

EIB as a financier of projects addressing desertification and drought

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**(EIB –Projects Directorate / Innovation and
Competitiveness / Bioeconomy**





The lending arm of the European Union since 1958



Specialist provider of risk finance to small and medium-sized enterprises

EIB GROUP FINANCING IN 2025 €100 billion

GREEN FINANCE  €57 billion

COHESION  €43 billion

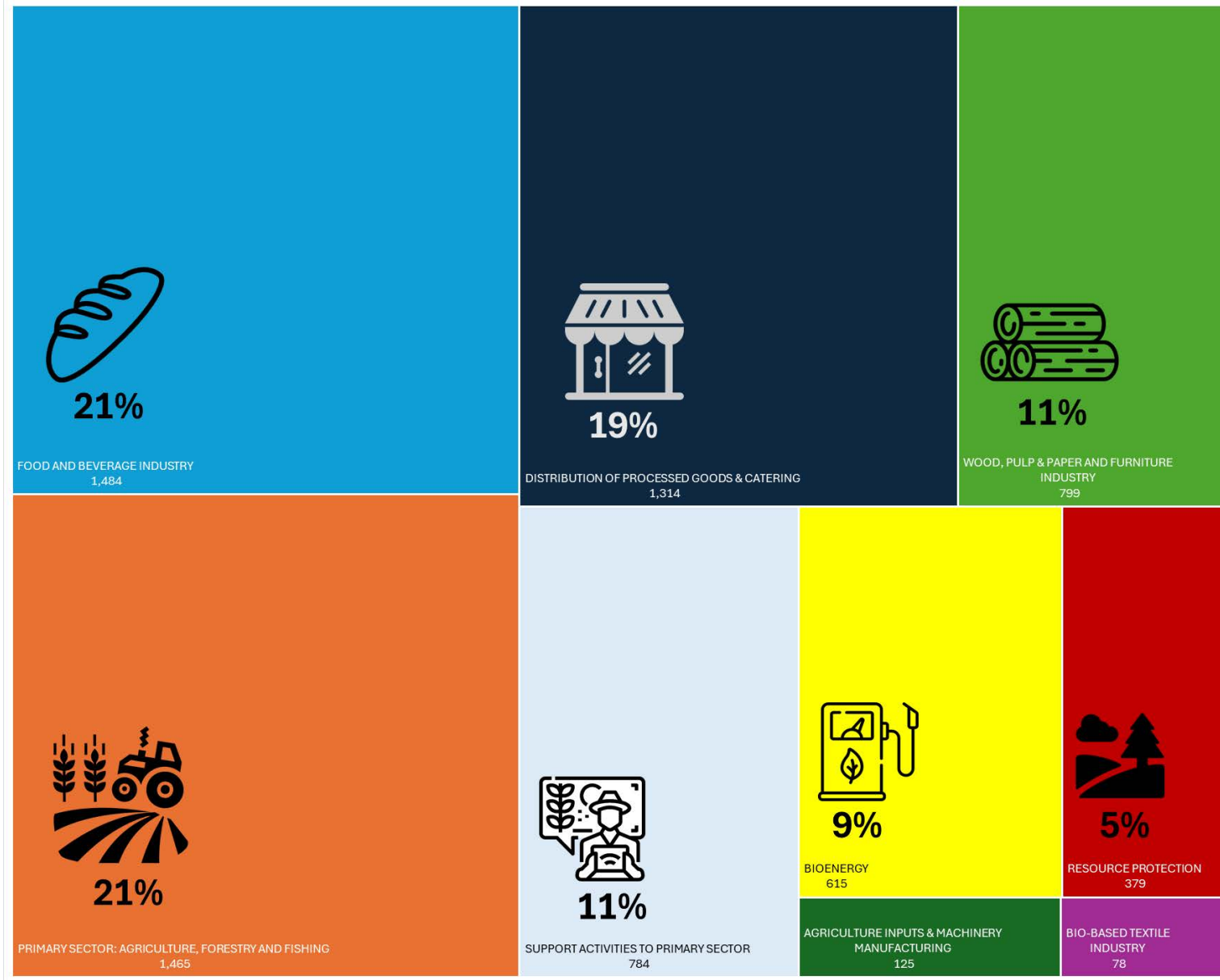
BIOECONOMY  €6.9 billion

Agriculture & Bioeconomy became one of the 8 EIBG Strategic Priorities

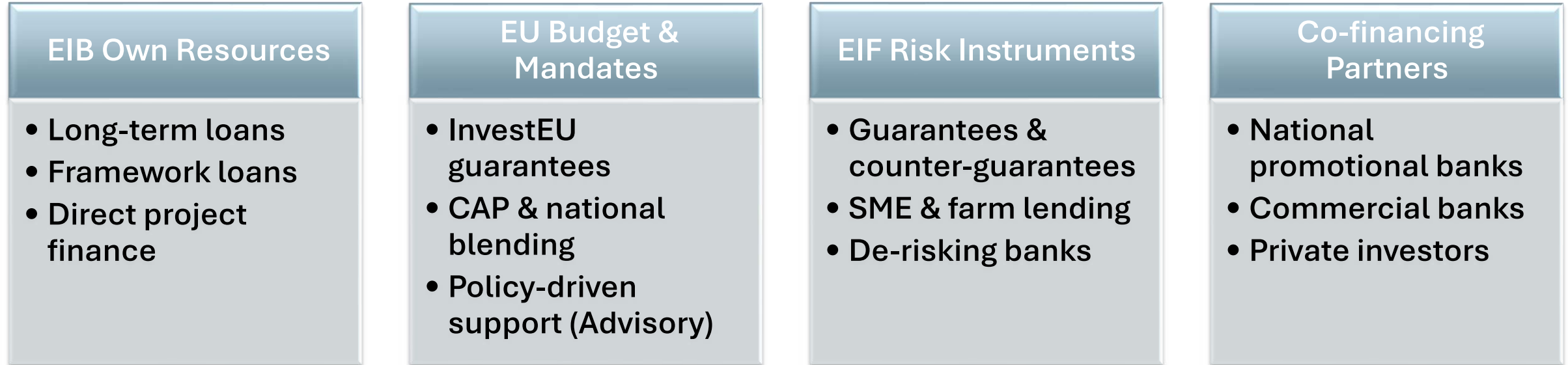
2025: Record EIB Group financing BIOECONOMY, supporting Europe's food security, strategic autonomy, competitiveness and a future for young farmers with a strong focus on gender balance



AT A GLANCE: ACTIVITIES PER SECTOR



EIBG INSTRUMENTS



EIBG ADVANTAGE

- Longer tenors
- Grace period
- Signaling effect
- Importance of (positive) externalities. Economic and financial analysis
- Policy alignment

AGRICULTURAL WATER: TYPE OF INVESTMENTS

Drought
Precipitation \searrow
Temperature, ET \nearrow
Water stress
 Δ rainfall distribution



Digitalisation (software, hardware)
for irrigation schemes or farms
Forecasting systems



Irrigation and water storage

- Irrigation networks modernisation
- Water storage, optimisation

Water harvesting, water saving

- Runoff control that collect and store rainwater
- Water retention basins
- Managed Aquifer recharge.
- Underground dam
- Replacing groundwater by runoff water for irrigation
- Technologies that minimizes water use (Aeroponics)

Food processing industries

- Processes that reduce water consumption
- Investments to reduce flooding impact on factory.

Drainage and flood protection

- Drainage network.
- Buffer stripes, dykes, storm surge barriers, sea walls, improved soils water retention capacity

NbS, Green Infra

- Green spaces, measures enhancing infiltration
- Rural drainage systems with extended retention time

FORESTRY, WETLANDS



Forestry

Activities improving the sustainability of a forest area

Climate-smart forest management

Closer-to-nature forest management

Nature-based solutions improving forest resilience

Applying the [EU guidelines on biodiversity-friendly afforestation, reforestation and tree planting](#)

Shelter-belt, protection, and protective forests or natural vegetation

Catchment and watershed restoration

Restoration of wetlands

Activities that promote a return to original conditions of wetlands

Activities that improve wetland functions

Monitoring systems

Early warning systems for rural floods/landslides/erosion control/droughts.

Knowledge enhancement/upgrade in disaster preparedness and response

Communication tools linked to climate hazards

EIB COMMITMENT TO UNCCD (COP17 MONGOLIA)



- Key priorities:
 - Drought resilience
 - Land degradation
 - Desertification
- Active engagement in global fora:
 - COP16 Riyadh (first participation as accredited institution)
 - COP17 Ulaanbaatar (upcoming participation)
- Approach based on **additionality**:
 - Financing projects that would not happen otherwise
 - Addressing market failures
 - Unlocking suboptimal investment situations

DEDICATED INTERMEDIATE LOANS FOR IRRIGATION ASSOCIATIONS

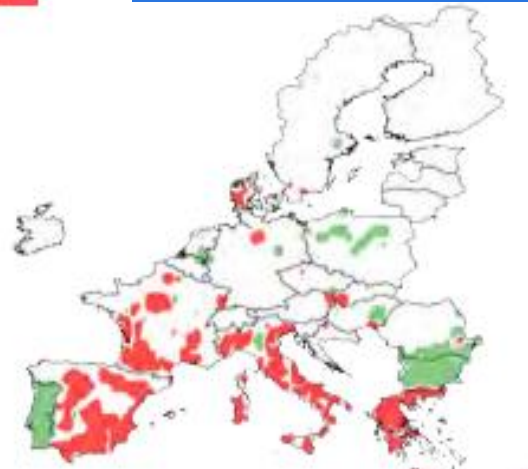
- Financing small and medium-sized projects.
- SMEs, Midcaps and irrigation associations (CCRR).
- Upgrade of existing infrastructure to improve efficiency in both water and energy usage.



Regional: Europe

100 m EUR loan to
CCRR/
1400 m
project

Presence of SABADELL



Change in water demand
for Agriculture (2050)

20% Adaptation



GHG emissions reduction: **from less electricity consumption and renewable energies adoption**



ca. **2 000 000 ha** potential market mainly in the Mediterranean arch



Significant **positive externalities**:

- water improvements in efficiency of networks and equipment,
- adoption of more efficient equipment and renewable energies, enabling adaptation.

CANAL DE NAVARRA (1st phase)

Intermediated EIB loan EUR 55m (Project cost EUR 131m)

- Extension of the 1st phase (22,363 ha) to 15,275 ha more
- Extension consists on (1) modernization (2) source replacement and (3) inclusion of rainfed areas
- Loan to a pool of banks, lending to the awarded Concessionary (PPP scheme) Aguas de Navarra. Scheme includes O&M concession (NGA)



Key points

- ✓ Net water savings
- ✓ Resource protection: from groundwater abstraction to surface water
- ✓ Added-value crop conversion
- ✓ Full-cost recovery

MOLDOVA FOREST DEVELOPMENT PROGRAMME

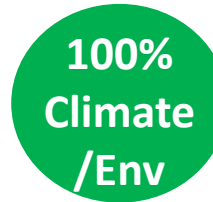
- ❑ **First Sector Based Lending application in the Bioeconomy**, supporting strategic forestry sector modernization

- I. *Governance, Capacity Building and Technology*
- II. *Forest Expansion and Landscape Restoration (63 200 ha)*
- III. *Integrated Project Management and Reporting System*

- ❑ **Co-financing structure:** EU (investment grant), AFD, MDGoV

- ❑ **TA preparation/implementation:** EIB and EU funding

EIB financing: EUR 200 m



Enhanced regulatory and governance framework
Improved capacities, infrastructure and equipment
Restored degraded lands: (re-)afforestation 63 200 ha)



GHG emissions reduction: **1 272 kt CO₂/year**



Significant **positive externalities:** carbon sequestration, protection of soils, water retention improvement



Strategic Procurement Approach using the procurement assessment of Country and Country Reforms for implementation of the project



10,300 FTE created during implementation
Direct financial benefits through the sale of timber and firewood

INCLUSIVE AND SUSTAINABLE FORESTS IN MOROCCO

The project support investments in national parks and watershed management of Middle Atlas region of Morocco to **rehabilitate forests, reduce erosion, conserve water resources, preserve soil fertility, promote biodiversity management** measures and the development of ecotourism.



GHG emissions reduction: **100 ktCO₂ eq/year**



Afforestation on **55 000 hectares** and improvement of the productivity and the biodiversity of **47 000 hectares** of pasture



Significant **positive externalities**: carbon seq., biodiversity conservation, protection of soils, water retention



- Securing jobs in rural economy: **6,800 FTE**
- Direct social benefit through distribution of **fruit trees plants, improved oven and apiaries,**
- Indirect social benefits through increase in **touristic attractiveness, land productivity and regulating water supplies**

LAND DEGRADATION NEUTRALITY FUND (MIROVA)

The Fund invested in **sustainable land management and restoration** with focus on land reclamation and sustainable land/forest management practices and delivering a strong **contribution to tackling land degradation.**



100%
Climate
/Env

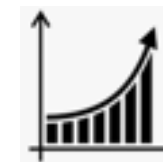
100%
Sust.
bonds



GHG emissions reduction:
2,75 MtCO₂ eq/year



SFM, SLM & agro-forestry on 500 000 ha of degraded lands
Contribution to **UNCCD LDN targets**



Significant **positive externalities**: carbon sequestration, protection of soils, water retention improvement



Securing jobs in rural economy:

- Investee company level : **150 FTE**
- **100,000+ small scale producers**