

HOW TO GET SUPPORT FOR NEW BUSINESS?

It is natural to look for additional capital when considering starting a business. But for those with no previous business experience or those planning to engage in risky projects, it is not so easy to get a bank loan. INVEGA, the national development entity “Investment and Business Guarantees”, finances the private market and provides loans, guarantees, grants and investment in venture capital funds on preferential terms.

Which INVEGA instruments are available and how can one make use of them? Here are the most relevant instruments available to both Lithuanian citizens and immigrants with a residence permit.

Loans “Entrepreneurship Promotion Fund 2014-2020 financed by the European Social Fund”

These are soft loans for investment and/or working capital. The maximum amount of the loan is EUR 25,000 and the maximum repayment period is 120 months.

This instrument is intended for start-ups and for those who have been in business for less than 1 year. It is open to all small to medium-sized enterprises (SMEs), whether self-employed or micro, small or medium-sized businesses.

How do I get an “Entrepreneurship Promotion 2014-2020” loan?

Applications for loans need to be submitted to a credit union (their contact details are available [here](#)). Afterwards fill in a form of a business plan (available for download from [here](#)), to make it easier credit unions provide free guidance (all the necessary contacts available [here](#)). Provide an application form to your credit union. Once you have received a positive answer, you will have to become a member of the credit union.

A list of existing credit unions, a form of a business plan and a more detailed application workflow is provided [on this website](#). In case of any questions, you can contact INVEGA directly by e-mail uzklausos@invega.lt or by phone +37052107510.

Crowd Funding Loans *Avietė*

This is a loan for small to medium-sized businesses. It is crowd funded, which means that part of the amount is provided by the investors on the crowd funding platform, and part is covered from the state budget, which covers up to 40% of the total amount, up to a maximum of EUR 10,000.

This loan is particularly beneficial for businesses that are unable to get a loan from credit institutions – the *Avietė* loan is easier to obtain because it can be financed by an unlimited number of crowd funding platform members, with the rest covered by the state.

How do I get an *Avietė* loan?

The instrument is implemented by three crowd funding platforms managed by the following private companies: [Finbee](#), [Nordstreet](#) and [Bendras finansavimas](#). Different loan applications are submitted on different sites.

In case of any questions, you can contact INVEGA directly by e-mail aviete@invega.lt or by phone +37052107510.

The Alternatyva instrument

These loans are provided by alternative private lenders selected and funded by INVEGA. The interest rate on the instrument Alternatyva loan doesn't exceed 7% per annum. INVEGA can finance up to EUR 500,000 in loans. If more funding is needed, the alternative funder itself can contribute to the loan. Financing can not only be in the form of a loan, but also in the form of factoring or financial leasing.

How do I get Alternatyva loan?

The terms and conditions can be addressed to alternative funders, a list of which is available at INVEGA [Alternatyva website's section](#) „Where to apply?“. In case of any questions, you can contact INVEGA directly by e-mail uzklausos@invega.lt or by phone +37052107510.

INVEGA also provides soft loans for business expansion. You can read more about it [here](#).

What other form of support is available from INVEGA?

Guarantees

INVEGA also provides guarantees. These are most relevant for businesses that do not have sufficient collateral needed to obtain financing. INVEGA can underwrite up to 80% of a company's collateral. This is not only useful but also very convenient for entrepreneurs, as INVEGA directly communicates with the financial institution, so the client does not have to take care of technical details. To learn more about loan guarantees visit this [site](#).

Compensatory measures

INVEGA can also help by compensating part of the business costs. For example, it can help you recover up to 95% of the interest paid on a loan. If a company has received an "Entrepreneurship Promotion 2014-2020" loan, INVEGA can reimburse part of the salaries of employees. And if the business prefers to issue shares or bonds, INVEGA can reimburse the costs of issuing them. More information on compensation measures can be found on this [link](#).

Venture capital funds and investments

This is a form of financing that is useful for businesses that do not qualify for loans but have high growth potential or are developing an innovative product or service. Venture capital funds invest in new innovative companies (start-ups) or those with the potential to grow significantly. INVEGA offers a wide range of different instruments depending on the type of business, a list of which can be found [here](#).

For more information on these and other INVEGA measures for new businesses, please visit <https://www.invega.lt/verslui/pradedu-versla/21>.