



The financial instrument of the Rural Development Programme of Castile and Leon (Spain)

Juan José Lozano Barriuso, Managing Authority, Castilla y León, Spain



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THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON



CASTILLA Y LEÓN

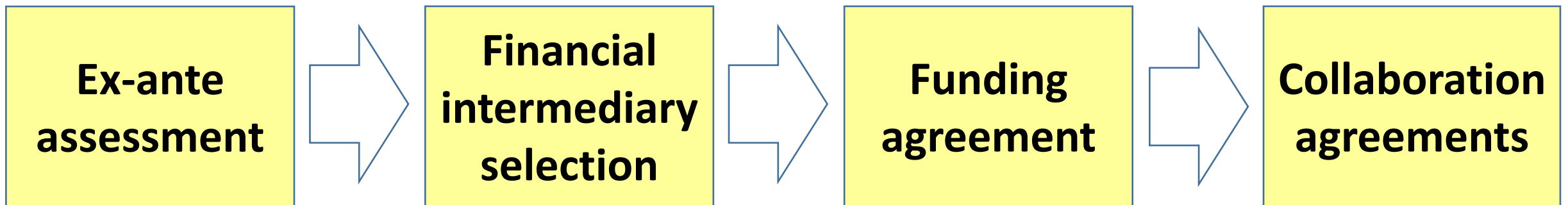
Area: 94,220 km²

Population: 2.5 million people



THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

**The FI is a new tool to promote investments in the
agriculture and the agri-food and forestry
industrial sectors**





THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

Basic principles of the financial instrument (FI)

**1. Adaptation to
the needs of final
recipients**

**2. Simplified
procedure**

**3. Efficient granting
process**

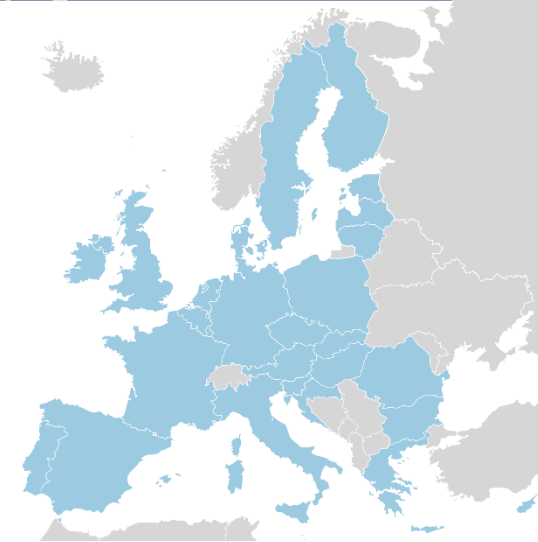
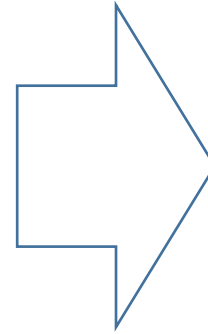
**4. Liaison with financial
institutions**

5. Transferable method

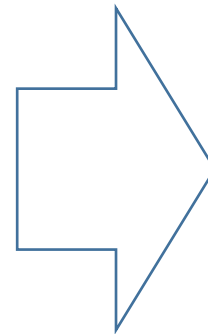


THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

- **A transferable method to any other territories...**



- **... and extendable to other aims**



-Risk management
-Adverse weather conditions



THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

Aim: Supporting investment projects through loans granted by private financial institutions to farmers and industrial entrepreneurs **under special conditions.**

These loans will be **guaranteed** with public funds by the FI



The FI guarantees 80% of each loan



THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

Our FI is giving support to investment projects under the following measures of our RDP:

- **Investments in agricultural holdings (Measure 4.1)**
- **Investments in agri-food industries (Measure 4.2)**
- **Investments in forestry industries (Measure 8.6)**

In addition, our FI will support for the measure the setting up of **young farmers soon (measure 6.1)**



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THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

The loans are **compatible** with these non-refundable grants.

Investment projects that do not have any non-refundable grants may be **accepted as well**.

Our FI will guarantee 80% on a loan by loan basis, with the rest being financed by the financial institutions.



THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

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2018

Announcement in our Official Regional Journal (BOCYL)

It regulates:

1. The procedure for the potential recipients to request **the recognition of the right to be supported by the FI with loan guarantees.**
2. This announcement opens the period to request for this recognition. It is a **permanent call**, with no deadline.
3. The procedure for these Financial Institutions to be **considered as "Collaborating Entities"** in the management of the applications.



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For the Financial Institutions to be considered as "Collaborating Entities" it is necessary:

1. For any financial institution to have previously subscribed to a **collaboration agreement with the national Ministry of Agriculture** to get loans guaranteed by the Spanish FI of centralized management.
2. Afterwards, the financial institution have to formalize another **agreement with the Regional Ministry of Agriculture.**



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FINAL RECIPIENTS:

Those applicants who have obtained:

- a favourable **credit report** from **SAECA**
- the **recognition of the right** to be supported by the FI with loan guarantees by the **regional Ministry**.

Finally, they need to **formalise a loan** with a financial institution.



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THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

STEPS TO OBTAIN LOANS GUARANTEED BY THE FI (1):

electronically processed by
the Financial Institutions.

1. **Potential recipients** must **submit their application** for recognition of the right to loan guarantees to the regional Ministry, through these “collaborating financial entities”.
2. The **financial institution requests** SAECA to inform about the credit solvency of the applicant.
3. **SAECA** issues a **credit viability report**.
4. If favourable, and the applicant fulfils all the requirements for recipients and the eligibility criteria for investments, the **regional Ministry** recognises the **right to loan guarantees**.

**MAXIMUM
1 MONTH**



THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

STEPS TO OBTAIN LOANS GUARANTEED BY THE FI (2):

5. In order to **formalise the loan** with the financial institution, the **recipient** must present the resolution of the recognition of the right to loan guarantees to a financial institution.
6. Finally, **SAECA** will **formalise the guarantees for the loans** with the financial institutions.





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WORKING CAPITAL

**EXCEPTION:
YOUNG FARMERS UNDER
MEASURE 6.1 WILL NOT
REQUIRE INVESTMENT**

It is always linked to a new investment

**Maximum amount for working capital: EUR 200,000 or 30% of the
investment**

**Programa de Desarrollo Rural de
Castilla y León 2014-2020**



THE FINANCIAL INSTRUMENT OF THE RDP OF CASTILE AND LEON

	investments in agricultural holdings	investments in agri-food industries	investments in forestry industries
Target group	Natural and legal persons	Enterprises	SMEs
Minimum amount of loan	€ 10,000	€ 50,000	€ 50,000
Maximum amount of loan	€ 400,000 per natural person € 1,000,000 per legal person	€ 5,000,000	€ 5,000,000
Duration	3, 5, 8, 10, 12, 15 or 20 years (possibility of 1, 2, 3 or 4 years of waiting period)		
Guarantee rate on a loan by loan basis	80% financed by the FI 20% financial institution		
Guarantee cap rate at portfolio level	20% financed by the FI 80% financial institution		
Working capital	€ 200,000 or 30% of the investment		
Interest rate and commissions	<ul style="list-style-type: none"> ○ Interest: annual EURIBOR rate + 2% ○ Opening commission: maximum 1% ○ Early cancellation: No commission 		



Programa de Desarrollo Rural de Castilla y León 2014-2020

**THANK YOU
FOR YOUR ATTENTION**

Should you have any questions, please contact us at:

auge.pdrcyl@jcyl.es

FONDO EUROPEO
AGRICOLA DE
DESARROLLO RURAL:
EUROPA INVIERTE EN
LAS ZONAS RURALES



