



Official high-level opening statements

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 #ficompass



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Dear Commissioner, Dear guests,

- I am delighted to be with you here today, representing the European Investment Bank Group, and reinforcing our contribution to the role of financial instruments in supporting more Common Agricultural Policy investment.
- During the last five years (ending 2022), EIB has provided around EUR 25 billion of co-financing to the agriculture and bioeconomy sector inside the EU, through direct lending to private companies, cooperatives or public entities, as well as indirectly through partner banks and other financial institutions.
- Agriculture and the bioeconomy are key lending, mandate and advisory priorities of EIB Group. It is a key component of our role as the EU Climate Bank, helping to ensure security and sustainability of food supply.
- We also welcome, and are specifically supporting, the Commission's REPowerEU initiative and its objectives of reduced fossil fuels dependence and diversification of gas supplies. These efforts require significant investment, also in the agricultural sector, for example in biobased fuels.
- Investment needs in the sector are significant. At today's conference we will present the results of a recently completed fi-compass survey of farmers and agri-businesses. This survey, which is a follow up to a first survey published in 2020 and covered around 9000 farmers and agribusiness SMEs, shows that investment needs, and therefore financing needs, are growing.

Access to finance is still a challenge across the Union, in some countries more than others, and especially amongst small and young farmers. It is positive to see as well that farmers also recognise the climate mitigation and adaptation challenge, with plans to make more climate related investments over the coming years, particularly in the fields of energy efficiency and renewable energy production.

- A parallel survey of a select group of banks active in the sector, also confirm these findings, signalling that more financing could also be provided to the sector with the support of credit guarantees and/or longer-term funding.
- The sheer scale of investment needs in the sector means that we need to be smarter in how we use the scarce public funding available. We need to leverage more private sector investment...and this is where financial instruments have a role to play.
- Working with our colleagues in DG AGRI, through the fi-compass advisory mandate, we have been working jointly to see how more financial instrument usage can be stimulated, and how it can be combined with financing from the EIB Group, commercial banks and other investors.
- A number of Member States and regions have so far entrusted the management of their EAFRD and national resources to the European Investment Fund. Mainly through the provision of guarantees to more than thirty financial intermediaries, this funding is leveraging more than EUR 3.6 billion of investment firepower into the sector.

- We have also worked with partner institutions like the National Promotional Banks to do more together. You will today hear about the example in Ireland, that leverages financing from the Irish government, EIB Group, the Strategic Banking Corporation of Ireland, Irish banks and specialist financial intermediaries to support farmers and agribusinesses in the country. Connected with this, you will also hear about an innovative on-line tool, developed with the support of EIB Advisory, to make it easier for farmers, businesses, and the partner banks to assess the eligibility - specifically of their climate related investments - for this financing support.
- Thanks in part to the fi-compass survey and outreach work we did earlier this year, we have identified and taken forward an increased number of lending operations, via our partner banks, to the sector. The head of our financial institutions lending department will tell you more about our pipeline of EUR 1 billion of financing that we plan to sign with these banks in the coming months, leveraging more than EUR 2.5 billion of financing to the sector.
- All of this is good news, but it is clearly not enough. More can be done with financial instruments, and we hope that what you hear today, regarding the results of the access to finance surveys, and the numerous examples of best practice, will convince more of you - as Managing Authorities - to come along on this journey with us. We hope that you will make the most of the flexibilities in the EAFRD regulation to support more use of financial instruments, which includes the ability to finance working capital, land purchases of young farmers, and the combination of financial instruments with grants.

- But you will not be alone in this journey! Our EIB Advisory colleagues, along with DG AGRI, stand ready to support managing authorities that want to exploit these new opportunities. Through fi-compass we can offer more tailored support to those managing authorities interested in exploring the feasibility of such instruments, and combinations of funding, building on the results of our detailed surveys and working knowledge of the instruments. Please do get in touch, by reaching out to one of the many EIB Advisory or DG AGRI colleagues here today.
- Let me now close by thanking you – Commissioner – for inviting me to be here today, signalling our joint commitment to the cause, and let me wish you – dear participants - a productive day of financial instrument knowledge sharing and learning.
- Thank you very much!