

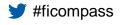






Support under the Romanian EAFRD financial instrument – Portfolio Risk Sharing Loan

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Previous RO experience in using financial instruments for agriculture



NATIONAL FUNDED FARMER PROGRAMME

- Interest rate subsidies for investment loans in agriculture
- Guarantees
- Creditors became more familiar with the particularities of agriculture financing

RO RDP 2007-2013

- First experience in using European funds for FI
- Uncapped portfolio guarantees
- Available only for grant co-financing







SWOT analysis for the set up of financial instruments 2014-2020



Positive effect for Structural Funds in previous programming period

Revolving nature of the fund

Leverage effect

Previous experience of NRDP guarantee schemes

Low coverage of financial services in rura areas

Difficult access to finance for microenterprises and SMEs

Poor infrastructure in rural areas

Loan institutions reluctant to finance agriand rural business

Increase the impact of NRDP among final recipients

Specialised financial institutions, focusing on micro and SMEs in the agriculture

Combination with grants

Incidence of weather conditions on the performance of agricultural enterprises

Low value of agricultural land to be used as collateral

Lack of entrepreneurial experience

Lack of co-financing resources for grant projects







Implementation workflow IF RO RDP 2014-2020 - mandate level





Managing Authority

- Ex-ante assessment
- Amendment of RO RDP

EIF

- Market testing exercise
- FI developed in line with the RDP and market needs

Managing Authority

• MoU for the signing of the Funding Agreement

Managing Authority & Paying Agency

• Funding agreement with EIF







Portfolio Risk Sharing Loan ("PRSL") features



Stand-alone financial instrument, for the entire eligible expenditure of the project

FI

Co-financing of RDP grants for agricultural and non-agricultural rural investments

FI + Grant

Maximum amount for stand-alone loan 1M EUR

Co-financing loan can cover all eligible expenditure related to the private co-financing part

Working capital
Livestock and annual plants purchase
Investments in stand alone on-farm irrigation
systems
Land purchase under the conditions of
R 1305/2013

| 4.1/4.1a | agricultural/fruit-growing holdings |
|----------|--------------------------------------|
| 4.2/4.2a | processing and marketing of |
| | agriculture/fruit products (Annex I) |
| 6.4 | creation and development of non- |
| | agricultural activities |
| LEADER | projects linked to the objectives of |
| | the sub-measures above |

Special focus on: small farms, young farmers, mountain areas







PRSL workflow



IF (stand-alone loan)

IF + grant

AM LEIF Ensure the legal framework (de minimis aid scheme for nonagricultural activities and nonagricultural products

• Approval of CEoI drawn up by EIF

FIs

• Evaluates the loan request

• If approved, determines GGE of the loan

FIs&PA

• Keep records of the support

AM&PA

 Ensure the legal framework (e.g. measure fiche, applicant's guide, de minimis aid scheme)

Approval of EIF CEoI

PA

• Evaluates and selects the grant request

 Informs the applicant on the possibility to co-finance through PRSL

FIs

• Evaluates the loan request

• If approved, determines GGE of the loan

PA

Revises the project funding structure

 If the case, before the signing of contract, value of the grant will be reduced to ensure that the intensity rate for the cumulative support is respected

FIs&PA

 Keep records of the support (separate records for PRSL and grant)















