



**European
Investment
Bank**

The EU bank



The Natural Capital Financing Facility

Innovation to meet new – and not-so-new! –
investment needs

Jane Feehan
Senior Investment Officer

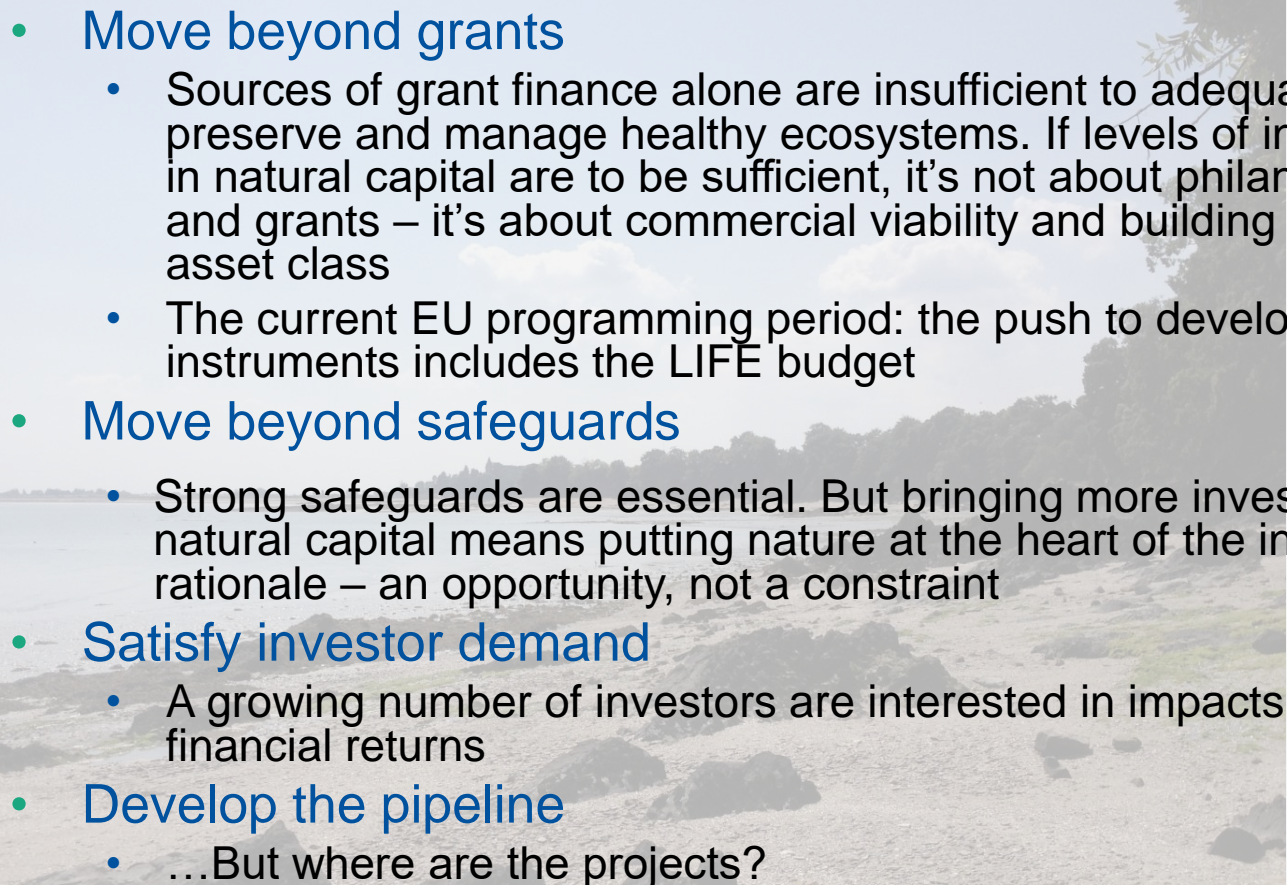
The EIB: the EU bank



- The largest multilateral lender and borrower in the world
- The natural financing partner for the EU institutions since 1958
- Around 90% of lending is within the EU
- Some 450 projects each year in over 160 countries
- Shareholders: 28 EU Member States
- Based in Luxembourg.

**Investing in
Europe's growth**

Why is innovation needed?

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- **Move beyond grants**
 - Sources of grant finance alone are insufficient to adequately preserve and manage healthy ecosystems. If levels of investment in natural capital are to be sufficient, it's not about philanthropy and grants – it's about commercial viability and building a new asset class
 - The current EU programming period: the push to develop financial instruments includes the LIFE budget
 - **Move beyond safeguards**
 - Strong safeguards are essential. But bringing more investment into natural capital means putting nature at the heart of the investment rationale – an opportunity, not a constraint
 - **Satisfy investor demand**
 - A growing number of investors are interested in impacts, not just financial returns
 - **Develop the pipeline**
 - ...But where are the projects?

A new facility to invest in natural capital projects in Europe, including in the water sector



Natural Capital Financing Facility

Boosting investment for biodiversity and nature-based adaptation to climate

NCFF: the basics

The Facility invests in four categories of projects:

- **Projects using payment for ecosystem services (PES) mechanisms;**
- **Green infrastructure;**
- **Biodiversity offsetting initiatives;**
- **Pro-biodiversity businesses/corporates.**

All projects must be located in the EU28 and be **capable of repaying a loan or an equity investment.**


NCFF addresses barriers to mainstream commercial financing, helping to demonstrate the commercial viability of investing in nature, building a track record and developing best practice.

Final beneficiaries include both private and public entities.

The NCFF's four project categories

- **Projects using Payments for Ecosystem Services (PES):** payments involving payment or compensation for the benefits provided by ecosystems, such as cleaner water, higher soil quality or enhanced carbon sequestration
- **Green Infrastructure (GI) projects:** investments in natural capital that generate a range of goods and services, such as water quality, flood protection and climate change adaptation
- **Projects developing Biodiversity offsets:** conservation measures designed to compensate for the unavoidable damage to biodiversity arising from development projects.
 - No support for compensation to comply with article 6(4) of the Habitats Directive
- **Innovative pro-biodiversity and adaptation businesses:** projects involving the supply of goods and services from conservation activities, such as sustainable forestry, agriculture, aquaculture and ecotourism. Innovation may relate to innovative approaches to ecological restoration/conservation or innovative business models.

Projects at an advanced appraisal stage

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- Irish Sustainable Forestry Fund (Ireland)
 - Renaturalisation of an urban riparian zone along the Alzette River (Luxembourg)
 - HBOR Bank Natural Capital loan facility (Croatia)
 - CDC Biodiversité offsetting scheme (France)

Signed projects

Rewilding Europe Capital



Danube delta rewilding area, Romania

Copyright: Staffan Widstrand / Rewilding Europe

The first project supported by the NCFF, signed in April 2017, was a EUR 6 million loan to [Rewilding Europe Capital](#). It will provide support for over 30 nature-focused businesses across Europe. The comeback of iconic and threatened European wildlife species such as the European bison, brown bear, black vultures as well as pelicans and white-tailed eagles of the Danube and Oder Delta, to name a few, could also benefit from the investments.

White pelicans, [Pelecanus onocrotalus](#),



Thank you for your attention!

j.feehan@eib.org

More information at:

www.eib.org and
<http://www.eib.org/products/blending/ncff>