FINANCING ENTREPRENEURSHIP AT REGIONAL AND LOCAL LEVEL IN BULGARIA AND OTHER SOUTH EAST EUROPEAN COUNTRIES

Seminar organised by the OECD LEED Trento Centre for Local Development and the Bulgarian Small and Medium Enterprises Promotion Agency

in co-operation with the

Central European Initiative and the Investment Compact

Hotel RILA
6, Kaloyan Str.
1000 Sofía, Bulgaria

Thursday, 17 March 2005
DRAFT AGENDA OF THE SEMINAR

8.30 – 9.20  Registration

9:20 – 9.45  Opening remarks
Mr. Milko Kovachev,
Minister of Economy, Bulgaria

Mr. Jon Potter, Senior Economist, OECD
Local Economic and Employment Development (LEED) Programme

Mr. Stanimir Barazashky, Executive Director
of the Bulgarian Small and Medium
Enterprises Promotion Agency

9.45-11.00 ENTERPRISE POLICY PERFORMANCE ASSESSMENT OF BULGARIA

9.45-10.30 Presentation of the report
Mr. Antonio Fanelli, Principal Administrator,
Investment Compact for South East Europe
OECD

10.30-.11.15 Debate

11.15 – 11.30  Coffee break

11.30-13.00 FINANCING ENTREPRENEURSHIP

This session will analyse the nature of the finance gap and the instruments that help: mutual
guarantee schemes, loan guarantees, venture capital, business angels. It will also focus on
delivery methods: integrated finance, finance escalator, regional investor-business exchanges.

Moderator: Mr. David Irwin, Partner, Irwin Grayson Associates, United Kingdom

11.30-12.00 Introduction to the issues and policy levers
by the moderator
Mr. David Irwin, Partner, Irwin Grayson
Associates, United Kingdom

12.00-12.30 SME finance demand and supply at
regional and local level in Bulgaria: major
challenges and obstacles
Mr. Vladimir Pavlov, Chairman of the
Advisory Board, Foundation for
Entrepreneurship Development, Bulgaria

12.30-12.45 Panel discussion on improving SME
access to finance in Bulgaria
Mss. Alexandrina Boyanova, Director, Credit
Lines Directorate (International Relations),
“Encouragement bank's lending programs for
financing of SMEs, Bulgaria

Mr. Kamen Kolev, Managing Director,
Bulgarian Industrial Association, Bulgaria

Mr. Svetoslav Baltadzhiev, Expert at trade
finance & payments division, Unionbank AD,
Bulgaria

12.45-13.00 Discussion and conclusion by the
moderator

13.00—14.00 Lunch
### SME Finance in Rural Areas

This session will analyse what are the instruments and programmes aimed to help rural enterprises and agribusinesses to obtain adequate finance and will also investigate how to build the capacities of local intermediaries.

*Moderator:* Mr. Vlaho Kojakovic, Economist, Investment Centre, Food and Agricultural Organisation of UN

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker(s)</th>
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<tbody>
<tr>
<td>14.00-14.20</td>
<td>Introduction to the issues and policy levers by the moderator</td>
<td>Mr. Vlaho Kojakovic, Economist, Investment Centre, Food and Agricultural Organisation of UN</td>
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<td>14.20-14.45</td>
<td>The role of credit unions in fostering entrepreneurship and local development: the Trentino model</td>
<td>Mr. Alessandro Bonazza and Ms. Guergana Nouneva, Representatives of Federazione delle Cooperative of Trento, Italy</td>
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<td>14.45-16.00</td>
<td><strong>Mutual Guarantee Schemes</strong></td>
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<td>14.45-15.15</td>
<td>The role of mutual guarantee schemes in improving SME access to finance at local level</td>
<td>Mr. André Douette, Secretary General, European Association of Mutual Guarantee Societies, Brussels, Belgium</td>
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<td>15.15-15.45</td>
<td>Mutual guarantee societies in Italy</td>
<td>Mr. Roberto Casagranda and Mr. Fabio Pansini, Managers, Confidi Trento, Italy</td>
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<td>15.45-16.00</td>
<td>Panel discussion</td>
<td>Mrs. Milena Dacheva, Bulgarian Association of Regional Development Agencies and Business Centres, Head of “International Programmes and Financing” Department, Bulgaria</td>
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<td>Mrs. Tashka Gabrovska, Job Opportunities through Business Support (JOBS) Project, Project Manager, Bulgaria</td>
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<td>Mr. Peter Jungen, European Business Angel Network, President, Belgium</td>
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<td>16.00-16.15</td>
<td>Conclusion by the moderator</td>
<td>Vlaho Kojakovic, Economist, Investment Centre, Food and Agricultural Organisation of UN</td>
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<td>16.15-16.30</td>
<td>Coffee break</td>
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Two parallel workshops will be dedicated to local SME finance tools (mutual guarantee schemes, credit unions, venture capital, business angels, loan guarantees). Based on case studies prepared by participants prior to the meeting and on the materials of the Trento Centre seminar on entrepreneurship, the workshops will analyse the concrete steps necessary to set up and run an SME finance initiative/scheme. The objective of the workshops is to provide recommendations, know–how and contacts for participants wishing to improve SME access to finance and to set up similar schemes in their regions.

**Workshop 1: Advisory activity for SME development**

*Four case studies will be presented in each workshop. The speaker in the presentation (15 minutes) should answer the following questions: why was this scheme set up (what need was it responding to)? What were the objectives? How was it created (step by step explanation)? What are the identified results? What went wrong? Useful lessons for those who would like to set up a similar initiative. After each presentation there will be 30 minutes for a discussion.*

**Moderator:** Jon Potter

**Case study 1:** “The Role of Business Angels in SME Finance at Local Level” by Mr. Peter Jungen, President of EBAN (European Business Angel Network) (TBC), Belgium

**Case study 2:** “Job Opportunities through Business Support (JOBS) Project” by Mrs. Tashka Gabrovska, Project Manager of Jobs, Bulgaria

**Case study 3:** “USTOI”, Mr. Pavel Velev, Managing Director of USTOI JSC, Bulgaria

**Case study 4:** “Unionbank” Mr. Svetoslav Baltadzhiev, Expert at trade finance & payments division, Unionbank AD, Bulgaria

**Discussion**

**17.45-18.00** Comments by the reporter and discussion of key recommendations

**18.00 – 18.15** Closing remarks

*Mr. Jon Potter, Senior Economist, OECD Local Economic and Employment Development (LEED) Programme

*Mr. Stanimir Barazashky, Executive Director of the Bulgarian Small and Medium Enterprises Promotion Agency*