



Combination of EAFRD resources with EFSI and other sources of finance: opportunities offered by the EIB Group

Mr Hubert Cottogni, Director of Mandate Management, European Investment Fund



 #ficompass





Combination of EAFRD / EFSI resources

Paris, 10 October 2017

Hubert Cottogni
Director, Mandate Management
European Investment Fund

Implementing Financial Instruments

Key benefits to the stakeholders



Managing Authorities

- High leverage
- Revolving nature
- Higher EAFRD contribution
- Improved quality of the investments
- Quick and easy disbursement
- Demand-driven
- Significant visibility
- Efficient integration of grants and other types of support

Financial Intermediaries

- Capital relief
- Risk protection on a loan by loan basis
- Coverage of losses
- Quick payment in case of default
- Increase in number of new clients
- Strengthened position in the market
- Quickly deployable products

Final beneficiaries

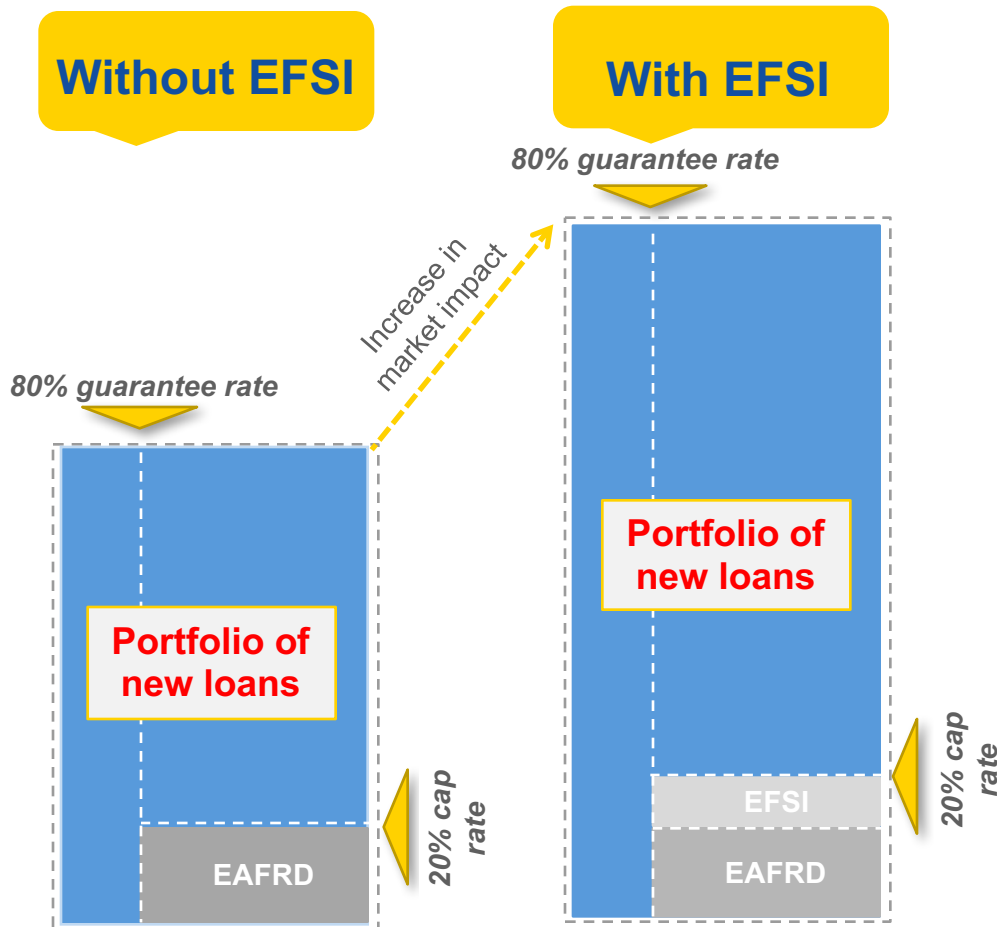
- Reduced interest rates
- Reduced collateral
- Enhanced access to finance for riskier projects
- Opportunity for new businesses (young farmers) with no credit history
- Preserved ownership of business
- Quick access to finance
- Less paperwork
- Reduced external audits

Blending of EAFRD / EFSI resources

Opportunities offered



Indicative example of EAFRD /EFSI combination

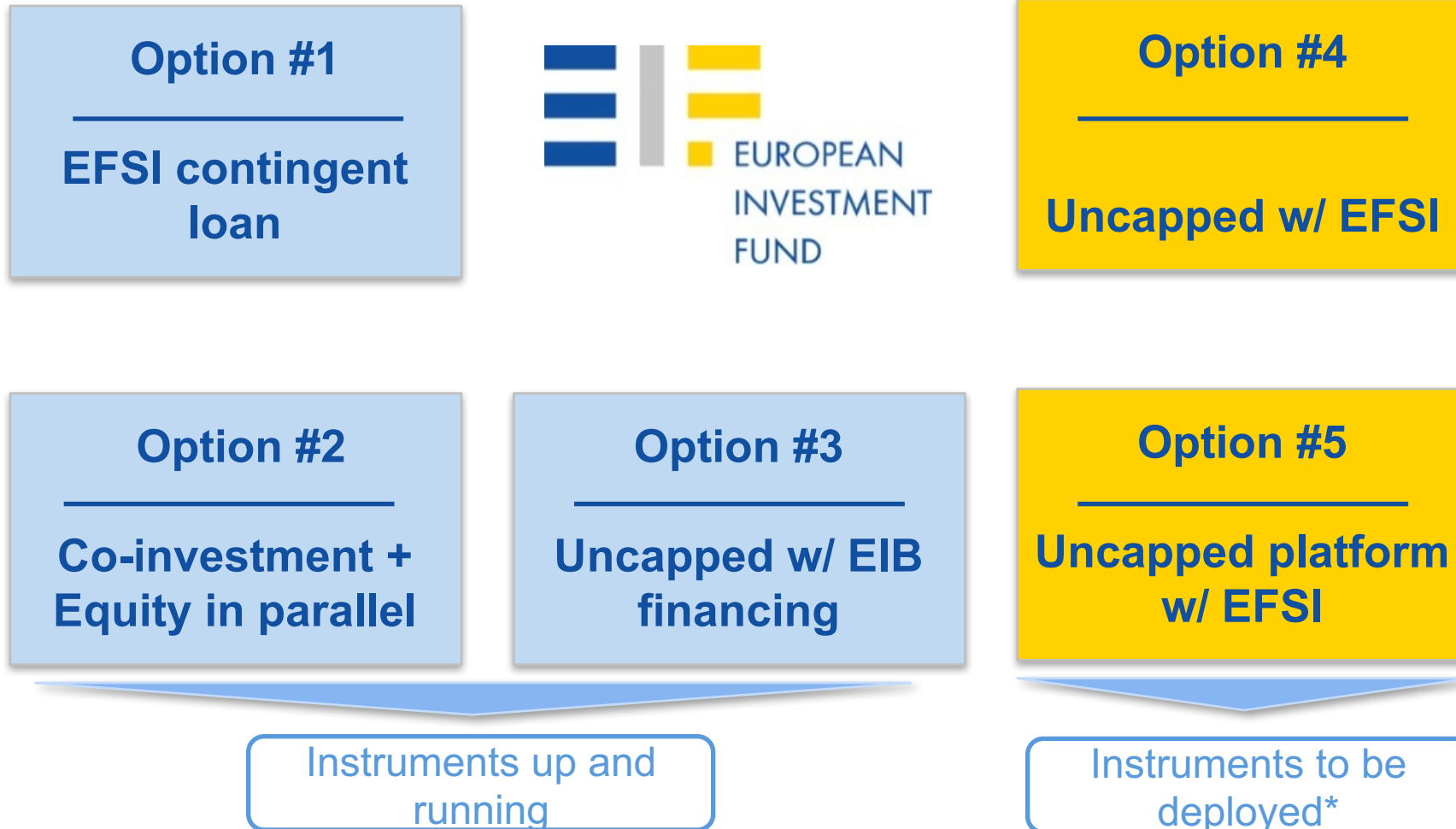


Features of EAFRD /EFSI combination

- EFSI component **complementary** to EAFRD
 - First (expected) loss piece taken by MA's EAFRD allocation
 - EFSI risk portion to be priced
- EFSI **improves the leverage** factor of EAFRD
- EFSI products **approved by EFSI governance bodies**
- EFSI contribution considered as **state aid consistent**
- EIB is allowed to **take more risks** thanks to EFSI
- **Standardised products ready** to be deployed
- **Omnibus** opens further avenues of possibilities

Blending of EAFRD / EFSI resources

Product options



*

Depending on the Omnibus entry into force

EIF and Financial Instruments

Utilisation of EAFRD funding



AGRI Italy Initiative

Uncapped Guarantee - **EUR 83m**

MoU - 08/04/2017

Languedoc Roussillon EAFRD

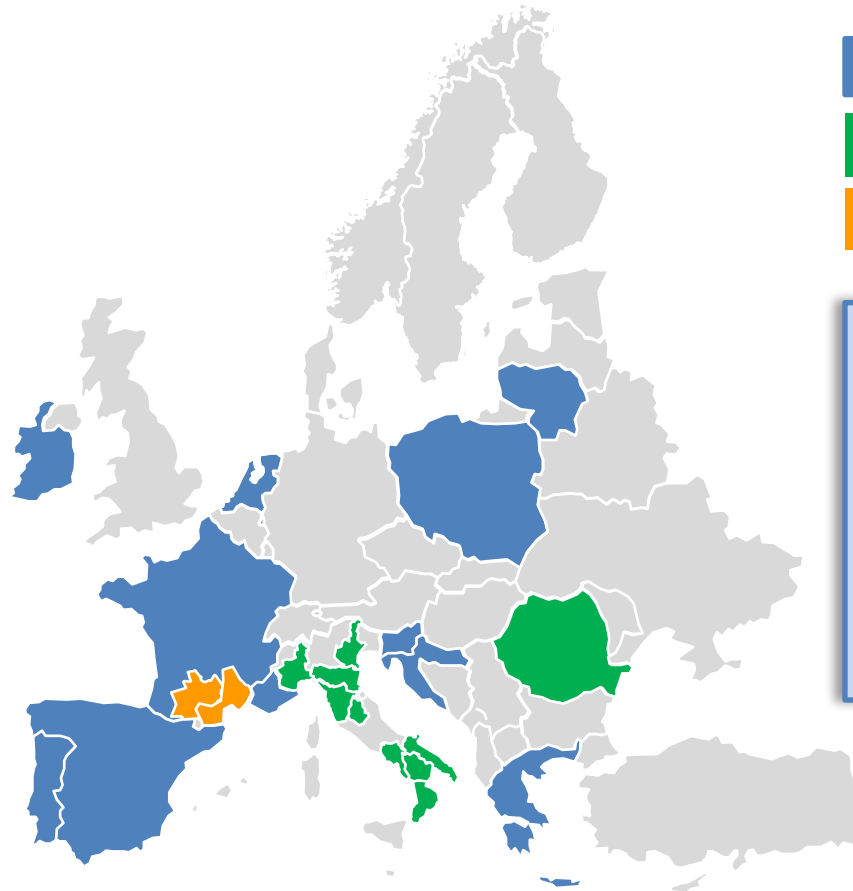
FLPG - **EUR 15m**

Funding Agr. - 27/11/2015

Midi-Pyrénées EAFRD

FLPG - **EUR 12m**

Funding Agr. - 12/06/2017



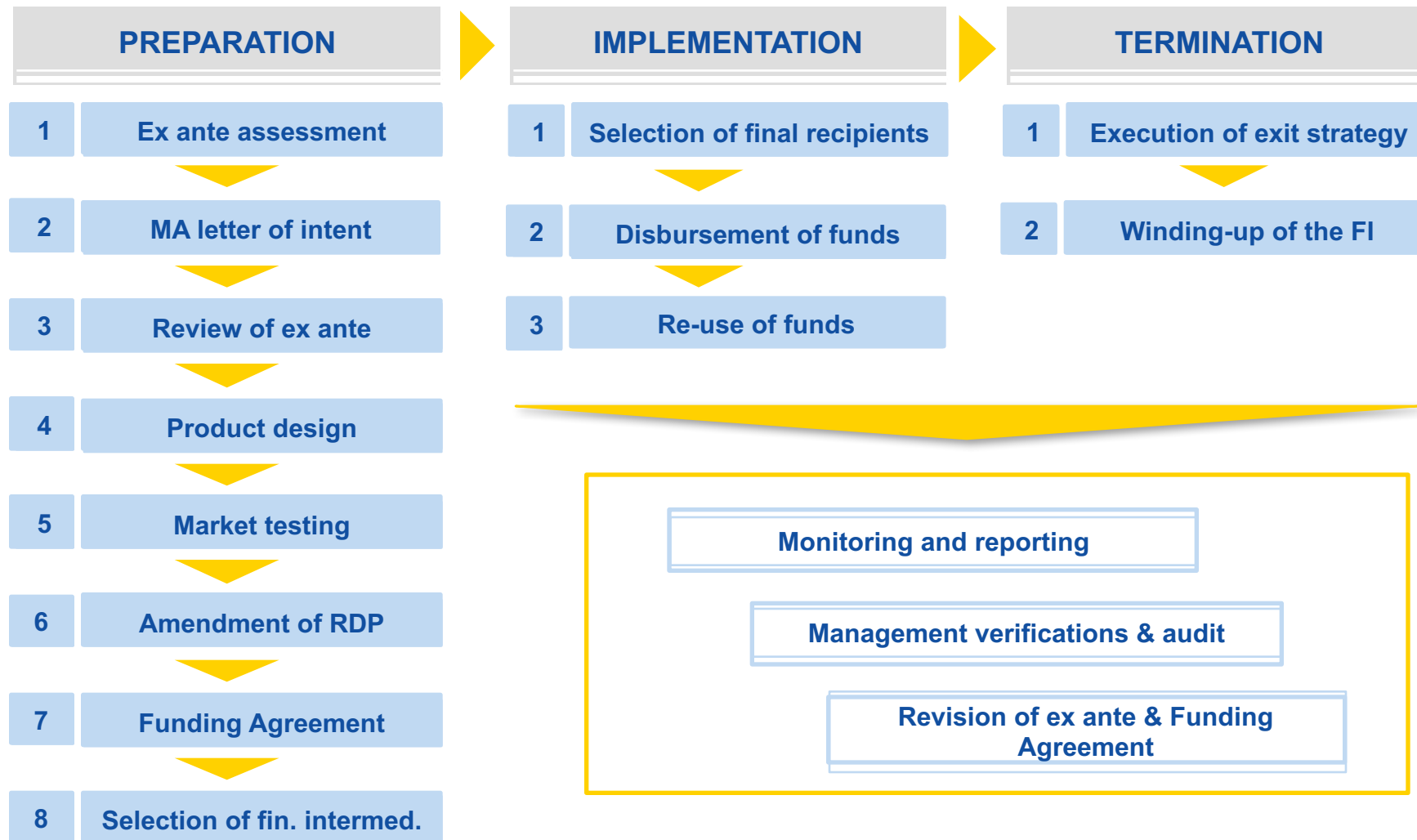
Potential candidates

Negotiation with MA

Signed with MA

With an amount of approximately **EUR 110m of EAFRD resources** (mobilised in Occitanie-France and in Italy), **EUR 500m / EUR 1bn of financing** shall be made available to Agri SMEs/Farmers

Implementing a Financial Instrument Process





Thank you!

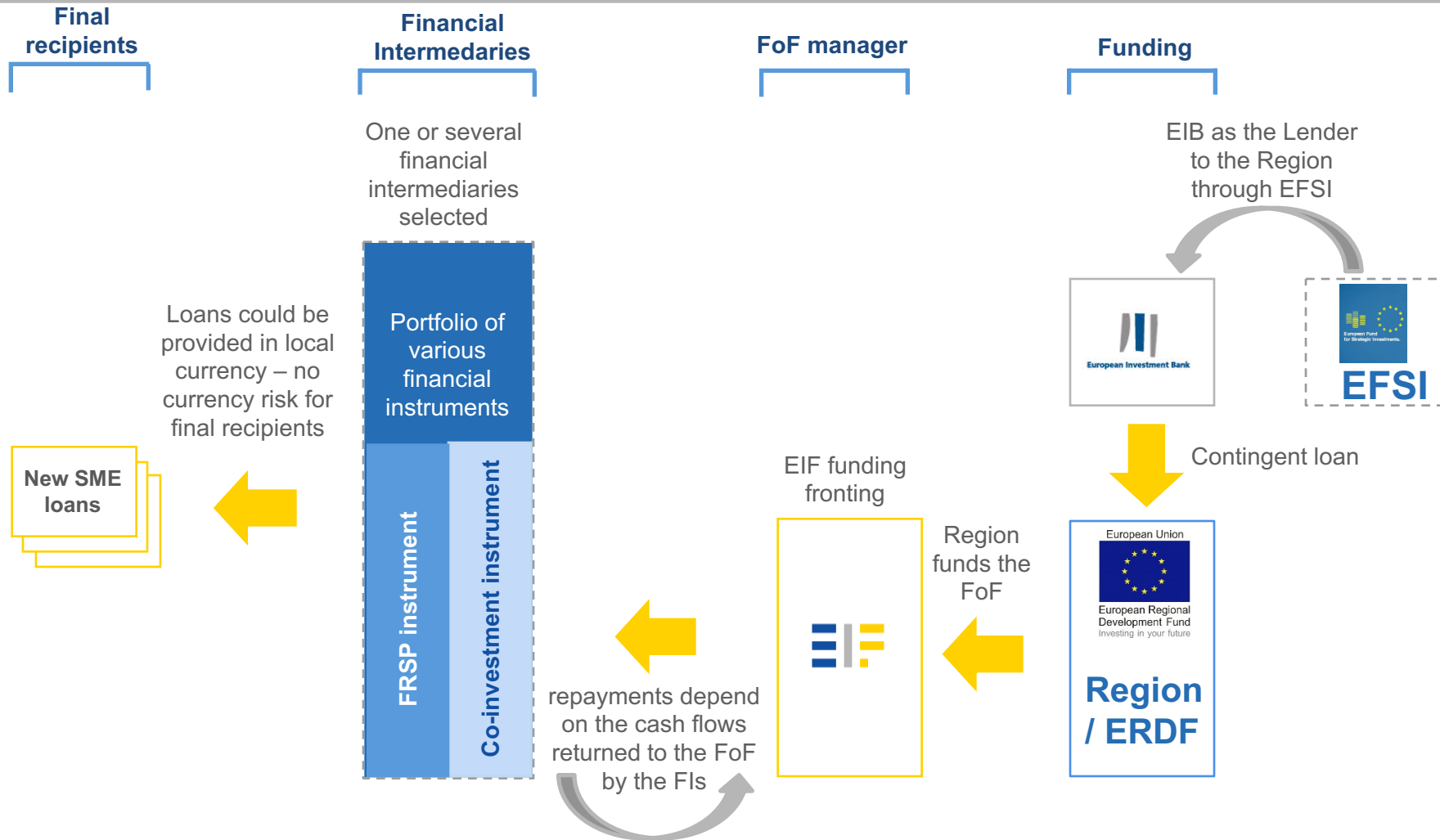


Annex

Schematic descriptions of product options offered by EIF

Option #1

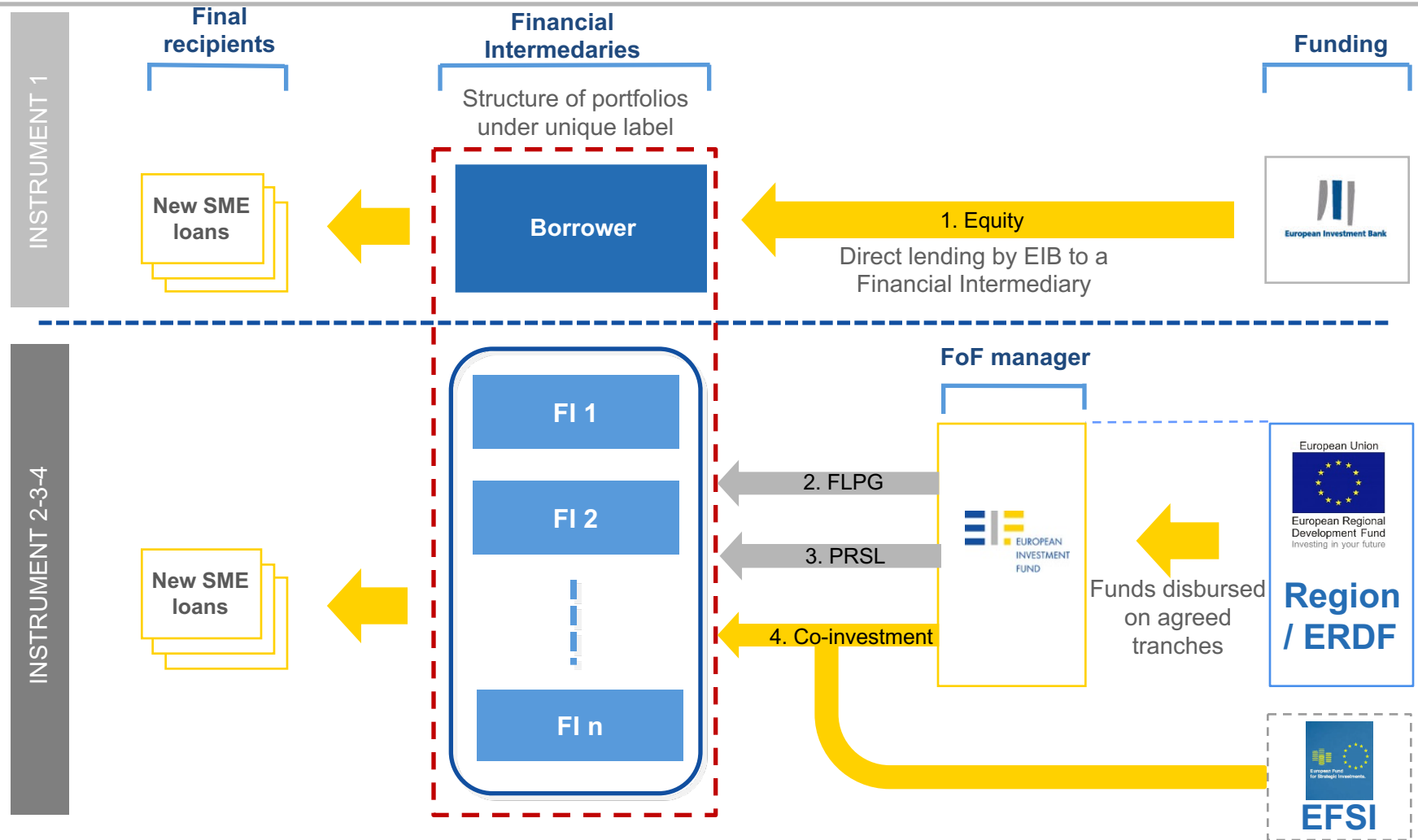
EFSI contingent loan to the Region



e.g. Implemented in la Réunion (FR) – EIB contingent loan

Option #2

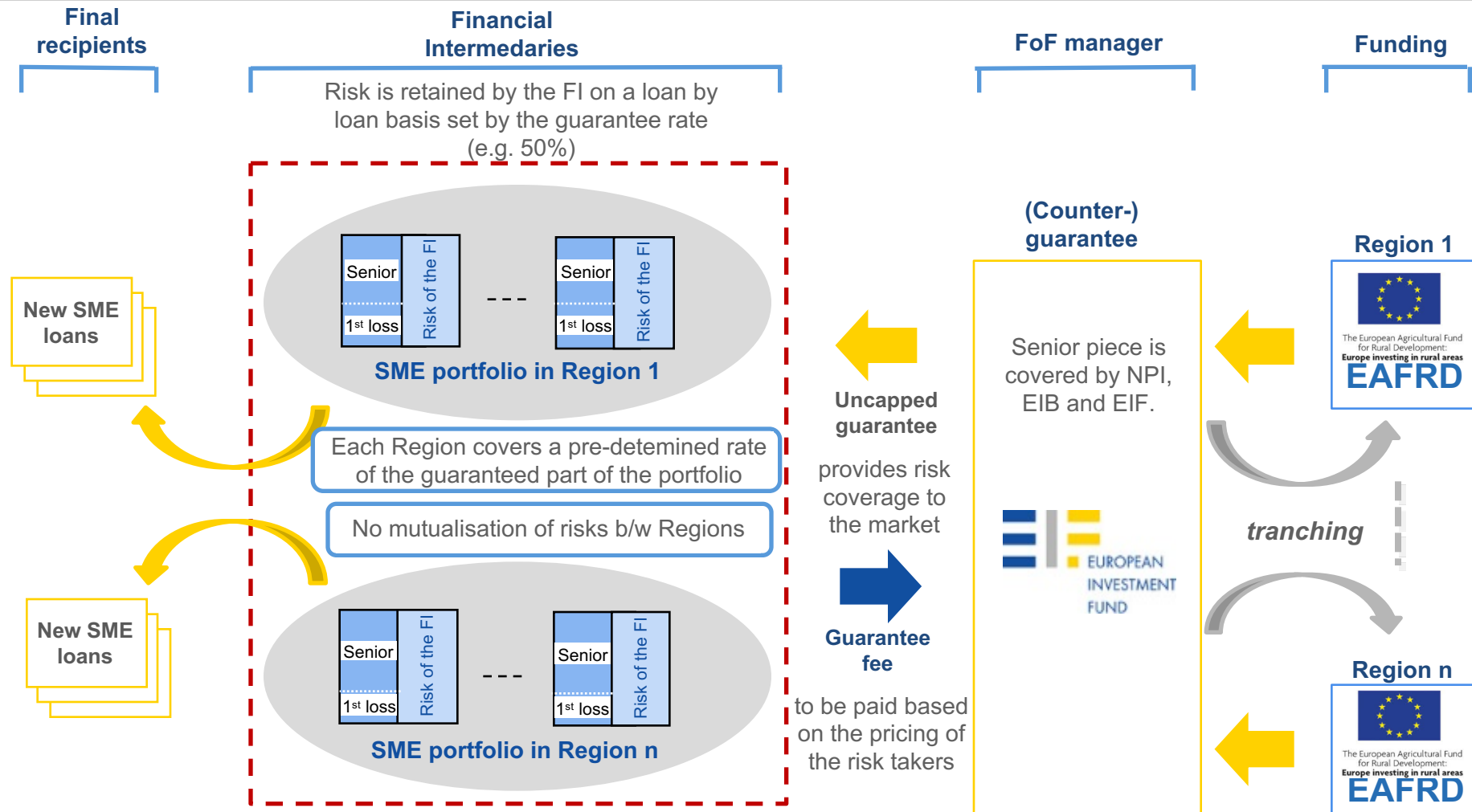
Co-investment + separate equity instrument in parallel



e.g. Implemented in Occitane/Pyrénées-Méditerranée (FR) – FOSTER

Option #3

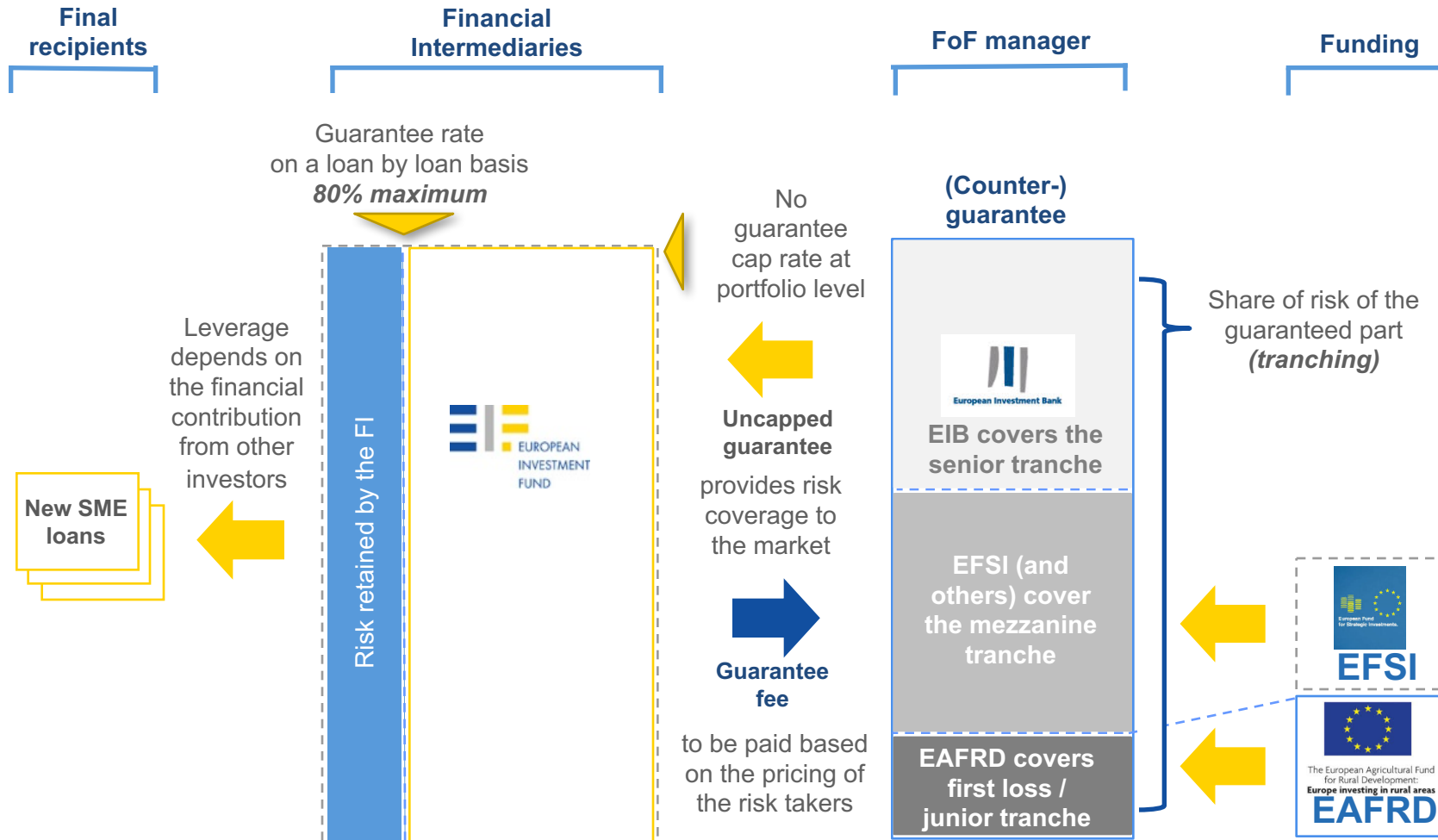
«Uncapped» Guarantee w/ EIF financing



e.g. Implemented in IT – AGRI Italy Initiative

Option #4

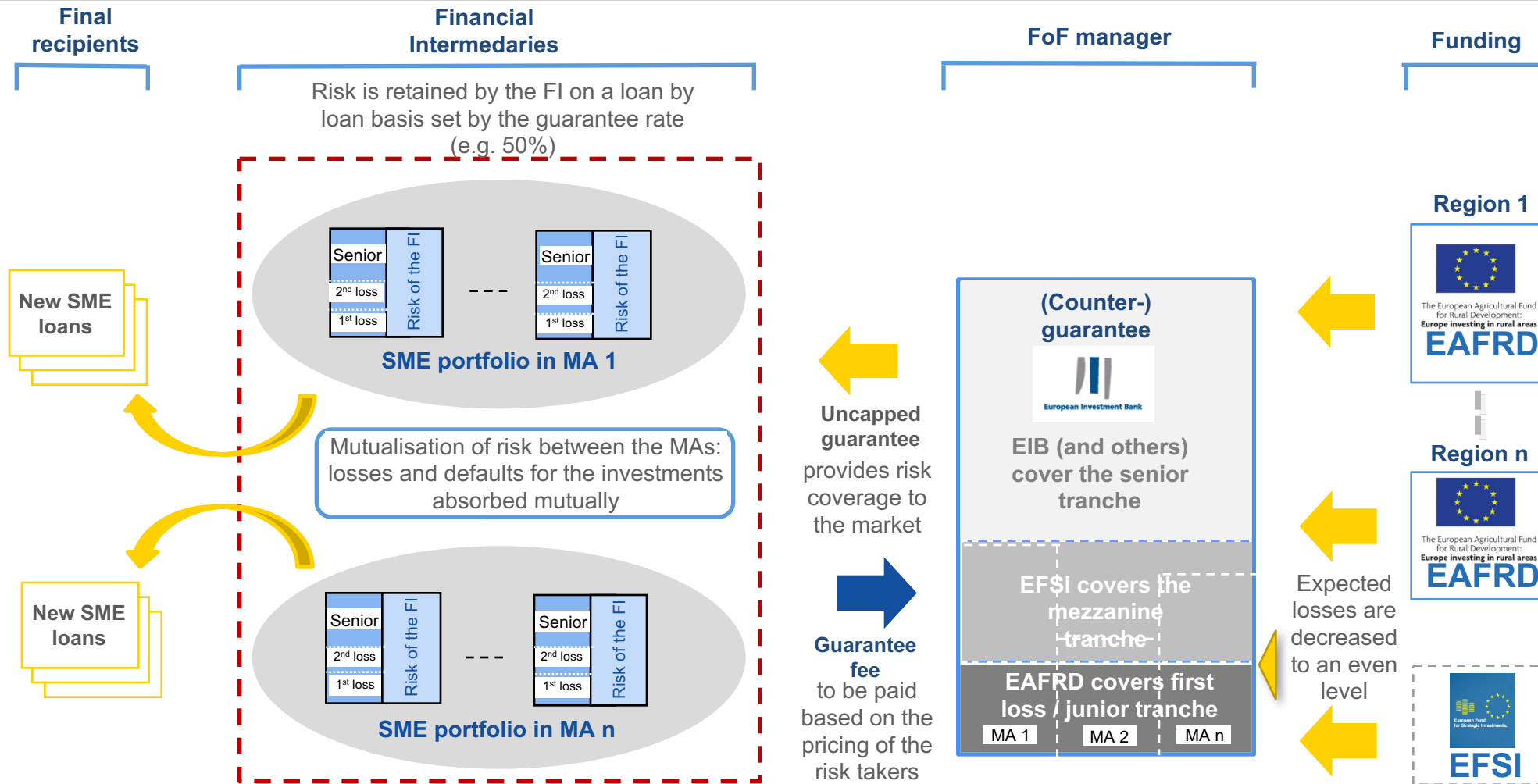
«Uncapped» Guarantee w/ EFSI



Depending on the Omnibus entry into force

Option #5

«Uncapped» Portfolio Guarantee w/ EFSI



! Depending on the Omnibus entry into force / development of product