



Current and new EAFRD financial instruments in Member States

Microloan instrument in RDP 2014-2022, Greece

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 #ficompass



ex-ante assessment and microfinance



Key findings related to microfinance



Assessing the potential use of Financial Instruments in Greece in agriculture

A study in support of the *ex-ante* assessment for the deployment of EAFRD resources through financial instruments during the 2014-2020 programming period

Final Report

18 May 2018

Financial gaps identified for microfinance

	Estimated demand (EUR m)	Estimates supply (EUR m)	Financial Gaps (EUR m)
Primary Sector	927.6 – 1,025.2	82.1 – 90.7	836.9 – 943.2
Processing	16.6 – 18.3	5.3 – 5.9	10.7 – 13.0

Preference

– Microfinance for producers, higher loans for processors

Access

– Limited or no access for producers, easier access for processors

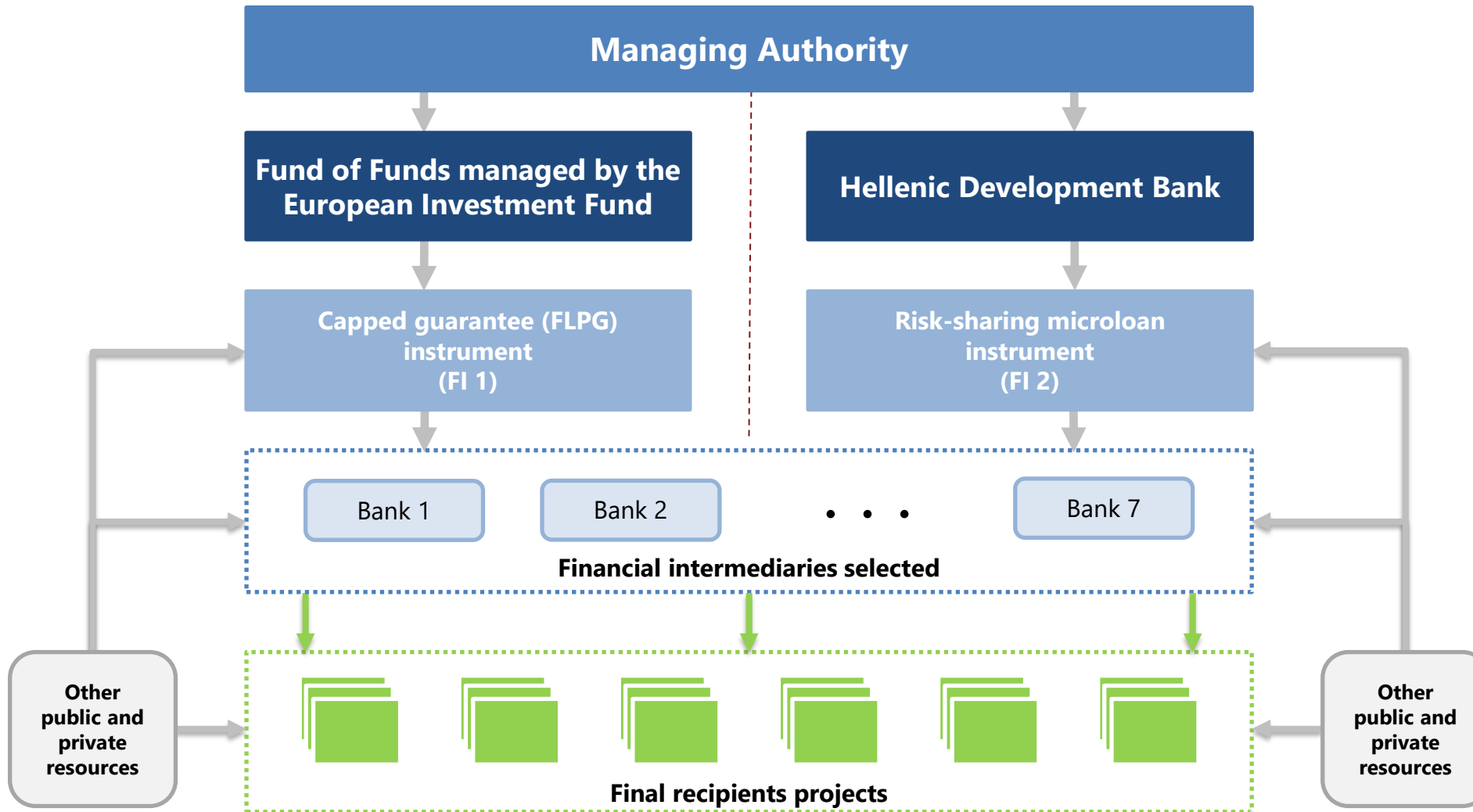
Reasons

– lack of collateral, lack of credit history, bank procedures

Intended use

– small scale investments plus working capital

EAFRD financial instruments



FLPG	
EUR 80.0 million	
Leverage	5
Signed loans	581 EUR 37.8 million
Total investments	EUR 73.0 million

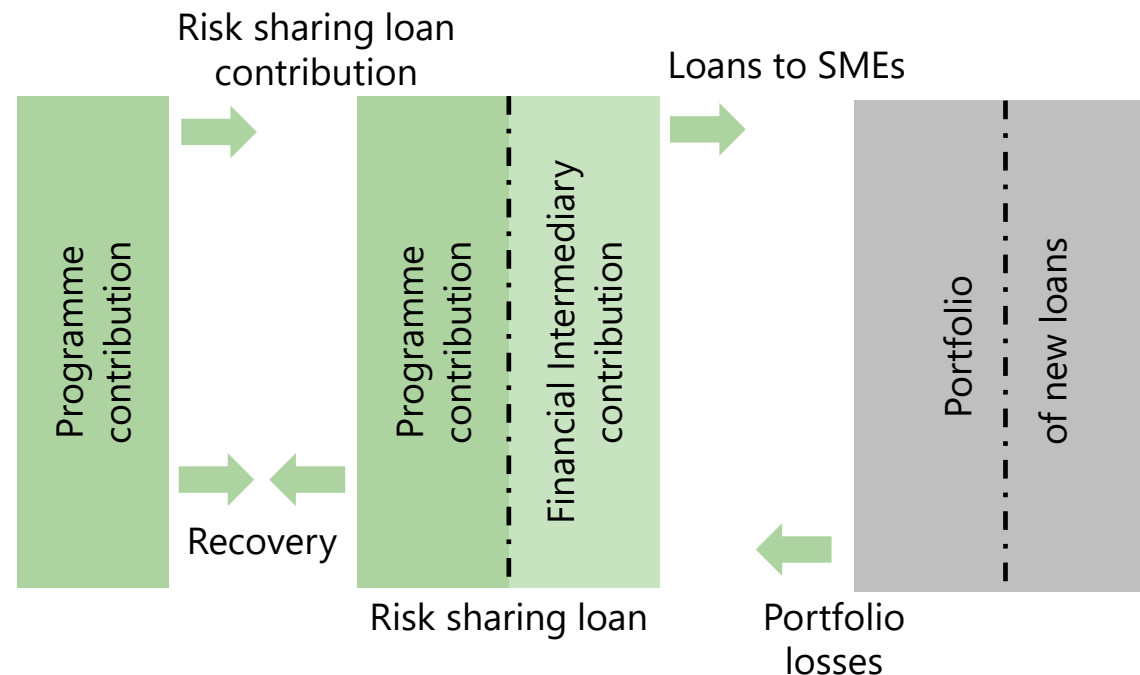
Microloan	
EUR 21.5 million	
Leverage	1,8
Signed loans	701 EUR 16.1 million
Total investments	EUR 16.1 million

Microloan instrument at a glance



Risk sharing microloan instrument

Budget	EUR 21,5 million
Loan amount	from EUR 3,000 up to EUR 25,000
Duration	5 years max including 2 years grace period
Features	50% of loan with 0% interest rate 2 years interest rate subsidy technical support
Collateral	No physical collateral is required
Final recipients	Grant beneficiaries for M4.1 and M4.2 of RDP



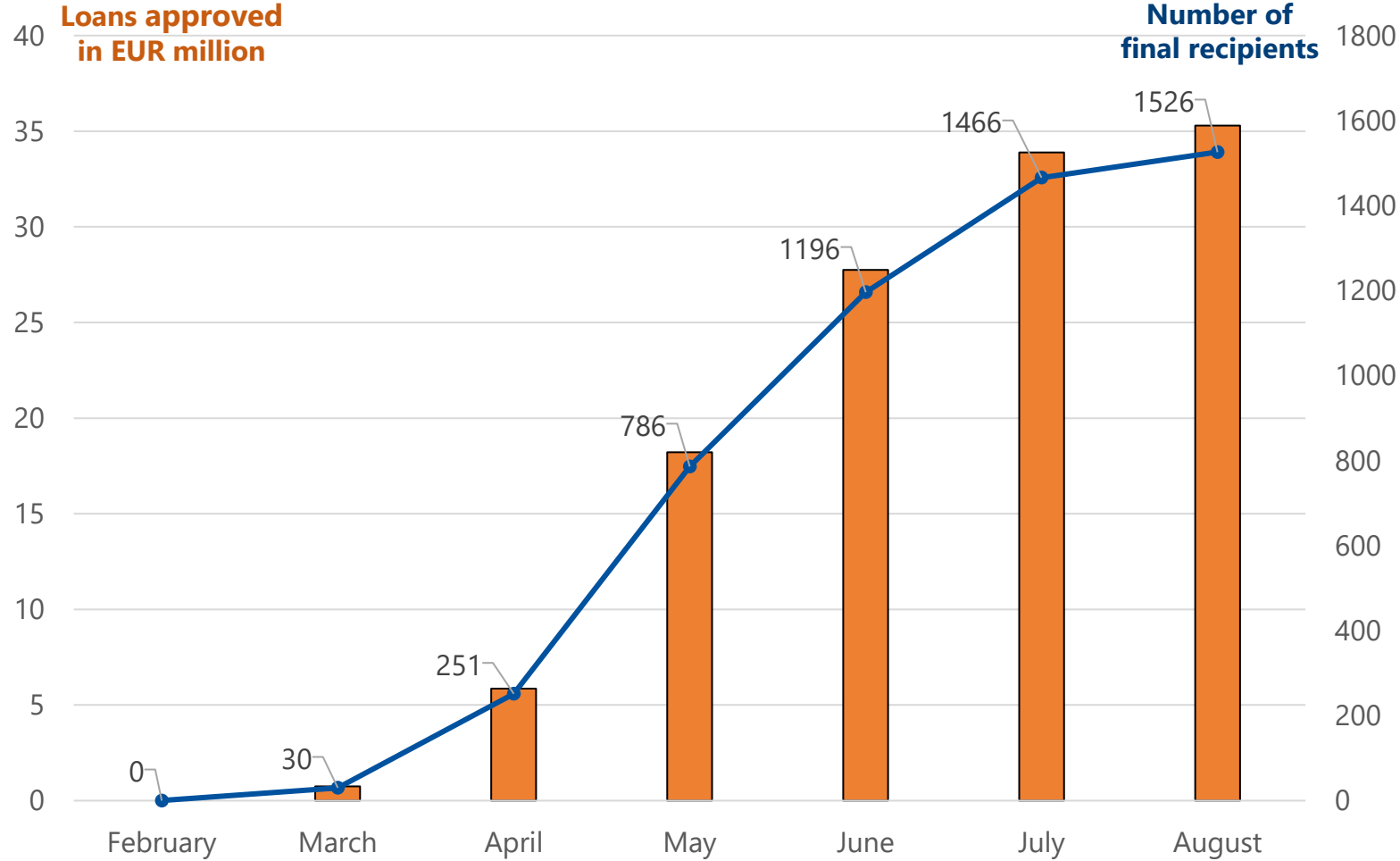
- ❖ Established in 2019, as the successor of an organization initially founded in 2003.
- ❖ Mission to support SMEs by facilitating their access to finance and implement financial instruments.
 - ❖ Experience in the implementation of financial instruments.
 - ❖ Eligible for direct award according to Reg (EU) 1303/2013 art. 38(4).



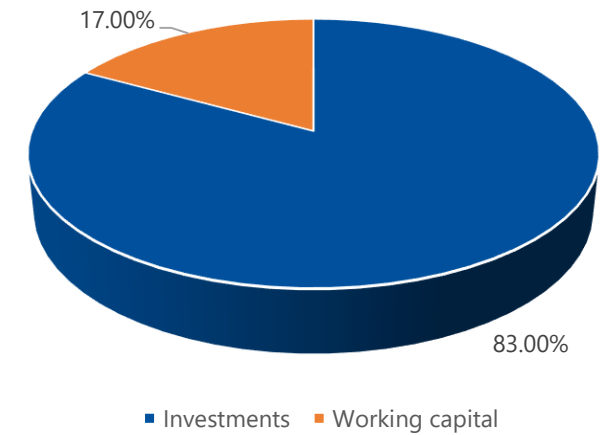


Performance of the instrument

Approved applications for loans by HDB



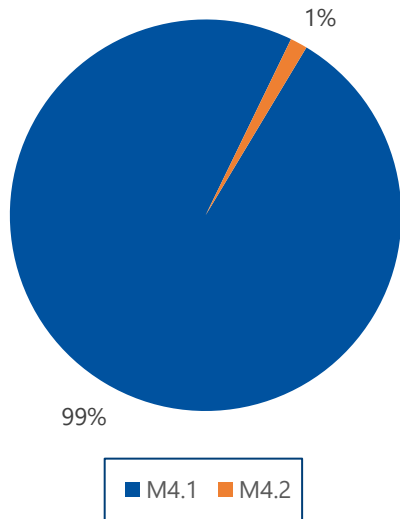
- ✓ 1st contract with FR: 23 March 2023.
- ✓ Last loans approved: August 2023.
- ✓ Total number of applications: 1 526.
- ✓ Total volume of loans: EUR 35,293,267.
- ✓ Average loan amount: EUR 23,120.
- ✓ Combination with grants: 0% of FR.



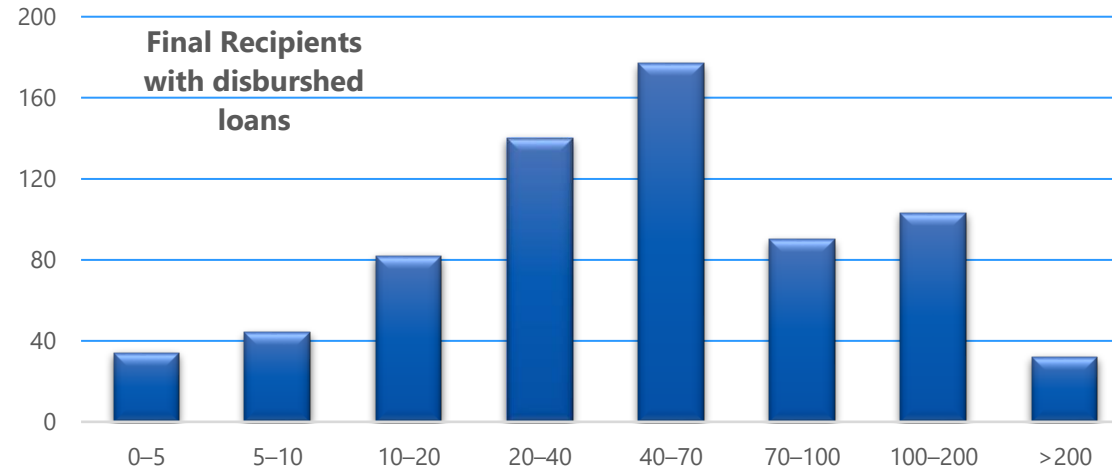
Performance of the instrument



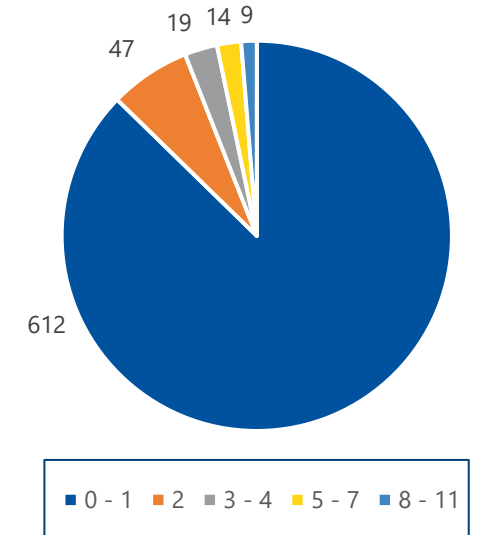
submeasure



Total turnover



Number of employees



Total Turnover in ,000 EUR

Total Turnover [in ,000 €]	% of Final Recipients
0-5	4.84%
-10	11.11%
-20	22.79%
-40	42.73%
-70	67.94%
-100	80.76%
-200	95.43%
> 200	100.00%

Pros and cons of the instrument



Pros

- ✓ No physical collateral is required (only debt securities).
- ✓ Very fast disbursement of the loan, no bureaucracy.
- ✓ Very small interest rate realized by the final recipient (approximately 2,1%).
- ✓ High approval rate of applications.

Takeaways

- Ex-ante assessment
- Profile of final recipients
- Perceptions of financial instruments vs commercial loans
- Highly anticipated product
- Stakeholders



Cons

- ✓ The loan is not used as part of a bigger investment; no mobilization of additional funds.
- ✓ The loan is not enough to be used in combination with grants for big scale investments.



CAP SP financial instruments

Financial instruments foreseen at the CAP SP

2023EL06AFSP001
CAP STRATEGIC PLAN OF GREECE 2023-2027
ΕΛ - ΣΤΡΑΤΗΓΙΚΟ ΣΧΕΔΙΟ ΚΟΙΝΗΣ ΑΓΡΟΤΙΚΗΣ ΠΟΛΙΤΙΚΗΣ ΤΗΣ ΕΛΛΑΔΑΣ 2023-2027
1.1
2023
2027
1 Ιαν 2023
C(2022)8270
21 Νοε 2022
ΕΓΤΕ, ΕΓΤΑΑ
29/11/2022 13:00

1 Guarantee instrument
Intervention Π3-73-2.1 Agricultural holdings
Intervention Π3-73-2.3 Processing of agricultural products
Budget 47 mil. EUR

2 Microloan instrument
Intervention Π3-73-2.1 Agricultural holdings
Intervention Π3-73-2.3 Processing of agricultural products
Budget 15 mil. EUR

3 Guarantee instrument for Young Farmers
Intervention Π3-75.1 Young Farmers
Budget 10 mil. EUR



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