

Financial instruments for social economy implemented by Bank Gospodarstwa Krajowego

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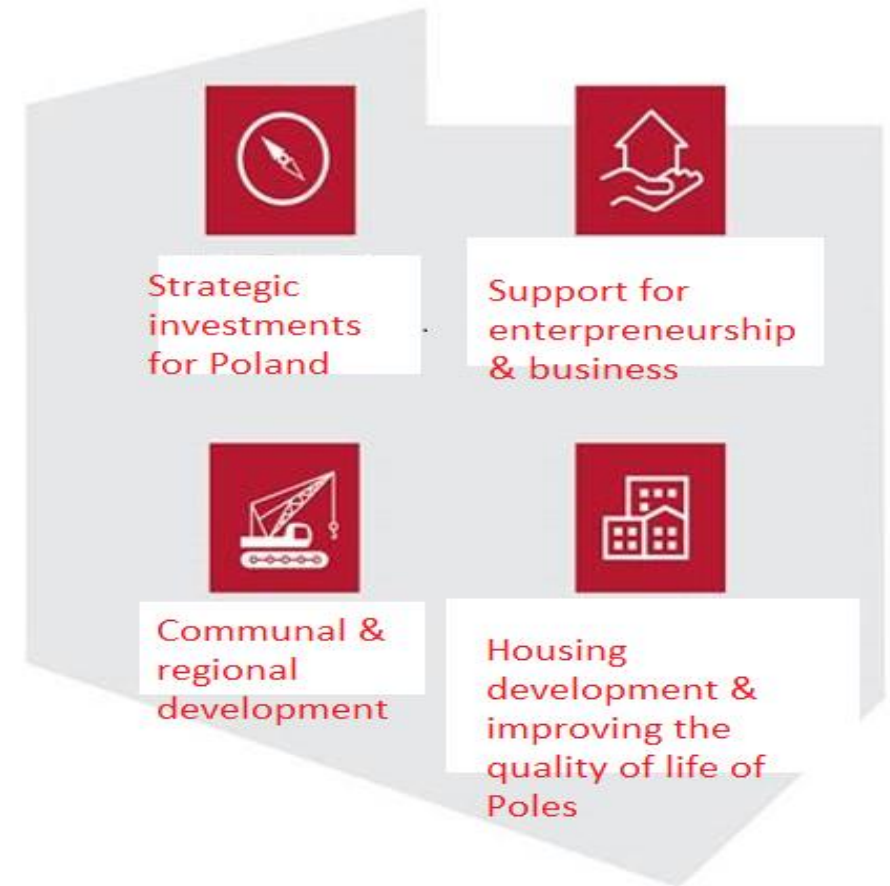
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Bank Gospodarstwa Krajowego /BGK is the **state development** bank with the mission to support social and economic development of Poland and Polish public sector in the fulfilment of its' tasks

The Bank is acting as the Manager of the **National Fund for Social Entrepreneurship (Fund of Funds)** financed with resources entrusted by under the European Social Fund



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Revolving and mixed instruments implemented by BGK (2014-2020)

Support for SMEs
EUR 1 507.63m
RPO

Innovation
EUR 702.10m
FKT, PO IR

Revitalisation
EUR 148.41m
RPO (FI), BGK (FI)

Labour market
EUR 192.26m
RPO, WwS (FI)

**EU Funds entrusted to BGK
EUR 3 004.31m**

Broadband Internet
EUR 233.36m
POPC

Energy efficiency
EUR 174.69m
RPO (FI), BGK (FI)

Social Economy
EUR 31.57m
POWER (FI)

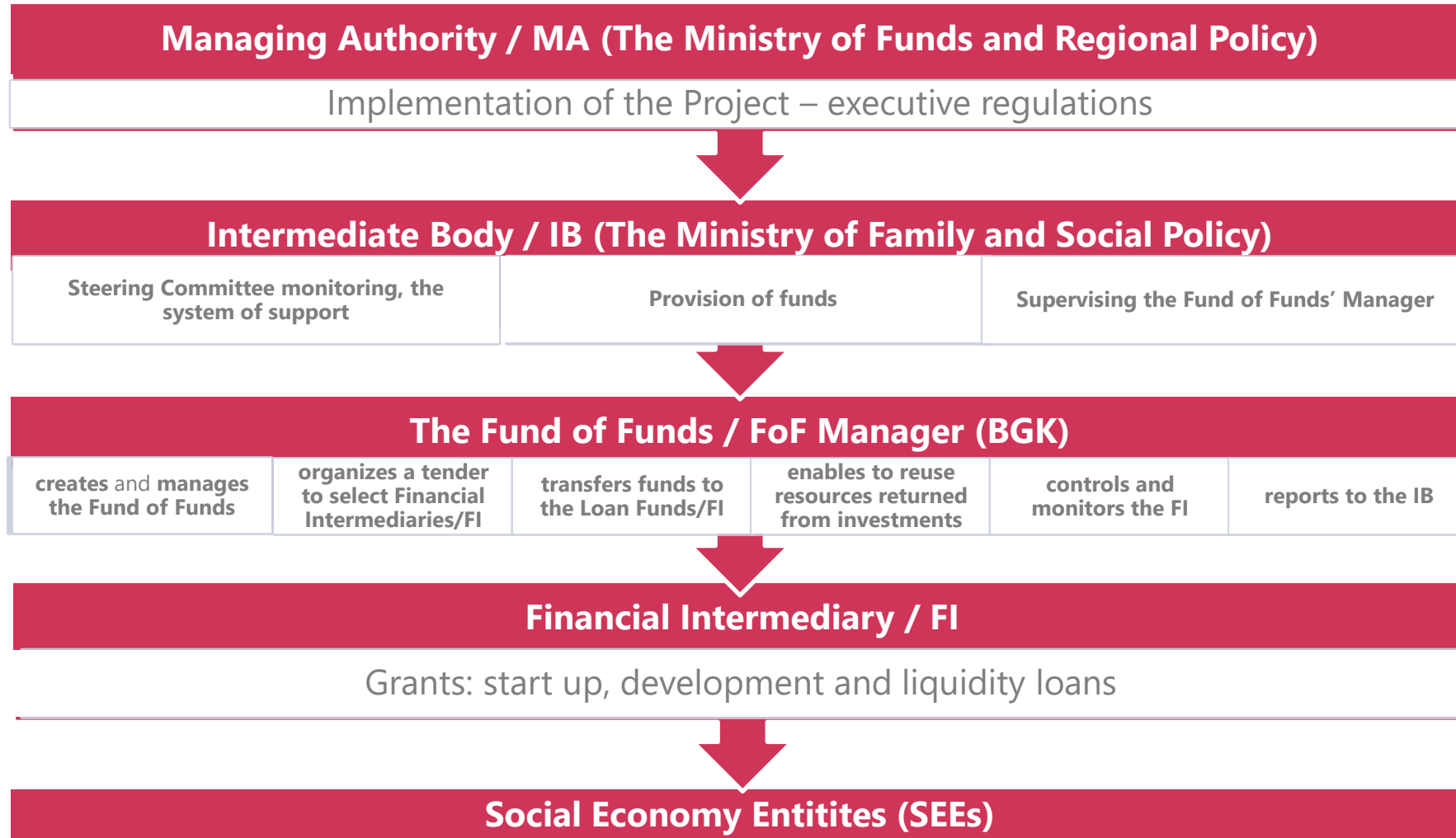
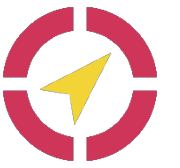
Renewable energy
sources
EUR 14.29m
RPO



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Structure of the FI (ESF) - relations between stakeholders



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The funds provided for the Financial Instruments (FI) for Social Economy Entities (SEEs)



EFS
2007-2013

EUR 7,2m
(loans)
The Human Capital
OP
The paid back
(revolving) loans
transferred to the
Liquidity Loan Fund

EFS
2014-2020

EUR 38,8m
(loans)
The Knowledge
Education
Development OP
The paid back loans
transferred to the
Liquidity Loan Fund
and guarantees

EFS+
2021-2027

EUR 39,2m
(loans+SVC)
The European Funds
for Social
Development 2021-
2027



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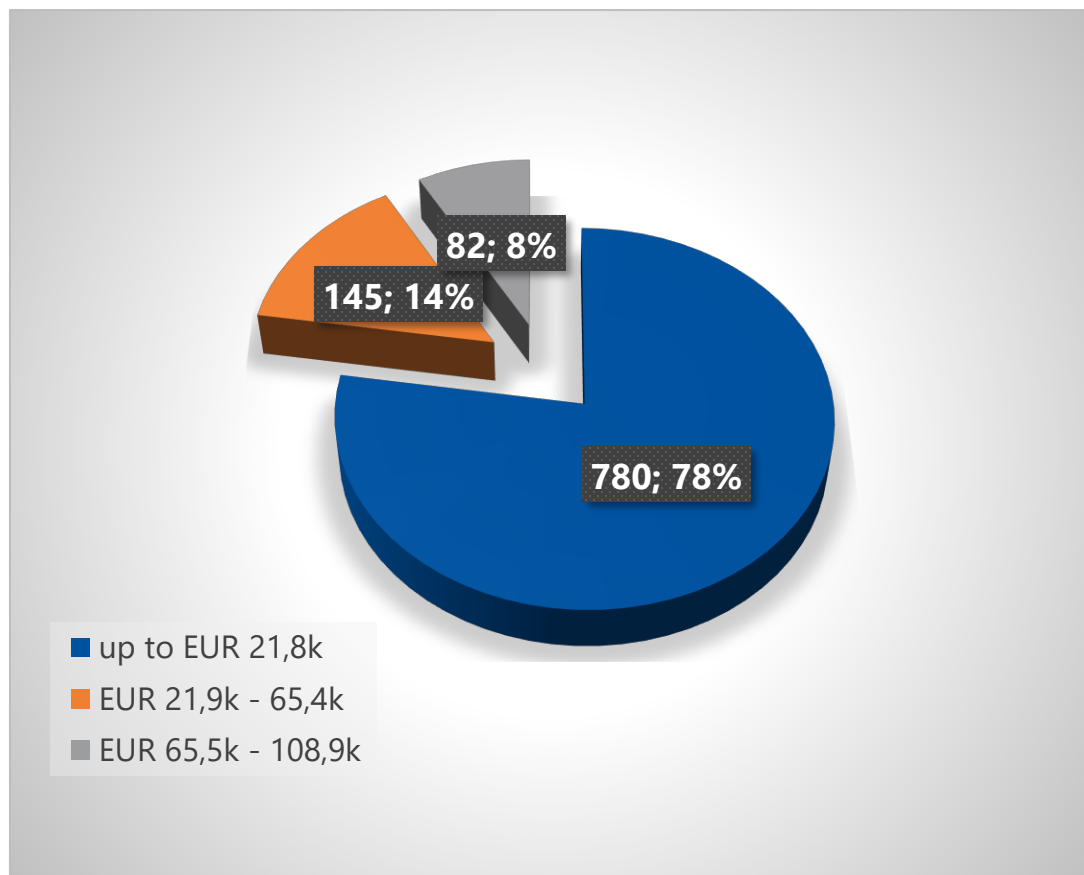
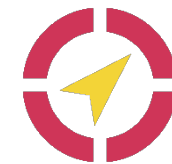
Type of FIs being actually offered to SEEs by the BGK



	Loans for start-ups (SEEs) operating less than 12 months	Loans for SEEs operating over 12 months	Liquidity Loan for SEEs operating over 12 months	Missionary loan – a type of liquidity loan for SEEs operating over 12 months
Source of funds	ESF (Knowledge Education Development OP)		Paid back legacy funds (ESF)	
Maturity [months]	60	84	36	
Max. loan value*	EUR 21,8k	EUR 108,9k	EUR 21,8k	EUR 21,8k
Max. loss ratio	30%	20%	100%	100%
Grace period [months]	6			
Collateral	Blank promissory note as a standard collateral			
Commissions & fees	None			
State aid provision	De minimis aid			



Number of loans relatively to a value



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Results of FIs for SEEs implemented by the BGK

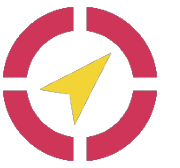
	Loans for start-ups (SEEs) operating less than 12 months	Loans for SEEs operating over 12 months	Liquidity Loan for SEEs operating over 12 months
Total value of loans	close to EUR 2,4m	close to EUR 23m	over EUR 3,8m
Total number of loans	157	839	241
Number of jobs declared to be created	over 1247		not applicable



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ESF+ needs that brought Polish Authorities to support the FIs for SEEs



- **Evaluation of needs within social economy sector (conclusions)**
 - **financial gap** estimated in the debt financing area. It amounted to about EUR 13,5m (lower limit) and EUR 71m (upper limit)
 - SEEs mostly finance their activities from their own resources and grants
 - a very small group of SEEs (1-2%) using bank loans/credits
 - SEEs' inability to establish adequate collateral for bank loans and credits
 - favourable assessment of loans and their results granted so far from the ESF (loan instruments should be launched on terms similar to those applied currently)





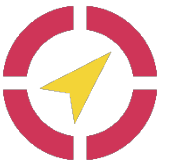
Future perspectives of FI for SEEs

Programme: European Funds for Social Development 2021-2027 The EFS+ resources: EUR 39,22m (loans + SVC)

	Partially returnable instruments	Financial Instruments (returnable)	Capital and quasi-capital ventures
Start-ups (SEEs) operating less than 12 months	Partially remitted loan for start-ups in a case of achieving measurable social benefits	A loan to start	not applicable
SEEs operating over 12 months	Partially remitted loan for development in a case of achieving measurable social benefits	A bid bond guarantee A portfolio guarantee A liquidity loan A development loan	Social Venture Capital
The origin of funds	EFS+, domestic subsidy	EFS+, domestic subsidy, paid back (revolving) legacy funds (ESF)	EFS+, domestic subsidy



Experience in financing SEES



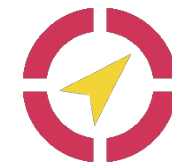
- establishing a sustainable system of Social Economy Entities' financing based on repayable resources, that would provide SEEs access to capital necessary to develop their activities, increase their financial autonomy and make them independent from granting system
- trust building and promoting Financial Instruments among SEEs
- increasing number of financial institutions cooperating with SEEs
- Involving commercial institutions in SEEs financing system



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Thanks to the ESF financial instruments the SEEs are getting stronger and more competitive



The Fund of Funds' borrowers take successfully part in nationwide and international contests:

- The **certificate of the "Social and Solidarity Economy Mark of Quality"**
 - The aim of the contest is to:
 - reward the best of the best SEEs
 - promote responsible consumer's behaviour
 - build a positive image of the social entrepreneurship
 - indicate benefits of shopping in this sector
 - improve a quality of services and products of the SEEs and social enterprises
- The **CEB Award for Social Cohesion**
 - award for an entity that addresses pressing social issues and makes a significant contribution to social cohesion in an innovative and effective way.



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