



Estonian CAP Strategic Plan 2023-2027 EAFRD financial instruments: State of play

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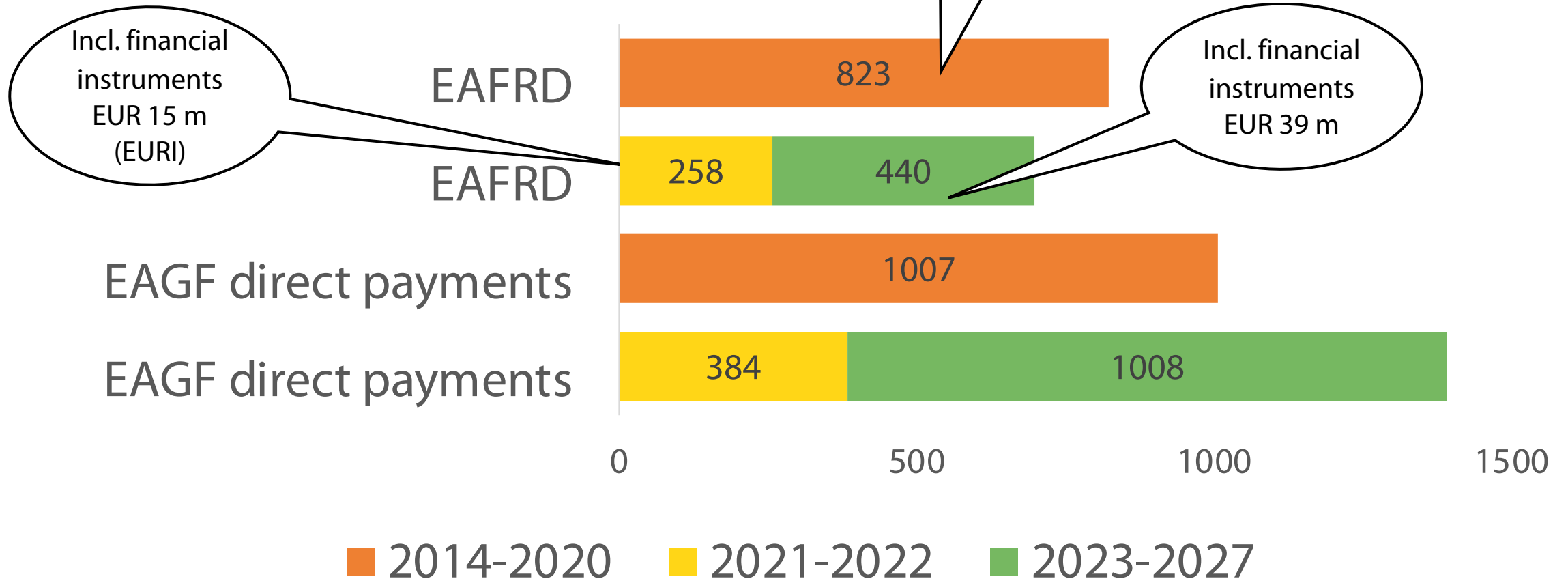
Outline of presentation



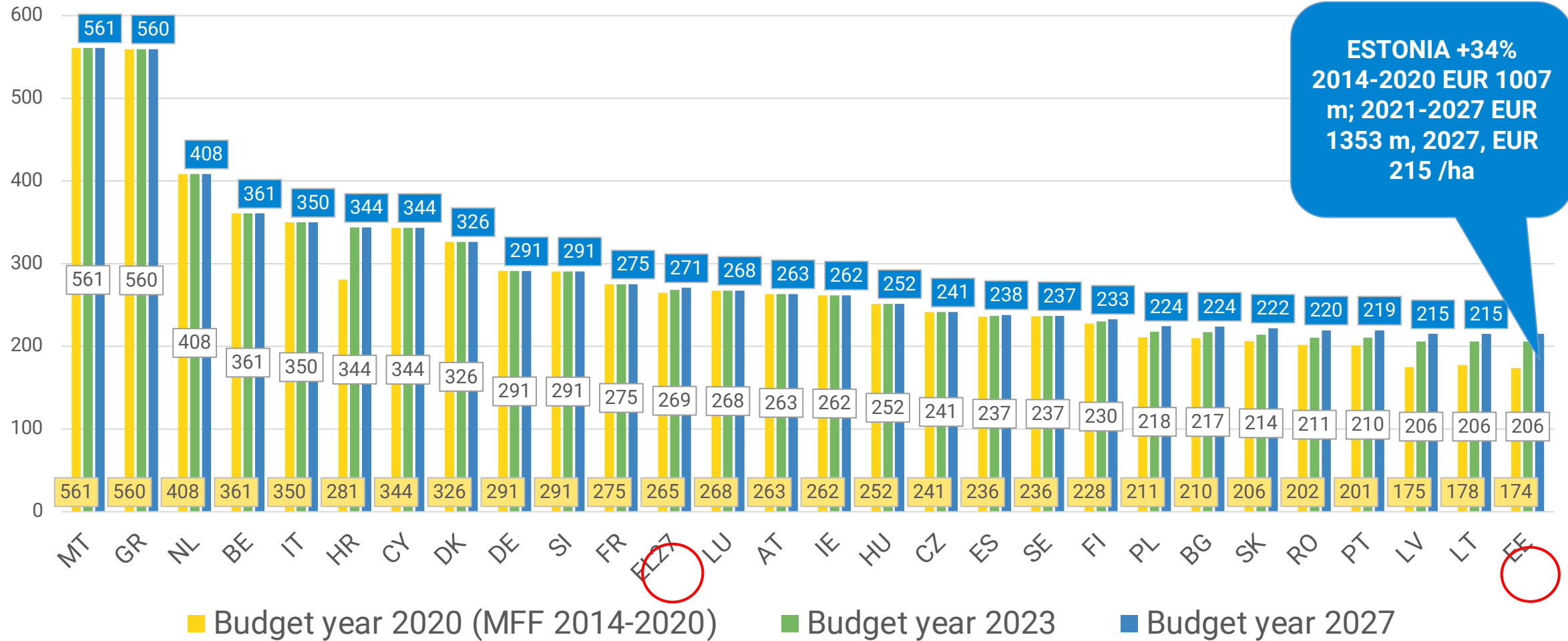
- Estonian CAP Strategic Plan 2023-2027
 - financing, strategy orientation, issues and aspects linked to direct payments, generational renewal, important changes
- EAFRD financial instruments – present and the future
 - results achieved so far under the current instrument, programming financial instruments in the CAP Strategic Plan 2023-2027

CAP support, EUR million

Periods 2014-2020, 2021-2022, 2023-2027

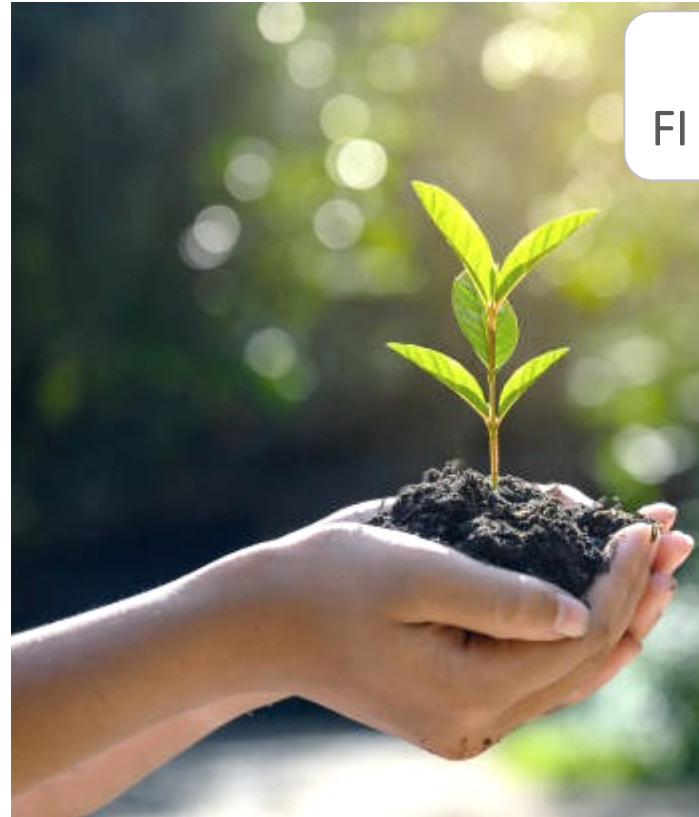
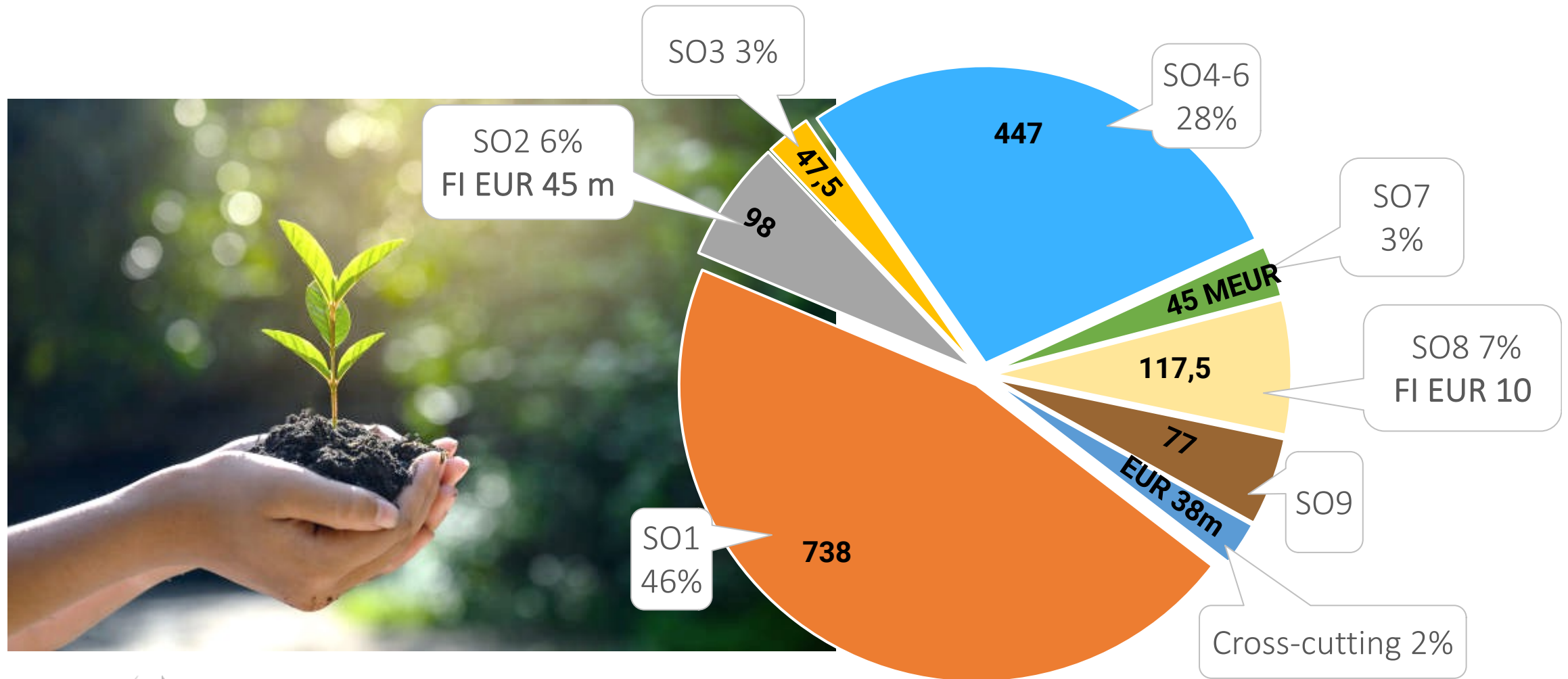


EAGF- direct payments per 2016 SAPS/SPS, EUR

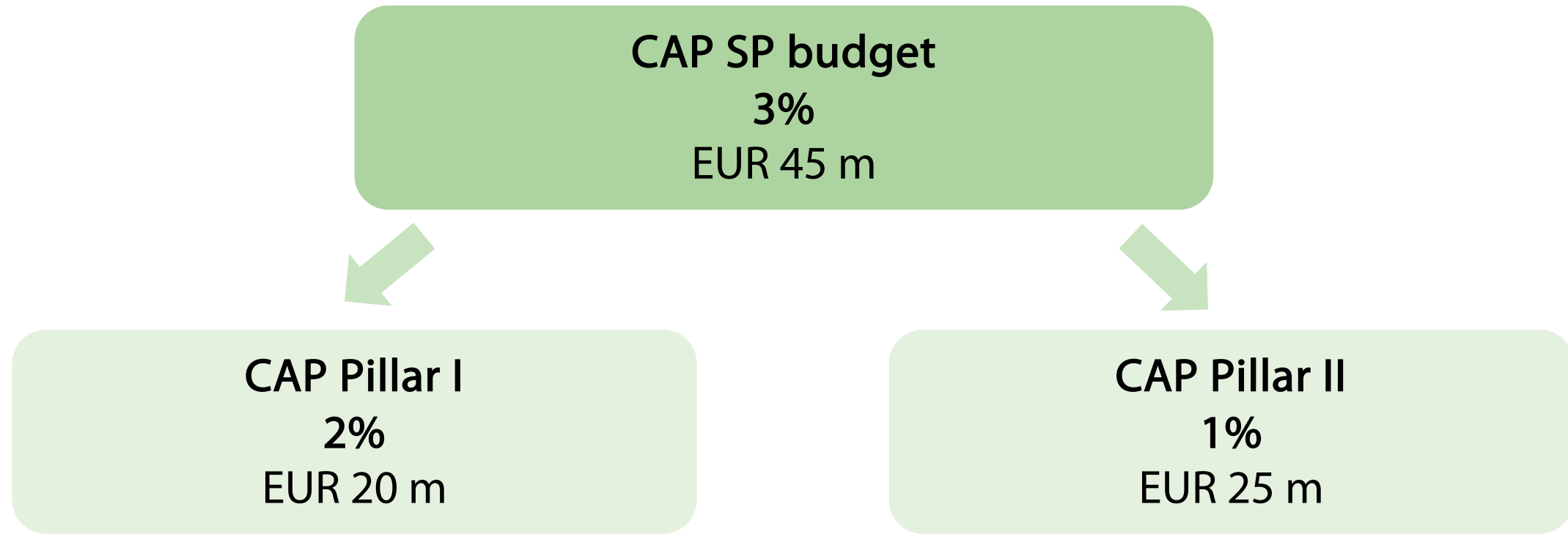


CAP strategic plan budget allocation between specific objectives

Period 2023-2027



Generational renewal 2023-2027



Additional income support for young farmers

Setting-up of young farmers

The most important changes

Estonian CAP Strategic Plan 2023-2027



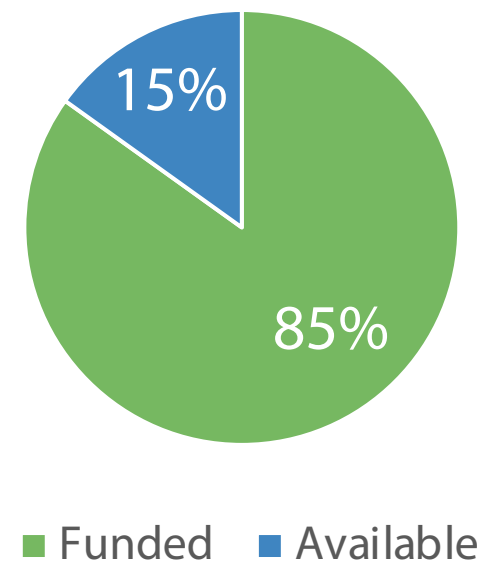
- New environmental architecture (conditionality, eco-schemes, more complex and focused environmental interventions);
- The social dimension of the CAP (redistribution of support);
- Support for active farmers in particular;
- Support for joint activities through producer organisations;
- A comprehensive approach to advice, knowledge transfer and innovation;
- Society's expectations (animal welfare);
- **Investment focus on the green transition;**
- **Financing productive investments through financial instruments.**

Current state of FI implementation

Rural Development Plan 2014 – 2020 (2021;2022)



- **Total budget:** EUR 54 460 000, incl. EUR 15 m from EURI;
- **Available budget:** over EUR 8 m;
- **Re-used funds:** over EUR 4,2 m have been re-used for new loans;
- Over **600 jobs** have been created;
- **280 different beneficiaries** have been supported (target was 198)
- Rising demand in measure 6.4 to investments for renewable energy (5C);
- Possible RDP change for reallocating funds between measures 4 and 6.



Loan: Long-term investment loan

Target group: SME

Loan amount: EUR 200 000–400 000 (co-loan 50/50)

Interest rate: SME $\geq 2\%+$; young farmers and producer groups $\geq 1\%+$

Collateral: at least 50%, producer groups at least 30%

Paid to final recipients: EUR **26 885 916**

Number of financial recipients: **56**

Achieved leverage: **2.51** (*exp 2.13*)

Loan: Growth loan for micro- and small

Target group: micro and small enterprises

Loan amount: EUR 5000–200 000 (direct or co-loan)

Interest rate: micro and small enterprises $\geq 4\%+$; young farmers and producer groups $\geq 2\%+$

Collateral: at least 50%

Paid to final recipients: EUR **21 142 327**

Number of financial recipients: **260**

Achieved leverage: **1.19** (*exp 1.07*)

Financial instruments to tackle the crisis

2020- ...



- Due to the COVID-19 crisis, implementing body lowered the minimum interest rate on all loans of up to two years, to not less than the ECB refinancing rate +1%, depending on the loan collateral - EAFRD
- COVID-19 working capital loan for agri-food sector (to alleviate liquidity shortages) – national funding
- COVID-19 loan guarantee for agri-food sector and rural businesses – national funding
- Financial leasing of agricultural land (sale- and lease-back) for small and medium-sized enterprises – national funding

Financial instruments in CAP Strategic Plan 2023–2027

Planned allocation between interventions



Investments to improve the competitiveness of rural enterprises

Total budget: EUR 10 000 000

Supported activities: tangible and intangible investments, working capital

Beneficiary: SME

1

Cooperative investments

Total budget: EUR 15 000 000

Supported activities: tangible and intangible investments, working capital

Beneficiary: recognised producer organisations and their associations, commercial cooperatives operating in agriculture

3

EUR 55
m

Productive investments by farmers

Total budget: EUR 20 000 000

Supported activities: tangible and intangible investments, purchase of animals and annual plants, working capital, young farmers the purchase of land

Beneficiary: farmers, including **young and start-ups** and cooperatives.

2

Productive investments by food industries

Total budget: EUR 10 000 000

Supported activities: tangible and intangible investments, working capital

Beneficiary: economically sustainable operators whose main activity is food production (already active processor).

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