



The "Infrastructure & Innovation window" of the Investment Plan for Europe

FIEC information workshop: The Investment Plan for Europe
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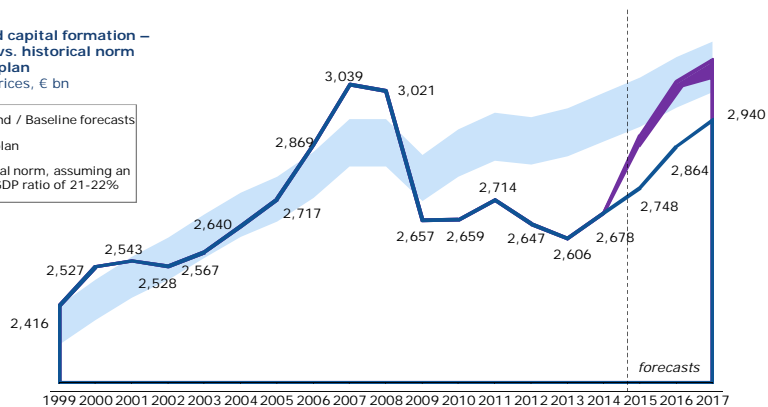
Transport



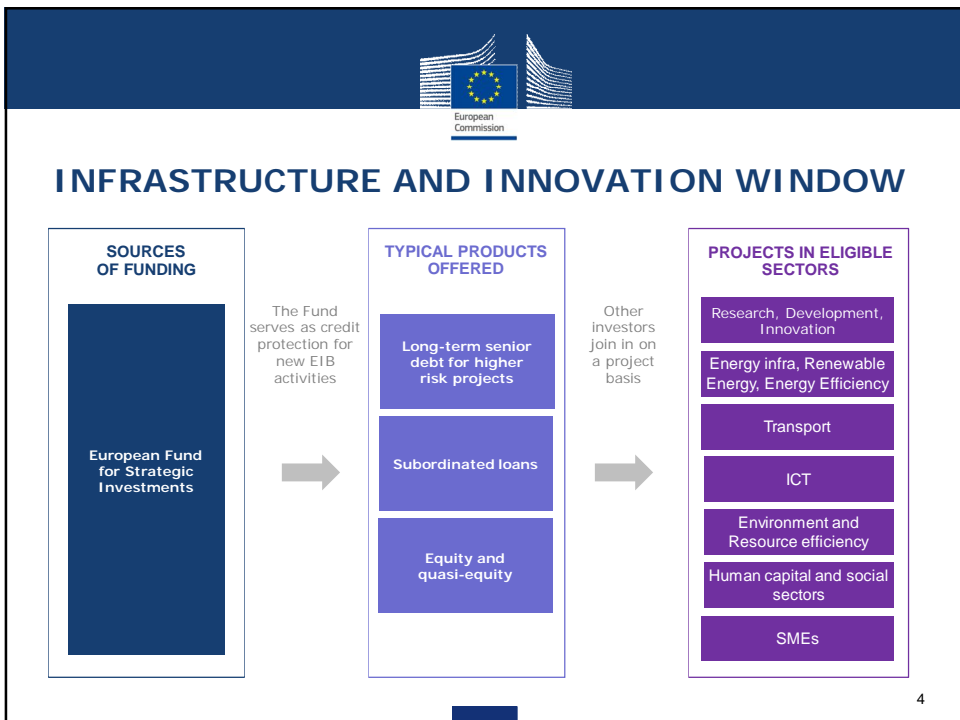
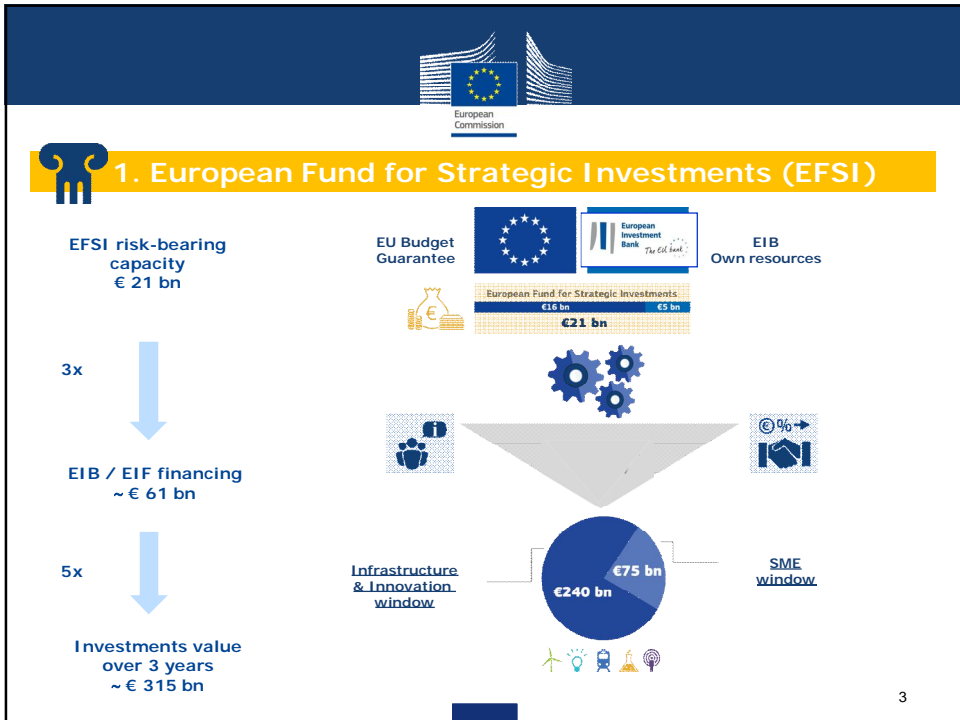
The €315bn investment plan has the potential to bring investments back in line with historical norms

Real gross fixed capital formation –
Baseline trend vs. historical norm
vs. investment plan
EU-28, in 2013 prices, € bn

— Historical trend / Baseline forecasts
— Investment plan
■ GFCF historical norm, assuming an investment/GDP ratio of 21-22%



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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

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KEY FEATURES OF EFSI /2

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

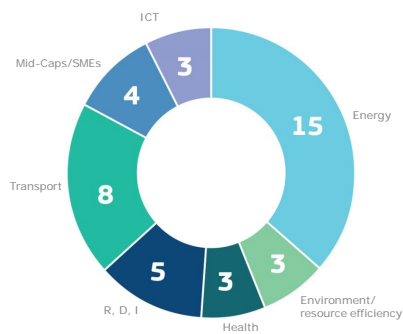
- EU28
- Projects involving an entity in a MS and extending to Enlargement (Western Balkans, Turkey), EU East/South Neighbourhood, EEA/EFTA (Norway, Switzerland, Liechtenstein), Overseas Countries and Territories.

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Sectorial allocation of EFSI Infrastructure and Innovation projects (2015)

of approved projects+ projects pending EC approval



List of projects in the transport sector (2015)

- NL** Lock upgrade (under assessment)

 - Maximising the potential of inland waterways to provide additional capacity, decrease vessel waiting times, and ensure smooth, reliable and safe traffic of larger inland vessels
- IT** Transport upgrade in Italy (under assessment)

 - Widening of a motorway to ease congestion
- SK** Transport upgrade in Slovakia (under assessment)

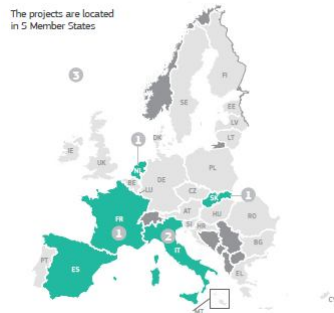
 - Design, construction and financing of part of a motorway
- FR** Transport infrastructure in France (under assessment)

 - Construction of a motorway to ease city-centre traffic
- IT** Transport facilities in Italy (under assessment)

 - Acquisition of new stock for rail services to connect major cities
- ES** Transport infrastructure in Spain (under assessment)

 - Construction and improvement of road and rail access to ports in Spain
- ES** Green shipping in Spain (under assessment)

 - Construction of two new dual-fuel vessels for a Spanish shipping company, replacing two older, less fuel-efficient vessels
- ES** Infrastructure risk-sharing loan in Spain (under assessment)





EXAMPLE OF EFSI PROJECTS

Accessibility Ports Infrastructure (Spain)

- The project concerns the financing of the Fondo Financiero de Accesibilidad Terrestre Portuaria (FFATP), to support investments in accesses via rail and road to the main national ports during 2015-2020. The project will improve interoperability between transport modes in the TEN-T network as all ports are TEN-T and in Cohesion Priority Regions.
- The majority of schemes contribute to Climate Change through Sustainable Transport objectives.
- Third party financing required in order to complete the financing needs.
- Financing from the EIB will accelerate the construction of projects and will act as a catalyst for the participation of the Spanish NPB (ICO) and commercial banks.

Transport rolling stock (Italy)

- Innovative financing structure (bond scheme) under EFSI for the acquisition of 49 five-car articulated EMUs and 250 double-deck passenger coaches.
- New rolling stock will be used in 5 regions, concentrating 50% of the service supply and 60% of the entire Trenitalia's patronage.
- Delivery of new rolling stock: 2014 – 2016
- Project Investment Cost: € 709m
- Loan amount: € 300m



EFSI IN COMBINATION WITH OTHER EU FUNDS/1

- MS may use EU funds (i.e. ESIF, CEF) 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 IN COMBINATION WITH OTHER EU FUNDS/2

EFSI can also be combined with CEF (blending)

Connecting Europe Facility: grants

- **Budget of €22.5bn for 2014 -2020, with 11.3bn reserved for Cohesion MS**

1st call in 2014 (€13bn, 2nd call in November 2015 (€7.5bn)

Connecting Europe Facility: Financial instruments

- **Up to €1.5bn available for a wide array of instruments**

Project Bonds, LGTT, possibility of other Debt or Equity instruments, dedicated investment funds for specific policies



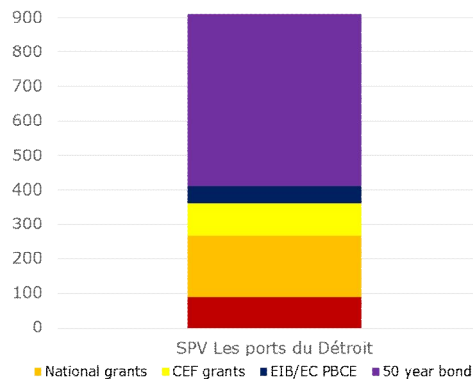
Rational for blending

- For project with potential revenue streams (from users or tax-payers)
- Early involvement of the EIB in order to help define scope/cost and structuring of the project
- Use of EIB instruments (alone, or with CEF financial instruments or EFSI guarantee support) in order to attract investors, extend maturity and lower debt costs
- If funding gap remains, and if project is line with EU priorities, possibility to access CEF grants.



A good example: Port of Calais combined use of CEF grants and financial instruments (blending)

Structuring Calais Port 2015



•40-year Project Bonds bought by Insurance company Allianz

•10% guarantee by EIB through PBCE (€50m, covered by €12.5m from EU budget) – reduction of cost of debt

•Bonds issued for construction period and repaid once Port in operation

•Repayment through port fees and availability payments from Region

•Funding gap partially covered with CEF grants

•Leverage effect of EU guarantee to PBCE in global project (- CEF contribution): ~60x

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



Investment Platforms

| 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/P IR | € 8,000m |
| Slovakia | SIH/S ZRB | € 400m |
| Bulgaria | BDB | € 100m |
| United Kingdom | | € 8,500m |
| TOTAL | | € 42,580m |

¹ National Promotional Banks

- NPB can co-finance EFSI projects and/or implement Investment Platforms
- Investment Platforms:
 - Pooling of projects with thematic or geographic focus (e.g. urban mobility)
 - Flexible form: agreement, SPV, Fund, etc.
 - Can benefit from EU Guarantee via EIB

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THANK YOU FOR YOUR ATTENTION
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MORE INFORMATION AVAILABLE AT:

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

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

<http://ec.europa.eu/transport>

<https://ec.europa.eu/inea>

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