



The EIB: Additionality and impact of a public bank

Investment case: sustainable forest-based bioeconomy



European
Investment Bank

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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
- Owned and governed by the 27 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.

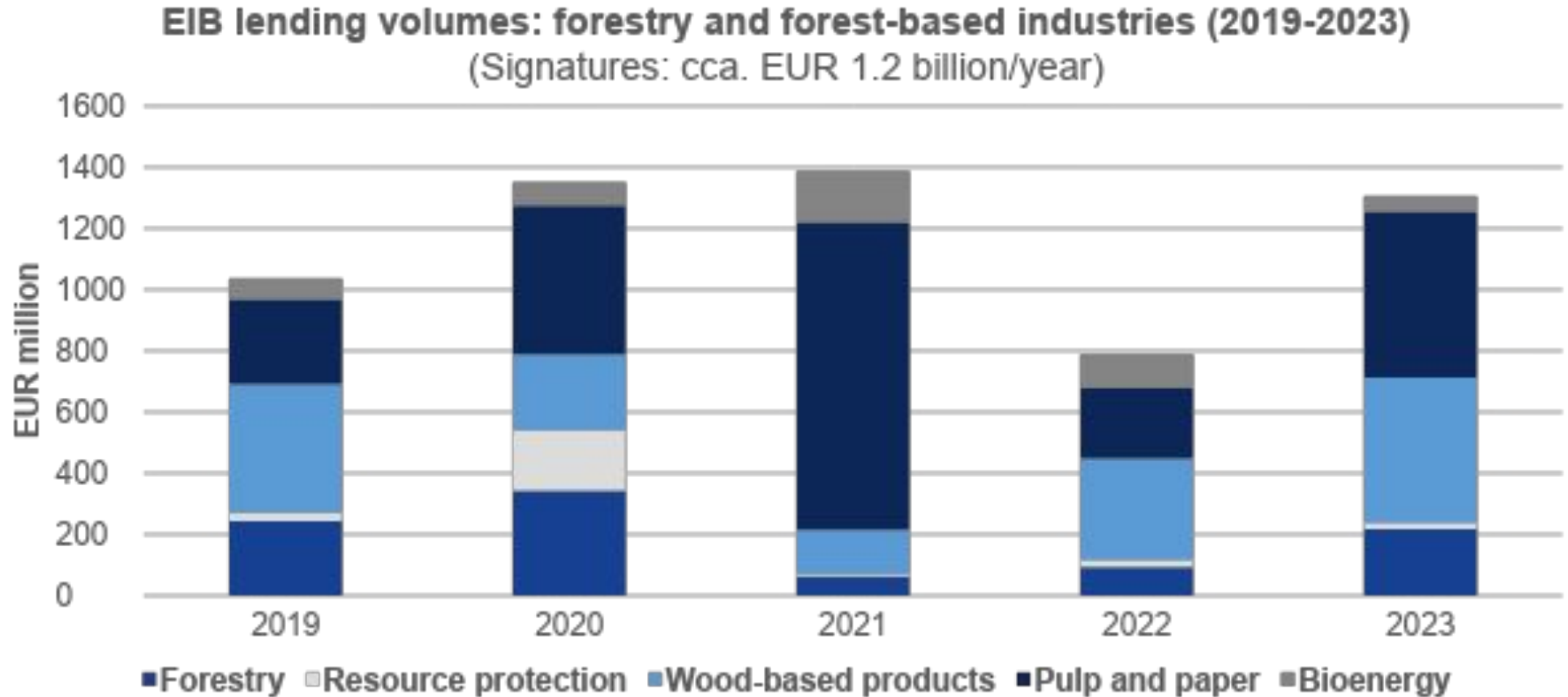
Headquartered in Luxembourg

- 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://eib.org)

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

EIB lending to forestry sector

2019-2023: ~EUR 5.9 billion



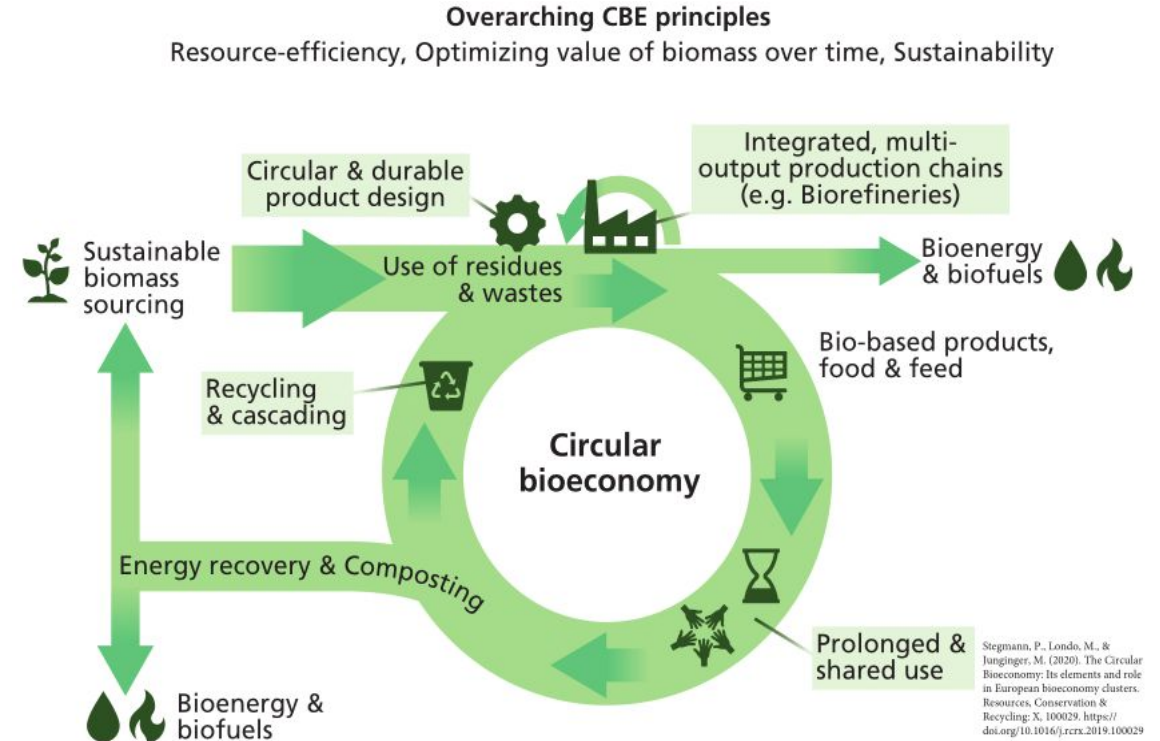
EIB in Action: Sustainable Forest-based (circular) Bioeconomy

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



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



EIB investments in Forest Sector

Forests at the heart of sustainable development

An overview of a public bank's impact

- Annual Investment in forest sector: EUR 1.2 billion
- Over 50 years of experience in financing
 - **Sustainable Forest Management** practices
 - **Enhancing ecosystem services**
 - **Sustainable and innovative forest value chains**
 - **Digital forestry:** remote sensing, GIS, digitalisation, artificial intelligence, etc

Moldova Forest Development Programme

- ❑ **First Sector Based Lending application in the Bioeconomy**, supporting strategic forestry sector modernization
 - Governance, Capacity Building and Technology*
 - Forest Expansion and Landscape Restoration (63 200 ha)*
 - Integrated Project Management and Reporting System*
- ❑ **Co-financing structure:** EU (investment grant), AFD, MDGoV
- ❑ **TA preparation/implementation:** EIB and EU funding

EIB financing: EUR 200 m

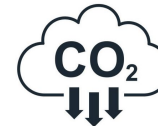


100%
CAES

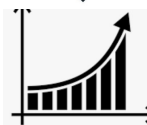
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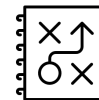
Enhanced regulatory and governance framework
Improved capacities, infrastructure and equipment
Restored degraded lands: (re-)afforestation 63 200 ha)



GHG emissions reduction: **1 272 kt CO₂/year**



Significant **positive externalities**: carbon sequestration, protection of soils, water retention improvement



Strategic Procurement Approach using the procurement assessment of Country and Country Reforms for implementation of the project



10,300 FTE created during implementation
Direct financial benefits through the sale of timber and firewood

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)

Thank you



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Institutional Updates: EIB Group 2024-2027 Strategic Roadmap

Focus on **eight policy priorities**, building on the strengths of the EIB Group:

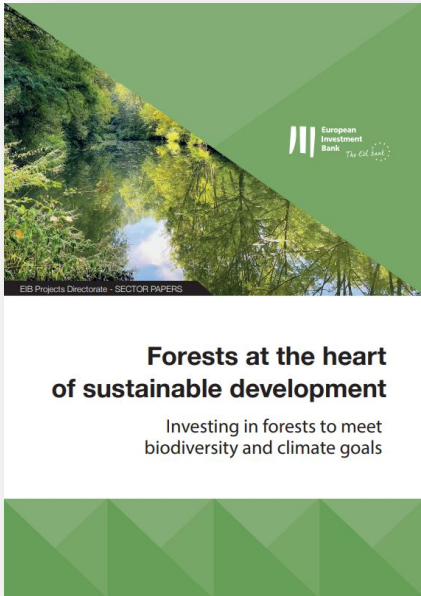
1. Climate action
2. Digitalisation and technological innovation
3. Security and defence
4. A modern cohesion policy
5. **Agriculture and bioeconomy**
6. Social infrastructure
7. High-impact global investment
8. Capital Markets Union

Investment case: Forest-based bioeconomy

Sector Papers: Forests at the heart of sustainable development

Report:

Investing in forests to meet biodiversity and climate goals

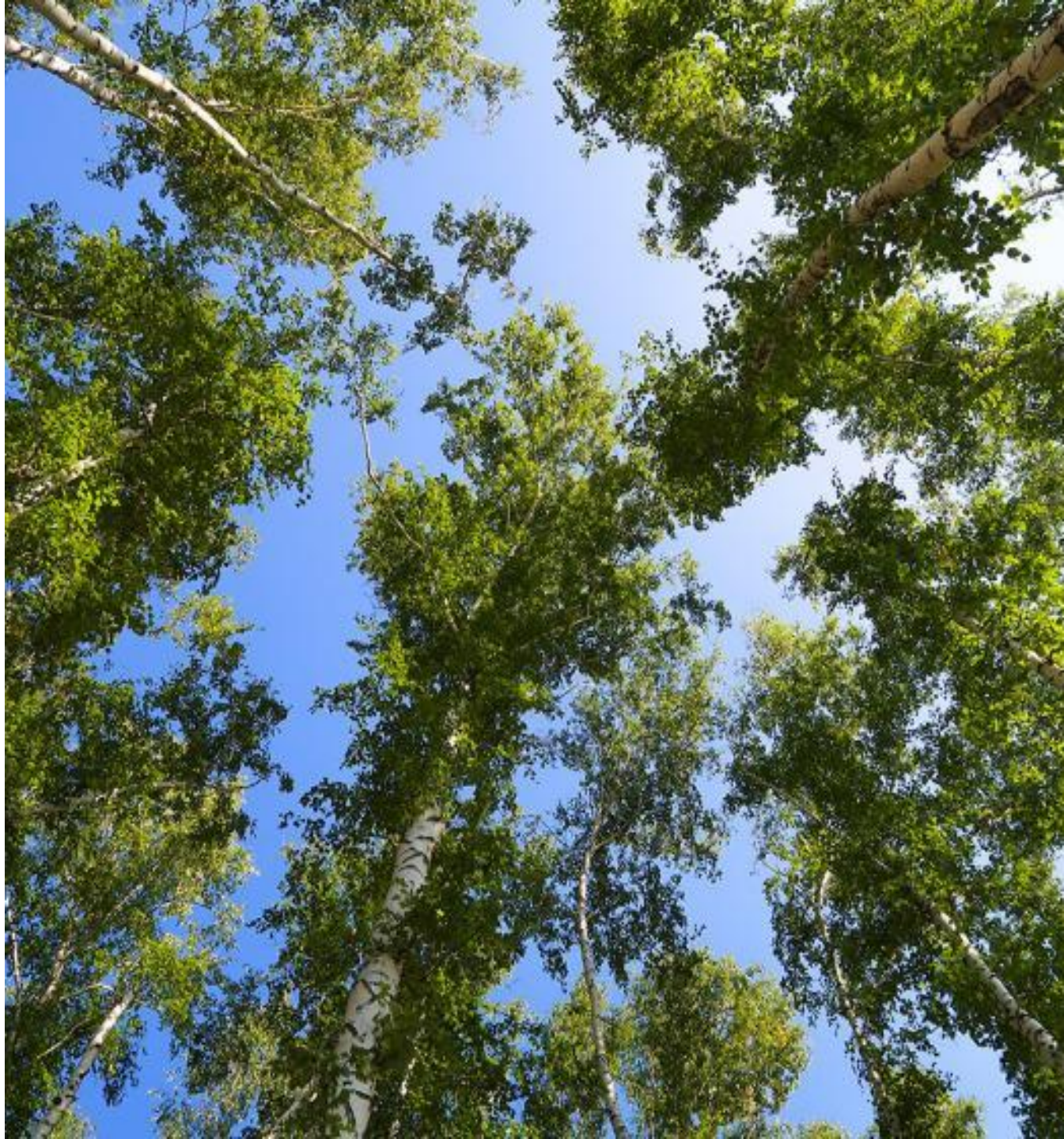


Brochure:

An overview of a public bank's impact

Investment Barriers in the Forest Sector

- **Regulation:** lack of overall regulatory coherence
 - **Fragmentation of forest ownership:**
 - Economic inefficiencies, costs of investments
 - **Multifunctionality leading to many market failures...**
 - Investments relying on public Promoter
 - But limited budgets or institutional capacities
 - Other needs competing for funds: adaptation and climate risk management...
- Access to finance:**
- Promotional finance institutions can help overcome this obstacle



Investment barriers in the European Union 2023

- Including **Forestry Sector**
- **Workshop in Brussels** (September, 2024)

European Investment Bank and European Forest Institute address forest investment barriers - Bioregions

Overcoming investment barriers in the forest sector: lessons learned from nine cases in Europe | European Forest Institute



Investing in nature-based solutions

- In 2023, the EIB published a comprehensive report on **investing in nature-based solutions (NbS)**, highlighting their importance for addressing climate, biodiversity, and land restoration challenges

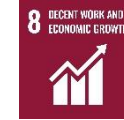
Conclusions

- Scaling NbS requires **robust market mechanisms, regulatory reforms, and strategic investments.**
- A **coordinated approach** with **innovative financing** and enhanced understanding of NbS benefits is essential.
- The EIB's experience with the Natural Capital Financing Facility highlights the potential of **tailored instruments to bridge gaps** and facilitate broader engagement with NbS projects.



Fire Engines for Disaster Prevention and Mitigation in Greece

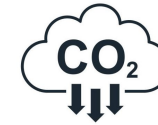
The project finances the acquisition of 175 fire fighting vehicles to be used by the Hellenic Fire Service.



61M EUR

79%
CA

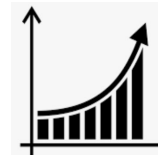
Greece



Increased climate resilience through improved firefighting capabilities, reduction of carbon emissions caused by wildfires



Contributing to the **conservation and sustainable management of forests**, a renewable natural resource



Improved emergency response capacity and operational efficiency of the Hellenic Fire Service



Employment during construction **339 person years** in equipment production, no new permanent jobs