Investment Plan for Europe

Mobilising funds for farming in Europe
#investEU

Farming activity in the European Union involves 22 million citizens and rural areas cover more than half of the EU territory. It also supplies the agri-food industry, the EU's largest employment sector. The Investment Plan for Europe is an excellent opportunity to boost investments, growth and jobs throughout the food-chain. It will encourage innovation in the farming business and contribute to increases in productivity.

The European Fund for Strategic Investment (EFSI), cornerstone of the Investment Plan for Europe, can support investment in innovative solutions in areas such as precision farming, the circular economy, broadband in rural areas, water infrastructure and SME access to finance.

Why is it important

The EU is the worlds foremost trader in agri-food products, benefiting producers and consumers within and outside the EU. However, agriculture faces a major challenge: how to produce more while becoming more sustainable and more resilient to external challenges such as unpredictable weather conditions and market volatility. Investment can help improve competitiveness and thereby facilitate growth and jobs in response to new market opportunities (on EU and non-EU markets), while also facilitating modernisation and embracing more climate-friendly production practices. Broader rural investment can facilitate wider economic activity and stimulate job creation, in particular for SMEs.

Opportunities and benefits

Agriculture stakeholders, both from the public and the private sector, can benefit from the opportunities offered under the Investment Plan by getting financing from the European Fund for Strategic Investments (EFSI), registering a project to reach potential investors worldwide through the European Investment Project Portal (EIPP), and making use of the advisory services of the European Investment Advisory Hub (EIAH). Opportunities under EFSI are integrated into the European Investment Bank (EIB) Group. Projects can be directly submitted by promoters to the EIB or to established investment platforms, which can have a sectorial or geographical scope and be set up by, for instance, producer groups, cooperatives or associations.

How to access finance

Infrastructure and Innovation projects shall consult the **dedicated Window** deployed through the EIB. Small and medium enterprises shall consult the **SME Window** implemented through the European Investment Fund (EIF).

Examples of projects and activities supported

Dairy Production "Les Maitres Laitiers du Cotentin" (France)
Diversification of products, optimisation of production costs, capacity increase and augmentation of the share of products with longer shelf life, including options for counterbalancing the short-term variations between the fresh milk supply and fresh dairy product demand in the local markets.

- EIB financing under EFSI: EUR 55 million (44 % of the total investment related to EFSI or 47 % of project cost).

Guarantee Fund for agricultural SMEs (Germany)
Under the SME Window of EFSI, a EUR 200 million counter-guarantee was provided to a pool of 16 Guarantee Banks in Germany. The guarantees will cover 60 % of the risk on loans targeted at SMEs in the agricultural sector.

Complementary sources of funding

EFSI provides financing instruments for risky operations.
The opportunities offered under the Investment Plan for Europe complement the grants and financial instruments provided by the European Structural and Investment (ESI) funds, such as the Rural Development funds (EAFRD) for the agriculture and rural economies. EFSI and ESI can be combined to mobilise additional investment.

Within the Investment Plan, the Commission has set the objective to achieve at least an overall doubling in the use of financial instruments under the ESI funds. This objective (approx. EUR 23 billion) is within reach: based on current estimates, the planned overall allocations in Cohesion policy to financial instruments in 24 Member States are expected to be EUR 20 billion for ERDF only.

More information on Agriculture and Rural Development at EU level: http://ec.europa.eu/agriculture.

European Commission

European Investment Bank
The EU bank