

Idea: Microcredit loans

Number in the database: 151

Area: 15

General information (only if existing or planned)

Country name:	Slovakia	
Region:	East Slovakia region	
City :	Prešov	
Public organisation responsible	In national language	RPIC - Regionálne podnikateľské a informačné centrum
	In English	Regional Advisory and Information Centre Prešov (RPIC Prešov)
Department (if any)	Management	
Address:	Reimanova 9, Prešov	
www:	http://www.rpicpo.sk/	
Public organisation representative:	Manager of the Centre	

Idea description

Title:	Microcredit loans
Idea objective	Main goal of the initiative was to secure easy and flexible financial support by public institution improving existing financial tools for companies taking into account pandemic circumstances.
Sharing process (max 1000 characters)	<p>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 SMEs from the Prešov and Kosice regions of Slovakia.</p> <p>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, a flexible tool for financing the investments or operational needs of small and medium entrepreneurs. During the pandemic, this tool turned out to be a flawless form of support for SME's. 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.</p> <p>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>
Restrictions/rules (law, skills, time, other)	<p>Technical infrastructure:</p> <ul style="list-style-type: none"> ● Offices: <ul style="list-style-type: none"> ○ Office and its necessary equipment ● Technology: <ul style="list-style-type: none"> ○ Software with database of entrepreneurs application with documentation. ○ The ICT tools for an online communication during pandemic, personal meeting only when inevitable. <p>Knowledge:</p> <ul style="list-style-type: none"> ● Competencies of implementing team members: <ul style="list-style-type: none"> ○ Expert knowledge of regional economy. ○ Expert knowledge of statistical reports of business activities. ○ Solid background in consulting, international trade and internationalization.

	<ul style="list-style-type: none"> ○ Experience with consulting using the Enterprise Europe Network. ○ Soft skills on how-to advice and mentor business.
Procedures (if applicable)	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.
Costs for public institutions (if applicable)	<p>Types (categories) of qualified costs:</p> <ul style="list-style-type: none"> ● Loans. ● Staff/experts costs. ● Marketing campaigns of the microloans. <p>Amount financing(in EUR):</p> <ul style="list-style-type: none"> ● App. 0,5 – 1 MLN EUR (minimum) – depends on financial rules
Expected result (if possible)	<p>Initiative / tool organization dimension (what kind of added-value the initiative / tool brings for the implementing organization?):</p> <ul style="list-style-type: none"> ● In the first year of the pandemic, 30 companies completed the evaluation process and successfully implemented the additional funding into their companies ● At least 30 new workplaces were created in that process ● 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. <p>Beneficiaries dimension (what kind of added-value the initiative / tool brings for the Target Group members?):</p> <ul style="list-style-type: none"> ● 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.