



The Investment Plan for Europe



European Fund for Strategic Investments (EFSI)

EU economic context

The European **economic recovery** is now in its third year. It should continue at a **modest** pace next year despite more **challenging** conditions in the global economy.

Against a backdrop of declining oil prices and a relatively weak external value of the euro, the economic recovery this year has been **resilient and widespread** across Member States. It has, however, remained **slow**.

Labour markets are gradually improving but unemployment remains high.

Euro-area real GDP is forecast to grow by 1.6% in 2015, rising to 1.8% in 2016 and 1.9% in 2017.

EU28 real GDP is expected to rise from 1.9% this year to 2.0% in 2016 and 2.1% in 2017.

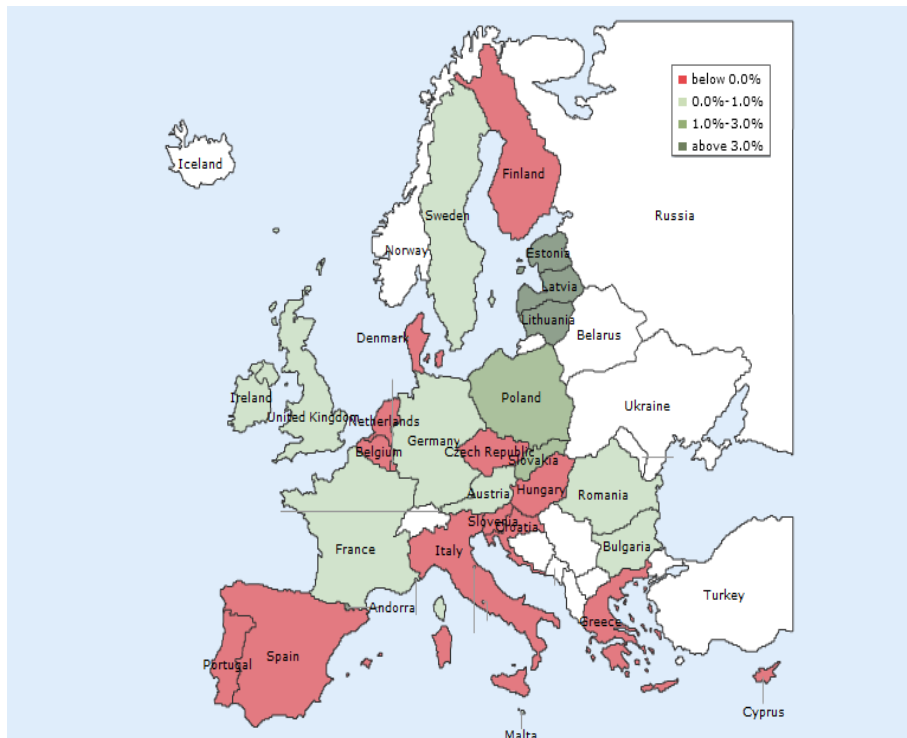
EU economic context

Sustaining and strengthening the recovery:

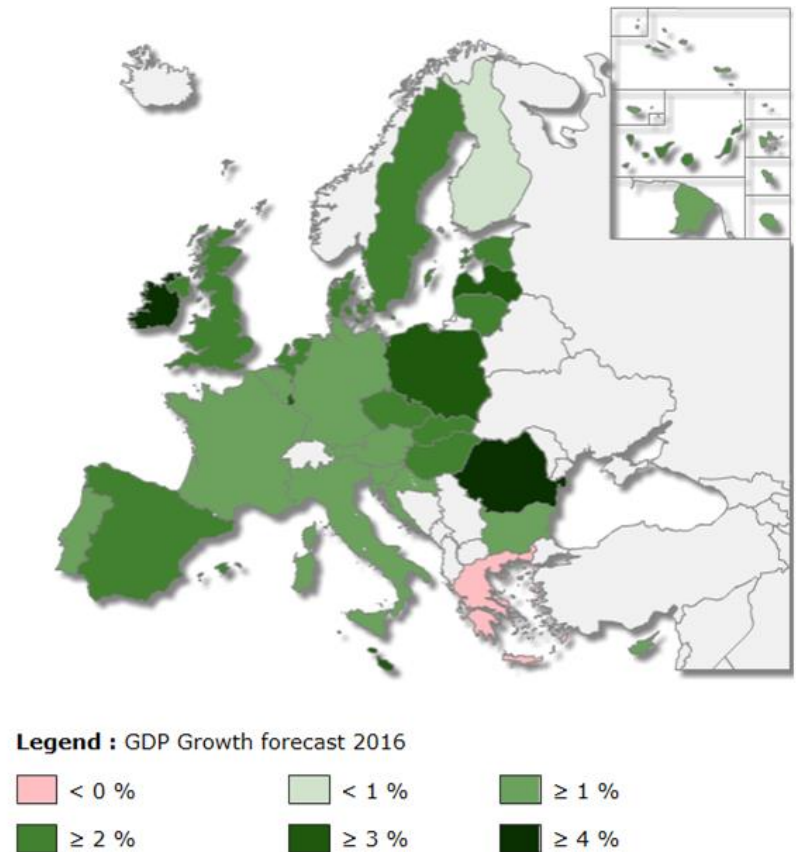
- boost investment*
- pursue responsible public finances*
- carry out structural reforms to enhance competitiveness.*

The economic situation is improving and the recovery is taking hold

European growth map 2012



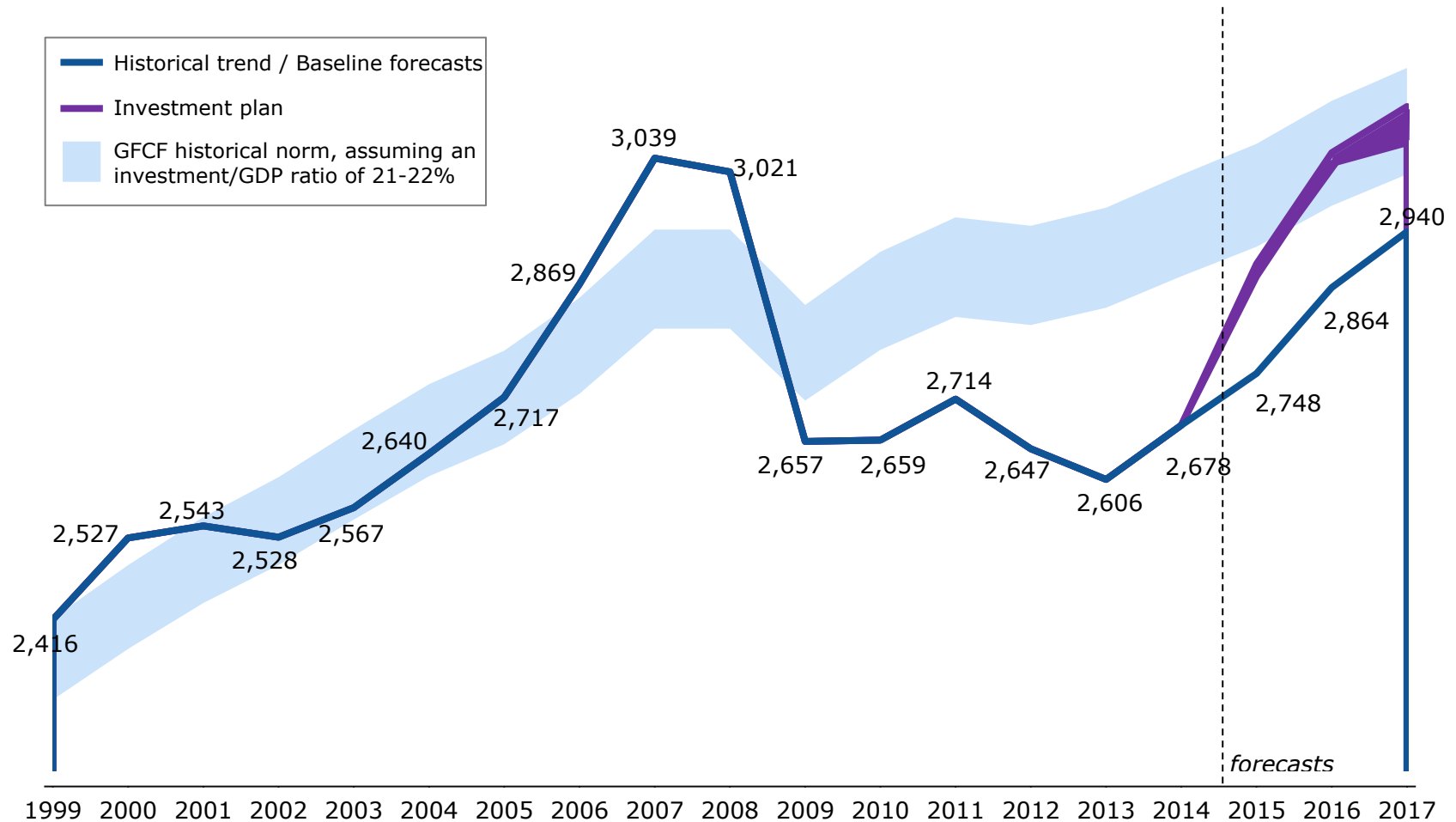
European growth map 2016
(forecast)



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.

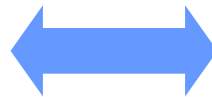
EU Investment Plan: 3 pillars

1. MOBILISING FINANCE FOR INVESTMENT

- Boost investment in strategic projects and access to finance via the European Fund for Strategic Investments (EFSI) within EIB/EIF
- Cooperation with National Promotional Banks and the EIB

2. MAKING FINANCE REACH THE REAL ECONOMY

- European Investment Project Portal
- European Investment Advisory Hub: technical assistance



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



3. Improved investment environment

Better and more predictable **regulation** at all levels

Making most of the **Single Market**

- Energy Union
- Digital Single Market
- Capital Markets Union: action plan
- Services Market



Structural reforms in the Member States

Openness to international trade and investment

2. Making finance reach the real economy

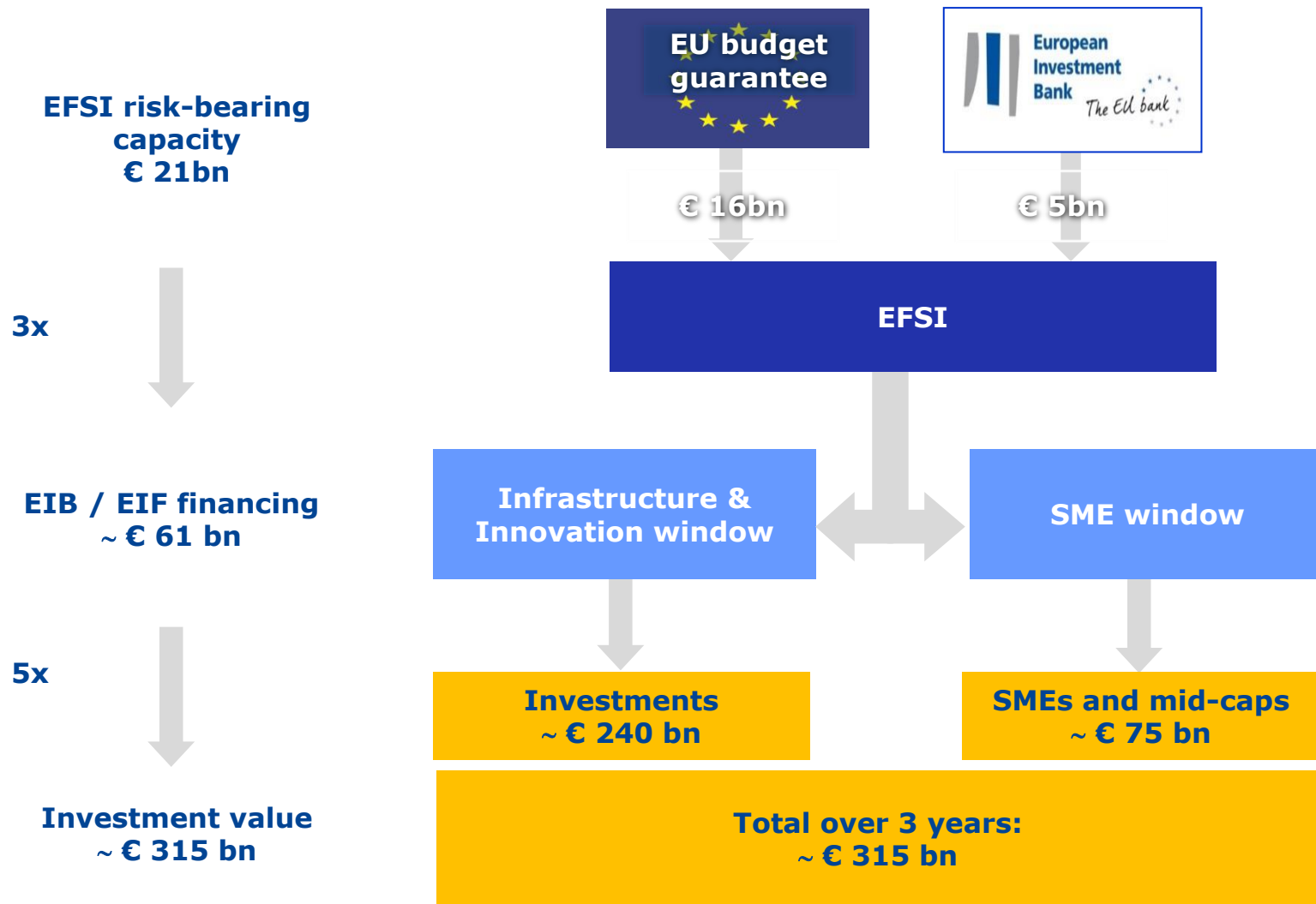
Transparency on the investments in Europe

- European Investment Project Portal – any public/private entity
- Matching investment opportunities proposed by project sponsors with investors' interest

Strengthening advisory services

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

1. European Fund for Strategic Investments



EFSI: eligible sectors

1. Research, development and innovation
2. Energy (ref. Energy Union priorities)
3. Transport infrastructure
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 normally requires >€25m for individual loans
 - Smaller schemes can be grouped into framework loans
 - No size restriction for operations via Fin. Intermediaries (eg for SMEs)
- Geographic scope
 - EU28
 - Projects involving an entity in a MS and extending to Enlargement, EU Neighbourhood, EEA, EFTA, OCTs countries.

EFSI in combination with other EU funds

- 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.
- ESIF may join EFSI supported projects where this would ensure a higher value added of EFSI support.
- Further guidance will be provided by the Commission in the coming months.

EFSI Scoreboard

- Ensure EU Guarantee is directed to projects with high V/A
- Part of EIB due diligence -> Investment Committee
- Scoring of each project
- 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, coop. with NPBs, cofinancing with EU, Energy efficiency, Climate action

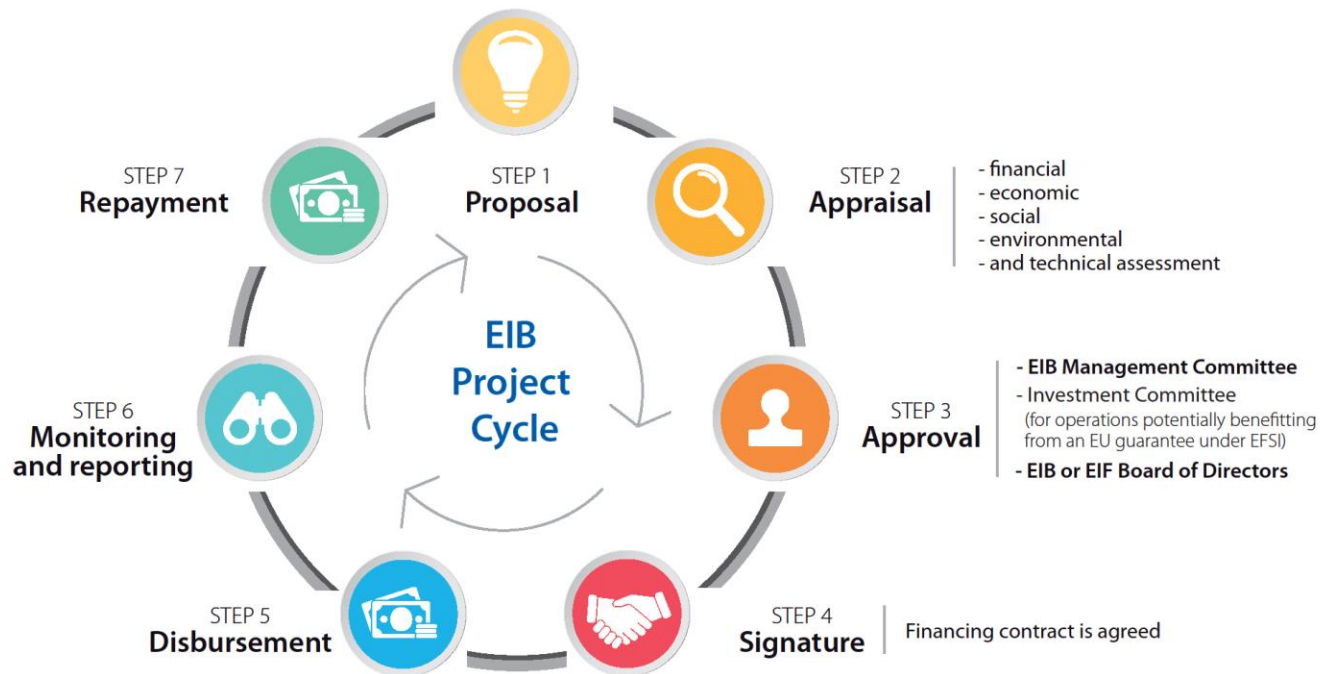
EFSI Governance

- EFSI Steering Board (EC/EIB)
 - Strategic orientation
 - Policy setting
- EFSI Investment Committee (8 independent experts)
 - Decisions on use of EU guarantee for each operation based on Investment guidelines
- EFSI Managing Director & deputy
 - Daily management



EFSI project cycle

Project promoters present proposal to EIB/EIF directly



Opportunities for promoters/investors

Project level

- Cofinancing with EIB/EIF

Investment Platforms

- Pooling of projects with thematic or geographic focus
- Flexible legal setup (e.g. contractual, Fund)
- Can benefit from EU Guarantee via EIB
- Cooperation with EU National Promotional Banks

High interest by institutional investors and SWFs

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

EIB Group approved operations (Apr-Oct 2015)

Infrastructure and Innovation Window	# projects	Project cost	EIB financing (EFSI)
TOTAL	34 *	≈ € 23,200m	≈ € 5,300m

SME Window	# transactions	Investment triggered (est.)	EIF financing commitment (EFSI)
EIF risk capital	37	€ 12,225m	€ 1,150m
EIF guarantees for SMEs portfolios	25	€ 7,576m	€ 303m
TOTAL	62	€ 19,801m	€ 1,453m

* Pending EC approval of the use of EU Guarantee for 13 projects

Status and next steps

Status

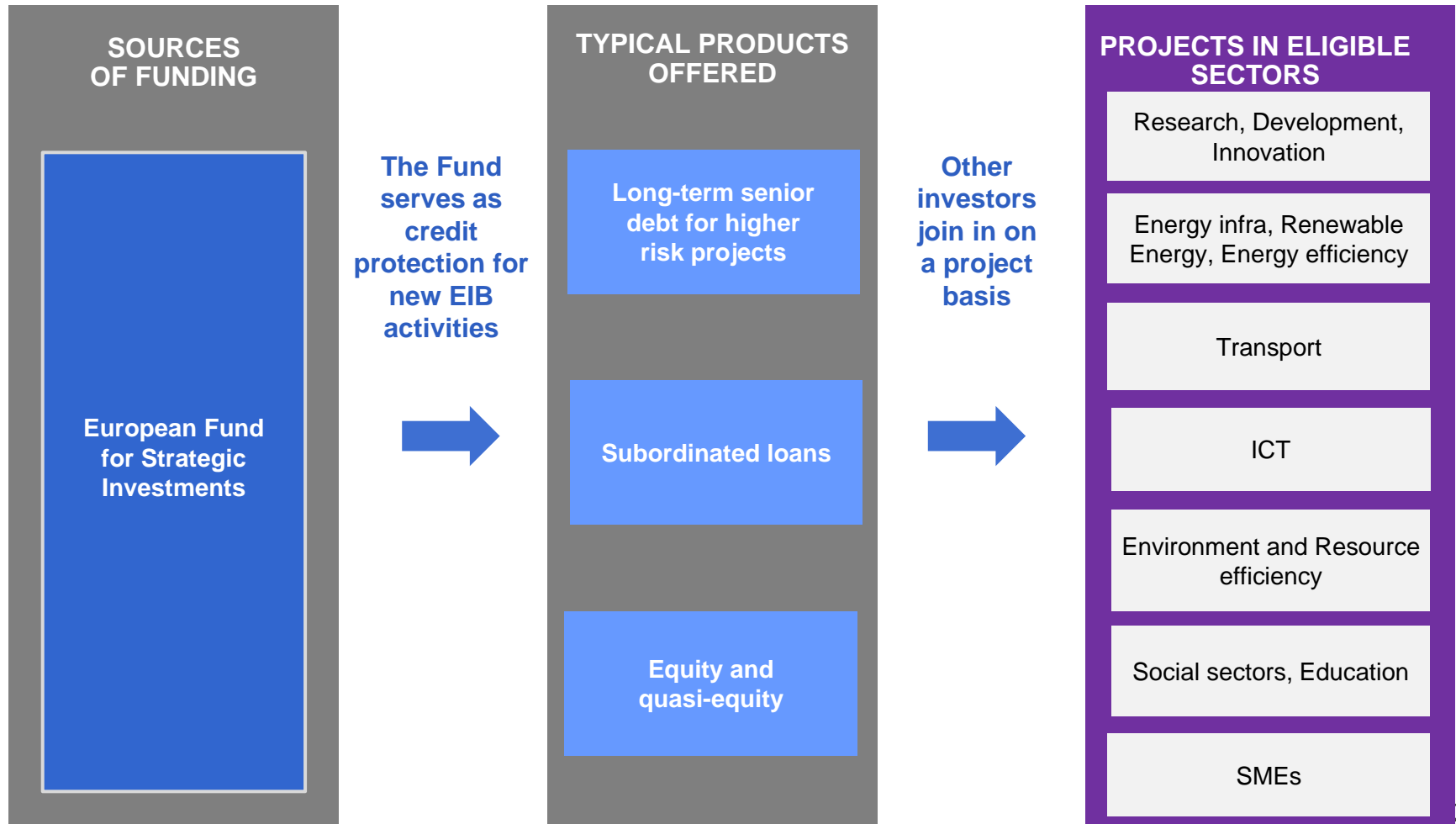
- EFSI regulation approved by EU Institutions.
- EIB-EC Agreements signed.
- Projects already approved by EIB/EIF.
- EFSI Steering Board, MD/DMD appointed.
- EFSI Inv Committee members identified.
- EIAH operational.

Next steps

- Strategic orientations, rules for Inv. Platforms/NPBs.
- Projects can be submitted to EIB/EIF for EFSI financing.
- European Investment Project Portal operational by early 2016.

Back-up slides

Infrastructure and Innovation window



List of EIB approved operations (Apr-Nov 2015)

Project	Country	Project cost	EIB financing (EFSD)
Bioscience R&D	Spain	€ 240m	€ 100m
Primary care PPP	Ireland	€ 142m	€ 70m
Industry modernisation	Italy	€ 227m	€ 100m
Renewable energy	Denmark	≈ € 2,000m	≈ € 75m
Energy efficiency in buildings	France	€ 800m	€ 400m
Gas transmission	Spain	€ 326m	€ 160m
Pulp production upgrade	Finland	€ 1,225m	€ 75m
Biotech/Chemical RDI	Spain	€ 313m	€ 50m
Health care		€ 110m	€ 60m
Smart meters	UK	≈ € 1,378m	≈ € 480m
Renewable energy equity fund	France	€ 1,000m	€ 50m
Renewable energy projects	Germany/France	€ 300m	€ 150m
Port upgrade	Netherlands	Not disclosed	Not disclosed
Renewable energy equity fund	UK	≈ € 500m	€ 50m
Offshore wind *	Belgium	€ 653m	€ 200m
Low-carbon projects *	France	Not disclosed	€ 20m

List of EIB approved operations (Apr-Nov-2015)

Healthcare PPP *	UK	≈ € 485m	≈ € 166m
Financing for SMEs *	Netherlands	Not disclosed	€ 24m
Financing for Midcaps *	Croatia	Not disclosed	€ 50m
Renewable energy equity type*	Ireland	≈ € 1,000m	Not disclosed
Offshore wind *	UK	Not disclosed	≈ € 311m
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	€ 120m	€ 30m
Transport infrastructure *	France	€ 560m	€ 280m
High-speed broadband *	Italy	€ 1,808m	€ 500m
Transport rolling stock *	Italy	€ 709m	€ 300m
Energy *	Italy	€ 236m	€ 30m
Energy efficiency fund *	UK	€ 204m	€ 36m
TOTAL		≈ € 23,200m	≈ € 5,300m

* Pending

Example of EFSI project/1

Innovative renewable energy infrastructure fund in Denmark

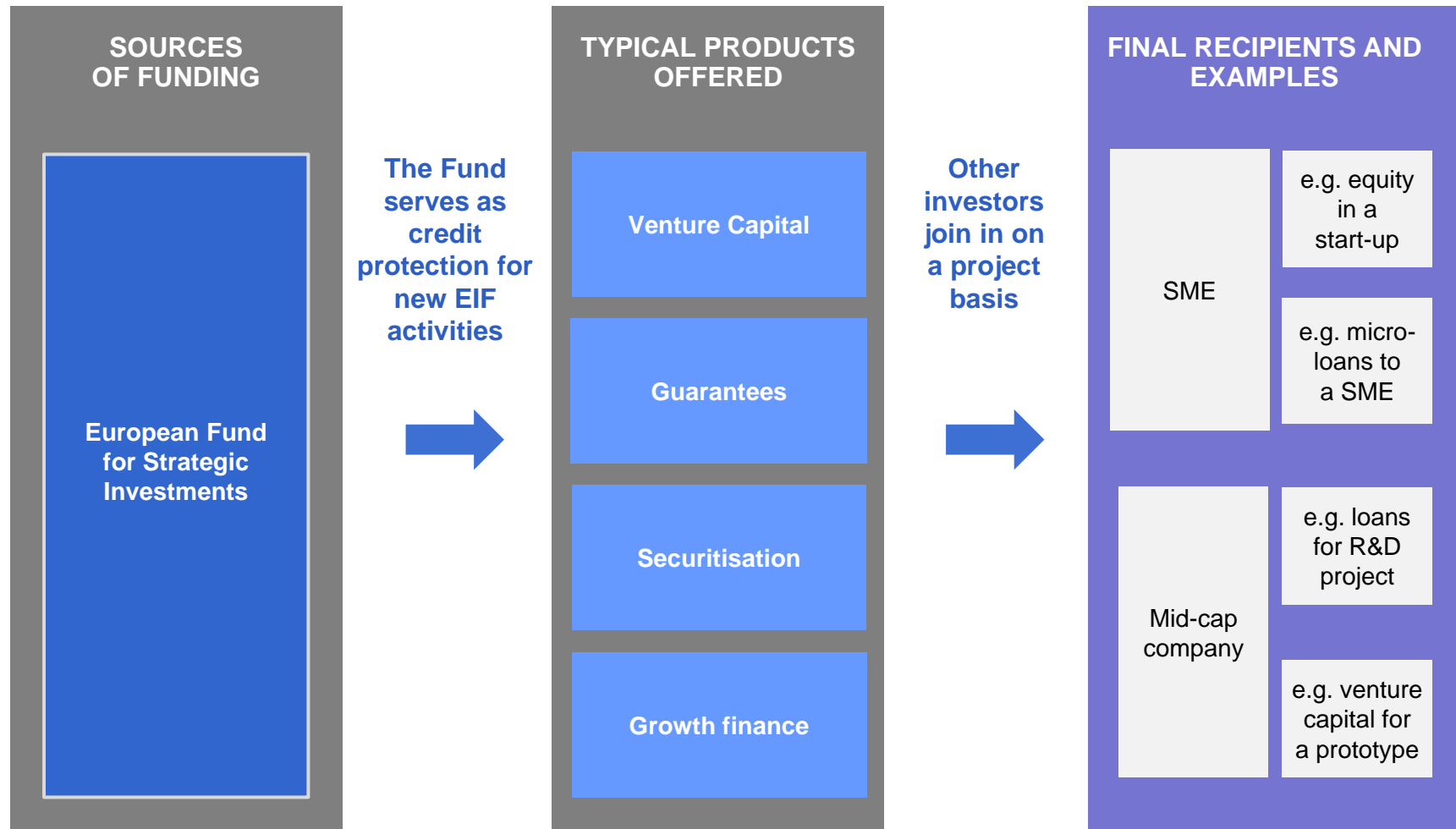
- EIB, backed by EFSI, provides equity-type financing of up to EUR 75m to Copenhagen Infrastructure Partners for an innovative infrastructure fund investing in large energy-related projects such as offshore wind, biomass and transmission schemes.
- EIB's equity participation would contribute to the fund's 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, is expected to provide a loan of up to €400m for 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.

SMEs and mid-cap window



EIF signatures Apr–Nov 2015

SME Window	# transactions	Investment triggered (est.)	EIF financing commitment (EFSI)
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in 11 countries of EU-28: Belgium, Bulgaria, Czech Republic, France, Germany, Italy, Luxembourg, Netherlands, Poland, Portugal, UK.

Some 71,000 SMEs and Midcaps are expected to benefit from enhanced access to finance.

Example of EFSI-backed EIF operation / 1

EIF and bpifrance sign first agreement for innovative French companies

The deal benefits from the support of the European Fund for Strategic Investments (EFSI) through which the Investment Plan for Europe is being deployed by the European Commission and the EIB Group.

Under the agreement, bpifrance will provide finance to innovative companies in France for a total of EUR 420 million over the next two years, 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 deal benefits from the support of the European Fund for Strategic Investments (EFSI) through which the Investment Plan for Europe is being deployed by the European Commission and the EIB Group.

The agreement will provide BGK with a counter-guarantee allowing the organisation to support PLN 1,000 million (ca. EUR 250 million) of loans to SMEs in Poland over the next two years. 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 Commission. 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 joint initiative by the European Commission and the European Investment Bank

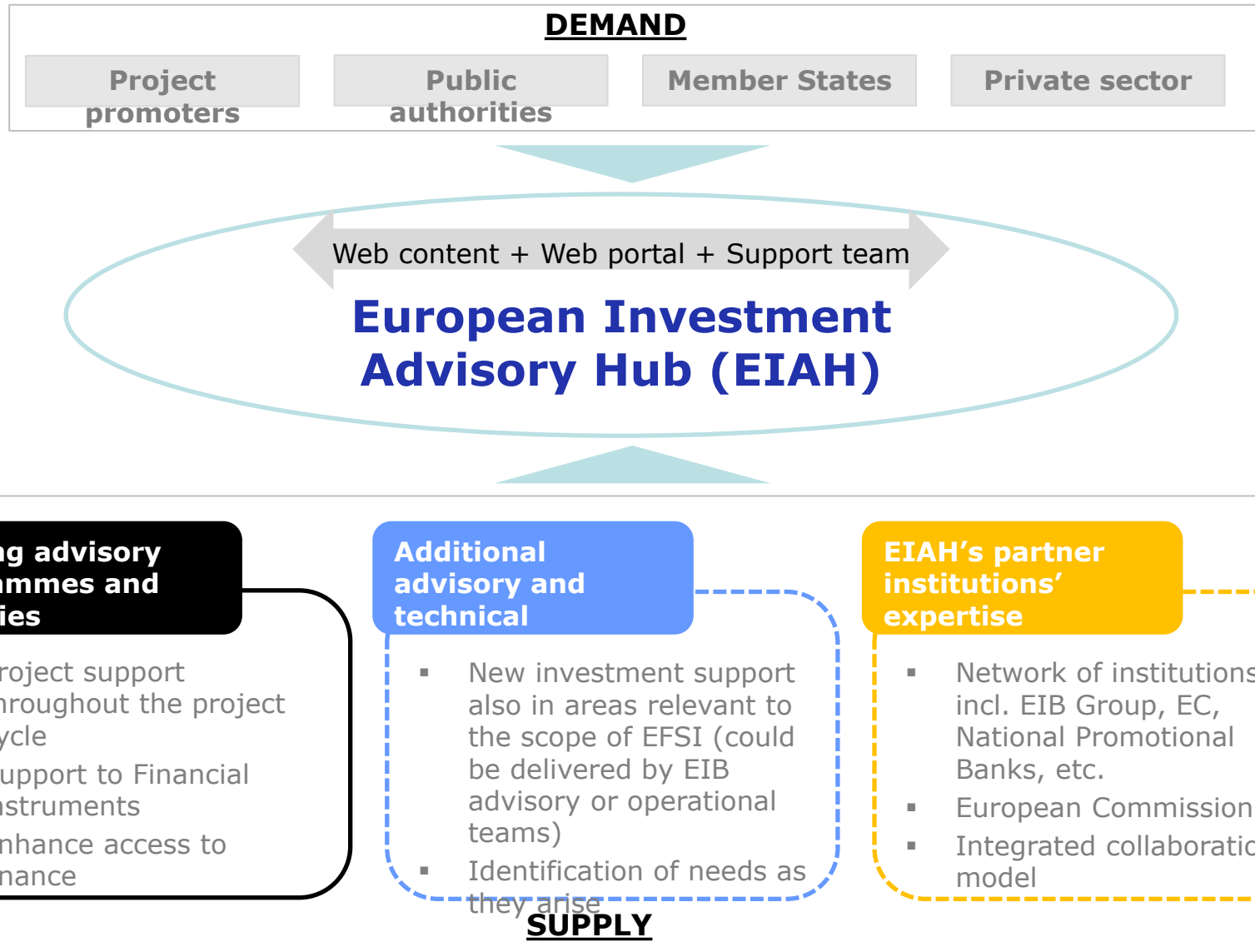
- A tool to strengthen Europe's investment and business environment

- 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 new needs for advisory support

What is the Advisory Hub?

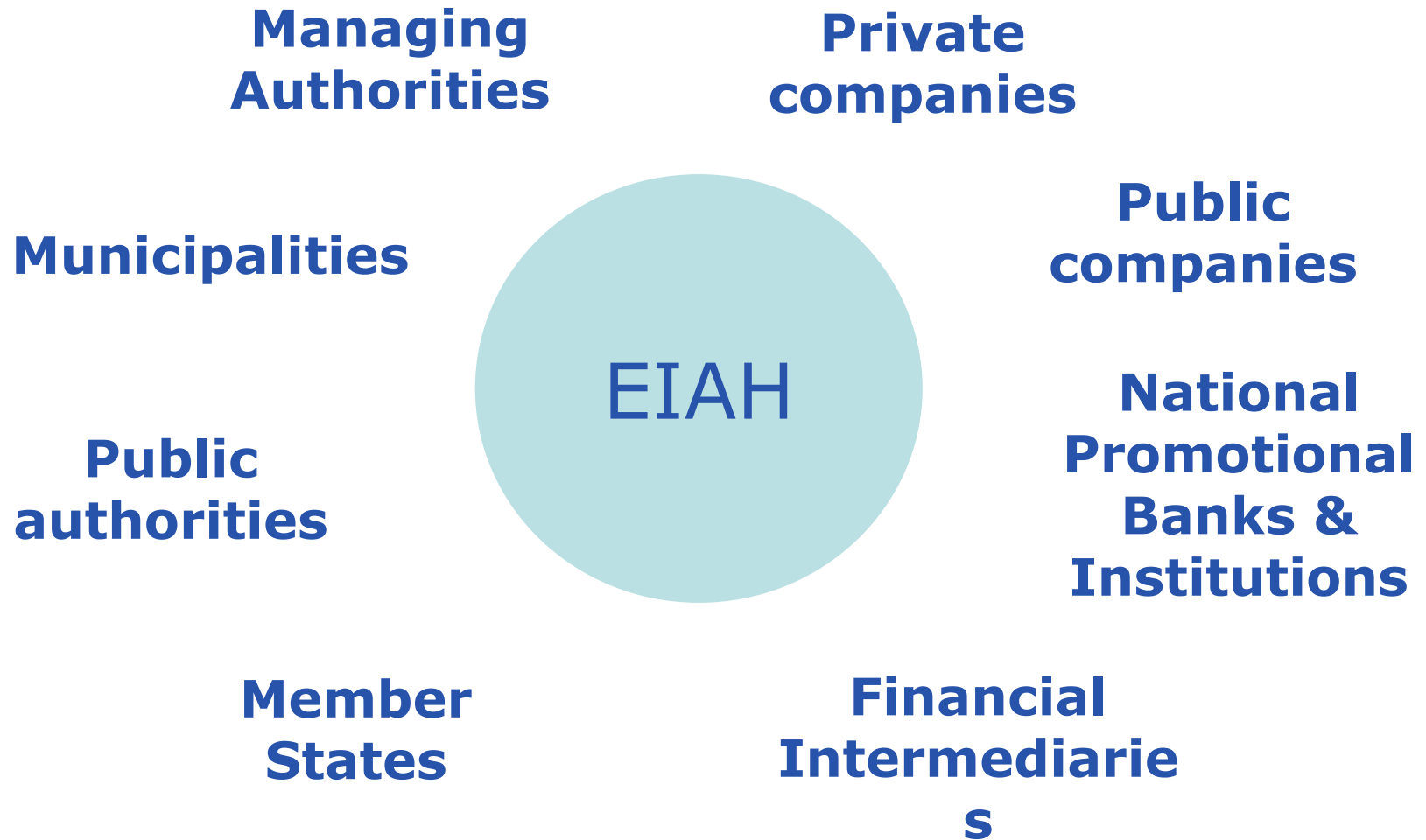


What type of support is available?

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 programmes
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).

European Investment Project Portal

Prototype





Thank you for your attention – more information available at:

http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm

<http://www.eib.org/about/invest-eu/index.htm>

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