



Agencja Restrukturyzacji
i Modernizacji Rolnictwa

Experiences of the Polish EAFRD Managing Authority and Paying Agency in using financial instruments

Ewa Chudoń, Deputy Director of the Department
of Investment Project Evaluation, Agency for
Restructuring and Modernisation of Agriculture,
Poland

 #ficompass



“Support for processing, marketing or development of agricultural products”

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Scope of the aid

1

operations consisting in developing or commencing economic activity within the scope defined in the appendices to the implementing regulation of the Ministry of Agriculture and Rural Development (Polish Classification of Activity (PKD) codes);

2

operations relating to the carrying out or taking up of processing and marketing activities within the framework of agricultural retail trade.

Beneficiaries:

1

Entrepreneurs running micro, small or medium-sized enterprises, performing economic activity involving processing or placing on the market of agricultural products - up to PLN 10,000,000.

2

Farmers, farmers' household members, farmers' spouses who are subject to social insurance of farmers to the full extent, undertaking economic activity in the field of processing agricultural products - up to PLN 500,000.

3

Farmers conducting processing activity and selling processed products within the framework of agricultural retail trade (**RHD**) up to PLN 200,000

"Modernisation of farms" areas of support:

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**A - development of
piglet production
- up to PLN 900,000**

**B - development of
cow's milk production
- up to PLN 500,000**

**C - development of beef
cattle production
- up to PLN 500,000**

**D - related to rationalization of
production technology,
introduction of innovation,
change of production profile,
increase in production scale,
improvement of production
quality - up to PLN 500,000**

**E - farm irrigation
- up to PLN 100,000**

Modernisation - Beneficiaries:



natural person (including joint applicants in areas A-D)



partners in a civil partnership



legal entity



commercial partnership



foreign entrepreneur branch

The role of ARMA in the implementation of FIs:

1

performs controls referred to in Article 9(1)(c) of Commission Delegated Regulation (EU) No. 480/2014,

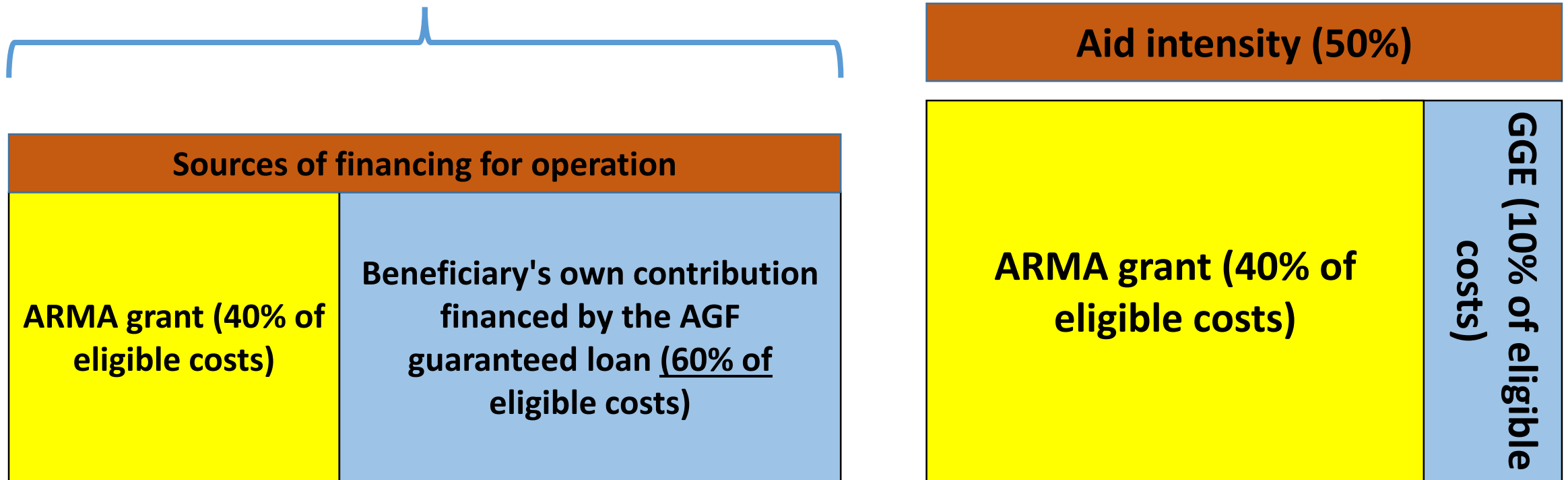
2

obtains, collects, compiles and transmits to the Managing Authority data and information concerning the implementation of the Financial Instruments, necessary for monitoring and evaluation of the Programme.

Combining an Agricultural Guarantee Fund (AGF) guaranteed loan with grant aid

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Operation - eligible costs



Combining a guaranteed loan with grant aid - example

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- The applicant implements an operation whose eligible costs (e.c.) amount to PLN 100,000,
- In such a situation, under sub-measure 4.2, the applicant may apply for financial aid of up to PLN 50,000 (max. 50% of e.c.);



!

- The applicant used an AGF-guaranteed loan to cover their own contribution of PLN 60,000,
- The GGE value calculated by the lending bank for a given loan with AGF guarantee is **PLN 10,000**;



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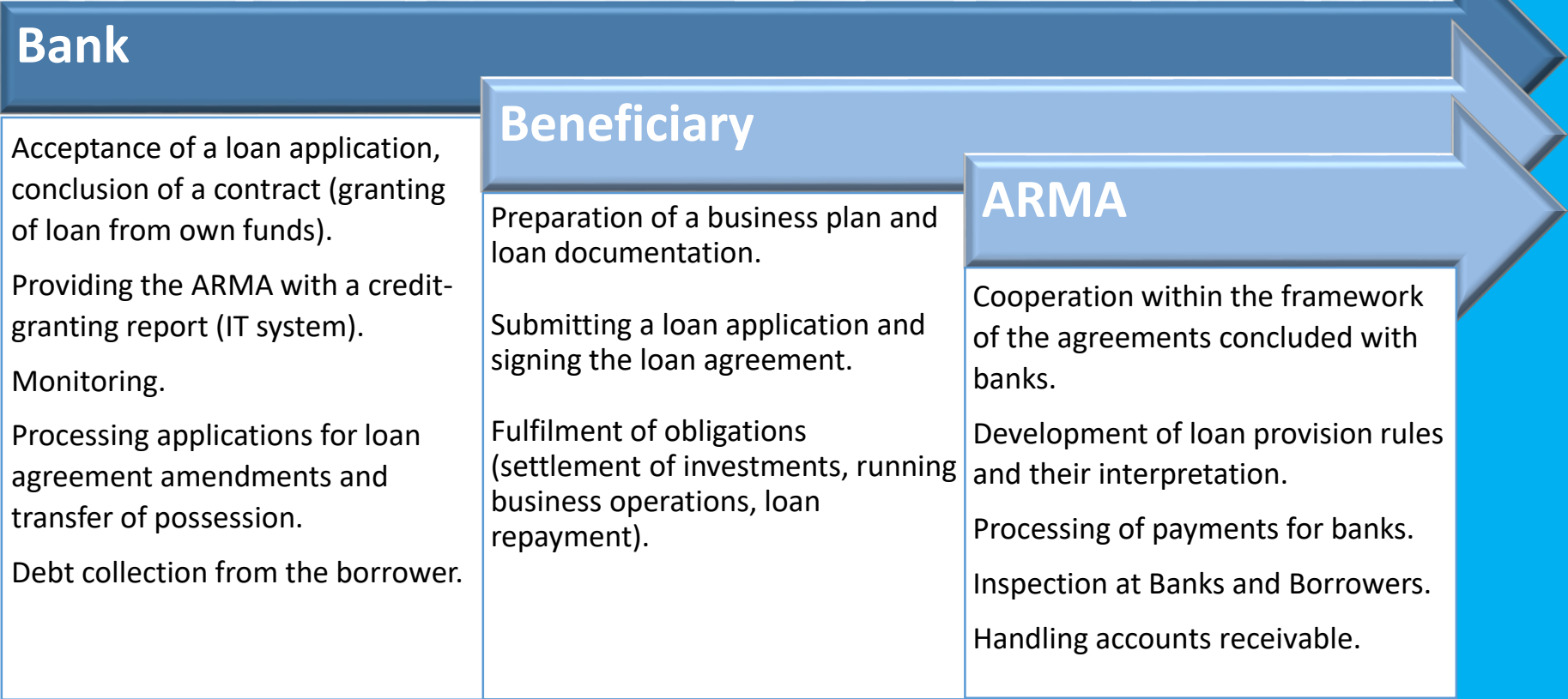
- In such a situation ARMA may grant (pay) financial aid not exceeding PLN 40,000

National aid schemes

preferential loans

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Preferential loan scheme



MARD:

- Contact with the EC
- Implementing rules
- Conceptual supervision over ARMA

National and FI aid - comparison

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Borrower

National aid



Loans with interest-rate subsidy - disaster / investment loans,



loans with partial capital repayment - purchase of agricultural land by young farmers.



Borrower

Financial Instruments



Investment loans with AGF guarantee - scope of aid similar to 'processing' and 'farm modernisation' aid -> possibility of combining a loan with grant aid,



Working capital loans guaranteed by AGF to finance day-to-day operations. Interest-rate subsidies for working capital loans guaranteed by AGF

Reporting on the Financial Instrument under RDP 2014-2020 - legal basis

Pursuant to the Act of February 20, 2015 on supporting rural development with the participation of the European Agricultural Fund for Rural Development under the Rural Development Programme 2014-2020 (Journal of Laws of 2021, item 182) and the agreement on financing the Financial Instrument, Bank Gospodarstwa Krajowego (BGK) as the granting entity shall prepare and submit reports on the implementation of the Financial Instrument granted under RDP 2014-2020 to ARMA.

BGK is obliged to submit the following reports to ARMA:

monthly concerning **guarantees**

- by **the second** working day following the end of the period for which the report is drawn up,

monthly concerning interest-rate **subsidies** - by the **twelfth** calendar **day** following the end of the period for which the report is drawn up,

annual

- by **January 31** of the year following the year to which the report applies.



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