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

Incl. financial instruments EUR 15 m (EURI)

Incl. financial instruments EUR 39 m

Incl. financial instruments EUR 35.5 m

EAFRD

EAFRD

EAGF direct payments

EAGF direct payments

2014-2020  2021-2022  2023-2027
EAGF- direct payments per 2016 SAPS/SPS, EUR

Budget year 2020 (MFF 2014-2020)  Budget year 2023  Budget year 2027

ESTONIA +34% 2014-2020 EUR 1007 m; 2021-2027 EUR 1353 m, 2027, EUR 215/ha
CAP strategic plan budget allocation between specific objectives
Period 2023-2027

SO1 46%
SO2 6% FI EUR 45 m
SO3 3%
SO4-6 28%
SO7 3%
SO8 7% FI EUR 10
SO9
Cross-cutting 2%
FI EUR 45 m
117.5
45 MEUR
77
EUR 38 m
738
447
98
Generational renewal 2023-2027

**CAP SP budget**
- 3%
- EUR 45 m

**CAP Pillar I**
- 2%
- EUR 20 m

**CAP Pillar II**
- 1%
- EUR 25 m

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 ≥ 2%+; young farmers and producer groups ≥ 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 ≥ 4%+; young farmers and producer groups ≥ 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

1. **Investments to improve the competitiveness of rural enterprises**
   - **Total budget:** EUR 10 000 000
   - **Supported activities:** tangible and intangible investments, working capital
   - **Beneficiary:** SME

2. **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.

3. **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

4. **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).