

Stakeholder engagement on the EIB Group's Climate Bank Roadmap 2021-2025

Webinar 5 - Thursday 25 June 2020
Session 2, Part 2 - Bioeconomy and Land Use

Summary of discussions

The European Investment Bank (EIB) welcomed the over 200 webinar participants. It explained the arrangements to ensure an effective discussion, noting that statements will not be attributed to individuals unless expressly requested.

The EIB delivered a [presentation](#) about the **bioeconomy and land use**. It summarised relevant challenges, the role of the sector in the EIB's activities, the key points that stakeholders raised in the first round, the possible future EIB approach and the main outstanding questions. The floor then opened for discussion.

A participant asked if the EIB considers the **carbon footprint of meat production** in its investment decisions. It was suggested that carbon capture could reduce greenhouse gas (GHG) emissions. The EIB explained that it takes into account GHG emissions in the cost-benefit analysis (CBA) of each project. It acknowledged concerns about the environmental and animal welfare performance of intensive production systems. The adoption of sustainability standards can help allay those concerns. The EIB noted the importance of meat and dairy products for food security, health, nutrition, culture and the rural economy. It considered that intensive, sustainable poultry, pork and fish production will play an increasingly important role in the supply of protein-rich, low-GHG emissions food. The EIB supports the sector's efforts to implement higher environmental, low-carbon, animal welfare and hygiene standards.

Several stakeholders suggested that **meat consumption should be reduced** in favour of a **plant-based diet**. The EIB acknowledged the health benefits of rebalancing diets from animal to plant products. It explained that measures to reduce meat consumption (consumer information, labelling, etc.) are of a regulatory nature and outside of the EIB's remit. The EIB noted that certain groups (e.g. children, women of child-bearing age, the elderly) have specific needs for protein and micronutrients that are present in animal products and easily assimilated by the human body. It further considered that sustainable livestock farming can contribute to maintaining the natural environment, provide fertiliser and renewable energy feedstock, and use plant by-products that humans could not otherwise consume.

Several participants asked how EIB investment can promote **multiple ecosystem benefits**. The EIB replied that it supports EU policy on sustainable land management and sustainable forestry. It gave examples of investments in the rehabilitation of degraded lands through sustainable forest management and agricultural practices, forest rehabilitation, erosion control, continuous cover and close to nature forestry, all of which provide ecosystem services and biodiversity enhancements.

Several participants expressed concern about carbon emissions from **bioenergy from forest biomass**. They asked the EIB to account for carbon emissions from bioenergy generation, irrespective of sustainable forest management. The EIB explained that accounting conventions endorsed by the Intergovernmental Panel on Climate Change (IPCC) and the EU attribute carbon emissions to the Land Use, Land-Use Change and Forestry (LULUCF) sector rather than the energy sector. The EIB follows these conventions, whilst ensuring that biomass comes from sustainably managed forests. Sustainable forest management practices, including biomass removal (through e.g. tending, thinning and final cuts) followed by forest regeneration, have been shown to increase carbon sequestration at forest inventory level compared to non- or badly managed forests. These practices therefore deliver positive carbon impacts.

A participant from an environmental NGO asked how the EIB plans to support **agriculture with substantial climate mitigation and adaptation benefits** as defined under the [EU taxonomy for sustainable activities](#). The EIB noted the recommendation to consider bioenergy emissions in the LULUCF sector and the eligibility of meat production under the taxonomy.

It was suggested that the EIB should prioritise **local supply chains and agro-ecological production** in order to reduce GHG emissions and improve food security. A participant from an environmental NGO stated that the EIB should not finance food that is dependent on air transport. The EIB noted that food supply chains have shown resilience to the COVID-19 crisis. It stressed that, whilst it supports local food supply, regional and global supplies are important to maintain healthy diets throughout the year. Agribusiness models that heavily rely on air and other polluting modes of transport could however be excluded from financing. The EIB explained that ecological production is one of the targets of the European Commission's [Farm to Fork Strategy](#). The EIB is rolling out financial products to support ecological and climate-smart local agricultural systems. It is helping local banks establish climate action criteria for lending to agricultural sector.

A participant asked how the EIB can support **small-scale farmers**, including outside the EU. The EIB explained that 90% of its lending in agriculture within and outside the EU is provided through multi-beneficiary intermediated loans (MBIL) and predominantly benefits SMEs in the agro-food value chain and the bioeconomy, and small farmers.

The EIB Group thanked participants for their constructive participation and reiterated the invitation to submit written contributions by 9 July.