

FINANCING PROJECT FROM THE RESOURCES OF THE EUROPEAN INVESTMENT BANK (EIB) “FRUIT GARDEN”

The task of the European Investment Bank program is to create favorable conditions for the development of the whole value chain of the horticulture sector in Moldova.

In order to obtain fiscal facilities, the Beneficiary once accessed the loan, but prior transferring of funds to the Supplier's account will request an Official Letter for tax and fiscal duties from Implementation Unit.

FRUIT GARDEN	
Beneficiaries	<ul style="list-style-type: none"> • Processing enterprises (packing, grading, freezing, drying, other activities of processing of horticultural products) • Horticultural enterprises (growers of fruits, berries, nuts, table grapes); • Vegetables production (cultivation and processing of vegetables); • Production and processing of technical grapes varieties (planting and harvesting of technical grapes); • Production of bottled wine (wine enterprises modernization); • Production of distilled beverages (brandy, palinca, liqueur etc.); • Nursery enterprises for the production of fruits, berries, table and technical grapes varieties; • Nursery enterprises for the production of decorative shrubs (planting/growing of decorative shrubs and services for design of gardens /parks with decorative shrubs); • Enterprises connected to horticultural sector (packaging, labels, equipment, accessories orchards, etc) • Educational institutions in the field; • Quality control laboratories of horticultural production. • Development of agrotourism and wine tourism.
Eligible activities	<ul style="list-style-type: none"> • For the processing of horticultural products; <ul style="list-style-type: none"> - Purchase of equipment and machines for production, including laboratories; - Construction / renovation of production premises. • For the growth of horticultural products; <ul style="list-style-type: none"> - Restructuring and revitalization of unproductive plantations, planting new plantations - Purchase of agricultural equipment, care and collection process - Installing drip irrigation / frost / anti hail; • For connected industries: <ul style="list-style-type: none"> - Modernization of production processes of the machine for packaging / sorting / calibration accessories for the setting up of new plantations, etc.
Eligible fields of activity	Companies engaged in all sectors of national economy participating in the horticulture value chain, with exception the sectors of national economy considered as sensible by EIB
Term and conditions of loan	<ul style="list-style-type: none"> • Min amount: 5,000.00 EUR; • Max amount: <ul style="list-style-type: none"> – Investment Loan : 5,000,000.00 EUR* – Working capital Loan : 600,000.00 EUR <p><small>*For investment which exceed the amount of 5,000,000.00 EUR the EIB approval is requested</small></p>

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The maximal eligible exposure for funding	<ul style="list-style-type: none"> • For grubbing of orchards and vineyards - 1,000 EUR per hectare • For planting, replanting and / or restructuring of orchards and vineyards of table grapes - 10,000 EUR per hectare (maximum amount eligible for intensive planting is 30,000 EUR). • For working capital - 600,000 EUR • For companies engaged in horticulture, sorting, processing eligible maximum exposure: 10,000,000 EUR • For companies that will plant / replant and / or restructure nurseries, orchards and vineyards of table grapes, cumulative per all projects shall not exceed 1,000,000 EUR. • For companies engaged in classification, sorting or processing of products will be in the amount of 10,000,000 EUR <p>The total cost per each sub-project will not exceed the total amount of 50,000,000.00 EUR or equivalent in other currencies</p>
Currency	<ul style="list-style-type: none"> • EUR, • MDL
Term of funding	<ul style="list-style-type: none"> • Min: 2 year; • Max: <ul style="list-style-type: none"> - For investment 10 year, grace period up to 4 year; - For working capital: 5 year, grace period up to 2 year. <p>The implementation of investment may take up to 4 year (max 1year before the submission of loan request, but not before 31.07.2014)</p>
Interest rate	<ul style="list-style-type: none"> • Floating • Interest rate reviewing period – semiannually • Calculation basis – 360 calendar year
Funding share	<ul style="list-style-type: none"> • Total funding – 50% from the total sub-project cost; • Funding the remaining 50% of gap: <ul style="list-style-type: none"> - Contribution of Beneficiary - Contribution of the Bank - Contribution of IFI resources - Funding from various Grants offered by International Donors.
Advantages of the program	<ul style="list-style-type: none"> - The projects financed from the Fruit Garden, EIB, have the following exemptions for <ul style="list-style-type: none"> ✓ Customs Duties, ✓ Fees for executing of the Customs Procedures, ✓ VAT (taxed at zero rate) <p>In order to obtain fiscal facilities, the Beneficiary once accessed the loan, but prior transferring of funds to the Supplier's account will request an Official Letter for tax and fiscal duties from Implementation Unit.</p>

For further details, please contact your personal Adviser within OTP Bank SA