

# NEWSLETTER

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## EUROPEAN COMPETITIVENESS FUND (ECF) OPPORTUNITY FOR SMES AND START-UPS

The European Competitiveness Fund puts SMEs, start-ups and scale-ups at the heart of European growth by offering simplified access to finance, strategic networks and support services. Focused on innovation, digitalisation, clean energy and strategic sectors, the fund enables companies to grow, innovate and compete globally, strengthening employment and innovation in the EU.

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Business Team

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## BACKGROUND

The European Competitiveness Fund (ECF) was proposed by the European Commission to respond to economic, technological and geopolitical challenges that weaken the European Union's position on the global stage. One of the problems identified is the fragmentation of funding programs, with overlapping instruments and different rules, which make it difficult to access resources, especially for small and medium-sized enterprises (SMEs) and start-ups.

The Competitiveness Compass (2025) sets out three priorities: closing the innovation gap, accelerating decarbonization and reducing external dependencies in critical sectors. To achieve these objectives, the Commission has identified five essential conditions: simplification of instruments, removal of barriers in the single market, adequate funding, skills development and better institutional coordination.

ECF emerges as an integrated solution, bringing together fourteen programs under a single framework, harmonizing rules, simplifying bureaucracy and facilitating access to finance.

## STRATEGIC AREAS AND FINANCIAL INSTRUMENTS

The fund is organized into four strands: clean energy transition and industrial decarbonization, digital leadership, health, biotechnology, agriculture and bioeconomy, and resilience, security, defense and space. To support these areas, the ECF mobilizes grants, loans, equity, guarantees and public contracts, fostering public-private partnerships and ensuring synergies with Union programs such as Horizon Europe, InvestEU and the Digital Europe Program.

The ECF regulation simplifies implementation, establishes single rules and ensures strategic monitoring and periodic evaluations. The fund also supports the creation of innovation and industrialization ecosystems, the integration of critical infrastructure and the development of skills, contributing to reducing external dependencies and strengthening the EU's strategic autonomy.

## IMPACT ON SMES, START-UPS AND SCALE-UPS

SMEs represent more than 99% of European businesses and around two-thirds of total employment. Start-ups and scale-ups are drivers of innovation and competitiveness, but face obstacles such as difficulty in accessing finance, a shortage of specialised skills, barriers to internationalisation and limited access to technological infrastructure.

The ECF's InvestEU is the main financial pillar supporting these companies, offering a unique budget guarantee and financial instruments tailored to different stages of growth. The investment combines public and private capital, enabling the financing of high-risk innovative projects, including in strategic sectors, protecting critical assets and strengthening the EU's economic autonomy.

In addition to financing, the ECF offers business support and acceleration services, guidance on partnerships with private investors and the promotion of financial literacy. The creation of the Enterprise Union Network ensures European geographical coverage, supporting access to financing, technologies, strategic partnerships and international markets.

The ECF is aligned with other EU policies and programmes — Erasmus+ for skills, Horizon Europe for research and innovation, the Innovation Fund for clean technologies, the Digital Europe Programme for digital infrastructure and the Connecting Europe Facility for critical infrastructure — enabling SMEs to benefit directly from strategic Union investments in digital transition, decarbonisation and strategic autonomy.

## CONCLUSIONS

The ECF places SMEs, start-ups and scale-ups at the heart of the EU's economic growth strategy. With flexible financing, specialized support services and collaborative networks, these companies can overcome structural barriers, consolidate their position in markets and innovate sustainably.

For SMEs, this means less bureaucracy, more funding opportunities, greater access to markets and strategic partnerships, strengthening their role as drivers of employment, innovation and competitiveness in a more resilient and globally competitive Europe.

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Rogério Fernandes Ferreira  
Marta Machado de Almeida  
Patrícia Largueiras  
Miriam Vicente  
Carolina Gomes Alves

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Avenida da Liberdade 136 - 4th (reception)    contact@rfflawyers.com  
1250-146 Lisbon • Portugal                      www.rfflawyers.com  
T: +351 215 915 220



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