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European Investment Bank confirms EUR 90 million backing for Coillte forest investment

The European Investment Bank today confirmed details of the first EIB support for forestry related investment in Ireland in 20 years. The new EUR 90 million long-term loan from the European Investment Bank will be used to finance the cost of planting, forest management and forest road construction and maintenance by Ireland's state-owned, commercial forestry company Coillte over the next four years.

The new support was announced in Newtownmountkennedy prior to a visit to Coillte plantations in County Wicklow. Fergal Leamy, Coillte Chief Executive highlighted the importance of the new EIB support that was also welcomed by Andrew Doyle T.D., Minister of State for Agriculture, Food and the Marine, Andrew McDowell European Investment Bank Vice President and Phil Hogan, European Commissioner for Agriculture and Rural Development.

Welcoming the new EIB support for forestry in Ireland Minister Doyle said "This significant investment in Ireland's forestry sector will underpin continued expansion and development across the industry. The most recent forecast of timber production on the island of Ireland highlights the maturing nature of this industry where much of the State's investment in past decades is now ready to be harvested. This announcement today will help ensure that this economic potential is realised and most importantly that the social benefits of our forests are further developed."

Fergal Leamy, Chief Executive, Coillte said "Coillte is on a path to becoming the best forestry and land solutions company in Europe. This funding received from EIB combined with the refinancing arrangements secured with our five syndicate banks will be key in enabling us to achieve our strategic ambitions. I would like to acknowledge the support of NewERA in facilitating this agreement with EIB and I look forward to working with Andrew and his team over the years to come."

Under the new investment more than 35 thousand hectares will be replanted in line with international best practice and more than 1,600 km of forest roads will be constructed and upgraded. The scheme will also improve maintenance of 1,000 km of publically accessible walking routes and mountain bike trails. Investment backed by the new EIB loan will take place in Coillte's 440,000 hectare estate at sites across the country.

"Ireland has some of the best and fastest growing forests in the world and unlocking new investment in forestry is crucial for rural economy economic growth, employment and to support sustainable landscapes and renewable resources. The European Investment Bank is pleased to work with Coillte that will transform recreational access and strengthen management of forests across Ireland for generations to come." confirmed Andrew McDowell, European Investment Bank Vice President.

European Commissioner for Agriculture and Rural Development Phil Hogan said: "Forests help to keep our rural areas vibrant and sustainable, providing over three million jobs in the EU. They also play a major role in the protection of EU biodiversity and represent a key sector in the transition towards a low-carbon and climate friendly economy. Continued investment in the sector is therefore a win-win for our economy, for our local communities, and our environment. This strategic partnership with the European Investment Bank will help to achieve these objectives and support jobs and growth in rural Ireland."

The new backing for investment by Coillte was one of two new forest projects confirmed by the European Investment Bank Vice President during his visit. Andrew McDowell also confirmed that additional support for agriculture projects and forest schemes in Ireland was expected to be confirmed in the coming months.

The European Investment Bank is one of the world's largest financiers for forests and has invested EUR 4.5 billion in forest related projects across Europe and worldwide over the last five years.

Since 1973 the European Investment Bank has provided more than EUR 15 billion for investment to improve public services, key infrastructure and unlock new opportunities for Irish companies across the country.

Background information:

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

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