

**Department of Housing, Local Government & Heritage**

National Parks & Wildlife Service
Newtown Road
Wexford Y35 AP90
Ireland

EXP BEI - EIB
A 003515 06.MAI 22

For the attention of: Mr Andy Bleasdale, Principal Officer

By DHL

Luxembourg, 5 May 2022

JU/OPS-POL/DMTA/2022-06482/LVF/cp

Subject: EIAH – ASApp no. AA-010958 - IRELAND PEATLAND FINANCE INITIATIVE (PFI) - PHASE 2 PREPARATION SUPPORT

Advisory services to be provided by the European Investment Bank (the “**Bank**” or the “**EIB**”) to National Parks & Wildlife Service (“**NPWS**”) of the Department of Housing, Local Government & Heritage pursuant to the European Investment Advisory Hub (the “**EIAH**” or the “**Hub**”)

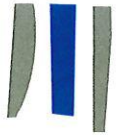
Dear Mr Bleasdale,

In accordance with Article 14 of the EFSI Regulation, the objective of the EIAH is to provide advisory support to public and private entities within the European Union for the identification, preparation and development of investment projects and to act as a single technical advisory hub for project financing within the Union. The advice provided by the EIAH can be delivered by EIB Group (the EIB or the Bank and the EIF) experts, external providers or in collaboration with EIAH partner institutions, such as National Promotional Banks or other International Financial Institutions.

On 2 February 2022, you requested advisory services by the Bank in order to assist in preparing Phase 2 of the Ireland Peatland Finance Initiative (the “**Project**”) with respect to the Project’s specific objectives (the “**Project’s Specific Objectives**”) as the latter are described in Section I of Annex I to the Agreement.

We are pleased to confirm below the terms and conditions pursuant to which the Bank shall provide the requested services to you:

1. The advisory services (the “**Services**”) including any related deliverables to be delivered by the Bank to the entity you represent (the “**Client**”) in the framework of the EIAH, are described in Annex 1 hereto (Description of Services).
2. Without prejudice to the provisions included in the present letter (the “**Letter**”), the mutual rights and obligations of the Bank and the Client shall be as set forth in the General Terms and Conditions (the “**GTC**”) for Advisory Services provided by the European Investment Bank set out in Annex 2 hereto.
3. The Commencement Date for the provision of the services shall be the one indicated in point 2.2 of the GTC; the performance period shall be of 12 months starting from the Commencement Date.
4. In accordance with the provisions of Article 14.4 of the EFSI Regulation, and given its status, the Bank shall provide the Services to the Client free of charge. Article 4 of the GTC is not applicable.



5. For the purposes of Article 5 of the GTC, "Confidential Information" means information which is delivered to the attention of Mr. Stephen Hart, Mr. Alexander Linke or such other person as the Bank shall have most recently notified for this purpose. Information on the personal data processing operation(s) performed by the Bank referred to in Article 15 of the GTC can be accessed here: <https://www.eib.org/en/privacy/lending.htm>.

6. For the purposes of Article 10.2 of the GTC, all notices and correspondence in relation to the Services shall be sent to the following addresses:

For the Bank:

European Investment Bank
98-100, Boulevard Konrad Adenauer
L-2950 Luxembourg
Attention: [REDACTED] Advisory Services Department
Tel: [REDACTED]
e-mail: [REDACTED]

For the Client:

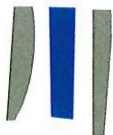
National Parks & Wildlife Service (NPWS)
90 King Street North, Dublin 7
D07 N7CV, Ireland

Attention: Deirdre Lynn, Scientific Officer
Tel: +353 (0)86 8200626
e-mail: Deirdre.Lynn@housing.gov.ie

7. This Letter, including its Annexes, shall be read and construed as one document and shall constitute a binding agreement between the Bank and the Client (the "**Agreement**"). In the event of any ambiguities, conflicts or inconsistencies between or among any of the provisions of the Letter, including its Annexes, the following order of priority shall apply:

- Paragraphs 1 to 8 of this Letter;
- Annex 2; and
- Annex 1.

8. If any provision or part of a provision of this Letter is found by a Court to be void or unenforceable, that provision or part of a provision is to be deemed deleted from this Letter and the remaining provisions to continue in full force and effect. The Bank and the Client shall in this event seek to agree upon a valid and enforceable provision or part of a provision to replace the provision or part of the provision found to be void and unenforceable.



We kindly ask you to indicate your acceptance of the present Letter and its Annexes **by initialling each page, including the Annexes, and signing this Letter and inserting the date of signature.** Please also return **two** original sets to the Bank to the following address:

[Redacted]
Legal Department
European Investment Bank
98-100, Bd Konrad Adenauer
L-2950 Luxembourg

Yours faithfully,

EUROPEAN INVESTMENT BANK

[Redacted]
Advisory Services Department

[Redacted]
[Redacted]
Legal Department

Agreed and accepted for and on behalf of

**Department of Housing, Local Government & Heritage
National Parks & Wildlife Service**

Andy Bleasdale
Principal Officer

Date: *ABleasdale 11/5/2022*

Enclosures:

- Annex 1: Description of Services
- Annex 2: General Terms and Conditions for Advisory Services provided by the European Investment Bank

Annex 1

Section I

1. Project background and General Objectives

Ireland has some of the largest reserves of peatland in Europe, covering over 20% of Ireland's territory, including the most extensive blanket bogs. In their current prevailing state of degradation, primarily from land use change and abstraction, Irish peatlands emit more than 3 MtCO₂ per year which equates to almost 5% of national emissions. Peatlands are a cornerstone of the contribution that land-use can make to Ireland's future carbon reduction commitments. Importantly, peat landscapes are also at the heart of Ireland's biodiversity obligations.

Peatland restoration requires significant upfront investment and deployment of skills for planning and execution. A scoping exercise was conducted between May and November 2021 with a view to establishing a financing model for large-scale restoration of Irish peat landscapes, Peatland Finance Ireland (PFI), with funding from the NCFF (PFI Phase 1). Phase 1 has demonstrated the potential for establishing a financing model that can secure significant carbon and related commercial investment. An opportunity exists to create a link between Ireland's carbon tax, carbon markets and a future standard for landscape restoration that may provide investment certainty for landowners, communities and integrate upstream and downstream effects in catchments and ecosystem types. Consultations with the private sector in Ireland show potential for investable projects and scaling pathways in the energy, forests, agriculture and water sectors. International carbon markets may also be an opportunity for Ireland's peatland landscapes, as they increasingly look for structured frameworks embedded in national policy and legislation.

Mobilisation of a Phase 2 of maturing the structures and a pipeline for full implementation of a PFI (Phase 3) is now proposed, bringing the work undertaken under PFI Phase 1 to fruition through design of a financing instrument linked to national policy, with confirmation of a set of investments that pilot critical pathways for emission reductions and community and biodiversity co-benefits. A phased approach is envisaged.

The ultimate aim of the Ireland PFI is to facilitate the scaling of landscape restoration investment on peatlands to levels of in the order of EUR 100m per annum by 2030, in support of the EU Biodiversity Strategy under the EU Green Deal.

A number of Technical Assistance packages are envisaged to support different components of the PFI, to be scoped under this assignment a view to potential implementation under the European Investment Advisory Hub as well as through other stakeholders and other potential funding sources.

2. Project's Specific Objectives supported by the Services

This assignment will confirm the design of a system for PFI that integrates five mutually reinforcing elements:

Component 1 - Coordination. A governance and consultation framework and learning platform.

Component 2 - Standards. An Irish peatland restoration standard that rewards carbon, biodiversity and other impacts, feeding into development of broader standards for Irish landscape restoration.

Component 3 - Monitoring. A system for monitoring and verification of restoration results on different peat landscape types, within the context of an evolving national GHG inventory.

Component 4 - Economic and funding model. Integration of carbon offsets, carbon taxation and other policy related funding streams to optimise carbon sequestration potential and co-benefits for biodiversity and communities.

Component 5 - Finance – A part-revolving instrument for repayable finance, based on integrated funding streams, for accelerated preparation and implementation of landscape restoration.

Section II

3. General Description of the Services/background

In support of moving forward preparation of the different components of the PFI, the consultant engaged by the EIB will be expected to achieve the following:

- Mature stakeholder and institutional engagement and propose a formal institutional focal point for global coordination of the Peatlands Financing Initiative and division of responsibilities, for consideration by the Irish government.
- Create a roadmap and initial investment plan for restoration of Irish peatland landscapes, aligned with the future legislative and policy framework for carbon and biodiversity regulation.
- Refine the cost structure and economic and funding model outlined in Phase 1, underpinning the PFI.
- Scoping of technical assistance for operationalisation of PFI Phase 2, as a basis for a potential application to the European Investment Advisory Hub and possibly other sources.

4. Description of advisory tasks to be performed under the Services provided to the Client by the Bank

Provision of Services involves execution of the following tasks:

Informing and maturing the stakeholder process

- Mature the stakeholder group for PFI and confirm the confirm the Steering Group for PFI, based on the Steering Group for Phase 1 as well as provide assistance for the latter.
- Analysis of the legal and institutional landscape for an institutional model for the PFI for consideration by Steering Committee and the Irish government.
- Prepare a road map and 3-5 year investment plan for the PFI.

Refinement of the economic model and funding mechanism and development of an outline supporting financing mechanism

- Refinement of the PFI model landscape typology as an evolving basis for PFI planning as well as the cost structure for GHG abatement and biodiversity targets.
- Dialogue with the Irish government, corporates and agricultural stakeholders to map out and propose a method of blending funding streams and a governance, implementing and supporting financing instrument.

Scoping Technical Assistance Needs

- In consultation with stakeholders and the Steering Committee, based on the roadmap and foreseen institutional division of labour, to scope the necessary assistance over the short and medium term to support the operationalisation of the core components of the PFI.

5. Description of Deliverables as a result of the tasks listed above, Timetable/Approval Process, commenting on the deliverables:

Deliverable	Delivery Schedule for submission	Deadline to provide comments by Client*	Deadline for final submission by EIB
Stakeholder consultation report (summary of engagement with public and private stakeholders to date)	Within 3 month from the signature of the Agreement	10 working days from the submission	10 working days from receiving the comments
Proposal for PFI institutional setup, with draft Technical Assistance scope and outline PFI economic and funding model	Within 5 months from the signature of the Agreement	10 working days from the submission	10 working days from receiving the comments
Full roadmap with investment plan, Technical Assistance scope, economic and funding model and outline proposal for a financing instrument	Within 8 months from the signature of the Agreement	10 working days from the submission	10 working days from receiving the comments

****Note: EIB will take into account the Client's comments provided that they are justified (i.e. content is incorrect, inaccurate, incomplete, misleading, inappropriate or irrelevant). EIB shall provide the Services under this Agreement only in accordance with its standards and based on the relevant data available. If the Client expresses no position on the Deliverables within ten (10) calendar days from the submission, the Deliverables are considered tacitly approved.***

Annex 2

General Terms and Conditions for Advisory Services provided by the Bank

11

AS

11

AB

11

AB

100

AB

11/11/11

AB