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**Parallel sessions on case studies**

**Low Carbon**

Thursday 30 November, 14:30-16:00



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## Experience with implementation of FI in Hungary

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# FIs in the 2014-2020 programming period



**MFB** Financial Instruments



~EUR 3.2 billion\*

Loan ~EUR 1 billion

Combined loan\*\* ~EUR 1.6 billion\*

Venture capital ~EUR 0.6 billion



\* Non-refundable part of the combined products are managed by the Ministry of National Economy in cooperation with MFB. The total sum allocated to financial instruments is up to ~EUR 2.3 billion

\*\* Loan combined with grant

**2014-20**  
2,352 m EUR

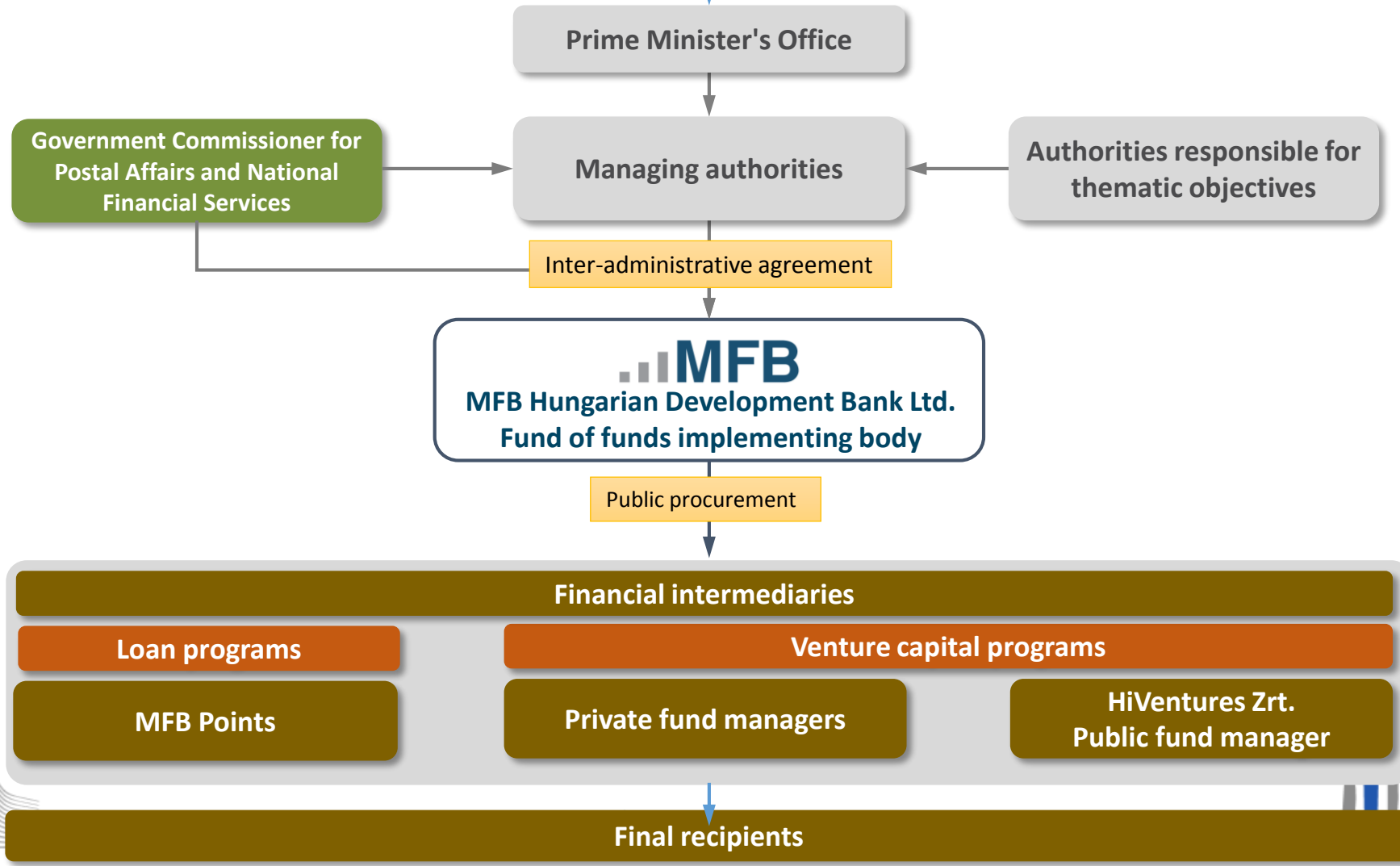


**2007-13**  
727 m EUR



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# Implementation of financial instruments in the 2014-2020 programming period



# Financial Instruments 2014-2020



TO	Loan programs	Combined loan programs	Venture capital programs
TO1	Loan program for supporting RDI activities of enterprises (EDIOP)	Combined loan program for supporting RDI activities of enterprises (EDIOP)	National technological and intellectual property venture capital program (EDIOP) Smart specialisation venture capital program (EDIOP, CCHOP)
TO2	-	Loan program for the development of NGA and area networks (linked to grant; EDIOP) Combined loan programs for supporting ICT development (4 programs; EDIOP)	Specialized seed and pre-seed investment fund for start-up ICT companies venture capital program (EDIOP) Digitalisation Fund (EDIOP)
TO3	Loan program for enhancing competitiveness of SMEs (EDIOP, CCHOP)	Combined loan program for supporting capacity expansion of SMEs (EDIOP) Combined loan program for supporting medium-sized food companies (EDIOP)	<p>Irinyi venture capital program (EDIOP)</p>
TO4	Energy loan program for SMEs (EDIOP) Loan program for improving energy efficiency in the housing sector (EDIOP, CCHOP)	Combined loan program for improving energy efficiency of SMEs' buildings with the use of renewable energy (EDIOP, CCHOP)	
TO8	Loan program for promoting employment (EDIOP)	-	



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# Main issues linked to FI product-development



- Market failures, funding gap – ex-ante analysis  
different levels of the economic value of the incentives; different types of incentives; different sizes and industrial sectors of the assisted firms
- Product conditions  
final recipients, financing structure, interest rate, term, eligible activities
- Pricing – state aid categories  
De minimis, GBER (Regional Aid, RD&I, EE and access to finance for SMEs...)



# State aid implications of FIs



Common assessment principles for state aid	Ex-ante assessment of FIs (CPR Art.37)
Contribution to a well-defined objective of common interest;	Contribution to the achievement of specific objectives set out under a priority;
Need for state aid intervention;	Analysis of market failure or suboptimal investment situations and investment needs;
Appropriateness of the aid measure; Avoidance of undue negative effects;	Added value of the FI and measures to minimise market distortion;
Incentive effect;	Leverage of additional resources and assessment of the need for and the level of, preferential remuneration to attract counterpart resources from private investors;
Proportionality of the aid;	Proportionality of the envisaged intervention;
Transparency of aid.	Depending on the support scheme the quantified value added may contribute to the assessment of the transparency.



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**TO4 Combined loan products (FI combined with grant) –  
Improving energy efficiency of SMEs' buildings (with  
renewable energy) 1.**



		GINOP-4.1.1-8.4.4-16	VEKOP-5.1.1-5.1.2-16
<b>Budget</b>		Grant: MEUR ~22 Loan: MEUR ~22	Grant: MEUR ~19 Grant: MEUR ~19
<b>Call announcement</b>		12/07/2016	
<b>Start of submission</b>		03/16/2017	
<b>Final recipients</b>		SMEs	
<b>Main objectives</b>		Improving energy efficiency, using renewable energy	
<b>Financing structure</b>	<b>Ratio of private contribution</b>	Minimum 10%	
	<b>Amount of grant</b>	Minimum TEUR ~10 Maximum TEUR ~160	
	<b>Amount of loan</b>	Minimum TEUR ~10 Maximum TEUR ~160 The amount of the loan must exceed the amount of the grant	
	<b>Ratio of grant</b>	45% of the eligible costs	
<b>Interest rate</b>		2% p.a.	
<b>Term</b>		Maximum 10 years	
<b>Currency</b>		HUF	



**TO4 Combined loan products (FI combined with grant) –  
Improving energy efficiency of SMEs' buildings (with  
renewable energy) 2.**



	GINOP-4.1.1-8.4.4-16	VEKOP-5.1.1-5.1.2-16
<b>Project parts</b>	<ol style="list-style-type: none"> <li><b>Increasing energy efficiency: min. 50%</b></li> <li><b>Using renewable energy: min. 10%</b></li> </ol> <p>The combination is required for each project.</p>	
<b>Eligible activities</b>	<ol style="list-style-type: none"> <li><b>Project preparation</b></li> <li><b>Activities to improve energy efficiency</b> <ul style="list-style-type: none"> <li>Reduction of heat loss</li> <li>Modernization of heating, cooling and hot water systems</li> <li>Energy-saving conversion of existing indoor and outdoor lighting systems</li> </ul> </li> <li><b>Activities to increase renewable energy use</b> <ul style="list-style-type: none"> <li>Installing solar collector systems</li> <li>Construction of briquette, pellet, wood chip, wood gasification boiler systems</li> <li>Use of heat pump systems</li> </ul> </li> <li><b>Publicity</b></li> </ol>	
<b>State aid categories</b>	<ol style="list-style-type: none"> <li><b>De Minimis aid</b> - Commission reg. (EU) No 1407/2013</li> <li><b>Investment aid for energy efficiency projects</b> - Commission reg. (EU) No 651/2014</li> <li><b>Investment aid for the promotion of energy from renewable sources</b> - Commission reg. (EU) No 651/2014</li> </ol>	



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TO4 Loan product (FI) –  
*Electricity generation with the use of renewable energy sources*



		GINOP-8.4.1/B-16 (SUSPENDED)
<b>Budget</b>		MEUR ~177
<b>Call announcement</b>		12/07/2016
<b>Start of submission</b>		02/28/2017
<b>Final recipients</b>		SMEs
<b>Main objectives</b>		Electricity generation for network production with the use of renewable energy sources (with the exception of wind energy)
<b>Financing structure</b>	<b>Ratio of private contribution</b>	Minimum 10%
	<b>Amount of loan</b>	Minimum TEUR ~3 Maximum TEUR ~3,230
<b>Interest rate</b>		0% p.a.
<b>Term</b>		Maximum 15 years
<b>Currency</b>		HUF



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# TO4 Loan products (FI) – Improving energy efficiency in the housing sector



		GINOP-8.4.1/A-17	VEKOP-5.2.1-17
<b>Budget</b>		MEUR ~339	MEUR ~30
<b>Call announcement</b>		02/24/2017	
<b>Start of submission</b>		04/24/2017	
<b>Final recipients</b>		Natural persons, multi-apartment buildings	
<b>Main objectives</b>		Energy renovation of residential buildings, improving energy efficiency, using renewable energy	
<b>Financing structure</b>	<b>Ratio of private contribution</b>	Minimum 10%	
	<b>Amount of loan</b>	Minimum EUR ~1.600 Maximum TEUR ~32 (Multi-apartment buildings: TEUR ~23 per apartment)	
<b>Interest rate</b>		0% p.a.	
<b>Term</b>		Maximum 20 years	
<b>Currency</b>		HUF	

***Beneficiaries can use it together with state supported housing savings program!***



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