Financial instruments and territorial cohesion: current debates and future perspectives

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EIB Advisory Services

Technical and financial expertise available to our clients to develop and implement investment projects and programmes, and to improve institutional and regulatory frameworks

Europe’s gateway to investment support
http://eiah.eib.org/

Platform for advisory services on ESIF financial instruments
http://eiah.eib.org/

A dedicated platform for urban development
http://eiah.eib.org/about/initiative-urbis.htm
EFSI - European Fund for Strategic Investments

EUR 33.5bn

Financing: EUR 100bn

Final investments: EUR 500bn
Combination of ESIF and EFSI

*The Financière Région Réunion*

- Financière Région Réunion (FRR) is a Fund of Fund managed by the European Investment Fund.
- The Réunion Region contributes EUR 50m, made up of
  - ESIF (ERDF) and regional resources (for a total of EUR 30m)
  - an EFSI loan from EIB of EUR 20m.
- Implementation of the two underlying instruments throughout 2018, providing debt and quasi equity
- Approx. 500 SMEs and MSMEs will benefit from more favourable financing conditions from local intermediaries
Smart Finance for Smart Buildings

Accelerating clean energy in buildings

An EU wide financial instrument concept (promoted jointly by EC and EIB Group)

- Combines ESIF and EFSI in a guarantee instrument (to be managed by EIF)
- Commercial finance primarily for energy efficiency in residential housing
- Omnibus Regulation allows tranching of different EU funding contributions
- Supported by ELENA technical assistance facility and Advisory Hub

Smart Finance for Smart Buildings

Exemplary guarantee structure

Total EE Investment: €100
- SFSB Loan: €70
- Grant: €30 (ESIF)

Risk retained by SFSB (75%): €52.5
Risk retained by banks (25%): €17.5

National level and/or Regional level

Senior tranche: NBP + EIB + EIF
First loss tranche: ESIF

EE Investments

Counter guarantee

Guarantor

75% risk retained by SFSB
25% risk retained by originator

EFSI

Regional level

EE Investments

European Investment Bank

The EIB Group

European Commission
Technical Assistance

Establish market potential
- Assessing market demand/market failure and existing financing supply – funding gap
- Assessing potential to crowd in investors, including NPBs

Develop investment strategy
- Determining financial products needed
- Identifying investor/intermediary needs
- Developing governance arrangements

Platform structuring
- Taking account of regulatory constraints (incl state aid)
- Identifying the role of EFSI and other EU funding combinations
- Selecting a manager with strong credibility/track record

Project support
- Technical, financial and business advisory services to project promoters
- To support development of bankable projects
Thank You

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