



# HRDOP Loan programme in Hungary in the 2014-2020 programming period

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# FIs in the 2014-2020 programming period - General overview



**MFB** Financial Instruments



~EUR 3.2 billion\*

Loan ~EUR 1 billion

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

Venture capital ~EUR 0.6 billion

**Competitive Central Hungary Operational Programme (CCHOP)**

52



FI budget (EUR million)

**Human Resources Development Operational Programme (HRDOP)**

**FI Budget: EUR 4.4 million**

**Economic Development and Innovation Operational Programme (EDIOP)**

2235



FI budget (EUR million)

\* 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**



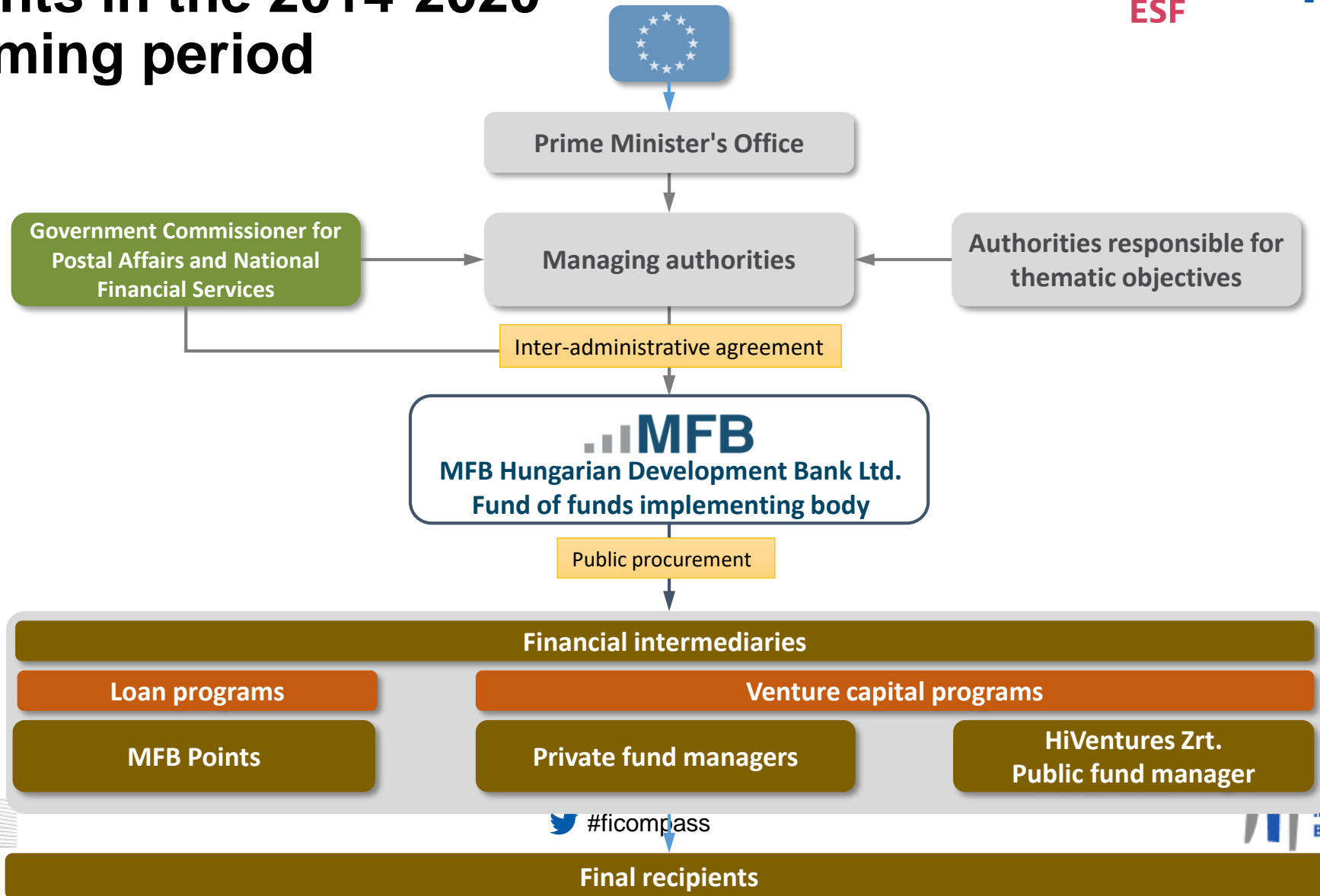
**2007-13**  
**727 m EUR**



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



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# Financial instruments 2014-2020



TO	Loan programs	Combined loan programs	Venture capital programs
T01	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)
T02	-	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)
T03	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)	Irinyi venture capital program (EDIOP)
T04	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)	<ul style="list-style-type: none"> <li>1. Priority SME – access to finance ≈ 726 m EUR</li> <li>2. Priority R&amp;I financial programmes for enterprises ≈ 652 m EUR</li> <li>3. Priority ICT services, Broadband development ≈ 306 m EUR</li> <li>4. Priority Energy efficiency for enterprises and for households ≈ 568 m EUR</li> <li>5. Priority Employment programmes, social enterprises ≈ 100 m EUR</li> </ul>
T08	Loan program for promoting employment (EDIOP)	-	
T09	HRDOP financial instrument loan programme	-	

# 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...)



# HRDOP Loan programme - aims



The main aim of the loan programme is to provide funding for SMEs unable to receive adequate financing on the market that are active in or are able to provide an increase in the quality of the service in the following sectors:

healthcare

social services

child protection

services for the improvement of social inclusion

youth- and family care services

services related to child day care

cultural services



# HRDOP Loan programme - basic features



Amount allocated	HUF 1.37 bn (EUR 4.4m)
Application period	15 January 2018 – 1 September 2020
Loan amount per applicant	HUF 1m – 4m (EUR 3 225 – EUR 12 900)
Interest rate	0%
Term of loan	up to 5 years*
Grace period	up to 24 months
Deadline for completing projects	24 months (+ max. 6 months)
Securities required	mortgage on equipment bought, mortgage on other immovable/movable property, bail, surety, guarantee

\* for new equipment until its amortisation, for second hand equipment max. 5 years, for training/conferences/fairs max.3 years



# HRDOP Loan programme - who is eligible?



- **SMEs** (as defined in Annex 1 of Commission Regulation (EU) No 651/2014
  - having their seat in Hungary or another EEA Member State, AND
  - have a place of business or branch in the less developed regions of Hungary.
  
- Applicants **must not** be under any of the **exclusion criteria** listed in the product description.
- Applicants must not exceed the **state aid limit** set out in Commission Regulation (EU) No 1407/2013 (de minimis regulation)!





# HRDOP Loan programme - what can be financed?



EFOP-5.1.1-17

## Eligible activities

1. **Project preparation**
2. **Purchasing equipment**
  - Equipment connected to providing health or employment rehabilitation or social services
  - Equipment connected to the manufacturing, distribution or renting of rehabilitation equipment
3. **Training activities**
  - Training, further training, professional training related to human resources development, workshops, coaching, consultancy
4. **Participation in conferences or fairs**
  - Fees, travel, accommodation and other related costs
5. **Setting up of work stations for the work of disabled persons**
  - Special equipment, intangible assets

## State aid category

- **De Minimis aid** - Commission reg. (EU) No 1407/2013



# HRDOP Loan programme - relevant indicators



Through carrying out their projects, final recipients contribute to the following output and result indicators set out in the Human Resources Development OP:

Name of indicator	Fund	Unit	Type	Target (2018)	Target (2023)
No. of SMEs supported	ESF	No. of enterprises	OP level output indicator	150	500
No. of enterprises still operating 6 months after receiving the support	ESF	No. of enterprises	Result indicator	-	400





# Thanks for your kind attention!

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financial instruments revolving capacity building  
 added value **ERDF** funding agreement **ESF** EU guidance  
 governance ex-ante assessment  
 technical support seminars leverage financial intermediaries microfinance  
 co-financing 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