

# **Cycle 2 of Defence Innovation Loans** **now open**

The [Defence and Security Accelerator](#) (DASA) is pleased to launch Cycle 2 the [Defence Innovation Loan](#) competition, which has £10 million to lend for innovative defence solutions.

Accessible to SMEs, and with a below market interest rate of 7.4% per annum, the Defence Innovation Loan provides an excellent opportunity to apply for affordable funds to help you commercialise your defence solutions.

**Defence Innovation Loans: An introduction**

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## **How to apply?**

[Check out the full document and submit your idea.](#)

## **Have questions? Speak to the experts at our upcoming webinar**

DASA and [Innovate UK](#) will host a live webinar to answer all of your questions about Defence Innovation Loans, on Thursday 9th September. This is a great opportunity for you to ask questions to our panel of experts from both organisations, so you can ensure your application is a success.

[Register Now](#)

## **Catch up on our previous webinar**

We received some great questions during our last Defence Innovation Loans webinar. [Catch up on what you missed here.](#)

## **How much is available for a Defence Innovation Loan?**

The total of £10 million is available for the Defence Innovation Loan competition this year, of which comprises £5M from the Defence Innovation Fund and £5M from Army.

You can apply for a loan between £250,000 and £1.6 million with a below market interest rate of 7.4% per annum. This loan can cover up to 100% of eligible project costs to aid the commercialisation of the solution and overall term of the loan must not exceed 7 years.

Please note, [Innovate UK](#) will carry out the Defence Innovation Loan credit

evaluation of this competition and you will enter into a loan agreement and security agreement with Innovate UK Loans Ltd.

[Read the full DASA competition document for more information on Defence Innovation Loans.](#)

## **Who can apply for a Defence Innovation Loan?**

To apply for a Defence Innovation Loan you must:

- be a UK registered SME
- intend to exploit the results in the UK or overseas to make a significant and positive impact on the UK economy and/or productivity
- give evidence that your business is suitable to take on a loan

Please note, individuals, academic institutions, research organisations and large companies are not eligible for innovation loans.

## **What kind of innovation will be considered for a loan?**

The Defence Innovation Loan is open to innovative ideas to improve the defence of the UK. Your innovation must be mature at TRL 6 or above, to ensure the solution can be commercialised within the time scale of the Innovation Loan. There also must clearly be evidence of a defence need for the innovative solution.

### **Two tracks of funding**

The Defence Innovation Loan has two tracks of funding, covering general Defence solutions and more specific solutions for the Army.

#### **Track 1: Defence Innovation Fund (£5M)**

Track 1 is open to innovative ideas to improve the Defence of the UK.

#### **Track 2: Army Innovation Fund (£5M)**

Track 2 is open to innovations which align with any of the priority areas below and targets an Army end user.

Priority areas include:

- army Industrial engagement framework decision-support
- directed energy weapons
- human performance enhancement
- information advantage
- robotics and autonomous systems
- and more...

## Ready to apply?

Read the full [DASA competition document here](#).

**For more on Defence Innovation Loans, watch the video below:**

Defence Innovation Loans: Everything you need to know

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