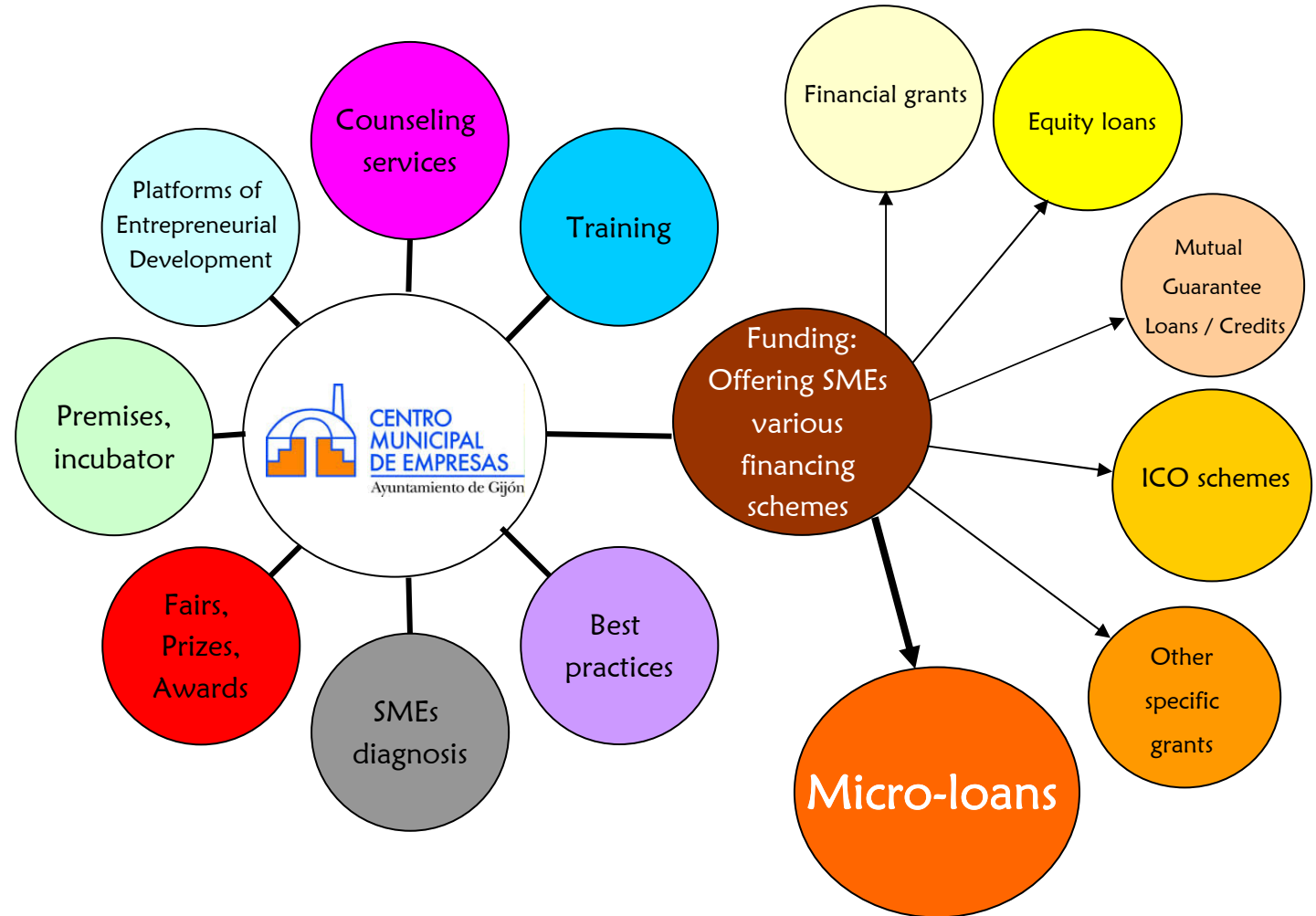


## Municipality of Gijón (Spain)

Funding instruments for financing S.M.Es: Micro-loans



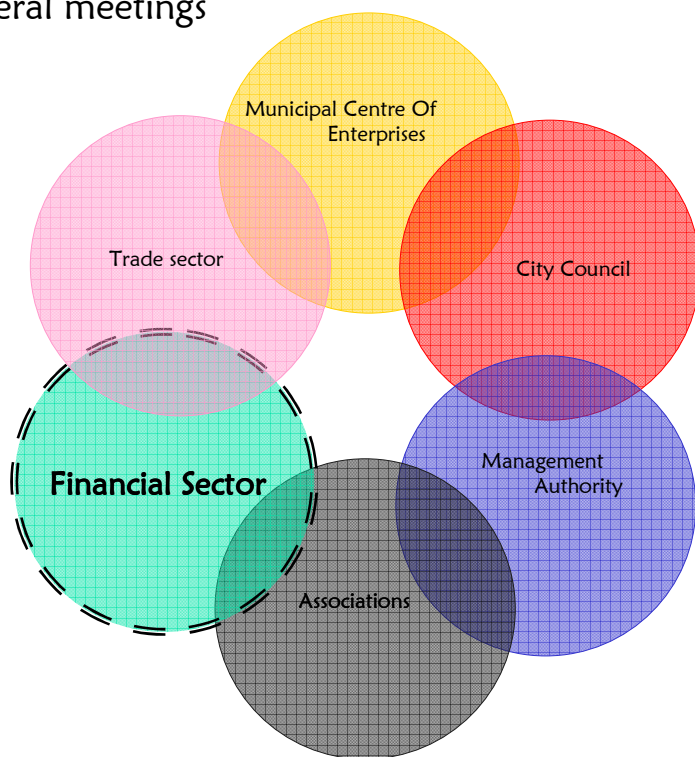
Main activities undertaken by the Municipality to support entrepreneurs and SMEs



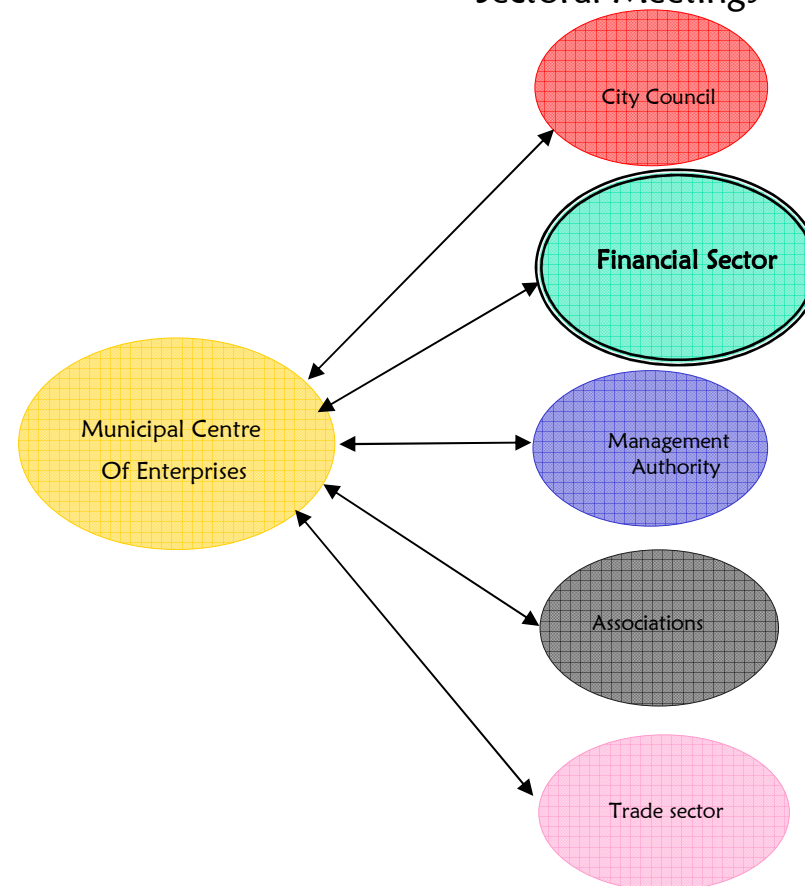
## FIN-URB-ACT Local Support Group

### Organisation/ Working Process

#### General meetings



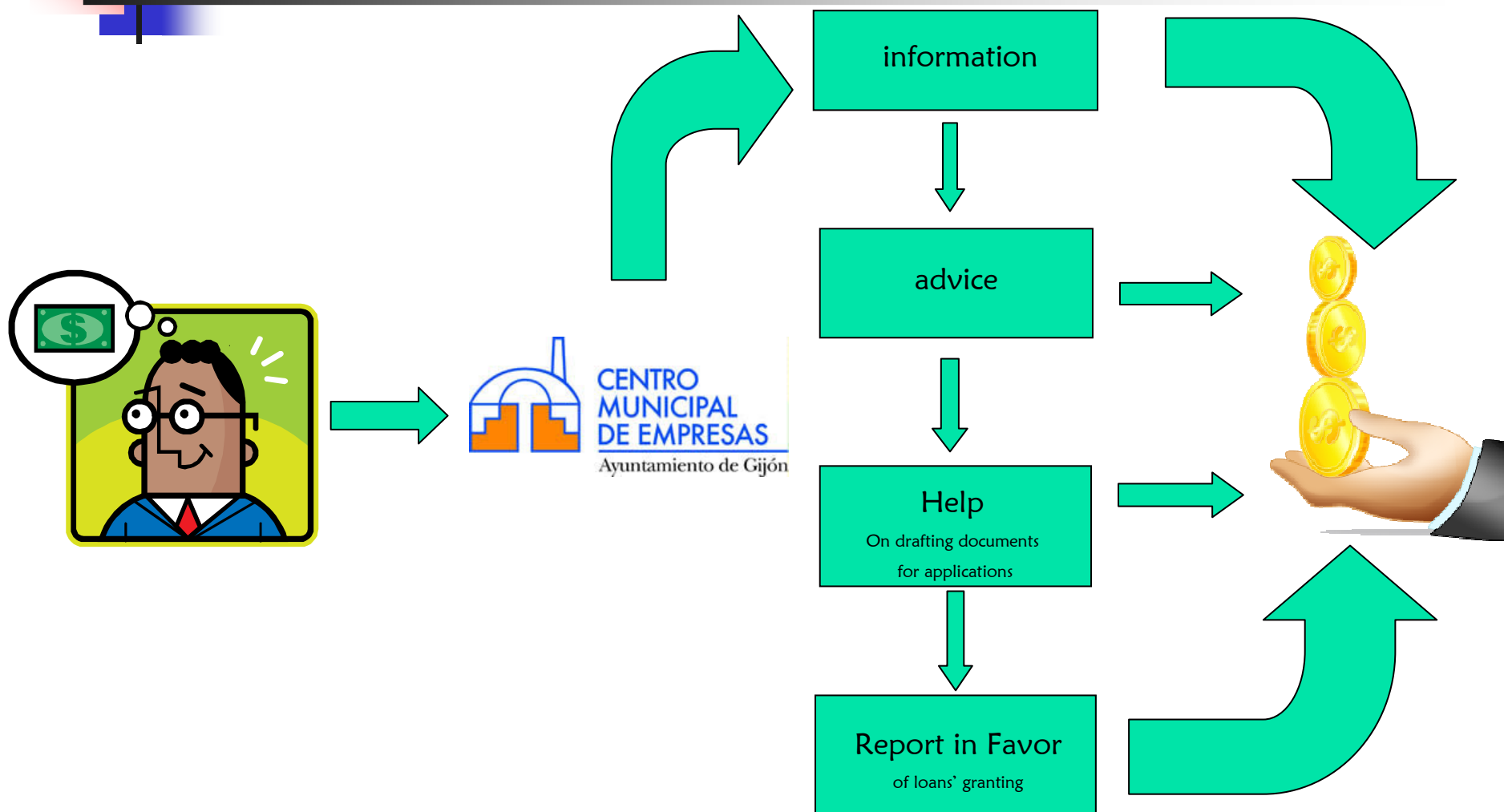
#### Sectoral Meetings



## FIN-URB-ACT Local Support Group




MEMBERS OF THE LOCAL SUPPORT GROUP.- FINANCIAL SECTOR		
Nº	Partner	Type
1.	Municipality: Municipal Centre of Enterprises Co.	Local Authority; Gijón City Council
2.	<i>Banco "B.B.V.A,"</i> "B.B.V.A". Bank	Private Sector Bank
3.	<i>Caja Rural de Asturias</i> Asturias Rural Savings Bank	Private Sector Savings Bank
4.	<i>Caja Rural de Gijón</i> Gijón Rural Savings Bank	Private Sector Savings Bank
5.	<i>Caja de Ahorros "La Caixa"</i> "La Caixa" Savings Bank	Private Sector Savings Bank
6.	<i>Caja de Ahorros "Cajastur"</i> "Cajastur" Savings Bank	Private Sector Savings Bank
7.	<i>Sociedad gestora "Torsa Capital S.L."</i> "TORSAL CAPITAL" VCF Management Co.	Private Sector Co. managing Venture Capital Entities

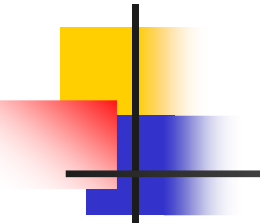
Activities undertaken by C.M.E. to support S.M.Es access to microloans





**MICROLOANS FOR ENTREPRENEURS IN GIJÓN**

	<b>Social La Caixa</b>	<b>Financial La Caixa</b>	<b>I.C.O. (Official Credit Institute)</b>	<b>Women's Institute</b>	<b>Cajastur</b>	<b>Cajastur "Entrepreneurs"</b>	<b>Microcredits for Entrepreneurs by the Principality of Asturias</b>
<b>Beneficiaries</b>	Entrepreneurs who start a business or who started it in less than 6 months belonging to the groups: aged over 45 years, single parent households, immigrants, women, disabled, long-term unemployed.	Entrepreneurs who set up, consolidate or wish to expand micro businesses	Micro business or professionals who: • Have been recently established (after 1 January 2009). • Use 1 to 9 employees at 31 December 2009. • Have a billing and / or annual balance sheet not exceeding EUR 2 million at 31 December 2009.	Women entrepreneurs or micro business participated in more than 50% by women that are beginning activity, or who have begun activity within a period not exceeding 3 years (exceptionally 5 years).	Entrepreneurs who start self-employment projects in the Principality of Asturias.	Entrepreneurs with university degrees or vocational training to start business projects.	Entrepreneurs or micro business that are beginning activity, or who have begun activity within a period not exceeding 1 year.
<b>Eligible Investments</b>	At the discretion of the entity	At the discretion of the entity. Exceptionally it may finance circulating capital	investments made after 1/1/09: - in productive assets whose price (including VAT) does not exceed € 24,000, - expenses made for the constitution of the company, with a limit of 10% total project, - acquisitions of Companies	Set in motion, Implementation, consolidation, and growth of entrepreneurial projects ruled by women.	At the discretion of the entity	At the discretion of the entity	It may finance fixed- and circulating capital. Circulating capital cannot exceed 50% of total investment
<b>Maximum percentage financed</b>	95% of investment	80% of investment	100% of the investment	95% of the investment.	At the discretion of the entity	At the discretion of the entity	75% of the investment.
<b>Maximum amount financed</b>	15,000 €	25,000 €	300,000 €, in one or more transactions.	25.000 €	Up to 10,000 €	Up to 30,000 €	25.000 €
<b>Interest rate</b>	Posted by Microbank (between 6%-7%, depending on the risk)	Posted by Microbank (between 6%-7%, depending on the risk)	Reference ICO (4%-5,5%), more to 2,15 pp	Fixed: 6%	Variable: 12-month Euribor + 2,95 p.p. (minimum interest rate: 4%)	Variable: 12-month Euribor + 2,95 p.p. (minimum interest rate: 4%)	Fixed: 6.5% Variable: 12-month Euribor + 1.25 p.p.
<b>Maximum Repayment term</b>	5 years (6 months grace –optional- included).	5 years (6 months grace - optional- included). It can be exceptionally extended to 7 years	Between 3 and 12 years (it's possible to get intermediate grace terms)	5 years (with 6 months grace optional)	5 years, renewable (6 months grace period).	5 years renewable (12 months grace period).	Between 3 and 5 years (1 year grace period)
<b>Processing</b>			The applications are processed, approved and made directly in banks and savings banks which have signed an agreement with ICO in order to participate in this program	Women's Institute Women's World Bank	In Cajastur offices. Provide, together with the application, a Business Plan, project information and documentation to assess its consistency	In Cajastur offices. Provide, together with the application, a Business Plan, project information and documentation to assess its consistency.	C.E.E.I. (European Centre for Enterprises and Innovation)
<b>Duration</b>	Annual	Annual	Open until 20 December 2010 or until the consumption of available funds.	Renewed agreement	Valid: until exhaustion of the available budget.	Valid: until exhaustion of the available budget.	Deadline for applications to be opened shortly
<b>Participating Entities</b>	La Caixa, Municipal Centre of Enterprises	La Caixa, Municipal Centre of Enterprises	I.C.O. financial institutions assigned to the program.	Women's Institute, DGPYME, ECSC, "OMEGA" Women's association	Cajastur	Cajastur	CEEI, IDEPA, ASTURGAR, financial institutions assigned to the program,



*As “Municipal Centre of Enterprises” has been appointed Social Welfare Institution, it develops an active cooperation with the Banking sector*



◆ Last November, as a result of having analyzed the results of previous agreements, a new Collaboration Agreement has been signed between the Municipality and the financial entity *Micro Bank* in order to ease the access of new self-employed and starting-up companies to micro loans. In case a starting-up company wants to apply for a micro loan, it will submit its application to the Municipality entity (Municipal Centre of Enterprises) along with the required documentation. The Municipal Centre of Enterprises will review this documentation, will help the applicant to improve its application (if necessary by providing advice and consultancy) and then will forward the Bank this documentation along with a report in favor of granting the credit.

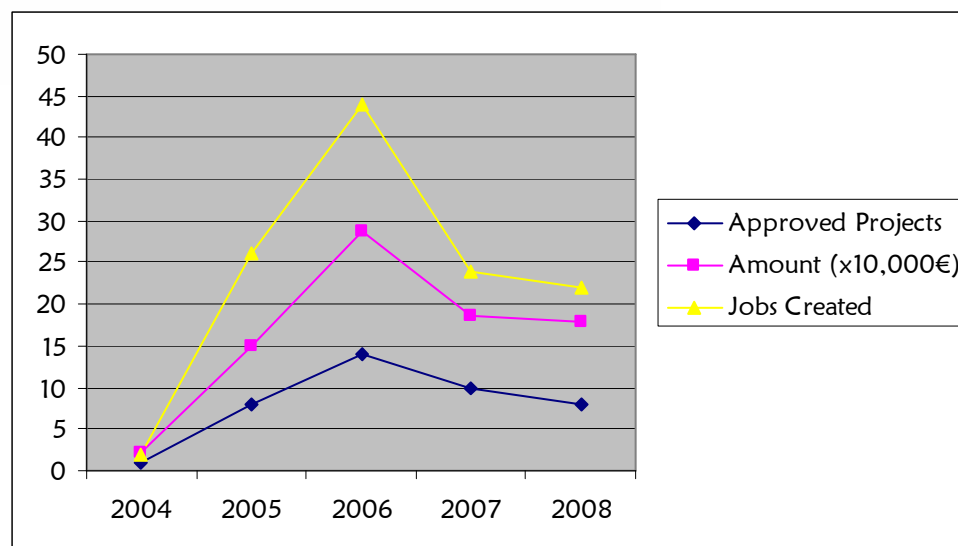


*MicroBank is the Social Bank of “La Caixa” banking group. It is specialized on microloans not only for business, but also for families.*

*“La Caixa” is the No. 1 Savings Bank of Spain*

## Results

	Approved Projects	Total Amount	Jobs Created
2004	1	21,000 €	2
2005	8	150,000 €	26
2006	14	286,500 €	44
2007	10	186,400 €	24
2008	8	178,000 €	22 (estimated)
2009	Data still not available		







**FIN-URB-ACT**

Integrated Urban Actions for Fostering and Financing  
Innovative Economies and SMEs

*Gijón*



**CENTRO  
MUNICIPAL  
DE EMPRESAS**

Ayuntamiento de Gijón

*Thank you for your attention!  
And I hope to see you again in Gijón  
Work Meeting IV, june 2010*

