

Conclusions

Agriculture and bioeconomy program loan III

INVEU-ICR-0062-2022 – Sustainable Infrastructure window

Short description of the financing or investment operation and its objectives

Name of the promoter or financial intermediary	Private corporates including cooperatives active in the bioeconomy value chains
Countr(ies) of implementation	EU-27
Implementing partner	EIB

The proposed Programme Loan (PL) is the third operation preceding successful programme loans I & II approved under EFSI March 2018 and November 2019. It will fund eligible investments in the agriculture and bioeconomy sectors promoted by eligible companies and cooperatives in EU countries. Financing under this PL operation will be made available to a wide range of private cooperatives and corporates across EU in different subsectors relevant for the agriculture and bioeconomy sector, including the primary sector and its up- and downstream value chains, such as manufacturing, forest, paper and pulp industries, bio-based industries, bioenergy production, resource protection and food retail/wholesale and other services.

Eligible counterparts will have to (i) be private-sector companies not operating as utilities companies and not having a status of a contracting entity, and (ii) carry out eligible investments.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the EU guarantee on 10 November 2022 for the above-mentioned operation.

This EIB Programme Loan operation focuses on investments to be carried out by eligible small and medium-sized enterprises, cooperatives and larger companies active in the agriculture and bioeconomy sectors across the EU. Cooperatives are associative enterprises jointly owned by SME's (for example farmers) created to add value by addressing the issues of market asymmetries and economies of scale in supply chains of input materials and in offtake or commercialisation of produce. The operation also addresses market weaknesses and failures and gaps associated with imperfect competition and incomplete markets constraining the availability of financing in Europe to most of these enterprises active in the bioeconomy value chains. These specificities of the food, feed, fibre and biomaterials markets together with technology risks associated with the more innovative segments such as the bio-based industries and innovative food and feed ingredients hamper the access to finance of enterprises active in these segments.

The EIB's involvement is expected to generate positive effects, mainly in terms of availability of long-term funding, at favourable rates and allowing diversification of sources of funds for private sector corporates during the crisis caused by the pandemic, topped with the food

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security crisis triggered by the Ukraine invasion, notably for certain specific sectors (such as grain) and eventually aggravated by the enduring spike in energy price.

The Investment Committee appreciated the continued effort with the third programme loan to meet the market demand.