



# Financial instruments preparation in Czech Republic

**Alena Kubů**, Managing Authority, Ministry of Agriculture,  
Czech Republic



 #ficompass



# STEPS UNDERTAKEN TO SUPPORT INVESTMENTS IN AGRICULTURE THROUGH FI



- 1) **Cooperation** with ÚZEI (Research Institute for Agricultural Economics and Information)
- 2) Research of **EU and national legislation** governing the FI (CPR, SP Regulation, Guidelines on ex-ante...)
- 3) **Consultation with experienced MAs; SGAFF**
- 4) **Capacity building**
- 5) **Ex-ante assessment**



2017



2018



2019



 #ficompass





## Preliminary analysis

- Development of financing investments in agriculture and food industry since 2007 according to resources and forms of use of private and public resources, with particular emphasis on the use of FI to date
- Analysis of the current use of individual FI categories
- Arguments why it is better for some areas of investment to switch from grants rather to the use of FI

# CONSULTATION WITH EXPERIENCED MANAGING AUTHORITIES



## Questions

- Implementation structure
  - How many people deal with FI at MA
  - What subject is a fund manager
    - Selection process
    - Financial flows
- Budget allocation
- Type of FI used
- Type of measures supported by FI



# CONSULTATION WITH THE SUPPORTING AND GUARANTEE AGRICULTURAL AND FORESTRY FUND



## Subsidies from national budget

- Loans interest subsidies
  - Farmer Programme*
  - Forest Management*
  - Wood Processing Operations*
  - Forest Nursery Operations Programme*
  - Processor programme*
- Loans
  - Land purchase support*
- Guarantees for loans



# CAPACITY BUILDING



- *fi-compass* events (June 2018 Sofia, April 2019 Brussels ...)
- Workshops and seminars
- Targeted coaching with EC, EIB (March 2019; July 2019)
- Consultation with EC



 #ficompass



# EX ANTE ASSESSMENT



## Public procurement preparing

*July 2018 (intention) – May 2019 (contract signed)*

- Challenges = long contract; difficult to set dates for outputs (not too soon / not too late)
- Technical qualification = team + relevant evaluations
- **Selection criteria** = economic advantage = tender price / points according to the quality criteria
  - **Quality criteria** = experience with evaluation
- Evaluator = **DHVHaskoning CZ + Deloitte Advisory s.r.o.**





## Outputs of evaluation (I. phase)

- Background research (legislation; lessons learnt)
- **Analysis of financing needs of the sector and resources to finance investments in the AGRI sector**
- **Analysis of the supply of financial resources** including the identification of a potential market failure and quantification of the financing gap
- Recommendation **to implement / not to implement** the FI from the EAFRD in the period 2021-2027 including the justification





## Outputs of evaluation (II. phasis)

Proposal of:

- most proper **interventions** implemented by FI and **target group** of final recipients
- **amount of strategic plan contribution** to FI - expected leverage effect
- **financial products** to be offered, including the possible need for differentiated treatment of investors
- the expected contribution of FI to the achievement of specific objectives

Analysis and recommendation concerning a potential **fund manager**

# EX-ANTE ASSESSMENT



## Outputs of evaluation (III. phase)

- update of the ex-ante assessment and provision of advisory services throughout the implementation (2022-2024)



# FURTHER STEPS

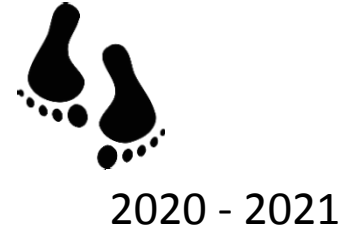


- Incorporation of ex-ante evaluation outputs into Strategic Plan
- Selection of fund manager
  - Funding Agreement
- Setting up institutional Framework
  - Potential amendments of national legislative framework
- **FI implementation, monitoring, reporting**



2019

Ongoing steps



2020 - 2021

Building of human capacities

Publicity and communication with potential beneficiaries

2022-2023



#ficompass



