



**Organisation for Economic
Co-operation and Development**



**Local Economic and Employment
Development Programme**



**INVESTMENT COMPACT
FOR SOUTH EAST EUROPE**



**Bulgarian Small and Medium Enterprises
Promotion Agency**

DRAFT

**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 Sofia, Bulgaria

Thursday, 17 March 2005



DRAFT AGENDA OF THE SEMINAR

8.30 – 9.20	<i>Registration</i>	
9:20 – 9.45	Opening remarks	<i>Mr. Milko Kovachev, Minister of Economy, Bulgaria</i> <i>Mr. Jon Potter, Senior Economist, OECD Local Economic and Employment Development (LEED) Programme</i> <i>Mr. Stanimir Barazashky, Executive Director of the Bulgarian Small and Medium Enterprises Promotion Agency</i>
9.45-11.00	ENTERPRISE POLICY PERFORMANCE ASSESSMENT OF BULGARIA	
9.45-10.30	Presentation of the report	<i>Mr. Antonio Fanelli, Principal Administrator, Investment Compact for South East Europe OECD</i>
10.30-11.15	Debate	
11.15 – 11.30	<i>Coffee break</i>	
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.	
	<i>Moderator: Mr. David Irwin, Partner, Irwin Grayson Associates, United Kingdom</i>	
11.30-12.00	Introduction to the issues and policy levers by the moderator	<i>Mr. David Irwin, Partner, Irwin Grayson Associates, United Kingdom</i>
12.00-12.30	SME finance demand and supply at regional and local level in Bulgaria: major challenges and obstacles	<i>Mr. Vladimir Pavlov, Chairman of the Advisory Board, Foundation for Entrepreneurship Development, Bulgaria</i>
12.30-12.45	Panel discussion on improving SME access to finance in Bulgaria	<i>Mss. Alexandrina Boyanova, Director, Credit Lines Directorate (International Relations), "Encouragement bank's lending programs for financing of SMEs, Bulgaria</i> <i>Mr. Kamen Kolev, Managing Director, Bulgarian Industrial Association, Bulgaria</i> <i>Mr. Svetoslav Baltadzhiev, Expert at trade finance & payments division, Unionbank AD, Bulgaria</i>
12.45-13.00	Discussion and conclusion by the moderator	
13.00—14.00	<i>Lunch</i>	



14.00-14.45 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

14.00-14.20 Introduction to the issues and policy levers by the moderator *Mr. Vlaho Kojakovic, Economist, Investment Centre, Food and Agricultural Organisation of UN*

14.20-14.45 The role of credit unions in fostering entrepreneurship and local development: the Trentino model *Mr. Alessandro Bonazza and Ms. Guergana Nouneva, Representatives of Federazione delle Coperative of Trentino, Italy*

14.45-16.00 MUTUAL GUARANTEE SCHEMES

14.45-15.15 The role of mutual guarantee schemes in improving SME access to finance at local level *Mr. André Douette, Secretary General, European Association of Mutual Guarantee Societies, Brussels, Belgium*

15.15-15.45 Mutual guarantee societies in Italy *Mr. Roberto Casagranda and Mr. Fabio Pansini, Managers, Confidi Trento, Italy*

15.45-16.00 Panel discussion *Mrs. Milena Dacheva, Bulgarian Association of Regional Development Agencies and Business Centres, Head of "International Programmes and Financing" Department, Bulgaria*

Mrs. Tashka Gabrovska, Job Opportunities through Business Support (JOBS) Project, Project Manager, Bulgaria

Mr. Peter Jungen, European Business Angel Network, President, Belgium

16.00-16.15 Conclusion by the moderator *Vlaho Kojakovic, Economist, Investment Centre, Food and Agricultural Organisation of UN*

16.15-16.30 *Coffee break*



16.30- 17.45 **WORKSHOPS**

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 to 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 Velez, Managing Director of USTOI JSC, Bulgaria

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

Discussion

Workshop 2: Guarantee funds

Three case studies will be presented in each workshop. The speaker in the presentation (15 minutes) should answer to the following questions: why this scheme was set up (to which need was it responding)? 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: David Irwin

Case study 1: *“Go Network Interreg III b Project”* by Mrs. Eleonora Negulova-Alexova, President of the Managing Committee of the National Association of Small and Medium Business, Bulgaria

Case study 2: *“Brcko District Guarantee Fund, BiH, (GFBD)”* by Ms. Amra Abadzic, Head of Department of Entrepreneurship Sub department for Strategy and Economy in Government District Brcko, Bosnia and Herzegovina

Case study 3: *“Support Programme for SME - Guarantee scheme”* by Mr. Anton Florijan Barisic, CEO of CHRONOS Info, Croatia

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*