



Funded by
the European Union



ALLON_I3

D3.2 - Identification of a funding mix strategy

Allon I3 – Alliance on Interregional Innovation Investments

Date 15/06/2025

Prepared by: PRISM Impresa Sociale srl

Project reference: 101132868- Allon_I3 - I3-2022-CAP2b

INDEX

SUMMARY	3
CHAPTER 1 - THE FUNDING MIX STRATEGY	4
1.1 The project: Allon I3 – Alliance on Interregional Innovation Investments.....	4
1.2 The strategic financing mix for business development and sustainability.....	5
1.3 Integrated financing strategies: a systemic approach.....	5
1.4 The funding mix matrix.....	7
CHAPTER 2 - FINANCIAL NEEDS ASSESSMENT AND FUNDING STRATEGY DESIGN	11
2.1 Adapting funding mix strategies to regional economic contexts and financial needs.....	11
2.2 Financial needs assessment and funding strategy design in Bulgaria.....	12
2.3 Financial needs assessment and funding strategy design in Portugal	16
2.4 Financial needs assessment and funding strategy design in Denmark	19
2.5 Financial needs assessment and funding strategy design in Greece	24
2.6 Financial needs assessment and funding strategy design in Cyprus.....	27
2.7 Financial needs assessment and funding strategy design in Italy.....	30
BIBLIOGRAPHY	34
ANNEX 1 – The funding mix matrix	35
ANNEX 2 – Guidelines for developing a funding mix strategy	36

SUMMARY

In an increasingly complex financial landscape, small and medium-sized enterprises (SMEs) and regional innovation ecosystems face growing pressure to secure the right mix of funding that not only enables business survival, but also fuels sustainable growth and cross-border cooperation. The Allon I3 – Alliance on Interregional Innovation Investments project emerges in this context as a strategic effort to support less developed and transition regions in Europe in their path toward economic transformation through smart, green, and digital innovation. Launched under the European Union’s Interregional Innovation Investments (I3) Instrument, the project brings together six diverse regions, Gabrovo in Bulgaria, Sicily in Italy, Alentejo in Portugal, Athens in Greece, Nicosia in Cyprus, and Aalborg in Denmark, each with distinct economic conditions, innovation capacities, and funding ecosystems.

Chapter 1 of this document lays the foundation by presenting the rationale behind the concept of the funding mix strategy, a flexible, integrated approach that combines public and private capital, tailored to business needs at different stages of development. This chapter introduces the funding mix matrix as a key analytical tool for supporting this process. It enables SMEs to identify the most suitable financial instruments across various funding programmes, while considering eligibility, co-financing rates, application complexity, and regional compatibility. Moreover, it outlines a step-by-step methodology to construct a resilient funding strategy from financial needs assessment to design, monitoring and adaptation.

Chapter 2 of this document explores how funding mix strategies were adapted and developed in the project’s six target regions. Each territory presented unique needs and constraints, shaped by levels of market maturity, access to capital, innovation capacity, and socio-economic challenges. In Gabrovo (Bulgaria), Sicily (Italy), and Alentejo (Portugal), classified as less developed regions, public grants and risk-mitigation tools were prioritized to compensate for limited access to private finance. Transition regions like Athens (Greece) and Nicosia (Cyprus) revealed the need for hybrid solutions that blend public support with efforts to stimulate private capital flows. In contrast, Aalborg (Denmark), a more developed region, benefited from mature financial markets and innovation-friendly ecosystems, offering a broader spectrum of financing tools.

As the Allon I3 project progresses, the integrated funding mix strategies designed in each region will be tested, refined, and potentially scaled, offering a replicable model for how Europe’s regions can cooperate to unlock investment and innovation potential across borders. This document aims to serve both as a roadmap and a practical guide for stakeholders committed to building strong and resilient innovation ecosystems.

CHAPTER 1 - THE FUNDING MIX STRATEGY

1.1 The project: Allon I3 – Alliance on Interregional Innovation Investments

Project's title: Allon I3 – Alliance on Interregional Innovation Investments

EU Programme: ERDF Interregional Innovation Investments (I3) Instrument – Capacity Building Strand 2b

Reference: I3-2022-CAP2b

Start date: 01/11/2023

End date: 31/10/2025

The project “Allon I3 – Alliance on Interregional Innovation Investments” project is co-financed with the support of the programme of the European Union “Interregional Innovation Investments – I3”. The consortium consists of 3 less developed regions, Gabrovo, Bulgaria (BG322), Sicily, Italy (ITG16) and Alentejo, Portugal (APT187), 2 transition regions, Athens, Greece (EL303), Nicosia, Cyprus (CY000), 1 more developed region, Aalborg, Denmark (DK050), and 1 associated partner (Business Angels, Norway – as a competence provider of training). The southern and southeastern European regions face numerous challenges in their twin green and digital transition, as well as in smart manufacturing. In particular, the less developed regions involved in the project experience greater social and economic pressures, resulting in slower adoption of innovations, weaker participation in European value chains, and lower economic competitiveness. In this framework, the project Allon I3 aims to enhance the capacity of less developed regions to cooperate with more developed ones and ones in transition by shaping and interweaving a cross-regional innovation ecosystem with stronger value chains or newly emerging ones. In particular, Allon I3 aims to enhance interregional investment ecosystems within the European Union’s Smart Specialisation Strategy (S3). The Smart Specialisation Strategy is the tool adopted by EU regions and member states since 2014 to maximize the impact of European Structural and Investment Funds (ESIF) in research and innovation.

Partnership:



1.2 The strategic financing mix for business development and sustainability

Identifying the optimal mix of financing, referred to as the ideal capital structure that maximizes enterprise value, is one of the most critical challenges faced when starting and operating a business. The financial needs of a business can vary significantly depending on its stage in the lifecycle, whether it's in research and development (R&D), startup, or scale-up phase. A comprehensive financing strategy must therefore be dynamic and adaptable, incorporating diverse funding instruments such as debt financing, equity investment, grants, and blended finance mechanisms. A crucial component of the business planning process is to assess and identify the most appropriate financing sources that not only support the implementation of your investment idea but also ensure its long-term viability. This includes aligning funding strategies with business development goals and adjusting them as the project evolves. One effective approach is to consider a diversified “funding mix,” which often blends public and private funding streams. This public-private financing model enables access to different financial instruments tailored to the specific needs and risk profiles at each stage of development. Selecting an inappropriate financing structure for a given phase of the investment cycle can jeopardize your business. Mismatched funding can increase capital costs, delay time-to-market, and ultimately threaten the success of product or service deployment. A tailored funding strategy must evolve with the business. During early-stage development, non-dilutive funding such as grants may be more suitable to de-risk innovation. As the project progresses, attracting equity investment or securing low-interest debt financing becomes increasingly important. This evolving approach ensures access to sufficient resources while maintaining financial sustainability.

1.3 Integrated financing strategies: a systemic approach

In the current business landscape, characterized by rapid innovation, market volatility, and heightened competition, companies are increasingly adopting integrated funding mix strategies to secure the capital needed for sustainable growth. This approach involves the strategic combination of multiple financing sources—ranging from equity and debt to grants and hybrid instruments, to meet the complex financial demands of businesses at different stages of development. Rather than relying on a single stream of funding, businesses are discovering that a diversified mix allows for more flexibility, resilience, and alignment with both short-term operational needs and long-term strategic objectives. Integrated funding strategies begin with the recognition that each stage of a company’s lifecycle, from ideation and R&D to market entry and

scaling—requires distinct financial tools. For instance, during the early phases of research and product development, businesses often depend on non-dilutive sources such as grants or innovation vouchers. These forms of funding help reduce the risk associated with unproven technologies or business models without demanding equity in return. As the business moves toward validation and market entry, it becomes essential to attract early-stage investors such as angel investors or venture capital firms, who are willing to assume higher risks in exchange for future returns. Later, during the expansion and scale-up phases, companies may turn to growth equity, structured debt, or mezzanine financing to support larger capital needs, infrastructure development, or international expansion.

The integrated funding mix strategy is fundamentally about matching the right type of capital to the business's evolving needs. By carefully selecting and sequencing financial instruments, businesses can optimize their capital structure, reduce the overall cost of capital, and ensure smoother cash flow management. One of the key advantages of a well-crafted funding mix is its ability to reduce dependence on any one source of capital. This diversification strengthens a company's financial resilience and offers a buffer against market fluctuations or shifts in investor sentiment. It also enhances credibility in the eyes of potential partners and investors. Businesses that demonstrate a sophisticated understanding of their financing needs, and present a well-thought-out funding plan, are more likely to attract high-quality financial backers. Moreover, the process of structuring an integrated financing approach often encourages founders and management teams to engage in deeper strategic planning, clarifying milestones, revenue projections, and risk factors. Developing such a strategy requires more than simply identifying available sources of funding. It demands a comprehensive understanding of capital needs over time, as well as a clear sense of timing and risk tolerance. Companies must assess how much capital they need, when they need it, and for what purposes, whether it's for hiring talent, developing a product, acquiring assets, or entering new markets. They must also consider how different types of funding will affect ownership, governance, repayment obligations, and investor expectations.

Importantly, integrated funding strategies are not static. As the business evolves, so too must its approach to capital. A financing model that works during the startup phase may become inefficient or even detrimental as the business grows. For example, over-reliance on equity financing in the early stages may lead to significant dilution, while excessive debt during scale-up can strain cash flows and limit operational flexibility. By continuously revisiting and refining the funding mix, businesses can adapt to changes in their market, internal operations, and external funding environment. Another essential element of successful funding mix

strategies is the ability to leverage blended finance, where public or philanthropic capital is used to de-risk private investment. This approach can be particularly useful for businesses operating in emerging sectors such as clean technology, digital innovation, or social enterprise, where the perceived risks are high but the potential impact is significant. By combining concessional financing with commercial capital, businesses can access more substantial investment while reducing the cost of capital and sharing risk among stakeholders. Ultimately, integrated funding strategies allow businesses to think beyond immediate financing challenges and build a foundation for sustainable growth. They encourage a more thoughtful, structured, and strategic approach to capital planning—treating financing not as a one-time event, but as an ongoing, adaptive process. In doing so, they help companies remain agile, attract better partners, and accelerate their journey from concept to market leadership.

1.4 The funding mix matrix

In this context, SMEs and startups must take a strategic approach to capital sourcing. One effective method is the funding mix matrix, a practical decision-making tool that helps businesses evaluate and construct the most advantageous and viable combination of funding from public, private, and third-sector sources. Moving beyond ad-hoc or intuition-based decisions, the funding mix matrix offers a structured framework that supports strategic financial planning, effective risk management, and long-term sustainability. The purpose of the funding mix matrix is to guide business owners and managers through the complex landscape of financing options. It supports them in selecting combinations of financial instruments, such as grants, loans, equity investment, and blended finance, based on the business's development stage, capital needs, risk profile, and strategic objectives. By offering a comparative and analytical perspective, the matrix enhances clarity and supports more informed, data-driven financial decisions. The goal of this matrix is to provide a clear overview of available options, making it easier for businesses to match these with their current financial needs and strategic priorities. The matrix also helps identify which funding sources are compatible with one another, supporting the creation of multi-layered financial strategies.

The matrix includes the following key elements:

- Denomination of the funding programme: the official name or title of the overarching funding scheme, framework, or initiative under which specific calls are launched.
- Call name: the specific title or reference of the funding call within the programme.

- Focus area: thematic priorities or sectors targeted by the call (e.g., innovation, green transition, SMEs).
- Total funding available: the overall budget allocated to the call.
- Main purpose of the call: a brief description of the strategic objectives or intended outcomes of the funding.
- Target applicants: types of entities eligible to apply (e.g., public bodies, research institutions, businesses, NGOs, etc..).
- Potential regional stakeholders involved: relevant local or regional actors who may participate or benefit.
- Eligible Countries: the geographic scope of eligibility, indicating which countries can participate.
- Funding Mechanism and rate (%): the financial support model and co-financing rate (e.g., EU grant at 80%).
- Website (how to apply): a direct link to the application portal or official funding webpage, including access to detailed documentation, including application instructions and selection criteria.
- Notes (if any): additional remarks, clarifications, or relevant observations.

To transition from mere observation to strategic analysis, the funding mix matrix incorporates a curated set of guiding questions. These are designed to prompt critical thinking and structured reflection around each funding option, encouraging SMEs to move beyond identifying opportunities to actively evaluate and select the most suitable financing mechanisms.

The following steps outline a systematic approach to building a resilient and strategic funding mix:

1. Conduct a thorough financial needs assessment: Begin by evaluating the financial needs and requirements of your SME across various time horizons (short, medium, and long-term). This includes identifying capital needs to ensure a clear understanding of where resources are required and how they align with your business objectives. A clear and thorough understanding of these financial needs provides the foundation for identifying the most suitable and targeted funding sources. It ensures that the funding strategy you develop is aligned with both your current operations and future ambitions.

2. Map and identify potential funding sources: Compile a comprehensive inventory of available funding options, categorized by origin and type, including EU direct and cooperation programmes, EU structural and investment funds, national and regional-level funding schemes (such as government-backed grants, low-interest loans, tax credits, and sector-specific subsidies designed to stimulate SME growth and innovation), private financing sources (such as bank loans, venture capital, angel investment, crowdfunding platforms, corporate funding partnerships, etc.).
3. Evaluate eligibility criteria and funding conditions: Once potential funding sources have been identified, the next step is to conduct a thorough evaluation of each option's eligibility criteria and associated conditions. This process involves carefully examining the specific requirements that applicants must meet, including the types of organizations eligible to apply and any sectoral, geographic, or project-specific limitations. In addition, assess the level of financial contribution expected from your SME. Many funding programmes require co-financing, and the required percentage can vary significantly. Consider whether your business can meet these obligations and whether the repayment terms, if applicable, are sustainable over time. Prioritizing funding opportunities that align with your SME's strategic goals, internal capabilities, and capacity to meet these conditions will increase your chances of securing support while ensuring smooth implementation and compliance.
4. Design a diversified and balanced funding mix: Avoid dependence on a single funding channel by creating a well-balanced mix of financing sources. Overdependence on one type of financing, whether it be public grants, loans, or private investment, can expose your SME to unnecessary risk, particularly if that source becomes unavailable, delayed, or subject to policy changes. A well-balanced funding mix strategically combines various forms of capital, each contributing in a complementary way to your business's financial needs. The goal is to optimize the cost of capital while ensuring that your funding structure supports both day-to-day operations and long-term strategic growth. This means carefully weighing the advantages and limitations of each funding type in the context of your financial goals, cash flow projections, and risk tolerance.
5. Align the funding strategy with strategic business objectives: Ensure that each selected funding source directly supports specific projects or initiatives outlined in your business plan. A coherent alignment demonstrates to funders and investors that the financing will generate tangible outcomes and contribute to innovation, competitiveness, and long-term value creation.

6. Develop a detailed timeline: Creating a clear and realistic timeline is a crucial part of an effective funding strategy. This timeline should serve as a roadmap that guides the entire application process, from initial preparation to the receipt and deployment of funds. Begin by identifying all critical deadlines associated with each funding opportunity, including submission dates, evaluation periods, and the expected timeline for funding decisions. Understanding these key milestones will help you allocate resources efficiently and avoid missing important windows of opportunity.
7. Leverage networking and advisory resources: Building strong relationships with financial advisors, as well as with funding agencies and designated contact points, is essential for staying informed and maximizing funding opportunities. These connections provide valuable updates, clarifications, and informal guidance that can be critical for understanding program priorities and effectively aligning your proposals. Additionally, actively participating in workshops, webinars, matchmaking events, and information days ensures you remain up to date on new funding calls, evolving regulations, and best practices in securing and managing funding.
8. Monitor, evaluate, and adjust the strategy: Establishing a systematic approach to monitor and evaluate your funding activities is essential for ensuring ongoing success. The funding mix matrix is not intended as a one-time tool, but rather as a dynamic resource that should evolve with the business. As external conditions shift and the company progresses through different growth stages, the matrix can be revisited and updated to reflect new funding opportunities, revised financial goals, and emerging opportunities and risks. Regular evaluation of your overall funding strategy will help you identify strengths and weaknesses, providing valuable lessons and maximizing your ability to secure funding and support your SME's growth over time.

CHAPTER 2 - FINANCIAL NEEDS ASSESSMENT AND FUNDING STRATEGY DESIGN

2.1 Adapting funding mix strategies to regional economic contexts and financial needs

The project involved the comprehensive identification and development of an appropriate funding strategy and matrix tailored to the specific contexts of several European regions: Gabrovo in Bulgaria (BG322), Sicily in Italy (ITG16), and Alentejo in Portugal (APT187), classified as less-developed regions; Athens in Greece (EL303) and Nicosia in Cyprus (CY000), representing additional transition regions; and Aalborg in Denmark (DK050), categorized as a more developed region. This diverse geographic scope allowed for a nuanced understanding of regional financial landscapes and the challenges faced by businesses operating within them. Financial needs vary significantly depending on whether a business is in the research and development (R&D) phase, the startup phase, or scaling operations. For example, early-stage companies typically require grant funding or equity investment to support innovation and product development, while more mature businesses may seek a combination of debt and equity to finance expansion or operational growth. Importantly, the project revealed that financial needs and strategies differ considerably across the targeted countries, reflecting varying economic conditions, funding ecosystems, and levels of market development. For instance, in less-developed regions like Gabrovo, Sicily, and Alentejo, businesses often face limited access to private capital markets and higher reliance on public funding sources, including EU structural funds and grants aimed at fostering regional development. These regions typically require funding strategies that emphasize capacity building, risk mitigation through grants and concessional loans, and support for innovation tailored to local economic strengths. In contrast, regions like Athens and Nicosia exhibit a mix of challenges and opportunities, where a growing entrepreneurial ecosystem exists but is still constrained by economic volatility and limited venture capital availability. Meanwhile, in the more developed region of Aalborg, Denmark, businesses benefit from more mature financial markets, greater access to a broad spectrum of financing options, and a stronger infrastructure for innovation and growth. Overall, the project underscored the importance of tailoring financing strategies to regional contexts, business lifecycle stages, and sector-specific needs.

2.2 Financial needs assessment and funding strategy design in Bulgaria

Target area: Gabrovo, a key industrial city in Bulgaria, holds great potential in the sectors of mechatronics, informatics & ICT, and clean technologies, especially in areas aligned with the I3 initiative for innovation, industry, and infrastructure. However, the region faces significant demographic and labor market challenges that may impact the ability of SMEs to achieve their growth and innovation objectives. These challenges include a declining and aging population, a shortage of highly qualified personnel, and difficulties in attracting skilled workers to the region. These financial needs assessments evaluate the capital requirements for SMEs in Gabrovo, with a particular focus on overcoming these demographic and labor-related hurdles.

Financial needs assessment: below is a detailed overview of the key findings that emerged from the financial needs analysis conducted within the specific regional and/or economic district context in Gabrovo, Bulgaria.

Short-term financial needs (1-2 years):

- Working capital: SMEs in Gabrovo will need funding for day-to-day operations, including salaries, utilities, and raw materials. Given the regional shortage of qualified personnel, especially in sectors like mechatronics and ICT, companies may need to offer competitive wages or provide additional incentives (e.g., housing, relocation benefits) to attract skilled workers. This may require additional capital allocation for employee benefits or recruitment efforts.
- Technology maintenance and upgrades: due to rapid technological advancements, SMEs will also require funding to maintain and upgrade their existing infrastructure. In mechatronics and ICT, equipment and software updates are essential to stay competitive, while clean technology businesses will need to upgrade to more energy-efficient systems or obtain green certifications.
- Prototyping and testing: SMEs, especially in mechatronics and ICT, will need funding for developing prototypes, conducting R&D, and testing new technologies. This is essential for staying competitive but is challenging in a region where the availability of highly qualified technical personnel is limited.
- Recruitment and training: due to Gabrovo's demographic challenges and a lack of qualified workers, companies will need to invest in specialized training programs for existing employees or recruit talent from other regions or countries. Collaboration with local universities or technical schools may help alleviate this issue, but additional investment in upskilling programs or temporary workforce solutions may be necessary.

Medium-term financial needs (3-5 years):

- Scaling operations and workforce growth: as companies grow, there will be a need to expand production capabilities and infrastructure. For mechatronics and clean technology firms, this may mean investing in new facilities or expanding existing ones. However, due to the labor shortages, companies may also need to invest in automation and robotics to reduce dependency on manual labor.
- Advanced R&D projects: SMEs in these sectors may target regional, national, or international markets. Expansion efforts could include marketing, distribution channels, and sales teams, which could involve significant investment in new staff. Attracting the right talent to manage these new functions will be a key challenge in the medium term, requiring investments in recruitment and training.
- Long-term recruitment strategies: To overcome the labor market challenges, SMEs will need to invest in creating an attractive work environment, offering competitive salaries, career development programs, and fostering collaborations with universities and research centers. Providing financial support for the relocation of specialized talent or offering internships to local students could also be part of this medium-term strategy.

Long-term financial needs (5+ years):

- International expansion and diversification: SMEs in these sectors will likely aim to enter international markets, particularly in regions where demand for clean technologies and mechatronics solutions is rising. International expansion requires significant investments in infrastructure, marketing, and talent acquisition to navigate new markets.
- Industry 4.0 integration: For mechatronics companies, integrating advanced technologies such as automation, robotics, and IoT will require long-term investments. Similarly, ICT companies may need to adopt next-generation technologies, such as artificial intelligence and blockchain, to stay competitive.
- Sustainability and circular economy: Clean technology firms will need substantial long-term investments in sustainable energy solutions, carbon reduction technologies, and waste-to-resource projects. With the increasing focus on the circular economy and low-carbon initiatives, clean technology companies will need to stay ahead of global sustainability trends to secure long-term viability.

- Automation and robotics in manufacturing: Given the challenges of attracting and retaining qualified workers in the region, mechatronics and clean technology companies may need to invest in automation systems to reduce dependence on manual labor and optimize production. This aligns with the ongoing global trend toward Industry 4.0.
- Green and circular economy initiatives: Investment in large-scale renewable energy production, such as solar or wind energy, and in circular economy solutions (e.g., recycling, waste management, or resource recovery technologies) will be necessary for clean technology SMEs to meet both regulatory standards and market demand.

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Gabrovo, Bulgaria									
Partner organization	Regional Innovation Center "Ambitious Gabrovo"								
Region	Gabrovo, Bulgaria								
Type of cluster / ecosystem of SMEs	SMEs in sectors of mechatronics, informatics & ICT, and clean technologies								
Denomination of programme/measure/instrument	Focus area	Total funding available in the call/measure/instrument	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
EU direct and cooperation programmes (Identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected cluster / district / ecosystem)									
Horizon Europe	Research and Innovation	€95.5 billion (2021-2027)	To support research and innovation projects	Universities, research centers, SMEs	Technical University of Gabrovo, RIC Gabrovo, SMEs	EU member states	Up to 100%	https://research-and-innovation.ec.europa.eu/	https://research-and-innovation.ec.europa.eu/
Erasmus+	Education, training, youth, and sport	€26.2 billion (2021-2027)	To support education, training, youth, and sport activities across Europe	Educational institutions, youth organizations, sports clubs	Technical University of Gabrovo, Youth Center Gabrovo, Yantra Football Club	EU member states	Up to 100%	https://erasmus-plus.ec.europa.eu/	https://erasmus-plus.ec.europa.eu/
LIFE Programme	Environment and climate action	€5.4 billion (2021-2027)	To support environmental, nature conservation, and climate action projects	Public bodies, private entities, NGOs	Gabrovo Municipality, RIC, SMEs	EU member states	Up to 60%	https://cinea.ec.europa.eu/programmes/life_en	https://cinea.ec.europa.eu/programmes/life_en
Creative Europe	Culture and media	€2.4 billion (2021-2027)	To support the cultural and creative sectors	Cultural organizations, media companies, artists	Local cultural organizations, media companies, artists	EU member states	Up to 60%	https://culture.ec.europa.eu/creative-europe	https://culture.ec.europa.eu/creative-europe
COSME (Competitiveness of Enterprises and SMEs)	SMEs and entrepreneurs hip	€2.3 billion (2021-2027)	To support the creation and expansion of SMEs	SMEs, entrepreneurs	SMEs, entrepreneurs	EU member states	Up to 100%	https://single-market-economy.ec.europa.eu/	https://single-market-economy.ec.europa.eu/
EU structural funds (Identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected)									
INTERREG VI-A IPA Bulgaria-North Macedonia	Territorial cooperation	Varies by project	To promote cross-border cooperation	Local governments, NGOs, SMEs	Gabrovo Municipality, RIC, SMEs	Bulgaria, North Macedonia	Up to 85%	EU Funds	INTERREG Guidelines
National and regional programs / funds (Identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
National Development Programme Bulgaria 2030	Economic development	Varies by project	To accelerate economic development and reduce inequalities	SMEs, innovative enterprises	Gabrovo Municipality, Technical University of Gabrovo, SMEs, RIC	Bulgaria	Varies by project	National Development Programme	National Development Programme Guidelines
Other private sources (Identify and specify further bank loans, venture capital, angel investors, crowdfunding, corporate partnerships and other private financial sources)									
Venture Capital	Private investment	Varies by investor	To provide funding for innovative startups	Startups, SMEs	Gabrovo Chamber of Commerce and Industry	Bulgaria	Varies by investor	Gabrovo Chamber of Commerce	Venture Capital Guidelines

2.3 Financial needs assessment and funding strategy design in Portugal

Target area: this analysis focuses on a cluster of SMEs operating within the renewable energy sector in Portugal's Alentejo region. This cluster is relevant within the I3 sectors and covers a diverse set of companies involved in various stages of the renewable energy value chain, including solar photovoltaic, wind and biomass. The specific focus is on:

- Companies developing and installing renewable energy projects;
- SMEs dedicated to the manufacture and assembly of components and equipment in the sector;
- Providers of maintenance and operation services for renewable energy infrastructures;
- Research and development (R&D) companies focusing on new technologies and energy efficiency in the field of renewable energies.

Financial needs assessment: renewable energy SMEs in the Alentejo region face unique challenges and opportunities that define their financial needs. The strong dependence on investments in infrastructure and technology, the need to adapt to energy policies and the volatility of market prices directly influence their capital requirements.

Short-term financial needs (1-2 years): needs linked to maintaining daily operations and responding to immediate opportunities.

- Liquidity: fundamental to cover current operating expenses, such as salaries, the purchase of raw materials, energy costs and other fixed and variable costs. The seasonality of some renewable energy projects can generate variations in liquidity that require careful management.
- Financing for small-scale projects/initial stages: financial support for the launch of smaller projects, such as solar installations for self-consumption in buildings or small biomass units, which require an initial investment and have a shorter payback cycle.
- Operational efficiency improvements: small investments in process optimization, preventive maintenance of existing equipment and updating management software to ensure efficiency and competitiveness.

Medium-term financial needs (3-5 years): focusing on growth, modernization and responding to market trends.

- Expansion of production capacity/services: investment in new equipment and infrastructure to increase energy production capacity or the provision of services.
- Investment in R&D and innovation: financing for the development and application of new technologies that improve efficiency, reduce costs or enable entry into new markets.
- Certifications and regulatory compliance: costs associated with obtaining and maintaining quality, safety and environmental certifications, which are essential for accessing certain markets and guaranteeing the credibility of companies.
- Training and capacity building of human resources: investment in the qualification and re-qualification of the workforce to deal with emerging technologies, new processes and management practices, enabling them to grow.

Long-term financial needs (5+ years): related to larger, strategic investments aimed at guaranteeing sustainability and market leadership.

- Infrastructure projects: financing for the development of large-scale solar or wind farms, larger-scale biomass plants, or green hydrogen production projects, which require substantial investments and have long payback periods.
- Acquisition of advanced and innovative technology: investments in cutting-edge technologies that could transform the sector, such as artificial intelligence for optimizing energy parks, new materials for greater efficiency in energy conversion, or advanced network management systems.
- Internationalization strategies: capital available for expansion into new markets, including feasibility studies, adapting products/services to the specificities of other countries and establishing international partnerships and representations.
- Strategic investments: capital available for opportunities to consolidate the market, acquire complementary companies or establish joint ventures to diversify the renewable energy portfolio and strengthen its competitive position.

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Alentejo, Portugal									
Partner organization	ADRAL - Alentejo Regional Development Agency								
Region	Alentejo, Portugal								
Type of cluster / ecosystem of SMEs	Renewable Energies								
Denomination of programme/measure/instrument	Focus area	Total funding available in the call/measure/instrument	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
EU direct and cooperation programmes (identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected cluster / district / ecosystem)									
Programme for Environment and Climate Action (LIFE) - LIFE-2025-CET-PDA: Project Development Assistance for sustainable energy investments	Clean Energy Transition	8.400.000,00 €	Project Development Assistance (PDA) offers technical assistance to convert sustainable energy project ideas into actual investments. It supports public and private project developers in every step of the way to deliver sustainable energy investments of ambition and scale.	SMEs, public authorities, NGOs, utilities, developers, manufacturers, financiers, professional bodies, and citizen initiatives.	Local and regional authorities, NGOs, utilities, project promoters, zero-emission tech manufacturers, financiers, professional bodies, and citizen groups.	Applicants must be legal entities (public or private bodies) established in one of the EU Member States, overseas Countries and Territories, EEA Countries and countries associated with the LIFE Program.	The costs will be reimbursed at the funding rate fixed in the Grant Agreement: 95%	EU Funding & Tenders Portal , EU Funding & Tenders Portal	Call document for the call "LIFE Clean Energy Transition"
National and regional programs / funds (identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
COMPETE 2030 - SICE - Sistema de Incentivos à Competitividade Empresarial (awaiting the opening of the call)	Productive Innovation	160.000.000,00 €	Finance individual investment operations in innovative activities, promoted by SMEs, which contribute to the development, diversification and internationalization of Portuguese companies.	Micro, small and medium-sized enterprises (SMEs), of any nature and in any legal form.	N.A	Portugal	The rate of support is limited to a maximum of 40% non-refundable on the eligible cost, varying according to the criteria and increases applicable in the regional Calls for Tenders.	SICE – Inovação Produtiva – Outros Territórios Compete 2030	(awaiting the opening of the call)
Fundo Ambiental - AAC N.º 06/C13-I01/2023 Programa Vale Eficiência	Energy Efficiency	104.000.000,00 €	The "Vale Eficiência" program is part of a set of measures aimed at combating energy poverty and strengthening the renovation of the country's buildings, making it possible to extend the useful life of buildings, improve indoor air quality, increase thermal comfort, living conditions, health and well-being of families, contributing to improving the energy and environmental performance of buildings, reducing the ecological footprint, greenhouse gas (GHG) emissions, the energy bill and the country's energy dependence. The "Vale Eficiência" program also aims to stimulate and boost economic and social development, maintaining the involvement of local and national companies that will provide services to families under this program, boosting economic recovery, wealth generation and job creation.	Natural persons who meet the following conditions: (i) who are beneficiaries of the social electricity tariff and as such, holders of an electricity supply contract, eligible for the application of the social electricity tariff or beneficiaries of support for the purchase of bottled liquefied petroleum gas; (ii) who are not beneficiaries of the tariff, but where at least one of the members of their household is a beneficiary of a minimum social benefit for inclusion; and (iii) who are owners, usufructuaries or tenants and permanently reside in the dwelling for which they are applying to the Efficiency Voucher.	The supplier who wishes to provide the service under this program and join the Suppliers' Exchange, considering the SMEs available in this area.	Portugal	N.A	Vale Eficiência - 2ª Fase	Templates
Other private sources (identify and specify further bank loans, venture capital, angel investors, crowdfunding, corporate partnerships and other private financial sources)									
Banco Português de Fomento - Linha de Garantia BPF InvestEU	Research, Innovation and Digitalization	66.700.000,00 €	Improve credit conditions for research, innovation and digitalization projects in terms of interest rates, repayment terms and grace periods; increase banks' investment in research, innovation and digitalization projects by reducing their exposure to risk.	The product is essentially aimed at SMEs, Small MidCaps and MidCaps.	All commercial banks operating in Portugal that hold the capital to grant loans for research, digitalization and innovation projects and the National Mutual Guarantee System.	Portugal	75% guaranteed by InvestEU and the remaining 25% through funds from Banco Português de Fomento	Programa InvestEU BPF único implementing partner - Banco Português de Fomento	Document.pdf

2.4 Financial needs assessment and funding strategy design in Denmark

Target area: the funding mix strategy encompasses all SMEs in the Danish region of North Jutland (North Denmark) in the categories smart technology, green tech, manufacturing and development. The SME environment in the region is based on loosely connected clusters, but the available funding has broad coverage. The clusters do not have targeted funding and very specific strategies.

Financial needs assessment: below is a detailed overview of the key findings that emerged from the financial needs analysis conducted within the Danish region of North Jutland (North Denmark).

Short-term financial needs (1-2 years):

- One of the key challenges facing our work in assisting SMEs in North Jutland is the national distribution of EU structural funds in Denmark. This approach makes it more difficult to address region-specific challenges effectively. If the allocation of these funds were more regionally focused, it would allow for targeted investments that could better support the unique needs and opportunities of North Jutland. This shift could lead to more impactful projects that drive local economic growth and development.

Medium-term financial needs (3-5 years):

- Building stronger bridges between European regions could significantly enhance capital flow and knowledge sharing. This regional cooperation would not only facilitate better access to funding but also foster innovation through the exchange of ideas and best practices. By strengthening these connections, North Jutland could tap into a broader network of investors and resources, thereby boosting its economic potential. The internationalisation of North Jutland and assisting our SMEs' in gaining access to favourable capital is a key part of our organisation's raison d'être and as such, strengthening cooperation across borders represents a great opportunity to improve in this area.

Long-term financial needs (5+ years):

- Capital is crucial for businesses to grow, and companies can always benefit from greater access to capital. In North Jutland generally, there is a strong capital market providing regional companies access to crucial capital, allowing them to drive innovation and growth through investments –

especially in the short term. While it can always be debated whether there is a lack of capital or a shortage of capital-worthy ideas when assessing financial needs in the regional cluster of the SMEs, two key areas have been identified where access to capital can be enhanced in the medium and long term.

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Italy, Sicily									
Partner organization	NDEU - North Denmark EU Office								
Region	North Jutland (North Denmark)								
Type of cluster / ecosystem of SMEs	All SMEs in the Danish region of North Jutland (North Denmark) in the categories smart technology, green tech, manufacturing and development.								
Denomination of programme/measure/instrument	Focus area	Total funding available in the call/measure/instrument	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
EU direct and cooperation programmes (identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected cluster / district / ecosystem)									
EUREKA - Eurostars	Innovation, R&D	250M€ (public-private)	Eurostars is a funding instrument that supports innovative SMEs and project partners (large companies, universities, research organisations and other types of organisations) by funding international collaborative R&D and innovation projects. By participating, organisations can access public funding for international collaborative R&D projects in all fields.	SMEs (coordinating), universities and research centres. Consortium of at least two independent entities from at least two Eurostars countries with at least one from EU or Horizon Europe Associated Countries. Only civil applications and no single participant or country responsible for more than 70% of funding	/	Austria, Belgium, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, The Netherlands, Türkiye	The budget of the SMEs from the participating countries must be more than 50%	https://eurekanetw.ork.org/	https://eurekanetw.ork.org/
EU structural funds (identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected)									
Virksomhedsprogrammet - SMV:PRO	Growth, consultation / advisory services	/	To provide funds for SMEs to receive professional consultation	SMEs	/	Denmark	50%, up to 125.000 DKK	https://virksomhed.sprogrammet.dk/	https://virksomhed.sprogrammet.dk/
Virksomhedsprogrammet - SMV:Bæredygtighed	Sustainability, Documentation, Competences, Circular economy, energy efficiency	/	To increase sustainability of SMEs	SMEs	/	Denmark	Vouchers for learning: 60.000 DKK Consultation: 50% up to 150.000 DKK Investment: 25% up to 150.000 DKK Can be combined	https://virksomhed.sprogrammet.dk/	/
Virksomhedsprogrammet - SMV:Digital	Digital	/	To provide an uptake of digitalisation in SMEs	SMEs	/	Denmark	Consultation: 100.000 DKK Lease and test of robot: 125.000 DKK	https://smv.digital.dk/content/	/
Virksomhedsprogrammet SMV:Vækstpilot	Growth	/	To provide funds for SMEs to hire employees tasked with growing the company	SMEs	/	Denmark	50% of salary covered for an employee (growth pilot) for up to 6 months (max 15.000 DKK each month)	https://virksomhed.sprogrammet.dk/	https://virksomhed.sprogrammet.dk/
National and regional programs / funds (identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
Det Energiteknologiske - EUDP 2025-1 Udviklings- og Demonstrationsprogram (EUDP)	Green transition, Energy, Digitalisation	300 mio. DKK - 40 mio. € - shared between all EUDP calls with 3.3 mio € earmarked for Smart Energy and Digitalisation and 3 mio. € earmarked for North Sea Funding	Main purpose is development and demonstration of new energy related technology	Enterprises registered in the Danish Central Business Register, including GTS institutes, municipalities, regional governments and public knowledge institutions.	/	Denmark, but project participants from other countries can get co-funded if the project promotes technological development in Denmark	Grant with no fixed aid intensity	https://eudp.dk/soeg-tilskud/	https://eudp.dk/
Det Energiteknologiske - IEA 2025-1 Udviklings- og Demonstrationsprogram (EUDP)	Green transition, Energy	300 mio. DKK - 40 mio. € - shared between all EUDP calls with 3.3 mio € earmarked for Smart Energy and Digitalisation and 3 mio. € earmarked for North Sea Funding	The main purpose is to facilitate collaboration in the IEA Energy Technology Network. The primary purpose of participation must be to obtain and collect more knowledge and better understanding within a technology area of particular interest to Denmark	Enterprises registered in the Danish Central Business Register, including GTS institutes, municipalities, regional governments and public knowledge institutions.	/	Denmark, but project participants from other countries can get co-funded if the project promotes technological development in Denmark	Grant with no fixed aid intensity	https://eudp.dk/	https://eudp.dk/

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Italy, Sicily									
Partner organization	NDEU - North Denmark EU Office								
Region	North Jutland (North Denmark)								
Type of cluster / ecosystem of SMEs	All SMEs in the Danish region of North Jutland (North Denmark) in the categories smart technology, green tech, manufacturing and development.								
Denomination of programme/measure/instrument	Focus area	Total funding available in the call/measure/instrument	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
National and regional programs / funds (identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
Det Energiteknologiske - Green Labs DK 2025-I Udviklings- og Demonstrationsprogram (EUDP)	Green transition, Energy	300 mio. DKK - 40 mio. € - shared between all EUDP calls with 3.3 mio € earmarked for Smart Energy and Digitalisation and 3 mio. € earmarked for North Sea Funding	Green Labs DK (GLDK) provides funding to establish facilities for testing and demonstrating innovative energy and climate technologies projects that help realise Denmark's political energy and climate goals and that generate Danish jobs and energy-technology exports.	Enterprises registered in the Danish Central Business Register, including GTS institutes, municipalities, regional governments and public knowledge institutions.	/	Denmark, but project participants from other countries can get co-funded if the project promotes technological development in Denmark	Grant with no fixed aid intensity	https://eudp.dk/	https://eudp.dk/
Miljøteknologisk Udviklings- og Demonstrationsprogram (MUDP) - Udviklings-, test-, og demonstrationsprojekter (development, test and demonstration projects)	Environmental protection, Biodiversity, Green transition	63.5 mio. DKK - 8.5 mio. €	To support projects in one of the following areas: - clean water - clean air - hazardous chemicals - climate - sustainable use of resources (circularity) - biodiversity	SMEs, large companies, other actors	/	Denmark	Grant	https://mudp.dk/	https://mudp.dk/
Miljøteknologisk Udviklings- og Demonstrationsprogram (MUDP) - Fyrtårnsprojekter (Flagship projects)	Environmental protection, Biodiversity, Green transition	63.5 mio. DKK - 8.5 mio. €	To support projects in one of the following areas: - clean water - clean air - hazardous chemicals - climate - sustainable use of resources (circularity) - biodiversity	SMEs, large companies, other actors	/	Denmark	Grant	https://mudp.dk/	https://mudp.dk/
Innovationsfonden (Grand solutions) - Grøn forskning, teknologi og innovation	Greentech, Innovation, Green Transition, Research	139 mio DKK - 18.60 mio. €	Grand Solutions invest in ambitious, interdisciplinary research and innovation projects that can create new, concrete solutions on important and politically prioritised societal challenges. Most projects are created in a collaboration between research institutions, private companies and public customers. The innovation fund invests in green research, development of technology and innovation in the following areas: - Energy production - Energy effectiveness - Agriculture and food production - Transport - Environment and circular economy - Nature and biodiversity - Sustainable conduct and societal consequences Furthermore, 30 mio DKK (4 mio €) are earmarked for research in energy systems, including linking sectors and hybrid projects	Companies, research institutions and public actors	/	Denmark, but project participants from other countries can get co-funded if the project promotes technological development in Denmark	Grant - up to 75% financing with 5-40 mio DKK for each project (0.67 - 5.36 mio. €)	https://innovationsfonden.dk/	https://innovationsfonden.dk/

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Italy, Sicily									
Partner organization	NDEU - North Denmark EU Office								
Region	North Jutland (North Denmark)								
Type of cluster / ecosystem of SMEs	All SMEs in the Danish region of North Jutland (North Denmark) in the categories smart technology, green tech, manufacturing and development.								
Denomination of programme/measure/instrument	Focus area	Total funding available in the call/measure/instrument	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
National and regional programs / funds (Identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
Innovationsfonden (Grand solutions) - Kritiske og digitale teknologier	Digital Technology	121 mio DKK - 16.21 mio. €	Grand Solutions invest in ambitious, interdisciplinary research and innovation projects that can create new, concrete solutions on important and politically prioritised societal challenges. Most projects are created in a collaboration between research institutions, private companies and public customers. The innovation fund invests in research and innovation in critical and digital technology in the following areas: - Semiconductors - Robotics and drone technology - Technology in materials - Particle research - AI and big data - Cyber- and information security	Companies, research institutions and public actors	/	Denmark, but project participants from other countries can get co-funded if the project promotes technological development in Denmark	Grant - up to 75% financing with 5-40 mio DKK for each project (0.67 - 5.36 mio. €)	https://innovationsfonden.dk/	https://innovationsfonden.dk/
Innovationsfonden (Grand solutions) - Kvanteteknologi	Quantum Technology	111.4 mio DKK - 14.9 mio. €	This call seeks to further Denmark's leading position in quantum technology. It focuses on all relevant parts of the supply chain - from basic research to applied research and demonstration projects.	Companies, research institutions and public actors	/	Denmark, but project participants from other countries can get co-funded if the project promotes technological development in Denmark	Grant - up to 90% financing with 5-40 mio DKK for each project (0.67 - 5.36 mio. €)	https://innovationsfonden.dk/	https://innovationsfonden.dk/
Innovationsfonden Innobooster	Innovation	140 mio DKK - 18.75 mio. €	The call seeks to accelerate innovative projects, that could enhance the growth of the company.	Danish SMEs and startups	/	Denmark	Grant - up to 35% with 0.2 mio to 5 mio DKK (26.800 € to 0.67 mio €)	https://innovationsfonden.dk/	https://innovationsfonden.dk/
Other private sources (Identify and specify further bank loans, venture capital, angel investors, crowdfunding, corporate partnerships and other private financial sources)									
EIFO - Export and Investment Fund of Denmark	All sectors		Provide loans for Danish companies	Companies	/	Denmark	Up to 50%	/	/
Nordjysk Lånefond (Loans)	All sectors		Provide loans for companies in North Jutland	Companies	/	Denmark (North Jutland)	Startup loan: 70% Up to 750.000 DKK (10 years). Development loan and Responsible loan: 50% up to 5 mio. DKK (10 years). Loan for purchase of capital shares: 50% up to 1 mio. DKK (5 years)	https://nordjysklaanefond.dk/	/

2.5 Financial needs assessment and funding strategy design in Greece

Target area: this analysis focuses on the si-Cluster in Attica, Greece, the Greek Space Technologies and Applications Cluster. The si-Cluster in Athens has established itself as a key actor within the regional industrial ecosystem. The cluster cooperates with and is used by regional authorities in the development of the Smart Specialisation Strategy (S3) and in facilitating regional industrial transition. Since its establishment in 2009, the cluster became an important institution in the region, bringing together around 80% of the approximately 100 space actors in Greece. The cluster contributes to the growth of the sector and employment numbers, focusing not only on the Greek space ecosystem but also on technology transfer into non-space related sectors. By facilitating the implementation of the region's S3 strategy, the si-Cluster contributes significantly to the realisation of the region's digital transition whereas at the European level it is involved in helping promote industrial transition and resilience by actively participating in various EU-funded projects.

Financial needs assessment: below is a detailed overview of the key findings that emerged from the financial needs analysis conducted within the si-Cluster in Attica, Greece, the Greek Space Technologies and Applications Cluster.

Short-term financial needs (1-2 years):

- Operational expenses: cluster management costs (salaries for administrative staff, office rentals, utilities, and general overheads), member services (organizing networking events, workshops, and training sessions to support member SMEs), marketing and promotion (costs associated with promoting the cluster's activities and attracting new members).
- Innovation support: seed funding (providing initial funding to member SMEs for early-stage R&D projects), access to facilities (subsidizing access to laboratories, testing facilities, and prototyping equipment).
- Capacity building: developing and delivering of training programs and modules to enhance the skills of the workforce in space technologies.
- Talent acquisition: initiatives to attract and retain skilled professionals in the cluster.

Medium-term financial needs (3-5 years):

- Infrastructure Development: Innovation Hubs, including establishing dedicated spaces for collaboration, including co-working areas, labs, and conference rooms.
- Digital Platforms: developing online platforms to facilitate collaboration among members and with external partners.
- Research and development: collaborative projects funding joint R&D initiatives between SMEs, research institutions, and universities.
- Technology transfer: mechanisms to facilitate the commercialization of research outputs.
- Market expansion and internationalization: supporting member SMEs to enter new markets through trade missions and partnerships.
- Brand development: enhancing the cluster's brand to attract international collaborators and investors.

Long-term financial needs (5+ years):

- Strategic investments: large-scale projects: investing in significant projects such as satellite development or space missions.
- Advanced facilities: building state-of-the-art facilities for testing, simulation, and manufacturing.
- Sustainability initiatives and green technologies: investing in environmentally sustainable technologies and practices within the cluster.
- Resilience building: developing strategies to ensure the cluster's long-term resilience against economic and technological changes.
- Policy and advocacy: resources to engage with policymakers to shape favorable regulations for the space sector.
- Standards development: participating in the development of industry standards to ensure competitiveness.

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Attica, Greece									
Partner organization	Academy of Entrepreneurship								
Region	Attica, Greece								
Type of cluster / ecosystem of SMEs	si-Cluster, The Greek Space Technologies and Applications Cluster								
Denomination of programme/measure/instrument	Focus area	Total funding available in the call/measure/instrument	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
EU direct and cooperation programmes (identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected cluster / district / ecosystem)									
HORIZON-CL4-2025-01 - Call - SPACE-HADEA	European Space Ecosystem	15 million	Open Strategic Autonomy in Developing, Deploying and Using Global SpaceBased Infrastructure, Services, Applications and Data	Research organizations, SMEs, consortia	EU Networks, ESA partners	EU Countries	Grant (100% for RIA, 70% for IA)	https://hadea.ec.europa.eu/	https://ec.europa.eu/
European Defense Fund Call EDF-2025-RA, EDF-2025-DA-SPACE-SBISR: Space-based ISR constellation	Space-Based Intelligence, Surveillance, and Reconnaissance systems	66 million euros	The objective is to develop European SBISR capabilities	Consortia of EU-based entities such as defense industries, SMEs, research centers, space technology companies	Innovation clusters, public authorities, space and defense development agencies, and infrastructure operators	EU Member States and EDF Associated Countries	Actual costs grants following the call for proposals	/	https://defence-industry-space.ec.europa.eu/
EU structural funds (identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected)									
NSRF 2021–2027 – Competitiveness Program (EPANEK) - Innovation and Entrepreneurship 2024	Infrastructure, digital transition, R&D support	€1.5 million per project		SMEs, cluster members, research centers	Greek Ministry of Development, si-Cluster	Greece	National grant (50–70%)	https://21-27.antonistikotita.gr/	/
National and regional programs / funds (identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
ESA Business Incubation Centre Greece - ESA BIC Greece 2025	Early-stage commercial space applications	50 k€ in cash (non-equity funding);	ESA BICs Greece seeks entrepreneurs who develop applications that use space-based systems (such as satellite navigation, earth observation, or satellite communication); use space technologies in a non-space domain; and/or who develop innovative products and services for the space sector.	Startups, university spin-offs	ESA, Corallia	Greece	Grant + incubation services	https://esa-bic.gr/apply/	/
Other private sources (identify and specify further bank loans, venture capital, angel investors, crowdfunding, corporate partnerships and other private financial sources)									
Marathon Venture Capital - Marathon III		75 million euros	To support world-class technology companies	Startup professionals		Greece		https://marathon.vc/	/

2.6 Financial needs assessment and funding strategy design in Cyprus

Target area: this analysis focuses on the Renewable Energy Ecosystem of Cyprus, a prominent ecosystem within the I3 strategy in Nicosia, Cyprus. Cyprus, due to its location, climate and sunny days provides a fertile location for the production of renewable energy such as solar and wind energy. The Cyprus Smart Specialisation Strategy 2023-2030 recognizes renewable energy as one of the pillar ecosystems of the I3 plan because of its role in mitigating climate change, achieving energy autonomy, and creating green jobs. In 2024, Cyprus reached a record of 29% on renewable energy. Even though the production of renewable energy and the favorable conditions on the island there is still a long way to go for Cyprus to fully realise its potential and comparative advantage in the field of renewable energy. The renewable energy (RE) sector in Cyprus is one of the priority strategic areas of the Smart Specialisation Strategy (S3) 2030 aiming to increase energy autonomy, sustainability, and less emissions. The renewable energy ecosystem in Cyprus is supported by strong policy frameworks, participation in EU co-funded research and innovation projects, a growing cleantech startup scene, and established solar energy infrastructure. Emerging fields such as digital energy systems, artificial intelligence applications in energy, and green hydrogen are gaining traction. Cross-sectoral synergies further enhance the ecosystem, including port electrification in the maritime sector, energy-efficient construction practices, and bioenergy and solar-powered irrigation in the agrifood industry. Despite these strengths, Cyprus still faces considerable challenges. The country remains heavily reliant on fossil fuels, which accounted for approximately 85% of its energy mix in 2022. Additionally, the energy grid is geographically dispersed, with limited storage capacity and system flexibility. Investment in private-sector R&D remains low, and there is limited domestic production of renewable energy technologies.

Financial needs assessment: below is a detailed overview of the key findings that emerged from the financial needs analysis conducted within the Renewable Energy Ecosystem, a prominent ecosystem within the I3 strategy in Nicosia, Cyprus.

Short-term financial needs (1-2 years):

- Financing of pilot projects for solar, wind, and biogas energy.
- Demonstration and testing grants for energy monitoring systems.
- Recruitment and upskilling of staff, particularly for startups and SMEs.
- Microgrid or energy community establishment.
- Startup and research institute seed financing.
- Infrastructure assistance to universities and RTOs for renewable energy testing.
- Direct implementation of energy efficiency in commercial buildings.

Medium-term financial needs (3-5 years):

- Creation of intelligent energy grids and digital control systems.
- Photovoltaic (PV) system installation in commercial and public areas.
- More deployments of renewable energy in rural and peri-urban areas.
- Investment in breakthrough storage technologies (i.e., battery technologies).
- Cross-sector R&D grants (RE + agritech, RE + maritime).
- Combination of AI, IoT, and predictive analytics for grid optimization.

Long-term financial needs (5+ years):

- Investment in offshore wind exploration and hydrogen energy.
- Regional interconnection projects (cross-border energy sharing).
- Creation of a National Renewable Energy Research & Innovation Center.
- Investing in climate-resilient energy systems.
- Long-term ecosystem mapping and digital twin infrastructure.

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Cyprus, Nicosia									
Partner organization	SYNTHESIS Center for Research and Education								
Region	Nicosia, Cyprus								
Type of cluster / ecosystem of SMEs	Digital , Technological services offered by digital startups								
Denomination of programme/measure/instrument	Focus area	Total funding available in the cal/measure/instrument	Main purpose of the cal/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the cal/measure/instrument document / guidelines
EU direct and cooperation programmes (Identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected cluster / district / ecosystem)									
Digital Europe Programme - Supports the large-scale deployment of digital technologies, focusing on Artificial Intelligence, Cybersecurity, Advanced Digital Skills, and Digital Innovation Hubs (EDIHs) to boost the digital capacity and resilience of the EU economy and society	Artificial Intelligence (AI), Cybersecurity, Advanced Digital Skills, Deployment of Digital Innovation Hubs (EDIHs), Cloud and Data Infrastructure, and Digital Transformation of SMEs and public services.	€7.5 billion (2021–2027) – allocated across multiple work programmes including Digital Innovation Hubs, AI, Cybersecurity, and Digital Skills.	To accelerate the digital transformation of Europe by supporting the deployment of cutting-edge technologies (AI, cybersecurity, high-performance computing), enhancing digital skills, and boosting the capacity of SMEs and public administrations to adopt and scale digital solutions.	Digital Innovation Hubs, SMEs, public sector bodies, education and training providers, research and technology organizations.	CYENS Centre of Excellence, DIGINN, DIH, HUB Nicosia, CyRIC	EU Member States and associated countries to the Digital Europe Programme.	Up to 100% EU funding depending on the type of activity.	https://ec.europa.eu/	https://digital-strategy.ec.europa.eu/
HORIZON-CL4-2024-DIGITAL-EMERGING-01 and related annual work programme calls - Horizon Europe – Cluster 4: Digital, Industry and Space	Next-generation digital technologies, Data and Cloud, AI and Robotics, Cybersecurity, Human-Centred and Ethical Digitalization, Advanced Manufacturing, Space Technologies, and Support to the Green and Digital Twin Transition.	Approx. €15 billion allocated for the full duration of Horizon Europe (2021–2027) under Cluster 4.	To support research and innovation that strengthens Europe's digital sovereignty, industrial leadership, and resilience, while promoting sustainable and human-centric technologies in digital, industrial, and space sectors.	Research institutions, universities, SMEs, large enterprises, public authorities, NGOs, clusters, and European partnerships.	University of Cyprus, and other university, RIF, local high-tech SMEs, industry clusters, and the DeputyMinistry of Research, Innovation and Digital Policy.	EU Member States and countries associated with Horizon Europe (e.g., EFTA, Western Balkans, some Mediterranean countries).	Up to 70% for innovation actions (IAs), 100% for non-profits Up to 100% for research and innovation actions (RIAs)	https://ec.europa.eu/	https://ec.europa.eu/
EU structural funds (Identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected)									
THALIA 2021–2027 – Operational Programme of Cyprus (co-financed by ERDF and ESF+) - Priority Axis 1: A Smarter Europe – Supporting Innovation and Digitalisation of SMEs (Specific calls issued by the Deputy Ministry of Research, Innovation and Digital Policy or the Managing Authority of Cohesion Policy Funds)	Digital transformation of SMEs, development of digital public services, innovation in local economies, support for R&D and smart specialisation (RIS3), green and digital dual transition.	€1.8 billion allocated to Cyprus under the THALIA 2021–2027 programme (combined ERDF, ESF+, CF), with a significant portion dedicated to innovation and digital transition.	To boost the competitiveness of the Cypriot economy by supporting SMEs, digital innovation, R&I capacity, and smart growth, while reducing regional disparities and enabling green and digital transition.	SMEs, start-ups, municipalities, digital innovation hubs, universities, training providers, clusters, and public sector entities.	Deputy Ministry of Research, Innovation and Digital Policy, RIF, Hub Nicosia, University of Cyprus, SYNTHESIS, local authorities, and chambers of commerce.	Republic of Cyprus (national-level calls)	Up to 85% EU co-financing for projects depending on the measure (ERDF), with remaining covered by national or private sources.	https://thalia.com.cy/	https://thalia.com.cy/
National and regional programs / funds (Identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
RESTART 2016–2027 Programme by the Research and Innovation Foundation (RIF), Cyprus PRE-SEED / SEED	Support to SMEs and startups in the areas of digital transformation, applied research, innovation capacity, ICT development, product and process innovation, and technology transfer.	Over €150 million allocated under RESTART 2016–2027 across multiple calls.	To strengthen the national research and innovation ecosystem by offering financial incentives to SMEs and startups engaging in R&D, digitalization, and innovative entrepreneurship.	Startups, SMEs, research organizations, public and private enterprises, universities, and consortia involving industry-academia partnerships.	Research and Innovation Foundation (RIF), Ministry of Energy, Commerce and Industry, digital SMEs, incubators (e.g., IDEIA, Gravity), SYNTHESIS, Hub Nicosia, and higher education institutions.	Cyprus-based applicants (natural or legal entities)	Up to 85% public co-financing depending on the type of activity (e.g. industrial research, experimental development, startup support)	https://www.research.org.cy/	https://www.research.org.cy/

2.7 Financial needs assessment and funding strategy design in Italy

Target area: this analysis focuses on the Mechatronic District in Sicily, representing a strategic initiative aimed at fostering technological advancement and industrial innovation in one of Italy's most dynamic yet underleveraged regions. Officially recognized by the Sicilian Regional Government, this district brings together a diverse consortium of over 148 companies, research institutions, universities, and support organizations. The Mechatronic District in Sicily is a high-tech industrial ecosystem that integrates manufacturing, mechanics, electronics, informatics, and automation, playing a strategic role in advancing smart industry solutions, fostering innovation, and enhancing regional competitiveness through cross-sector collaboration and digital transformation across the island. The Mechatronics District, promoted and recognized by the Sicilian Region, Regional Department of Productive Activities, was established to enhance the value of Sicilian companies operating within a high-tech specialization area that spans mechanics, automation, electronics, and information technology, collectively known as "mechatronics" (Regional Decree No. 279/GAB dated 10/03/2020). The productive "Mechatronics" district extends across the entire territory of Sicily. A total of 148 companies, along with several entities/associations/consortia, have joined the district, representing the entire production chain, including metalworking, electronics, information technology, and other sectors. It is predominantly represented by the Province of Palermo, accounting for approximately 63% of the companies participating. It also includes companies located in the region's main provinces: Caltanissetta, Trapani, Catania, Agrigento, Ragusa, Siracusa, and Messina.

Financial needs assessment: below is a detailed overview of the key findings that emerged from the financial needs analysis conducted within the Mechatronic District in Sicily.

Short-term financial needs (0–2 years)

- Operational expenses & workforce support: covering working capital needs, personnel training, and HR development across SMEs and research units.
- Technology upgrades & equipment modernization: replacement and maintenance of machinery for advanced manufacturing, robotics, and digital integration.
- Initial R&D support: funding for early-stage research, prototyping, and feasibility studies, particularly in smart manufacturing and digital twins.
- Digital infrastructure & cybersecurity: implementation of secure digital systems for data sharing and remote collaboration across the island.

Medium-term financial needs (3–5 years)

- Innovation and product development: co-funding of applied r&d projects between academia and industry, especially in ai, automation, and sensor integration.
- SME Capacity building: access to capital for production scaling, process automation, and workforce upskilling across the 148+ firms.
- Testbeds and demonstrators: creation of shared testing facilities and pilot lines in key hubs like Palermo and Catania.
- Green transition initiatives: investment in energy efficiency, circular economy practices, and renewable integration within manufacturing processes.
- Digital transition initiatives: investment in digital innovation, ICT and smart technologies within manufacturing processes.

Long-term financial needs (5–10 years)

- Strategic Infrastructure & Logistics: Development of smart industrial zones, transport hubs, and integrated logistics to support exports and interregional collaboration.
- Talent Retention & Education Programs: Long-term partnerships with universities and VET institutions to build a skilled workforce and combat brain drain.
- Internationalization: Support for Sicilian companies to enter global supply chains, attend international expos, and co-develop with EU/international partners.
- Green Innovation: investments in sustainable technologies are crucial for advancing the environmental performance of the Mechatronic District. Focus areas include energy-efficient manufacturing systems, circular economy solutions, green hydrogen applications, and the integration of renewable energy sources into industrial processes. These innovations aim to reduce carbon emissions, minimize resource consumption, and support compliance with EU climate targets, fostering a more resilient and environmentally responsible production ecosystem.
- Digital Innovation: the district's competitiveness depends heavily on the adoption of advanced digital technologies, such as semiconductors, industrial Internet of Things (IoT), artificial intelligence, and cybersecurity. These technologies facilitate smarter, more autonomous production systems, real-time monitoring, predictive maintenance, and enhanced data security. Digital transformation not only boosts operational efficiency but also enables companies to participate in global value chains and adapt to rapidly evolving market demands.

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Italy, Sicily									
Partner organization	PRISM Impresa sociale								
Region	Sicily, Italy								
Type of cluster / ecosystem of SMEs	Mechatronic District in Sicily, a high-tech industrial ecosystem that integrates manufacturing, mechanics, electronics, informatics, and automation.								
Denomination of programme/measure/instrument	Focus area	Total funding available in the call/measure/instrument	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
EU direct and cooperation programmes (Identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected cluster / district / ecosystem)									
Horizon Europe – Cluster 4 - Digital, Industry and Space	Digital & emerging tech, smart manufacturing, low-carbon industries.	Total program budget: €15.3 bn (2021–27)	To drive sustainable economic growth and global competitiveness by harnessing advanced digital technologies and innovative manufacturing processes that reduce carbon emissions, increase efficiency, and enable the development of future-ready industries.	Universities, research orgs, large firms, high-tech SMEs	Sicilian research centres, universities, tech SMEs	EU member states + associated countries	100% grant (R&D)	https://research-and-innovation.ec.europa.eu/	https://ec.europa.eu/
Interregional Innovation Investments (I3) - I3 Instrument	Green/digital transition & smart manufacturing.	Total program budget: €490m (2021–27)	Scale-up interregional innovation projects.	Consortia (≥3 regions), including universities, research orgs, large firms and SMEs.	Sicilian clusters, Region of Sicily, local / regional authorities, ERDF managing authority	EU member states	70% EU contribution; 100% for third parties	https://eismeas.ec.europa.eu/	https://ec.europa.eu/
InvestEU – SME Window	Innovation, sustainability, digitalization.	Total program budget - EU guarantee €26.2bn	Support SMEs, mid-caps in green/digital transition, risk financing via guarantees & equity	SMEs, mid-caps, deep/green tech, innovation start-ups	Sicilian clusters, Region of Sicily, local / regional authorities	EU member states + associated countries	Loan guarantees, equity; co-financing through financial intermediaries	https://investeu.europa.eu/	https://ec.europa.eu/
Single Market Programme – COSME	SME competitiveness, digital and green transitions, circular economy, cluster cooperation.	Total program budget: €8m	To boost SME competitiveness by supporting digital and green transitions, circular economy practices, and cluster cooperation. It helps SMEs grow sustainably and innovate within the EU Single Market.	SMEs, business clusters, innovation networks, support organizations, startups, entrepreneurs, and regional development bodies involved in SME competitiveness and sustainability.	SMEs, startups, entrepreneurs, business clusters, industry networks, incubators, and accelerators, regional and local authorities, the Region of Sicily, and other SME support organizations.	EU member states + EEA + SMP-associated countries	EU co-financing up to 90%, action grants	https://commission.europa.eu/	https://ec.europa.eu/
Interreg Europe (Interregional Strand) - Smart Specialisation Strategy & Innovation Projects	Smart specialization, green & digital transition, manufacturing.	About €10 / new calls ongoing	Policy learning, interregional cooperation to improve regional innovation policies.	Regional authorities, innovation agencies, universities, research centres, SMEs clusters / districts.	SMEs, startups, entrepreneurs, business clusters, industry networks, incubators, and accelerators, regional and local authorities, the Region of Sicily, and other SME support organizations.	EU member states + neighbour states (Interreg VI)	ERDF co-financing: 50–85%	https://www.interregeurope.eu/	https://www.interregeurope.eu/
Interreg NEXT Italy–Tunisia 2021–2027	4 priorities: (1) Research & innovation; (2) Green transition & renewable energy; (3) Social inclusion, health, sustainable tourism; (4) Governance of cooperation.	Total program budget: €36M	To strengthen cross-border cooperation between Sicily (Italy) and Tunisia for inclusive, sustainable, and innovative regional development.	Sicilian and Tunisian public bodies, private non-profit orgs, universities, research centers, local authorities, EGTC/EEIG, international orgs with a base in eligible regions.	Sicilian and Tunisian regional and local authorities, municipalities, universities, research centers, SMEs, NGOs, civil society, tourism/health/green energy sectors	Italy (Sicily) and Tunisia (16 governorates: Bizerte, Ariana, Tunis, Ben Arous, Nabeul, Sousse, Monastir, Mahdia, Sfax, Béja, Manouba, Zaghouan, Kairouan, Sidi Bouzid, Gabès, Médenine)	EU co-financing up to 90% of eligible costs	https://interreg.regione.sicilia.it/	https://interreg.regione.sicilia.it/
Interreg Italy–Malta	Four priorities: 1. Research, innovation & smart specialisation; 2. Resilience, climate change adaptation & circular economy; 3. Culture & sustainable tourism promoting social capital; 4. Governance and cooperation efficiency.	Total program budget: €57.6M	To support cross-border maritime cooperation between Sicily and Malta to foster innovation, environmental sustainability, cultural heritage, blue economy, and governance.	Sicilian and Maltese public authorities, research institutes, universities, MSMES, NGOs, business incubators, chambers of commerce, protected-area managers, maritime authorities, VET /technical schools.	Sicilian and Maltese regional/local authorities, universities & research centres, SMEs, incubators, NGOs, cultural & tourism operators, environmental agencies, maritime institutions, civil society.	Italy (region of Sicily) and Malta (entire territory)	ERDF co-financing: 80%	https://italiamalta.eu/	https://italiamalta.eu/
Interreg NEXT MED (Mediterranean Sea Basin)	5 main Policy Objectives (POs): 1. A smarter Mediterranean (innovation, digitalisation); 2. A greener, low-carbon Mediterranean; 3. A more connected Mediterranean; 4. A more social and inclusive Mediterranean; 5. Better governance and cooperation.	Total program budget: €253M	To promote cross-border cooperation in the Euro-Mediterranean area to foster sustainable development, social inclusion, and innovation while addressing shared environmental and economic challenges.	Public authorities, universities, research institutions, NGOs, SMEs, civil society organizations, local development agencies, chambers of commerce, protected area managers, training centers, and international organizations.	Local and regional governments, academic institutions, private sector stakeholders, civil society actors, development and environmental agencies from both EU and partner Mediterranean countries.	EU countries: Cyprus, France, Greece, Italy, Malta, Portugal, Spain. Partner countries: Algeria, Egypt, Israel, Jordan, Lebanon, Palestine, Tunisia, Türkiye	ERDF co-financing: 89%	https://interregnextmed.eu/	https://interregnextmed.eu/

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Italy, Sicily									
Partner organization	PRISM Impresa sociale								
Region	Sicily, Italy								
Type of cluster / ecosystem of SMEs	Mechatronic District in Sicily, a high-tech industrial ecosystem that integrates manufacturing, mechanics, electronics, informatics, and automation.								
Denomination of programme/measure/instrument	Focus area	Total funding available in the call/measure/instrument	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
EU direct and cooperation programmes (identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected cluster / district / ecosystem)									
Interreg Euro-MED Programme	3 priorities with 5 specific objectives: 1. Smarter Mediterranean: research & innovation, advanced technologies; 2. Greener Mediterranean: climate adaptation/disaster resilience; circular economy; nature protection & biodiversity; 3. Mediterranean Governance: better cooperation governance.	Total program budget: €293M	Drive the region's transition to a climate-neutral and resilient society, enhance territorial integration, foster innovation, sustainable economy, natural heritage conservation, green living areas, sustainable tourism, and improved governance.	Public authorities, universities, research institutions, NGOs, SMEs, civil society organizations, local development agencies, chambers of commerce, protected area managers, training centers, and international organizations.	Local and regional governments, academic institutions, private sector stakeholders, civil society actors, development and environmental agencies from both EU and partner Mediterranean countries.	EU Member States: Bulgaria, Cyprus, Croatia, France, Greece, Italy, Malta, Portugal, Slovenia, Spain, IPA Partners: Albania, Bosnia & Herzegovina, Montenegro, North Macedonia.	ERDF co-financing: 80%	https://interreg-euro-med.eu/	https://interreg-euro-med.eu/
EU structural funds (identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected)									
European Regional Development Fund (ERDF) – Sicily 2021–2027	Innovation & smart specialization, digital transition, energy efficiency, renewable energy, climate change adaptation, circular economy, waste & water management, sustainable mobility, territorial cohesion, urban regeneration.	€5.86 billion total	Strengthen regional economic, environmental, and digital resilience; support green and digital transitions; reduce territorial disparities	Regional/local public authorities, municipalities, universities and research centers, SMEs, business innovation clusters, infrastructure operators, environmental agencies.	Local and regional governments, academic institutions, private sector stakeholders, civil society actors, development and environmental agencies from Sicily, Italy.	All of Sicily (all 9 provinces).	EU co-financing 80–85%	https://www.eu-roinfoitalia.it/	https://www.euinfoitalia.it/
European Social Fund Plus (ESF+) – Sicily 2021–2027	Employment support, lifelong learning, training and upskilling, youth employment, school-to-work transition, gender equality, inclusion of disadvantaged groups, poverty reduction, social innovation.	€1.52 billion total	Enhance human capital, improve labour market access, reduce unemployment, strengthen social inclusion and education systems.	Employment services, vocational training providers, universities, municipalities, NGOs, cooperatives, social enterprises, schools, regional job centers.	Regione Siciliana – Assessorato alla Famiglia e Lavoro, educational institutions, youth agencies, trade unions, employers' associations, social cooperative.	All of Sicily (all 9 provinces).	EU co-financing up to 95%	https://www.eu-roinfoitalia.it/	https://www.euinfoitalia.it/
National and regional programs / funds (identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
Digital Transition Fund (PNRR)	Digital transition in industries: AI, cloud, healthcare, Industry 4.0, cybersecurity, fintech, blockchain, microelectronics.	€300 million (PNRR allocation)	Stimulate venture capital investment to support startups and SMEs in digital innovation; encourage private co-investment in the sector.	Innovative startups and SMEs with high growth potential; spin-offs from large enterprises; holding companies controlling eligible firms and operating in Italy.	National / regional innovation ecosystems, CDP Venture Capital SGR, Ministry of Enterprises and Made in Italy, venture capital funds, incubators/accelerators, research hubs.	Italy (national scope, with ~40% funds earmarked for Mezzogiorno regions including Sicily).	Equity or quasi-equity investments via direct or indirect venture capital instruments; no grants; PNRR funds fully utilized via capital injections; leveraging private capital.	https://www.cd-pventurcapital.it/	https://www.cd-pventurcapital.it/
Fondo Repubblica Digitale	Digital innovation and social inclusion projects within public administration and the Third Sector; promotes digital skills, e-government, digital inclusion, civic tech, and public service modernization.	€5M+ per call allocated from national funds managed by the Ministry of Innovation and Digitalisation.	Support projects that improve digital public services, foster digital citizenship, and reduce digital divides, particularly through non-profit and public organisations.	Public administrations, non-profit organisations, social enterprises, third sector entities, educational institutions involved in digital inclusion and innovation projects.	Ministries (Innovation, PA), regional/local authorities, social cooperatives, NGOs, universities, digital innovation hubs, civil society networks.	Italy (national scope)	Co-financing up to 70 - 100% (depending on the call).	https://www.re-pubblicadigitale.gov.it/	https://www.repubblicadigitale.gov.it/
Other private sources (identify and specify further bank loans, venture capital, angel investors, crowdfunding, corporate partnerships and other private financial sources)									
Banks and Financial Institutions – Private Programs	Innovation, digital transformation, startup and SME growth, green technologies, industry 4.0, export and internationalization support	Varies by program.	Facilitate access to finance for startups and SMEs, foster innovation and competitiveness, support international expansion, and encourage green and digital investments.	Startups, SMEs, innovative enterprises registered or operating in Sicily.	Regional banks, innovation hubs, chambers of commerce, regional development agencies, local universities and incubators.	Italy (national programs often focused on Southern regions, including Sicily).	Mix of subsidized loans, guarantees, grants, and equity investment.	Varies by program.	Varies by program.

BIBLIOGRAPHY

- European Commission. (2021). Combination of Financial Instruments with Grants under Shared Management in the 2021–2027 Programming Period. Retrieved from <https://ec.europa.eu>
- OECD. (2018). Blended Finance Principles for Unlocking Commercial Finance for the Sustainable Development Goals. OECD Publishing. <https://www.oecd.org/development/blended-finance.htm>
- United Nations. (2015). Addis Ababa Action Agenda of the Third International Conference on Financing for Development. United Nations.
- European Investment Bank. (2020). EIB Group Sustainability Awareness Bonds Framework. Retrieved from <https://www.eib.org>
- World Bank. (2017). Mobilizing Finance for Development: A Comprehensive Framework. World Bank Group.
- G20. (2020). G20 Principles for Developing Financing Strategies in Support of the Sustainable Development Goals (SDGs).
- Gompers, P., & Lerner, J. (2004). The Venture Capital Cycle. MIT Press.
- OECD. (2021). Financing SMEs and Entrepreneurs: An OECD Scoreboard. OECD Publishing.
- European Investment Bank. (2020). Access-to-Finance Conditions for SMEs and Mid-Caps in the EU. Retrieved from <https://www.eib.org>
- Harvard Business Review. (2016). How to Raise Money for Your Startup Without Giving Up Equity.
- World Bank. (2017). Innovative Financing for Development: Scaling Up Private Sector Contributions.
- European Commission. (2021). Blended Finance and EU Instruments to Support Innovation and Scale-Up.

ANNEX 1 – The funding mix matrix

D3.2 - Identification of a possible funding mix - Allon_I3 Project- Italy, Sicily									
Partner organization									
Region									
Type of cluster / ecosystem of SMEs									
Denomination of programme/measure/instrument	Focus area	Total funding	Main purpose of the call/measure/instrument	Target applicants	Regional stakeholders who may potentially be involved	Eligible countries	Funding mechanism/rate in % (ex. EU grant 80%)	Website (how to apply)	Link to the call/measure/instrument document / guidelines
EU direct and cooperation programmes (Identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected cluster / district / ecosystem)									
EU structural funds (Identify and provide specific details about the strategic calls / measures / initiatives identified and outlined in your funding mix strategy - in line with the needs and characteristics of your selected)									
National and regional programs / funds (Identify and provide specific details about the government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs).									
Other private sources (Identify and specify further bank loans, venture capital, angel investors, crowdfunding, corporate partnerships and other private financial sources)									

ANNEX 2 – Guidelines for developing a funding mix strategy

1. Identify a cluster / ecosystem / district of SMEs within the I3 sectors in your region.

--

2. Conduct a thorough financial needs assessment

Begin by evaluating your SMEs' financial requirements. Identify short-, medium-, and long-term capital needs for operational expenses, expansion projects, innovation, and strategic investments.

3. Map and identify potential funding sources

Compile a comprehensive list of available funding opportunities:

- **EU direct and cooperation programmes:** Analysis of the Funding and Tenders Portal "Open and Forthcoming Calls", as well as key website / platform for promotion of EU / Interreg funds.
- **EU structural funds:** Investigate grants, loans, and innovation or research programs available through EU structural funds.
- **National programs:** Explore government-sponsored loans, grants, subsidies, and tax incentives tailored to SMEs.
- **Regional opportunities:** Engage with regional development agencies, local government programs, and economic development funds that support business growth.
- **Private sources:** Consider bank loans, venture capital, angel investors, crowdfunding, and corporate partnerships.

4. Evaluate eligibility criteria and funding conditions

For each potential funding source, assess the eligibility requirements, application deadlines, interest rates, repayment terms, and compliance obligations. Prioritize funding options that align with your SME's profile and strategic goals, ensuring that you can meet any reporting or performance benchmarks required.

5. Design a diversified and balanced Funding Mix

Avoid over-reliance on a single source by creating a balanced mix that mitigates risk. Combine low-cost debt, non-repayable grants, and equity investments in proportions that optimize your cost of capital while preserving financial flexibility. Consider how each funding type complements your overall business strategy.

* See the Annex 1_Funding mix matrix

6. Align the funding strategy with the strategic objectives and priorities

Ensure that the selected funding sources support specific projects or initiatives within your broader business plan. This alignment helps demonstrate to funding agencies and investors that the capital will drive strategic growth and innovation.

7. Develop a detailed timeline and applications roadmap

Create a timeline for pursuing each funding opportunity, including key milestones such as application submission dates, follow-ups, and funding disbursement periods. Organize documentation (business plans, financial statements, and project proposals) in advance to streamline the application process.

8. Leverage networking and advisory resources

Build relationships with financial advisors, funding agencies, and industry networks. Attend workshops, webinars, and networking events to stay informed about new funding opportunities and best practices.

9. Monitor, evaluate, and adjust the strategy

Establish a framework for monitoring funding applications, outcomes, and overall financial performance. Regularly review the effectiveness of your funding mix strategy, learn from both successes and setbacks, and adjust your approach in response to changing market conditions and business needs.