



FI Campus 2019

EIF financial instruments in agriculture

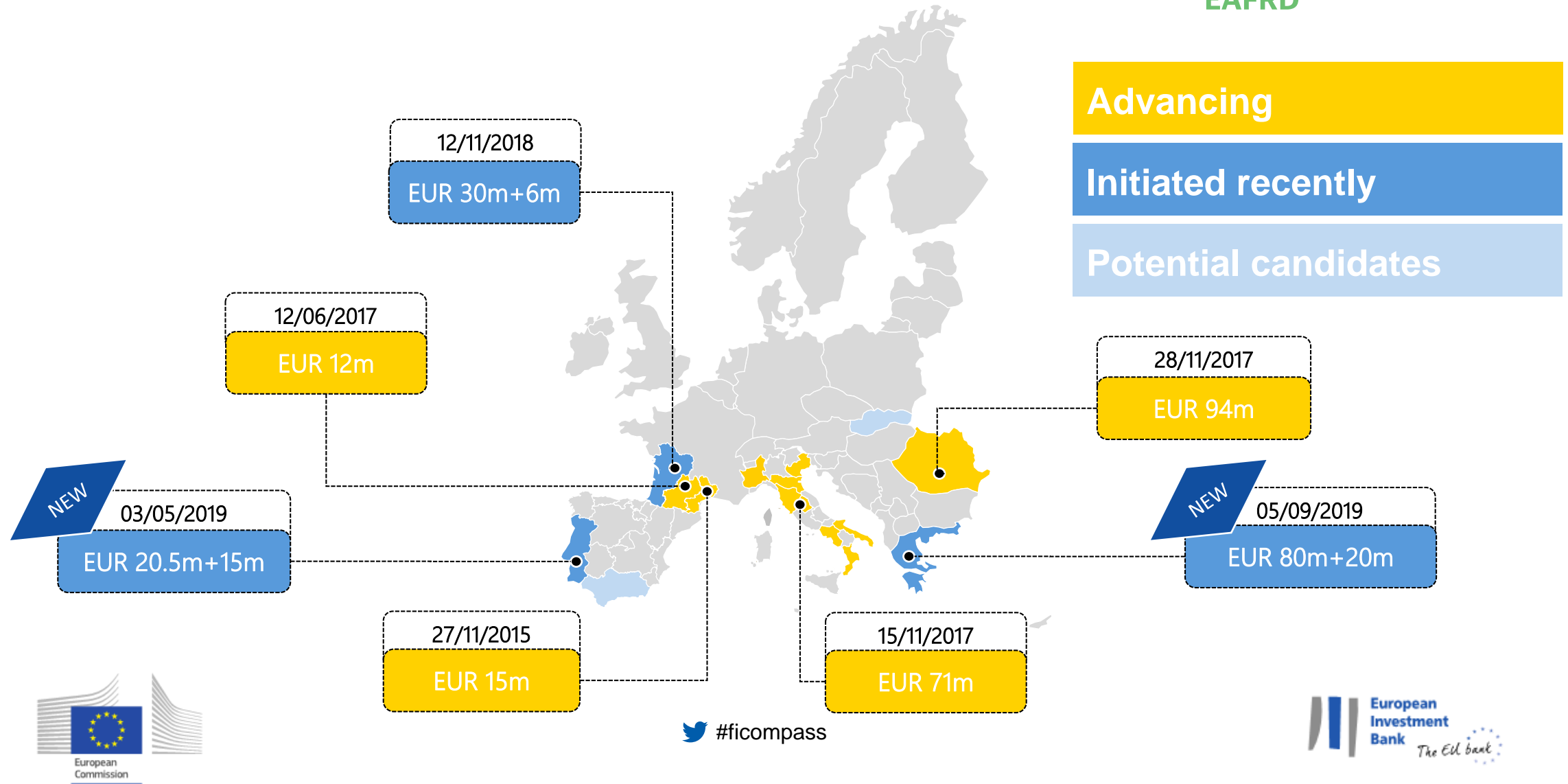
Alessandro Gargani, Business development and mandate manager, European Investment Fund

Balazs Podmaniczky, Mandate manager, European Investment Fund

 #ficompass



Signed EAFRD mandates



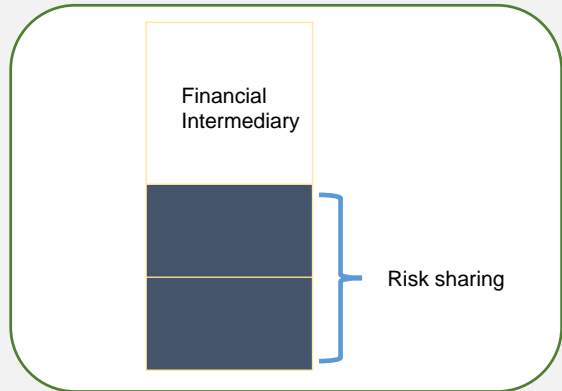
#ficompass



Product options

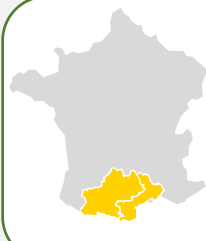
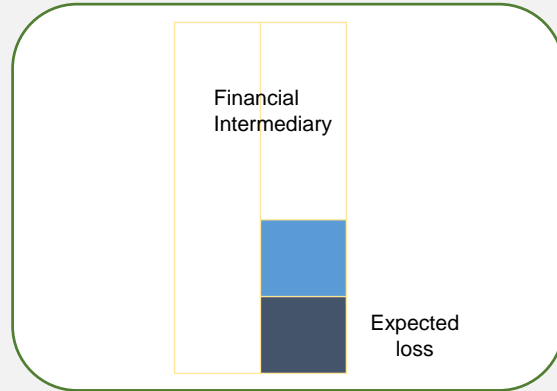


Portfolio Risk-Sharing Loan



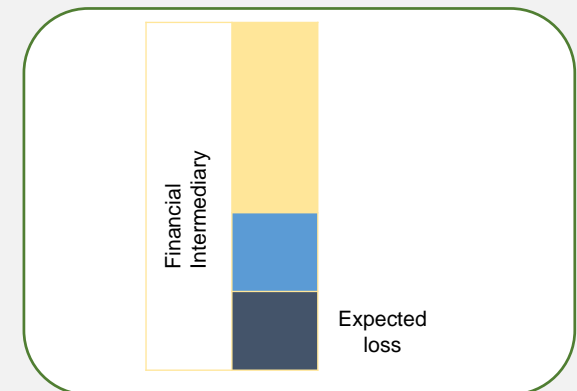
- Measures: **4.1, 4.1a, 4.2, 4.2a and 6.4**
- Leverage: up to **EUR 126m** new loans

Capped Guarantee



- Measures: **4.1, 4.2, 6.4 and 8.6**
- Leverage: ca. **EUR 135m** new loans

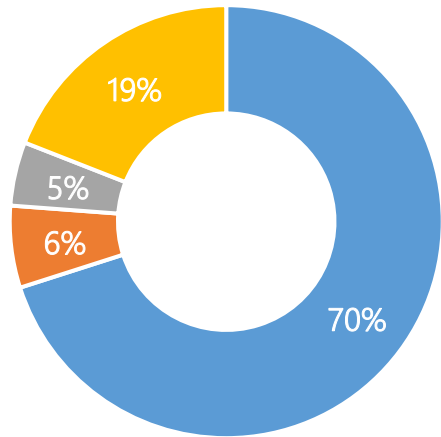
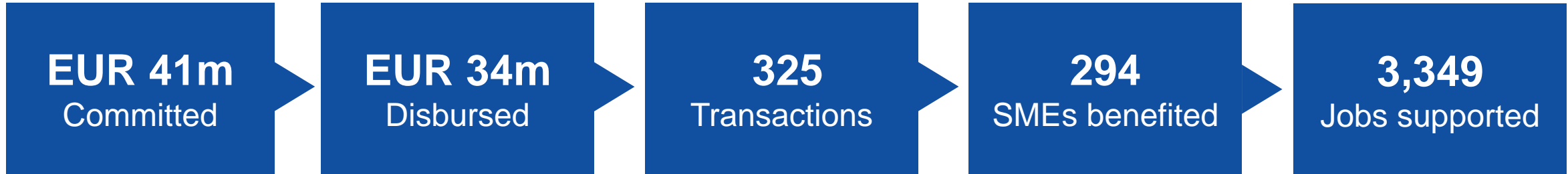
Uncapped Guarantee



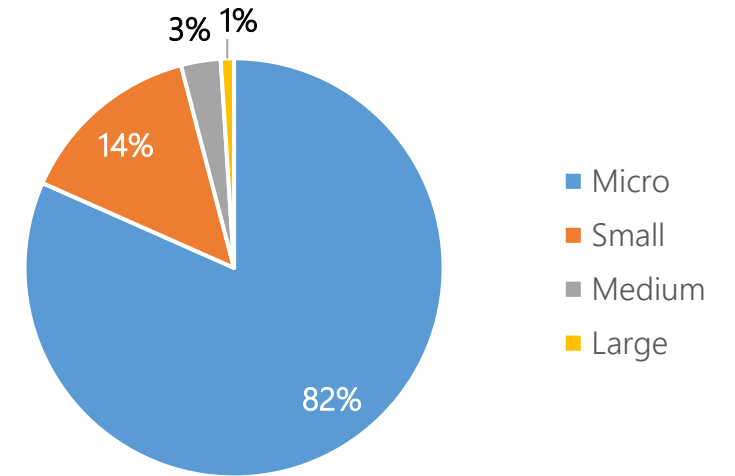
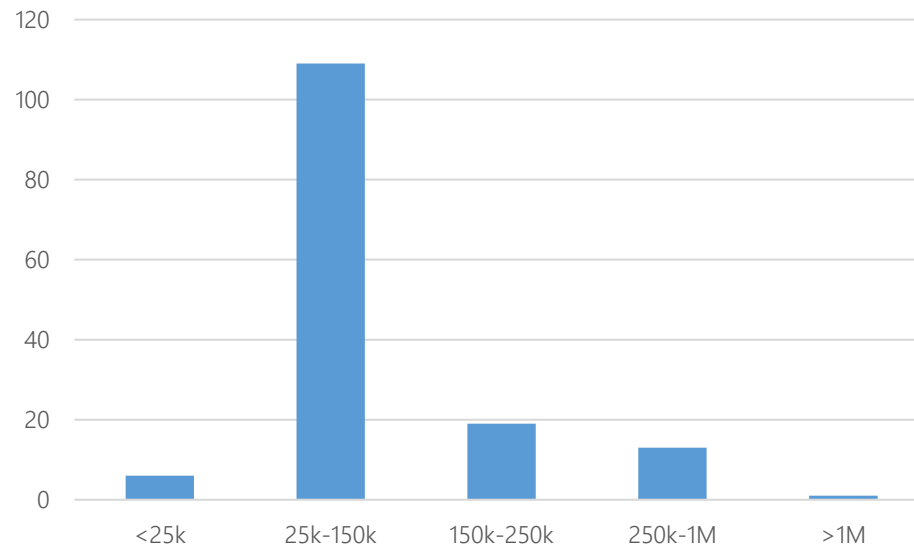
- Measures: **4.1, 4.2**
- Leverage: up to **EUR 500m** new loans



Results*



■ 5+ years ■ 3-5 years ■ 1-3 years ■ <1 year

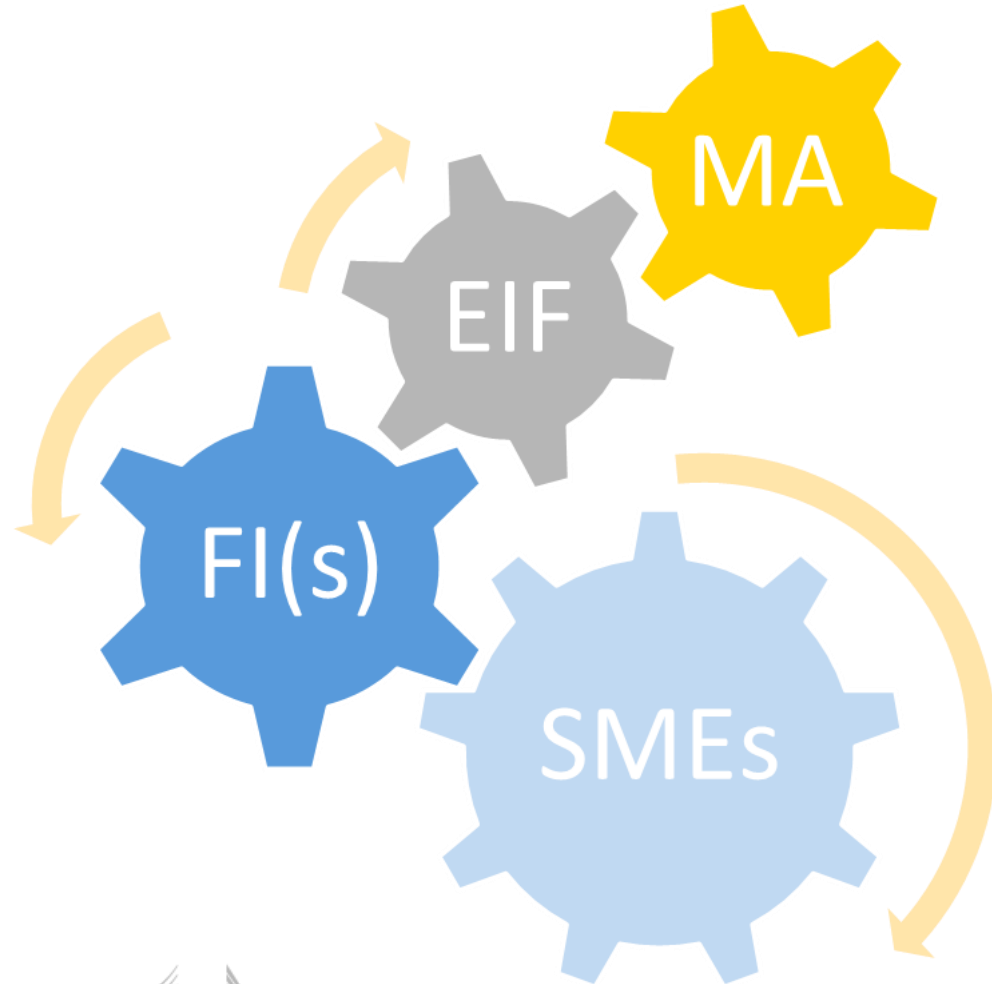


#ficompass



* Based on the deployment in Occitanie, AGRI Italy and EAFRD Romania as at 30/09/2019

Lessons learnt



ELIGIBILITY AND CONTROLS

STATE AID AND GGE CALCULATION

FINANCIAL IMPLEMENTATION



#ficompass



Lessons learnt

Eligibility and checks




- **Eligibility to be checked by financial intermediaries**
 - Knowledge transfer on the requirements of the RDPs
 - Key variables for RDP (Measures; Products most impacted by the investment; Annex I of TFEU; AGRI Branch; Transformation activities...)
 - Different levels of eligibility (Final Recipient; Investment/Operation; Costs)
- **Methodologies and requirements of the checks**
 - Level of the checks (Financial Intermediaries and not Final Recipients)
 - Sampling and contents of the checks



Lessons learnt

Aid and GGE calculation



Beneficiary type	Maturity	
	$X \leq 10y$	$10y < X$
SME	Safe harbour formula / De minimis formula	Safe harbour formula
Non-SME	De minimis formula	

Aid component of debt financing to be measured via GGE

Aid intensity rules to be checked / State Aid in some cases

Maturity and SME status affect the applicable method

GGE calculation tool to support intermediaries

GGE

Safe harbour

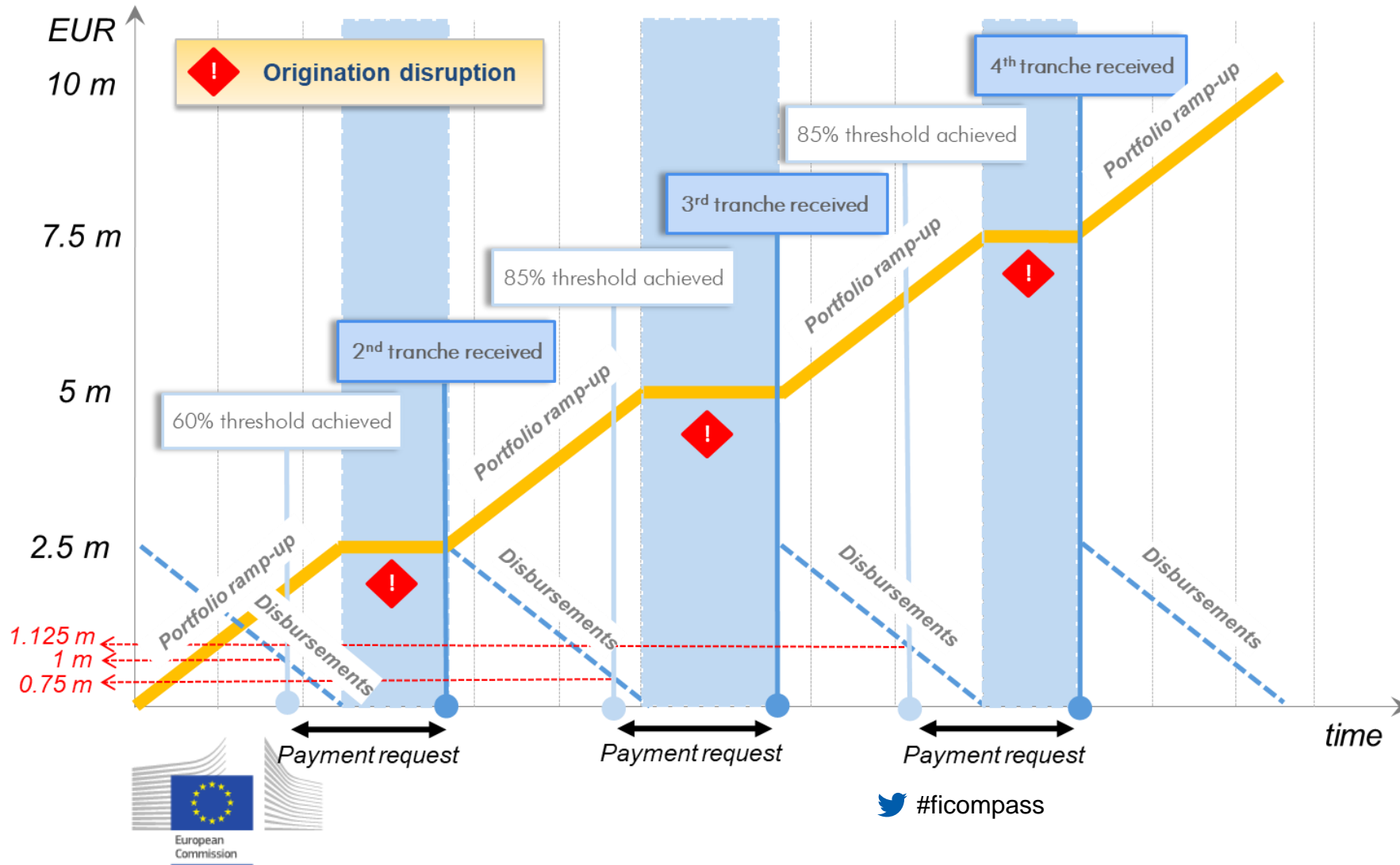
- Loan amount
- Guarantee rate
- Reference rate
- Guarantee fee
- Discount rate
- Maturity

De minimis

- Loan amount
- Guarantee rate
- Maturity
- Coefficient of state aid benefit

Lessons learnt

Financial Implementation



Payments of the Contribution Committed can be a key success factor

Tranching can cause origination disruption

Post 2020: contribution paid based on disbursements



#ficompass



Future outlook



■ Current Programming Period

- Very limited possibility (time constraints) to design new financial instruments
- Focus on the implementation of existing instruments

■ Next Programming Period

- Specific rules (ex ante assessment, combination, simplification)
- Products dedicated to AGRI under Central and MS Compartments of InvestEU

■ CAP Strategic Programme-specific rules

- Working capital
- Land purchase
- Young farmers



Conclusions



- **Favorable regulatory framework**
 - Progress towards simplifications to tackle a wide range of financing needs
- **Agriculture as a strategic field**
 - Considerable efforts to build up know-how, expertise and credibility in the sector
 - Fully-fledged and well-tested instruments
- **Complementarity**
 - High value instruments that bring together grants, financial instrument and TA
 - Experiments with EFSI&EAFRD - Blending is key for the post 2020 period
- **Partnership among all stakeholders**
 - Partnership with EC, NPIs, MAs, FIs as well as farmers and rural businesses

EIF committed to be a strategic partner for financial instruments in AGRI



 #ficompass

