



InvestEU and EIB Group support offer for the agriculture sector and EAFRD managing authorities

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 #ficompass

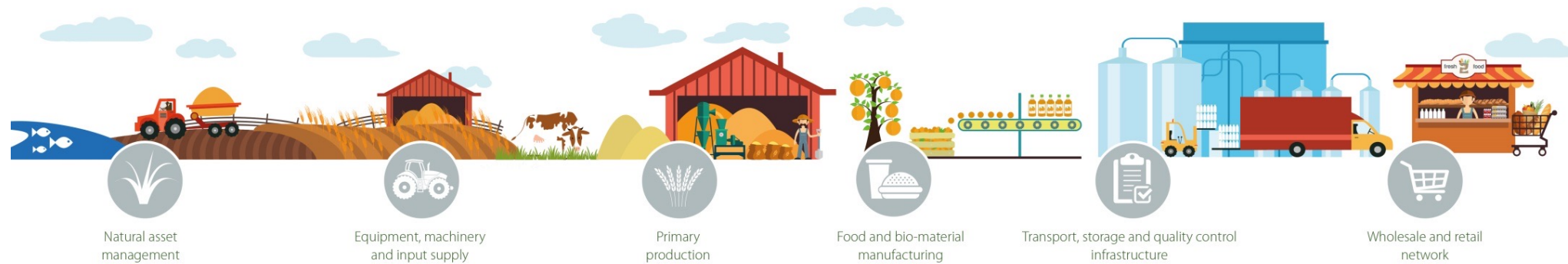


EIB GROUP PRODUCTS TO SUPPORT AGRICULTURE AND BIOECONOMY



Sector definition: bioeconomy

➤ Unlocking production potential in a sustainable and resource-efficient manner



➤ Counterparts/Beneficiaries/3rd parties:

- ✓ Any economic actor along the agriculture and bioeconomy value chain:
 - ✓ Farmers, fishers, forester and SMEs
 - ✓ Cooperatives
 - ✓ Agribusiness
 - ✓ Corporates active in bioeconomy up and down stream value chains
- ✓ Public Sector Institutions

EIB financing to Bioeconomy sector

Covering the entire value chain

EIB's bioeconomy sector finance follows EIB lending priorities:



✓ SMEs/Mid caps

- Investments by SMEs + Midcaps (including e.g. farmers, foresters, fishers, agri and agro business or cooperatives, etc.)

✓ Knowledge economy

- Corporate research, development and innovation programs, pilot plant and first in kind industrial scale up facilities (e.g. RDI Programme in crop seed, dairy or animal feed)

✓ Renewable energy and energy efficiency

- Renewable Energy generation (e.g. Biogas production), renewable materials production, energy efficiency

✓ Environment and climate

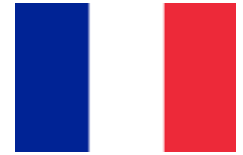
- Projects aligned with the EU Environment Action Plan (e.g. Circular Economy)

✓ Development mandates

- Private sector development and infrastructure
- Support to Sustainable Development Goals

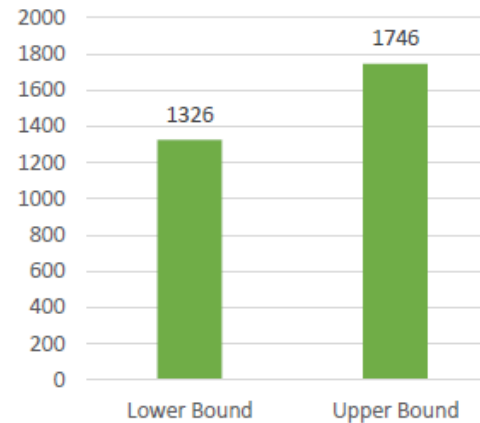


France Case: Financing GAP in the Agriculture Sector

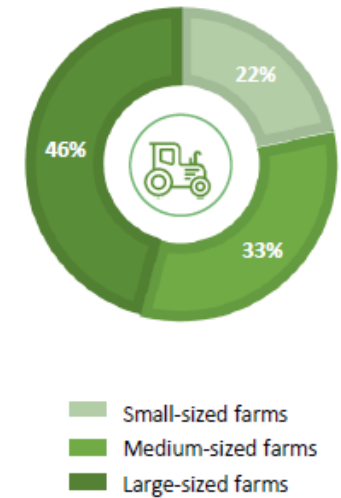


FINANCING GAP IN THE AGRICULTURE SECTOR

FINANCING GAP IN THE AGRICULTURE SECTOR (EUR MILLION)



BY FARM SIZE



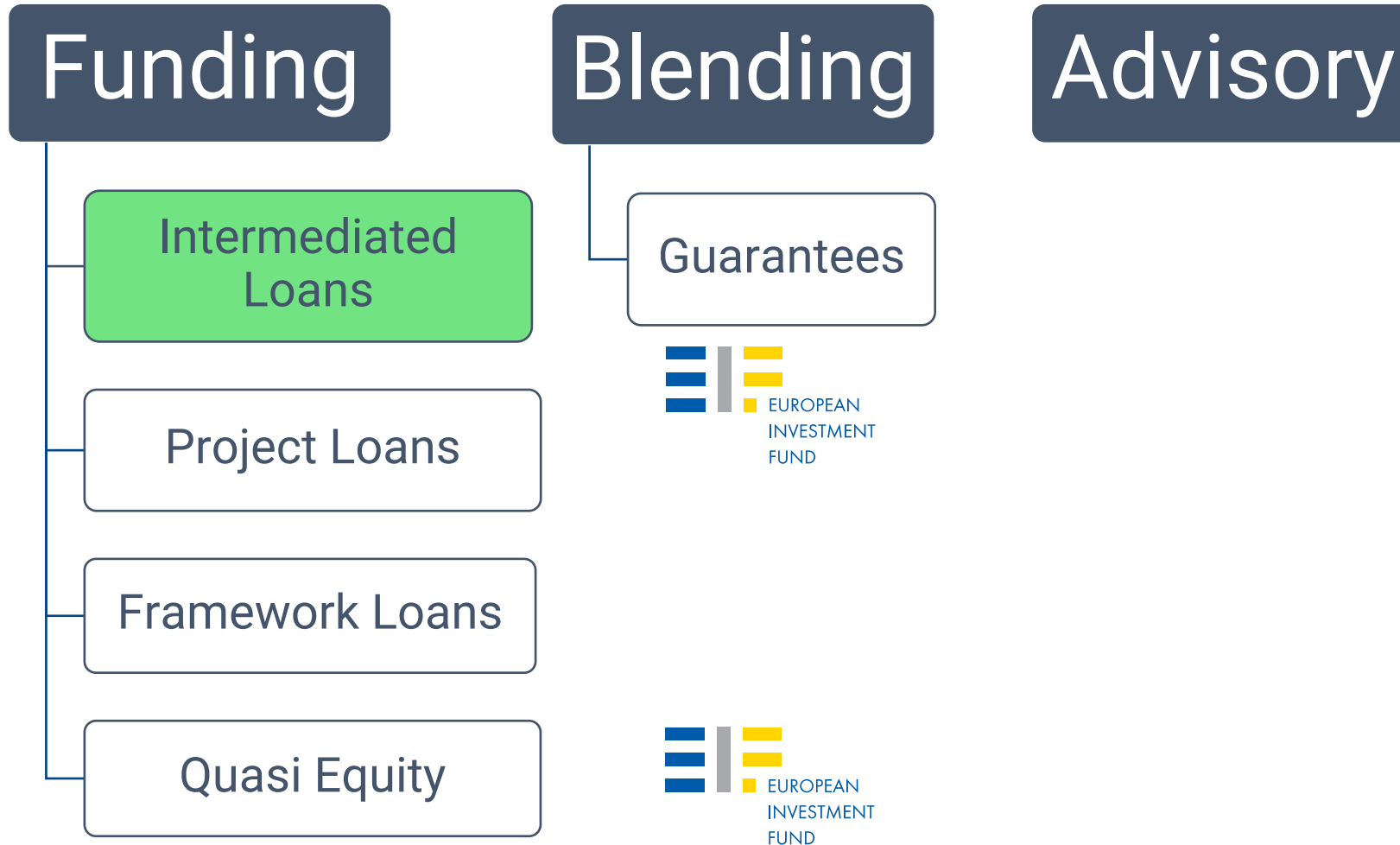
Demand for Financing in Agriculture is driven

- ✓ Expansion of Farms
- ✓ Modernisation and Innovation
- ✓ Climate Change

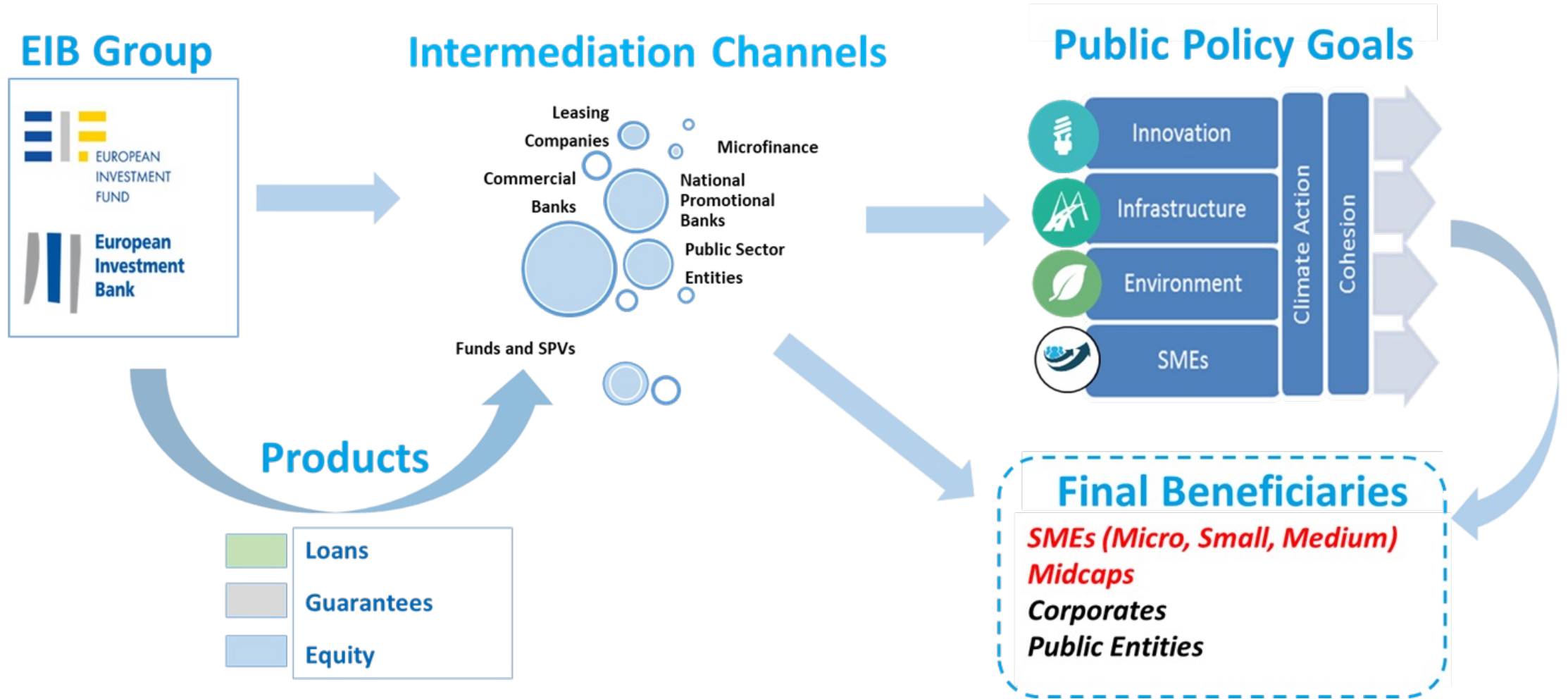
Main obstacles that constrain access to finance relate to

- ✓ Low and volatile economic margin
- ✓ Intermediaries with dominant market position
- ✓ Applicant's lack of business history or financial data for instance **Young Famers**
- ✓ Lack of sufficient collateral

EIB Group products



EIB Intermediated loan



EIB Intermediated Loan business case: EU Agriculture

EU AGRICULTURE PROGRAMME LOAN FOR SMEs & MID CAPS

Description

- Program Loan amounting to EUR 700m supporting agriculture-related SMEs and Mid caps. Sub-operations would be Intermediated Loans for SMEs and Midcaps through acceptable intermediaries for up to EUR 100m. The PL includes a Young Farmer (YF) window of at least 10% of the loan amount.
 - (i) Enables focus on the sector
 - (ii) Targets sub-projects (investment cost up to EUR 25m) and EIB support to YF
 - (iii) Streamlined approval process (Programme Loans are a delegation mechanism from the Board of Directors to the Management Committee)

The Operation

- The dedicated windows for YF have a tenor of up to 15 years and a grace period of up to 5 years to be flexible and accommodate the needs of YF (including working capital facilities, succession plan, etc.).
- As of October 2022, 97% of the financing has been approved, in Italy, France, Greece and Croatia.
- Thanks to its success, a new operation may follow.

EIB Intermediated Loan business case: Banque Fédérative du Crédit Mutuel (« BFCM »)

France  **Crédit Mutuel**

- Loan to BFCM, a leading Financial Institution in France
- Experienced in agricultural finance (17% market share) to facilitate access to finance for agricultural businesses (SMEs)
- EUR 100 m, approved in 2019
- Tenor up to 15 years
- 30% dedicated to **Young Farmer** and 50% to **Climate Action** projects in France
- Allocated to 297 sub-operations
- EUR 168 000 average loan amount
- 147 months average term
- An additional EUR 100m will be signed by 2022 year end

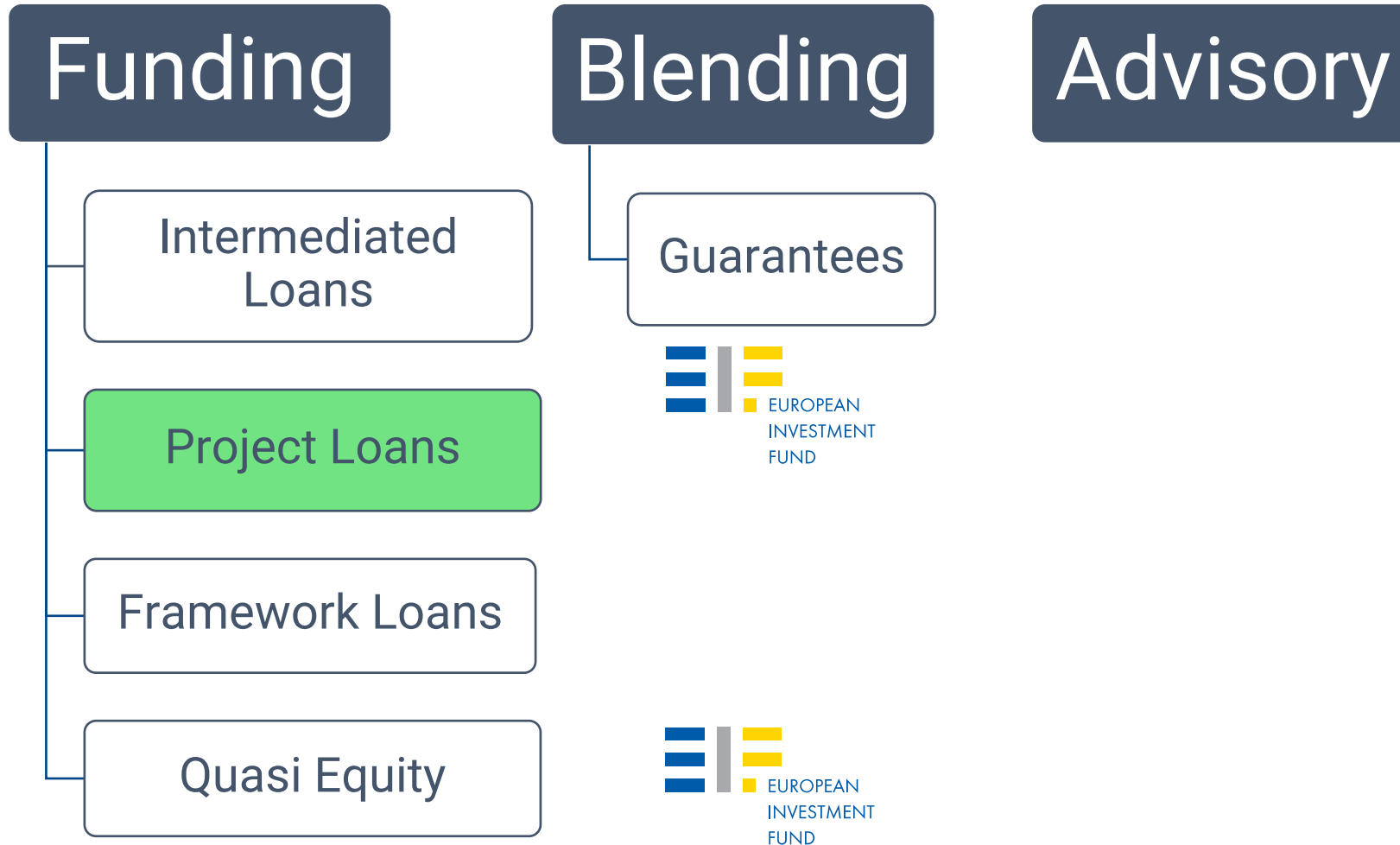
EIB Intermediated Loan business case: Crédit Agricole (« CASA »)



France

- Loan to CASA, a leading global financial institution and one of the largest bank in Europe
- Leader in agricultural finance (65% market share in France) to facilitate access to finance for agricultural businesses (SMEs)
- EUR 300 m, approved in 2022
- Tenor up to 15 years
- 30% **female entrepreneurship** in the Agriculture and Bioeconomy
- 30% **new businesses or generational change**;
- 15% **Climate Action** (e.g. renewable energy, energy efficiency and climate action and mitigation fields promoted by SMEs and Mid caps)

EIB Group products



Direct lending operations

AGRICULTURE AND BIOECONOMY PROGRAM LOAN (2017-0628)

EUR 400 m credit line authorisation under the European Fund for Strategic Investment (EFSI):

- (i) Enables focus on the bioeconomy sector
- (ii) Targets any size corporates and agricultural cooperatives
- (iii) Targets projects (investment cost between EUR 15 m - 200 m)
- (iv) Streamlined approval process

Operation Name	Project Cost (M EUR)	EIB Financing Amount (M EUR)	Countries
AGRIA GRAIN PORT TERMINAL	29.2	14	Bulgaria
CARBERY GROUP INVESTMENT PROGRAMME	75.0	35	Ireland
DE CECCO FOOD PRODUCTION EXPANSION & INNOVATION	92.8	45	Italy
E-PIIM DAIRY EXPANSION	119.6	28	Estonia
FOOD PRODUCTION MODERNISATION	94.1	47	Poland, Romania, Bulgaria
GROUPE ROULLIER RDI PROGRAMME FINANCING	104.8	50	France
INVIVO DIGITAL AGRICULTURE PLATFORM	75.4	37.5	France
PLYWOOD PRODUCTION INVESTMENT PROGRAMME LATVIA	82.5	40	Latvia
SILL INFANT MILK AND RDI INVESTMENT	105.4	40	France
SODIAAL RDI IN DAIRY ACTIVITIES	80.0	40	France
TOTAL	858.7	376.5	

EIB Project Cycle



Conclusion

- The EIB Group supports the EC policies through financial products (lending and blending) other than the traditional grant funding
- EIB supports sustainable and resource-efficient projects
- Cooperative, SME (including farmers), Mid cap and Large Corporate can benefit from EIB funding – guarantees
- Financial instruments should enable to do “more with less”
- EIB facilitates the crowding-in of other financial institutions funding in the projects



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