

European agri industry gets funding for Covid-19

The European Investment Bank (EIB) announced the launch of a new financing initiative that aims to unlock close to €1.6bn of investment in the agriculture and bioeconomy sector. The initiative targets investments by private cooperatives and companies in the agriculture and bioeconomy sector and aims to support private companies operating throughout the value chains of production and processing of food, bio-based materials and bioenergy.



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It will be guaranteed under the European Fund for Strategic Investments (EFSI), which forms the financial pillar of the Investment Plan for Europe.

Safeguarding employment

The lending programme will enable direct lending for private sector investments ranging from €15m to €200m, with the EIB loan amount ranging from €7,5m to €50m. Targeted investments will support environmental protection and natural resource efficiency, renewable energy, innovation, competitiveness, and energy efficiency. The programme will contribute to safeguarding and creating employment in rural areas and will, therefore, promote rural development and territorial integration across the EU.

Ensuring a robust and resilient sector

The programme is a continuation of the first €400m agriculture and bioeconomy programme loan that was launched in 2018 and is nearly fully committed. The first programme loan generated significant interest in the market, with a number of projects originated with corporate and cooperative counterparties in several EU countries such as France, Poland, Ireland, Italy and Latvia.

"Since the coronavirus pandemic reached Europe, the EIB has been fully mobilised with the European Commission to deploy a support plan for the hardest hit SMEs, including those in the agri-food sector," says Andrew McDowell, EIB vice-president responsible for the bioeconomy.

"Nevertheless, the EIB's long-term financing of the sector continues in parallel, with a focus on innovation, climate action, environmental sustainability and rural development. The first €400 million of the agriculture programme loan has already supported ten transformational investments for European agriculture that have also strengthened rural communities. With this second financing, we are providing an additional €700m to build on this success and meet market demand."

European commissioner for agriculture Janusz Wojciechowski adds: "The coronavirus pandemic affects every single one of us and every single sector. In this dramatic context, I warmly welcome this second step in EIB's strategy under the Investment Plan to finance measures deploying a support plan for the agrifood sector. I am strongly convinced that this will be a very important and useful instrument in helping the sector remain robust and resilient to overcome the crisis."

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