THE INVESTMENT PLAN FOR EUROPE

EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI)
EUROPEAN INVESTMENT ADVISORY HUB (EIAH)
EUROPEAN INVESTMENT PROJECT PORTAL (EIPP)
IMPROVED INVESTMENT ENVIRONMENT
EU economic growth

Real gross fixed capital formation (GFCF) in EU
Baseline vs. historical norm
EU-28, in 2013 prices, € bn

Baseline data / forecast

GFCF historical norm, assuming an investment/GDP ratio of 21-22%

EU Investment (private/public) trend
Investment gap: EIB analysis

• Productivity growth in EU < US since mid-1990s
• Additional investment estimated by EIB:
  
  + € 130bn/y in R&D to meet EU target of 3% of GDP
  + € 100bn/y to upgrade Energy networks
  + € 80bn/y to upgrade Transport networks
  + € 65bn/y to reach EU Digital Agenda standards
  + € 10 bn/y for state-of-the-art Education facilities
  + € 90 bn/y to rehabilitate Environmental services and Water
  + € 35bn/y in VC financing to match US levels of VC/GDP

• Most of these needs have to be translated into concrete investment projects:
  
  ➢ Structural reforms, Policies to address market inefficiencies, Advisory, Risk-taking.

Source: EIB, "Restoring EU competitiveness", Jan-2016
The 3 pillars of the Investment Plan for Europe

1. MOBILISING FINANCE FOR INVESTMENT
   - Mobilise at least €315bn over 3 years for strategic investments and access to finance via the European Fund for Strategic Investments (EFSI) within EIB/EIF
   - Cooperation with National Promotional Banks

2. MAKING FINANCE REACH THE REAL ECONOMY
   - European Investment Project Portal (EIPP)
   - European Investment Advisory Hub (EIAH)

3. IMPROVED INVESTMENT ENVIRONMENT
   - Predictability and quality of regulation
   - Removing non-financial, regulatory barriers in key sectors within EU Single Market
   - Structural reforms at national level
EFSI value added: making a difference

- 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

- Enhancing growth
- Supporting employment
- Attracting other sources of finance
EFSI results dashboard

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
Examples of EFSI operations

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

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

- **SME guarantee agreement**
  - Unlocking **EUR 100m** of loans for 1,000 SMEs in Bulgaria

- **Driving clean energy investment**

- **For energy efficient buildings**

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

- **Supporting smaller businesses**
EFSI type of instruments

- 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
Key features of EFSI

- Focus on investments in **real economy**
  - Results on growth and jobs
  - Market-driven, no political interference
  - No geographic or sector pre-allocation
- 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
- **Pricing** in line with EIB policies
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
EFSI Investment platforms

- Pooling of projects with thematic or geographic focus
- Flexible form: co-financing agreement, SPV, Fund, etc.
- Useful to pool small projects
- Can benefit from EU Guarantee via EIB
- Cooperation with EU National Promotional Banks
- Rules on operations with NPBs and Investment Platforms approved

Interest by institutional investors, third countries and SWFs

- Working group EC-EIB-China on investment cooperation
EFSI in combination with EU funds

- MS may use EU funds to co-finance EFSI projects.

- ESIF (EU Structural and Investment Funds) programmes may contribute to the achievement of the objectives of the Investment Plan and be complementary to EFSI support, so as to ensure higher value-added and leverage:
  - at Project level
  - at Investment Platform level

EFSI: next steps

- 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**
2. Making finance reach the real economy

Transparency on investments in Europe

**European Investment Project Portal (EIPP) - www.ec.europa.eu/eipp**
- Matching investment opportunities proposed by project sponsors with investors' interest
- Initial phase is now open – project promoters may submit projects

**Strengthening advisory services**

**European Investment Advisory Hub (EIAH) by EC/EIB**
- www.eib.org/eiah
- Technical assistance
- Pooling resources & expertise including from MS
Find project(s) investment opportunities

Search by

- Sectors...
- Countries...
- Project cost...

More search criteria

Sort by

- Name
- Ascending

78 projects

<table>
<thead>
<tr>
<th>Project name</th>
<th>Sectors</th>
<th>Country</th>
<th>Project promoter</th>
<th>Submitted</th>
<th>Updated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Mobility For Brussels</td>
<td>ICT Infrastructures, including Broadband</td>
<td>Belgium</td>
<td>Société des transport intercommunaux de Bruxelles</td>
<td>01/09/2015</td>
<td>08/09/2015</td>
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<td>Urban Mobility Projects / ICT Infrastructures, including Broadband</td>
<td>Czech Republic</td>
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European Investment Advisory Hub (EIAH)

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

**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

**Access point**
- Web content + Web portal + Support team

**Delivery channels**
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
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
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
Thank You - Would you like to know more?

Investment Plan for Europe

www.ec.europa.eu/invest-eu
www.eib.org/invest-eu

EFSI

www.eib.org/efsi
www.eif.org/what_we_do/efsi

Contact for promoters: info@eib.org or relevant EIB Operations department

EIAH

www.eib.org/eiah
eiah@eib.org

EIPP

www.ec.europa.eu/eipp
BACK UP SLIDES
EFSI: mobilising new investment

European Fund for Strategic Investments

EUR 21bn

Strategic financing for Europe

EUR 61bn

Total investment mobilised EU

EUR 315bn

Other financers

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
## EFSI reporting

<table>
<thead>
<tr>
<th>Operational</th>
<th>Financial</th>
</tr>
</thead>
<tbody>
<tr>
<td>✅ Risk Report (Annual)</td>
<td>✅ Audited financial data (annual)</td>
</tr>
<tr>
<td>✅ KPIs - Key Performance Indicators (semi-annual)</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>✅ KMIs - Key Monitoring Indicators (semi-annual)</td>
<td></td>
</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>
**EFSI timeline and investment period**

- **2015**: Entry into force of EFSI Regulation
- **2016**:
  - 4 July: Third anniversary of signing the EFSI Regulation
- **2017**:
  - 4 July: 1st deadline for signature of EFSI operations
- **2018**:
  - 4 July: Deadline for approval of EFSI Operations
- **2019**:
  - 30 June: 2nd deadline for signature of EFSI Operations
- **2020**:
  - “Extended” investment period

**Investment period to achieve EUR 315bn of total investments**

**EFSI operations to target EUR 315bn of total investment by 2018**

**Actual investment period runs until 30 June 2020**
### Co-financing with EFSI announced by MS

<table>
<thead>
<tr>
<th>MEMBER STATE</th>
<th>NPB¹</th>
<th>FINANCING (UP TO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>KfW</td>
<td>€ 8,000m</td>
</tr>
<tr>
<td>Spain</td>
<td>ICO</td>
<td>€ 1,500m</td>
</tr>
<tr>
<td>France</td>
<td>CDC</td>
<td>€ 8,000m</td>
</tr>
<tr>
<td>Italy</td>
<td>CDP</td>
<td>€ 8,000m</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>SNCI</td>
<td>€ 80m</td>
</tr>
<tr>
<td>Poland</td>
<td>BGK/PIR</td>
<td>€ 8,000m</td>
</tr>
<tr>
<td>Slovakia</td>
<td>SIH/SZRB</td>
<td>€ 400m</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>BDB</td>
<td>€ 100m</td>
</tr>
<tr>
<td>United Kingdom</td>
<td></td>
<td>€ 8,500m</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>€ 42,580m</td>
</tr>
</tbody>
</table>

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

dMD (Ilyiana Tsanova): 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
Nievez Rodriguez
Noel Gregor Patterson-Jones

Vicky Kefalas
Fabio Pammoli
Geographic allocation of EFSI approved operations (as of Mar-2016)
**SOURCES OF FUNDING**

- European Fund for Strategic Investments

**TYPICAL PRODUCTS OFFERED**

- Long-term senior debt for higher risk projects
- Subordinated loans
- Equity and quasi-equity

**PROJECTS IN ELIGIBLE SECTORS**

- Research, Development, Innovation
- Energy infra, Renewable Energy, Energy Efficiency
- Transport
- ICT
- Environment and Resource efficiency
- Human capital and social sectors
- SMEs

The Fund serves as credit protection for new EIB activities. Other investors join in on a project basis.
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.
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

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.
- Project Investment Cost: € 709m
- Loan amount: € 300m
EFSI SMEs and Mid-caps window

**SOURCES OF FUNDING**

<table>
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The Fund serves as credit protection for new EIF activities

**TYPICAL PRODUCTS OFFERED**

- **Venture Capital**
- **Guarantees**
- **Securitisation**
- **Growth finance**

Other investors join in on a project basis

**FINAL RECIPIENTS AND EXAMPLES**

- **SME**
  - e.g. equity in a start-up
  - e.g. micro-loans to a SME
- **Mid-cap company**
  - e.g. loans for R&D project
  - e.g. venture capital for a prototype
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.
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.
European Investment Project Portal

The European Investment Project Portal (EIPP) is a publicly available, secure web portal where EU-based project promoters seeking external financing are given the opportunity to promote their projects to potential investors.

EU Investment Offensive: Vice-President Katainen kicks off investment roadshow

“Our message is very clear: we are working to a very tight timeline to get new investment flowing into cash-starved business ventures, start-up firms, into infrastructure investments like transport or broadband and new schools and hospitals. We are taking to the road to build on the strong political support we have already received and to explain to the public and private sector how they can get involved.”

Read more about this.

“Can anyone apply to submit a project to the EIPP?”

For this and other questions, consult our Information & support page.
EIPP Interactive project search and map

Search by

Sectors...  
Countries...  
min. cost
max. cost

More search criteria

78 projects

Urban Mobility For Brussels

Asset ownership
Mixed

Sector
Social infrastructure, Human Capital and Health:
Built environments and urban services

Status
(Pre)feasibility, procurement, partial financing secured

Project promoter
Societe des Transports Intercommunaux de Bruxelles
(Société des Transports Intercommunaux de Bruxelles)

VIEW PROJECT
Created 01/09/2015, Modified 08/09/2015