



THE INVESTMENT PLAN FOR EUROPE

EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI)

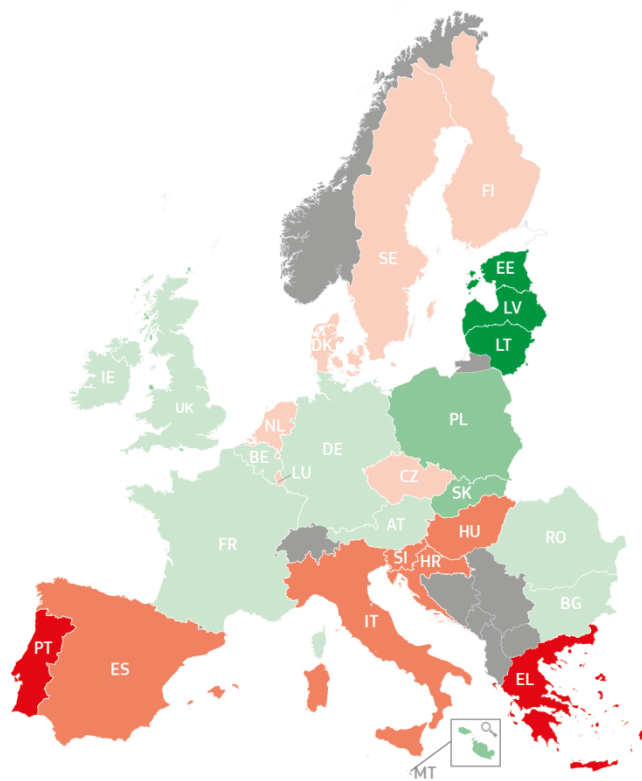


EU ECONOMIC CONTEXT

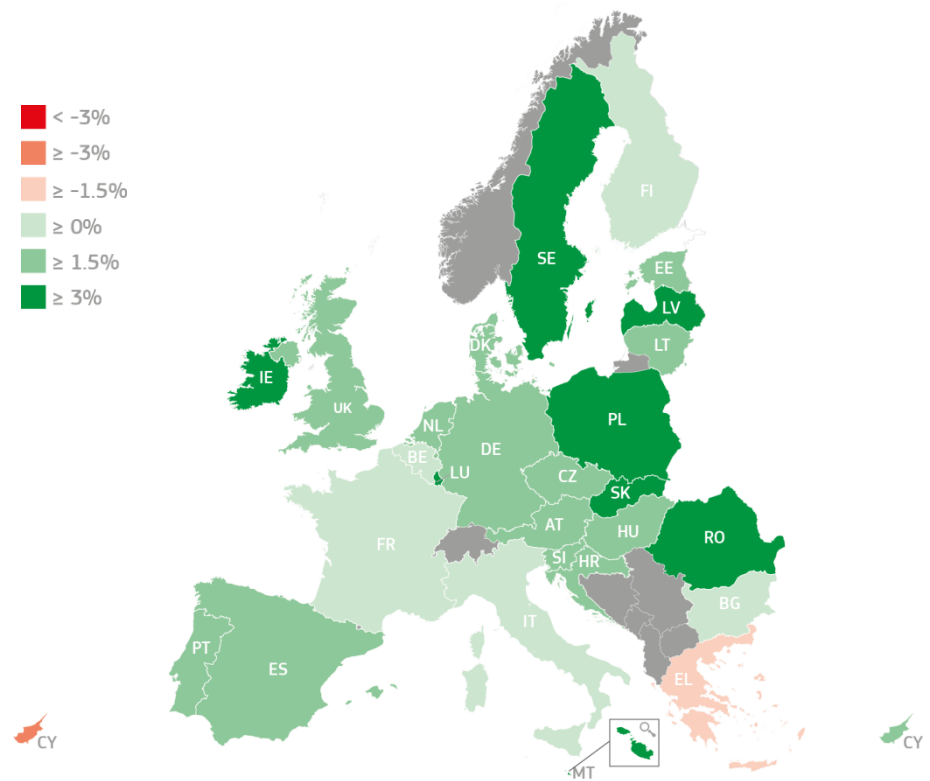
- The European economy is now entering its **fourth year of recovery** and growth continues at a **moderate** rate, driven mainly by consumption.
- Certain **factors supporting growth** are now expected to be stronger and last longer than previously assumed: low oil prices, favourable financing conditions and the euro's low exchange rate.
- At the same time, **risks** to the economy are becoming more pronounced and new challenges are surfacing: slower growth in China and other emerging market economies, weak global trade as well as geopolitical and policy-related uncertainty.
- **Employment** should continue to rise modestly. EU unemployment should fall from 9.5% in 2015 to 9.0% this year and 8.7% in 2017.
- **Euro-area** real GDP is expected to rise from 1.6% in 2015 to 1.7% this year, and 1.9% in 2017. **EU28** real GDP is expected to remain at 1.9% this year, and rise to 2.0% in 2017.

THE ECONOMIC SITUATION IS IMPROVING AND THE RECOVERY IS TAKING HOLD

EUROPEAN GROWTH MAP 2012



EUROPEAN GROWTH MAP 2016 (FORECAST)



EU ECONOMIC POLICIES

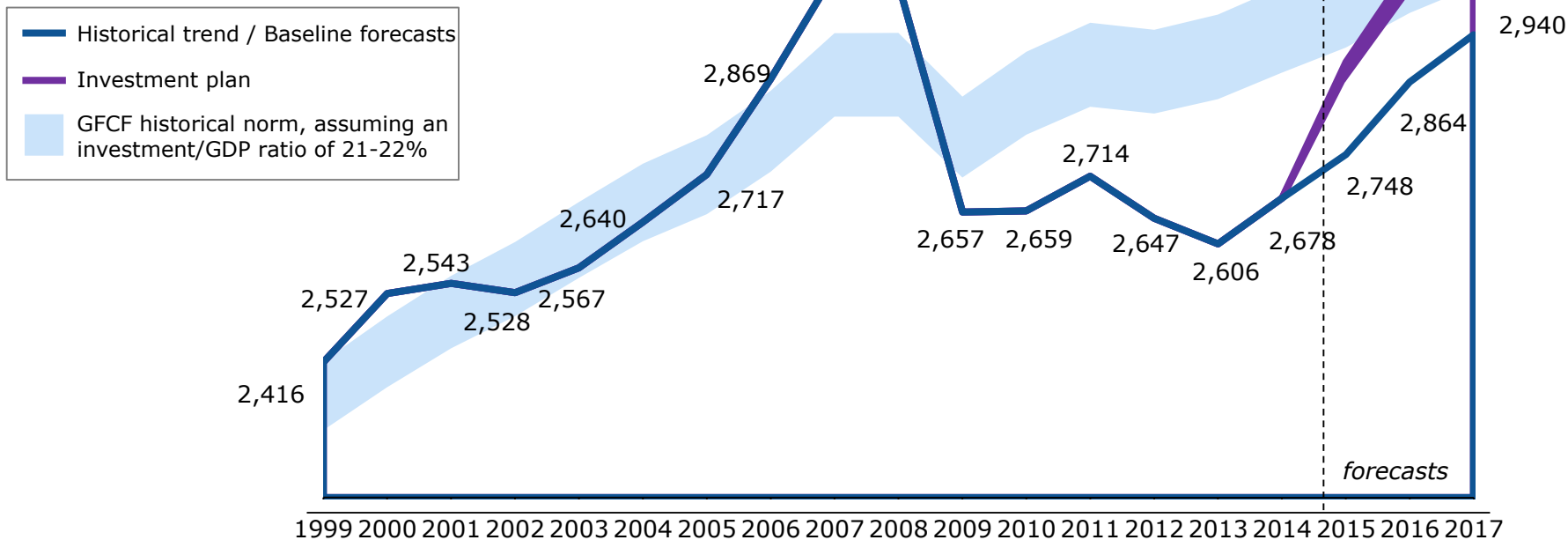
Sustaining and strengthening the recovery:

1. boost investment
2. pursue responsible public finances
3. carry out structural reforms to enhance competitiveness.

The €315bn investment plan has the potential to bring investments back in line with historical norms

Real gross fixed capital formation – Baseline trend vs. historical norm vs. investment plan

EU-28, in 2013 prices, € bn



EU INVESTMENT PLAN: RATIONALE

**EU INVESTMENT &
COMPETITIVENESS GAP**

HIGH LIQUIDITY IN THE MARKET

PUBLIC BUDGET CONSTRAINTS

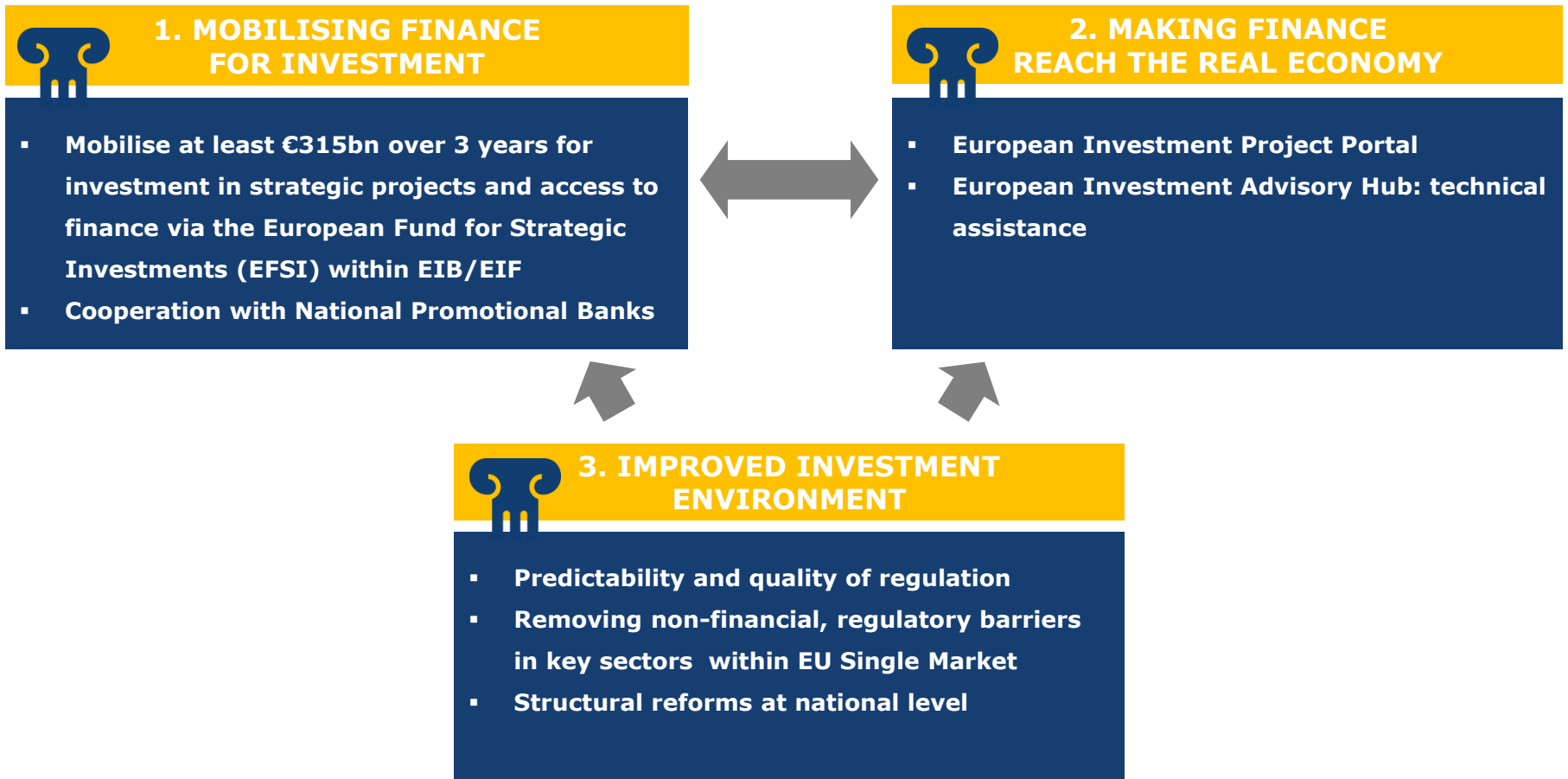
**FINANCIAL AND NON-FINANCIAL
BARRIERS TO INVESTMENT**



EU Investment Plan

**EU/MS policy action + EU budget +
EIB capacity to mobilise private
sector funds towards strategic
investments.**

EU INVESTMENT PLAN: 3 PILLARS





3. Improved investment environment

- Better and more predictable **regulation** at all levels
 - Making most of the **Single Market**
 - **Structural reforms** in the Member States
 - **Openness** to international trade and investment



3. Improved investment environment

Making most of **EU Single Market**

- **Single Market Strategy**
 - Support start-ups, remove barriers to firms and services
- **Energy Union**
 - Transition to low-carbon economy (RE/EE), energy market, interconnections.
- **Digital Single Market**
 - Level playing field, improved access to digital goods and services, harmonisation of rules
- **Capital Markets Union**
 - Reduce fragmentation, reduce cost of funding esp for SMEs, amend Solvency II
- **Single European Transport Area**



3. Improved investment environment

Structural reforms in Member States

Annual Growth Survey (EC, Nov-2015) – country fiches on MS investment challenges, to be reviewed in European Semester

1) PUBLIC ADMINISTRATION/ BUSINESS ENVIRONMENT

Regulatory barriers and administrative burden; Public administration; Public procurement /PPPs; Judicial system; Insolvency framework; Competition and regulatory framework

2) LABOUR MARKET/ EDUCATION

Employment protection legislation & framework for labour contracts
Wages & wage setting; Education, skills, lifelong learning

3) FINANCIAL SECTOR / TAXATION

Taxation; Access to finance

4) RESEARCH, DEVELOPMENT AND INNOVATION

Cooperation between academia, research and business ; Financing of R&D&I

5) SECTOR SPECIFIC REGULATION

Business services / Regulated professions ; Retail; Construction; Digital Economy /ICT; Energy; Transport



2. Making finance reach the real economy

Transparency on the investments in Europe

- European Investment Project Portal – will go live early 2016
- Matching investment opportunities proposed by project sponsors with investors' interest
- Pre-launch phase is now open – project promoters may submit projects @ <http://ec.europa.eu/eipp>

Strengthening advisory services

- European Investment Advisory Hub (EIAH) – EC/EIB
- www.eib.org/eiah
- Technical assistance
- Pooling resources & expertise including from MS

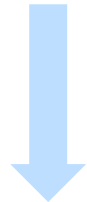
1. European Fund for Strategic Investments (EFSI)



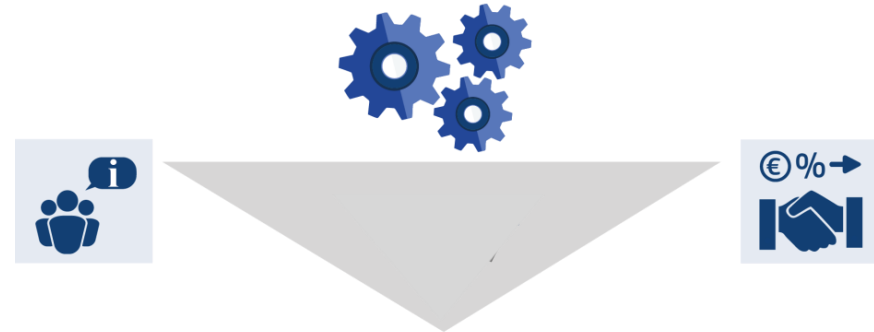
EFSI risk-bearing capacity
€ 21 bn



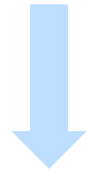
3x



EIB / EIF financing
~ € 61 bn

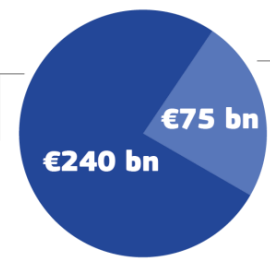


5x



Investments value over 3 years
~ € 315 bn

Infrastructure & Innovation window



SME window



Approved operations in the agricultural/rural development sectors

Infrastructure and Innovation Window (EIB approvals*)	Project description	Total investment (est.)	EIB approved financing (EFSI)
ÄÄNEKOSKI BIO-PRODUCT MILL (Finland)	Construction of a new bio-product mill	€ 1.2 bn	€ 75 mn
ENVO BIOGAS TØNDER (Denmark)	Construction and operation of a greenfield biogas production	€ 93 mn	€ 33 mn
NORD PAS DE CALAIS THD (France)	Rolling out high-speed fibre broadband in rural and remote areas	€ 610 mn	€ 147 mn
ALSACE THD (France)	Rolling out high-speed fibre broadband in rural and remote areas	n/a	n/a
EASTERN POLAND DAIRY PRODUCTION FACILITY (Poland)	Construction of a milk powder factory and extension of the existing plant by new production lines	€ 75 mn	€ 38 mn

* Pending approval of the use of EU Guarantee for some operations

SME Window (EIF signatures)	Description	Total investment (est.)	EIF financing commitment (EFSI)
Bürgschaftsbank Nordrhein-Westfalen GmbH on behalf of 16 Guarantee Banks	Enhanced access to finance in Germany: 60% guarantee on loans targeted at SMEs in the agricultural sector	€ 933 mn	€ 18 mn (up to)

STATUS AND NEXT STEPS

Status

- EFSI regulation entered into force in Jul-15.
- Projects already approved by EIB/EIF since Apr-15.
- All EFSI governing bodies in place.
- EIAH operational since Sep-15.
- EIPP in pre-launch phase

Next steps

- Investments to be submitted to EIB/EIF for EFSI financing.
- Guidance on ESIF/EFSI combination. Rules for Inv. Platforms/NPBs.
- EIAH work programme 2016.
- EIPP launch.



THANK YOU FOR YOUR ATTENTION

MORE INFORMATION AVAILABLE AT:

ec.europa.eu/invest-eu

www.eib.org/invest-eu

www.eib.org/eiah

ec.europa.eu/eipp

#InvestEU

BACK-UP SLIDES

EFSI: ELIGIBLE SECTORS

1. Research, development and innovation
2. Energy (ref. Energy Union priorities)
3. Transport
4. Information and Communication Technologies
5. Environment and resource efficiency
6. Human capital, culture and health
7. Support to SMEs and mid-cap companies

KEY FEATURES OF EFSI / 1

- Focus on investments in **real economy**
 - Results on growth and jobs
 - Market-driven, no political interference
 - No geographic or sector pre-allocation
- Consistency with **EU policies**
- Leverage / crowd-in **private sector** and third parties
- Economic and technical **viability**
- **Additionality** vs existing instruments
 - Market failures and sub-optimal investment
 - Higher risk-taking than EIB normal activity in EFSI timeframe

KEY FEATURES OF EFSI /2

Size of investments

- EIB uses min €25m for individual loans
- Smaller schemes can be grouped into framework loans
- No size restriction for operations via Fin. Intermediaries (e.g. for SMEs)

Geographic scope

- EU28
- Projects involving an entity in a MS and extending to Enlargement (Western Balkans, Turkey), EU East/South Neighbourhood, EEA/EFTA (Norway, Switzerland, Liechtenstein), Overseas Countries and Territories.

CO-FINANCING WITH EFSI ANNOUNCED BY MS

MEMBER STATE	NPB ¹	FINANCING (UP TO)
Germany	KfW	€ 8,000m
Spain	ICO	€ 1,500m
France	CDC	€ 8,000m
Italy	CDP	€ 8,000m
Luxembourg	SNCI	€ 80m
Poland	BGK/PIR	€ 8,000m
Slovakia	SIH/SZRB	€ 400m
Bulgaria	BDB	€ 100m
United Kingdom		€ 8,500m
TOTAL		€ 42,580m

¹. National Promotional Banks

EFSI GOVERNANCE

STEERING BOARD

- sets the strategic orientations, operating policies, rules applicable to operations with NPBs and Investment Platforms, and the risk profile of the EFSI
- 3 members from the Commission (**Gerassimos Thomas, Irmfried Schwimann, Benjamin Angel**)
- 1 member from the EIB (**Ambroise Fayolle**)

MANAGING DIRECTOR AND DEPUTY MANAGING DIRECTOR

- MD (**Wilhelm Molterer**): Day-to-day management of the EFSI, prepares and chairs the meetings of the investment committee, public face of the EFSI
- dMD (**Ilyiana Tzanova**): assists the MD



INVESTMENT COMMITTEE

- 8 independent experts selected by the Steering Board for their competence in project financing
- Approves or rejects the support of the EU guarantee for EFSI projects on the basis of the EFSI Regulation and the scoreboard of indicators



Dominik Radziwill



Gillian Day



Thierry Déau



Dalia Dubovske



Nieves Rodriguez



Noel Gregor Patterson-Jones

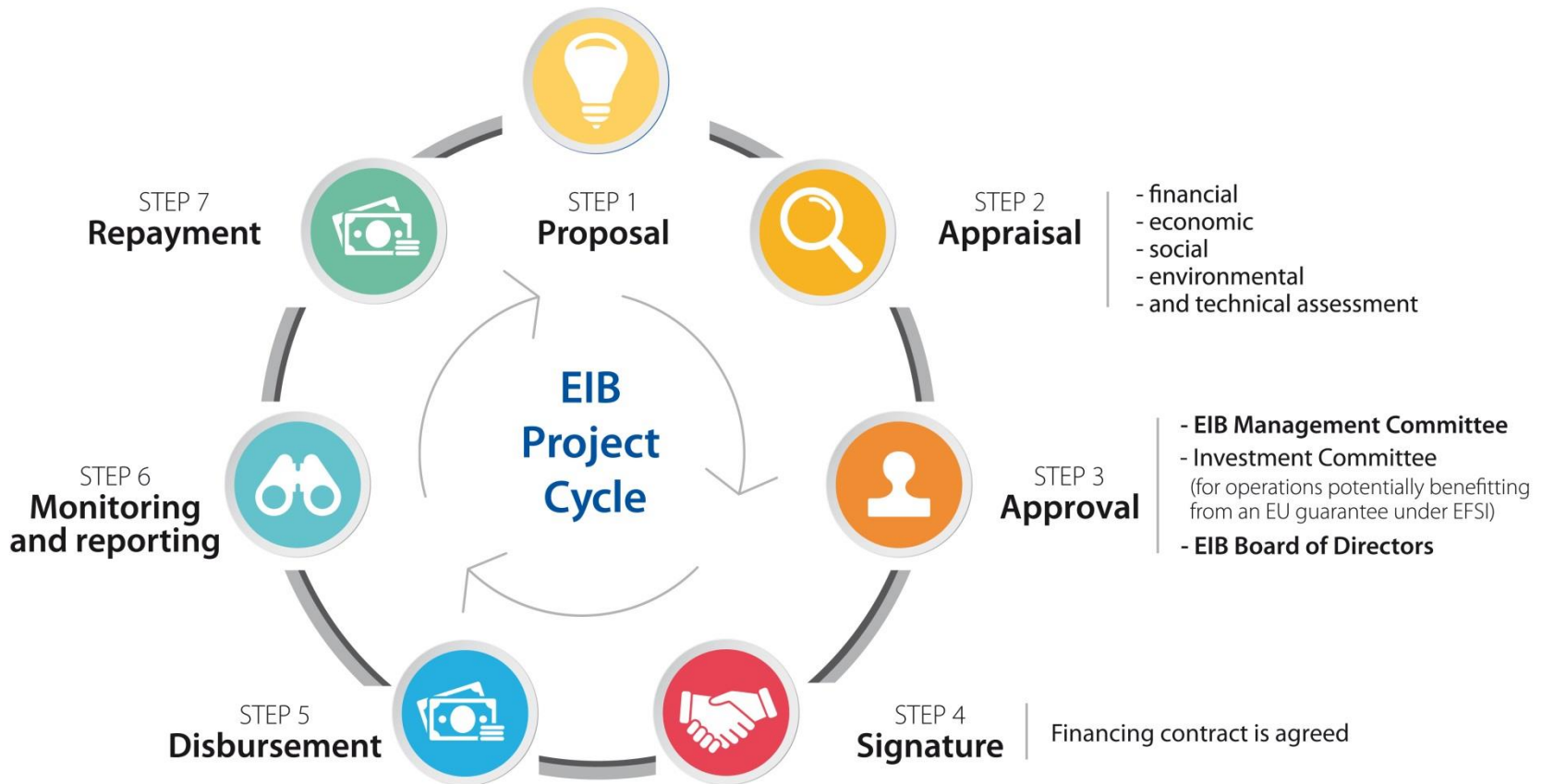


Vicky Kefalas



Fabio Pammoli

EIB Project cycle for an EFSI project



EFSI SCOREBOARD

- Ensure EU Guarantee is directed to projects with high Value Added
- Part of EIB due diligence -> Investment Committee
- Scoring of each project based on **4 pillars**
 1. Contribution to EFSI policy objectives
 2. Quality and soundness of the project
 3. Technical and financial contribution
 4. Complementary indicators
 - Additionality, Macro-economic indicators, Multiplier, Private finance, cooperation with NPBs, co-financing with EU funds, Energy efficiency, Climate action

Investment opportunities

Projects

- Mobilisation of private sector capital (e.g. private investors, commercial banks, promoters)
- Cofinancing / Risk-sharing with EIB/EIF

Investment Platforms

- Pooling of projects with thematic or geographic focus
- Flexible form: agreement, SPV, Fund, etc.
- Can benefit from EU Guarantee via EIB
- Cooperation with EU National Promotional Banks

Interest by institutional investors, third countries and SWFs

- Working group EC-EIB-China on investment cooperation

EIB Group operations (as of 9 Feb. 2016)

Approved operations by EIB Group are located in **22 Member States**

Infrastructure and Innovation Window (EIB approvals)	# projects	Total investment	EIB approved financing (EFSI)
TOTAL	46 *	€ 27.7 bn	€ 6.7 bn

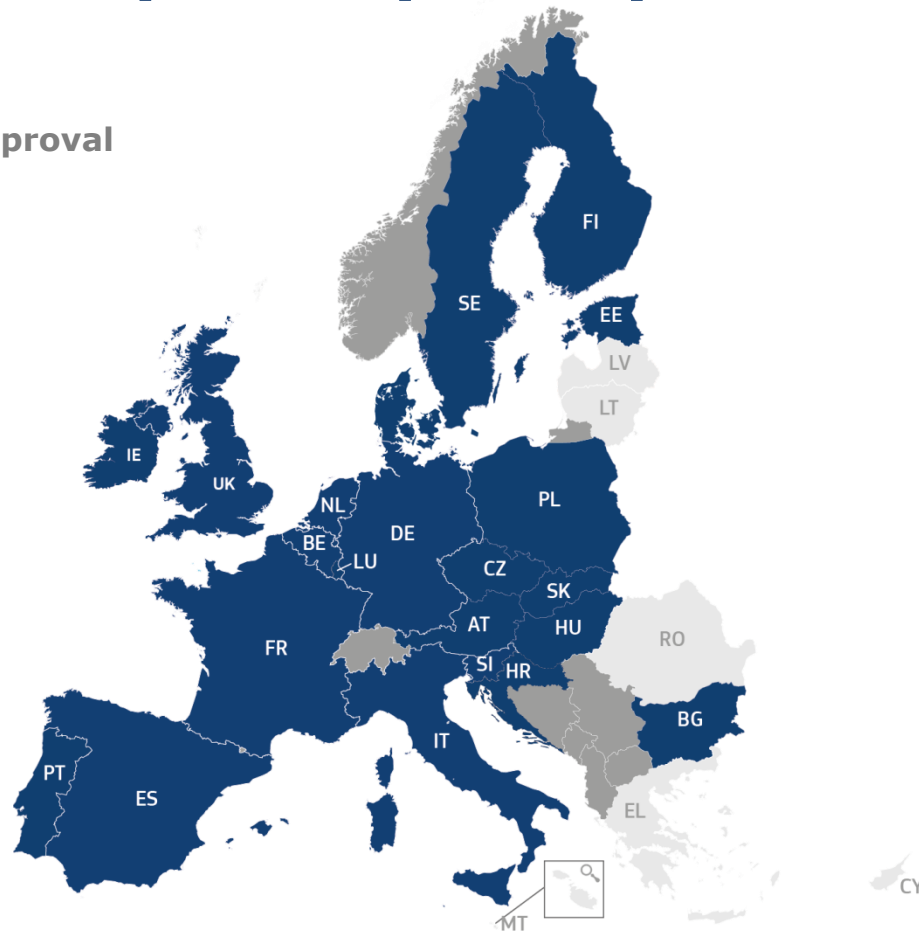
SME Window (EIF signatures)	# transactions	Total investment (est.)	EIF financing commitment (EFSI)
EIF risk capital	53	€ 18.9 bn	€ 1.8 bn
EIF guarantees for SMEs portfolios	51 *	€ 16.7 bn	€ 0.6 bn
TOTAL	104	€ 35.6 bn	€ 2.4 bn

Some 110,000 SMEs and Midcaps are expected to benefit from EIF enhanced access to finance.

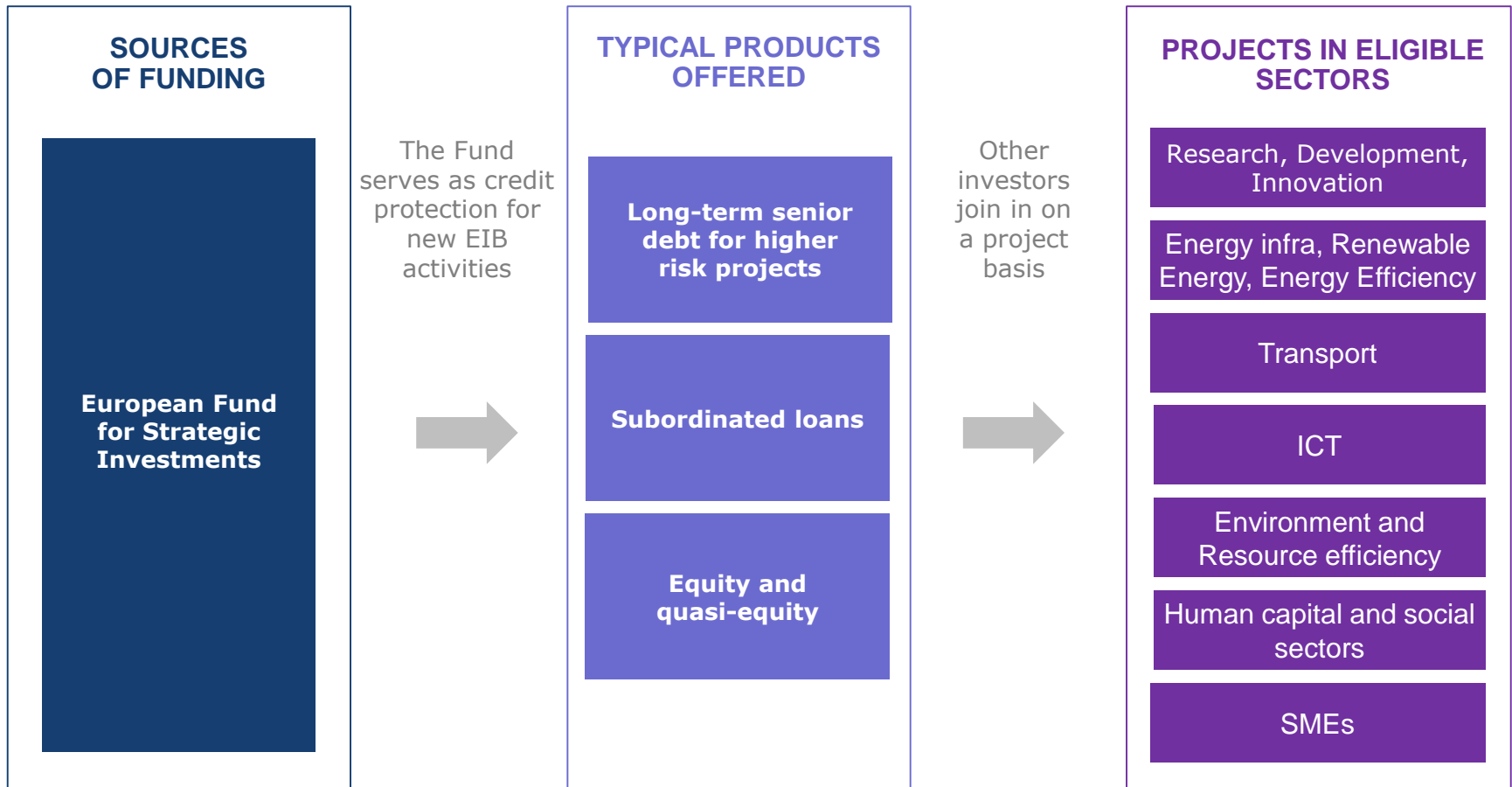
* Pending approval of the use of EU Guarantee for some operations

Geographic allocation of EFSI-backed projects so far (January 2016)

Approved projects
+ projects pending EC approval



INFRASTRUCTURE AND INNOVATION WINDOW



List of EIB approved projects (as of 9 Feb. 2016)

Project	Country	Project cost	EIB financing (EFSI)
Signed			
Bioscience R&D	Spain	€ 240m	€ 100m
Industry modernisation	Italy	€ 227m	€ 100m
Renewable energy	Denmark	≈ € 2,000m	≈ € 75m
Pulp production upgrade	Finland	€ 1,225m	€ 75m
Biotech/Chemical RDI	Spain	€ 313m	€ 50m
Renewable energy equity fund	France	€ 1,000m	€ 50m
Offshore wind	Belgium	€ 653m	€ 100m
Offshore wind	UK	≈ € 1,608	≈ € 314m
Healthcare PPP	UK	≈ € 485m	≈ € 148m
High-speed broadband *	Italy	€ 1,808m	€ 500m
Smart meters	UK	≈ € 1,378m	≈ € 510m
Energy efficiency in buildings	France		
- SEM Energies Posit'IF Ile de France	France	€ 200m	€ 100m
- SPEE en Picardie	France	€ 58m	€ 23.5m
Low-carbon projects	France	€ 205m	€ 20m
Gas transmission	Spain	€ 326m	€ 160m
Financing for SMEs	Netherlands	Not disclosed	€ 24m
Transport rolling stock *	Italy	€ 709m	€ 300m

* Pending approval of the use of EU Guarantee

List of EIB approved projects (as of 9 Feb. 2016)

Project	Country	Project cost	EIB financing (EFSI)
Transport infrastructure *	Spain	€ 467m	€ 105m
Smart meters *	Italy	€ 415m	€ 200m
<u>Sub-total signed operations</u>		<u>€ 13,317m</u>	<u>€ 2,950m</u>
<u>To be signed</u>			
Primary care PPP	Ireland	€ 142m	€ 70m
Renewable energy projects	Germany/France	€ 300m	€ 150m
Renewable energy equity fund *	UK	≈ € 500m	€ 50m
Financing for Midcaps	Croatia	Not disclosed	€ 50m
Renewable energy equity type	Ireland	≈ € 1,000m	Not disclosed
Transport upgrade	Italy	€ 843m	Not disclosed
High-speed broadband *	France	€ 610m	€ 147m
High-speed broadband *	France	Not disclosed	Not disclosed
Transport upgrade *	Slovakia	€ 1,332m	€ 500m
Offshore wind *	UK	≈ € 2,655m	≈ € 306m
Energy efficiency *	UK	≈ € 489m	≈ € 136m
Biogas plant *	Denmark	Not disclosed	Not disclosed
Infrastructure fund *	France, Belgium, EU	€ 162m	€ 30m
Transport infrastructure *	France	€ 560m	€ 280m
Energy *	Italy	€ 236m	€ 30m
Energy efficiency fund *	UK	€ 204m	€ 36m

List of EIB approved projects (as of 9 Feb. 2016)

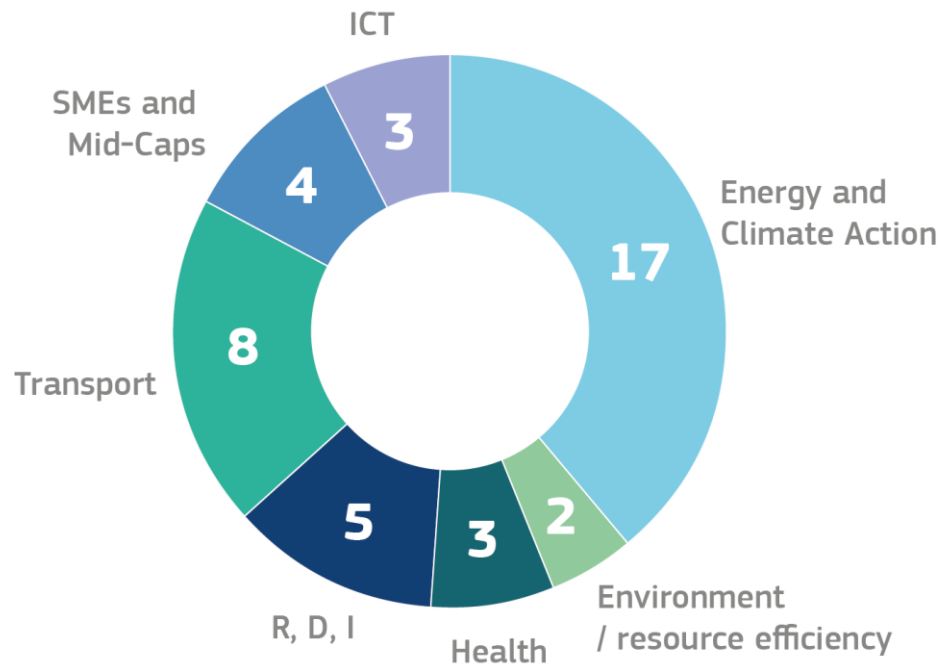
Project	Country	Project cost	EIB financing (EFSI)
EIB Co-Investment Programme			
<i>Eurofideme 3 Co-Investment Wind *</i>	<i>Sweden</i>	<i>€ 37.5m</i>	<i>€ 16m</i>
Green shipping *	Spain	€ 350m	€ 75m
Infrastructure risk sharing *	Spain	€ 600m	€ 25m
Water infrastructure *	Ireland	€ 514m	€ 200m
Port upgrade	Spain	Not disclosed	Not disclosed
Polymer R&D *	Italy	€ 102m	€ 15m
Agribusiness upgrading *	Poland	€ 75m	€ 37m
IT programme	Spain	€ 200m	€ 100m
Resource efficiency	Italy	≈ € 501m	€ 200m
Housing	France	€ 1,553m	€ 500m
Health care	Not disclosed	Not disclosed	Not disclosed
TOTAL		≈ € 27.7 bn	≈ € 6.7 bn

* Pending approval of the use of EU Guarantee

Some figures cannot be disclosed due to commercial interests and/or ongoing bidding processes – in line with EIB Transparency policy.

Sectorial allocation of EFSI-backed projects so far (January 2016)

of approved projects+ projects pending EC approval



EXAMPLE OF EFSI PROJECT/1

Innovative renewable energy infrastructure fund in Denmark

- EIB, backed by EFSI, provides equity-type financing of up to EUR 75m to Copenhagen Infrastructure Partners for an innovative infrastructure fund investing in large energy-related projects such as offshore wind, biomass and transmission schemes.
- EIB's equity participation would contribute to the fund's overall market credibility with institutional investors and help broaden its investor base to an international one.
- The anticipated high share of offshore wind, biomass and transmission investments is expected to generate considerable employment in the construction phase (2500 - 4000 jobs). It is also estimated that some 1000 jobs may be created during the project's operation, a significant number of which will be highly-skilled jobs.

EXAMPLE OF EFSI PROJECT/2

Energy efficiency in residential buildings in France

- The EIB, backed by EFSI, provides a €400m loan to a pioneering financing programme aimed at addressing the need to trigger energy efficiency investments in private homes in France on a large scale.
- The project supports an innovative approach by French regions to set up specialised companies to provide a 'packaged' solution covering technical and financial assistance to homeowners for retrofitting.
- The project is expected to support retrofitting of some 40 000 flats and houses.
- Energy efficiency investments will benefit the economy by cutting energy bills, saving emissions and creating new construction jobs (c. 6 000). Total energy savings are estimated to be of the order of 288 000MWh per year. This is roughly equivalent to the annual energy consumption of 9 600 French households.

EXAMPLE OF EFSI PROJECTS/3

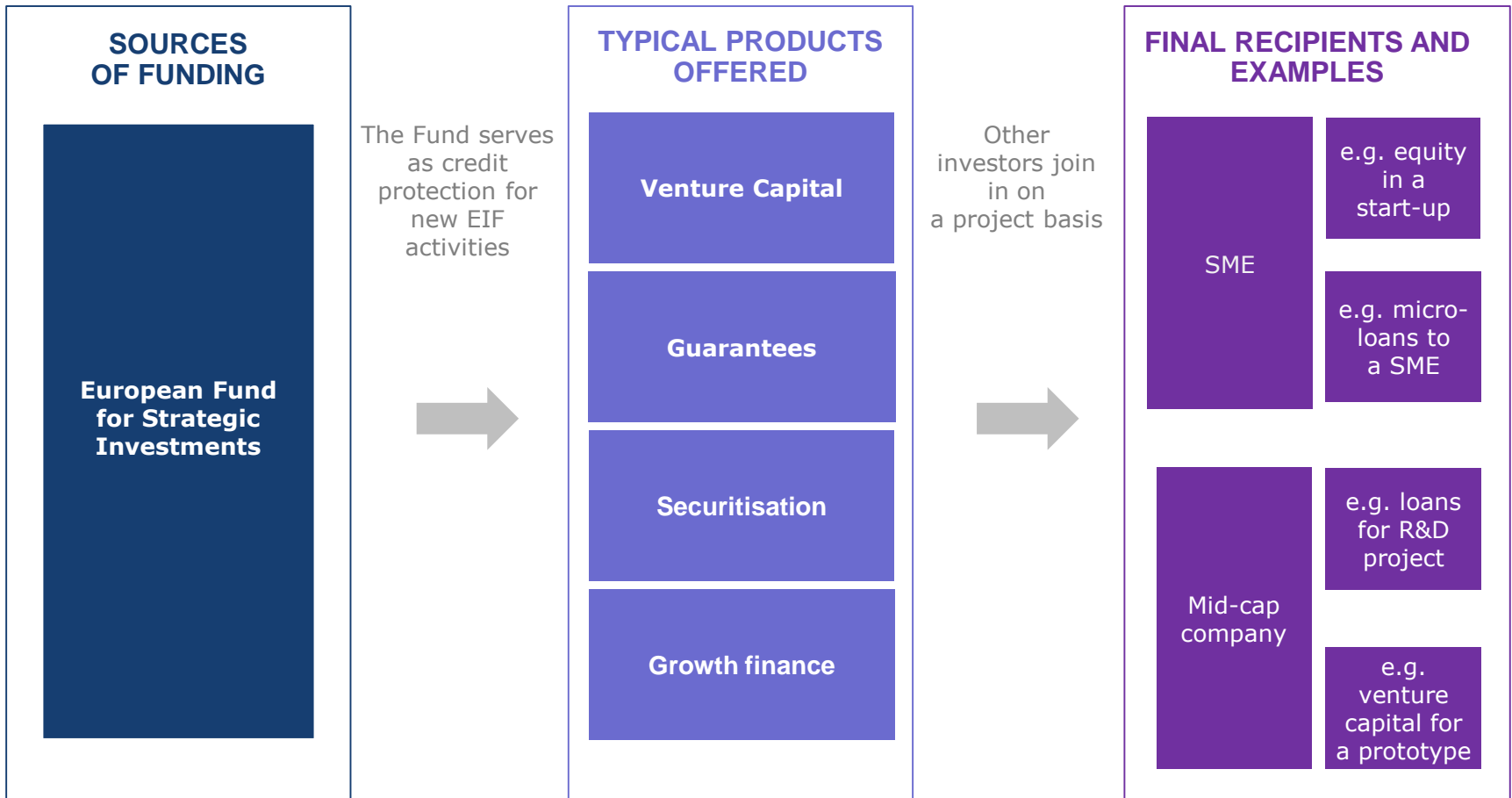
Accessibility Ports Infrastructure (Spain)

- The project concerns the financing of the Fondo Financiero de Accesibilidad Terrestre Portuaria (FFATP), to support investments in accesses via rail and road to the main national ports during 2015-2020. The project will improve interoperability between transport modes in the TEN-T network as all ports are TEN-T and in Cohesion Priority Regions.
- The majority of schemes contribute to Climate Change through Sustainable Transport objectives.
- Third party financing required in order to complete the financing needs.
- Financing from the EIB will accelerate the construction of projects and will act as a catalyst for the participation of the Spanish NPB (ICO) and commercial banks.

Transport rolling stock (Italy)

- Innovative financing structure (bond scheme) under EFSI for the acquisition of 49 five-car articulated EMUs and 250 double-deck passenger coaches.
- New rolling stock will be used in 5 regions, concentrating 50% of the service supply and 60% of the entire Trenitalia's patronage.
- Delivery of new rolling stock: 2014 – 2016
- Project Investment Cost: € 709m
- Loan amount: € 300m

SMES AND MID-CAP WINDOW



EIF signed operations (as of 4 Feb. 2016)

SME Window (EIF signatures)	# transactions	Total investment (est.)	EIF financing commitment (EFSI)
EIF risk capital	53	€ 18.9 bn	€ 1.8 bn
EIF guarantees for SMEs portfolios	51 *	€ 16.7 bn	€ 0.6 bn
TOTAL	104	€ 35.6 bn	€ 2.4 bn

Some 110,000 SMEs and Midcaps are expected to benefit from such enhanced access to finance.

In 18 countries* of EU-28: Belgium, Bulgaria, Czech Republic, Denmark, Estonia, France, Germany, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Portugal, Slovenia, Spain, Sweden, United Kingdom.

* Excluding "multi-country" coverage of some equity investments funds

EXAMPLE OF EFSI-BACKED EIF OPERATION / 1

EIF and Bpifrance sign first agreement for innovative French companies

Under the agreement, Bpifrance will provide finance to innovative companies in France for a total of EUR 420 million over the next two years with support of EFSI, allowing EIF to provide a new financing boost for highly innovative businesses under the Horizon 2020 initiative InnovFin, the EU's Finance for Innovators.

Bpifrance has recently launched a product called "Prêt d'Amorçage investissement" ("PAi") to address the needs of start-up companies. It will combine this product with the EU guarantee at a 40% guarantee rate.

EXAMPLE OF EFSI-BACKED EIF OPERATION / 2

EIF and BGK sign first COSME agreement in Europe to benefit Polish businesses

The agreement will provide BGK with a counter-guarantee allowing to support PLN 1,000 million (ca. EUR 250 million) of loans to SMEs in Poland over the next two years with the support of EFSI.

The loans will be provided without hard collateral thanks to a 80% guarantee which in turn is backed by a counter-guarantee from the EIF, provided under the COSME programme with financial backing from the EU.

The agreement will make it possible for BGK to launch a new guarantee product and to support additional financing without requiring hard collateral (e.g. mortgage) at favourable conditions to approximately 5,000 SMEs.

WHAT IS THE ADVISORY HUB (EIAH) ?

A tool to strengthen Europe's investment and business environment

A **cooperation platform** to leverage, exchange and disseminate expertise

A joint initiative by the European Commission and the European Investment Bank

A **single access point** to a 360 degree offer of advisory and technical assistance services

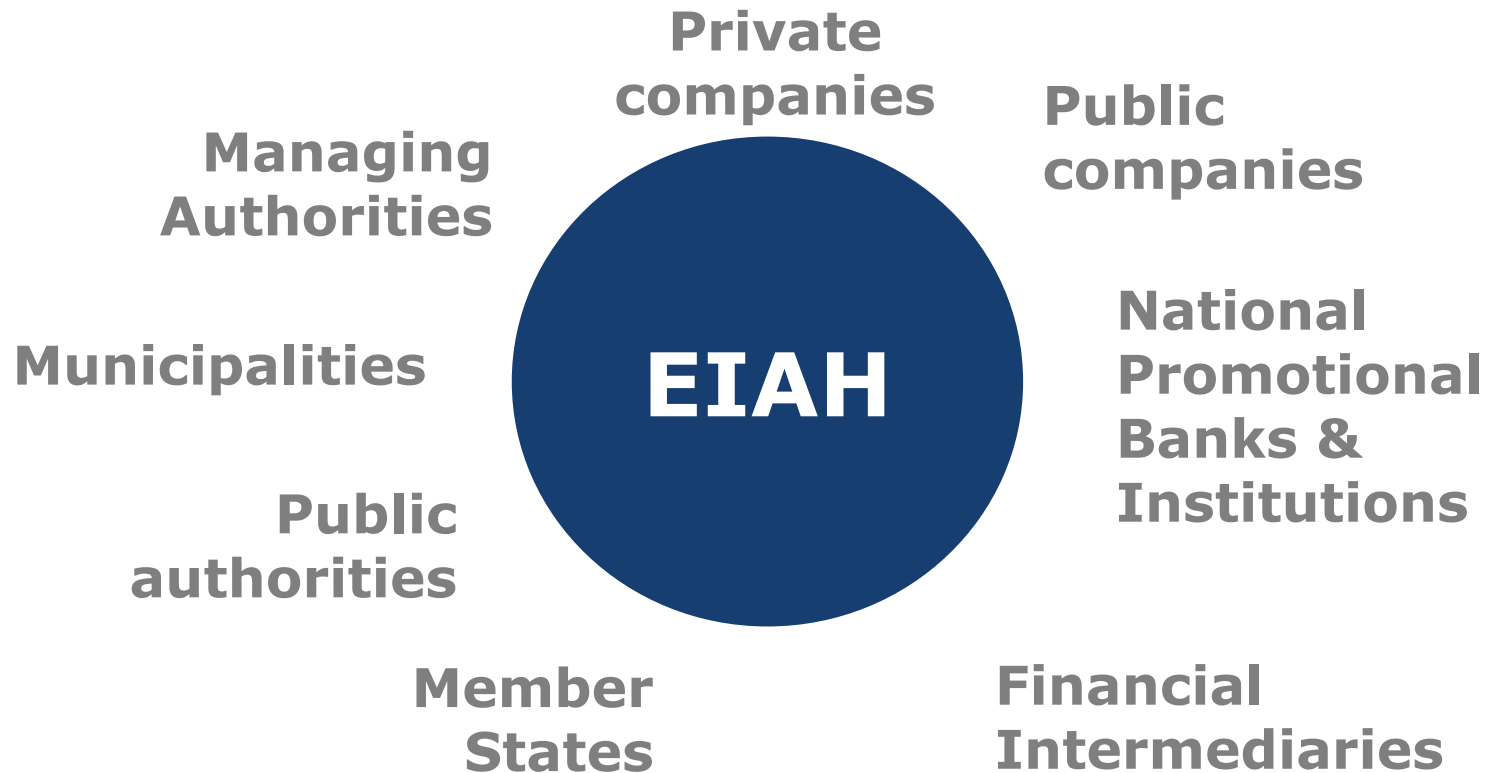
An instrument to assess and address new needs for advisory support

WHAT TYPE OF SUPPORT IS AVAILABLE?

TYPE OF SUPPORT	DESCRIPTION	PROGRAMMES
SUPPORT FOR PROJECTS AND INVESTMENTS	Advisory and technical support in identification, prioritisation, preparation, structuring and implementation of investment projects	JASPERS, ELENA, EPEC, Implementation support programs
ENHANCE USE OF EU FUNDS	Advisory and capacity building support in the implementation of ESIF financial instruments	fi-compass, bilateral services to Managing Authorities
ACCESS TO FINANCE	Enhancement of the overall conditions for financing for public and private beneficiaries	Innovation Finance Advisory
ACCESS TO THE EXPERTISE OF THE HUB'S LOCAL PARTNERS	Advisory and technical support from the Hub's local network	
ACCESS TO NEW ADVISORY SERVICES	Continuous development of the Hub's advisory offer to address unmet needs	

A 360 DEGREES ADVISORY OFFER

WHO CAN CONTACT THE ADVISORY HUB FOR SUPPORT?



FAQS ABOUT THE ADVISORY HUB

What is the geo scope of the Hub?

The European Union

Is the Hub linked to EFSI projects only?

No, support will not be limited to projects to be financed by EFSI (and/or the EIB)

Does the Hub provide financing?

No

Who concretely delivers the advisory support provided via the Hub?

Experts of the Hub, its partner institutions and/or appointed external consultants

Is the support provided via the Hub free of charge?

In most cases, yes. A contribution may be requested from certain private beneficiaries in order to align interests and ensure ownership of results

Does the Hub have local offices?

Currently the Hub operates mainly via the EIB headquarter in Luxembourg and its local offices. A network of local partner Institutions is being established

WOULD YOU LIKE TO KNOW MORE?

CONSULT THE HUB'S
ADVISORY OFFER

www.eib.org/eiah

REQUEST SUPPORT
FROM THE HUB

www.eib.org/eiah/contact

Contact the Hub
for more info

eiah@eib.org

Europe's gateway to investment support

EUROPEAN INVESTMENT PROJECT PORTAL

- Bridge between EU's investment opportunities and potential investors.
- A web portal enables EU-based project promoters (public authorities, private, PPP) to share their investment proposals seeking external financing, in a transparent way.
- Investors can search for opportunities across Europe (size, sector, geography).
- Effective form of presenting new project ideas to the market (G20/OECD experience).