



EAFRD financial instruments in the post-2020 CAP

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 #ficompass

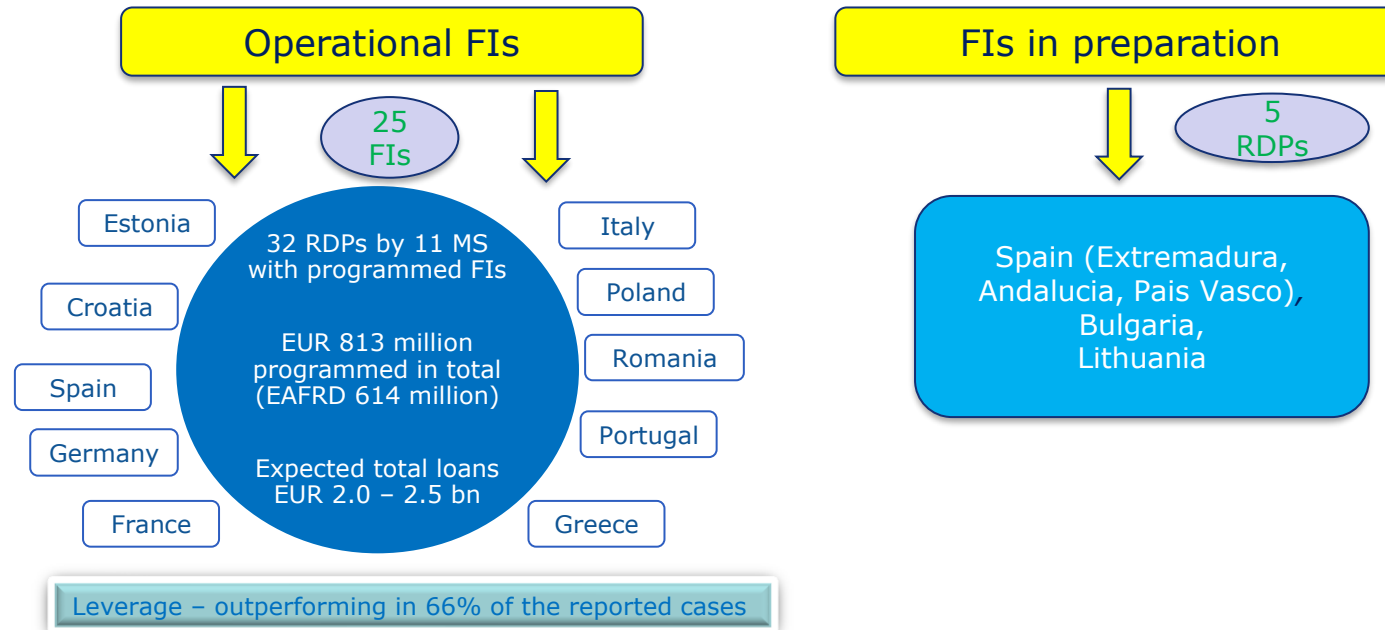


Policy rationale for the use of FIs

- **Income**
to address the current investment gap
- **Risk management**
to overcome temporary cash flow shortages complementing the available risk management toolkit
- **Rural development**
complementary funding mechanism to grants
- **Generational renewal**
to support farm investments and working capital adapting to the investment needs and higher risk profiles of new entrants



EAFRD Financial Instruments



Post2020 EAFRD rules for Financial Instruments

Simplified rules

- ✓ Less eligibility restrictions
- ✓ No limits for purchase of land by YF
- ✓ Simpler ex-ante assessment
- ✓ New combination possibility of grants and FIs
- ✓ Easy Programming of FIs (already now)

Loans

Loans for working capital via FIs

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

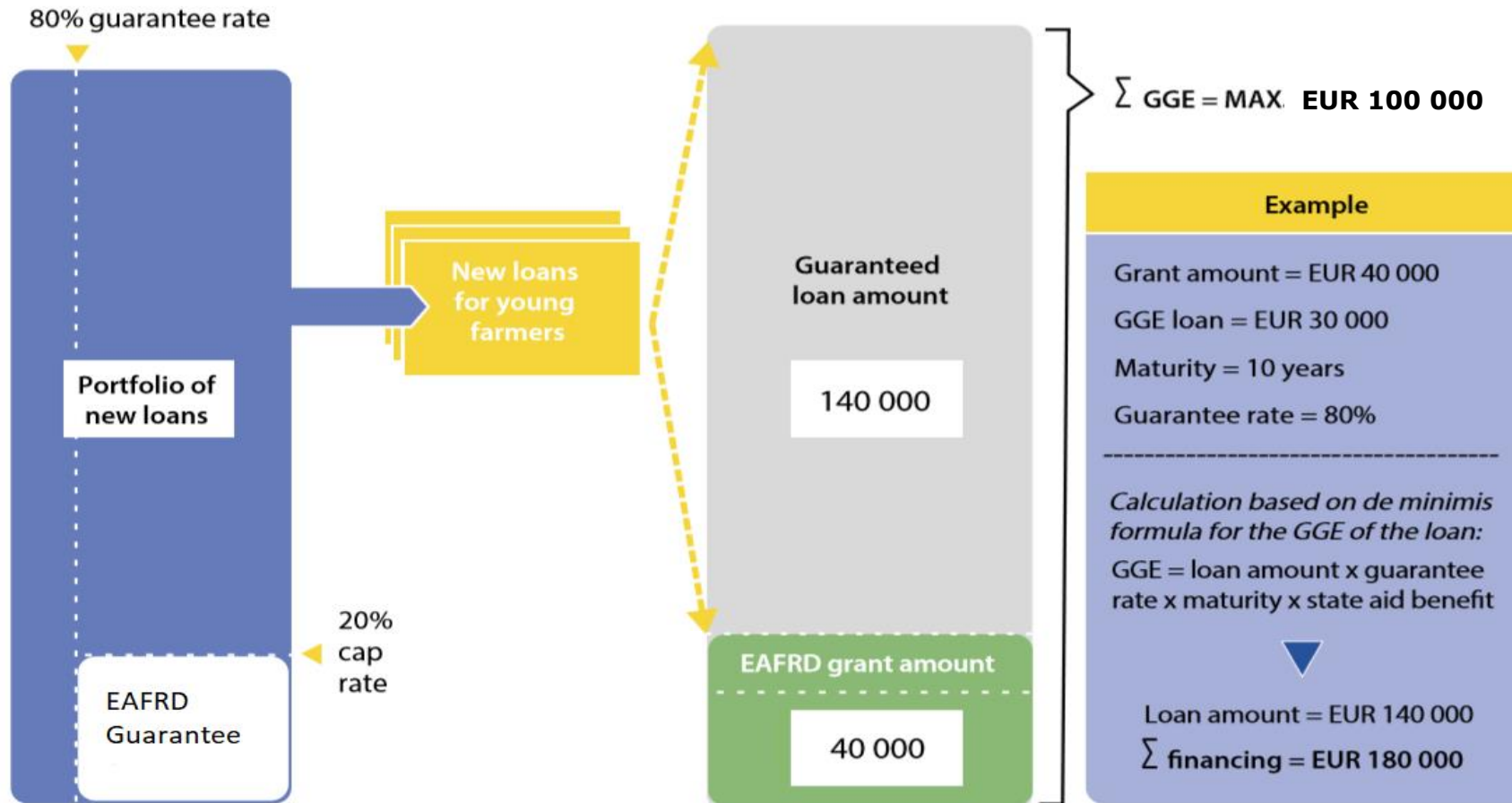
Guarantees

Revolving resources

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

Equity

Combination of EAFRD grants with Financial Instruments



Next steps

- *Identifying access to finance aspects in the:*
 - **SWOT** (SO2, SO7, and where relevant)
 - **Assessment of needs**
 - **Prioritization of needs**
- *Intervention strategy*
- *CAP ex-ante evaluator assesses the "rationale for the use of financial instruments"*
- *Adoption of CAP Strategic Plans*

In parallel, or any
time*:
**Ex-ante assessment
for the use of FIs**

Complementing instruments post 2020

- *InvestEU*
- *Just Transition Mechanism*
- *Recovery and Resilience Facility*



InvestEU: successor of Juncker Fund

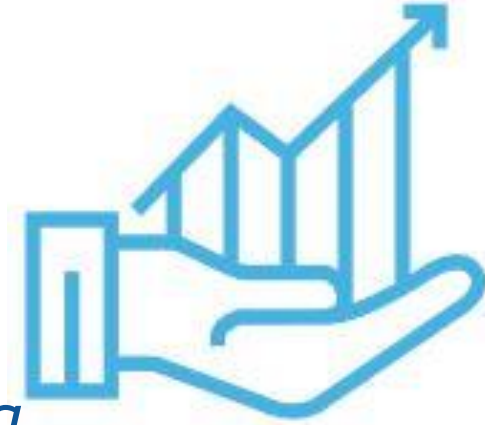


2021-2027



Invest EU

- *single scheme supporting investments*
- *centrally managed*
- *EU – MS compartment, no ring-fencing*
- *provides guarantees to implementing partners that offer financial products to companies*
- *good complement to EAFRD FIs, in particular SME Window*



InvestEU Member State Compartment

- **can be ring-fenced geographically (regional, cross-border)**
- **up to 5% of EAFRD money can be contributed,**
- **InvestEU rules apply**

Just Transition Mechanism

- *supports regions most impacted by move to carbon neutrality (“just transition regions”)*
- *3 Pillars*
 - **I Just Transition Fund**
 - **II Just Transition Scheme under InvestEU**
 - **III Public Sector Loan Facility**
- *limited potential for agriculture and rural development*

Recovery and Resilience Facility

- *supports reforms and public investments*
- *provides grants and loans*
- *MS submit national recovery and resilience plans*
- *focus on green and digital investments*
 - *Climate target likely to be above 35% of spending*
- *potential for agriculture and rural development*
e.g. digitalisation



Call to action

- *Explore access to finance for agriculture and rural areas in the MS*
 - **FI-compass studies**
- *Explore the tools offered by the future EU framework*
 - **Request targeted coaching from fi-compasss & DG AGRI**
 - **fi-compass case studies, publications, conference materials**
 - **Reach out to DG AGRI Unit F.3 through your GeoHub coordinator**

