



EFSI for agriculture and rural development

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Investment Plan for Europe: the three pillars



1. MOBILISING FINANCE FOR INVESTMENT

- Mobilise at least €315bn over 3 years for strategic investments and access to finance via the European Fund for Strategic Investments (EFSI) within EIB/EIF
- Cooperation with National Promotional Banks



2. MAKING FINANCE REACH THE REAL ECONOMY

- European Investment Project Portal (EIPP)
- European Investment Advisory Hub (EIAH)



3. IMPROVED INVESTMENT ENVIRONMENT

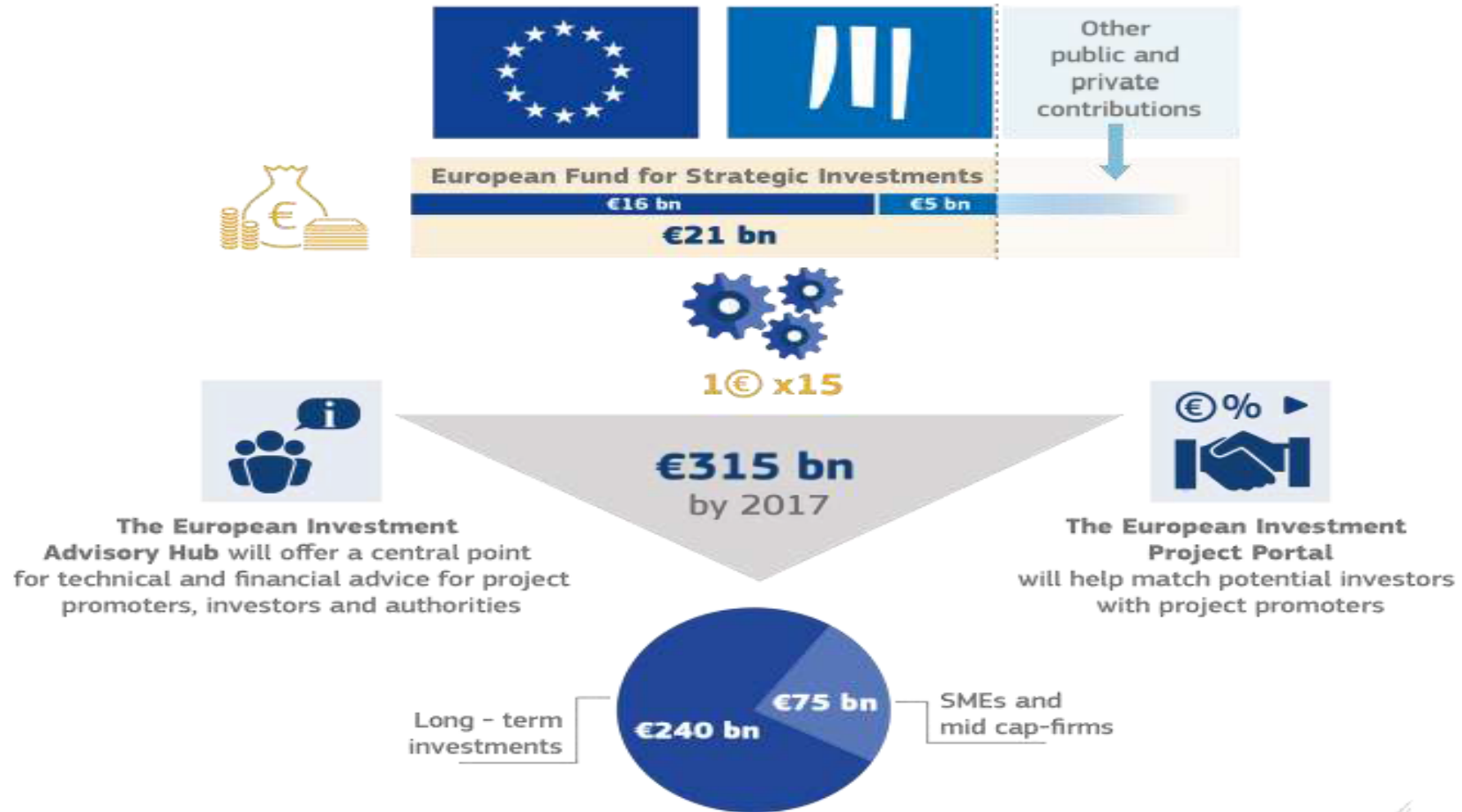
- Predictability and quality of regulation
- Removing non-financial, regulatory barriers in key sectors within EU Single Market
- Structural reforms at national level



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European Fund for Strategic Investments: EFSI



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EFSI State of Play

As of October 2010:

- **618 transactions** approved by the EIB Group so far.
- Since July 2015, the EFSI has **mobilised EUR 236.1bn** in investments across all 28 MS.
- Benefitting **454,000 SMEs and midcaps**.
- **312 larger projects** amounting to EUR 156,6bn in 27 MS.
- **Over 60% of private sector financing**.

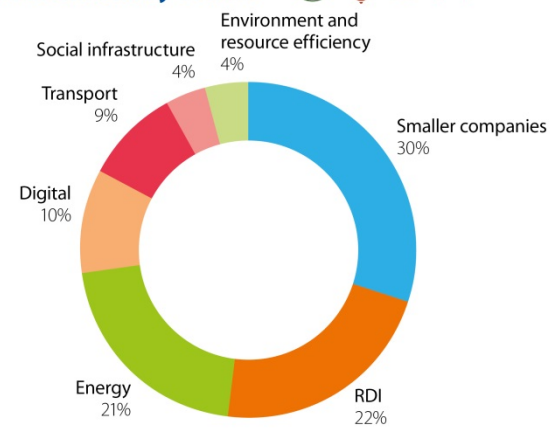


EUR 46.5bn

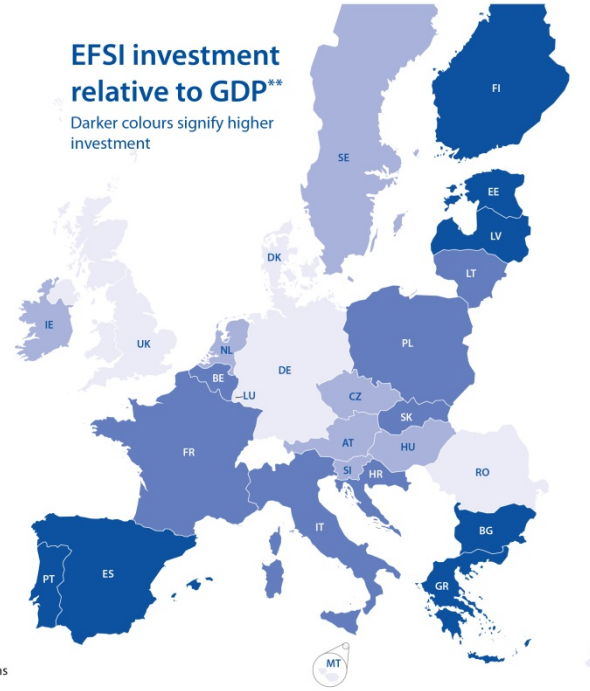
EUR 236.1bn

* EIB-approved: EUR 36.1bn
EIF-approved: EUR 10.4bn

EFSI investment by sector**



**based on approved operations



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EFSI eligibility criteria



1. Consistency with EU policies
2. Additionality
3. Economic and technical viability
4. Maximisation where possible of the mobilisation of private resources



EFSI Key Areas



Operations to be consistent with **EU policies** and to support any of the general objectives:

1. Research, development and innovation
2. Energy
3. Transport
4. Information and Communication Technologies
5. Environment and resource efficiency
6. Human capital, culture and health
7. Support to SMEs and mid-cap companies, through local partner banks and institutions





Some examples of EFSI financing approved for agriculture to date

List of projects in the agricultural sector

FI Äänekoski bio-product mill (signed in June 2015)



- Construction of a new bio-product mill in Äänekoski, Finland
- EIB financing under EFSI: **EUR 75 million**
- Total investment expected: **1.2 billion**
- Expected job creation: **8,500**

FR Normandy Dairy Production Facility



(signed April 2016)

- Construction and operation of a dairy plant to produce UHT milk, butter and cream. Upgrading older equipment to increase efficiency
- EIB financing under EFSI: **EUR 55 million**
- Total investment expected: **EUR 124 million**

PL Dairy production in Poland (under assessment)



- Construction and operation of two new milk powder processing lines in an existing milk processing factory

EL Creta Farms (signed in May 2016)

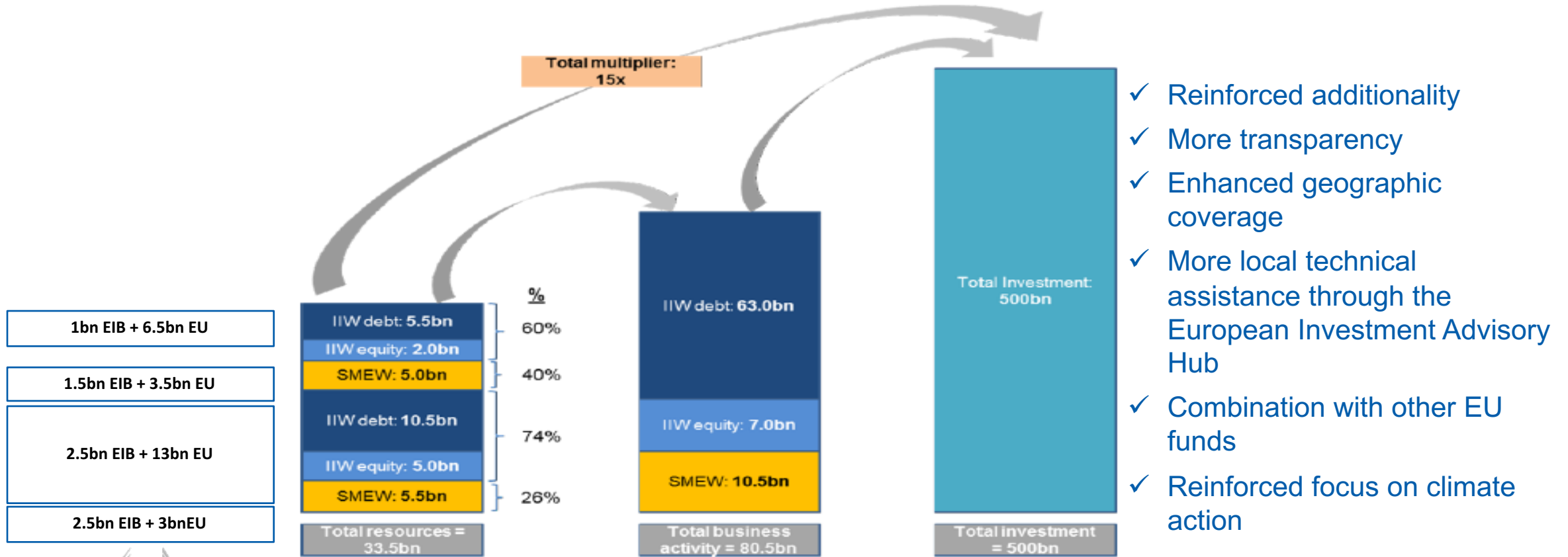


- Development of new product lines in the cold cut meat and dairy food manufacturer segments.
- EIB financing under EFSI: **EUR 15 million**
- Total investment expected: **EUR 31 million**

EFSI 2.0: what's next?



Extended duration and increased firepower of EFSI to mobilise at least EUR 500 billion by end-2020



- ✓ Reinforced additionality
- ✓ More transparency
- ✓ Enhanced geographic coverage
- ✓ More local technical assistance through the European Investment Advisory Hub
- ✓ Combination with other EU funds
- ✓ Reinforced focus on climate action



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The EU's Objectives in the agricultural sector



- Viable food production
 - Sustainable management of natural resources
 - Balanced development of rural areas
- Sustained investment in the modernisation and innovation of the sector and its capacity to deliver environmental public goods and services
- Up to EUR 9 billion current funding gap



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EFSI for Rural Development: what to expect



- In **EFSI 2.0 proposal**: A key area added "*Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy*"
- In **Omnibus proposal**: regulatory improvements to facilitate combination of EFSI financing with Structural Funds
- Preparation of **investment platforms** relevant for the rural areas: EAFRD-EFSI Initiative, rural broadband, agricultural SMEs, bio circular economy projects, small hospitality renovation projects....



EFSI 2.0 Key Areas



Operations to be consistent with **EU policies** and to support any of the general objectives:

1. Research, development and innovation
2. Energy
3. Transport
4. Information and Communication Technologies
5. Environment and resource efficiency
6. Human capital, culture and health
7. Support to SMEs and mid-cap companies, through local partner banks and institutions
8. Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy



EFSI in Combination with other EU Financing Tools - Features of EFSI Investment Platforms (IPs)



- **Presence of public and private funding**
- **Combination of resources** from EIB, NPBs, private investors, SWFs, with high catalytic effects and value added.
- **Subordination** – IPs focus on market failures and crowding-in of private sector financing → EFSI can be subordinated to other investors.
- **Complementarity** to existing financing alternatives (e.g. the European Agricultural Fund for Rural Development (EAFRD)).
- **Compliance with EFSI Regulation** requirements, e.g. additionality, sectorial/geographical eligibility of operations, reporting, accountability, evaluation.
- **IP Product Offering:** equity/quasi-equity investment, loans, guarantees.





Thank you for your attention!



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