

Category

COMBINED INSTRUMENTS

GOALS, RECIPIENTS,
BENEFICIARIES*Goal*

To support the competitiveness and sustainable growth of Lombardy's SMEs by facilitating access to credit for tangible and intangible investments. The instrument is designed to de-risk bank lending by combining a public guarantee with a direct interest rate subsidy, making long-term investments more affordable.

Recipients

Micro, Small and Medium Enterprises (SMEs) operating in Lombardy, including start-ups and established businesses.

Beneficiaries

The final beneficiaries are the SMEs receiving the loan.

The financial intermediary is the bank that grants the loan.

The managing body is Finlombarda S.p.A. (the regional financial institution).

DETAILS

COUNTRY: Italy

REGION: Lombardy

TITLE: Fondo per la Crescita Sostenibile (Sustainable Growth Fund) - Linea "Investimenti per la Crescita"

IMPLEMENTATION PERIOD: 2022 - 2025 (Approved under the 2021-2027 ERDF Programme)

LINK: https://www.finlombarda.it/finanziamenti/imprese/investimenti-crescitaimprese/accesso_al_credito/FOG_LIA357/

SUPPORT

The support is a "**Finanziamento Agevolato**" (**Subsidized Loan**) structured as follows:

- **Loan Amount:** From €50,000 up to €2,000,000 per single project.
- **Duration:** Minimum 24 months, maximum 120 months (10 years) with a possible pre-amortization period of up to 24 months.
- **Interest Rate:** A fixed rate significantly lower than the market average. The reduction is achieved via:
 1. A **direct contribution to interest** (a non-repayable grant that covers a portion of the interest accrued during the life of the loan).
 2. An **80% public guarantee** on the principal, provided by the regional fund, which allows banks to apply a lower risk premium (spread).

De Minimis: The support is granted under the *de minimis* regulation (Reg. UE 1407/2013), capped at €200,000 over three fiscal years.

ELIGIBLE PROJECTS / EXPENSES

Eligible investments include:

- **Tangible assets:** Purchase of new machinery, plant, equipment, and hardware.
- **Intangible assets:** Acquisition of software, patents, licenses, and intellectual property rights.
- **Digital & Green transition:** Projects aimed at digital transformation (Industry 4.0) and energy efficiency/sustainability.
- **Business expansion:** Opening of new production units, commercial outlets, or expansion of existing ones.

Note: Expenses must be strictly related to the investment project, net of VAT, and cannot include working capital or operational liquidity.

PROCEDURES

PROCESS

1. **Application:** The SME submits a loan application directly to one of the accredited partner banks (e.g., Intesa Sanpaolo, BPM, Unicredit, etc.) along with a detailed business plan and investment project.
2. **Bank Evaluation:** The bank evaluates the creditworthiness of the applicant and the feasibility of the project.
3. **Reservation of Funds:** If the preliminary evaluation is positive, the bank applies to Finlombarda to reserve the public guarantee and the interest subsidy.
4. **Final Approval & Disbursement:** Finlombarda grants the approval. The bank disburses the full loan amount to the SME. The SME repays the loan to the bank, but with a reduced interest rate (the bank is later reimbursed by Finlombarda for the subsidized portion).

GOVERNANCE

- **Managing Body:** Finlombarda S.p.A., acting as the intermediate body for the ERDF (European Regional Development Fund) in Lombardy.
- **Monitoring Committee:** Composed of representatives of the Region of Lombardy, Finlombarda, and the relevant managing authorities. It oversees the strategic direction, fund allocation, and compliance with State Aid rules.
- **Banks:** Act as "originators" and distributors. They retain the credit risk on the unguaranteed portion (20%) and are responsible for loan recovery procedures.

STATUS and RESULTS

- As of late 2024, the fund has mobilized over **€450 million in total investments** (combining public resources and bank leverage).
- Over **1,200 SMEs** have benefited from the measure, with a strong focus on manufacturing, logistics, and advanced services.
- The default rate has remained remarkably low (around 2%) due to the high-quality screening performed by the banks and the presence of the 80% guarantee, which incentivizes banks to accept higher-risk projects.

REMARKS

This instrument is a best practice because it effectively solves the "Italian bank lending trap" (short-term loans with high spreads). By combining a *direct grant* (subsidy) with a *guarantee*, it addresses both the cost of money (interest) and the availability of money (guarantee).

This ensures a direct link between the public aid and the real economy investment. It is also highly replicable because it does not require complex securitization structures or third-party fund managers, relying instead on a simple, transparent operational agreement between a regional financial body and local banks.

CONTACTS:

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