

# THE INVESTMENT PLAN FOR EUROPE

## COOPERATION WITH NATIONAL PROMOTIONAL BANKS AND INVESTMENT PLATFORMS

### NATIONAL PROMOTIONAL BANKS PLAY A KEY ROLE IN THE INVESTMENT PLAN

*In partnership with the EIB Group, National Promotional Banks (NPBs) play a key role in the implementation of the Plan given their complementary product ranges, local knowledge and geographic reach.*

The Commission strongly encourages their close cooperation with the EIB Group to mobilise all possible resources to achieve the objective of mobilising EUR 315 billion in additional investment over three years. Nine Member States have so far committed to co-finance projects in the context of the EFSI mostly via their NPBs for a total of EUR 42.5 billion. These announcements are now gradually implemented as more projects under the European Fund for Strategic Investments (EFSI) are developed and approved.

The involvement of NPBs is also crucial for the local work of the European Investment Advisory Hub. So far, 18 NPBs have agreed to build partner networks with the EIAH to exchange best practice and enhance the local contact with project promoters.

#### Definition of a National Promotional Bank (NPBs)



NPBs are defined as legal entities carrying out financial activities on a professional basis which are given a mandate by a Member State or a Member State's entity at central, regional or local level, to carry out development or promotional activities, as set out in Article 2(3) of the EFSI Regulation. This definition comprises NPBs in very different forms, distinctive promotional products being offered according to country-specific needs.

#### Contributions to the Investment Plan by Member States



Germany (EUR 8 billion through KfW); Spain (EUR 1.5 billion through Instituto de Crédito Oficial); France (EUR 8 billion through Caisse des Dépôts and Bpifrance); Italy (EUR 8 billion via Cassa di Risparmio di Padova e Rovigo); Luxembourg (EUR 80 million via Société Nationale de Crédit et d'Investissement); Poland (EUR 8 billion via Bank Gospodarstwa Krajowego); Slovakia (EUR 400 million through Slovenský Investičný Holding and Slovenská Záručná a Rozvojová Banka); Bulgaria (EUR 100 million through the Bulgarian Development Bank); UK (£6 billion (c. EUR 8.5 billion)).

### **Examples of EFSI projects co-financed by NPBs**

For instance, the French Caisse des Dépôts et des Consignations, the Belgian Federal Holding and Investment Company (SFPI/FPIM) and the Société Régionale d'Investissement Wallonie have co-invested in an EFSI-backed fund that helps to transform former contaminated industrial sites into habitable areas. In Spain, the EIB has a risk-sharing agreement under the EFSI with Instituto de Crédito Oficial (ICO) to finance ICO's infrastructure fund for transport, energy and social infrastructure projects. Also, the German KfW contributed EUR 1 billion to support around 23,000 start-ups and young enterprises under the EFSI's SME Window. Also, the LfA Förderbank Bayern and the EIF signed an agreement under the SME Window for the benefit of innovative SMEs in the region of Bavaria. In Poland, Bank Gospodarstwa Krajowego supports more than 4,000 SMEs through a loan guarantee facility from the EIF backed by the EFSI of about EUR 200 million. In Italy, the EIF, Cassa Depositi e Prestiti, and SACE (CDP Group) signed two InnovFin and COSME guarantee agreements benefitting from EFSI support to provide up to EUR 1 billion to over 800 Italian SMEs.

## **EFSI INVESTMENT PLATFORMS CAN HELP TO UNLOCK ADDITIONAL INVESTMENTS**



Key tools to finance portfolios of projects with thematic or geographic focus (attracting investors, including NPBs) are EFSI Investment Platforms, as defined in the EFSI Regulation. They have a variety of advantages. For example, they can bundle funds from different sources to enable diversified investments, based on a geographic (e.g. several Member States, or at regional level) or thematic basis (e.g. energy efficiency investments, broadband, or SMEs). They can also make smaller or local investment opportunities accessible to new investor groups, for example institutional investors including pension funds or sovereign wealth funds.

The EFSI Steering Board adopted a set of rules applicable to EFSI operations with Investment Platforms and NPBs. The rules outline the main principles for setting up Investment Platforms under the EFSI and their possible structures. In addition, the paper provides a number of concrete structures of possible Investment Platforms.

### **Setting up EFSI Investment Platforms – the basics**

#### ***Who can set up Investment Platforms?***

Any public or private institution or a group of institutions can set up a Platform. The sponsor has to establish the investment needs, the sectoral or geographic focus, the business case, the sources of funding, the risk-sharing arrangements, decision-making rules, etc. Typically, the sponsor also provides part of the initial funding of the Platform's activities.

#### ***What are the possible legal forms of an Investment Platform?***

An Investment Platform can be set up in the form of a Special Purpose Vehicle such as a fund, a managed account, contract-based co-financing or a risk-sharing arrangement.

#### ***Who manages the Investment Platform?***

Each Investment Platform needs a Platform Manager, who takes care of the day-to-day management and the business of analysing requests from project promoters. Typically, the Platform Manager is appointed by the Platform sponsor(s) and can be a public or private entity.

### *How will an Investment Platform be funded?*

On top of the initial funding provided by the sponsor(s) and EFSI support, a significant portion of the funding of Platforms will have to come from other public and private sources, such as: NPBs, governments (national, regional, local), EU budget funds, commercial banks and capital markets. Public and private sources can also complement the platform financing at project level.

### *What type of products can a Platform provide?*

A Platform can provide any type of financial support to projects as long as the EIB Group financing under the EFSI is channelled to projects that comply with the EFSI eligibility and additionality criteria.

### *How are Investment Platforms approved?*

Under the Infrastructure and Innovation window, the EFSI Investment Committee has to confirm that the proposed structure qualifies as an EFSI Investment Platform and approve the use of the EFSI guarantee for the EIB financing to the Platform and/or for each underlying operation, depending on the structure of the Platform. Under the SME window, the EFSI Steering Board and the EFSI Managing Director have to approve the Platform, after consulting the EFSI Investment Committee.

**If you are interested in becoming a Platform sponsor and have a concrete proposal, please contact the EIB directly (for Platforms under the Infrastructure and Innovation window) or the EIF (for Platforms under the SME window). For the development of Platforms that require technical assistance, please contact the European Investment Advisory Hub.**

## **Examples of Investment Platforms**

The first approved EFSI Investment Platform, the **“Fonds SPI Sociétés de Projets Industriels”**, is a Fund set up to boost productive investment in France. The Platform’s objective is to promote the development of industrial clusters in particular with respect to ecological and energy transition. It aims to intervene in equity through minority shareholdings alongside majority private industrial partners in newly created project companies to finance their transition to the industrialisation phase of new technologies and new sectors. The Fund has high value added features, combining in particular high capital intensity, longer than usual return on investment and a particular risk-mix. Thanks to EFSI support, this is the first investment by the EIB in a Platform supporting industrial companies in Europe. By working systematically in partnership with industrial partners, the Fund will catalyse private investments in promising sectors, resulting in high value added jobs and contributing to sustainable development. It is estimated that the projects in which the Fund will invest will generate more than 4,000 direct full-time posts during operation.

Another model for an EFSI Investment Platform is the **“Accessibility Ports Infrastructure”** Platform in Spain, which helps to support, through a EUR 105 million EFSI framework loan to a newly created Special Purpose Vehicle, investments in rail and road accesses to the main national ports. This Special Purpose Vehicle – the Port Accessibility Fund (PAF) – will support the implementation of eligible rail and road projects in 13 pre-identified ports under the PAF’s investment programme. This will run from 2015-2020 with a total cost of EUR 485 million and will help to improve land connectivity in key ports all located in the TEN-T Network.

Several other Investment Platforms are under preparation.