business model through reliable research results. Founded in 2014, EPI.noo EPISY-EMP has a rich track record in promoting start-up entrepreneurship by supporting researchers and students to effectively implement their innovative ideas. Among other actions of EPI.noo, which have been captured as best practices, was the implementation of the Invent ICT Program (inventict.gr) which was an incubation program for innovative ventures as well as networking services and assistance in the search for funding. The latter launched eventually in 2017 and was carried out in collaboration with the non-profit organization "Industry Disruptors-Game Changers (ID-GC)" under the funding and support of the Association of Mobile Telephony Companies (MCC).

## 10.3.EkinisiLab - Youth Entrepreneurship

**EkinisiLab** was created on the initiative of the Federation of Industries of Greece and the Municipality of Athens with the aim of creating an organized environment for the incubation of innovative business plans by young people who are willing to establish their own start-up business. Emphasis is placed on innovation, extroversion and technological knowledge. Hence, in its specially designed spaces, EkinisiLab offers start-ups hospitality within an organized support environment, coaching and consulting for strategy formulation, business planning and promotion of products in the market. Moreover, it also provides training for effective organization and operation, mentoring and networking by senior business executives, members of the Federation of Industries of Greece as well as business supporters. Notably, EkinisiLab was launched in 2014 with the participation of 21 dynamic business teams that started to put their ideas into practice and since then it has recorded significant achievements. It has the capacity to host in its structures more than 60 innovative, extroverted and high-tech business projects.

## 10.4.Metavallon

**Metavallon** started as a novel social enterprise that empowers and accelerates startups of partnerships and co-investments among independent investment groups from the US, Asia and Europe. Through its three-pronged program (namely The Lab, The Accelerator, The Hub) Metaavallon continuously motivates talented individuals whom it trains and guides into entrepreneurial action. Basically, this social enterprise brings young people into contact with the business world and investors. In this light, it provides potential entrepreneurs with the necessary resources to start their own high-impact start-ups. The participating teams are selected through a competitive process. It worth noting that Metavallon VC is the evolution of Metavallon.org now funded by the European Investment Fund, the National Bank of Greece and private investors.

## 10.5.i4G - Incubation 4 Growth

It is considered as the first business incubator of Greece. It was founded in 2003 in Thessaloniki and constitutes one of the few incubators that provide funding to selected companies through an investment fund available to the incubator. It was a major initiative created as part of a pioneering programme of the General Secretariat for Research and Technology. The **i4G** business incubator has been designed to combine three pillars of activity. The 'infrastructure' pillar, the 'services' pillar and the 'investment arm' pillar. The i4G business incubator provides proper coworking spaces for every entrepreneur and business. It provides office space and high quality of business infrastructure. It consists of equipped meeting rooms, conference rooms, breakout areas as well as coffee and catering facilities. It provides full tax residence hosting services. The i4G business incubator delivers workshops for professional development. It provides comprehensive entrepreneurship education programs that support future business persons with the necessary knowledge to further develop their idea and successfully market it. At the same time, access to financing is given either from i4G PRO or other funding sources. The i4G business incubator enables investment in startup companies. It has the ability to connect the businesses that work alongside with mentors, customers and investors. At the same time it empowers them to engage with the academic and scientific community. The i4G business incubator mostly aims at investing in early stage companies as well as discovering talented young people who want to create their own startup business. Throughout i4G's twenty years of operation, it has supported many start-ups in developing innovative products and services. In 2017, the structure also created its first co-working space entitled as 17G PRO. The latter successfully supports new and nascent startups. Simultaneously, he collaborates with international companies and organizations.

## 10.6.Athens Centre for Entrepreneurship and Innovation (ACEin)

It is the incubation centre of Athens University of Economics and Business (AUEB) offering support to researchers and potential young entrepreneurs to develop innovative business ideas and bring them to the market.

## 10.7.Athens Startup Business Incubator (Th.E.A.)

It is one of the most important initiatives of the Athens Chamber of Commerce and Industry (ACCI) for entrepreneurship promotion. It supports innovative new business ideas with a strong extroversion potential, offering consulting and training services, networking and investment opportunities.

## 10.8.Patras Science Park

It was established according to the model of "Incubator" for New Technology-Based Firms (NTBFs). The main objective is to provide high-quality infrastructure as well as co-shape the appropriate financial and social conditions. These will support and promote the creation, operation and development of innovative firms through spin-off / spin-out processes and the co-operation among the University, Research Centers and the Industry.

## 10.9.Science and Technology Park of Crete (STEP-C)

It was created in 1993 as an initiative of the Foundation for Research and Technology-Hellas (FORTH), one of the largest Research Organizations in the country. STEP-C offers incubating facilities and services to startup companies, with new and emerging technologies.

## 10.10.Thessaloniki Technology Park Management & Development Corporation S.A (TTP)

It was established in 1994 in response to the growing need for an efficient and dynamic organization that would promote innovation, competitiveness and entrepreneurship of the Greek enterprises. TTP's main stakeholder is the Centre for Research and Technology Hellas (CERTH), one of the biggest Greek research organizations.

# 11.BEST PRACTICES – POLAND

## 11.1. Śląskie Centrum Przedsiębiorczości (ŚCP)

The **Śląskie Centrum Przedsiębiorczości (ŚCP)** is a regional self-government unit in Poland, functioning as an Intermediary Institution for implementing European Funds for the Silesian region. Established in 2007, it broadly covers sectors like research, digital innovations, degraded areas' utilization, business transformation, and SME internationalization. Key stakeholders involve entrepreneurs, business environment institutions, and local government. The sector spans research, development, innovation, and digital transformations, addressing challenges in project ideation, application processes, and sustainability. Achievements include infrastructure development, digital innovation implementation, and regional economic transformation. Lessons emphasize meticulous project ideation, streamlined processes, and sustained support.

## 11.2. Górnośląski Akcelerator Przedsiębiorczości Rynkowej (GAPR)

The **Górnośląski Akcelerator Przedsiębiorczości Rynkowej (GAPR)** is a Business Environment Institution founded in 1999 in Poland, fostering dialogue between Silesian entrepreneurs and governmental authorities. It serves entrepreneurs, scientists, researchers, and businesses in various sectors, emphasizing innovative solutions and supporting high-tech services. GAPR addresses funding through EU funds and the Fundusz Pożyczkowy, delivering services such as training, business consulting, and investor supervision. Challenges involve complex project coordination and ensuring effective fund utilization. Impact includes enhanced regional competitiveness, pro-innovation attitudes, and a thriving medical technology sector. Lessons highlight diverse service offerings and strategic research partnerships.

## 11.3. Regionalna Izba Gospodarcza w Katowicach (RIG)

The **Regionalna Izba Gospodarcza w Katowicach (RIG)** was established in 1990 in Poland, functioning as a self-government economic organization. It brings together businesses, regional government authorities, and Chamber members. The RIG focuses on economic representation, ethical business practices, and diverse services for members. Key challenges include balancing diverse interests and effective communication with public authorities. Positive impacts include increased regional business competitiveness, ethical practices, and promotion of international cooperation. Lessons underscore maintaining ethical standards, navigating legal changes, and building a robust network.

### 11.4. Fundusz Górnośląski SA (Upper Silesian Fund)

The **Fundusz Górnośląski SA (Upper Silesian Fund)**, founded in 1995 in Poland, initially aimed at regional economic development and later shifted focus to supporting micro, small, and medium-sized enterprises (SMEs). Key stakeholders include government and social representatives, trade unions, and various economic institutions. It offers financial tools, engages in venture capital investments, and collaborates with local governments. Challenges involve adapting to economic changes and overcoming resistance. Outcomes include diversified financial instruments, regional economic development, and enterprise growth. Lessons emphasize adaptability, stakeholder collaboration, and diversified instruments.

### 11.5. Polska Fundacja Przedsiębiorczości (Polish Entrepreneurship Foundation)

The **Polska Fundacja Przedsiębiorczości (Polish Entrepreneurship Foundation)**, established in 1997, focuses on supporting micro, small, and medium-sized enterprises (SMEs) in Poland. It provides low-interest loans and free online training, collaborating with the Bank Gospodarstwa Krajowego. Key stakeholders involve entrepreneurs, the foundation, the bank, and regional funds. Services include loans, online training, and advisory services. Challenges encompass regional coverage and adapting to economic changes. Outcomes include significant financial support, entrepreneurship promotion, and collaboration with Bank Gospodarstwa Krajowego. Lessons stress collaboration, continuous adaptation, and diversified financial instruments.

### 11.6. Miejski Inkubator Przedsiębiorczości Rawa.Ink

**Miejski Inkubator Przedsiębiorczości Rawa.Ink**, established in 2019 in Poland, operates as a modern coworking space in Katowice. Main beneficiaries are startups and MSMEs, receiving networking, knowledge expansion, and internationalization support. It covers various sectors and offers flexible space options, legal and marketing advice, and community-building events. Challenges include tenant diversity and continuous recruitment. Achievements include active tenancy and community building, with lessons highlighting the importance of a collaborative ecosystem and continuous adaptation. Future trends involve becoming a central hub for innovation and global collaboration.

### 11.7. Fundacja Regionalnej Agencji Promocji Zatrudnienia (Foundation of the Regional Employment Promotion Agency)

The **Fundacja Regionalnej Agencji Promocji Zatrudnienia (Foundation of the Regional Employment Promotion Agency)**, established in 2002 in Poland, actively contributes to the region's socio-economic development. It targets unemployed individuals, local communities, SMEs, public administration, and NGOs. Activities include employment and training initiatives, community development, and SME support. Funding sources include EU projects and donations. Challenges involve diverse target groups and continuous EU fund utilization. Outcomes include active engagement since 2002, certifications, and charitable contributions. Lessons emphasize adaptability and community-centric approaches.

### 11.8. Lewiatan Business Angels (LBA)

**Lewiatan Business Angels (LBA)**, founded in 2005 in Poland, focuses on connecting investors with high-potential projects. Stakeholders are Business Angels, investing in technology and innovation. LBA supports projects in new technologies, traditional sectors, and sectors showing growth and extroversion. Funding ranges from hundreds of thousands to millions of zlotys. Services include individual consulting and pitching sessions. Challenges involve difficulties in seeking Business Angels. Examples include investments in Medicalgorithmics, Apeiron Synthesis, and Polidea. Lessons highlight the importance of mentoring and continuous expansion, anticipating future trends.

### 11.9. 'Technopark Gliwice' Science and Technology Park

The **'Technopark Gliwice' Science and Technology Park**, founded in 2004 in Poland, supports academic entrepreneurship and innovative technology companies. Stakeholders include science institutions, universities, and small enterprises. Services include rental premises, innovation audits, mentoring, and consulting packages. Challenges involve adapting to industry trends and balancing academic and business interests. Achievements include providing rental space, servicing innovative companies, and contributing to regional entrepreneurship. Lessons emphasize fostering academic entrepreneurship and collaboration, with future trends including continued support and technology advancements.

## 11.10. BiznesHub PGE Narodowy

**BiznesHub PGE Narodowy** in Warsaw offers flexible office spaces within the PGE Narodowy Stadium. It caters to businesses of all sizes, providing private offices, meeting rooms, and access to a network of entrepreneurs. The focus is on general business activities, with a subscription-based model for simplified access. The facility prioritizes tenant diversity, high-quality amenities, and recognizes the importance of well-equipped workspaces for global business development. Key lessons include fostering a collaborative ecosystem and adapting to the trend of flexible office solutions.

## 11.11. Silesian Startup Foundation

The **Silesian Startup Foundation**, established in 2023 in Poland, aims to strengthen the startup ecosystem in Silesia. It connects startups with experienced businesses, investors, local governments, scientists, and students. Beneficiaries are entrepreneurs, startups, and individuals with innovative business ideas. Services cover various sectors, addressing funding opportunities and supporting entrepreneurship, innovation, and SME development. Challenges involve coordinating activities and ensuring effective dissemination. Achievements include a diagnostic report and educational projects, promoting entrepreneurship, SME support, and innovation. Lessons underscore collaboration, tailored startup support, and educational initiatives.

## 11.12. Google for Startups Warsaw

**Google for Startups Warsaw** operates Campus Warsaw, supporting startups' growth through a community, mentorship, and programs like Startup School and Accelerator: Europe. Stakeholders include startup founders, mentors, women-founded startups, investors, and industry experts. Beneficiaries are startup founders with a focus on diversity. Services involve hands-on training and mentorship, aiming to overcome challenges and scale. Challenges include ensuring inclusivity and diversity. Achievements include educational sessions, mentoring, and significant funding raised in the CEE region. Insights stress mentorship and the role of physical spaces in fostering collaboration.

# 12. BEST PRACTISES - SPAIN

## 12.1. Wolaria acceleration programme

The **Wolaria acceleration programme**, managed by the IInstitute for Business Competitiveness (ICE) of the Castilla y León region since 2012, offers support to ten entrepreneurs and companies from various sectors, prioritising some such as automotive, aerospace, health and wellness, tourism, bioeconomy, to name a few, which are developed in the previously mentioned region. Through a complete acceleration programme, the aim is to transform these innovative ideas into competitive companies, facilitate the adaptation of consolidated companies and attract talent to the region. The training process will include various group work sessions and personalised sessions with expert mentors, seeking to tackle the business model, technology, financial issues, management models and marketing strategies, also offering spaces and infrastructures and promoting the creation of possible collaborations between professionals in the same sector.

## 12.2. WAYRA

At the national level, other acceleration programmes promoted by major companies stand out. This is the case of **WAYRA**, the corporate accelerator launched by Telefónica in 2011, which has already reached ten countries through its seven hubs in Spain, the United Kingdom, Germany and Latin America, making it the most global open innovation hub in the world. This initiative is committed to those mature and technological startups that can provide solutions to the technological challenges of the corporation, also helping them in their internationalisation. In addition to funding, the initiative opens up the possibility of access to a wide network of customers, investors and other technology partners.

## 12.3. Lanzadera

In the same line we find **Lanzadera**, accelerator and incubator, an initiative launched in 2013 by the president of the Mercadona supermarket group, the well-known businessman Juan Roig. It is a six-month training programme in Valencia aimed at innovative companies, in which the entrepreneur will attend talks, mentoring, training and networking events, among other activities. A programme in which, under the guidance of a Project Director, they define the management model, they offer personalised guidance, training, visibility, as well as the possibility of collaborating with other large corporations. They also provide the possibility of having a workspace in the Marina de Empresas (Valencia), which has become a hub for entrepreneurship and talent on the Mediterranean coast.

### 12.4. SeedRocket

**SeedRocket** is another accelerator launched in 2015 and set up in Madrid and Barcelona by a group of successful ICT entrepreneurs, business angels and investors, with the aim of supporting projects in their early stages of development. Aimed at entrepreneurs or companies dedicated to Internet and Mobile, the programme, which lasts between three and six months, offers free of charge (and without taking any percentage of equity) not only training, but also access to rounds of financing and networking. Concretely, SeedRocket has set up its headquarters in Madrid at the Google for Startups Campus, a location where different accelerators meet and where Google gives entrepreneurs and startups (emerging companies and resident companies) based on technology access to training, personalised mentoring and other events that seek to offer these companies the possibility of creating important contact networks. A physical space that acts as a nexus between people as a key to the development of their own projects.

### 12.5. Tetuan Valley

We also find located on the Google Campus facilities, the **Tetuan Valley**, another of the accelerators that has been supporting entrepreneurship in our country since 2009 through the Startup School and Women4Cyber programmes. The Startup School is a six-week programme in which entrepreneurs take their first steps towards creating their startup through training, mentoring and pitching practice. At the end of this period, they will present their project to investors and other agents in the ecosystem during a Demo Day. They also launched Women4Cyber, a training proposal aimed at women with early-stage projects specialising in cybersecurity.

### 12.6. España-Emprende programme

The **España-Emprende programme** is promoted by the Chamber of Commerce at national level, seeking to help the launch of new companies, but also to support those that want to modernise or grow, as well as the implementation of new technologies. It is a programme that offers support through its regional network of offices, facilitating access from anywhere in the country and also online, providing advice, guidance and training content.

### 12.7. Acelera Pyme platform

**The Acelera Pyme platform** is the name of an initiative promoted by the Ministry for Digital Transformation and the Civil Service after the COVID-19 pandemic, which aims to facilitate the digitisation of self-employed and small businesses through a grant of up to €12,000, depending on the degree of digitisation of the company. Through a nationwide network of offices, specialised advice is offered to help SMEs in this task, as well as other practical information. In addition, the platform offers training and audiovisual content by experts on digitisation that can be useful for companies.

### 12.8. ENISA

**ENISA** is a public company under the Ministry of Industry and Tourism. They have been working since 1982 with the aim of financing, through participative loans, the development of small and medium-sized companies with innovative projects. It is a complementary source of financing, which grants loans from €25,000 to €1,500,000, which does not require guarantees for its concession and with longer grace and repayment periods.

### 12.9. The Centre for Technological Development and Innovation (CDTI)

**The Centre for Technological Development and Innovation (CDTI)** is a public business entity to promote innovation and technological development in companies. Through its NEOTEC programme, it seeks, through grants of up to €250,000, to support new small innovative companies whose products or services are based on proprietary technology, which is the result of research activity.

### 12.10. South Summit

In terms of events and fairs on entrepreneurship, there are many that we could highlight, as various initiatives are being organised at national and regional level in many Spanish cities. At the national level, the annual **SOUTH SUMMIT** fair stands out, which since 2012 has become the leading event for entrepreneurship in our country. Three days in which important players in the ecosystem gather in Madrid: companies, startups, investors and institutions from around the world, who attend talks by well-known speakers, training and other events that facilitate visibility and the networking. In addition, the fair organises a startup competition, whose finalists receive training and mentoring and pitch their project publicly to investors during the fair. This initiative has now expanded to Portugal and Brazil, and is also looking to establish itself in Asia and the USA.

### 12.11. Startup OLÉ

Also worthy of mention in the province of Castilla y León, but also on a national level, is the STARTUP OLÉ event, a fair that since 2014 has brought together a large group of experts and entrepreneurs who participate in round tables, pitch competitions, conferences and meetings with investors during the fair. Three days in which a large group of entrepreneurs and companies meet in the city of Salamanca with the aim of creating synergies and exploring new business opportunities.

## 13. RESULTS - BULGARIA

After conducting a sample of **19 interviews** with students, young entrepreneurs and entrepreneurs, and professors from University of National and World Economy in the area of finance with the aim of better understanding the knowledge that exists about access to alternative financing, their perceptions, personal opinions, challenges and needs.

### 13.1 Main obstacles in the lack of financing to young entrepreneurs

The main obstacles encountered in Bulgaria can be summarized as follows:

The primary challenge for young entrepreneurs in Bulgaria is the lack of access to finance due to various factors such as limited availability of funding sources, strict lending requirements imposed by financial institutions, insufficient government support or incentives for startups, and a general lack of venture capital or angel investment activity in the country. Additionally, bureaucratic hurdles and complex regulatory frameworks can further hinder access to financing for aspiring entrepreneurs. This lack of financial support can greatly impede the growth and development of young businesses, making it difficult for them to secure the necessary capital to launch or expand their ventures.

Limited Assets: Young entrepreneurs may not possess substantial assets or property that can be pledged as collateral to secure loans or other forms of financing. This is particularly common among individuals who are just starting their entrepreneurial journey and have not yet accumulated significant personal or business assets.

Risk Perception: Financial institutions typically require collateral to mitigate the risk associated with lending money. In Bulgaria, where there may be a perception of higher risk associated with startups or small businesses, banks and other lenders may be more reluctant to extend credit without sufficient collateral.

Regulatory Constraints: Some financial regulations in Bulgaria may mandate strict collateral requirements for certain types of loans or financing arrangements, making it challenging for young entrepreneurs to access funding without meeting these criteria.

Lack of Alternative Funding Options: In the absence of collateral, young entrepreneurs may find it difficult to secure financing from traditional sources such as banks. While alternative funding options like venture capital or angel investors exist, they may also require some form of collateral or may be less accessible to early-stage ventures.

## 13.2 Raise Awareness of Alternative financing tools

All answers emphasize the role of digital banking and financial technologies in reducing barriers to SME access to finance but the respondents rate their awareness between one and three on a scale of five, indicating a need for increased dissemination of knowledge about available funding tools.

If we want to enhance understanding of the importance of financial technologies and digital relationships in reducing barriers to young entrepreneurships to start their own business:

Simplify Technical Jargon: Explain complex financial terms and concepts in simpler language to ensure that SME owners, who may not have a background in finance or technology, can grasp the benefits of digital banking and financial technologies.

Provide Educational Resources: Offer educational resources, such as workshops, webinars, and informational materials, to help SME owners better understand how to leverage digital banking and financial technologies to their advantage and navigate the evolving landscape of Fintech.

Collaborate with Industry Experts: Partner with FinTech experts, financial institutions, and industry associations to host informative events, provide guidance on adopting digital banking solutions, and offer insights into emerging trends and innovations in the FinTech space.

### 13.3 Policy interventions from regulatory authorities and government to support financing instruments for SMEs

Based on the answers from interviews:

Bulgarian regulatory uncertainty can pose significant challenges for businesses, particularly for young entrepreneurs seeking to navigate legal frameworks and regulatory requirements. Therefore, ensuring clear and transparent regulations, as well as regulatory flexibility, is crucial. Continuous assessment and periodic review of the regulatory framework are essential to address any gaps or inconsistencies that may hinder the offer of financial products to young entrepreneurs.

Public policy plays a vital role in boosting the availability of financial products tailored to the needs of young entrepreneurs. This includes promoting sustainable financing instruments and fostering a better understanding of open banking legislation, which can enhance access to various sources of finance.

### 13.4 The role of universities to enhance the financial skills of SME managers

The universities serve as catalysts for enhancing the financial skills of SME managers, equipping them with the knowledge, capabilities, and resources needed to effectively manage financial matters and drive sustainable growth within their organizations.

Teaching modules related to entrepreneurship: Human Resource Management, Risk Management, Financial Management, Planning, Suggestions connected to Practical training: Hackathons, Workshops, Competitions, Online simulations

All respondents underscore the critical significance of practical knowledge for young entrepreneurs. Recognizing the dynamic nature of entrepreneurship, they emphasize the value of hands-on experience and real-world application of concepts. Practical knowledge equips young entrepreneurs with the skills and insights necessary to navigate challenges, seize opportunities, and drive success in their ventures.

## 14. RESULTS – CYPRUS

### 14.1 Recording of the main obstacles in the lack of access to finance of SMEs

- Students highlighted that age plays an important role in access to finance. Funding mechanisms tend to favour older entrepreneurs over young ones. The academics identified institutional issues while entrepreneurs stated that banks do not facilitate the finance progress due to the huge banking bureaucracy and certain requirements as well. All groups stressed the importance of a well-prepared business plan to secure funding. Finally, they expressed the need for political will to support and strengthen entrepreneurship initiatives.

- Students highlighted the competitive market as a significant barrier. They also mentioned the uncertainty of profit stability and the risk that a company takes to grow. Academics pointed out that there is a transitional phase in terms of the knowledge of young people coming out of universities, changes in profitability and institutional factors. Responding to competition through innovative ideas, ensuring profit stability, managing business risks, bridging the knowledge gap and considering wider economic and institutional factors are key to overcoming barriers to finance for existing SMEs. Entrepreneurs claimed that there is a lack of information as regards potential funding programmes either European or National.
- All groups acknowledged the potential benefits of AI tools, with students highlighting improved objectivity in selection. Entrepreneurs reported that will be access to relevant analytics and that fact will help the entrepreneurial process. Academics underscored the significance of accessibility to basic information and the need for proper education on the use of AI tools for entrepreneurs.
- The groups suggested various approaches to minimise information asymmetry, including business partnerships, government control, government-managed questionnaires and centralised databases. There is a common understanding of the need for easier access to information for entrepreneurs, with a focus on collaboration and addressing financial illiteracy as potential solutions.
- All groups recognised the challenges of accessing traditional bank finance. Economic illiteracy and the need for education were highlighted by academics. Students emphasised the need to reduce bank intervention. Entrepreneurs stressed the crucial role of ECB and Cypriot Gonverment by proposing that both of them must further intervene on interest rates, lending to SMEs or take actions towards a percentage of various bonds to be returned to market so that the money could flow more.

## 14.2 Raise Awareness of Alternative financing tools

- All groups express varying degrees of limited awareness of funding opportunities for start-up SMEs. Entrepreneurs & Students generally rate their awareness between one and three on a scale of five, indicating a need for increased dissemination of knowledge about available funding options.
- Students demonstrated varying levels of awareness, with some having knowledge of specific aspects such as crowdfunding and cryptocurrencies. Entrepreneurs stated that the referred technologies contribute to the reduction of certain costs & time. However, they are not aware in depth.
- Academics & entrepreneurs indicated that there is a lack of basic knowledge about non-traditional financing instruments, as they are not encouraged by the system. The latter also mentioned that Cypriot entrepreneurship mostly relies on European funding programmes as well as the effects of the recent successive crises.

## 14.3. Policy interventions from regulatory authorities and government to support financing instruments for SMEs

- There are different levels of awareness among students, while academics showed a broader understanding of funding opportunities. Academics also emphasized the importance of exploring different funding opportunities, including international conferences and private initiatives such as IDEA. Contrarily, entrepreneurs weren't optimistic pointing out that information and transparency is required, bureaucracy reduction. In this light, attention needs to be paid to tax rates so that they are respectively favorable to entrepreneurship.
- Academics looked at specific challenges and factors influencing cross-border financing for SMEs, including legal and bureaucratic aspects, the global economic landscape and the role of European programmes such as Interreg. Entrepreneurs stated that there is a need to deal with the successive crises that Cyprus has experienced the last few years by focusing on the SMEs and not on the big financial lobbies.
- Students showed limited knowledge of green bonds and ESG. Entrepreneurs named the green bonds part and funding programmes for the establishment of renewable energy systems towards enterprises. Academics gave examples of green finance, such as the European Istars programme. They also mentioned the wider issue of

green taxation, which provides relief to companies that incorporate green sustainability targets. Entrepreneurs & academics stated that if companies are successful in applying ESG criteria, they will save money in their operations and promote it as a good marketing tool. In addition, the latter do not believe it would be a barrier to young entrepreneurship.

### 14.4. The role of universities to enhance the financial skills of SME managers

- Students recognize some financial education measures, but there is a need for more detailed insights. Entrepreneurs claimed that this deployment refers to potential partnerships in the field of consulting or through certain existing programmes to identify ideas towards financing tools. Academics highlight challenges related to different types of universities and legal frameworks, emphasizing the importance of a consistent approach. Addressing these issues could contribute to a more coherent and effective implementation of financial education initiatives across universities.
- All groups agree that financial education should go beyond traditional financial disciplines. Both groups emphasize the importance of practical knowledge, with students expressing a particular interest in legal and regulatory aspects, while academics advocate interdisciplinary financial literacy to meet the diverse needs of students. This highlights the importance of designing a comprehensive and adaptable financial education curriculum that meets the evolving needs of students from different disciplines. As regards entrepreneurs named skills related to fintech & blockchains, e-commerce & financial consulting as well as other close to risk and compliance in banking
- Both students and academics emphasize the importance of specialized areas such as cybersecurity, commercial law and human resources in entrepreneurship education. This points to the need for comprehensive and interdisciplinary programmes that address different aspects of business management. There is a consistent call for practical application, whether through simulation games, real-life case studies or specific modules focusing on investment and finance. This highlights the importance of experiential learning in preparing entrepreneurs for the complexities of the business world. Entrepreneurs referred specifically to financial tools for Startup and Product Strategy Development modules as well.

# 15.RESULTS - FRANCE

As support for the development of student entrepreneurship is already well developed in France, the main meaningful results concern :

- the difficulties that persist for young entrepreneurs
- the role of university and skills needs not yet covered by existing training modules offered by PEPITEs

## 15.1 Main obstacles in the lack of financing of to young entrepreneurs

**The main obstacles encountered in France can be summarized as follows:**

Lack of motivation among entrepreneurs,

An idea not sufficiently developed,

A project that is not mature enough,

not enough money made available to SMEs, not enough confidence in projects,

Not enough support, lack of follow-up after the start-up has been created to ensure its sustainability,

Lack of openness of support to foreign students in a country,

Access to financing,

Limited administrative knowledge, Time-consuming administrative procedures,

Asymmetries of information between investors and start-ups,

Missing data,

Ability to assess risk,

Being able to pay employees.

## 15.2 Role of universities to enhance the skills of young entrepreneurs

**Generally speaking, it is expected of universities:**

Encouraging more students to become entrepreneurs,

Communicating more with speakers about the process,

Develop more entrepreneurship training, help with financing, strengthening support for young entrepreneurs through the Pepites schemes,

Offering training modules in English to enable foreign students to become young entrepreneurs elsewhere than in their country of origin,
Better help for the best choice of finance depending on the entrepreneur and the type of business, reduced risk of "bad" financing.
Help to develop strategic skills for a successful business.

**Strategic skills identified for a successful business**
Team and project management,
Courses on entrepreneurship, how to develop your business, finding partners investors, etc.
Different tax statuses available to companies,
Networking skills,
New technologies as tools

**Scheme that already exists at the university in a nutshell**
Gives access to the national status of Student-Entrepreneur and offers the Student-Entrepreneur Diploma (D2E)
Learning by doing (weekend startups, creation of fictitious projects, etc.)
Access to digital resources
Supervision by a teacher and an external referent from the Pépite network (entrepreneur, support and financing networks)
Pépite Prize: up to 10,000 euros
Awareness : 4 modules of entrepreneurial education (bachelor to doctoral level) ; events promoting entrepreneurship awareness and discovery in Alsace
Guidance support/mentoring : collective support through workshops; individual support by conceptualizing, designing, and testing the solution
Training : courses such as "Innovation lab", "Deeptech Training Program"

**Existing entrepreneurship teaching modules**
- Adopting an entrepreneurial stance (4 hours, objective: develop creativity by confronting students with an entrepreneurial situation)
- Discovering the fundamentals (6 hours, objective:

Introduce students to the fundamentals of entrepreneurship through real-life case studies)

- Developing a fictitious project (16 hrs, Objective: Develop an entrepreneurial activity based on a concrete case study)
- Entrepreneurial challenge (8h, Objective:
Discover entrepreneurship during a day dedicated to setting up a project)
- Existing Financing tools
- Agile project management: Understand how to effectively manage a collaborative project
- Design thinking: Generate tailored solutions focused on user needs
- Lean startup: Rapidly develop a prototype through experimentation
-Business Model and Business Plan: Plan development on the basis of a viable economic model

**To develop in the future thanks SeedFund Project**

Training modules in English,
follow-up surveys of young entrepreneurs,
impact study of the scheme

# 16. RESULTS – GREECE

## 16.1 Recording of the main obstacles in the lack of access to finance of SMEs

Regarding the main obstacles in the lack of access to finance of SMEs graduate students and young entrepreneurs answered that SMEs suffer from lack of trust from borrowers (banks and other stakeholders), information for available tools of finance, lack of business plan and long term strategy, and also bureaucracy issues are considered as important issues.

Also, they mentioned some other important issues such as: that banks require important amount of equity, that is difficult to find working capital and that SMEs face hidden bank charges.

Finally, they mention that the use of AI will help to assess the credit risk and will increase SMEs' access to finance.

It is worth noting that stakeholders mentioned the main obstacles for SMES are the lack of equity, the cost of funds and the important amount of collaterals.

Academics agree with all these obstacles mentioned by students and entrepreneurs but according to them the major problem of financing of SMEs is due to their size and the lack of know how.

## 16.2 Raise Awareness of Alternative financing tools

Students, academics and young entrepreneurs reported that they have a good knowledge of new financial tools for startups and they are not aware of how FinTech will reduce barriers to SMEs' access to finance. Young entrepreneurs mentioned that they are not aware of funding opportunities for startup SMEs. They agree that the implementation of non traditional financing instruments is needed relating to the specific financing needs in relation to the sector of activity.

Students, academics and young entrepreneurs have good knowledge of asset based finance and alternative financing tools such as crowdfunding, factoring and leasing. On the other hand stakeholders they are not aware about asset based finance such as asset-based lending, factoring, leasing but they are aware to some level of alternative finance tools such as crowdfunding, direct lending by non-bank institutions.

## 16.3 Policy interventions from regulatory authorities and government to support financing instruments for SMEs while ensuring financial stability and investor protection

Students and young entrepreneurs stated that a stable regulatory and tax framework and environment is important for all stakeholders (bank, investors, and entrepreneurs). Also, policy interventions are needed in order to support SMEs with tax reductions. They reported that the legisltative and institutional framework is NOT designed to facilitate SME's access to financing instruments. Finally, they are aware of sustainable financing instruments but **not** about open banking legislation.

Academics mention that cooperative banks and small regional banks must be further supported. Regarding the legal, tax and regulatory environment must be more stable and less complex and bureaucratic. They think that international regulatory coordination can serve to promote cross-border financing for SMEs and are aware of sustainable financing instruments and open banking legislation.

Stakeholders also mentioned that policy interventions are needed in order to support SMEs with reductions in taxes and employer contributions. Also they mention that different stakeholders should collaborate each other such as tax offices, municipalities, social Security funds, etc. Finally, they are aware of sustainable financing instruments and ESG, but **not** about open banking legislation.

## 16.4 The role of universities to enhance the financial skills of SME managers

On what finance and non-financial issues and skills do you think that universities should offer and be addressed by universities in order to help SME managers, students and young entrepreneurs mentioned that they need empirical knowledge and online simulation games on:

-entrepreneurship,

-criteria of funding,

-new technologies for upskilling,

-sustainable entrepreneurship,

-business resilience,

-elaboration of business plan

Also, they reported that practice-oriented initiatives (e.g. accelerators, incubators) should be offered by universities to young entrepreneurs.

Academics on the same question mentioned that courses such as human resources management, computational courses for development of new financing tools, accounting, and entrepreneurship are very important. Also, practice-oriented initiatives such as accelerators, incubators and online simulation games should be offered by universities.

Stakeholders they are not aware if universities collaborate with different stakeholders and the level of active networks (SMEs associations, financial institutions, fintech companies, among others) on financial literacy actions. Finally, they think that all topics mentioned by students and the practice oriented initiatives should be offered by universities.

# 17. RESULTS - POLAND

Poland boasts a vibrant landscape of entrepreneurship initiatives, each contributing significantly to regional development and economic growth. This report delves into key initiatives, shedding light on their objectives, stakeholders, challenges, and impact.

## 17.1. Iniatives

The **initiatives** are focused on diverse target audiences, encompassing entrepreneurs from various business sizes (micro, small, medium, and large enterprises), business environment institutions, local government entities, government authorities, scientists, researchers, investors, unemployed individuals, youth, adults, people with disabilities, social enterprises, NGOs, startup founders, and individuals interested in developing innovative business ideas. The initiatives also extend their focus to encompass key stakeholders such as regional chambers of commerce, trade unions, social representatives, and various economic institutions. They aim to represent and support the economic interests of businesses, facilitate collaboration between academia and industry, and actively contribute to the socio-economic development of the region. Additionally, these initiatives engage in partnerships with non-governmental organizations (NGOs) to foster community development, promote democracy, and protect human rights.

Regarding sectors and industries, these initiatives cover a broad spectrum, including energy, manufacturing, transportation, tourism, medical technology, business consulting, and various other areas. They encompass not only traditional sectors but also emerging areas such as digital innovations, research and development, and medical technology. These initiatives recognize the importance of addressing challenges and opportunities in diverse fields, including energy, manufacturing, transportation, tourism, and environmental sustainability. Moreover, they adapt to the specific needs and requirements of different sectors.

In addressing funding opportunities, the initiatives target aspects such as innovation, environmental sustainability, extroversion (internationalization), and profitability. They provide financial support through EU funds, regional funds, loan funds, venture capital investments, and other financial instruments tailored to the diverse needs of businesses. Furthermore, these best practices are designed to tackle various aspects of funding tools, including EU funds, regional funds, loan funds, venture capital investments, and other financial instruments. By doing so, they contribute to addressing specific funding needs related to innovation, business transformation, environmental sustainability, and the overall profitability of enterprises.

The implementation approaches of these best practices involve strategies such as assisting in project ideation and development, facilitating application processes, project evaluation, supporting document preparation, overseeing project implementation, and monitoring sustainability. Collaboration, coordination, and partnerships with relevant stakeholders play a crucial role. The initiatives provide practical approaches with comprehensive support services like training, business consulting, energy audits, investor supervision, and financial support. Furthermore, the initiatives actively engage in coordinating specialized clusters, incubators, and accelerators, fostering a collaborative ecosystem. These strategies are tailored to the specific needs of entrepreneurs, startups, and businesses at various stages of development. Flexibility is emphasized to adapt to changing economic conditions, technological advancements, and evolving target audience needs. A strong emphasis is placed on fostering a community of innovation and entrepreneurship through networking support, knowledge expansion, and internationalization. Implementation involves creating flexible working environments, organizing events, and facilitating regular interactions to build a dynamic ecosystem conducive to creativity and idea exchange.

Implementation challenges may include complexities in project ideation, application, evaluation processes, legal, and administrative hurdles, along with ensuring project sustainability. Challenges related to availability of funds, managing legal complexities in project implementation, and removing barriers to commercialization of research results are also notable. Effective coordination and communication among stakeholders in complex projects, ensuring inclusivity and diversity, and adapting programs to sector-specific needs are additional challenges. Balancing diverse interests within institutions, addressing changes in economic policies, and ensuring inclusivity and diversity pose hurdles. Overcoming challenges requires thorough planning, efficient processes, and sustained support throughout implementation.

The initiatives have achieved substantial results and impact, including the development of research infrastructure, implementation of research results, and support for pro-innovation services. They have positively impacted regional competitiveness, facilitated economic activities in degraded areas, and spurred growth in the medical technology sector. Outcomes include the establishment of diversified financial instruments, creation of specialized companies for regional development, and enhanced competitiveness of regional businesses. The initiatives significantly contribute to pro-innovation attitudes among entrepreneurs, the development of ethical business practices, and the promotion of international cooperation and trade. They play a pivotal role in facilitating the growth and internationalization of enterprises, particularly supporting micro, small, and medium-sized enterprises (SMEs). Providing low-interest loans from EU and government funds, along with comprehensive support services such as training, business advice, energy audits, and investor supervision, fosters the creation and development of businesses. Additionally, the initiatives combat unemployment by offering training, advisory services, and job intermediation for the unemployed. Their focus on community development through socio-cultural, educational, and environmental activities contributes to the overall well-being of local communities.

## 17.2. Key lessons

**Key lessons** learned underscore the importance of thorough project ideation, streamlined application and evaluation processes, sustained support during implementation, diverse service offerings, and strategic partnerships. The initiatives emphasize continuous adaptation to changing economic landscapes, a community-centric approach, and maintaining ethical standards in business practices. Lessons highlight the effectiveness of hands-on training, mentorship, and physical spaces for collaboration and innovation. Recognizing challenges related to project complexity, coordination, and financial resource management is crucial. Lessons also stress the importance of inclusivity and diversity in the startup community, adapting programs to evolving startup needs, and addressing potential resource constraints. Valuable insights have been gained into balancing diverse interests, meeting the needs of different target groups, and effectively disseminating educational materials. The experiences emphasize the critical role of technological integration in training and advisory services, along with the importance of collaborative networks to strengthen connections with stakeholders. Building a collaborative ecosystem, fostering innovation through strategic partnerships with research institutions, and embracing advancements in financial tools and technology are also crucial takeaways.

## 17.3. Limitations

**Limitations** associated with these best practices include potential constraints in fund availability, legal and administrative complexities in project execution, challenges in project coordination, and dependency on external factors such as changes in economic policies. Additionally, there may be variations in the effectiveness of venture capital investments, challenges in balancing public and private interests, and constraints related to project complexity and coordination. These initiatives acknowledge constraints linked to financial and resource limitations and challenges associated with reliance on external funding, especially from EU programs. The limitations underscore the need for careful consideration of evolving trends in research, development, and innovation, the growing emphasis on digital transformation, and the shifting focus on sustainable practices in business transformations. Initiatives recognize the challenges of maintaining relevance in rapidly changing economic environments and emphasize the importance of anticipating and adapting to future trends. In conclusion, these limitations highlight the dynamic nature of the economic landscape and underscore the importance of strategic planning and adaptability to overcome challenges. Acknowledging these limitations enables initiatives to refine their approaches and enhance the impact of their best practices in the long run.

## 17.4. Future trends

Anticipated **future trends** involve a continued emphasis on research, development, and innovation, a growing importance of digital transformation, sustained efforts in utilizing degraded areas for economic development, a shifting focus on sustainable practices in business transformations, expansion of international collaborations, and the evolution of services to meet changing business and technological needs. Partnerships and collaborations reflect a globalized approach to addressing economic challenges and fostering innovation. These initiatives anticipate advancements in technology transfer and collaboration between universities and businesses, emphasizing the need to stay at the forefront of technological developments. Furthermore, the anticipated trends underscore the ongoing expansion and adaptation of programs to address emerging challenges in the startup ecosystem, reflecting a commitment to staying relevant in a rapidly evolving business environment. The focus on diversity and inclusivity is likely to remain a key aspect of future initiatives, as these best practices recognize the importance of fostering a diverse and inclusive entrepreneurial ecosystem.

In summary, these initiatives collectively contribute to fostering entrepreneurship, innovation, and economic development across various sectors, targeting a wide range of audiences and addressing diverse funding opportunities. They showcase the importance of adaptability, collaboration, and sustained support for the growth and success of businesses in the region.

# 18. RESULTS – SPAIN

After conducting a sample of 21 semi-structured interviews with members of the university community at the University of Burgos: students, young entrepreneurs and entrepreneurs, and professors in the area of finance with the aim of better understanding the knowledge that exists about access to alternative financing, as well as obstacles or other difficulties that may be an impediment to entrepreneurship.

## 18.1. Students

For students, the main problem in accessing sources of funding for their project is their own lack of knowledge on the subject. A lack of knowledge that arises from the lack of information and training and that subsequently translates into fears of failure, indebtedness, as well as a lack of confidence in the project or the team. In addition, this target perceives economic pressure and rigidities in the conditions of some of the funding sources, being desirable more flexible terms for certain groups or projects, making this funding more attractive.

Therefore, students claim to support new non-traditional sources of financing, but, at the same time, most of them are almost completely unaware of them, including concepts such as sustainable financing or open banking. They urge to facilitate the processes by improving and clarifying the legal framework and recognize the great weight of public policies in this regard.

They also stress the importance of the training and informational role of the university in financial education, both through activities in the classroom, even as cross-cutting issues in all degrees, such as workshops, or other practical training in entrepreneurship in general and more specifically in financing opportunities.

## 18.2. Young graduates entrepreneurs and business representatives

For those who have already launched their business, young entrepreneurs, or business representatives, the lack of confidence in the new project, lack of knowledge, liquidity or resources, as well as the conditions of bank loans, continue to be considered the main obstacle to accessing financing. They do not show much confidence in the progress of the AI in terms of risk evaluation and bet more on improvements in information and credit conditions.

This group also shows a lack of knowledge of alternative methods, although there is also confidence that they can be very useful for startups, but there is also a great lack of knowledge about regulations or concepts such as sustainable financing or open banking among the entrepreneurs themselves. This group is also the most unaware of the actions carried out at the university, but they believe that more practical workshops should be held and they have numerous ideas for useful training courses such as business plan development, public speaking, taxes, sales strategies, finance for non-financiers, among others.

### 18.3 Finance academics

As in the previous groups, finance academics agree that lack of knowledge and confidence in the project and financial uncertainty are considered the main obstacles to accessing financing. They also highlight problems such as lack of solvency, collateral, promoters' experience, as well as administrative complexity as other obstacles faced by the entrepreneur. They trust that AI tools will help to better assess risk, but highlight the importance of adequate training in finance, as well as the use of good tools and the incorporation of specialized profiles in the teams are key to overcome these obstacles.

As for the academics, most of them recognize a good knowledge of financing opportunities, both traditional and alternative, trusting that the latter provide the flexibility that certain projects need.

They agree with the rest of the groups on the rigidity of the regulatory system and support the idea of simplifying and facilitating the procedure in our country, noting the importance of national and international regulations that favor entrepreneurship.

With a basic knowledge of the actions carried out by the university in this area, they agree on the importance of training students in this area and support the development of more courses, seminars, or other initiatives that address not only financial issues but also many other aspects surrounding entrepreneurship.

## Conclusion

The study of work package number 2 which is related with the project SeedFund revealed critical findings for the funding opportunities of SMEs. Firstly, the desk research revealed the different business environment at the six counties for the funding opportunities of SMEs. There are different financing tools and opportunities for startups. Moreover, the role of public policy is giving different level of motivations of finance for SMEs.

Parallel, the analysis related to the best practices that each country has implemented revealed that countries are having different background and this can create a procedure of feedback among counties. Finally, the results at each country highlight the critical role of this project in order to transfer the embedded experience among countries and to eliminate obstacles or weaknesses of the business environment and the public policy related to financing opportunities of SMEs.

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