



# ESF financial instruments against COVID-19 in Poland

**Aleksandra Kwiatkowska**

Director of the Unit, European Programmes  
Department, Bank Gospodarstwa Krajowego



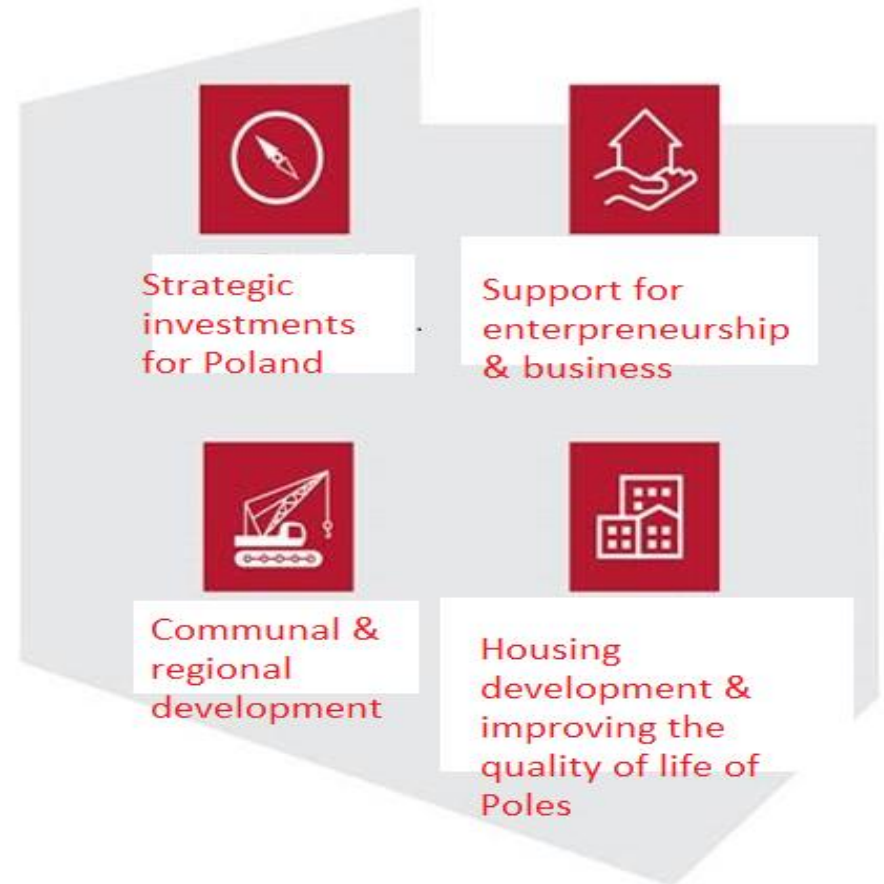
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**Bank Gospodarstwa  
Krajowego /BGK** is the **state  
development** bank with the mission to  
support social and economic  
development of Poland and Polish public  
sector in the fulfilment of its' tasks

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



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



Support for SMEs  
EUR 1 507.63 M  
RPO

Innovation  
EUR 702.10 M  
FKT, PO IR

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

Labour market  
EUR 192.26 M  
RPO, WwS (FI)

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

Broadband Internet  
EUR 233.36 M  
POPC

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

Social Economy  
EUR 31.57 M  
POWER (FI)

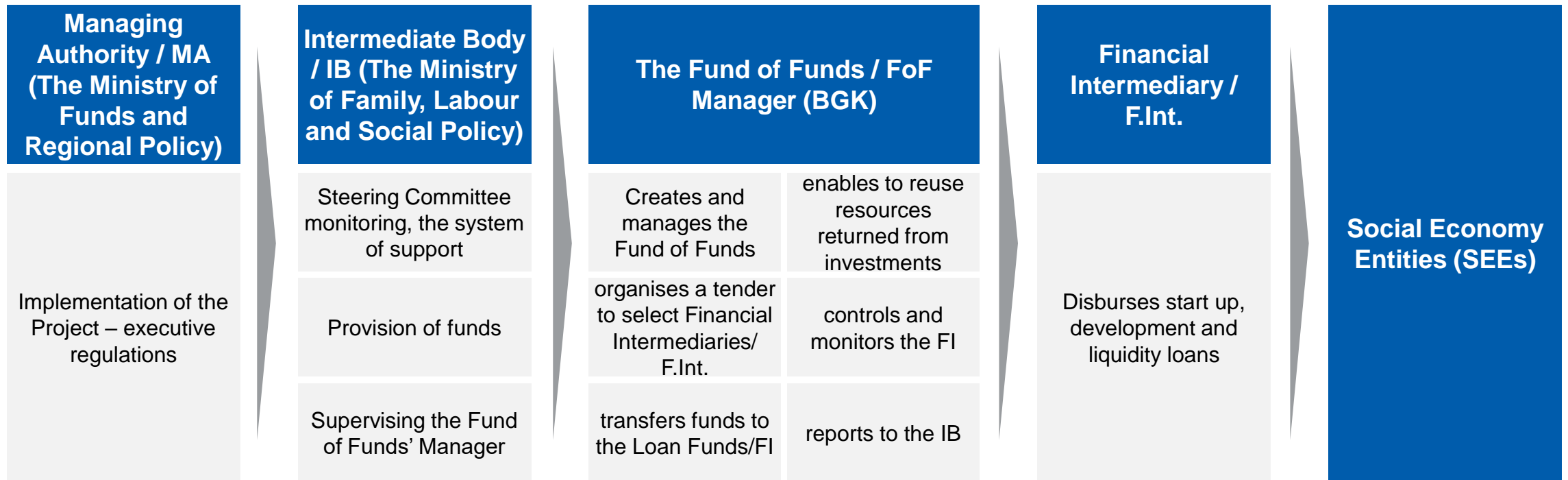
Renewable energy  
sources  
EUR 14.29 M  
RPO



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# System of implementation of Financial Instruments under the ESF



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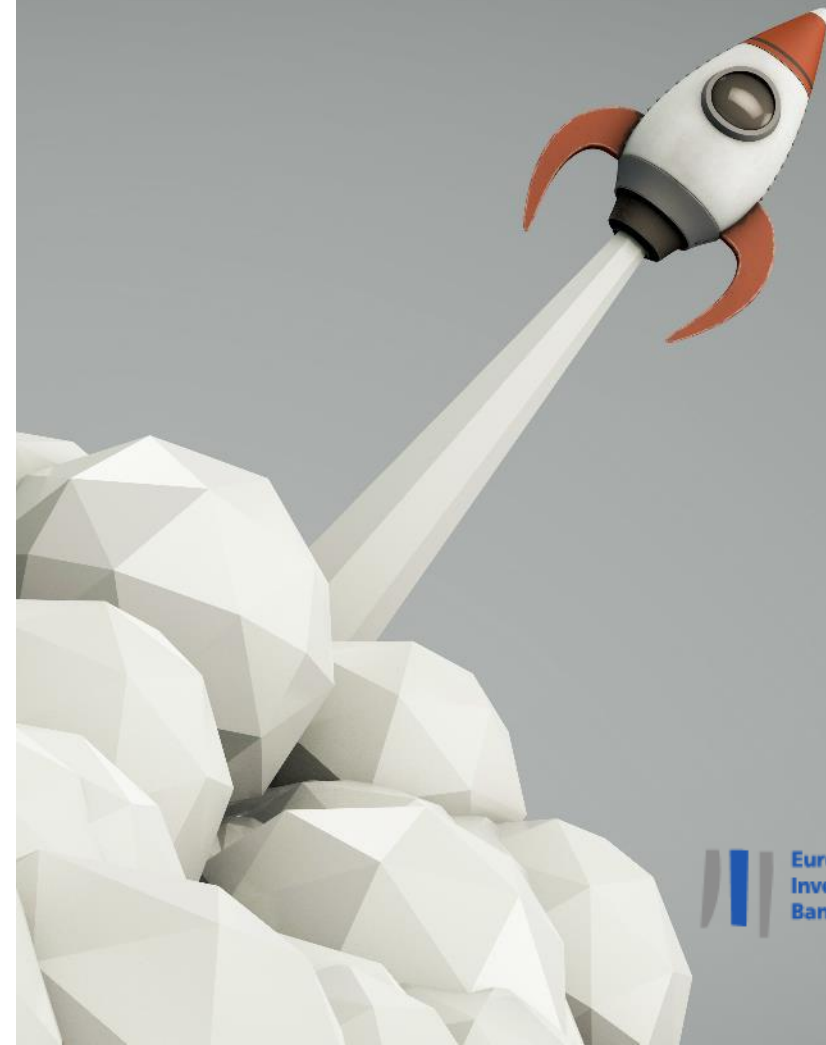
# Current BGK products - financial instruments for SEEs under the ESF (1/2)

## Start-up loans

- For SEEs operating **less than 12 months**
- **Amount:** up to EUR 23 420 for one loan, but no more than EUR 46 840 for one SEE (one SEE can apply max. twice)
- **Maturity:** 5 years
- **Grace period:** up to 6 months
- **Interest rate:** promissory note rediscount rate of the Central Bank, reduced by half if a new job is created (i.e. 0.53%)
- **Commissions and fees:** none
- **Collateral:** blank promissory note (standard); final decision depends on F.Int.'s assessment
- **Loss distribution:** the MA covers up to 30% of the losses (the F.Int. covers the exceeding part. In case of loan default, financial intermediary has a priority on the recovered amounts)



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# Current BGK products - financial instruments for SEEs under the ESF (2/2)



## Development loans

- For SEEs operating **over 12 months**
- **Amount:** up to EUR 117 120 per loan, but not more than EUR 234 240 per SEE (each SEE applies max. twice)
- **Maturity:** 7 years
- **Grace period:** up to 6 months
- **Interest rate:** depends on the amount of the loan
  - For loans up to EUR 23 420 – Central Bank promissory note rediscount rate enabled to be reduced if a new job is created;
  - For loans over EUR 23 420 – at market level, enabled to be reduced to the level of Central Bank promissory note rediscount rate, provided job creation (1 job per every ca. EUR 23 420 of loan)
- **Commissions and fees:** none
- **Collateral:** blank promissory note (standard); final decision depends on F.Int.'s assessment
- **Loss distribution:** the MA covers up to 20% of the losses (the F.Int. covers the exceeding part. In case of loan default, financial intermediary has a priority on the recovered amounts)



# The Anti Crisis Shield – the SEEs component (1/3)



## Loan for starting-up / Loan for development – key product parameters introduced against the Covid – 19 impact

Parameters	Before Covid-19 (before 27 March)	Covid-19 parameters (from 27 March to 31 December)
<b>Maturity</b>	5/7 years	6/8 years
<b>Grace period</b>	Up to 6 months	Up to 12 months
<b>Interest rate</b>	Possibility to lower to half of the Central Bank promissory note rediscount rate	Possibility to lower to quarter of the Central Bank promissory note rediscount rate or even 0%
<b>Repayment holidays</b>	–	Up to 6 months
<b>Time for new job creation</b>	Up to 6 months	Up to 12 months

- For every SEE that proves that COVID-19 have impacted or will impact its' economic situation
- SEE should submit the application to the F.Int.



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# The Anti Crisis Shield – the SEEs component (2/3)



## Process of implementation of system solutions

- BGK in cooperation with MA proposed changes to program parameters – 19.03.2020
- Parameters consultation with the ESF FI working group - 20.03.2020
- Process of adjusting program documentation – 20-26.03.2020
- Financial Intermediaries to apply new guidelines from 27.03.2020

The process required annexes to 21 contracts with Financial Intermediaries

5 contracts with Financial Intermediaries did not require annexation (contract attachment was changed by mutual agreement)





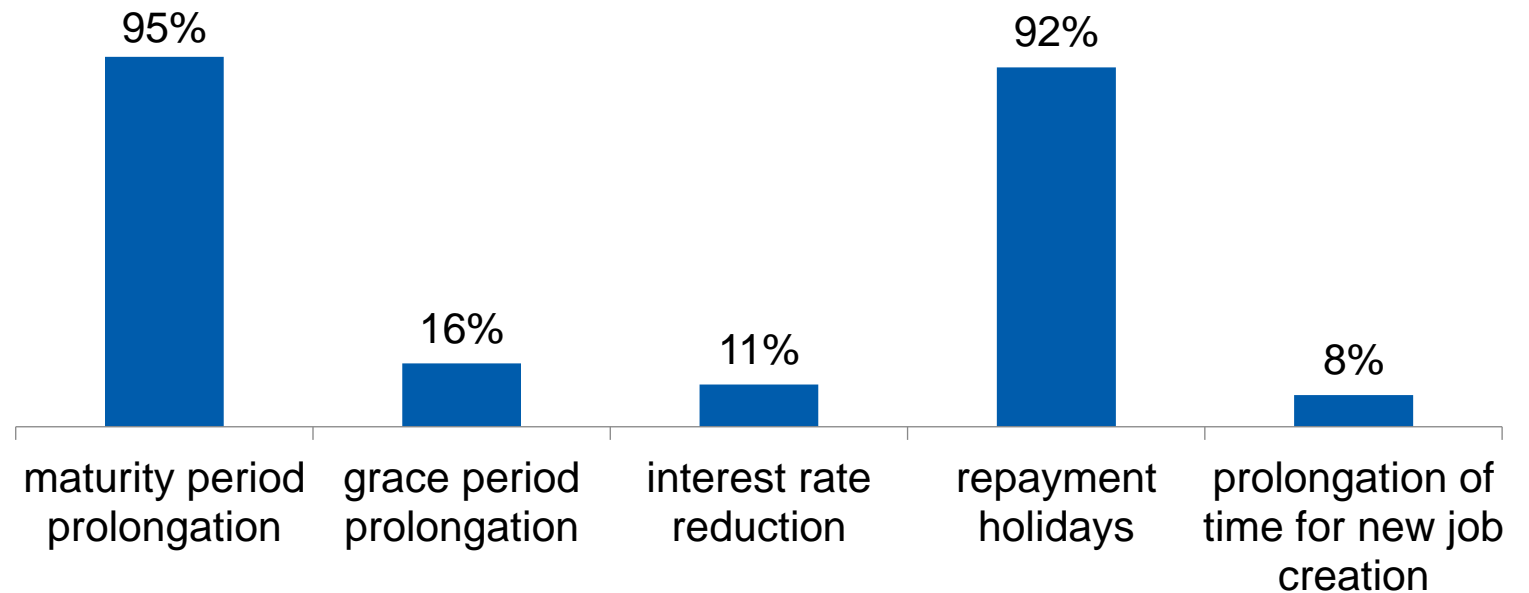


## Start-up loans and development loans – status at 31.03.2020

-771 loans; amount EUR 19.07 m (2014-2020)

- 500 loans; amount EUR 8.3 m (2007-2013)

## 255 contracts (out of 1271) with SEEs have been modified (status at 07.05.2020)



# The Anti Crisis Shield – the SEEs component (3/3)



## Liquidity loan. New product for SEEs. Key product parameters

Parameters	Until 31 December 2020	From 1 January 2021
<b>Loan amount</b>	Max EUR 23 600 (only one loan at the same time)	
<b>Maturity</b>	Up to 48 months	Up to 36 months
<b>Grace period</b>	Up to 12 months	Up to 6 months
<b>Interest rate</b>	0.1 %	½ of the Central Bank promissory note rediscount rate
<b>Financial intermediaries/ SEE contribution</b>	0%	
<b>Public funds coverage of losses</b>	100%	
<b>Collateral</b>	Blank promissory note as a standard collateral	
<b>Commissions and fees</b>	none	
<b>State aid provision</b>	<i>de minimis</i> aid	

- **Financing source**  
– 2007-2013 legacy funds
- **Total amount**  
– ca. EUR 5 million (with further increase possible)
- **BGK – FoF Manager**
- **Financial Intermediaries**  
– selected with a negotiated procedure under public procurement law
- **SEE: status of SME**, operating for longer than 12 months, closed fiscal year



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# The Anti Crisis Shield – the SEEs component



## Promotion and information on changed loan parameters and the new liquidity loans

The collage consists of three overlapping web pages:

- gov.pl:** A page from the Polish government website titled "Uzyskaj korzystniejsze warunki finansowania dla podmiotów sektora ekonomii społecznej" (Obtain more favorable financing conditions for entities in the social economy sector). It lists benefits such as extended grace periods and interest rate reductions.
- BGK:** A page from BGK (Bank Gwarantowany) titled "Program dla podmiotów sektora ekonomii społecznej (PES)" (Program for entities in the social economy sector). It features a shield icon and contact information for the infoline.
- Press Release:** A page titled "Pożyczka płynnościowa także dla organizacji pozarządowych" (Liquidity loan also for non-governmental organizations), featuring an image of hands holding a red heart.



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Contact details:

**Aleksandra Kwiatkowska**

**Aleksandra.kwiatkowska@bgk.pl**

**Bank Gospodarstwa Krajowego**



financial instruments  
ERDF  
ESF  
ESIF  
fi-compass  
Thank you  
EMFF  
EAFRD  
CF  
fund of funds  
leverage  
microfinance  
guarantees  
loans  
equity

added value  
technical support  
seminars  
co-financing  
funding agreement  
governance  
intermediaries  
financial  
revolving  
capacity building  
EU guidance  
ex-ante assessment  
case studies  
final recipients  
thematic objectives  
combinacion of support  
factsheets  
investment strategy  
manuals  
private investors  
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life cycle  
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