



# INTERREG SIV

## D.T4. 3. 1

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Growth forecast calculation

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## 1. Introduction

This document presents the expected growth calculations for the social impact funds developed within the scope of SIV Interreg CE projects. The calculations are done for:

- Transnational fund run by PP1, PP2, PP3 and PP5 covering the following countries: Austria, Croatia, Germany and Slovenia
- National fund in Hungary run by PP4
- National fund in Czechia run by PP6
- National fund in Poland run by PP7 & PP8
- National fund in Slovakia run by PP11

Growth calculations were done based on the data retrieved with the help of the questionnaire filled by the partners which are reflecting their fund policies (minimum, maximum and median amount of funding per beneficiary, fundraising strategy, mechanisms for recuperation of the part of the funding through payback mechanisms, etc).

Growth calculations are representing sensitivity of the growth in positive and negative deviation of the most expected scenario. with opportunities of expanding the funds further in case that funds receive recognition and support of public and private investors in the course of the initial years of its operations.

The questionnaire data is processed and displayed in the Annex 1 of this document.

PP9 has a special status since as an entity that needs to conform to the Church Law in Germany, it is not allowed to participate in the transnational fund neither to run and manage fund of its own. Therefore the funding of PP9 activities were executed through internal trust and participation in the fund activities were executed through an existing collaboration agreement with LP/PP1.

PP10 was not supposed to participate in the fund activities in the project application, and therefore it was not involved in this document.

## 2. Methodology of forecast calculations (3 scenarios)

In financial modelling, the use of multiple scenarios helps to provide a more comprehensive understanding of the potential outcomes and impacts of a financial decision. The baseline scenario represents the most likely outcome based on current information and assumptions. However, it is important to also consider potential outcomes that deviate from the baseline.

In financial modeling, the three common scenarios that are used to represent different possibilities and their impact on the model are often referred to as:

1. Baseline scenario - this represents the most likely or expected outcome based on current information and assumptions.
2. Optimistic scenario - this represents a positive variation of the baseline scenario, where things turn out better than expected.
3. Pessimistic scenario - this represents a negative variation of the baseline scenario, where things turn out worse than expected.

These scenarios are used to test the sensitivity of the model and to understand how different assumptions and outcomes can impact the overall results.



The optimistic scenario represents a positive deviation from the baseline, where things turn out better than expected. The assumption that the variation factor is +15% in the optimistic scenario indicates that the inputs and assumptions used in the model are being modified to reflect a more positive outcome. For example, the fund growth rate may be increased by 15% which is reasonable increase in case of better than projected operations of the fund. This scenario helps to show the potential best-case scenario and the potential upside of a financial decision.

On the other hand, the pessimistic scenario represents a negative deviation from the baseline, where things turn out worse than expected. The assumption that the variation factor is -15% in the pessimistic scenario indicates that the inputs and assumptions used in the model are being modified to reflect a more negative outcome. For example, the fund growth rate may be decreased by 15% which is reasonable to expect in the case when fund performance is worse than expected, or financial environment conditions deteriorate due to financial/economic crisis. This scenario helps to show the potential worst-case scenario and the potential downside of a financial decision.

In conclusion, the use of multiple scenarios in financial modelling allows for a more comprehensive analysis of the potential outcomes of a financial decision, including the best-case and worst-case scenarios. The assumption of a +15% variation factor in the optimistic scenario and a -15% variation factor in the pessimistic scenario provides a range of outcomes that help to test the sensitivity of the model and provide a more robust analysis.

### 3. Growth calculation transnational fund (PP1, PP2, PP3, PP5)

Transnational fund is run by partners PP1, PP2, PP3 and PP5 and covering Austria, Croatia, Germany and Slovenia. The fund will be registered in a form of a partnership agreement (contract) and hosted by Slovenian partner in Slovenia. It will have a separate bank account and ability to receive donations on both transaction account from institutional donors as well as through card processing payment gateway from individual donors.

Assumption is that the median amount of the support will be 1.100 EUR per beneficiaries.

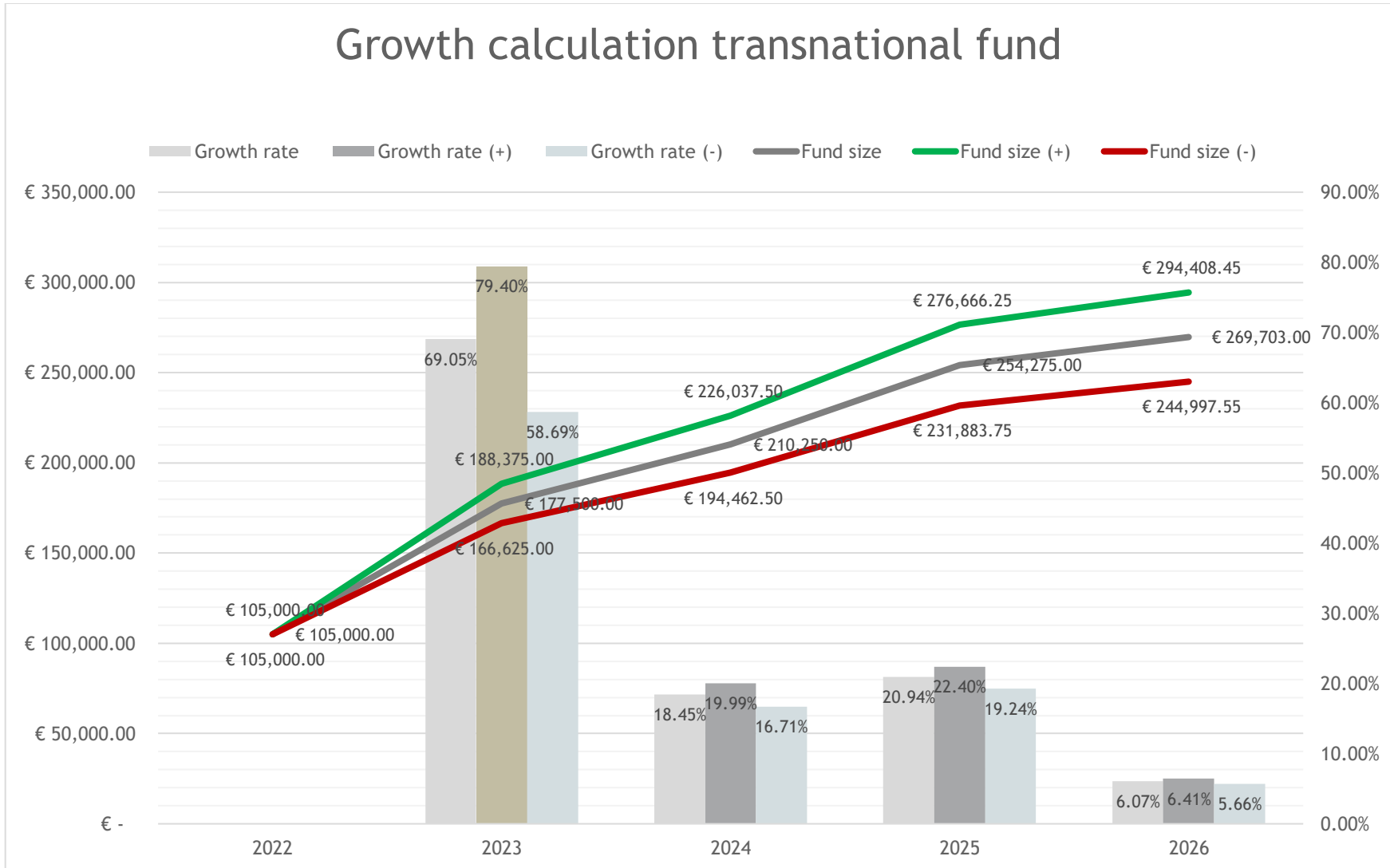
In the following table there is the overview of the fund growth expectations in the coming 5 years for baseline (0), optimistic (+) and pessimistic (-) scenarios:

Year	Fund size (€)			Growth rate			# beneficiaries		
	0	+	-	0	+	-	0	+	-
2022	105.000,00	105.000,00	105.000,00	0,00%	0,00%	0,00%	95	95	95
2023	177.500,00	188.375,00	166.625,00	69,05%	79,40%	58,69%	161	171	151
2024	210.250,00	226.037,50	194.462,50	18,45%	19,99%	16,71%	191	205	177
2025	254.275,00	276.666,25	231.883,75	20,94%	22,40%	19,24%	231	252	211
2026	269.703,00	294.408,45	244.997,55	6,07%	6,41%	5,66%	245	268	223
<b>Total</b>	<b>1.016.728,00</b>	<b>1.090.487,20</b>	<b>942.968,80</b>	<b>868,31%</b>	<b>938,56%</b>	<b>798,07%</b>	<b>923</b>	<b>991</b>	<b>857</b>

The visual representation of the growth is displayed on the following chart below:



## Growth calculation transnational fund





We see that the fund is expected to invest in total over 1 million EUR in the coming years and support 923 beneficiaries in that period in the baseline scenario, 991 beneficiaries in the optimistic scenario and 857 beneficiaries in the pessimistic scenario.

#### 4. Growth calculation PP4 fund

National fund in Hungary is run by partner PP4 and will be operated by Hungarian Charity Service of the Order of Malta (HCSOM) and funded through national Recovery and Resilience programme. The HCSOM examines the eligibility criteria, and decides about the applications for vouchers, taking the available funds into consideration.

Assumption is that the median amount of the support will be 28.000 EUR per beneficiary (company) employing people from disadvantaged groups.

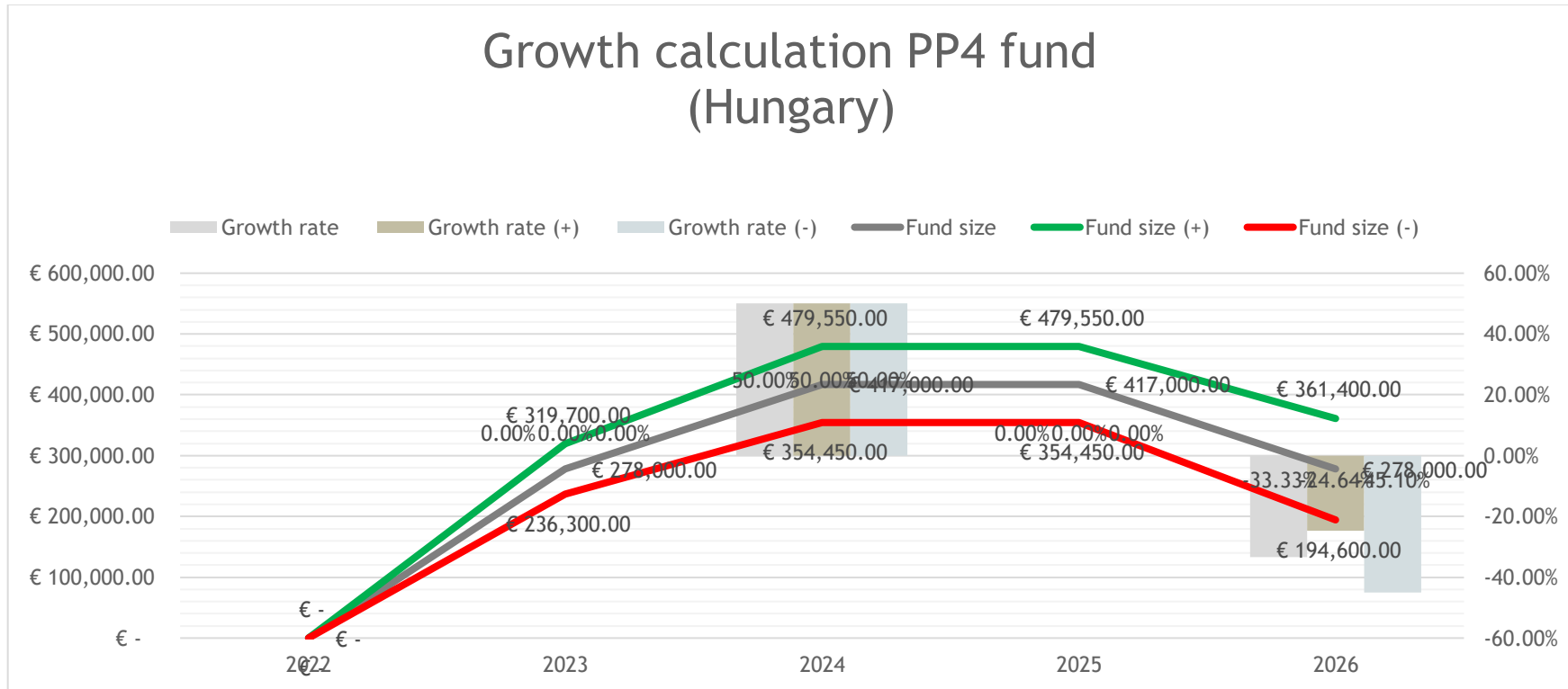
In the following table there is the overview of the fund growth expectations in the coming 5 years:

Year	Fund size (€)			Growth rate			# beneficiaries		
	0	+	-	0	+	-	0	+	-
2022	-	-	-	0,00%	0,00%	0,00%	0	0	0
2023	278.000,00	319.700,00	236.300,00	N/A	N/A	N/A	10	11	8
2024	417.000,00	479.550,00	354.450,00	50,00%	50,00%	50,00%	15	17	13
2025	417.000,00	479.550,00	354.450,00	0,00%	0,00%	0,00%	15	17	13
2026	278.000,00	361.400,00	194.600,00	-33,33%	-24,64%	-45,10%	10	13	7
<b>Total</b>	<b>1.390.000,00</b>	<b>1.640.200,00</b>	<b>1.139.800,00</b>	<b>400,00%</b>	<b>413,04%</b>	<b>382,35%</b>	<b>50</b>	<b>58</b>	<b>41</b>

The visual representation of the growth is displayed on the following chart below:



## Growth calculation PP4 fund (Hungary)





We see that the fund is expected to invest in total 1,39 million EUR in the coming years in the baseline scenario, 1,64 million EUR in the optimistic and 1,14 million EUR in the pessimistic scenario and support 50 (baseline), 58 (optimistic) or 41 (pessimistic) beneficiary companies in that period correspondingly.

## 5. Growth calculation PP6 fund

National fund in Czechia is run by partner PP6 and set up as a separate legal entity. Individuals and legal entities, including non-profit organizations, can be the recipients of contributions from the endowment fund.

The provision of contributions is governed by the principles issued by the Board of Directors. The Endowment Fund will publish these principles in an appropriate manner, and may be issued in the form of time-limited projects, tenders, etc. There is no legal claim to the contribution and it can only be used in accordance with the purpose of the Endowment Fund.

Recipients of the endowment contribution are obliged to prove, at the request of the fund, how and for what purpose the endowment contribution was used and to account for it to the board of directors. A contract will be concluded for the provision of the contribution.

Assumption is that the median amount of the support will be 400 EUR per beneficiary.

In the following table there is the overview of the fund growth expectations in the coming 5 years:

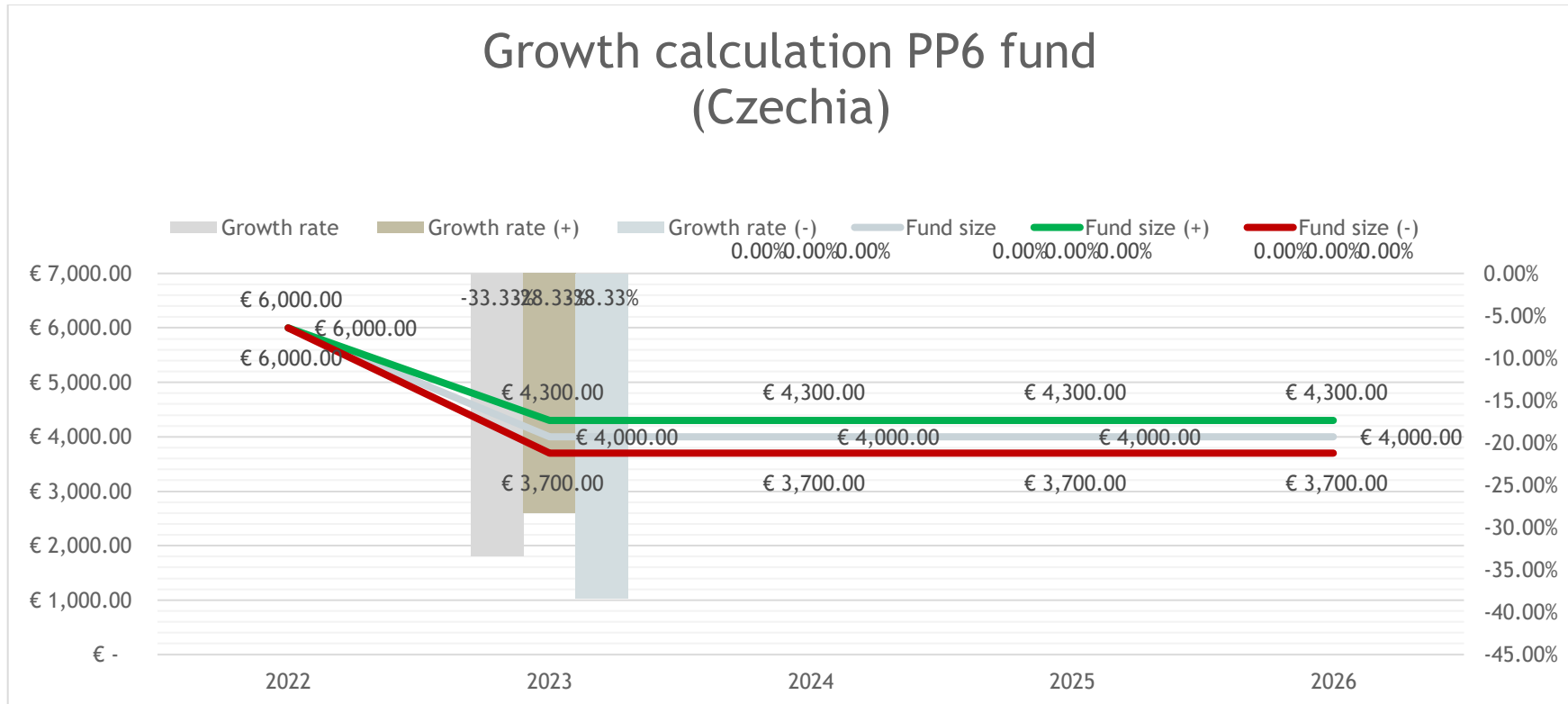
Year	Fund size (€)			Growth rate			# beneficiaries		
	0	+	-	0	+	-	0	+	-
2022	6.000,00	6.000,00	6.000,00	0,00%	0,00%	0,00%	15	15	15
2023	4.000,00	4.300,00	3.700,00	-33,33%	-28,33%	-38,33%	10	11	9
2024	4.000,00	4.300,00	3.700,00	0,00%	0,00%	0,00%	10	11	9
2025	4.000,00	4.300,00	3.700,00	0,00%	0,00%	0,00%	10	11	9
2026	4.000,00	4.300,00	3.700,00	0,00%	0,00%	0,00%	10	11	9
<b>Total</b>	<b>22.000,00</b>	<b>23.200,00</b>	<b>20.800,00</b>	<b>-33,33%</b>	<b>-28,33%</b>	<b>-38,33%</b>	<b>55</b>	<b>59</b>	<b>51</b>

The visual representation of the growth is displayed on the following chart below:





## Growth calculation PP6 fund (Czechia)





We see that the fund is expected to invest in total around 27.000 EUR in the coming years and support 59 beneficiaries in that period in the optimistic, 55 in the baseline and 51 beneficiaries in the pessimistic scenario.

## 6. Growth calculation PP7 and PP8 fund

National fund in Poland will be run by partners PP7 and PP8 and set up as a separate bank account within PP8 organisation.

The funds collected under the fund are allocated to cover the costs of training and coaching in digital competencies.

Two paths are possible:

- the accumulated capital will be spent on training on digital skills for women who return to the market, independently looking for employers
- funding begins when the employer commits to hiring the beneficiary. Selected beneficiaries for will be trained and if required coached according to the needs of a specific employer.

Assumption is that the median amount of the support will be 1.668,50 EUR per beneficiary.

In the following table there is the overview of the fund growth expectations in the coming 5 years:

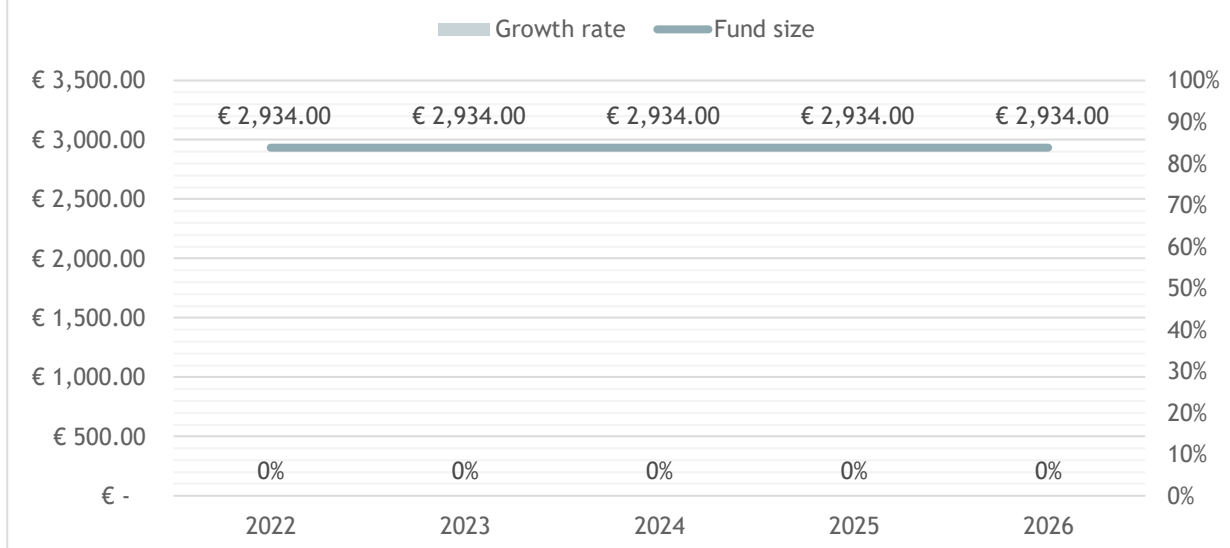
Year	Fund size	Growth rate	Number of beneficiaries
<b>2022</b>	2.934,00	0%	2
<b>2023</b>	2.934,00	0%	2
<b>2024</b>	2.934,00	0%	2
<b>2025</b>	2.934,00	0%	2
<b>2026</b>	2.934,00	0%	2

Since there doesn't exist a clear strategy for the further development of the fund in the future, all scenario simulations would be purely speculative and therefore only the current committed funds have been presented in the table and a chart.

The visual representation of the growth is displayed on the following chart below:



## Growth calculation PP7 & PP8 fund (Poland)



We see that the fund is expected to invest in total around 14.670 EUR in the coming years and support 10 beneficiaries in that period.

### 7. Growth calculation PP11 fund

National fund in Slovakia is run by partner PP11 and PP11 has reached an agreement with the Foundation for the Children of Slovakia to partner on the establishment of the fund. At the end of May, a contract was concluded on the establishment of the "Centire Endowment Fund".

#### Types of support provided by the Fund:

- Direct support
  - o financing educational, or training activities supporting the employment of disadvantaged/vulnerable groups
- Grant program
  - o Funding for individual applicants/non-profit organizations within the fund's challenges (e.g. accelerator)
- Employee program
  - o Supporting activities and initiatives proposed by Centire employees
- Implementation of own activities
  - o Funding of activities implemented directly by Centire (e.g. training for social enterprises / consulting for social enterprises)



The Fund shall be managed by the Fund Committee. The Fund Committee shall have four members and shall consist of at least two representatives of the Foundation and at least two representatives of the Company. In the event that the fund's committee consists of a larger number of members, the representatives of the Foundation and the company's representatives must be represented in equal numbers. Lessons learned result primarily from the knowledge that if you need to convince potential investors/donors, you need to have results first. There are many organizations that apply for sponsorship/investment, but they need to have a history, a good reputation and a successful track record.

Assumption is that the median amount of the support will be 1500 EUR per beneficiary.

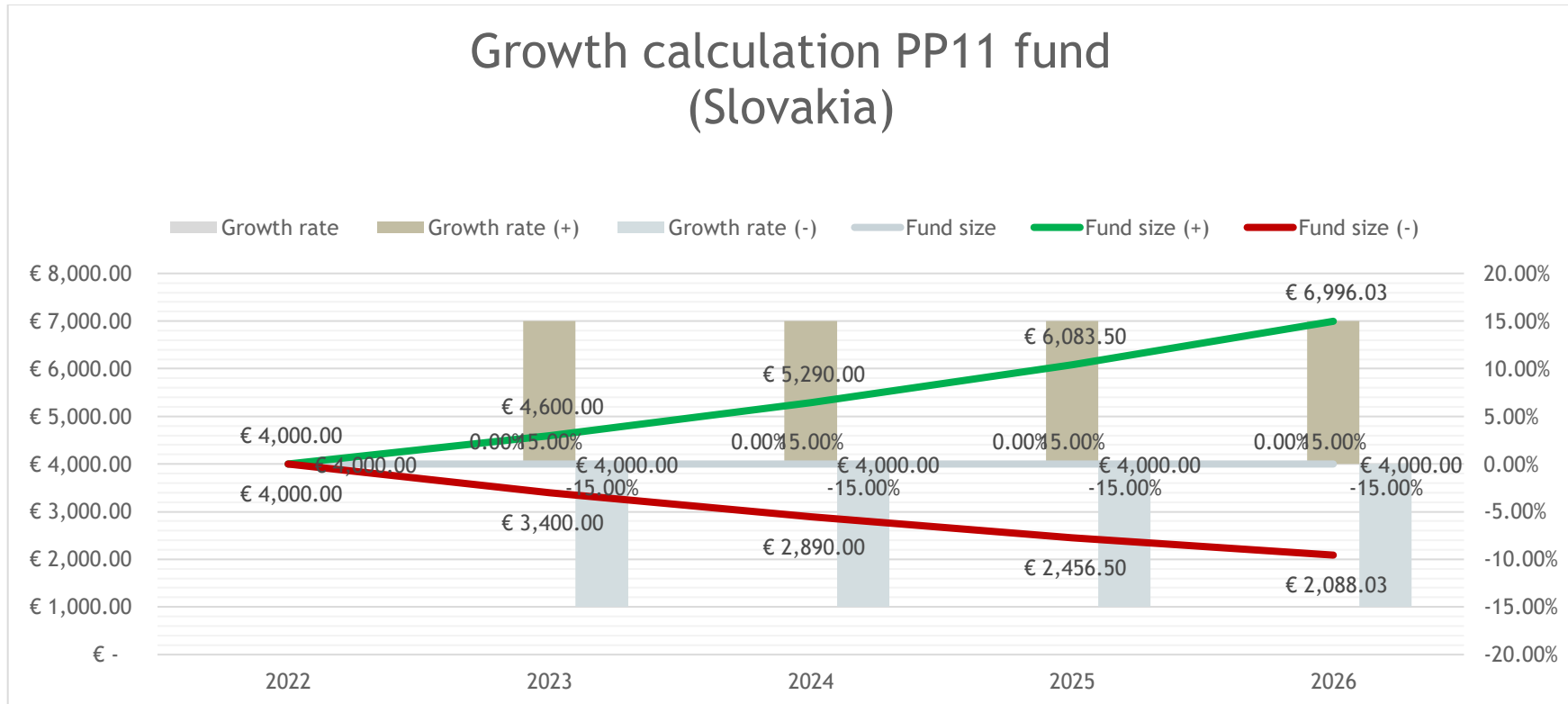
In the following table there is the overview of the fund growth expectations in the coming 5 years:

Year	Fund size (€)			Growth rate			# beneficiaries		
	0	+	-	0	+	-	0	+	-
2022	4.000,00	4.000,00	4.000,00	0,00%	0,00%	0,00%	3	3	3
2023	4.000,00	4.600,00	3.400,00	0,00%	15,00%	-15,00%	3	3	2
2024	4.000,00	5.290,00	2.890,00	0,00%	15,00%	-15,00%	3	4	2
2025	4.000,00	6.083,50	2.456,50	0,00%	15,00%	-15,00%	3	4	2
2026	4.000,00	6.996,03	2.088,03	0,00%	15,00%	-15,00%	3	5	1
<b>Total</b>	<b>20.000,00</b>	<b>26.969,53</b>	<b>14.834,53</b>	<b>0,00%</b>	<b>74,90%</b>	<b>-47,80%</b>	<b>15</b>	<b>19</b>	<b>10</b>

The visual representation of the growth is displayed on the following chart below:



## Growth calculation PP11 fund (Slovakia)





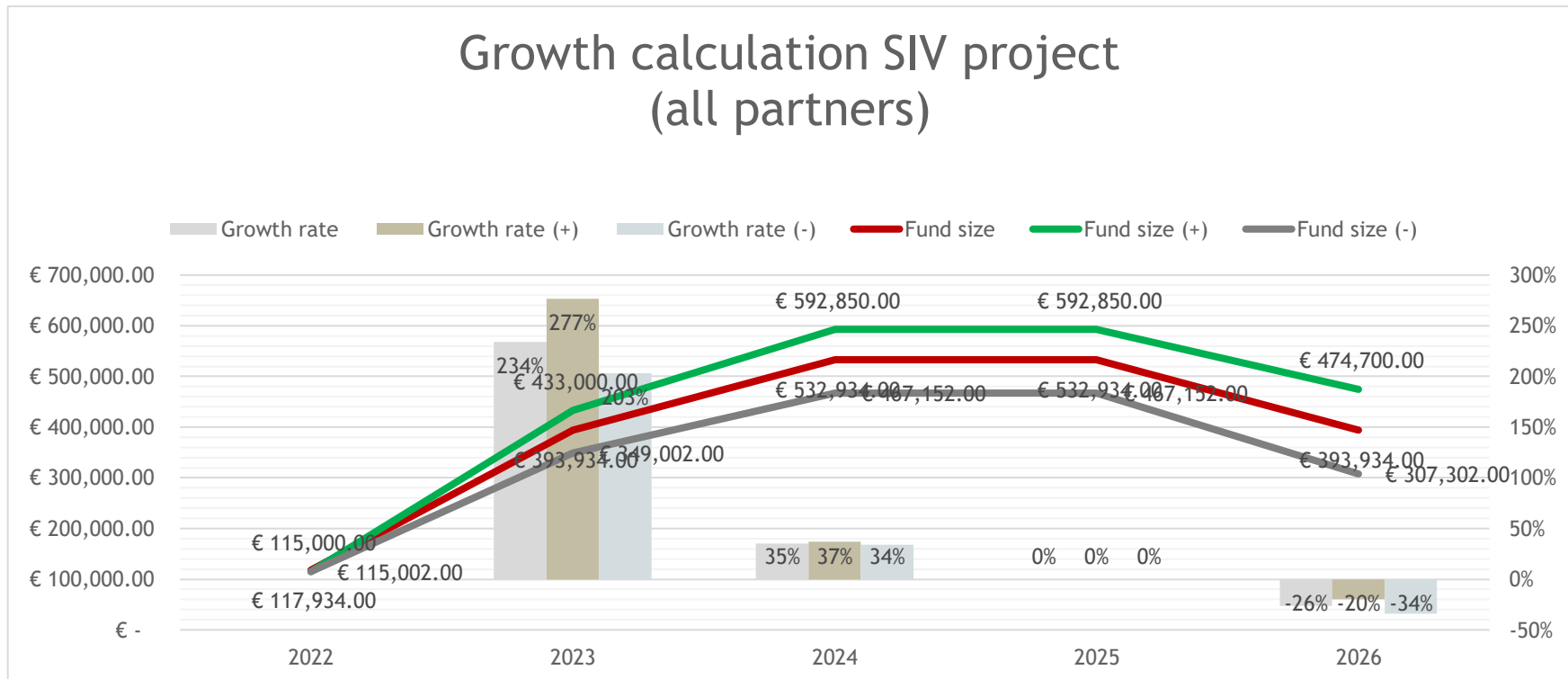
8. Growth calculation all partners together (cumulative)

Year	Fund size (€)			Growth rate			# beneficiaries		
	0	+	-	0	+	-	0	+	-
2022	117.934,00	115.000,00	115.002,00	0%	0%	0%	112	112	112
2023	393.934,00	433.000,00	349.002,00	234%	277%	203%	183	195	170
2024	532.934,00	592.850,00	467.152,00	35%	37%	34%	218	235	201
2025	532.934,00	592.850,00	467.152,00	0%	0%	0%	258	282	235
2026	393.934,00	474.700,00	307.302,00	-26%	-20%	-34%	267	294	241
<b>Total</b>	<b>1.971.670,00</b>	<b>2.208.400,00</b>	<b>1.705.610,00</b>	<b>234%</b>	<b>313%</b>	<b>167%</b>	<b>1038</b>	<b>1118</b>	<b>959</b>

The visual representation of the growth is displayed on the following chart below



## Growth calculation SIV project (all partners)





Annex I

Project partner	PP1&PP2&PP3&PP5	PP4	PP6	PP7 & PP8	PP11
<b>Geographic scope</b>	transnational	national	national	national	National
<b>Fund type</b>	grants	grant	grant	grant	Grant
<b>Expected return</b>	N/A	N/A	N/A	N/A	N/A
<b>Back donation</b>	N/A	N/A	10-30%	N/A	N/A
<b>Fund legal form</b>	trust agreement	existing legal entity	separate licensed legal entity	separate bank account	through existing foundation
<b>Fund is active?</b>	no	no	yes	yes	yes
<b>Fund has rule of operations?</b>	yes	no	yes	yes	yes
<b>Decisionmaking body (3+ members)</b>	no	N/A	yes	no	yes
<b>Supervisory body?</b>	no	N/A	yes	no	no
<b>Funding strategy document?</b>	yes	yes	yes	yes	yes
<b>Size of the fund (EUR)</b>	N/A	-	4.400,00	760,67	0,00
<b>Funds committed private (EUR)</b>	0	-	4.400,00	2173,35	0,00
<b>Funds committed public (EUR)</b>	0	1.390.000,00	-	0	0,00
<b>Number of private investors</b>	0	0	6	3	0
<b>Number of public investors</b>	0	1	0	0	0
<b>Funds to be raised - 2022</b>	105.000,00	0,00	6.000,00	0	4.000,00
<b>Funds to be raised - 2023</b>	177.500,00	278.000,00	4.000,00	0	4.000,00
<b>Funds to be raised - 2024</b>	210.250,00	417.000,00	4.000,00	0	4.000,00
<b>Funds to be raised - 2025</b>	254.275,00	417.000,00	4.000,00	0	4.000,00
<b>Funds to be raised - 2026</b>	269.703,00	278.000,00	4.000,00	0	4.000,00
<b>Minimum amount per beneficiary</b>	10,00	2.800,00	-	50,00	50,00
<b>Maximum amount per beneficiary</b>	2.500,00	70.000,00	7.296,00	3260,00	2000,00
<b>Expected median amount</b>	1100	28.000,00	400,00	1668,5	1500,00
<b>Lifetime of the fund (years)</b>	lifetime	6	lifetime	lifetime	lifetime



