



**European
Investment
Bank**

The EU bank



Investment Plan for Europe

Delivering on the European Fund for Strategic Investments (EFSI)

30/09/2016

Why an Investment Plan for Europe?

Investment gap and persisting low growth in 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 (EFSI)
- Cooperation with National Promotional Banks



Support investment in real economy

- European Investment Advisory Hub (EIAH)
- European Investment Project Portal (EIPP)



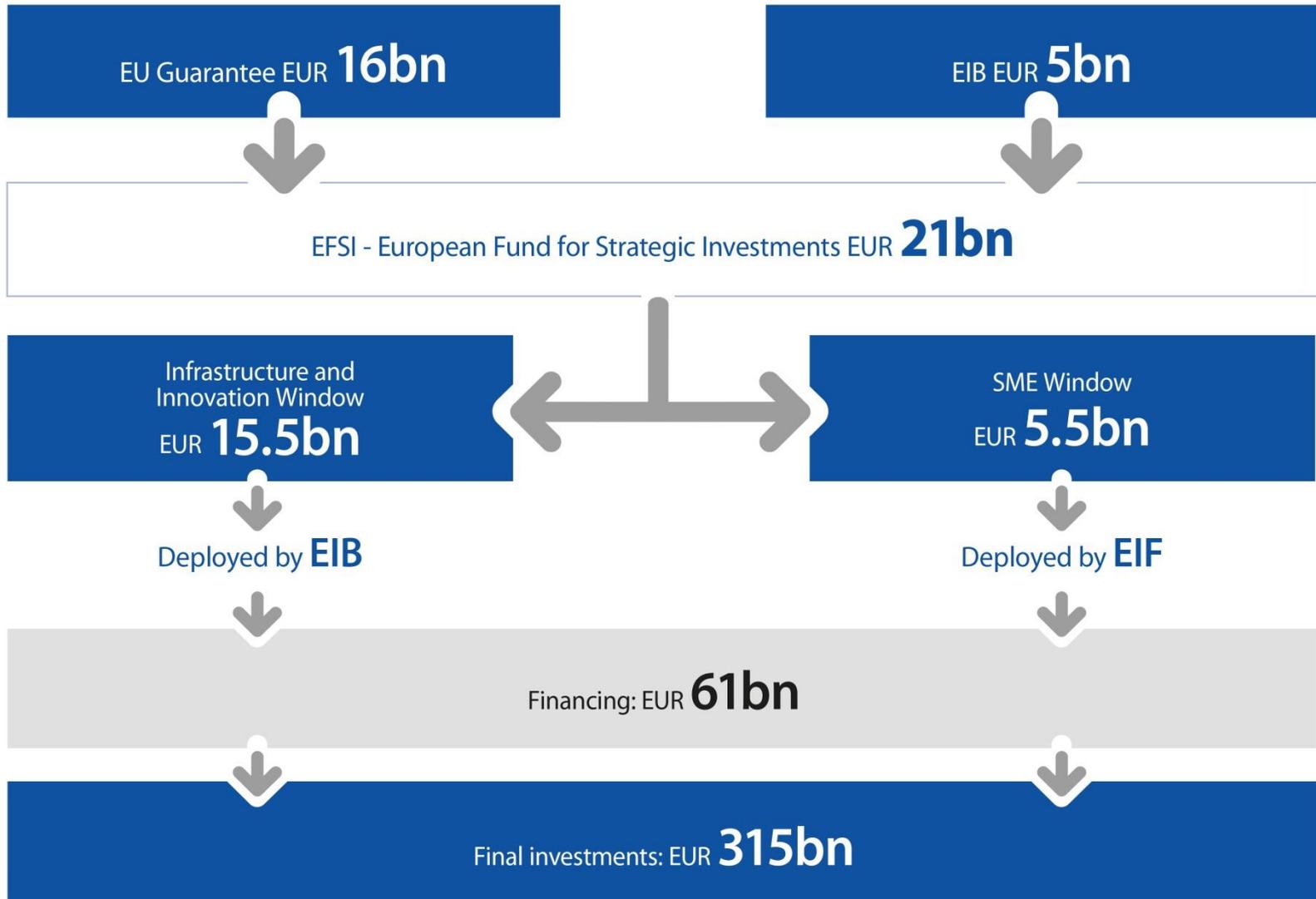
Create an investment friendly environment

- Improving the regulatory environment
- Structural reforms

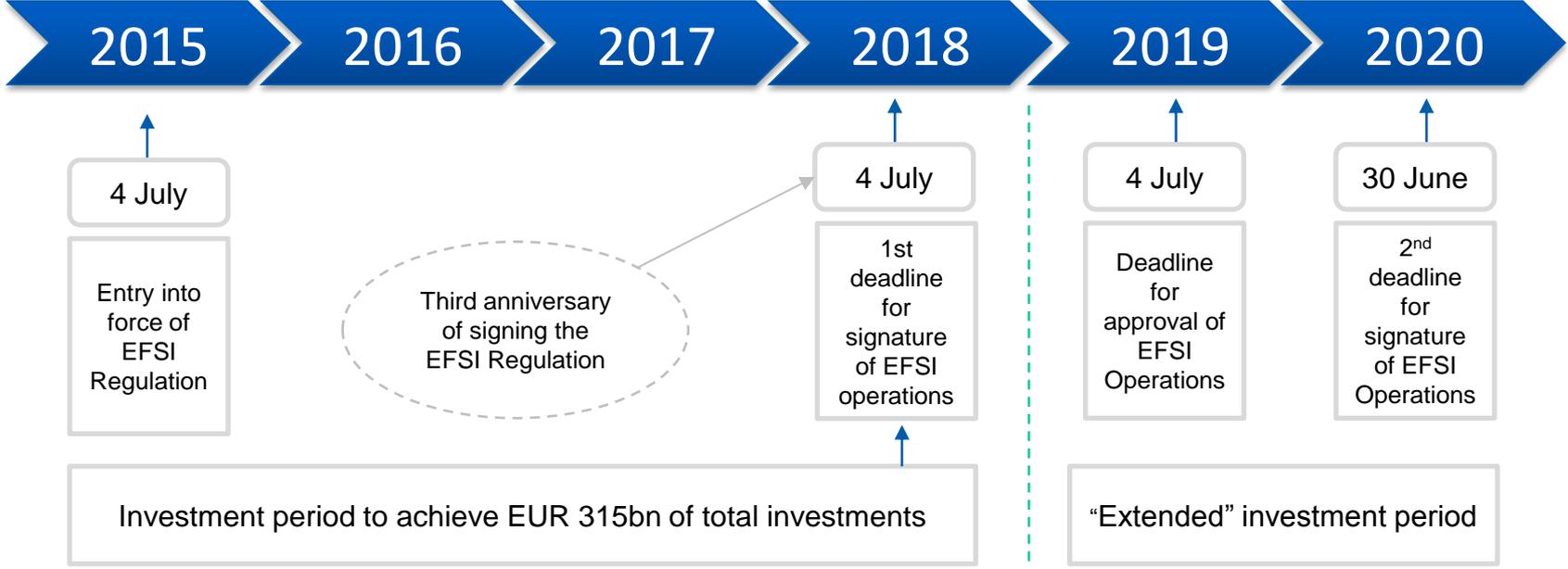


Aim: to mobilise at least €315 billion in investment across the EU

European Fund for Strategic Investments (EFSI)

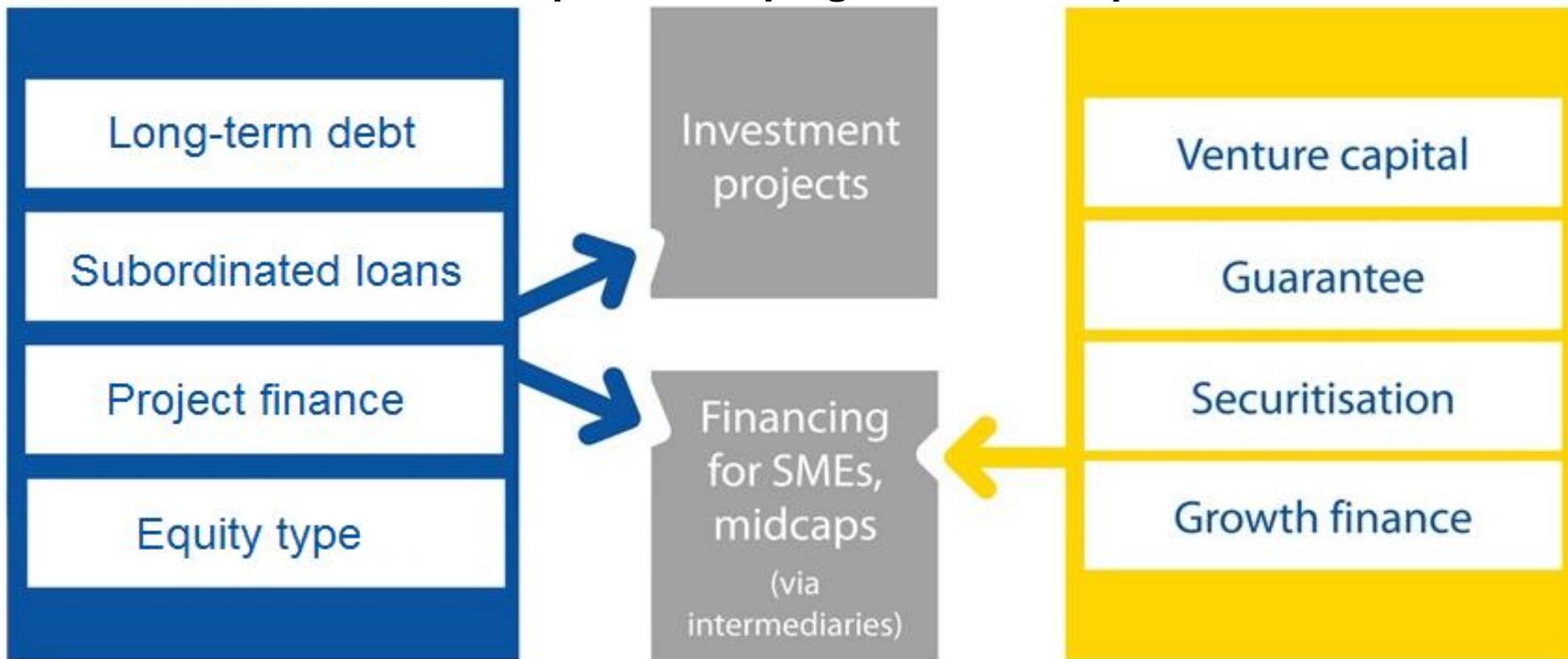


Timeline and investment period



EFSI operations to target EUR 315bn of total investment by mid 2018
 Actual investment period runs until 30 June 2020

The EIB Group is developing various new products



- ➔ With the aim to explore and attract new promoters and markets (e.g. MidCaps).
- ➔ Making better use of scarce public resources, diverting them from grants / subsidies to loans guarantees, enhancing the multiplier effect of investment.

Opportunities for promoters/investors

- EFSI is **demand driven**, and will provide support for projects everywhere in the EU.
- There are **no geographical nor sectoral quotas**. Projects will be considered based on their individual merits.

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

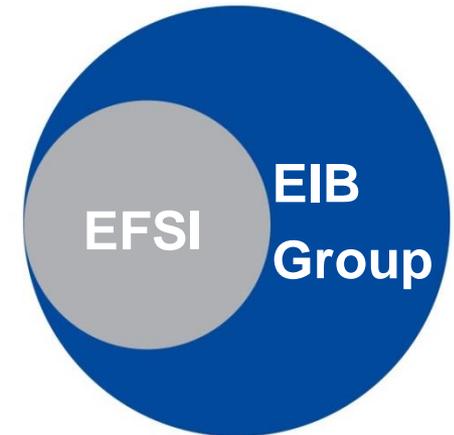
Contact

EIB Group directly via InfoDesk or relevant Operations Department
www.eib.org
www.eif.org

EFSI setup and governance

Own Regulation, approved by the EP

Governance structure with different bodies



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 operations



Additional EFSI governance:

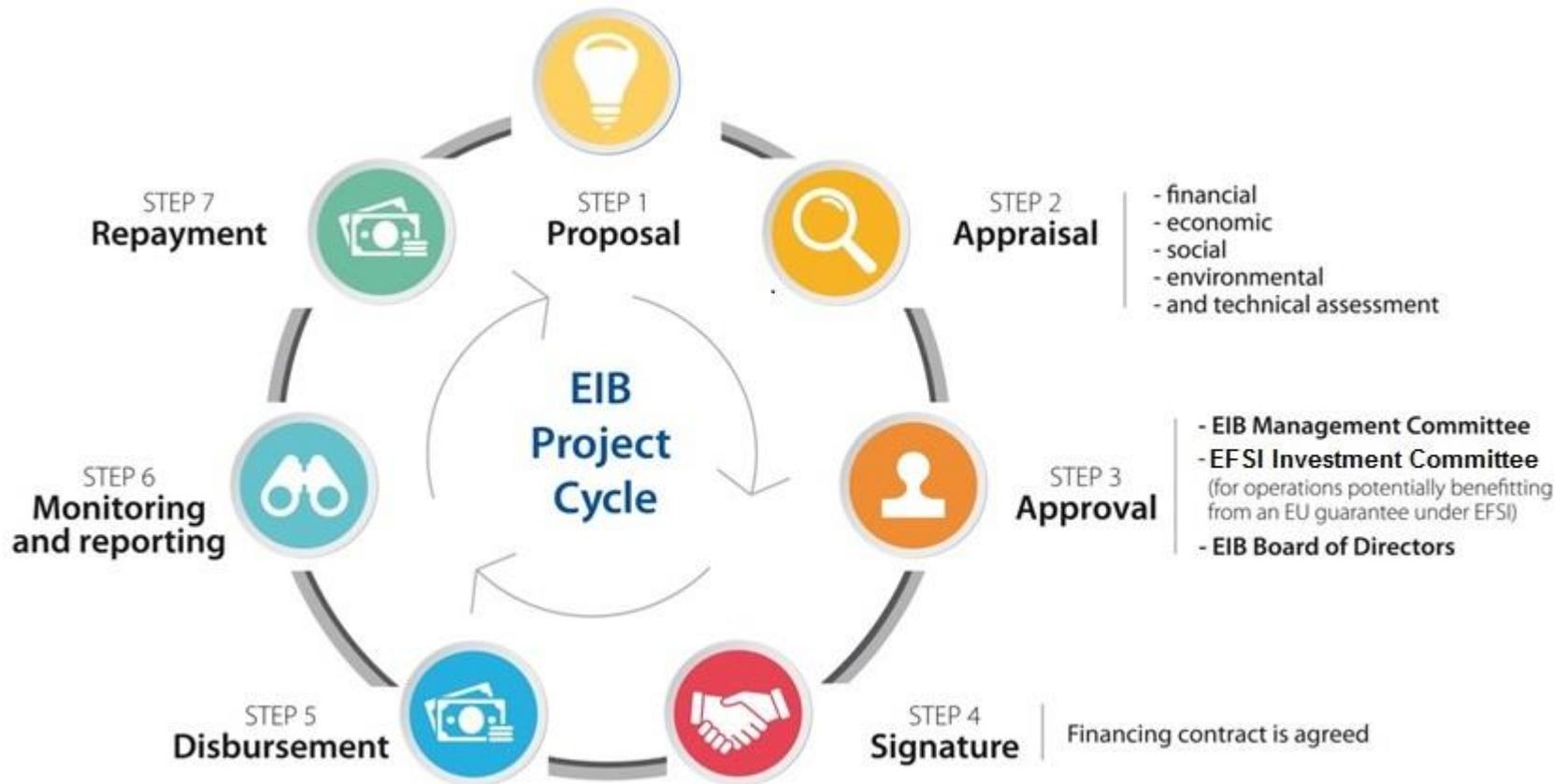
- Steering Board
- Investment Committee, headed-up by
- Managing Director / Deputy Managing Director



Operations already started in spring 2015

➔ All EFSI operations have to follow EIB's standard life cycle (IIW)

- The client contacts EIB offices - standard EIB due diligence, EIB project lead
- Approval process - EIB Management Committee + EIB Board
- EFSI criteria in terms of additionality and eligibility - EFSI Investment Committee



EFSI selected operations

Targeting strategic investment by public and private entities



How are projects selected?

To benefit from EFSI support need to go through the standard EIB due diligence and approval process, as well as the validation by the EFSI Investment Committee to decide whether they are eligible for backing under the EU guarantee.

In particular, projects need to be:

- Commercially sound, economically and technically viable
- Contributing to EU objectives - and to sustainable growth and employment
- Underpin EFSI objectives
- Match the eligible sectors
- Financially viable and mature enough to be bankable
- Covering EU28 countries or cross-border operations

EFSI Objectives - Eligible areas

➔ The operations concerned shall be consistent with Union policies and support any of the following general objectives:

(a) research, development and innovation: projects that are in line with Horizon 2020, education and training, health, demonstration projects, research infrastructure

(b) development of the energy sector in accordance with the Energy Union priorities, including security of energy supply, and the 2020, 2030 and 2050 climate and energy frameworks: renewable energy, energy efficiency and energy savings, development and modernization of energy infrastructure

(c) development of transport infrastructures, and equipment and innovative technologies for transport

(d) financial support through the EIF and the EIB to entities having up to 3 000 employees, with a particular focus on SMEs and small mid-cap companies: *(Financing support through local partner banks and institutions)*

(e) development and deployment of information and communication technologies: digital content & services, broadband networks

(f) environment and resource efficiency

(g) human capital, culture and health

Additionality – Value Added

Address market failures or sub-optimal investment situations

Finance operations not possible to same extent without EFSI-backing

Absorb part of the risk to trigger additional investments



Impact

Attracting other sources of finance

Maximising growth

Supporting employment creation and retention

Creta Farms

Unique Mediterranean diet technology, Greece

EFSI Financing amount:

15m

EFSI related investment:

31m

- New EIB client
- First EFSI operation in Greece
- Client developed proprietary “oliving” technology, which replaces fat from meat and dairy with olive oil
- Financing backs:
 - Research and development of cutting-edge technology and growth in overseas markets

Normandy Dairy Production Facility

Construction of a modern milk-processing factory, France

- Financing backs:
 - Construction of state-of-the art dairy production facilities
 - Diversification and modernisation of the business model
- First financing of a French cooperative
- Risk derives from exposure to milk price and market seasonality and volatility.

EFSI Financing amount:

55m

EFSI related investment:

125m

Smart Meters - Project Spark

Installation of smart gas and electricity meters, UK

- Financing backs:
 - Installation of smart meters, which allow for remote readings and real-time consumption information.
 - Improved efficiency of distribution systems (energy savings)
- Risk derives from end-users switching to a new energy supplier
- EFSI allowed EIB to vastly increase the loan size

EFSI Financing amount:

478m

EFSI related investment:

1378m



SEM Energies POSIT-IF Ile de France

Energy efficiency refurbishment in residential buildings, France

EFSI Financing amount:

100m

EFSI related investment:

200m

Barrier: Fragmentation



Solution: Aggregation

Financing backs:

- * Energy efficient refurbishment in residential buildings (Ile-de-France: ca 75% of the buildings are condominiums or social housing apartments)
- * 40 - 70 % reduction of overall energy consumption of the buildings

Barrier: There was a market failure between what the commercial banks offer and what the individual owners required.

Solution: To provide aggregate financing for condominiums – EFSI allowed the semi-public company Energies POSIT'IF to offer financing directly to the owners.

EFSI operations in Bulgaria

SME guarantee agreement with CIBANK (EIF - COSME)
Unlocking **EUR 100m** of loans for 1 000 SMEs in Bulgaria

Supporting smaller businesses



SME guarantee agreement with Raiffeisen Bank Bulgaria (EIF - InnovFin)
Unlocking **EUR 35m** of loans for Innovative SMEs in Bulgaria

Supporting smaller businesses



"EU InnovFin finance for Innovators" initiative

Of which
EUR 12.5bn
 signed

EIB Group figures

As of 23/09/2016

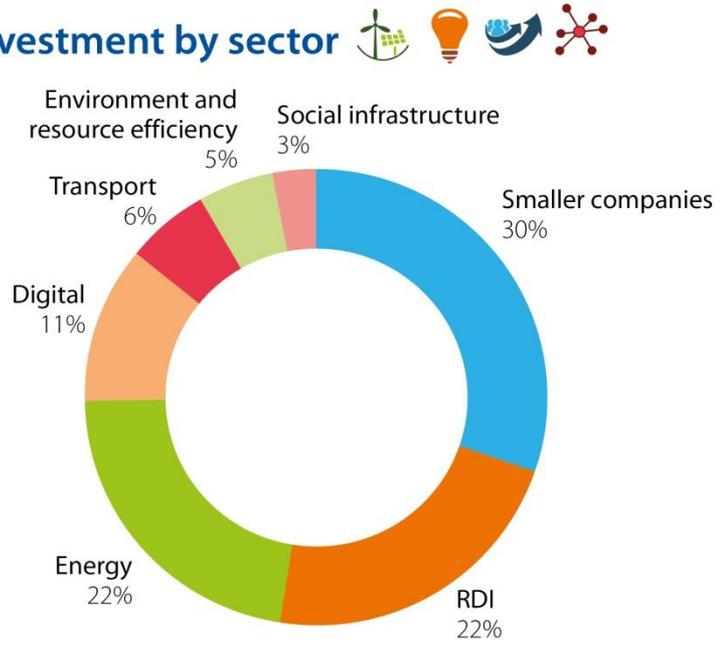


EUR 22.3 bn

EUR 127.2 bn

*EIB-approved: EUR 15.3bn
 EIF-approved: EUR 7bn

EFSI investment by sector



324 approved transactions in 27 of 28 EU countries



EIB figures

As of 23/09/2016

Of which
EUR 6.2bn
signed

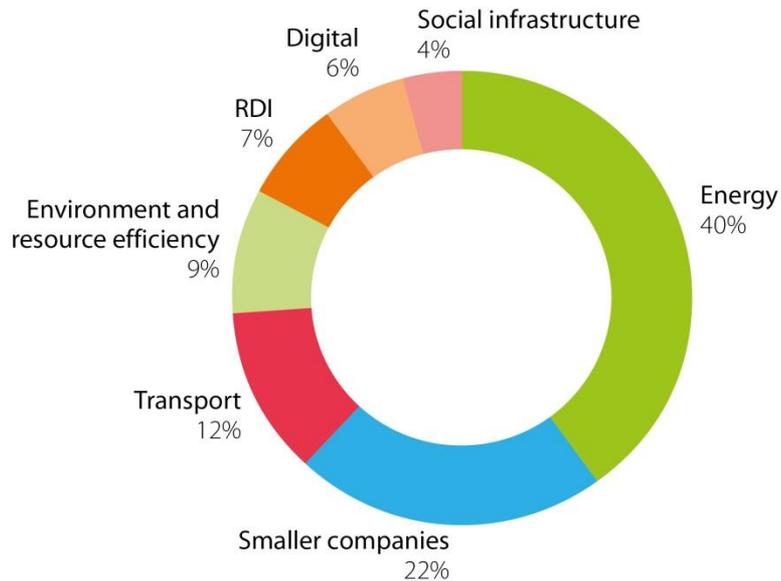
Approved EFSI
financing

EUR **15.3bn**

Total investment related to EFSI
approvals

EUR **69.1bn**

EFSI investment by sector



115 approved projects
in 19 of 28 EU countries



Of which
EUR 6.3 bn
 signed

EIF figures

As of 23/09/2016

SMEs expected
 to benefit:
 more than

287 000



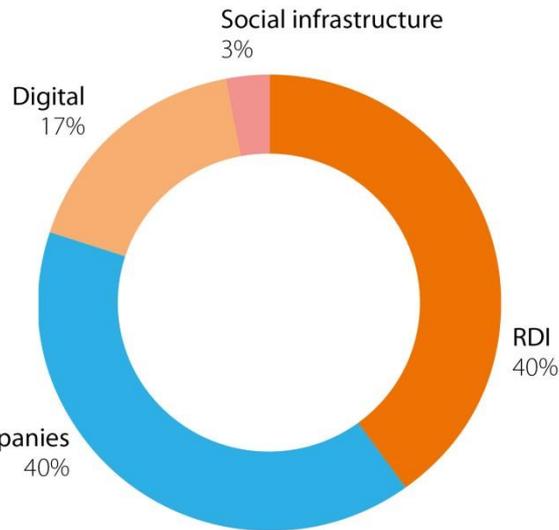
Approved EFSI
 financing

EUR **7 bn**

Total investment related to EFSI
 approvals

EUR **58.1 bn**

EFSI investment by sector



209 operations
 in 27 of 28 EU countries



Bulgaria – Country specific recommendations

- **Fiscal policy and improve tax collection, reduce the share of informal economy**
- **Financial sector - asset quality review and stress test**
- **Social services – education, healthcare, minimum wage, Roma integration**
- **Judicial reform and insolvency framework**
- **Public Procurement - improve the design and control of the public tendering, increase capacity of contracting authorities**

More than just finance - investment support



Access point

Delivery channels

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

SUPPLY

Thank you!

