

Investment Plan for Europe

Delivering on the European Fund for Strategic Investments (EFSI)

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Why an Investment Plan for Europe?

Issues: Investment gap, low growth, employment and competitiveness

Financial and non-financial barriers
to investment

Public budget constraints

Credit supply: Ample liquidity, but
long-term risk-taking constrained

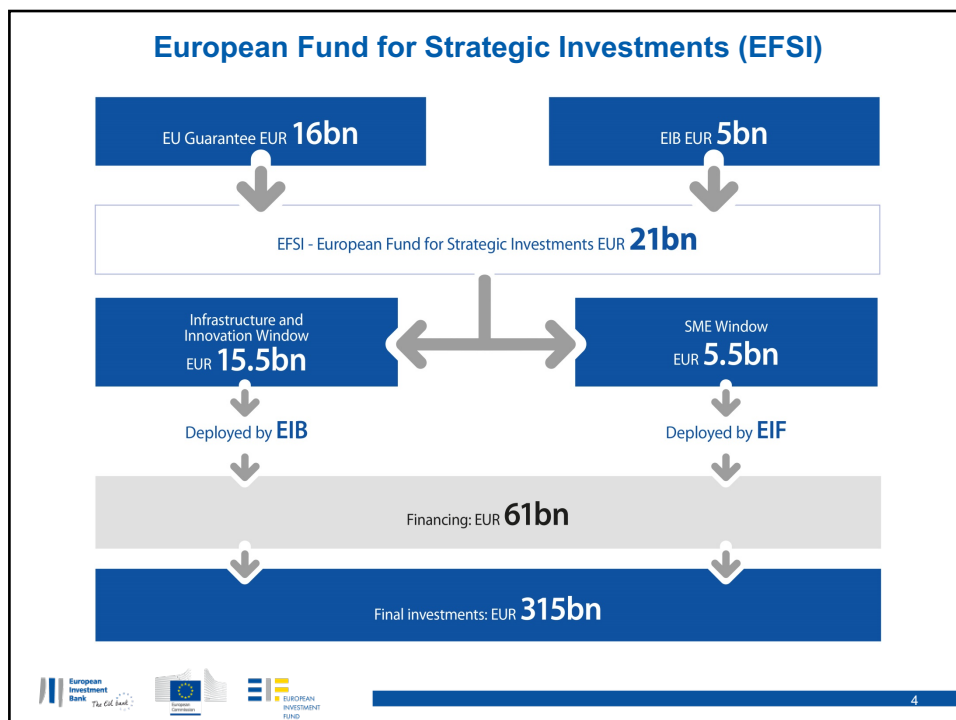
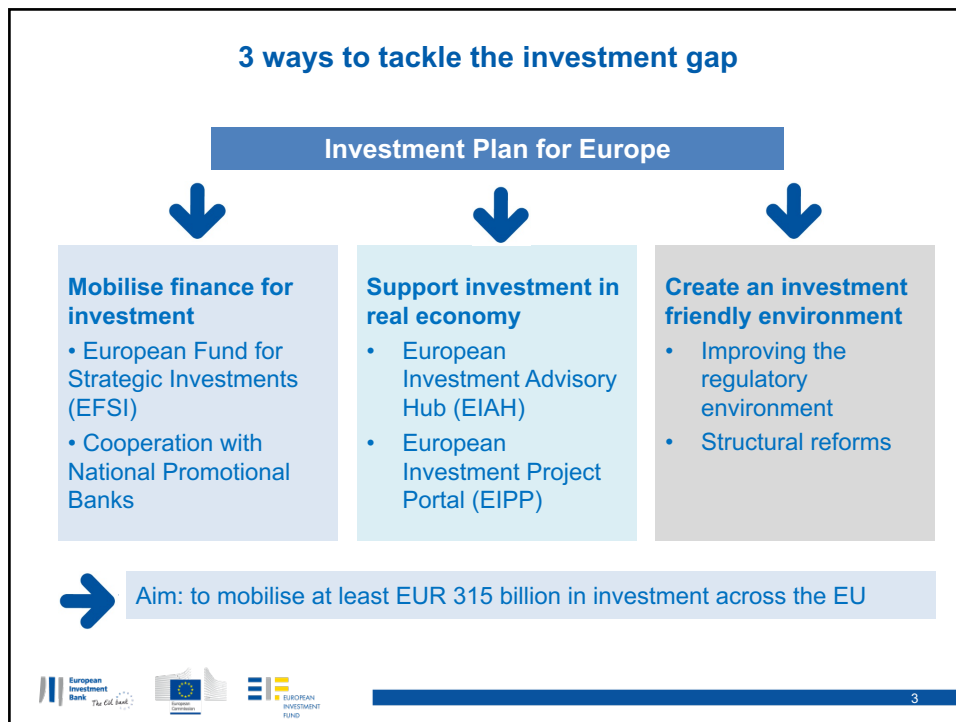
Credit demand: High dependence
on bank financing




EU Investment Plan

- EU and Member State policy action
- EU budget guarantee
- EIB capacity to mobilise additional financing

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EFSI setup and governance

EFSI Regulation approved by the European Parliament in June 2015.

EFSI has its **own governance structure** for the use of the guarantee that does not infringe on the governance or authority of EIB's decision making bodies on the financing of each project.

**Steering Board
(SB)**




**Managing Director
/ Deputy
(MD / DMD)**

**Investment
Committee
(IC)**

- 3x EC and 1x EIB – EC Chairs the SB
- Strategic / Oversight
- Decisions by consensus

- EIB employees
- Coordination / Chair of the Investment Committee

- 8 members + MD/DMD
- Members are independent experts with no affiliation to EC or EIB
- Sole decision making body to approve availability of EC Guarantee
- Decision by simple majority (quorum of 5)

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EFSI Objectives - Eligible areas

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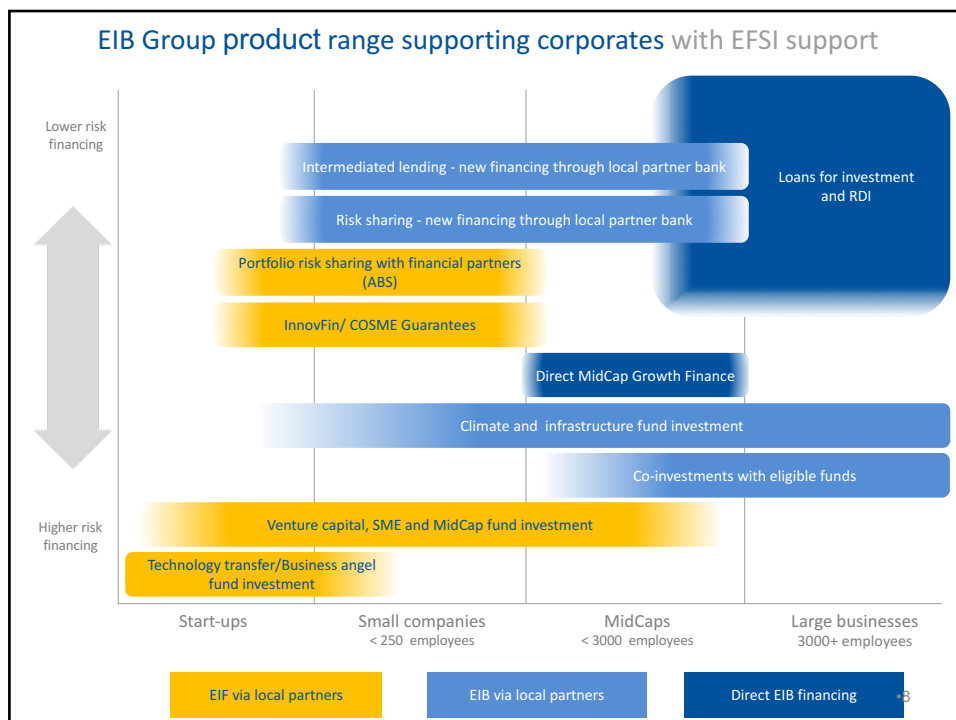
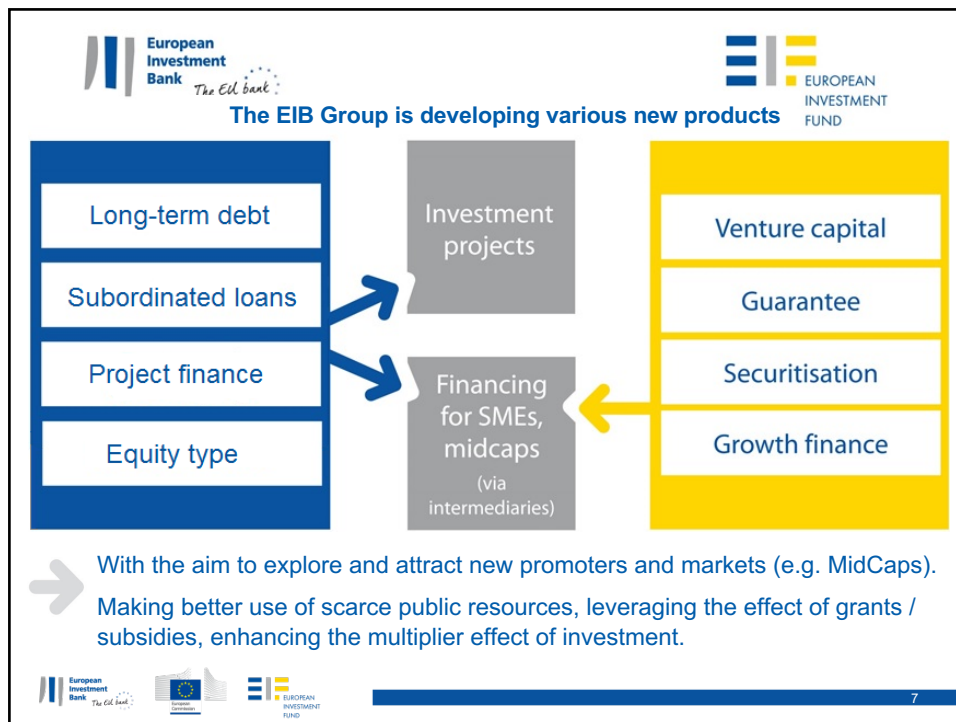
The operations concerned shall be consistent with Union policies and support objectives related to:

- R&D and innovation
- Energy
- Transport
- Support to SMEs and small mid-cap companies
- Information and communication technologies
- Environment and resource efficiency
- Human capital, culture and health

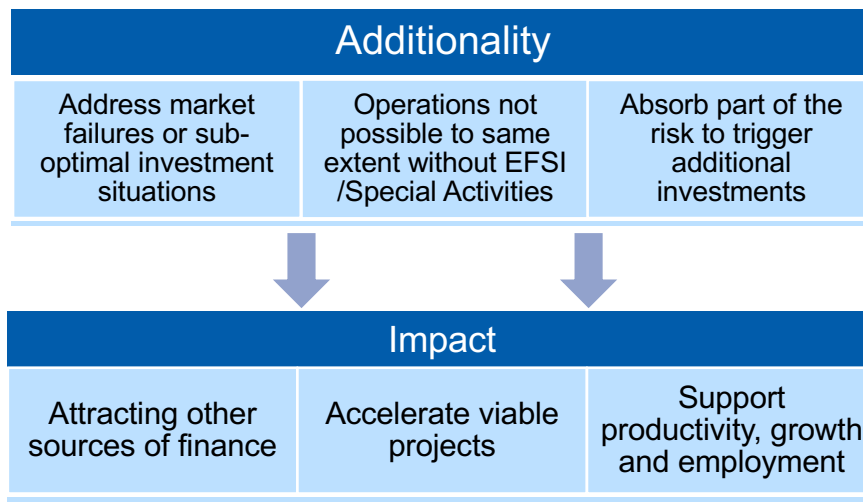




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Making a difference

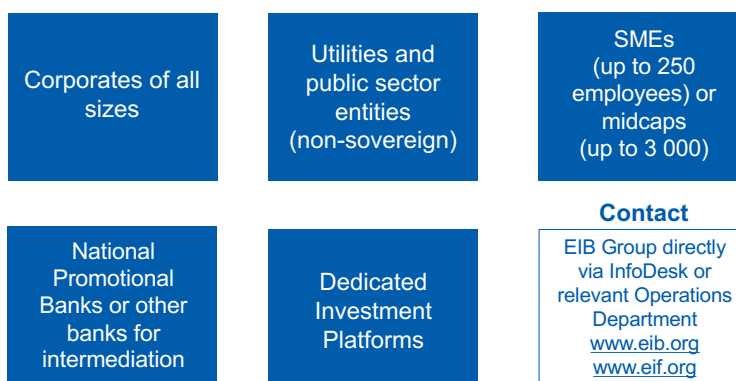


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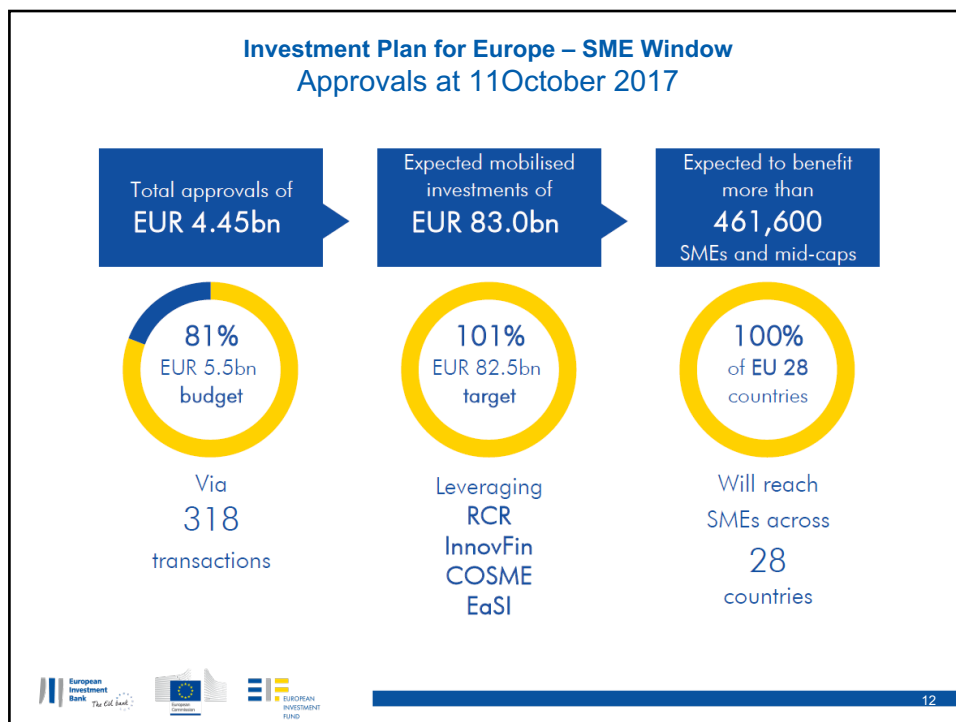
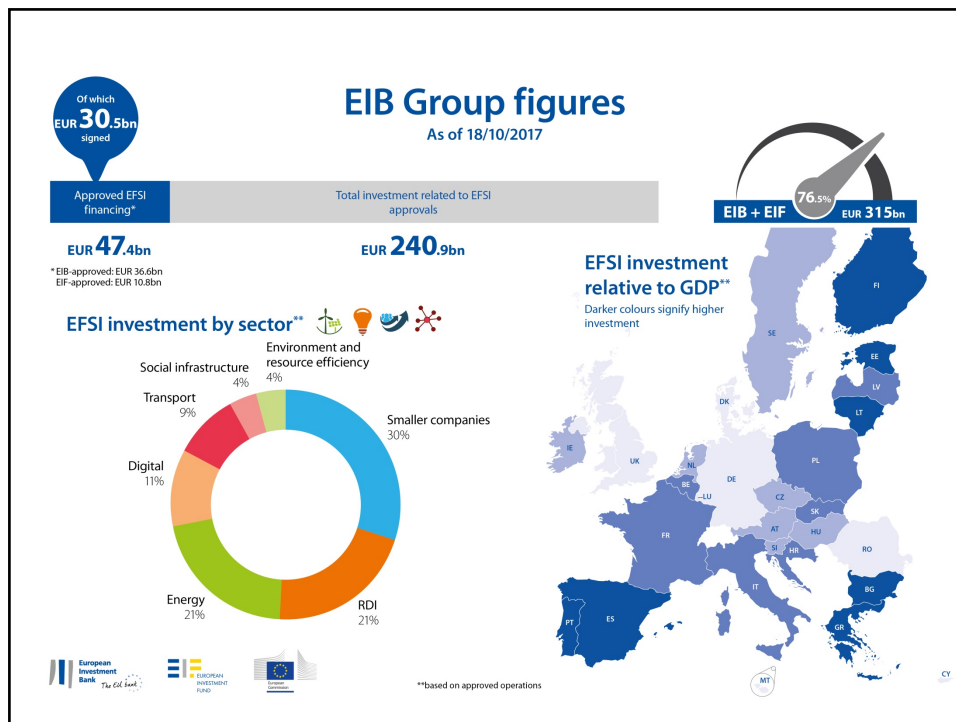
Opportunities for promoters/investors

- 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

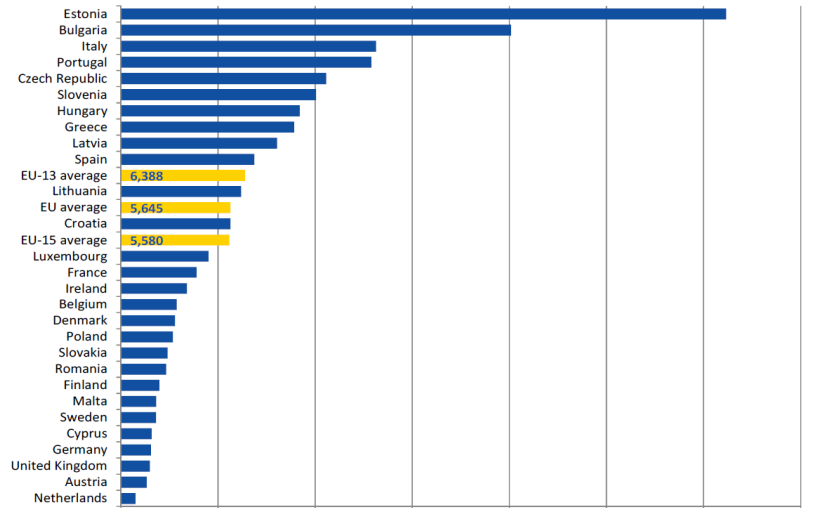


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Small EU countries as main beneficiaries (by GDP)

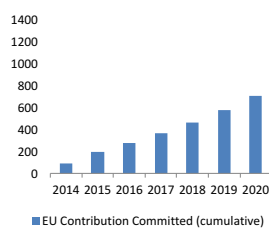
Expected Mobilised Investments (EUR) per EURm of GDP



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EFSI Enhanced COSME LGF

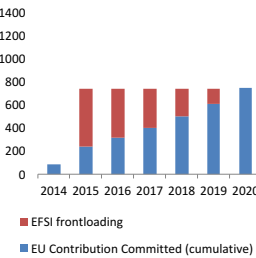
COSME LGF (without frontloading)



Before EFSI:

EIF only counts on the yearly EU Contribution Committed

COSME LGF (with frontloading)

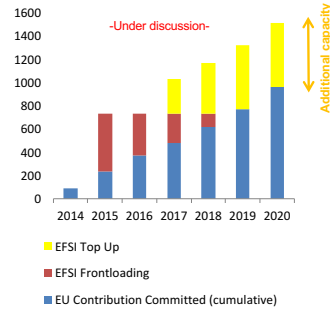


Frontloading thanks to EFSI:

Thanks to EFSI, EIF counts on future yearly EU Contribution Committed for 2016-2020 **already** in 2015 to sign guarantees quicker:

- ⇒ Accelerates the deployment of COSME LGF
- ⇒ Enables SME to obtain additional access to finance in 2015-2018

COSME LGF (with EFSI Top Up)



Top-up thanks to EFSI:

Thanks to EFSI, EIF counts on additional capacity above the EU Contribution to COSME LGF; EFSI is acting as second loss on top of the EU Contribution to COSME

- ⇒ Increase the COSME LGF capacity
- ⇒ Enables SMEs to obtain even more access to finance until 2020



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EFSI 2.0 – Process and timeline

- Expected entry into force of EFSI 2.0: 1 January 2018
- Prerequisite:
 - European Parliament to adopt regulation in December plenary session
 - Revision of EFSI agreement between Commission and EIB



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No change to EFSI key principles

- No geographic allocation
- No sectoral allocation
but 40% COP21 target
- Projects' own merits
- Approval by independent market experts

No change to EFSI eligibility criteria

- Consistency with EU policies
- Additionality
- Economic and technical viability
- Maximisation where possible of the maximisation of private resources



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EFSI 2.0 - Additions

Scope objectives:

1. Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy
2. Enhanced additionality
3. Enhanced transparency: the Investment Committee's decisions approving the use of the guarantee will be made public and accessible
4. Delegation model encouraged
5. Reinforced geographic coverage: more targeted technical assistance and combination of other sources of Union funding to support less-developed regions and transition regions
6. Reinforcement of the EIAH – targeted technical assistance (COP21, digital sector, etc.); support on the establishment of investment platforms



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EFSI 2.0 increases the EFSI's risk-bearing capacity

Guarantee fund (35%) EUR 9.1 bn

EUR 16 bn + EUR 10 bn
EU guarantee: **EUR 26 bn**

+

EUR 5 bn + EUR 2.5 bn
EIB contribution: **EUR 7.5 bn**

➤ **EUR 33.5 bn x 15 = EUR 502.5 bn (2015-2020)**

targeted multiplier (same as EFSI 1)



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EFSI 2.0 – SME Window

In collaboration with EIB, **new areas should be supported under EFSI 2**, such as skills, apprenticeship, energy efficiency, digitalization, etc.

For this, it could be useful if EFSI 2 could take more risks (EIF first loss cover).

- Possible allocation of the EUR 5bn from EFSI 2 under the SME Window:
 - **Equity for SMEs and midcaps**
 - **Support of loans to SMEs and small midcaps:**
 - Increase InnovFin, CCS, COSME and EaSI guarantees and ensure continuity in delivery
 - In new areas (ABS, skills, apprenticeship, etc.)
- *Possibility under EFSI 2 to further increase the EFSI SME Window from EUR 10.5 bn up to a maximum of EUR 13bn (EUR 4bn from EIB and EUR 9bn from EU) by transfer of EUR 2.5bn budget from the EFSI Infrastructure and Innovation Window*

Thank you!

