



**European
Investment
Bank**

The EIB bank



**EUROPEAN
INVESTMENT
FUND**

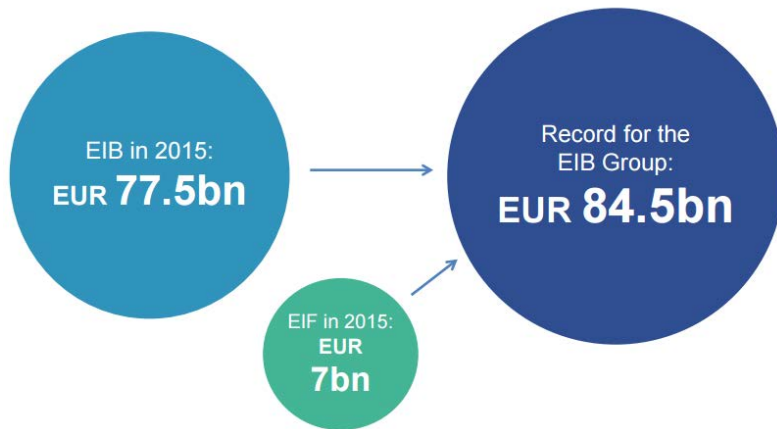
EFSI State of play and role of National Promotional Banks

Workshop

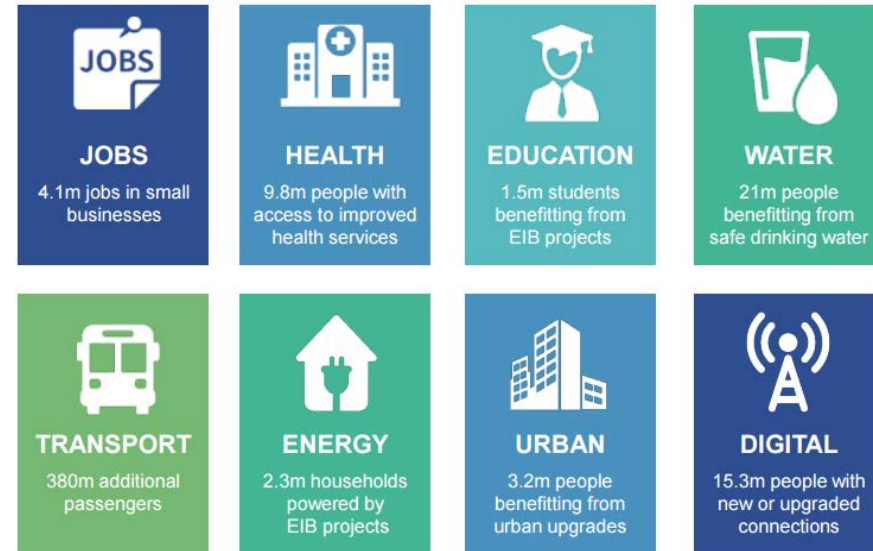
**“EFSI: Achieving complementarity with the EAFRD and setting up
investment platforms”**

Brussels, 19 April 2016

WE ARE THE WORLD'S LARGEST **MULTILATERAL** FINANCIER



WE DELIVER **IMPACT** WHERE IT IS NEEDED



WE FOCUS ON OUR **KEY PRIORITIES**



EIB Group figures

As of 12/04/2016

Of which
EUR 5.8 bn
signed



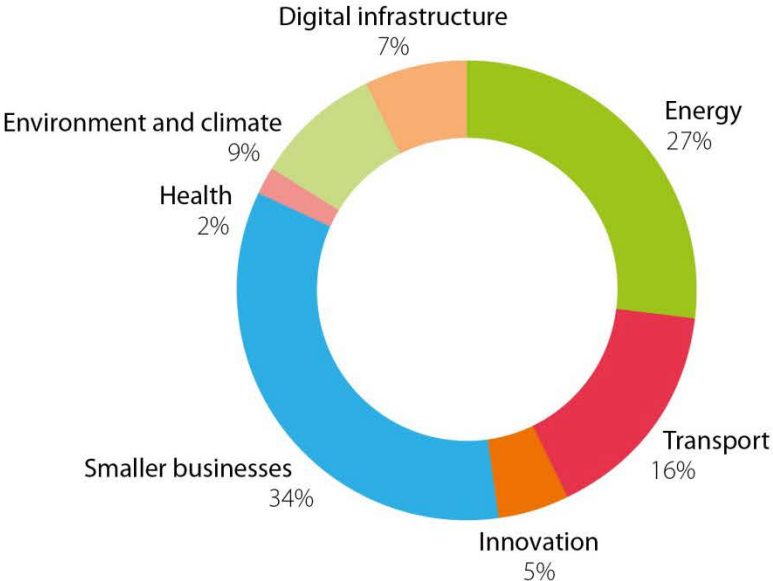
EUR 11.2 bn

EUR 82.1 bn

* EIB approved: EUR 7.8bn
EIF approved: EUR 3.4bn

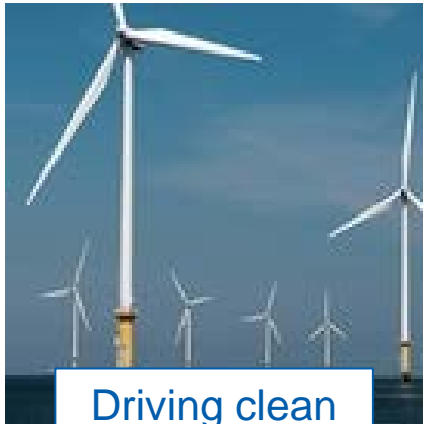


EFSI financing by sector



More than 220 approved transactions in 25 of 28 EU countries





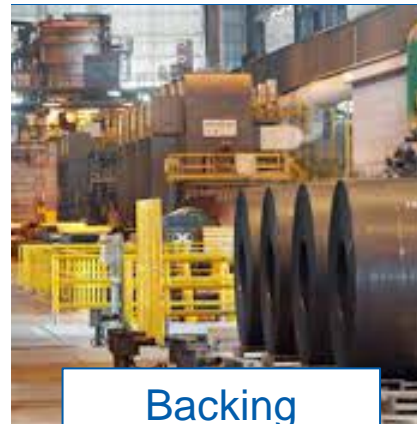
Driving clean energy investment

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

For energy efficient buildings



Backing midcap modernisation

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

SME guarantee agreement

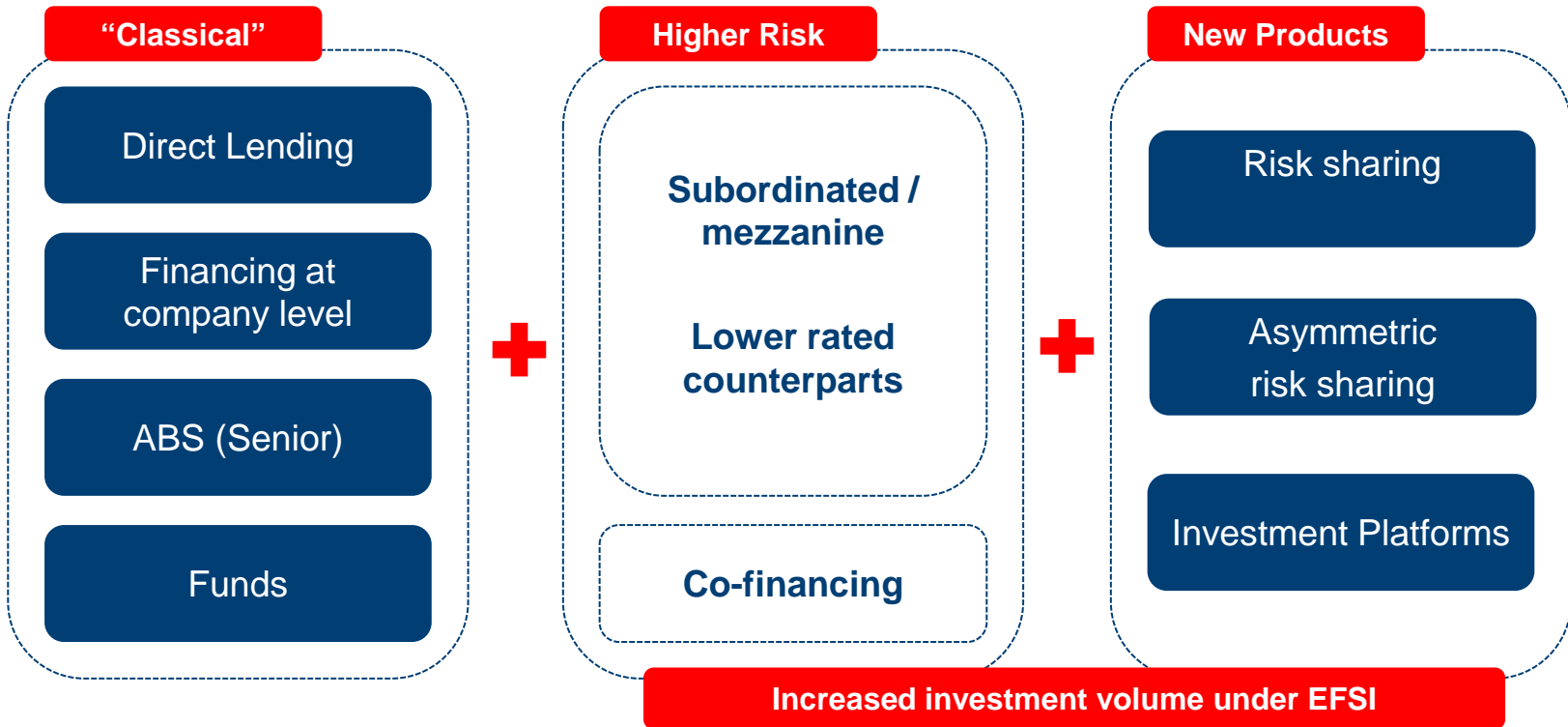
Unlocking **EUR 100m** of loans for 1 000 SMEs in Bulgaria

Supporting smaller businesses



EFSI Deployment, step-by-step

- **Market Analysis** - identify 'Investment Gaps'
- **Product Development** - provide risk capital required
- **Cooperation with Intermediaries** - notably with **National Promotional Banks (NPBs)**
- **Strategic Adaptation** - continuously adapting to evolving market needs



Financing under EFSI can be used to address capacity shortfalls of other lenders / investors in a variety of ways:

- Providing loans / guarantees to a financial intermediary (**NPB** or a financing institution)

Corp / PF	✘
Midcaps	✓
SMEs	✓

- Lending or investing at project level

Corp / PF	✓
Midcaps	✓
SMEs	✘

- Investing into IPs (e.g. that are managed by **NPBs**) or in funds (directly or co-investing)

Corp / PF	✓
Midcaps	✓
SMEs	✓

Financing under EFSI can be used to increase risk bearing capacity in a variety of ways:

- Providing risk sharing to a financial intermediary (**NPB** or a financing institution) or investing in a mezzanine tranche of ABS

Corp / PF	✗
Midcaps	✓
SMEs	✓

- Providing subordinated debt, providing credit enhancement or investing at company level

Corp / PF	✓
Midcaps	✓
SMEs	✗

- Investing in the mezzanine tranche of layered IPs (e.g. that are managed by **NPBs**)

Corp / PF	✓
Midcaps	✓
SMEs	✓

Challenges

- **Non-bankable structures:**
 - ↳ **Not enough revenue generation to support the project**
 - ↳ **Too risky (e.g. due to structure or a new unproven technology)**

Constraints

Context of the EFSI regulatory requirements and environment:

- EIB financing under EFSI must comply fully with the EIB's risk and pricing policies.
- All operations have to be in line with best banking practice and financial regulations.

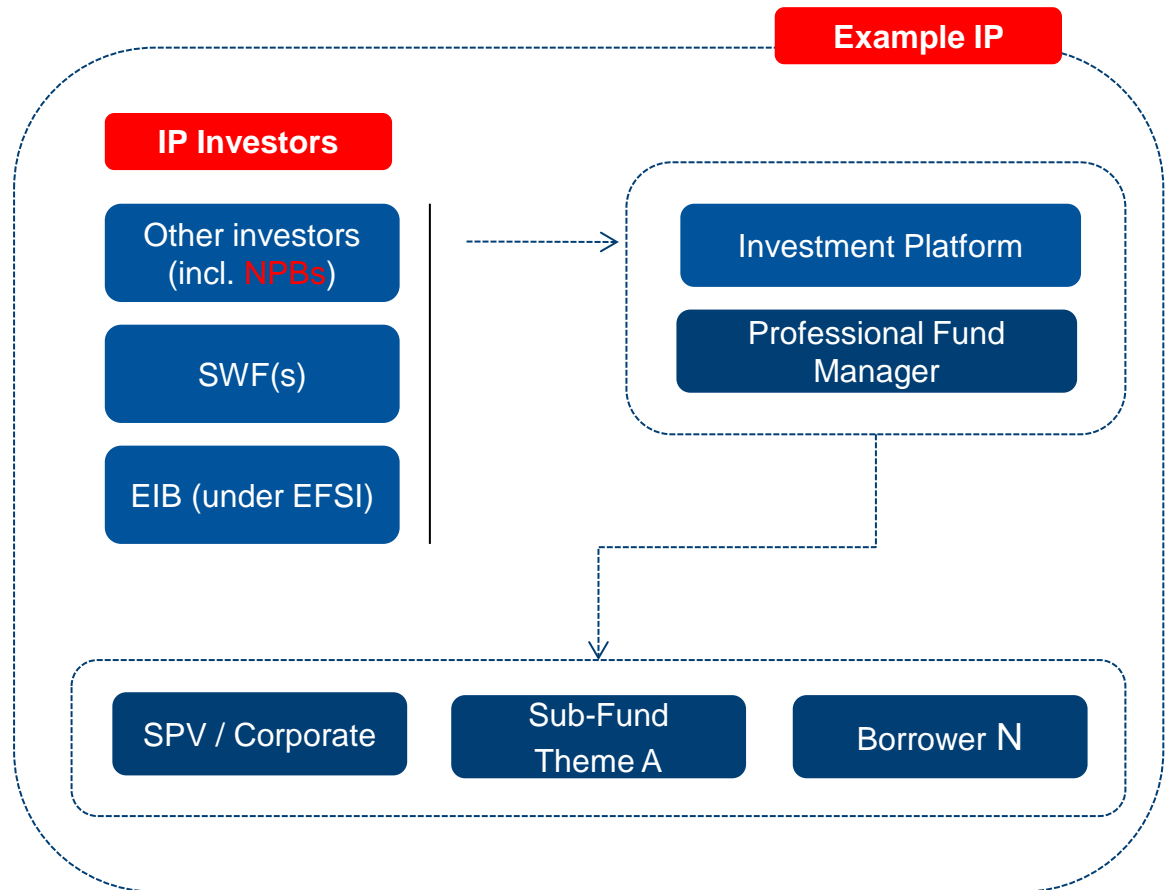
Solutions

- If economic returns exceeds risk adjusted financial returns, the use of grants / financial instrument needed as initial credit enhancement. EFSI will then provide additional credit enhancement to crowd-in other investors.

Key features

- EIB may invest / co-invest with investment platforms (“IPs”)
- The IP can be contractual, an investment fund, etc
- Identification with EFSI eligibility criteria, often with a thematic focus

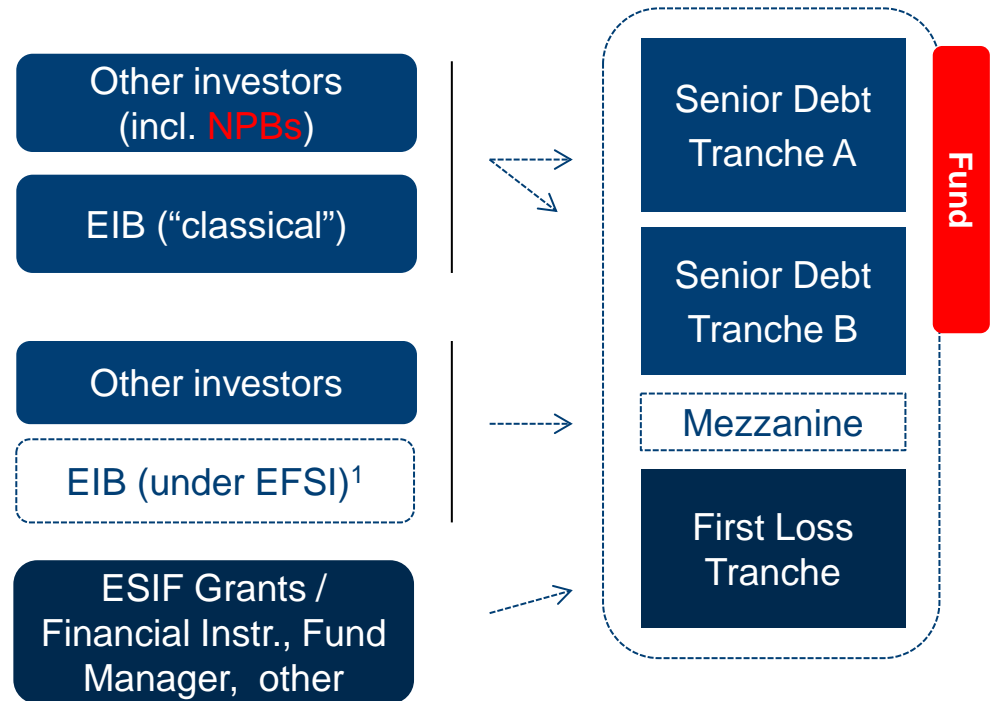
Example IP

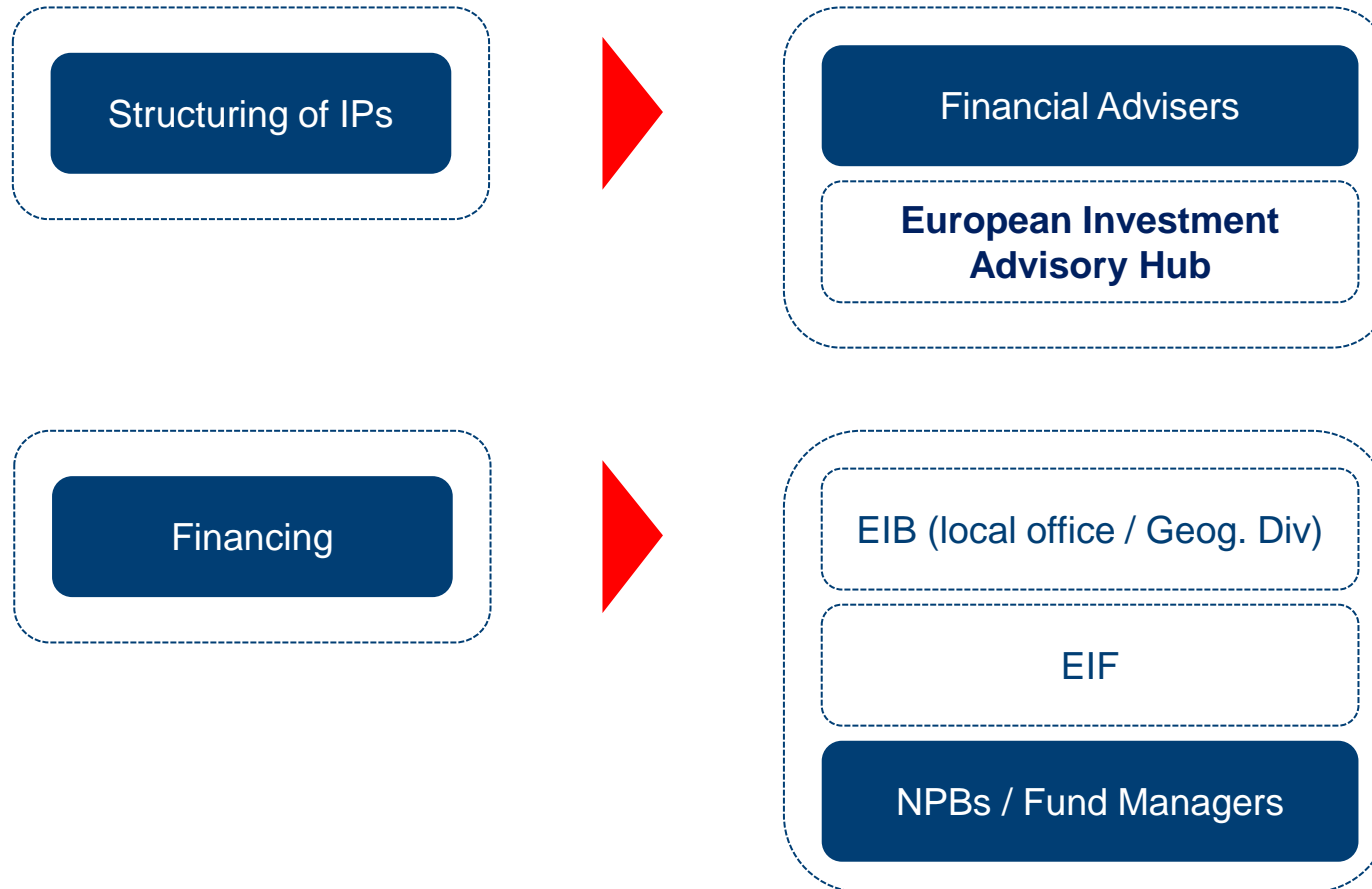


Layered Funds (Debt or Equity)

Key features

- EFSI allows EIB to consider financing at mezzanine level (instead of only senior)
- First Loss Tranche allows the financing of investments that would otherwise not be bankable on account of the high risk





EIAH Requests being processed...a few examples

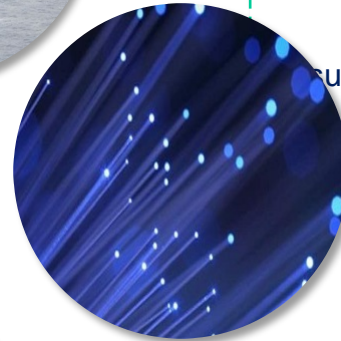
Renewable Energy projects

Following the request from a national government for help with the structuring and financing of several small-scale renewable energy projects, the EIAH is providing support in developing the underpinning strategy and clarifying major issues (e.g. a proper demand analysis and cost-benefit analysis).



Broadband projects

The Hub is looking at various high-speed broadband projects in underserved areas, and is working help assess/establish an investment and financing model that ensures sustainable implementation, as well as technical support.



Ecology programme in the Danube region

Request for project implementation/coordination support for a major ecology programme in the Danube region. A consultant will be engaged by the Hub to develop a roadmap prioritising the delivery of a series of critical sub-projects/actions and identify possible sources of funding.



Transport PPP-project in an EU member state

Promoted via the national roads agency, the project relates to a TEN-T axis road. Advisory input focused on techno-economic review of project documentation as well as support with PPP structuring.



Thank you!



Luciana Tomozei



Policy Advisor
Office of the EIB Permanent Representative in Brussels

Phone: (+32) 2 712 41 27
Email: l.tomozei@eib.org

European Investment Bank
6, Rond Point Schuman
B-1040 Brussels Belgium