



*Una manera de hacer Europa*



# BUENAS PRÁCTICAS

## Actuaciones Cofinanciadas

“ICF Eurocrèdit COVID-19” aid facility.  
Institut Català de Finances (ICF)

# Programa Operativo de Catalunya

Año 2022

## Fondo Europeo de Desarrollo Regional



## **The “ICF Eurocrèdit COVID-19” aid facility is presented as a Best Practice**

### **Presentation of the aid facility**

ICF Eurocrèdit COVID-19 is a loan sub-facility included in the financial instrument rolled out by the Institut Català de Finances in 2017 and co-funded with the ERDF under the Catalonia ERDF 2014-2020 Operational Programme. The sub-facility’s purpose is to finance working capital for small and medium-sized enterprises in order to mitigate the impact the COVID-19 pandemic might have on their business operations. More specifically, the goal is to safeguard firms’ liquidity and solvency and therefore their ability to meet their running costs.

One of the key sub-groups of companies in this sub-facility is Catalan tourism industry enterprises. They are businesses in the hospitality sector, campsites and short-stay tourist accommodation. The tourism industry is one of the most important in the Catalan economy, and also one of the hardest hit by the COVID-19 pandemic.

The companies in this sector have seen their operations come to a complete standstill several times for prolonged periods over the course of the pandemic, and even when they have been able to open, it has not been possible to do so at full capacity.

Two of the firms in this sub-set are Mercer House Bòria BCN, S. L. and Cala Font, S. L.

Mercer House Bòria BCN is in the Mercer Hotels group which is a leading luxury hotel chain in Spain. The group was founded for the purpose of setting up 5-star hotels in historic buildings refurbished by prominent architects. Mercer House Bòria BCN is a hotel in Barcelona’s el Born district.

The latter is the Cala Font Hotel which is located on the beachfront in the town of Salou.



Cala Font Hotel

Both companies reported they needed liquidity owing to COVID-19 and received working capital financing under the ICF Eurocrèdit COVID-19 sub-facility which enabled them to keep their business operations going.

The ICF Eurocrèdit COVID-19 facility has concluded a total of €72,189,797.22 with 138 firms in nearly 200 transactions. The total eligible cost of transactions specifically involving tourism industry businesses stands at €11,254,770.86 with ERDF aid coming to €11,254,770.86 (100% ERDF input). The Cala Font and Mercer Bòria hotels, the two projects presented, received €1,000,000 and €250,000 in funding respectively.

**This aid facility is presented as a Best Practice because it meets the following criteria:**

### 1. High awareness among beneficiaries, potential beneficiaries and the general public

#### ICF Eurocrèdit COVID-19 facility webpage:



## Poster:



**Briefing session:** A briefing session setting out all the sub-facility's details was also run shortly after it was launched to make sure it reached its target audience.

**ICF Eurocrèdit – COVID-19**



**ICF Eurocrèdit – COVID-19**, per a pimes que necessitin liquiditat arran de la crisi pel COVID-19. També per aquelles que vulguin finançar inversions o necessitats de circulat.

Condicions preferents Fons Europeus.



Import	Termini	Tipus d'interès	Comissions
<b>COVID-19:</b> Entre 250.000 i 2M€	<b>Fins a 5 anys,</b> amb fins 1 any de carència inclosos.	EURIBOR a 12 mesos + Diferencial entre el 0,95% i el 2,75%	D'obertura, màxim del 0,25%
<b>Curt termini:</b> Entre 100.000 i 2M€	<b>De 2 a 5 anys,</b> amb fins 1 any de carència inclosos.	EURIBOR a 12 mesos + Diferencial entre el 0,50% i el 2,25%	D'amortització, del 0,25%
<b>Llarg termini:</b> Entre 150.000€ i 2,5M€	<b>De 5 a 15 anys,</b> amb fins a 2 anys de carència inclosos.		



### Media coverage:



### Announced on Twitter and in the monthly newsletter:



The ICF Eurocrèdit COVID-19 sub-facility has recorded 21 transactions regarding tourism industry businesses.

This sector has a large footprint and a wide range of products and services in the Catalan economy, and constant innovation is a must to stand out from competitors.

In the case of Mercer House Bòria BCN, the innovation lies in the group's purpose and the concept it seeks to introduce. The group breaks away from the conventional hotel approach by offering to its customers accommodation in Catalan Art Nouveau buildings with great heritage value. This undoubtedly ensures that it sets itself apart from its competitors while, at the same time, contributes to preserve the city's heritage.

Meanwhile, Cala Font has embraced a sustainability strategy to address global climate targets. Several factors are involved in accomplishing this strategy. They include the installation of several energy consumption control systems, setting up a recycling system and training and raising the awareness of its staff about energy sustainability. Embedding all these features in its structural operations has also enabled it to achieve an innovative and distinctive positioning.

### **3. Matching outcomes with targets**

ICF Eurocrédit COVID-19 loans are designed to deliver financing to cover working capital (liquidity) needs because of the pandemic. As mentioned above, the tourism industry is one of the hardest hit sectors due to the shutdown of its operations over prolonged periods of time.

The Cala Font case is a good illustration of how this credit facility has enabled companies in the hospitality sector to ride out the COVID-19 pandemic's financial ravages and helped them at a particular moment in time to ensure that they are currently solvent. COVID-19 came along when the Cala Font hotel was rolling out an investment programme remodelling its facilities. The pandemic restrictions forced them to scale back or even halt their business operations, and that meant they began to have difficulties in keeping the company going. Faced with impending uncertainty, they chose to protect themselves to avoid funding problems. At that point, they turned to the ICF Eurocrédit COVID-19, a loan that allowed them to continue their construction and renovation work planned despite the adverse circumstances and to press ahead with the regular operations of the hotel.



### **4. Contribution to the resolution of a regional problem or weakness**

The pandemic triggered by the spread of COVID-19 has led to an uncertain economic framework right from its onset until today. It also slowed down economic growth and wreaked havoc on the Catalan economy.

All this uncertainty is even greater when it comes to the tourism industry as to curb the spread of the pandemic, measures were implemented to reduce social interaction and severely restrict people's mobility, domestically and abroad. As a consequence, the touristic sector has been remarkably damaged.

The tourism industry is crucial for the Catalan economy, as Catalonia is one of the main tourist destinations both in Spain and internationally. This means a large part of economic resources in terms of investment, capital and labour are engaged in this industry.

Therefore, the contribution made by the ICF Eurocrèdit COVID-19 sub-facility in providing liquidity to companies in the tourism industry has undoubtedly been crucial in helping small and medium-sized enterprises in the sector and thereby warding off a major problem for the Catalan economy which would lead to the closure of a high percentage of the companies making up the Catalan tourism industry.



## **5. Degree of coverage of the target audience**

The ICF Eurocrèdit COVID-19 sub-facility is aimed at small and medium-sized enterprises looking to finance their working capital needs to mitigate the impact the COVID-19 pandemic may have had on their business operations and therefore on their solvency and sustainability over the medium and long term.

Contributing to the solvency of the Catalan tourism industry has positive effects, not only for the companies receiving the funding, but also for the society as a whole. The sustainability and growth of this sector is key, as it accounts for a large proportion of Catalan businesses. Furthermore, the sector employs 12% of the workers, according to the data provided in 2021 by the Statistical Institute of Catalonia (IDESCAT). Likewise, the survival of these enterprises contributes greatly to employment and is hence of direct benefit to their staff as well.

In addition, the ICF Eurocrèdit COVID-19 sub-facility has reached the whole of Catalonia, as evidenced by the two examples presented; Mercer Bòria is a hotel in Barcelona while Cala Font is in Salou. This implies that the sub-facility contributes to territorial balance in economic terms by funding companies across the region and helping to move towards greater equality of resources for businesses regardless of where they are based.

To conclude, supporting the viability of these companies provides social benefits ranging from their employment inputs to the territorial balance of the economy through its decentralisation from the major cities. Therefore, these benefits have effects not only at a microeconomic level by the companies which receive them or their workers but also at the macroeconomic level, since preventing job losses and fostering equality and economic balance also has an impact in terms of long-term economic growth.



## **6. Compliance with horizontal principles (sustainable development, gender equality and non-discrimination) and environmental regulations**

The Institut Català de Finances (ICF) is determined to ensure a sustainable and egalitarian future. It aims to provide financing which has a constructive impact on society and the environment. This is applicable to all its credit facilities, and the ICF Eurocrèdit COVID-19 sub-facility is no exception. Consequently, it encourages investment and financing instruments which foster the green economy, innovation and technological transformation and growth.

It is also proactively committed to achieving the Sustainable Development Goals (SDGs) in line with the United Nations 2030 Agenda and the National Plan to roll out the 2030 Agenda in Catalonia. This is all reflected in the ICF's operations, which prioritise funding projects that are aligned with the common Sustainable Development Goals. Specifically, the ICF Eurocrèdit COVID-19 addresses and targets three of the SDGs: gender equality; decent work and economic growth; and industry, innovation and infrastructure.

The case of Cala Font is an example given that, as mentioned above, the hotel is committed to sustainability. Several features have been deployed in its structural operations to reduce energy consumption, improve waste management, and save water.



## **7. Synergies with other policies or public intervention instruments**

Broadly speaking, businesses receiving loans from the ICF Eurocrèdit COVID-19 sub-facility may additionally be eligible for other sources of public funding, and this also applies to firms in the tourism industry.

Specifically, tourism sector companies which have been financially harmed by the fallout from COVID-19 have had the option of applying for aid provided by the Catalan Government. One of these measures was designed to offset the obvious financial loss in the industry and ensure its continued operation. The amount of the grant varied according to the type of company and number of employees. Subsequently, allocations to these grants were expanded to allow tourism businesses to seek additional support; the initial budget limit was extended three times in 2021.

The Spanish government also took measures to assist the tourism industry. By way of example, some tax liabilities were deferred, and other tax deductions and credits were brought in to support the tourism sector, the hospitality industry and retailers in tax issues.

For instance, in Cala Font's case, besides getting ICF Eurocrèdit COVID-19 loans, they were also able to apply for and receive two other types of grants: Firstly, the Grant for tourism industry freelancers and businesses in Catalonia financially harmed by the fallout from COVID-19, and secondly the Grant for tourism industry freelancers and businesses in Catalonia harmed by the fallout from COVID-19 for financial solvency purposes.

Meanwhile, Mercer House Bòria BCN was also supported by other public funding sources in the form of loans.



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