



EUROPEAN UNION



ESIF EAFRD FoF initiative in Greece

Information Notice

Introduction of an Interest Rate Subsidy

On May 7, 2025, the **European Investment Fund** and the **Ministry of Agricultural Development and Food** (“**Managing Authority**”) signed an agreement to implement an **Interest Rate Subsidy (IRS)** component to the existing financing instrument, a capped direct guarantee, currently deployed by participating Financial Intermediaries.

In the context of this Note, the participating Financial Intermediaries that have been selected for the Guarantee shall be eligible to implement the Interest Rate Subsidy component, under which the Financial Intermediaries opting to offer the IRS component shall transfer corresponding interest payment compensations to the Final Recipients. Furthermore, the duration of the IRS shall be consistent across all Final Recipient Transactions to which it is applied, contingent upon the availability of budgetary resources, and applicable to new loans executed **until the implementation deadline of December 31, 2025**.

The IRS shall subsidise an amount (the “**Interest Rate Subsidy Amount**”) corresponding to a reduction of up to **500 basis points p.a.** of the interest rate corresponding to *Eligible Interest Amounts* charged to Final Recipients in respect of eligible Final Recipient Transactions, subject to the following main terms and conditions (to be further specified in the Guarantee Agreement):

- The IRS shall apply for the first 5-year period of each new Final Recipient Transaction in which it is implemented, i.e. Eligible Interest Amounts accrued within 5 years starting from the day when amounts are first drawn under the relevant Transactions; and the duration of the IRS shall be equal for all Final Recipient Transactions to which it is applied, subject to available budgetary resources.
- The Terms and Conditions of the Guarantee **remain unchanged**.
- The gross grant equivalent (GGE) methodology with respect to Final Recipient Transactions benefiting from the EIF guarantee **remains unchanged**.
- The GGE in relation to the IRS will be a discounted amount of the IRS, with a discount rate based on the discounting methodology as set out in the EC communication on the revision of the method for setting the reference and discount rates (2008/C 14/02). The calculation of the GGE in relation to the IRS shall be the responsibility of the Financial Intermediary and performed according to the agreed methodologies, incorporated in a revised tool to be provided to the Financial Intermediary, as endorsed by the Managing Authority. The Financial Intermediaries shall ensure that the audit checks (including the applicable aid intensities set out in Annexe II of Regulation (EU) 1305/2013) described in the



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Excel file communicated by the Managing Authority to the Financial Intermediaries on 9 April 2024 are respected.

- Payment of the Interest Rate Subsidy: The Financial Intermediary may claim reimbursement of the Interest Rate Subsidy Amounts on a quarterly basis. EIF shall pay such amounts within 60 calendar days from the end of the payment demand date.

With the IRS implementation the Managing Authority and the EIF aim to enhance financial access for Final Recipients under the ESIF EAFRD FoF initiative in Greece by significantly lowering financial costs and offering loss protection to the participating Financial Intermediaries through the existing capped guarantee for newly originated loans or finance leases, financing investments, along with working capital for Final Recipients in Greece's agricultural and agro-industrial sectors.

Luxembourg,

23 May 2025