Investment Plan for Europe

Delivering on the European Fund for Strategic Investments (EFSI)

2016
Why an Investment Plan for Europe?

- Investment & competitiveness gap
- High liquidity in the market
- Public budget constraints
- Financial and non-financial barriers to investment

EU Investment Plan
- EU and Member State policy action
- EU budget guarantee
- EIB capacity to mobilise additional investment
3 ways to tackle the investment gap

**Investment Plan for Europe**

- **Mobilise finance for investment**
  - European Fund for Strategic Investments
  - Cooperation with National Promotional Banks

- **Give investment advice**
  - European Investment Advisory Hub
  - European Investment Project Portal

- **Create an investment friendly environment**
  - Improving the regulatory environment
  - Structural reforms

**Aim:** to mobilise at least €315 billion in investment across the EU
All EFSI operations are within the EIB Group (EIB&EIF)
- On the EIB’s balance sheet (no separate entity)
- Subject to standard due diligence
- EIB & EIF governing bodies approve each operation

Additional EFSI governance:
- Steering Board
- Investment Committee, headed by a Managing Director

Operations already started in spring 2015
Mobilising new investment

**European Fund for Strategic Investments**

- **EUR 21bn**

**Strategic financing for Europe**

- **EUR 61bn**

**Total Investment mobilised EU**

- **EUR 315bn**

**Internal multiplier**

Relation between EIB financing amount and EFSI contribution

**External multiplier**

Relation between total investment and EIB financing amount

**EFSI multiplier**

Relation between total investment mobilised and EFSI contribution
Making a difference

Our value added

Addressing market failures or sub-optimal investment situations

Financing operations not possible to same extent otherwise

Absorbing part of the risk to trigger additional investments

Impact orientation

Maximising growth

Supporting employment

Attracting other sources of finance
With targeted products

Long-term debt
Subordinated loans
Equity and quasi-equity

Investment projects
Financing for SMEs, midcaps (via intermediaries)

Venture capital
Guarantee
Securitisation
Growth finance

Continuously adapting to market needs
Targeting strategic public and private investment

- **Infrastructure**: including transport, energy and digital
- **Innovation**: Education and training, health, research, development and innovation
- **Renewable energy**: Expansion of renewable energy generation and support of energy and resource efficiency
- **Environment**: Projects in the environmental, urban development and social fields
- **SMEs and midcaps**: Financing support through local partner banks and institutions
Who can benefit?

Eligible counterparts

- Corporates of all sizes
- Utilities and public sector entities (non-sovereign)
- SMEs (up to 250 employees) or midcaps (up to 3,000)
- National Promotional Banks or other banks for intermediation
- Dedicated Investment Platforms

Contact

EIB Group directly via InfoDesk or relevant Operations Department
www.eib.org
www.eif.org
What kind of operations?

Operations need to be:
- Commercially sound, economically and technically viable
- Underpin EFSI objectives
- Support growth and jobs
- Mature enough to be bankable
- Priced in a manner commensurate with the risk taken
- Covering EU28 countries or cross-border operations
Contribution to EFSI objectives
- EFSI policy objectives

Quality of the project
- Growth
- Sustainability
- Employment

Technical and financial contribution
- Financial contribution
- Facilitation
- Technical advice

Complementary indicators
- Multiplier effect
- Finance mobilised
- Cooperation
- Macro-economic indicators
## EFSI reporting

<table>
<thead>
<tr>
<th>Operational</th>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk Report (Annual)</strong></td>
<td><strong>Audited financial data (annual)</strong></td>
</tr>
<tr>
<td><strong>KPIs - Key Performance Indicators (semi-annual)</strong></td>
<td></td>
</tr>
<tr>
<td>✓ Value Added</td>
<td>✓ Total Investment</td>
</tr>
<tr>
<td>✓ Share of Special Activities</td>
<td>✓ Private Finance mobilised</td>
</tr>
<tr>
<td><strong>KMI - Key Monitoring Indicators (semi-annual)</strong></td>
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</tr>
<tr>
<td>✓ Geographical concentration</td>
<td>✓ Jobs created</td>
</tr>
<tr>
<td>✓ Sector concentration</td>
<td>✓ Co-financing with NPBs</td>
</tr>
<tr>
<td>✓ Internal / External Multiplier</td>
<td>✓ Co-financing with ESIF / EU</td>
</tr>
</tbody>
</table>
Opportunities for promoters/investors

EU Member States, National Promotional Banks, Investment Platforms and private sector can participate in different ways:

Projects
• Co-financing/ Risk-sharing with EIB/ EIF

Investment Platforms
• Pooling of projects with thematic or geographic focus
• Agreement or Fund
• Can benefit from EU guarantee via EIB
• Cooperation with EU National Promotional Banks
**EU Structural and Investment Fund** programmes can contribute to the Investment Plan objectives and complement EFSI support. These may join EFSI-supported projects where this would ensure a higher value added.
Financing step-by-step

STEP 7 Repayment

STEP 6 Monitoring and reporting

STEP 5 Disbursement

STEP 1 Proposal

STEP 2 Appraisal
- financial
- economic
- social
- environmental
- and technical assessment

STEP 3 Approval
- EIB Management Committee
- Investment Committee (for operations potentially benefitting from an EU guarantee under EFSI)
- EIB Board of Directors

STEP 4 Signature
Financing contract is agreed
SME financing under EFSI

Loans, guarantees and equity

Intermediaries

SMEs and midcaps
What is the Advisory Hub?

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

A tool to strengthen Europe's investment and business environment

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

A cooperation platform to leverage, exchange and disseminate expertise

An instrument to assess and address unmet needs for advisory support
More than just finance - investment support

DEMAND

- Project promoters
- Public authorities
- Member States
- Private sector

European Investment Advisory Hub

Web content + Web portal + Support team

SUPPLY

Existing advisory programmes and activities
- Project support throughout the project cycle
- Support to Financial instruments
- Enhance access to finance

Additional advisory and technical assistance
- New investment support also in areas relevant to the scope of EFSI (could be delivered by EIB advisory or operational teams)
- Identification of needs as they arise

EIAH’s partner institutions’ expertise
- Network of institutions incl. EIB Group, European Commission, National Promotional Banks, etc.
- Integrated collaboration model

Delivery channels

Access point
## A 360 degrees advisory offer

<table>
<thead>
<tr>
<th>TYPE OF SUPPORT</th>
<th>DESCRIPTION</th>
<th>PROGRAMMES</th>
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<tbody>
<tr>
<td>Support for projects and investments</td>
<td>Advisory and technical support in identification, prioritisation, preparation, structuring and implementation of investment projects</td>
<td>JASPERS, ELENA, EPEC, Implementation support programmes</td>
</tr>
<tr>
<td>Enhance use of EU funds</td>
<td>Advisory and capacity building support in the implementation of ESIF financial instruments</td>
<td>fi-compass, bilateral services to Managing Authorities</td>
</tr>
<tr>
<td>Access to finance</td>
<td>Enhancement of the overall conditions for financing for public and private beneficiaries</td>
<td>Innovation Finance Advisory</td>
</tr>
<tr>
<td>Access to the expertise of the Hub’s local partners</td>
<td>Advisory and technical support from the Hub’s local network</td>
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<tr>
<td>Access to new advisory services</td>
<td>Continuous development of the Hub’s advisory offer to address unmet needs</td>
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<tr>
<td>Would you like to know more?</td>
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<tr>
<td>-------------------------------</td>
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<tr>
<td><strong>Consult the Hub’s advisory offer</strong></td>
<td><a href="http://www.eib.org/eiah">www.eib.org/eiah</a></td>
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*Europe’s gateway to investment support*
First operations financed

**Driving clean energy investment**

Equity-type financing for an innovative fund
**EUR 75m** for investment in offshore wind, biomass and transmission projects in Denmark

**For energy efficient buildings**

Financing for a French pioneering programme
**EUR 400m** to trigger energy efficiency investments in private homes

**Backing midcap modernisation**

Funding cutting-edge steel production facilities in Italy
**EUR 100m** for innovative and competitive steel products

**Supporting smaller businesses**

SME guarantee agreement
Unlocking **EUR 100m** of loans for 1,000 SMEs in Bulgaria
First EIB operations financed

EIB participation in an innovative fund is mobilising some EUR 2bn of investment in offshore wind, biomass and transmission projects in Denmark

Driving clean energy investment
First EIF operations financed

Supporting smaller businesses

An EIF guarantee agreement is helping to unlock EUR 100m of loans for some 1,000 SMEs in Bulgaria.
Results dashboard (EIB group)

Of which EUR 5.5 bn signed

Approved EFSI financing* EUR 10.6 bn

* EIF approved: EUR 3.4bn
EIB approved: EUR 7.2bn

Total investment related to EFSI approvals EUR 76.1 bn

EIB + EIF 24% EUR 315 bn

EFSI financing by sector

- Digital infrastructure 8%
- Environment & climate 10%
- Health 2%
- Smaller Businesses 34%
- Innovation 4%
- Energy 26%
- Transport 17%

More than 200 operations in 22 of 28 EU countries

(as of 10 March)
54 projects approved for financing under EFSI - total financing amount EUR 7.2bn

Total expected investment related to EFSI over EUR 30bn

37 operations approved by the European Commission or the Investment Committee

Total signatures close to EUR 3bn (EUR 145m equity type)

EFSI multiplier can only be calculated at the end of the investment period, anticipated multiplier effect of EIB Board approved transitional operations is close to target of 15
Building the **EFSI pipeline** ongoing and of high priority

Focus on business development by **exploring new market segments and targeting new clients** based on added value notably in terms of catalytic effect to ensure that the EFSI volume targets for the period 2015 - 2018

Further efforts to accelerate **new products, collaboration with National Promotional Banks** as well as the setting-up of **Investment Platforms**
EFSI operations to target EUR 315bn of total investment by 2018

Actual investment period runs until 30 June 2020
Thank you!