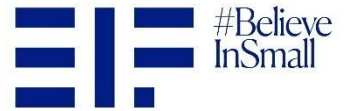




EUROPEAN UNION



AGRI Multi-Regional Guarantee Platform for Italy - Regione Piemonte -

Progress Report as at 31/12/2021



The European Agricultural Fund
for Rural Development: Europe
investing in rural areas

Table of Contents

1. Mandate overview	3
1.1 Overview as of 31 December 2021	4
2. Background	5
2.1 Progress on implementation of the Platform	6
2.1.1 Audits and irregularities.....	8
2.1.4 Publicity	9
2.1.5 Litigation.....	9
2.1.6 Monitoring activities	9
3. Situation of the Fund of Fund	10
3.1 Key figures of the operational agreements	10
3.2 Guarantee operations.....	11
3.2.1 Information on Financial Intermediary.....	11
3.2.2 Aggregate Final Recipient portfolio analysis.....	12
3.2.3 Guarantee Calls / Recoveries.....	12
3.2.4 Breakdown by Final Recipient Transaction size.....	13
3.2.5 Final Recipient Portfolio Breakdown by Number of Employees	14
3.2.6 Final Recipient Portfolio Breakdown by Sector (NACE lev.2)	15
4. Financial Information	16
4.1 Annual Cash Report on EUR-Account.....	16
4.2 Management fees and costs	17
5. Contacts	17
6. List of annexes	18
6.1 List of Final Recipients.....	18
6.2 Address of the Financial Intermediaries	18

1. Mandate overview

Name of Regional Fund-of-Funds	ESIF - EAFRD - IT Agri Platform – Piemonte (AGR07)
Name of Entrusted Entities	EIF
Region	EUR 5,000,000
out of which EAFRD	EUR 2,156,000
out of which, national co-financing	EUR 2,844,000
Funding Agreement Signature Date	05/02/2018
Currency	EUR
Commitment Period	From 05/02/2018 to 31/12/2023
Termination Date	31/12/2037
Type of Financial Instrument	Uncapped Guarantee

Full Name of Operational Programme	Rural Development Programme of the Region Piemonte (CC: 2014IT06RDRP009)
Priority (Focus Area)	<p>P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forest / FA 2A Improving the economic performance of all farms and facilitating farm restructuring and modernization, notably with a view to increasing market participation and orientation as well as agricultural diversification;</p> <p>P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture - FA 3A Improving competitiveness of primary producers by better integrating them into the agri-food chain;</p>
Sub-measures supported by the Financial Instrument	<p>4.1 Support for investments in agricultural holdings</p> <p>4.2 Support for investments in processing/marketing of agricultural products</p>

1.1 Overview as of 31 December 2021

		Total cumulative as at 31/12/2021	
		EUR	% of Region Contribution Committed
MS Contribution	Region Contribution Committed	5,000,000	
	out of which EAFRD	2,156,000	
	out of which, national co-financing	2,844,000	
	Region Contribution Paid	1,250,000	25.0%
	out of which EAFRD	539,000	
	out of which, national co-financing	711,000	
	EIF Contribution in IT Agri	4,500,000	
	Management Fees paid	34,177	0.7%
	out of which base fees	24,627	
	out of which performance fees	9,550	
	Proceeds of Operations	70,514	
Operations and Financial Intermediaries	Disbursements to Financial Intermediaries (1)	337,500	
Final Recipients	Disbursements to Final Recipients	675,000	
Leverge effect	Expected leverage		4.0
	Achieved leverage		0.1

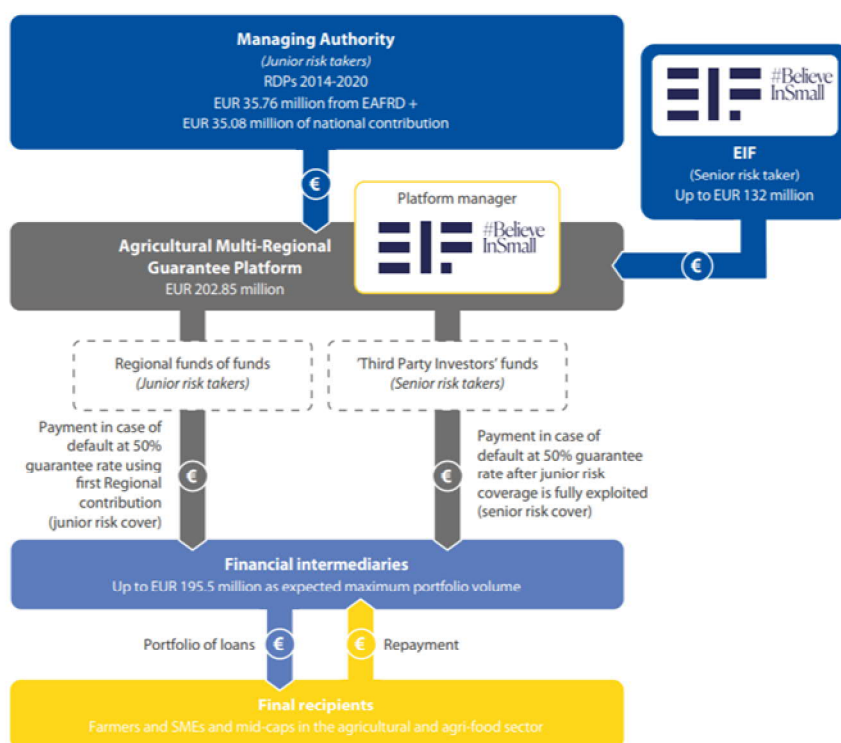
(1) Disbursements to Financial Intermediaries = Disbursements to Final Recipients * Guarantee Rate

	Total cumulative as at 31/12/2021
Region Contribution Committed	5,000,000
FA 2A	2,000,000
FA 3A	3,000,000

2. Background¹

In line with the provisions of the ex-ante analysis and the overall strategy of the Rural Development Programmes (RDPs), through the signatures in November 2017 of the Funding Agreement with the EIF and the Managing Authorities of the RDPs of Apulia, Campania, Calabria, Emilia Romagna, Piedmont, Puglia, Veneto, Umbria and Tuscany entrusted the EIF for the implementation of a Fund of Regional Funds ("FdF"), in accordance with Article 38(4)(b)(i) of Regulation (EU) No 1303/2013). The objective of the FdF is to facilitate access to financing in the agricultural and processing sectors through the implementation of an unlimited portfolio guarantee to support investment measures under sub-measures 4.1 (support for investments in agricultural holdings) and 4.2 (support for investments in the processing/marketing and/or development of agricultural products). The FdF operates within a multi-regional platform which is also open to membership by other Managing Authorities within the terms set out in the Funding Agreement.

As regards the financial product used under the FdF, this is an uncapped guarantee covering 50 % of the risk of losses on debt financing products that will be disbursed to final recipients by the financial intermediaries selected by the EIF. The financial contribution from the RDP of the Regions covers the risk of the first losses of the instrument. The selected financial intermediaries will have to maintain a credit risk exposure of 50 % (pari passu) for each debt financing at all times. There is no provision for mutualisation of any losses between MAs, so the contribution from each RDP covers the first losses on loans granted to final recipients in their own territory.



The financial instrument aims to have a minimum leverage effect of 4x, compared to the net contribution paid by the MA (for the purposes of Article 42 (1) (b) of Regulation (EU) No 1303/2013) to be achieved by the end of the eligibility period. Thanks to the intrinsic characteristics of the instrument, it is possible, on the occurrence of some of the circumstances

¹ Capitalised terms that are not defined in this report shall have the same meaning set forth in the Funding Agreement.

provided for in the Funding Agreement and on the basis of the risk of each underlying portfolio, to achieve a target leverage in excess of the minimum that varies from one region to another.

As regards the implementation, the investment strategy agreed in the Funding Agreement, provides for the selection by the EIF of the financial intermediaries who will be required to provide debt financing to final recipients in the Region and, subject to verification of the eligibility criteria laid down in the operational agreements signed between the EIF and the selected financial intermediaries, include this debt financing in the portfolio guaranteed by the FdF. Any final recipient covered by the guarantee may obtain favorable conditions such as lower interest rates than ordinary interest rates and/or have to lend less collateral.

The total contributions at platform level amount to EUR 202.85m, of which EUR 70.85m comes from the eight regions participating in the platform (EAFRD contribution and national co-financing) and up to EUR 132m are committed by the EIF to cover senior risk. The contribution of each region varies from EUR 5m to EUR 15m, depending on the managing authority. The platform can support a portfolio of up to EUR 391m, with a planned leverage on regional resources of 4 to 5,6 times in each region.

2.1 Progress on implementation of the Platform

Selection of the Financial Intermediaries - Call for Expression of Interest and Operational Agreements

The selection of Financial Intermediaries by the EIF is carried out through a Call for Expression of Interest approved by the Investors Board during the first meeting and subsequently published on the EIF website on 24 January 2018. By the end of the call deadline, the following 7 intermediaries signed Operational Agreements with the EIF thus making the financial instrument operational: Credem, ICCREA Banca d'Impresa, Banca Popolare Pugliese, Banca Popolare di Puglia and Basilicata, Monte dei Paschi di Siena, Credito Valtellinese, Banca Cambiano.

The resources made available by the participating Regions are allocated with the following distribution in each of the participant Regions:

Regional FoF	CREDEM	ICCREA	CREVAL	BPP	BPPB	Cambiano	MPS
Calabria	X	X					X
Campania	X	X		X			
Emilia-Romagna	X	X	X			X	X
Piemonte	X	X	X			X	X
Puglia	X	X		X	X		X
Toscana	X	X	X			X	X
Umbria	X	X	X				
Veneto	X	X	X				X

At the date of this report, Banca Cambiano, CREDEM and Banca Popolare Puglia and Basilicata has not yet ended the eligibility period and therefore they may include new transactions. By contrast, for MPS the eligibility period ended on 14/05/2021, while for Banca CREVAL, ICCREA and Banca Popolare Pugliese it ended on 31/12/21. The availability periods of these banks were not extended beyond the dates indicated due the implementation disruption mentioned below.

Implementation disruption and actions taken

This project started in the context of the recognition of an important market gap in the agricultural credit sector in Italy. The results of the analysis carried out by the National Rural Network with ISMEA on the lack of access to credit for farmers had recently been published. The two main Italian banks, Unicredit and Banca Intesa, had signed memorandum with the Ministry of Agriculture, committing to increase the supply of credit to the sector by EUR 5 billion each in the three-year period 2018/2020. The provision of public guarantees and other forms of financial support in this segment was particularly low, given the limitations in place for the SME Guarantee Fund managed by Mediocredito Centrale to issue the guarantee to farmers. Everything seemed to support the assumption that a guarantee instrument such as the one that was supposed to launch was very useful to the market.

When the announcement to banks for the collection of expressions of interest was launched, it was immediately understood that banks' real interest in participating in this initiative was lower than expected. The two major banks that signed the protocols with the Ministry did not apply. The EIF then changed its strategy, trying to identify the possible solution for the implementation of the instrument in the Cooperative Credit Banks system and in a network of other local banks. Unfortunately, delays in the process of reforming the Cooperative Banks system, together with the difficulties of other banks, caused further delays.

Due to its experimental nature and the initial implementation difficulties, largely discussed by the Investors Boards, the start-up of the financial instrument under the platform, has been slow and the first disbursements to final recipients occurred only in the second half of 2019. After the instrument initial pickup during the end of 2019 and the beginning of 2020, a sudden stop in the use of the instrument was triggered by the pandemic and the lockdown started in the first quarter of 2020 and lasted throughout the following years. Moreover, the extraordinary measures introduced by the Italian Government to support the economy and in particular the extension to the primary sector of the 90% free guarantee by the State on loans to SMEs have crowded out the possibility for the EIF guarantee to be competitive as long as the Temporary Aid Framework for COVID will last. Lastly, banks commercial problems further contributed to the delay in the deployment of the financial instrument. Indeed, banks did not have an internal product management system capable of verifying and monitoring administrative requirements and eligibility issues in financial instruments such as the EIF guarantee.

Since inception EIF has taken all the possible actions to support Banks in the implementation, keeping constant communication with the financial intermediaries, with monthly appointments and, in some cases, more frequent checks.

Moreover, in order to extend the use of the guarantee, EIF has introduced the support to stand alone Working Capital (i.e. in addition to the one not linked to investments as previously envisaged). This action, operational since Q4 2020, was expected to allow the EIF guarantee to intercept more demand for liquidity finance, especially when the Temporary Aid Framework adopted by the State guarantee currently offered to Agriculture will stop. Finally, during the meeting held on 25 June 2021, the Investment Board decided to Extend the 'COVID-19 Eligibility Period' until 30 September 2022 in order to align the policy objectives of the Platform with the current COVID-19 situation.

Information on the state of play of the implementation of the initiative

Given the situation of the Initiative and in line with the discussions in previous Investment Boards on the assessment of the commitment of regional resources in the Initiative, the EIF entered into bilateral discussions with the individual Regions during the second half of 2021 to consider a potential reduction of the Regional Contributions Committed.

Following these discussions, EIF has communicated to the Regions the possibility to release in advance part of the Regional Contributions Committed by the Regions under the funding as from Q2\2022 and, consequently, at the beginning of 2022 the EIF started discussing with the Regions the amendedment "Regional Specific Terms" to reduce the Contribution Committed for each region. The model for amending the clauses of the "Regional Specific Terms" has been approved by the Investors Board during the meeting held on 13 March 2022. In such meeting, the Investors Board agreed that EIF will return to the Regions as much as they have not yet accrued in terms of restated tranches. Bilaterally discussions on the derogations and procedures are still ongoing between the EIF and the Regions.

Investment Board meetings

During the reporting period, an Investment Boards took place on 25 June 2021, to discuss the following agenda

1. Extension of the eligibility period for loans to finance working capital in response to the COVID-19 crisis.
2. Information on the state of implementation of the initiative. Actions taken by the EIF and procedures to review the amounts allocated to financial intermediaries and contributions to the financial instrument.
3. Information on operating procedures, in particular on reporting, controls and payments.
4. Miscellaneous.

During the reporting period, another Investment Boards took place on 12 October 2021, to discuss the following agenda

1. Information on the state of implementation of the initiative and the EIF's bilateral talks with the regions.
2. Miscellaneous and possible.

Reference is to the minutes of each of the above Investment Boards' meeting for any further information on the items discussed and where appropriate resolved upon by the Investment Board.

2.1.1 Audits and irregularities

In accordance with Article 40(1) of Regulation (EU) No 1303/2013 as amended, the Managing Authority has received an Annual Audit Report by 31 December 2021 in line with Annex II of Commission Implementing Regulation (EU) 2019/1140. The report covered the period from 16 October 2020 to 15 October 2021 and was issued by KPMG as EIF's external auditor.

2.1.4 Publicity

Due to the covid-19 pandemic, no events have taken place in 2021 to market the platform. The participating Banks continued their ordinary marketing and commercialization of the products benefitting of EIF's guarantee, but all gave the feedback that the demand for financing investments in agriculture has been dramatically reduced by the crisis.

2.1.5 Litigation

EIF is not aware of litigation proceedings initiated during the reporting period.

2.1.6 Monitoring activities

The monitoring of the implementation of the financial instrument by the Financial Intermediaries performed by EIF, in accordance with the provisions set forth in the Funding Agreement, includes the following:

- rule based checks of the information related to the underlying final recipients and final recipient transactions reported periodically by the Financial Intermediary in accordance with the relevant Operational Agreement, including an additional layer of control on the SME Status by using the Orbis (Bureau van Dijk's Orbis) "SME analysis on European classification" tool;
- monitoring of a sample of loans included in the portfolios based on certain eligibility criteria set forth in the Operational Agreement which may be conducted through monitoring visits at the premises of the Financial Intermediary or through remote based (desk) monitoring;
- desk test of a sample of defaulted loans included in the portfolios.

During the reference period one desk monitoring on a sample of loans under the Platform was initiated on one of the Financial Intermediaries selected under the Italy AGRI platform (Banca Popolare di Puglia e Basilicata, "BPPB").

3. Situation of the Fund of Fund

3.1 Key figures of the operational agreements

		Total cumulative as at 31/12/2021
Operations and Financial Intermediaries	Total number of signed Operational Agreements	5
	Total Amount Committed to Financial Intermediaries	2,225,000
Eligible Final Recipients	Total number of Final Recipients having received financing during the whole programme period (accumulated)	3
	Total number of employees at time of inclusion	63

3.2 Guarantee operations

3.2.1 Information on Financial Intermediary

Financial Intermediary Portfolio Name	Start of Availability Period	End of Availability Period	Signature Date	Guarantee Rate	Agreed Portfolio Volume	Signed Commitment (1)	Signed Commitment (EAFRD part)	Signed Commitment (National co-financing)	Signed Commitment (EIF Contribution)	Private Contribution	Actual Portfolio Volume	Utilisation of Agreed Portfolio Volume (2)	Disbursement to Final Recipients	Disbursement ratio (3)	Released signed commitment
Banca Cambiano - Agri Italia - Piemonte	01/04/2019	31/12/2021	21/03/2019	50.0%	200,000	100,000	21,560	28,440	50,000	100,000	-	-	-	-	-
Banca Monte dei Paschi di Siena - Agri Italia - Piemonte	15/05/2019	14/05/2021	14/05/2019	50.0%	500,000	250,000	53,900	71,100	125,000	250,000	-	-	-	-	-
Credito Emiliano (CREDEM) - AGRI Italia - Piemonte	01/03/2019	31/12/2022	01/03/2019	50.0%	2,000,000	1,000,000	215,600	284,400	500,000	1,000,000	550,000	27.5%	550,000	27.5%	-
Credito Valtellinese (CREVAL) - AGRI Italia - Piemonte	02/01/2019	31/12/2021	24/12/2018	50.0%	500,000	250,000	53,900	71,100	125,000	250,000	125,000	25.0%	125,000	25.0%	-
ICCREA Bancalmpresa - AGRI Italia - Piemonte	01/05/2019	31/12/2021	18/04/2019	50.0%	1,250,000	625,000	134,750	177,750	312,500	625,000	-	-	-	-	-
Total					4,450,000	2,225,000	479,710	632,790	1,112,500	2,225,000	675,000	15.2%	550,000	15.2%	

(1) Signed Commitment = Agreed Portfolio Volume * Guarantee Rate

(2) Utilisation of Agreed Portfolio Volume = Actual Portfolio Volume / Agreed Portfolio Volume

(3) Disbursement ratio = Disbursement to Final Recipients / Agreed Portfolio Volume

3.2.2 Aggregate Final Recipient portfolio analysis

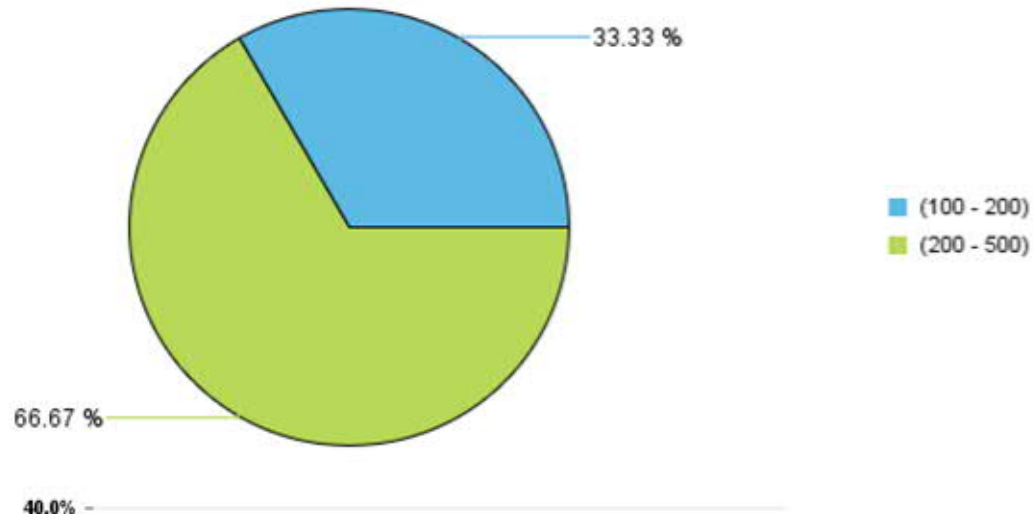
Portfolio Name	Number of Final Recipients	out of which, individuals	out of which, microenterprises	out of which, SMEs	out of which, Final Recipients bigger than SMEs	Number of loans	Number of Disbursed loans	Number of employees as at time of inclusion	Average loan maturity in months	Actual Portfolio Volume in EUR	Investment amount in EUR
Credito Emiliano (CREDEM) - AGRI Italia - Piemonte	2	-	-	2	-	2	2	62	60	550,000	709,240
Credito Valtellinese (CREVAL) - AGRI Italia - Piemonte	1	-	1	-	-	1	1	1	144	125,000	125,000
TOTAL	3	-	1	2	-	3	3	63	88	675,000	834,240

3.2.3 Guarantee Calls / Recoveries

Portfolio name	Number of Loans Defaulted	Amount Paid	Amount Recovered	Net Amount Paid
Credito Emiliano (CREDEM) - AGRI Italia - Piemonte	-	-	-	-
Total	-	-	-	-

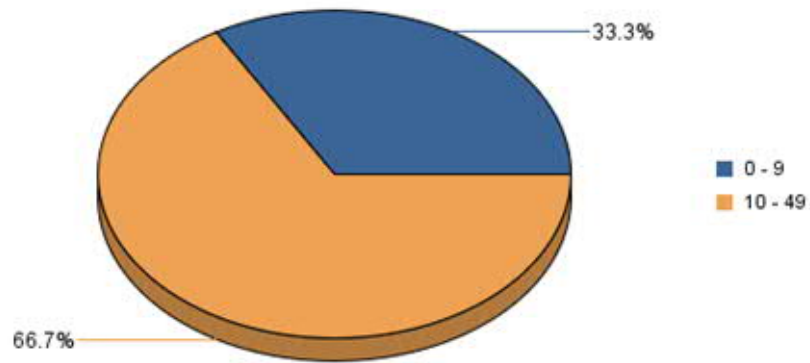
3.2.4 Breakdown by Final Recipient Transaction size

Size in '000 EUR	Final Recipients		Final Recipients Loan Amount	
	Nr	%	EUR	%
(100 - 200)	1	33.3%	125,000	18.5%
(200 - 500)	2	66.7%	550,000	81.5%
TOTAL	3	100.0%	675,000	100.0%



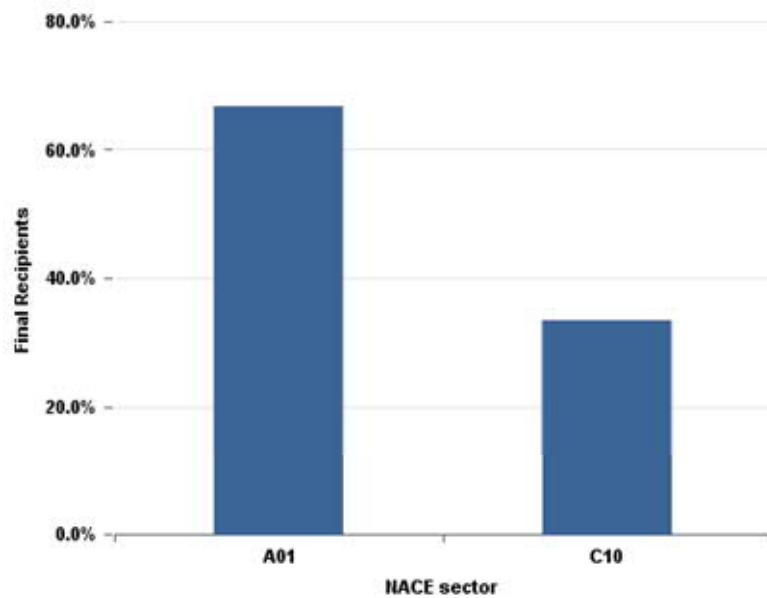
3.2.5 Final Recipient Portfolio Breakdown by Number of Employees

Size (number of employees at first inclusion)	Final Recipients		Final Recipients Loan Amount	
	Nr	%	EUR	%
0 - 9	1	33.3%	125,000	18.5%
10 - 49	2	66.7%	550,000	81.5%
TOTAL	3	100.0%	675,000	100.0%



3.2.6 Final Recipient Portfolio Breakdown by Sector (NACE lev.2)

Sector Code	Description	Final Recipients		Final Recipients Loan Amount	
		Nr	%	EUR	%
A01	Crop and animal production, hunting and related service activities	2	66.7%	375,000	55.6%
C10	Manufacture of food products	1	33.3%	300,000	44.4%
TOTAL		3	100.0%	675,000	100.0%



4. Financial Information

The financial information presented in this section has not been audited to date.

4.1 Annual Cash Report on EUR-Account

	Notes	Amounts for the period from 01/01/2021 to 31/12/2021 EUR
OPENING CASH BALANCE		1 225 105.32
1) Contribution	1	
2) Movement relating to operations	2	
3) Treasury Investments (Term deposits in/out & interest)	3	
4) Additional expenses		
Legal expenditure		
Negative Interest		
5) General Administrative expenses	4	(9 281.98)
6) Commission payable		9 245.26
7) Others		
CLOSING BALANCE		1 225 068.62

Note 1 Contribution

List of Movements	Date	EUR
Total		

Note 2 Guarantee Operations

List of Movements	Journal date	Montant
List of Movements	Date	EUR
Total		

Note 3 - Treasury Investments (Term deposits in/out & interest)

List of Movements	Date	EUR
Total		

Note 4 - General Administrative expenses

List of Movements	Date	Montant
List of Movements	Date	EUR
Payment - Management fee (3rd year + committed to FIs) &	20/05/2021	(4 927.43)
Payment - Management Fees & Performance Fees - ITAgri	09/11/2021	(4 354.53)
Total		(9 281.96)

4.2 Management fees and costs

The Management Costs table shows the split between the fees that the EIF has charged as FoF and the fees charged as Guarantor from inception to 31 December 2021.

MANDATE		FOF	FOF/SF	TOTAL
ESIF - EAFRD - ITAgri Platform – Piemonte (AGR07)	BASE	15,861.38	8,765.60	34,176.64
	PERFORMANCE	NA	9,549.66	

5. Contacts

Luxembourg office

European Investment Fund
37B avenue J.F. Kennedy
L-2968 Luxembourg
www.eif.org

Alessandro Gargani
a.gargani@eif.org
+352248581778

For any questions regarding this report, please contact us using the following email address:
EIF-MM-BS-MSM@eif.org

6. List of annexes

6.1 List of Final Recipients

Portfolio Name	Final Recipient Name	Fiscal Number	Sub-measure	Signature Date	Region (NUTS lev. 2)	Final Recipient Sector (NACE lev. 4)	Sector of Investment (NACE lev. 4)	cn code	Loan Amount Committed	Loan Amount Committed (EAFRD part)	Loan Amount Committed (national co-financing part)	Loan Amount Committed (EF part)	Loan Amount Committed (Private part)	Loan Amount Disbursed	Loan Amount Disbursed (EAFRD part)	Loan Amount Disbursed (national co-financing part)	Loan Amount Disbursed (EF part)	Loan Amount Disbursed (Private part)	Maturity (months)	GGE amount	Purpose of the loan	Investment Amount EUR	Size of the Final Recipient
CREDEM-PE-ITAGR-ESIF-DG	CANTINA SOCIALE DI NIZZA MONFERRATO SOCIETA' COOPERATIVA AGRICO LA SIKGLABLE	7230066	OT 4.2	02/09/2019	ITC1	A1.2.1	A1.2.1	2204	250,000	26,950	35,550	62,500	125,000	250,000	26,950	35,550	62,500	125,000	60	924	Tangible investment	329,240	SMALL
CREDEM-PE-ITAGR-ESIF-DG	PALZOLA S.R.L.	1251500037	OT 4.2	19/09/2019	ITC1	C10.5.1	C10.5.1	04064050	300,000	32,340	42,860	75,000	150,000	300,000	32,340	42,860	75,000	150,000	60	6,432	Tangible investment	380,000	MEDIUM
CREVAL-PE-ITAGR-ESIF-DG	FOTICHRSTAN	FTOCSR80H4G6	OT 4.1	08/07/2020	ITC1	A1.1.3	A1.1.3	8433	125,000	13,475	17,775	31,250	62,500	125,000	13,475	17,775	31,250	62,500	144	0	Tangible investment	125,000	MICRO
									675,000	72,765	95,985	168,750	337,500	675,000	72,765	95,985	168,750	337,500	84	7,356		834,240	

6.2 Address of the Financial Intermediaries

Financial Intermediary	Address
Banca Cambiano	Viale Antonio Gramsci, 34, Florence, Italy
Banca Monte dei Paschi di Siena	Piazza Salimbeni 3, Siena, 53100, Italy
Credito Emiliano	Via Emilia San Pietro 4, Reggio Emilia, 42121, Italy
Credito Valtellinese	Piazza Quadrivio, 8, Sondrio, 23100, Italy
ICCREA BancaImpresa	Via Lucrezia Romana 41/47, Rome, 00178, Italy