



# EAFRD financial instruments, InvestEU & the post-2020 debate

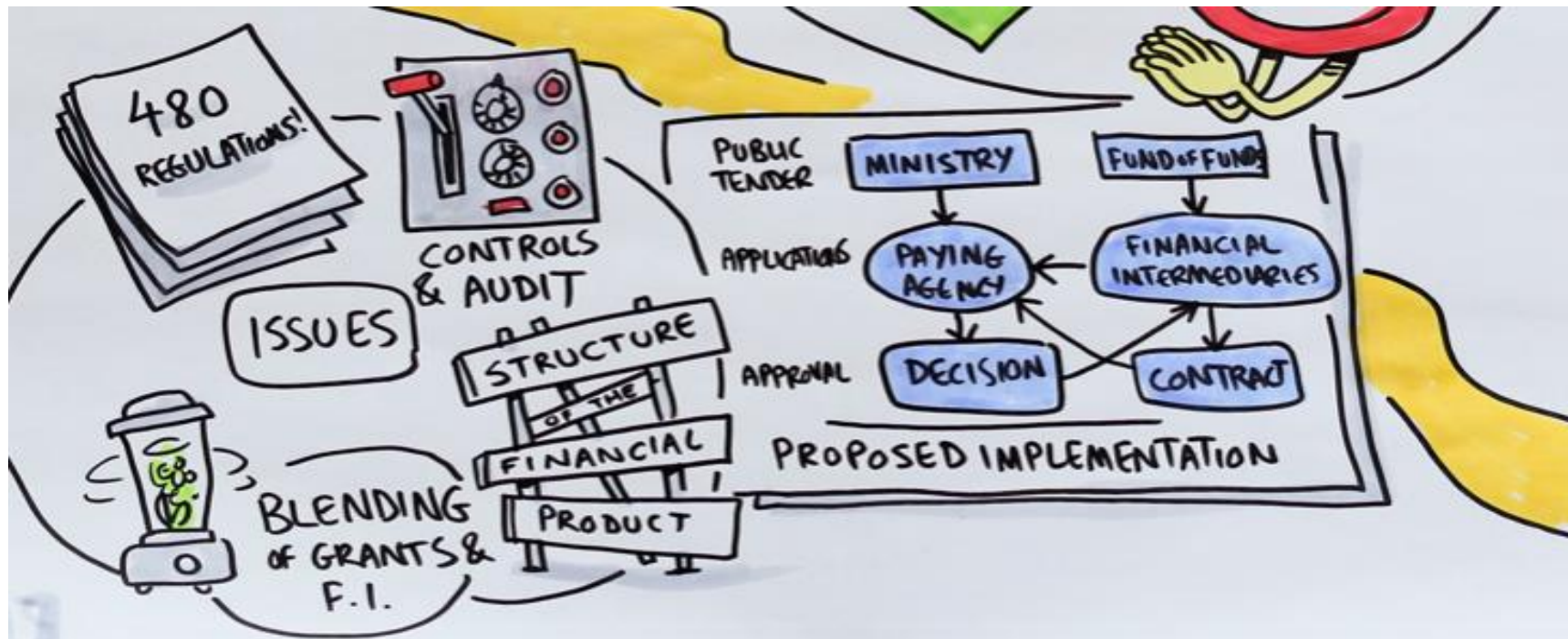
**Michael Pielke**, Head of Unit, Directorate-General for  
Agriculture and Rural Development, European Commission

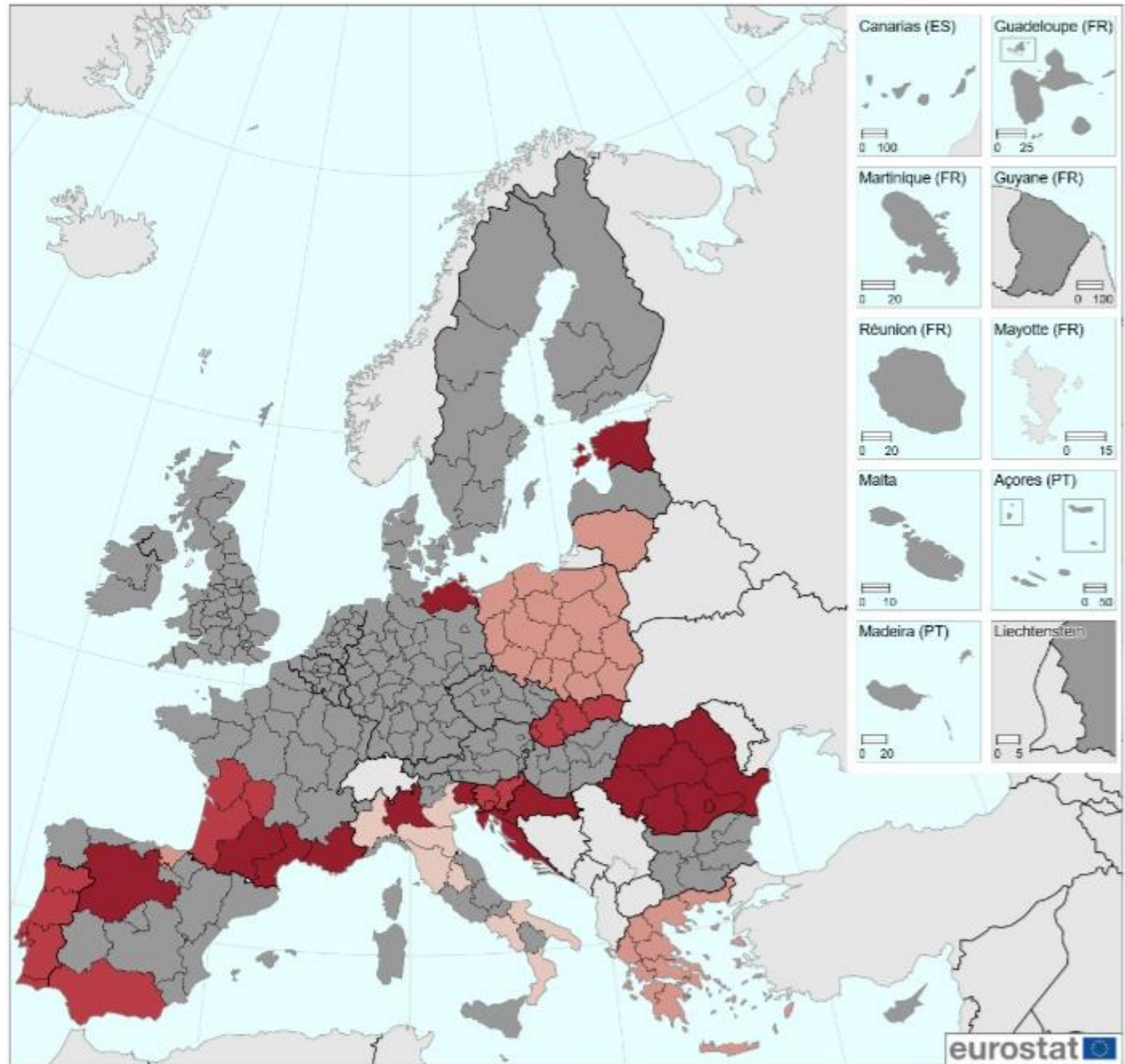


 #ficompass

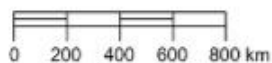


# EAFRD Financial instruments, InvestEU & the post-2020 debate





Administrative boundaries: © EuroGeographics © UN-FAO © Turkstat  
 Cartography: Eurostat – IMAGE, 03/2019



By the end of 2018:

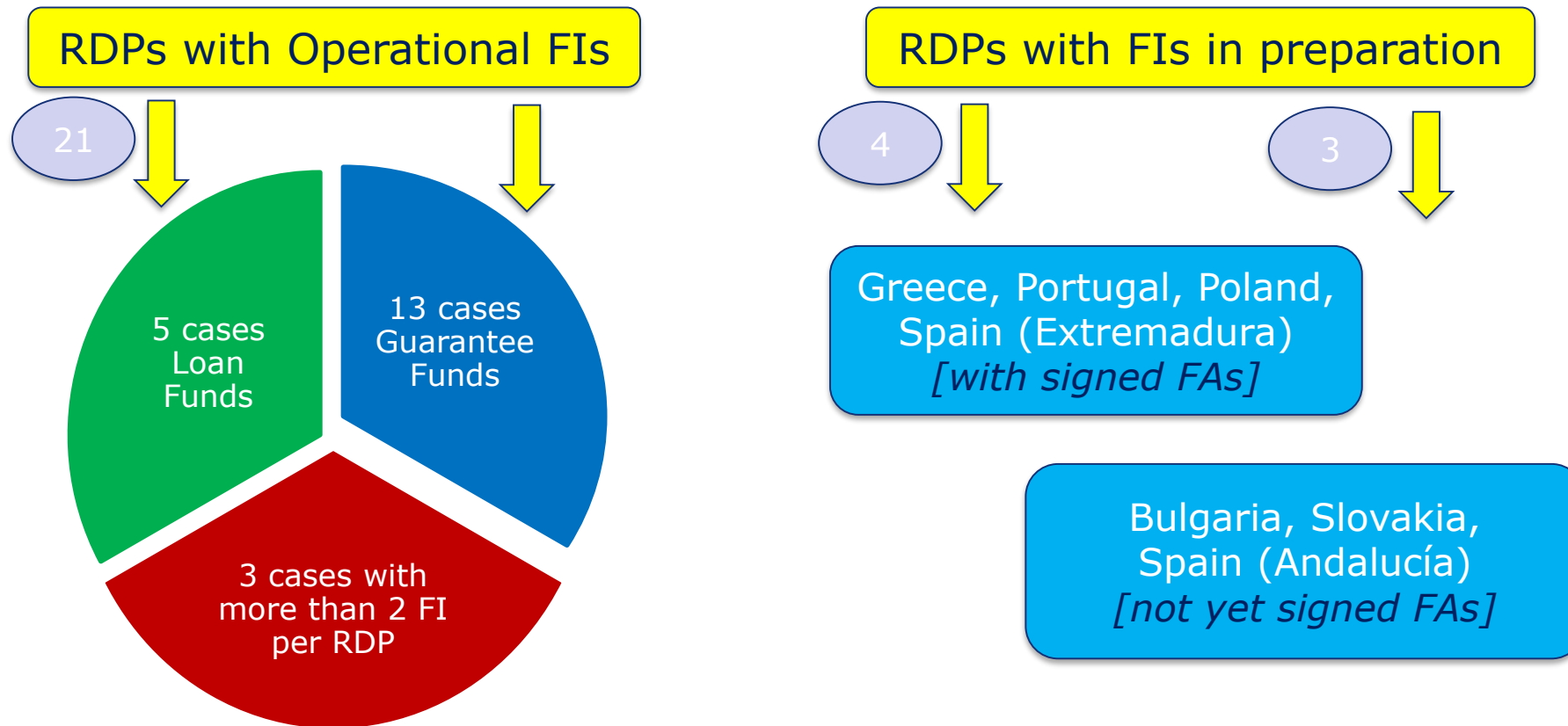
- 43 ex-ante assessments
- 26 financial instruments with signed funding agreements  
 of which 21 operational (by Nov 2019)
- 16 Fund of Funds
- 10 Specific Funds
- EUR 492 million total public resources are committed  
 of which EUR 372 m. EAFRD from 21 RDPs

Expected leverage: EUR 2 – 2.5 bn

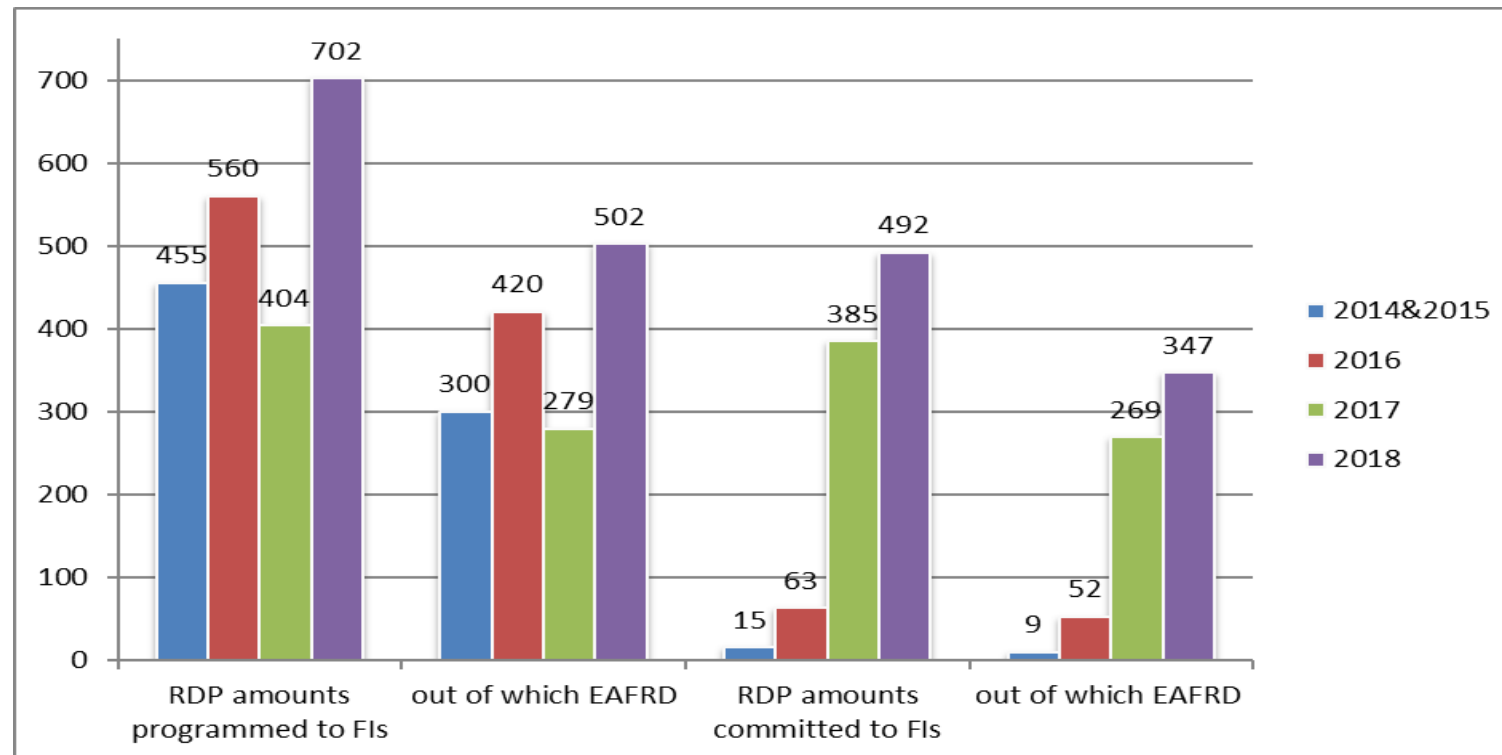
IT Guarantee Platform operational since summer 2019

- Non-operational FIs with signed funding agreements
- FIs in a process of setting up (after ex-ante)
- EAFRD - EFSI Initiative
- Operational FIs

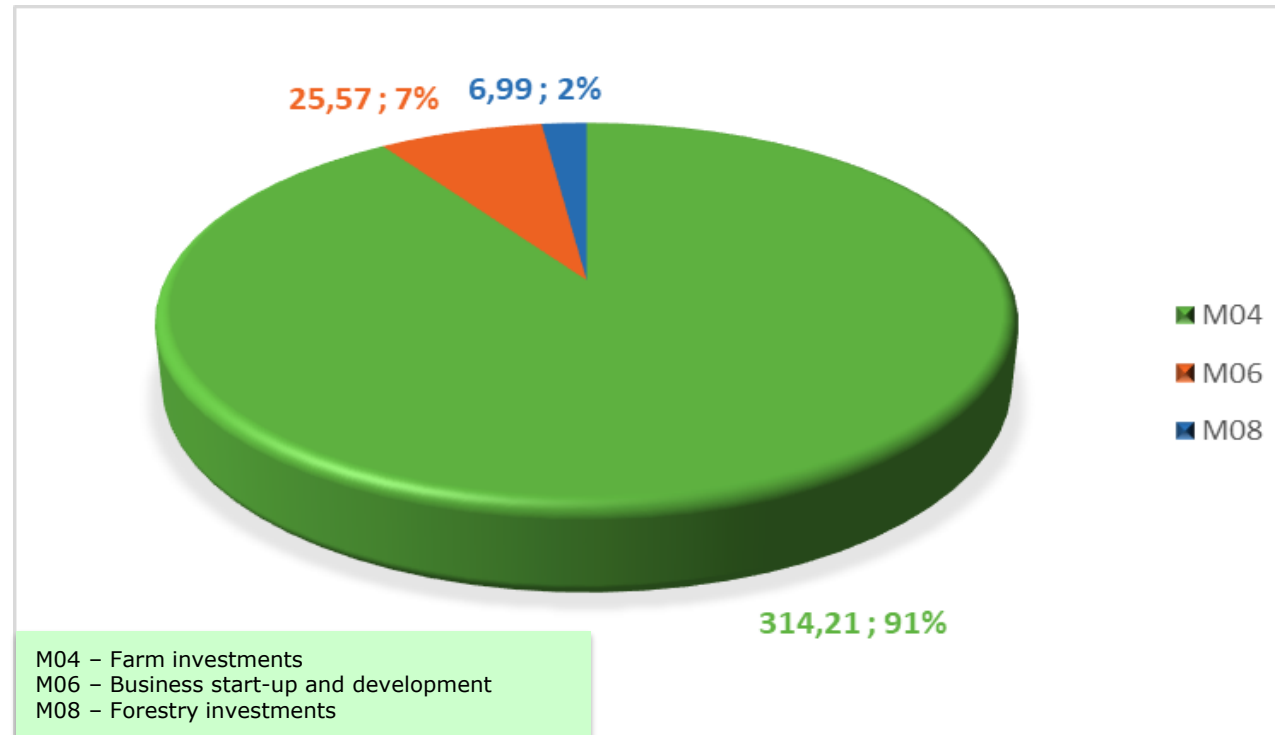
# EAFRD Financial Instruments 2014-2020 state of play



## Development of programming EAFRD FIs Commitments in Funding Agreements (million EUR)



## EAFRD commitments to FIs, per measure, as of end of 2018, in million EUR & %



## EAFRD FIs' Performance – Indicators, general (by end 2018)

- *310 final recipients supported, of which*
  - ✓ 209 microenterprises
  - ✓ 67 small or medium-sized enterprises
  - ✓ 29 individuals
  - ✓ 5 large enterprises
- *Disbursement rate:*
  - ✓ Loan funds disburse support much quicker than guarantee funds
  - ✓ Significant disbursement rate for the first 5 launched FIs [EE, FR Languedoc-Roussillon, IT regions, DE region]
  - ✓ Growing disbursement rate in FIs launched in late 2018 [HR, RO]
- *Leverage – outperforming in 6 out of 9 reported cases*

## EAFRD FIs' Performance – Indicators, sectorial (by end 2018)

- *Agriculture:*
  - ✓ 55% final recipients
  - ✓ 53% of total FI financing:
    - ❖ Dairy farms (23%),
    - ❖ Field crops (8%)
    - ❖ Other grazing livestock (8%)
    - ❖ Mixed (5%),
    - ❖ Other activities, including permanent crops (9%).
- *Non-agricultural businesses, incl. food industry:*
  - ✓ 45% final recipients
  - ✓ 47% of total financing



## DG AGRI – EIB recent initiatives

- *EAFRD – EFSI combination*
  - ✓ 4 RDPs with running (or ready) FIs
  - ✓ 2 RDPs in preparation
- *Young Farmers' Initiative*
  - ✓ EIB stand-alone loan for YF
  - ✓ TA for FI & grant combination
- *Rural infrastructure Initiative*
  - ✓ Targeted coaching on how to set up FIs
  - ✓ TA for document & project management

# The post-2020 period

# Types of financial instruments based on the source of financing

EAFRD supported FIs

Contributions to InvestEU

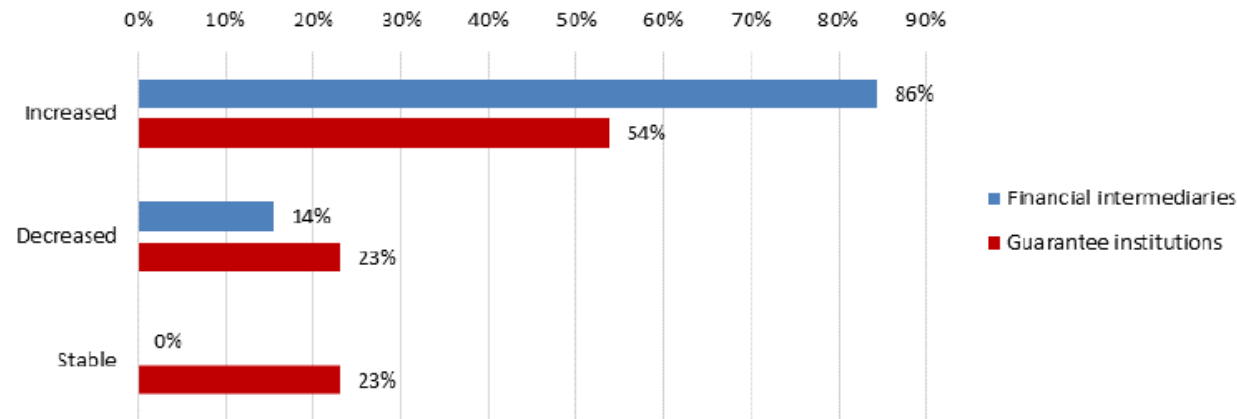
National / Regional FIs

## Analytical preparations (with *fi-compass*)

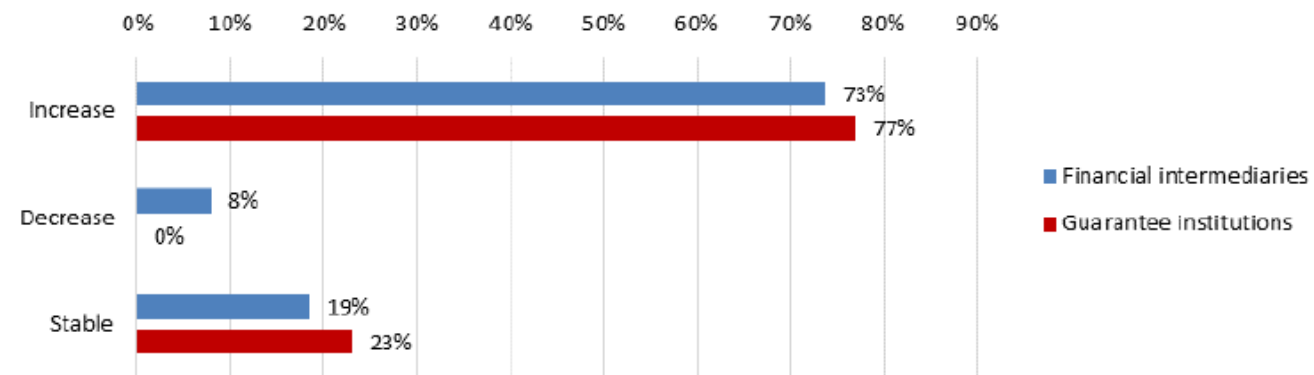
- We surveyed:
  - ✓ 7,569 farmers in 24 MS (2017)
  - ✓ 2,175 agro-food processors in 24 MS (2019)
  - ✓ 216 EU banks in all MS (44 in detail)
  - ✓ 13 national guarantee bodies supporting agriculture
- All the data is analysed:
  - ✓ Published on <https://www.fi-compass.eu/esif/eafrd>
  - ✓ 24 MS gap analysis reports to be available in Spring 2020  
(UK, MT, LU, CY not covered)

Reports & analyses checked with more than 400 stakeholders !!!

### *Demand for finance in agriculture in the last three years (2015-2017)*



### *Demand for finance in agriculture in the next three years (2018-2021)*



Source: DG AGRI and EIB fi-compass, 2018

## Advantages for Financial Instruments vs Grants

### ❑ Simplified rules

- ✓ Less eligibility restrictions
- ✓ No limits for purchase of land by YF
- ✓ Easy Programming of FIs

### ❑ Loans for working capital via FIs

- ✓ Stand-alone working capital FIs, with no grants involved, will be possible

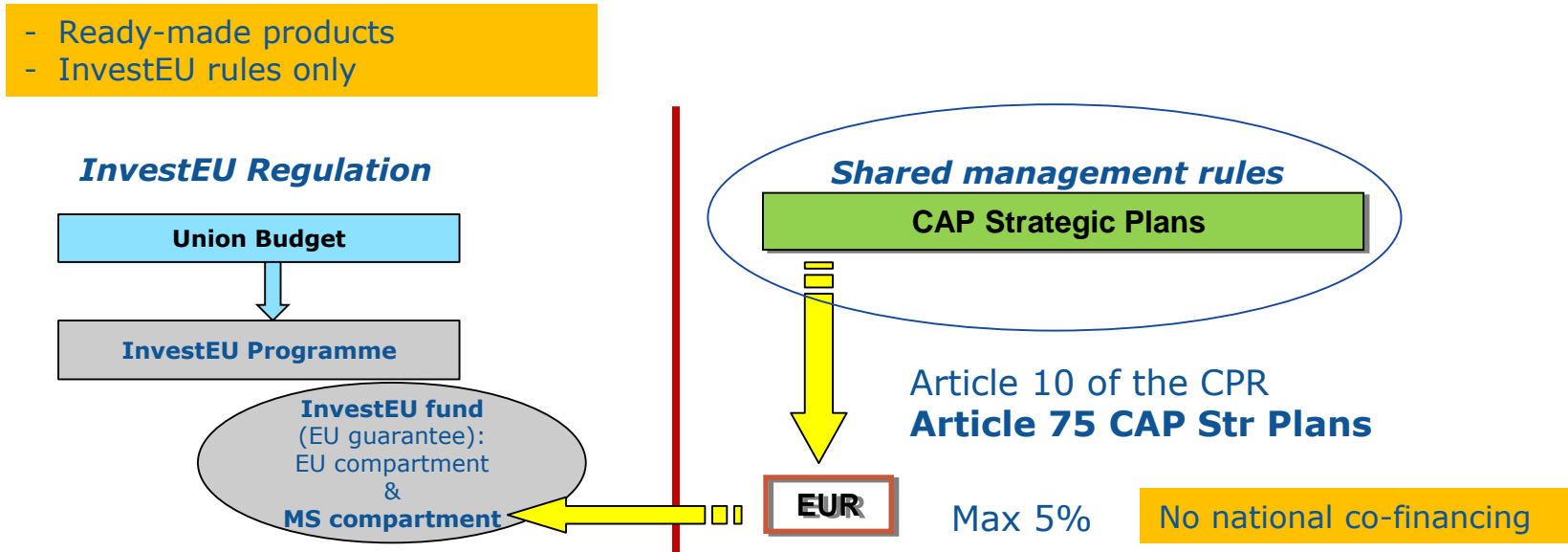
### ❑ Revolving resources

- ✓ Remain for the MS after first roll-out
- ✓ To be used for a similar purpose

Loans

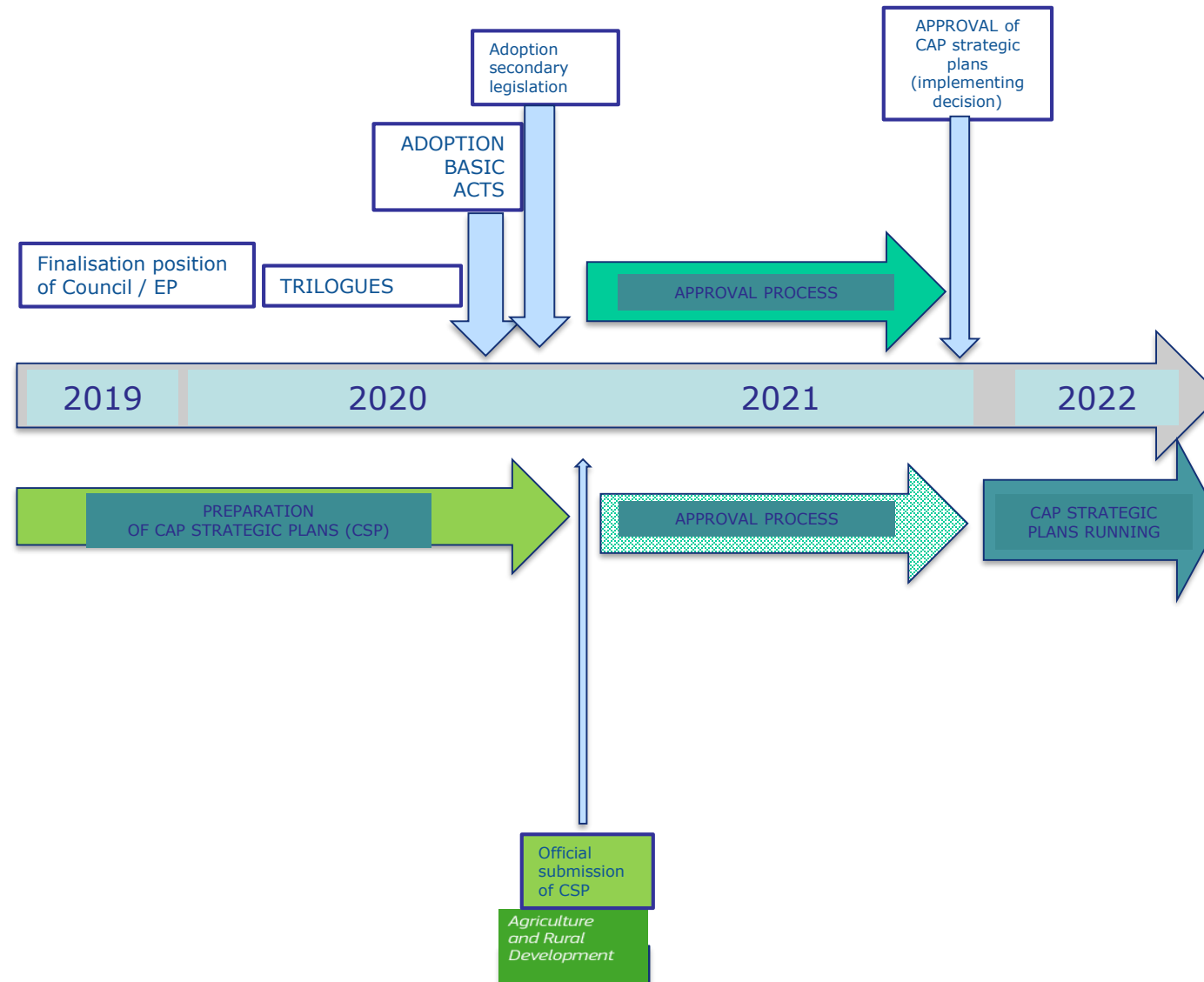
Guarantees

## InvestEU MS compartment: key features



Combination EAFRD – InvestEU similar to the current EAFRD – EFSI is **no longer possible**

# Estimative CAP reform timeline





# Geo Hubs discussions

- What do we offer?
  - ✓ 24 MS new gap assessment reports to be presented on 23 April 2020 to be used as ex-ante analyses
  - ✓ Face-to-face targeted coaching
  - ✓ Bilateral meetings in the context of GeoHub discussions
  - ✓ Data and analyses from *fi-compass* surveys
- What do we expect?
  - ✓ Financial situation in the ex-ante evaluation
  - ✓ Financial needs part of the SWOT
  - ✓ Use of FIs as part of the CAP Strategy
  - ✓ Programming from the off-set (2021-2022)

Bilateral meetings with MS  
until today:

- AT, PT, DE, IE, PL, RO, FR  
LV, SI



# Thank you

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