



AECM comments on the Farm to Fork Strategy

The European Association of Guarantee Institutions (AECM) welcomes the new Farm to Fork Strategy, proposed by the European Commission as part of the European Green Deal. We strongly believe that the Farm to Fork Strategy that addresses the agricultural sector as well as the rural areas, is a key element in addressing the issues of sustainable food value chains.

Against this background, the Farm to Fork Strategy should provide for a streamlined EU farming policy and the Common Agriculture Policy (CAP) must be in line with its objectives. Currently, it is unclear how the Farm to Fork Strategy will be incorporated in the CAP, and how it will work on the ground. Therefore, it is of utmost importance to ensure coherence and complementarity between EU farming policies.

Further, the future CAP for 2021-2027 should be given sufficient funds to meet sustainability food challenges. Farmers are crucial for the agricultural sector yet, their limited access to finance often combined with liquidity problems, the lack of skilled workers as well as the administrative burden will jeopardize their capacity to better perform in the transition to sustainable agricultural systems. Therefore, an adequate budget to support farmers to implement sustainable business models should be ensured under the future CAP for 2021-2027, while the food industry should make full use of the great potential of the shared management financial instruments (EAFRD) as well as of the financial instruments under the InvestEU Member State compartment, both in form of counter-guarantees.

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About us

The 48 members of the **European Association of Guarantee Institutions (AECM)** are operating in 29 countries in Europe. They are either private sector guarantee schemes or public promotional institutions or banks. Their mission is to support SMEs in getting access to finance. They provide guarantees to SMEs, including SMEs active in the agricultural sector, that have an economically sound project but do not dispose of sufficient bankable collateral. AECM's members operate with counter-guarantees from regional, national and European level. At the end of 2018 AECM's members had more than EUR 112 billion of guarantee volume in portfolio, thereby granting guarantees to almost EUR 3 million SMEs.

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