



The new CAP post-2020: general architecture and focus on EAFRD & financial instruments

Mr Michael Pielke, Head of Unit F.3 Bulgaria, Slovenia, Poland and Croatia;
Financial Instruments, DG Agriculture and Rural Development

European Commission



 #ficompass



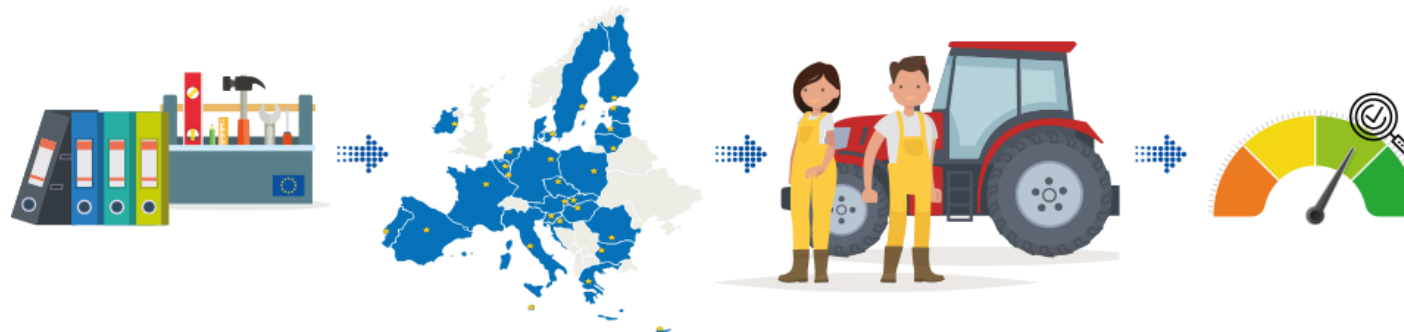
EU Budget: the CAP after 2020



EAFRD Financial Instruments 2021-2027 Concept & Possibilities



A STRONG BUDGET
FOR A STRONG CAP



Sofia

6 June 2018

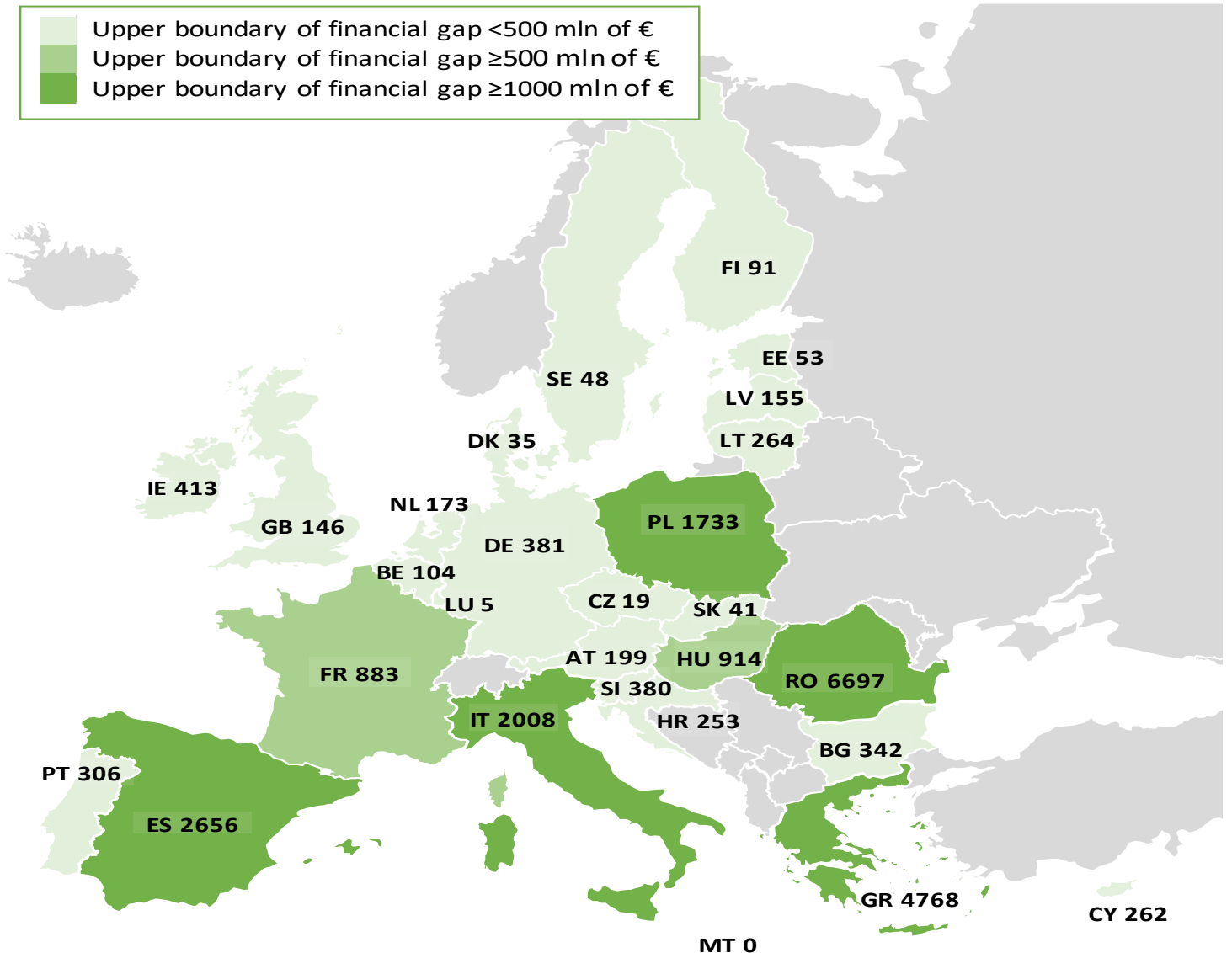
#FutureofCAP

Financial gap estimate – Total by MS

The estimated EU agricultural sector financial gap is:

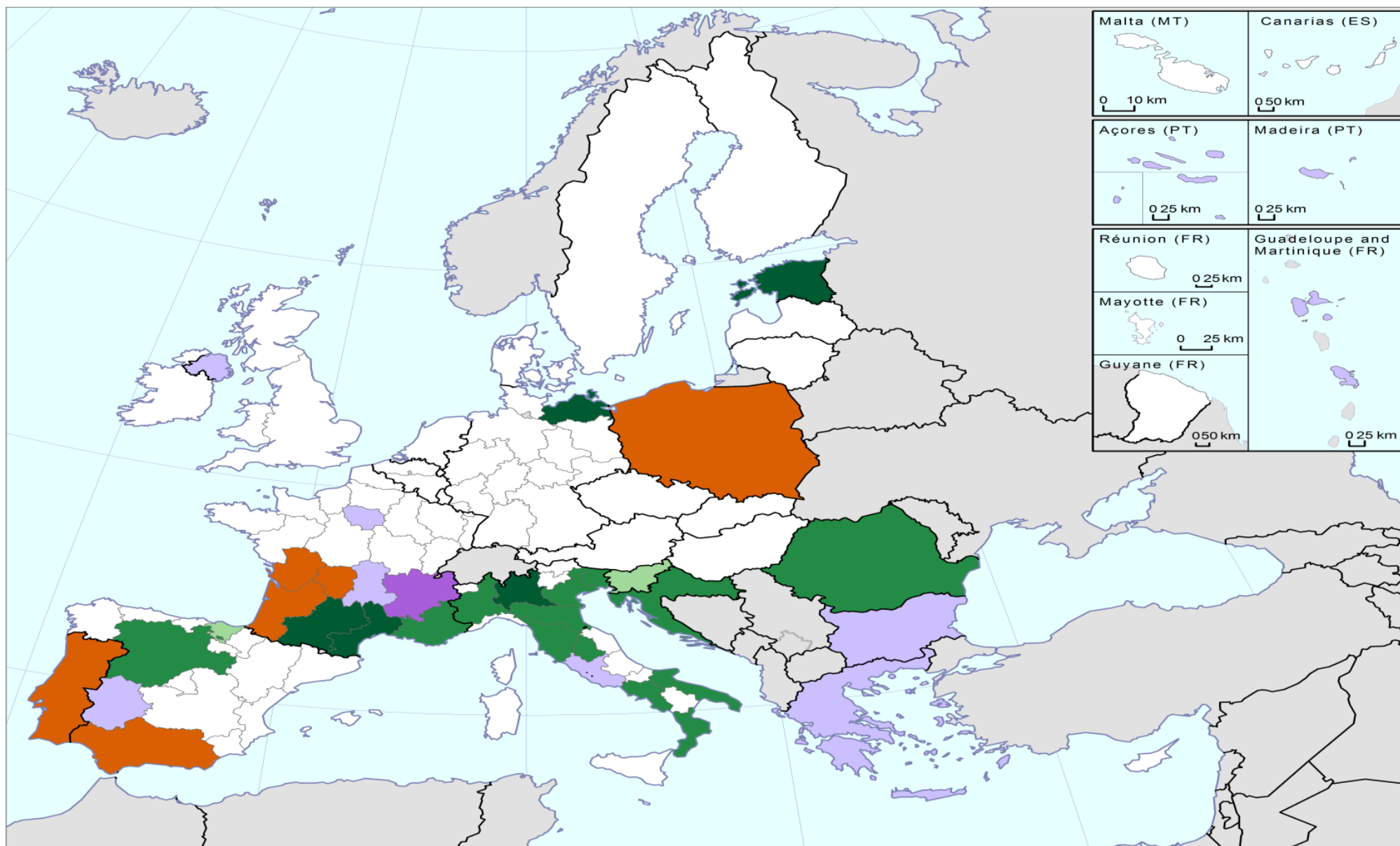
- for short-term loans EUR 1.56 billion - EUR 4.12 billion;
- for medium and long-term loans EUR 5.50 billion - EUR 14.48 billion.

The total financial gap, therefore, is between EUR 7.06 billion and EUR 18.60 billion.






Financial instruments (May 2018)



Status of EAFRD Financial Instruments 2014-2020 (by May 2018)

-  Operational FIs
-  Non-operational FIs with signed funding agreements
-  FIs in a process of setting up (after ex-ante)
-  EAFRD - EFSI Initiative
-  FIs after ex-ante (no decision yet)
-  FIs in preparation (ex-ante)
-  Not considered

Source:
DG AGRI based on information by Member States
Year:
2018
Cartography:
DG AGRI GIS TEAM 05/2018

© EuroGeographics for the administrative boundaries



0 125 250 500 750 km

General principles for future FI

- *Reduction of number types of instruments under direct management*
- *Alignment of rules between the funds*
- *Less detailed rules on EU level in order to increase flexibility and reduce administrative burden*

CAP Financial Instruments 2021 - 2027

Financial Instruments & the CAP Communication

➤ Income

- Address the investment gap in agriculture, also through more use of innovative financial instruments that take into account the specificities of farming.

➤ Risk management

- Financial instruments stimulating the inflow of private capital can help to overcome temporary cash flow shortages.

Financial Instruments & the CAP Communication

➤ Rural development

- Low cost and longer term loans for entrepreneurs willing to invest in rural areas.

➤ Generation renewal

- Access to financial instruments to support farm investments and working capital

EAFRD Financial Instruments – mirror CAP simplification

- **Reduced number of eligibility rules and clarifications**
 - ⇒ *facilitates implementation taking into account the nature of the instrument*
- **Use of FI in the context of setting up of young farmers highlighted**
 - ⇒ *facilitates the generational renewal*
- **FIs may support the purchase of land by young farmers**
 - ⇒ *facilitates the access to land for this specific target group*
- **Working capital finance available as part of a project or even as stand-alone support up to 200 000 EUR gross grant equivalent over 3 years**
 - ⇒ *facilitates implementation of projects, overcome temporary liquidity shortage*

Financial Instruments under EAFRD

- Easy adjustable to national or regional market situation
- Combination with grants under one strategy
- Preparatory works facilitated by COM support e.g. studies, preparatory work for necessary market assessment

InvestEU



INVESTMENT

Streamlining tools to promote investment: **InvestEU Fund**



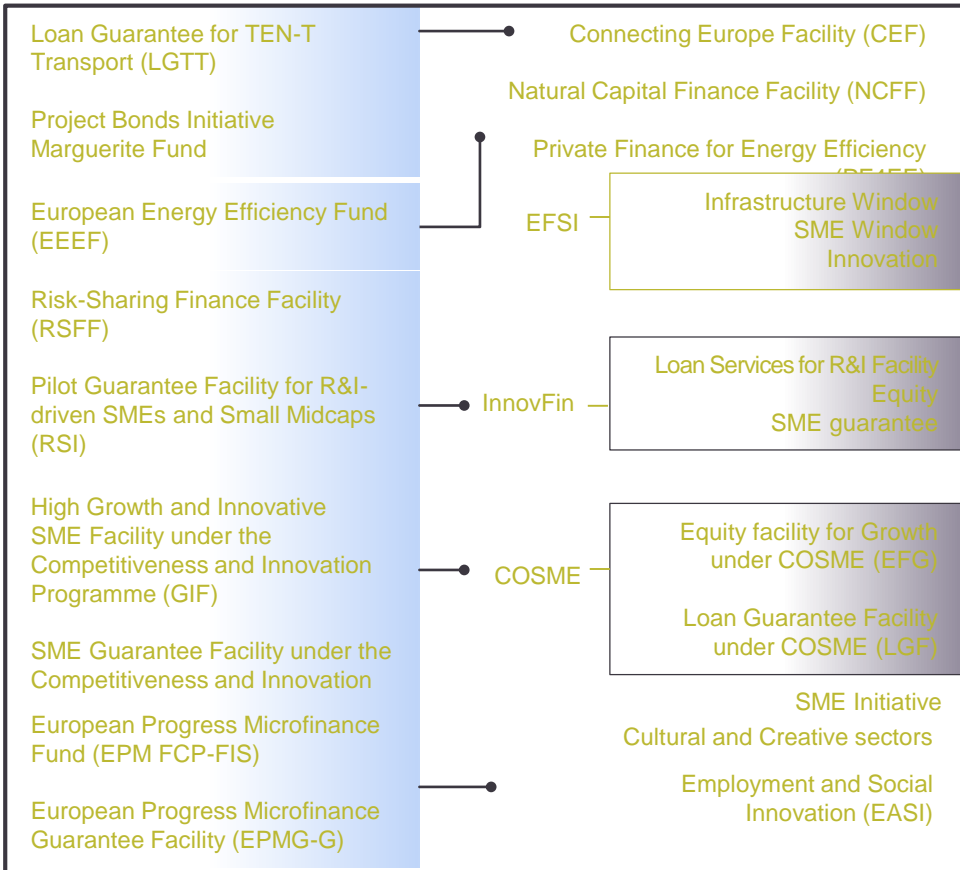
- ❑ A new, fully integrated investment fund: InvestEU
- ❑ Mobilise significant private resources with a relatively limited amount of public resources for much needed investments throughout Europe
- ❑ Single, streamlined structure including all centrally managed financial instruments inside the EU
- ❑ Reducing overlaps, simplify access to funding and reduce administrative burden



INVESTMENT

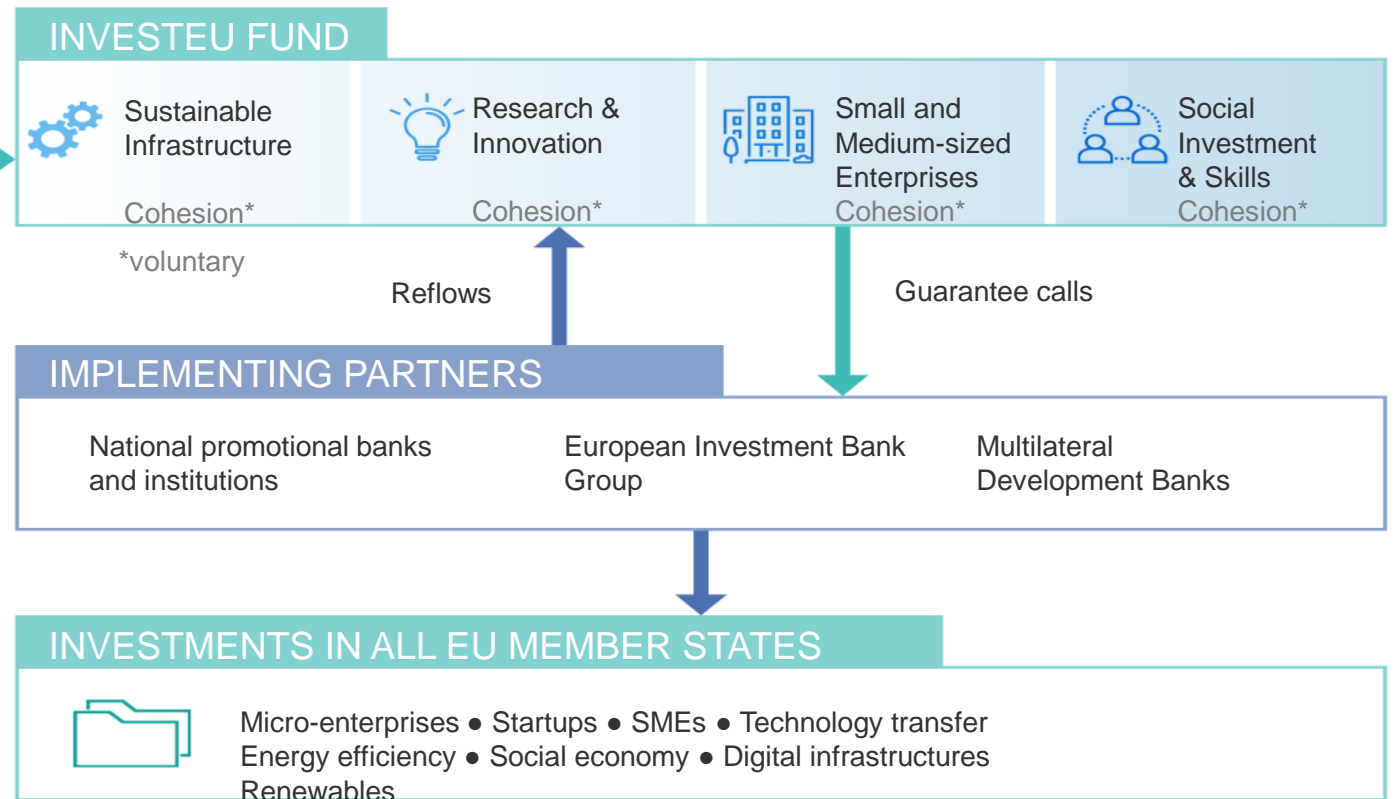
Streamlining tools to promote investment: InvestEU Fund

Financial instruments under current multiannual financial framework



Inside the EU

New architecture for the long term EU budget 2021-2027



EU Budget: the CAP after 2020



IT'S ABOUT THE
**FUTURE
OF EUROPE**
Let's talk

#EUdialogues
#FutureOfEurope

#FutureofCAP

