



## Update on Economic Stimulus Impacting ILPA Members Invested in European Portfolio Companies: April 3, 2020

**Overview:** As countries around the world have been dealing with the impact of COVID-19 on their economies, a variety of economic stimulus measures have been implemented to provide support for workers and businesses in those countries. These measures will have an indirect impact on Limited Partners by providing potential vital financial support for portfolio companies of venture capital and private equity funds. ILPA is committed to keeping you informed about the impact of these programs so you can be informed about the options for the investments in your portfolio.

The European Union, along with several other EU governing authorities, has primarily taken the following contingency measure to provide economic stimulus to domestic EU companies. *Please note that it is often difficult to find government links from the member states that indicate how these programs can be applied for or accessed. If you require additional information about a particular member state program, please contact Chris Hayes, Senior Policy Counsel, ILPA at [chayes@ilpa.org](mailto:chayes@ilpa.org).*

Pandemic Emergency Purchase Programme (PEPP)				
Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Governing Council of the European Central Bank has launched a new Pandemic Emergency Purchase Programme (PEPP).	€750 billion will be allocated to a new temporary asset purchase program of private and public sector securities, which will cover all asset categories eligible under the existing asset purchase program. The range of eligible assets under the corporate sector purchase program (CSPP) will be expanded to non-financial commercial paper. The main risk	Purchases will be conducted for as long as necessary, until when the Governing Council judges that the COVID-19 crisis phase is over, and at least until the end of 2020.	N/A	For updates on this program, please click <a href="#">here</a> .

	parameters of the collateral framework will be adjusted in order to ease the collateral standards.			
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### Coronavirus Response Investment Initiative

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The European Commission has launched a Coronavirus Response Investment Initiative to mobilize cohesion policy to respond to emerging need in exposed sectors including small and mid size enterprises (SMEs). This money (€37 Billion) will be funneled through member state budgets.	€37 billion of cohesion policy money will be provided to member states to strengthen health systems, support SMEs, short-term employment schemes and community based services.	This money will help facilitate member state level deployment to SMEs and other critical areas to backstop member state initiatives. The most affected countries will also have access to the EU Solidarity Fund (€800 Million) available.	N/A	For updates on this program, please click <a href="#">here</a> .

In addition to international measures, a number of European states and EU member states have taken national contingency measures to provide economic stimulus domestically, including:

### Austria

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Austrian government has released an emergency economic relief package.	The package is available up to €38 billion and includes €15 billion in	€9 billion is intended for guarantees and liabilities for credit protection. The emergency aid is	N/A	For updates on this program, please click <a href="#">here</a> .

	emergency aid for certain industries.	intended for industries that are “particularly hit hard.”		
<b>Belgium</b>				
<b>Eligibility</b>	<b>What it Does</b>	<b>Facility Terms</b>	<b>Loan Forgiveness</b>	<b>Participation</b>
The Belgian government has outlined a comprehensive economic stimulus package.	The Belgian government is making €50 billion available to guarantee new bank loans. There is a direct buffer of €4.5 billion for companies and the self-employed.	New loans and credit will be granted to “viable” non-financial companies and self-employed individuals, for a maximum duration of 12 months. There is also a specific system developed to cover potential losses suffered by banks. Until 3%, losses will be covered by the financial sector. Between 3-5%, there will be a 50/50 division between the federal government and the financial sector. When there are higher losses, 80% will be covered by the government.	N/A	For updates on this program, please click <a href="#">here</a> .

**Bulgaria**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Bulgarian government adopted a series of measures to support the economy.	The Bulgarian government is granting unsecured interest-free loans of up to €760 per person.	The loans are open to all workers who are on unpaid leave due to the pandemic.	N/A	For updates on this program, please click <a href="#">here</a> .

### Cyprus

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Cyprus government has adopted a comprehensive exceptional financial Support Programme.	The Support Programme is structured and specific, both in range as well as in expenditure, and it is valued at €700 million.	The Support Programme is intended for the people working in small and medium-sized enterprises	N/A	For updates on this program, please click <a href="#">here</a> .
The government of Cyprus has decided to submit an initial allocation to promote economic stability.	€100 million has been allocated for the public health sector and private sector businesses.	The funds will be used to reinforce the public health sector and to suspend the operations of businesses of the private sector.	N/A	For updates on this program, please click <a href="#">here</a> .

**Denmark**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Danish government has announced a range of measures related to stimulating its economy.</p>	<p>Incentives worth €13 billion have been allocated to keep Danish companies afloat.</p>	<p>The Danish government is providing compensation for the organizers of major events that are cancelled due to the virus and extending companies' payment deadline to settle value-added taxes.</p>	<p>N/A</p>	<p>For updates on this program, please click <a href="#">here</a>.</p>
<p>The Danish government has announced a series of dedicated state aid schemes.</p>	<p>A €130 million guarantee scheme for SMEs most severely affected by the pandemic. A separate €1.3 billion scheme has been created to partially compensate the self-employed for the losses of turnover suffered.</p>	<p>The scheme will be accessible to SMEs whose exports represent at least 10% of their yearly revenue, to the extent they experience or expect to experience a decline in revenue of at least 30% compared to their revenue before the pandemic. The scheme covers guarantees on operating loans with a limited maturity and size, and limits the risk taken by the State to a maximum of 70%. The compensation for self-employed will take the form of grants and will cover 75% of the expected loss of turnover for a period of</p>	<p>N/A</p>	<p>For updates on this program, please click <a href="#">here</a>.</p>

		three months, calculated on the basis of the average monthly turnover in 2019.		
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### Estonia

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Estonian government has passed two state aid schemes to support the economy.	The two state aid schemes have a total budget of €1.75 billion and will provide for guarantees on loans or granting of loans at favorable terms.	The first support scheme will be implemented and administered by the public Foundation KredEx. It will be open to all companies, subject to certain exceptions defined by the State. The second scheme will be implemented and administered by the public Estonian Rural Development Foundation. It will be open to companies in all sectors.	N/A	For updates on this program, please click <a href="#">here</a> .



**France**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The French government has announced a package of measures.</p>	<p>€45 billion to an aid package for hard-hit sectors of the economy. €300 billion will be allocated to guarantee bank loans. €4 billion will be allocated to a liquidity plan to support start-ups.</p>	<p>The package comes in the form of: Reduced social security contributions of €35 billion, which the state could partly claw back later; Unemployment benefits linked to forced part-time employment (€8.5 billion); A solidarity fund for the self-employed and shopkeepers (at least €2 billion). The liquidity plan would include bridge loans for startups that were expecting fundraising, early payment of some tax credits, accelerated payment of planned investments in the sector and guarantees over cash-flow costs.</p>	<p>N/A</p>	<p>For the contours of this program, please click <a href="#">here</a>.</p>
<p>The French government has unveiled four state aid schemes to support the national economy.</p>	<p>Two schemes enabling the French public investment bank Bpifrance to provide State guarantees on commercial loans and credit lines. A scheme to provide State guarantees to banks on portfolios of new</p>	<p>Bpifrance's guarantees are intended for enterprises with up to 5,000 employees. The State guarantees to banks represents direct aid to the companies that will enable banks to quickly provide liquidity to any</p>	<p>N/A</p>	<p>For updates on this program, please click <a href="#">here</a>.</p>

	<p>loans for all types of companies. A €1.2 billion scheme to support SMEs as well as self-employed people.</p>	<p>company that needs it. The support to SMEs and the self-employed takes the form of direct grants to allow beneficiaries to face their operating costs in the difficult situation caused by the coronavirus pandemic. The beneficiaries are companies with a maximum of 10 employees and a yearly turnover not exceeding €1 million. Companies are eligible when their business was closed by administrative decision as a result of the pandemic, or when their monthly turnover in March 2020 dropped by 70% compared to their turnover in the same period last year.</p>		
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### Germany

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The German government has implemented a number of measures to stimulate its economy.</p>	<p>A loan program covering up to 90% of the risk for loans for companies of all sizes. A separate loan program in which the State participates together with private banks to provide larger loans as a consortium. An additional direct grant scheme will support companies affected by the pandemic. A fourth State aid scheme is open to all companies.</p>	<p>Eligible loans to domestic firms may have a maturity of up to 5 years and can reach €1 billion per company, depending on the company's liquidity needs. For the State's partnership scheme with private banks, the risk taken by the State may cover up to 80% of a specific loan but not more than 50% of total debt of a company. The direct aid scheme takes the form of direct grants, repayable advance or tax and payment advantages. The final State aid scheme enables the granting of guarantees on loans at favorable terms to help businesses cover immediate working capital and investment needs.</p>	<p>N/A</p>	<p>For updates on this program, please click <a href="#">here</a>.</p>

**Greece**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Greek government has announced new measures to stabilize its economy.	€800 euros apiece will be allocated to 1.7 million employees.	Eligible employees work in the private sector.	N/A	For updates on this program, please click <a href="#">here</a> .

**Ireland**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Irish government has unveiled a support scheme to assist domestic firms impacted by the pandemic.	€200 million will be allocated in the form of repayable advances.	The support will be accessible to companies that experience or expect to experience a decline in turnover of at least 15% compared to their revenue before the coronavirus outbreak in Ireland. The scheme applies to undertakings in Ireland employing 10 or more full time employees in certain manufacturing sectors and/or internationally traded sectors, with a turnover of less than €500 million per year.	N/A	For updates on this program, please click <a href="#">here</a> .

**Italy**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Italian government has released state aid measures in response to the pandemic.	A State guarantee supporting a debt moratorium from banks to SMEs affected by the coronavirus outbreak.	The debt moratorium includes the postponement of repayments of overdraft facilities, bank advances, bullet loans, mortgages and leasing operations.	N/A	For updates on this program, please click <a href="#">here</a> .

### Luxembourg

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Luxembourgish government implemented a number of state aid measures.	€300 million state aid measure will support companies affected by the pandemic. A separate state aid measure supports domestic firms through guarantees on loans. It enables the granting of guarantees on loans at favorable terms to help businesses cover immediate working capital and investment needs.	The state aid funds will be allocated in the form of a repayable advance granted in one or more instalments to allow beneficiaries to face their operating costs. The loan guarantee scheme is open to all companies, except those active in the promotion, renting and sale of building, as well as holding of investments.	N/A	For updates on this program, please click <a href="#">here</a> .

**Malta**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Maltese government announced a billion package of measures to provide support to businesses.	€1.6 billion will be employed to provide liquidity for companies.	€700 million in tax deferrals and €900 million in guarantees; €900 million will be employed in government guarantees to companies; €150 million will be employed as bank guarantees which would translate into a total value accessible for local businesses in soft loans of €750 million.	N/A	For updates on this program, please click <a href="#">here</a> .



**Netherlands**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Dutch government adopted a €10-20 billion package of measures to financially support self-employed workers and companies through relaxed tax regimes, compensation and additional credit facilities</p>	<p>Entrepreneurs who expects a loss of turnover (at least 20%) can apply for a salary contribution for a period of 3 months. The UWV will provide an advance of 80% of the requested contribution; Extra support for independent entrepreneurs: Self-employed workers can receive additional income support for subsistence for a period of three months through an accelerated procedure.</p>	<p>Affected entrepreneurs can more easily apply for a deferment of tax, incl. income, corporate, wage and turnover taxes (VAT).</p>	<p align="center">N/A</p>	<p>For updates on this program, please click <a href="#">here</a>.</p>

**Poland**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Polish government has announced that it will launch a €46 billion package of measures to protect jobs and the national economy.	€16 billion will be allocated for financing companies. €16 billion will be allocated to provide support to the financial system. The remainder of the funds will be used for other public investments.	N/A	N/A	For updates on this program, please click <a href="#">here</a> .

### Portugal

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Portuguese government has announced a €9.2 billion package aimed at supporting workers and providing liquidity to companies affected by Covid-19 emergency.</p>	<p>€5.2 billion is to be used to provide a fiscal stimulus. €3 billion is to be allocated to state-backed credit guarantees.</p>	<p>The credit lines opened with these funds are aimed at micro and small enterprises and companies operating in the following sectors: tourism, restaurants, hotels, textiles, clothing and wood. Companies with up to 50 workers can access these measures immediately. Those with up to 250 staffers can benefit if they have lost 20% of turnover.</p>	<p>N/A</p>	<p>For updates on this program, please click <a href="#">here</a>.</p>
<p>The Portuguese government notified the European Commission of four guarantee schemes for SMEs.</p>	<p>The four €3 billion guarantee schemes are addressed to companies operating in four different sectors: tourism; restaurants (and other similar activities); extractive and manufacturing industry; and travel agency activities, touristic animation, and event organization (and similar activities).</p>	<p>The schemes aim at limiting the risks associated with issuing operating loans to those companies that are severely affected by the pandemic.</p>	<p>N/A</p>	<p>For updates on this program, please click <a href="#">here</a>.</p>

**Romania**

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Romanian government has adopted several measures to provide support to workers during the pandemic.	The Ministry of Finance will provide an additional €1 billion in guarantees for SMEs, in order to guarantee access to loans for investment and working capital.	The guarantee comes with a 0% interest rate. The guarantee covers 90% of the loan value, for loans up to RON 1 million, and 80% of those over RON 1 million.	N/A	For updates on this program, please click <a href="#">here</a> .

### Spain

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Spanish government has introduced support measures for its economy.	€400 million is to be allocated for a specific line of credit for companies and self-employed people.	The support measures are intended for those sectors - such as tourism or transport - that are already experiencing the effects of the emergency.	N/A	For updates on this program, please click <a href="#">here</a> .
The Spanish government has announced the allocation of €200 billion to pump into the economy to contrast the effects of the pandemic.	The funds will come from both public and private sources. The allocations include the creation of a line of public-issued guarantees worth €100 billion, a €2 billion compensation fund, and support programs to aid digitalization and R&D.	The support programs are intended for small business to facilitate their transition into remote work mode.	N/A	For updates on this program, please click <a href="#">here</a> .

### Sweden

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
<p>The Swedish government has recently unveiled a plan to provide economic relief.</p>	<p>The Riksbank has announced that it is loaning up to €45 billion to companies via the banks.</p>	<p>The loans will be used to safeguard credit supply.</p>	<p>N/A</p>	<p>For updates on this program, please click <a href="#">here</a>.</p>
<p>The Swedish government has announced that a new package will be adopted to support SMEs.</p>	<p>The central government will guarantee 70% of new loans banks provide to companies that are experiencing financial difficulty due to the pandemic but that are otherwise robust. The guarantee will be issued to banks, which in turn will provide guaranteed loans to companies.</p>	<p>The loan guarantee primarily targets small and medium-sized enterprises. However, there is no formal limit on company size to take part in the program.</p>		<p>For updates on this program, please click <a href="#">here</a>.</p>

### Switzerland

Eligibility	What it Does	Facility Terms	Loan Forgiveness	Participation
The Swiss government has released a plan to provide €30 billion in aid.	The majority of the package will consist of bridge loans worth €18 billion for otherwise healthy small- and medium-sized companies that have seen income drop off as a result of the epidemic.	The lending will be either fully or partially backed by the government.	N/A	For updates on this program, please click <a href="#">here</a> .