

Garfondas / Lithuania

Total volume of outstanding guarantees reaches mEUR 99.9 (+25%) (H2 2020)

1,149 supported SMEs in portfolio (H2 2020)

New production (in units) in H2 2020 178 (+65%)

In order to reduce the impact of the coronavirus pandemic and help small and medium-sized enterprises to counter the damage inflicted by the COVID-19 outbreak, the Lithuanian Agricultural Fund - **Garfondas** has implemented an overall package of measures ranging from guarantees to soft loans and compensation instruments.

With regards to guarantees, **Garfondas** has implemented the so called **COVID-19 Individual guarantees programme** aiming at providing aid in the form of guarantees for loans or leasing for SMEs active in agriculture, agricultural production and processing sector, forestry, rural development, aquaculture and fisheries. The financial support is offered for the following purposes:

- to finance investments;
- to supplement working capital (performance of concluded contracts, settlement with suppliers and subcontractors, purchase of agricultural products, other necessary expenses to support economic activities);
- payment of wages and related taxes.

The financial support is offered on more favourable terms than usual and the guarantee is provided for loans or leasing services up to mEUR 5. The amount of the loan is calculated in accordance with the Temporary Framework for State aid measures.

The guarantees under the **COVID-19 Individual guarantees programme** are provided for a maximum of 6 years and have a coverage rate of 90% or 35% of the loan amount.

Under this measure, up to now, **Garfondas** issued a total number of 10 guarantees with a total amount of mEUR 8.

Further, in order to increase the availability of financial support and reduce the borrowing costs for farmers, agricultural entities and SMEs during the COVID-19 outbreak, **Garfondas** has also offered soft loans under the **Liquidity loans for economic operators in the production, processing and marketing of agricultural and fishery products during the COVID-19 outbreak**. The loans are issued via a network of financial intermediaries.

With a total amount of mEUR 134.8, the financial support under this programme is offered for the following purposes:

- acquisition of short-term and biological assets;
- to fulfill concluded contracts, settle accounts with suppliers and subcontractors;
- to pay wages and related taxes;
- other expenses necessary to support economic activities.

The total amount per final beneficiary is mEUR 1 for a maximum period of 36 months. This type of financial support is subject to an administration fee calculated by applying up to 2 percent of the loan amount, but not less than EUR 150 and not more than EUR 2,500. On borrower request, a deferral of up to 1 year may be applied.

Until the end of 2020, **Garfondas** issued a total number of 672 loans with a total amount of mEUR 88.5.

To soften the consequences of the coronavirus outbreak, **Garfondas** is also administering the **Compensation of guarantee fee and interest rate for loans and leasing** both for financing covered by **Garfondas** guarantee or not. This type of support is offered for financing with the following purposes:

- to finance investments; purchase of agricultural machinery, other production equipment and / or facilities (leasing);
- for the acquisition of short-term and biological assets;
- for cooperatives to purchase agricultural products from their members (engaged in the processing and / or marketing of agricultural products);
- payment of wages and related taxes.

The total number of 603 SMEs have received mEUR 0.9 in compensations until the end of 2020.

More information on **Garfondas**'s measures can be found under the following link:
<https://garfondas.lt/lt/>

Latest update: 2nd February 2021

