



Youth and young farmers' workshop

Brussels, 11-12 December 2013

Group 7

Financing rural projects effectively

Funded by the



ENRD *Connecting Rural Europe*
<http://enrd.ec.europa.eu>

Main issues and challenges identified

Project financing is a crucial to successful start-up and implementation. The financial requirements and procedures applied are often too burdensome to be followed by young people and young farmers in rural areas.

Main obstacles identified

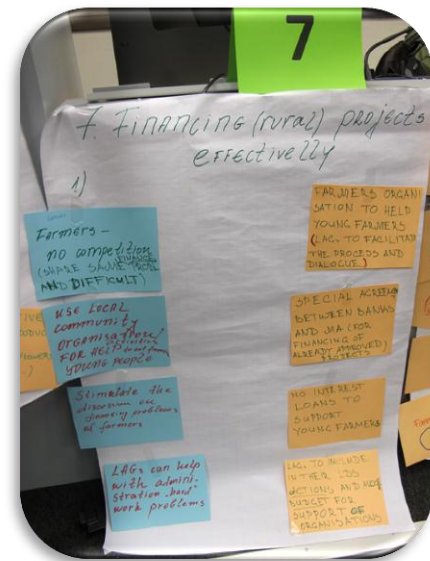
- ✓ Lack of financing for young people, including farmers, to start projects/investments in rural areas.
- ✓ The concept that the young people (farmers) should be able to provide the upfront funding needed to start the project activities and implementation.
- ✓ The system works and benefits mainly the big (and rich) farmers.
- ✓ Complicated administrative procedures.

Support needed

- ✓ Organisations (business angels) that could finance risk projects.
 - ✓ Establishment of a special agreement between Managing Authorities and banks to finance already approved projects – the idea is that under this agreement the MA budget (or some part of it) together with the approved projects (and respective budget) serve as warranty to the bank.
- ✓ No loan interest for young people's projects, including farmers, should be provided.
- ✓ A 'Farmers Bank' (or fund) – started by the wealthiest farmers to support projects of young people (farmers) in rural areas. Another option is Community Banks that offer better rates and facilitate access to funding.
- ✓ Using Landfill Tax communities to put some money in community projects.
- ✓ Confiscated money and property of criminals to be donated for implementation of young people (farmers) projects in the rural areas.



- ✓ LAGs to include youth-related targets their LDSs and to allocate budgets that are intended for organisations supporting young people.
- ✓ Outsource funding – internet and donation of financing. It was explained that when a project implemented by a young person is approved but there is a lack start up financing, the beneficiary could promote the project by using (or creating) specific website, for example, where people who believe in the project donate small symbolic amounts of money to support its implementation.



Lessons learnt

- ✓ Farmers and young people are not competitors – they share the same problems and difficulties.
- ✓ Financing should be easy and accessible for young people.
- ✓ The discussion on financing problems of young people in rural areas should be stimulated at local, national and EU levels.
- ✓ Local community organisations could support young people to obtain funding.
- ✓ LAGs could provide support for the burdensome administrative work.

Possible actions

- ✓ LAGs strategies should support young people and allocate budgets that are intended for organisations supporting young people.
- ✓ Farmers’ organisations should better help young farmers and LAGs could play an important role in facilitating the process and dialogue.
- ✓ Interest-free loans to support young farmers.