



ESTORIL DECLARATION

**PRINCIPLES AND GOOD PRACTICE
POLICIES ON FINANCING INNOVATION**

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FORUM FINANCING INNOVATION



650 PARTICIPANTS

57 COUNTRIES

5 CONTINENTS

20 CASE STUDIES

LESSONS FROM GOOD PRACTICES

DECLARATION: AN EUROPEAN AGENDA

ESTORIL DECLARATION

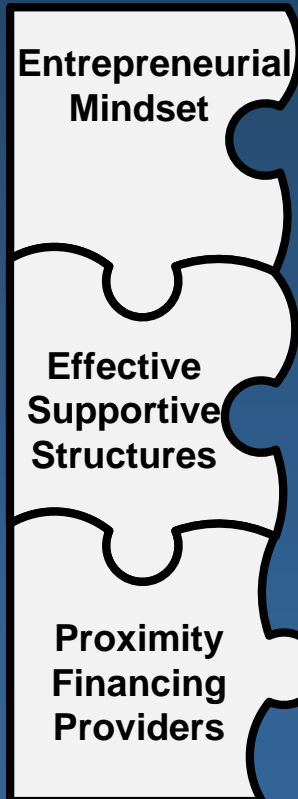
Financing Innovation requires getting from **ideas to markets**, enhancing **investment readiness**, having the **right environment** and increasing the availability of **savings for growth** – i.e creating a value chain



FROM IDEAS TO MARKET

Successful entrepreneurial economies need a 'can do' attitude to transforming interesting and novel ideas and discoveries into new products and services to both existing and new customers.

The full realisation of Europe's innovative resources and their delivery to world markets requires the 'catalyst' of a strong entrepreneurial culture to be supported by efficient financial markets



1. Academia
2. Industry Interactions
3. Spin-outs

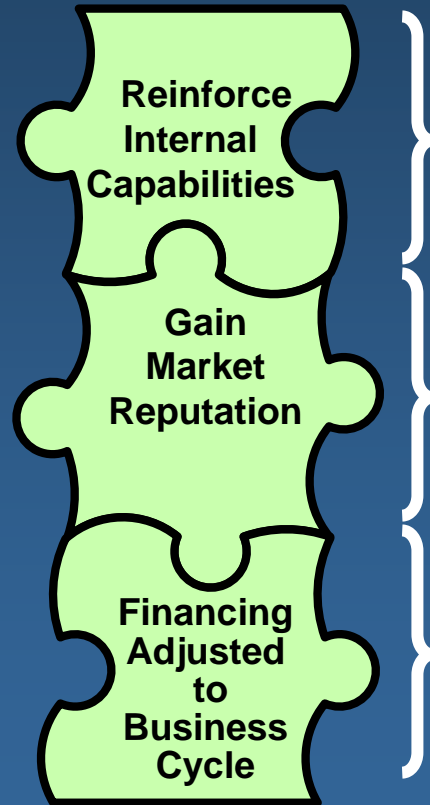
1. Clustering Initiatives
2. Infrastructures
3. Expert Services

1. Tech Transfer Accelerator
2. B.Angels & Corp.Ventures
3. Links to formal VCapital

INVESTMENT READINESS

New and growing enterprises should have access to the right resources, as allocated by a free and competitive market.

They have to earn investors' interest and commitment by the greater attractiveness of their businesses profile compared to other available investment opportunities.



1. Management (In-out)
2. Performance / Capacity
3. Markets (Goods/Services)

1. Corporate Governance
2. Market Discipline
3. Communication

1. Early Stages
2. Growth Process
3. Transmission / Buy-Out

THE RIGHT ENVIRONMENT

Governments should ensure that entrepreneurial environments in which young firms are created, developed and traded are favourable to entrepreneurs and investors, avoiding inappropriate and costly legislative, fiscal or regulatory systems.

Thus, policy makers should actively strive to remove existing barriers and promote new business formation and the growth of existing SMEs.

Governments have a key mission in supporting enterprise, but should seek to ensure a subsidiary role compatible with 'free' market activity.



SAVINGS FOR GROWTH

Savings should be channelled and long term investments mobilised for investment in SME assets, for example through structured finance instruments.

This process should be supported by public risk sharing schemes whenever needed, to encourage private investment into market failure areas where it would be otherwise particularly difficult to attract a sufficient stock of funding due to the well known information asymmetries and the high transaction costs incurred.

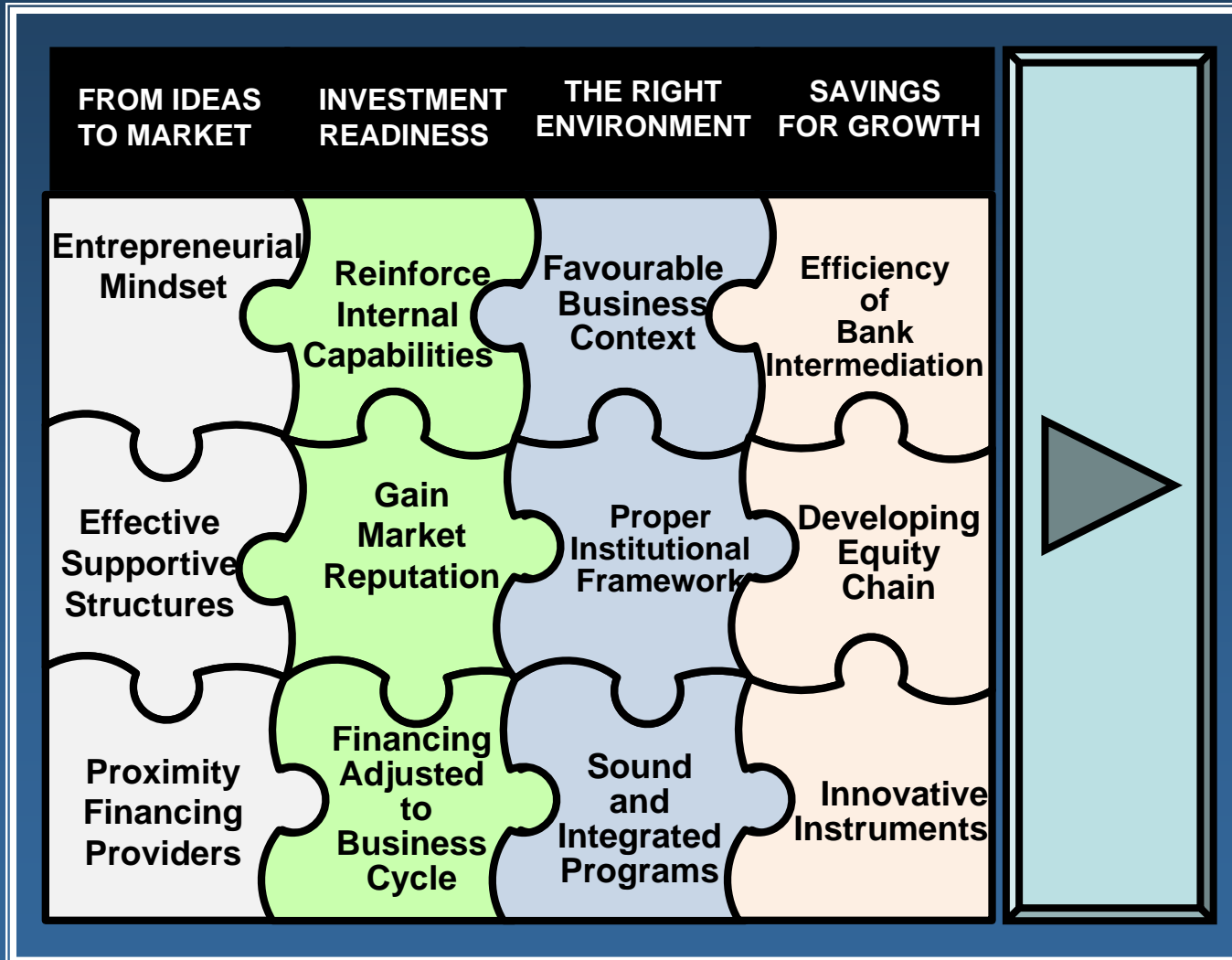


1. Loan Guarantees
2. Credit Securitisation
3. Cooperation w/ Banks

1. Risk Capital
2. VC / PE/ Instit.Investors
3. Stock Markets

1. Microfinance
2. Mezzanine
3. Stock Options

ESTORIL DECLARATION – AN INTEGRATED FRAMEWORK



ESTORIL DECLARATION – SCOPE FOR POLICYMAKERS

From Ideas to Markets	Investment Readiness	Right Environment	Savings for Growth
Entrepreneurial Mindset	Reinforce Internal Capabilities	Favourable Business Context	Efficiency of Bank Intermediation
<ol style="list-style-type: none"> 1. Academia 2. Industry Interactions 3. Spin-outs 	<ol style="list-style-type: none"> 1. Management (In-out) 2. Performance / Capacity 3. Markets (Goods/Service) 	<ol style="list-style-type: none"> 1. Legal 2. Fiscal 3. Administrative 	<ol style="list-style-type: none"> 1. Loan Guarantees 2. Credit Securitisation 3. Cooperation w/ Banks
Effective Supportive Structures	Gain Market Reputation	Proper Institutional Framework	Developing Equity Chain
<ol style="list-style-type: none"> 1. Clustering Initiatives 2. Infrastructures 3. Expert Services 	<ol style="list-style-type: none"> 1. Corporate Governance 2. Market Discipline 3. Communication 	<ol style="list-style-type: none"> 1. Subsidiarity 2. Effectiveness 3. Risk Sharing 	<ol style="list-style-type: none"> 1. Risk Capital 2. VC / PE / Instit. Investors 3. Stock Markets
Proximity Financing Providers	Financing Adjusted to Business Cycle	Sound and Integrated Programs	Innovative Instruments
<ol style="list-style-type: none"> 1. Tech Transfer Acceler. 2. B.Angels & C.Ventures 3. Links to formal VCapital 	<ol style="list-style-type: none"> 1. Early Stages 2. Growth Process 3. Transmission/Buy-Out 	<ol style="list-style-type: none"> 1. Market Driven 2. Transversal 3. PPP Partnership 	<ol style="list-style-type: none"> 1. Microfinance 2. Mezzanine 3. Stock Options

Good Practices on Financing Innovation

DYNAMIC MONITORING PROCESS


Financing Innovation
from **ideas** to market

ESTORIL
DECLARATI



ESTORIL
OBSERVATORY



ESTORIL
AWARDS

