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Factsheet for case **HR-2020-14/512**

COVID-19 loans for variable capital for microenterprises and SMEs

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Country	Croatia, applies nationwide
Time period	Open ended, started on 02 April 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Access to finance
Case created	12 April 2020 (updated 28 April 2020)

Background information

Many small and medium business entities affected by the coronavirus pandemic have serious problems with variable capital. Therefore, the owners demand some form of aid.

Loans to be granted directly to small business entities under this Program include de minimis value in accordance with Commission Regulation (EU) No 1093/2010. 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

Content of measure

The Croatian Agency for SMEs, Innovation and Investments - HAMAG-BICRO is established by the Government of the Republic of Croatia with the purpose of promoting SME development and promoting investment and innovation. The Agency is an independent institution under the supervision of the Ministry of Entrepreneurship and Crafts. HAMAG-BICRO enables loans to micro, small and medium-sized small business entities.

The target group of financial instruments COVID-19 Loan for variable (working) capital are micro and SME, which are faced with illiquidity problems and require variable capital. The amount of loan is up to HRK 750,000 (€ 100,000) with a maximum repayment period up to 5 years including a grace period of up to 12 months. Interest rate is 0.25% without processing fee.

The differences regarding the previous ESIF Micro working capital loans programs are the lower interest rates, the longer grace period and the possibility of settling accounts up to 3 months before the loan application is received. For this loan cannot apply the entities from fishery, aquaculture and agriculture, producers of tobacco and alcohol, manufacture and trade of weapons and ammunition; casinos and other sectors and activities excluded by the terms of the Program. For this type of loans and for Micro loans for rural development HRK 1.148 billion (153,067 million) are available.

Use of measure

Not yet known.

Actors, target groups and funding

Actors	Target groups	Funding
National government EU (Council, EC, EP)	SMEs One person or microenterprises	European Funds National funds

Social partners

Role of social partners	No involvement
Form of involvement	No involvement

Due to the nature of the measure, social partners were not involved.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 23 March 2020: ESIF zajmovi za obrtna sredstva (hamagbicro.hr)
- 02 April 2020: Odluka o usvajanju Programa »COVID-19 zajam za obrtna sredstva« (narodne-novine.nn.hr)