



GOOD PRACTICES - CASE IDENTIFICATION /1ST LEVEL ANALYSIS

GOOD PRACTICE No. 10.

1. Good Practice title:

Combined scheme for increasing the energy efficiency of SMEs

Category: 7. OTHER good practices in microfinance provision

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 reducing primary energy consumption and increasing renewable energy consumption of micro, small and medium enterprises. The scheme focuses on the energy issues of buildings, since 40% of total energy consumption is realised in buildings. When compared to developed EU countries, the used energy over GDP in Hungary is 50% higher measured at purchasing power parity. The scheme offers non-refundable grant and loan in one combined programme.

6. Brief explanation of the initiative:

The combined scheme includes a grant between EUR 10 000 and EUR 166 700 and a loan between EUR 10 000 and EUR 166 700. The requested loan amount must always be larger than the grant. The required minimum own resources from SMEs is 10%. Projects may include actions for improving energy efficiency (insulation, change of doors and windows, modernisation of lighting and investments in renewables (heating, cooling and hot water). Investment in renewable shall reach at least 10% of total project costs. The loan is provided at preferential interest rate (2%) with costs and fees related to the loan strictly limited. Loan duration is maximum 10 years.

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

Target group of the combined scheme is micro, small and medium enterprises that have at least one full and closed business year and at least one employee. SMEs operating in any sector can apply for the assistance with the exception of agriculture. The project must be realised in one of the 6 convergence regions of Hungary.

8. Innovativeness:

This is the first scheme in Hungary that offers combined assistance (grant and loan) for specifically energy efficiency and renewable energy investments for SMEs.

9. Outcomes:

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