



Polish experience with the financial instruments under the RDP 2014-2020

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Rural Development Programme 2014-2020



- Rural Development Programme 2014-2020 (RDP) budget amounts up to EUR 13.6 billion (of which EUR 8.7 billion from EAFRD).
- Financial instruments co-financed from EU funds were introduced to the Polish RDP with a budget of EUR 68.6 million.



Ex-ante assessment



Main results of the ex-ante assessment:

Estimated financial gap	About EUR 2.77 billion
Suggested RDP contribution to FI	Not lower than EUR 50 million
Form of implementation	Implementation tasks entrusted through the direct award of a contract (without fund of funds)
Final recipients (target group):	Small and medium holdings covering the RDP's sub-measure 4.1 "Support for investments in agricultural holdings" and Food processing companies covering sub-measure 4.2 "Support for investment in the processing, marketing or development of agricultural products"





Type of instrument:	Guarantee (with multiplier ratio 4,35) Maximum amount of the guarantee: - PLN 5 million (farmer) or - PLN 10 million (processor)
Type of public aid:	- Aid based on RDP principles - <i>de minimis</i>
Amount of the guarantee:	Up to 80%
Loan period:	Up to 183 months for investment loans Up to 59 months for working capital

FI may be combined with grants under RDP

RDP contribution to FI – EUR 68.6 million

Implementation



- Ex-ante assessment / ex-ante risk assessment – February/ March 2019
- Amendment of national law / of RDP – March/ April 2019
- Funding agreement with Bank Gospodarstwa Krajowego (BGK - is a National Promotional Bank in Poland) – 30 July, 2019
- BGK first payment application – September 2019
- BGK begins signing contracts with commercial banks – October 2019



Implementation



- Declaration of expenditure of FI sent to the EC – 3Q 2019
- Annex to the Funding agreement with BGK introducing COVID-19 changes – 22 May 2020
- BGK payment application – equalisation of the first tranche in September 2020
- Additional marketing campaign including TV and creating official FI logo



Changes in the face of COVID-19



- Budget increase by EUR 18.6 million for interest rate subsidies on working capital
- Working capital can function independently without co-existing investments co-financed from RDP
- Working capital in the current account



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Results

1 EUR= 4.5435 PLN (ECB 29.09.2020)



As of 30 September 2020:

- Loans 175 mln PLN / EUR 38.5m
- Guarantees 138 mln PLN / EUR 30.5m
- Subsidies to interest on working capital COVID-19 loans: PLN 1.5 mln / EUR 0.4m
- Number of operations 889 (including 815 working capital COVID-19 operations)



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Next steps



- Conducting financial instrument training in November for final recipients
- Continuation of BGK's cooperation with commercial banks in the scope of conducting trainings (BGK training plan is established individually with each commercial bank)
- BGK plans to prepare and print informational materials and to promote guarantees during external events organised for potential final recipients



Next steps



- Expanding cooperation in the promotion of BGK and PA
- Before the end of this year BGK submits payment application for next tranche
- Another annexes to the Funding agreement with BGK in 2021 taking into account i.a. EU Transitional regulation provisions (extension of the implementation period of RDP to 31 December 2025).



