



Financial Instruments 2014-2020 under European Structural and Investment Funds (ESIF)

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*Learning from implementing the Credit Fund
under EFF and EAFRD in Latvia*

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Objectives for the Credit Fund

- An objective of the aid is to ensure an availability of loans with reduced interest rate, necessary for implementation of the EAFRD and EFF projects.
- Loans of the Credit Fund are issued via credit institutions (banks).



Set up for Credit Fund

Taking into the consideration EU legislation, the setting up process of CF in Latvia was: Dec.2009. During the **EAFRD Monitoring Committee** it was decided to establish CF under RDP.

Feb.2010. During the **EFF Monitoring Committee** it was decided to establish CF under EFF.

Jun.2010. European Commission decision - **amendments RDP** in order to launch CF.

Jul.2010. **Cabinet of Ministers Regulation**

Aug.2010. regarding to the Cabinet Regulation RDF approved by the RDF board meeting - **Business plan**. Which describes launching of the CF and Fund functioning issues.

Sept.2010. was signed a **contract** between MoA, RDF and RSS about the launching of the CF for the set-up of the fund. About the sides responsibilities, monitoring, the fulfillment of the targets.

Okt. 2010 first loan was issued

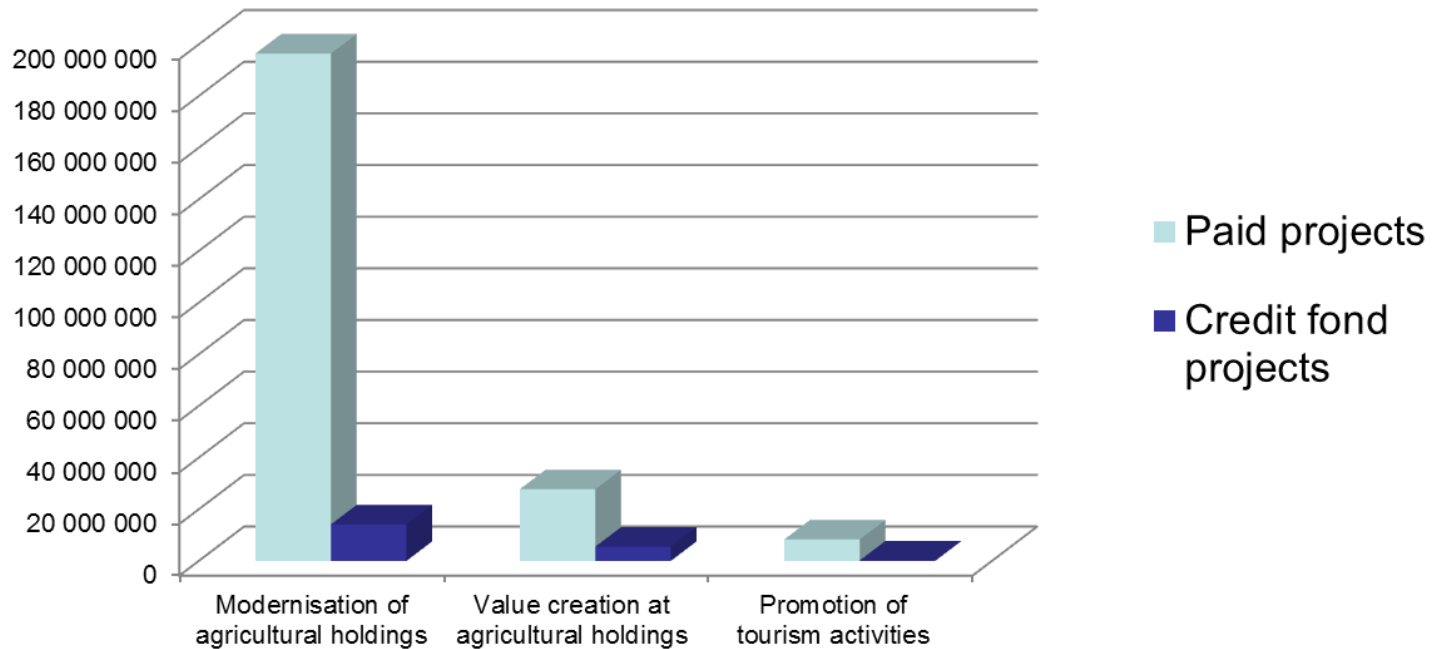


Responsible institutions

- Ministry of Agriculture
- Rural Support Service - Paying Agency
- Rural Development Fund - Credit Fund
- Credit institutions



The main impacts so far





Lessons learned

- Loans are provided only to credible clients, as the risks are assessed by credit institutions;
- When issuing loans, credit institutions give preference **to large projects**. MoA planing to envisage programme wich could really support small farmers or business starp up.
- Currently an utilization of the Credit Fund has slowed down, as regular loans are available. Credit Fund had an important role during period of economical crisis.



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Thank you

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