



Supporting the access to finance in Romanian agriculture and rural areas

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Financial Instruments and EU funding

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Policy and legal framework

- Significant experience in FI financed from national budget for agriculture sector;
- Positive results in the implementation of 2007-2013 EU funded FI in Romania:
 - 2 guarantee schemes under EAFRD implemented by the Ministry of Agriculture and Rural Development;
 - JEREMIE Initiative financed by ERDF implemented by EIF;
- More detailed and clear legal framework - extended provisions on FI in CPR and in the delegated and implementing acts, as well as in the RD regulations
- Objectives:
 - to increase the access to finance for farmers and rural entrepreneurs;
 - to increase the efficiency of the NRDP funds by delivering support in the form of FI.

Ex-ante assessment of FI

- Ex-ante assessment performed in 2014-2015 and updated in autumn 2016;
- Results following the market analysis and consultation with farmers and financial market representatives:
 - estimated financing gap of EUR 2.4 bn. in agriculture and rural areas;
 - public allocation for FI covering up to 40% of the investment needs in the sector;
 - extended use of FI – not necessarily linked to grant co-financing;
- FIs considered:
 - portfolio risk-sharing loan instrument (PRSL) funded from NRPD;
 - guarantee schemes funded from the national budget.

Risk-sharing loan instrument *general considerations*

- Public allocation – EUR 93.87 M
- FI support available under sub-measures 4.1 and 4.2 (including for Thematic Sub-programme for fruit-growing sector - 4.1a, 4.2a), 6.4 and LEADER projects;
- Risk sharing rate up to 70%;
- Interest rate:
 - public contribution at 0 interest rate;
 - financial intermediary will set up the interest rate for its own contribution;
 - overall interest charged to the final recipient will be reduced proportionally to the allocation provided by the public contribution;
- Available in two forms - combination with grant and as stand-alone financial instrument.

Risk-sharing loan instrument (2)

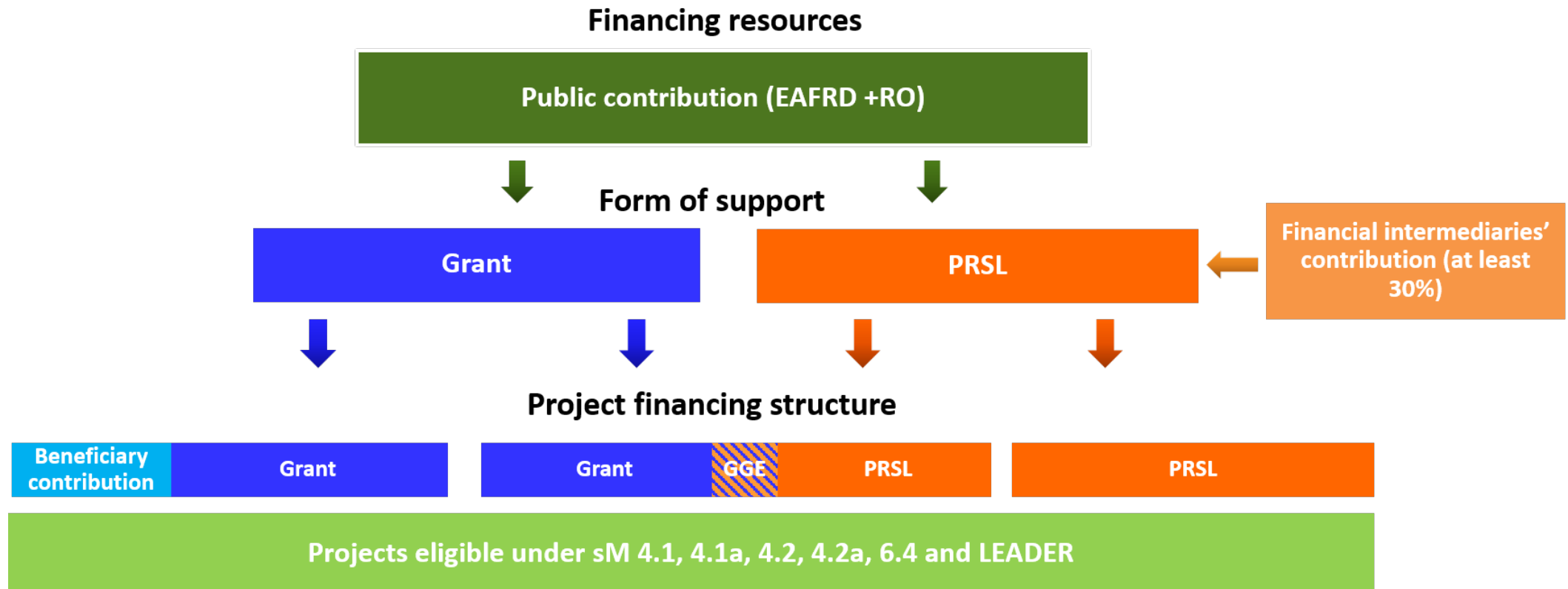
benefits of PRSL financing

- Resources from each measure will be pooled together and there will be no restrictions/earmarking between measures and the different types of support;
- Simplified eligibility conditions against support through grants;
- Loans can also cover the working capital linked to the investments in agriculture financed through FI, under the conditions of Art. 45(5) of Reg. no. 1305/2013;
- Checks on FIs adapted in order to take into account the specificities of support granted in the form of FI.

Risk-sharing loan instrument (3) *combination with grant*

- In case of combined support, loans cover only the eligible costs related to the private contribution, and:
 - The maximum support rate applicable under the NRDP measures will be respected by deducting, whenever necessary, the loan GGE from the grant - for sM 4.1, 4.1a, 4.2, 4.2a, 6.4; and
 - The grant + the loan GGE comply with the rules on de minimis aid (maximum 200,000 euros / beneficiary/ 3 fiscal years) - for sM 6.4;
- The sum of all forms of support combined (FI + grant) does not exceed the total amount of the expenditure item concerned;
- Grants cannot be used to reimburse support received from FI;
- FI cannot be used to pre-finance grants.

Types of support under NRDP





Thank you!

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