

Agri-PDB Platform Webinar on Financing Nature-Positive Agriculture

# Financing nature-positive and climate resilient agriculture: An overview of KfW approaches & experiences

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# Content

- Overview of approaches to support nature-positive Agriculture
- Examples from India
- Examples from the financial sector: Impact Fund & PDB
- Lessons Learned and Challenges

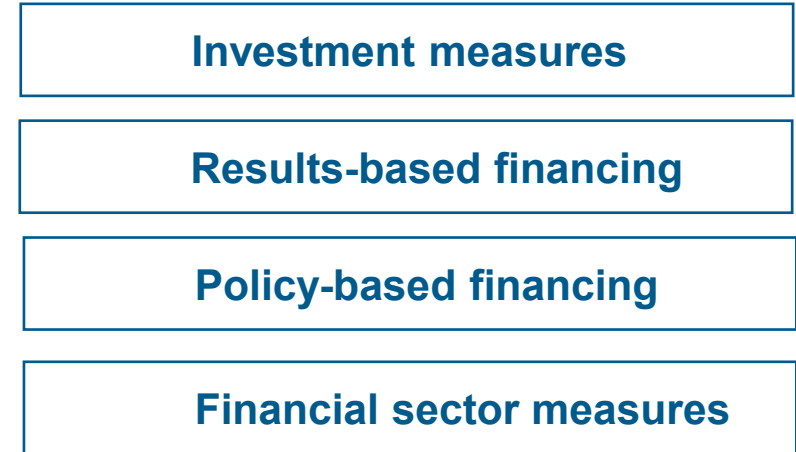
# KfW Development Bank Engagement on Food Systems


Main entry points for nature-positive Agriculture

## Thematic Areas

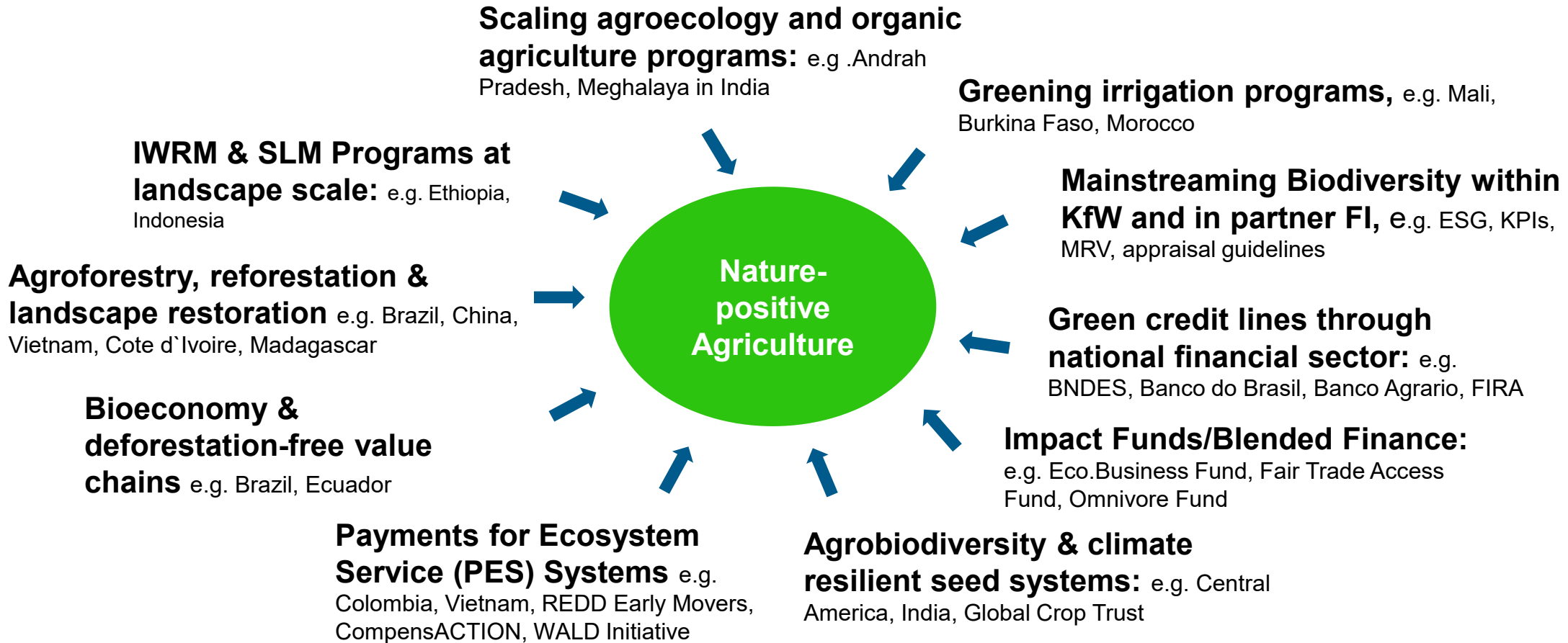


## Types of projects



 Main entry points for nature-positive Agriculture

# Supported nature-positive agriculture approaches & instruments



# Scaling natural & organic farming in India

Supporting political will & scaling targets at subnational level

## Agroecology and Climate Resilience in Andhra Pradesh

**90 Mio. Euro** Development Loan & **1 Mio. Euro** Grant

**Partners:** Government of Andhra Pradesh & Rythu Sadhikara Samstha (RySS)

### Goals of the Programme:

- Increase/stabilization of agricultural incomes through an agroecological transition
- Restore soil health

### Delivery as results-based finance:

- # People trained
- # Additional farmers in the program
- Rate of adoption

**More info:** Natural production methods for smallholder farms

## Sustainable Land Management in Meghalaya

**Grant Phase: 4,49 Mio. Euro** Grant (2023-2026)

**Loan Phase: 50 Mio. Euro** Development Loan (2026-2030)

**Partners:** Government of Meghalaya through Meghalaya Basin Management Authority (MBMA)

### Goals of the Programme:

- Increase/stabilization of agricultural incomes through an agroecological and organic transition
- Scaling of organic & agroecological certification
- Organic/agroecological value chain development

### Delivery as investment program

- Calls for Proposal for Registered Legal Bodies
- Revolving Funds & Matching Grants
- Scaling of TA & Value Chain support

**More info:** MBMA SLM Programme

# Omnivore Fund in India



- **Impact venture capital fund** to invest in Indian startups that develop ground-breaking technology related to food, agriculture and rural economy
- The fund is leveraging India's strength in **technological innovation** for promoting a more **productive, efficient and sustainable** agricultural economy that creates a benefit for small farmers and the rural population
- Not explicitly focused on **nature-positive agriculture**, but also includes relevant technologies, e.g.
  - Efficient Water Use
  - Biological crop inputs
  - Integrated pest management services
  - Soil testing IoT
  - Climate-smart solutions
  - Weather forecasting and remote sensing
  - Soil testing IoT
  - Nature-based carbon credits



Drones/  
airborn



Satellites



Collaboration  
platforms



Mobile data  
collection



E-learning



Remote) SMS



(Remote) SMS



Maintenance  
Management  
Systems



Sensors/  
SmartMeters

[Fund Website: Omnivore](#)

# Greening Agrofinance via Impact Funds

Innovative example: eco.business Fund



- **Structured fund** based in Luxembourg
- Different risk classes enable the Fund to mobilize private capital
- Two regional sub-funds: **Latin America** (since 2014) and **Sub-Saharan Africa** (since 2019)
- Two regional TA-Facilities

• [Fund website](#)

## • Approach:

- Financing of sustainable and biodiversity-friendly companies via financial institutions and directly
- Focus: agriculture, forestry, fishery/aquaculture, sust. tourism

• **Eligibility criteria:** **Green list, list of eligible certificates**

## • Volume and investors:

- Fund volume: USD 830m (649m LAC, 181m SSA)
- KfW investment: BMZ (USD 247m), EU (USD 15m), own funds (USD 75m) plus funding for TA (BMZ EUR 10m, EU EUR 3m)
- Other investors: DEFRA, IADB, DEG, FMO, OeEB, several private investors (almost 50% in LAC)

## • Impact since establishment until July 2025:

- Through >96.000 loans (vol.: 5.2bn USD), support for:
  - 1.473.000 ha of land farmed under sustainable management
  - 504,000 ha of farmland protected from deforestation (LAC)
  - 148,000 ha of agroforestry promoted (SSA)
  - 8.900.000 tons CO2 stored by agroforestry activities
  - 993.000 direct jobs

# Innovative example through a national PDB

## USoBiM Sustainable Use of Biodiversity in Mexico

- **Partner:** Fideicomisos Instituidos en Relación con la Agricultura / FIRA
- **Amount:** Up to **EUR 40 mn credit line + EUR 6.16 mn grant** for advisory services
- **Current state:** Negotiation of contracts
- **Objective:** Support for small and medium-sized enterprises operating sustainably in **agriculture, forestry, fisheries, livestock farming and ecotourism** in Mexico, whilst mainstreaming biodiversity within FIRAs.
- **Impact:**
  - At least 6,500 hectares are being farmed in a more biodiversity-friendly way financed by loans
  - The percentage of FIRA's sustainable portfolio will rise to at least 10%.
  - FIRA publishes its first report on biodiversity.

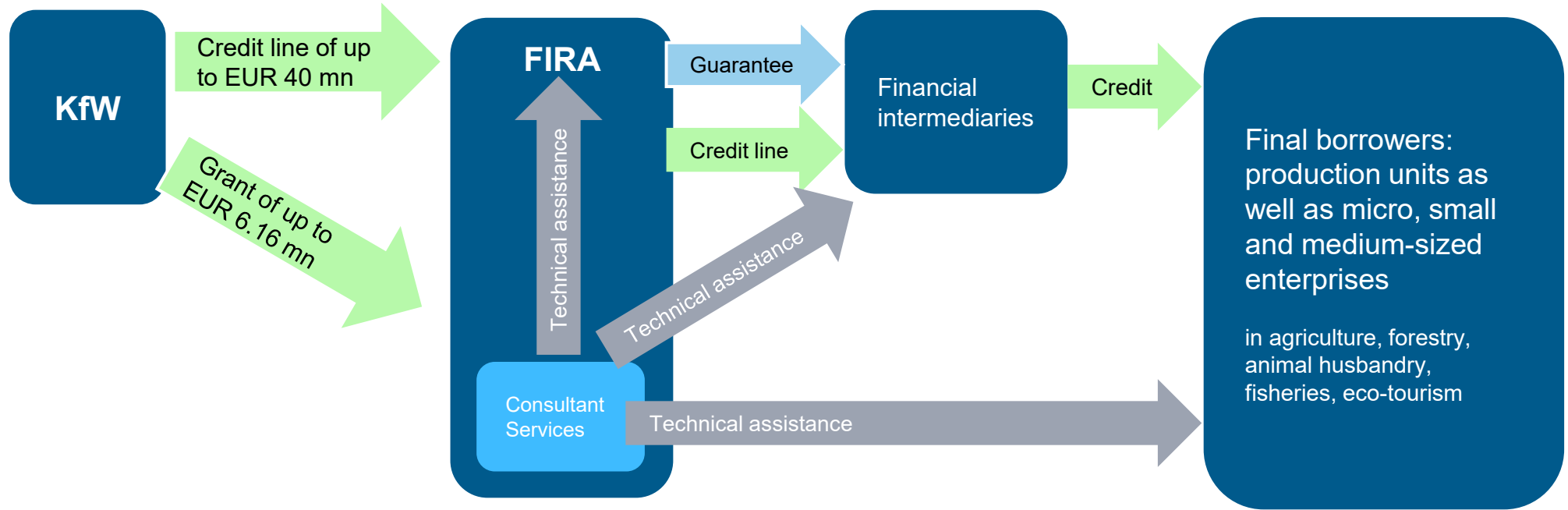


### Eligibility criteria:

- Green list
- List of eligible certificates
- Track record of environmental projects

# USoBiM Mexico

## Sustainable Use of Biodiversity in Mexico



# Lessons learned & challenges

- **Two main approaches so far:**
  - Scaling of government programs → aimed at poorer smallholders
  - Agrofinance through Funds & Financial Sector → aimed at SMEs and larger agrobusiness
- **Financing alone is not enough:** Nature-positive Agriculture is **knowledge intensive**. Capacity building and technical assistance for farmers and financial intermediaries are crucial and make projects more attractive.
- The sector faces **high perceived risks**, especially when ecological requirements are added. **Long-term investment horizon** – nature positive practices often take time to deliver measurable environmental and economic benefits.
- **Environmental degradation & climate stress** are challenging for adoption, even if measures aim at ultimately increasing climate resilience
- **Many market barriers:** Success also relies on investments in **value chain and market development**.
- **Policy and regulatory environment important** –e.g. fertilizer subsidies, land policy, taxes, environmental regulation - incentives hinge on that.
- **Biodiversity mainstreaming** is on the rise, but still fragile.
- **Impact measurement and reporting** are evolving rapidly, helping stakeholders demonstrate environmental benefits and reduce uncertainty

**KFW**

**Thank you**