



## The European Commission and the European Investment Fund join forces to boost investment in defence innovation through the Defence Equity Facility

Brussels, 12 January 2024

The European Commission and the European Investment Fund (EIF) have joined forces to step up their support to EU's defence and security through the launch of the [Defence Equity Facility](#).

The initiative, consisting of €100 million from the [European Defence Fund](#) and an additional €75 million from the [European Investment Fund](#), will significantly expand EIF's investment capacity to support, in the next four years, private equity and venture capital funds with strategies covering technologies relevant to defence.

This €175 million initiative is expected to attract additional private investments in the funds it supports, thereby mobilising, in total, circa. €500 million in support of European companies.

The Defence Equity Facility aims to stimulate the development of an ecosystem of private funds investing in defence innovation. The initiative will focus on technologies with dual-use potential encompassing both civilian and defence applications, to further support the EU's security, in line with InvestEU's objectives.

This new funding opportunity will be accompanied by capacity building activities to support managers in the development and management of their funds.

This initiative strengthens the cooperation between the Commission and the EIF in support of the aerospace and defence ecosystem, initiated with the launch of CASSINI Fund in January 2022 to bolster investments in space companies.

The new Defence Equity Facility is in full alignment with the December 2023 European Council call for enhancing the EIB Group support of European security and defence, building on the [Strategic European Security Initiative](#) launched in 2022 and updated in June 2023.

### For More Information

The [European Investment Fund \(EIF\)](#) is part of the European Investment Bank Group. Its central mission is to support Europe's micro, small and medium-sized enterprises (SMEs) by helping them to access finance. The EIF designs and develops venture and growth capital, guarantees and microfinance instruments which specifically target this market segment. In this role, the EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth and employment.

The [European Defence Fund \(EDF\)](#) - implemented by the European Commission - supports cooperative defence research and development projects. The fund aims to strengthen the competitiveness of the European defence industrial base. €8 billion from the EU budget is dedicated to the European Defence Fund for 2021-2027.

As part of the EDF, the [EU Defence Innovation Scheme \(EUDIS\)](#) provides funding and support measures aiming to lower entry barriers into the defence domain for smaller or non-traditional market players and accompany innovators throughout the development cycle.

The [InvestEU programme](#) provides the European Union with crucial long-term funding by leveraging substantial private and public funds in support of a sustainable recovery. It also helps mobilise private investments for EU policy priorities like the European Green Deal and the digital transition. The InvestEU programme brings together under one roof the multitude of EU financial instruments currently available to support investment in the European Union, making funding for investment projects in Europe simpler, more efficient and more flexible. The programme has three components: the InvestEU Fund, the InvestEU Advisory Hub and the InvestEU Portal. The InvestEU Fund is implemented through financial partners that will invest in projects using the EU budget guarantee of €26.2 billion. The entire budget guarantee will back the projects of the implementing partners, increasing their risk-bearing capacity and thus mobilising at least

€372 billion in additional investment.

More information on [the European Defence Equity Facility](#) is available on a dedicated website.

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Quotes:

*"With the Defence Equity Facility, we deliver a first step in improving access to finance for the defence sector. This initiative will contribute to sending a positive signal to the market and stimulate private investments in support of defence innovation. It is a key pillar of the EU Defence Innovation Scheme, which aims to enhance Europe's technological competitiveness and security, by supporting to a thriving ecosystem of defence start-ups and SMEs. It is a first step and we will continue to work with the EIB and EIF to support access to finance in the defence sector."*

Thierry Breton, Commissioner for Internal Market - 12/01/2024

*"Our partnership with the European Commission, under the European Defence Fund, represents a significant milestone in our efforts to drive investment and innovation in a sector of strategic importance for Europe. By supporting private equity and venture capital funds targeting investments in defence technologies with dual-use potential, we aim to catalyse economic growth and foster a thriving entrepreneurial ecosystem in the area of security and defence."*

Roger Havenith, Deputy Chief Executive of the European Investment Fund - 12/01/2024

*"This is a significant step towards promoting innovation and security in the EU. This partnership will further enhance European defence capabilities in an increasingly interconnected world facing new geopolitical challenges. The Defence Equity Facility will contribute to the objectives of EIB's Strategic European Security Initiative, and play a key role in promoting state-of-the-art technologies contributing to EU's defence and security, confirming this strategic area as a priority for the EIB Group."*

Kris Peeters, Vice-President of the European Investment Bank - 12/01/2024

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