



Functionality and advantages of regional tailor-made financial
instruments under ESI-Funds
– loan-funds in Saxony-Anhalt –

We consult.
We finance.
We promote.

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1. Definition and possibilities for structuring of FI

2. Schematic representation of a regional tailor-made loan-fund in Saxony-Anhalt

3. Main advantages of regional tailor-made FI

4. Results from the SME loan-fund in the funding period 2007-2013

5. Two examples of financed SME

6. Funding period 2021-2027 – wishes for adaptation

1. Definition of Financial Instruments

Article 2 No. 11 of the Regulation (EU) No. 1303/2013

'financial instruments' means financial instruments as defined in the Financial Regulation, save where otherwise provided in this Regulation

Article 2 No. 29 der VO (EU) 2018/1046

'financial instrument' means a Union measure of financial support provided from the budget to address one or more specific policy objectives of the Union which may take the form of equity or quasi-equity investments, loans or guarantees, or other risk-sharing instruments, and which may, where appropriate, be combined with other forms of financial support or with funds under shared management or funds of the European Development Fund (EDF);

1. Ways of structuring

1. Use of financial instruments set up at Union level (managed direct or indirectly by the Commission)
2. Use of financial instruments, which combining contribution from operational programme with products from the EIB within the EFSI framework
3. Use of financial instruments at national, regional, transnational or cross-border level, managed by or under responsibility of the managing authority

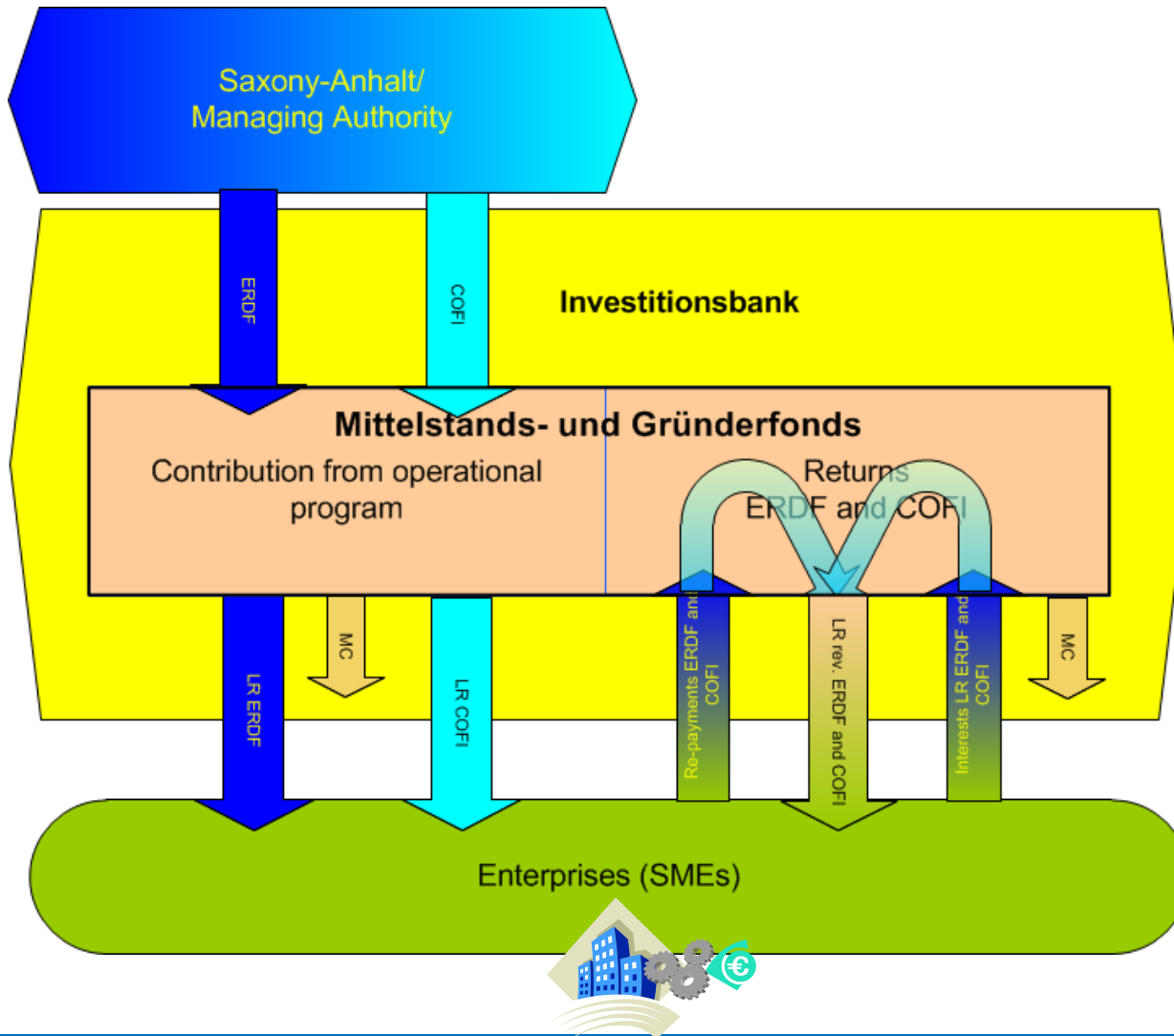
Options for the managing authority

1. Invest in the capital of existing or newly created legal entities
2. Entrust implementation task through the direct award of a contract to
 - the EIB
 - an international financial institutions in which a member state is a shareholder
 - a publicly-owned bank or institution, established as a legal entity carrying out financial activities on a professional basis, which fulfils certain conditions:
3. entrust implementation tasks to another body governed by public or private law
4. undertake implementation tasks directly

Set up an off the shelf financial instrument

Set up a regional tailor-made financial instrument

2. Schematic presentation of the Mittelstands- und Gründer-Darlehensfonds

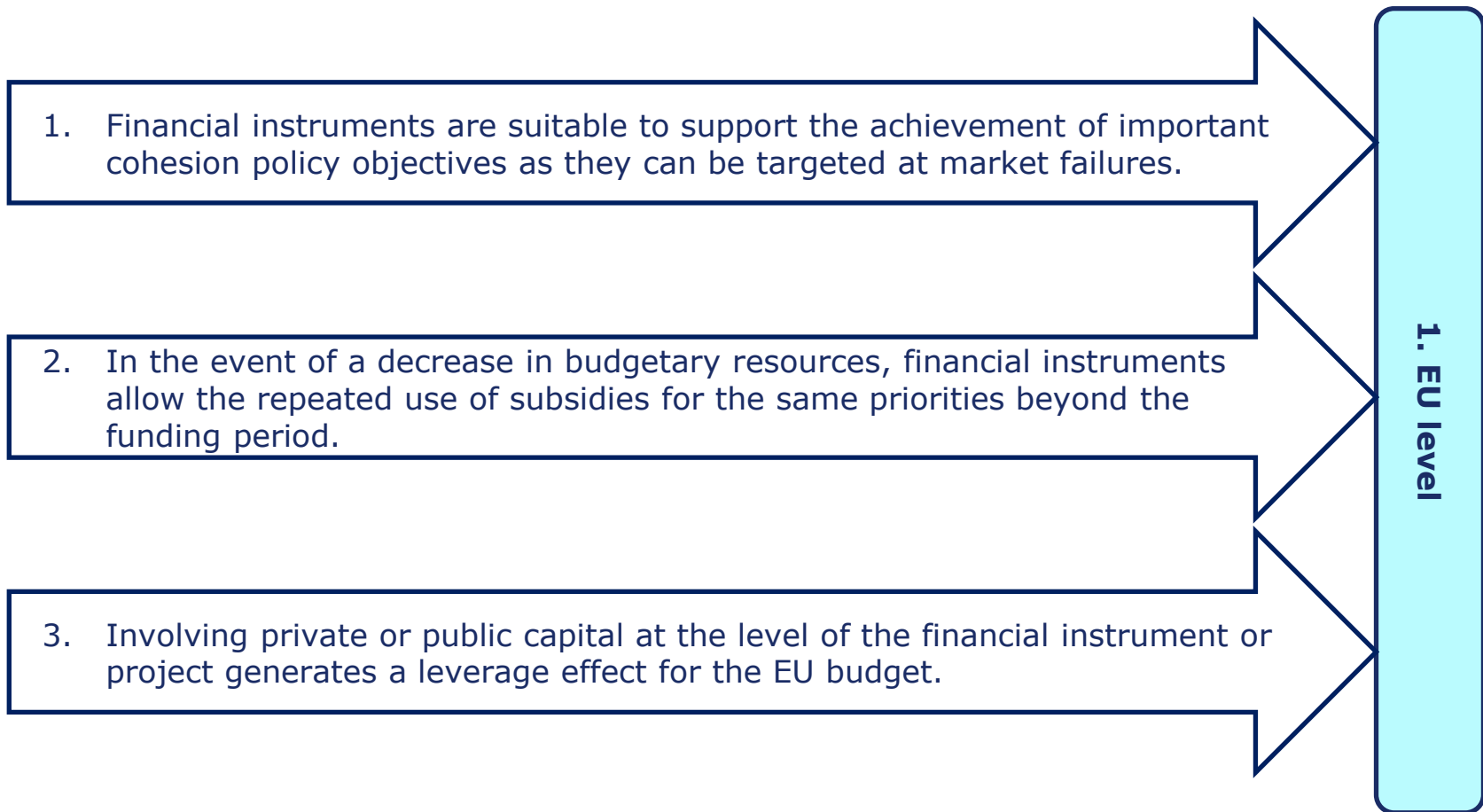


The “Mittelstands- und Gründer-Darlehensfonds” is a regional tailor-made financial instrument managed under the responsibility of the managing authority which provides funding in the form of loans to SMEs and start-ups.

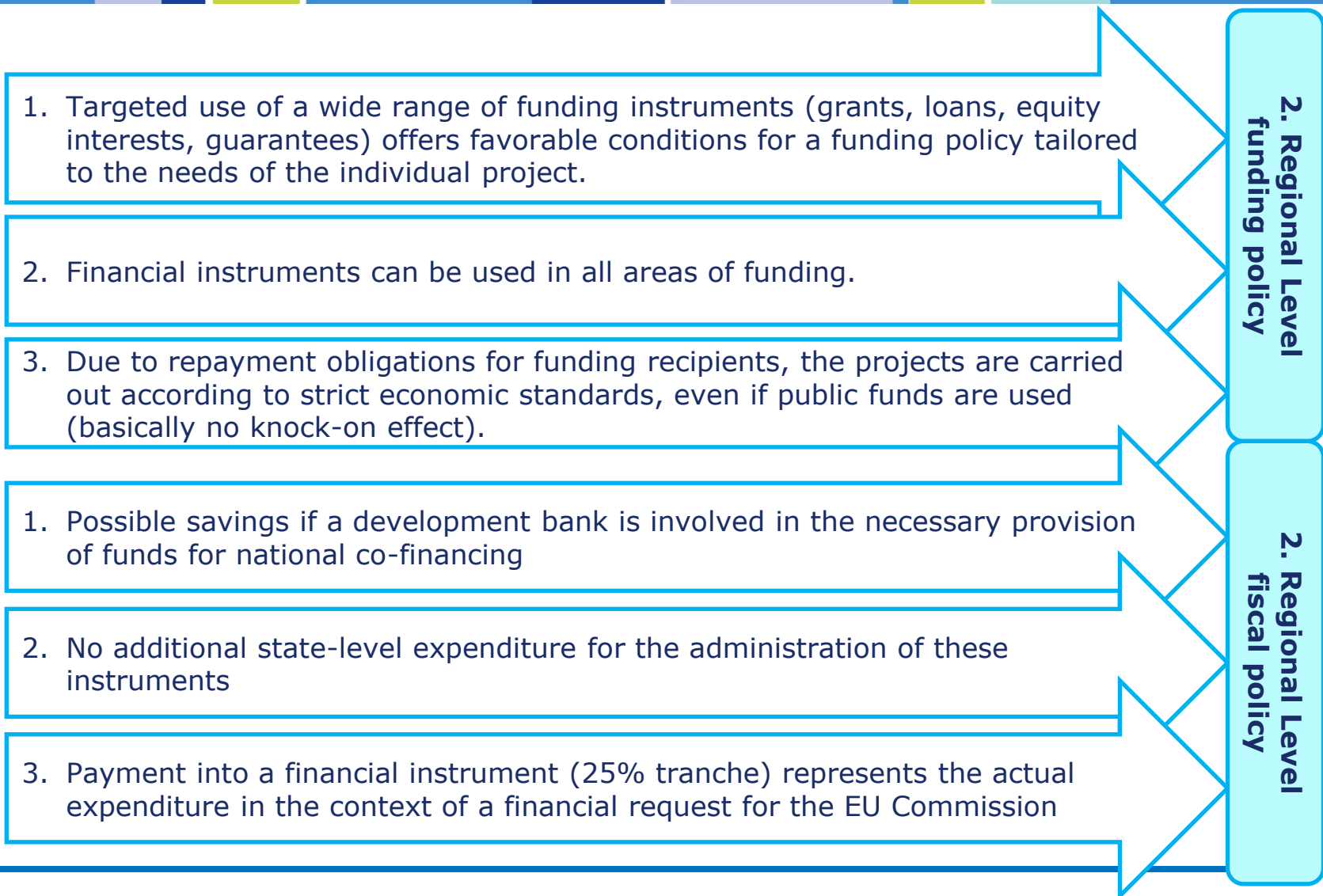
Explanations

- ERDF financial resources from European Regional Development Fund
- COFI national financial resources as co-financing
- LR loan resources
- LR rev. re-use of returns (revolving)
- MC management costs

3. Main advantages of regional tailor-made FI



3. Main advantages of regional tailor-made FI



3. Main advantages of regional tailor-made FI

1. Projects such as small-scale business start-ups or innovation-based start-ups are only made possible through the offer of Financial Instruments.
2. Additional offer of financing resources, which is only available to a limited extent or not at all on the capital market, generates better access to debt, mezzanine and equity capital.
3. Additional offers will stimulate measures to improve the competitiveness of enterprises, which will increase the stability of enterprises in the long term.
4. Due to the implementation of such instruments by development banks, no private-sector objectives are pursued with the offer. Thus, following public interest, projects can be monitored over the entire loan term.

**3. Funding Applicant Level
(Final beneficiary)**

4. Facts of the SME-loan-fund in the funding period 2007-2013

Conclusion of contract/start

29.01.2008

Contribution from operational program

EUR 321.8 million (EUR 236.5 million from ERDF)

Credit volume

EUR 332.5 million

Number of credit commitments

1,362

4. Results from the SME loan-fund in the funding period 2007-2013

Date of settlement for completion of operational programme

30.06.2016

Secured workplaces

17,913 (thereof 4,132 for women)

Important audits

EU-Commission (DG Regio)	September 2009
European Court of Auditors	November 2009 February 2012
Saxony-Anhalt Court of Auditors	December 2014

21.04.2017 Conversion into the "KMU-Folgefonds" ("SME Follow-up Fund")

5. Two examples of financed SME

SME in the food industry sector

Start-up project:

- **Construction of a production facility for the manufacture of meat and sausage products from native wild animals**
- **Total investment volume EUR 1.22 million**
- **Financing IB EUR 0.50 million Start-up loan and EUR 0.30 million grant from programme Joint Federal Government/Länder scheme for "Improving the Regional Economic Structures"**
- **financing with the borrowers bank bank**

SME in the tourism sector

Construction of a 4-star hotel

- **Total investment volume EUR 7.65 million**
- **grant EUR 2.22 million from programme Joint Federal Government/Länder scheme for "Improving the Regional Economic Structures"**
- **Financing IB loan EUR 1.50 million**
- **Approx. 26 new jobs planned**

6. Funding period 2021-2027 – wishes for adaptation

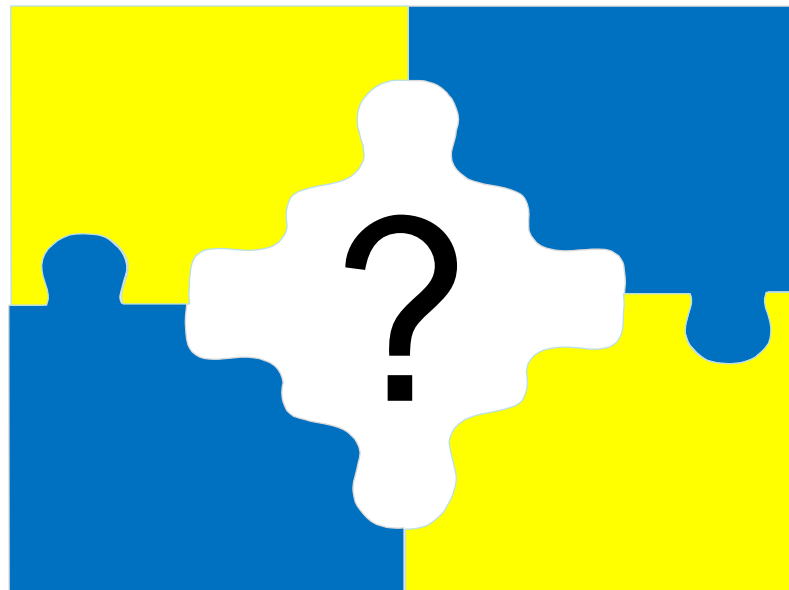
Adequacy of management costs and fees for implementation

Responsibilities of final recipients for visibility and communication

Frequency and scope for transmission of data

Dealing with negative investment returns

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Many thanks for your attention!



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