

Boosting competitiveness and resilience of SMEs

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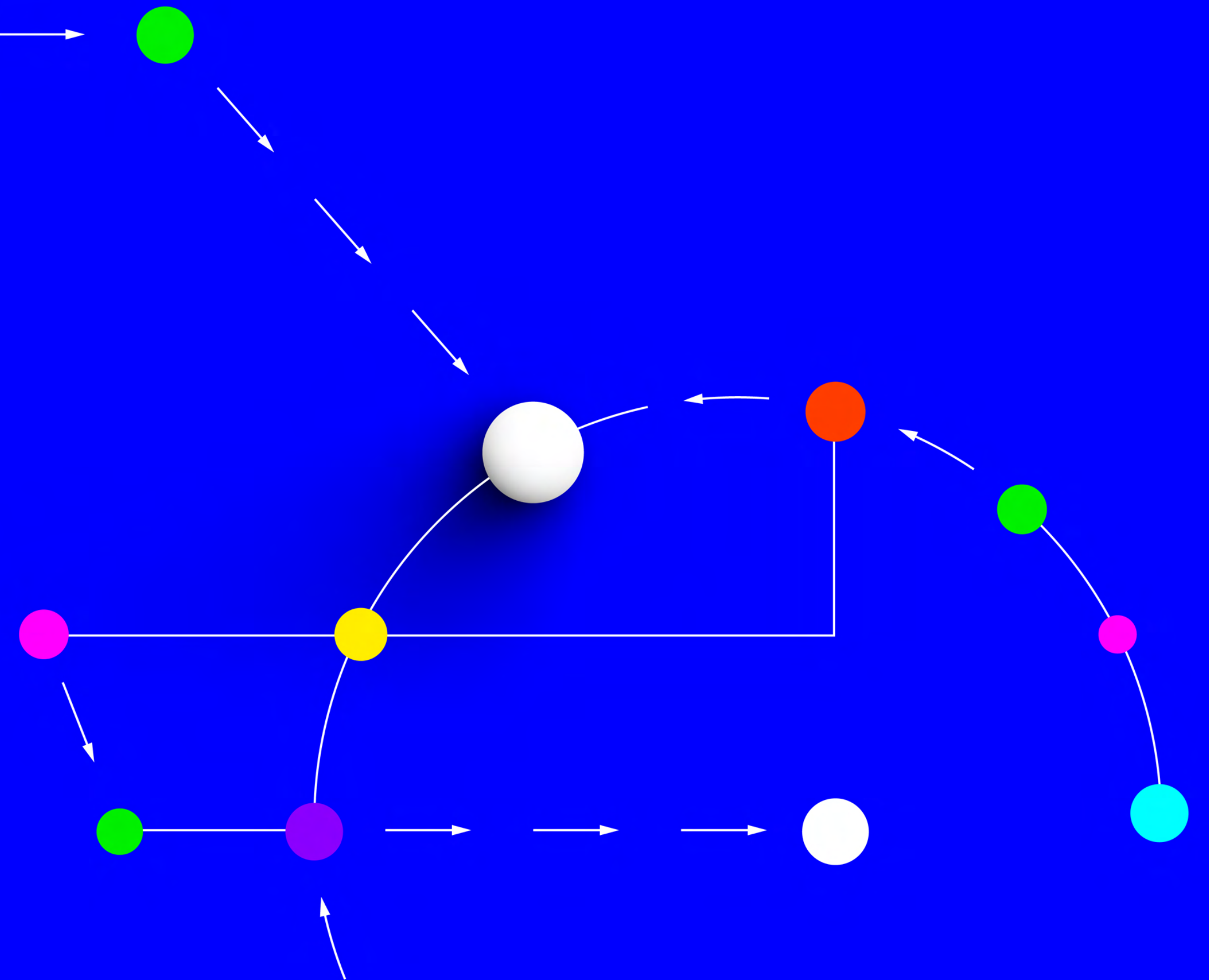
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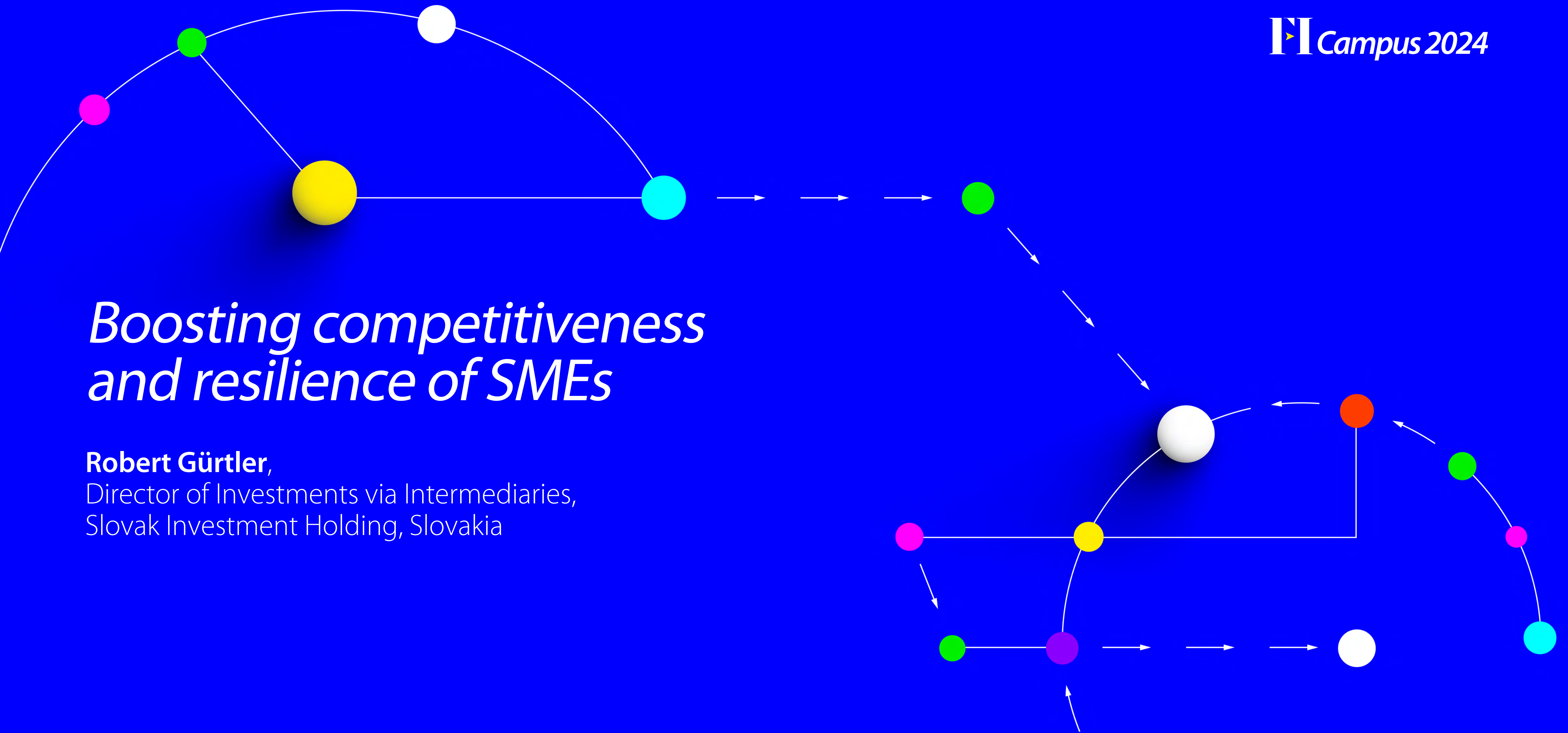
Mateusz Olszak,

Director of the Guarantees and Sureties Department, Bank Gospodarstwa Krajowego (BGK), Poland



Boosting competitiveness and resilience of SMEs

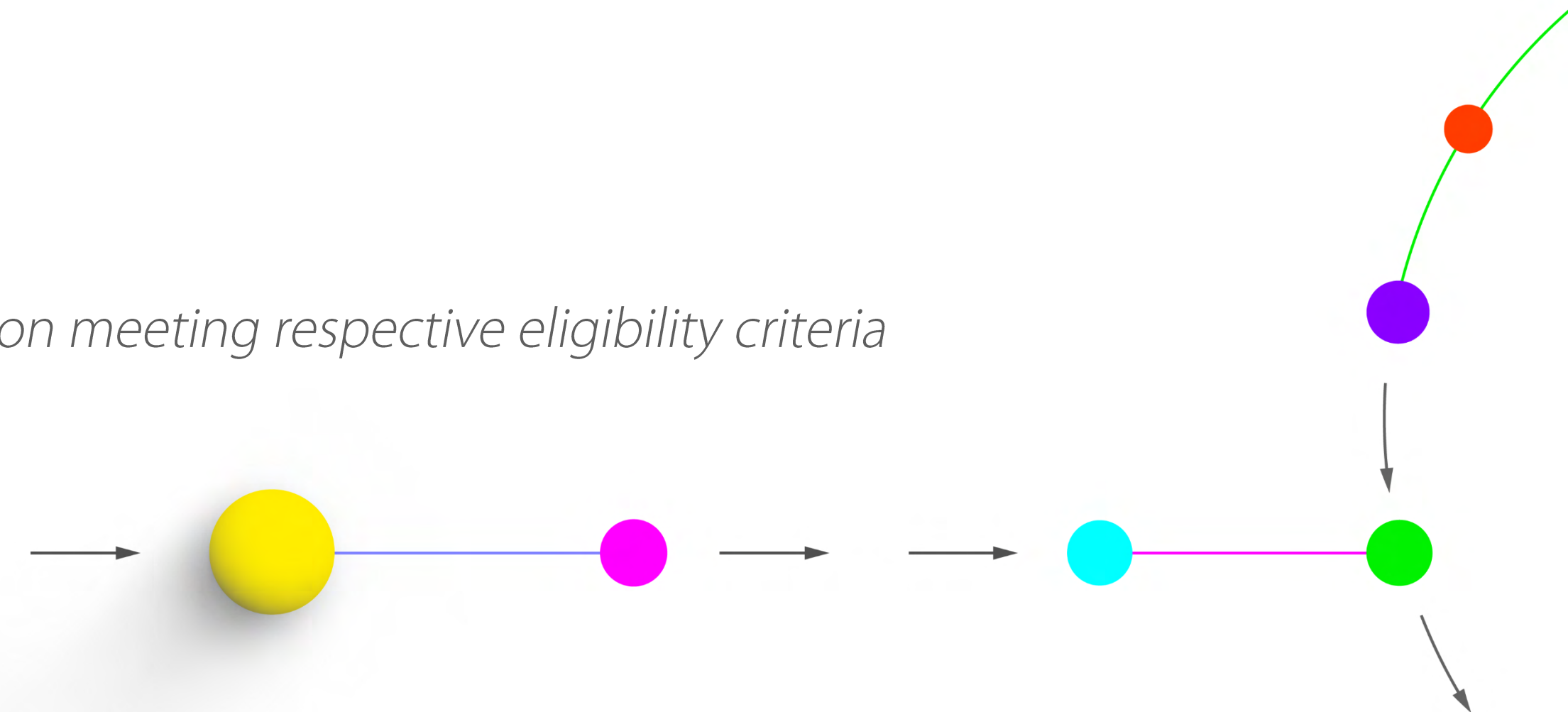
Robert Görtler,
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SIH guarantee instrument - overview

SIH Anti-Corona (Anti-Crisis guarantee)

- 3 portfolio guarantee instruments (SIH Anti-Corona Guarantee 1 (SIH Anti-Crisis Guarantee), SIH Anti-Corona Guarantee 2A and 2B)
- Launched in April 2020 (SIHAZ1) and June 2020 (SIHAZ2), terminated in June 2021 (SIHAZ2) and November 2023 (SIHAZ1)
- Implemented by 8 banks (SIHAZ1) and 11 banks (SIHAZ2), selected through calls for expression of interest
- Parameters:
 - *Maximum loan amount 1.2 M EUR (SIHAZ1) and 2 M EUR (SIHAZ2)*
 - *Maximum loan maturity 4 years (SIHAZ1) and 6 years (SIHAZ2)*
 - *Grace period 12 months*
 - *Interest rate subsidy 4% p.a. (SIHAZ1) and guarantee fee waiver (SIHAZ2) upon meeting respective eligibility criteria*

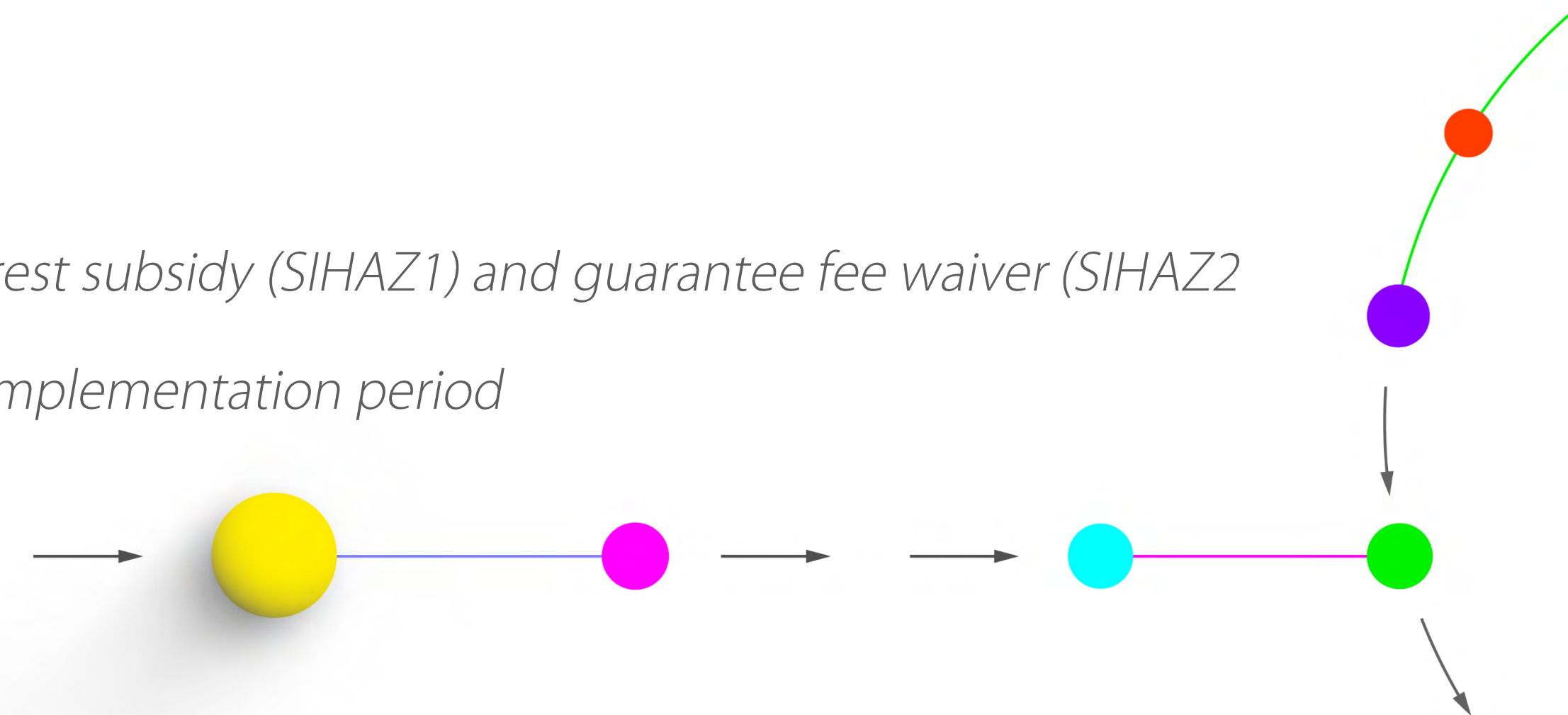


SIH guarantee instrument - results and lessons learnt

<i>FI</i>	<i>Amount of loans (EUR)</i>	<i>Number of loans</i>
SIHAZ1 (ESIF)	1,173 M	7,101
SIHAZ2A (ESIF)	203 M	3,301
SIHAZ2B (state funds)	402 M	4,139
TOTAL	1,779 M	14,541

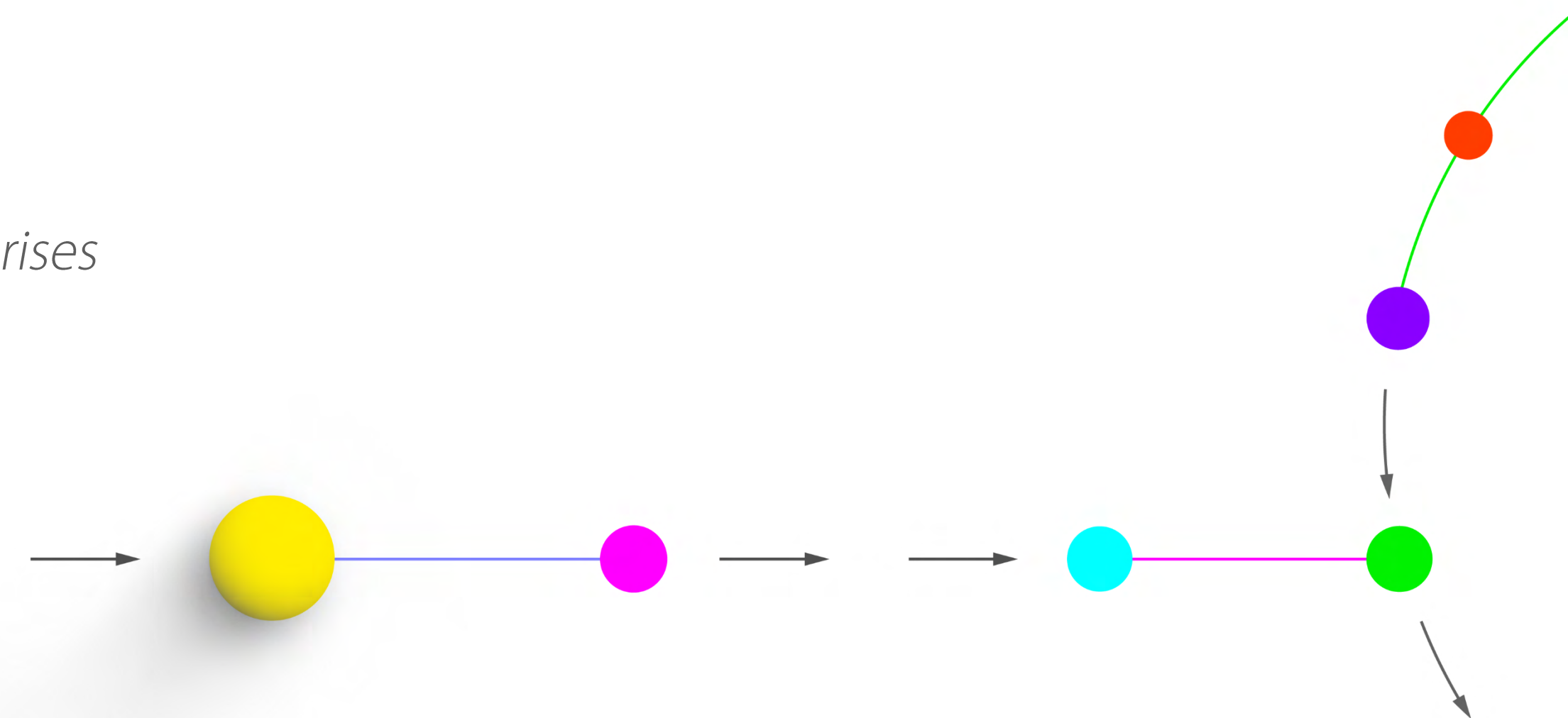
Quarterly increases SIHAZ1:
 2020 - 30-40 M EUR, 100-200 loans
 2021 - 30-40 M EUR, 100-200 loans
 2022 - 40-60 M EUR, 200-400 loans
 2023 - 90-140 M EUR, 500-600 loans

- Timely and swift response to pandemic and subsequent ongoing crisis
- General support do SMEs to overcome financial difficulties via nearly 1.8 billion EUR in more than 15.4 thousand loans provided
- Investment and working-capital loans to all sectors of economy
- Main obstacles:
 - complex and complicated eligibility criteria related to the payment of interest subsidy (SIHAZ1) and guarantee fee waiver (SIHAZ2)
 - many financial audits carried out by state authorities during and after the implementation period
 - de minimis limit



SIH seed equity/quasi-equity instrument overview

- 3 investment funds managed by fund managers selected in public procurement process
- Investment period started at the end of 2019 and ended in 2023, divestment period ends in 2029/2030
- Fund size 23 M EUR (SIH contribution 97-99%); 90% of capital for enterprises out of Bratislava region
- Management fee 2.0% p.a. up to 2 years after closing, then 0.75% p.a. until the end of investment period. Performance fee 2.0% p.a.
- Parameters:
 - Enterprises up to 5 years upon their registration
 - Micro and small enterprises
 - Ticket size: max. 400 – 800k EUR, doubled in case of small innovation enterprises
 - Generalist investment approach

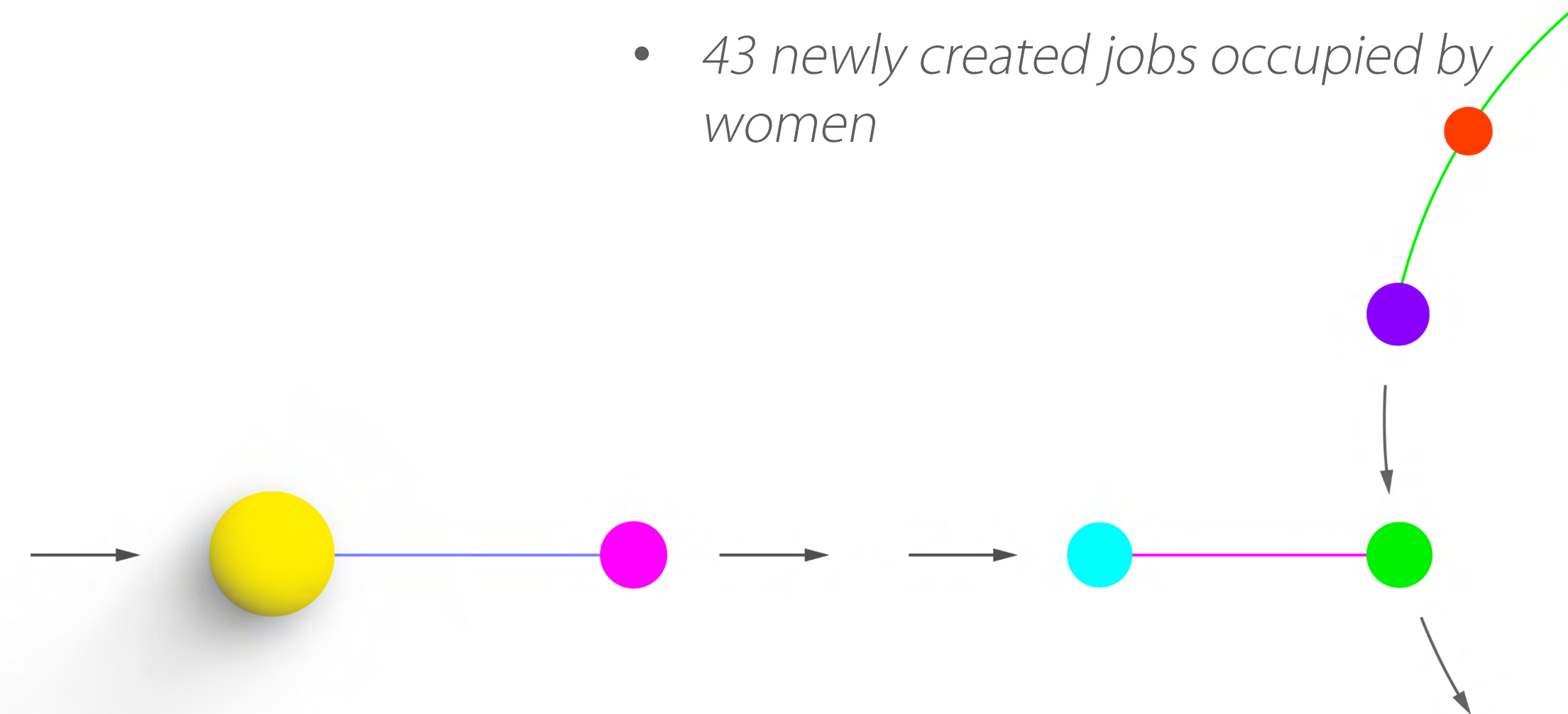


SIH seed equity/quasi-equity instrument results and lessons learnt

Year	Cumulative amount of drawn capital (EUR)	% of total commitment	Number of supported enterprises
2019	701k	1,01 %	2
2020	11.8 M	17,03 %	32
2021	26.4 M	38,08 %	44
2022	49.2 M	70,94 %	70
2023	69.3 M	100 %	90

- Successful financial instruments for companies in early stage (seed and start-up) in Slovakia
- Support and development of venture capital ecosystem and new perspective startups in Slovakia, mainly in the ICT sector
- Main obstacles & lessons learnt:
 - Legislation and implementation rules are complicated
 - Resulting avg. ticket higher than anticipated

- Average ticket size: 733k EUR
- 2 exits from portfolio companies (Multiple-to-Cost: 1,84x / Gross IRR: 37,7 %; Multiple-to-Cost: 1,3x / Gross IRR: 28%)
- 306 applications for IP rights registration
- 157 newly created jobs occupied by men
- 43 newly created jobs occupied by women



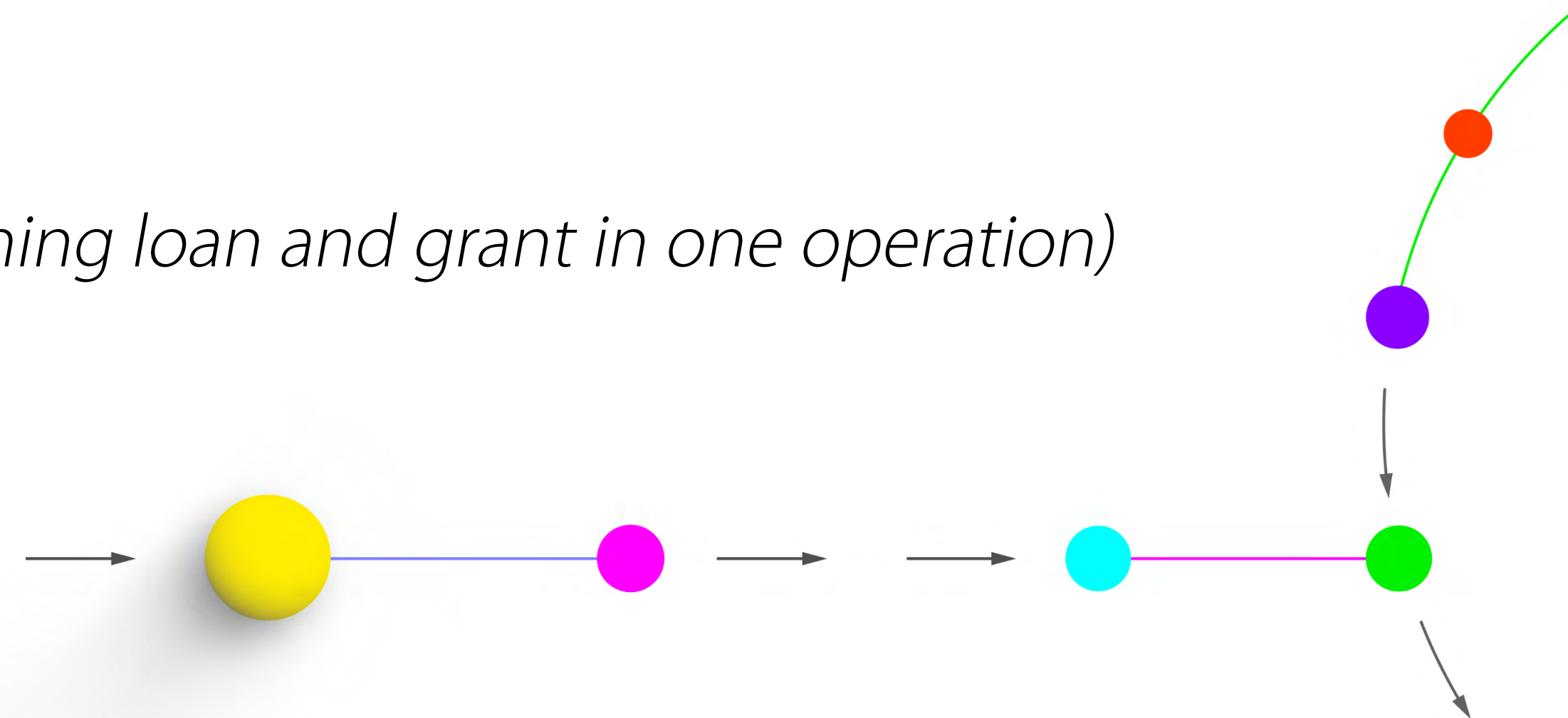
Plans for the future & challenges

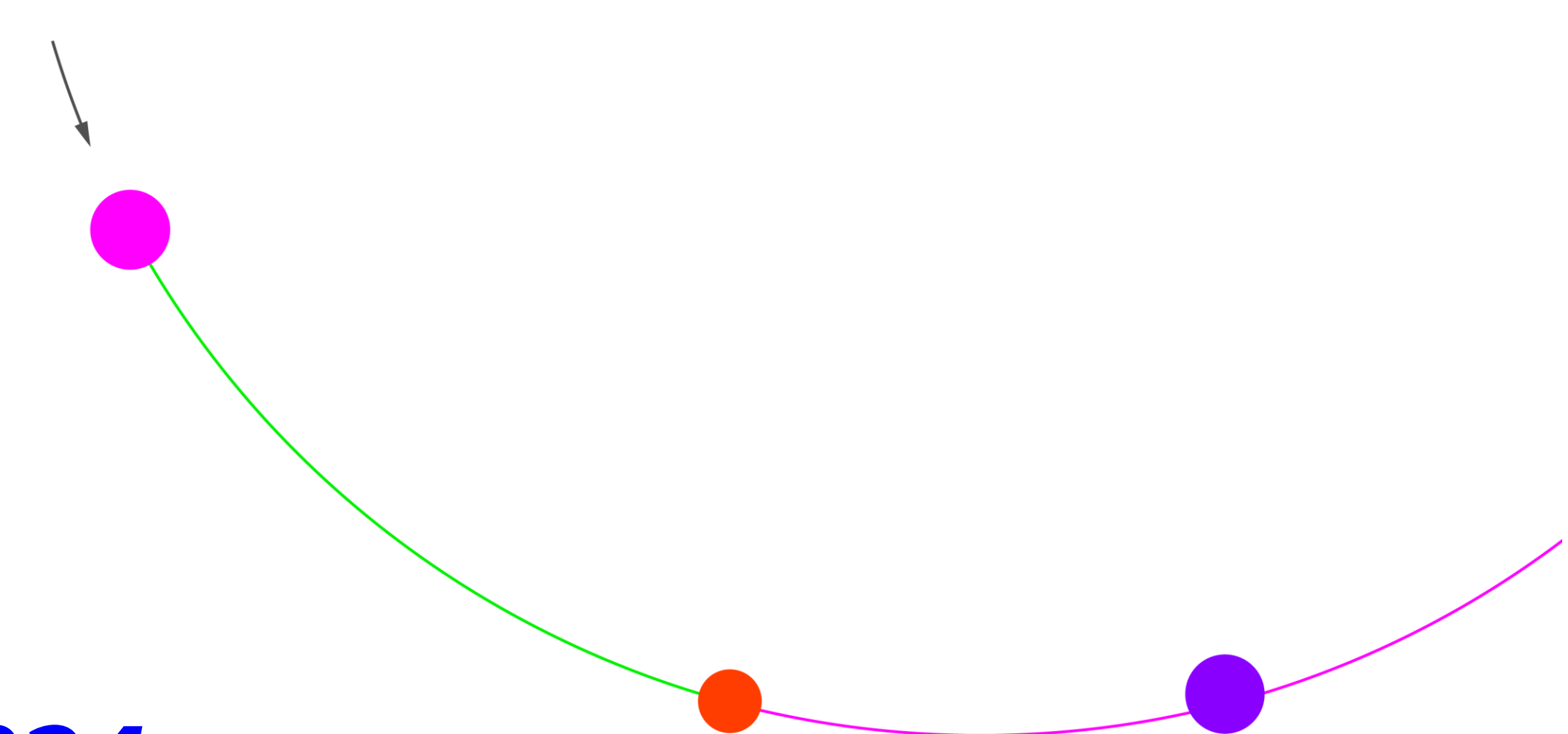
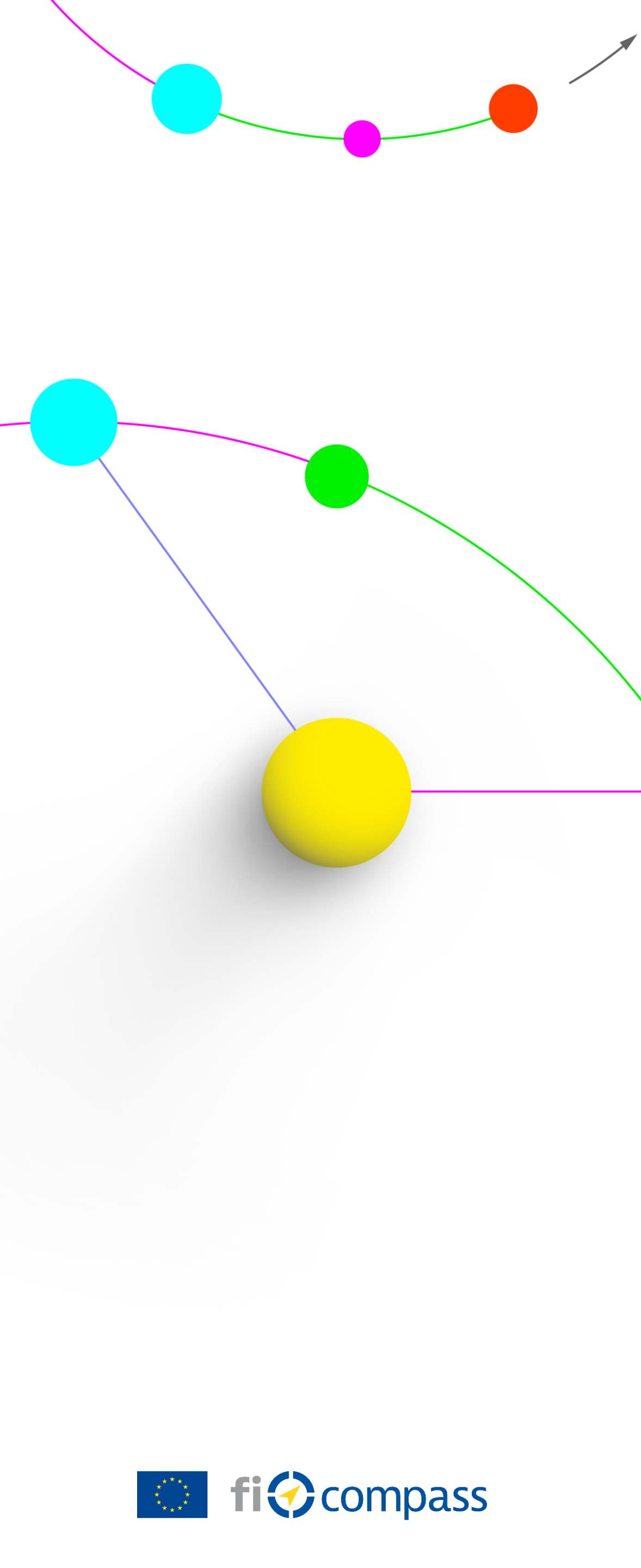
Plans:

- *Lower number of instruments, more robust*
- *Combine loan and grant in one FI operation*
- *Scalable instruments, should be adaptable to market changes with a possibility to alter parameters accordingly*
- *Less complex eligibility criteria with a clear “black or white” option*
- *More frequent feedback from the market*

Challenges:

- *State aid (esp. limits for the grant component when combining loan and grant in one operation)*
- *Too many state audits on FIs*





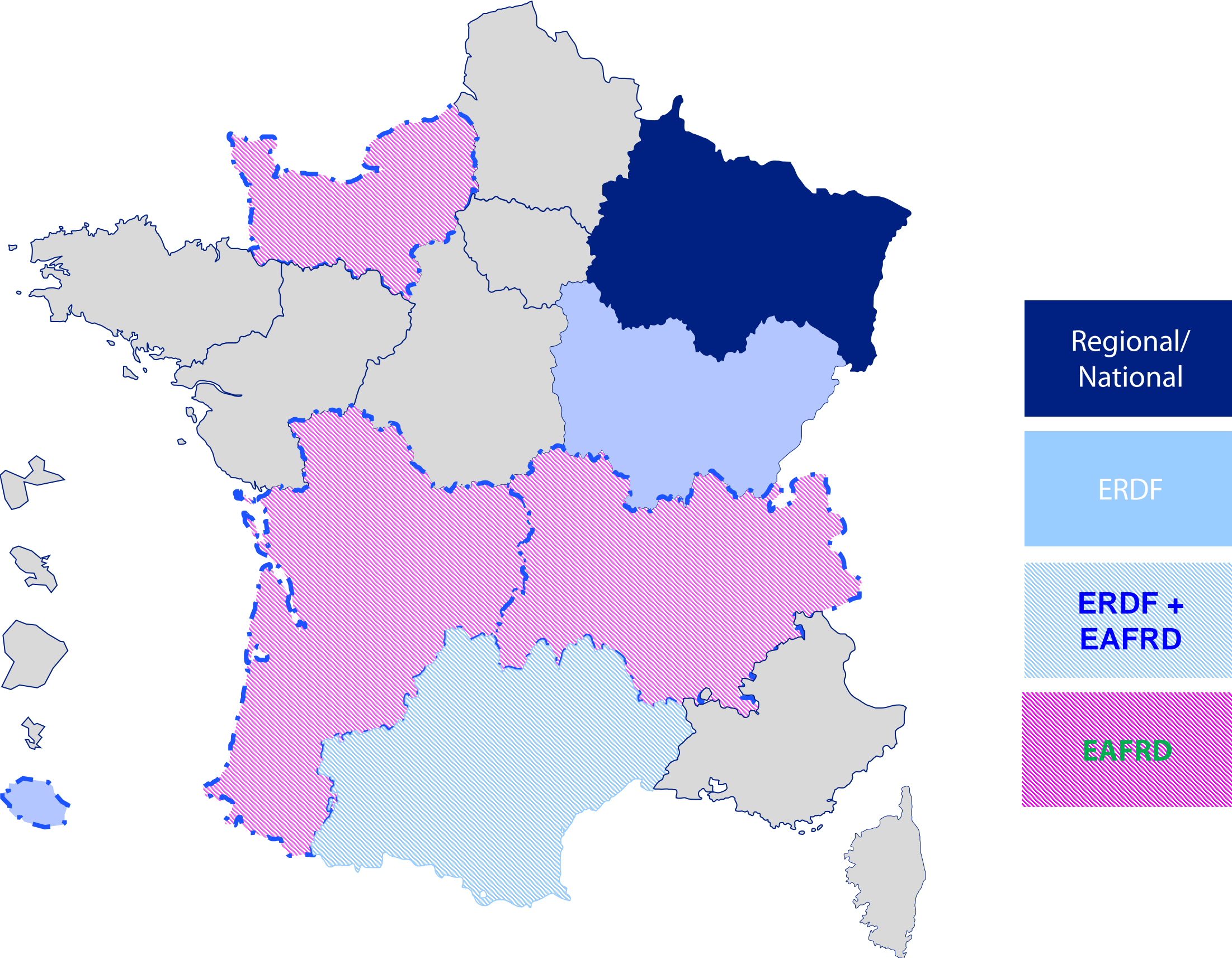
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Thank you



The DFI platform in France

Aubin Bonnet,
Principal Officer, Institutional Mandate Relationship
Western Europe, European Investment Fund



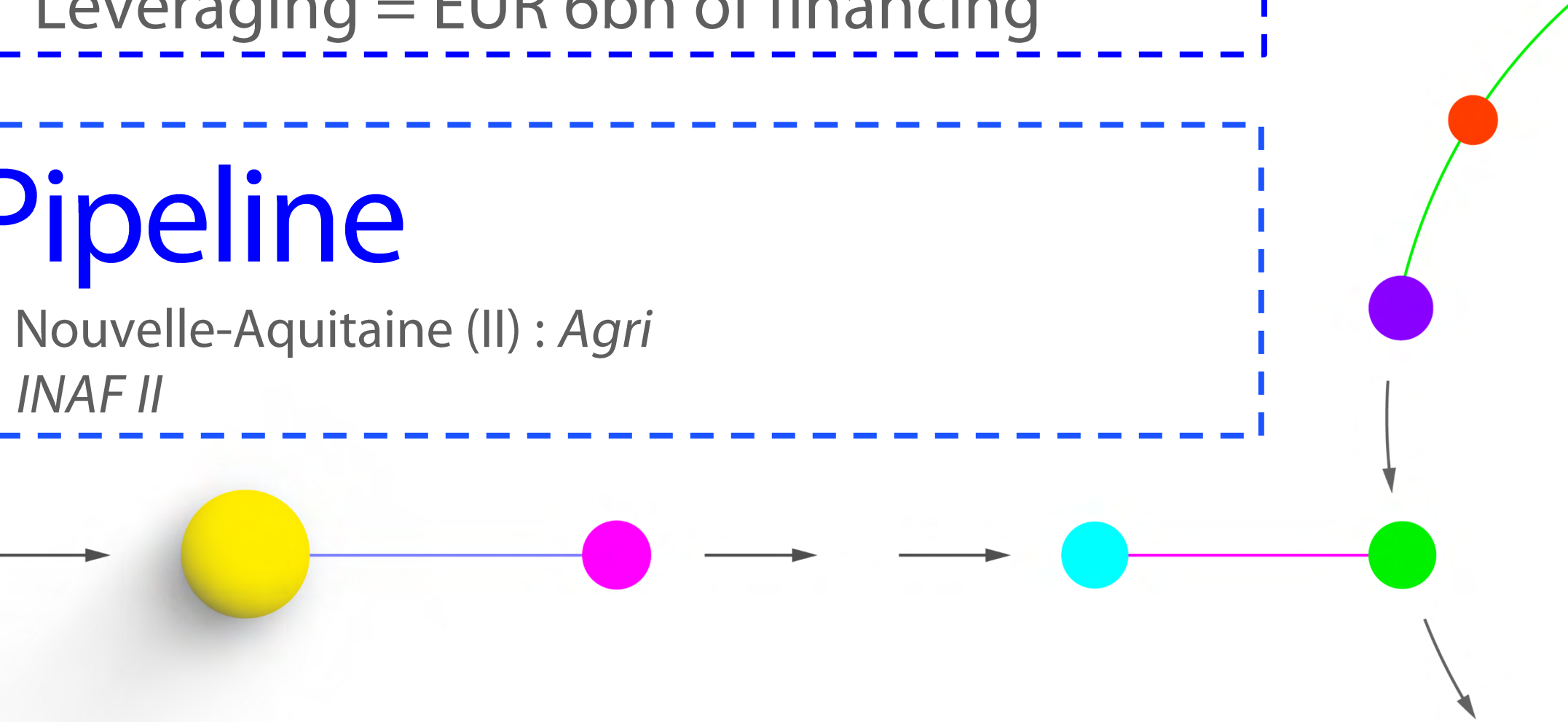
Recently signed

- Grand Est : *SME*
- Bourgogne Franche Comté : *SME*
- Occitanie (II) : *SME & Agri*
- Auvergne Rhône Alpes : *Agri*
- La Réunion (II) : *SME*
- Normandie : *Agri*

- AuM = EUR 750m
- Leveraging = EUR 6bn of financing

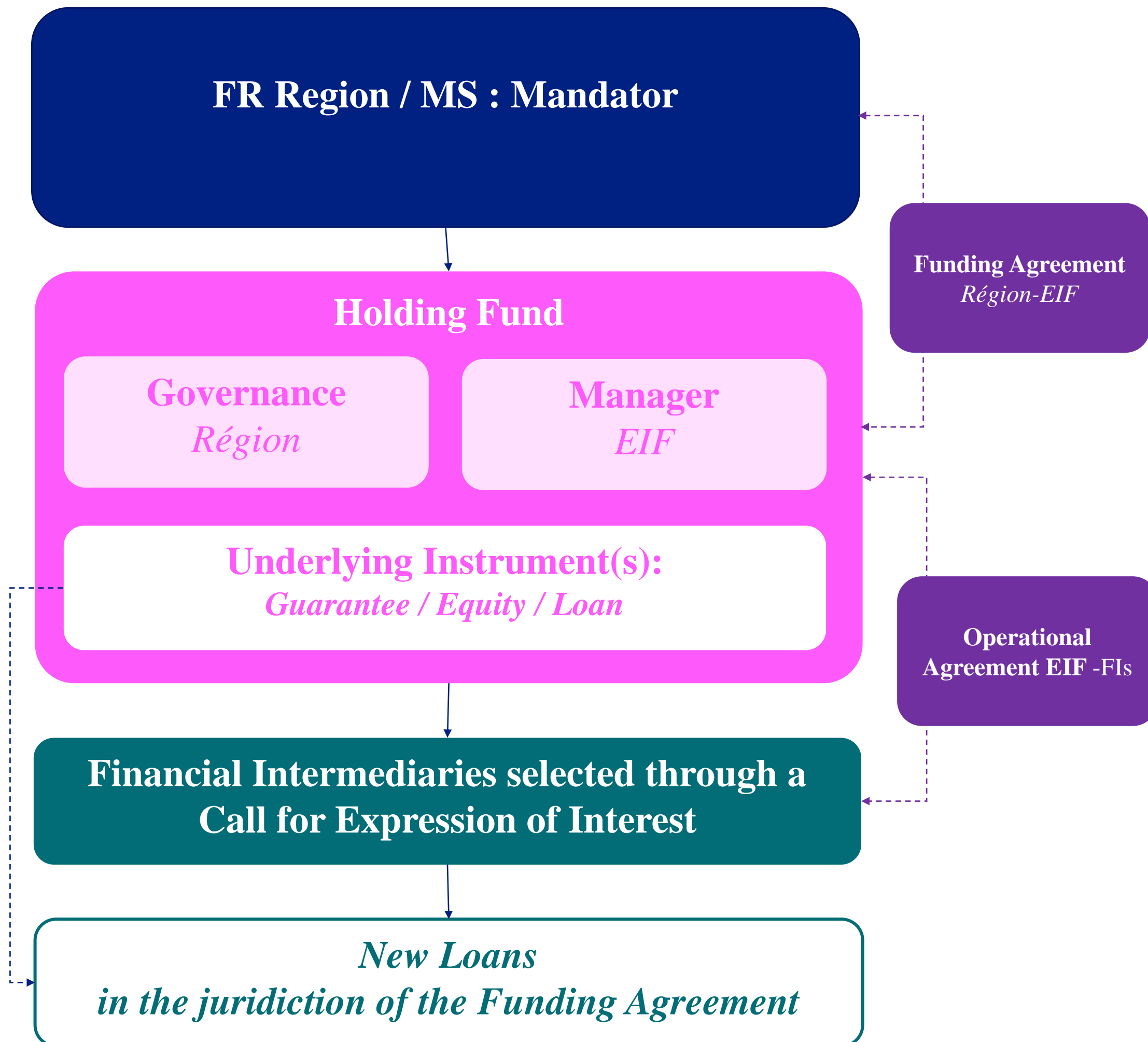
Pipeline

- Nouvelle-Aquitaine (II) : *Agri*
- INAF II



The overall architecture of the initiative: 2 steps approach

To catalyze regional resources for the benefit of final recipients (farmers, SMEs agro, Forestry)

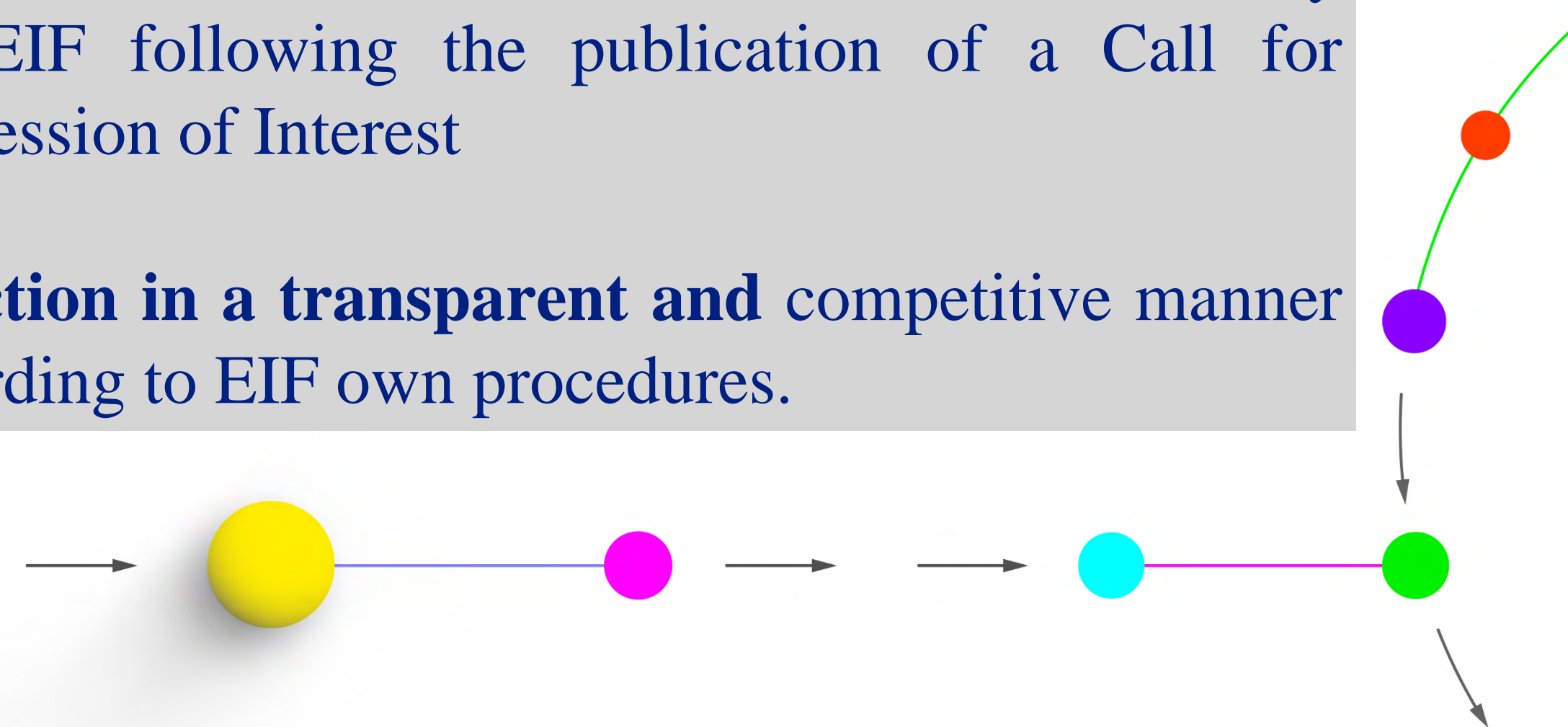


▪ **Setting up a Holding Fund** mobilizing regional/national resources

▪ **The Region/MS designates the EIF as its agent to manage the Holding Fund** in view of supporting specific policy objectives (Competitiveness of the sector, Green farm, farm-to-fork strategy, etc.).

▪ **One or more Financial Intermediaries selected** by the EIF following the publication of a Call for Expression of Interest

▪ **Selection in a transparent and competitive manner** according to EIF own procedures.

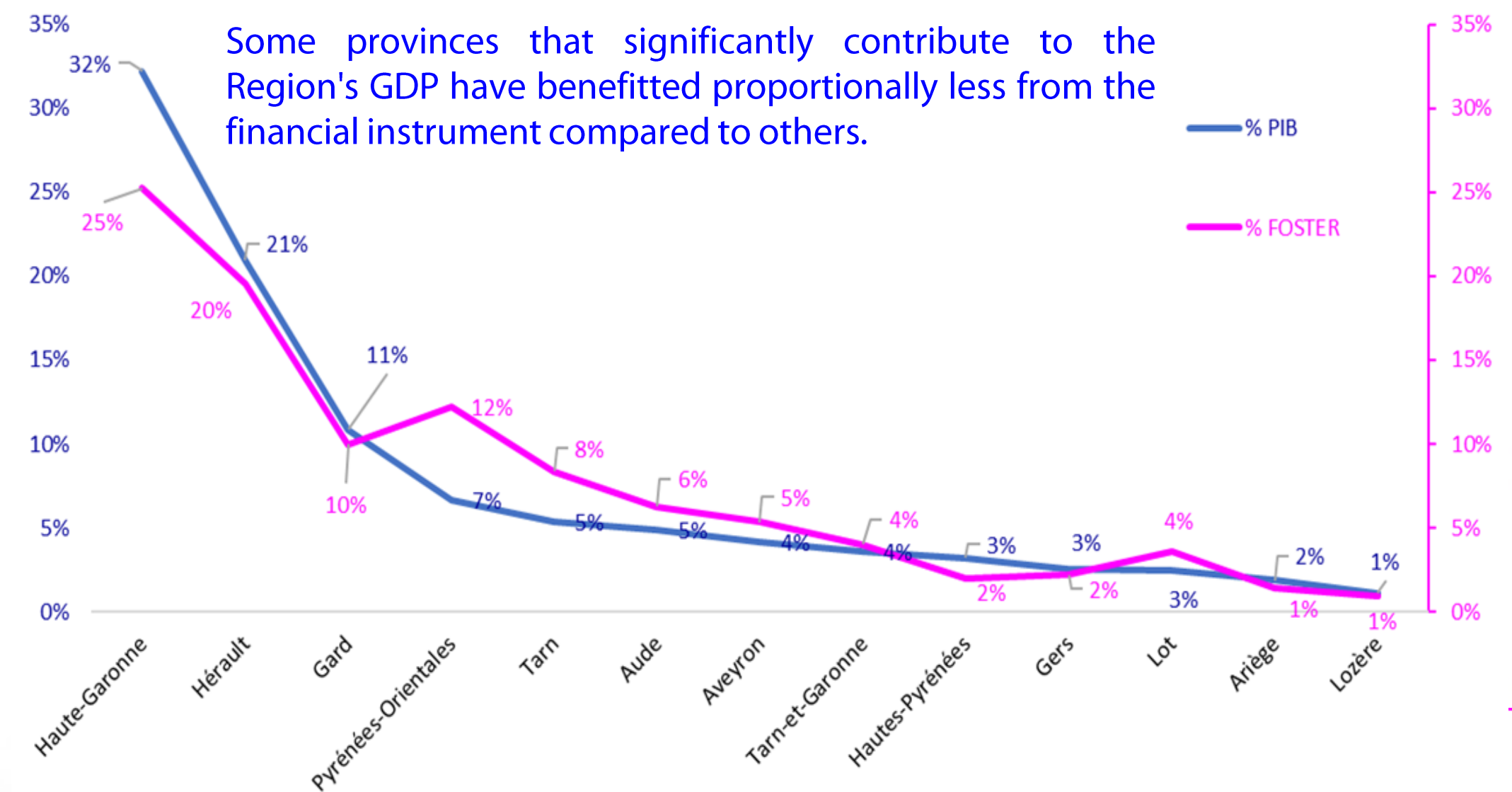
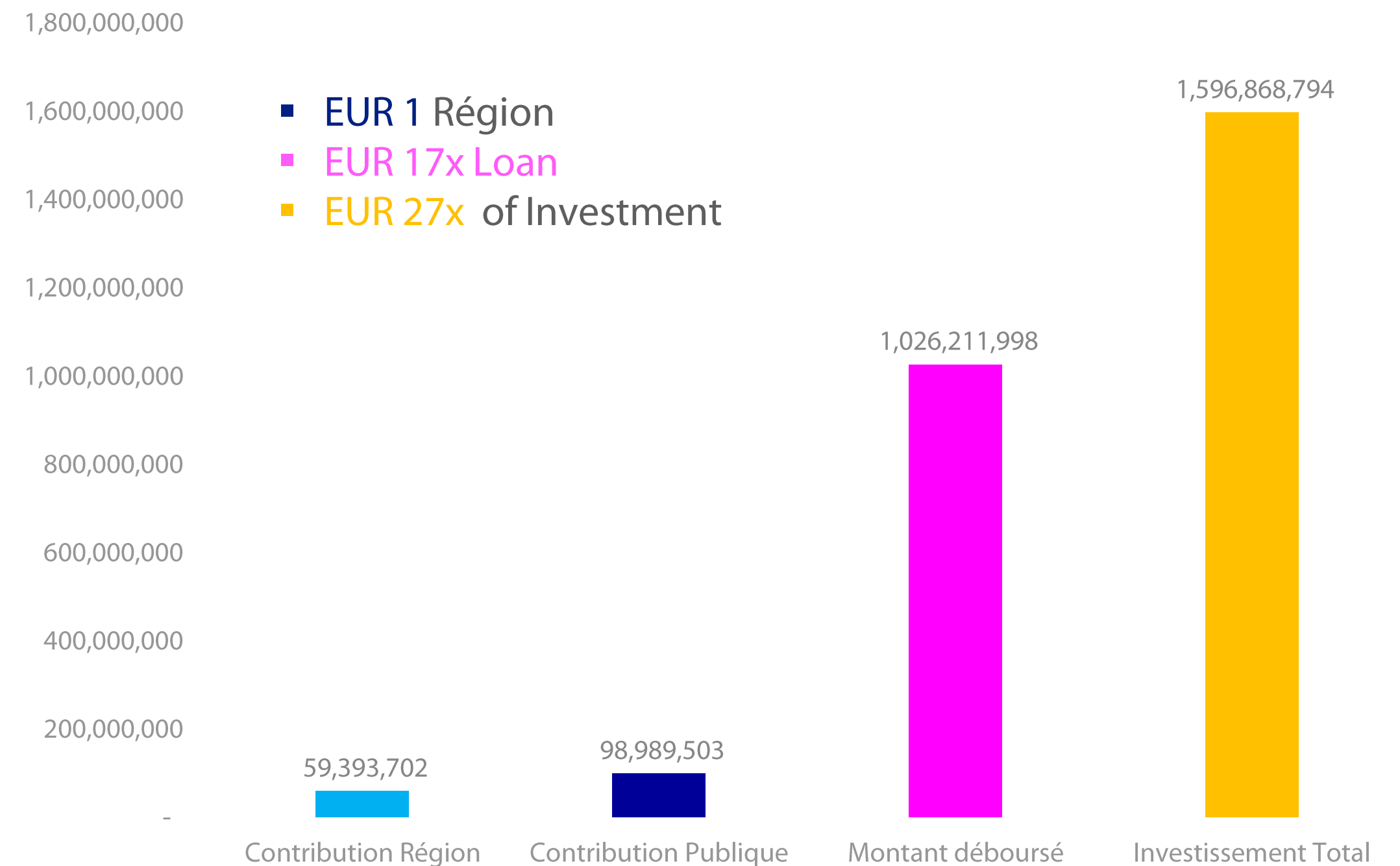


The proposed underlying financial instrument(s)...and impact (leverage and cohesion policy)

Guarantee type of instrument

Ease access to finance for SMEs;

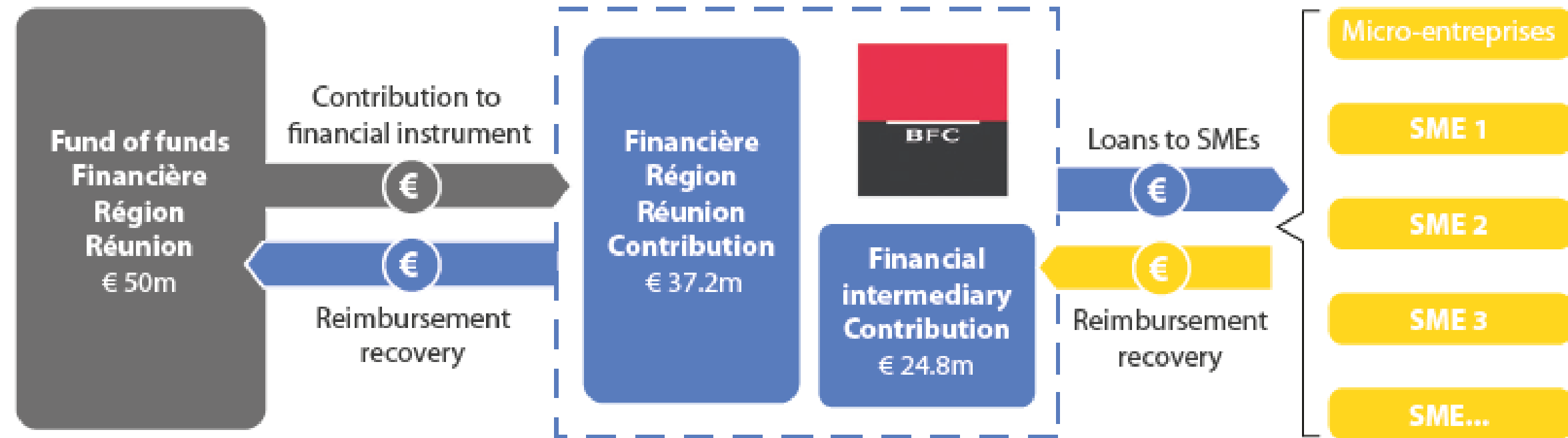
Competitive and transparent selection by EIF



The proposed underlying financial instrument(s)

Funded Risk Sharing Instrument

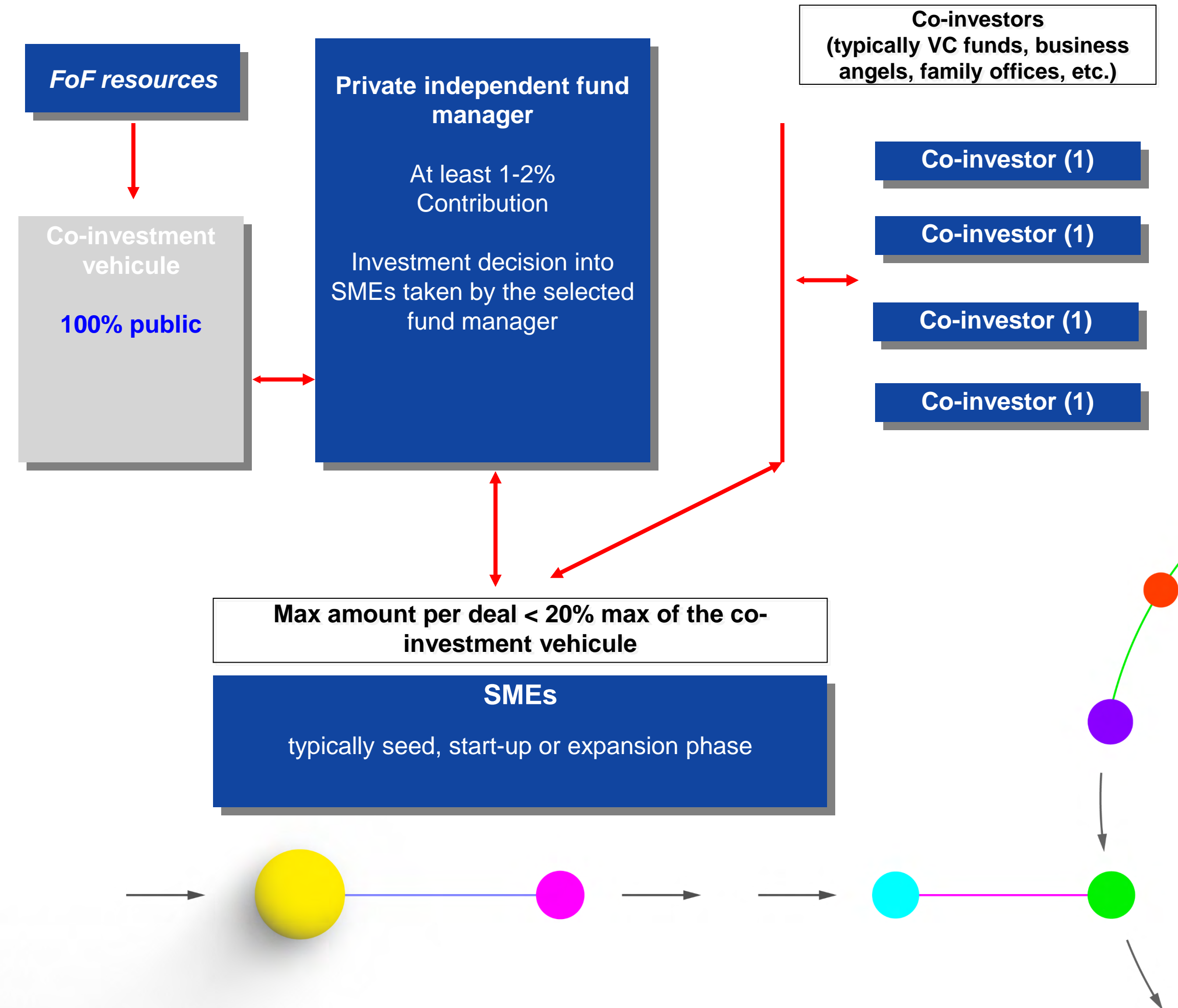
Facilitate SMEs access to finance [innovative or in area where IR is very high]



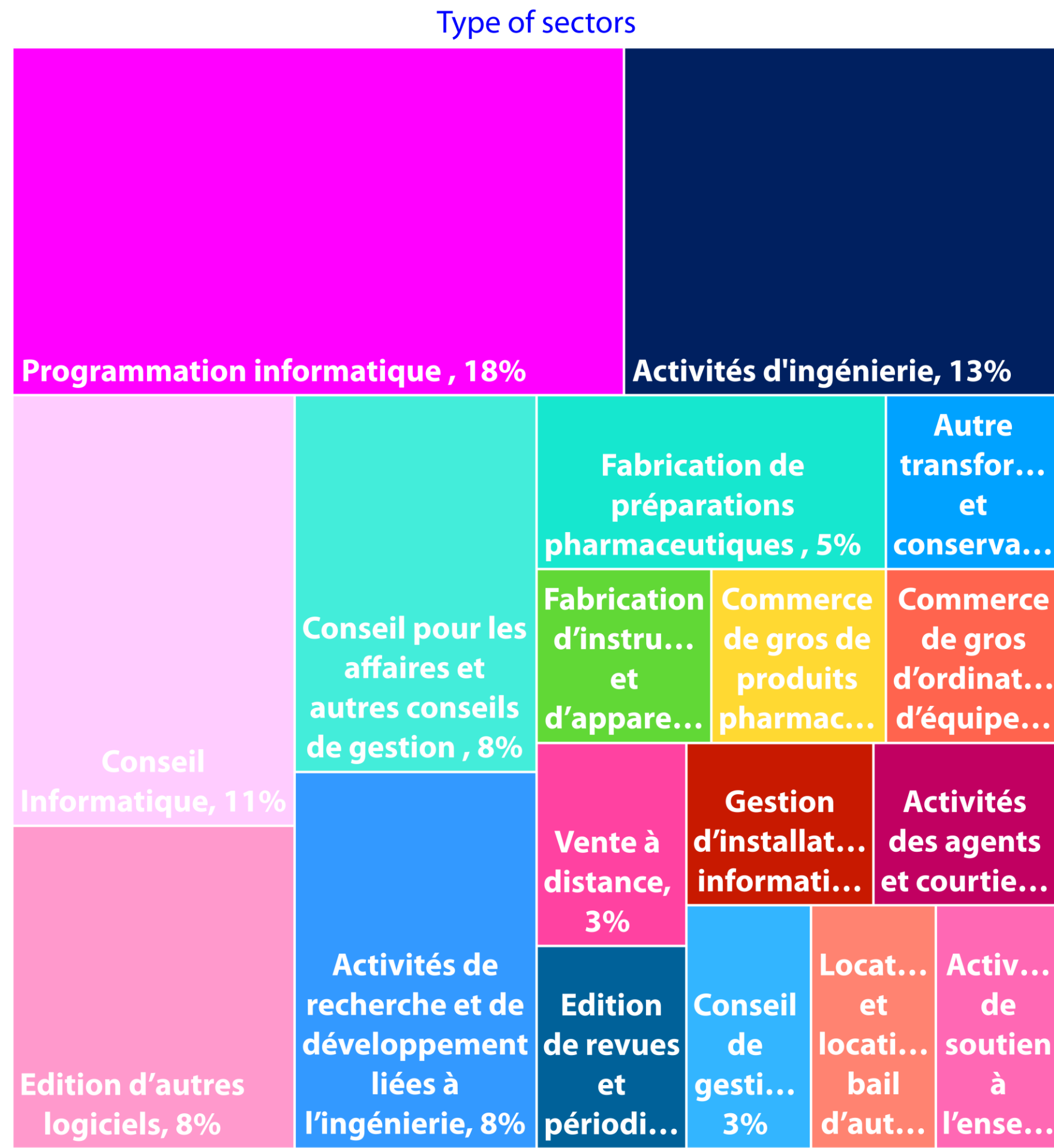
Leverage = 1 / Risk Sharing rate (50% - 60%)

Co-Investissement Instrument

Facilitate SMEs with high potential to access to finance

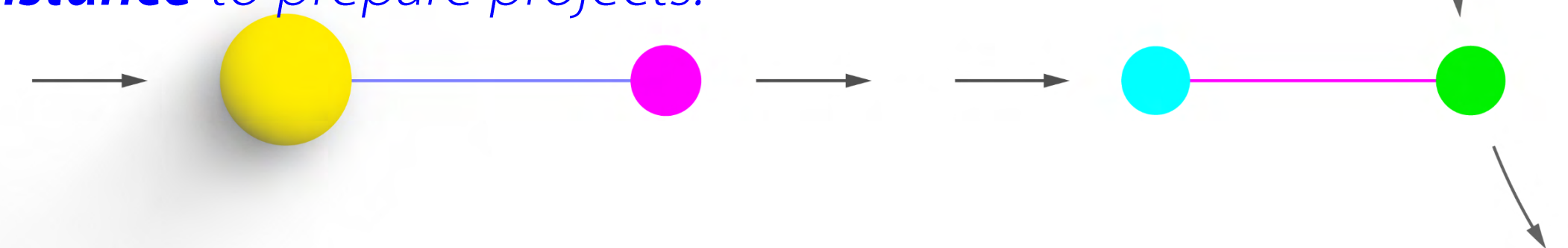


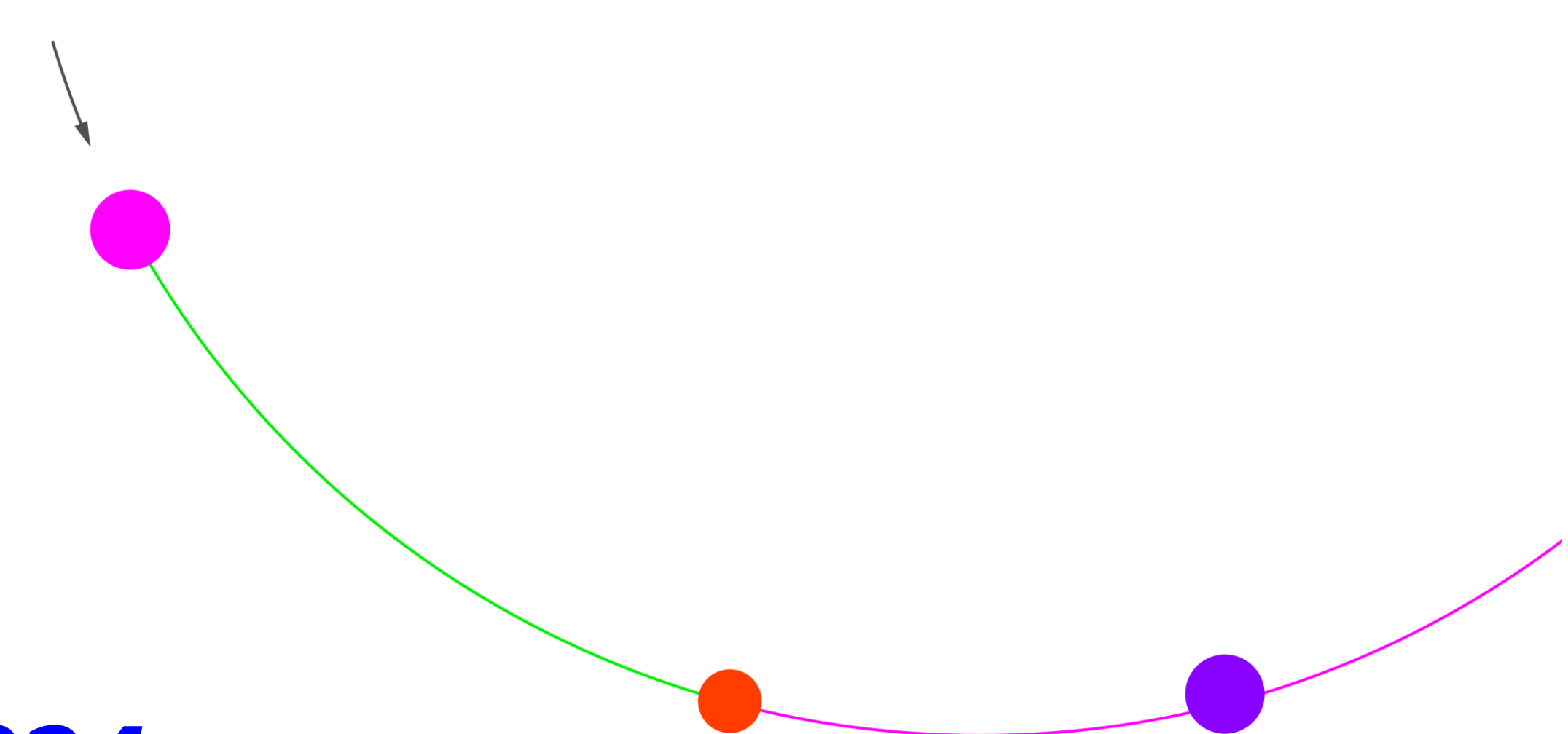
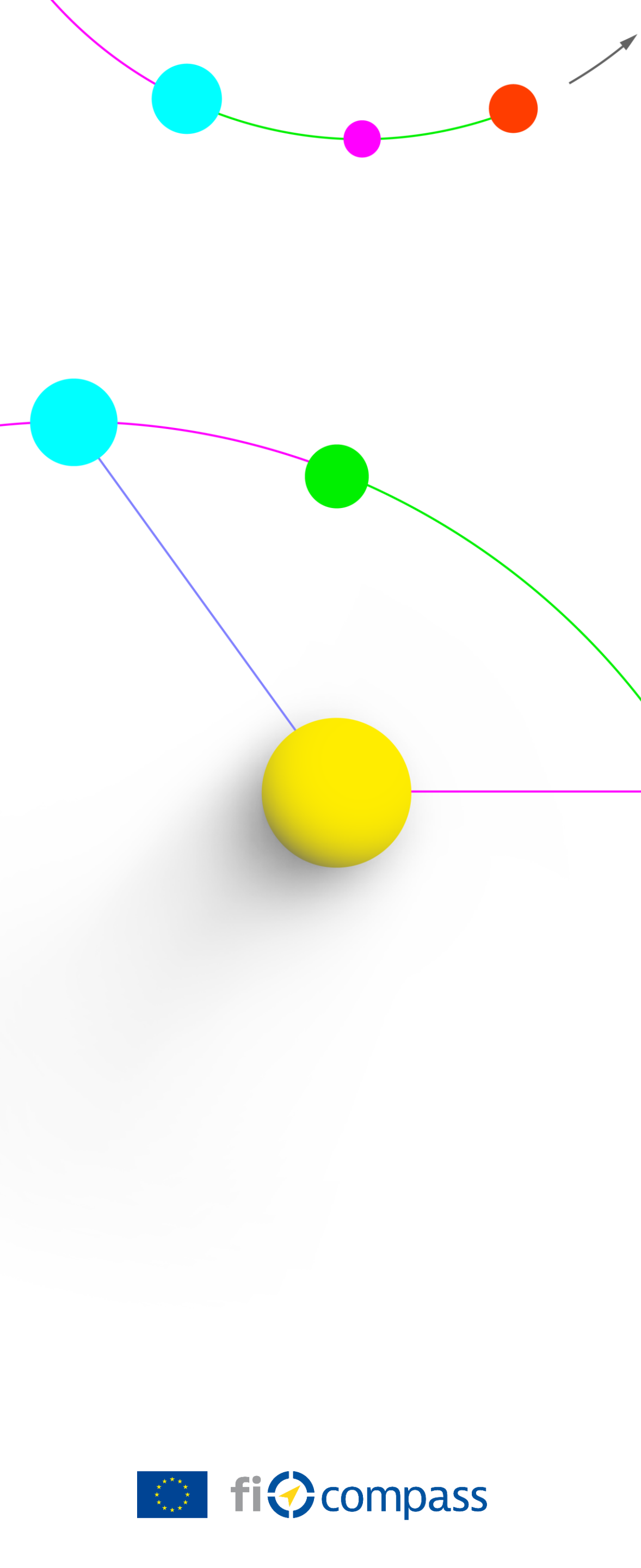
The proposed underlying financial instrument(s)...and impact (innovation)



Conclusion

- Should be **market driven** : Importance of ex-ante assessment and of market tests;
- Use the **CPR regulation** to enable SMEs access to finance at better conditions;
- Keep It Simple and Smart (**KISS**): right balance between policy objectives and real market absorption capacity;
- **Alignment of interests**: Managing Authority, (FoF), Financial Intermediary, Final Recipient;
- Constructive **collaboration** vs "not my problem" attitude;
- Appropriate **governance** structure;
- Flexible **investment strategy**;
- Financial intermediaries **as the champions of the instrument**;
- **Technical assistance** to prepare projects.





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Boosting competitiveness and resilience of SMEs

Marie Favillier,
New markets director,
take(air), France



take[air]
CARBON KILLER

We allow organizations to :

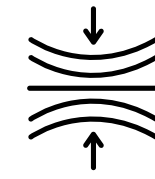
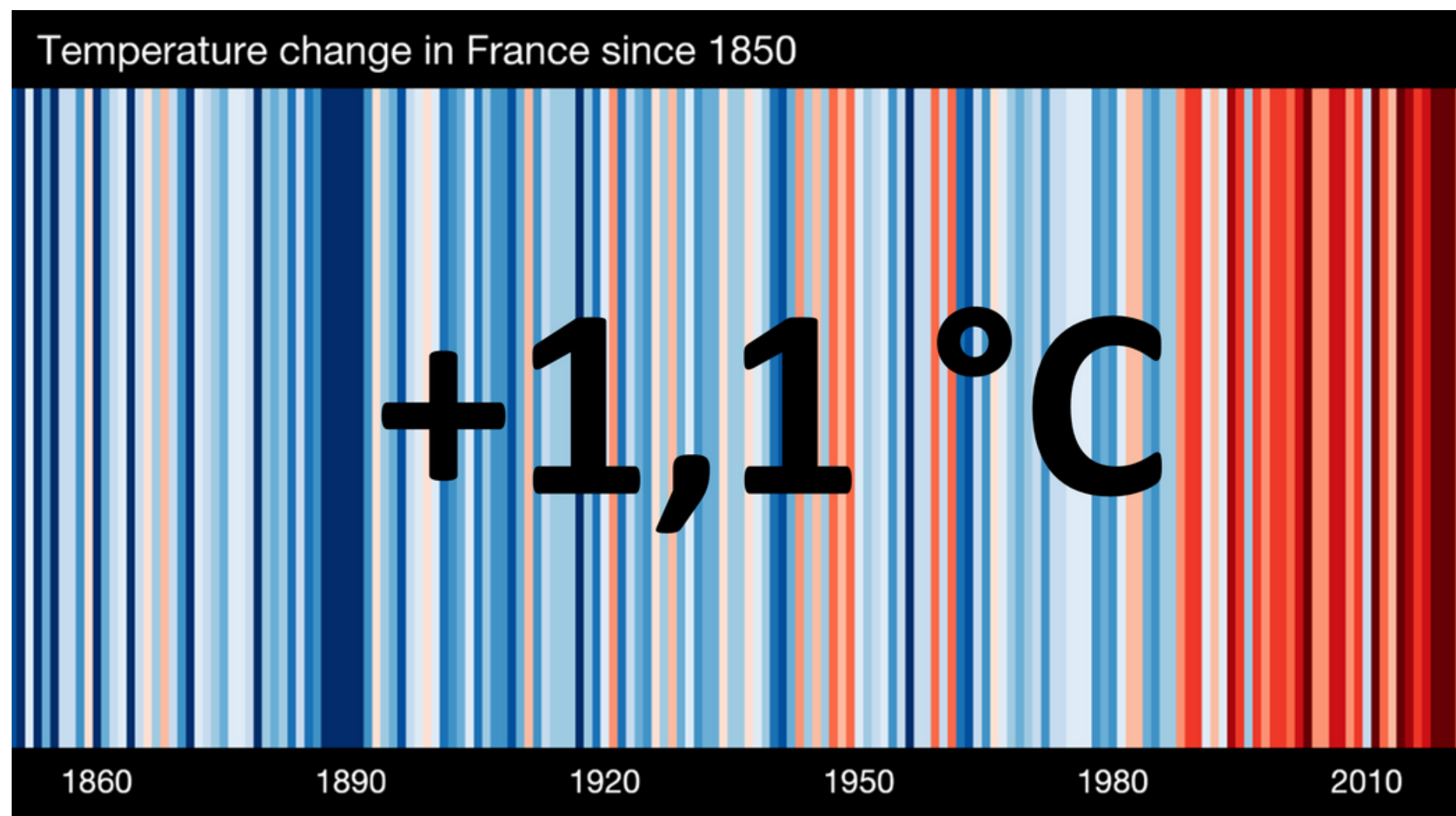
Measure and monitor their greenhouse gases emissions to
decarbonise their activities



take[air]
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Raising awareness, Measure, Monitor to
reduce greenhouses gas emissions

Climate change and
decarbonization=
strategic challenges
and struggling companies



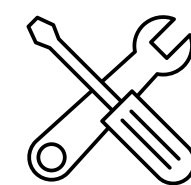
Companies under pressure

- Clients, RFP and contractors
- Private and public funders
- Employees and talents
- Legal framework



2024 : CSRD - EU Legislation

Annual Carbon reporting becomes compulsory for 50,000 companies with more than 250 employees in Europe



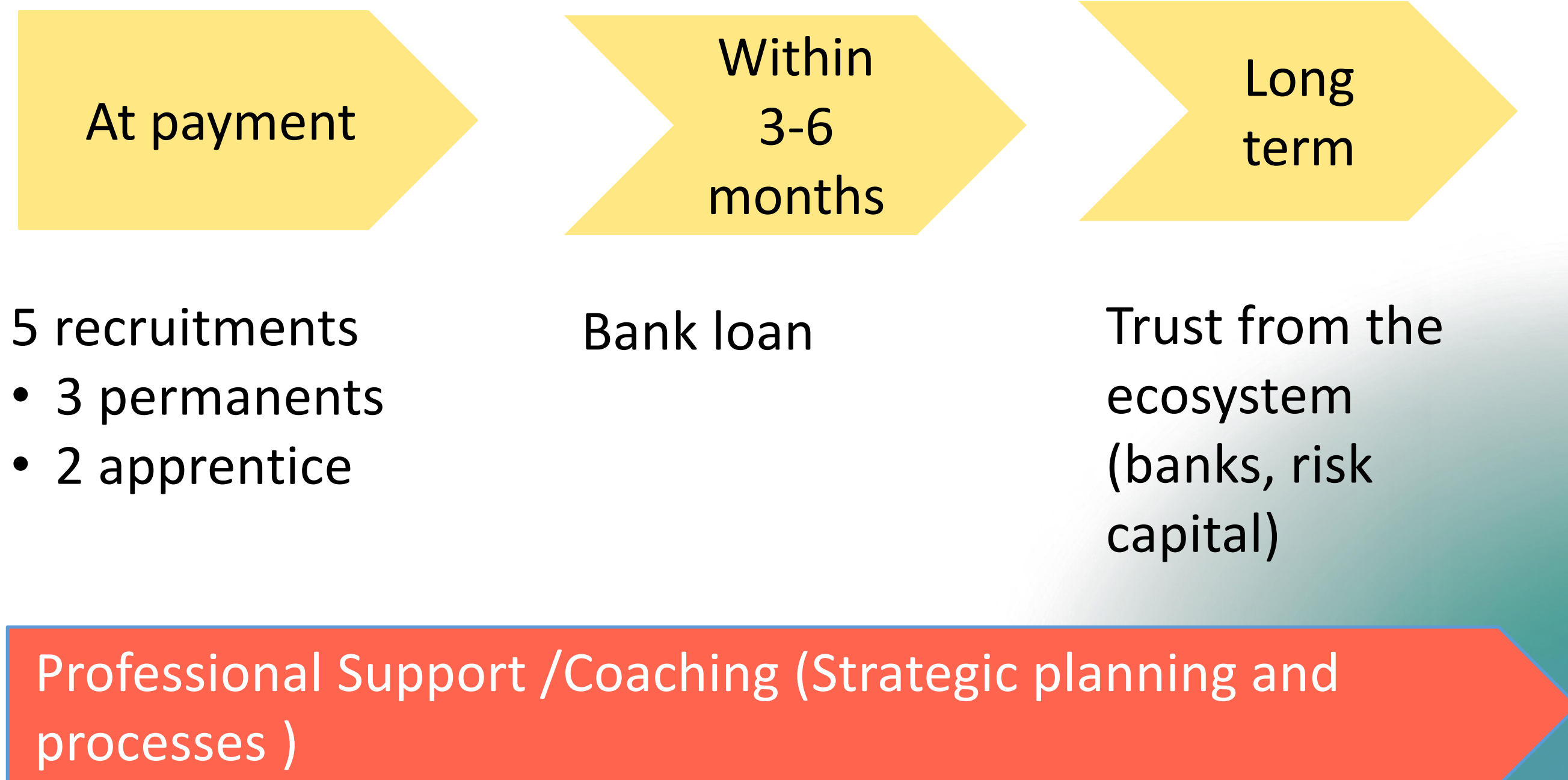
Increasing needs and expectations

Companies are looking for simple solutions to set up carbon accounting and manage the decarbonisation of their activities



55 K€

- Honour loan
- 5-year repayment plan
- 12 months grace period
- 30% of quasi equity



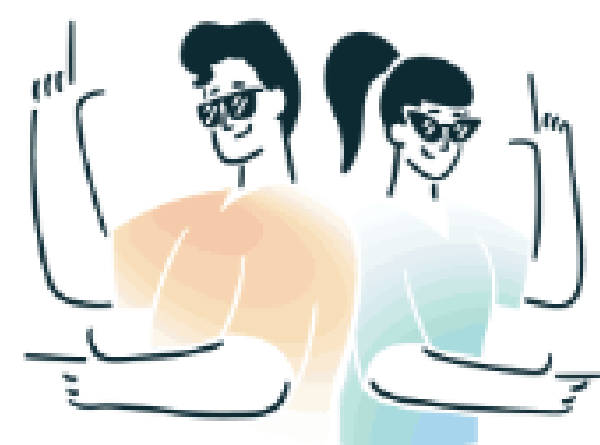
A comprehensive Carbon management solution



Carbon Management platform

ADEME methodology certified

Automate and autonomise the carbon accounting experience



Decarbonation experts

Our carbon killers support companies with estimating their carbon footprint and implement a concrete action plan to reduce their greenhouse gas emissions.

In 2 years, 20 employees

Trusted by 200 clients



Our 2028 ambition

Become a leading
player Environmental Footprint
Management in France and
Europe.

Positive Environmental Impact
100 millions CO2 tons under management
10 millions of CO2 reduction

Support

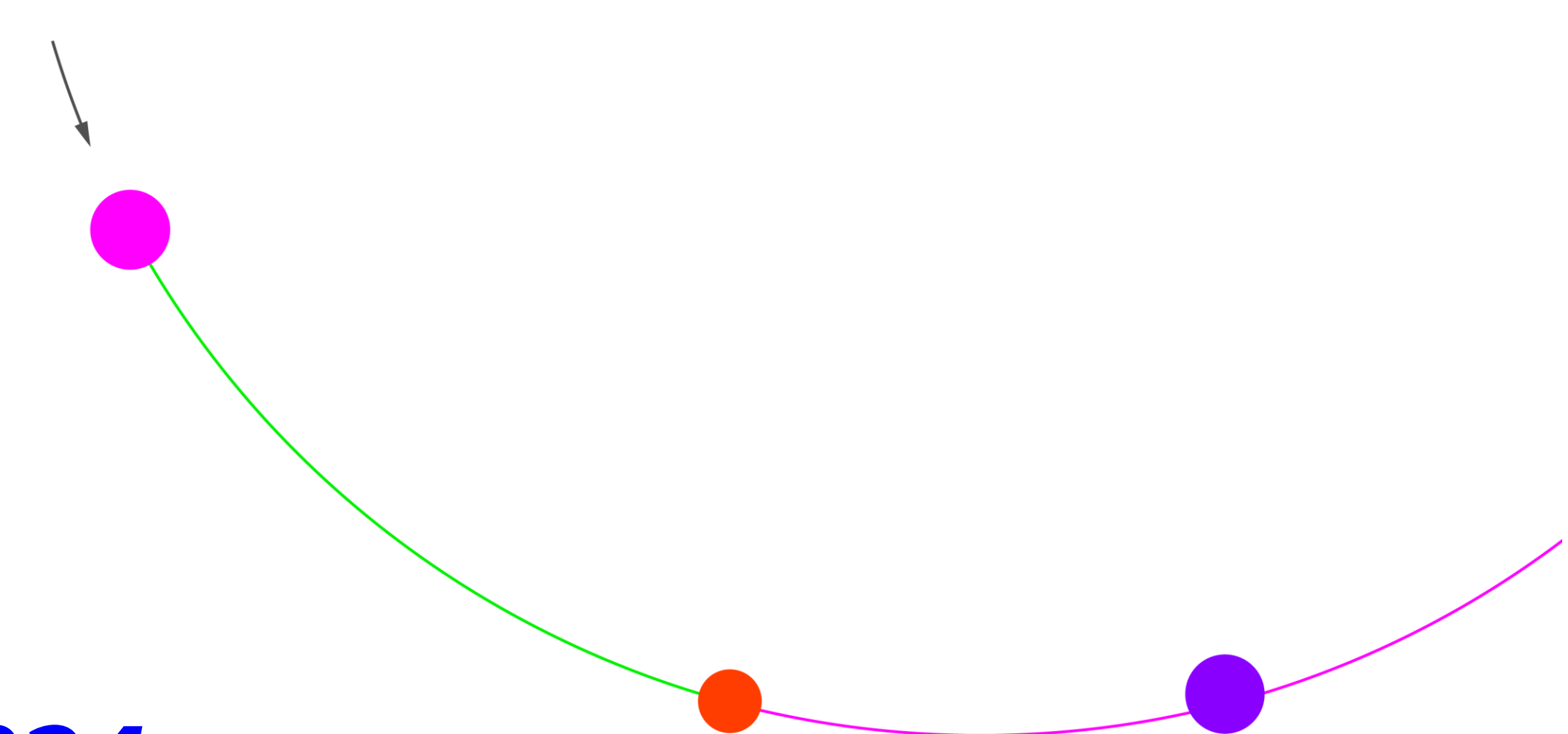
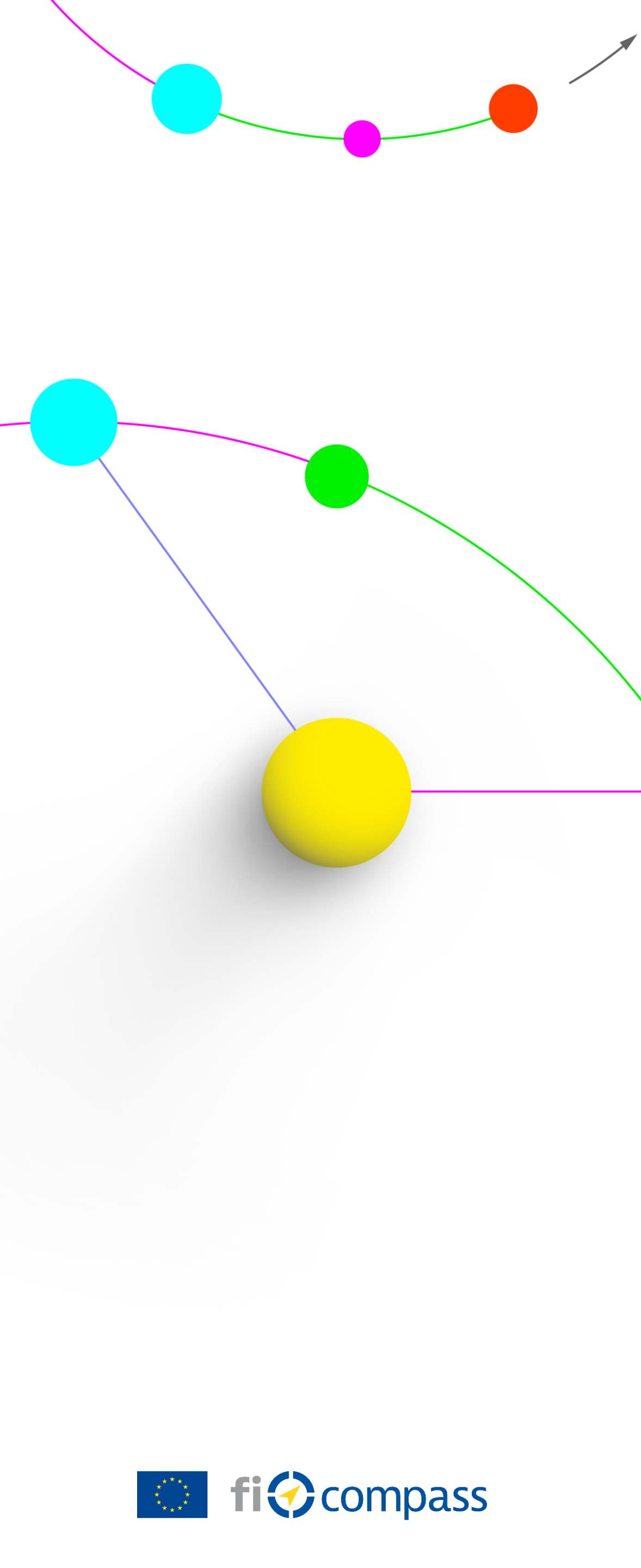
2500 clients

Build a team

80 persons

Turnover generation

€15 millions



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Biznesmax guarantee fund (PL) - MA perspective

Anna Świebocka,
Deputy Director,
Ministry of Development Funds and Regional Policy, Poland



The Biznesmax guarantee fund in Poland

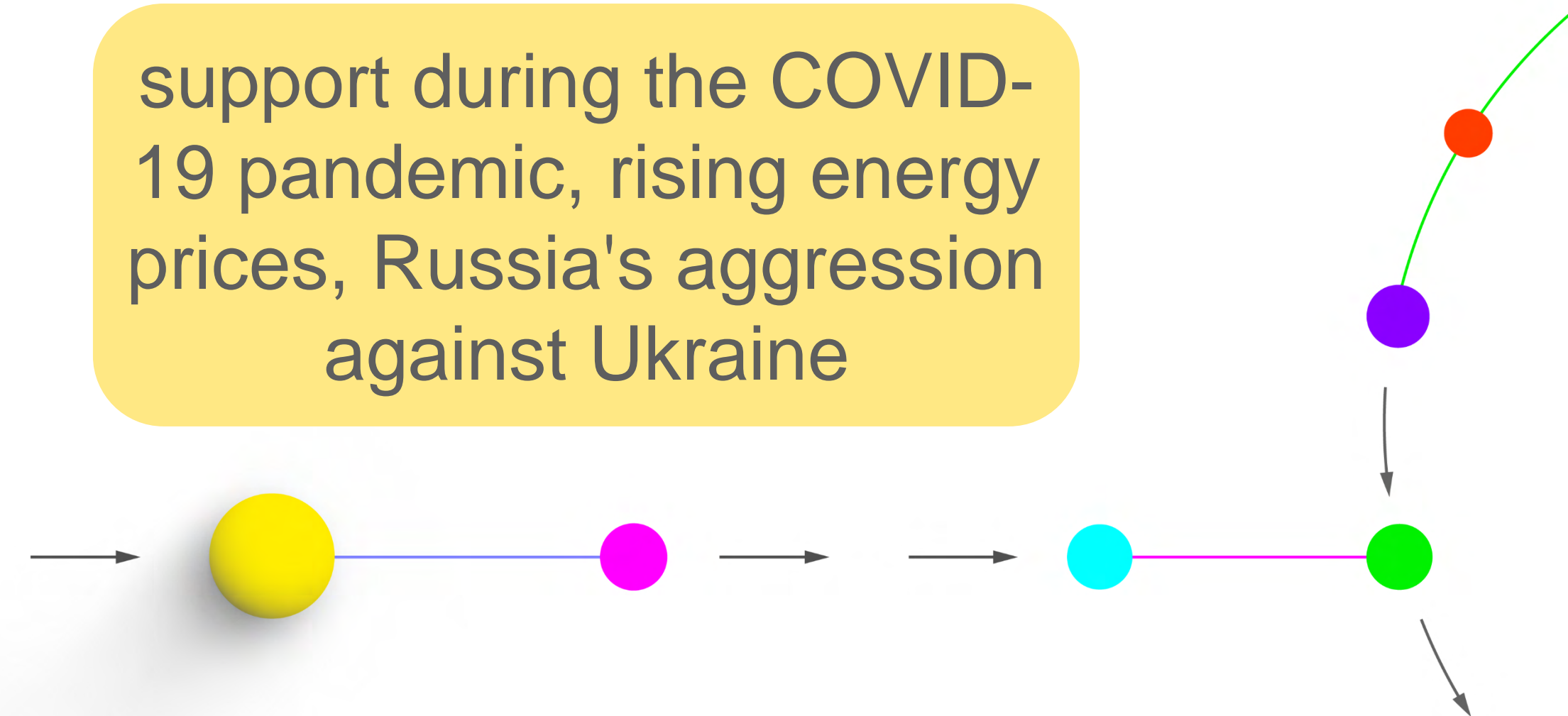
- The Biznesmax guarantee FI: implemented within the **OP 'Smart Growth' 2014 – 2020**;
- Financial gap (debt) for SMEs: EUR 260 million per year (according to ex-ante assessment);
- Objectives:

investments

increasing investment by Polish companies in RDI and the subsequent additional targets in relation to investment in low carbon projects

liquidity

support during the COVID-19 pandemic, rising energy prices, Russia's aggression against Ukraine



The Biznesmax investment strategy

Why guarantees?

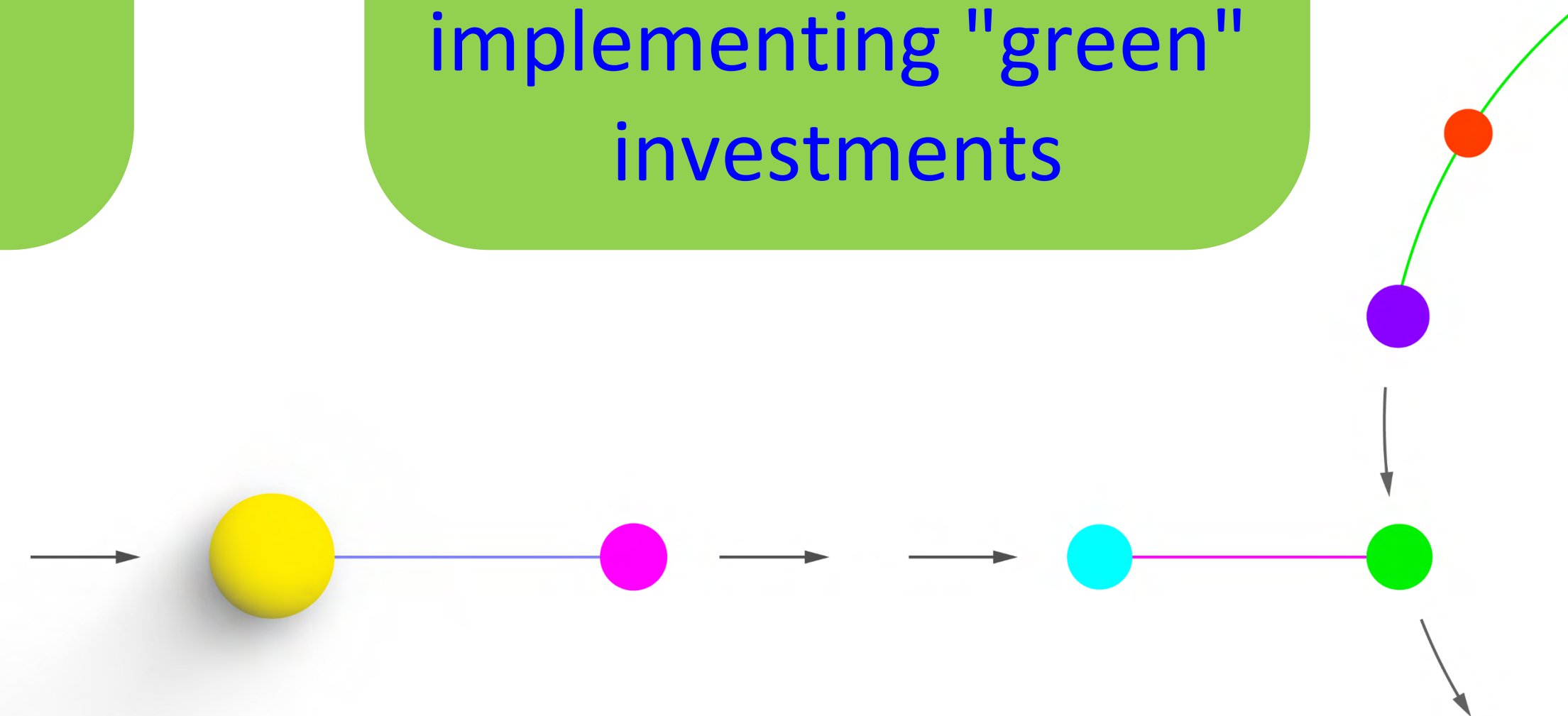
very effective instrument - high financial leverage, a product well known to entrepreneurs, significantly increases their chances of obtaining bank loans

Why interest subsidies?

additional incentive to implement development projects, reduce the costs of debt financing for entrepreneurs

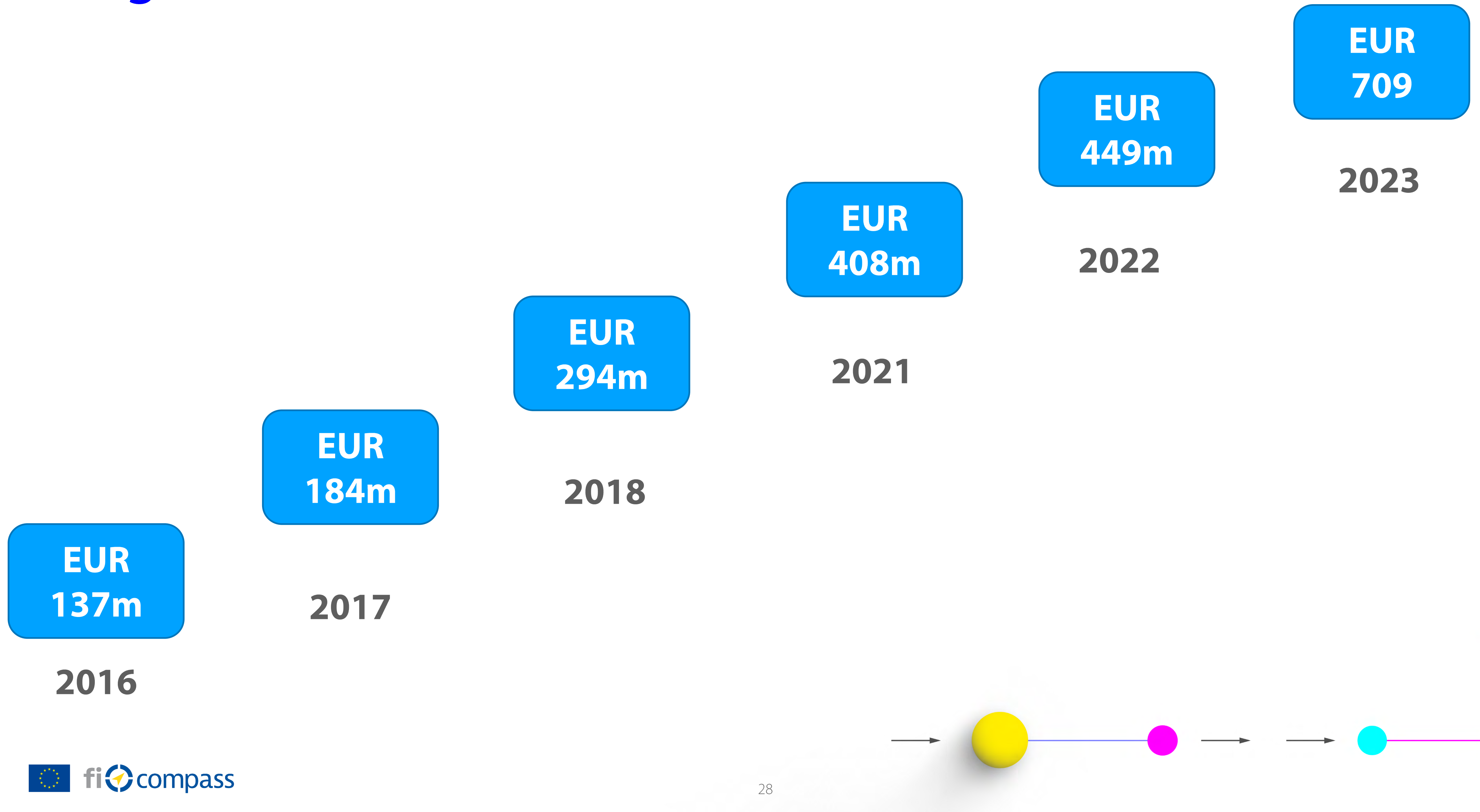
Why green path?

a response to signals from banks that entrepreneurs are interested in implementing "green" investments



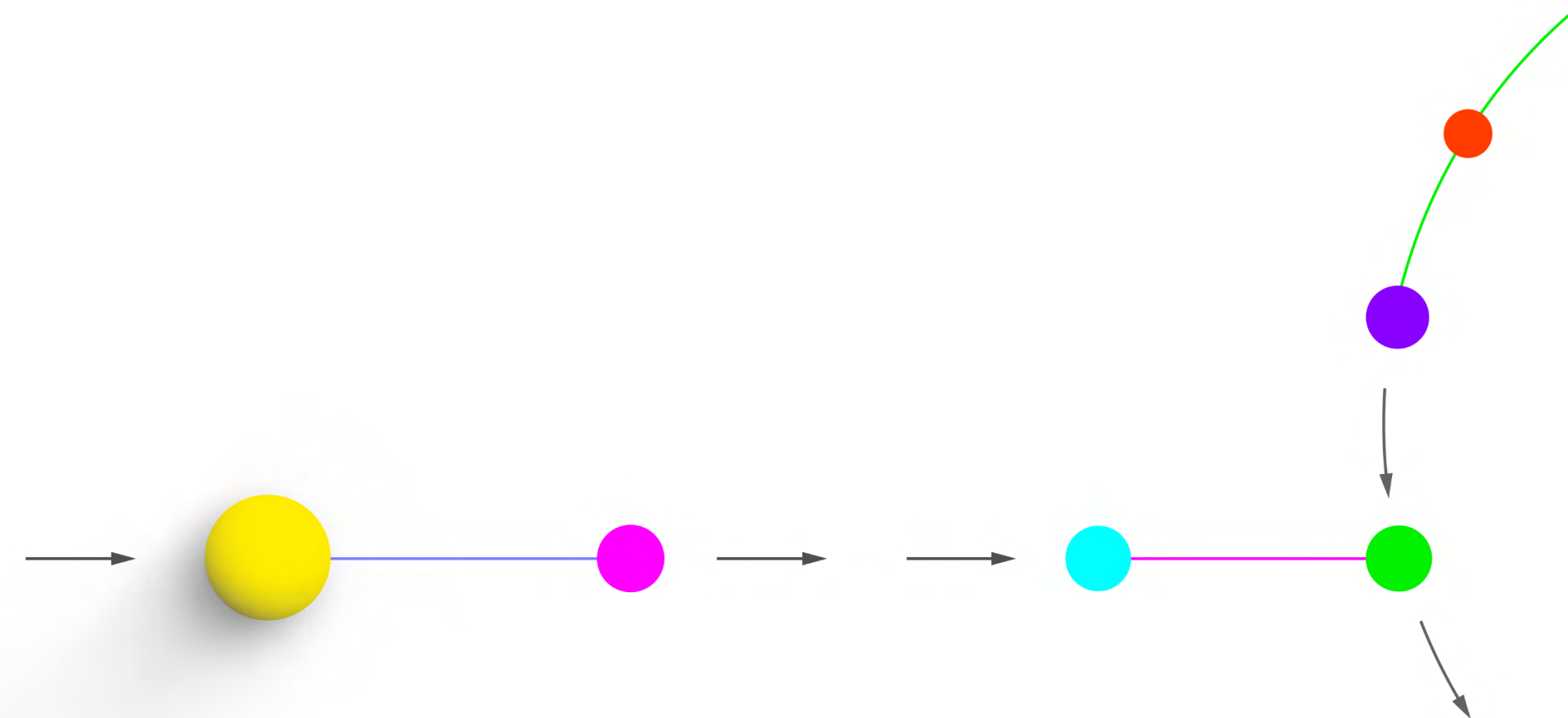
Rising allocation

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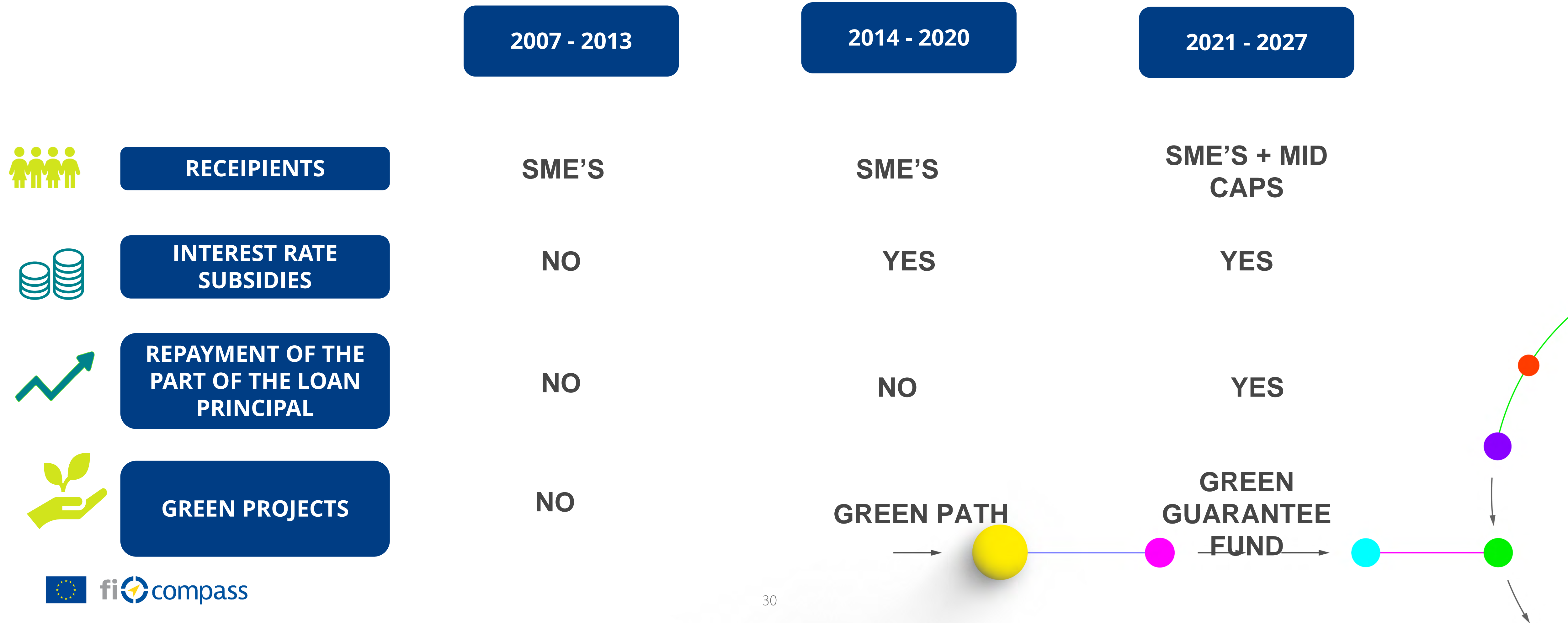


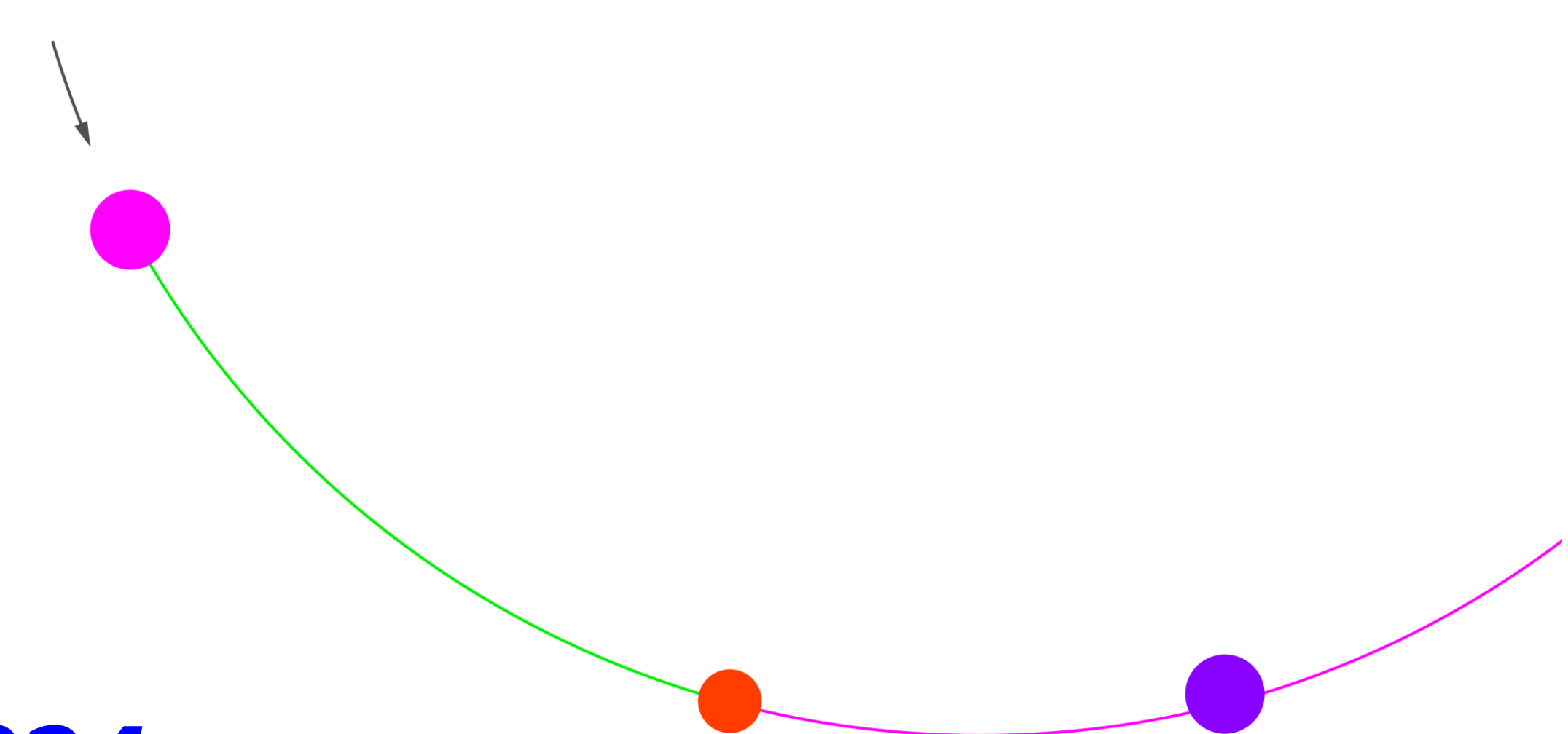
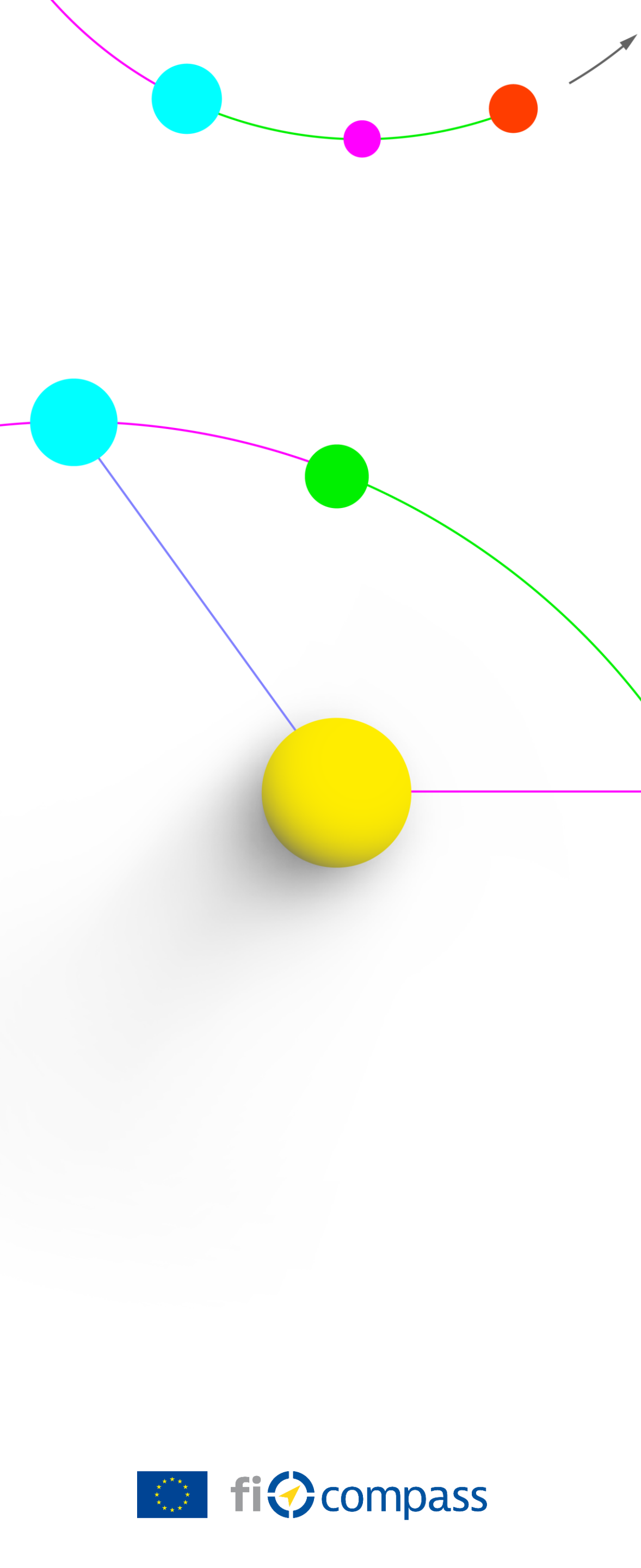
Three main success factors

- financing offer well suited to the current needs of enterprises;
- extensive experience of the Beneficiary (BGK) in implementing guarantee products;
- wide availability of financing on the market - guarantees available from the largest banks in Poland



How do we develop guarantee products in Poland?



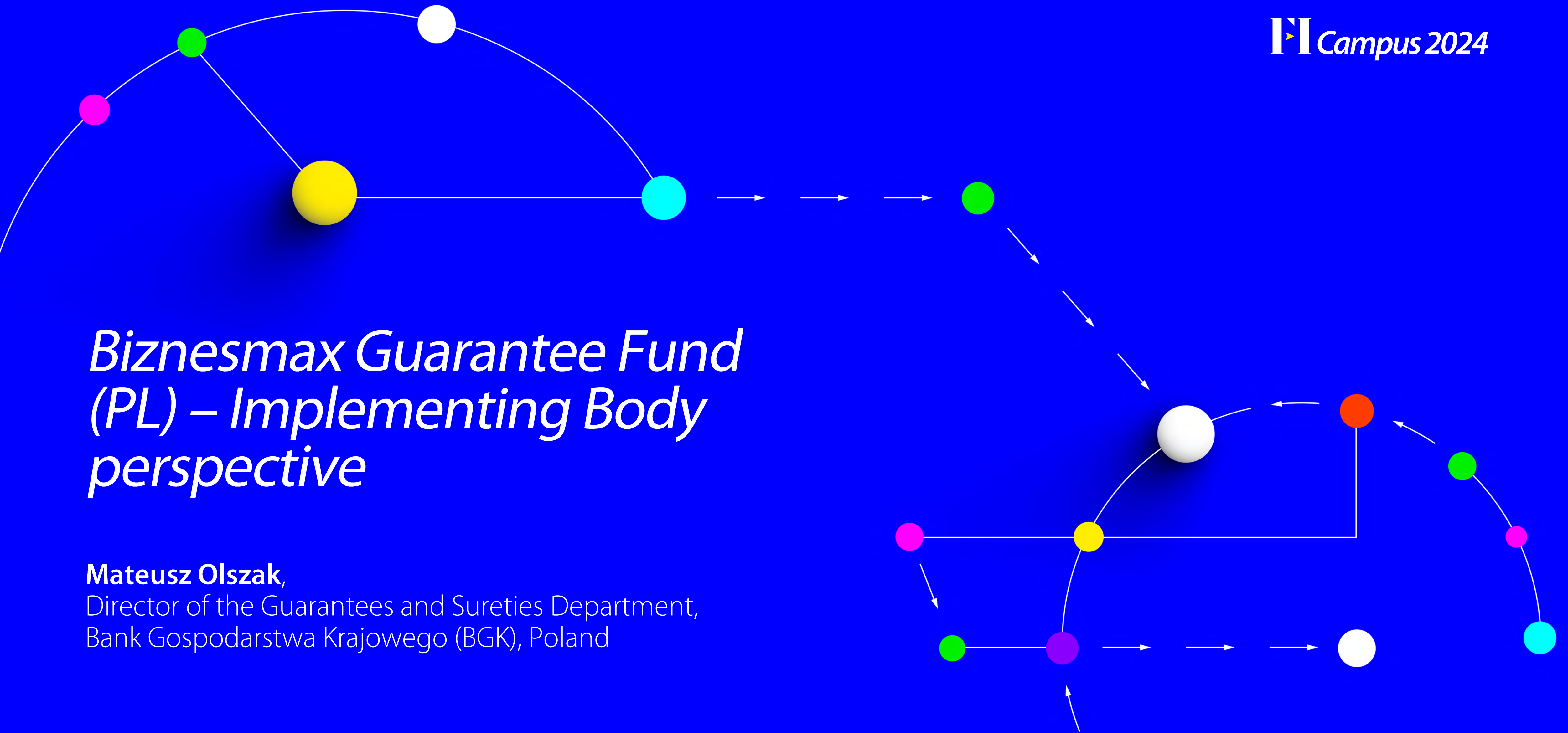


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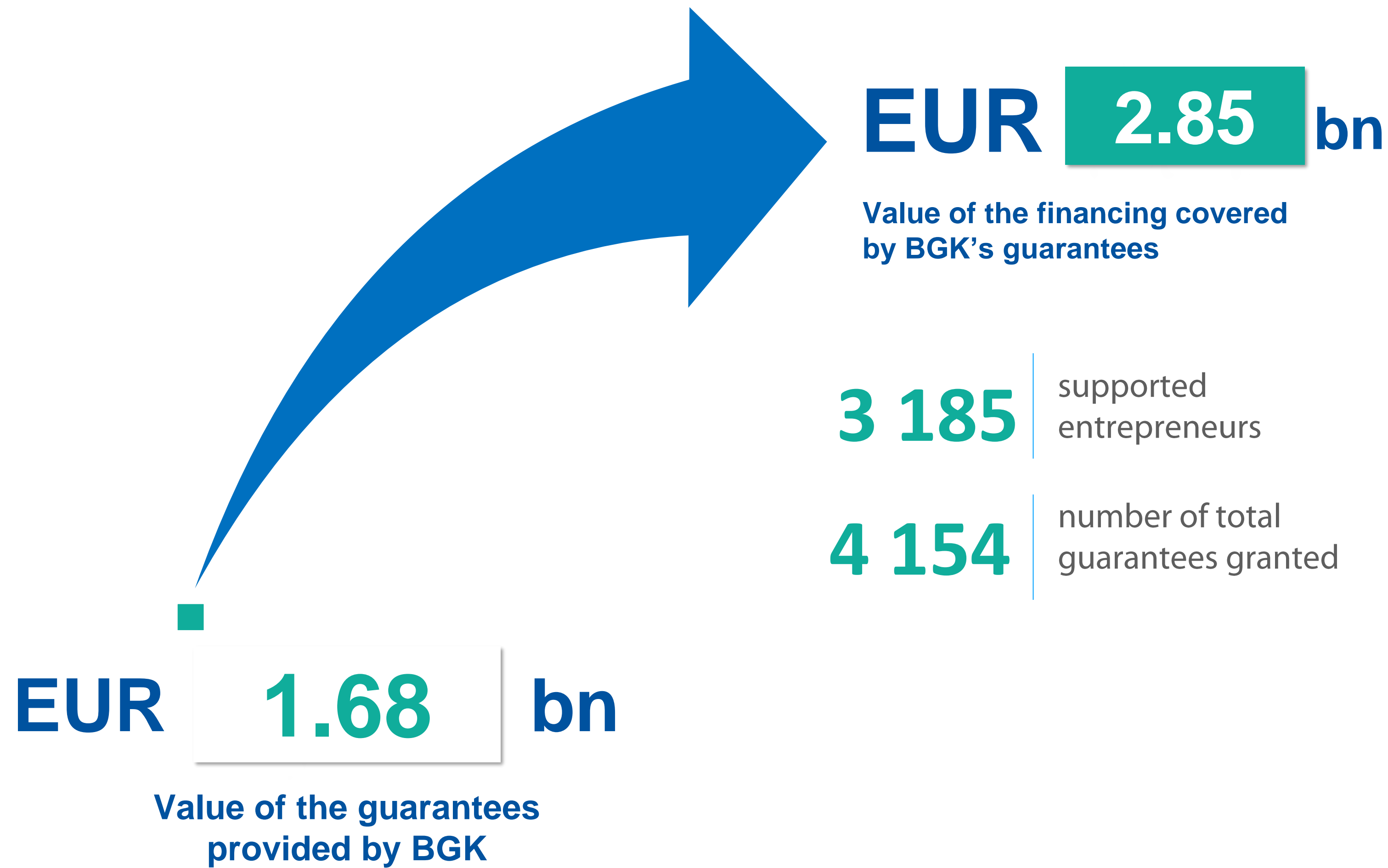
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Biznesmax Guarantee Fund (PL) – Implementing Body perspective

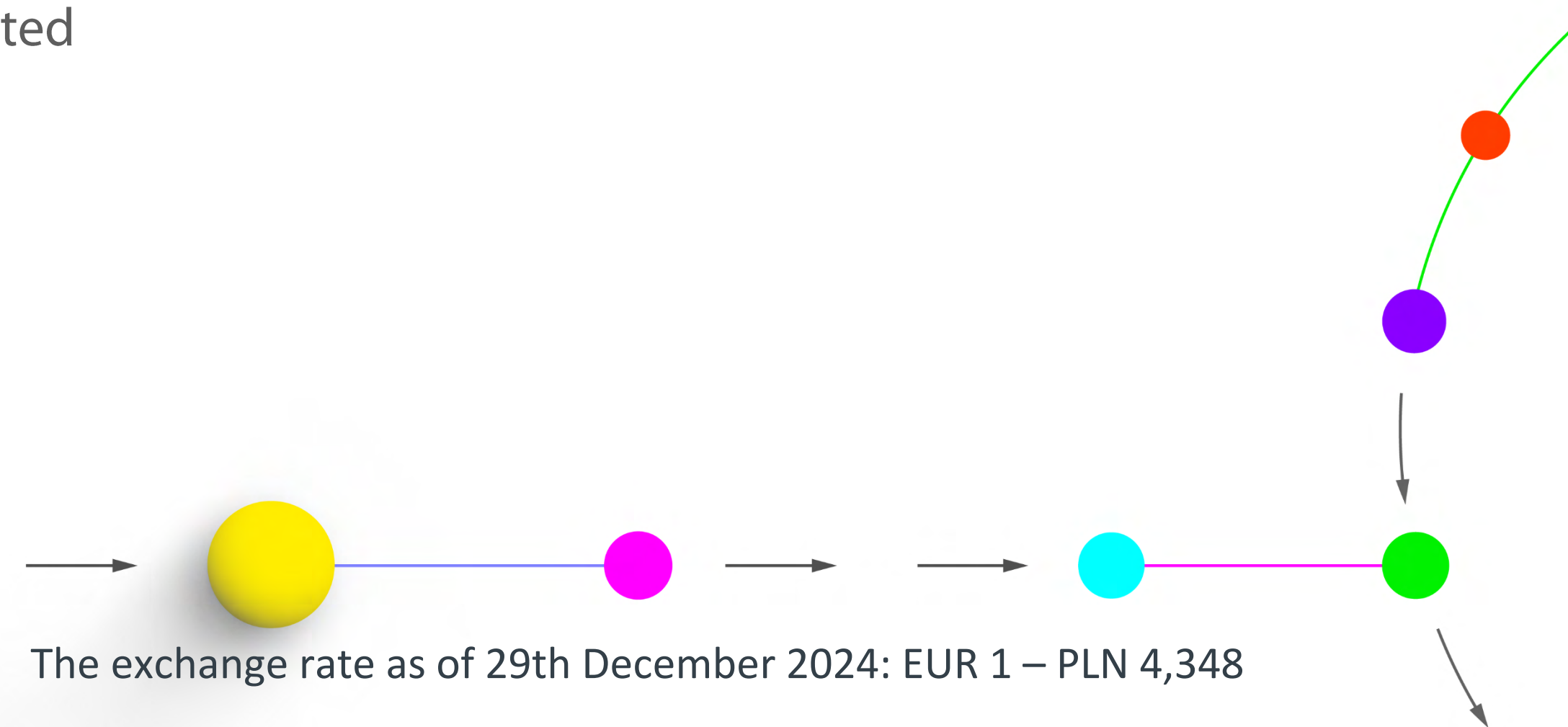
Mateusz Olszak,
Director of the Guarantees and Sureties Department,
Bank Gospodarstwa Krajowego (BGK), Poland



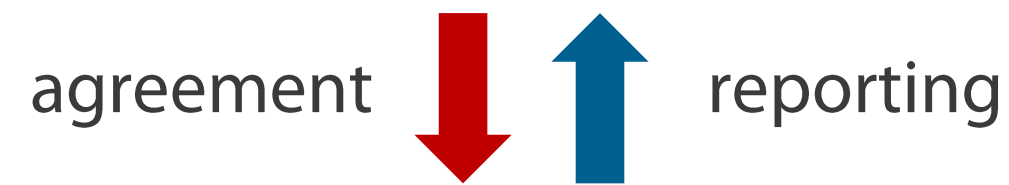
The value of Biznesmax guarantees from 2017 to 31 Dec 2023 (cumulative)



- Biznesmax guarantee activity was available via **12 banks**
- **Unique product in the EU** - two components: guarantee and interest rate subsidies
- **Flexible approach** – product adjusted to the market needs and economic conditions



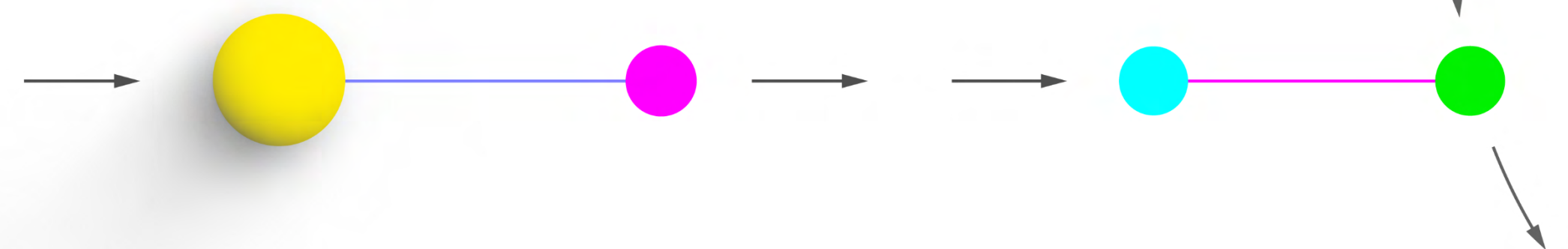
The distribution proces (business model)



guarantee and subsidy



application for credit and
application for guarantee
application for subsidy



Biznesmax guarantee – product parameters

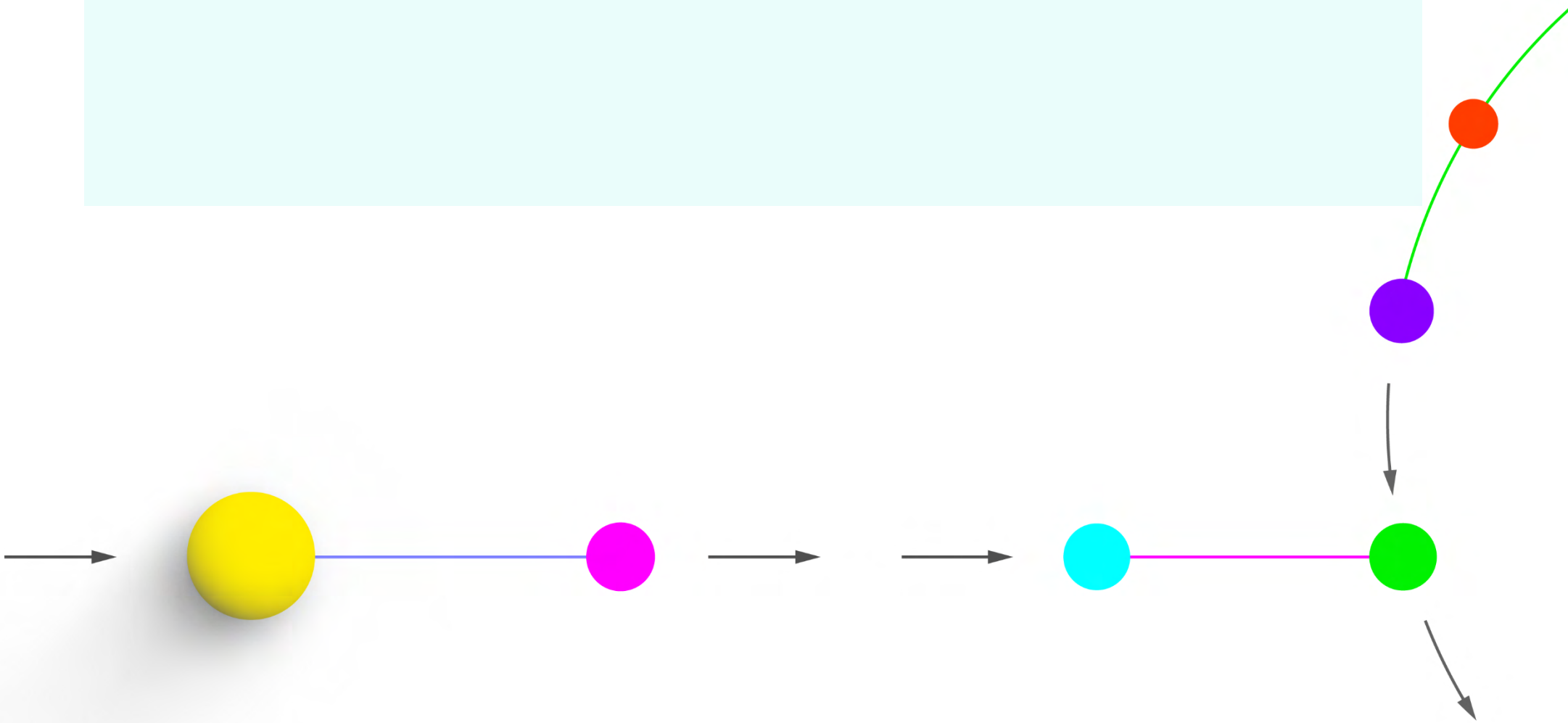
Guarantee

	Guarantee beneficiaries	SME*
	Guarantee coverage	up to 80% of the loan principal amount
	Maximum guarantee amount	EUR 2.5 m
	Maximum guarantee period	20 years
	Guarantee fee	Free of charge
	Type of loan collateral	credit to finance eligible costs of an investment project
	Currency of loan	PLN
	Type of aid	de minimis aid or regional investment aid
	Guarantee cover	blank promissory note

*SME definition according to Annex I of the EU Regulation No. 651/2014

Subsidy

- The loan interest rate subsidy covered a period of no **more than 3 years** counted from the date of disbursement of the loan covered by the Biznesmax guarantee.
- **The annual rate for calculating the loan interest rate subsidy in the first year was 8%. In the following two loan years was 4%.**



Biznesmax guarantee – survey*

63%

Entrepreneurs without BGK's support would not have received financing or would have received it on worse conditions.

96%

Entrepreneurs would recommend it to other SMEs.

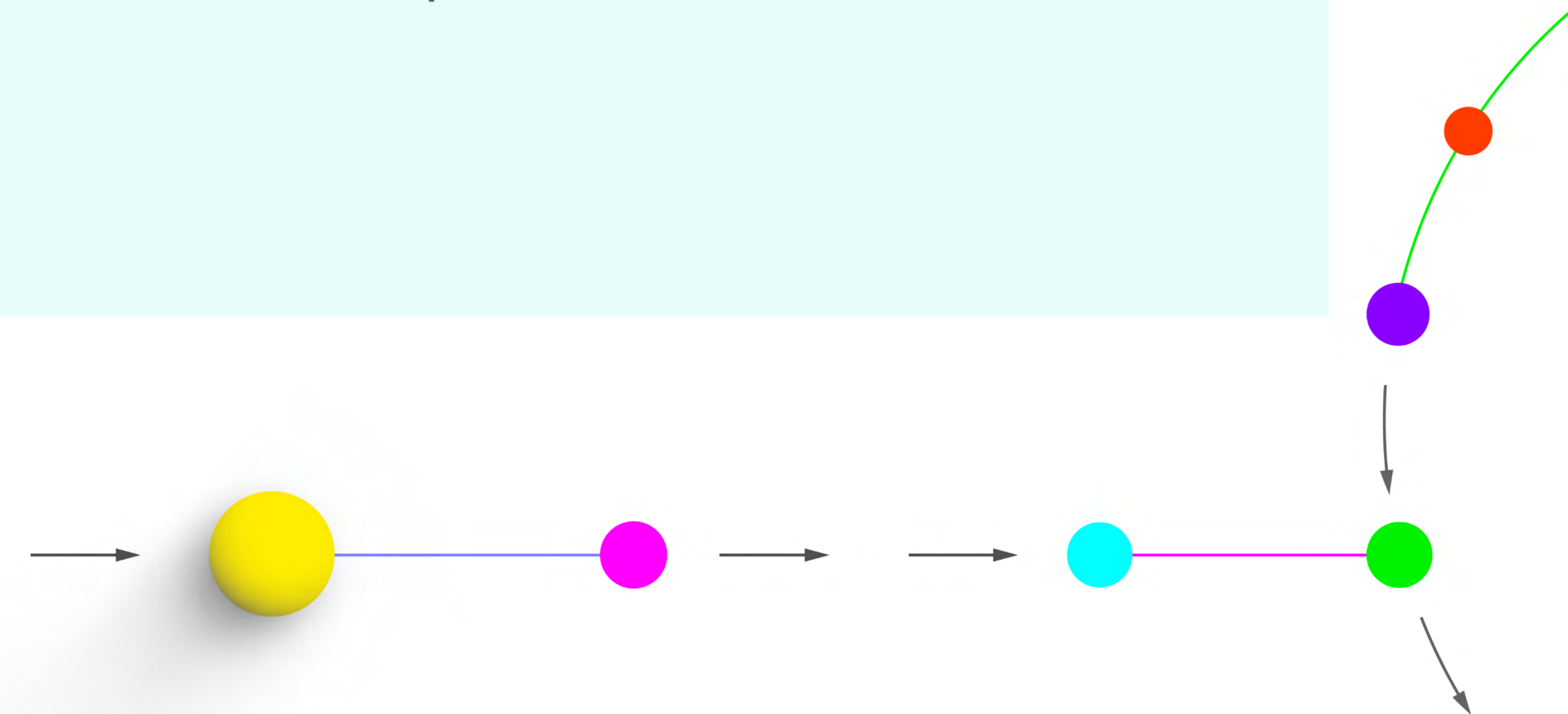
40%

Entrepreneurs have improved their financial situation thanks to the BGK's guarantee.

91%

Entrepreneurs specified that the guarantee meets their expectations.

* Draft version of the survey



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