



**FUND OF
FUNDS**
FUND MANAGER OF
FINANCIAL INSTRUMENTS
IN BULGARIA



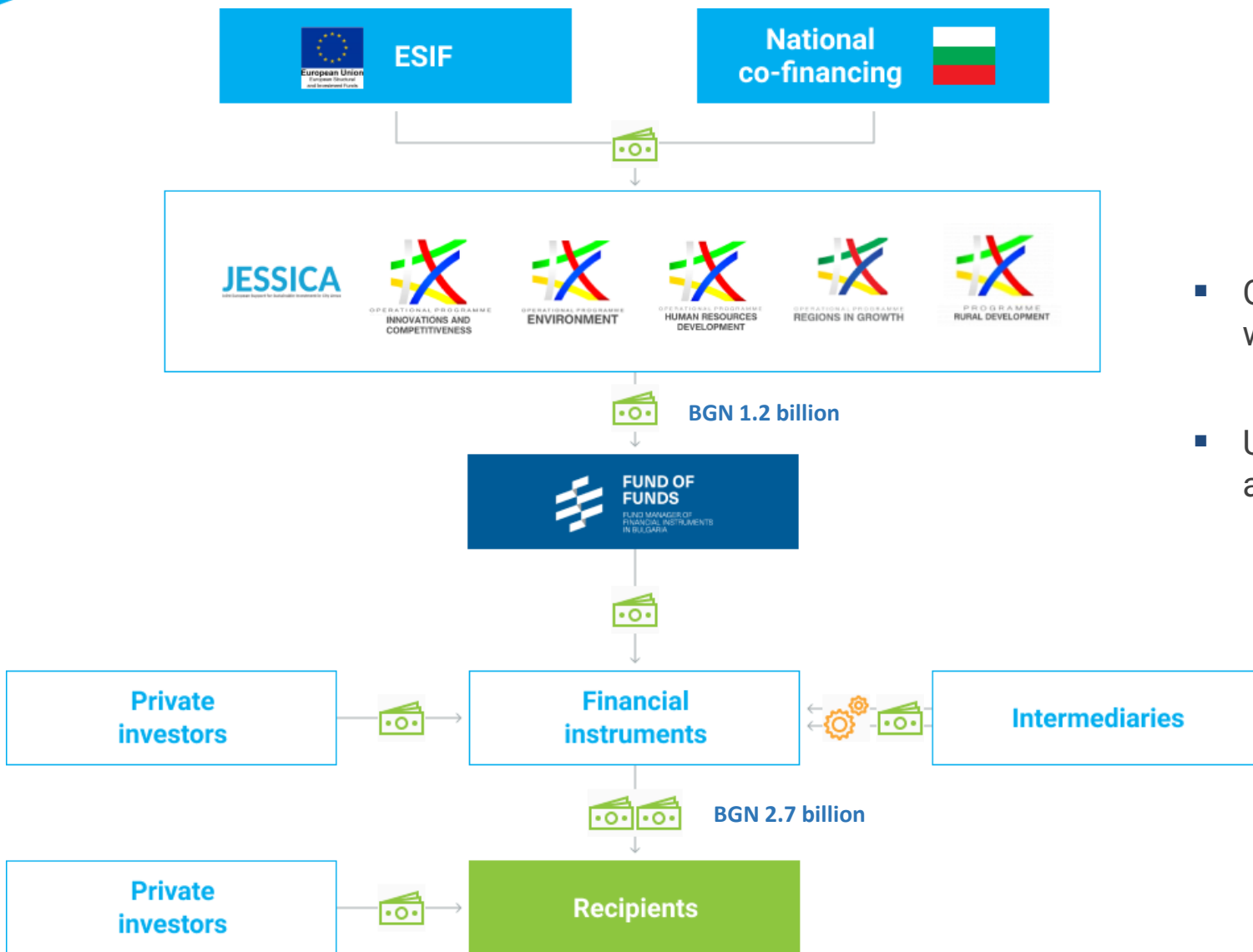
ONE DIRECTION
MANY OPPORTUNITIES



FUND OF FUNDS: DELIVERING FINANCIAL SUPPORT

June 2022

THE FOF COMBINES ESIF FINANCIAL INSTRUMENTS IN BULGARIA: UNIFIED APPROACH AND IMPLEMENTATION



- Overall contracted public resource – **BGN 1.2 bn**, which mobilized same amount of private resources
- Up to Q1'22E, close to **BGN 1 bn** was provided to approx. **1800** final recipients



OVERCOMING MARKET INEFFICIENCIES

FIs provide financing to **target groups** of final recipients that have limited access to financing from the private sector.

FIs are **tailored to the needs** and requirements of the target final recipients and offer, in general, **more favourable terms**

(pricing, maturity and/or collateral requirements)



LEVERAGE EFFECT

In addition to the resources from the OPs, FIs mobilise **additional private financing** which increases the total amount of the support available to the final recipients



REVOLVING FUNDS

Resources paid back by the financed projects, and the potential other revenue generated from them, can be **reused** to provide support to other eligible final recipients and projects



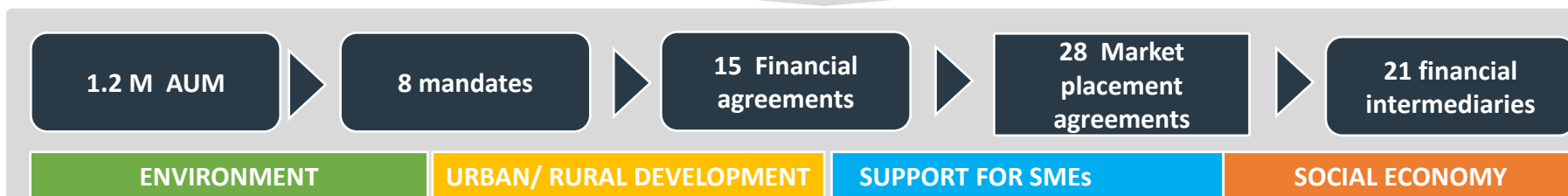
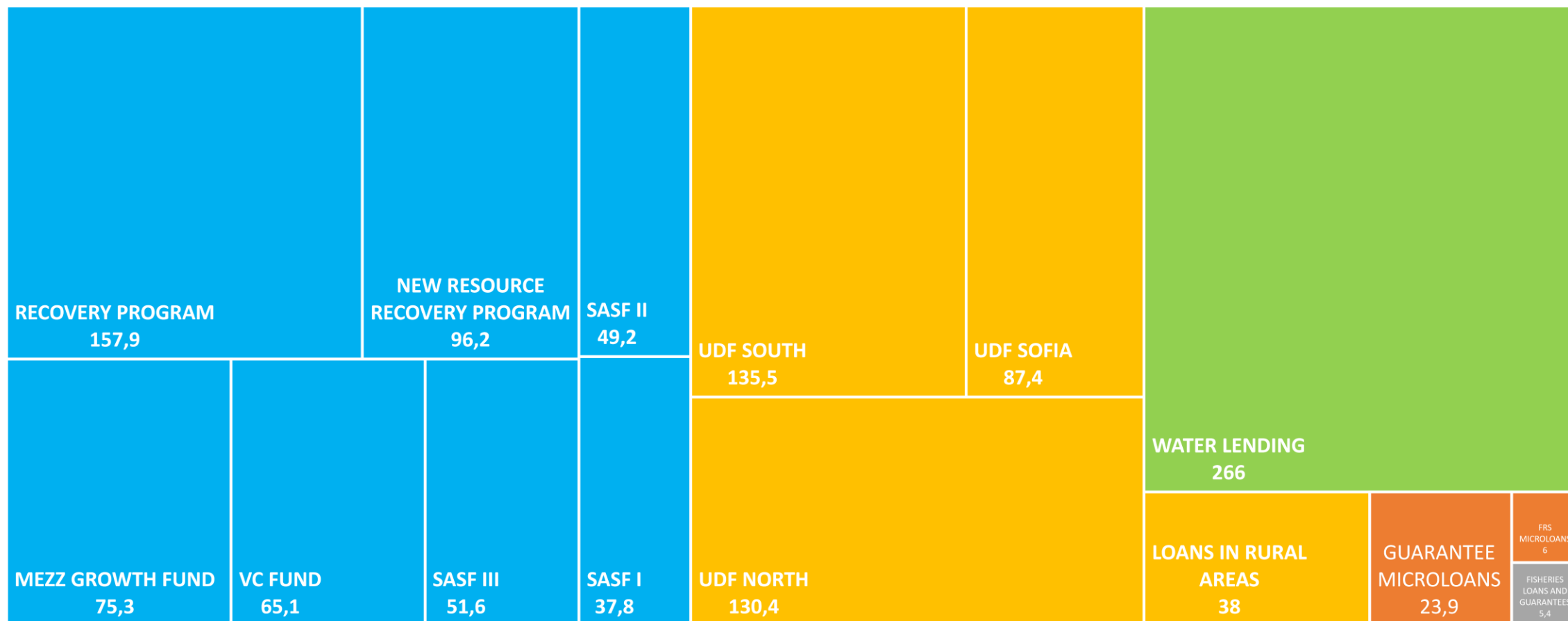
FISCAL DISCIPLINE

The resources made available via the instruments require that the final recipients **pay them back**, which leads to a more efficient use of public resources compared to grant support



PUBLIC AND PRIVATE EXPERTISE

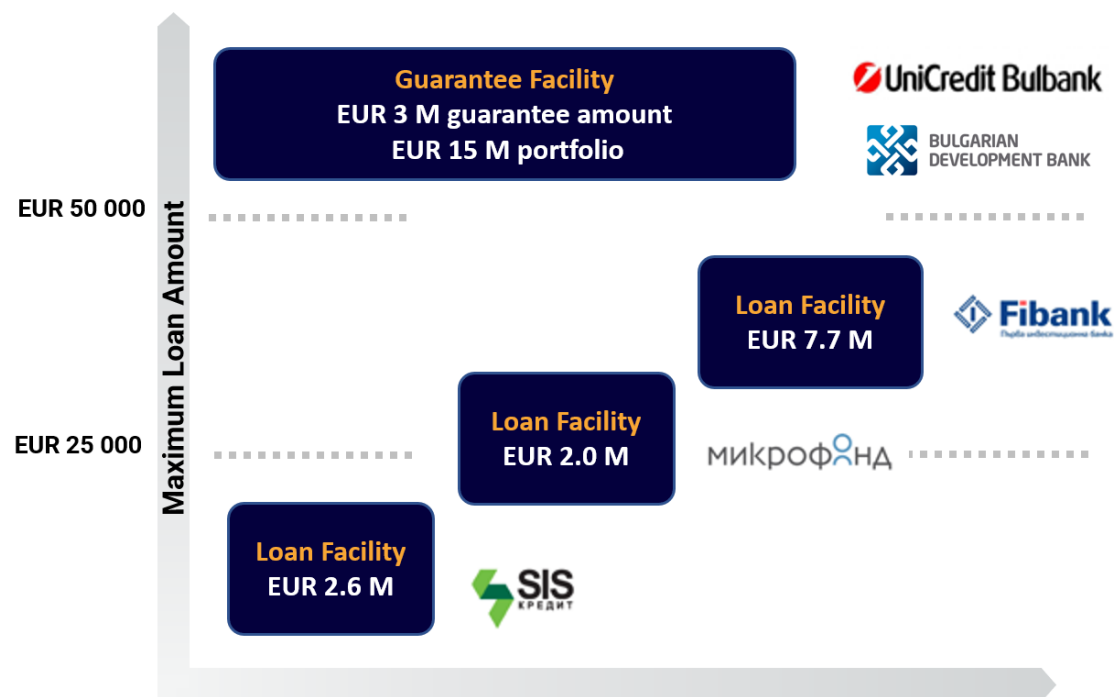
Final recipients can benefit from the expertise of the financial intermediaries and other private sector partners in **structuring economically viable projects**



INCLUSIVE DEVELOPMENT (OPHRD 2014-2020)

Debt instrument for microfinance/ Guarantee financial instrument for microfinance

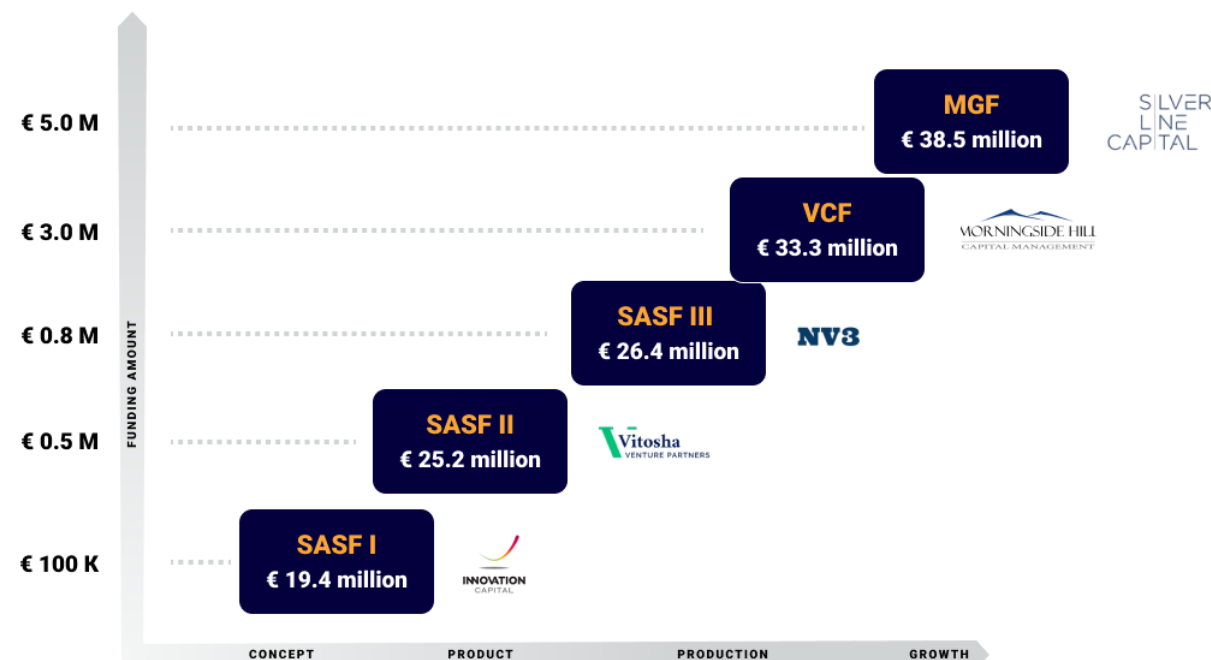
Our financial intermediaries have supported 543 projects (as of Q1'22E)



INNOVATION AND COMPETITIVENESS (OPIC 2014-2020)

Equity and quasi-equity investments

Our VC funds have invested in 168 companies, primarily in early stage (as of Q1'22E)



RECOVERY PROGRAM

PUBLIC RESOURCES OF: BGN 263.8 M (OPIC 2014-2020)



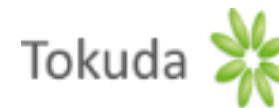
Target final recipients

- SMEs

Type of financing

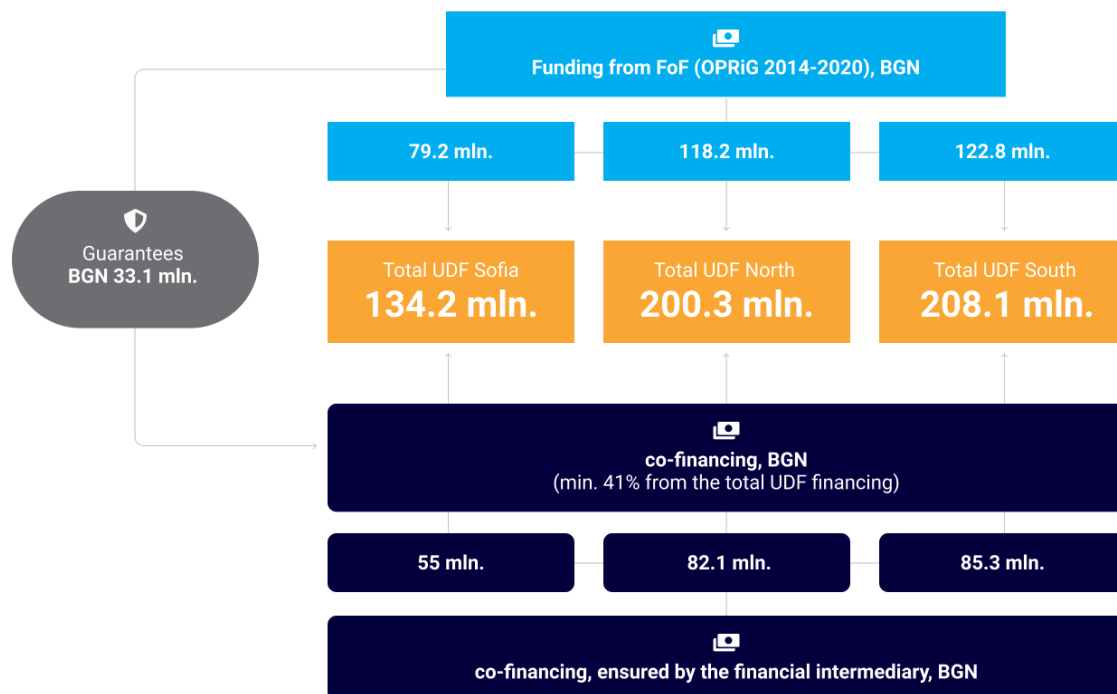
- low interest rates, improved access to financing;
- investment loans and working capital in an amount of up to EUR 1.5 M;
- relaxed collateral requirements;
- an option for a grace period
- an option for an interest rate subsidy;
- repayment term of up to 10 years.

Partner banks:



URBAN DEVELOPMENT FUND

PUBLIC RESOURCES OF: BGN 320M DEBT FINANCING & BGN 33.1M FOR GUARANTEES



Recipients

- municipalities and municipal enterprises;
- private companies;
- public/private partnerships;
- private citizens.

Type of financing

- low interest rates; no management fee chargeable on the public resources;
- relaxed collateral requirements;
- low level of self-financing by final recipient (0% -15%);
- an option to combine the financial instrument with grant support;
- low-interest investment loans and working capital, including non-refundable VAT;
- up to EUR 20 million for urban environment and up to EUR 10 million for regional tourism;
- repayment term of up to 20 years and a grace period of up to 3 years.

PUBLIC RESOURCES: BGN 38.3M DEBT FINANCING



Final recipients

- Farmers and SMEs with agricultural activities
- SMEs with non-agricultural activities, performed in rural areas
- SMEs performing CLLD strategies

Financial instrument's characteristics

- Loans at lower interest rates
- Facilitated access to financing
- Additional advantages: lower levels of collateral, grace periods, lack of management fee on the public financing

Type of financing

- Investments loans, working capital loans
- Up to BGN 2M
- 1 to 10 years repayment period
- Option for combination with grant support under EAFRD

PUBLIC RESOURCES: BGN 5.4 M



FI targets

- Stimulation of bank credits for enterprises in the fisheries sector
- Addressing the lack of access to finance resources, lack of sufficient collateral, high interest rates, high risk assessment

Final recipients

- Enterprises in the aquaculture and fisheries sector
- SMEs, fisheries organisations and municipalities, performing CLLD strategies

Type of financing

- **Guarantee instrument** for commercial banks loans – up to 80% of each loan with coverage max. BGN 1M;

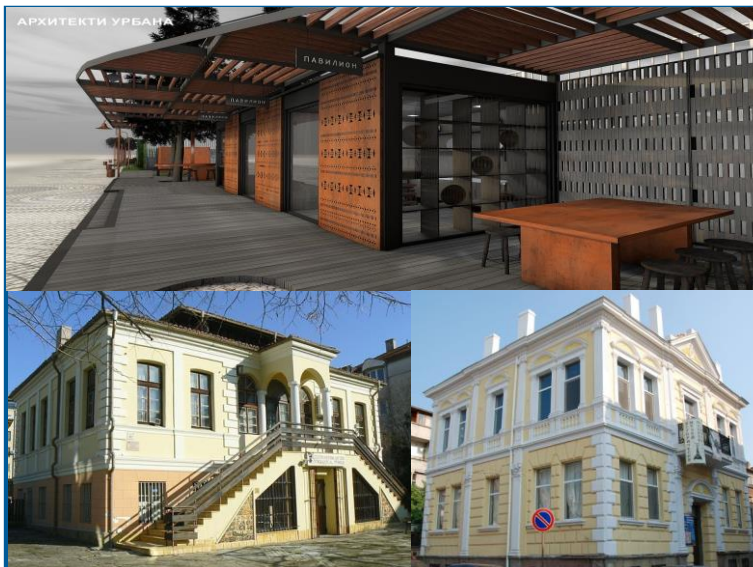


Burgas Municipality

Loan financing from UDF South

BGN 1 465 769/EUR 749 436

Project «The Power of Water», incl. construction/renovation works in Chengene Skele Village, Island St. Anastasia, Aquae Calide, St. Cyril and Methodius Cathedral



Burgas Municipality

Loan financing from UDF South

BGN 214 938 /EUR 109 896

Reconstruction and renovation works of Aleko Constantinov Str., Regional Historical Museum and the courtyard of the Ethnographic Museum



Lom Municipality

Loan financing from UDF North

BGN 413 720/EUR 211 532

Reconstruction of the Historical Museum of Lom, the Girls' School and the Dimiter Ginin Museum

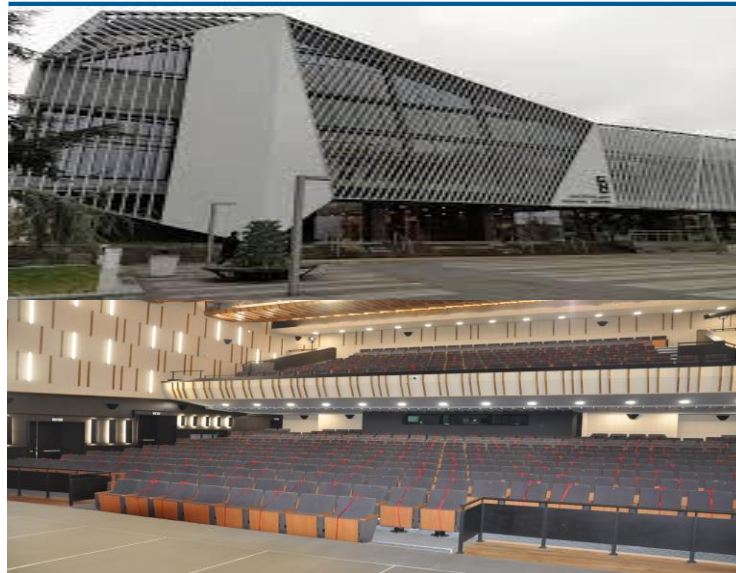


Bourgas Municipality

Loan financing from UDF South

BGN 5 964 811/EUR 3 049 759

Reconstruction of an existing building into a public library and Modern Arts Center



Bourgas Municipality

Loan financing from UDF South

BGN 5 068 640/EUR 2 591 555

Reconstruction and renovation of the building of Neftochimic Cultural Center



Varna Municipality

Loan financing from UDF North

BGN 1 346 328/EUR 688 367

Repair works and reconstruction of the additional stage of the Varna Dramatic Theatre



SUCCESS STORIES: 1821 SUPPORTED PROJECTS AS OF Q1 2022 END





FUND OF FUNDS: DELIVERING FINANCIAL SUPPORT

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