Macro-regional conference on EAFRD financial instruments for agriculture and rural development in 2014-2020

Mr Nivelin Noev
Policy expert
DG Agriculture and Rural Development
European Commission

#ficompass
EAFRD Financial instruments & "omnibus" proposals [2016]

Dr Nivelin Noev
DG AGRI / H1

EAFRD fi-compass macro-regional seminar
Warszawa, 24 October 2016
EAFRD support for businesses in 2014-2020

- **SMEs**
- **Clusters**
- **PPPs**

**Supported business promoters**
- Farmers & their household members
- Public authorities
- Agri-food
- Forestry
- Rural non-agri micro- and small businesses
- Natural persons in rural areas

**Investment focus on priority areas & key actions**

**Networking / Co-operation**

**EAFRD Grants**
- Development of (new) products, processes, practices, technologies (agri, agri-food, tourism, etc.)
- Co-operational activities, sharing facilities, marketing tourism, short supply chains, local markets
- Basic services & infrastructure & information

**EAFRD Financial Instruments (loan, guarantee, equity funds)**
- EAFRD Financial Instruments (loan, guarantee, equity funds)
- EFSI (outside EAFRD)
- EU-level FIs (eg COSME)
- Other ESIF FIs
Why would a farmer choose a FI?

- Quick & permanent access to funds
- Standard application & fast evaluation
- All funds received before investing
- Independent decision-making
- Favourable loan conditions
- Back-up of a loan (eg up to 80%)

- No control of final recipients
- No reporting back to the MA
- Less or no administrative burden
- Access to working capital
- Fewer investment restrictions
- Combination with grants
EAFRD Financial Instruments 2014-2020

Loans
- Rarely used in 2007-13
- Widely appearing in 2014-2020

Guarantees
- Predominant in 2007-13
- Used in FR & ES in 2014-20

Equity
- Not used
- Lack of assessments

By now:
- 2 operational FI (EE, DE)
- Many more in pipeline 2016-17
- No transfers to EU-level FIs

ESIF Legal basis
- fi-compass

July 2014 MoU with EIB

EAFRD FIs

Art 46 Reporting

Agriculture and Rural Development
Status of ex-ante assessments for financial instruments under the EAFRD (by October 2016)

- **Completed - no follow-up**
- **Completed - with follow-up**
- **Completed - no decision yet**
- **Interrupted or Reassessment**
- **Final stages**
- **Ongoing**
- **Preparatory work**
- **Expressed interest**
- **Not considered**

**Source:** DG AGRI based upon information of the Member States

**Year:** 2016

**Cartography:** DG AGRI GIS-Team 10/2016

© EuroGeographics for the administrative boundaries

[Map of Europe showing status of ex-ante assessments]
Pre - 'Omnibus' simplification
Programming of FIs in RDPs

2007-2013
- Separate section in the RDP (annex)
- Full text inclusion
- Measures’ description as grants
- Obligatory link to grant applications

2014-2020
- Brief description in the RDP (section 8.1)
- Sub-measure’s description (maybe separate)
- Combination with grants possible
- Only 1 RDP modification per year (by 28/4/2016)

Simplification
- R 2016/669 introducing:
  - Unlimited RDP modifications
  - Less content requirements
  - Specific for the FI

Obligatory check of all applications by PA

NO need for PA to check applications by recipients
'Omnibus' simplifications
General improvement
Transfer of ESIF to EFSI

ESIF – EFSI combination
SME Initiative extension

Eligibility rules
Investment rules
Selection rules

Simplification
'Omnibus' and EAFRD FIs

- Article 17(1)b: agricultural investments
  - Input can also be a non-Annex I product
- Article 19(1)(a)(i): start-up aid for young farmers
  - Can now be provided in the form of FI or as grants & FIs
- Article 20(4): Scale of rural services & infrastructure
  - Non-application of paragraphs (2) and (3)
- Article 45(5) and 45(7): Investments
  - Non-applicability of paragraphs (1), (2) and (3)
  - Now possible to support working capital for non-agri businesses
    [already possible to support working capital for agriculture and forestry]
- Article 49(4): Selection criteria
  - Non-applicability of paragraphs (1) and (2)
Post - 'Omnibus' simplifications

Delegated Act & Control rules ?
fi-compass and EAFRD

Bi-annual work programme

Budgets and deliverables

Concepts ⇒ Content ⇒ Coaching

Only for FI
Targeted coaching for EAFRD managing authorities under \textit{fi-compass}, Jan – October 2016

- Bulgaria
- IT Veneto
- IT Puglia
- IT Calabria
- Latvia
- Slovenia
- Ireland
- UK Wales
- UK Scotland
- UK N. Ireland
- Croatia
- IT Campania
- IT Sicily
- ES Navarra
Study on programming of EAFRD FIs

First results to be presented at the Brussels conference on 25/11/2016

Theme A
- Analysis of investment potential for FIs (RE, forestry, infrastructure) – focus on non-/ rarely used by FIs areas
- Programing of FIs

Theme B
- Preparatory work on FIs & decision-making process
- Ex-ante assessments: content and recommendations

Theme C
- Legal framework and its impact
- Managing authorities & Intermediaries

Post-2020
Study on EAFRD FI and price volatility in agriculture

Limited sectors (eg dairy)
Real-cases (few MS)

First results to be presented at Brussels conference, 25/11/2016
Conferences and seminars, June '15 – Oct '16

- So far - Dublin, Vienna, Riga, Madrid, Rome, Warszawa
  - About 720 participants
  - About 71 different presentations
  - 14 Member States speaking
    - AT, BG, EE, ES, FR, HU, IE, IT, LV, NL, PL, PT, RO, SI
  - COPA-COGECAN and national farm unions
  - Banks and Funds, AECM, Business angles
  - EIB / EIF, fi-compass experts
  - DG AGRI

- Forthcoming – Brussels (25 Nov)
  - Registration via fi-compass website [event webpage]
Thank you for your attention!

Nivelin.Noev@ec.europa.eu