The water-food-energy-ecosystems nexus in EIB projects &
The Natural Capital Finance Facility (NCFF)

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The European Investment Bank (EIB)

- EIB is the **EU’s long-term lending bank** set up in 1958 by the Treaty of Rome, headquartered in Luxembourg.

- Financing is in **support for EU priority objectives**: climate change, sustainable infrastructure, energy, water, urban and regional development, RDI…

- **EIB shareholders are the 28 EU Member States**

- Largest multilateral lender and borrower in the world

- Around **400 projects annually** in more than 160 countries
Organisational Structure

• **Operations Department**: business people, identifying projects to lend to

• **Project Department**: Economists and sector experts. **Classical division** by sector: water, energy, agriculture, waste etc.

• **But**: some **cross-sectorial project** examples
The water-food-energy-ecosystems nexus in EIB financed projects

• **Land Degradation Neutrality**, fund investing in rehabilitation of degraded land → increase food security and improved ecosystem services

• **Althelia**, fund investing in sustainable agricultural products, FSC timber, carbon credits → increased food security, improved ecosystem services

• **Eco-enterprise**, fund investing in sustainable agriculture, agro-forestry, wild-harvested products → increases food security, delivers ecosystem services
The Natural Capital Financing Facility

An instrument for financing projects inside the EU which

1. Are likely to have a positive impact on biodiversity and/or

2. Apply nature-based solutions for adaptation to climate change
What is the NCFF & Objectives

- **Traditionally**: targeted projects *grant financed*
- **Now**: generate *revenues* or *save costs* → **Mind shift**
- Loan, fund & grant-based technical assistance component
- Overall envelop size: EUR 100-125 million
- Target: 9 -12 or more operations
- Operation size: 1-15 million
- Pilot phase: 2015 – 2019
Technical assistance

• **Technical & environmental**
  • feasibility studies, e.g. how to incorporate
  • biodiversity specifications in tender,

• **Financial & legal**
  • Improve and refine business plan/model; identify adequate legal structure; advise on interpretation of EU/national regulation

• **Monitoring & evaluation**
  • Biodiversity baseline studies; monitoring; assess success of adaptation activities

→ **Because new model, not grant-based**
What type of projects can the NCFF finance?

1. Payment for ecosystem services
2. Green/blue infrastructure
3. Pro-biodiversity and adaptation businesses
4. Biodiversity offsets (compensation beyond legal requirements)
River re-naturalization
Water
Ecosystem
Agriculture/food
Green walls, green roofs, roof gardens
Green/blue urban infrastructure
Eco-tourism & natural products
Natural Capital Financing Facility (NCFF)

The Natural Capital Financing Facility (NCFF) is a financial instrument that combines EIB financing and European Commission funding under the LIFE Programme, the EU’s funding instrument for the environment and climate action.

The NCFF will contribute to meeting the objectives set out by LIFE, in particular:

- nature and biodiversity
- climate change adaptation

The Facility will be managed by the EIB. Applications for funding under the NCFF will follow the EIB’s standard process as outlined in the section Applying for a Loan. For all funding requests, please contact the EIB directly by sending an email to NCF_Instrument@eib.org.

What does the NCFF do?

The NCFF will support projects that are focused on biodiversity and ecosystem services (BES).

Projects supported by NCFF will promote the conservation, restoration, management and enhancement of natural capital which can benefit biodiversity and climate adaptation. This includes ecosystem-based solutions to challenges related to land, soil, forestry, agriculture, water and waste.

Project examples include:

- Green infrastructure (e.g. green roofs, green walls, ecosystem-based rainwater collection/water reuse systems, flood protection and erosion control).
- Payment for ecosystem services (e.g. programmes to protect and enhance forestry, biodiversity, to reduce water or soil pollution).
- Biodiversity offsets / compensation beyond legal requirements (e.g. compensation pools for on-site and off-site compensation projects).
- Pro-biodiversity and adaptation businesses (e.g. sustainable forestry, agriculture, aquaculture, eco-tourism).

Projects under consideration

- Rewilding Europe (NCFF)
- Irish Sustainable Forest Fund (NCFF)
Get in touch

- **NCFF contact form**

- **E-mail:**  [NCF_Instrument@eib.org](mailto:NCF_Instrument@eib.org) to set up a call
‘nexus’ a new term for an old idea?

- “When we try to pick out anything by itself, we find it hitched to everything else in the universe” (John Muir)

- Alexander von Humboldt saw the earth as one great living organism where everything was connected.
Thank you!