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The EAFRD Guarantee Fund in Nouvelle-Aquitaine (France) **Alter'NA**

Panel discussion introduced by:
Frank Lee, Head of Financial Instrument Advisory Division, European Investment Bank



Région Nouvelle Aquitaine



France's 3rd largest Region

6 000 000
Inhabitants

EUR 170bn
GDP



And one of Europe's leading agricultural region

70 000
farms

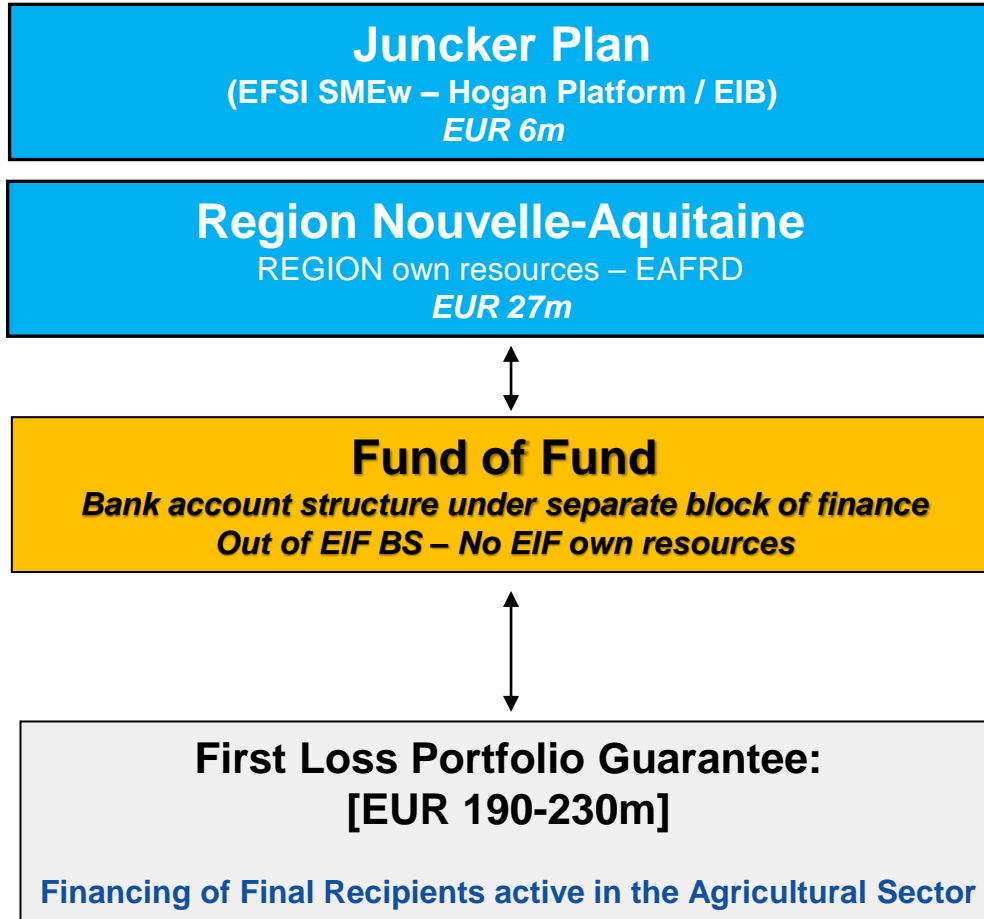
180 000
Persons employed

EUR 11bn
Agri GDP

EUR 30bn
Agro-Processing GDP



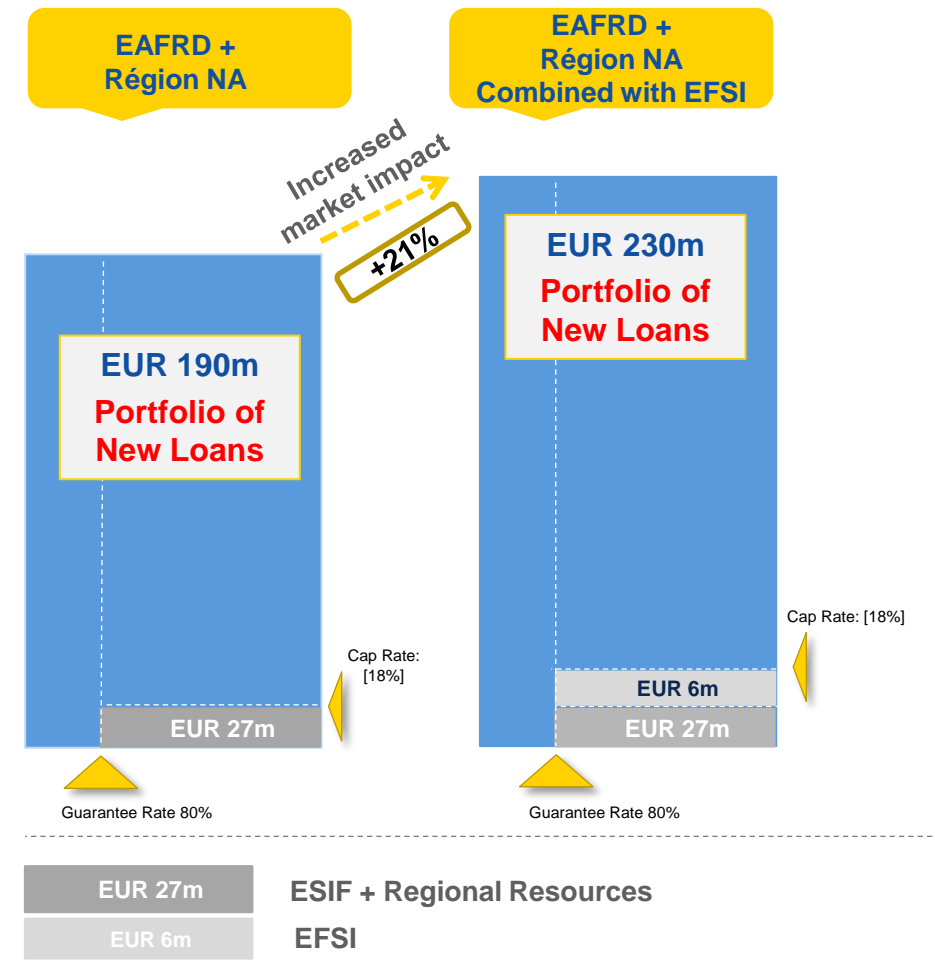
Alter'NA Fund of Fund



EUR 6m
+
(EUR 27m for the transactions)

According to the EU regulation, EIF was entrusted by the Region

Financial Intermediaries selected through a Call for Expression of Interest



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Alter'NA Web Portal



- Web portal (www.alter-na.fr) and dedicated training program, prepared by EIB-AS with funding resources from the European Investment Advisory Hub, featuring a fully fledged webtool for **disseminating the program** throughout the region thus enabling potential final recipients (and financial intermediaries!) to assess the eligibility of their investments;
- The tool is accessible **to a network of registered public/private entities** which are advising and supporting farmers with their application to Alter'NA; The Website also provides useful information and resources about Alter'NA;
- The portal features an **Eligibility Assessment Tool** aimed at testing eligibility.

Le financement est éligible

Montant du financement envisageable : €355 000
Équivalent de Subvention Brute (ESB) du Prêt envisageable : €68 160
N° de projet : 174

[FICHE SYNTHÈSE](#) [FICHE COMPLÈTE](#)

1 - Projet

Type d'investissement / TO : 1 - Transition des exploitations dans le secteur de l'élevage
Financements aux Bénéficiaires Finaux ayant comme objectif d'accompagner la transition des exploitations dans le secteur de l'élevage.

Transformation d'un produit agricole en un produit non-agricole : Non

Description : Construction d'une nouvelle grange avec adaptation parcours de plein air pour un élevage de chèvre et acquisition d'une nouvelle machine de traite plus efficace, à moindre consommation d'énergie.

2 - Description des investissements

Besoins		Ressources	
Total Incorporel	€0	Apport	
Total Immobilier	€300 000	Subventions perçues et attendues sur le projet	€30 000
Total Corporel / Equipement neuf uniquement	€10 000	Autres financements	
Besoin en Fonds de Roulement / Trésorerie lié à l'investissement financé	€75 000		
Total Besoins de financement	€385 000	Total Ressources	€30 000
		Prêt requis	€355 000



Agriculture, our historical market



- Over 120 years of experience.
- **7 Regional Banks** covering the territory of Nouvelle-Aquitaine.
- **501 specialized bankers*** dedicated to agriculture in the NA region.
- **Expertise** dedicated to installation, transmission, renewable energies and insurances.



* source: Crédit Agricole SA for the territory of the 7 Cr

Commercial Market Share (BDF)
80%

Financial market share (BDF)
67.8%

Medium-long term loan financing (2019)
€1.9bn*



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An offer dedicated to Alter'Na loans



- To support the **agricultural transition** of our customers
- Main goals :
 - To support new projects bringing **added value** to the farms
 - To make farms more **resilient**

IN REAL TERMS, THE GUARANTEE PROVIDES SUPPORT FOR FINANCING NEW PROJECTS

- ✓ Conversion projects to new practices such as HVE (*Haute Valeur Environnementale* – Environmental high value production), Organic,...
- ✓ Modernization of equipment and production facilities
- ✓ Diversification of production: livestock, breeding crops, vine production, etc.
- ✓ Manufacture and sale of farm products projects (direct sales,..)

CUSTOMER BENEFITS

- ❖ A **free of charge guarantee** for the customers
- ❖ A loan rate reduced of at **least 25 bps**
- ❖ Alter'NA guarantee **up to 80% (capped)**
- ❖ **No additional guarantee required** for projects less than €300,000 (and limited to 20% above)

Implementation of an EIB Group tool to test the eligibility online



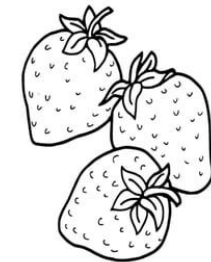
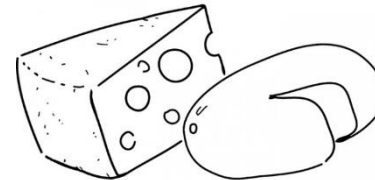
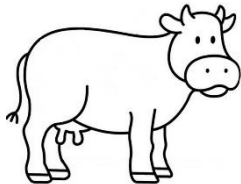
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Policy Objectives supported



- The Alter'NA guarantee fund has its origins in the Nouvelle-Aquitaine Region's ambitious agro-ecological transition plan for 2030, “Neo Terra”, which focuses on climate and the environment
- The main objective of Alter'Na is to facilitate financing on preferential terms for the Region's farmers and agri-food industries by supporting more sustainable investments especially in livestock, organic, and crop production as well as promoting local/short supply chains
- Specifically, Alter'NA supports the objectives of “Neo-Terra” through the promotion of:
 - On-site farm transformation, processing, and marketing
 - Organic transformation, processing, and marketing undertaken by agro-firms
 - High environmental value and/or organic vineyard activity
 - Sustainable greenhouse production of fruits and vegetables



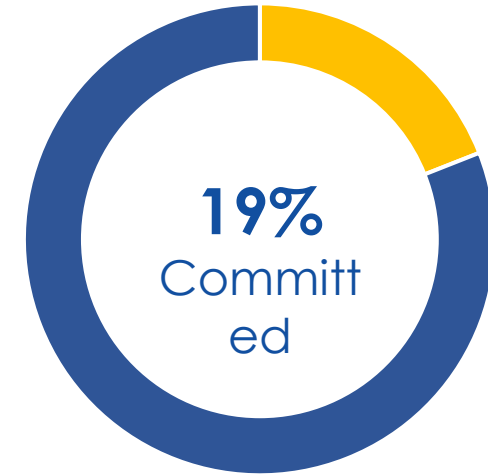
State of Play as of the end of September 2020



EUR 36.1m
Committed



188
Transactions



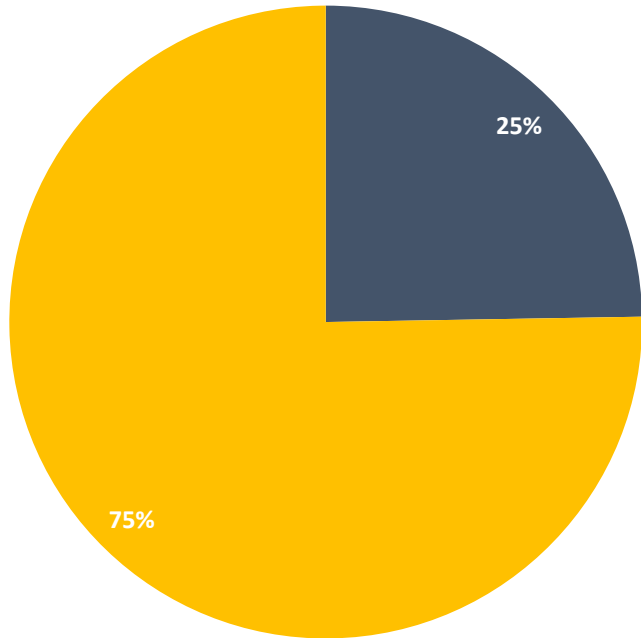
- ✓ **188** Final Beneficiaries financed
- ✓ **320** jobs supported
- ✓ **EUR 50m** of investment catalyzed
- ✓ **45%** of the Final Beneficiaries have less than 3 years of activity
- ✓ **All** the Final Beneficiaries have less than 10 employees and
- ✓ **88%** of them have less than EUR 1m of turnover
- ✓ **75%** of the underlying loans have a maturity of more than 10 years and
- ✓ **almost 80%** of are less than EUR 250,000



Underlying loans' snapshot

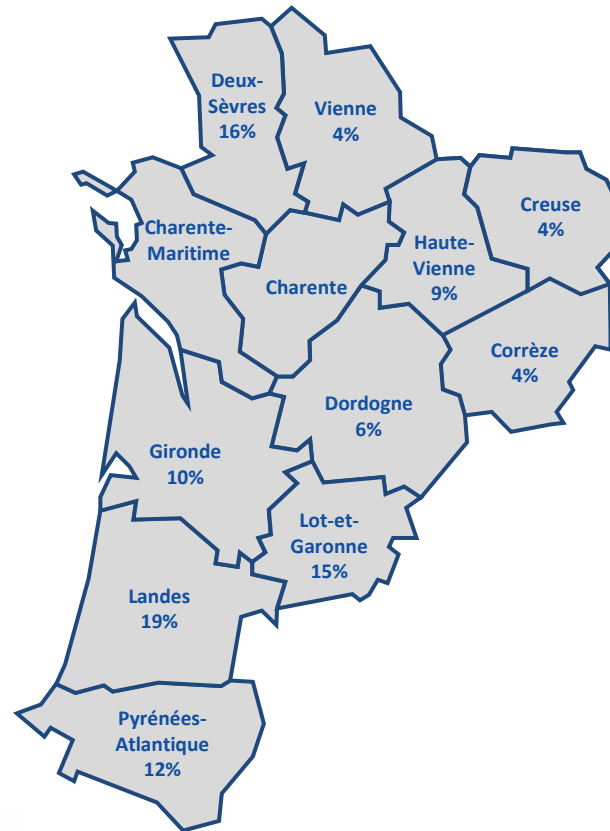


Breakdown by loan Maturity (%)

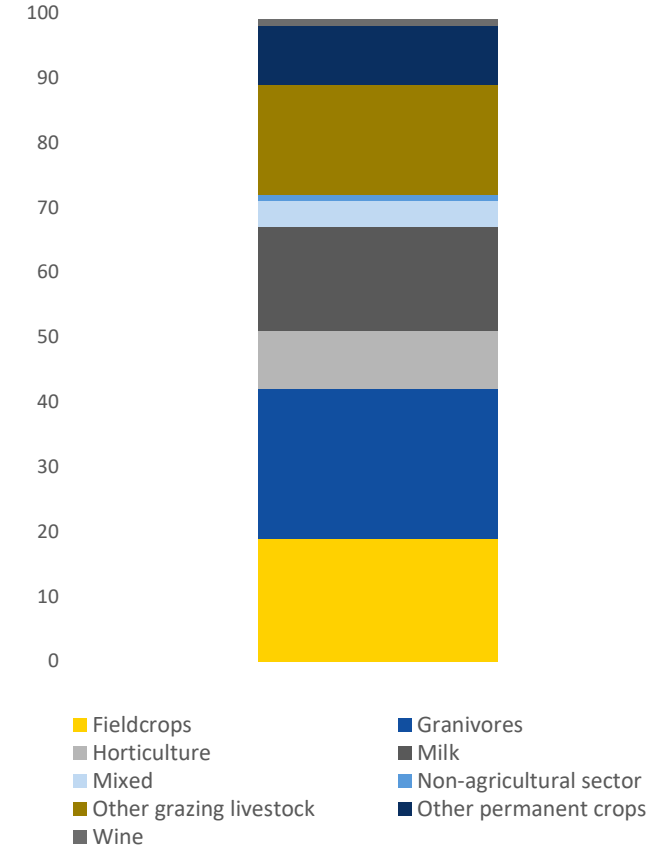


■ <10 Years ■ >10 Years

Breakdown by Département (%)



Breakdown by Agri Branch (%)



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Alter'NA in detail: key numbers and business cases



A SUCCESSFUL START

- **EUR 100m** of credits to be distributed among 7 Regional Banks
- Already **300 deals closed or in the pipe** for roughly **EUR 50m** of loans (*as of end of October 2020*)

AGRICULTURAL TRANSITION : 3 PROJECTS FUNDED THROUGH THE PROGRAM - EXAMPLES

- Diversification of a breeding farm with the **creation of an organic poultry unit**. Total cost of the project : EUR 98,000 out of which EUR 55,000 funded with Alter'NA.
- Creation of a **strawberries production activity in greenhouses**. Project cost of EUR 580,000 out of which EUR 315,000 financed with Alter'NA.
- Creation of a unit for processing milk into fresh cheese and yogurt **for direct sale**. Project cost of EUR 650,000 out of which EUR 500,000 financed with Alter'NA.





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
 Agriculture thematic objectives Targeted coaching case studies
 business plan Thank you equity
 advisory services private investors
 RDP guarantees life cycle combination of support
 conferences banks revolving
 fund of funds loans microfinance CAP
 manuals managing authorities factsheets
 DG AGRI Agricultural products investment strategy EIB Group