

Sweden: EIB supports SCA's energy efficiency and forestry investments



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The European Investment Bank and Svenska Cellulosa Aktiebolaget (SCA) have signed a EUR 150m loan agreement. The EIB financing will support renewable energy and energy efficiency measures in a pulp mill in Timrå, Sweden, the regeneration and replanting of 68 000 ha of forest – almost three times the area of Stockholm – and the construction of 4 250 km of forest roads. The project is expected to create more than 650 new jobs in the rural economy around the mill and will enable SCA to increase its production in an environmentally sustainable way to meet the growing demand for renewable forest products.

EIB Vice-President Alexander Stubb, responsible for EIB operations in Northern European countries, said: “Our loan to SCA, a major European producer of forest products, will not only decrease the ecological footprint of the pulp, wood and paper products, it will also help to make the market pulp mill energy self-sufficient and to plant thousands of trees. With all eyes on COP23 currently, this is a project that really demonstrates the EIB’s firm commitment to climate-related investment.”

New, advanced process technologies will be installed at the pulp mill in Timrå, resulting in substantial energy efficiency gains. Additionally, the mill will be able to make use of renewable resources, like bark and by-products from the production process, for its energy generation, including both power and heat. As a result, the modernised pulp mill will not only be energy self-sufficient and increase its production capacity, but it will be able to export surplus (green) power. The mill’s carbon footprint will be smaller than that of any comparable mill in the world.

SCA is not only the second largest European saw mill company, but the largest private forest owner in Europe. The company’s forests absorb more CO₂ than the total CO₂ discharged by its entire industrial and transport activities each year. SCA’s forestry measures financed by the new EIB loan are expected to absorb over 44 000 additional tonnes of CO₂ equivalents per year, corresponding to the CO₂ emissions generated by 14 000 cars per year.

The pulp mill will start up in June 2018 once the modernisation project has been completed. The forestry project and the upgrade of the forest road network will be carried out over a period of five years from 2017 to 2021.

“We are carrying out a unique project that will bring the Östrand pulp mill to a leading position in every respect – production, quality, environmental performance,” says Toby Lawton, CFO of SCA. “We’re very pleased with the cooperation with EIB, which contributes to the sound and competitive financing of SCA.”

The European Investment Bank is the world’s largest lender for forest-related investment and over the last five years it has provided EUR 4.5bn for investment in forests around the world. This forest engagement and role as a public bank ensures that only projects with the greatest environmental and economic potential can be supported. Sweden has some of the best and fastest-growing forests in the world and unlocking new investment in forestry is crucial for both the rural economy and the environment. This impressive new investment will both support employment and enable better use of renewable resources.

Background information

About the EIB

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. In 2016 alone, the Bank made available nearly EUR 1.7bn in loans for [Swedish projects](#).

The EIB is committed to supporting implementation of the Paris Climate Agreement and backing climate-related investment around the world.

The EIB, active in more than 130 countries, is the world’s largest financier of climate-related investment and the largest single issuer of green bonds. A quarter of all EIB financing supports climate action and the EIB is committed to providing USD 100bn for climate-related investment in the five years up to 2020.

At COP23 in Bonn, EIB climate experts and senior management will highlight the EIB’s broad support for climate investment in diverse sectors, announcing a number of new policy initiatives and project investments. A regularly updated agenda of EIB events and contacts can be found here.

<http://www.eib.org/infocentre/events/all/eib-at-cop-23.htm>