

3.9 Start-up funding for young entrepreneurs

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Access to information

The county development centres are public development organizations which are located in all the counties and offer free advisory services to starting and operating enterprises, local governments, starting and operating non-profit associations and foundations. Young people have been specific target-group for these [services](#).

The information and counselling on entrepreneurship, including funding opportunities, programmes, and services devoted to the funding of start-ups is part of the guidance and counselling system for youth. Please see [chapter 3.4](#) for more detailed information.

Access to capital

Young people have access to the following capital as entrepreneurs:

- Loans meant for entrepreneurs whose business plan is not financed by a bank or who lack the self-financing required by banks in order to get a bank loan.
- State guarantee that helps, in the eyes of the bank, compensate for insufficient securities of the entrepreneur and improve the creditworthiness of the entrepreneur.
- Credit insurance that helps Estonian exporters offer long-term financing solutions to foreign purchasers. This helps entrepreneurs reduce the risks associated with foreign purchasers and their potential insolvency, as well as the political risks associated with the place of stay of purchasers.
- Venture capital (or equity investment) that is meant for entrepreneurs with high growth potential who have a novel but risky business idea that requires also experience and a network of contacts in addition to capital in order to implement it.
- **Start-up grant** – The purpose of the support is to help people with little experience in entrepreneurship to

establish an enterprise that has high growth potential and capacity to internationalize.

- **Baltic Innovation fund** - Baltic Innovation Fund (BIF) is a fund of funds established by Estonia, Latvia, Lithuania and the European Investment Fund (EIF) with the aim of providing entrepreneurs of Baltic States with other financing options besides bank loans thus improving access to capital.
- **Innovation voucher** - The current support measure for vouchers allows entrepreneurs in cooperation with a partner providing innovation or development services to:

- Seek solutions to development problems enterprises are facing
- Develop and test innovative solutions
- Build knowledge of new technologies
- Study issues concerning intellectual property