

EIB and BNP Paribas unlock €200 Mn to expand Agricultural and Bioeconomy Finance for EU SMEs

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The European Investment Bank (EIB) has signed a €200 million (\$234 million) financing agreement with BNP Paribas Leasing Solutions to expand access to long-term credit for small and medium-sized enterprises (SMEs) and mid-cap companies across Europe's agriculture and bioeconomy sectors, with initial allocations expected in Germany, Spain, Italy, and the Netherlands.

The initiative forms part of the EIB's broader €3 billion pan-European agricultural programme, launched in 2024 to accelerate sustainable investment across EU farming systems. Under the structure, at least 70 per cent of financing will be directed to SMEs, while the remaining 30 per cent will support mid-cap agribusinesses. In addition, a minimum of 30 per cent of each allocation will be dedicated to climate action and environmental sustainability projects.

The financing structure is designed to address persistent gaps in long-term credit access for small farmers and agribusiness operators across the European Union. By combining EIB-backed public capital with BNP Paribas Leasing Solutions' distribution network, the programme aims to reduce financing costs while expanding access to asset-backed leasing for agricultural equipment, renewable energy systems, and sustainable farming technologies.

The EIB said the initiative will particularly benefit young, new, and female farmers, who often face structural barriers in accessing investment capital, while also supporting broader modernisation of European agricultural systems through improved liquidity and risk-sharing mechanisms.

In 2025, the EIB Group provided €6.9 billion in total financing to the agriculture and bioeconomy sector, with approximately 60 per cent channelled to SMEs through partner financial institutions. The new agreement extends this capacity by mobilising additional private capital through leasing structures rather than direct lending, enabling more flexible, asset-linked financing solutions for the sector.

The announcement also comes amid evolving policy responses in the EU, including temporary adjustments to state aid rules allowing member states to subsidise up to 70 per cent of additional fuel and fertiliser costs for farmers through end-2026, following ongoing supply chain pressures linked to global energy market disruptions.

The EIB stated that the programme is designed to strengthen long-term agricultural resilience in Europe by improving investment flows into climate-smart farming, bioeconomy innovation, and next-generation agricultural infrastructure.