



## ANNEX III

### EAFRD ROMANIA FoF PRSL – INDICATIVE TERMS AND CONDITIONS

#### Important Disclaimer

This summary term sheet ("Term Sheet") is for information purposes only. This Annex III (including its Appendices) is an outline of the principal terms and conditions for the product described herein, which are subject to change and are non-exhaustive and which will be set out in detail in the PRSL Agreements.

This document is intended to provide a basis for discussions and does not constitute a recommendation, a solicitation, an offer or a binding commitment – either implicit or explicit – on the part of the European Investment Fund ("EIF") and/or any other person to enter into one or more transaction(s). Any finance commitment by the EIF can only be made, inter alia, after appropriate approval, conclusion of legal due diligence and finalisation of the required legal documentation. The EIF does not act as adviser to you or owe you any fiduciary duty. The EIF does not make any representations or warranties (whether explicitly or implicitly) with respect to the information contained in this document.

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Capitalised terms used in this Term Sheet and not otherwise defined herein shall have the meaning given to them in the Call for Expression of Interest.

#### 1. OVERVIEW

According to the conclusions of the ex-ante assessment entitled "Ex-ante Assessment for Financial Instruments within NRDP 2014-2020" and its updates (the "Ex-ante Assessment") and approved by the Ministry of Agriculture and Rural Development ("MARD") on 9 September 2016, a market failure was identified in the provision of finance to farmers and rural entrepreneurs in Romania, which results in a gap between the supply and demand for financing agriculture and non-agricultural activities in rural areas in an amount estimated to be around EUR 2.4 billion.

As an instrument to address the market failure evidenced in the Ex-ante Assessment, the Government of Romania (the "Member State" or MS"), represented by the MARD, entrusts EIF with the creation of a fund-of-funds (the "EAFRD Romania FoF" or the "FoF"). The FoF is financed by the European Agricultural Fund for Rural Development from the National Rural Development Programme (NRDP) and is co-financed by the MS out of its national budget and resources.

The objective of the FoF is to address the above market failure by facilitating access to finance to Final Recipients, in cooperation with selected Financial Intermediaries active on the Romanian market, through the implementation of a portfolio risk sharing loan ("PRS Loan" or "PRSL"), with two implementation options:

- (i) Loan co-financing grants for agricultural and non-agricultural rural investments, including investments financed under Leader;
- (ii) Stand-alone loan (i.e. without grant co-financing)

which will be set up under sub-measures 4.1, 4.1a, 4.2, 4.2a and 6.4 of the NRDP.

The FoF will also aim at allocating 20% of the available PRSL funding to financing of Micro Final Recipient Transactions (as defined in the Call for Expression of Interest).

The PRS Loan shall be available to Financial Intermediaries ("FIs" or "Borrowers") at a zero interest rate, while disbursed to Final Recipients, enabling them to pass on their reduced funding and credit risk costs directly to the Final Recipients. The risk sharing element allows the Borrower to share risk on the Final Recipient Transactions in accordance with the Risk-sharing Rate as described below.

The origination, due diligence, documentation and servicing of the Final Recipient Transactions shall be performed by the Borrower in accordance with its standard origination and servicing procedures. In this context, the Borrower shall have the sole direct client credit relationship with each Final Recipient.

Final Recipient Transactions (according to pre-defined eligibility criteria) will be automatically included in the portfolio, by way of submitting inclusion notices.

### **Drawing of the PRS Loan**

The PRSL Maximum Commitment available to a selected FI will be made available in tranches, subject to delivery of one or more extension notices by EIF. Except for the first tranche, EIF shall deliver extension notices unlocking further tranches of the PRSL Maximum Commitment based on achievement of pre-set levels of disbursement to Final Recipients of the tranche(s) of PRSL Maximum Commitment previously made available. Notwithstanding the foregoing, the unlocking of further tranches shall be at the full discretion of the EIF.

The PRS Loan is provided to the Financial Intermediary ex-ante/ex-post and in tranches, inter alia, on the basis of actual utilisation. In case of ex-ante financing, advanced tranches not yet disbursed to Final Recipients shall be remunerated on the basis of a commercial treasury and deposit rate (the "Treasury and Deposit Interest"). The aggregate amount drawn by a Borrower cannot exceed the PRSL Maximum Commitment amount.

### **Repayment of the PRS Loan principal**

The outstanding principal of the PRS Loan shall be repaid on a periodical basis (typically quarterly), by matching the principal repayment of the Final Recipient Transactions ("Pass-through Repayment").

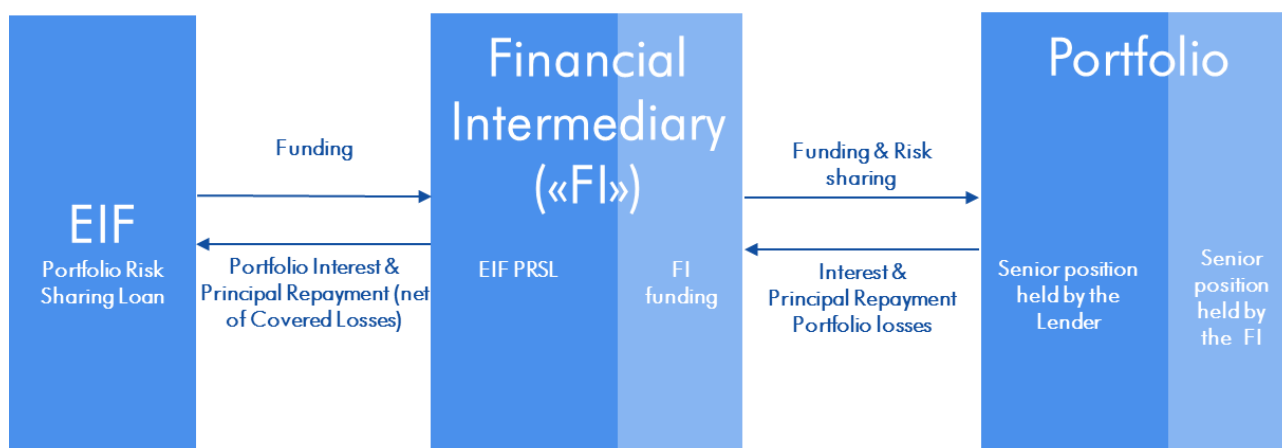
Further, as a result of the embedded risk sharing element (i.e. the Risk-sharing Guarantee as further detailed below), the outstanding principal amount of the PRS Loan shall be reduced by the Covered Losses.

The full drawdown of the PRS Loan by the Borrower shall occur by the end of the Inclusion Period or any other date determined by EIF.

Furthermore, during the Inclusion Period and upon notification by EIF, principal repayments from Final Recipient Transactions may be used by the Borrower to co-finance new Final Recipient Transactions to be included in the Portfolio.

### **Stand-alone Risk-sharing Guarantee**

In certain pre-defined cases (i.e. the PRSL Loan Acceleration Events, as further detailed below), the funding component of the PRSL shall be cancelled. However, the Risk-sharing Guarantee will continue to be effective in relation to Covered Losses incurred following the occurrence of a credit event as set out in section B below (i.e. a Final Recipient Transaction Default, a Final Recipient Transaction Acceleration or a Final Recipient Transaction Restructuring) and in accordance with the mechanism described in section C below.



## 2. INDICATIVE PRSL TERM SHEET

### A. General

PRS Loan	The risk-sharing loan provided by EIF to the FIs is a senior loan made available to (i) co-finance (at the Risk-sharing Rate) the origination of a portfolio of Final Recipient Transactions and (ii) share the credit risk related to the underlying portfolio of Final Recipient Transactions at the Risk-sharing Rate (i.e. Covered Losses), up to the respective pre-set PRSL Maximum Commitment.
PRSL Agreement	The agreement entered into between the Lender and a Financial Intermediary setting out the terms and conditions of the PRS Loan.
Lender	The European Investment Fund (EIF).
Financial Intermediary (FI or Borrower)	A bank, a financial or credit institution, an investment fund or other financial intermediary duly authorised to carry out lending activities according to the applicable legislation in Romania. Such institution shall comply with relevant standards and applicable legislation on the prevention of money laundering, the fight against terrorism and tax fraud to which it may be subject.

### B. PRS Loan co-financing and risk-sharing

Risk-sharing Rate	Up to 70%
FI Risk Retention	The Borrower shall undertake to maintain a minimum 20% risk retention on each Final Recipient Transaction at all times.
PRSL Maximum Commitment	The maximum aggregate amount of principal of PRS Loan that can be made available to a Borrower.
PRSL Commitment	At any time, the available portion of the PRSL Maximum Commitment. The PRSL Commitment shall not, in any case, exceed the PRSL Maximum Commitment.
Release of the PRSL Commitment	As further described in this section, the commitment by EIF to the FI of the available PRSL Maximum Commitment will be made, at EIF's discretion, in successive instalments of PRSL Commitment subject mainly to satisfactory levels of disbursement of the previously released PRSL Commitment (i.e. based on, inter alia, a list provided by the FI as

	<p>evidence of the amounts disbursed under Final Recipients Transactions, in form and substance satisfactory to EIF).</p> <p>Each increase of the PRSL Commitment will be effective upon receipt by the FI of an extension notice from EIF.</p>
Disbursement under the PRS Loan	The PRS Loan shall be available for drawdown ex-ante or ex-post.
PRS Loan Currency	EUR or RON.
Management Fee	<p>Means the fee paid to the Borrower for the servicing of the Portfolio as regards in particular the Borrower's obligations to monitor, report on and promote the facility.</p> <p>The Management Fee is payable annually in arrears and calculated on the basis of (i) disbursements under Final Recipient Transactions, (ii) principal repayments under Final Recipient Transactions and (iii) Recoveries paid to EIF.</p> <p>As part of the Management Fee and in addition to the above, an incentive fee would be paid to the Borrower for origination of Final Recipient Transactions under the Special Focus Group.</p> <p>Until 31 December 2023, the aggregate Management Fees (including the incentive fees) paid to a Financial Intermediary during a relevant calendar year shall be subject to maximum amounts set out in Article 13 of Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014. For the avoidance of doubt, the aggregate Management Fees paid to a Financial Intermediary during the full implementation of the PRSL shall not exceed 8% of the aggregate PRS Loans disbursed to the FI.</p>
PRS Loan Outstanding Principal Amount	Means the amount of principal outstanding under the PRS Loan, which corresponds to cumulative amounts disbursed to the Borrower and not repaid or reduced as a result of the application of PRS Loan Repayments, prepayments and/or Covered Losses.
Treasury and Deposit Interest	<p>The Borrower shall pay to the Lender on a quarterly basis the Treasury and Deposit Interest calculated for each interest period as the product of:</p> <p>(a) the Treasury and Deposit Interest Rate;</p> <p>(b) the ratio of the number of days in the interest period, divided by 360, and</p> <p>(c) the difference between:</p> <p>(x) the average of the PRS Loan Outstanding Principal Amount on each day during the interest period, and</p> <p>(y) the average of the aggregate outstanding principal of performing Final Recipient Transactions as of the last day of the preceding interest period and as of the last day of the relevant interest period, multiplied by the Risk-Sharing Rate.</p>
Treasury and Deposit Interest Rate	Means the sum of a reference rate (i.e. EURIBOR or ROBOR) and a margin p.a. set for the relevant Borrower.
PRS Loan Repayment	The repayment shall be made in the form of a Pass-through Repayment.
Prepayment of the PRS Loan	Prepayment of the full (but not a portion) of the PRS Loan Outstanding Principal Amount is possible at any time with no penalties applied.
Defaulted Amounts	a) Principal amounts (excluding interest, late payment or default interest,

	capitalised interest, fees and other costs and expenses ) due, payable and outstanding at such time following occurrence of either a Final Recipient Transaction Default or a Final Recipient Transaction Acceleration, or b) Any reduction in principal amounts due (excluding interest, late payment, default interest, capitalised interest, fees and other costs and expenses) as a result of a Final Recipient Transaction Restructuring.
Covered Losses	Means the amount equal to the product of Defaulted Amounts and the Risk-sharing Rate.
Final Recipient Transaction Default	Means that: (i) the Borrower considers at any time (acting reasonably in accordance with its internal procedures) that an Final Recipient is unlikely to meet its payment obligations under such Final Recipient Transaction (without recourse by the Borrower to action such as realisation of security); or (ii) a Final Recipient has failed to meet any payment obligation under the relevant Final Recipient Transaction which has continued for at least 90 consecutive calendar days.
Final Recipient Transaction Acceleration	Means the occurrence of an event of default (howsoever defined) under a Final Recipient Transaction which has entitled the Borrower to accelerate payment of any amounts owed to it and the Borrower has exercised such right of acceleration (or is prevented from exercising such rights of acceleration solely by application of mandatory laws and regulations preventing or staying the exercise of such right).
Final Recipient Transaction Restructuring	Means that the Borrower, acting in a commercially reasonable manner and in accordance with its standard internal procedures, agrees to the restructuring of a Final Recipient Transaction such that the amount of principal scheduled to be paid by the relevant Final Recipient is reduced, in order to improve the collectability of the claims arising from the relevant Final Recipient Transaction.
Servicing and Recoveries	The Borrower shall perform the servicing of the Portfolio, including monitoring and recovery actions (including the enforcement of any security) in relation to each defaulted Final Recipient Transaction, in accordance with its standard guidelines and procedures with a view to maximising Recoveries.
Recoveries	Recovery means each and every amount, net of recovery and foreclosure costs (if any), recovered or received by the Borrower, including by way of set-off, in respect of Defaulted Amounts, with the exception of any amounts received by the Borrower in accordance with the terms of a separate guarantee agreement with a guarantee institution on the portion of the Final Recipient Transaction not covered by the PRS Loan. For the avoidance of doubt, Financial Intermediaries shall respect the FI Risk Retention at all times.  All Recoveries shall be shared <i>pari passu</i> between the Lender and the Borrower, in the same proportion of the Risk-sharing Rate (i.e. up to 70%) The Borrower shall send to the EIF at any relevant time, but not later than 30 days of the end of each calendar quarter a recovery notice with an accompanying recoveries schedule and shall pay to the Lender any relevant amount, within three months of the end of each calendar quarter in which Recoveries are recovered or received by the Borrower.

Trigger Event	<p>EIF may include Trigger Events in PRSL Agreements, the occurrence of which entitles the Lender, but does not oblige it, to terminate the inclusions of new Final Recipient Transactions in the Portfolio without affecting the cover of the included Final Recipient Transactions.</p> <p>A Portfolio Trigger Event occurs if, on one or more specified dates during the Inclusion Period, sum of the initial principal committed amount of all Final Recipient Transactions included in the Portfolio does not reach a predetermined level.</p> <p>A Default Rate Trigger Event occurs if, on specified date(s) during the Inclusion Period, the aggregate outstanding principal amount of defaulted Final Recipient Transactions included in the Portfolio exceeds a predetermined level.</p>
PRS Loan Acceleration Events	<p>The PRSL Agreement will set out standard acceleration events such as cross default, change of control etc., the occurrence of which entitles the Lender to terminate the Inclusion Period, to cancel the available undrawn PRSL Commitment and to declare that all of the amounts accrued or outstanding under the PRS Loan shall be due and payable. The Risk-sharing Guarantee will survive in case of the occurrence of a PRS Loan Acceleration Event.</p>
PRSL Agreement Termination Events	<p>The PRSL Agreement will set out standard events of default (e.g. including non-payment of amounts due under the PRSL Agreement, material breach of obligation, insolvency, unlawfulness and misrepresentation).</p> <p>On and at any time after the occurrence of an event of default the Lender may, by notice to the Borrower, terminate the Inclusion Period and declare that all of the amounts accrued or outstanding under the PRS Loan shall be due and payable. The occurrence of an event of default may result in the early termination of the PRSL Agreement (including, for the avoidance of doubt, of the Risk-Sharing Guarantee).</p>
<b><u>C. Risk-sharing Guarantee</u></b>	
Risk-sharing Guarantee	<p>Means the irrevocable and unconditional financial guarantee granted by the Lender with the Borrower subject to the terms of the PRSL Agreement.</p>
Stand-alone Risk-sharing Guarantee	<p>Following the acceleration of the PRSL in the case of a PRS Loan Acceleration Event and repayment of all amounts accrued or outstanding under the PRS Loan, the Risk-sharing Guarantee will remain in force.</p>
Payment Demands	<p>In accordance with the terms of the Stand-alone Risk-sharing Guarantee, the Lender shall pay any amounts validly claimed by the Borrower within 60 calendar days of the relevant Payment Demand date. Payment Demands may be sent before, during or after the workout/recovery procedures in respect of a Final Recipient Transaction subject to a credit event and shall be:</p> <ol style="list-style-type: none"> <li>1. in respect of Defaulted Amounts relating to Final Recipient Transaction included in the Portfolio, provided that such Defaulted Amounts have been reported to the Lender by not later than the third Report Date following the calendar quarter in which such Defaulted Amounts have been registered; and</li> <li>2. sent during any given period from the last day of a calendar quarter to the following Report Date (a Payment Demand Period).</li> </ol>
<b><u>D. The Portfolio</u></b>	

Portfolio	The portfolio of Final Recipient Transactions originated by the Borrower and included under the PRSL on the basis of notices/reports received by the Lender from the Borrower.
Portfolio Volume	<p>Means the aggregate committed principal amount of all Final Recipient Transactions included in the Portfolio.</p> <p>Repayments under Final Recipient Transactions do not result in a reduction of the Portfolio Volume, which remains calculated based on the initial principal amount of the Final Recipient Transactions.</p> <p>However, the Portfolio Volume will be reduced by:</p> <ul style="list-style-type: none"> <li>- Excluded Final Recipient Transactions (see Exclusion Process); and</li> <li>- Amounts committed under Final Recipient Transactions and not disbursed to Final Recipients by the Disbursement End Date or cancelled by the Borrower.</li> </ul> <p>If, following the end of the Inclusion Period, the Portfolio Volume is reduced, the Borrower will be able to replace the amounts subject to the reduction with new Final Recipient Transactions under the conditions specified in the PRSL Agreement and by the Disbursement End Date.</p> <p>The Portfolio Volume cannot be higher than the Reference Portfolio Amount.</p>
Reference Portfolio Amount	The maximum size (in RON or EUR) of the Portfolio, which shall be increased in line with the release of the PRSL Commitment mechanism.
Portfolio Interest (if applicable)	In respect of the Risk-sharing Rate portion of each Final Recipient Transaction included in the Portfolio, the Borrower shall pay to EIF on a quarterly basis the Portfolio Interest at the Portfolio Interest Rate calculated in the same way as the interest rate on the relevant Final Recipient Transaction.
Portfolio Interest Rate	0%
Inclusion Period and inclusion process	<p>Inclusion Period means the period during which the Borrower shall originate Final Recipient Transactions to be included in the Portfolio.</p> <p>Such period shall typically last between 24 and 36 months (unless terminated earlier because of a Trigger Event, a PRS Loan Acceleration Event or a PRSL Agreement Termination Event) and may be extended in justified circumstances.</p> <p>Inclusions occur automatically upon receipt by the Lender of an inclusion notice submitted by the Borrower on a quarterly basis, typically one month after the end of each calendar quarter, and the Final Recipient Transactions are deemed to be covered from their respective signature date. Each quarterly inclusion notice shall concern new Final Recipient Transactions that have been entered into with Final Recipients during the preceding calendar quarter.</p>
Disbursement End Date	31 December 2023, which represents the date by which amounts committed under Final Recipient Transactions included in the Portfolio may be disbursed by the FI.
<b><u>E. Eligibility and other criteria</u></b>	
NRDP	Means the National Rural Development Programme for Romania, approved by the Decision 3508 of 26 May 2015 of the European Commission, as subsequently amended.
Final Recipient	Financial instrument provided by a Financial Intermediary to a Final Recipient

Transaction	and complying with the Eligibility Criteria set out in Appendix I to this Annex III.
Final Recipient	Means a natural or legal person authorised according to the legislation in force, which falls within the category of eligible beneficiaries defined in sub-measures 4.1, 4.1a, 4.2, 4.2a and 6.4 of the NRDP as defined in Appendix I to this Annex III.
Eligibility Criteria	<p>Final Recipient Transactions and the investments they finance, Final Recipients and the Portfolio, as relevant, will have to comply with a set of eligibility criteria.</p> <p>Additional criteria shall be set by EIF on a case-by-case basis, such as thresholds concerning eligible rating classes, minimum levels of portfolio granularity, portfolio percentage limits on bullet or balloon features of Final Recipient Transactions.</p> <p>A breach of any of the Eligibility Criteria shall result in an exclusion of the relevant Final Recipient Transaction from the Portfolio, save as specified in the Exclusion Process detailed below.</p> <p>A list of Eligibility Criteria is set out in Appendix I to this Annex III.</p>
Restricted Sectors	<p>The Final Recipients shall not have a substantial focus on one or more Restricted Sectors, available on EIF's website:</p> <p><a href="http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm">http://www.eif.org/news_centre/publications/2010_Guidelines_for_Restricted_Sectors.htm</a>, as this may be updated from time to time.</p>
Exclusion Process	<p>If a Final Recipient Transaction which has been included in the Portfolio does not comply with relevant Eligibility Criteria or any other requirements set out in the PRSL Agreement (or if the FI cannot prove such compliance), it shall be excluded from the Portfolio.</p> <p>However, if a Final Recipient Transaction is or becomes non-eligible 1) as a result of any event or circumstance beyond the control of the Borrower and 2) after a Defaulted Amount relating to such Final Recipient Transaction was reported by the Borrower to the Lender such Final Recipient Transaction shall not be excluded from the Portfolio.</p> <p>Similarly, if a Final Recipient Transaction is or becomes non-eligible 1) as a result of any event or circumstance beyond the control of the Borrower but 2) before a Defaulted Amount relating to such Final Recipient Transaction was reported by the Borrower to the Lender, then such Final Recipient Transaction shall not be excluded from the Portfolio if the Borrower accelerated payment of all amounts owed to it under such Final Recipient Transaction no later than on the Report Date immediately following the date on which it became aware of the same. However, if the Borrower does not accelerate such Final Recipient Transaction within the timeframe specified above then the relevant Final Recipient Transaction shall be excluded from the Portfolio and shall be deemed never to have been co-financed by the PRS Loan, nor covered by the Risk-Sharing Guarantee.</p> <p>The Portfolio Volume shall be adjusted following an exclusion from the Portfolio by deducting the committed principal amount of the excluded Final Recipient Transaction.</p> <p>If, after the end of the Inclusion Period, the Portfolio Volume is adjusted</p>

	pursuant to this section, the FI may include, within the limits of the committed principal amount of such excluded Final Recipient Transaction, one or more Final Recipient Transactions in the Portfolio provided that, inter alia, such inclusions are made by the Disbursement End Date.
State aid and Aid intensity rules	In respect of the Final Recipient Transactions included in the Portfolio, the FI shall ensure compliance with applicable state aid and aid intensity cumulation rules, as further detailed in Appendix III to this Annex III.
<b><u>F. Miscellaneous</u></b>	
Reporting - Report Date	The FI shall provide the Lender within 30 calendar days after the end of each calendar quarter and within 20 calendar days in respect of the last calendar quarter (the "Report Date") with quarterly information in a standardised form, including among others, information on the Final Recipient included in the Portfolio, Final Recipient Transactions entered into and relevant amounts outstanding, as indicatively set out in Appendix IV to this Annex III.
Monitoring and Audits	FIs and Final Recipient whose Final Recipient Transactions are included in the Portfolio shall agree to allow and to provide access to documents and premises related to the PRSL to the representatives of the European Commission (including the European Anti-Fraud Office (OLAF)), the European Court of Auditors, EIF, agents of EIF and/or any other European Union institution or European Union body which is entitled to verify the use of the PRS Loan and any other duly authorized bodies under applicable law to carry out audit or control activities, including the MS paying agency and the competent certifying body (audit authority). To that effect, the FI shall also include appropriate provisions in each Final Recipient Transaction agreement.
Compliance with Laws	<p>FIs shall comply in all respects with all applicable laws and regulations (whether national laws and regulations or laws and regulations of the European Union) to which it may be subject, including but not limited to any requirements under the NRDP.</p> <p>The FI shall include in the documentation evidencing the Final Recipient Transaction:</p> <p>(x) undertakings from the Final Recipients equivalent to those contained above; and</p> <p>(y) any representations, warranties and undertakings from the Final Recipients for the purpose of ensuring that each Final Recipient Transaction included in the Portfolio shall comply at any relevant time with the Eligibility Criteria.</p>
Publicity and Visibility	<p>FIs shall carry out adequate information, marketing and publicity campaigns, including through their website or alternative ways of communication, aimed at making the EAFRD Romania FoF known to potential Final Recipients.</p> <p>FIs shall ensure that the Final Recipient Transaction agreements, promotional materials, press releases and any publication on their website or alternative ways of communication contain pre-defined logos and a pre-set statement concerning the support obtained from the EAFRD Romania FoF.</p>
Governing Law and Language	The terms of the PRSL Agreement shall be in the English language and the PRSL Agreement will be governed by the laws of Luxembourg.

Appendices

Appendix I – Eligibility Criteria

Appendix II – Excluded Activities

Appendix III – State Aid and Aid Intensity Rules

Appendix IV – Indicative Reporting template

## **APPENDIX I** **ELIGIBILITY CRITERIA**

The Eligibility Criteria are composed of the:

- (i) NRDP Criteria (set out in Section A),
- (ii) Final Recipient Eligibility Criteria (set out in Section B),
- (iii) Final Recipient Transaction Eligibility Criteria (set out in Section C), and
- (iv) Portfolio Eligibility Criteria,

and as may be further supplemented or otherwise modified in the PRSL Agreement.

Each Final Recipient Transaction included in a Portfolio shall comply with (i) the NRDP Criteria relating to one of the Sub-measures 4.1, 4.1a, 4.2, 4.2a or 6.4 (as further set out below) and (ii) the Final Recipient Eligibility Criteria and the Final Recipient Transaction Eligibility Criteria, and the Portfolio shall comply with the Portfolio Eligibility Criteria.

Certain Eligibility Criteria shall be met at all times, while certain Eligibility Criteria shall only be met on the signing date of the relevant Final Recipient Transaction (or another date where specifically indicated in the PRSL Agreement).

A breach of any of the Eligibility Criteria shall result in an exclusion of the relevant Final Recipient Transaction(s) from the Portfolio, save as specified in the term “Exclusion Process”.

It should be noted that the Eligibility Criteria might be adapted during the implementation of the EAFRD Romania in order to cater for relevant market developments and legislative changes. In any case, any such change will not affect eligibility of Final Recipient Transactions already included.

### **Section A - NRDP Criteria**

The criteria set out in the table below addresses the specific NRDP eligibility criteria with respect to (i) the Final Recipients, (ii) the purpose of financing, (iii) the eligible operations to be financed, (iv) the eligibility conditions and (v) the transaction eligibility restrictions (the “Specific Eligibility Criteria”). Each Final Recipient Transaction to be included in the Portfolio shall fall under one of the following Sub-measures (and comply with all the relevant requirements corresponding to such Sub-measure):

- (i) Sub-measure 4.1 “Support for investments in agricultural holdings”;
- (ii) Sub-measure 4.1a “Support for investments in fruit-growing holdings”;
- (iii) Sub-measure 4.2 “Support for investments in processing/marketing of agricultural products”;
- (iv) Sub-measure 4.2a “Support for investments in processing/marketing of products in the fruit-growing sector”; or
- (v) Sub-measure 6.4 “Support for investments in creation and development of non-agricultural activities”.

Depending on this classification, only the Specific Eligibility Criteria in the relevant column in the table below need to be applied. For the avoidance of doubt, all the other Eligibility Criteria set out in the following sections B and C below are applicable to all Final Recipients and, respectively, all Final Recipient Transactions.

Sub-measure	Date of compliance	Sub-measure 4.1	Sub-measures 4.1a	Sub-measure 4.2	Sub-measure 4.2a	Sub-measure 6.4
Final recipients	Signing Date	Farmers defined in accordance with Regulation (EU) art. 4 of 1307/2013 as: <ul style="list-style-type: none"><li>natural persons authorized according to GEO 44/2008 with subsequent amendments and completions; or</li><li>legal entities set up under national law; or</li><li>groups of such natural and legal persons,</li></ul> as further specified below:		<ul style="list-style-type: none"><li>Micro, small and medium-sized enterprises according to Law 346/2004, with subsequent amendments and completions; or</li><li>Large enterprises<sup>1</sup> set up under national law; or</li><li>Farmers,</li></ul> as further specified below:		<ul style="list-style-type: none"><li>Micro-enterprises and small non-agricultural enterprises according to Law 346/2004, with subsequent amendments and completions, existing and newly established (startups) in rural areas; or</li><li>Farmers or members of the farm household diversifying their basic agricultural activity by developing a non-agricultural activity within an already existing enterprise that qualifies as a micro-enterprise or small enterprise,</li></ul> as further specified below:
		<ul style="list-style-type: none"><li>Authorized natural person (established under GEO 44/2008, as subsequently amended)</li><li>Individual enterprise (established under GEO 44/2008, as subsequently amended)</li><li>Family enterprise (established under GEO 44/2008, as subsequently amended)</li><li>Collective enterprise (RO: Societate în nume colectiv - SNC) (established on the basis of Law 31/1990 republished, as subsequently amended)</li><li>Limited partnership (RO: Societate în comandita simpla – SCS) (established on the basis of Law 31/1990 republished, as subsequently amended)</li><li>Joint stock company (established on the basis of Law 31/1990 republished, as subsequently amended)</li><li>Limited partnership with share capital (RO: Societate în comandita pe acțiuni - SCA) (established on the basis of Law 31/1990 republished, as subsequently amended)</li><li>Limited liability company (established on the basis of Law 31/1990 republished, as subsequently amended)</li></ul>				
		<ul style="list-style-type: none"><li>Commercial company (set up on the basis of Law 15/1990, as subsequently amended)</li><li>Research and development institutes, as well as R&amp;D, innovation and learning centers, including universities in charge of/ incorporating R&amp;D and learning centers (defined according to the national legislation in force regarding their organisation and functioning) in the field of agriculture governed by public or private law (established on the basis of the Government Decision on the establishment and functioning, in the case of those of public law, and on the basis of their statute, in the case of private law) - only for the agricultural production units registered with APIA. In the case of R&amp;D and learning centers subordinated to the agricultural universities, it will be considered that the project takes into account only the assets of the investment unit concerned and not the assets of the university (e.g. in case of calculation of the economic size)</li><li>Agricultural company (established on the basis of Law 36/1991, as subsequently amended)</li><li>Composesorates, communes (RO: obști) and other forms of ownership of land (referred to in Law 1/2000 for the restoration of ownership of agricultural and forestry land, as subsequently amended)</li><li>Cooperative enterprise (established on the basis of Law 1/2005, as subsequently amended), when investments made to serve the interests of its own members, which in the case of sub-measure 4.1a operates in the fruit growing sector</li><li>Agricultural cooperative (established on the basis of Law 566/2004, as subsequently amended), when investments made serve the interests of its own members who are farmers, which in the case of sub-measure 4.1a operates in the fruit growing sector</li></ul>	<ul style="list-style-type: none"><li>Cooperative enterprise (set up under Law 1/2005 republished, as subsequently amended), when investments made serve the interests of its own members, which in the case of sub-measure 4.2a operates in the fruit sector</li><li>Agricultural cooperative (set up under Law 566/2004, as subsequently amended), when investments made serve the interests of its own members, which the case of sub-measure 4.2a operates in the fruit sector</li><li>Producer groups (Government Ordinance 37/2005 with subsequent amendments), when investments made serve the interests of its own members, which in the case of sub-measure 4.2a operates in the fruit sector</li></ul>	<ul style="list-style-type: none"><li>Commercial company (set up on the basis of Law 15/1990, as subsequently amended)</li><li>Agricultural company (established on the basis of Law 36/1991, as subsequently amended)</li><li>Agricultural cooperative enterprise (first grade), consumer and craft cooperative society established on the basis of Law 1/2005, as subsequently amended), which, according to their statute, carry out non-agricultural activities</li><li>Agricultural cooperative (established under Law 566/2004, as subsequently amended)</li></ul>		

<sup>1</sup> Large enterprises are enterprises which do not fall within the definition of micro, small and medium-sized enterprises according to Law 346/2004

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		<ul style="list-style-type: none"><li>- Producer groups (GO 37/2005, with subsequent amendments), when investments made serve the interests of its own members who are farmers, which in the case of sub-measure 4.1a operate in the fruit growing sector</li></ul>					
		In line with the provisions set out in NRDP 2014-2020 on ensuring the demarcation between funds, producer organizations set up under GO 37/2005 <sup>2</sup> operating in the fruit and vegetables sector, recognized by MARD, are not eligible for NRDP financing (Pillar II), as they are financed from EAGF (Pillar I). Members of these associative forms may be eligible applicants.					
Purpose of financing	Continuing	Investments in agricultural holdings / acquisition of physical assets	Investments in fruit-growing holdings	Investment in processing and marketing of agricultural products	Investment in processing and marketing of products in the fruit-growing sector	Development of non-agricultural business activities in rural areas	
Eligible operations	Continuing	<ul style="list-style-type: none"><li>- Investments for setting-up, extension and/or modernization of livestock farms and vegetal farms</li><li>- Investments in on-farm processing of agricultural products as a component within a farm investment project, when the result is a product covered by Annex I to TFEU, as well as investments for marketing as on-farm shops or foodstuff trailer (RO: rulote alimentare) exclusively for agricultural products<sup>3</sup></li><li>- Investments for setting-up multi-annual crops, except for vineyards</li><li>- Investments for setting-up and/or modernization of on-farm irrigation installations, provided that the investment project was compliant with the provisions of article 46 of Regulation 1305/2013. A certificate from the competent authority to attest such compliance should be presented to the FI together with the loan application<sup>4</sup></li><li>- Purchase of live animals and annual plants</li></ul>	<ul style="list-style-type: none"><li>- Investments for setting up and/or modernization of fruit-growing farms as well as setting and reconversion of existing fruit-growing plantations (land clearing of a fruit growing plantation according to the law and replanting of the same species and/or different fruit growing species), modernisation of agricultural equipment and machineries</li><li>- Investments for setting up and/or modernization of fruit nurseries</li><li>- Investments in on-farm processing of fruits as a component within a farm investment project, when the result is a product covered by Annex I to TFEU, as well as investments for marketing as on-farm shops or foodstuff trailer (RO: rulote alimentare) exclusively for agricultural products<sup>5</sup></li></ul>	<ul style="list-style-type: none"><li>- Investments for setting-up, extension and/or modernization and endowment of processing units and investments in marketing including packaging and labelling capacities</li><li>- Investments for setting-up, extension and/or modernization of local networks of collection, reception, storage, conditioning, selection and packaging and labelling capacity, such as milk collection, reception, storage centres, cooling equipment, eggs collection, reception, storage and packaging centres, vegetables collection, reception, storage, selection and packaging centres, cereals and oil seeds collection, drying, calibration, conditioning, centres, etc</li><li>- Investments for improvement of internal quality control for processing and marketing of agri-foods products</li></ul>	<ul style="list-style-type: none"><li>- Investments for setting-up, extension and/or rehabilitation of fruit growing processing units and investments in marketing including packaging and labelling capacities</li><li>- Investments for setting-up, extension and/or rehabilitation of local networks of collection, reception, storage, conditioning, selection and packaging capacity, including specialised transport vehicles, such as fruit collection, reception and selection centres</li></ul>	<ul style="list-style-type: none"><li>- Investments for the production and marketing of non-agricultural products such as:<ul style="list-style-type: none"><li>o textile and leather products, paper and board articles;</li><li>o chemical and pharmaceutical products;</li><li>o logging and wood processing;</li><li>o metallurgical products, metal constructions, machinery and equipment;</li><li>o electrical and electronic products.</li></ul></li><li>- Investments related to provision of services and activities such as:<ul style="list-style-type: none"><li>o handicraft activities and other traditional non-agricultural activities (pottery, embroidery, manual processing of iron, wool, wood, leather etc.);</li><li>o medical, social, sanitary-veterinary services;</li><li>o domestic appliances repair services;</li><li>o advisory, accounting, legal, audit services;</li><li>o IT, consulting and administrative services.</li></ul></li><li>- Investments for the infrastructure in tourism units of agri-tourism type, projects for recreational activities</li><li>- Investments for the production of fuel from biomass for marketing (i.e for commercial purposes)</li><li>- Purchase of merchandise transport vehicles or other specialised transport means necessary for the non-agricultural activity</li></ul>	
		Investments for setting-up and/or modernization of access ways on farm, including utilities and connections			Investments for organization and implementation of quality management and food safety systems, if related to tangible investments of the project		
			<ul style="list-style-type: none"><li>- Purchase of merchandise transport vehicles necessary for the activity of the farm/processing unit</li><li>- Intangible investments (e.g. purchase or development of software, patents, licenses, copyrights, trademarks)</li><li>- Investments in production and use of renewable energy sources, except for biomass, as solar, aeolian, energy produced by heat pumps, geothermal, exclusively used for own consumption and investments to improve energy efficiency</li><li>- Investments in installations the primary purpose of which is electricity production from biomass exclusively for own consumption and complying with the provisions of art.13 (d) of Regulation807/2014 by providing of a minimum utilised heat energy percentage of 10% according to technical specifications of the equipment;</li></ul>				
		<ul style="list-style-type: none"><li>- Working capital may be eligible expenditure. Such eligible expenditure shall not exceed EUR 200 000 or 30% of the total amount of the eligible expenditure for the investment, whichever is the higher.</li><li>- Purchase of land not built on or built on shall not exceed 10% of the Final Recipient Transaction initial principal amount financed by the PRSL.</li></ul> <p>General costs linked to the eligaible investment, such as architect, enaioneer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies, according to Regulation 1305/2013, art.</p>					

<sup>2</sup> The list of producer organization is available at the following link: <http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html>

<sup>3</sup> Available at <http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html>

<sup>4</sup> The certificate will be issued by National Agency for Land Improvements (ANIF)

<sup>5</sup> Available at <http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html>

		45(2)(c). The expenditure related to the general costs can be performed before the submission of the Final Recipient Transaction application.
Eligibility conditions	See relevant paragraph for date of compliance	<ul style="list-style-type: none"> <li>- The Final Recipient Transaction applications must contain: <ul style="list-style-type: none"> <li>o Business plan and/or other reports that are requested by the Borrower in its normal course of business to assess and approve such Final Recipient Transactions;</li> <li>o Personal statement of the Final Recipient regarding the compliance to the national provisions in force in the public health, sanitary-veterinary and food safety sectors;</li> <li>o In case of energy production, a declaration by the Final Recipient together with the technical specifications of the installation justifying compliance with the provisions of art.13 (d) of R.807/2014 by providing of a minimum utilised heat energy percentage of 10% according to technical specifications of the equipment.</li> </ul> <p><i>Date of compliance: Signing Date</i></p> </li> <li>- Financing of VAT at the level of the Final Recipient Transaction is eligible only in relation to the investment financed through the PRSL. If the PRSL is used to co-finance a grant project, then only the VAT related to the part financed through the PRSL is eligible. <p><i>Date of compliance: Continuing</i></p> </li> <li>- In case the support through PRSL is combined with a grant financed under sM 4.1, 4.1a, 4.2, 4.2a and Leader<sup>6</sup> projects, the project(s) should first be selected for financing by the Paying Agency. The Financial Intermediary should decide on financing such project(s) independently of the grant financing and, as such, should the grant become ineligible during the implementation period this would not automatically lead to ineligibility of the Final Recipient Transaction. <p><i>Date of compliance: Continuing</i></p> </li> <li>- In case of support provided only through PRSL: <ul style="list-style-type: none"> <li>o The investment shall fall under at least one of the specific eligible operations as listed above;</li> <li>o In case of energy production from biomass, a declaration by the Final Recipient together with the technical specifications of the installation justifying compliance with the provisions of art.13 (d) of R.807/2014 by providing of a minimum utilised heat energy percentage of 10% according to technical specifications of the equipment;</li> <li>o For sub-measure 4.1a: the investment shall be made only in the territorial-administrative units presented under the annex relevant for the Thematic Sub-Programme, that can be accessed at the following link: <a href="http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html">http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html</a> and must be compliant with the zoning of the species covered by the above mentioned annex, except the crops in greenhouses (RO: sere și solarii) and nurseries;</li> <li>o For sub-measure 4.2a: the investment shall be made only in the territorial-administrative units presented under the annex relevant for the Thematic Sub-Programme, that can be accessed at the following link: <a href="http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html">http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html</a> and must be compliant with the zoning of the species covered by the above mentioned annex, except strawberries and crops in greenhouses (RO sere și solarii);</li> <li>o For sub-measure 6.4: the operation should be according to a list of eligible NACE codes<sup>7</sup> and the investment should be located in the rural area<sup>8</sup>.</li> </ul> <p><i>Date of compliance: Signing Date</i></p> </li> </ul>
Transaction eligibility restrictions		<ul style="list-style-type: none"> <li>- Irrigation (Art. 46 of Regulation 1305/2013): investments in irrigation are only possible under the extensive restrictions set out in Article 46 of the Regulation1305/2013 and subject to receipt of a certificate issued by the national authorities to the Final Recipient that the project is eligible<sup>9</sup>;</li> <li>- Business start-up aid according to art. 19 of Regulation 1305/2013 for (i) young farmers, (ii) non-agricultural activities in rural areas and (iii) the development of small farms is not eligible.</li> </ul>

<sup>6</sup> Projects financed through local development strategies managed at the level of local action groups (LAGs), which contribute to focus areas 2A (Improving competitiveness of the agricultural sector), 3A (Improving competitiveness of primary producers by better integrating them into the agri-food chain, including processing and selling agricultural products) and 6A (Facilitating diversification, creation and development of small enterprises, as well as job creation in the rural area). To be eligible for co-financing, the investment needs have to respond to the above priorities, which have been linked to the objectives of the sub-measures 4.1, 4.1 a, 4.2, 4.2a, and 6.4. In case of Leader projects corresponding to focus area 6A (sM6.4) the projects could be located in the LAG territory.

<sup>7</sup> The list of eligible NACE codes is available at <http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html> and will be set out in detail in the de minimis scheme governing investments under sub-measure 6.4

<sup>8</sup> The rural area consists of the entire number of communes, at the level of administrative-territorial unit, the commune representing the smallest administrative-territorial unit, NUTS 5 level. A list will be available at <http://www.madr.ro/pndr-2014-2020/instrument-financiar-de-creditare/documente.html>

<sup>9</sup> The certificate will be issued by National Agency for Land Improvements (ANIF)

## Section B - Final Recipient Eligibility Criteria

“Final Recipient Eligibility Criteria” means the following criteria:

No.	Final Recipient Eligibility Criteria	Time of Compliance
1.	The Final Recipient is established and operating within the territory of Romania.	Signing Date
2.	The Final Recipient, when subject to De Minimis State aid regime, is not subject to collective insolvency proceedings (or any equivalent concept) nor fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.	Signing Date
3.	The Final Recipient is potentially economically viable (as assessed by the Financial Intermediary in accordance with its internal procedures) and is not an “undertaking in difficulty” within the meaning of Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.	Signing Date
4.	The Final Recipient shall not be in an exclusion situation, as defined, from time to time, by EIF. <sup>10</sup>	Signing Date
5.	The Final Recipient shall not be established in a Non-Cooperative Jurisdiction.	Signing Date
6.	The Final Recipient does not have a substantial focus on one or more Restricted Sectors (which determination shall be made by the Financial Intermediary in its discretion based, without limitation, on the proportionate importance of such sector on revenues, turnover or client base of the relevant Final Recipient).	Signing Date

## Section C - Final Recipient Transaction Eligibility Criteria

“Final Recipient Transaction Eligibility Criteria” means the following criteria:

No.	Final Recipient Transaction Eligibility Criteria	Timing of Compliance
1.	The Final Recipient Transaction shall be newly originated.	Signing Date
2.	The investments supported by the financing provided under the Final Recipient Transaction shall be located in Romania.	Continuing
3.	The Final Recipient Transaction shall not be in the form of mezzanine loans, subordinated debt, quasi equity or convertible loans.	Continuing

<sup>10</sup> This eligibility criterion shall be deemed to be met based on undertakings or representations by the Final Recipient.

4.	The Final Recipient Transaction shall either have an amortising or a bullet/balloon repayment schedule, or be a revolving Final Recipient Transaction.	Continuing
5.	The investments to be supported by the Final Recipient Transaction: (a) shall not be physically completed or fully implemented at the date of approval by the Financial Intermediary of the Final Recipient Transaction. Moreover, only expenditure which has been incurred after a loan application has been submitted to the Intermediary shall be considered eligible, and (b) shall be expected to be financially viable (as assessed by the FI in accordance with its internal procedures).	Signing Date
6.	The Final Recipient Transaction shall not refinance or restructure an existing loan.	Continuing
7.	The Final Recipient Transaction shall not be used to finance tariffs.	Continuing
8.	The Final Recipient Transaction shall not finance an Excluded Activity (as defined in Appendix II to Annex III).	Continuing
9.	The Final Recipient Transaction shall not finance Ineligible Expenditure which includes: (a) the decommissioning or the construction of nuclear power stations; (b) investment to achieve the reduction of greenhouse gas emissions from activities listed in Annex I to Directive 2003/87/EC; (c) the manufacturing, processing and marketing of tobacco and tobacco products; (d) undertakings in difficulty, as defined under Union State aid rules; or (e) investment in airport infrastructure unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact.	Continuing
10.	The Final Recipient Transaction shall not be used to pre-finance grants (for the avoidance of doubt, the Final Recipient Transaction may be combined with grants, and subject to applicable state aid rules, cover the same expenditure item, provided that the sum of all forms of support does not exceed the total amount of the expenditure item concerned).	Continuing
11.	The Final Recipient Transaction shall fully reflect the favourable funding and risk sharing conditions of the PRSL whereby the customary interest rate applicable to the Final Recipient Transactions shall be replaced, for the risk-shared portion of the Final Recipient Transaction, with zero.	Continuing
12.	No Final Recipient Transaction shall be granted to a Final Recipient to which the FI has, in accordance with the Credit and Collection Policy at the time when the relevant Final Recipient Transaction is approved, assigned an internal rating worse than [•].	Signing Date
13.	The Final Recipient Transaction has a minimum scheduled maturity of not less than 12 months.	Continuing

14.	The Final Recipient Transaction shall comply with a Maximum Final Recipient Transaction Maturity of 120 months, provided that the scheduled maturity date of the Final Recipient Transaction may be longer, up to the closest end of calendar quarter.	Continuing
15.	The Final Recipient Transaction shall be denominated in either EUR or RON.	Continuing
16.	The amount committed by the Financial Intermediary under a Final Recipient Transaction shall not exceed EUR 1m, except that, in certain cases permitted by the NRDP only in the context of grant co-financing and subject to EIF's assessment, it may be up to EUR 4,6m, provided that, in each situation, applicable Union state aid and aid intensity rules are complied with.	Continuing
17.	The Final Recipient Transaction shall not be affected by an Irregularity or fraud.	Continuing
18.	The Final Recipient Transaction shall comply with the applicable EU state aid or aid intensity rules.	Signing Date and on each date on which one of the parameters used for the calculation of the GGE is changed
19.	Expenditure items financed by the Final Recipient Transaction may receive assistance from another ESI Funds or from another instrument supported by the budget of the EU, provided that: (i) such combination is in line with applicable EU state aid or aid intensity rules as set out in the NRDP; (ii) separate records are maintained for each source of assistance; and (iii) the sum of all forms of support does not exceeds the total amount of the expenditure item concerned.	Continuing

In addition, the Portfolio shall have to comply with certain Portfolio Eligibility Criteria which may be set by EIF on a case by case basis such as, for example, maximum percentages of the Portfolio Volume that may be allocated to (i) Final Recipients belonging to specific rating classes in accordance with the rating systems of the FI, (ii) bullet and balloon Final Recipient Transactions, (iii) Final Recipient Transactions with initial principal amount exceeding a certain threshold, (iv) start-ups as defined by the relevant Financial Intermediary in accordance with its applicable policy, etc.

## **APPENDIX II**

### **EXCLUDED ACTIVITIES**

The Final Recipient Transaction shall not finance Ineligible Expenditure which refers to and includes (but is not limited to):

- activities constituting pure financial transactions (such as trading in financial instruments);
- real estate development when undertaken as a financial investment activity;
- the provision of consumer finance;
- an illegal economic activity (i.e. any production, trade or other activity, which is illegal under the laws or regulations applicable to the Financial Intermediary or the relevant Final Recipient, including without limitation, human cloning for reproduction purposes);
- the production of and trade in tobacco and distilled alcoholic beverages and related products;
- the financing of the production of and trade in weapons and ammunition of any kind or military operations of any kind. This restriction does not apply to the extent such activities are part of or accessory to explicit European Union policies;
- casinos and equivalent enterprises;
- internet gambling and online casinos;
- pornography and prostitution;
- nuclear energy;
- activities which give rise to environmental impacts which cannot be adequately mitigated.

The binding and definitive list of Excluded Activities shall be set in the PRSL Agreement.

### **APPENDIX III**

#### **STATE AID AND AID INTENSITY RULES**

In respect of the Final Recipient Transactions included in the Portfolio, the FI shall ensure compliance with applicable State Aid and aid intensity cumulation rules.

- 1) In case of **agricultural activities** supported by EAFRD, support is exempted from EC notification under the art. 108 (3) of the Treaty, under the compliance with provisions of the EAFRD regulations. In this sense, for the support provided through financial instruments for investment in the creation and modernization of eligible farms under sM 4.1 and sM 4.1a and for processing of products of Annex 1 TFEU when resulting in a product included in Annex 1 TFEU, the aid intensities set out in Annex II of Reg. 1305/2013 shall be complied with, and in addition, when combined with a grant, the aid cumulation rule shall also be applied in order to comply with the maximum aid intensity allowed. In this respect, the FI should calculate the gross grant equivalent ("GGE") of support for each Final Recipient Transaction and ensure it does not exceed the maximum aid intensity set up at 50% of the total eligible expenditure covered by the loan. In case of co-financing loan, the GGE calculated by the FI will be communicated to the Final Recipient, who shall communicate this to the competent authority providing the grant (The Agency for Financing Rural Investments) to ensure that the sum of all forms of support (grant and GGE) observe the maximum intensity allowed for the respective investment.
- 2) For **non-agricultural activities**<sup>11</sup>, financial instruments are designed subject to the state aid component under de minimis rules set out in Commission Regulation (EU) No 1407/2013 (De Minimis Regulation). The total GGE together with other forms of support received by a Final Recipient over any period of three fiscal years is not higher than 200.000 EUR and at the same time should not exceed the maximum aid intensity rate applicable to the supported project. This is also applicable in case of co-financing loans (combination with grants).

Furthermore, for non-agricultural activities, the Borrower shall ensure compliance with the Competition Council Regulation dated 21 June 2016 regarding the Electronic State Aid Registry (REGAS). In this context, it is envisaged that Intermediaries will input the aid received by each Final Recipient through the instrument in REGAS.

In respect of Final Recipient Transactions, the Financial Intermediaries shall ensure compliance with the aforementioned applicable State Aid and Aid Intensity rules, in accordance with the following table:

Objective of the financing	Nature of the Final Recipient Transaction	
	<i>When the Final Recipient has declared that no other form of support is or will be granted or requested for the same investment (eligible expenditure) concerned.</i>	<i>When the Final Recipient has declared that other forms of support have been granted/requested for the same investment (eligible expenditure) concerned, specifying the GGE linked to the additional support and the maximum aid intensity provided for in the Relevant Rural Development Programme (RDP).</i>
Production of	GGE of the loan ≤ [maximum aid	GGE of the loan + sum of other forms of

<sup>11</sup> As part of non-agricultural activities, the processing of products when the output is not a product included in Annex 1 TFEU may be eligible and the rules applicable to this activity will be set out in detail in a national aid scheme.

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Agricultural Products and Transformation, (where the output of the transformation is an Agricultural Product), marketing or development of Agricultural Products	intensity set in the relevant measure of the NRDP]	support (NRDP grant amount and /or gross grant equivalent for other forms of support) $\leq$ [maximum aid intensity set in the relevant measure of the NRDP]
Non-agricultural activities	<i>When the Final Recipient has declared that no other form of support is or will be granted or requested for the same investment (eligible expenditure) concerned.</i>	<i>When the Final Recipient has declared that other forms of support have been granted/requested for the same investment (eligible expenditure) concerned, specifying the GGE linked to the additional support and the maximum aid intensity provided for in the NRDP.</i>
	<p>GGE of the loan + GGE linked to other de minimis support received over the relevant timeframe set out in the de minimis regulation, as declared by the Final Recipient, must not exceed EUR 200,000</p> <p>AND (if applicable)</p> <p>GGE of the loan <math>\leq</math> [maximum aid intensity set in the relevant measure of the NRDP]</p>	<p>GGE of the loan + GGE or grant linked to other de minimis support received over the relevant timeframe set out in the de minimis regulation, as declared by the Final Recipient, must not exceed EUR 200,000</p> <p>AND</p> <p>GGE of the loan + NRDP grant and/or GGE of other forms of state aid support granted for the same investment (eligible expenditure) concerned <math>\leq</math> [maximum aid intensity set in the relevant measure of NRDP or the relevant state aid scheme, whichever is lower</p>
Calculation of GGE	The GGE shall be calculated based on an excel tool to be provided by EIF, which shall be based on Article 4.3 of the de minimis Regulation.	

**APPENDIX IV**  
**INDICATIVE REPORTING TEMPLATE**

**Summary portfolio information**

Portfolio	Currency	Amount	% Maximum Portfolio Volume
Actual Portfolio Volume	EUR		
Maximum Portfolio Volume	EUR		

Final Recipient Transactions	Currency	Number (quarterly)	Quarterly Amount	Number (cumulative)	Cumulative Amount
Committed	EUR				
Disbursed	EUR				
Outstanding principal amount	EUR				
Defaulted (Losses)	EUR				
Recoveries	EUR				
Payment Demand	EUR				
Excluded	EUR				
Total number of SMEs supported	na				

**table A1 - Beneficiaries**

A.1.1.	A.1.2.	A.1.3.	A.1.4.	A.1.5.	A.1.6.	A.1.7.	A.1.8.	A.1.9.	A.1.10.	A.1.11.	A.1.12.	A.1.13.	A.1.14.	A.1.15.	A.1.16.	
Fiscal number	Beneficiary name	Address	Postal Code	Place	Region (NUTS Code)	Country	Date of establishment	Sector (NACE code )	Number of employees	Total Turnover EUR	Total Assets EUR	Small farm (Y/N)	Young Farmer (Y/N)	Natural person (Y/N)	Land size	Comments

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table A2 - New transactions

A.1.1.	A.2.1.	A.2.1.1.	A.2.2.	A.2.3.	A.2.3.1.	A.2.4.	A.2.4.1.	A.2.5.	A.2.5.2	A.2.6.	A.2.6.1.	A.2.7.	A.2.8.	A.2.8.1	A.2.9	A.2.10.	A.2.12.	A.2.13.	A.2.15.	A.2.16.	A.2.16.1	A.2.17	A.2.18	A.2.19	
Fiscal number	Transaction reference	Transaction type	Transaction currency	Purpose	Activity sector of investment (NACE code)	Total Eligible Project Cost	of which working capital	Transaction principal amount	linked to investment (Transaction reference)	Transaction Maturity (months)	Grace period (months)	Transaction signature date	Repayment frequency	First disbursement date	Investment location (NUTS)	Amortisation Profile	Reference Rate	Interest rate / margin over Reference	Loss Given Default	Value of Collateral	Main type of collateral	Publication of SME (Y/N)	Gross Grant Equivalent amount	Type of Operation	Comments

*Optional,  
needed only in  
case of  
working capital  
linked to  
investment  
being provided  
via a separate*

table A2 continued

table B - Included transactions

A.1.1.	A.2.1.	B.1.	B.2.	B.2.1.	B.3.	B.5.	B.6.	B.7.
Fiscal number	Transaction reference	Cumulated disbursed principal amount	Transaction outstanding principal amount	Theoretical / Contractual outstanding amount	End of disbursement period	Beneficiary scoring	Beneficiary rating model used	Defaulted Beneficiary Transaction date

Annex III to the Open Call for Expression of Interest to select Financial Intermediaries  
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table D - Expired/repaid transactions

A.1.1. UIC number	A.2.1. Transaction reference	D.1. Repayment date
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table E - Excluded transactions

A.1.1. UIC number	A.2.1. Transaction reference	E.1. exclusion_date	E.2. exclusion_type	E.3. excluded_transaction_amount	E.4. coverage_implication
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table PD - Payment demand

A.1.1. UIC Number	A.2.1. Transaction reference	C.1. Event date	C.2. Transaction Currency	C.3. Loss amount in principal	C.4. Unpaid interest	C.5. Recovery amount
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table LR - Loss recoveries

A.1.1. UIC number	A.2.1 Transaction reference	Recovery payment currency	C.2.1. Applied FX Rate	C.6. Recovery Date	C.7. Recovery Amount
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