

**FIRST CLARIFICATION DOCUMENT**

(a second document will be published if more clarifications requests are sent within deadline of 21/01/21)

**Call for Expression of Interest to select financial intermediaries under a fund of funds established in cooperation between Junta de Andalucía and the European Investment Bank (“EIB”) for the implementation of a guarantee financial instrument to provide loans and financial leases to the agricultural and agro-industrial sectors in the context of the COVID-19 crisis (“Fund of Funds Agri Andalucía”)**

Reference: CEoI-1612

**General recommendation for sending the applications during the COVID-19 crisis:**

**During this sanitary crisis the Postal services in many European countries are undergoing significant delays, it is strongly recommended to use an express delivery service (DHL/TNT/DPD/...).**

| No | Question   | Answer  |
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| 1  | Is it possible to have an extension of the deadline for submission of EoI?           | Yes. New dates were published on 19/01/2021.<br><a href="https://www.eib.org/en/products/blending/esif/eoi/cft-1612">https://www.eib.org/en/products/blending/esif/eoi/cft-1612</a> |
| 2  | Is the Guarantee Rate and Guarantee Cap Rate confirmed at 80% and 25%, respectively? | Yes   |

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| 3 | <p>In the Guarantee Agreement, will there be any kind of penalization for not reaching a certain level of portfolio threshold (other than the trigger event)?</p>  | <p>There is no penalty in case the Financial Intermediary does not reach the preagreed portfolio threshold proposed by the applicant. However, please note that,</p> <p>(i) as stated in Section 4.a.1 of the CEOI’s main document, “the EIB as FoF Manager at its discretion and subject to the endorsement of the Investment Board shall be entitled to reduce its commitment to the Financial Intermediary (Maximum Portfolio Volume) to reflect its effective performance and, reallocate it to other Financial Intermediary(ies) [.]”</p> <p>and</p> <p>(ii) as stated in Section 2.a. of Annex 5, the EIB may include Trigger Events in the Guarantee Agreements, the occurrence of which entitles the EIB, but does not oblige it, to terminate the inclusions of Final Recipient Transactions in the Portfolio without affecting the cover of the included Final Recipient Transactions.</p>   |
| 4 | <p>Is the de minimis regulation applying only for activities not covered by Annex I of the TFEU? In this case, what is the maximum amount of loan that can be lent to a recipient? Is this limit calculated based on NIF or on single transaction?</p> | <p><b>a) Is the de minimis regulation applying only for activities not covered by Annex I of the TFEU?</b><br/> For the purpose of this Financial Instrument, <i>de minimis</i> regulation applies only to activities not covered by Annex 1 of the TFEU.</p> <p><b>b) In this case, what is the maximum amount of loan that can be lent to a recipient?</b><br/> As set in parag. 2 in Section 5 of Annex 5,</p> <p style="padding-left: 40px;"><i>(“The gross grant equivalent (“GGE”) of each Loan cannot exceed 50% of the total eligible cost of the investment project (including, for the avoidance of doubt, any eligible expenditure, including working capital). <b>Additionally</b>, in case of activities not covered by Annex I of the TFEU, the Final Recipients will be subject to the limits related to the Regulation 1407/2013 (de minimis aid)“)</i></p> <p>In case of activities not covered by Annex I of the TFEU, <u>both limits</u>, (GGE not to exceed 50% of the total eligible cost of the investment</p> |

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|   |  | <p>project AND de minimis aid regulation limit) have to be fulfilled. The maximum amounts under the De minimis Regulation can be calculated in different ways, as set out in Article 4 of the De minimis Regulation.</p> <p>Please also take into account the general transaction amount limit set out in Point 11 of Section 3.b. <a href="#">Eligibility Criteria for Final Recipient Transactions</a> and the portfolio concentration limit set out in Point 1 of Section 3.c. <a href="#">Eligibility Criteria for the Portfolio</a> of Annex 5.</p> <p><b>c) Is this limit calculated based on NIF or on single transaction?</b><br/>See Article 3.2 of Regulation 1407/2013.</p> |
| 5 | In Annex 5 section 3b, subsections 16 and 17 there is mention to the RDP threshold. Can you please clarify this amount?  | 50%  |
| 6 | Could you confirm that there is no eligibility limitations to the size of the recipient? Are companies that are not SMEs (i.e. “big caps”) eligible as well?                           | There is no limit set by the De minimis Regulation or by the Financial Instrument’s eligibility criteria regarding the size of the enterprise. However, please note that, as stated in Point 9 of Section 3.a. <a href="#">Eligibility Criteria for Final Recipients</a> and Point 5(c) of Section 3.b. <a href="#">Eligibility Criteria for Final Recipient Transactions</a> of Annex 5, for working capital <u>only</u> financing, eligibility is limited to SMEs and for a limited amount.<br>See also answer to question 8.  |
| 7 | For a recipient to be eligible, is it sufficient to only have the CAP (common agricultural policy)? Many times farmers carry on their agricultural activities as a secondary activity. | Regarding the eligibility requirements for Final Recipients for Operation 4.1.4 and Operation 4.2.3., please see Sections 3.a. <a href="#">Eligibility Criteria for Final Recipients</a> and Section 3.d <a href="#">Final Recipient eligibility criteria</a> set in Annex 5.  |

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| <p>8</p> | <p>We understand that work capital (financing a client liquidity needs, such as financing through revolving credit facilities) is not generally allowed unless it is tied to an investment in tangible or intangible asset or, in the case of SMEs, to provide an effective response to a public health crisis.</p> <p>Can you please confirm?</p> <p>How should SMEs prove the use of funds in case of working capital (public health crisis)?</p> <p>Is it implied that the Covid-19 pandemic is a public health crisis and that therefore there would not be any justification required?</p> <p>What would mark the end of the public health crisis related to Covid-19, i.e. from when would SMEs not be allowed to use funds as working capital?</p> | <p><b>a) [...] Can you please confirm?</b><br/> The final recipients of the working capital line not linked to investment in tangible or intangible assets have to be SMEs and for a limited amount, and as health crisis response measure (Point 5.c., Section 3.b. of Annex 5) (hereinafter a “COVID-19 Working Capital Only” Final Recipient/ Transaction).</p> <p><b>b) How should SMEs prove the use of funds in case of working capital (public health crisis)?</b><br/> For the purpose of a “COVID-19 Working Capital Only” Final Recipient Transaction, the Financial Intermediary shall not be required to,</p> <ul style="list-style-type: none"> <li>(i) retain a business plan or equivalent documents or</li> <li>(ii) prove that the financing granted under the relevant Final Recipient Transaction is used (including for the purpose of the costs and expenditures incurred) for its intended purpose.</li> </ul> <p>See also answer to subquestion 8.c. below.</p> <p><b>c) Is it implied that the Covid-19 pandemic is a public health crisis and that therefore there would not be any justification required?</b></p> <ul style="list-style-type: none"> <li>• The assessment of status of the Final Recipient as a “COVID-19 Working Capital Only” Final Recipient shall be established as at the signing date of the “COVID-19 Working Capital Only” Final Recipient Transaction and shall be based on: <ul style="list-style-type: none"> <li>(i) the Final Recipient being an SME; and</li> <li>(ii) a self-declaration stating a reduction of the expected/incurred revenues of the Final Recipient for 2020 and, respectively, if such assessment is made in 2021, for 2020 and 2021 compared to 2019, and so on.</li> </ul> </li> </ul> |
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|   |  | <ul style="list-style-type: none"> <li>The Financial Intermediary shall make an evidenced assessment on the basis of available financial information to confirm that a reduction of the expected/incurred revenues of the Final Recipient for 2020 and, respectively, if such assessment is made in 2021, for 2020 and 2021, has taken place compared to 2019, and so on.</li> </ul> <p><b>d) What would mark the end of the public health crisis related to Covid-19, i.e. from when would SMEs not be allowed to use funds as working capital?</b></p> <p>As stated in Point 5(c) of Section 3.b. Eligibility Criteria for Final Recipient Transactions of Annex 5 the “COVID-19 Working Capital only” line will be available with the same time horizon as the rest of the lines for investment and working capital unless otherwise communicated by the Managing Authority.</p>  |
| 9 | <p>With regards to 7.b.3. Description of the product, since we apply different prices in function of the clients’ segment (self-employed, micro company, small company, mid-sized company, etc.), is it acceptable to provide you with one table for each of these segments?</p> | <p>The Applicant may choose to provide separated tables for each of the segments but the Applicant must also provide the aggregate tables by NACE codes (A and C) required in Section 7.b.3.</p> <p>In case of the Applicant applying different prices in function of the clients’ segment, the aggregate tables by NACE codes <u>should be weighted</u> by the estimated volume of loans to be granted in each segment. The estimated weighting used for the calculations should be stated in the document.</p> <p>Please note that as stated in Section 7.b.3 the transfer of benefit values provided by the Applicant in the tables therein may be transposed if applicable into a contractual obligation for the Applicant, if selected. Accordingly:</p> <p style="padding-left: 40px;">In case of different pricing policies, thus provision by the Applicant of the NACE code aggregated tables weighted by the expected volume of loans to be provided in each of the segments,</p> <p>then,</p> |

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|  |  | the estimated volume allocations by client segment used by the Applicant for the calculation of the prices provided in those tables may be transposed if applicable into a contractual obligation for the Applicant, if selected. |
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The foregoing clarification document shall form an inseparable part of the procurement documents.