

Support for Developing Financial Instruments Role of the EIB Group

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Interreg Europe Policy Learning Platform
Financial Instruments for the Low Carbon Economy

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EIB products

We help to catalyse investment

LENDING	BLENDING	ADVISING
<p>Loans</p> <p>to government entities, banks and corporates;</p> <p>But also:</p> <p>Guarantees</p> <p>Equity participation</p>	<p>Combining EIB finance with EU budget and other public sources</p> <p>European Fund for Strategic Investment (EFSI)</p> <p>Smart Finance for Smart Buildings Initiative (SFSB)</p> <p>Private Finance for Energy Efficiency (PF4EE)</p> <p>EIB Group acting as manager of financial instruments</p>	<p>Support for projects and investments</p> <p>European Investment Advisory Hub (EIAH)</p> <p>Project Development Assistance (ELENA, JASPERS)</p> <p>Improve access to finance (Financial Instrument Advisory, <i>fi-compass</i>)</p>

Attracting FUNDING for long-term growth

Examples of EIB Group support to ESIF FIs for the low carbon economy

FINANCING AND MANAGING FINANCIAL INSTRUMENTS

JESSICA II Lithuania

From a loan fund to a leveraged guarantee fund

- **Ex-ante** finished in September 2016.
- **Continues** objectives of JESSICA Holding Fund and Jessica II Fund of Funds in the 2014-2020 programming period
- Leveraged Fund established in **October 2016** with **EUR 100m** of ESIF funds



Aims to achieve a leverage of **5** times, i.e. generate new modernisation financing of

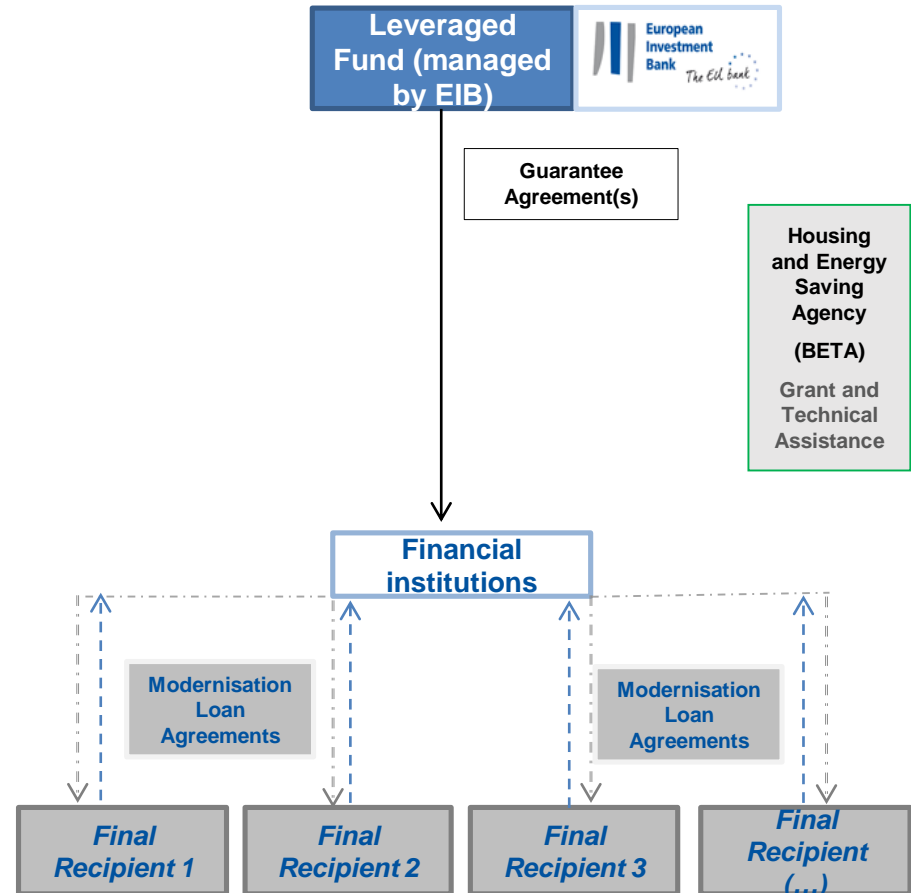
EUR 500m

Signature of guarantee agreements following **1st Selection Procedures** in 2017

Expected results:

circa **1500** projects (up to **32,500** households)
signed for **EUR 500m**

and circa **65,000** annual reduction of CO2



Nord Pas de Calais - CAP 3RI Fund

Investment Priorities and objectives

Renewable energy

Energy management

Smart mobility

Energy efficiency

Circular economy

Sharing economy

Growth

Long-term

Local

Increase development and competitiveness of companies, by growing their capital (equity)

Be a long-term shareholder and take part in the decision-making of companies and projects

Close relationship between the team (based in the Region) and the companies' directors

Nord Pas de Calais - CAP 3RI Fund

Main characteristics

Investments

CAP TRI is expected to generate a portfolio of investments of **EUR 200m** in total at project level, thus 16 times the contribution from the ERDF Operational Programme

Maturity

Growth capital

Positioning

Minority interest

Horizon

5 to 9 years

Investment size

**Above
EUR 1.0m***

Type of funding

**Ordinary shares
Preference shares
Convertible bonds**

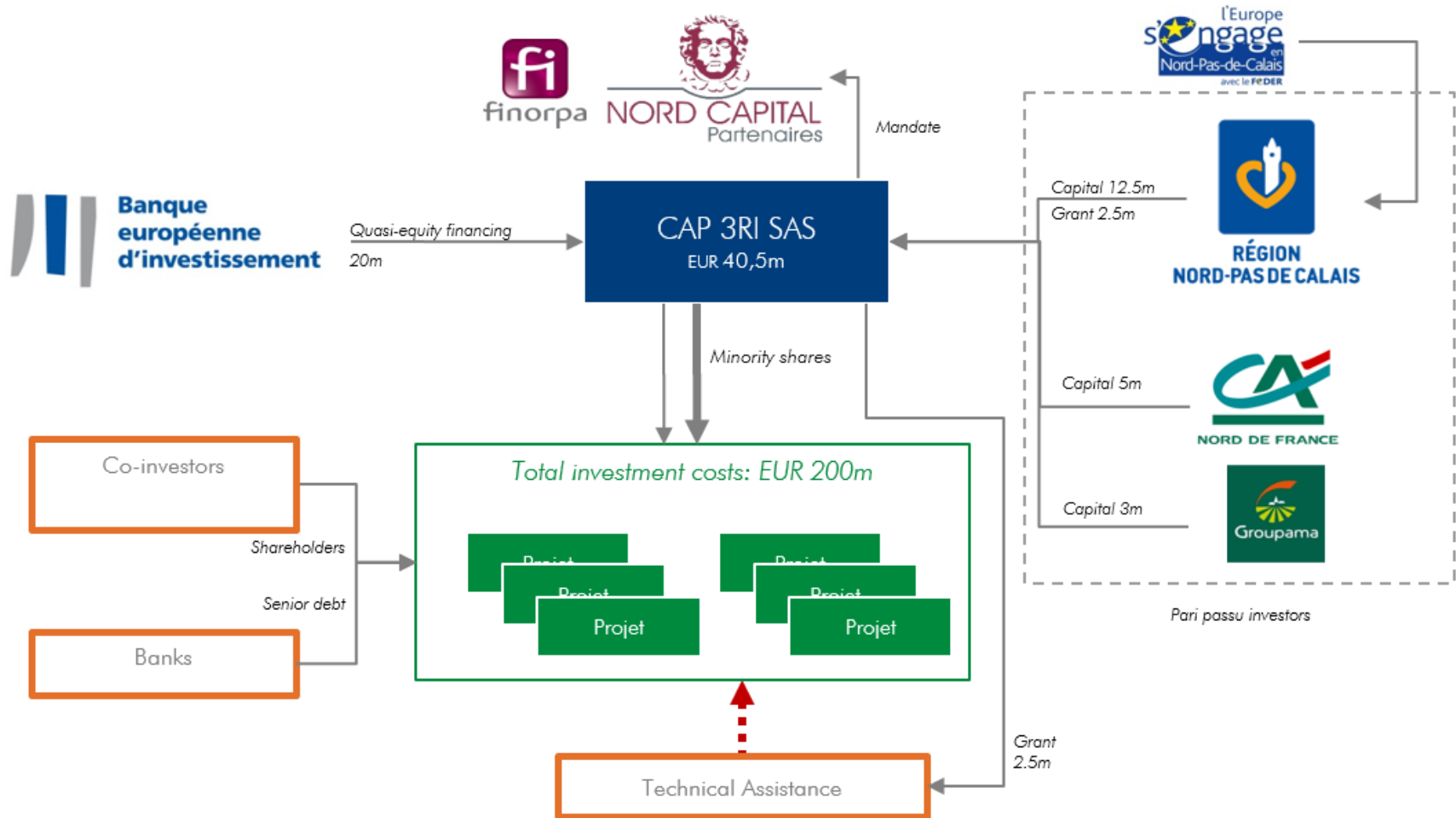
Technical Support

EUR 2.5m

* Up to EUR 10m through co-investment

CAP 3RI Fund Design

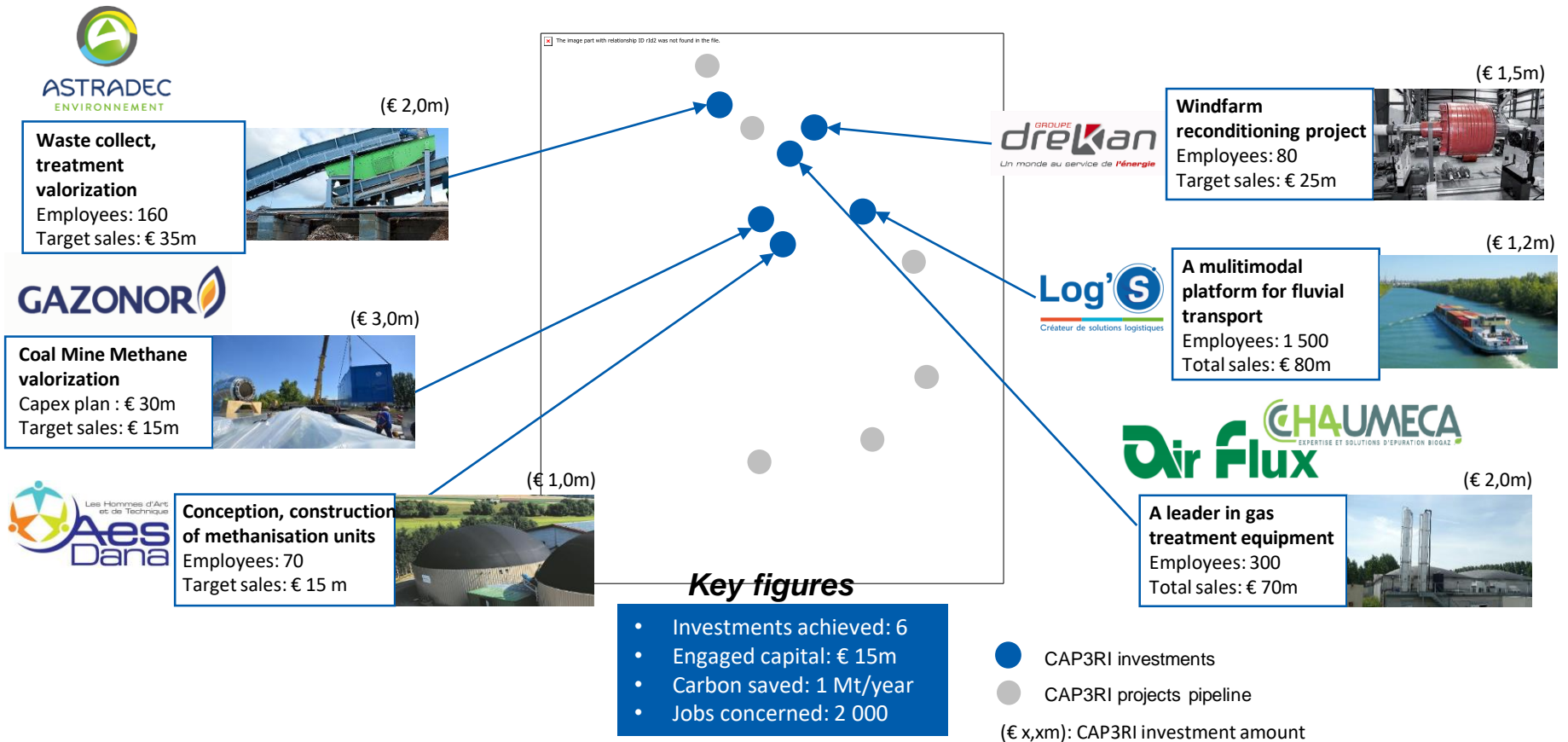
EIB contributing quasi-equity to financial instrument



Case study available at *fi-compass*

CAP 3RI Investments

Low carbon equity investments

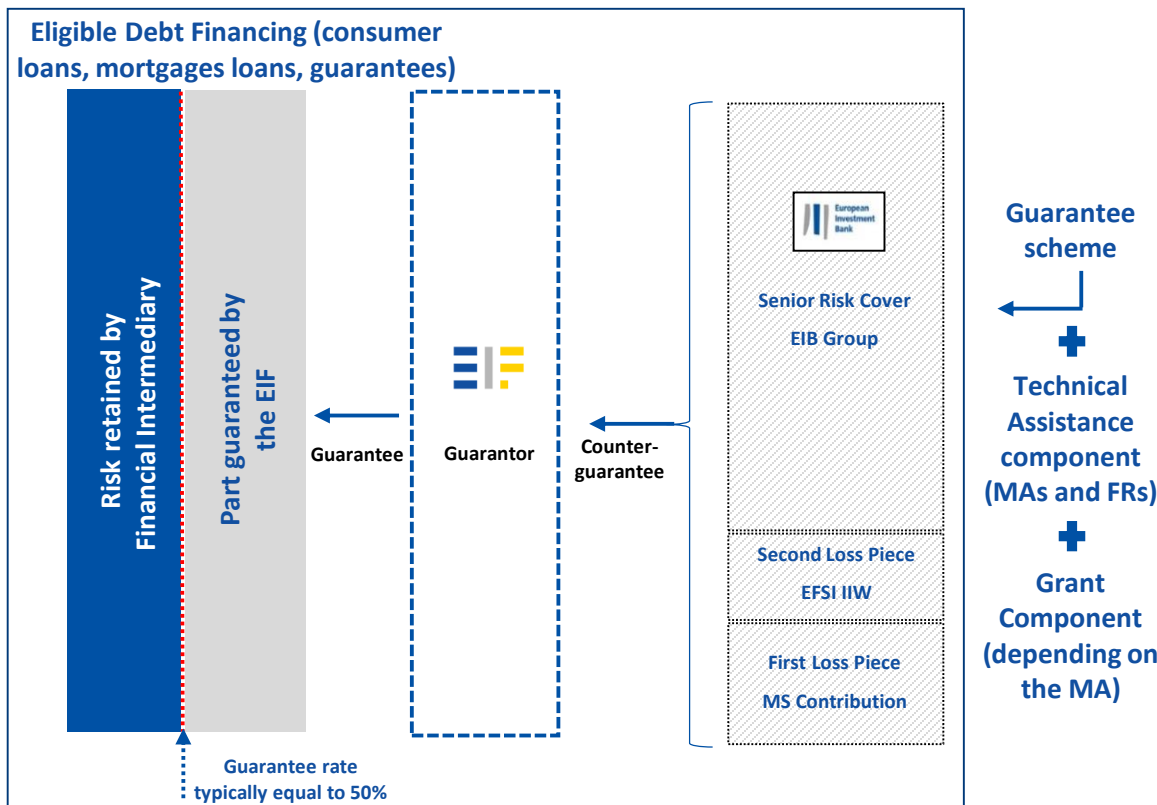


The 'Smart Finance for Smart Buildings' initiative (SFSB)

A single financial instrument combining up to 3 components

Background information

- Launched on **Nov. 30th, 2016** by the **European Commission**;
- Developed in **cooperation with EIB Group (EIB/EIF)**;
- Aims to unlock **EUR 10bn of public and private funds by 2020** for energy efficiency in buildings ;
- Consists of a **guarantee managed by EIF**;
- **First Loss Piece** by ESIF, further risk coverage by EFSI;
- Contains **eligibility criteria** to ensure consistency with **policy objectives**
- **First SFSB launched in Malta**
- Expected **EUR 54m of new loans** until end of 2023
- Combined with **interest rate subsidy**



A comprehensive financial instrument providing SFSB stakeholders with a holistic solution

Examples of EIB Group support to ESIF FIs for the low carbon economy

ADVISE TO PROJECTS AND FINANCIAL INSTRUMENTS

What is ELENA?

Project implement

- Established in 2009 as **E**uropean **L**ocal **E**nergy **A**ssistance – not only local anymore
- Managed by the EIB
- Financed by the Horizon 2020
- Grant for preparation of investment programmes (up to 90% of cost)
- Required leverage:
 - 20 for sustainable energy projects
 - 10 for clean urban transport
 - 10 for residential sector
- 3 years implementation period for energy projects



ELENA

Case: EPC programme of City of Ljubljana



- **Objective:** implement a large investment programme improving energy performance of public buildings through EPC
- Several tenders have been prepared and contracts signed for EE improvements in similar buildings and using same EE technologies
- ELENA grant budget: EUR 1.35m
- Investment amount prepared : EUR 49m

ELENA Technical Assistance support provided for:

- ✓ Set up of an internal Project Implementation Unit and grouping buildings
- ✓ Preparation of energy audits, checking the energy baseline for the selected buildings, tender documentation preparation, design of the EPC contracts, tender evaluation
- ✓ External legal and financial advice to establish the required legal basis for the EPC approach

Financial Instrument Advisory

Support for ESIF FIs and beyond

- Supports public authorities and other stakeholders throughout life-cycle of Financial Instruments
 - Carrying out ex-ante assessments and market studies for ESIF financial instruments
 - Develops a suitable investment strategy and governance structure
 - Advises on the combination of FI and grants
 - Provides through *fi-compass* awareness raising and information for ESIF FI, e.g. case studies, online resources, conferences (www.fi-compass.eu)

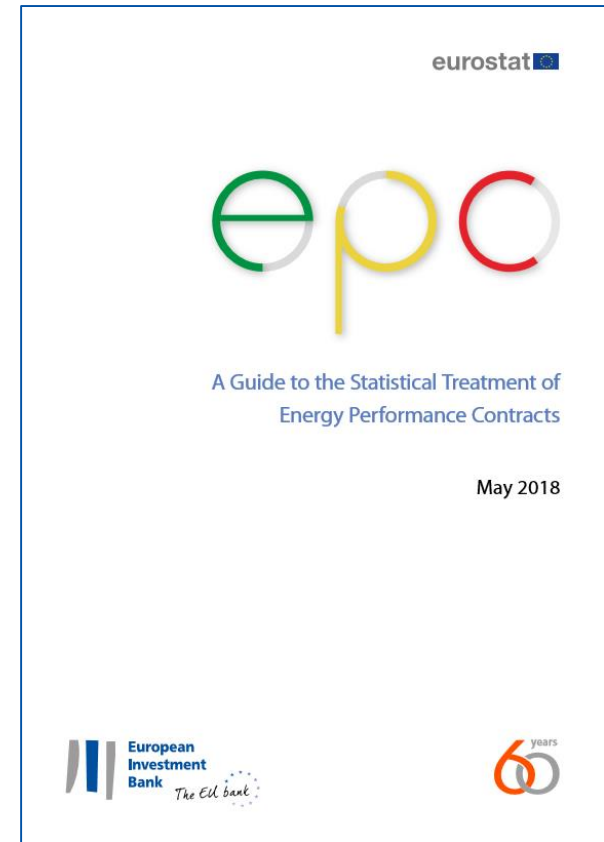


- Supports the setting up of Investment Platforms bringing together ESIF, EFSI and other public and private resources, e.g. Smart Finance for Smart Buildings Initiative (SFSB)

EIB support to EPC sector

Examples of EIB support to sector

- Publication of Guide on statistical treatment of EPC and awareness raising supported
- Review of the Slovak **EPC model contract** regarding balance sheet treatment
- **Financial analysis** of street lighting project in Vilnius supported
- **Smart city** and Smart islands study including **EPC** in Croatia
- Support in the **design and implementation of EPC financial instrument** with ESIF support in Slovenia
- **Developing an Investment Platform for EPC** financing with ESIF support in Czech Republic



European Investment Advisory Hub (EIAH)

The Hub: Europe's gateway to investment support

Our aim is to strengthen Europe's investment environment and improve the quality of investment projects

A **single access point** to a comprehensive offer of advisory and technical assistance services



A **cooperation platform** to leverage and exchange expertise from EIAH partners



An instrument to assess and **address** unmet **needs** for advisory support



Thank you for your attention



**European
Investment
Bank**

The EU bank

A circular arrangement of twelve blue stars, similar to the European Union flag, positioned to the right of the text 'The EU bank'.

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European Investment Advisory Hub

<https://eiah.eib.org/>

ANNEX:

Additional information on ELENA

Eligible promoters & eligible investments

Public sector & Private Sector

- Local, regional or national authorities
- Other public bodies (e.g. energy agencies)
- Groupings of such authorities or bodies
- Local energy facilities that support EE/RE (e.g. smart grids)

- Private entities planning to develop eligible investments
- ELENA TA should not have purpose or effect of producing a profit

Energy efficiency & Urban transport and mobility

- EE renovations of public and private buildings
- Street and traffic lighting
- Integration of RES into the buildings
- District heating/cooling networks
- Local energy facilities that support EE/RE (e.g. smart grids)

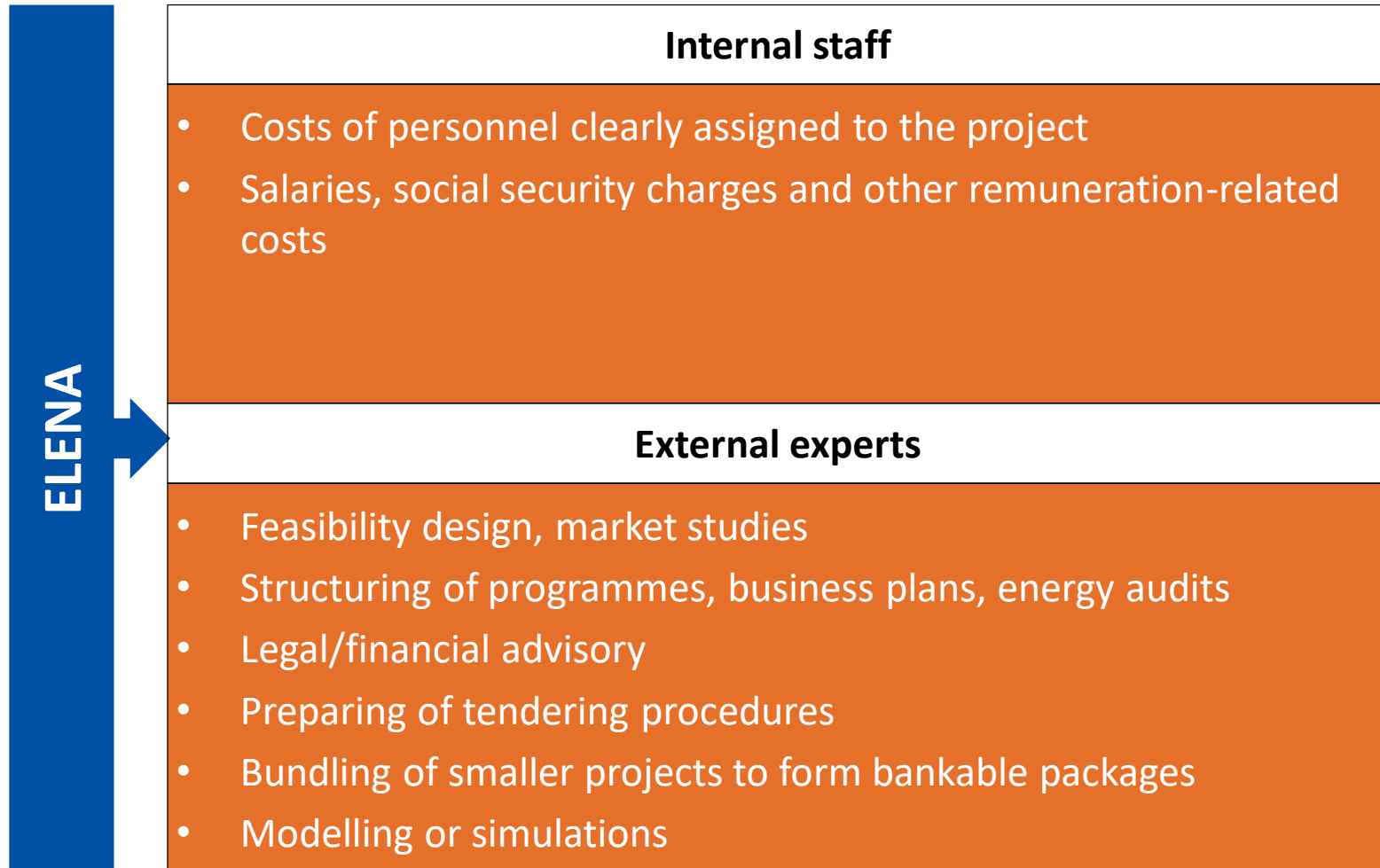
- Investments to support the use and the integration of innovative solutions going beyond the current state of art for alternative fuels in urban mobility
- Vehicles, recharging infrastructure, energy-efficient measures and systems

Technical assistance provided by a public or private organization

Investment programmes implemented by the final beneficiary or by a third party

ELENA

Eligible costs



Application Process

