# Proposal for a financial instrument for the digital transformation of SMEs: DIGITAL-IMM

***Federation for Innovation and Sustainable Competitiveness in SMEs (FICSIMM)***

## Contents


**0. The need for such a financial instrument** ..... 5

**1. Key principles of the instrument** ..... 6

**1.1. Accessibility** ..... 6

**1.2. Stimulating digital transformation** ..... 7

**1.3. Complementarity** ..... 7

**1.4. Risk sharing** ..... 7

**1.5. Increasing the competitiveness of SMEs** ..... 7

**2. Structure of the financial instrument** ..... 8

**2.1. Revolving fund** ..... 8

**2.2. Financing mechanisms** ..... 8

**2.3. Partners and implementation** ..... 9

**3. Eligibility criteria** ..... 9

**3.1. Types of eligible SMEs** ..... 9

**3.2. Eligible activities** ..... 9

**3.3. Financial conditions** ..... 12

**4. Advantages for SMEs** ..... 13

**4.1. Rapid access to financing** ..... 13

**4.2. Support for the adoption of digital technologies** ..... 13



Ana-Maria Icatoiu

Digitally signed by Ana-Maria Icatoiu
Date: 2026.11.10 21:16:18 +02'00'

**4.3. Increasing competitiveness on the global market** ..... 13
**4.4. Reducing financial risks** ..... 13
**5. Implementation and monitoring** ..... 14
**5.1. Implementation** ..... 14
**5.2. Monitoring mechanisms** ..... 14
**5.3. Reporting and adjustment** ..... 14
**6. Phasing of the instrument's implementation** ..... 15
**6.1. Preparation phase** ..... 15
**6.2. Pilot phase** ..... 15
**6.3. Expansion phase** ..... 16
**6.4. Consolidation and development phase** ..... 16
**7. Application, evaluation and monitoring flow of a project** ..... 17
**7.1. Information and self-assessment** ..... 17
**7.2. Preparation of the digital transformation plan** ..... 17
**7.3. Submission of the application and eligibility check** ..... 17
**7.4. Evaluation and financing decision** ..... 18
**7.5. Contracting and implementation** ..... 18
**7.6. Reporting, monitoring and closure** ..... 18
**8. Governance of the instrument and the role of partners:** ..... 19
**8.1. Investment and Development Bank (BID)** ..... 19
**8.2. Partner commercial banks** ..... 19
**8.3. Ministry of ..... (MFIn / MEDAT?)** ..... 20
**8.4. Advisory board** ..... 20
**8.5. Employers' organisations and ecosystem partners** ..... 20

9. Risks and mitigation measures ..... 21
9.1. Insufficient demand from SMEs ..... 21
9.2. Reluctance of banks to finance digital projects ..... 21
9.3. Inadequate or insufficiently exploited investments ..... 21
9.4. Dependence on a small number of suppliers ..... 22
9.5. Default rate above expectations ..... 22
9.6. Growing administrative complexity ..... 22
10. Illustrative examples of fundable projects ..... 23
10.1. Production firm in the manufacturing industry ..... 23
10.2. Retail firm expanding online ..... 23
10.3. Services firm with cybersecurity needs ..... 24
10.4. Logistics and transport firm ..... 24
10.5. Digitally native start-up (development phase of the instrument) ..... 25
11. Expected impact and indicator system ..... 25
11.1. Output indicators ..... 25
11.2. Result indicators ..... 26
11.3. Impact indicators ..... 26
11.4. Use of the indicators ..... 27
12. Questions regarding the instrument ..... 27
12.1. Why an instrument based on loans and guarantees, rather than grants? ..... 27
12.2. How does DIGITAL-IMM differ from existing EU-funded programmes? ..... 27
12.3. What happens if the project does not produce the estimated results? ..... 28
12.4. Can firms at the beginning of their digitalisation journey access the instrument? ..... 28
12.5. What is the role of employers' organisations? ..... 28

**Conclusions** ..... 29

**International good practices** ..... 31

**1. Integrating a support mechanism for the implementation and scaling up of digitalisation** ..... 31

**2. Introducing a mentoring and technical assistance programme for SMEs** ..... 33

**3. Implementing a system of performance indicators for beneficiary SMEs** ..... 35

**4. Creating a public-private co-investment mechanism** ..... 37

**5. Extending eligibility to start-ups and SMEs with digital business models** ..... 39

## 0. The need for such a financial instrument

In a global economy in which digitalisation drives gains in competitiveness and efficiency, **SMEs in Romania face significant difficulties in adopting digital technologies**. **The low level of digitalisation affects firms' productivity, their capacity to optimise business processes and to access new markets**, and the effects are felt both at the level of each company and across the economy as a whole, through **lower productivity, reduced export capacity and increased vulnerability to economic shocks**. **The lack of financial resources, digital skills and adequate infrastructure limits the capacity of SMEs to implement essential digital solutions, such as process automation, artificial intelligence, advanced data analytics and cybersecurity.** These barriers are compounded by **uncertainty regarding the return on digital investments** and **the difficulty of identifying the right suppliers and solutions**, which leads many firms to postpone modernisation decisions. These barriers manifest themselves with varying intensity depending on the size of the firm, the sector of activity and the region, **with micro-enterprises and SMEs in less developed areas being the most affected**.

Although the European Union promotes the digitalisation of SMEs through various initiatives, **access to financing remains a challenge for the majority of Romanian firms**. Existing programmes impose strict requirements and involve a heavy administrative burden, which discourages SMEs from applying, particularly smaller ones, which lack dedicated staff for preparing and managing funding applications. **The calendar of calls for proposals is often unpredictable**, and **the long evaluation and contracting periods** are not compatible with the rapid pace at which technology evolves. **In the absence of a national financial instrument tailored to their specific needs, SMEs risk falling behind their European competitors**, which may lead to **lost economic and market opportunities** and to a **widening of productivity gaps**.

The **DIGITAL-IMM** financial instrument comes as a practical and effective solution for accelerating the digital transformation of Romanian SMEs. It offers a **flexible financing mechanism, based on preferential-rate loans, technology leasing and state guarantees**, facilitating SMEs' access to the resources needed to adopt and implement advanced digital technologies. Unlike classic grant schemes, the instrument is designed so as **to be available on a continuous basis**, without depending on the launch of one-off calls, and **to adapt to the size and pace of each investment**. Through this instrument, SMEs will be able to **streamline their operations, improve their relationship with customers, increase cybersecurity and adopt new digitally based business models**, while at the same time strengthening their **capacity to attract private financing** over the long term.

Moreover, **the digital transformation of SMEs** is not only a **necessity for competitiveness**, but also an **essential factor for their long-term sustainability**. In a world in which technology constantly redefines business models, **SMEs that do not adopt digital solutions risk becoming irrelevant on the market, losing access to customers, value chains and growth opportunities**. Large companies and international trading partners increasingly require their suppliers to ensure **the digital integration of ordering, invoicing and reporting processes**, so that non-digitalised firms risk exclusion from supply chains. Investing in digitalisation enables firms **to optimise their operating costs, to respond more quickly to market demands** and **to strengthen their resilience in the face of economic crises**. Thus, **through DIGITAL-IMM, SMEs are given the tools they need to make the transition towards an economy based on innovation and technology, reducing the digital gap between Romania and developed economies**.

# 1. Key principles of the instrument

This financial instrument is intended for SMEs wishing **to implement digital solutions, to modernise their processes through technology and to increase their competitiveness** in the digital era. It will be based on a **mechanism without non-repayable grants**, but will offer **flexible financing and incentives for digitalisation**, starting from the premise that **a well-founded digital investment pays for itself through the savings and additional revenue it generates**. The principles below define how the instrument will operate and the criteria against which its effectiveness will be assessed, while at the same time representing **the commitments that FICSIMM proposes to its institutional and financial partners**.

## 1.1. Accessibility

- A rapid and digitalised application process (max. 30 days), with **simplified documentation** and **a decision communicated within a predictable timeframe**.
- Flexible eligibility criteria, addressed to all SMEs wishing to accelerate their digital transformation, **regardless of their field of activity or the region in which they operate**.
- Support for **the acquisition of software, digital equipment, cloud services and cybersecurity solutions**, including for the related **implementation and training services**.

### 1.2. Stimulating digital transformation

- Financing dedicated to **the implementation of digital solutions, automation and the use of data to increase productivity**, with an emphasis on projects that produce **measurable effects on the firm's activity**.
- Focus on **cloud computing, AI, IoT, process automation, blockchain, cybersecurity**, without excluding basic digital solutions for firms at the beginning of their journey.
- The possibility for SMEs to collaborate with digital innovation centres and technology providers, in order to **reduce the risk of choosing inadequate solutions**.

### 1.3. Complementarity

- It is aligned with EU objectives on digitalisation and increasing the competitiveness of SMEs and can be **correlated with the European instruments already available**.
- It complements existing European initiatives, but removes the limitations imposed by EU-funded programmes, in particular **the rigid calendar of calls and the complexity of procedures**.
- It relies on public-private financing, involving the Investment and Development Bank (BID) and commercial banks, which ensures **the mobilisation of private capital** alongside public resources.

### 1.4. Risk sharing

- BID will guarantee up to **80% of the loan value**, reducing the risks for banks and **facilitating access to credit for firms without sufficient collateral**.
- The creation of a **guarantee fund** to support SMEs in implementing digital solutions, with **clear intervention rules** in the event of default.
- SMEs will be able to reinvest the savings obtained from digitalisation in their further development, **thus consolidating the long-term effect of the initial investment**.

### 1.5. Increasing the competitiveness of SMEs

- Digital transformation will enable SMEs to increase productivity and become more efficient, including through **better use of data in decision-making**.
- SMEs will be able to **automate operations, reduce costs and expand their sales markets**, both domestically and on external markets.

- The instrument aims at **reducing the digital gap between Romania and other EU Member States**, contributing to **real economic convergence**.

## 2. Structure of the financial instrument

The instrument will be structured in the form of a **Digitalisation Financing Fund (FFD)**, managed by BID and operated in partnership with financial institutions and investment funds. This architecture allows for **a clear separation of roles** between the entity that administers the resources and guarantees and the entities that actually provide the financing, while also ensuring **transparency in the use of funds**.

### 2.1. Revolving fund

- Funded from:
  - **BID and commercial banks** - initial capital.
  - **European funds dedicated to digitalisation**, where programme rules allow their use through financial instruments.
  - **Partnerships with investment funds and venture capital**, interested in SMEs with growth potential.
- The revolving model allows for **continuous refinancing**, ensuring financial sustainability: **the amounts repaid by beneficiaries are reinvested in new digitalisation projects**, so that the fund maintains its capacity to intervene over time.

### 2.2. Financing mechanisms

- **Preferential-rate loans** (max. 2.5-3%), intended for investments in technology and digital services.
- **Leasing for IT solutions and digital infrastructure**, adapted to equipment with a **short technological renewal cycle**.
- **Grace period:** 1-2 years, depending on the complexity of the investment, so that the solutions implemented begin to generate results before repayment starts.
- **Loan term:** 3-7 years, adapted to the type of digital transformation and to **the firm's repayment capacity**.

- **Partial interest subsidy for the first 1-2 years**, as an incentive for the rapid start of projects.

### 2.3. Partners and implementation

- **BID** will administer the fund and the guarantees, ensuring **the overall coordination of the instrument**.
- **Commercial banks** will provide financing to SMEs, using **their existing territorial network** and direct relationship with customers.
- A **digital platform for the application and management** of financing will be developed, through which SMEs will be able to submit applications, track the evaluation stages and report on project progress.

## 3. Eligibility criteria

The eligibility criteria are designed so as **to open the instrument to the largest possible number of SMEs**, while maintaining **the prudential standards necessary** for a mechanism based on loans and guarantees. The emphasis is placed on **the quality of the digital transformation plan** and on **the firm's capacity to make the most of the investment**, not on restrictive formal criteria.

### 3.1. Types of eligible SMEs

- SMEs seeking **digital transformation** in manufacturing, services, retail, logistics etc., **regardless of their current stage of digitalisation**.
- SMEs implementing **automation, IoT, AI, cloud solutions** to modernise their internal processes and customer relations.
- SMEs optimising their digital infrastructure for **cybersecurity and big data**, with a view to protecting their data and making use of it.

### 3.2. Eligible activities

The DIGITAL-IMM instrument finances **the entire path of a digital transformation investment**, not merely the acquisition of technology: **from the initial diagnosis and design of the solution, to implementation, securing, staff training and integration with trading partners**. This approach starts

from the finding that **most digitalisation projects fail not because of the technology, but because of incomplete implementation or a lack of the skills to use it**. The categories of eligible activities proposed by FICSIMM are presented below; the list is indicative and will be detailed in the instrument's procedural framework, with **periodic updating** in line with technological developments.

**a) Digital equipment and infrastructure:**

- **Acquisition of IT equipment** (servers, workstations, network equipment, mobile devices for operational activity), insofar as it is necessary for the digital solutions implemented through the project.
- **Sensors, IoT devices and equipment** for monitoring production processes, stocks, fleets or energy consumption, including the related connectivity infrastructure.
- **Automation and robotics equipment** integrated into the firm's digital workflows, including the necessary control systems and software interfaces.
- **Network and connectivity infrastructure** within the firm, necessary for the operation of the solutions implemented, with the exception of current telecommunications subscriptions.

**b) Software, licences and cloud services:**

- **Integrated business management systems** (resource planning, stock and production management, customer relationship management, document management), in the form of licences or subscriptions for the duration of the project.
- **Sector-specific solutions**: production, fleet, booking and supply chain management systems, point-of-sale applications, electronic invoicing and reporting solutions.
- **Cloud services** (infrastructure, platforms and applications provided as a service), including the migration of existing data and applications, for a period established through the procedural framework.
- **Data analytics and reporting tools**, which allow the firm's data to be used in decision-making.
- **Development of customised software**, where standard solutions do not cover the firm's needs, provided that the result remains the property of the SME or can be used over the long term.

**c) Online presence, e-commerce and customer relations:**

- **Development or modernisation of e-commerce platforms**, including integration with stock management systems, payment solutions and delivery services.

- **Integration with national and international online marketplaces**, for access to customers outside the local market.
- **Digital marketing and customer relationship management tools**, including initial configuration and staff training in their use.
- **Digital customer service solutions** (portals, applications, booking or order-tracking systems), which improve the customer experience and reduce operating costs.

**d) Cybersecurity and data management:**

- **Cybersecurity risk assessment** and the drafting of internal security policies, as a preliminary stage of the investment.
- **Protection solutions** (network and device protection, access management, data encryption, protection against malicious software), including configuration and maintenance for the duration of the project.
- **Backup and business continuity solutions**, which ensure data recovery and the rapid resumption of operations in the event of an incident.
- **Tools for compliance with legal requirements on data protection**, including the related consultancy.

**e) Automation, artificial intelligence and advanced technologies:**

- **Automation of administrative and operational processes** (processing of documents, orders and invoices, approval workflows), through process automation tools.
- **Artificial intelligence-based solutions** for forecasting, optimisation, quality control, customer assistance or data analysis, adapted to the firm's activity.
- **Digital production technologies** (computer-aided design, simulation, additive manufacturing, predictive maintenance), in the case of firms in the manufacturing industry.
- **Solutions based on emerging technologies** (blockchain, augmented reality, digital twins), where their use is justified by the digital transformation plan.

**f) Implementation, consultancy and integration services:**

- **Initial digital diagnosis and solution design**, carried out by consultants or digital innovation centres, as the basis of the digital transformation plan.

- **Implementation, configuration, customisation and integration services** for the solutions acquired with the firm's existing systems and with those of its trading partners.
- **Project management services** for complex projects involving several suppliers or several stages.
- **Consultancy on intellectual property protection and legal compliance** of the digital solutions implemented.

**g) Employee training and digital skills development:**

- **Training of employees in the use of the solutions implemented**, provided by technology providers or training organisations.
- **Basic and advanced digital skills development programmes** for the firm's staff, including management, directly linked to the financed project.
- **Participation in mentoring programmes and digital innovation networks**, insofar as they are correlated with the project's objectives.

**h) Expenditure proposed as ineligible:**

- **Acquisition of equipment unrelated to the digital transformation** of the firm's processes (conventional production equipment, vehicles, furniture).
- **Current operating costs** (salaries, rent, utilities, telecommunications subscriptions), with the exception of costs directly linked to project implementation, within the limits set by the procedural framework.
- **Refinancing of investments already made** or of existing debts.
- **Expenditure on recoverable taxes**, under the applicable tax legislation.

## 3.3. Financial conditions

- SMEs must be **free of major tax debts** and demonstrate **a financial situation that allows repayment of the financing**.
- They must submit **a detailed plan for the digital transformation of all processes**, including **objectives, implementation stages and expected results**.

# 4. Advantages for SMEs

Compared with the sources of financing currently available, DIGITAL-IMM offers SMEs **a combination of speed, low cost and flexibility** that directly addresses the barriers identified in practice. The main advantages are summarised below.

## 4.1. Rapid access to financing

A simplified and digitalised process, with **clear response deadlines** and documentation reduced to the strict minimum.

An extended grace period to allow SMEs to implement digital solutions **before repayment begins**.

## 4.2. Support for the adoption of digital technologies

Financing for **cloud computing, AI, IoT, cybersecurity**, but also for the basic digital solutions needed by less advanced firms.

The possibility for SMEs to collaborate with **technology providers and innovation centres**, for **the correct selection and implementation of solutions**.

## 4.3. Increasing competitiveness on the global market

SMEs can expand their market through **e-commerce, automation and AI solutions**, reaching customers outside the local market.

Digitalisation **improves operational efficiency** and **reduces costs**, freeing up resources for development and innovation.

## 4.4. Reducing financial risks

Guarantees of up to **80% of the financing value**, which **compensate for the lack of own collateral**.

Preferential and subsidised interest for the first years, which **reduces the total cost of financing**.

Flexibility in repayment, adapted to the digital development cycle and to the **firm's cash flows**.

# 5. Implementation and monitoring

The success of the instrument depends on **coordinated implementation** between public institutions and financial partners, as well as on **a monitoring system that allows rapid corrections** when results do not meet expectations. The proposed stages and mechanisms are presented below.

## 5.1. Implementation

- **BID and the commercial banks** will manage the funds and guarantees, on the basis of a **common procedural framework** ensuring equal treatment for all SMEs.
- A **digital platform for SMEs** will be developed, which will facilitate applications and progress tracking, reducing **administrative time and costs** for beneficiaries.
- The creation of an **advisory board**, made up of specialists in technology, economics and digitalisation, to validate SMEs' projects and to **formulate recommendations on adjusting the instrument**.

## 5.2. Monitoring mechanisms

A **half-yearly** assessment of the impact of digital transformation on SMEs, based on the data reported by beneficiaries.

**Independent audit** of the proper use of funds and of **compliance with the eligibility criteria**.

**Performance indicators** (number of digitalised SMEs, productivity growth, reduction in operating costs), established **from the launch of the instrument**.

## 5.3. Reporting and adjustment

An **annual** report to the Ministry of ..... and the partners involved, covering **the results achieved and the difficulties encountered**.

**Periodic adjustments** to the financing conditions, in line with the progress of SME digitalisation and the **feedback received from beneficiaries and banks**.

**Periodic consultation of the employers' organisations** representative of SMEs, with a view to the early identification of access difficulties and of firms' emerging needs.

# 6. Phasing of the instrument's implementation

In order to ensure a controlled launch and adjustment based on real results, FICSIMM proposes that the DIGITAL-IMM instrument be implemented **in four successive phases**, each with clearly defined objectives, deliverables and criteria for moving on to the next phase. This approach allows **procedures to be tested on a small scale before national roll-out**, limits operational risks and gives financial partners time to adapt their own internal procedures.

## 6.1. Preparation phase

- **Defining the legal and institutional framework** of the instrument, including the agreement between BID and the participating commercial banks, the rules of the guarantee fund and the standard financing conditions.
- **Consulting employers' organisations, banks and technology providers** on the financing conditions, eligibility criteria and required documentation, so that the instrument meets the real needs of the market.
- **Developing the digital application and management platform**, and testing it together with a group of SMEs and banks before the public launch.
- **Establishing the performance indicators and the reporting system**, so that data are collected uniformly from the very first project financed.

## 6.2. Pilot stage

- **Launching the instrument in a limited number of partner banks and in a limited number of regions**, in order to verify how the procedures operate under real conditions.
- **Close monitoring of processing times**, of the application approval rate and of the difficulties encountered by SMEs in preparing the documentation.
- **Interim evaluation of the pilot stage**, with the involvement of the advisory board and the employers' organisations, and **adjustment of the conditions** before the national roll-out.
- **Communicating the results of the pilot stage** to the business community, in order to build trust and prepare demand for the next stage.

### 6.3. Roll-out stage

- **Opening the instrument to all interested commercial banks** that meet the participation conditions, and to SMEs in all regions of the country.
- **National information campaign**, run in partnership with employers' organisations, chambers of commerce and digital innovation hubs, with a focus on **regions and sectors with a low level of digitalisation**.
- **Activating the complementary components**: the mentoring and technical assistance programme, the educational platform and the periodic consultation of beneficiaries.
- **Increasing the capitalisation of the fund**, as demand confirms the initial sizing, including by attracting additional private partners.

### 6.4. Consolidation and development stage

- **Introducing the second phase of the instrument**, dedicated to scaling up successfully implemented digital solutions, following the model of the international good practices presented in this document.
- **Developing the public-private co-investment component** and the component dedicated to start-ups and digitally native firms, building on the experience gained in the earlier stages.
- **Impact evaluation of the instrument**, carried out by an independent evaluator, to underpin decisions on its continuation, expansion or reconfiguration.
- **Integrating the instrument into the broader framework of national SME policies**, including alignment with future EU-funded programmes.

# 7. Application, evaluation and monitoring flow for a project

An essential advantage of the DIGITAL-IMM instrument is **the simplicity and predictability of the path an SME follows**, from the moment it decides to invest in digitalisation to the completion of the project. The flow proposed below is designed so that **each stage has a clearly identified responsible party and an indicative deadline**, and so that the SME can track the status of its application at any time through the digital platform.

## 7.1. Information and self-assessment

- The SME accesses the instrument's digital platform, where it finds **the financing conditions, the eligibility criteria, the list of required documents and examples of projects**.
- A **self-assessment tool for the level of digitalisation**, available on the platform, helps the firm identify its priorities and determine **what type of investment is suited to its current stage**.
- At this stage, the SME may request **an initial advisory session** through the mentoring programme, in order to clarify its needs and technological options.

## 7.2. Preparing the digital transformation plan

- The SME draws up **the digital transformation plan**, which describes **the current situation, the proposed solutions, the suppliers under consideration, the implementation schedule, the budget and the expected results, expressed through measurable indicators**.
- The plan may be drawn up **with the support of mentors or of digital innovation centres**, in order to ensure technical coherence and realistic estimates.
- The platform provides **a standardised plan template**, which reduces the preparation effort and facilitates the comparable evaluation of projects.

## 7.3. Submitting the application and verifying eligibility

- The financing application, together with the digital transformation plan and the financial documents, is submitted **exclusively online**, through the instrument's platform.
- The partner bank selected by the SME verifies **compliance with the eligibility criteria** and **repayment capacity**, in accordance with its own procedures and the common framework established with BID.

- Any clarifications are requested **once only**, within a set deadline, in order to avoid unjustified prolongation of the process.

### 7.4. Evaluation and financing decision

- The evaluation of the project looks at **the relevance of the proposed solutions for the firm's activity, the realism of the implementation plan and the estimated impact**, in addition to the standard financial analysis.
- For highly complex projects, the bank may request **the opinion of the advisory board**, which verifies the technical suitability of the proposed solutions.
- The financing decision, including **the specific conditions (amount, interest rate, grace period, term)**, is communicated to the SME within the target deadline of no more than 30 days from the submission of the complete application.

### 7.5. Contracting and implementation

- After the financing contract is signed, BID issues **the corresponding guarantee**, and the bank makes the funds available **in tranches linked to the implementation stages** set out in the plan.
- The SME implements the digital solutions, benefiting, if it has opted for this, from **the support of the designated mentor** throughout the duration of the project.
- Justified changes to the initial plan, driven by technological developments or by the firm's needs, may be approved **through a simplified procedure**, without repeating the entire evaluation process.

### 7.6. Reporting, monitoring and closure

- The SME reports **every six months**, through the platform, on the progress of implementation and the values of the agreed indicators, using a simple form which **requires no additional documentation** beyond the current accounting records.
- Upon completion of implementation, the SME submits **the final report**, which documents the solutions implemented and the results achieved, and the bank and BID validate the closure of the investment stage.

- SMEs that demonstrate **results exceeding the objectives undertaken** may access, on a priority basis, **the second phase of the instrument**, dedicated to scaling up, without repeating the evaluation process in full.

## 8. Governance of the instrument and the role of the partners:

The sound functioning of the DIGITAL-IMM instrument depends on **a clear distribution of responsibilities** between public institutions, financial partners and representatives of the business community. FICSIMM proposes a governance model that is **simple, transparent and results-oriented**, in which each partner contributes its specific expertise, and strategic decisions are taken on the basis of the data collected through the monitoring system.

### 8.1. Investment and Development Bank (BID)

- **Administers the Digitalisation Financing Fund** and the guarantee fund, including the management of capital, repayments and the reinvestment of resources on a revolving basis.
- **Establishes, together with the partners, the common procedural framework**: the standard financing conditions, the eligibility criteria, the documentation and the performance indicators.
- **Selects and accredits the partner commercial banks**, on the basis of transparent criteria, and monitors their compliance with the conditions of the instrument.
- **Draws up the annual report** of the instrument and proposes the necessary adjustments, on the basis of monitoring data and consultations with the partners.

### 8.2. Partner commercial banks

- **Grant the financing** to SMEs, under the conditions of the instrument, using their territorial network, staff and direct relationship with clients.
- **Assess the repayment capacity** and credit risk of each project, in accordance with their own rules, within the framework agreed jointly with BID.
- **Collect and transmit monitoring data** through the digital platform, thereby ensuring the comparability of information across the entire instrument.
- **Flag the difficulties encountered** in applying the procedures and propose improvements, on the basis of their direct experience with SMEs.

### 8.3. Ministry of ..... (MFIn / MEDAT?)

- **Ensures the alignment of the instrument with national policies** for SMEs and digitalisation and with EU-funded programmes, avoiding overlaps and making use of complementarities.
- **Receives the annual report** and, together with the partners, **decides on the strategic adjustments** to the instrument.
- **Supports the promotion of the instrument** among SMEs and facilitates dialogue with the other institutions involved in digitalisation policies.

### 8.4. Advisory board

- It is composed of **specialists in technology, economics and digitalisation**, appointed by the partners of the instrument, including **representatives of employers' organisations, academia and technology providers**.
- **Validates, at the request of the banks, the technical suitability of complex projects** and provides guidance on the emerging technologies that should be encouraged through the instrument.
- **Analyses the monitoring data every six months** and formulates recommendations on adjusting the financing conditions, the eligibility criteria and the complementary components.
- Operates on the basis of **transparent rules of procedure**, with clear rules on conflicts of interest.

### 8.5. Employers' organisations and ecosystem partners

- **The employers' organisations relevant to SMEs**, including FICSIMM, contribute to **informing and preparing firms** for accessing the instrument, to the periodic consultation of beneficiaries and to the early identification of access difficulties.
- **Digital innovation hubs, universities and research centres** may provide mentoring, technical assistance and solution-testing services, within the complementary components of the instrument.
- **Technology providers** take part in informing SMEs about the available solutions, under conditions of **neutrality and transparency** ensured through the rules of the platform.

# 9. Risks and mitigation measures

Like any new financial instrument, DIGITAL-IMM entails a series of risks, which can be **anticipated and managed through careful design** and continuous monitoring. FICSIMM considers that openly identifying these risks, from the proposal stage onwards, is **a condition for the credibility of the instrument** in the eyes of financial partners and SMEs. The main risks identified and the proposed mitigation measures are set out below.

## 9.1. Insufficient demand from SMEs

- **Risk:** SMEs, in particular small ones and those in less developed regions, are not aware of the instrument or do not believe they can access the financing.
- **Measures:** an information campaign run through employers' organisations and local partners; **genuinely simple procedures**, tested in the pilot stage; **transparent communication of the first results**, in order to build trust.

## 9.2. Reluctance of banks to finance digital projects

- **Risk:** banks treat digital investments as high-risk investments, owing to the lack of tangible collateral, and apply more restrictive criteria than those of the instrument.
- **Measures: the guarantee of up to 80%** provided by BID; **the common procedural framework**, which standardises the evaluation; **training of bank staff** on the specific features of digital investments; monitoring of the approval rate for each partner bank.

## 9.3. Unsuitable or under-used investments

- **Risk:** SMEs purchase solutions that do not meet their real needs or that they fail to use effectively, for lack of skills.
- **Measures: the digital transformation plan** as a mandatory document; **mentoring and technical assistance** available before and during implementation; **financing of employee training** as an eligible activity; the opinion of the advisory board for complex projects.

### 9.4. Dependence on a small number of suppliers

- **Risk:** the concentration of demand on a few technology providers may lead to high prices, unsuitable solutions or SMEs being locked into closed technological ecosystems.
- **Measures: the technological neutrality** of the instrument; informing SMEs about the available alternatives; encouraging solutions that are **interoperable and based on open standards**; monitoring the distribution of financing across suppliers.

### 9.5. Default rate above expectations

- **Risk:** some of the financed projects do not generate the estimated results, and SMEs encounter repayment difficulties, affecting the sustainability of the fund.
- **Measures: the grace period** linked to the duration of implementation; **the staging of tranches** according to the project stages; six-monthly monitoring, which allows **early intervention** (rescheduling, additional support); prudent sizing of the guarantee fund.

### 9.6. Growing administrative complexity

- **Risk:** over time, the procedures become more complicated through the addition of further requirements, and the instrument loses the advantage of simplicity that sets it apart from existing programmes.
- **Measures: the "once only" principle** for the documents requested; periodic review of the procedures with the explicit objective of simplification; **consultation of beneficiaries** on the administrative burden; reporting based on existing accounting records.

## 10. Illustrative examples of fundable projects

To make the logic of the instrument more concrete, we present below **a few illustrative examples** of digital transformation projects that could be financed through DIGITAL-IMM. The examples are **hypothetical and serve purely as guidance**; they do not refer to real firms and do not indicate specific amounts or conditions, which will be set within the procedural framework of the instrument. Their purpose is to show **the diversity of situations** in which the instrument can intervene and the way in which its components (financing, guarantee, mentoring, monitoring) complement one another.

### 10.1. Manufacturing firm

- **Starting situation:** a medium-sized firm, with partially automated production processes, manages orders, inventories and production planning in separate, non-integrated systems, which generates errors, delays and additional costs.
- **The project: implementation of an integrated production and resource management system, connected to the existing equipment through IoT sensors, and training of staff in the use of the new system.**
- **Role of the instrument: financing through a preferential-rate loan and leasing for the IoT equipment, a grace period linked to the duration of implementation, technical mentoring for selecting the solution and for integration with the existing equipment.**
- **Targeted results:** shorter order processing times, lower inventories and scrap rates, **increased productivity** and the capacity to meet the digital integration requirements of large customers.

### 10.2. Retail firm expanding online

- **Starting situation:** a small firm, with a few physical points of sale, wishes to expand its online sales but lacks the skills and capital needed to build a functional e-commerce channel.
- **The project: development of an e-commerce platform integrated with the inventory management system, implementation of sales data analysis tools and of security solutions to protect customer data.**
- **Role of the instrument: financing for the development of the platform and for implementation services, support through the educational platform for managing the online channel, mentoring in digital marketing.**

- **Targeted results:** increased sales through the new channel, **access to customers outside the local market**, improved inventory management, lower operating costs per unit sold.

### 10.3. Services firm with cybersecurity needs

- **Starting situation:** a professional services firm, which handles sensitive client data, uses outdated IT infrastructure, with no security policies and no backup solutions, and is exposed to the risk of cyberattacks and data loss.
- **The project: migration of the infrastructure to the cloud, implementation of cybersecurity and backup solutions, drafting of internal security policies and training of employees in data protection.**
- **Role of the instrument: financing for cloud services and security solutions, technical assistance for risk assessment and the selection of suitable solutions, a repayment period adapted to the firm's cash flows.**
- **Targeted results: reduced risk of security incidents**, business continuity, compliance with legal data protection requirements, increased client trust.

### 10.4. Logistics and transport firm

- **Starting situation:** a freight transport firm manages its fleet, routes and transport documents manually or with basic tools, which leads to high fuel costs, inefficient use of vehicles and reporting difficulties.
- **The project: implementation of an IoT-based fleet management system, route optimisation tools and a digital transport document management solution, integrated with customers' systems.**
- **Role of the instrument: leasing for the fleet monitoring equipment, a loan for software and implementation services, mentoring for integration with the systems of commercial partners.**
- **Targeted results:** reduced fuel consumption and operating costs, **higher fleet utilisation**, improved delivery punctuality, the capacity to work with customers that require digital integration.

### 10.5. Digitally native start-up (development phase of the instrument)

- **Starting situation:** a young firm, which is developing a **software solution for a specific sector**, has a product validated by its first customers but lacks the financial track record needed to access conventional credit.
- **The project: development of the product, expansion of the technical team and launch on foreign markets, within the component dedicated to start-ups and digitally native firms, proposed for the consolidation stage of the instrument.**
- **Role of the instrument: financing granted on the basis of an assessment of growth potential and project quality, in combination with the co-investment mechanism involving private investors.**
- **Targeted results:** growth in revenue and in the number of customers, attraction of private capital, **creation of highly skilled jobs**, consolidation of the firm's role as a solutions provider for other SMEs.

## 11. Expected impact and indicator system

In order to assess the effectiveness of the instrument objectively and to underpin adjustment decisions, FICSIMM proposes an **indicator system structured on three levels**: output indicators (what the instrument produces), result indicators (what changes at the level of the beneficiary SMEs) and impact indicators (what changes at the level of the economy). The target values of these indicators will be set **in the preparation stage**, on the basis of the sizing of the fund and the available data on the digitalisation of SMEs in Romania, and will be **reviewed annually**.

### 11.1. Output indicators

- **Number of SMEs financed**, broken down by firm size, sector of activity and region, in order to verify whether the instrument reaches the targeted firms and areas.
- **Total value of financing granted and guarantees issued**, relative to the capitalisation of the fund, in order to track the degree of utilisation of resources.
- **Average application processing time**, from submission of the complete application to the financing decision, compared with the 30-day target.

- **Number of SMEs that have benefited from mentoring, technical assistance or training**, as a measure of the take-up of the complementary components.
- **Application approval rate** and main reasons for rejection, in order to identify access barriers.

### 11.2. Result indicators

- **Productivity growth** of the beneficiary SMEs, measured through simple indicators based on existing accounting data.
- **Reduction in operating costs** in the processes targeted by the digitalisation project, as reported by the beneficiaries.
- **Growth in revenue from digital channels** (e-commerce, online services) and **access to new markets**, including export markets.
- **Number of processes automated or digitally integrated** within each firm, as a measure of the depth of the transformation.
- **Improvement in the level of cybersecurity**, assessed through the self-assessment tool available on the platform, before and after implementation.
- **Repayment rate of the financing**, as an indicator of the quality of the selected projects and of the sustainability of the fund.

### 11.3. Impact indicators

- **Narrowing of the digitalisation gap** between Romanian SMEs and the European average, tracked through the statistical indicators used at European level.
- **Contribution of the beneficiary SMEs to the state budget**, through growth in revenue, profits and the number of jobs.
- **Reduction of regional disparities** in digitalisation, by tracking the territorial distribution of financing and results.
- **Private capital mobilised** through the instrument, including the banks' co-financing and the investments subsequently attracted by the beneficiary firms.
- **Development of the local market for digital solutions**, through the number and diversity of suppliers involved in the financed projects.

### 11.4. Use of the indicators

- Output indicators are tracked **continuously**, through the digital platform, and analysed every six months by the advisory board.
- Result indicators are collected **every six months** from the beneficiaries, through simple forms, and summarised in the annual report of the instrument.
- Impact indicators are assessed **periodically**, through independent evaluations, which compare the development of the beneficiary SMEs with that of similar firms that have not accessed the instrument.
- Aggregated results are **published**, in order to ensure the transparency of the instrument and to inform future public policy decisions.

## 12. Questions about the instrument

To help all partners understand the proposal, we present below the answers to **the most frequently asked questions** raised in preliminary discussions with FICSIMM members, with representatives of the banking sector and with other business organisations.

### 12.1. Why an instrument based on loans and guarantees, rather than grants?

- Grants depend on **limited budgets and one-off calls**, generate competition and heavy bureaucracy, and their resources are consumed only once. An instrument based on **guaranteed loans and a revolving fund** is continuously available, mobilises private capital and **regenerates its resources** through repayments.
- At the same time, the lending logic **makes beneficiaries accountable**, directing financing towards projects with genuine economic returns, which can support their repayment from the savings and revenue generated.

### 12.2. How does DIGITAL-IMM differ from the existing EU-funded programmes?

- Through **continuous availability**, **simplified procedures**, **a decision deadline of no more than 30 days** and **flexibility** as regards the type of investment and the implementation schedule.

- DIGITAL-IMM **does not replace** the European programmes but complements them, as it can finance projects that do not fit within their calls or that need financing before a call is launched.

### 12.3. What happens if the project does not produce the estimated results?

- The financing is a loan, so **the repayment obligation remains**; however, the instrument provides for **a grace period, staging linked to the project stages and the possibility of rescheduling** in justified situations.
- **Six-monthly monitoring** allows difficulties to be identified early and **intervention through mentoring or technical assistance**, before they affect repayment capacity.

### 12.4. Can firms at the very beginning of their digitalisation journey access the instrument?

- Yes. The instrument is intended for SMEs **regardless of their current stage of digitalisation**, and basic solutions (management systems, online presence, elementary security) are eligible alongside advanced technologies.
- **The self-assessment tool and the mentoring** are designed precisely to help firms with limited experience define their first steps.

### 12.5. What is the role of the employers' organisations?

- The employers' organisations, including FICSIMM, contribute to **informing and preparing SMEs**, to **the periodic consultation of beneficiaries**, to the identification of access difficulties and to **formulating proposals for adjustment**, within the advisory board.
- They can also facilitate **partnerships between SMEs, technology providers, universities and digital innovation hubs**, which are needed for the complementary components of the instrument.

## Conclusions

The implementation of the **DIGITAL-IMM** financial instrument represents an essential solution for accelerating the digitalisation of Romanian SMEs, contributing directly to **increasing their competitiveness**. In an economic environment in which digital technologies determine business success, SMEs that adopt **automation, cloud computing, artificial intelligence and cybersecurity solutions** will have a greater capacity to adapt to market requirements and to expand. Nevertheless, limited access to finance remains one of the greatest barriers in the digital transformation process, and **the existing instruments do not sufficiently meet the needs of small firms**, which require simple procedures, swift decisions and adapted repayment conditions. Through **DIGITAL-IMM**, a **financing mechanism based on preferential-rate loans, technology leasing and state guarantees** is offered, enabling SMEs to implement the necessary digital solutions rapidly. This instrument not only **supports firms in the modernisation process**, but **also stimulates the adoption of advanced technologies, reducing the digital gap between Romania and the developed economies**.

One of the most important benefits of **DIGITAL-IMM** is **its impact on the operational efficiency of firms**. Through digitalisation, SMEs can **automate their processes, improve data management and optimise their customer relations**, which leads to a **significant increase in productivity**. At the same time, **the adoption of digital technologies reduces operating costs and enhances cybersecurity, protecting businesses from the ever-growing risks generated by cyberattacks**, which increasingly affect small firms as well. The **revolving** nature of the fund ensures that **the public resources initially mobilised continue to produce effects**, financing new generations of projects as the first loans are repaid. In the long term, this modernisation process will help Romanian SMEs to become **more competitive on the global market**, offering them **opportunities to expand into international markets and to integrate into higher-level value chains**.

**DIGITAL-IMM** is not merely a financial instrument, but also a **catalyst for the development of an economic ecosystem based on technology and innovation**. Through collaboration with financial institutions, research centres and digital solution providers, SMEs will have access to the resources needed to accelerate their digital transformation, while **local technology providers will benefit from more stable and more predictable demand**. In addition, the support provided through this financing mechanism will contribute to **stimulating investment in digital infrastructure, developing IT skills and creating a more dynamic and more sustainable business environment**. This change is crucial for Romania, given that the Member States of the European Union are advancing rapidly towards digitalisation, and any delay in this process could affect the long-term competitiveness of Romanian

SMEs. **Every year of delay** means lost market opportunities and **an increase in the cost of closing the gap**.

Beyond the direct benefits for firms, **DIGITAL-IMM** will also have a **positive impact on the national economy, contributing to an increase in the net contributions of SMEs to the state budget**. Digitalisation enables SMEs to generate **higher revenues**, to **optimise their costs** and to **create well-paid jobs**, which will be reflected in **more efficient collection of taxes and duties** and in **a reduction of the informal economy**, since digitalised processes are, by their very nature, more transparent. Moreover, **modernised SMEs will become more attractive to foreign investors, which will lead to a multiplier effect on the economy**. Consequently, the implementation of this instrument will not only support **the development of individual SMEs**, but will contribute to **the overall progress of the Romanian economy**, ensuring a coherent and sustainable digital transition. At the same time, through **its structure based on guarantees and loans**, the instrument has a **low net budgetary cost** compared with grant schemes, since public resources are committed only to the extent that risks materialise, and **the capital mobilised returns to the fund** as repayments are made. This budgetary efficiency is an important argument in the context of **the current fiscal constraints**. The phasing proposed in this document, the simplified application flow, the governance model based on clear roles and the three-level system of indicators are designed so that the instrument **can be launched rapidly, tested on a small scale and developed progressively**, as results confirm the initial sizing and conditions. The risks identified are manageable through the measures proposed, and the illustrative examples show that the instrument can respond to very different needs, from manufacturing firms to digitally native start-ups. FICSIMM considers that **DIGITAL-IMM can become a central component of the national SME support policy** and expresses its readiness to contribute to **its detailed design and operationalisation**, alongside the responsible institutions and partners from the financial system.

## International good practices

The experience of other countries shows that **financing for digitalisation is truly effective when it is accompanied by complementary mechanisms**: support for scaling up, mentoring and technical assistance, performance indicators, private co-investment and openness towards digitally native firms.

The examples presented below have been selected for **their direct relevance to the Romanian context** and can underpin **a phased development of the DIGITAL-IMM instrument**. For each line of action, examples from several countries are presented, followed by **concrete proposals for adaptation to the realities of the Romanian economy** and to the existing institutional framework.

### 1. Integrating a support mechanism for the implementation and scaling up of digitalisation

- In some countries, alongside financing for the adoption of digital solutions, **clear support for scaling up the digital transformation** is also included, based on the finding that **the first digital investment is rarely sufficient** to transform the business model in depth.
- In other countries, SMEs that have successfully implemented digitalisation can benefit from **additional rounds of financing** for the extension and optimisation of digital processes, which **rewards the results achieved** and encourages continued investment.

#### 1.a. The Netherlands – "Mkb Innovatiestimulering Topsectoren (MIT)" and other digitalisation support programmes:

*Link:* MIT (RVO, the Netherlands): https://www.rvo.nl/subsidies-financiering/mit

- **The MIT programme** (part of the Mkb Innovatiestimulering financing scheme) offers SMEs **additional funds for scaling up digitalisation**, closely linked to the priority sectors of the Dutch economy.
- SMEs that have implemented **automation, cloud solutions, AI or supply chain digitalisation** can apply for **additional rounds of financing** intended for:
    - **Extending IT solutions at national and international level**.
    - **Optimising digital processes to increase efficiency**.
    - **Advanced data integration and full automation of operations**.

- In addition, **SMEs that adopt cybersecurity and data management solutions** can receive **financial bonuses** for optimising digitalisation, which shows **the importance attached to data protection** in the Dutch strategy.

### 1.b. Germany – "Digital Jetzt" and "High-Tech Gründerfonds (HTGF)":

*Link:* Digital Jetzt (BMWE): https://www.bundeswirtschaftsministerium.de/digitaljetzt |
High-Tech Gründerfonds: https://www.htgf.de/en/

- **Digital Jetzt** is a government programme that supports SMEs in **the implementation and scaling-up phase of the digital transformation**, covering both investment in technology and **employee training**.
- SMEs that successfully complete **the first phase of digitalisation** can apply for **additional rounds of financing**, which cover:
  - **Extending IT solutions at international level**.
  - **Integrating digitalisation into new departments of the company**.
  - **Automation and advanced use of artificial intelligence** to optimise operations.
- **HTGF (High-Tech Gründerfonds)** combines public and private funds to help SMEs **that have implemented digital technologies** to attract **investment capital for scaling up**, acting as **a bridge between initial public support and the private capital market**.

### 1.c. Finland – Business Finland, Digital Native Finland:

*Link:* Business Finland – research and development funding:
https://www.businessfinland.fi/en/services/funding/funding-services/research-and-development-funding/research-and-development-funding/ |
Digital-Native Company Playbook: https://www.businessfinland.fi/en/whats-new/news/2025/digital-native-company-playbook-and-data-dataeconomy-and-growth-playbook/

- **Business Finland** offers SMEs **initial financing for digitalisation**, but also a **second stage of support for scaling up**, conditional on the results achieved in the first stage.
- SMEs that have demonstrated **a positive impact of digitalisation** receive **funds for international expansion** and for **increasing their digital processing capacity**, including through **access to networks of foreign partners and customers**.
- The programme also offers **support for optimising cybersecurity**, so that SMEs can increase their digitalisation safely, **without exposing their data and customers to additional risks**.

### How can these models be adapted for Romania?

- Creating a **second phase of DIGITAL-IMM**, similar to **the Dutch MIT**, for SMEs wishing to extend their IT solutions at national and international level, **with preferential conditions for firms that have duly repaid the first financing**.
- Implementing a **scalable financing programme**, similar to **Digital Jetzt (Germany)**, to support SMEs that have successfully implemented digitalisation and wish to move to a **higher level of automation**.
- Launching a **public-private investment fund for scaling up digitalisation**, following the model of **HTGF (Germany)** and **Business Finland**, which would **facilitate the transition from lending to equity financing** for firms with high growth potential.

## 2. Introducing a mentoring and technical assistance programme for SMEs

- SMEs embarking on the digital transformation process often face **a lack of technical skills** and **difficulties in selecting the right technologies**, which can lead to **inadequate or insufficiently exploited investments**.
- A programme of **personalised mentoring** for the implementation of digital solutions and of support in identifying suitable providers is needed, so that **the financing is accompanied by the skills required for its efficient use**.

### 2.a. France – "Bpifrance Digital Guide" and "France Num":

*Link:* Bpifrance Création – digital transformation of TPE/PME: https://bpifrance-creation.fr/entrepreneur/actualites/tpepme-comment-engager-votre-transformation-numerique |
France Num: https://www.francenum.gouv.fr/

- **Bpifrance Digital Guide** is a programme that helps SMEs navigate the **digital transformation** process through:
  - **Personalised mentoring** provided by technology and digitalisation experts.
  - **Advice on choosing digital solution providers**.
  - **Access to case studies and examples of good practice** from the digital industry.

- **France Num** is a national initiative that connects SMEs with **mentors specialised in digitalisation** and offers **educational resources for the adoption of digital technologies**, including **self-assessment tools for the level of digitalisation**, which help firms to set their priorities.

### 2.b. Germany – "Mittelstand-Digital" and "Go-Digital":

*Link:* Mittelstand-Digital (BMWE): https://www.bundeswirtschaftsministerium.de/Redaktion/EN/Dossier/Digitalisierung-neu/mittelstanddigitalisieren.html

- **Mittelstand-Digital** is a government programme that offers **free technical assistance for SMEs**, through **regional competence centres**, supporting them in:
  - **Identifying the most suitable IT solutions** for their business.
  - **Integrating automation and artificial intelligence** into operational processes.
  - **Enhancing cybersecurity and data protection**.
- **Go-Digital** is a financing programme that includes **mentoring and technical support**, through authorised consultants, for SMEs implementing **digital solutions and e-commerce solutions**; **the authorisation of consultants** guarantees a minimum quality standard for the services provided.

### 2.c. Spain – "Acelera Pyme":

*Link:* Acelera pyme: https://acelerapyme.gob.es/en

- **Acelera Pyme** is a government initiative that offers **digital advice and personalised mentoring** for SMEs, including:
  - **Guidance in selecting the right technologies** for different industries.
  - **Training in cybersecurity** for data protection.
  - **Access to digital innovation networks**, where SMEs can collaborate with IT experts and technology providers.
- SMEs benefit from **free webinars, tutorials and mentoring sessions** delivered by specialists, and **the programme's territorial presence** enables firms in less developed areas to have access to support as well.

### How can these models be adapted for Romania?

- Creating a **DIGITAL-IMM mentoring programme**, inspired by **Bpifrance Digital Guide (France)**, in which SMEs receive **personalised advice** on the adoption of digital solutions, **before and during the implementation of the financed project**.
- Launching a **free technical assistance service**, similar to **Mittelstand-Digital (Germany)**, to support SMEs in implementing digital technologies and cybersecurity, **in partnership with employers' organisations, universities and the existing digital innovation hubs**.
- Creating an **educational digital platform**, following the model of **Acelera Pyme (Spain)**, to offer SMEs access to **webinars, tutorials and guides for the digital transformation**, integrated with the instrument's application platform.

## 3. Implementing a system of performance indicators for beneficiary SMEs

- In many countries, SMEs that receive financing for digitalisation must **demonstrate the impact of the transformation** through a clear set of indicators, a reporting system that measures:
  - The increase in firms' productivity as a result of digitalisation.
  - The impact of digitalisation on revenues.
  - The degree of automation of internal processes.
- Such a system **allows an objective evaluation of the instrument** and **underpins decisions to adjust** the financing conditions, to the benefit of all parties involved.

### 3.a. UK – "Made Smarter":

*Link:* Made Smarter: https://www.madesmarter.uk/

- **Made Smarter** is a British government programme that offers **financing to SMEs for digitalisation**, but requires **detailed reporting of results**, with a focus on **the manufacturing industry**.
- SMEs must measure and report:
  - **The increase in productivity** attributable to digital technologies.
  - **The impact of digitalisation on revenues and operational efficiency**.
  - **The degree of automation of internal processes** and the reduction in costs.

- The programme includes a **Digital Adoption Scorecard**, through which SMEs are assessed periodically and can obtain **additional rounds of financing** if they achieve their objectives, which **directly links access to resources to demonstrated performance**.

### 3.b. Germany – "Digital Jetzt":

*Link:* Digital Jetzt (BMWE): https://www.bundeswirtschaftsministerium.de/digitaljetzt

- The **Digital Jetzt** programme supports SMEs in the digital transformation, but also imposes **a strict performance reporting system**, integrated into the procedure for settling the support.
- SMEs must monitor and report:
  - **The evolution of operational efficiency** as a result of the adoption of digital technologies.
  - **The increase in productivity and the reduction in costs** through automation.
  - **The adoption of cybersecurity and cloud solutions**.
- SMEs that demonstrate **high performance in digitalisation** can apply for **additional rounds of financing**, and **the data collected serve the periodic evaluation of the programme**.

### 3.c. Denmark – "SMV:Digital":

*Link:* SMV:Digital: https://smvdigital.dk/

- **SMV:Digital** is a national programme that supports SMEs in adopting digital technologies and requires **monitoring of the impact of digitalisation**, based on **simple indicators that are easy for small firms to collect**.
- SMEs must report:
  - **The increase in turnover generated by digitalisation**.
  - **The level of integration of IT technologies into production and service processes**.
  - **The impact on exports and international competitiveness**.
- SMEs that demonstrate **accelerated efficiency gains** can receive **additional financing to extend digitalisation**, which creates **a clear incentive for accurate reporting and for achieving results**.

### How can these models be adapted for Romania?

- Creating a **Digital Performance Scorecard**, inspired by **Made Smarter (UK)**, to monitor the efficiency of investments in digitalisation, **with a limited number of indicators, so as not to place an administrative burden on SMEs**.
- Implementing an **annual reporting system**, similar to **Digital Jetzt (Germany)**, to measure the real impact of digitalisation on SMEs and to **underpin the annual report to the Ministry of Economy, Digitalisation, Entrepreneurship and Tourism**.
- Introducing a **system of financial bonuses**, as in **SMV:Digital (Denmark)**, for SMEs that demonstrate **accelerated efficiency gains through digitalisation**, for example through **a further reduction in the interest rate or priority access to the second phase of the instrument**.

## 4. Creating a public-private co-investment mechanism

- In some countries, the digitalisation of SMEs is supported both by the state and by **venture capital funds and private investors**, which bring not only capital but also **business development expertise**.
- This strategy reduces **the pressure on public funds** and helps SMEs to become more attractive to private financiers, **preparing them for the next stages of growth**.

### 4.a. Germany – "High-Tech Gründerfonds (HTGF)":

*Link:* High-Tech Gründerfonds: https://www.htgf.de/en/

- **HTGF** is a public-private investment fund that supports **innovative start-ups and SMEs** in the process of digitalisation and scaling up, being **one of the most active early-stage investors in Europe**.
- The fund is made up of **state capital combined with private investment**, which allows SMEs to access **hybrid financing** (non-repayable funds + equity), adapted to **the development stage of each firm**.
- SMEs that succeed in attracting **private investors** can receive additional public financing, which makes them **more attractive to investors** and **at the same time validates the viability of the project**.

### 4.b. France – "Bpifrance Digital Venture":

*Link:* Bpifrance: https://www.bpifrance.fr/

- **Bpifrance Digital Venture** is a national investment fund dedicated to **the digitalisation of SMEs**, which combines **public financing and private capital**, within the broader framework of the support provided by the public investment bank Bpifrance.
- SMEs benefit from:
  - **Government financing for digitalisation**.
  - **Access to private investors and venture capital funds**, which co-finance the projects.
  - **Support for internationalisation** and the extension of digital solutions into foreign markets.
- SMEs that demonstrate **high growth potential** can receive **an additional co-investment round**, in which the state supports the SME in attracting private capital, **reducing the risk perceived by investors**.

### 4.c. Canada – "Strategic Innovation Fund (SIF)":

*Link:* Strategic Innovation Fund: https://canada.ca/en/innovation-science-economic-development/programs/strategic-innovation-fund.html

- **SIF** is a government programme that offers **financing to innovative SMEs**, but with a **strong private co-investment component**, so that **every public dollar mobilises additional private capital**.
- SMEs must attract **private partners or venture capital investors** in order to access the government grants.
- The programme supports SMEs in **adopting digital technologies and increasing their competitiveness** on the international market, with a focus on **projects with significant effects on the economy**.
- The Canadian state also offers **guarantees for private loans**, which facilitates SMEs' access to bank financing, **in a logic similar to that proposed for DIGITAL-IMM**.

### How can these models be adapted for Romania?

- Creating a **mixed public-private fund for digitalisation**, inspired by **HTGF (Germany)**, in which SMEs must attract **private investors in order to receive co-financing from the state**, which would **complement the lending component of DIGITAL-IMM with an equity component**.

- Implementing a **public co-investment and venture capital mechanism**, similar to **Bpifrance Digital Venture (France)**, to support SMEs wishing **to extend their digital solutions** into foreign markets.
- Launching a **private loan guarantee programme**, inspired by **the Strategic Innovation Fund (Canada)**, to facilitate SMEs' access to bank loans for digitalisation, **drawing on BID's experience in the field of guarantees**.

## 5. Extending eligibility to start-ups and SMEs with digital business models

- The DIGITAL-IMM instrument is geared towards firms that digitalise their existing processes, but it could also include support for **digitally native SMEs or start-ups**, which **do not need digitalisation, but rather resources to develop and scale up their digital products**.
- For example, an SME that develops **innovative digital solutions** can receive dedicated financing without needing to have a solid financial track record, the assessment placing the emphasis on **the quality of the team, the product and the business plan**.
- This approach makes it possible to support emerging firms that can become **the future leaders of the digital economy** and, at the same time, **solution providers for the other SMEs benefiting from the instrument**.

### 5.a. Israel – Innovation Authority:

*Link:* Israel Innovation Authority: https://innovationisrael.org.il/en/

- **The Israel Innovation Authority** supports **start-ups and SMEs with fully digital business models**, without imposing strict conditions regarding financial track record, being **one of the pillars of the Israeli innovation ecosystem**.
- SMEs that develop **artificial intelligence, cloud solutions, blockchain or e-commerce** can receive:
    - **Non-repayable grants** for digital research and development.
    - **Financing for international scaling up**.
    - **Access to private investors through public and private co-investment schemes**.
- The programme focuses on **deep tech and digital-first start-ups**, in order to support emerging firms before they become profitable, **accepting a level of risk that the private market does not take on alone**.

### 5.b. Estonia – E-Residency:

*Link:* e-Residency: https://www.e-resident.gov.ee/

- Estonia has created an **advanced digital system** that allows **start-ups and SMEs to access financing for 100% digital business models**, based on **fully digitalised interaction with the public administration**.
- **E-Residency** supports emerging firms that develop:
  - **Digital solutions for global services (SaaS, fintech, e-commerce)**.
  - **Projects based on artificial intelligence, automation and big data**.
  - **Fully digital business models, with no physical presence**.
- Digital SMEs can obtain **access to grants and loans without having a financial track record**, being assessed **on the basis of their growth potential**, which **lowers the barriers to entry for entrepreneurs who are just starting out**.

## How can these models be adapted for Romania?

- Creating a **component dedicated to start-ups and digital SMEs** within DIGITAL-IMM, inspired by the **Israel Innovation Authority**, in which emerging firms can receive **financing without having a long financial track record**, on the basis of **an assessment of their growth potential and of the quality of the project**.
- Implementing a **support programme for digital-first business models**, similar to **E-Residency & Digital Innovation Fund (Estonia)**, which would allow SMEs without a physical presence to access funds for digitalisation, **with fully digital application and reporting procedures**.

## Conclusion on good practices:

- The models analysed converge on **a few common principles**: financing is **phased and conditional on results**, it is **accompanied by non-financial support** (mentoring, technical assistance, training) and it **mobilises private capital** alongside public resources.
- For Romania, **DIGITAL-IMM can integrate these elements gradually**: the guaranteed lending component in a first stage, followed by **the mechanisms for scaling up, co-investment and support for digitally native firms**, as the instrument proves its effectiveness and administrative capacity is consolidated.