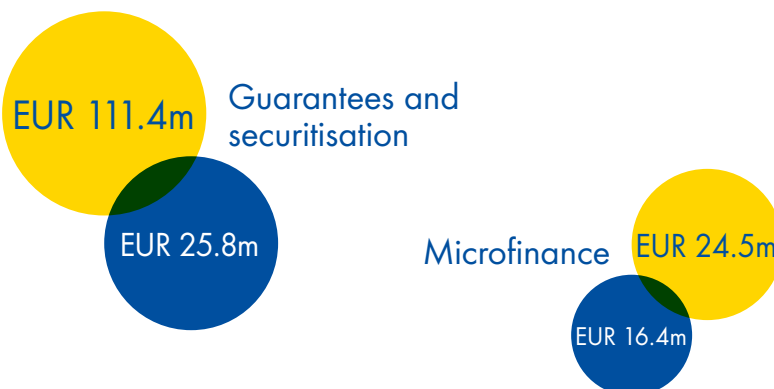


# EIF in Croatia



## Key figures (at 20.06.2016)

- First EIF operation in Croatia: 2005
- Supported 6 private equity funds investing in Croatian SMEs
- Partnering with 10 finance and guarantee institutions
- Over 1 400 Croatian SMEs supported

- Total commitments (2011 – June 2016)
- Expected mobilised resources (2011 – June 2016)

## Guarantees and securitisation

EIF actively supports Croatian SMEs through guarantee transactions signed with various banks to support their risk-taking capacity, stimulating entrepreneurship and contributing towards job creation and growth.

Under the EU Competitiveness and Innovation Programme (CIP), Privredna banka Zagreb and the Croatian Bank for Reconstruction and Development (HBOR) provide loan finance to Croatian micro-enterprises. At the same time, loan guarantees to start-up enterprises are offered through an agreement with the Croatian Agency for SMEs and Investment (HAMAG).

Croatia also benefits from EU support through the Western Balkans Enterprise Development & Innovation Facility (WB EDIF), an initiative funded by the European Commission, international financial institutions, governments of beneficiary economies and bilateral donors. WB EDIF aims at developing the economies and venture capital markets of the beneficiary countries, as well as promoting policy reforms to support access to finance through financial engineering instruments. Under WB EDIF EIF entered in 2015 into a guarantee agreement with Raiffeisen Bank.

In June 2016 EIF has extended its cooperation with HBOR under the EU-supported InnovFin SME Guarantee Facility, incentivising the provision of loans on more favourable terms to innovative SMEs and small mid-caps. This is the first agreement in Croatia under the European Fund for Strategic Investments (EFSI), which is at the heart of the Investment Plan for Europe.

Furthermore, under the Risk Sharing Initiative (RSI) – the predecessor of InnovFin – an agreement was signed with Zagrebačka banka to provide loans to innovative SMEs and small mid-caps, in support of their research and innovation projects.

## Microfinance

Under the EU Progress Microfinance initiative, EIF has signed agreements with Zagrebačka bank, SG Leasing and Sberbank which offer support to micro-entrepreneurs and the self-employed, many of whom face difficulties in accessing credit from traditional banking sources.

## EIF at a glance

The European Investment Fund (EIF) is Europe's leading risk finance provider for small and medium-sized enterprises (SMEs) and mid-caps, with a central mission to facilitate their access to finance. As part of the European Investment Bank (EIB) Group, EIF designs, promotes and implements equity and debt financial instruments which specifically target the needs of these market segments.

In this role, EIF fosters EU objectives in support of innovation, research and development, entrepreneurship, growth, and employment. EIF manages resources on behalf of the EIB, the European Commission, national and regional authorities and other third parties. EIF support to enterprises is provided through a wide range of selected financial intermediaries across Europe. Since its inception in 1994, EIF has supported over 1.8 million SMEs.

EIF is a public-private partnership whose tripartite shareholding structure includes the EIB, the European Union represented by the European Commission and various public and private financial institutions from European Union Member States and Turkey.

HBOR belongs to EIF's shareholders in Croatia.

For further information visit [www.eif.org](http://www.eif.org).

# Case study

## Equity

Under the Western Balkans Enterprise Development & Innovation Facility, EIF has contributed to the Enterprise Innovation Fund (ENIF), an early stage venture capital fund, as well as the Enterprise Expansion Fund (ENEF) which focusses on providing growth capital for established SMEs.

EIF has also made commitments into a number of funds located in other European countries with a broader geographical investment scope that also cover Croatia.

Davor Badurina is one of the many entrepreneurs who have benefited from the EU support through the Competitiveness and Innovation Framework Programme (CIP). CIP allowed Privredna banka Zagreb to give him further capital to develop his business and carry out his ambitions.

Picture the scene: a beautiful island in the Mediterranean with long sandy beaches, vineyards and small coves lining the coastline of the Croatian island, Pag. All you need now is a place to rest your head and maybe some local Pag cheese or Adriatic fish for dinner. Davor Badurina can offer that package. In 1996, Davor opened the boarding house "Palma" in Jakišnica, situated in a little bay on the west coast of Pag, Jakišnica is a village surrounded by Mediterranean vegetation, famous for its fishermen and also its warm hospitality.

Davor first approached Privredna banka Zagreb in March 2013 and was given the loan 20 days later. The loan, which has since been fully repayed, enabled him to run an extensive marketing campaign in Croatia and further afield, helping to grow the business.



**Company:**  
Bed & breakfast "Palma", Island of Pag

**Type of business:**  
Bed & Breakfast

**EU-guaranteed loan from Privredna banka Zagreb:**  
EUR 4 000

## European Investment Fund

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