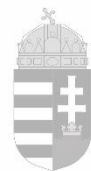


SZÉCHENYI

THE ECONOMIC
DEVELOPMENT AND
INNOVATION
OPERATIONAL PROGRAMME



*„HOW TO IMPROVE THE NEW PERIOD THROUGH
EXPERIENCES FROM 2014-2020 TO 2021-2027?”*



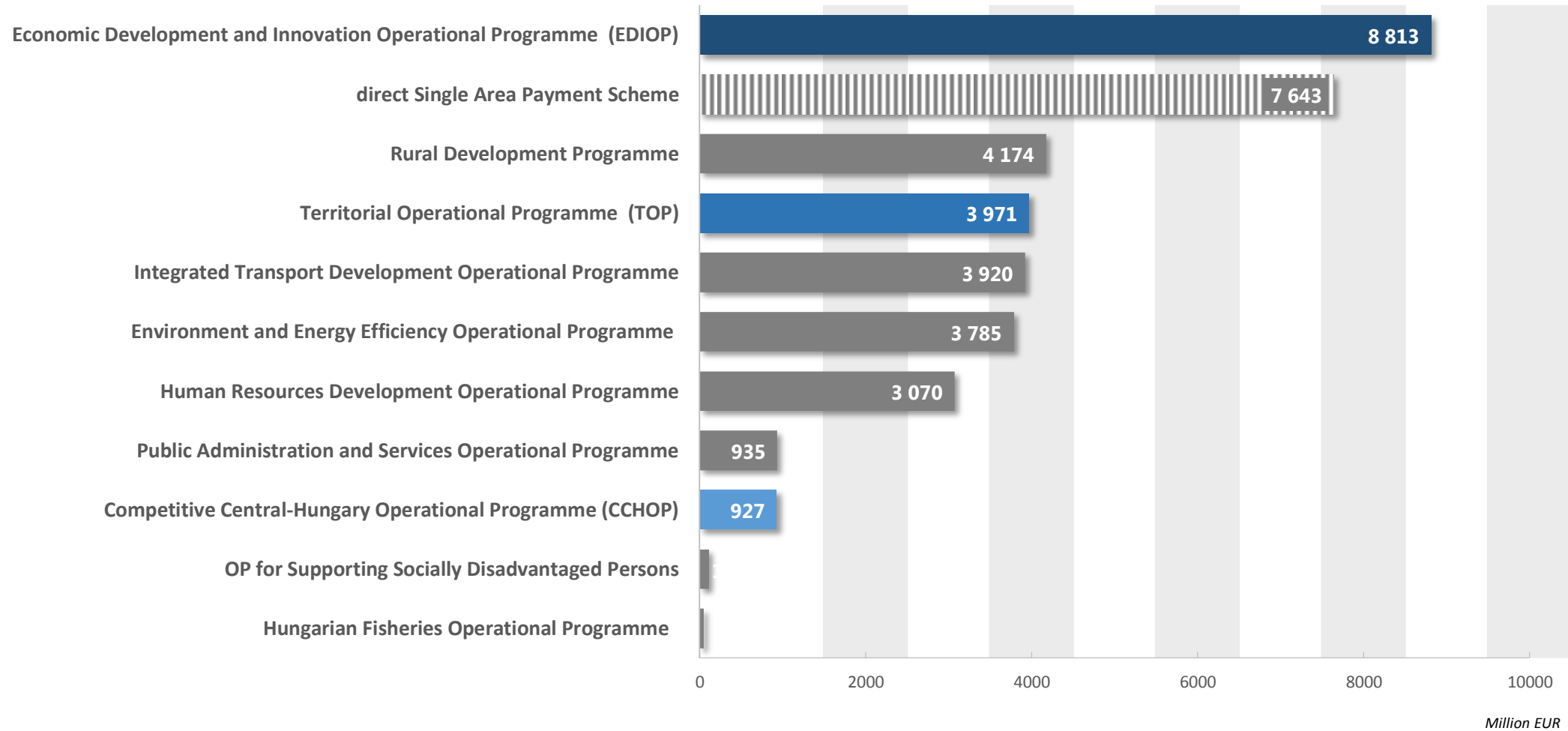
MINISTRY OF FINANCE

Content of the presentation

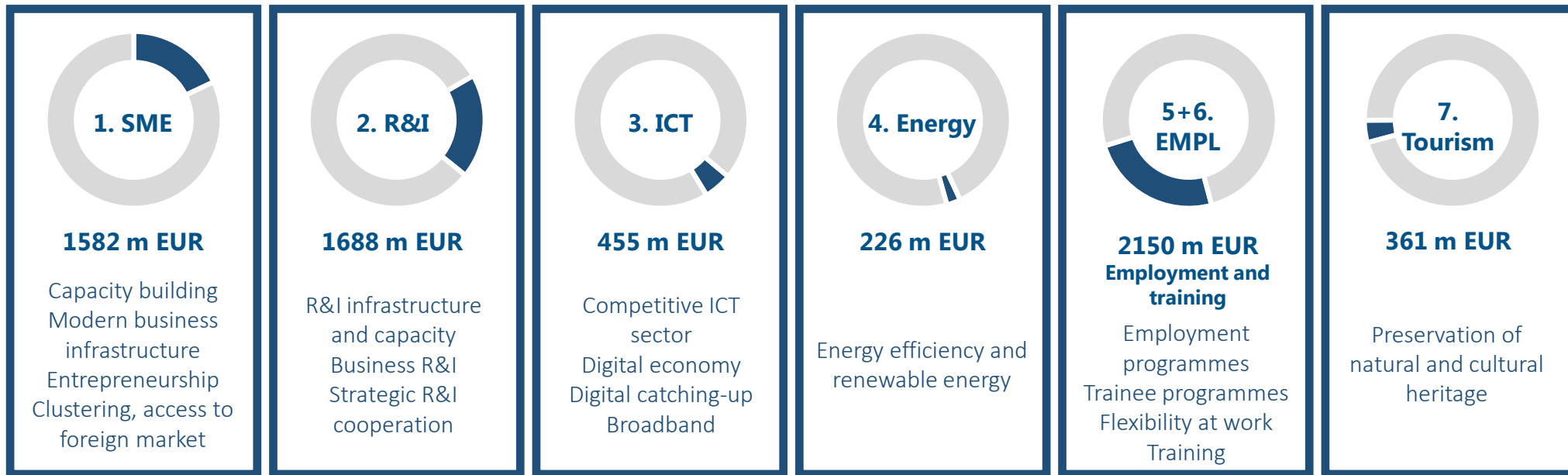
- 1 General overview of OPs and EDIOP
- 2 International overview and state of play,
- 3 Specific aspects of EDIOP
- 4 Financial instruments
- 5 Challenges of 2019
- 6 Introducing new procedure – pilot programme
- 7 Experiments for the next period

Hungarian OPs 2014-2020

(m EUR)



Economic Development and Innovation OP – Priorities



8. Financial Instruments - 2352 M EUR



INTERNATIONAL OVERVIEW AND STATE OF PLAY

- EDIOP status compared to neighbouring countries
- Committed and disbursed funds
 - Priorities, beneficiaries

PL: 12,76 bn € (2)

CZ: 11,46 bn € (2)

AT: 8,04 bn € (1)

SL: 3,82 bn € (1)

HR: 8,04 bn € (1)

PT: 6,36 bn € (1)

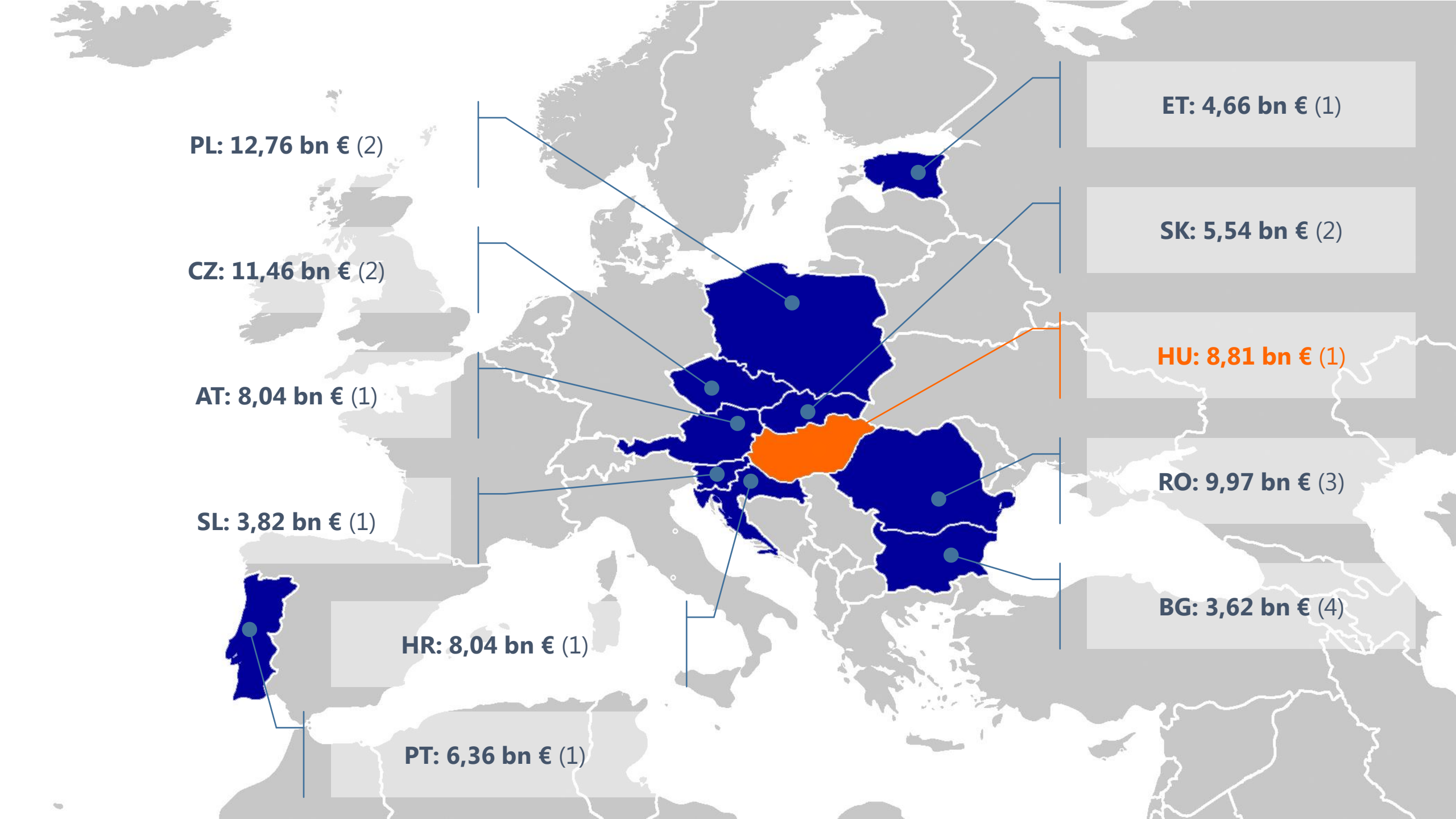
ET: 4,66 bn € (1)

SK: 5,54 bn € (2)






HU: 8,81 bn € (1)

RO: 9,97 bn € (3)

BG: 3,62 bn € (4)

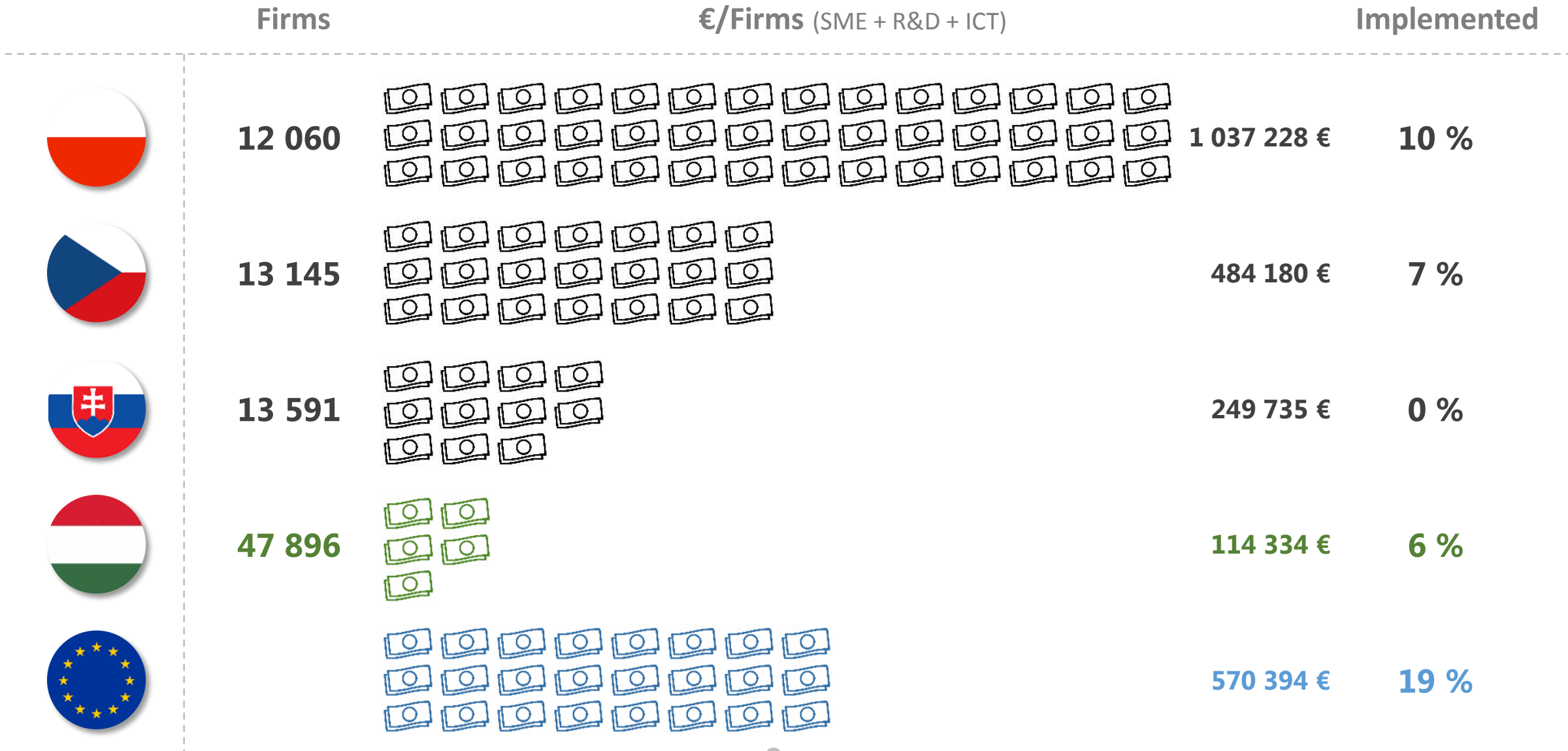


EDIOP was very intense at the beginning of the period compared to V4 countries

	Committed	Paid	EU payment
	97%	21%	33%
	71%	26%	28%
	59%	15%	18%
	113%	36%	49%
	87%	30%	33%

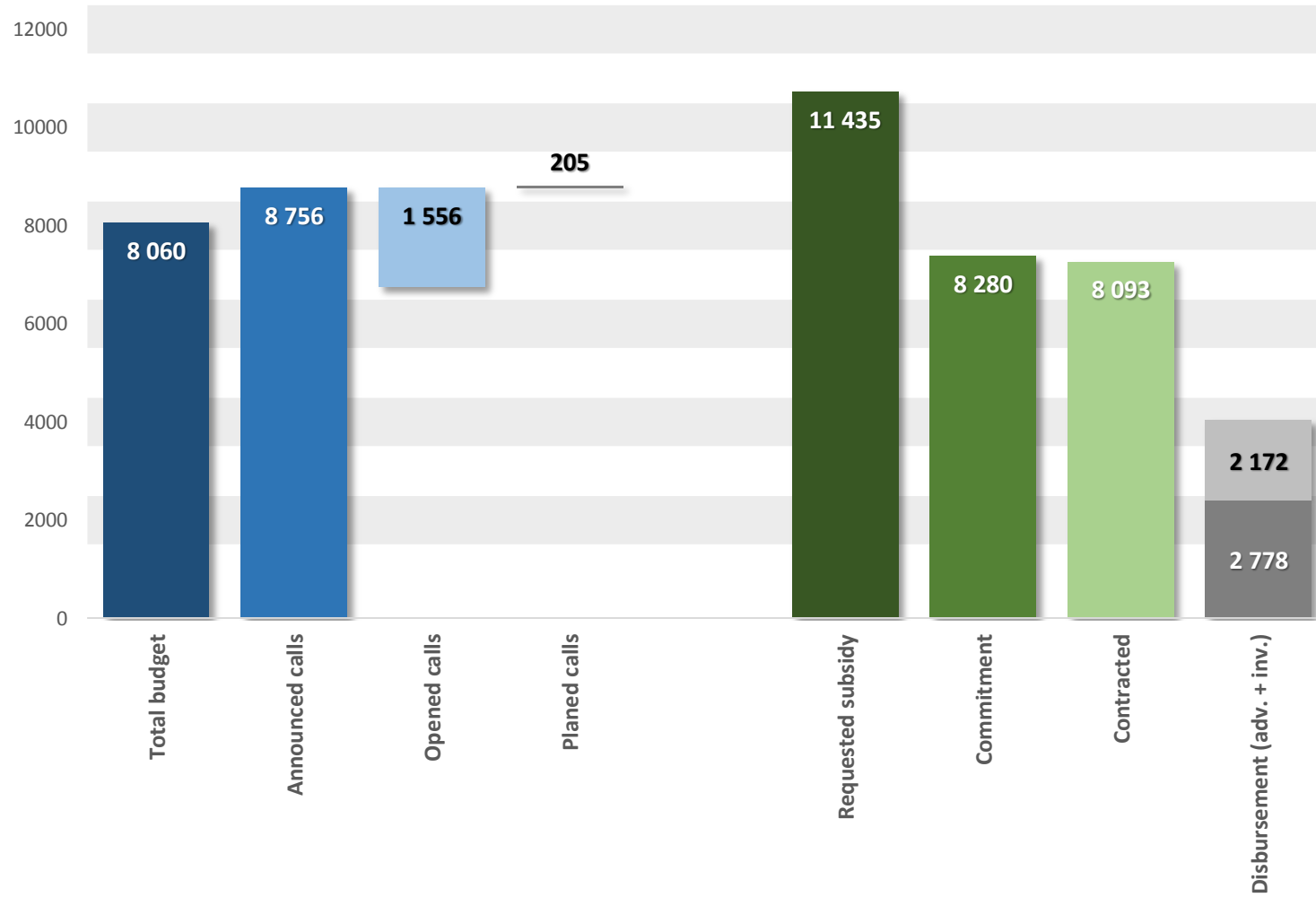
1. *Not only the size of the program, but also the dynamics of publishing calls and financial commitment is outstanding*
2. *High commitment and reimbursements are paired with the highest payment claims towards to EC among the V4 countries*
3. *However this fast progress makes the end of this period difficult*

Low support to high number of beneficiaries

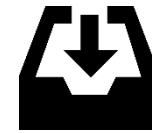


State of Play

(m EUR)



= 127/19/25

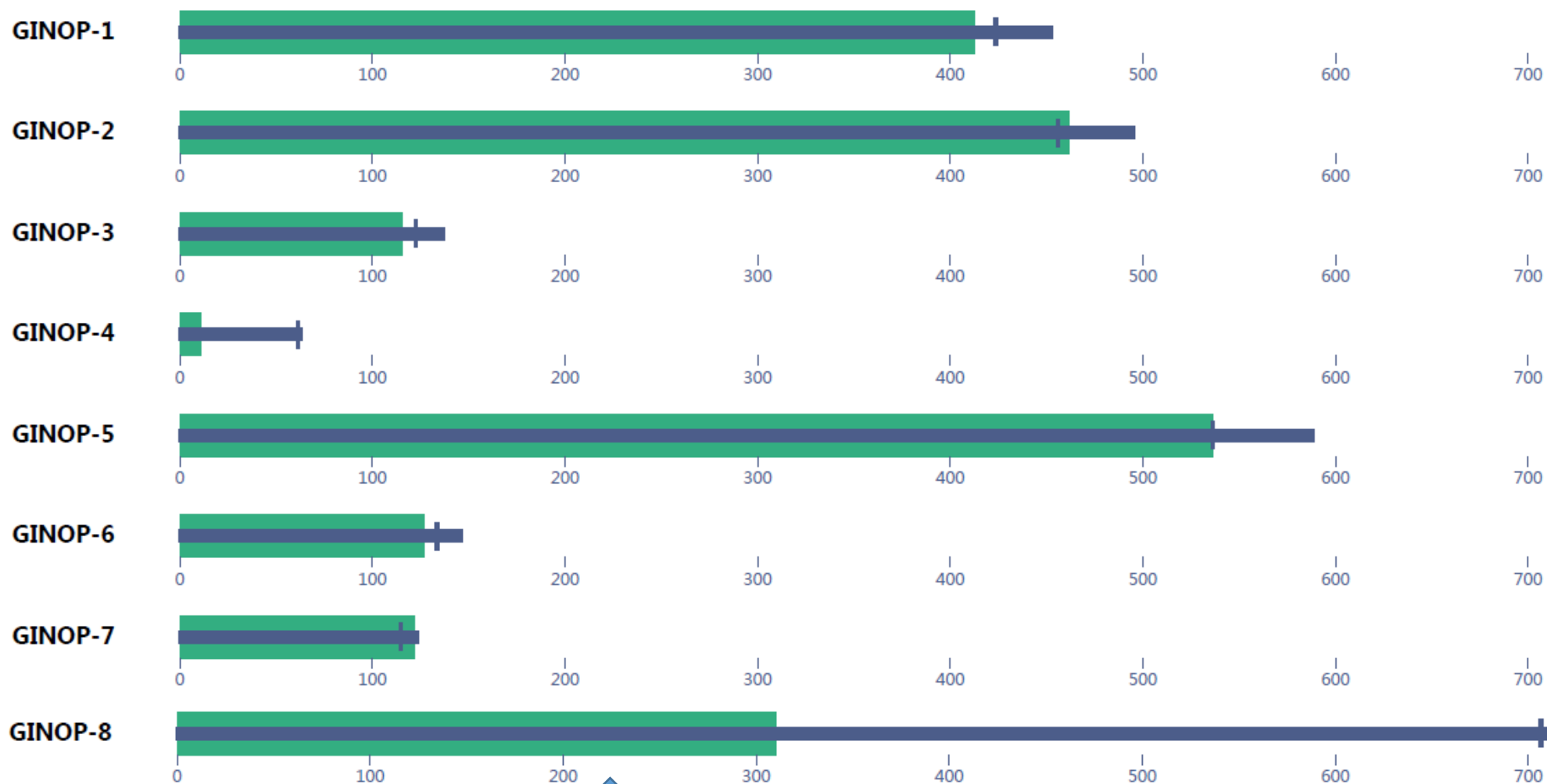


= 33 176



= 19 066

Indicative allocation for priorities, budget of the opened calls, contracted amount (bn HUF)

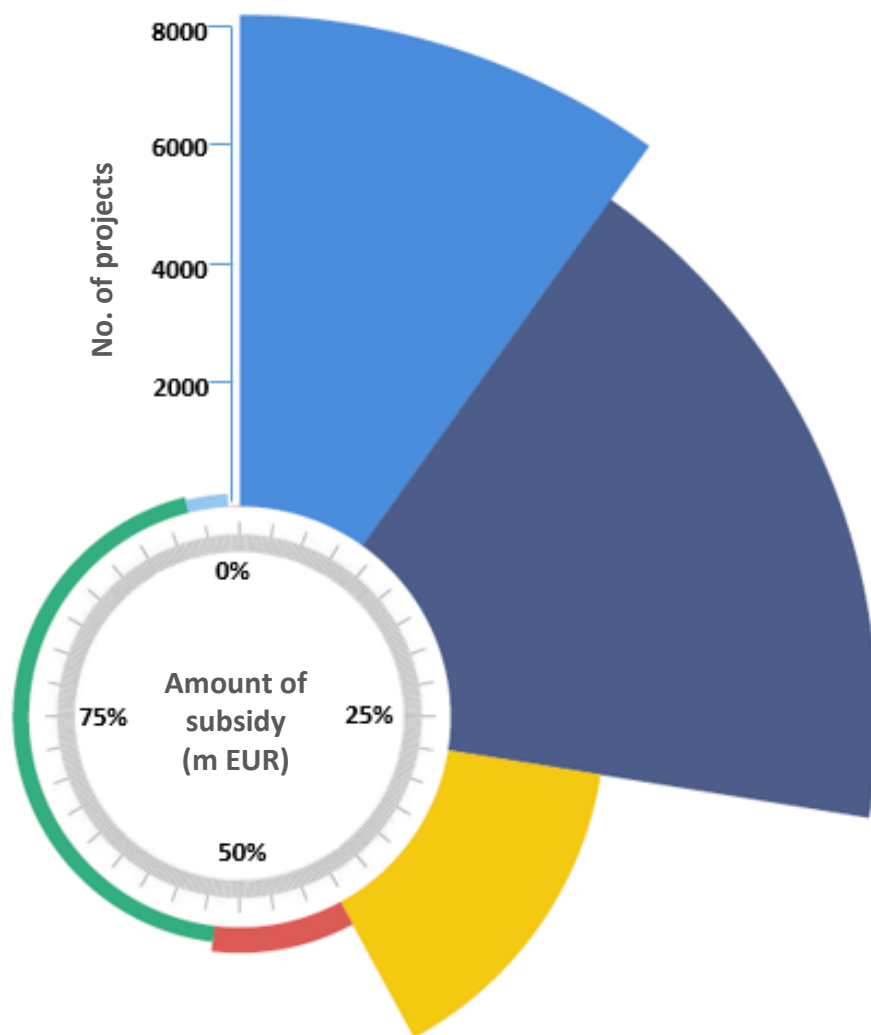


Paid amount to final beneficiaries: 218 bn HUF

10

Total indicative budget: 2553,8 bn HUF
 Budget of announced calls: 2721 bn HUF
 Contracted amount: 2504,4 bn HUF

Number and amount of subsidy according to different beneficiaries EDIOP-1-7. priorities (m EUR)



MICRO Mikrovállalkozás
8272 Megítélt támogatás, db
182,55 Megítélt támogatás, Mrd Ft

SMALL Kisvállalkozás
7165 Megítélt támogatás, db
325,80 Megítélt támogatás, Mrd Ft

MEDIUM Középvállalkozás
2596 Megítélt támogatás, db
268,66 Megítélt támogatás, Mrd Ft

OTHER Egyéb (nagyvállalat, állami vállalat stb.)
427 Megítélt támogatás, db
181,42 Megítélt támogatás, Mrd Ft

NONPR. GOV. Nonprofit szervezet államháztartáson belül
267 Megítélt támogatás, db
816,02 Megítélt támogatás, Mrd Ft

NGO Nonprofit szervezet államháztartáson kívül
212 Megítélt támogatás, db
55,60 Megítélt támogatás, Mrd Ft

MUNICIP. Önkormányzat
10 Megítélt támogatás, db
16,21 Megítélt támogatás, Mrd Ft

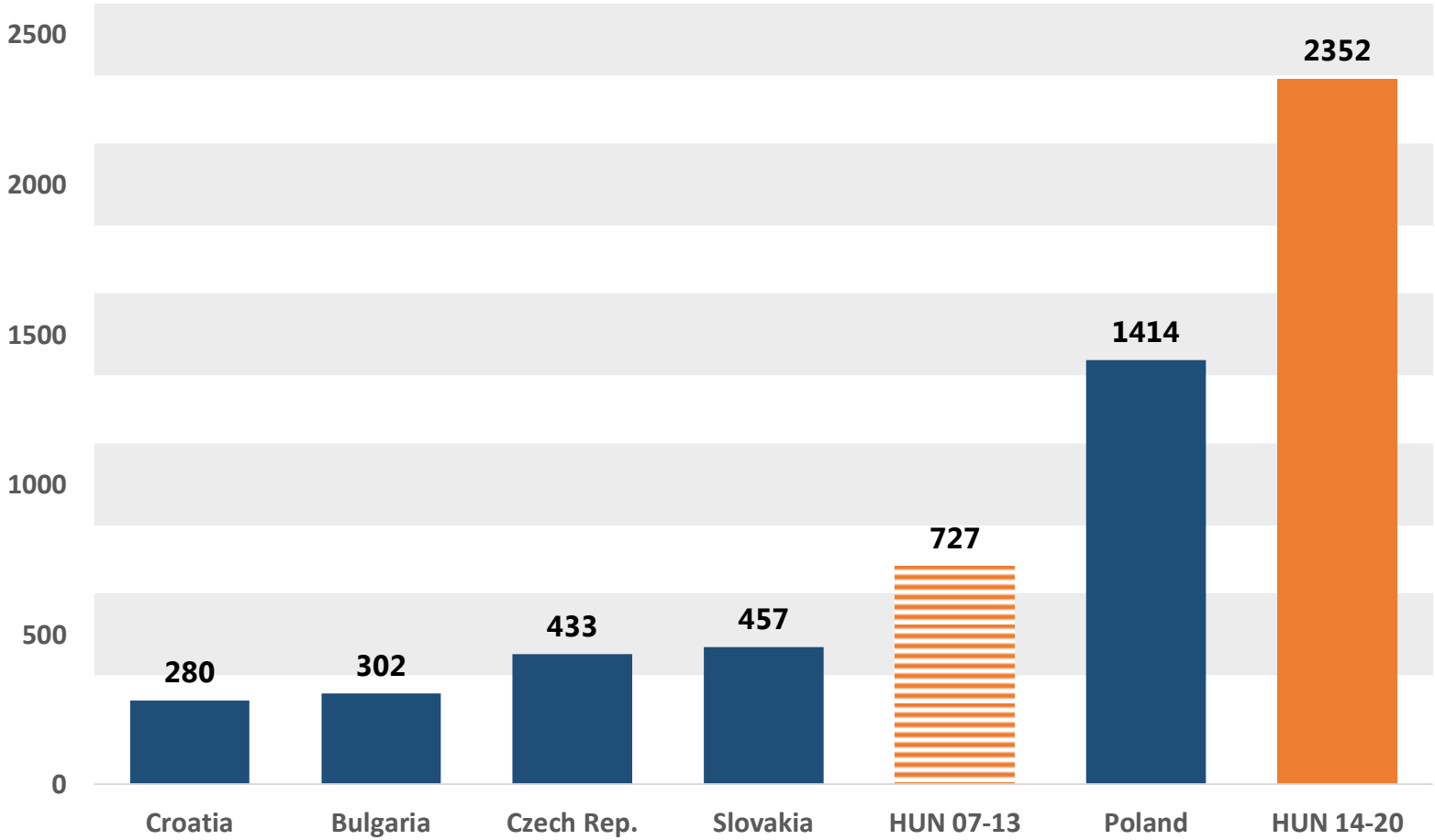


FINANCIAL INSTRUMENTS

- International comparison
- Structure
- State of play

Financial instruments' budget in neighbouring countries

(2014-20; m EUR)



INDICATIVE PROPORTION OF FINANCIAL INSTRUMENTS

TO 1

R&I financial programmes for enterprises \approx 618 m EUR

TO 2

ICT services, Broadband development \approx 257 m EUR

TO 3

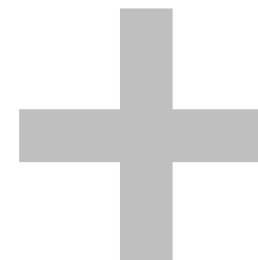
SME – access to finance \approx 876 m EUR

TO 4

Energy efficiency for enterprises and for households \approx 567 m EUR

TO 8

Employment programmes, social enterprises \approx 34 m EUR

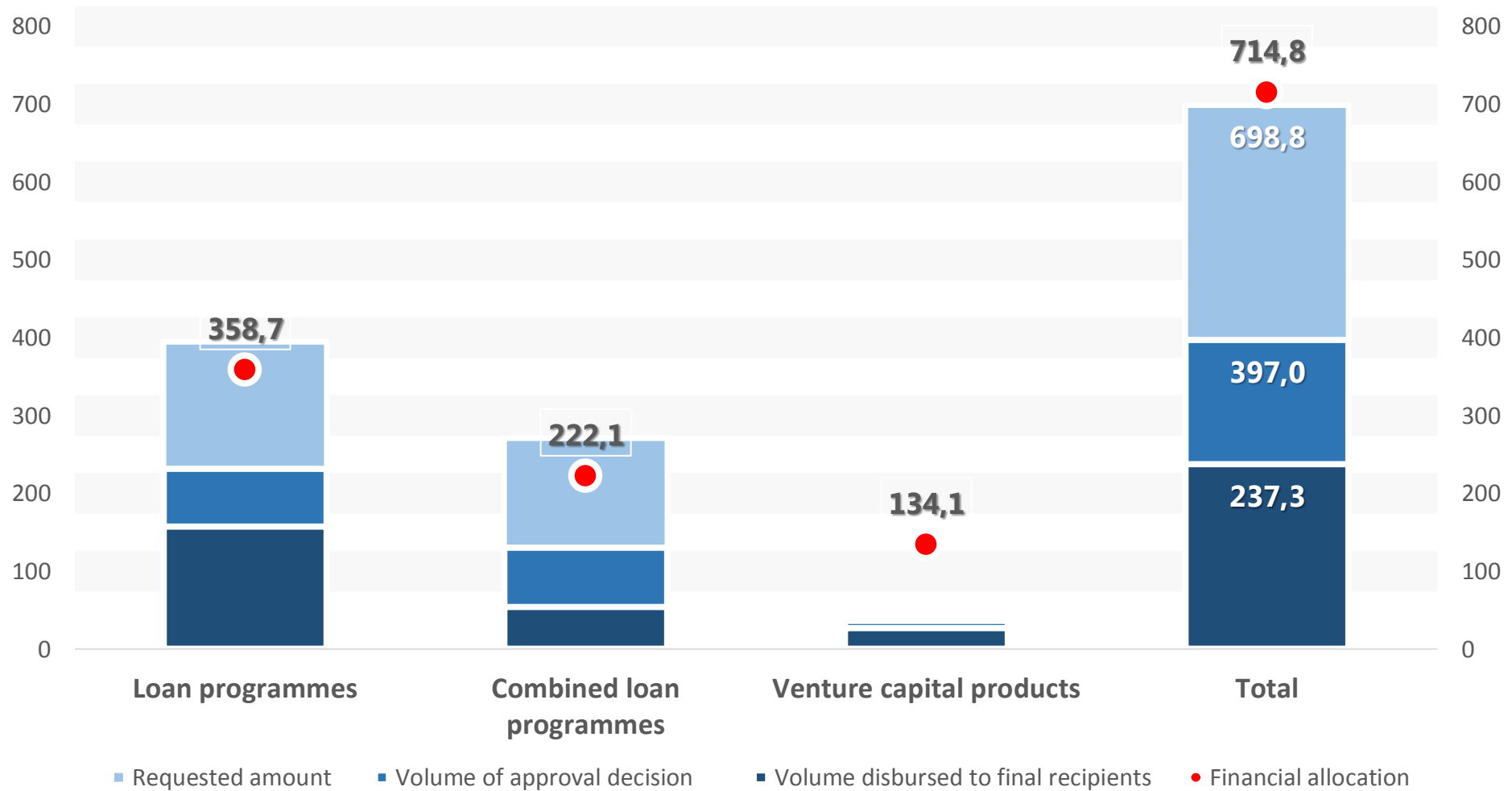


**LOAN
INSTRUMENTS**

**COMBINED
INSTRUMENTS**

VENTURE CAPITAL

State of play of Financial Instruments (bn HUF)



Note: Number of residential contracts 9 576 pcs. The reason for difference between approval and contracted amount: The contracted amount also includes the amount of the private source.

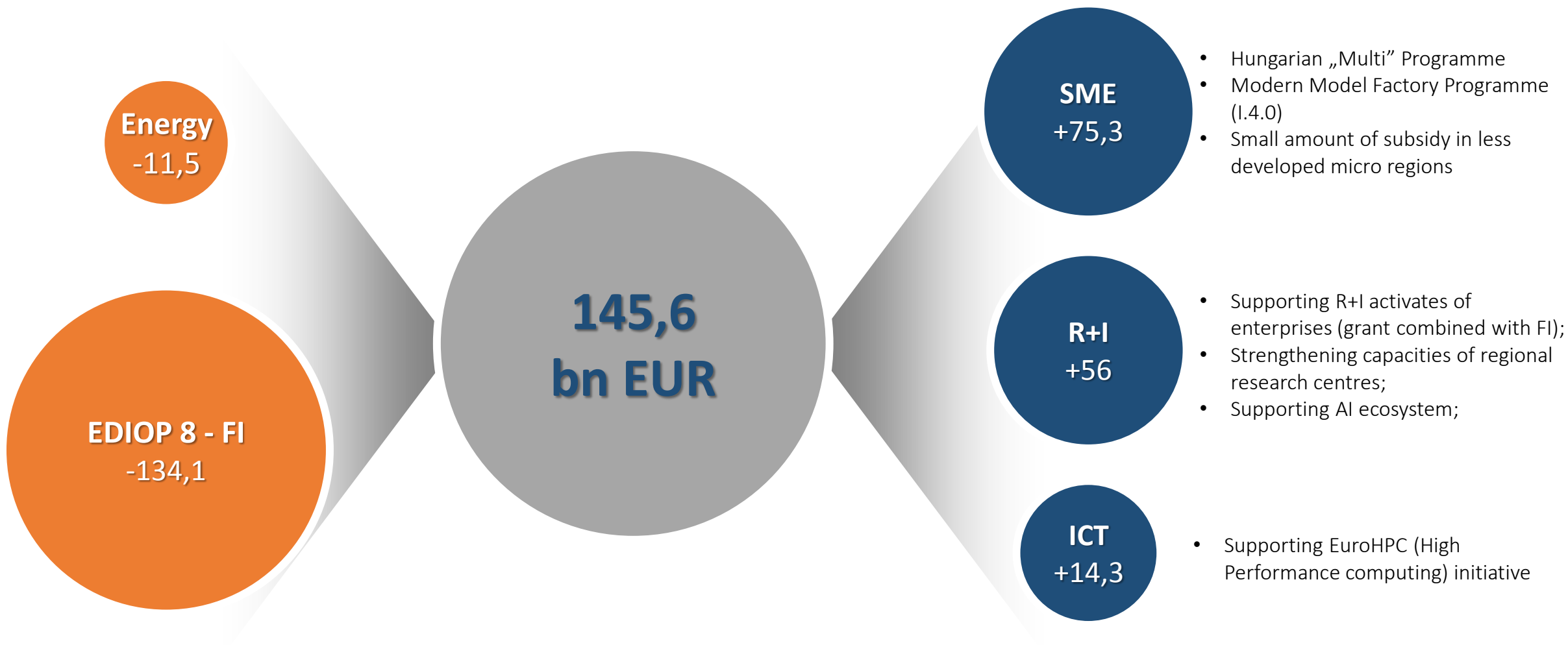
Source: MFB report, week no 45



CHALLENGES OF 2019

- Performance indicator – OP modification
 - Audit challenge
- Payment challenge

As a result of the performance measurement (31.12.2018) an OP modification is in progress



Audit Challenge

Experience on audit processes

Main areas audited by the authorities:

- Research, Development and Innovation (innovation content of projects)
- Reliability of performance data (indicators)
- Market price
- Verification of SME status
- Project implementation location (convergence regions vs Central-Hungary)

Utilisation of audit experience:

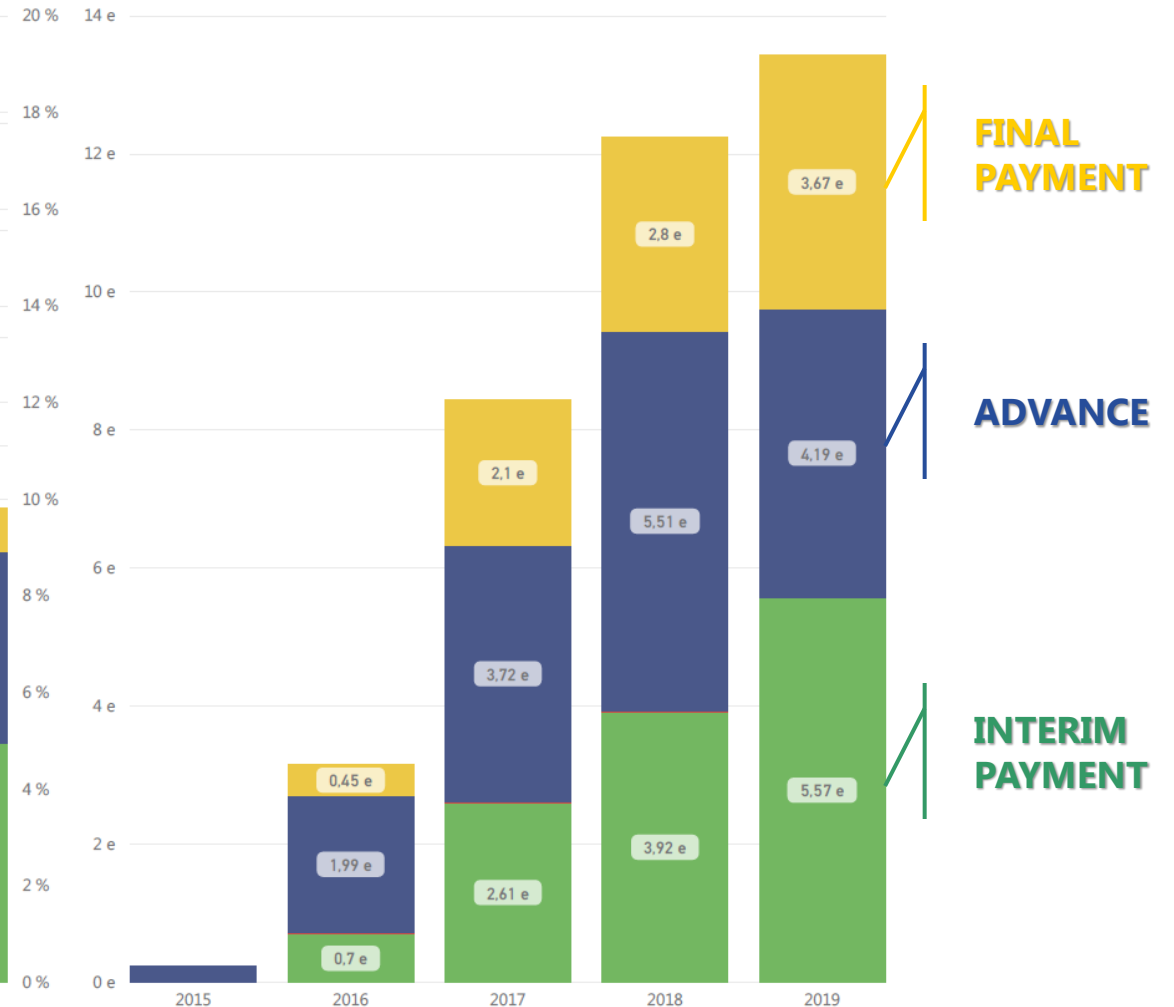
- Approving and strengthening R&D&I best practices (NRDIO, National IPR Office)
- Improving reliability of indicator data (collecting, recording, storing of data, electronic data exchange systems).
- Market price – 3 bids, documentation of price assessment
- Verification of SME status
- Increased number of on-the-spot audits

At the second half of the period the focus shifts (EDIOP 1-7.): payment volume decreases - labour intensity increases

Paid amount to beneficiaries



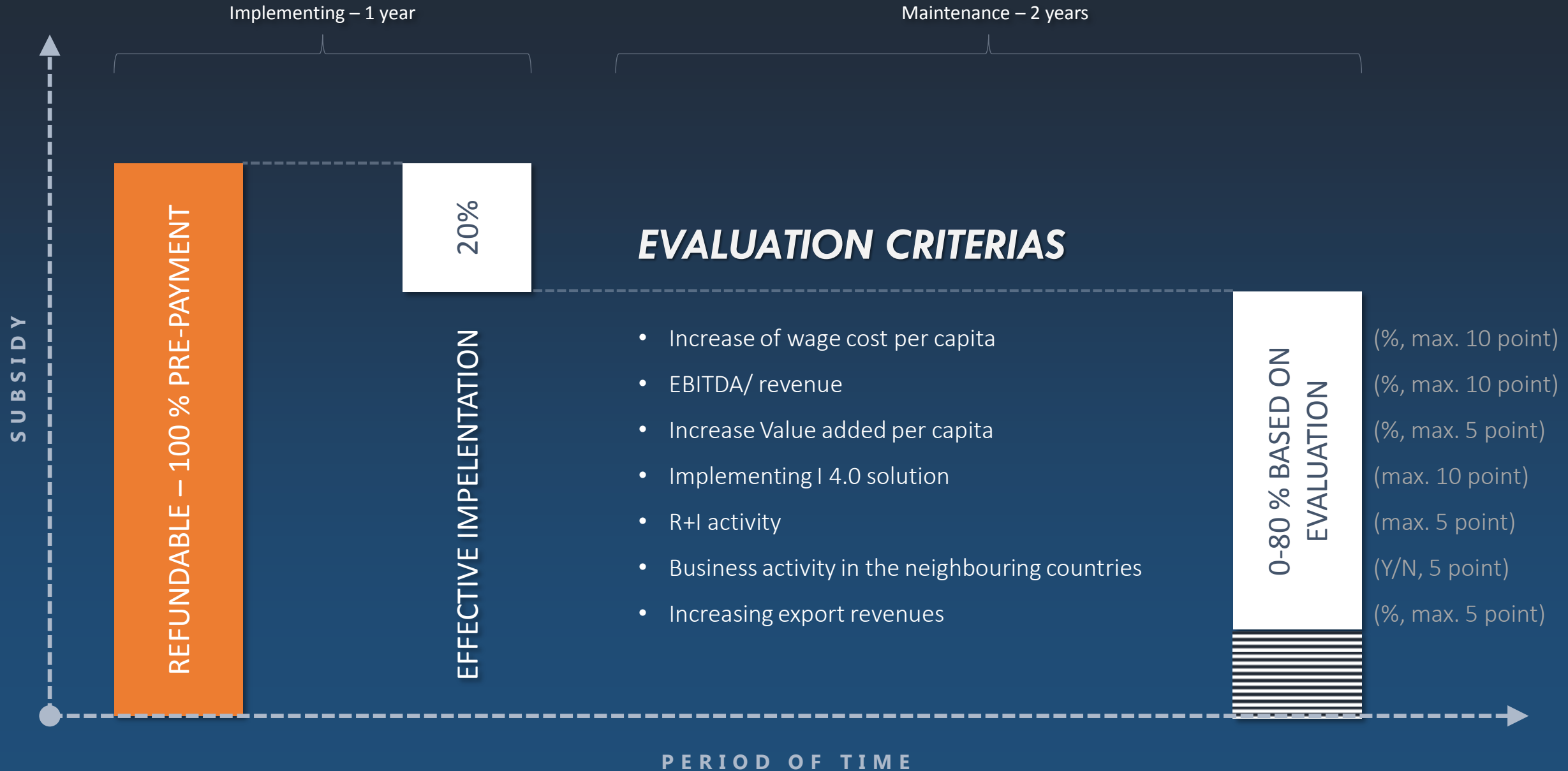
Number of payment transaction





**Introducing new procedure –
pilot programme**

The pilot procedure: transforming support system





Experiences for the next period

- Important but still the unreached beneficiaries
- Flexible framework – reacting global trends
- Complex services for the well defined target group

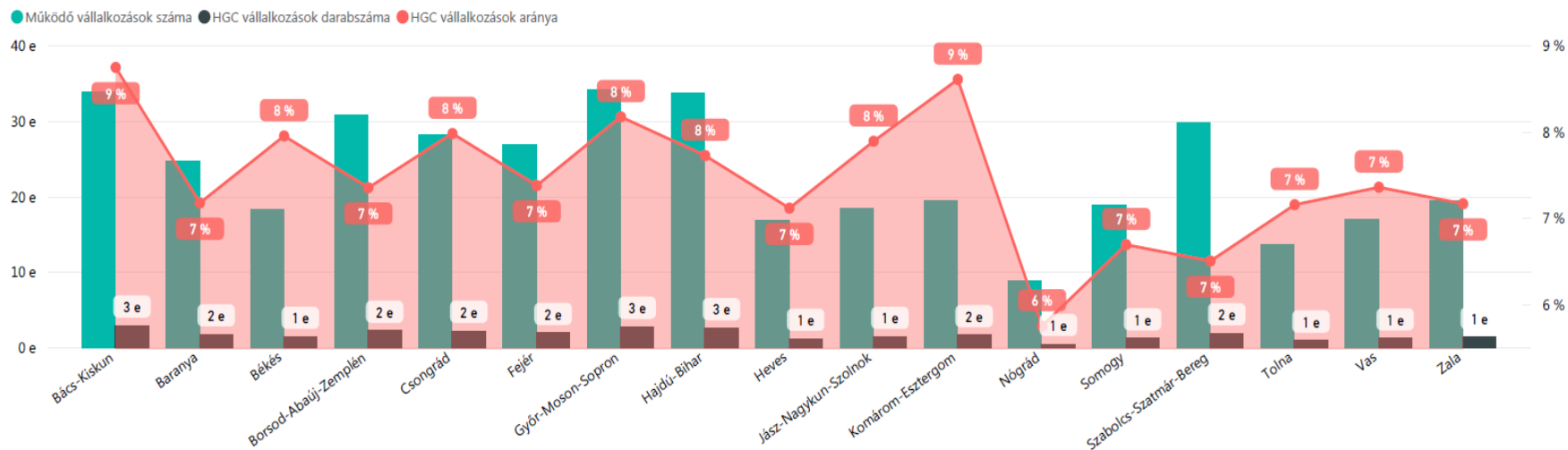


Awareness raising for those who haven't been reached yet

There are still not reached high-growth companies (HGC)/ excellent projects (Focusing on HGC)

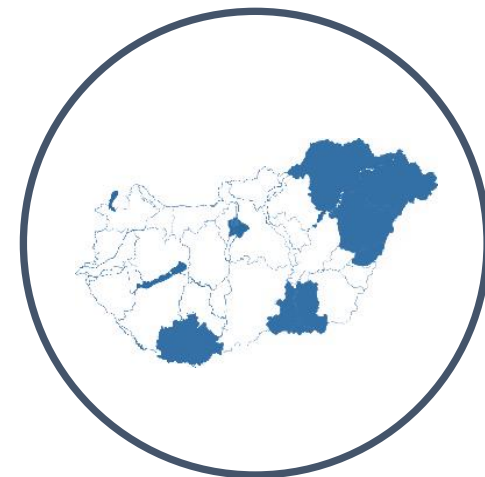
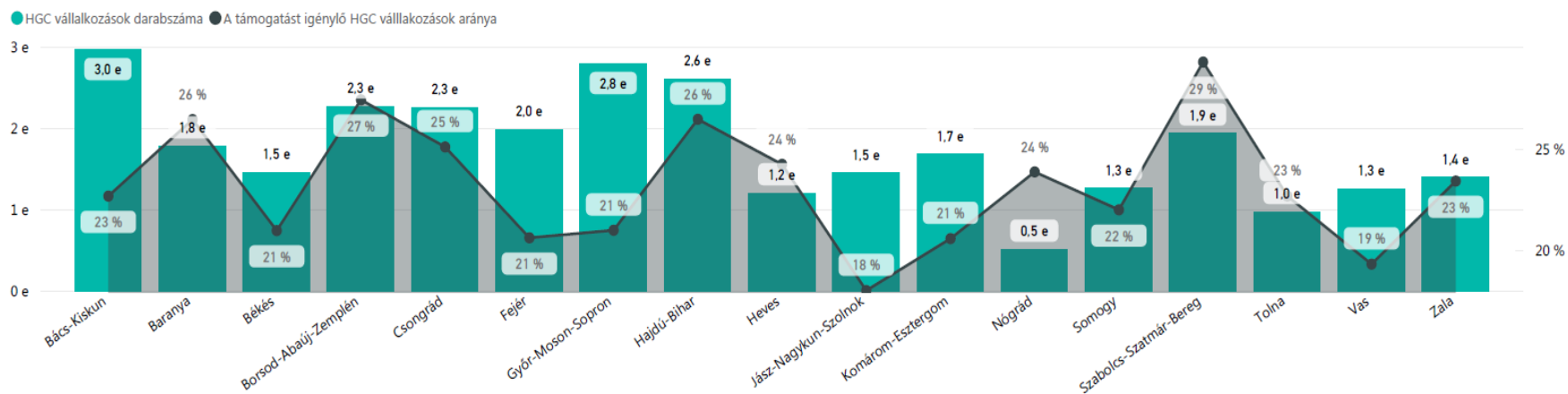
Ratio of HGC in total number of companies

HGC vállalkozások (3%-os növekedés árbevétel, export bevétel, vagy átlagos statisztikai létszámban) - forrás: IFKA Gazdaságnövekedési térkép



Willingness for tendering among HGCs

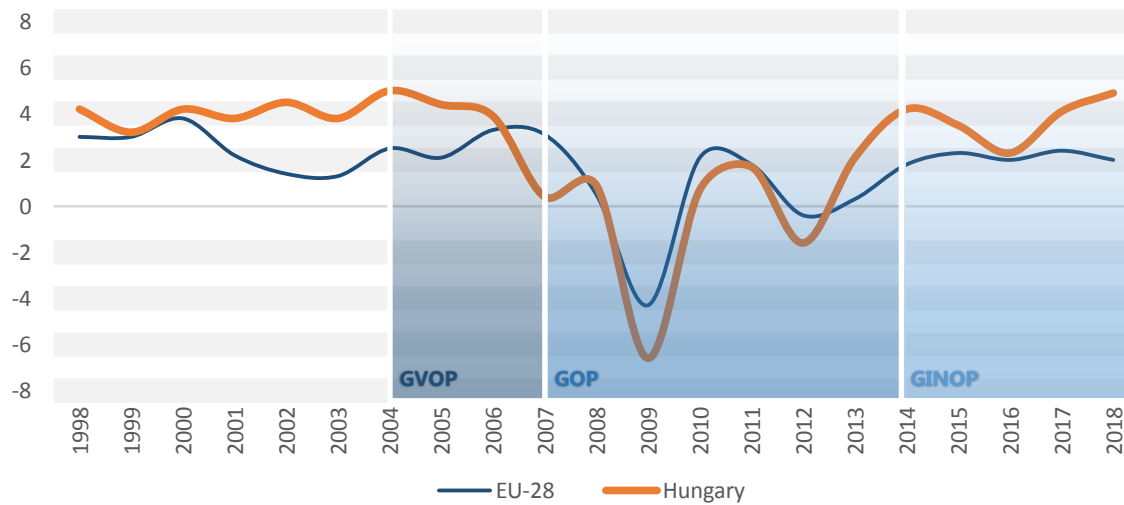
HGC vállalkozások (3%-os növekedés árbevétel, export bevétel, vagy átlagos statisztikai létszámban) - forrás: IFKA Gazdaságnövekedési térkép





It is important that the upcoming OP can be flexibly adjusted to government priorities and global trends

Global trend influence the programming process



MACRO ECONOMIC FUNDAMENTALS WERE CHANGED



GDP = **5,2%** (Q2 2019)



Unemployment. = **3,5%** (last 3 months)



Investments = **17,0%** (2018)



Budget deficit = **-2,2%** (2018)

EDIOP programming principles (2014-20):

- Job creation is important
- Capital strength of SMEs are weak
- SMEs must gain ground in domestic market and become part of a value chain, etc.

Be enough flexible to modify the focus: sectorial – thematic

Manufacturing sector – enhance digital capacity



Topics to underline:

1. Availability of infrastructure - good
 - *Social networks*= 2/28
 - *Speed of internet*= 10/63
2. Business and training rankings are weaker
 - *E-business technologies*= 27/28
 - *Digital knowledge*= 61/63



Complex services needed from the implementing institutions

- Personalized tools
- One goal – more priorities

Complex approach for handling some specific target groups

Awareness raising



- Campaigns
- Demonstrations
- Events

Reaching as many as we can....

Pre-selection



- Databases
- Those who were convinced at previous events

Defining the possible clients

Personalized preparation



- Involving special experts
- Mapping the real needs of the company
- Defining the exact project content

Well established project content

Application-implementation



- Funding
- Measure the predefined goals

More reliable beneficiaries – decreasing risks

Modern Model Factories (preparing SMEs for digital transformation)

Hungarian Multi Programme (high growth companies)

Growing need for more complex approach



1. EDIOP 1. (SME)

Dedicated calls for preparing SMEs for digital transformation

2. EDIOP 3. (ICT)

- Programme for modern (digital) enterprises – Chamber of Commerce
- Dedicated call: Complex development of ICT solutions

3. GINOP 6. (Training)

Innovative trainings supporting higher business levels– Assisting digital transformation of SMES through the involvement of vocational training centres

4. EDIOP 8. priority (financial instruments)

Dedicated support programmes for SMEs: EDIOP-8.2.6 (loan product), EDIOP-8.2.5, EDIOP-8.2.7 (equity products)

SZÉCHENYI  2020



MINISTRY OF FINANCE

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YOUR KIND ATTENTION!**

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