



Current and new EAFRD financial instruments in Croatia

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2014-2020 overview



- FIs for agriculture implemented in Croatia for the first time
- 2 bodies implementing FI offering 6 financial products
- Allocation of 110,9 million EUR (EAFRD) - **paid out in full** for 2.268 projects
- Ratio of financing 85% EAFRD : 15% national co-financing
- Projects under RDP measures: M4, M6, M8



2018-2023



AGRI



FOOD



DIVERS.

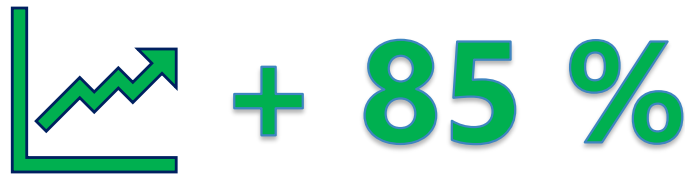


FOREST

2014-2020 Financial instruments



- Late start of FIs implementation under RDP 2014-2020 (2018)
- a marketing campaign to launch the RDP FIs - this type of support was introduced for the first time in Croatian agriculture
- Initially available:
 - loans and guarantee instrument – 2 bodies implementing FIs offering 4 financial products
 - allocation of 60 MEUR (EAFRD)/ current allocation 110,9 MEUR (EAFRD)
- Several increases of allocation for RDP FIs due to high demand
 - 70,6 MEUR (2018) – 130,5 MEUR (2023)



2014-2020 implementation



- Great interest for micro and small loans which led to several allocation increases for FIs
- FI compass publication [Micro and small loans for rural development 2014-2020, Croatia](#)
- 2 new FIs for working capital were introduced - due to the outbreak of the COVID-19 pandemic (May 2020)



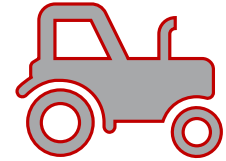
- Reflows
 - used for same FIs (micro/small loans)
 - used for setting up national scheme (WC loans under TCTF)



Lessons learned



- Ex-ante analysis showed substantial financing gap
- Custom-made FIs showed significant and immediate success
- AGRI financing showed to attract most interest from potential final recipients
- Due to quality assessment of the proposed business plans the default rate(s) are pretty low
- Reflows can be used in the same way or as an new product depending on the current needs
- Developing user friendly system with terms more favourable than commercial conditions is of utmost importance when creating a FI
- RDP resources are not substantial to close the gap in financing, but can help in many aspects
- Key to success is to have trustworthy partners and to customise the products for potential final recipients needs
- *Pari passu* model of financing showed lack of attractiveness during the implementation period
- Slower uptake of guarantees, but steady over time totaling 3,9 MEUR for 7,9 MEUR loans



2023-2027 preparation



- Updated ex ante - financing gap is still present
- List of FI interventions:
 - 73.10.FI Support for investments in primary agricultural production
 - 73.11.FI Support for investments in the processing of agricultural products
 - 73.14.FI Business development in rural areas
- Allocation is mainly based on the returns from the previous period of FI implementation - 13,6 MEUR from CAP SP (EAFRD) and 36 MEUR from reflows (planned – national resources)
- Initial plan was to start the implementation from 2026 but due to high demand of RDP FIs the MA decided to change the plan to 2024
- Still in the preparation phase at this point





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