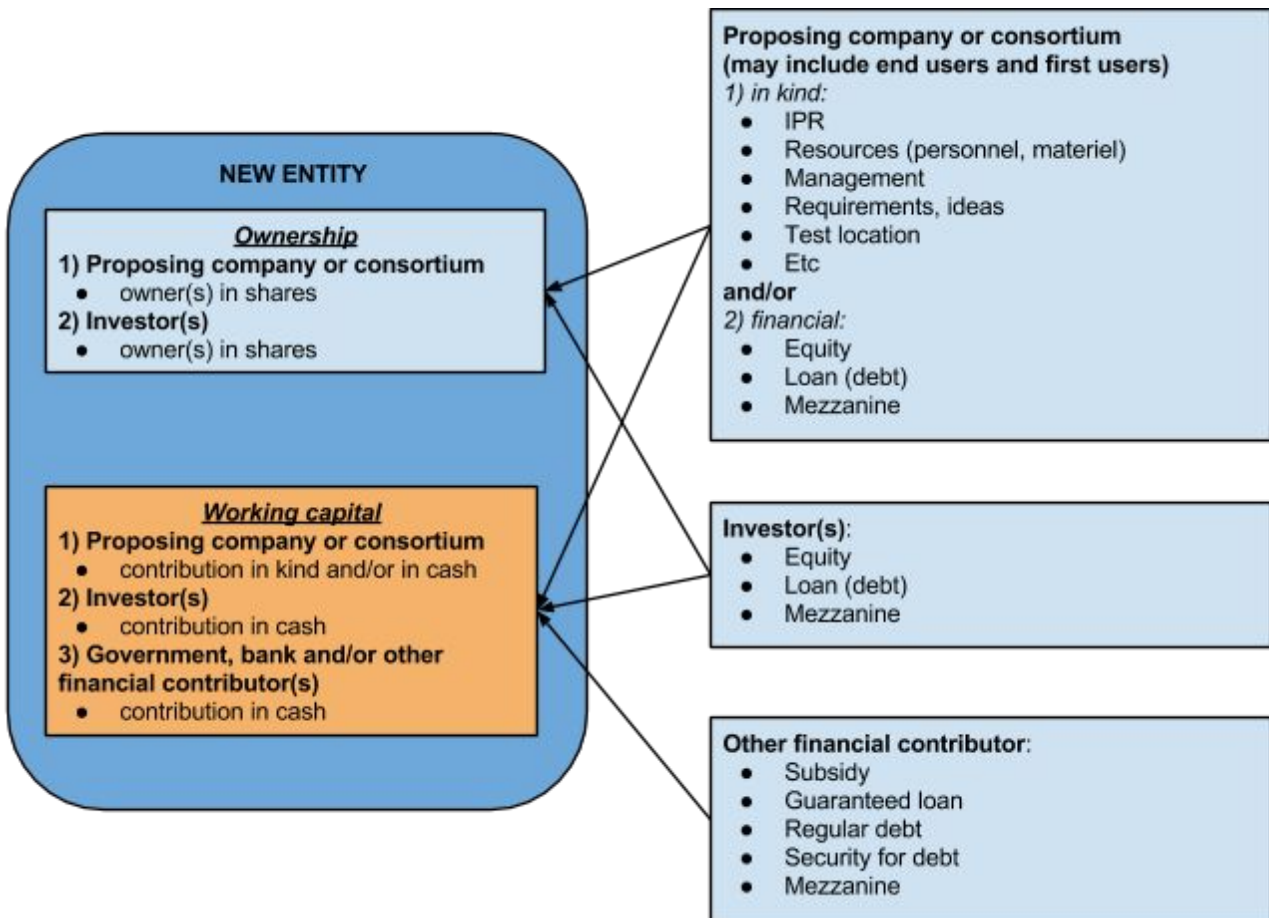


## 1. Funding of technology and capability development

Declining government budgets in defence have caused an unparalleled austerity in government expenditures on technology and capability development for defence purposes in almost all parts of Europe. Military requirements are not met to an acceptable extend and international cooperation in the sector often causes more complexity than solutions. Also dual use technology and capability development for security applications are affected by the financial crisis.

Technology and capabilities are however still needed for use by the armed forces and the security sector. Also, since many years these new defence and security technologies have been a source for broad spin-offs in our society. These technologies are often perceived as the high end of high tech.

Technology and capabilities however do not grow spontaneously. This plan provides an opportunity for alternative private funding of defence and security technology and capability development. Where possible synergy of dual use in other professional business sectors is pursued to realise cross sector use of high end technologies developed for defence or security applications. In cooperation with private investors, banks and other funding sources similar projects as commonly funded by MoDs and/or international organisations may be accommodated. Overarching principle in this plan is to arrange funding in such manner that the parent company or consortium does not lose control over their project.



## 2. What is it

- Investment in technology and capability development for defence and security applications with a primary use for government or professional purposes.
- Shared funding by the proposing company or consortium, one or more private investor(s) and a third source (bank loan, subsidy, revolving government fund or other).  
In principle each of these sources participate for one third, but percentages are flexible.
- Administratively the activities will be established in a separate legal entity to define boundaries where investments can be used and to avoid undesired effects of the project on the executing company or consortium.
- The proposing company or consortium partially invests in the intended project activities. This may consist of cash funds, IPR, resources like personnel and materiel and manages the activities.
- A private investor or group of investors also partially invests in the project funds.
- The third part of the intended project funds are provided by a bank or other financial institution as loan or subsidised by the government (for example by EDA or a national government).
- Participation and percentages are flexible and may be adapted to specific needs for the project.
- To save costs proposers are invited to prepare and provide information using templates provided by WISER Consultancy. If necessary support can be provided to develop and draft the documents.
- On completion of the development the consortium may purchase the shares owned by the investor(s) prior to anyone else.

## 3. Which types of projects

- Technology and/or capability development for defence and/or security applications
- Technology areas as detailed in the call for proposals
- Primary use for government or professional purposes
- Strong dual use potential in government, professional or other markets
- Project size and duration as detailed in the call for proposals.
- [Technology Readiness Level \(TRL\)](#) as detailed in the call for proposals.
- Innovative for the company or consortium, nationally, for Europe or worldwide
- Technically and economically attainable
- Fair profit forecast and acceptable project risk
- Company or consortium location as detailed in the call for proposals
- Adhere to the [code of conduct](#) against controversial weapons and weapons trade.

## 4. What improves the proposition

- Requirements of a military or security organisation for the proposed technology or capability
- A launching customer who intends to purchase and use the capability.
- MoD or other organisations plans to purchase and/or utilise the capability
- Proposition within areas for innovation expressed by one or more MoDs or other Government organisations
- Support of the armed forces or a renowned laboratory to test and (ap)prove the capability
- Major companies exceeding the [SME definition of the EC](#) participate for a maximum of 25% each
- Clear risk mitigation or limitation strategy for investors
- Solid security for debt service (loan component)
- Potentially effective exit strategy for the investors

## 5. How does it work

- WISER Consultancy announces a Call for Proposals.
- Proposers apply to a Call for Proposals by submitting a two-page outline description of the proposal.
- Intake acceptance is based on criteria specified in paragraph 3.
- Qualifying applications may be elucidated by the proposer in a 15 minute presentation plus Q&A session.
- Initial assessment of the proposal will be based on proposal description and criteria given in paragraph 4.
- Assessment result is a weighted score between 1 and 5. Proposals scored at level 2-5 will be accepted for further evaluation.
- Upon completion of the initial assessment WISER consultancy sends proposer the scoring results and an offer for further cooperation.
- Upon acceptance of the offer the proposer is invited to submit a project proposal using the template made available by WISER Consultancy. If necessary support can be provided to develop this proposal.
- Evaluation of plans submitted will be conducted by WISER Consultancy using 8 criteria: Product, Market, Strategy, Legal, Organisation, Management, Financial and Ethical.
- WISER Consultancy will inform the proposer of the evaluation results and recommend a mix of funding and investment sources.
- Upon agreement on the funding plan with the proposer WISER consultancy will draft a “teaser” for investors and invite funding and investment sources using the project plan and other documents. The proposer drafts additional documentation if required. If necessary support can be provided.
- When optimal funding is found relevant agreements will be evaluated.
- Negotiations with investors and other funding sources are conducted.

## 6. What does it cost

- Initial assessment based on form, description and presentation session: free of charge and without further obligation.
- Basic services: percentage of total project value as detailed in the particular Call for Proposals. These services consist of: evaluation of the project proposal, recommendation of funding mix, draft funding teaser, acquisition of investors, banks and other sources, evaluation of third party funding agreements, evaluation of documents to establish the legal entity, support of relevant negotiations.
- Basic services for proposals initially scored at level 3, 4 or 5 will be charged on success oriented bases for 25%, 50% or 75% respectively.
- Additional services: hourly rate or fixed price arrangement  
Development and drafting of project proposal, funding agreement, establishment of required legal entity, financial analysis, organisation of and participation in workshops, other support, etc.

## 7. Role of WISER Consultancy

WISER Consultancy facilitates funding of defence and security technology and capability development with a highly knowledgeable and experienced team. See [www.wisernl.com/team](http://www.wisernl.com/team).

To ensure the best recommendations and support WISER Consultancy is independent from governments, industries, investors and banks. Consequently our primary intention is to support and facilitate funding, not to participate as shareholder or investor.

In all cases we use our combined legal, technical, financial and management knowledge and many years of experience to find the most effective solutions for our customers.

## 8. Legal

- By applying to the Call for Proposals (CfP), as announced by WISER Consultancy, the proposer - which natural or legal person is covered by the definition 'Opdrachtgever' - explicitly accepts the general conditions of WISER Consultancy 2013NL1, as published on [www.wisernl.com/about](http://www.wisernl.com/about).
- The proposer cannot derive any rights from the CfP, and the information related to the CfP and distributed by WISER Consultancy (hereinafter referred to as 'Information').
- The use of the CfP and/or the Information, and all actions and/or decisions made and based on the CfP and/or Information, are entirely at the expense and risk of the proposer.
- Although WISER Consultancy will do its utmost to provide funding and investment required, WISER Consultancy does not provide any guarantee on a successful outcome of its facilitating and support efforts.
- WISER Consultancy reserves all rights and defences.