

[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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