



THE INVESTMENT PLAN FOR EUROPE

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

Agenda

- European economic context
- Investment trends
- The Investment Plan for Europe: key features and status
 - Pillar 1. Mobilising finance for Investment
 - Pillar 2. Making finance reach the real economy
 - Pillar 3. Improved Investment environment

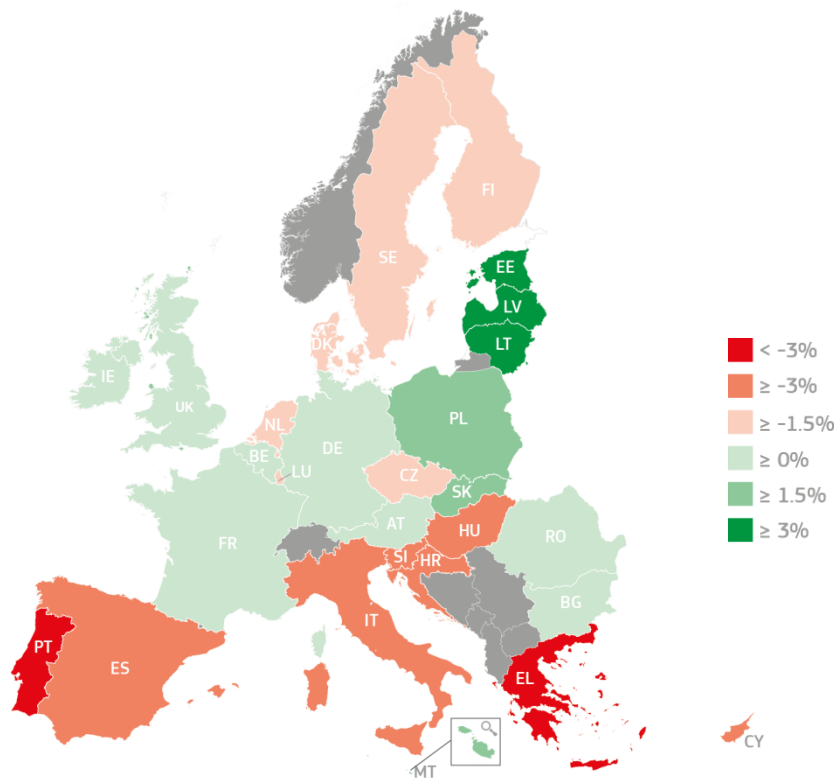
EU economic context

- The European economy is now entering its **fourth year of recovery** and growth continues at a **moderate** rate, driven mainly by consumption.
- Certain **factors supporting growth** are now expected to be stronger and last longer than previously assumed: low oil prices, favourable financing conditions and the euro's low exchange rate.
- At the same time, **risks** to the economy are becoming more pronounced and new challenges are surfacing: slower growth in China and other emerging market economies, weak global trade as well as geopolitical and policy-related uncertainty.
- **Employment** should continue to rise modestly. EU unemployment should fall from 9.5% in 2015 to 9.0% this year and 8.7% in 2017.
- **Euro-area** real GDP is expected to rise from 1.6% in 2015 to 1.7% this year, and 1.9% in 2017. **EU28** real GDP is expected to remain at 1.9% this year, and rise to 2.0% in 2017.

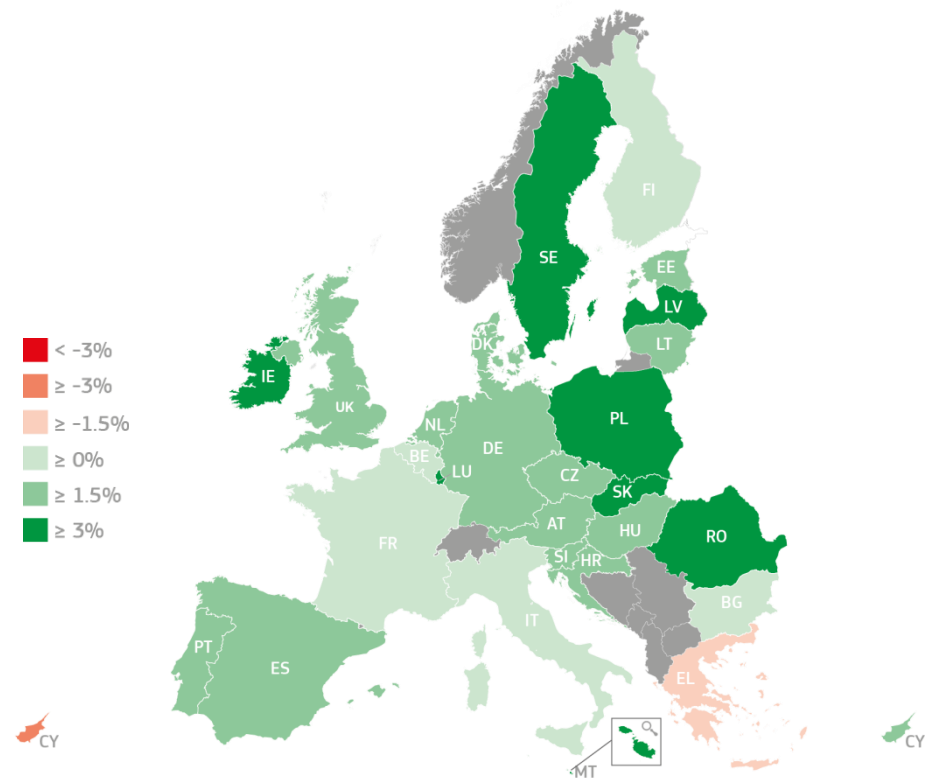
Source: European Commission, Winter Economic Forecast, Feb-2016

EU economic growth

EU GDP growth 2012



EU GDP growth 2016 (forecast)



Source: European Commission, Winter Economic Forecast, Feb. 2016

EU economic policies

Sustaining and strengthening the economic recovery:

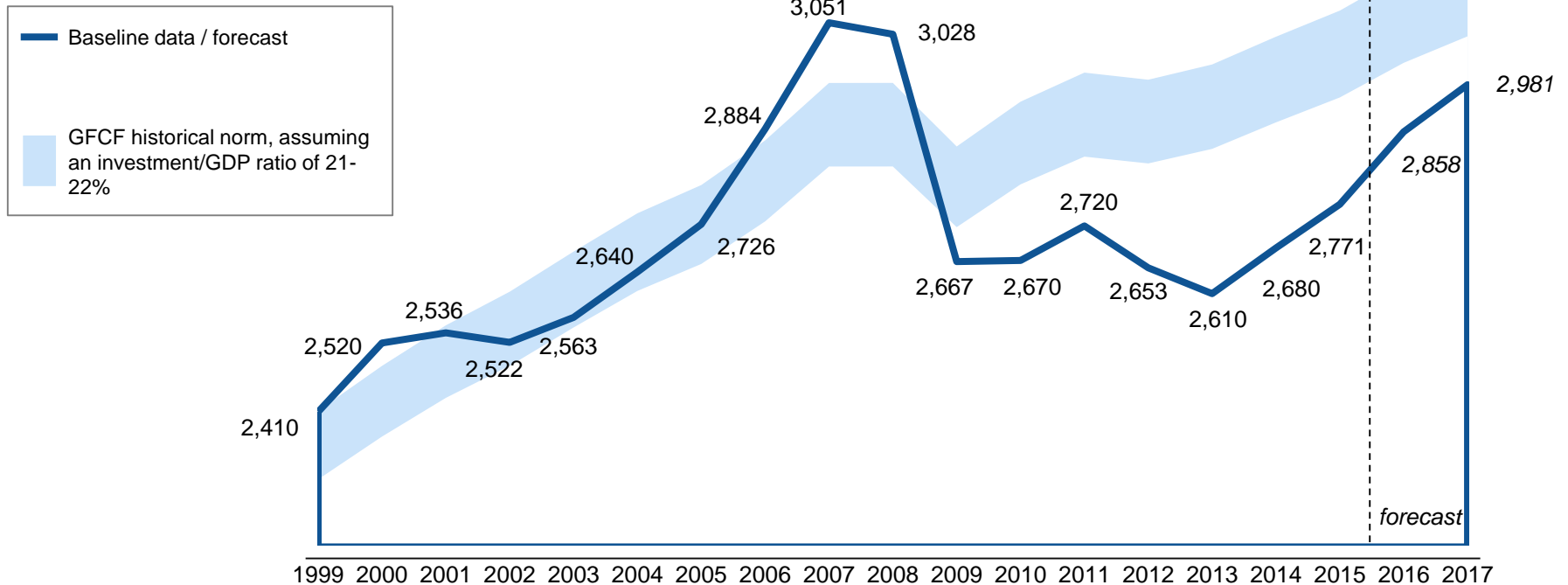
1. boost investment
2. pursue responsible public finances
3. structural reforms to enhance competitiveness.

EU Investment (private/public) trend

Real gross fixed capital formation (GFCF) in EU

Baseline vs. historical norm

EU-28, in 2013 prices, € bn



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

Why an Investment Plan for Europe?

Investment & competitiveness gap

High liquidity in the market

Public budget constraints

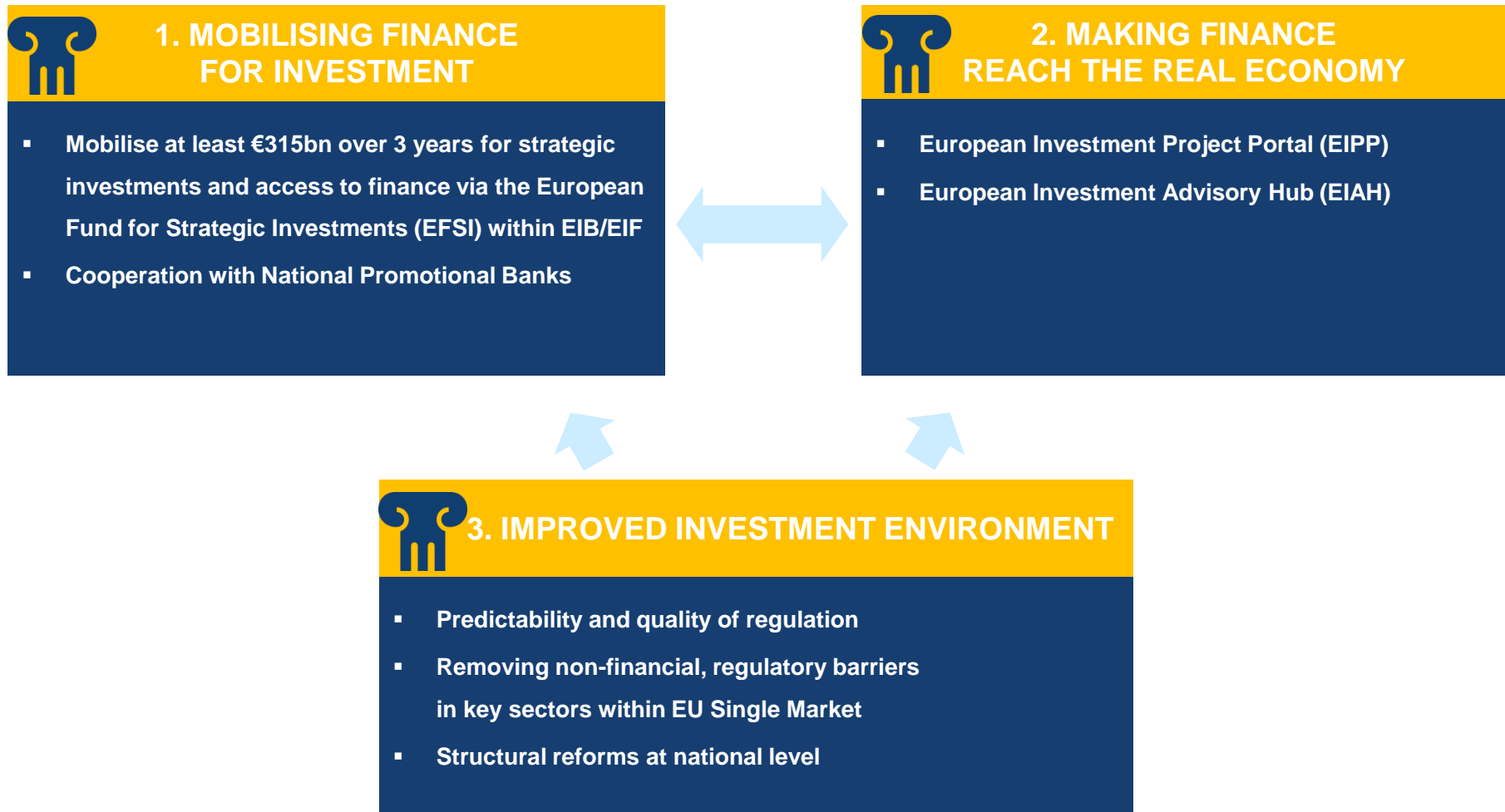
Financial and non-financial barriers to investment



Investment Plan for Europe

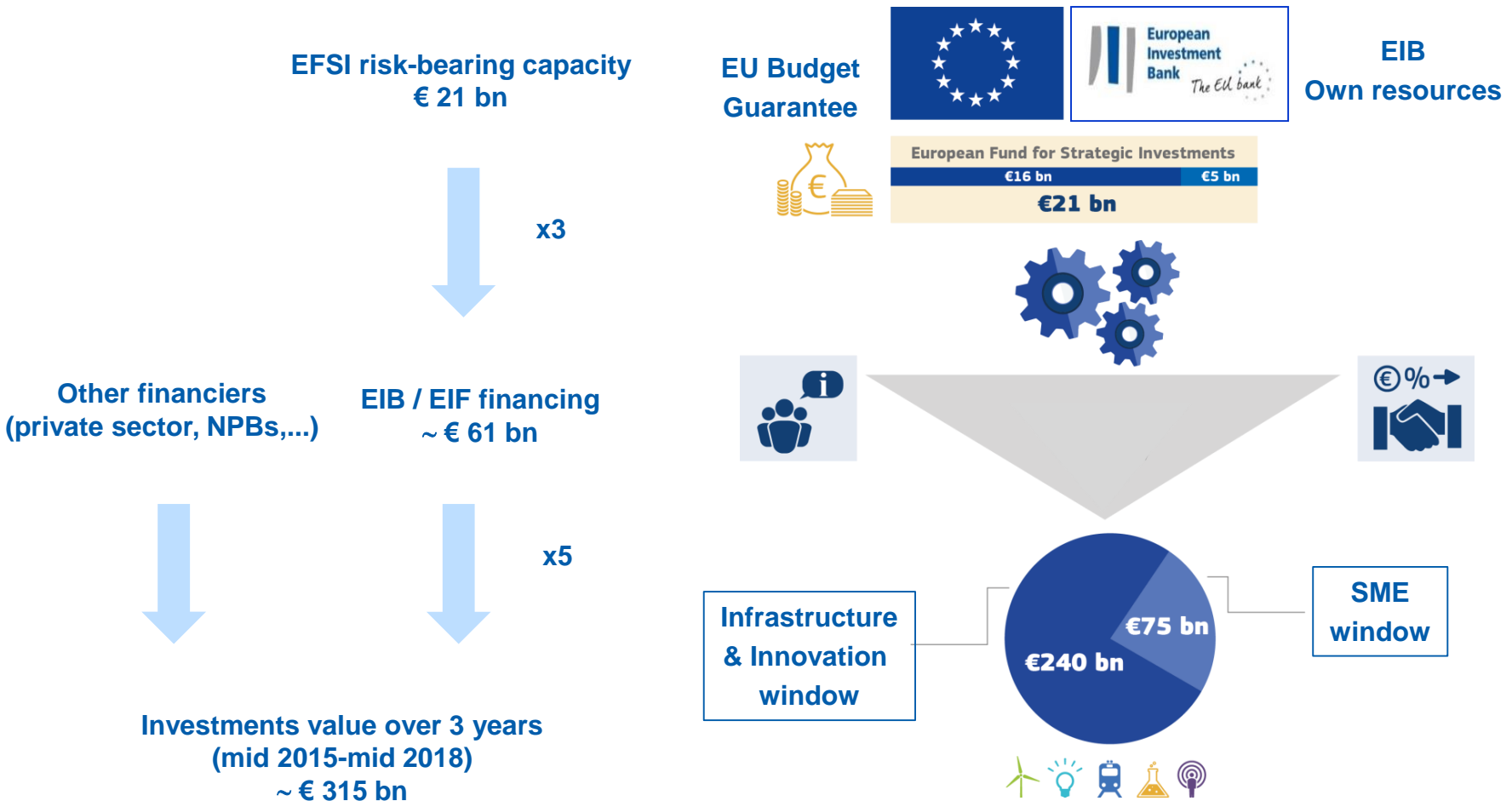
- EU and Member State policy action
- EU budget guarantee
- EIB capacity to mobilise additional investment

The 3 pillars of the Investment Plan for Europe

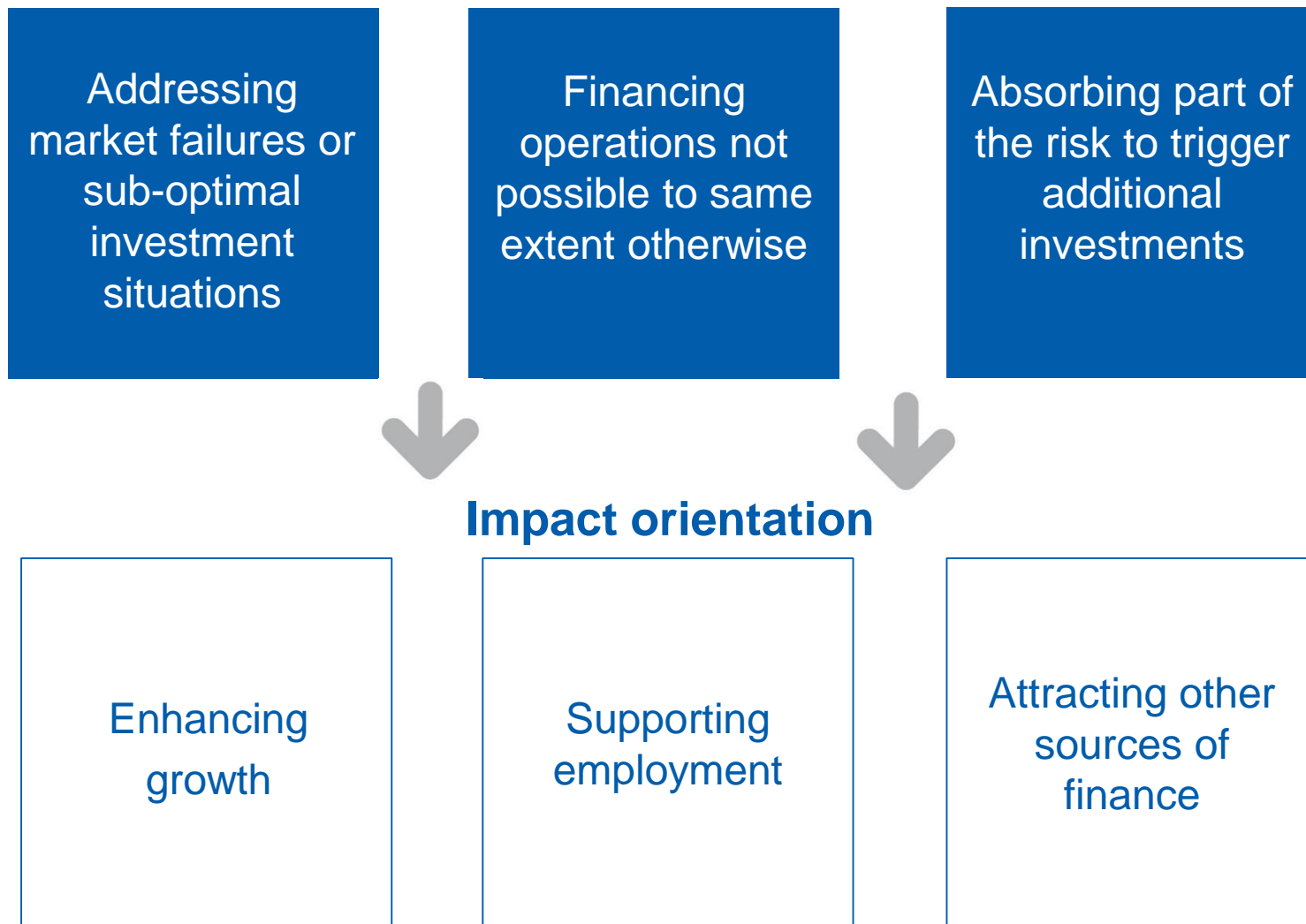




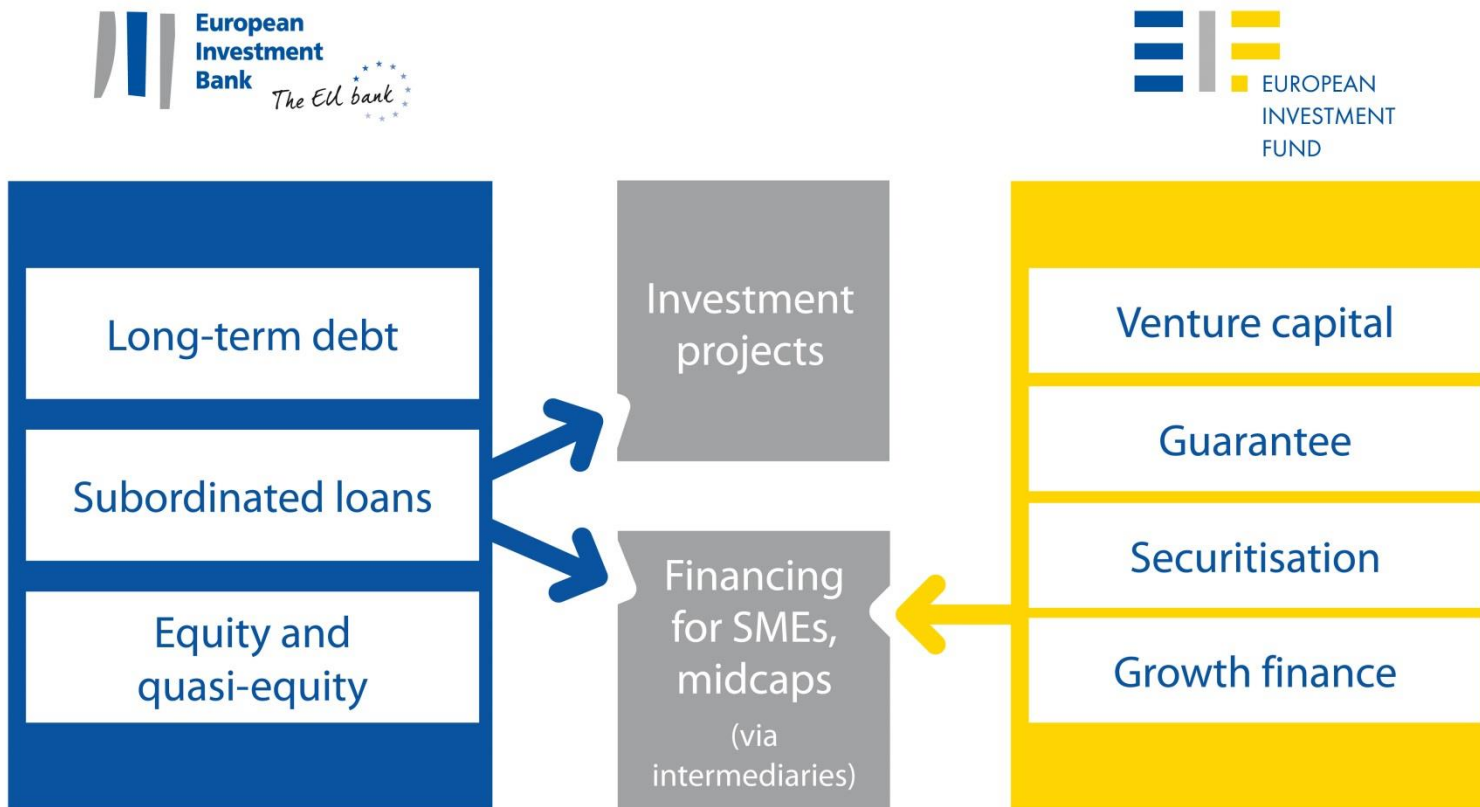
1. European Fund for Strategic Investments (EFSI)



EFSI value added: making a difference



EFSI type of instruments



Continuously adapting to market needs

EFSI setup and governance



All EFSI operations are financed by the EIB Group (EIB&EIF)

- On the EIB's balance sheet (no separate entity)
- Subject to standard due diligence
- EIB & EIF governing bodies approve each operation

EFSI governance:

- Steering Board
- Investment Committee, headed by a Managing Director

Operations already started in spring 2015

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 Tzanova**): 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



Nieves Rodriguez



Noel Gregor Patterson-Jones



Vicky Kefalas



Fabio Pammoli

Key features of EFSI

Size of investments

- EIB uses min €25m for individual loans
- Smaller schemes can be grouped into framework loans
- No size restriction for operations via Fin. Intermediaries (e.g. for SMEs)

Geographic scope

- EU28
- Projects involving an entity in a MS and extending to Enlargement (Western Balkans, Turkey), EU East/South Neighbourhood, EEA/EFTA (Norway, Switzerland, Liechtenstein), Overseas Countries and Territories.

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

EFSI key areas

Operations to be consistent with **EU policies** and to support any of the general objectives:

1. Research, development and innovation
2. Energy (ref. Energy Union priorities)
3. Transport
4. Information and Communication Technologies
5. Environment and resource efficiency
6. Human capital, culture and health
7. Support to SMEs and mid-cap companies, through local partner banks and institutions

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)

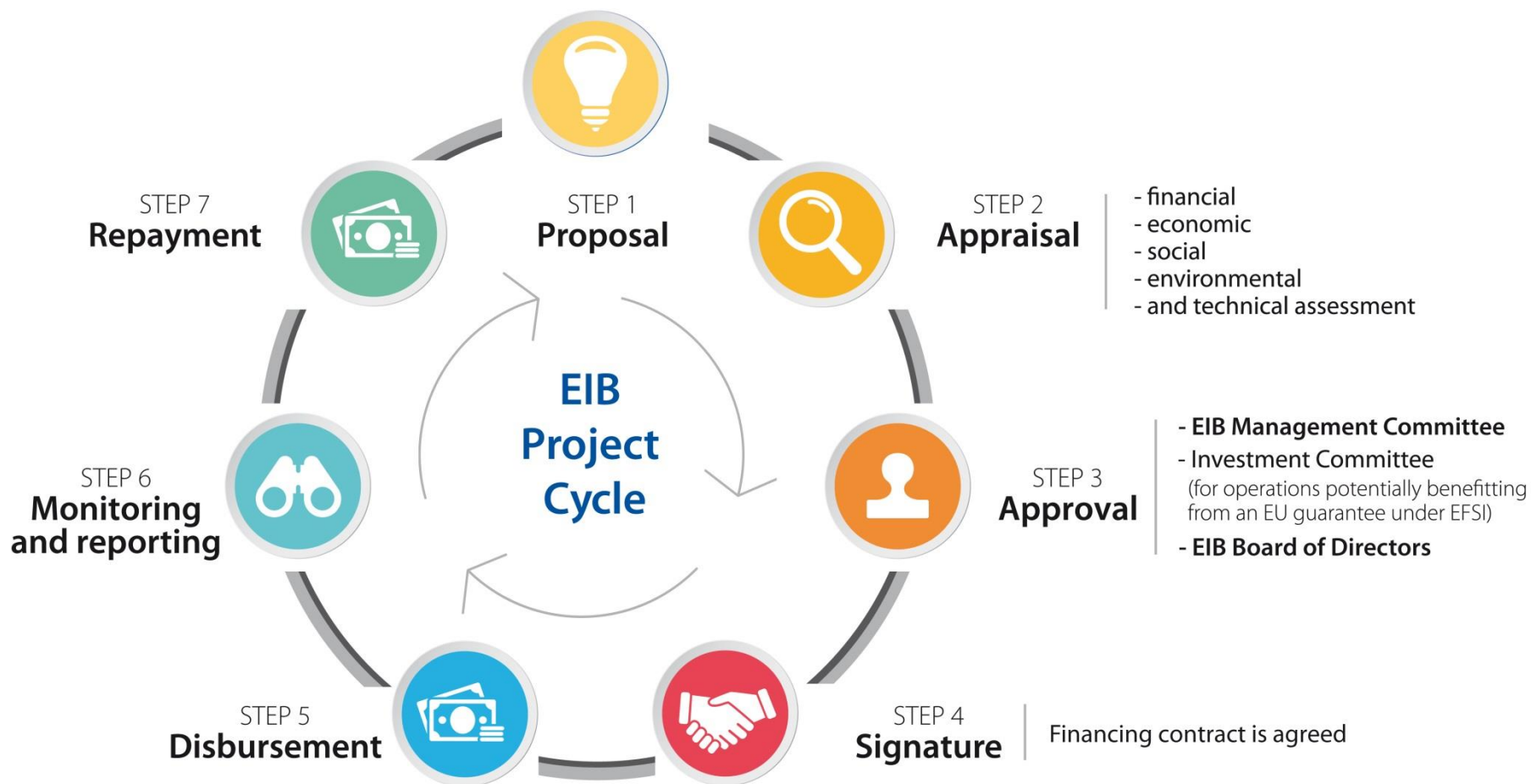
National
Promotional
Banks or other
banks for
intermediation

Dedicated
Investment
Platforms

Contact

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

EFSI Infrastructure & Innovation financing: step-by-step





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

European Investment Project Portal

ec.europa.eu/eipp

- 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).
- Initial phase is now open – project promoters may submit projects @ ec.europa.eu/eipp
- Publication of a project is free for public entities.
- EIPP will go live in spring 2016 as soon as a critical mass of projects is reached

EIPP projects should

1. have a minimum size of EUR 10 million;
2. fall within one of the sectors/areas listed in Article 9(2) of Regulation (EU) 2015/1017;
3. be compatible with Union law and the law of the relevant Member State;
4. be expected to start within three years from submission to EIPP;
5. The project promoter should be a legal entity established in a Member State (individuals cannot submit EIPP projects); and
6. Publication of a project can be denied if the information is inaccurate or if its publication may entail legal or reputational risks for the European Commission or the Member States, or both.



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

EFSI results dashboard

Of which
EUR 5.5 bn
signed

Approved EFSI
financing*

Total investment related to EFSI
approvals

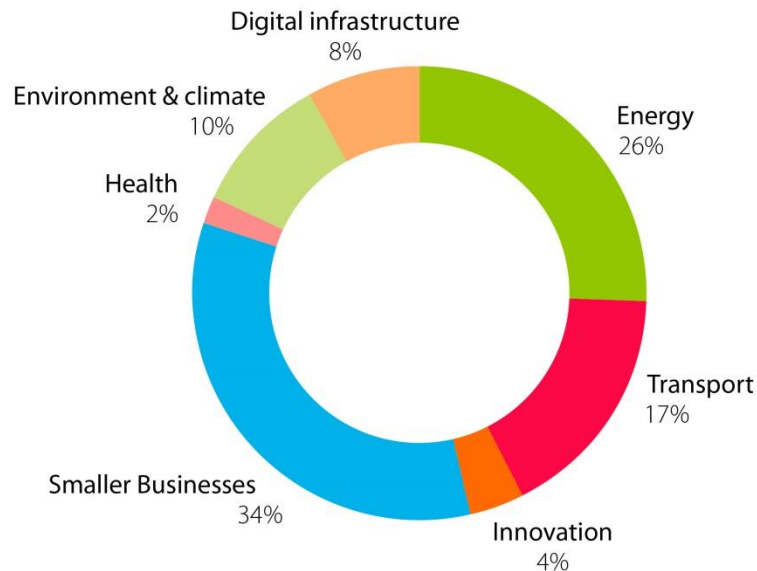
EUR 10.6 bn

EUR 76.1 bn

* EIF approved: EUR 3.4bn
EIB approved: EUR 7.2bn



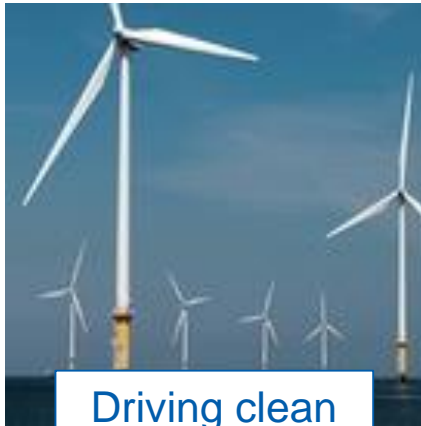
EFSI financing by sector



More than
200 operations
in 22 of 28 EU countries



Examples of EFSI operations



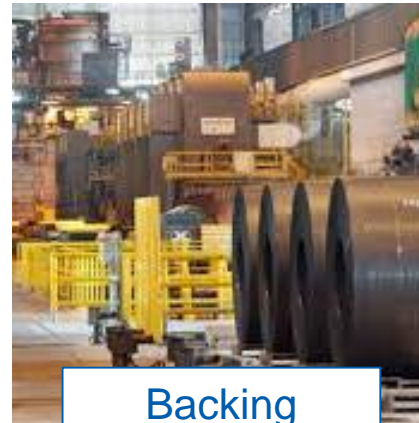
Driving clean
energy
investment

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



Example of EFSI operation financed by EIB



**Driving clean
energy investment**

EIB participation in an innovative fund is mobilising some **EUR 2bn** of investment in offshore wind, biomass and transmission projects in Denmark

Example of EFSI operation financed by EIF

Supporting smaller businesses



An EIF guarantee agreement is helping to **unlock EUR 100m** of loans for some **1 000 SMEs** in Bulgaria

Thank you for your attention!