



<b>Country name:</b>		Slovakia
<b>Region:</b>		East Slovakia region
<b>City :</b>		Prešov
<b>Public organisation responsible for the initiative</b>	<b>National language</b>	RPIC - Regionálne podnikateľské a informačné centrum
	<b>English</b>	Regional Advisory and Information Centre Prešov (RPIC Prešov)
<b>Department (if any)</b>		Management
<b>Address:</b>		Reimanova 9, Prešov
<b>Webpage:</b>		<a href="http://www.rpicpo.sk">www.rpicpo.sk</a>
<b>Public organisation representative:</b>		Manager of the Centre

**Initiative description**

<b>Title:</b>	Microcredit loans
<b>Features of group/s of beneficiaries</b>	Directly: entrepreneurs including business start-ups, people interested in starting up a new business, any other person interested in entrepreneurship and business topics. Indirectly: other business support centres for entrepreneurs.
<b>Initiative / tool objective</b>	Main goal of the initiative was to secure easy and flexible financial support by public institution improving existing financial tool for companies taking into account pandemic circumstances.
<b>Steps / phases / stages of tool / initiative implementation and its activities description</b>	RPIC is a business support organization which members are represented by three commercial companies and the City of Prešov. From the beginning of its establishment, the Centre provides its services mainly to small and medium-sized enterprises (SMEs) from the Prešov and Kosice regions of Slovakia (Eastern part of Slovakia). Throughout the years their services were needed and appreciated by many local companies. The RPIC specialises in advising all areas of business activity that can be affected by the European Union policies, especially when it comes to legislative regulations. Despite the difficulties connected to the COVID-19 outbreak, the RPIC made it to continuously provide their support and services to that day. For doing so, the RPIC is using microloans, <u>a flexible tool for financing the investments or operational needs of small and medium entrepreneurs</u> . During the pandemic, this tool turned out to be a flawless form of support for SME's.

	<p>Distribution of Microloans, from organisational perspective, was divided into two elements/steps:</p> <p><b>Step 1.</b> Objective: Collection of applications. MSME willing to receive financial support from mechanisms could react on the formal call that was described and explained in the RPIC webpage including all formal regulation connected. Main element of the application was business plan describing purpose of the investment and budget needed. Every business plan was followed by personal consultations. Every company was asked to double check all financial aspects, including tax, VAT reimbursement, costs category) in order to save time during formal procedure and secure application against rejection. Application was collected by RPIC and evaluated by special Committee (Step2).</p> <p><b>Step 2.</b> Objective: signature of the contract Every application was evaluated by dedicated Committee and their decision was the final one. Next step in the procedure was signing contract and get funds transferred to his account to be used for his business development.</p> <p>Exceptionally, for the time of the pandemic, the RPIC decided to reduce the debt repayment rates for applicants. Additionally, for those who had taken a microloan in the past and had repaid it regularly, the loan could be received without a financial guarantee (to a certain level) and at much lower rates than commercial banks. It is very important to note, that these loans can be spent only on the necessary technology or key resources for the company (e.g. rent for working space, promotional campaign).</p>
<p><b>Expected result(s)</b></p>	<p><u>Initiative / tool organization dimension (what kind of added-value the initiative / tool brings for the implementing organization?):</u></p> <ul style="list-style-type: none"> <li>• In the first year of the pandemic, 30 companies completed the evaluation process and successfully implemented the additional funding into their companies</li> <li>• At least 30 new workplaces were created in that process</li> <li>• For many companies, this additional funding opportunity was a form of the second wind to survive the difficult time of the pandemic and drastic market changes.</li> </ul> <p><u>Beneficiaries dimension (what kind of added-value the initiative / tool brings for the Target Group members?):</u></p> <ul style="list-style-type: none"> <li>• Companies receive a preferential interest rate in comparison to commercial banks. Moreover, such funding is much easier to obtain for projects with less ROI, but more social/ecological impact.</li> </ul>

### Transferability

<b>Transferability to other countries (to be assessed by all Project Partners)</b>	<ul style="list-style-type: none"> <li>• Medium – the initiative / tool can be transferred with the fulfilment of some demanding requirements by adopting organization.</li> </ul>
<b>Transferability on country of origin level (to be assessed by all Partner from specific country)</b>	<ul style="list-style-type: none"> <li>• Medium – the initiative / tool can be transferred with the fulfilment of some demanding requirements by adopting organization.</li> </ul>
<b>Necessary resources</b>	<b>Technical infrastructure:</b> <ul style="list-style-type: none"> <li>• Offices: <ul style="list-style-type: none"> <li>○ Office and its necessary equipment</li> </ul> </li> <li>• Technology: <ul style="list-style-type: none"> <li>○ Software with database of entrepreneurs application with documentation.</li> <li>○ The ICT tools for an online communication during pandemic, personal meeting only when inevitable.</li> </ul> </li> </ul>
	<b>Knowledge:</b> <ul style="list-style-type: none"> <li>• Competencies of implementing team members: <ul style="list-style-type: none"> <li>○ Expert knowledge of regional economy.</li> <li>○ Expert knowledge of statistical reports of business activities.</li> <li>○ Solid background in consulting, international trade and internationalization.</li> <li>○ Experience with consulting using the Enterprise Europe Network.</li> <li>○ Soft skills on how-to advice and mentor business.</li> </ul> </li> <li>• Procedures: <ul style="list-style-type: none"> <li>○ The process is under RPIC rules and the microloan programme has a revolving character. Microloan repayments are used to provide additional microloans. The microloans programme itself is covered by Slovak Business Agency who administrated the processes. The interest rate is determined individually based on the rating and Euribor rate.</li> </ul> </li> </ul>
	<b>Types (categories) of qualified costs:</b> <ul style="list-style-type: none"> <li>• Loans.</li> <li>• Staff/experts costs.</li> <li>• Marketing campaigns of the microloans.</li> </ul> <b>Amount financing(in EUR):</b> <ul style="list-style-type: none"> <li>• App. 0,5 – 1 MLN EUR (minimum) – depends on financial rules.</li> </ul>
<b>Key success factors:</b>	<ul style="list-style-type: none"> <li>• Simple procedure and ready to use forms.</li> <li>• Set of the experts ready to evaluate companies` situation and market orientation/trends.</li> </ul>
<b>Key challenges:</b>	<ul style="list-style-type: none"> <li>• Security tools that lowering risk of the initiative.</li> <li>• Clear procedures for companies.</li> </ul>
<b>Impact on regional economy (general description)</b>	<ul style="list-style-type: none"> <li>• Increase in gross domestic product (GDP) in Prešov`s region.</li> <li>• Creating new workplaces.</li> <li>• Supporting for business consistent with the region`s policies.</li> <li>• Lowering entry level barriers for a business and enriching market competition.</li> </ul>