



THE INVESTMENT PLAN FOR EUROPE

EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI)

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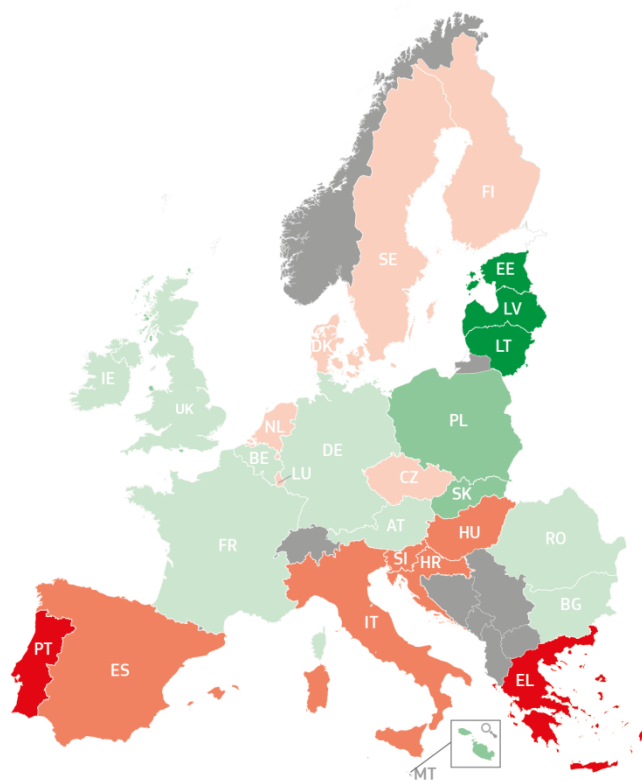


EU ECONOMIC CONTEXT

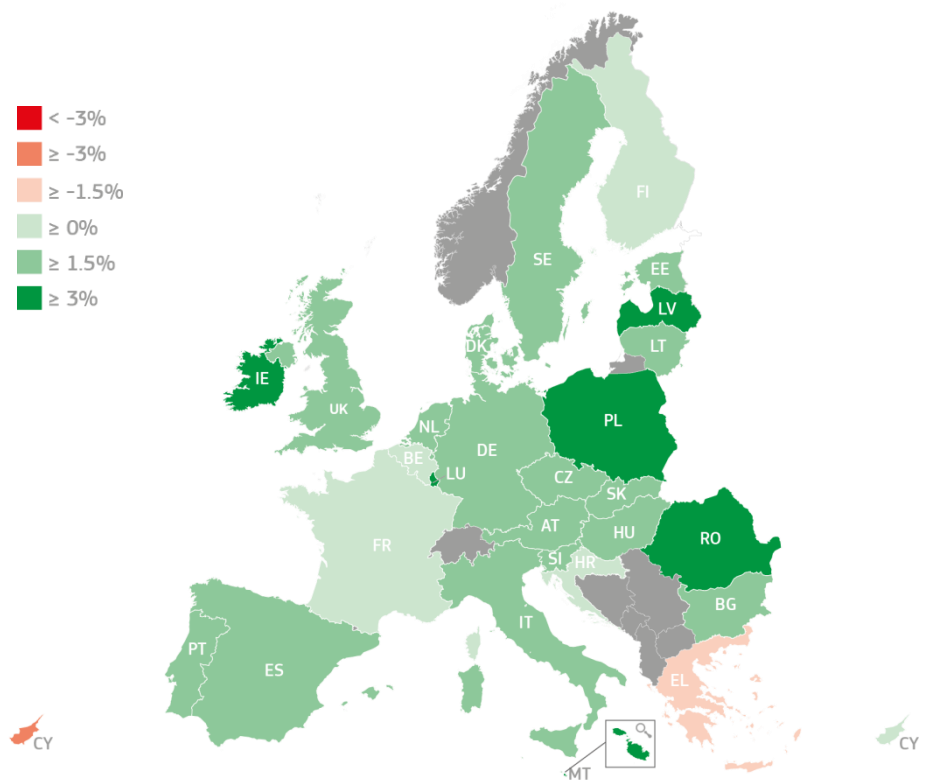
- The **European economic recovery** is now in its third year. It should continue at a **modest** pace in 2016 despite **more challenging conditions** in the global economy.
- Against a backdrop of declining oil prices and a relatively weak external value of the euro, the economic recovery this year 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 expected to rise from 1.6% in 2015 to 1.8% in 2016, and 1.9% in 2017.
- **EU28 real GDP** is expected to rise from 1.9% in 2015 to 2.0% in 2016, and 2.1% in 2017.

THE ECONOMIC SITUATION IS IMPROVING AND THE RECOVERY IS TAKING HOLD

EUROPEAN GROWTH MAP 2012

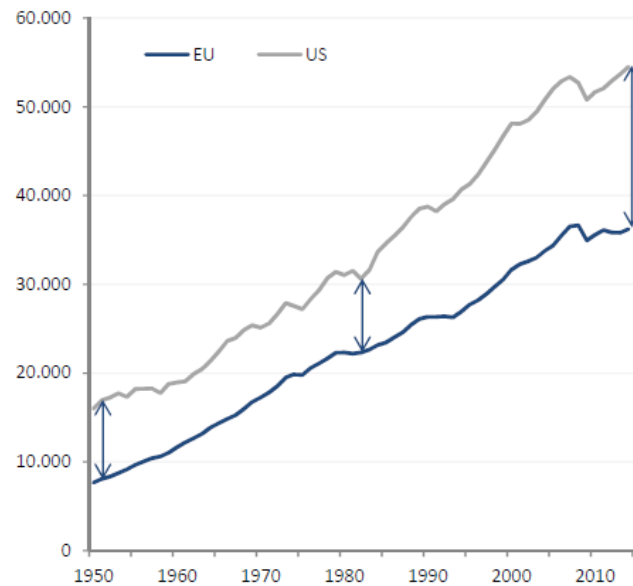


EUROPEAN GROWTH MAP 2016 (FORECAST)

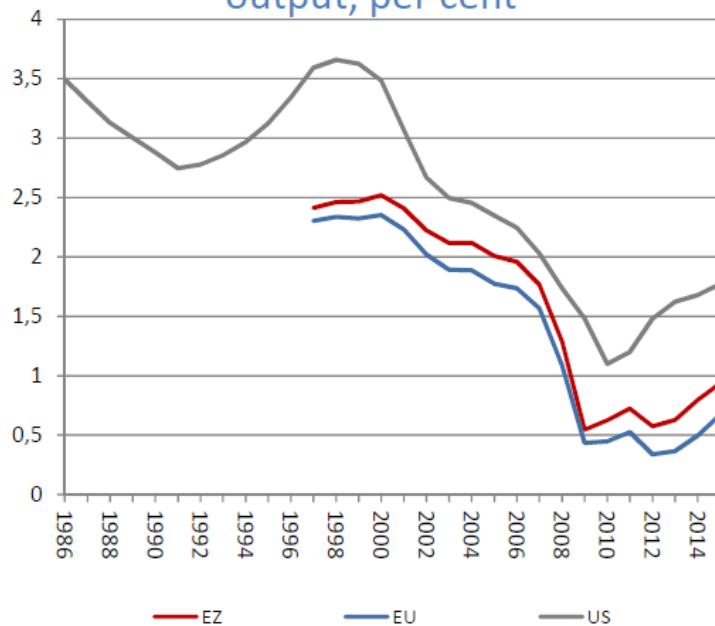


EU not catching up

GDP per capita, comparison between the EU28 and the US, PPP (constant 2014 USD)

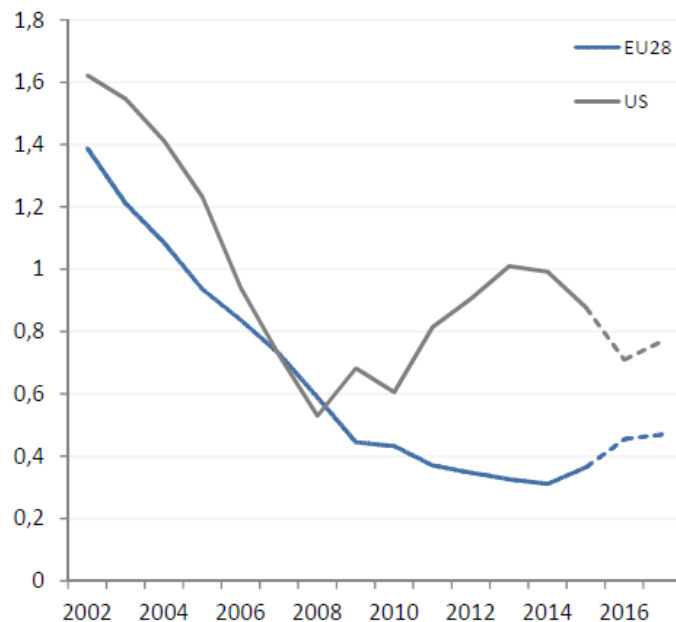


Annual growth of potential output, per cent

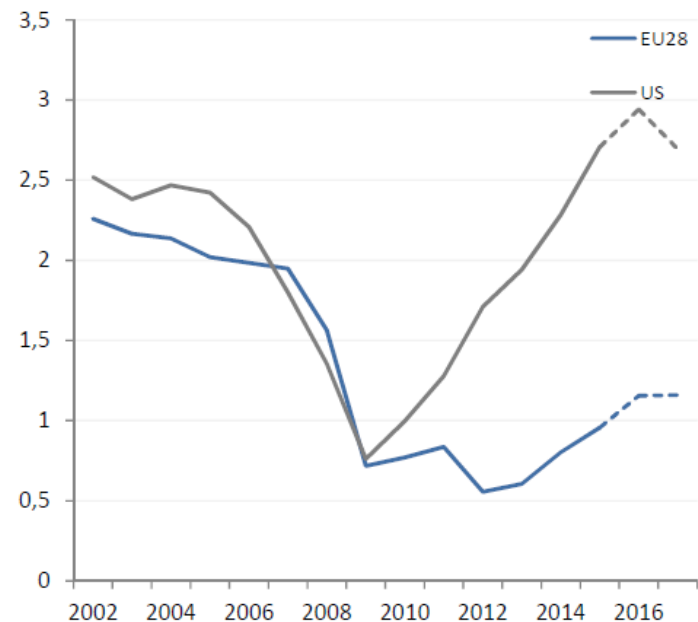


Growth and Productivity growth EU-US

Total factor productivity growth (%)



Economic growth (%)



Source: IMF

Note: Estimates according to IMF model

EU ECONOMIC POLICIES

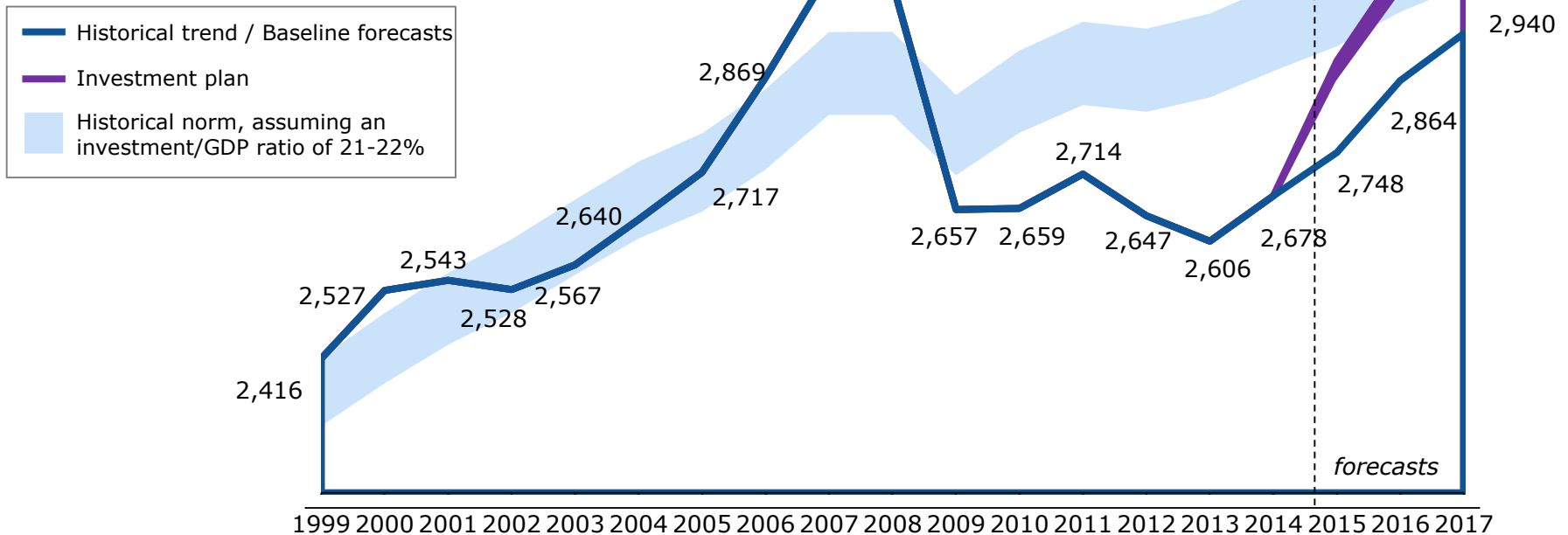
Sustaining and strengthening the recovery:

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

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

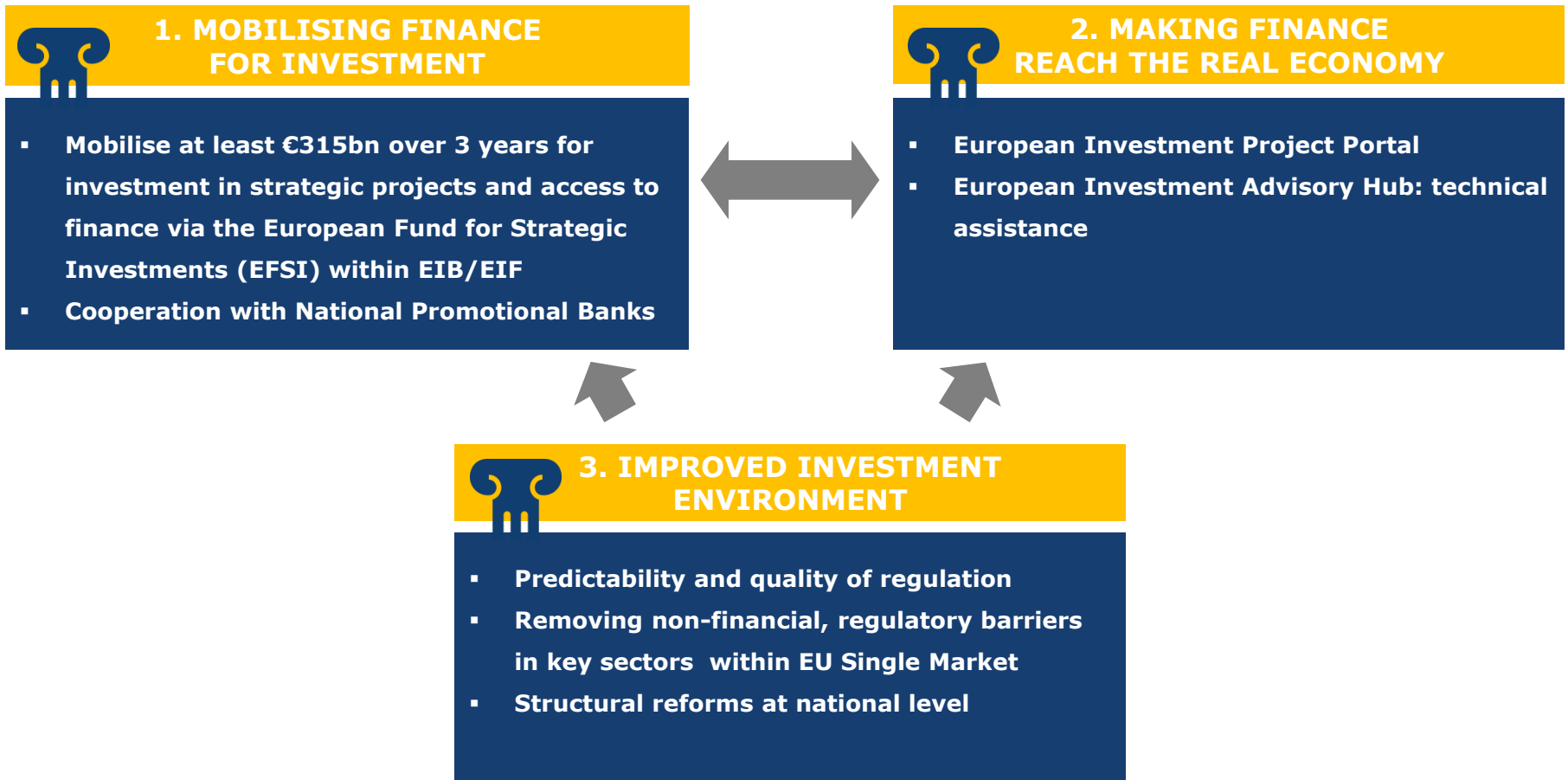
**FINANCIAL AND NON-FINANCIAL
BARRIERS TO INVESTMENT**



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. European Fund for Strategic Investments (EFSI)

**EFSI risk-bearing
capacity
€ 21 bn**



**Leverage
effect=
Total loan/
guarantees=x3**

**EIB / EIF financing
~ € 63 bn**



**Multiplier effect
Total project
cost/loan= x5**

**Investments value
over 3 years
~ € 315 bn**

**EU Budget
Guarantee**



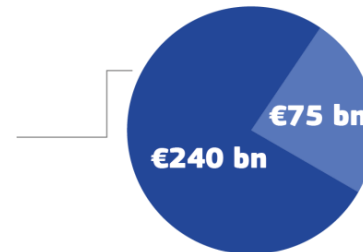
**EIB
Own resources**



**15 bn
by 2017**



**Infrastructure
& Innovation
window**



**SME
window**



EFSI: ELIGIBLE SECTORS

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

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

- For the infrastructure and Innovation window: EIB uses min €25m for individual loans, smaller schemes can be grouped into framework loans
- For the SME window, no size restriction for operations via Financial Intermediaries

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.

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

¹. National Promotional Banks

EFSI IN COMBINATION WITH OTHER EU FUNDS

- MS may use EU funds to co-finance EFSI projects.
- 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 to be provided by the Commission.

EFSI SCOREBOARD

- Ensure EU Guarantee is directed to projects with high Value Added
- Part of EIB due diligence -> Investment Committee
- Scoring of each project based on **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, cooperation with NPBs, co-financing with EU funds, Energy efficiency, Climate action

EIB Group operations (as of March 2016)

Of which
EUR 5.5 bn
signed

Approved EFSI
financing*

EUR 10.6 bn

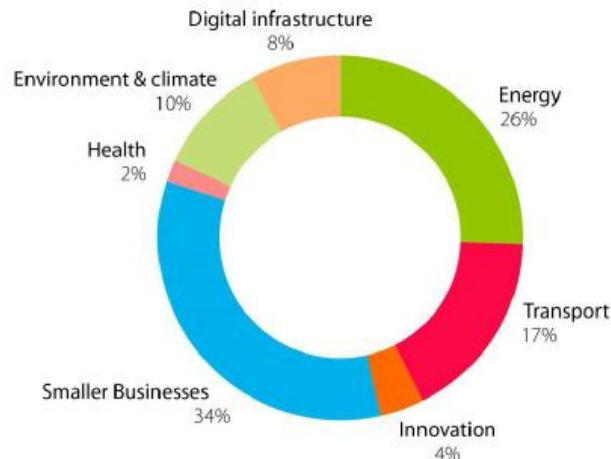
* EIF approved: EUR 3.4bn
EIB approved: EUR 7.2bn

Total investment related to EFSI
approvals

EUR 76.1 bn



EFSI financing by sector



More than
200 operations
in 22 of 28 EU countries



❖ **EFSI and the RDI policy, a very promising start especially on Innovation and innovative SMEs ...**

□ **RDI** is not only a priority sector under EFSI Infrastructure and Innovation Window (IIW). It is an horizontal dimension, also present in other priority sectors of IIW, as well as in the SME Window (SMEW)

- At least 32 of the 54 approved projects under the **IIW** have a substantial RDI component, out of which 7 are purely RDI-related. Only for those 7 projects latter, EIB financing of €495 million is expected to trigger total investments of **€2.5 billion**.
- Under the **SMEW**, at least **€23 billion** of the total expected investments triggered are expected to benefit to innovative SMEs and small midcaps

❖ ... but the necessity to address some important financing issues regarding RDI priorities remains (i.e. main priorities) ...

- ❑ Financing construction and operational costs of pan-European Research Infrastructures (RI) (cf ESFRI roadmap in particular), Innovation / Technology Infrastructures *[IIW]*
- ❑ Financing projects, (first-of-a-kind) demonstration pilots / deployment using new / improved technologies targeting societal challenges, LEIT and JTIs objectives, with a particular emphasis on digital, KETs, health, energy, food and water, possibly too through investment platforms *[IIW]*
- ❑ Boosting access to finance for innovative SMEs and small midcaps, in particular by addressing the lack of private investments' critical mass in venture capital in both early and growth stages (e.g. Equity Investment Platform, Pan European VC FoF, ...) in view in particular to support more disruptive market creating innovation *[SMEW]*



2. Making finance reach the real economy

Transparency on the investments in Europe

- European Investment Project Portal – will go live in 2016
- Matching investment opportunities proposed by project sponsors with investors' interest
- Pre-launch phase is now open – project promoters may submit projects @ <http://ec.europa.eu/eipp>

Strengthening advisory services

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

European Investment Project Portal

www.ec.europa.eu/eipp

What can the European Investment Project Portal (EIPP) do for you?

- Registration on the EIPP will boost the visibility of your project
- Opportunity to find investors from all over the world looking for investment opportunities in Europe
- Access to a large network of investors, consultants and advisory services that can help you to structure it and finance it

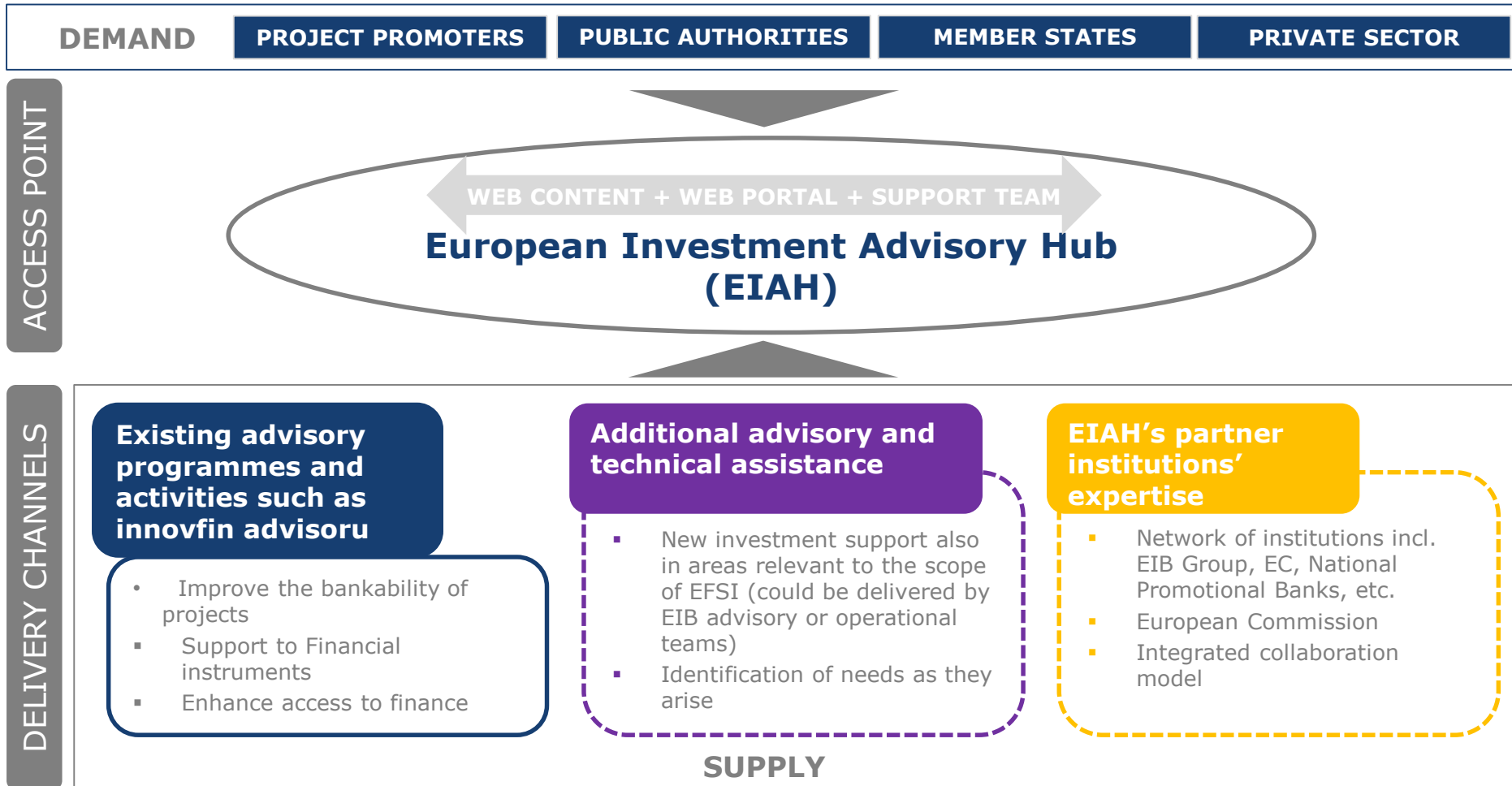
Is my project eligible for the European Investment Project Portal?

In order to qualify, projects must be:

- Worth at least € 10 million
- Expected to start within three years of their submission to EIPP
- Promoted by a public or private legal entity established in an EU Member State
- Compatible with applicable EU and national laws

Publication of a project can be denied on legal, reputational or other grounds.

WHAT IS THE ADVISORY HUB?





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
- Services Market
- Single European Transport Area

Structural reforms in the Member States

Openness to international trade and investment



THANK YOU FOR YOUR ATTENTION

MORE INFORMATION AVAILABLE AT:

<http://ec.europa.eu/invest-eu>

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

www.eib.org/eiah

<http://www.eib.org/products/blending/innovfin/?lang=fr>

#InvestEU