



## The implementation of the Croatian micro and small loans for rural development financial instrument

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 #ficompass



# ABOUT US



- **Croatian Agency for SMEs, Innovations and Investments (HAMAG-BICRO)** was founded (1994) with the aim of supporting the development of small and medium-sized enterprises, improving the innovation process and encouraging investments
- independent institution under the supervision of the Ministry of Economy and Sustainable Development
- we are committed to growth and development of SMEs and crafts in the Republic of Croatia by facilitating their access to finance

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## Activites:

**HAMAG-BICRO** offers a wide range of products and services for SME's through different programs like grants, guarantees and loans with the most popular interest rates on the market including programs of supporting research, development and innovations



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## Our main fields of work are:

- Promoting investments
- Issuing guarantees for bank credits to SME's
- Approving loans to SME's
- Grant schemes implementation

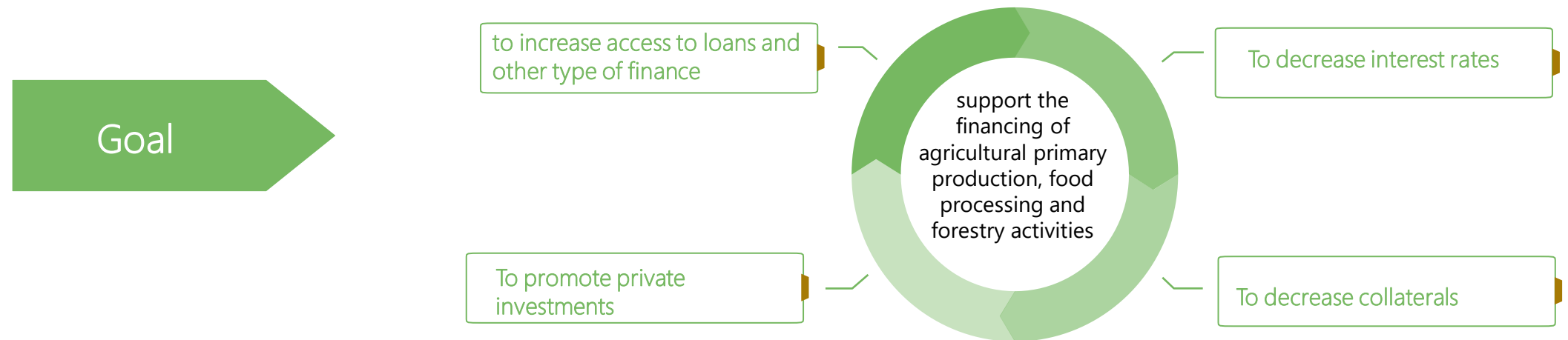
# IMPLEMENTATION FI FOR RDP IN CROATIA



## Financial agreement

- signed Agreement between Ministry of Agriculture, Paying Agency for Agriculture, Fisheries and Rural Development and HAMAG-BICRO in 04/2018
- HAMAG-BICRO and Ministry of Agriculture have been actively presenting FI products/programs throughout all Croatia (including TV and radio marketing)

## Micro and Small loans launched in September 2018

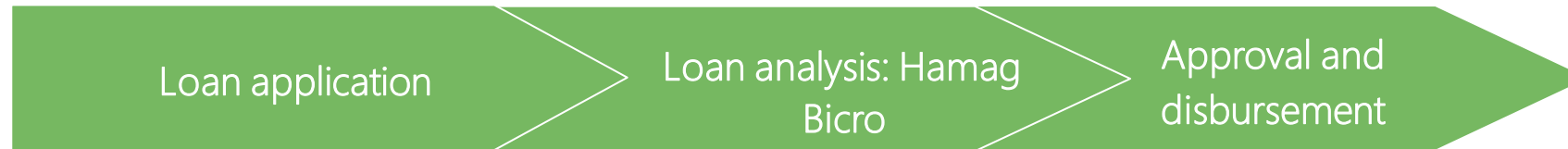


# LOANS FOR RURAL DEVELOPMENT – MAIN FEATURES



## HAMAG-BICRO – loan approval and disbursement directly to SMEs:

- Faster administrative processing of credit demands and faster investment realization
- Processing of application by the date of receipt (permanent open call)



### Acceptable costs:

- ✓ New and used equipment
- ✓ Purchasing of livestock
- ✓ Annual crops
- ✓ Investments in production spaces
- ✓ Working capital

### Unacceptable cost:

- Once incurred before the application date
- Refundable VAT
- Refinancing prior obligations and interests on debt
- The costs of purchase land above 10% of the loan amount

**No combination of grants and FIs on the same project**

# RDP MEASURES



## FI measures - M4, M6, M8

### Investments in line with RDP sub-measures:

- 4.1 - investments in agricultural holdings
- 4.2 - investments in processing/marketing and/or development of agricultural products
- 6.4 - investments in creation and development of non-agricultural activities
- 8.6 - investments in forestry technologies and processing of forest products

## Allocation of funds for FI for rural development

FI HAMAG-BICRO	Micro loans	Small loans	Total
	EUR	EUR	EUR
Total RDP	9.706.697,00	76.429.823,90	86.136.520,90

# MICRO AND SMALL LOAN FOR RURAL DEVELOPMENT



	Micro loan for investments	Micro loan for working capital	Small loan for investments
<b>Amount EUR</b>	1.000 – 25.000 EUR	1.000 – 25.000 EUR	25.001 – 100.000 EUR
<b>Fees</b>	no approval fees, no commitment fees, no prepayment fees or any other fees etc.		
<b>Interest rate</b>	0,1% and 0,25% - depending on the county development index of the investment	0,50%	0,1% and 0,25% - depending on the county development index of the investment
<b>Disbursement period</b>	6 months	3 months	6 months
<b>Grace period</b>	Up to 12 months	Up to 12 months	Up to 12 months Up to 60 months in investments in new perennial plantations
<b>Repayment period</b>	Up to 5 years with grace period included	Up to 3 years with grace period included	Up to 10 years with grace period included Up to 12 years for investments in new perennial plantations and rural tourism sector
<b>Collaterals</b>	Debentures and other collaterals (according to risk assessment)		
<b>Loan purpose</b>	Investments in material and non-material assets, WC financing up to 30%	Working capital	Investments in material and non-material assets, WC financing up to 30%

# CHANGES AND IMPROVMENTS IN THE PROGRAM TERMS



## 03/2020

- New instrument - Micro loan for working capital (up to 25 000 EUR)
- decreased interest rate for Micro and Small investments loan – currently in range from 0,1% - 0,25% (previously 0,50% - 1,00%)

## 07/2021

- Increased maximum amount of Small loans for investments from 50 000 EUR up to 100 000 EUR
- SO output criterium is removed from the program (previously 6 000 EUR for fruit, vegetable and flower sector, and 8.000 EUR for other sectors)

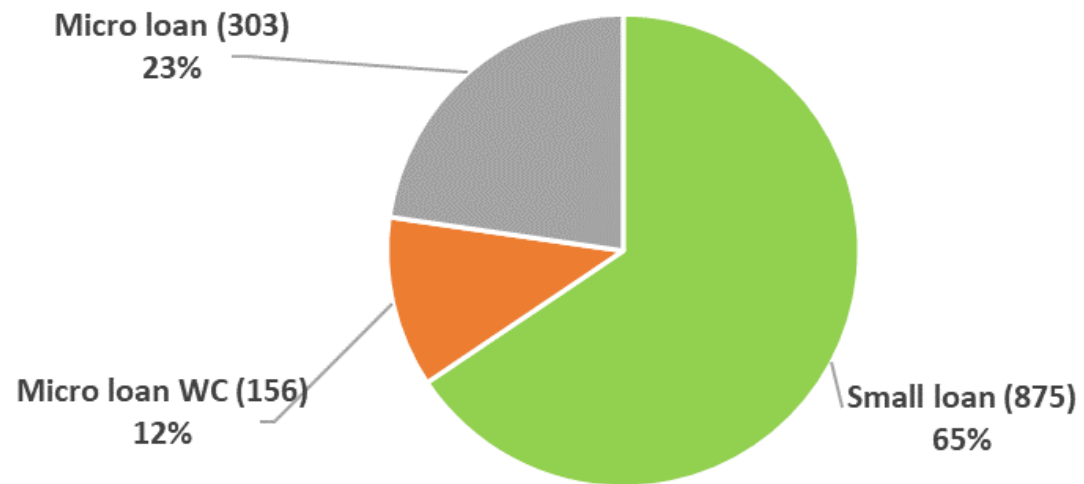
## 04/2022

- Extended grace period up to 5 years for investments in new perennial crop plantations
- Extended repayment period from 10 years up to 12 years for investments in:
  - new perennial crop plantations
  - rural tourism sector in counties with lower regional development index

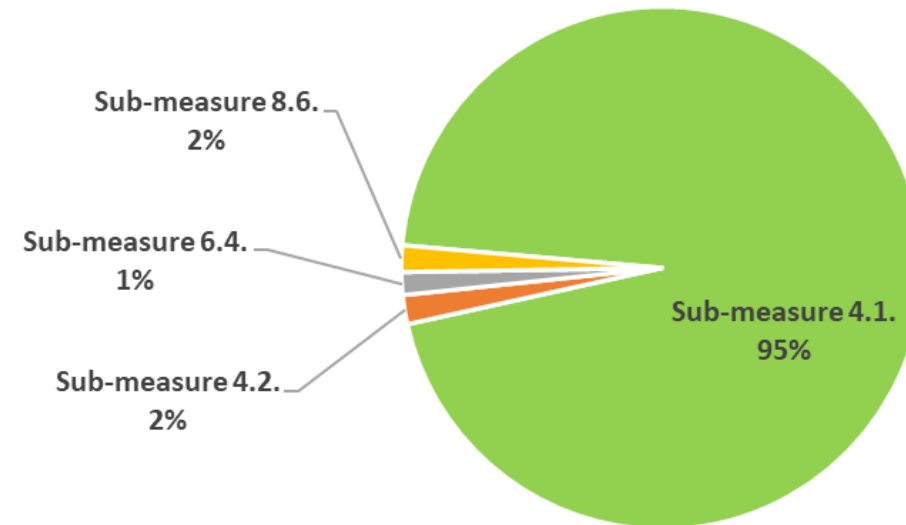


# IMPLEMENTATION STATISTICS – 30.04.2022

Total number of approved loans - 1334



Approved loans by sub-measures







**Thank you!**

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