

Overview of EIB Support to Agriculture Sector

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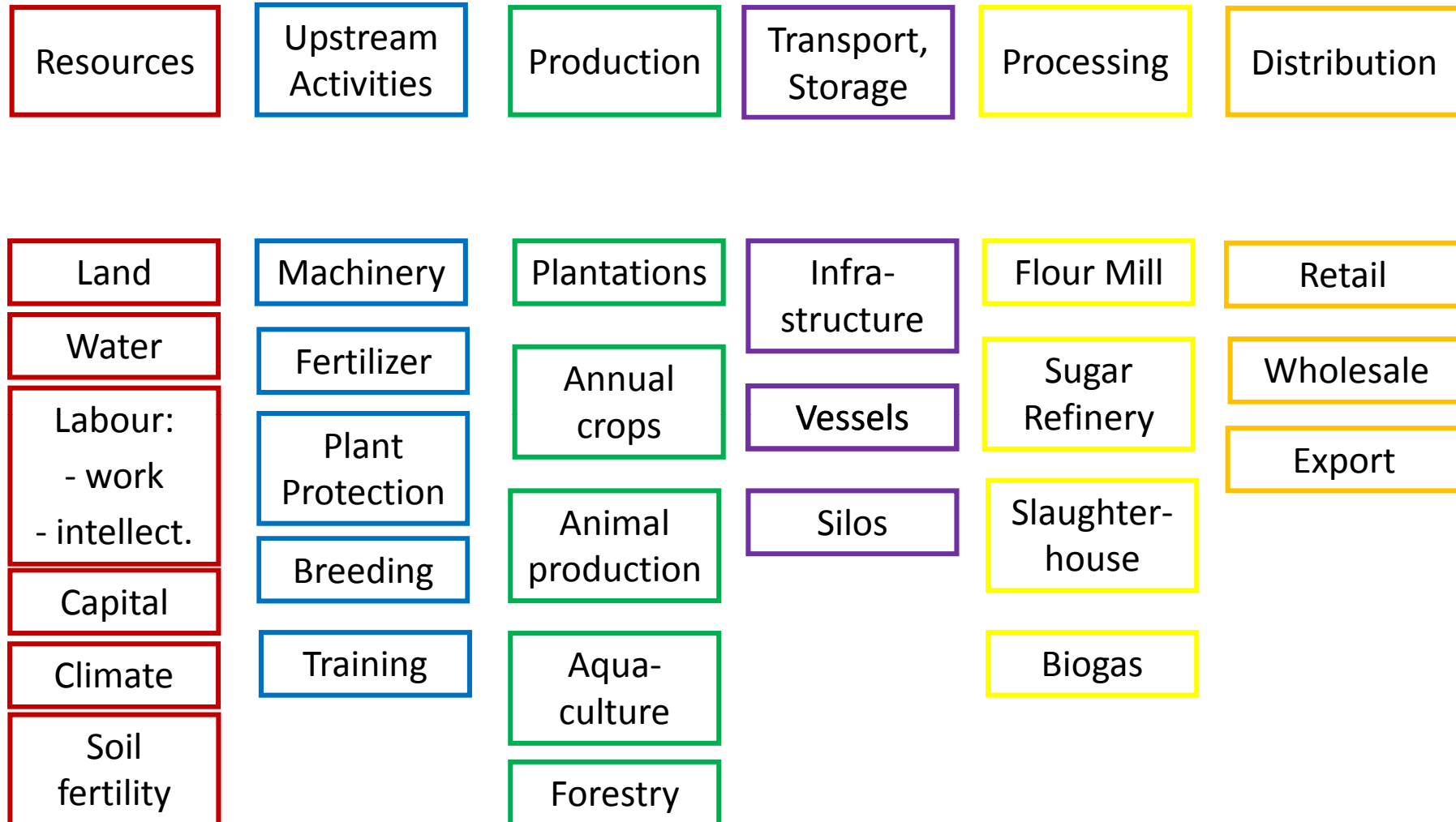
Sofia, 12 November 2014

- ***Economic and population growth***
 - ***Food security***
 - ***Nutrition quality***
- ***Resource scarcity and climate change***
 - ***Resource productivity***
 - ***Ecosystem resilience***

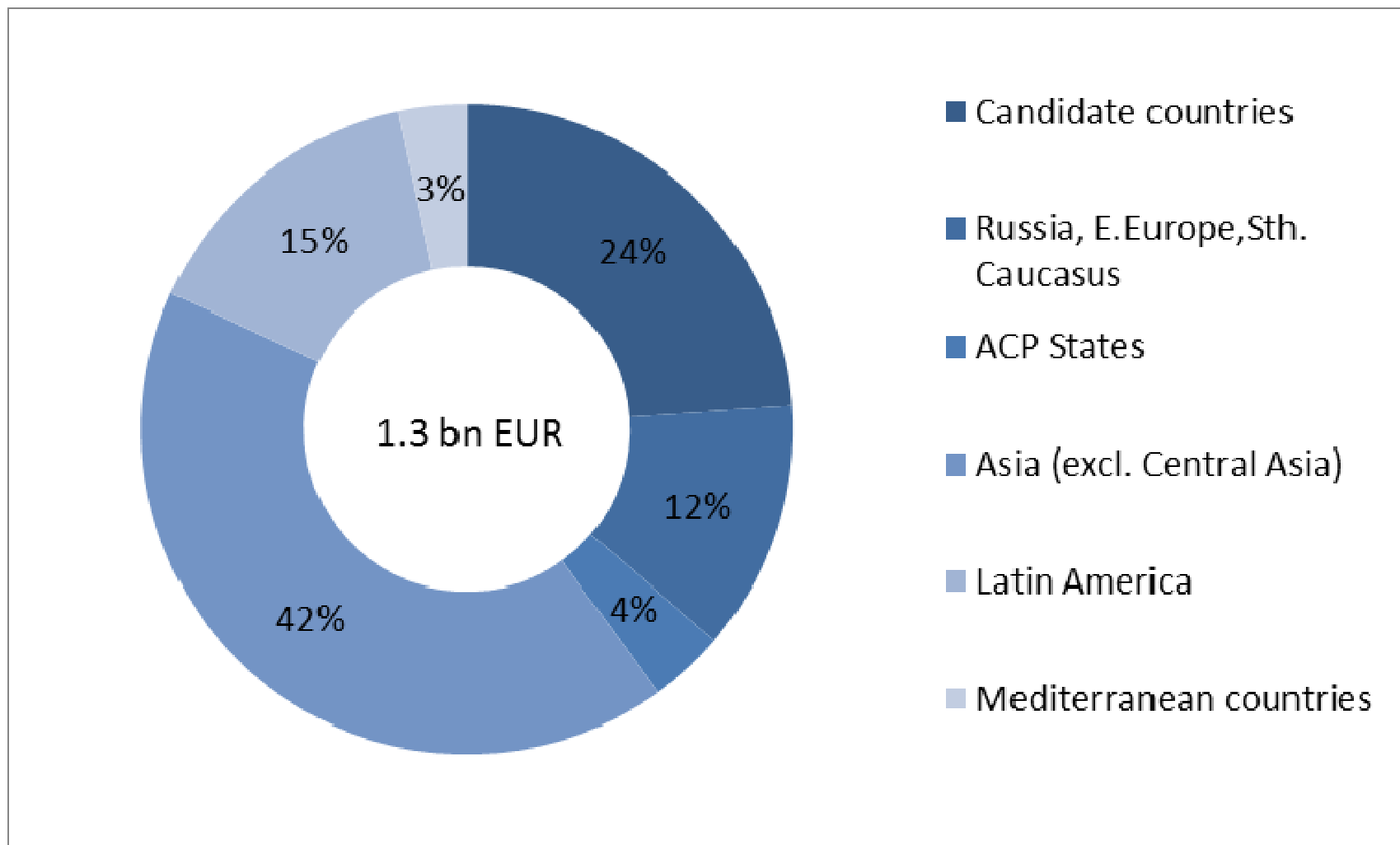
Investment opportunities

- Research, Development, Innovation
- Investments into green and blue growth
- Improve productivity of cultivated land through smart investments
- Support value chain development

Our sector approach

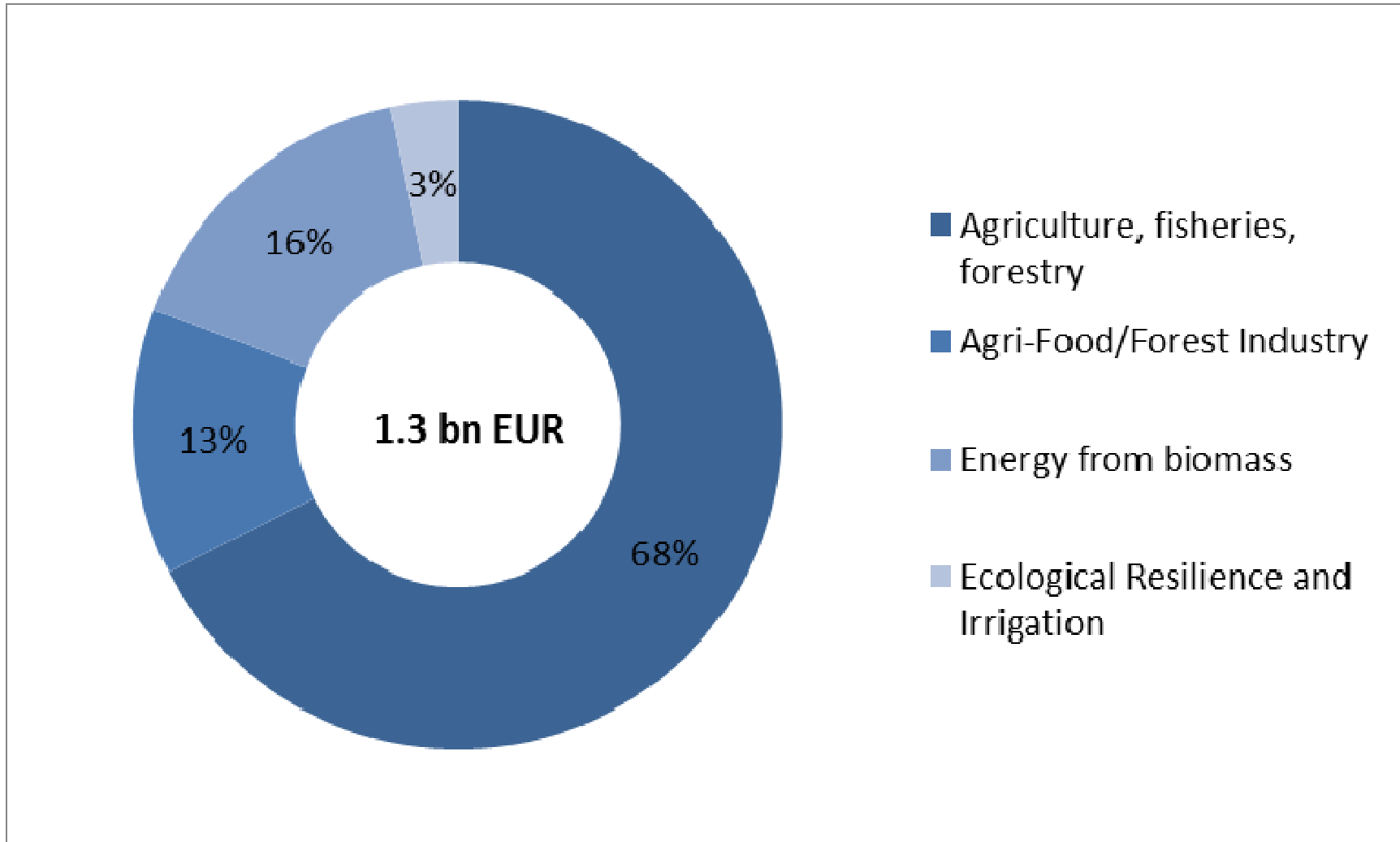


Agri-sector lending outside EU 2009-2013



Note: intermediated loans to SME's and Midcaps are not considered (additional 1.1 bn EUR)

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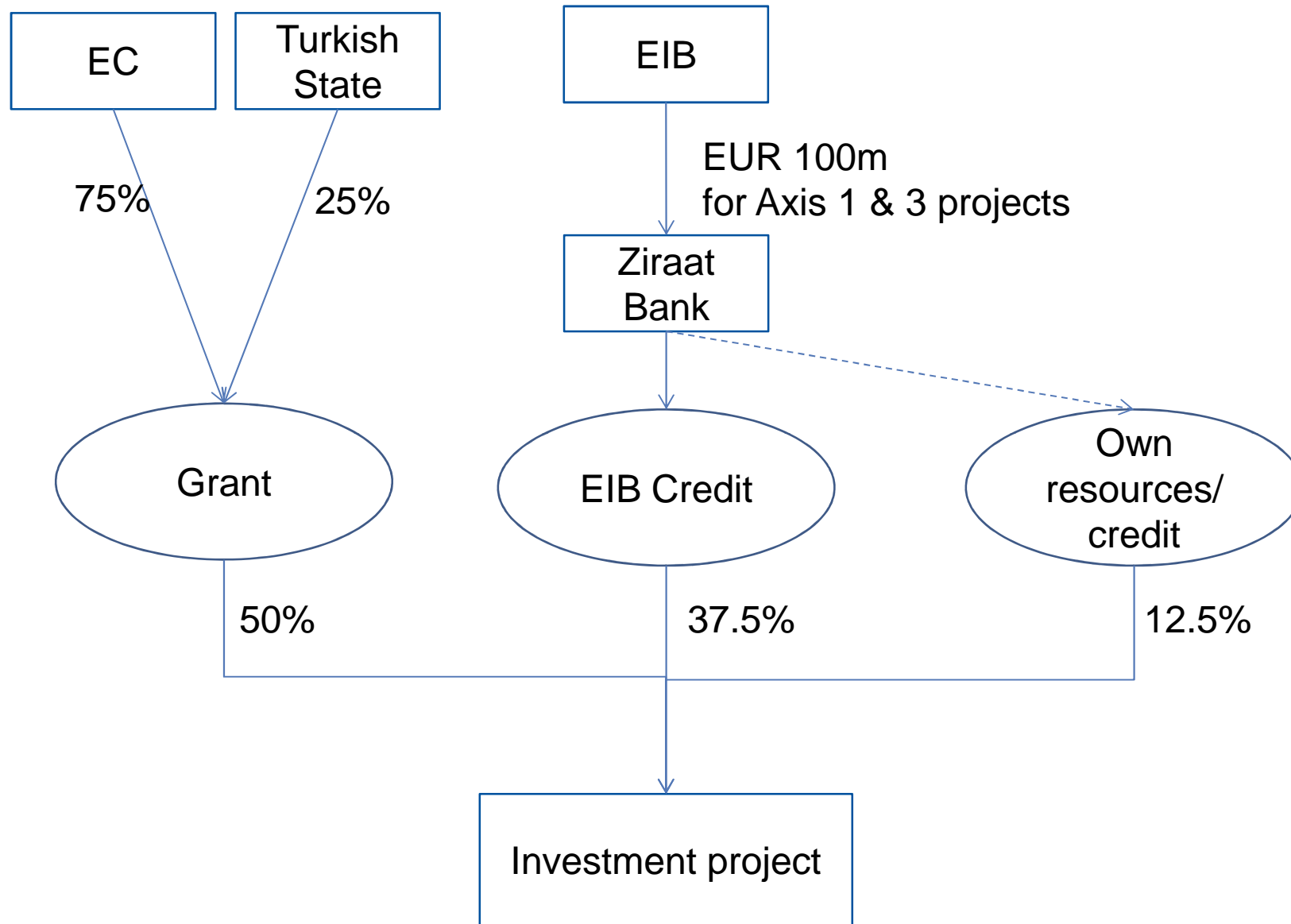
- Project loans
- Support to funds
- Guarantee schemes (EIF)
- Credit lines to commercial banks or microfinance institutions
- Apex loans (credit lines to governments for onlending to Final Beneficiaries via Financial Intermediaries)
- Technical Assistance

- Funding
 - Direct loans to public & private promoters
 - Intermediated loans to development/promotional and commercial banks and microcredit institutions
 - Loans and equity participation in Funds (with regional and/or sector or FB focus – SME/micro)
- Technical assistance
 - To governments or public institutions to assist planning, implementation & monitoring
 - To public & private promoters to strengthen environmental & social standards
 - To public & private banks to strengthen risk assessment/capability in agri-food sector lending
- Know-how transfer
 - Finding of RDI of agri-food companies in the EU with partial or total test and production applications in non-EU partner countries.

- Moldova – APEX loans for value chain funding in the wine and fruit/horticultural sector
- Ukraine – direct loans to increase grain storage capacities
- Kazakhstan – loan to country’s agricultural funding organizations (Kazagro) to mainly support investments for reduction of harvest and post-harvest losses
- Kyrgyzstan – credit lines like Moldova & Kazakhstan in the pipeline

- Objective: Co-funding of projects by beneficiaries
- Possibilities for EIB funding to be linked into IPARD in the Western Balkans
- Example of IPARD I implementation in Turkey involving EIB
- Afforestation I & II

Project description: IPARD I (Turkey)



- Request made by DG Agri
- Gap analysis
 - Is TA needed?
 - Liquidity of the rural financial market
- Assessment of eligibility of investments
- Assessment of program implementation/monitoring mechanisms
- Selection of intermediary
 - Outreach, sector experience, credit risk

Example: Afforestation I & II Turkey

- 2010/2012
- Promoter: Competent Ministry
- Objective:
 - Forest rehabilitation
 - Afforestation
 - Erosion control
 - Forest fire-fighting (only Afforestation II)
- 2 investment loans at:
 - EUR 150m, 20 years
 - approx. 40% of project costs

Thank you!

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**Kosovo "This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence."*