



**Social economy financing on the example of BGK's
pilot project: *The Financial Engineering support for the
social economy development.***

10 March 2016 Budapest



Managing Authority (The Ministry of Development)

Implementation of the Project – executive regulations



Intermediate Body (The Ministry of Family, Labour and Social Policy)

Steering Committee monitoring,
the system of support

Provision of funds

Supervising the Holding Fund's
Manager



The Holding Fund Manager (BGK)

creates and manages
the Holding Fund

organizes a tender
to select Financial
Intermediaries

transfers funds to
the Loan Funds/FI

enables to reuse
resources returned
from investments

controls and
monitors the
Financial
Intermediary

reports to the
Intermediate Body



Financial Intermediary

grants loans

provides advisory services



Social Economy Entities (SEEs)



✓ Aims:

- SEEs' development and business activities extension
- testing the effectiveness of FI instead of grant system

✓ Budget: ca. EUR 7.6 m. Second turn of means: ca. EUR 3.16 m.

✓ Recipients, e.g.:

- foundations and associations
- social cooperatives, cooperatives of disabled and blind people
- organizational units of churches and religious associations
- sport clubs
- public companies and Ltd. companies – running non for profit



FI (Preferential loans):

- max. maturity of 60 months
- max. grace period of a capital repayment 6 months
- max. amount of the loan: ca. EUR 24,000
- annual interest rate – 0,5 of the discount rate with possibility to lower to 0,25 of the discount rate (currently 0.88% with a possibility to lower to 0.44%)
- *de minimis* aid
- standard loan security: a borrower's blank promissory note (additional security depending on the risk assessment)
- no fees and commissions
- loan covers up to 100% costs of an undertaking



Objectives of the Project:

- provision of at least 250 loans to SEEs running business throughout the country
- consulting services to minimum 200 borrowers
- creation of 50 labour places

Results incl. second turn of means (by the end of 2015):

- 398 granted loans (321 SEEs)
- 241 borrowers supported with consulting services (4 000 hours of a free advise)
- 436 new labour places (237 for women)



Prospects 2014-2020

- ✓ „SEE’s support by FI application” - project implemented under the Operational Programme Knowledge Education Development 2014-2020
- ✓ For the implementation of new revolving instruments has been designated an amount of **EUR 42.5 m.**
- ✓ FI for SEEs: **loans, guarantees and innovative instruments, eg. *social venture capital.***
- ✓ BGK will act as the Fund of Fund’s Manager (National Fund of Social Entrepreneurship)

Nagyon köszönöm a figyelmüket !!!



financial instruments revolving capacity building
 added value **ERDF** funding agreement **ESF** EU guidance
 governance ex-ante assessment
 technical seminars **leverage** financial microfinance
 support co-financing intermediaries case studies
investments ESIF **fi-compass** final recipients
 business plan **Thank you** thematic objectives
 advisory services **guarantees** banks **loans** **EaSI** equity
 private investors life cycle combination of support
EAFRD conferences factsheets
fund of funds **EMFF** investment strategy **CF**
 managing authorities manuals

