

# AFD, AGRICULTURAL FINANCE AND BIODIVERSITY

AGRI-PDB PLATFORM LEARNING EVENT: WHY BIODIVERSITY MATTERS FOR PUBLIC DEVELOPMENT BANKS –  
03/12/2025



# INDEPENDENT SUSTAINABLE DEVELOPMENT ANALYSIS

## BIODIVERSITY

Positive grades reflect the project's intention,  
between secondary or main objective

- Maintaining equivalence with OECD Development Assistance Committee criteria
- Consistency with the biodiversity finance accounting methodology, Nature +

Dialogue with the  
project owner

And/or actions with  
undemonstrated  
and unintentional  
impacts on  
biodiversity

+ 1

A dialogue was conducted with the project owner on the challenges of preserving biodiversity and/or sustainable management of natural resources and/or the project has unintentional and unproven positive impacts on biodiversity or natural resources

+ 2

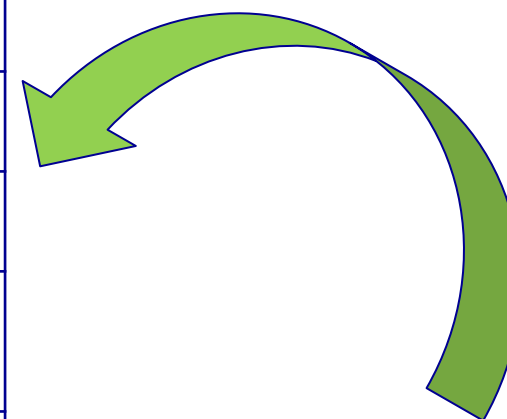
Biodiversity  
CAD 1 =  
Secondary  
objective

The project's secondary objective is to contribute to the preservation of biodiversity or to the sustainable management of natural resources

+ 3

Biodiversity  
CAD 2 =  
Purpose

The project aims to structurally improve the state of biodiversity and/or ensure the ecological quality and sustainability of natural resources



**An accounting methodology based on the selectivity grid, applied to projects rated +2 or +3 according to the SD analysis on the Biodiversity axis**



	- 2	- 1	0	+ 1	+ 2	+ 3
<b>BIODIVERSITÉ</b> Préservation de la biodiversité, gestion des milieux et des ressources naturelles	Le projet dégrade la biodiversité et les ressources naturelles de façon significative et à long-terme : il est susceptible de porter atteinte à des habitats critiques ou il convertit/détériore des habitats naturels sans mesures compensatoires	Le projet a des impacts résiduels sur la biodiversité et les ressources naturelles : – il dégrade des habitats modifiés en l'absence de mesures d'atténuation ; – OU il dégrade des habitats naturels malgré la définition de mesures d'atténuation – OU il incite à des pratiques dommageables pour la biodiversité	Le projet n'a pas d'effet négatif sur la biodiversité et les ressources naturelles et n'identifie pas d'opportunité de valorisation ou d'amélioration de l'état de la biodiversité ou des ressources naturelles	Un dialogue a été mené avec la maîtrise d'ouvrage sur les enjeux de préservation de la biodiversité et/ou de gestion durable des ressources naturelles ET/OU le projet a des impacts positifs non intentionnels et non démontrés sur la biodiversité ou des ressources naturelles	Le projet a pour objectif secondaire de contribuer à la préservation de la biodiversité ou à la gestion durable des ressources naturelles	Le projet a pour finalité d'améliorer structurellement l'état de la biodiversité et/ou d'assurer la qualité écologique et la pérennité des ressources naturelles



## Improving the Integration of Agroecological Transition within Projects Financed by the AFD Group

*POSITION PAPER*

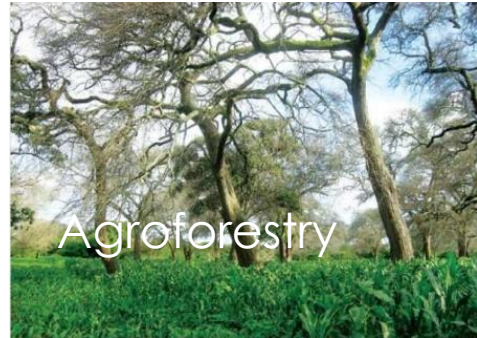
## APPLICATION TO THE AGRICULTURAL SECTOR: THE AGROECOLOGICAL TRANSITION

AFD POSITION PAPER  
JULY 2023

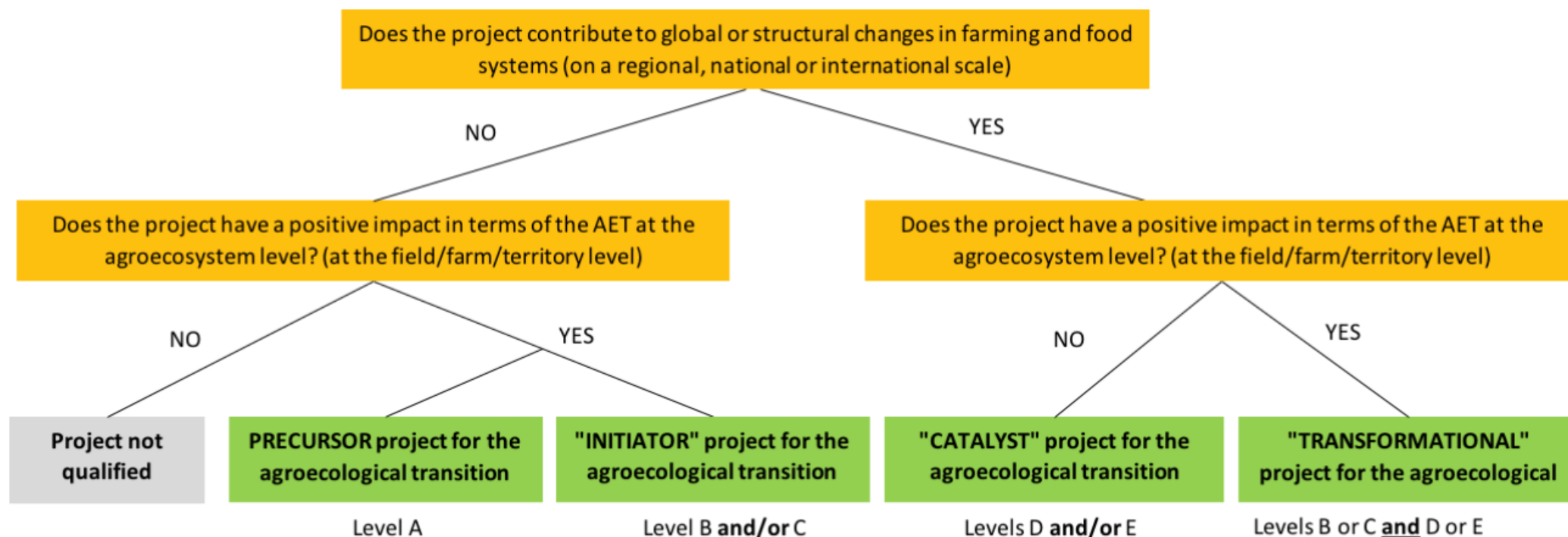


# What about agroecological practices for underlying investments as a proxy for biodiversity promotion?

- Main principles:
  - Soil protection
  - Diversity
  - Efficiency
  - Recycling
  - Ecological regulations
  - Synergies
  - One Health



# CONTRIBUTION OF AFD PROJECTS TO THE AGROECOLOGICAL TRANSITION (AET) : A DECISION-MAKING TREE



AGROECOSYSTEMS LEVEL			FARM AND FOOD PRODUCTION SYSTEM LEVEL	
A	B	C	D	E
Optimisation of the use of natural resources in agriculture and livestock farming systems	Substituting "conventional" practices and inputs with alternative, more sustainable practices and inputs	Restructuring of agroecosystems	Re-establishment of links between producers and consumers, creation and sharing of knowledge, etc.	Development of public policies in favour of the agroecological transition

# NATURE+ TRACKING: APPLICATION TO AGROECOLOGY

Purpose	% Accounting	Examples
1 - Protection of terrestrial, aquatic and marine ecosystems and/or natural species	100%	
2 - Restoration of natural terrestrial, aquatic and marine ecosystems	80%	
<b>3 - Integrated spatial planning of rural and urban territories</b>	60%	Integration, into spatial planning, of a support for agroecological transitions in the cultivated or pastoral areas
<b>4 - Integrated public policies and mobilization of financial resources for biodiversity</b>	50%	Development of public policies for biodiversity
<b>5 - Sustainable management of natural resources (quantity and quality) and value chains</b>	40%	Adoption of agroecological practices with improved water and soil management in a limited area
<b>6 - Elimination of occasional and chronic human-induced pollution</b>	20%	Improvement of practices with reduction of chemical inputs on existing plots

## AGROECOLOGICAL TRANSITION & BIODIVERSITY CO-BENEFITS

Contribution to the AET	AET "precursor" and "initiator" projects (levels A, B and/or C)	AET "catalyst" projects (levels D and/or E)	"Transformative" AET projects (levels B or C and D and/or E)
<b>Potential biodiversity outcome and weighted biodiversity co-benefits (*)</b>	<p><b>20%</b> Elimination of occasional and chronic pollution from anthropic sources</p> <p><b>to 40%</b> Sustainable management of natural resources and value chains</p>	<p><b>40%</b> Sustainable management of natural resources and value chains</p> <p><b>to 50%</b> Integrated public policies and mobilisation of financial resources in favour of biodiversity</p>	<p><b>50%</b> Integrated public policies and mobilisation of financial resources in favour of biodiversity</p> <p><b>to 60%</b> Integrated spatial development of rural and urban areas</p>



# EXAMPLE 1/3: FINANCIAL INTERMEDIATION AND CREDIT LINES FROM A PUBLIC BANK FOR TRANSITION IN MEXICO

**Objectives:** (i) Support for the transformation of agricultural practices and the emergence of green and sustainable investment projects, (ii) Support to a financial institution in improving its financing offer in rural areas that are vulnerable to climate change and socio-economically marginalized

Since 2014: €37 million x 2 credit lines (AFD+FIRA) + €4 million IG & €1 million TA (EU)  
=>100% "green practices"

Since 2021: \$100 million credit line + \$1 million TA (AFD) => 50% social, 50% climate adaptation

**Incentives for "green" practices:** SGRE&S, taxonomy, 55 eligible investment concepts (EICs) and indirect support for green bond issuance (taxonomy, parameters)

GI prioritised in municipalities classified as highly and extremely marginalised/with indigenous populations/vulnerable to climate change

Easiest: renewable energy (RE), energy efficiency (EE), water savings, greenhouses

**Adaptation and inclusion :** Atlas of vulnerabilities and definition of resilient investments, prioritised by level of vulnerability

Harmonisation avec IPCC reports, physical risks, transition risks, reputational risks, liability risks), Gender action plan

Cofinancé par l'Union européenne

## 55 Concepts d'investissement éligibles

Une agriculture écologiquement durable

ID	Concept d'investissement éligible
280	Matériel agricole
295	Apiculture (ruches, noyaux, etc.)
1352	Serres
2147	Abreuvoirs
2510	Récolteuses de fourrage
2880	Améliorants du sol
2890	Améliorants organiques
2893	Agriculteurs biologiques
2895	Terraces
6835	Pépinière forestière
8149	Agriculture protégée
8157	Services environnementaux

Utilisation efficace de l'eau

ID	Concept d'investissement éligible
61	Les bords d'entretien
90	Construction de canaux
	Irrigation par impulsions
164	Compteurs d'eau
265	Irrigation par micro-asperseurs
273	Irrigation par aspersion
274	Irrigation goutte à goutte
1257	Fosse septique
	Traitement des eaux usées
8146	Canaux de revêtement
8147	Canaux Tuyauterie
8223	Station d'épuration des eaux
8224	Matériel de purification de l'eau

La production de tabac, d'agave, d'avocat et d'huile de palme est exclue. Aucune sous-branche liée à l'exploitation minière n'est éligible.

## Registro en la Plataforma digital

¡Bienvenido a ProSostenible!

Este sitio forma parte del proceso de elegibilidad del Programa de Apoyo a Proyectos Sostenibles (ProSostenible) de los Fideicomisos Instituidos en Relación con la Agricultura (FIRA).

El ProSostenible tiene como propósito facilitar el acceso al crédito a proyectos de inversión en los sectores agropecuario, forestal, pesquero, los que se desarrollen en el medio rural y que generen beneficios medio ambiente y/o que mejoren la capacidad de mitigación y/o adaptación al cambio climático.

ProSostenible

Ingresa a tu cuenta

Cuenta existente:

Contraseña:

☐ ¿Quiero la contraseña?

☐ ¿No tengo cuenta? Crear una

## Example 2/3 - Loan of EUR 50 million and associated grant of EUR 1,5 million to support the development and financing of sustainable agricultural practices in Morocco

### 1.5 MEUR Subsidy



#### Technical Assistance Program:

- Finalization of the investment premium eligibility process
- Thematic study on the recovery of agricultural waste;
- Support des équipes GCAM et des chefs de projet dans le renforcement des capacités contribue au suivi des impacts

#### Investment incentives:

- Investment grant
- Energy audit costs prior to the realization of certain EE/ER investments ; certification fees for organic farming projects / coûts liés à l'obtention du label pour les investissements visant la classification « produits locaux »



### 50M€ Line of credit



CREDIT AGRICOLE DU MAROC  
UN ENGAGEMENT DURABLE



**Final beneficiaries: agricultural holdings**

#### Sustainable Agricultural Practices Projects

Water: sustainable

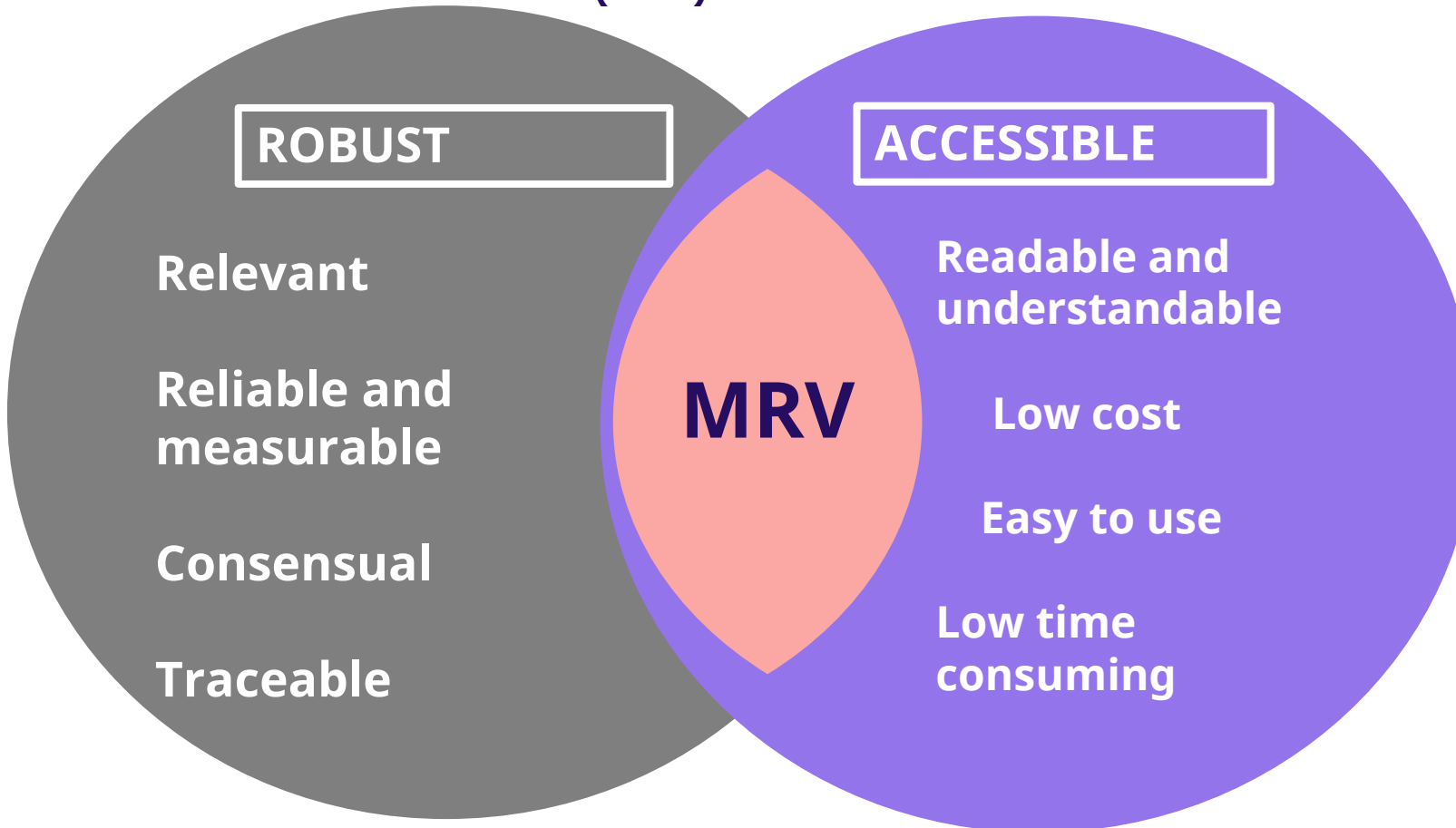
Energy: EE, ER and solar pumping

Organic farming and Recovery of agricultural waste

Green rural investments: tree plantations, oasis agriculture, exploitation of aromatic and medicinal plants and local products

# TAXONOMY AND MEASUREMENT OF IMPACTS : HOW TO HAVE A ROBUST MRV AND CHEAP ?

Importance of a robust and accessible eligibility, measurement and verification (MRV) framework



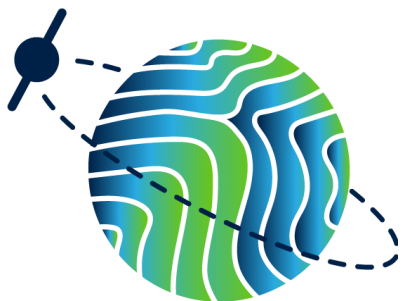
- Actionable tools:

- CBI
- Taxonomy of the EU
- Certifications



Challenges for the bank:  
simplification, operationalization, automation, compatibility with the internal information system, to be adapted to end users

# A cooperation with FAO => abc-map.fao.org



A **geospatial app**  
who provides holistic  
environmental assessments of  
projects in the AFOLU sector





# ALIGNMENT OF AFD's ACTIVITY ON THE GLOBAL BIODIVERSITY FRAMEWORK

## Target 7:

*Reduce pollution risks and the negative impact of pollution from all sources, by 2030, to levels that are not harmful to biodiversity and ecosystem functions and services, considering cumulative effects, including:*

- *reducing excess nutrients lost to the environment by at least half* including through more efficient nutrient cycling and use;
- *reducing the overall risk from pesticides and highly hazardous chemicals by at least half* including through integrated pest management, based on science, **taking into account food security and livelihoods**;
- *and also preventing, reducing, and working towards eliminating plastic pollution.*

## Target 10:

*Ensure that areas under agriculture, aquaculture, fisheries and forestry are managed sustainably, in particular through the sustainable use of biodiversity, including through a substantial increase of the **application of biodiversity friendly practices, such as sustainable intensification, agroecological and other innovative approaches** contributing to the resilience and long-term efficiency and productivity of these production systems and to food security, conserving and restoring biodiversity and maintaining nature's contributions to people, including ecosystem functions and services .*

## Target 1:

*Ensure that all areas are under participatory, integrated, and biodiversity **inclusive spatial planning and/or effective management processes addressing land and sea use change**, to bring the loss of areas of high biodiversity importance, including ecosystems of high ecological integrity, close to zero by 2030, while respecting the rights of indigenous peoples and local communities.*