



Welcome and opening remarks.
EAFRD support for infrastructure
investment in rural areas: overview and
potential for financial instruments

Michael Pielke, DG AGRI, European Commission



 #ficompass





EAFRD Financial Instruments

working with rural infrastructures

Michael PIELKE
Head of Unit

DG AGRI F.3, European Commission

Agriculture
and Rural
Development



Excurs

CAP Budget post-2020



CAP objectives

BROADER CAP OBJECTIVES

***FOSTER A
RESILIENT FARM SECTOR***

***BOLSTER
ENVIRONMENT AND CLIMATE***

***STRENGTHEN
FABRIC IN RURAL AREAS***

SPECIFIC CAP OBJECTIVES

Economic

Environment & Climate

Social

**Ensure fair income
Increase Competitiveness
Rebalance power in food chains**

**Climate change action
Environmental care
Landscapes and biodiversity**

**Generational renewal
Vibrant rural areas
Food and health quality**

CROSS-CUTTING CAP OBJECTIVES

Sustainability

Modernisation

Simplification



CAP delivery wish list

- **Streamline** CAP policy design
- Change policy and management focus from compliance to **result orientation**
- **Increase flexibility** and **subsidiarity** for MS
- **Reduce the EU-related administrative burden** for beneficiaries and administrations



CAP FINANCING FOR 2021-2027

ALLOCATION

- **EUR 365 billion for EU-27**
- 5% cut for CAP compared to 2020 allocation less UK envelopes

(in EUR million, current prices)

	2021	2022	2023	2024	2025	2026	2027	TOTAL
Pillar 1 - EAGF	40 300	40 527	40 791	40 931	41 072	41 214	41 357	286 195
Pillar 2 - EAFRD	11 259	11 259	11 259	11 259	11 259	11 259	11 259	78 811
CAP	51 559	51 786	52 050	52 190	52 331	52 473	52 616	365 006

Financial Instruments working with rural infrastructures

fi-compass workshop



Infrastructure financing under the current CAP

- Total planned expenditure under Priority 6 EUR 23.3bn, out of which EUR 15.4bn EAFRD
 - Focus Area 6 A Diversification and job creation EUR 4.19 bn (18%)
 - Focus Area 6 B Foster local development EUR 17.25 bn or (74%)
 - Focus Area 6 C Access to and quality of ICT EUR 1.86bn (8%)
- Equivalent to 15% of total RD planned expenditure

Status quo

EAFRD Financial Instruments are currently only targeting support of investments by farmers (SMEs).

Investments in infrastructure as well as public sector counterparts (including public private partnerships) as final recipients are eligible.

Potential areas for FIs – to be completed (1)

Supply chain infrastructure (e.g. storage facilities, distribution and warehousing, and agricultural markets facilities like stands and stalls);

Broadband and ICT infrastructure (e.g. roll-out of the fixed broadband network; upgrade and extension of the mobile telecom network);

Renewable energy and building energy efficiency investments (e.g. combined heat and power (CHP) generation plants, district heating, biomass plants, as well as energy efficiency renovation works such as insulation, efficient lighting systems, window replacements, etc);

Potential areas for FIs – to be completed (2)

Irrigation, water supply and purification;

Smart services and infrastructure for rural villages (e.g. smart parking and/or mobility/transport, security, sport and recreational infrastructure);

Waste treatment (e.g. investments in collection equipment, greenhouse gas reducing technologies for waste treatment);

Forestry infrastructure (e.g. infrastructures improving the access to natural facilities, sustainable exploitation of forests and other natural assets).

Critical financing characteristics of infrastructure projects

Long time for project development

High up front investment costs

Long payback time

Low returns

Individual national regulatory and governance aspects

Financial Instruments' advantages for financing rural infrastructures

- Voluntary choice adjustable to any national or regional market situation
- Eligibility restrictions are adjusted to the characteristic of the instrument
- Possibility of combining with grants for projects generating limited repayments

Workshop objectives

- Presentation of first results of a study
- Assess possibilities for rural infrastructure investments under EAFRD
- Discuss ways to match EAFRD requirements with expectations of financial intermediaries/private investors
- Identify actions to facilitate deployment of rural infrastructure investments under EAFRD through FIs