



## Minutes of meeting

<b>Meeting</b>	“ATM for SMEs” project 4 <sup>th</sup> partner meeting and closing event
<b>Date</b>	27 September 2022
<b>Location</b>	National University of Public Service, Budapest Ludovika tér 2.

The 4<sup>th</sup> exchange of experience and closing event was organized physically by LP – Fejér Enterprise Agency. Out of 9 partners, 8 participated at the event, total number of participants: 40.

### Agenda and points discussed

#### **Responding to the crisis through financial instruments – Dr. Balázs Greinstetter, Deputy State Secretary for Economic Development, Office of the Prime Minister**

Dr Balázs Greinstetter presented the main financial instruments which were designed to mitigate the pandemic effects immediately after the outbreak.

In June 2020, free resources were transferred to EDIOP-8.3.5/B-18

In March 2021, the EDIOP-9.1.1-21 was launched with the help of REACT-EU

Conclusions: Hungary had a leading role in using financial instruments between the programming periods: '07-13 & '14-20. At the beginning/planning of the '21-27 period, the sharing of best practices is crucial – crisis shows that financial instruments can be a very versatile and flexible instrument

#### **Sustainable green SME financing – Dr. Györgyi Nyikos, National University of Public Service**

Dr Györgyi Nyikos presented the Commission action plan on financing sustainable growth, adopted in March 2018. Main purposes of the document:

- Establishing a clear and detailed EU, a classification system for sustainable activities.
- Creating an EU Green Bond Standard and labels for green financial products
- Fostering investment in sustainable projects
- Incorporating sustainability in financial advice
- Developing sustainability benchmarks

In May 2018, the Commission adopted a package of measures implementing several key actions announced in its action plan on sustainable finance. The package includes a proposal for an EU taxonomy regulation, a proposal for a regulation on sustainability disclosures and on developing low-carbon benchmarks. The Commission intends to clarify how asset managers, insurance companies, and investment or insurance advisors should integrate sustainability risks and, where relevant, other sustainability factors in the areas of organisational requirements, operating conditions, risk management and target market assessment.



### **Challenges and opportunities of the non-profit microfinance in Hungary – Péter Vonnák, FEA**

Péter Vonnák presented on the business development activities of FEA. The FEA Group has a total value of microcredit disbursed: HUF 12.8 billion ( $\approx$  EUR 35.3 million), number of clients: 5387. The microlending activities started in 1992, under the Jeremie programme. FEA was among the first to finance high-risk customers excluded from the profit-oriented financial sector (e.g. those who do not have an acceptable level of legal security).

The board range of financial and business development services were reconditioned by 2 international awards (Milan, 2009 and London, 2011).

New services offered by FEA to micro enterprises: agricultural loan product, university education programme on non profit microfinance (together with the University of Cadiz).

### **Study on role of microfinance within the context of COVID recovery efforts - Marie Vial, European Microfinance Network**

Marie Vial presented the most important findings of the study prepared by EMN (as one of the core outputs of the ATM for SMEs project).

The report called “Covid-19: Supporting MSMEs amidst uncertainty” presents 8 cases selected out of 24 presented by the project partners during the learning events:

- Resiliency package (FEA)
- Interest-free fast loan programme for relaunch & Working capital loan for SMEs (Office of the Prime Minister, Hungary)
- Grants for digitisation, promotion, and e-commerce activities to boost economy in rural areas after COVID-19 (CEEI Burgos)
- SOS Mentoring (KIZ Sinnova)
- Loan moratorium: Preventing bankruptcy of micro-enterprises financed by ZMVA (ZMVA)
- Sardinian Enterprises Emergency Fund – FEIS (Region of Sardinia)
- COVID-19 working capital loan (PORA)
- Vouchers for the purchase of specialist consultancy services for MSMEs affected by the COVID-19 pandemic (Świętokrzyskie Voivodeship)

Main findings & Common elements:

- Access to finance and working capital
- Support to adapt the business model, explore new markets and improve marketing
- Digitalisation

The report also contains a small situation assessment by project partners – what they experienced among SMEs at the outbreak of the crisis, during the crisis (problems, challenges) and recommendations towards the economic recovery.

Link to the publication:



[https://www.european-microfinance.org/sites/default/files/document/file/interreg\\_EMN\\_FINAL.pdf](https://www.european-microfinance.org/sites/default/files/document/file/interreg_EMN_FINAL.pdf)

**Social impact of non profit microfinance – results of the annual surveys between microcredit clients – Agnes Fiedler, FEA**

Agnes Fiedler presented the regular measurement of social outreach of FEA to microloan clients. The surveys were one of the good practices of FEA shared during the project. They provide feedback and information to FEA regarding the outreach to micro and small enterprises and specific target groups, and from the outbreak of COVID-19 they also serve an important tool to measure the SMEs’ situation, challenges, and impact of the mitigation measures.

Conclusions of the regular surveys:

- Family businesses / microenterprises are a special category
- Micro enterprises try to move forward – they had ambitious plans before the pandemic. They wanted to move towards higher value add operation
- Financial exclusion is real, and should be addressed
- Effects of the microloan go beyond the enterprise operation – effect on the entrepreneurs’ living conditions
- Pandemic did not hit harshly the respondents, though they are not optimistic and plan with crisis scenarios, they feel endangered and are cautious
- More dedicated support would be necessary for the micro enterprises

**Presentation of the dissemination tool**

Péter Vonnák presented the on-line dissemination tool, which is one of the key outcomes of the project. The tool summarizes the lessons learnt in the framework of the project and is available on-line.

[www.microfinancegoodpractices.com](http://www.microfinancegoodpractices.com)

**Presentations on policy improvement within the ATM for SMEs project by the partners**

**Policy change**

Overview on the policy instruments:

	Original policy instrument	New policy instrument
LP	Integrated Territorial Programme of Fejér County	Economic Development and Innovation Operational Program Plus 2021-2027 (LP)



PP5	Integrated Territorial Programme of Zala County	Economy Development Strategic Plan 2030 of City of Zalaegerszeg (PP5)
PP9	Regional Operational Programme for Świętokrzyskie Voivodeship	Operational Programme: Funds for Świętokrzyskie 2021-2027 (PP9)
PP6	Sardinia ROP ERDF 2014/2020	Innovation and Social Inclusion Fund (PP6)
PP3	Youth Self Employment Programme of Burgos City	Strategic Plan Burgos Rural (PEBUR) 2021-2027 (PP3)
PP4	Municipal support for growth strategies of SMEs	Inner City Future Concept (PP4)
PP7	Operational Programme Competitiveness and Cohesion 2014-2020 of Croatia	Development Plan of Koprivnica Križevci County for the period 2021-2027 (PP7)
PP2	Economic Development and Innovation Operational Programme of Hungary – 8th priority: Promotion of financial engineering instruments and services	Economic Development and Innovation Operational Program Plus 2021-2027 (PP2)

#### **Presentation on policy change, PP6 - Antonello Chessa, Autonomous Region of Sardinia (Italy)**

Policy change reported in Phase 1: adoption of the Regional Action Plan on March 28, 2019. The RAP drafted by the Planning Department of the Autonomous Region of Sardinia has been structured thanks to the important contributions coming from the exchange of good practices between the project partners. Through the "Social Impact Investing Fund" Sardinia Region intended to support Pilot Projects relating to specific "social issues" capable of producing a positive net impact.

Policy change reported in Phase 2: Sardinia Enterprises Emergency Fund was introduced. Measures for mitigation:

- increase in the maximum ceiling for microcredit financing from € 35000 to € 50000
- the extension of the direct guarantees of the "Guarantee Fund for SMEs" to companies belonging to the agricultural and fisheries sector
- the extension of the direct guarantees of the "Guarantee Fund for SMEs" to microcredit operators to finance their own financial intermediation activities
- digitization of procedures

#### **Presentation on policy change, PP9 - Liliana Krezolek, Marshal Office of Świętokrzyskie Region (Poland)**

Policy change reported in Phase 1: Financial instruments under ROP 2014-2020 – ERDF



Action 1: Development of the provisions of the updated Development Strategy for the Świętokrzyskie Region dedicated to designing a partnership model for implementing financial instruments. Operational objective 1.1.: Increasing the competitiveness and innovation of the Świętokrzyskie economy

Action 2: Renegotiation of the Operational Programme of Swietokrzyskie Region 2014-2020. The ROP Managing Authority 2014-2020 - made a decision to reallocate funds between individual measures. Therefore, funds from Measure 2.3 Creating new business models of enterprises in Świętokrzyskie, in the amount of: EUR 11,500,000, were transferred to recapitalization of financial instruments (Measure 2.6 RPOWŚ 2014-2020) aimed at supporting and developing the SME sector

Policy change reported in Phase 2: Financial instruments under the regional programme 2021-2027

Policy objective 1: Specific objective 1.3 Strengthening the sustainable growth and competitiveness of SMEs and job creation in SMEs, including through productive investment - EUR 64.5 million

Policy objective 2: Specific objective 2.1 Supporting energy efficiency and the reduction of greenhouse gas emissions (ERDF) - EUR 22 million

Specific objective 2.2 Promote renewable energy in accordance with the Renewable Energy Directive (EU) 2018/2001[1], including the sustainability criteria (ERDF) - EUR 20 million

Specific objective 2.6 Support the transformation towards a closed and resource efficient economy - EUR 5 million.

### **Presentation on policy change, PP7 - Marina Šandor Krznarić, PORA Regional Development Agency (Croatia)**

Policy change reported in Phase 1: Chosen policy instrument for „policy improvement”: County Development Strategy 2014-2020, aligned with the Operational Program Competitiveness and Cohesion 2014 -2020. Through the implementation of ATM for SMEs project Development Agency PORA KKC held 12 local stakeholder meetings on which examples of good practices and experiences of project partners were presented based on the study trips organized within the project.

One of the active local stakeholders, Križevci Entrepreneurship Center Ltd. was inspired by the experience of the project partners Microfinance Norway from Norway and KIZ Sinnova Company for Social Innovation from Germany, so by the end of 2016 the project "Equipping the Development Center and Technology Park Križevci,, was applied under the Call "Development of Business Infrastructure" in partnership with Development Agency PORA KKC. The Call was published within priority 3, Business competitiveness, investment priority 3a1 "Better access to financing for small and medium-sized enterprises" from the Operational Program Competitiveness and Cohesion 2014 - 2020.

Policy change reported in Phase 2: Development Plan of Koprivnica Križevci County for the period 2021-2027, Priority 3.1 Innovative economic transformation – intended to help SMEs.

Adopting new approaches to “Priority 3.1 - Innovative economic transformation”:



- Adding new eligible activities in the calls for proposals;
- Supporting structural change and other crisis resiliency transformations.

The policy was improved through 2 Calls:

- Public call for T 100093 - small value aid under Directive 1407
- Public Call for Activity A 100199 small value aid for self-employment „START UP”

### **Presentation on policy change, PP5 – Viktor Tóth, Zala Megyei Vállalkozásfejlesztési Alapítvány**

Policy change reported in Phase 1: The policy change is related to the change in the "Zala Innovative Employment Pact" project (TOP-5.1.1-15-ZA1-2016-00001, funded from the policy instrument "ITP of Zala County"). ZMVA is a member of the consortium responsible for the realization of the Employment Pact, and is responsible for 2 workgroups.

The project was approved for funding in June 2016, and started in July. The activities of ZMVA started in Jan 2017, including the following services: job consulting, career advice, job search advice (assistance in preparing a CV, job search techniques, etc.)

The results of the learning process in the ATM project contributed to the better implementation of the planned actions and to the improvement in achieving the measurable outputs: increasing involvement of self-employed people in the employment pact project. This way, it also contributes to the better realization of the goals of the policy instrument itself.

Policy change reported in Phase 2: Economy Development Strategic Plan 2030 of City of Zalaegerszeg. ZMVA has participated in the elaboration of the strategic plan of the city. One main priority is Economic development, which also contains innovative financing and enterprise development services, and network development.

### **Presentation on policy change, PP3 – Cristina Martinez Sanz, CEEI Burgos (Spain)**

Policy change reported in Phase 1: In 2021, the The Open Innovation programme was launched and financed by CEEI-Burgos as a pilot test to be part of the future self employment programmes of Burgos City Council. The first Open Innovation - Open Future - call (Feb 2020 - June 2020) was held with an estimated budget of 10000€, partially funded by CEEI-Burgos in collaboration with the University of Burgos. Eleven teams/projects/startups took part in the programme, providing with their solutions to the five challenges issued:

- Digitalization.
- Urban commerce.
- Health and social inclusion.
- Creative industries and sustainable tourism.
- Smart cities.

The project is implemented through the Interreg Europe programme co-financed by ERDF.



European Union  
European Regional  
Development Fund

**ATM for SMEs**  
Interreg Europe



Policy change reported in Phase 2: Strategic Plan Burgos Rural (PEBUR) 2021-2027

Includes the initial line of microcredits, new line: businesses affected by the pandemic to help them with debts max 25.000€ and no interest rate.

Another initiative: grants invest due to COVID max 5.000€ - digitalization activities, online promotions or even e-commerce.

**Questions and answers:**

The LP provided an overview on the budget and financial progress, and the deadlines for reporting. The partners discussed the budget reallocations with respect to the flexibility rule. Questions and answers on reporting.

Presentations, attendance sheet:

<https://drive.google.com/drive/folders/1BHYOdCatrQTxdOwoBN0y5xqM8mJ5kasT>