

Conclusions

Keliber Battery Grade Lithium Production

INVEU-ICR-0015-2023 – Sustainable Infrastructure Window

Short description of the financing or investment operation and its objectives

Name of financial recipient	Keliber Technology Oy
Type of the final recipients	Special Purpose Vehicle / Project Company
Countries of implementation	Central Ostrobothnia, Finland
Implementing partner	European Investment Bank (EIB)

The project will implement the first integrated high purity, battery grade Li hydroxide (LiOH) manufacturing facility in Europe, including mines, concentration and final refining. Moreover, it will be the first deployment at commercial scale of an innovation and breakthrough process for LiOH manufacturing that has a reduced environment and carbon footprint compared to the existing predominant manufacturers. Lithium is a critical raw material due to its supply risk and economic importance for the EU and the transition in energy and transport.

Global Assessment and rationale for approval

The Investment Committee of the InvestEU Fund approved the use of the EU guarantee on 23 March 2023 for the above-mentioned operation.

The project addresses several market failures. Imperfect competition is present in the field of battery manufacturing supply chain, mainly served by dominant non-EU LiOH and Lithium Carbonate (LiCO) manufacturers. As well, imperfect and asymmetric information affects the Project, as the promoter is a start-up, supported by large corporates, investing in innovative technology competing with established companies and technologies.

Along its positive environment and climate externalities, the project will support innovation in the battery supply chain and processing of critical raw materials and hence as well generate positive knowledge externalities. The additionality is seen in EIB, with the support of the InvestEU guarantee, providing a substantial amount of senior financing to the Project, with a catalytic role, expected to crowd in other financiers. With the EIB participation, the Promoter will be able to diversify its funding sources and likely improve its financing conditions.