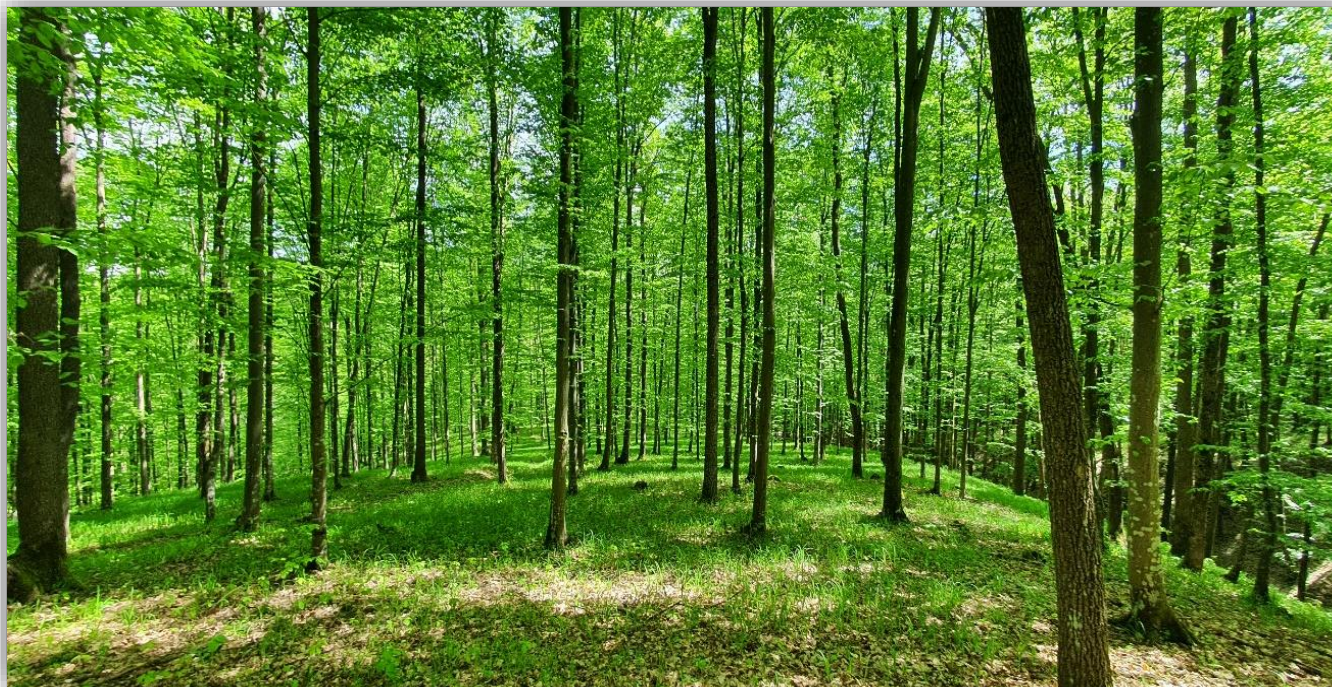


# The EIB: additionality and impact of a public bank

## *Investment case: sustainable forestry sector*



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# EIB AT A GLANCE

## The EU Bank / The Climate Bank

### Largest multilateral lender & borrower in the world

- We raise our funds on the international capital markets
- We pass on favourable borrowing conditions to clients
- Leading provider of climate finance
- Governed by the EU Member States

### Over **€1.5 trillion** invested since 1958

- More than **14 900 projects** in over **160 countries**.
- Crowding-in bank: **€4.9 trillion** overall investment mobilised.

### Headquartered in Luxembourg

- Around **4 020 staff**: In addition to finance professionals, we have engineers, economists and socio-environmental experts.
- **59 offices** around the world: [Our offices \(eib.org\)](https://www.eib.org)

# EIB Lending Activity in 2023

- ✓ Total lending (signatures): > **75 EUR billion** (89% inside EU; 11% outside EU)
- ✓ Climate finance: > **60%** [Climate and environmental sustainability \(eib.org\)](https://www.eib.org)

**Improving the quality of life for people in Europe and beyond**



**Innovation, Digital  
and Human Capital**

**€ 19bn**

**25%**



**Sustainable energy &  
natural resources**

**€ 22bn**

**29%**



**Sustainable cities &  
regions**

**€ 18bn**

**24%**



**SMEs**

**€ 16bn**

**22%**

# A responsible bank

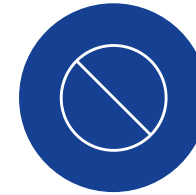
## EIB Group Environmental and Social Sustainability Framework



We monitor the environmental and social sustainability of all of our investment projects.



We appraise all human, technological, or natural resources used by the project.



We exclude certain economic activities.



We report greenhouse gas emissions from all projects with a significant impact.



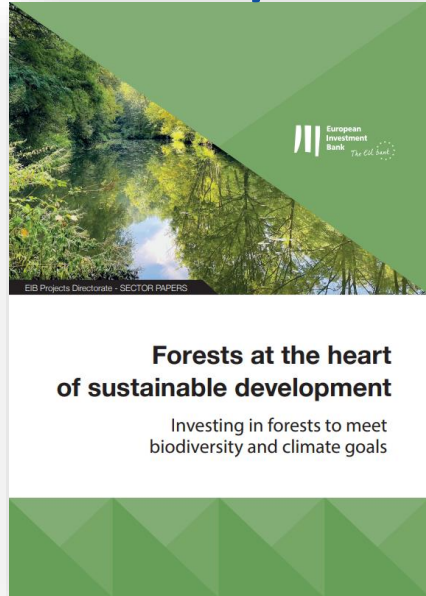
We monitor, report and implement the reduction of our own environmental footprint.



We ensure strong governance, transparency and accountability for ourselves and our counterparts.

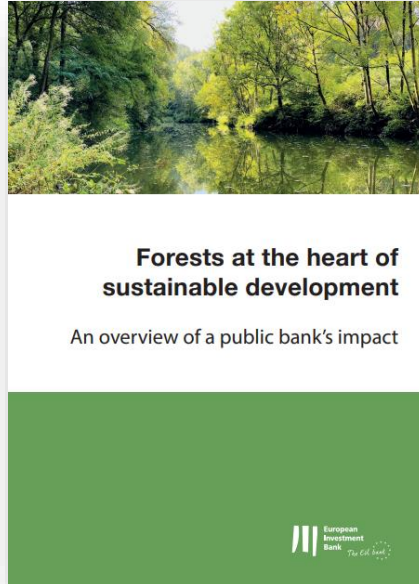
# Investment case: Forest-based bioeconomy

## *Sector Papers: Forests at the heart of sustainable development*



### **Report:**

*Investing in forests to meet biodiversity and climate goals*



### **Brochure:**

*An overview of a public bank's impact*



*Investment barriers in the European Union 2023*

*Including forestry sector*

# Sustainable Forest-based Bioeconomy

Lending volume:

Holistic value chain approach

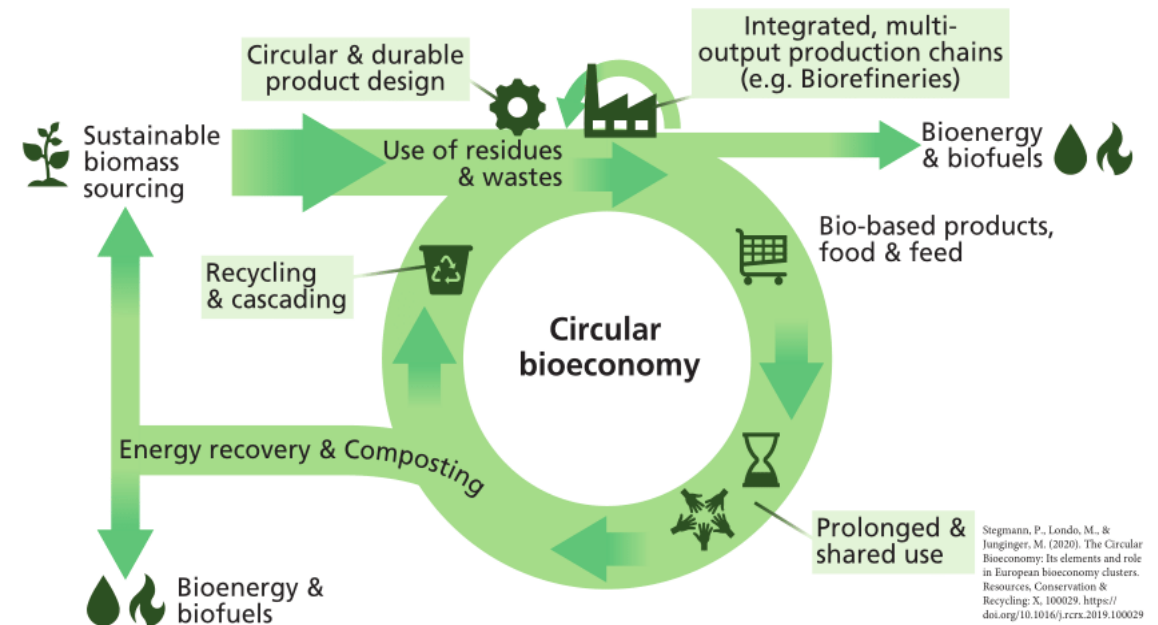
- ✓ Primary forestry sector
- ✓ Up/- downstream manufacturing & retail activities/sectors (**forest-based industries**)

**Lending to the forest sector for over 50 years...**

- ✓ Creating new jobs, revitalizing industrial production in the EU
- ✓ Sustainable **economic growth and social cohesion** in rural areas

**Cca. EUR 1.5 billion / year**

Overarching CBE principles  
Resource-efficiency, Optimizing value of biomass over time, Sustainability



Source: Stegmann et al. 2020

## Addressing market failures and investment barriers

Contributing to EU Policy objectives: **EU Green Deal, EU Agenda 2030 and UN SDGs**

# Priority Investment Areas: Primary Forestry Sector

**Policy objective:** Natural resource use, management and protection

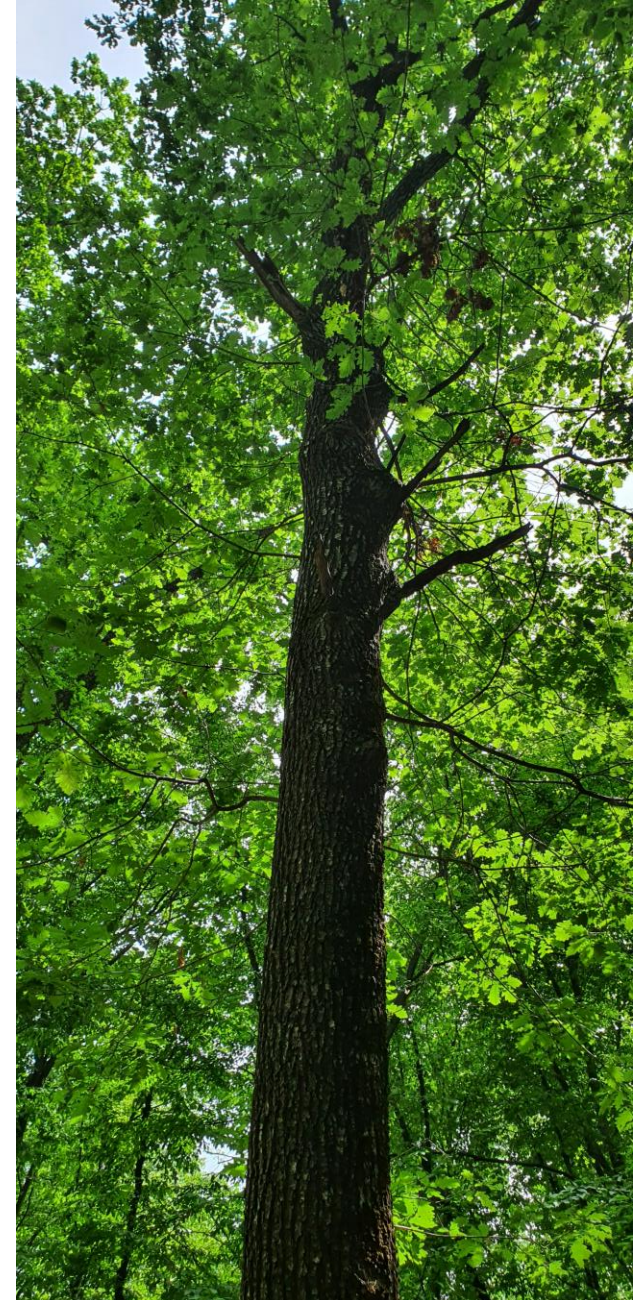
- ✓ Sustainable forest management (SFM)
- ✓ Prevention of risks, losses and degradation of ecosystem services or biodiversity
- ✓ Conservation/protection of natural resources, biodiversity or ecosystems
- ✓ Restoration/rehabilitation of natural resources, biodiversity or ecosystems

**Incl. enabling activities** (e.g. green infrastructure, equipment, digitalization, etc.)

- ✓ Nature-based solutions, Payment for Ecosystem Services
- ✓ Forest Carbon projects: carbon credits, climate change mitigation

**Up to 100% Climate Action & Environmental Sustainability**

**Up to 100% Sustainability Awareness Bonds**



# Current challenges/opportunities

## Great potential for public forestry sector investments

- ✓ EU Green Deal & New EUFS 2030 → updated **National Forest Strategies & Action Plans**
- ✓ **Co-financing measures under RRF and/or National Programmes** for afforestation, green infrastructure, shelterbelt protection forests, etc. (**EU Goal to plant 3 billion trees by 2030**)
- ✓ **Debt for nature swaps / investment schemes**
- ✓ **Sector based lending**

## Private sector: Forest Carbon, NBS/PES projects

- ✓ **Projects bankability** eg financial/governance structure, promoter capacities
- ✓ **TA Support – InvestEU Advisory Hub**



# Potential EIB Counterparts / Promoters

## Public Sector

- ✓ **National/Regional Governments/Agencies**
  - ✓ incl. resort ministries (forests/environment), National Forest Administrations, Env. Agencies, Agencies for Management of Protected Areas, Public Utility Companies, etc.
  - ✓ Co-financing national/regional investment programmes, RDPs, RRFs, etc.

## Private sector

- ✓ **SMEs, MidCaps, Corporates, Forest Owners' Cooperatives/Associations**
- ✓ **Financial Intermediaries** e.g. Private-equity funds, Commercial Banks

# Romania: Forest Regeneration - SLB

NCFF operation financing an investment programme 2020-2024, aimed to enhance the current management regime towards **closer-to-nature forest management practices and enhanced biodiversity.**



**83% CAES & 83% SAB contribution**



**EIB financing: 9.5 M EUR**

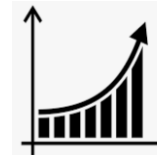
**EU: Romania**



GHG emissions reduction



- SFM close-to-nature forestry cca. **3 000 ha**
- **15% forests set-aside** for protection and biodiversity conservation



Significant **positive externalities:** carbon seq., biodiversity conservation, support to local economies



- Securing jobs in rural economy:
- Implementation phase: **90 FTE**
  - Operation phase: **21 FTE**

# INCLUSIVE AND SUSTAINABLE FORESTS IN MOROCCO

The project support investments in national parks and watershed management of Middle Atlas region of Morocco to **rehabilitate forests, reduce erosion, conserve water resources, preserve soil fertility, promote biodiversity management measures and the development of ecotourism.**



GHG emissions reduction: **100 ktCO<sub>2</sub> eq/year**



Afforestation on **55 000 hectares** and improvement of the productivity and the biodiversity of some **47 000 hectares** of pasture



Significant **positive externalities:** carbon seq., biodiversity conservation, protection of soils, water retention



- Securing jobs in rural economy: **6,800 FTE**
- Direct social benefit through distribution of **fruit trees plants, improved oven and apiaries,**
- Indirect social benefits through increase in **touristic attractiveness, land productivity and regulating water supplies**

# Conclusions: EIB financing to forest-based bioeconomy

- ✓ **EIB stands ready to support for long-term investments** focusing on:
  - ✓ Climate Action and Environmental Sustainability (CAES)
  - ✓ Sustainable management of natural resources
  - ✓ Sustainable biomaterials and bioenergy production
  - ✓ RDI / innovation
- ✓ **Invest EU Advisory Hub stands ready to support project developers**
  - ✓ Single entry point for advisory requests
  - ✓ Advisory support, capacity building, and technical assistance
  - ✓ [The InvestEU Advisory Hub \(eib.org\)](http://eib.org)

# THANK YOU!

More info: [www.eib.org](http://www.eib.org)

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**European  
Investment Bank**