



Financing Irrigation in Aragon, Spain

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IMPORTANCE OF INVESTMENTS IN IRRIGATION INFRASTRUCTURE IN ARAGON



- 2,4 million hectares of farmland.
 - 415.000 hectares are irrigated.
 - 190.000 hectares are gravity irrigation.
 - No major irrigation transformations are foreseen.
 - The largest investments will be made in transformation from gravity irrigation to pressure irrigation and investments in renewable energy generation and automation of system.

IRRIGATION COMMUNITIES



- Entities that group owners and are responsible for the management of water resources.
- 350 irrigation communities > 100 hs.
- Grassroots communities are grouped into general communities, the largest group between 60.000 and 130.000 hectares.
- General communities are responsible for carrying out investments in common infrastructures.

PUBLIC SUPPORT FOR INVESTMENTS IN IRRIGATION



- Historically, irrigation infrastructures have been the recipient of between 10-15% of public expenditure co-financed by the EAFRD.
 - 2007-2013: 106 millions.
 - 2014-2020: 90 millions.
 - 2023-2027: 65 millions.
- It is supported with a granted of between 40-50% of the investment.

WHY ARE WE THINKING OF A FINANCIAL INSTRUMENT?



- The budget available for irrigation infrastructures is reducing with each programming period.
- The budget offered is much lower than the demand and many projects are left without support.
- Economic studies carried out by the irrigation communities showed that they could do without the grant if they were granted loans for 30-35 years.
- This product does not exist on the market now.

WHAT FINANCIAL INSTRUMENT DO WE PROPOSE



- We propose a financial guarantee instrument to which we would initially devote EUR 15 million.
- The instrument would guarantee loans with a return period of between 30 and 35 years.
- We would manage it together with the ministry and other regions.

WHAT STATE OF IMPLEMENTATION WE ARE IN



- We have provided for the financial instrument in the community agricultural Policy Strategic Plan.
- We have met with several financial institutions, they have shown us their interest but they have also indicated the difficulties.
 - The difficulties are related to the requirements of the bank of spain and the high cost that the loan can have.
- We are working with the ministry to implement the instrument.



Thank you!

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