



ESF financial instruments on the ground – Case studies Bulgaria From programming to practice

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Overview of the ESF FIs in Bulgaria



- HRD OP - the only ESF OP in BG applying FIs
- Both ESF and YEI funding committed for FIs
- Total - EUR 20.7m in the Financial Agreement signed(after partial reduction):
 - EUR 0.1m YEI funding under TO 8
 - **EUR 0.3m ESF funding under TO 9**
 - EUR 20.3m ESF funding under TO 8
- FIs under TO 8 - to support self-employment and start-up microenterprises (youth, self-employment)
- FIs under TO 9 - to boost new jobs in the social economy (support for social enterprises) – a social innovation in BG

Two FIs:

- Risk-sharing Microfinance Facility - (up to EUR 25 000) – EUR 17.5m, ESF and YEI
- Guarantees for Micro-credits – EUR 3.2m, ESF





FIs and grants under HRD OP - coordinated implementation

Support for SE creation (grants):

Social economy awareness rising, training in entrepreneurial and management skills, staff training – competences and professional skills, integration of vulnerable people in employment, adaptation of work places, etc.

Consultancy on available financing

Information on possible financial resources available for the business; support with documentation



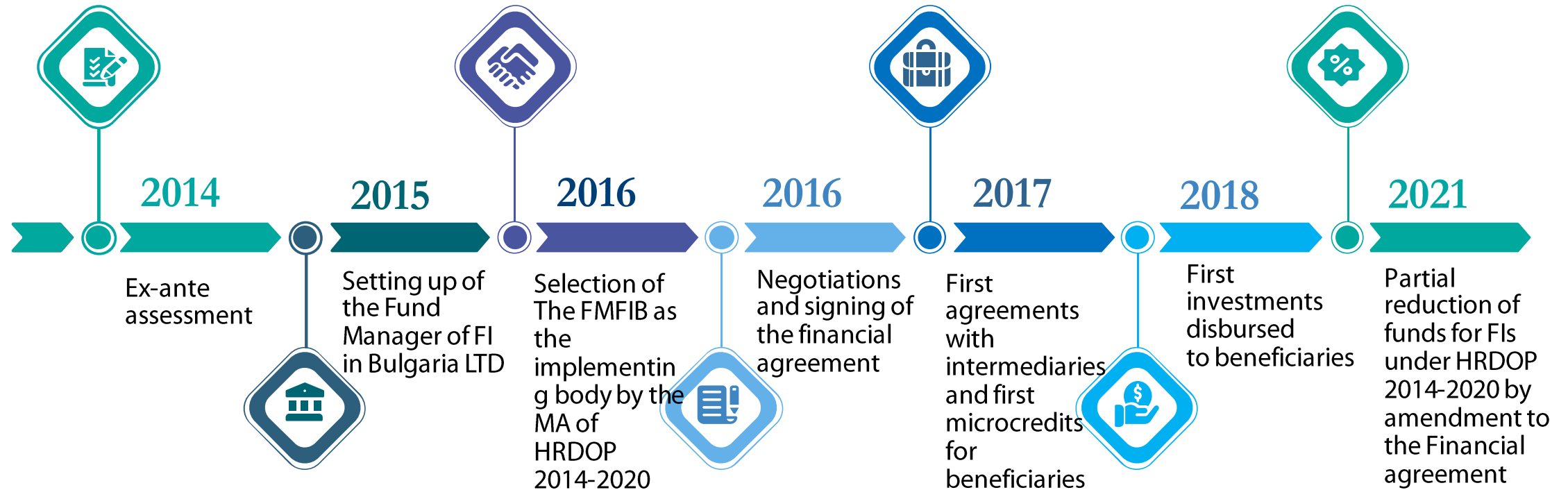
Access to HRD OP FIs

Financial instruments under HRD OP made available to registered social enterprises – start-ups or expanding

After-support

Mentoring of new businesses, enhancement of managerial skills, networking support, etc.

Design and set up of FI





Risk Sharing Microcredit Instrument

Provides easier access of the OP target groups to finance when starting business, creating working places and self-employment possibilities with preferential conditions in terms of rate reduction or collateral reduction.

- **Loan amount:** min. **EUR 2,500** – up to EUR 25,000 **during Covid19 - derogated**
- **Interest rate:** fixed or floating, not higher than market levels



Guarantees for Microcredits



Facilitate the provision of microcredits to beneficiaries with the Financial Institutions' own resources. Provides easier access to finance through the broad geographical coverage of financial institutions.

- **Guarantee rate** - 80%
- **CAP rate** – 25%



Public laundry “Green”



2010

Established
with a project
under the
MATRA
programme



2018

Loan from Microfund
for EUR 5,000
Renovation,
trainings, salaries of
new employees



2021

6 employees
Contracts with a
university,
kindergartens
and hairdressers

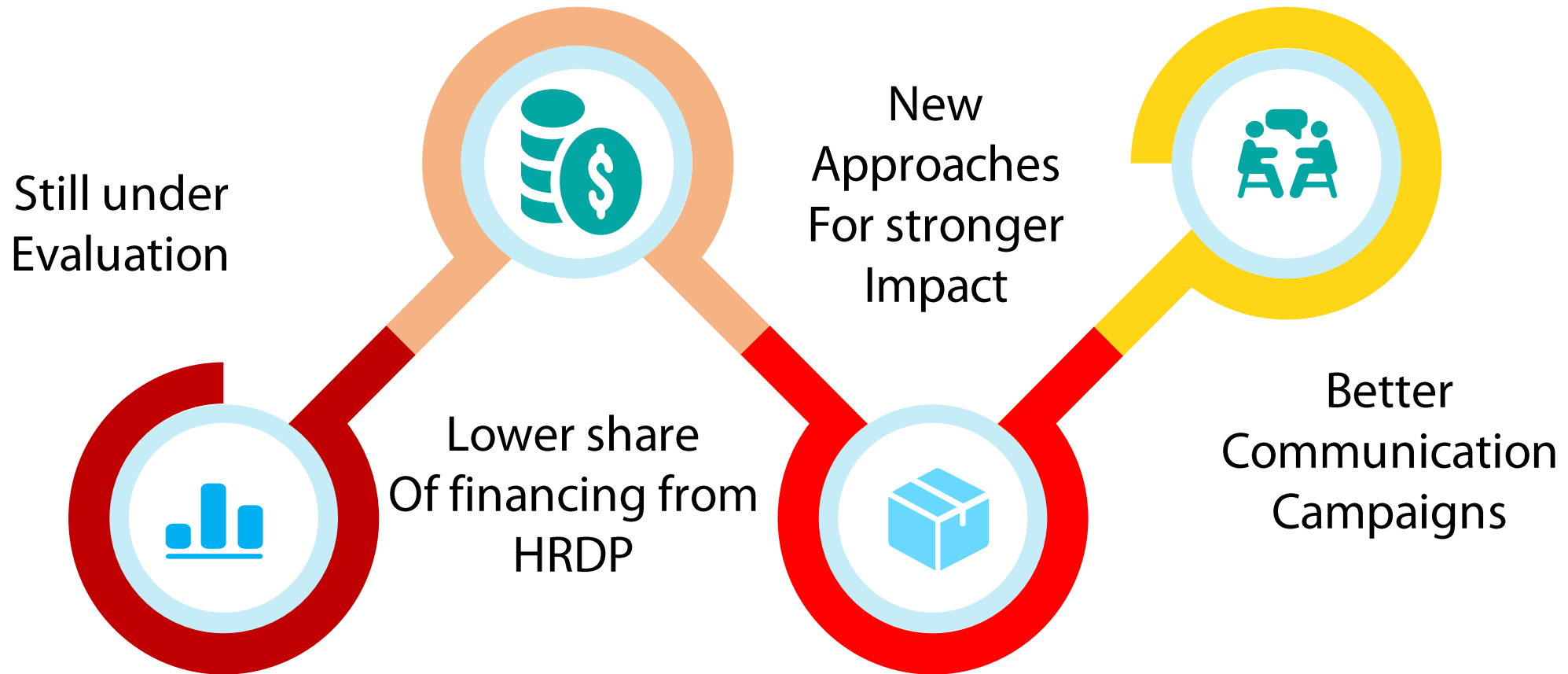
Art Studio “Tvorilnitsa”



- **Budget** – BGN 136 889.27 from HRDOP
- **Art Studio in Lovech** - rent and renovation, equipment for 7 workplaces
- **Employment** - 14 people with mental disorders and intellectual disabilities
- **Support** from a mentor, a psychologist and a social worker. On-the-job training



Future outlook





Thank you!

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