



EIP-AGRI SEMINAR 'DIGITAL INNOVATION HUBS: MAINSTREAMING DIGITAL AGRICULTURE'

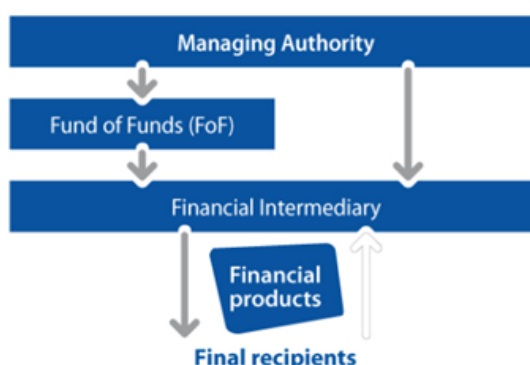
Handout: Agricultural Multi-Regional Guarantee Platform (AMGP)¹

What are financial instruments (FIs)?



Financial Instruments (FIs) transform EU resources under the EU programmes into **financial products** such as loans, guarantees, equity and other risk-bearing mechanisms. These are then used to **support economically viable investments which promote EU policy objectives**.

FIs aim to put EU funds to good and efficient use, ensuring that grants are complemented by other financial products so that EU funding can be used time and time again in a revolving fashion. FIs can be combined with technical support or guarantee/interest rate subsidies..



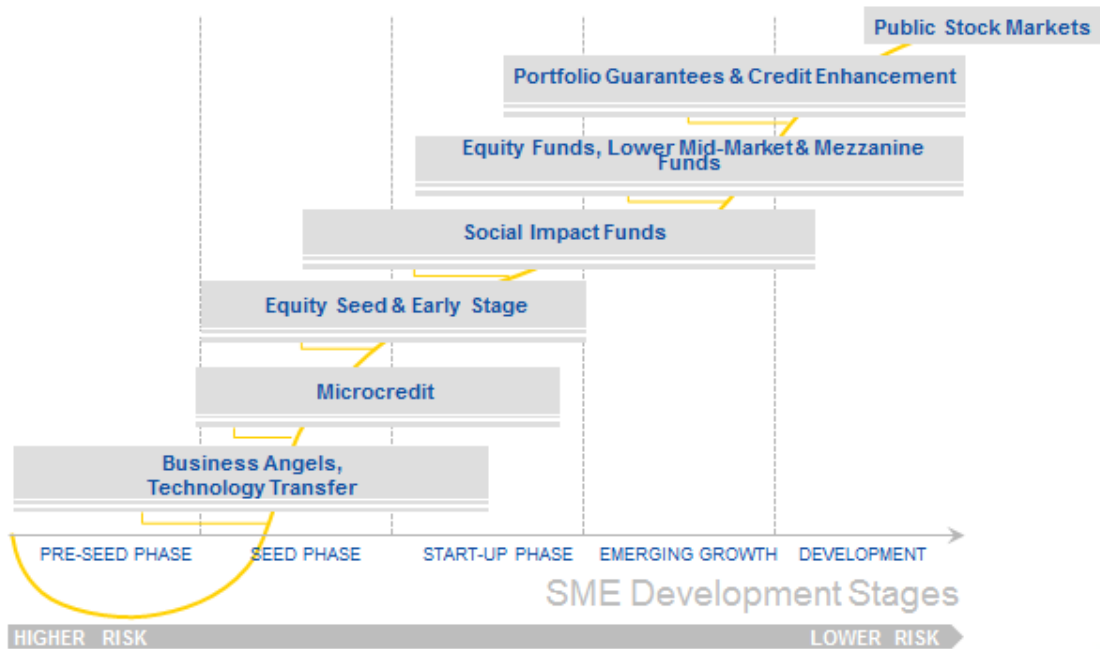
Main Benefits of financial instruments for the various parties: *SME / Managing Authorities / Intermediaries*



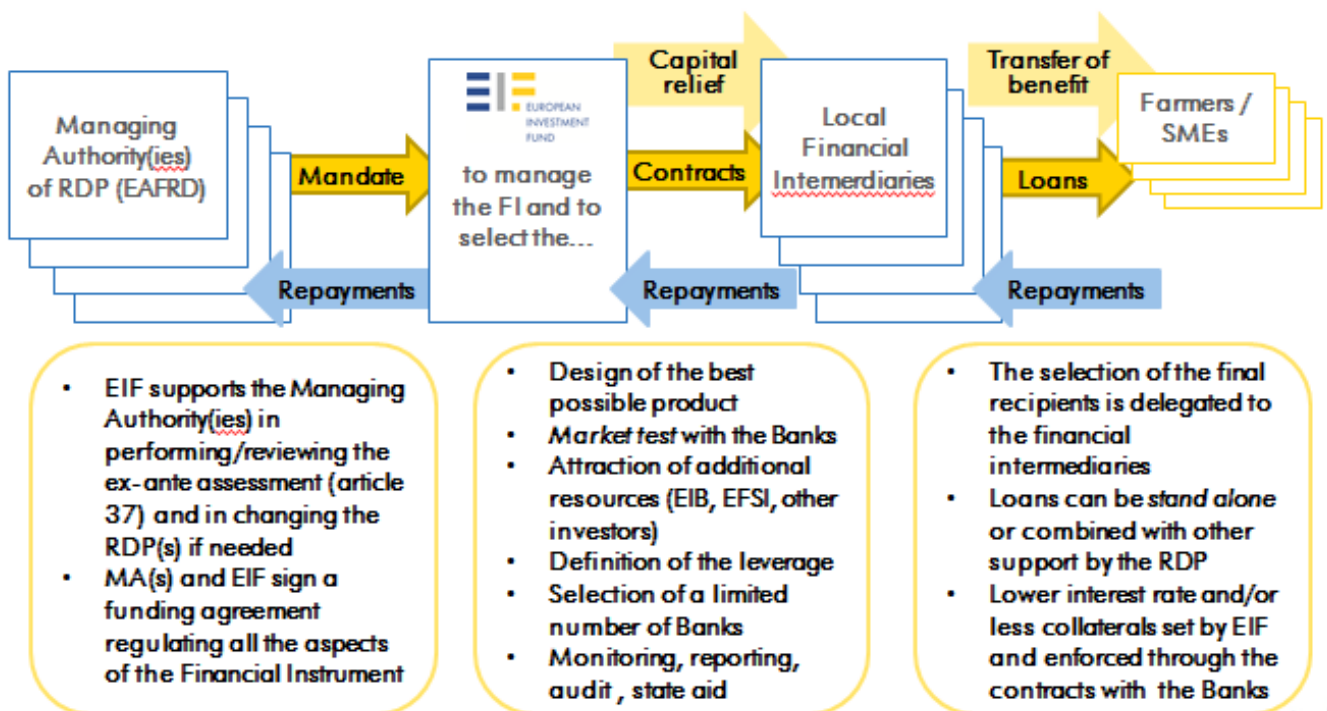
For Farmers and SMEs	Easier/better access to bank financing increasing farmers' and SMEs' competitiveness	Significant Transfer of financial advantage to entrepreneurs (interest rate reduction and/or collateral requirements reduction)	More opportunities for innovative SMEs and new technology-based firms	Helps to mitigate financial market fragmentation in the EU in terms of credit cost
For Member States	Depending on the underlying type of financial instrument, significant leverage can be achieved	Provide efficient answer to EU key objectives. Clear governance structure (Managing authority is in the "driving seat")	SME credit growth may drive economic growth	More efficient use of structural funds Integration of grant-based policies with revolving financial instruments
For Financial Intermediaries	Excellent risk protection, more comfort for the Bank to issue loans to farmers and SMEs	Capital relief (depending on the type of financial instrument)	Access to new clients/segments	High visibility for farmers and SME support

¹ http://www.eif.org/what_we_do/guarantees/news/2017/cdp_amgp.htm

Helping businesses at every stage of their development



How a financial instrument supported by EAFRD and managed by EIF works



Brochure: The new EIF AGRI guarantee facility - How it works and who can benefit: Supporting the agricultural sector in Languedoc Roussillon Midi Pyrénées (France)

http://www.eif.org/news_centre/publications/eif_agri_guarantee_facility_en.pdf