



EIB dedicated financing

Ferran Minguella, Head of Unit, Adriatic Sea
Department, Lending Operations,
European Investment Bank



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Agenda:



- ✓ **Sector Definition**
- ✓ **Eligibilities**
- ✓ **EIB Products**
- ✓ **Conclusions**



Sector definition: agriculture/Bioeconomy



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



➤ Counterparts/Beneficiaries/3rd parties:

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

The qualification of Young Farmers is the age under 41 years and the ownership / management of a farm / agricultural SME/Mid-Cap.

Agriculture/Bioeconomy eligibilities



Indirect Lending

- ✓ Small and medium enterprises (SMEs) and Mid-Caps (with less than 3,000)

Indirect /Direct Lending

- ✓ Agri-cooperatives with less than 3,000 employees

Direct Lending

- ✓ Medium enterprises (Mid-Caps)
- ✓ Enterprises with more than 3,000 employees

ELIGIBLE

IF INNOVATIVE

IF INVESTING IN
INNOVATION,
COHESION,
ENERGY
EFFICIENCY
AND/OR
ENVIRONMENT



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Agriculture/Bioeconomy Eligibilities



Direct Lending

EIB Eligibility criteria for projects promoted by Mid-Caps

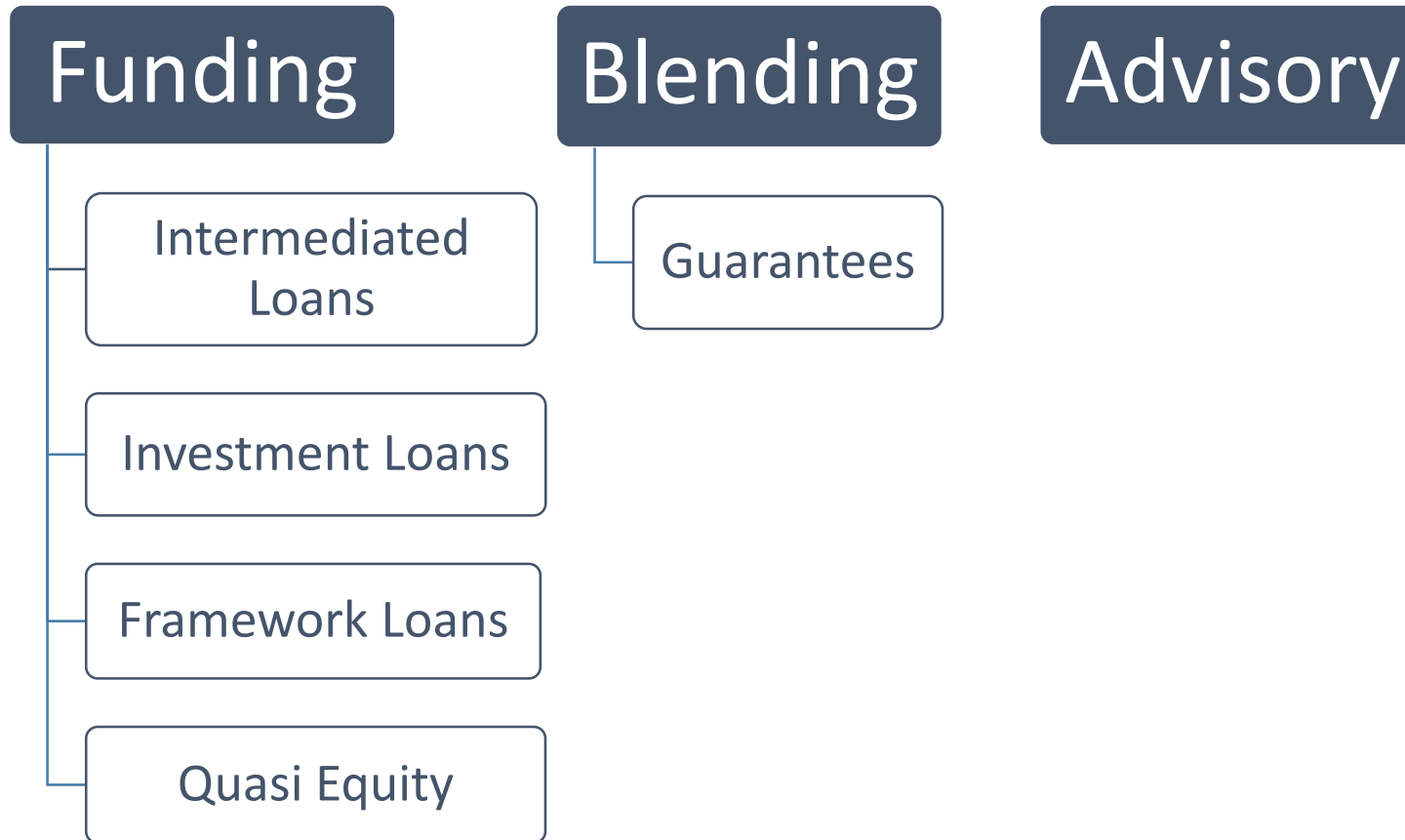
- ✓ Innovative and/or fast growing enterprise: according to the relevant checklist agreed with the EC within the H2020 Delegation Agreement.
- ✓ The planned investments programme takes place in cohesion region.

EIB Eligibility criteria for large projects promoted by Mid-Caps and companies with more than 3,000 employees

- ✓ Innovation and Skills: Investment in corporate RDI including advanced manufacturing technologies, pilot plant and first in kind industrial scale up facilities.
- ✓ Environment: Investments in projects that are aligned with Protection of the Environment.
- ✓ Renewable Energy, Energy Efficiency and Renewable Materials (i.e. materials enabling the substitution of fossil by bio-based materials.
- ✓ Cohesion regions: Investments in productive assets located in less-developed regions.



EIB products



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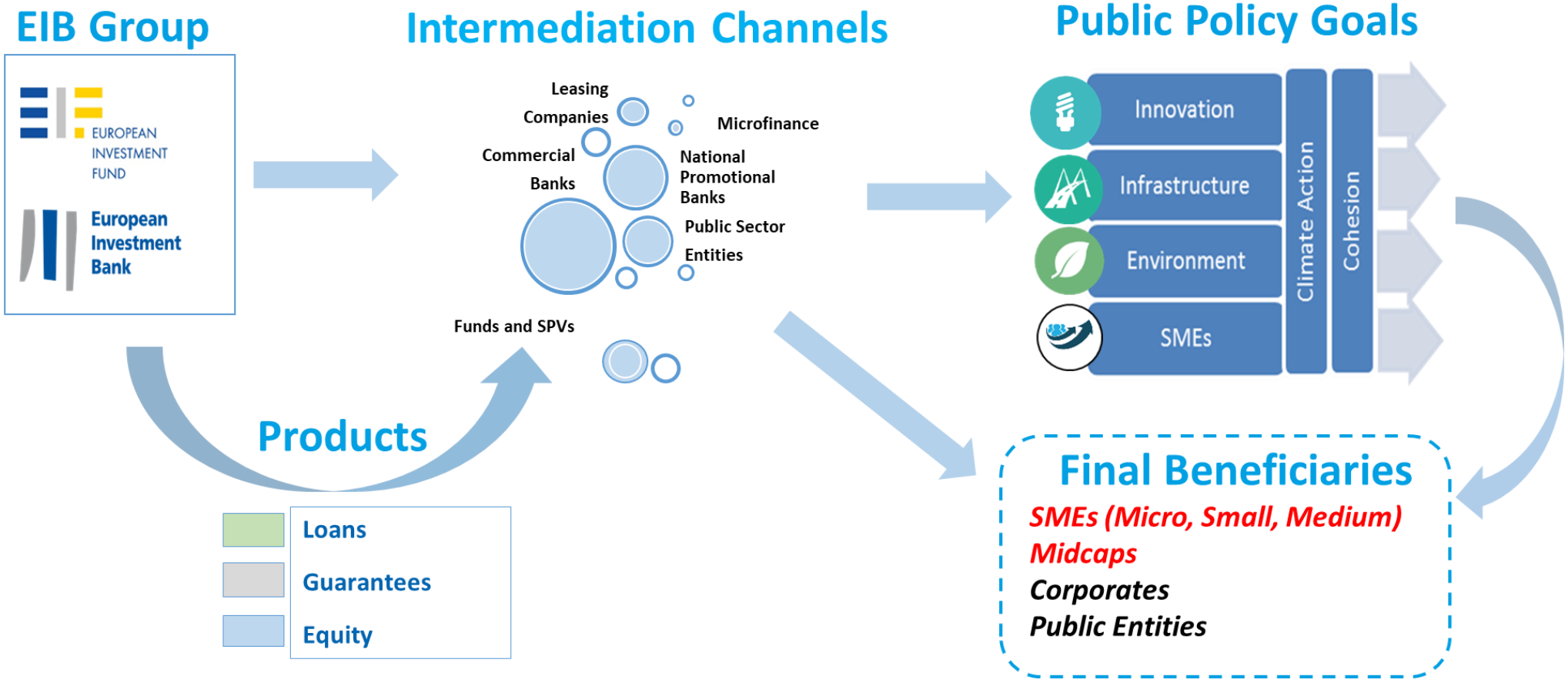
EIB funding products



- ✓ **Multi-Beneficiary Intermediated Loans (MBIL):** Finance SMEs and microenterprises through credit lines to eligible Financial Intermediaries including Young Farmers.
- ✓ **Guarantees:** Guarantees to portfolios of SMEs and microenterprises loans including Young Farmers.
- ✓ **Investment loans:**
 - To private companies (including Mid-Caps through dedicated Agriculture Programme Loan) operating in the bio-based industries.
 - To public entities or concessionary PPPs to invest in public, agriculture-related infrastructure.
- ✓ **Rural development Programme Loans:** co-finance operational programs with European Agricultural Fund for Rural Development.
- ✓ **Quasi Equity:** Innovative bio-based companies.



EIB Intermediated model



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EU Agriculture Programme Loan for SMEs & Mid-Caps (1)



Description

- Programme Loan (PL) supporting agriculture and bioeconomy-related SMEs and Mid-Caps including Young Farmers in EU countries. Sub-operations would be Loans for SMEs and Mid-Caps through acceptable financial intermediaries for up to EUR 100m.
- The PL includes a Young Farmer window of at least 10% of the loan amount. On a case by case, it will be assessed if the window can be larger.
- Benefits:
 - (i) Focus on the agriculture/bioeconomy through financial intermediaries specialised in the sector.
 - (ii) Targets small projects (investment cost up to EUR 25m) and dedicated support to Young Farmers.
 - (iii) Streamlined approval process.



EU Agriculture Programme Loan for SMEs & Midcaps (2)



Young Farmers window

- Amount: at least 10% of the approved loan amount.
- Longer maturities: up to 15 years and up to 5 years grace period. Other tranches would have a shorter maturity, typically up to 12 years and a grace period of 3 years.
- Pricing competitiveness: to be assessed on disbursements earmarked to Young Farmers, depending on market conditions and assessed in each sub-operation.

Impact

- In parallel to the PL, two pilot operations have been launched in France with Crédit Agricole amounting to EUR 275m, with a dedicated tranche to YF of EUR 75m.
- Overall, under the EU Agriculture PL and the pilot transactions in France, the EIB would mobilise around EUR 1bn of its own resources (with at least EUR 150m dedicated to Young Farmers).
- Further impact should be achieved by combining the EIB lending with EAFRD grants, financial instruments and advisory support.



Agriculture & Bioeconomy Programme Loan



Description

- Programme Loan amounting to EUR 400m, under the European Fund of Strategic Investments (EFSI), to support companies active in agriculture and bioeconomy in the EU countries:
 - (i) Enables focus on the sector
 - (ii) Targets any size corporates and small cooperatives
 - (iii) Targets projects with investment costs between EUR 15m-200m
 - (iv) Streamlined approval process (Programme) are a delegation mechanism from the Board of Directors to the Management Committee



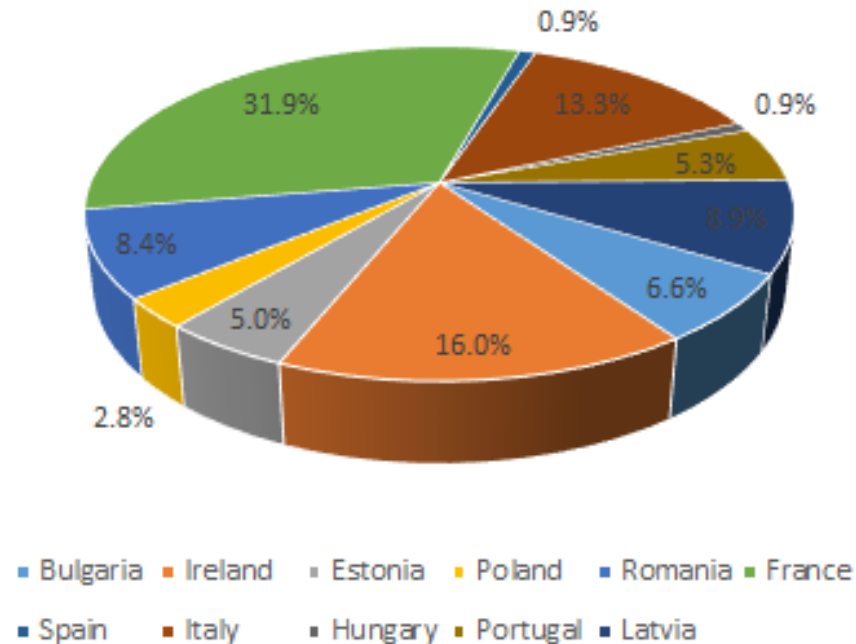
Agriculture & Bioeconomy Programme Loan



Current deployment

- Signed EUR 191m, approved EUR 219m and pipeline of EUR 650m

Geographical distribution



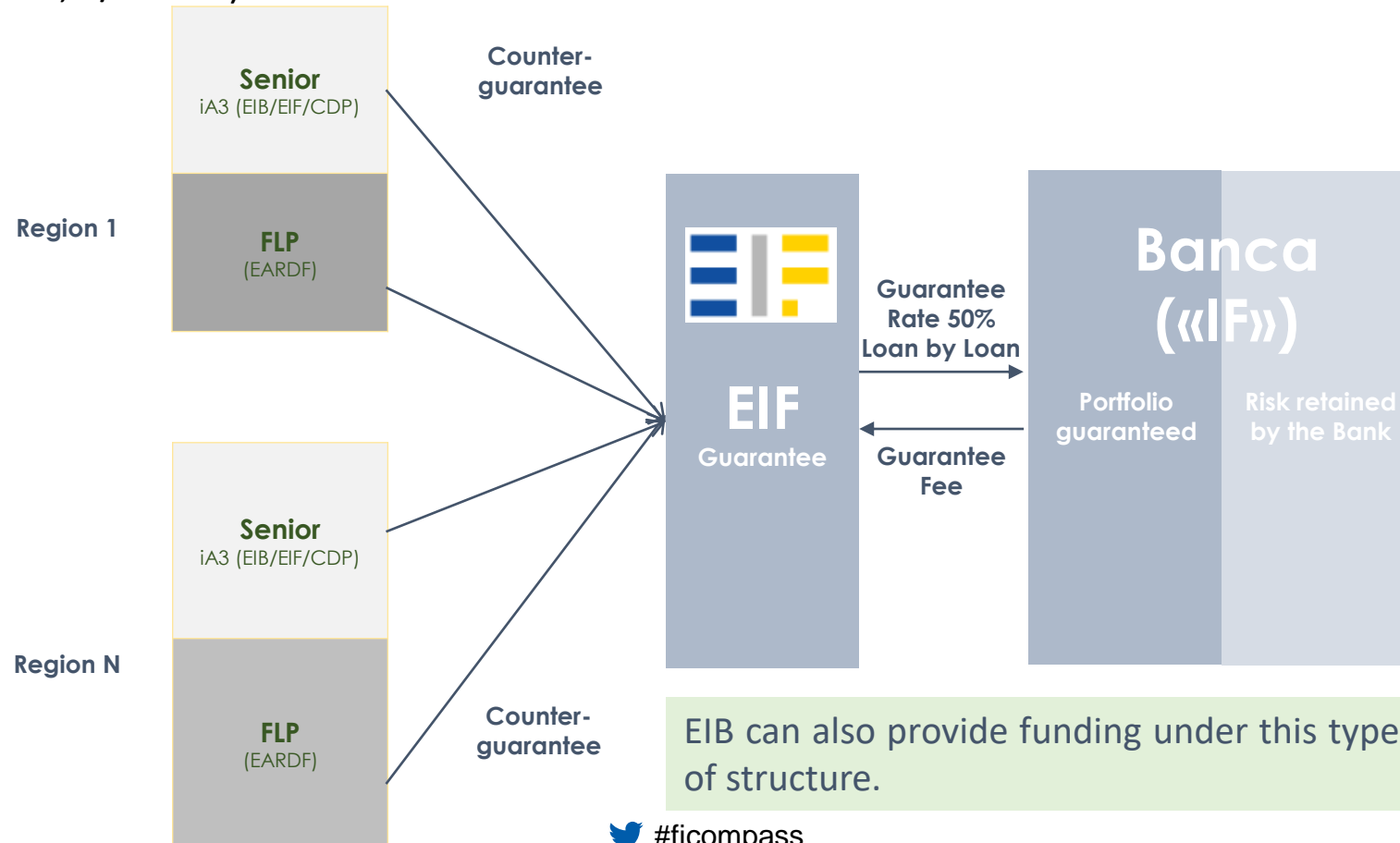
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Guarantees: Business case Italy



- Italian Agri Guarantee Platform: each transaction covered at the Guarantee Rate 50%. EIF issues the uncapped guarantee to the selected Financial Institutions. The EIF guarantee is counter-guaranteed by ESI funds (FLP) and EIB/EIF/CDP (Senior, 1/3 each).



Conclusions



- The EIB supports the EC policies through financial products (lending and blending) other than the traditional grant funding.
- EIB facilitates lending to Young Farmers through dedicated products and specific measures.
- Cooperatives, SMEs, Farmers, Mid-Caps and Large Corporates can benefit from EIB funding – guarantees.
- EIB facilitates the crowding-in of other financial institutions in the projects.
- Blending: the Bank is currently exploring, together with DG AGRI and regional managing authorities, the possibility to facilitate a structured blending/combinations of EIB lending, under the Programme Loan, with EAFRD financial instruments and/or grant support.





financial instruments capacity building Farming
Rural development funding agreement EU guidance
added technical support co-financing ex-ante assessment final
value seminars governance intermediaries recipients
leverage EAFRD fi-compass investments case studies
Agriculture thematic objectives Targeted coaching
business plan equity
advisory services RDP guarantees life cycle combination
of support
conferences banks revolving microfinance CAP
fund of funds loans managing authorities factsheets
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