



EFSI 2.0: main features and next steps

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Process and timeline

- **European Parliament expected to adopt Regulation in the December plenary session**
- **Expected entry into force of EFSI 2.0: First quarter of 2018**
- **In parallel: revision of EFSI agreement between Commission and EIB**

No change to EFSI key principles

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

No change to EFSI eligibility criteria

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

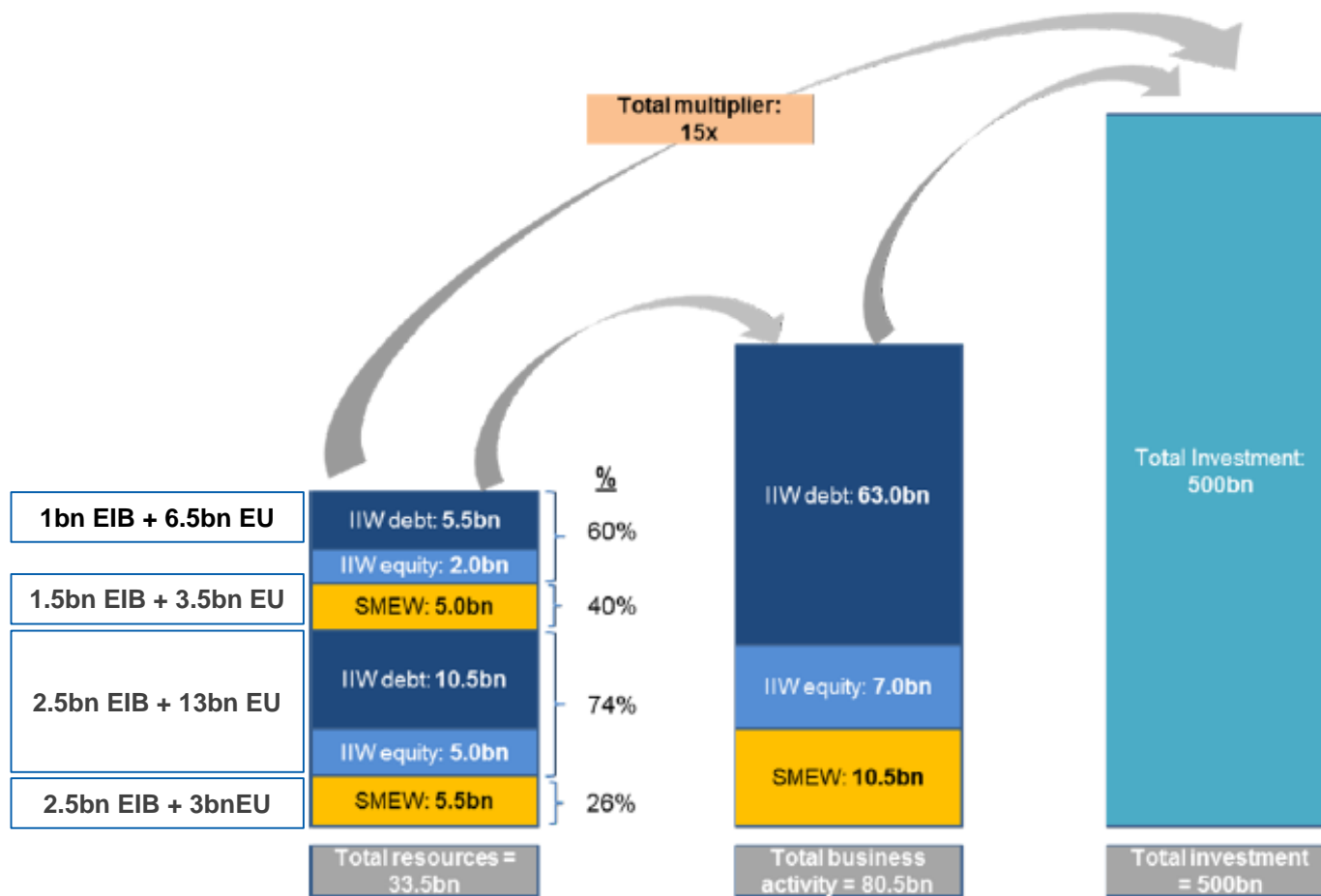


EFSI 2.0 additions: one policy area added

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

1. Research, development and innovation
2. Energy
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
8. *Sustainable agriculture, forestry, fishery, aquaculture and other elements of the wider bioeconomy*

EFSI 2.0 extends the duration and increases the firepower of the EFSD to mobilise at least EUR 500 billion by end-2020



- ✓ Reinforced additionality
- ✓ More transparency
- ✓ Enhanced geographic coverage
- ✓ More local technical assistance through the European Investment Advisory Hub
- ✓ Combination with other EU funds
- ✓ Reinforced focus on climate action

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 EFSl 1)

Enhanced additionality

Projects under the EFSI need to:

- Address **sub-optimal investment situations and market gaps**
- Present indication of additionality such as:
 - classification as **EIB special activities**,
 - involve **physical or e-infrastructure linking or extending the link between two or more Member States**
 - present an exposure to specific risks:
 - **country-, sector- or region-specific risks**
 - risks associated with **innovation**

Enhanced transparency

- The Investment Committee's decisions approving the use of the guarantee will be made public and accessible
- Decisions should include the rationale for the decision, with particular focus on compliance with the additionality criterion
- The scoreboard will be publicly available after the signature of a project
- The publication shall not contain commercially sensitive information

Delegation model encouraged

- EIB encouraged to **delegate the appraisal, monitoring and selection of small-sized sub-projects** to financial intermediaries or approved eligible vehicles, **in particular investment platforms and national promotional banks** , in particular investment platforms and national promotional banks or institutions as a means to facilitate the financing of small projects.
- In case of such delegation, the Investment Committee cannot retain the right to approve the use of the EU guarantee for sub-projects under a **threshold of EUR 3 million.**

Stronger role for NPBs

- The EIAH should endeavour to conclude **at least one cooperation agreement with a national promotional bank or institution per Member State**. In Member States where national promotional banks or institutions do not exist, the **EIAH should provide [...] pro-active advisory support** on the establishment of such bank or institution.
- In order to ensure that EFSI support also covers small-scale projects, the **EIB and the EIF shall** where necessary and to the extent possible **extend cooperation with national promotional banks or institutions and support the possibilities provided, including through facilitating the creation of investment platforms**.

Reinforced geographic coverage

- Facilitate the combination of other sources of Union funding (e.g. European Structural and Investment Funds, Horizon 2020, the Connecting Europe Facility) with EFSI support
- Enlarged sectorial coverage to support less-developed regions and transition regions
- More targeted and local technical assistance through the European Investment Advisory Hub (see next slide)

Reinforcement of the EIAH

- More targeted technical assistance for:
 - Climate action and circular economy projects in particular in the context of COP21
 - Projects in the digital sector
 - Cross-border projects
- Proactive support on the establishment of investment platforms
- Advice on the combination of other sources of Union funding with the EFSI
- Contribute where possible to the objective of geographic and sectorial diversification of the EFSI by supporting the EIB to originate projects

A Single Investment Fund (InvestEU Fund) for the next Multiannual Financial Framework (MFF)

- Discussions ongoing on a possible **Single Investment Fund** instrument for the next MFF (post-2020);
- A **transparent** structure, directly communicated to project promoters in search of EU financing;
- A more **integrated, consistent and simplified** structure for EU financing, that is understandable for beneficiaries and financial intermediaries;
- A **flexible** structure to address investment gaps where most needed, depending on the market conditions, that may evolve during the same budgeting period.