



Conclusions and next steps

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#ficompass



Dear Ladies and Gentlemen,

After our intensive debates today with lots of new ideas and insights and looking at challenges and solutions from different angles, the time has come to close the conference.

With the work on the Vision for agriculture and food, the simplification package and soon the next CAP reform, we are laying now the groundwork for the most efficient use of the CAP resources to provide sufficient protection for our farmers from climate change related challenges and crisis events.

It goes without saying that we first and foremost build on the work of Member States. We heard today about many cases where the insurance systems as well as the risk management possibilities will need to be changed and improved in order to provide the much-needed support for the agricultural sector. And the time pressure is on, as crisis events are multiplying.

The study presented today is an excellent example of comprehensive research work by the Howden Group and fi-compass. It lays a very solid foundation for a comprehensive debate on the subject of farm protection and insurance needs.

You heard how huge the farm losses caused by climate change are. Combined with an insurance gap of 70-80%, the future does not look bright at that end. To build a safer future we need technical, financial and most importantly, political support in the years ahead.

The Commission is building various blocks, strategies and initiatives, with which it is trying to streamline the efforts and achieve maximum long-term impacts. The recommendations of the fi-compass study will further guide our work in this regard.

As underlined by Commissioner Hansen today, we have to carefully analyse the recommendations from the study and follow up on the discussions we had today in order to see how we can best maximise CAP support for the outlined challenges ahead including on how to better support risk preparedness, insurance and de-risking of agriculture.

I would like also to build on the words of EIB Vice-President Vigliotti that the EIB Group is ready to act — **both with its own financing and in partnership with the European Commission**, using mandates to de-risk investments and crowd in private finance. And offering also **advisory services and innovative financing structures**.

I must address here the view as well of our farmers represented by COPA_COGECA who were very clear that **farmers need a comprehensive, flexible toolbox of cost-effective instruments—complementary** to existing national schemes—that covers:

- ✓ Climate and weather risk
- ✓ Market volatility
- ✓ Animal and plant health threats

And that the farm society expects **stronger synergies within the CAP, and with other EU tools**, to improve farmers' resilience and ability to adapt.

Farmers would need also to invest more and better in crisis prevention and adapt their farm practices, production and business behaviour in the light of climate change. Many would need to transit to a more sustainable business model and for this to happen, a lot of investments and liquidity will be needed, supported especially through financial instruments that can provide better conditions such as longer maturities, lower interest rates, grace periods, significantly less collateral, free of charge guarantees, and many more. Cheaper and

accessible finance can unlock the potential of the sector and boost its transition.

I would repeat the strong message from Commissioner Hansen and invite Member States to reinforce their programming of financial instruments and to boost the use of loans and guarantees for the sector, and especially for young farmers. On the basis of what we heard today, we have a solid policy ground to expect that.

Right now, we have 12 Member States that are launching their financial instruments, 2 others that are in the state of pre-programming, and we see a great potential for others to join them and the budget to be significantly increased. The simplification of the instruments just adopted should further facilitate their efficient and targeted use and implementation. Through the increased use of financial instruments there will be more revolving funding available for the MS to invest generally but in crisis prevention measures in particular.

Let me just give you an example – in 2007-2013 there were about EUR 300 million in financial instruments invested under the EAFRD and just few Member States were making the first steps in using this type of support. Now we have 4 times more and more than half of the EU Member States building financial support through loans and guarantees. I believe that we can achieve much more!

I would like to thank all of you:

- for being with us today,
- to all speakers and organisations for sharing your experience and knowledge, and
- for better supporting our farmers through efficient and well-functioning risk management and insurance systems in all Member States.

I would like to thank our interpreters for the great work they did.

Thanks also to our artists drawing these wonderful posters – they definitely attracted the highest level of attention today.

I also thank fi-compass for the excellent organisation of the conference.

Thanks are also due to our farm unions who are always willing to share and express their views at our events. We appreciate that a lot.

We grow together with you and having you with us today was an honour.

I wish you all a safe trip home and I hope to see you in Milano on 9 October, when our annual conference will take place.