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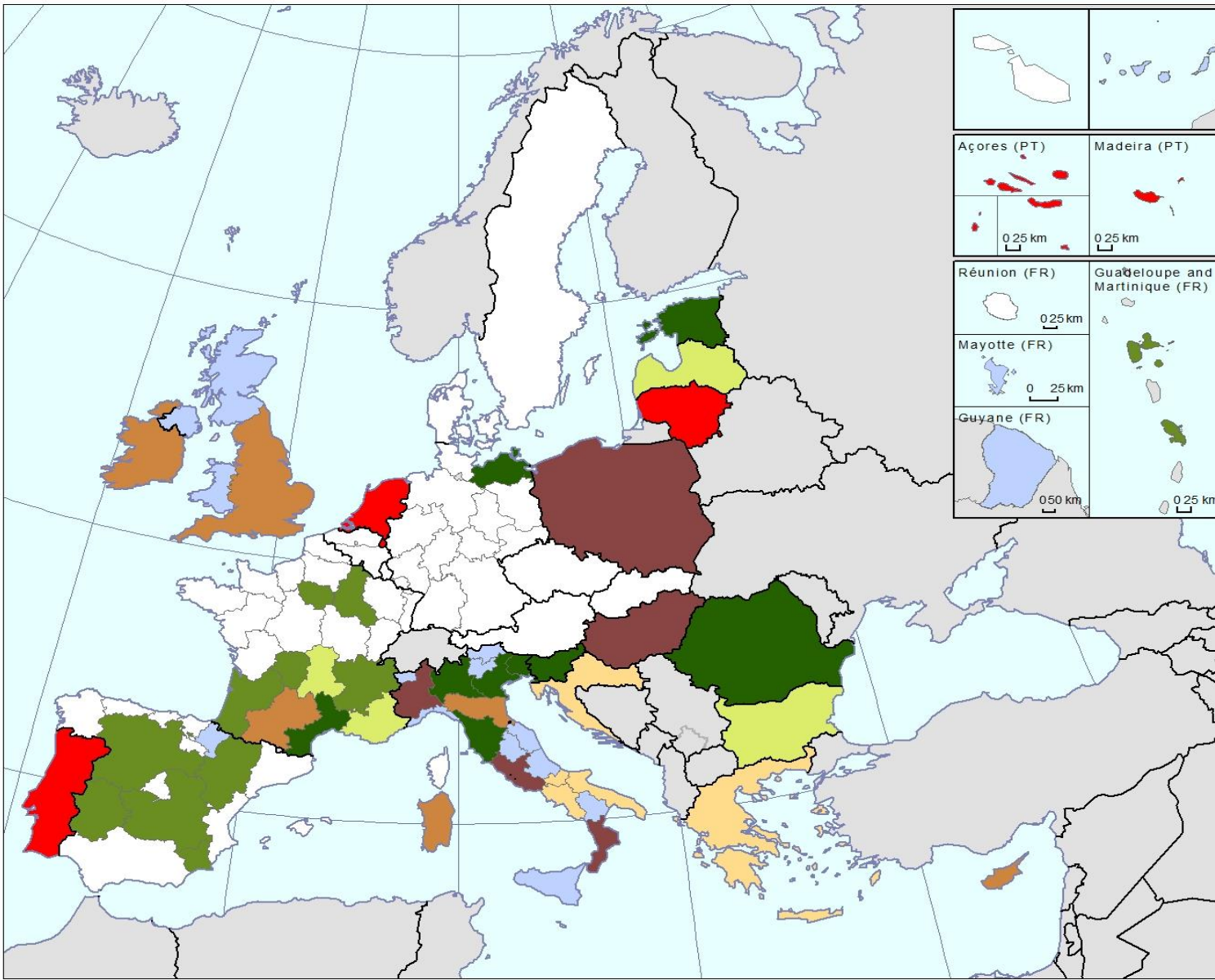


# EAFRD support through Financial instruments, the 'omnibus' proposal and the future

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*2<sup>nd</sup> EU conference on FIs under EAFRD*

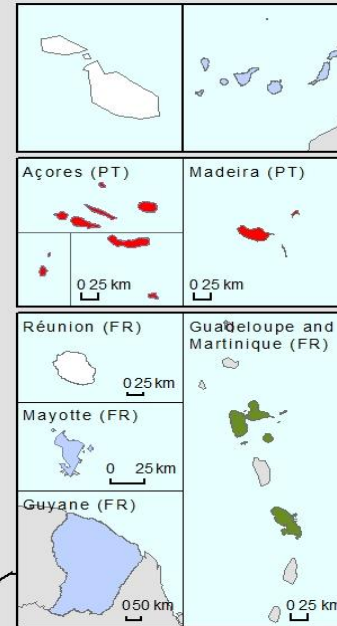
Agriculture  
and Rural  
Development

# Ex-ante Assessments State of Play - 47 MAs



## Status of ex-ante assessments for financial instruments under the EAFRD (by October 2016)

- Completed - no follow-up 6
- Completed - with follow-up 10
- Completed - no decision yet 12
- Interrupted or Reassessment 4
- Final stages 4
- Ongoing 6
- Preparatory work 6
- Expressed interest 15
- Not considered 47



Source:  
DG AGRI based upon information of  
the Member States

Year:  
2016

Cartography:  
DG AGRI GIS-Team 10/2016

© EuroGeographics for the administrative boundaries



## Implementation of EAFRD Financial Instruments 2014-2020

# Objective 2014-2020

***Doubling EAFRD co-financing FIs compared to 2007-2013***

### Operational FIs

- **Estonia** - Loan Fund (34 million €)
- **Germany**- Loan Fund - Mecklenburg-Vorpommern (10 million €)



## Implementation of EAFRD Financial Instruments 2014-2020

### □ Forthcoming FIs

- **France** - Guarantee fund in Languedoc-Roussillon [9,5 million €]
  - In 2017 joined by Midi-Pyrenees [7,5 million €]
- **Romania** - Loan fund (87 million €)
- **Italy** – Loan Fund - Lombardia and Friuli Venezia Giulia [approx.25 million €].
- **Italy** - macro-regional Guarantee Fund (8-10 regions, joined later by the rest; approx. 80 million €)
- **Spain** - Guarantee Fund (CLM, Castilla y Leon, Extremadura, Murcia, Aragon, Navarra)





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## Revision of Financial Regulation incl. "Omnibus" Regulation

Adopted as part of MTR package  
on 14 September 2016

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# Focus of suggested changes

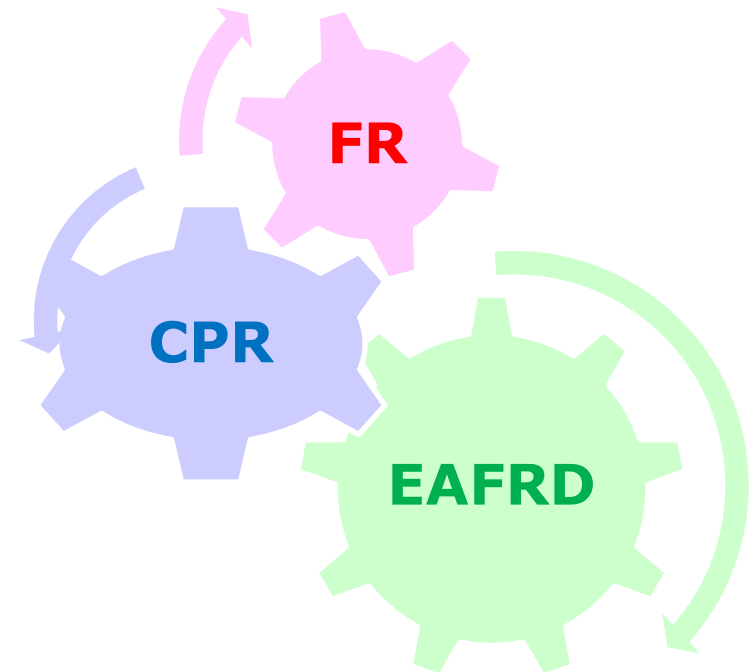
- *Reducing administrative burden for beneficiaries*
- *Improving synergies with other EU instruments*
- ***Streamlining financial instruments***
- ***Increasing flexibility for investments in Member States***

**Proposals take account of first recommendations by HLG**

General improvement  
Transfer of ESIF to EFSI

ESIF – EFSI combination  
SME Initiative extension

Eligibility rules  
Investment rules  
Selection rules





# ESIF/EFSI combination (I)

## Transfer of ESIF to EFSI

- **New FR Article 125:** MS may use ESIF to enhance **EFSI risk-bearing capacity**, EFSI rules apply, no mention of MS/geographic.
- **New CPR Article 30a:** MS have to submit request by 30 September, financial appropriations of future years only, programme amendment required.





# ESIF/EFSI combination (II)

Dedicated Art. setting up specific rules for ESIF in the case of combination of ESIF financial instruments with EFSI (**new Art. 38(1)(c) and Art 39a**). Issues covered:

- use of ESIF, incl. thresholds for ESIF participation and need to attract additional private resources;
- ex-ante assessment, reporting, implementation options, compliance with applicable law, entrustment of implementation tasks, payments, possibility ESIF to contribute to junior/mezzanine tranches of portfolios for guarantee instruments, **possibility of 100% co-financing**.
- Related changes - new Article 43a on differentiated treatment of investors, explicitly referring also to ESIF/EFSI combination.



# CPR – financial instruments

- **Selection** – new possibility to directly award contracts for FI implementation to publicly owned banks meeting certain criteria; confirming explicitly the possibility of direct award to EIB/IFIs (Art. 38(4))
- **Extension of SME initiative** over the whole eligibility period and some related changes
  - Possibility for MS to use an ex-ante assessment carried out at national or regional level, if more recent data than the ex-ante assessment at Union level is available
  - possibility to use a separate priority axis for the SMEI
  - SMEI to follow general rules for on-going and ex-post evaluation (Art. 39, related Art. 56, 57)



# CPR – financial instruments

- **Audit** - establishing a workable procedure for the audit of the EIB and IFIs when they manage financial instruments either at EU level or on behalf of managing authorities (Art. 40)
- **Financial corrections** - clarification of possibility for replacement of individual irregular expenditure in FIs; moving provisions to Title IV CPR in order to be applicable to all ESI Funds (Art. 40)
- **Negative interest** - enabling financing of negative interest form resources paid back into the FI if such occur despite an active treasury management (Art. 44)
- **Reporting** – eliminating a reporting duplication (Art. 46)



## 'Omnibus' and EAFRD FIs

- Flexibility for investments with input being non-Annex I products [*Article 17(1)b*]
- Allowing the use of FIs for supporting start-ups by young farmers, also in combination with grants [*Article 19(4)*]
- Possibility of funding large-scale investments in rural infrastructure and services [*Article 20(4)*]
- Flexibility to allow the purchase of animals, annual plants, etc. and giving up the need for listing eligible items [*Article 45(7)*]
- Allowing working capital support also for FI investments into non-agricultural businesses and infrastructure [*Article 45(5)*]
- Dropping for FIs the cross-link between legal obligations under the RD framework and environmental assessments [*Article 45(7)*]
- No application of grant-specific selection criteria [*Article 49(4)*]



## Technical Assistance for EAFRD FIs (5,0 + 0,8 million € in fi-compass)

### **FI-compass:**

- *Targeted coaching for EAFRD MAs*
- *Methodological handbook for ex-ante assessments (EAFRD)*
- *Brochure on EIF AGRI guarantee scheme*
- *EIF AGRI Portfolio-Risk Sharing Loan scheme (PRSL)*
- *Study on price volatility and FIs*
- *Study on FI programming*
- *Study on investment platforms EAFRD / EFSI*

### **AGRI-H.1:**

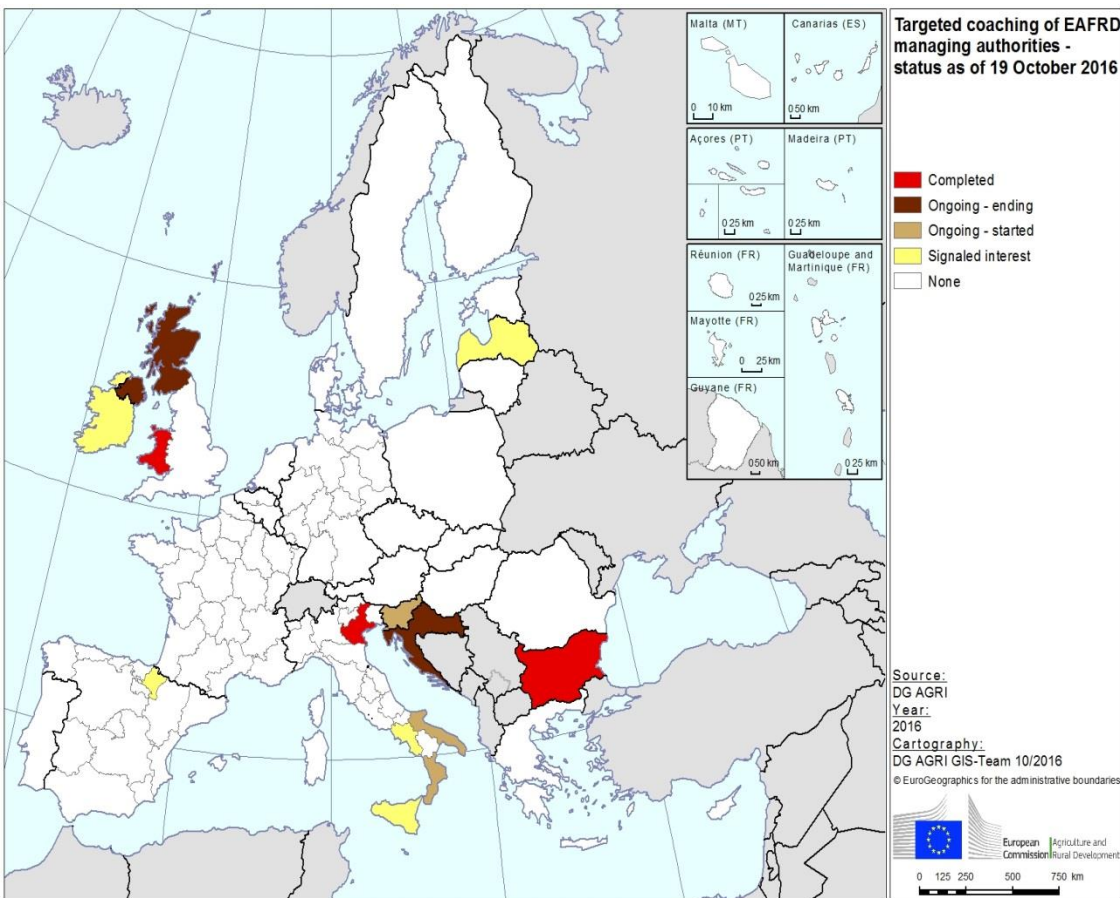
- *Q&A compilation document for EAFRD MA*





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# Targeted coaching for EAFRD Managing Authorities under *fi-compass*, Jan – October 2016



Implementation  
and performance

*Bulgaria*  
*IT Veneto*  
IT Puglia  
IT Calabria  
Latvia  
Slovenia  
Ireland  
Poland

Ex-ante  
assessment  
process

*UK Wales*  
UK Scotland  
UK N. Ireland  
Croatia  
IT Campania  
IT Sicily  
ES Navarra  
ES Pais Vasco

First steps &  
get to know



# Events on EAFRD Financial Instruments

- Dublin, Vienna, Riga, Madrid, Rome, Warszawa, Brussels
  - ✓ About 1,000 participants
  - ✓ About 90 different presentations
  - ✓ 14 Member States speaking
    - AT, BG, EE, ES, FR, HU, IE, IT, LV, NL, PL, PT, RO, SI
  - ✓ COPA-COGECA and national farm unions
  - ✓ Banks and Funds, AECM, Business angles
  - ✓ EIB / EIF, fi-compass experts



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Thank you