



GOOD PRACTICES - CASE IDENTIFICATION /1ST LEVEL ANALYSIS

1. Good Practice title:

Program "Credit to success" by Croatian Ministry of Business and Crafts (MINPO) has two measures: Measure 1 "Credit to competitiveness" and Measure 2 "Credit to success".
The program falls into the category of sustainability and efficiency of local microfinance programs.

2. Territory of implementation/application (country/region/...)

Croatian Ministry of Business and Crafts (MINPO) implemented the program country wide.

3. Timeframe:

year of introduction: 2014

year of termination: 2015 (leave 0000 if ongoing)

4. Brief description of the promoting organization:

The Ministry of Business and Crafts performs administrative and other tasks related to SMEs, crafts and cooperatives. It also works on promotion of exports and foreign investment, improvement of competitiveness of SMEs and balances regional development of entrepreneurship.

5. Main objective of the initiative:

The main objective of the initiative is to offer SMEs cheaper credit lines by subsidizing interest rates on set amounts.

6. Brief explanation of the initiative:

Measure 1 "Credit to competitiveness" offers:

- minimum loan amount is 13.000,00 EUR, with a maximum of 658.000,00 EUR,
- annual interest rate is maximum 7%, with HAMAG BICRO guarantee down to 6,5%,
- Ministry subsidizes 1% of the interest rate for services and 2% for manufacturing,
- repayment period is up to 10 years, including a 2 year grace period.

Measure 2 "Credit to success" offers:

- minimum loan amount is 4.000,00 EUR, with a maximum of 26.000,00 EUR,
- annual interest rate is maximum 8%, with HAMAG BICRO guarantee down to 7%,
- Ministry subsidizes 5% of the interest rate,
- repayment period up is to 4 years, including a 6 month grace period.



7. Target group and measures to involve the target group:

The credit line is intended for micro, small and medium businesses such as LTDs, crafts and profit institutions.

8. Innovativeness:

The innovative part of this credit program is the possibility of local government and cities to join the program and offer further interest rate subsidy in their local area.

9. Outcomes:

After Koprivnica Križevci County joined the program, local entrepreneurs gained an additional 1% interest rate subsidy for service and manufacturing businesses. Specific numeric results could not be found at this time.