



Financial instruments for European agriculture and rural development



The European Commission in partnership with the European Investment Bank Group provides methodological advice and awareness-raising activities about EAFRD financial instruments through the *fi-compass* knowledge sharing platform (www.fi-compass.eu).

All of the *fi-compass* material produced for managing authorities implementing rural development programmes (RDPs) is tailored to help them navigate through a relatively complex maze of rules and financial instrument life cycle stages.

Advantages of financial instruments for RDP managing authorities include:

- ✓ Greater access to a wider range of financial tools for policy delivery.
- ✓ Leveraging private sector funds to help boost RDP impacts.
- ✓ Improved RDP targeting because ex-ante assessments confirm needs from specific target groups for loans, guarantees, equity, etc.
- ✓ Strong commitment to quality from final recipients.

Targeted coaching for EAFRD managing authorities

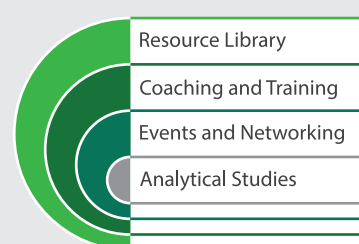
A 'Targeted Coaching' service from *fi-compass* is designed to help build capacity in managing authorities giving them the confidence to 'get going' with EAFRD financial instruments.

Financial instruments using the European Agricultural Fund for Rural Development (EAFRD) provide benefits through investments that improve agricultural competitiveness and resource efficiency, as well as strengthen the overall rural economy.



fi-compass advisory services provide the information that decision-makers need during their design and implementation stages of financial instruments supported by the EAFRD.

fi-compass services for EAFRD managing authorities





Typical questions asked during targeted coaching:

How do Risk Sharing Loans and First Loss Portfolio Guarantees work, in detail and practice?

What are the ways to maximise the beneficial terms and conditions of financing for farmers?

Experts from *fi-compass* answer these and other similar questions for EAFRD managing authorities directly and during face-to-face meetings.

“It brought us very valuable issues to think about and further develop.”

“We thank you for the great support and making us feel wiser.”

EAFRD managing authorities

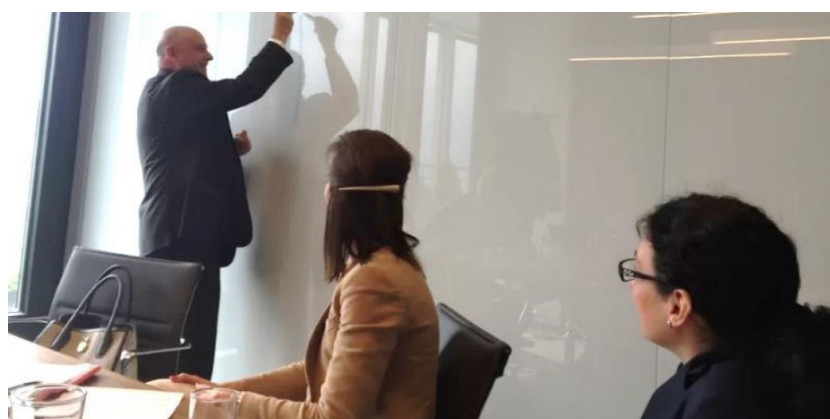
EAFRD managing authorities from Bulgaria, Croatia, Italy, Northern Ireland, Wales, and Scotland are among those who have benefitted from the targeted coaching services to date. Coaching sessions typically involve experts from *fi-compass* and the European Commission working with managing authorities directly during face-to-face meetings. These meetings can take place in-country as well as via video conferences.

Targeted coaching services have been designed to meet the differing needs of managing authorities that are at different stages of implementing financial instruments.

An ‘*initial coaching module*’ offers advice for those who are new to financial instruments and an ‘*advanced module*’ is intended for those who have already gained experience during the early life cycle stages of a financial instrument.

Advice included in the *initial* module covers a general understanding about the value-added of financial instruments in order to de-mystify basic concepts and encourage managing authorities to move forward with starting an ex-ante assessment.

Advice involved in the *advanced* module provides RDP decision-makers with answers to queries about relevant implementation options for EAFRD financial instruments.



Managing authorities that are interested in using these targeted coaching sessions for EAFRD financial instruments can contact their desk officer at the European Commission or the *fi-compass* team.



Events and networking

An ongoing programme of EAFRD events and peer networking is organised as part of the *fi-compass* work plan. Seminars have already taken place in central locations including Brussels, as well as in regional centres like Dublin, Riga, Vienna, Madrid, Rome and Warsaw.

These events involved some 700 participants, with more than 70 presentations from speakers representing 14 Member States and the major rural development policy stakeholders.

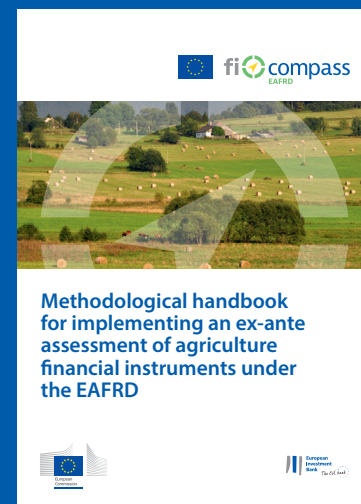
Such seminars combine awareness-raising with capacity building. Video recordings featuring the advice and case studies presented during these EAFRD events are available to watch on the *fi-compass* website, which also hosts copies of all the events' learning materials. www.fi-compass.eu/events

Learning resources and studies

Learning materials from *fi-compass* about EAFRD financial instruments include advisory publications and videos as well as analytical studies. A particularly useful tool for RDP stakeholders is the *fi-compass* handbook explaining processes involved in ex-ante assessments for EAFRD financial instruments.

The *fi-compass* handbook focuses on potential investments targeted at agricultural holdings, primary agricultural production activities and farm-based sales of agricultural products.

Knowledge about how to use EAFRD financial instruments effectively is freely available through published materials in the Resource Library on the *fi-compass* knowledge sharing platform.



[www.fi-compass.eu/publication/manuals/
manual-methodological-handbook-
implementing-ex-ante-assessment-agriculture](http://www.fi-compass.eu/publication/manuals/manual-methodological-handbook-implementing-ex-ante-assessment-agriculture)

Our Resource Library includes many publications and presentations that have been tailored to help RDP managing authorities to properly plan and effectively manage EAFRD financial instruments.



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EAFRD advisory services.

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It is designed to provide methodological advice on how to implement an ex-ante assessment with a view to adopt a financial instrument under the EAFRD, and includes illustrative step-by-step examples.

EAFRD case studies in the *fi-compass* Resource Library describe details and lessons learned for:

- Latvia's Rural Credit fund providing loans for farmers.
- Romania's fund of fund facility containing two guarantee schemes supporting both farmers and rural SMEs.
- Estonia EAFRD loan fund.

Expertise from *fi-compass* is also used to carry out studies for DG AGRI to develop new knowledge about the implementation of EAFRD financial instruments. This analysis supports efforts to increase the use of EAFRD financial instruments during the 2014-2020 programming period.

For example, a study on the 2014-2020 programming of RDP financial instruments will provide a clear picture of the state of play with these financial instruments. Another ongoing study is analysing possibilities for a financial instrument that addresses price-volatility in less-stable agricultural markets, such as the dairy sector.