



ESF financial instruments on the ground – Case studies

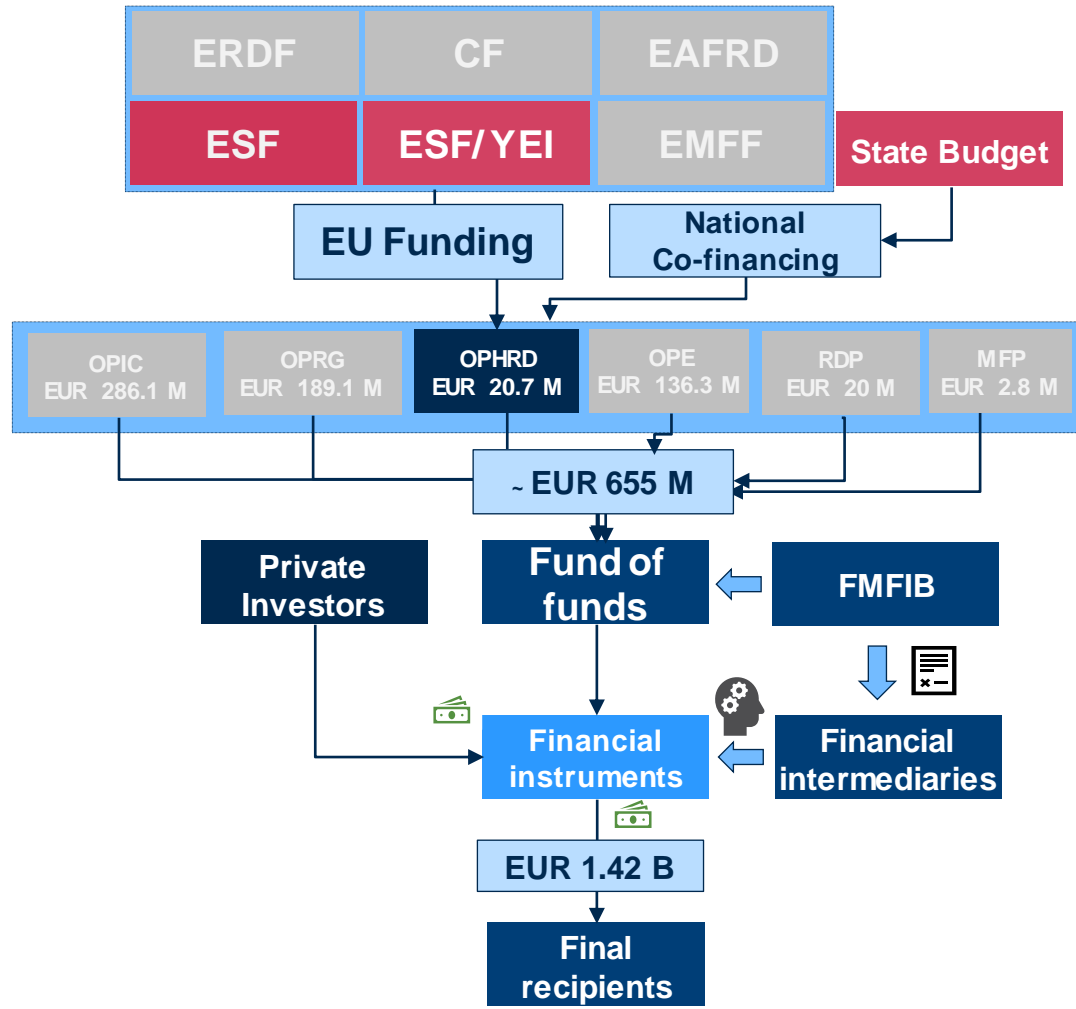
ESF Financial instruments in Bulgaria

Dimitar Cherkezov, Fund Manager of Financial
Instruments in Bulgaria

 #ficompass



Implementation Structure of FIs in Bulgaria



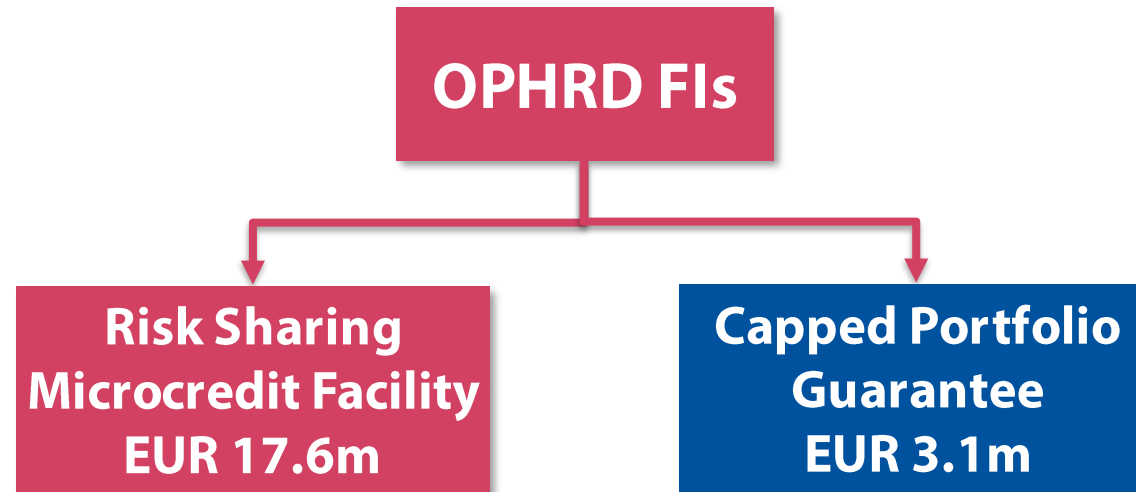
FMFIB:

- FMFIB is the FoF manager...
- ... and our corporate mission is the effective implementation of FIs in BG;
- ... to manage EUR 655m under 6 ESIF Operational Programmes;
- FoF to mobilise about EUR 1.42bn to support SMEs, start ups, municipalities, etc.

Progress achieved till October 2021:

- 27 agreements with financial intermediaries signed;
- EUR 554m from ESIF programmes contracted;
- 1,220 final recipients supported with EUR 364m;

ESF Financial Instruments in Bulgaria



Final recipients

- Start-ups, owned and managed by unemployed people; youths under 29 y.o.; people with disabilities;
- Social enterprises;
- Start-ups owned and managed by people starting their first enterprise or self-employment.

ESF Financial Instruments in Bulgaria

Risk-sharing Micro-credit Facility



Financial Product

- Improved access to financing;
- Investment loans or working capital loans;
- Amount: up to EUR 25 000;
- Maturity: up to 10 years;
- Grace period: up to 3 years;
- Interest-free public money: up to 90 % in each loan;
- Private co-financing: 10 % to 25 % in each loan;
- Low interest rates: aggregate interest lowered by 75 % to 90 % compared to market interest rate for same final recipient;
- Under de minimis aid rules.

ESF Financial Instruments in Bulgaria

Capped Portfolio Guarantee for Microloans

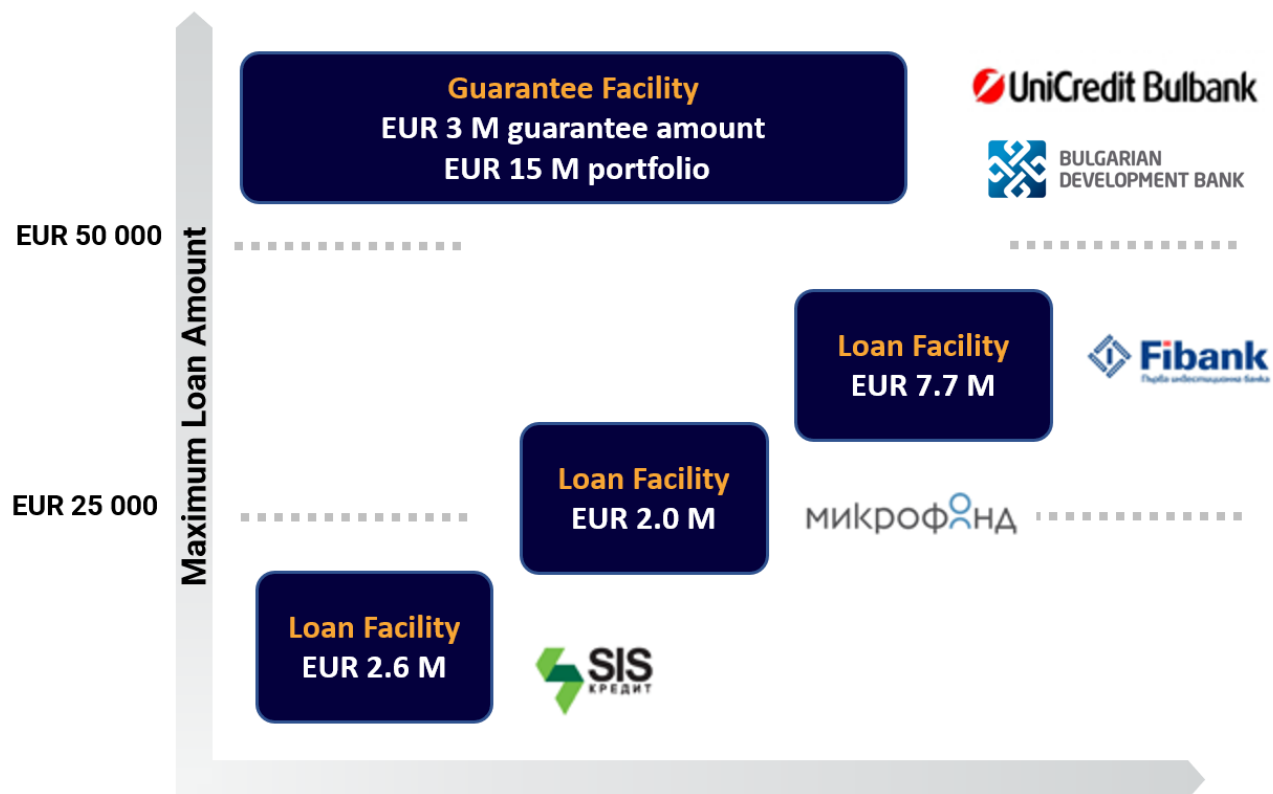


Financial Product

- Improved access to financing;
- lower collateral requirements;
- lower interest rate;
- Investment loans or working capital loans;
- Amount: up to EUR 50 000;
- Guarantee rate: 80 %;
- Portfolio cap rate: 25 %;
- Maturity: up to 10 years;
- Grace period: up to 3 years;
- Under de minimis aid rules.

ESF Financial Instruments in Bulgaria

Progress achieved



- 5 tender procedures for selection of financial intermediaries carried out;
- 7 agreements with financial intermediaries signed under Loan Facility;
- 2 agreements with financial intermediaries signed under Guarantee Facility;
- **EUR 15.3m contracted** between FoF and financial intermediaries;
- **437 final recipients** already supported with **EUR 6.34m** out of which EUR 4.76m public money and EUR 1.6m private co-financing;
- **250 new job places** created.

ESF Financial Instruments in Bulgaria

Lessons learnt



Success factors:

- Partnership among all stakeholders;
- Flexible approach while respecting market realities and eligibility requirements of the ESIF;
- Reducing administrative burden;
- Adaptation during implementation;
- Promotion and awareness raising toward potential final recipients.

What about ESF+ ?

- Ex-ante assessment elaborated;
- FIs supporting start-ups and social enterprises as well as loans for improvement of working environment;
- Combined support of grants and financial instruments under single operation;
- Proper programming to ensure that FIs are not cannibalised by grants.

ESF Financial Instruments in Bulgaria

437 projects already supported:



Deaf Now

- Loan: EUR 20,963;
- Social enterprise;
- Online translation helping people with disabilities through sign language and text subtitles.



Robo Solutions

- Loan: EUR 12,783;
- Start-up;
- STEM oriented training: Math courses and robotics courses.



Yeabere

- Loan: EUR 24,951;
- Start-up established by youth under 29 y.o.;
- physical activity, prevention of diseases and the consequences of a sedentary lifestyle



Thank you!

www.fi-compass.eu

Follow us:    



fi-compass is provided by the European Commission in partnership with the European Investment Bank
Copyright © European Investment Bank 2014-2021
events@fi-compass.eu | www.fi-compass.eu

