



GOOD PRACTICES - CASE IDENTIFICATION /1ST LEVEL ANALYSIS

GOOD PRACTICE No. 8.

1. Good Practice title:

Combined scheme for the technology development of SMEs under EDIOP 2014-2020

Category: 4. social and technological innovation in microfinance

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

6 convergence regions of Hungary: North Great Plain, South Great Plain, Western Transdanubia, Central Transdanubia, South Transdanubia, North Hungary. Excluded: Central Hungary

3. Timeframe:

year of introduction:

year of termination: (leave 0000 if ongoing)

4. Brief description of the promoting organization:

Promoting organisation: Managing Authority for the Economic Development and Innovation Operational Programme at the Ministry for National Economy, Hungary. The Managing Authority (MA) is responsible for the overall management of the Economic Development and Innovation Operational Programme 2014-2020 in Hungary (EDIOP). EDIOP is financed from ERDF, ESF and co-financed by the Hungarian state budget. Total financial frame is EUR 8 813 million. EDIOP includes eight thematic priorities: 1. SME competitiveness; 2. R&D&I; 3. ICT; 4. Energy; 5. Employment; 6. Training; 7. Tourism; 8. Financial instruments including loan, guarantee and equity products. Total volume of financial instruments is EUR 2 235 million. Financial instruments are managed through a holding fund system. The EDIOP MA contracts the holding fund manager, which in turn contracts financial intermediaries that are in direct contact with SMEs.



5. Main objective of the initiative:

The objective of the combined scheme is the improvement of growth and employment potential of SMEs and strengthening their economic performance. The scheme is dedicated to SMEs in the manufacturing industry (in areas called special enterprise zone SMEs in any sector can apply). The scheme should contribute to reducing the number of SMEs characterised by low level of competitiveness, obsolete machinery and business infrastructure and lack of capital. The scheme offers non-refundable grant and loan for applicant SMEs.

6. Brief explanation of the initiative:

The grant leg ranges from EUR 16 700 to EUR 166 700, whereas the loan leg ranges from EUR 33 300 to EUR 483 300. Projects may include purchase of machinery, construction of new manufacturing buildings, reconstruction of buildings, IT development, purchase of IT equipment. The loan is provided at preferential interest rate with costs and fees related to the loan strictly limited. Applicant SMEs must have at least 10% of the total project's costs as own resources.

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

Target group of the scheme is micro, small and medium enterprises that have at least one, full and closed business year and have at least one employee. SMEs with a revenue lower than EUR 50 000 cannot apply for the scheme. The scheme targets SMEs that have difficulties with access to banking finance. The project must be realised in one of the 6 convergence regions of Hungary. SMEs have to operate in the manufacturing industry (exception is the areas of free enterprise zones, in which SMEs in any sector can apply for the scheme).

8. Innovativeness:

SMEs can apply for the combined scheme using an online platform that includes the request both for the loan and the grant in a joint project proposal, as such the scheme provides a one-stop-shop approach in the application phase.

9. Outcomes:

The scheme has just been launched, as of now no projects have been approved.