

GP 16: Municipal Guarantee Fund for SMEs

Start date: 2015

End date: on-going

Owner: Municipality of Sofia

Scope: training needs ✓ policy measures other

Geographical focus: ✓ local and regional national International

The Municipal Guarantee Fund for SMEs (MGFSME) is a unique financial instrument launched and developed by Sofia Municipality in support of the entrepreneurship and innovation ecosystem in one of the fastest growing capitals in Europe. It aims at raising the competitiveness and success rate of SMEs in Sofia and applying the "Think Small First" principle at the heart of the municipal economic policy.

Aim:

Provide an opportunity to YWE to start and develop their own business through guaranteeing their bank loans up to 50% of the amount of the loan principal or up to 50 000€ or maximum of 300 000 €.

Target group:

It is open to all SMEs but it gives a priority in supporting projects of start-ups of women entrepreneurs with a Bachelor's degree in the field of the project up to 35 years-old.

About the good practice:

Main thematic priorities are Informatics, ICT and New technologies in creative and recreational industries. The strategic focus of Sofia's ISIS is to create the necessary prerequisites and conditions for Sofia to become a national and regional center for education, modern research, innovation and entrepreneurship based on ICT.

Basic requirements for entrepreneurs are:

- being 3 years on the market.
- to provide the market with innovative products, services and / or processes.
- To be SME;
- Their headquarters shall be on the territory of Sofia Municipality or their business project shall be realized on the territory of the municipality.

The key factors of success:

Positive perception of public funding mechanisms

Resources needed:

220,000 €/Y.

Evidence for success:

- ✓ 96 supported women entrepreneurs through financial guarantee (25% of all issued guarantees)
- ✓ Amount of issued credit guarantees for women entrepreneurs: 2, 924,790.50 €
- ✓ Amount of the guaranteed loans for women entrepreneurs: 8,804,996.99 €

Potential for learning or transfer

- policy making process

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