

## Conclusions

### Framework Operation #1-6 Small and Medium-Sized Enterprises Window (SMEW)

INVEU-ICR-0081-2023 - INVEU-ICR-0082-2023 - INVEU-ICR-0102-2023

INVEU-ICR-0103-2023 - INVEU-ICR-0104-2023 - INVEU-ICR-0105-2023

#### Short description of the financing or investment operation and its objectives

|                                |                                                                               |
|--------------------------------|-------------------------------------------------------------------------------|
| Name of financial intermediary | Commercial banks active in Hungary                                            |
| Type of the final recipients   | SMEs (including Micro Enterprises)<br>Special Purpose Vehicle/project Company |
| Countries of implementation    | Hungary                                                                       |
| Implementing partner           | Garantiqa Hitelgarancia Zrt                                                   |

SMEs are often perceived by Financial Intermediaries as being higher risk and also more often lack sufficient collateral. The Garantiqa SMEW Uncapped Guarantee Financial Product aims to accelerate the productivity growth and efficiency of beneficiary enterprises by improving their competitiveness via better access to finance.

#### Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the InvestEU guarantee on 6 December 2023 for the above-mentioned operations.

Garantiqa plays a pivotal role in catering to the needs of small and micro enterprises, which represent 77.5% of the total guarantee portfolio. The introduction of these Framework Operations is a proactive response to address market failures in this sector by addressing:

- SMEs access to finance:
- At least 50% of the allocated EU Guarantee shall be allocated to Guarantee Final Recipient Transactions, whose principal activities are located in Assisted Areas
- Around 35% of the total portfolio is to be allocated to micro enterprises
- The Framework Operations targets transactions in assisted, rural areas as well

Invest additionality is illustrated by the aim to improve the competitiveness of SMEs by providing uncapped credit guarantees to those perceived as high-risk or lacking sufficient collateral. Hungarian SMEs active in rural areas can benefit from higher guarantee rate as compared to non-assisted areas. Additionally, the programme charges lower guarantee fees for financing contract targeting climate-friendly, clean and efficient energy usage and sustainable investments.

The Investment Committee appreciated the project which facilitates SMEs' access to finance in the Hungarian market. The Committee looks forward to the demonstrated additionality of the national project complementing the European support schemes.