



Overview of national systems for the agricultural sector

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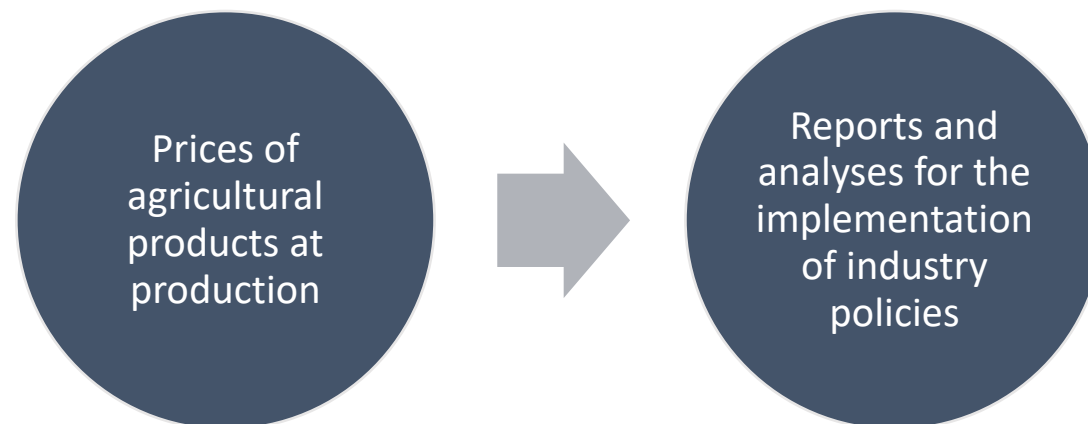
Overview of national systems for agriculture - The contribution of ISMEA

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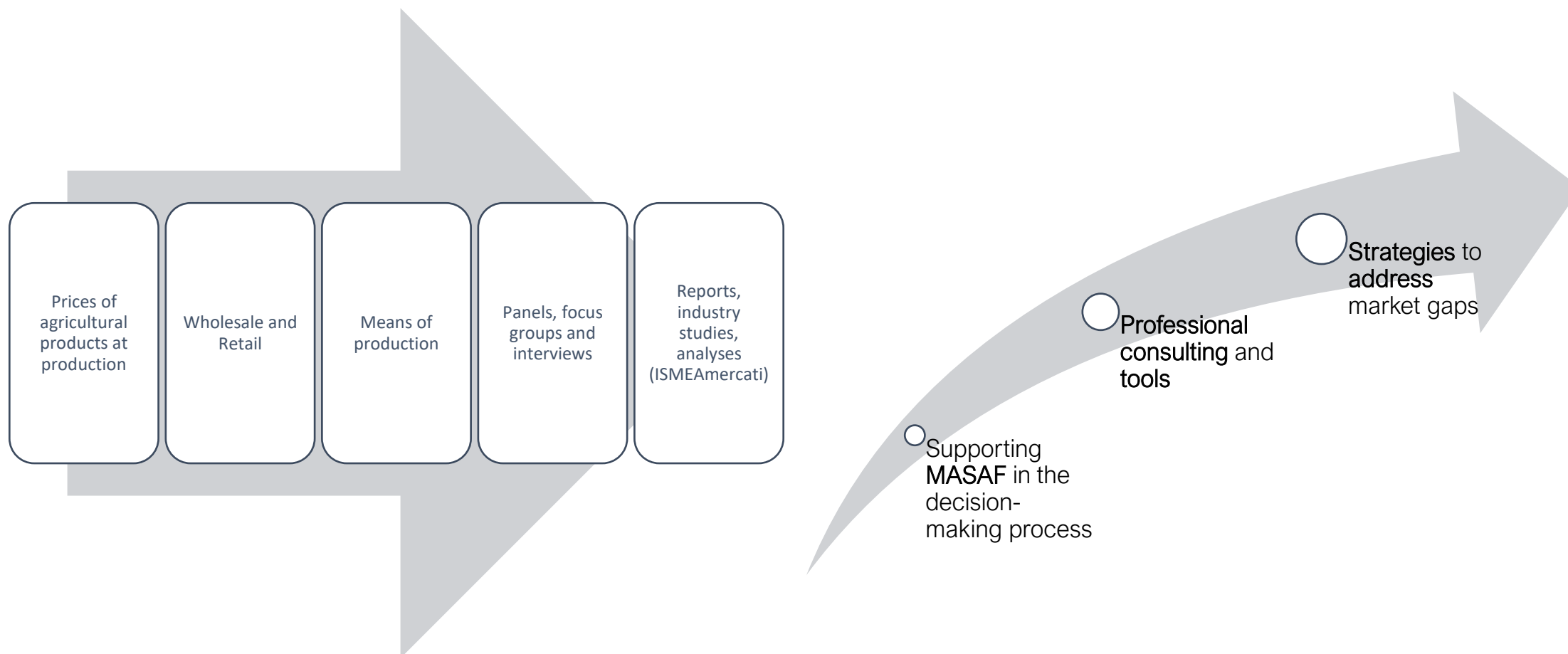
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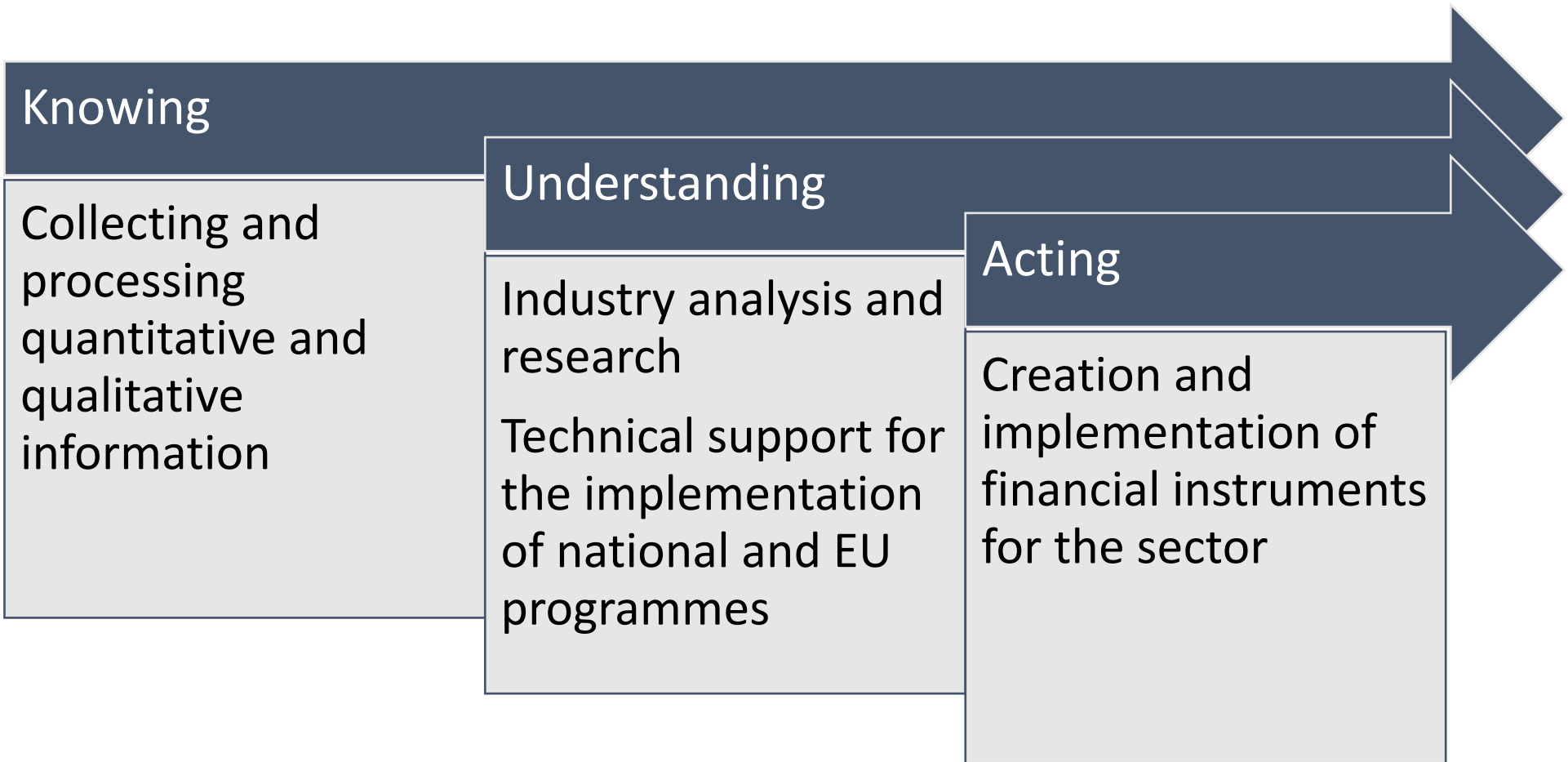
- Public body under the supervision of the Ministry of Agriculture and Food Sovereignty, originally specialized in the quantitative analysis of data in the sector and in the elaboration of producer price indexes



Operations over time

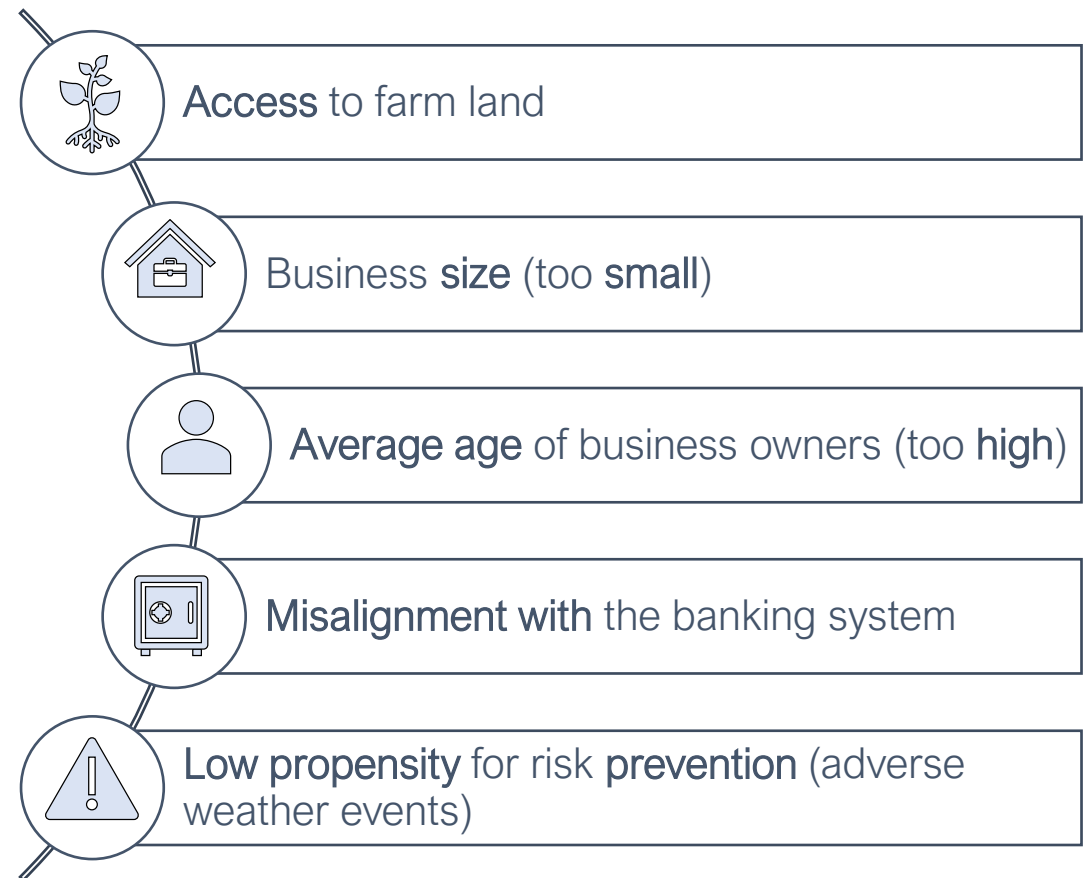


Three key points



Market gaps & operator needs

- Market **inefficiencies** due in part to longstanding cultural habits and the mentality of the actors in the system
- Directly **limit** growth in the sector within a **rapidly changing** business landscape
- **No clear distinction** between company finances vs. family finances
- ISMEA **financial instruments** aimed at **resolving** specific market **failures** and **meeting** the **needs** of users in the agricultural sector



ISMEA financial services and products





Thank you!



Initiatives supporting agriculture and the agrifood sector by CDP

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Areas of CDP action in the agricultural and agri-food sectors: Direct lending

- **CDP can support access to credit for businesses** in the agricultural and agri-food sectors through **lending directly to businesses** with a turnover of more than €50 mn
- For 2022-2023, **CDP financed 29 businesses** directly, for a total of approximately **€441 mn**


Examples of direct lending

  €6.5 mn Emilia-Romagna 	 €10 mn Lombardy 	 €5 mn Campania 	 €15 mn Campania 
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Scope of CDP action in the agricultural and agrifood sectors: Indirect lending

- **CDP can support access to credit for Small and Medium Enterprises (SMEs) and mid-cap enterprises** in the agricultural and agrifood sectors with other banks or financial institutions

Instrument	Description
Liquidity facility	<ul style="list-style-type: none">• Medium/long-term funding granted to banks and other intermediaries linked to the provision of credit to businesses• Approximately 11% of the total amount disbursed under this facility is allocated to SMEs/mid-cap enterprises in the agricultural and agrifood sectors
Bilateral funding	<ul style="list-style-type: none">• Granting of bilateral financing to banks, including in the form of bonds, to provide dedicated support for the granting of new financing to Italian agricultural businesses
Indirect guarantees	<ul style="list-style-type: none">• CDP, using regional, national or European resources, including in collaboration with the EIF, guarantees or counter-guarantees portfolios of loans to Italian businesses
Basket bonds	<ul style="list-style-type: none">• Subscription by CDP of mini-bonds issued by SMEs in the agricultural and agrifood sectors in order to finance their business growth plans (see Basket Bonds – wine sector)
Revolving Fund for Enterprise	<ul style="list-style-type: none">• Grant of medium/long-term co-financing in alignment with the banking system to businesses that make investments eligible for public subsidies under the various measures (i.e. those related to the agricultural and agrifood sectors), under favourable lending conditions for CDP's portion

 Focus of slides 4 to 8

Revolving Fund for Enterprise – Main features

Context

- The Revolving Fund for Enterprise was established in 2005 as part of efforts to rationalise the system of public subsidies to support businesses
- With the revolving fund, an enterprise can submit a project to gain access to:
 - A **grant** issued by the Ministry/Region that manages the specific subsidy
 - A "**revolving-fund Loan**" consisting of a subsidised portion (by CDP) and a market-rate portion (lending bank)
- The revolving fund entails:
 - synergies with the banking system
 - coordinated operations with the Ministries/Regions managing the specific subsidies

Main characteristics

Purpose and functioning

- CDP co-finances the investments of businesses eligible for public subsidies (R&D, industry, commerce, small business, tourism, etc.):
 - **Medium/long-term: duration up to 15 years**
 - **Under controlled lending conditions: subsidised rate** (typically 0.50%) or, for the regional revolving fund, the "MEF rate" **paired with an interest grant** provided by the Region


Fund and volumes

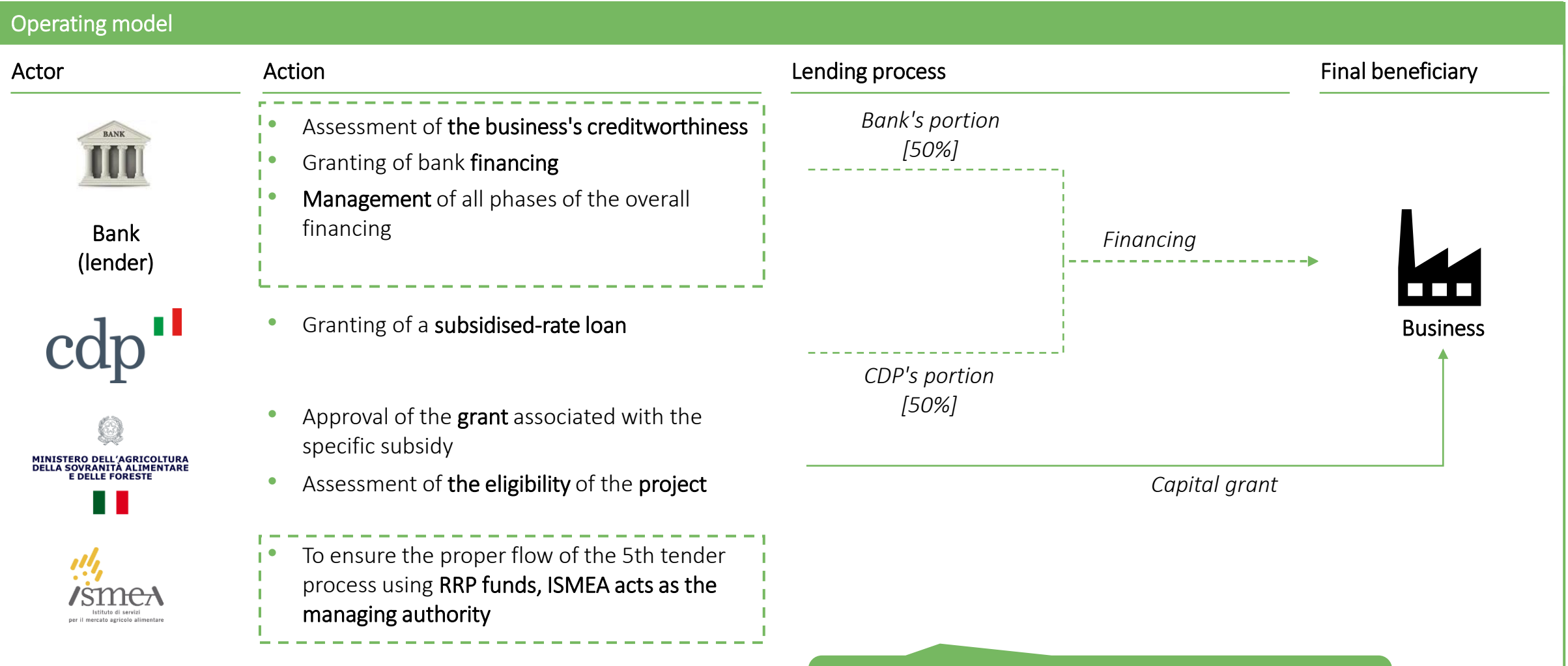
- **National revolving fund: €6 bn**
- **Regional revolving fund: €2 bn** (first measure activated in Campania in 2020)

Main Actors

- **National revolving fund:** MEF, MiSE, (or other Italian ministries managing the aid schemes and CIPE), CDP (and ABI)
- **Regional revolving fund:** Regions, CDP (and ABI)
- **Managing Authorities:** Regional tax authorities, *in-house* companies, government bodies, selected entities by way of tender

Intervention scheme of the 5th tender process for the “Contratto di filiera”

 Actions carried out on behalf of CDP



Agreement between MASAF and CDP signed on 20 September 2022

Revolving Fund for Enterprise – “Contratto di filiera”

- In recent years, Italy's Ministry of Agriculture, Food Sovereignty and Forestry (MASAF), in collaboration with CDP, **has launched a series of revolving-fund initiatives in support of agricultural and agrifood sectors and districts**
- CDP supports companies benefiting from the subsidies provided by the **3rd, 4th and 5th tenders** related to this initiative

Initiative	Supply chains supported	Loans granted	Amount of financing (CDP share)	Activated investments
3rd tender	11	34	€95 mn	€208 mn
4th tender	31	417	€226 mn	€736 mn
Flow of 4th and 5th tender	approx. 65	n.a.	n.a. ¹	n.a.

¹ Regarding the flow of the 4th tender, 395 loans supporting 26 supply chains have been approved, for total funding of approx. €167 mn and approx. €409 mn of activatable investments

Main features of the 5th tender “Contratto di filiera” (1/2)

Component	Description
Purpose	<ul style="list-style-type: none"> To support agro-industrial policy in Italy, while promoting the development and consolidation of agricultural and agrifood supply chains, so as to stimulate the creation of better market relations and ensure positive repercussions on agricultural production
Beneficiaries	<ul style="list-style-type: none"> Individual companies, cooperatives, consortia, or other networks of companies operating in the agricultural and agrifood sectors; farming organizations and associations of farming organizations; partnerships between farmers and commercial and/or industrial companies and/or providing distribution services; agricultural cooperatives and their consortia or farmer organizations; entities engaged in research and knowledge dissemination
Funding	<ul style="list-style-type: none"> A portion of the approx. €1,200 mn of funding from the Italian RRP Supplemental Fund (M1C1 – Circular Economy and Sustainable Agriculture) for grants, net of what is allocated to the continuation of the 4th tender and other initiatives (e.g. fishing) Financial resources from the Revolving Fund for Enterprise, within the limits of the share assigned by CIPESS at the meeting of 15 February for the granting of subsidized Loans, equal to a total of €900 mn for continuation of the 4th and 5th tenders
Conditions for eligibility	<ul style="list-style-type: none"> The “Contratto di filiera” must be multi-regional in scope; the total amount of eligible costs attributable to a single region may not exceed 85% of the total eligible costs The Programme must involve at least two Beneficiaries The amount of the Investment Programmes must be between €4 and €50 mn; the minimum amount of the Projects, per individual beneficiary, is €400K, which can be reduced to €100K for SMEs¹ The deadline for submitting applications for access to the subsidies expired on 24 November 2022

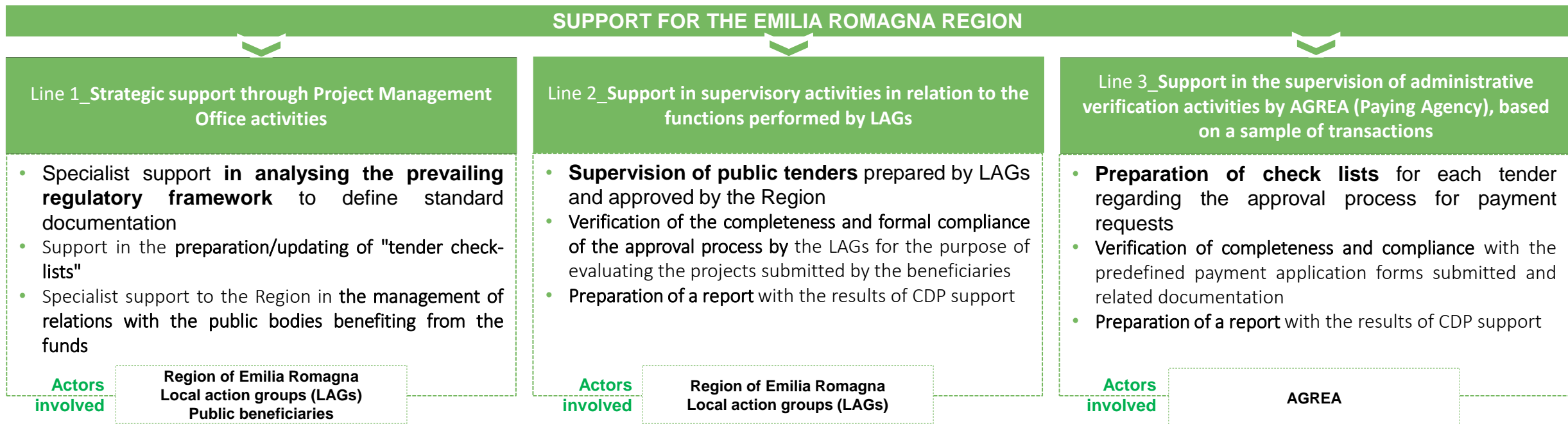
¹ Solely for capex and investments in intangible assets at farms involved in primary agricultural production

Main features of the 5th tender “Contratto di filiera” (2/2)

Component	Description
Subsidies available	<ul style="list-style-type: none">• Subsidies may be requested in the form of a capital grant, of subsidised financing, or a combination of the two• Regions and Provinces may arrange for co-financing in the form of capital grants• The grant may be granted according to variable limits based on the size of the business, the location, and the purpose of the investment• Beneficiaries who apply for a subsidised loan must obtain a bank loan equal to at least 50% of the total amount of financing and granted by a lending bank that has signed the specific mandate with CDP. For the purposes of granting the loan, the lending bank must assess the creditworthiness of the beneficiary on the bank's own behalf and on the behalf of CDP• Subsidised financing is granted at an interest rate of 0.50%• The duration of the loan is a minimum of 4 years and a maximum of 15 years, including a grace period of no more than 4 years
Eligible projects	<ul style="list-style-type: none">• Capital expenditure and investments in intangible assets related to primary agriculture (SMEs and large-scale enterprises)• Investment in the processing and marketing of agricultural products (SMEs and large-scale enterprises)• Investments in the transformation of agricultural products into agrifood products not included in Annex I to the Treaty on the Functioning of the European Union (SMEs)• Participation in quality schemes and promotional actions (SMEs and large-scale enterprises)• Organisation of and participation in competitions, trade fairs or exhibitions (SMEs)• Research and development projects in the agricultural sector (research organisations)• Participation in trade fairs and investments for the production of renewable energy (SMEs)
Provision of subsidies	<ul style="list-style-type: none">• The portions of the capital grant and any financing are to be disbursed based on project progress, with a maximum of 4 requests for disbursement, including the final balance. Beneficiaries of the subsidies, by way of the applicant, may request from the Ministry a share of up to 40% of the capital grant as an advance, subject to presentation of a bank or insurance guarantee

Support to the Emilia-Romagna Region in the management of EAFRD funds

- In November 2023, CDP signed an agreement with the Region of Emilia-Romagna and AGREA for technical and operational support in the management of EAFRD funds for the 2021-2027 programming period, amounting to a total of €913 mn. The assignment was completed in accordance with Article 10, paragraph 7-quinquies and paragraph 7-novies, of Italian Legislative Decree no. 121 of 10 September 2021, which establishes that **public bodies may turn directly to CDP S.p.A. for operational and technical support in the management of European funds**, including structural funds for the period 2021-2027
- CDP will assist the Region and AGREA in **providing specialist and strategic support** and in overseeing the allocation and monitoring of funds





Thank you!



Thank you!

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