



The agriculture and bioeconomy^[1] sector is one of the European Union's largest with an annual turnover of around €2 trillion and employing 18 million people, or 8% of the total EU workforce^[2]. It is a key contributor to economic growth in rural and coastal regions, representing about 4.2% of the European Union's gross domestic product^[3]. The sector is mostly made up of farmers, small and medium-sized enterprises, mid-caps and cooperatives that are relatively underserved by the financial sector. Just over one-quarter (28%) of the EU population lives in rural areas, where development is often hampered by fewer local education or job opportunities, difficulties in accessing public services or transport services, and lower broadband coverage. Outside the European Union, food security is still a major issue.

Investing in agricultural supply chains and rural areas is crucial to addressing the growing demand for healthier food and challenges such as soil degradation, food waste, pollution and climate change. The agriculture and bioeconomy sector is also likely to see a continuing need for investment to upgrade physical assets, enhance the use of digital technology in production processes and improve resource efficiency. Innovation is crucial for the future of the bioeconomy sector as a whole. The shift to a low-carbon and circular economy creates potential new markets with an increasing demand for biomass (for bioenergy) and bio-based materials for products ranging from biodegradable packaging to make-up. In a nutshell, balanced and sustainable territorial development supports cohesion and requires investments in both rural and urban areas.



Sustainable seaweed farming.

[1] The bioeconomy covers all sectors and systems that rely on biological resources — animals, plants, micro-organisms and derived biomass, including organic waste — as well as their functions and principles. It includes and interlinks: land and marine ecosystems and the services they provide; all primary production sectors that use and produce biological resources (agriculture, forestry, fisheries and aquaculture); and all economic and industrial sectors that use biological resources and processes to produce food, feed, bio-based products, energy and services (see European Commission, “Bioeconomy: the European way to use our natural resources, Action Plan 2018” accessible [here](#)).

[2] European Commission, “Bioeconomy: the European way to use our natural resources, Action Plan, 2018”

[3] Ibid.

Agriculture Bioeconomy and Rural Development

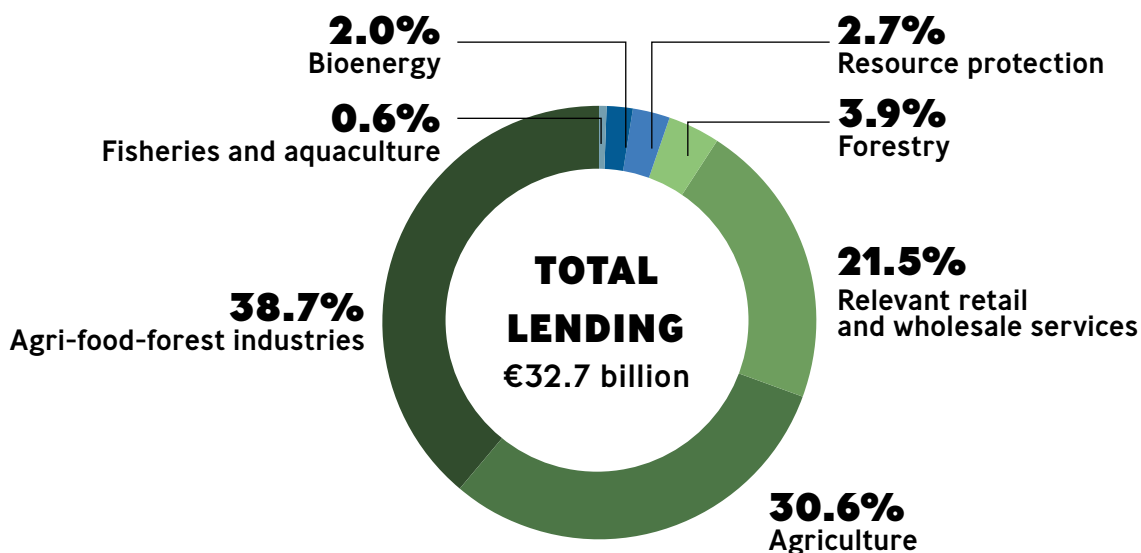
OVERVIEW

2021

FACTS AND FIGURES

The agriculture and bioeconomy sector is a strategic sector for the EIB Group. We continuously refine our toolkit, which includes direct and intermediated lending as well as technical assistance.

EIB lending to agriculture and bioeconomy (2016-2020)



Between 2016 and 2020, the EIB provided €31.1 billion of co-financing to the agriculture/bioeconomy sector (86% of which was in EU countries). We finance projects across the agricultural, fisheries, food and forestry value chains. Our focus is on food quality and security, sustainable and inclusive rural development, climate-smart production, innovation, resource efficiency and forestry all along the food value chain. Our financing makes a real difference on the ground. Here are some examples of its impact:

- **Approximately 56 000 loans for small and medium businesses in the agriculture, forestry and fisheries sectors were granted through partner banks between 2016 and 2020, representing a total of about €6 billion in loans across 26 EU Member States.**
- **145 000 hectares of new forest area was planted in 2019.**

The European Investment Fund (EIF), the private equity arm of the EIB, has also built a significant portfolio of investments across the agricultural value chain. Since 1999, the instruments managed by the EIF have catalysed over €12.5 billion of financing in the agriculture and bioeconomy sector, benefiting an estimated 175 000 small and medium businesses and small mid-caps.

The EIB Group's involvement in the sector has increased steadily since the reform of the common agricultural policy. The policy's shift towards liberalisation and the abolition of production and market-related support mechanisms led the EIB Group to step in to help meet the financing needs of farmers. To do this, the EIB Group developed a wide range of tailor-made financial products, from loans to equity investments, advisory services and guarantees. Our minimum amount for direct loans is €7.5 million (for a total investment project of €15 million); promoters who need smaller loans can contact the intermediary banks we work with.

We support European national and regional governments in the implementation of their rural development programmes by providing finance and advisory services. Through the EIF, and in collaboration with the European Commission and several managing authorities across the European Union, the EIB Group also supports farmers in setting up financial instruments backed by funds from the European Agricultural Fund for Rural Development (EAFRD).

We support the wider public infrastructure needs of the rural economy via direct loans — framework loans to the relevant public authorities or public-private partnerships — with funding for the upgrade of rural broadband, agricultural education facilities, rural/forest roads, irrigation and other public investments for rural growth.



PROJECT HIGHLIGHTS

Projects in the European Union

Agriculture Programme Loan for SMEs and mid-caps, EU-wide

€1 billion to support agriculture and the bioeconomy across the EU, with a special window for young farmers.

[More information online](#)

Normandy dairy production facility, France

€55 million loan to the French farming cooperative Les Maîtres Laitiers du Cotentin to build and operate a new dairy processing plant in Méautis (Normandy).

[More information online](#)

Fish processing plant, Croatia

Intermediated loan to PP Orahovica, an agricultural company in Croatia exporting fish. The company received a 14-year €4.4 million loan from HBOR, a Croatian bank that is a long-term intermediary for EIB financing. The loan helped finance a plant to process PP Orahovica's fish.

[More information online](#)

Amadéite Group, France

€30 million EIB loan to support the research and development activities of the Amadéite Group, a French pioneer in marine biotechnology. The company develops algae-based health and nutrition products for animals, plants and humans, which help minimise the use of synthetic pesticides, fertilisers and antibiotics. The loan will support Amadéite's "Without Antibiotics Thanks to Algae" R&D programme.

[More information online](#)

Novamont renewable chemistry, Italy

€30 million EIB loan for the development of Novamont's innovative bioplastics and biochemicals based on renewable resources, which are biodegradable and compostable. Novamont's holistic approach, where the business model includes local agriculture as well as the reuse of by-products, is producing positive results for material innovation.

[More information online](#)

Chr. Hansen food research and innovation, Denmark

€120 million lending agreement with bioscience company Chr. Hansen to boost its research and development activities in food cultures and enzymes, and health and nutrition. The project is expected to lead to new, innovative products for the food and dietary supplements segments, such as probiotic solutions to sustain good health or cultures that can extend the shelf life of fresh products.

[More information online](#)

Rural development, Romania

€450 million EIB loan to co-finance rural development projects across the whole of Romania supported by EU funds totalling €5.4 billion. It will support the modernisation of 3 000 farms and co-finance 400 projects focused on the processing and marketing of agricultural products and 750 schemes to improve services for the rural population.

[More information online](#)

Rural development, Hungary

€400 million EIB loan to Hungary to co-finance priority projects fostering rural development that receive support from the European Agricultural Fund for Rural Development within the programming period 2014-2020. The loan will help safeguard and create jobs in rural areas in the agrifood production and processing sectors, forestry and rural tourism and service provision.

[More information online](#)

Support for the rural economy, Spain

The EIB, EIF and ICO signed an agreement with Grupo Cajamar to provide over €1 billion to small and medium businesses and the self-employed working in rural areas and the agrifood sector.

[More information online](#)

PROJECT HIGHLIGHTS

Projects in the European Union

Groupe Roullier, France

Support for research and development activities in the field of animal and plant nutrition. First EIB loan granted under the EIB Agriculture and Bioeconomy Programme Loan launched in 2018 for SMEs and cooperatives in Europe.

[More information online](#)

enet, Ireland

€12 million EIB loan to support the expansion of next generation fibre optic telecom infrastructure across Ireland. This will help link Ireland's small rural businesses to the internet, allowing them to remain competitive.

[More information online](#)

FOSTER EAFRD, France

A first-loss portfolio guarantee financial instrument deployed in the French region of Occitanie as the roll-out of the AGRI Guarantee Facility. The total funding for this instrument is €27 million, including €15 million from the Languedoc-Roussillon rural development programme and €12 million from the Midi-Pyrénées rural development programme. It is expected to result in €135 million of new loans to support at least 1 000 farmers and small and medium enterprises active in the agricultural, agribusiness and forestry sectors.

[More information online](#)

AGRI Platform, Italy

The initiative aims to manage European Structural and Investment Funds (ESIF) by offering an uncapped guarantee in specific Italian regions (currently eight regions have joined the platform with a total contribution of €71 million), where the managing authorities of the relevant rural development programmes contribute programme resources to cover the first losses. The financial instrument is currently expected to create a portfolio of new loans of up to €500 million supporting more than 4 000 final recipients in the agricultural sector.

[More information online](#)

EAFRD Fund of Funds, Romania

A portfolio risk-sharing loan financial instrument with total funding of €94 million made available by the Romanian authorities from their rural development programme. It is expected to result in a portfolio of new loans of up to €126 million for at least 350 farmers and



Expansion of the promoter's open access fibre optic network in Ireland.

agricultural small and medium businesses. The measures covered by the instrument include investments in physical assets both in the farming industry and in the agrifood business, with a special focus on the fruit growing sector as well as investments in the creation and development of non-agricultural activities.

[More information online](#)

ALTER'NA – ESIF EAFRD Nouvelle-Aquitaine, France

This region is the first region to have officially joined the EAFRD/EFSI Initiative that was launched in collaboration with the EIB and DG AGRI in 2016. The mandate size is €30 million of EAFRD resources, and €6 million of the EFSI Combination Product has been earmarked for the mandate as a second-loss piece. The mandate is expected to leverage at least €150 million of financing for 1 200 loans.

[More information online](#)

National Initiative for French Agriculture, France

In the context of the Macron Investment Plan, the French Ministry of Agriculture has engaged with the EIB Group to develop a financial instrument that aims to support the development of the agricultural sector and provide better access to finance for farmers and agricultural holdings. With €60 million from the national budget allocated as a first-loss piece, boosted by €45 million from EFSI as the second-loss piece, this financial instrument aims to build a portfolio of new loans worth approximately €1 billion.

[More information online](#)



PROJECT HIGHLIGHTS

Projects outside the European Union

Althelia Sustainable Ocean Fund, Latin America, Africa and Asia

€20 million EIB equity investment in the fund which will help fisheries, aquaculture and coastal development. The financing enables local communities to use environmentally and socially sustainable practices, while making their activities more profitable.

[More information online](#)

Rice production, Senegal

€15.7 million of financing for the Compagnie Agricole de Saint-Louis for an integrated rice production project. This project will have a major socioeconomic impact in Senegal, aiding local development, creating jobs and contributing to self-sufficiency in rice production.

[More information online](#)

Sugar sector diversification, Mauritius

Development of an ethanol plant for biofuel purposes with CO₂ capture (€8 million EIB loan). The plant will enable the sugar producer Omnicane to add value to the by-products of sugar cane processing.

[More information online](#)

Kernel Group, Ukraine

€250 million EIB loan to Kernel Group, one of the largest diversified agribusiness companies in Ukraine. The loan will support the expansion of Kernel's seed-oil production capacity, significantly improve its logistics structure, finance the construction of biomass-fired combined heat and power plants and increase storage capacity across several regions of Ukraine.

[More information online](#)



Senegal River Valley, rice production.

RESOURCES

WEBSITES

- [Agriculture, Food and Rural Development](#)
 - [Forestry](#)
 - [EIF Agri Facility](#)
 - [FI-Compass](#)
 - [Natural Capital Finance Facility](#)
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PUBLICATIONS

- [Agriculture and Bioeconomy](#)
 - [Forestry](#)
 - [Agriculture and Bioeconomy Framework Loan](#)
 - [Access-to-finance conditions for Investments in Bio-Based Industries and the Blue Economy](#)
 - [Use of financial instruments in agriculture](#)
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VIDEOS

- [Puratos Inspirience Center](#)
- [Protecting landscapes](#)
- [Tackling climate change worldwide](#)
- [Jobs for Africa](#)
- [The Land Degradation Neutrality Fund](#)
- [Broadband access in Alsace \(in French\) – 370 000 foyers raccordés à la ligne très haut débit en Alsace \(370 000 homes connected to very high-speed broadband in Alsace\)](#)
- [How EFSI benefits SMEs in Europe – Jan David \(Denmark\)](#)
- [Helping SMEs scale up in Greece – Manifoods](#)
- [Supporting agriculture under FOSTER \(Occitanie Region in France\)](#)
- [FOSTER, the ESIF Fund of Funds in Occitanie](#)



Shepherd in Georgia, beneficiary of the PCH Loan for SMEs and Priority Projects.



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