



**European
Investment
Bank**

The EU bank



CEF Transport Blending Call Info Day 08-05-2017

Jukka LUUKKANEN – Head of EIB Helsinki Office

EIB at a Glance

We are the world's **largest**
International Financial Institution



1958

Established to support long-term investments primarily in the European Union. We have over **50 years' experience** in financing sustainable projects.

Shareholders

Owned by the **28 Member States** of the European Union.

Source of funds

We raise long-term funds on the international **capital markets** and as a non-profit organisation we pass **favourable borrowing conditions** to our clients.

AAA-rated

We're triple-A rated by all major rating agencies and have a sizeable capital of **€242.4 bn.**

EIB – the EU Bank in 2016



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EUR

75bn

- Lending
- Blending
- Advising

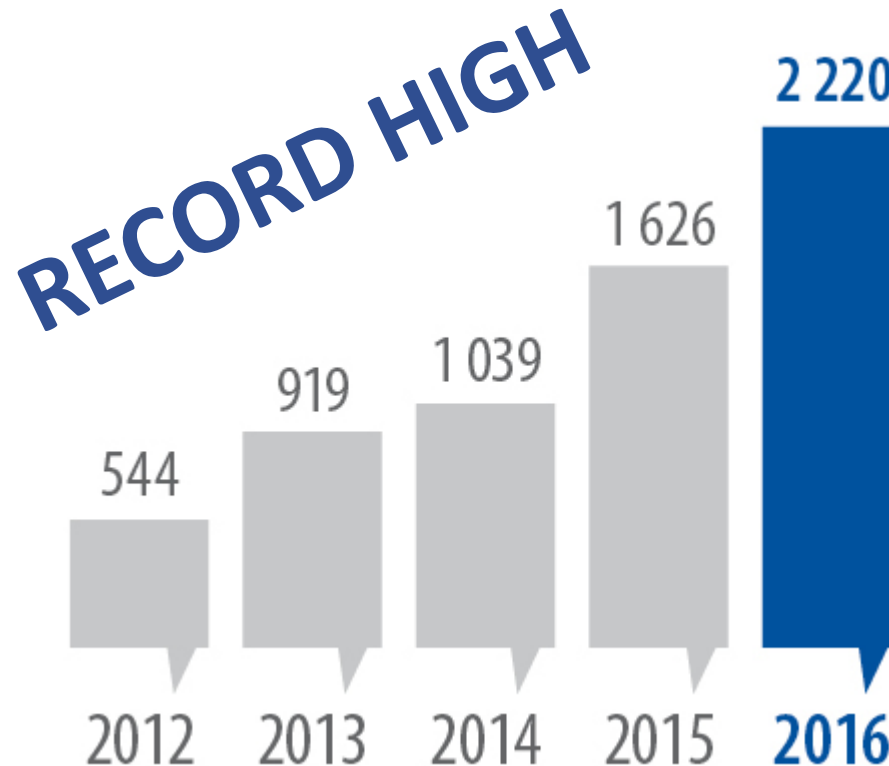


EUROPEAN
INVESTMENT
FUND

EUR

9.5bn

EIB financing in Finland in 2016



Signatures in Finland 2012- 2016 (in EUR m)

EIB financing in 2016 amounted to 1.1% of Finnish GDP (vs. 0.5% on average in EU)

EIB products

We help catalyse investment

LENDING	BLENDING	ADVISING
Loans (direct/intermediated) But also:	Combining EIB finance with EU budget (EFSI)	European Investment Advisory Hub (EIAH)
Guarantees	Higher risk projects for innovation (InnovFin)	Support projects for EU funding (JASPERS)
Equity participation	Western Balkans Investment Framework (WBIF)	Support for public/private partnerships (EPEC)

Attracting FUNDING for long-term growth

3 ways to tackle the investment gap

Investment Plan for Europe



Mobilise finance for investment

- European Fund for Strategic Investments
- Cooperation with National Promotional Banks



Support investment in real economy

- European Investment Advisory Hub
- European Investment Project Portal



Create an investment friendly environment

- Improving the regulatory environment
- Structural reforms



Aim: to mobilise at least €315 billion in investment across the EU

EFSI setup and governance



All EFSI operations are within the EIB Group (EIB&EIF)

- On the EIB's balance sheet (no separate entity)
- Subject to standard due diligence
- EIB & EIF governing bodies approve each operation



Additional EFSI governance:

- Steering Board
- Investment Committee, headed by a Managing Director



Operations already started in spring 2015

Of which
EUR 23.7bn
signed

EIB Group figures

As 04/04/2017

Approved EFSI
financing*

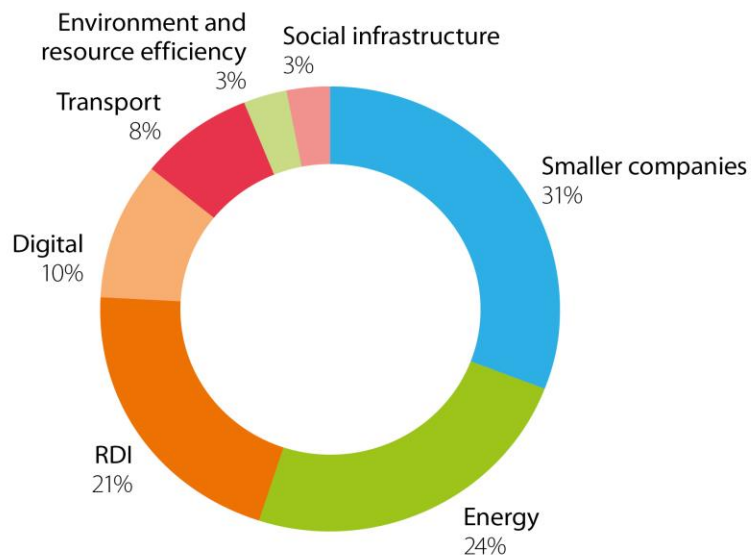
Total investment related to EFSI
approvals

EUR 33.9bn

EUR 183.5bn

* EIB-approved: EUR 25.1bn
EIF-approved: EUR 8.8bn

EFSI investment by sector**



EFSI investment relative to GDP**

Darkers colours signify higher investment



EFSI in Finland



In total, EIB Group has signed 10* operations for more than EUR 600 million under EFSI in Finland:

2015

- Äänekoski Bio-product Mill: EUR 75m (EIB)
- Open Ocean Fund IV: EUR 30m (EIF)

2016

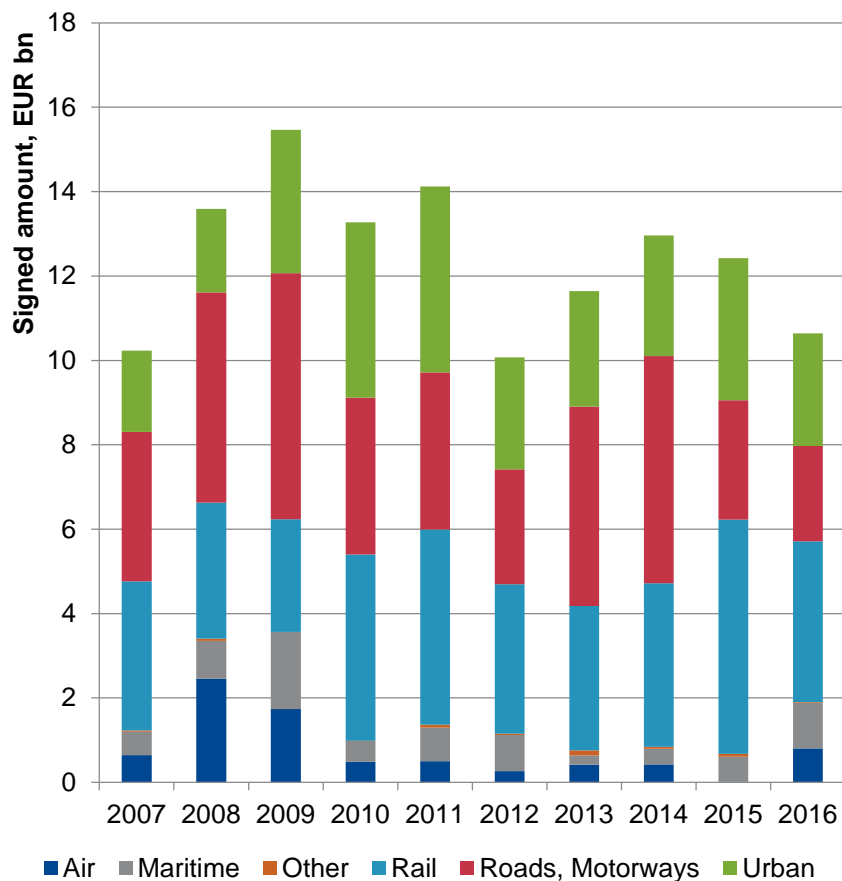
- Tripla Near-Zero Energy Building Project: EUR 130m (EIB)
- Bonnier Digital Innovation: EUR 14m (EIB)
- SATO - Energy Efficient Buildings: EUR 150m (EIB)
- VVO Near-Zero Energy Buildings: EUR 75m (EIB)
- OP InnovFin SME guarantee: EUR 75m (EIF)
- Nest Capital 2015 Fund: EUR 40m (EIF)

2017

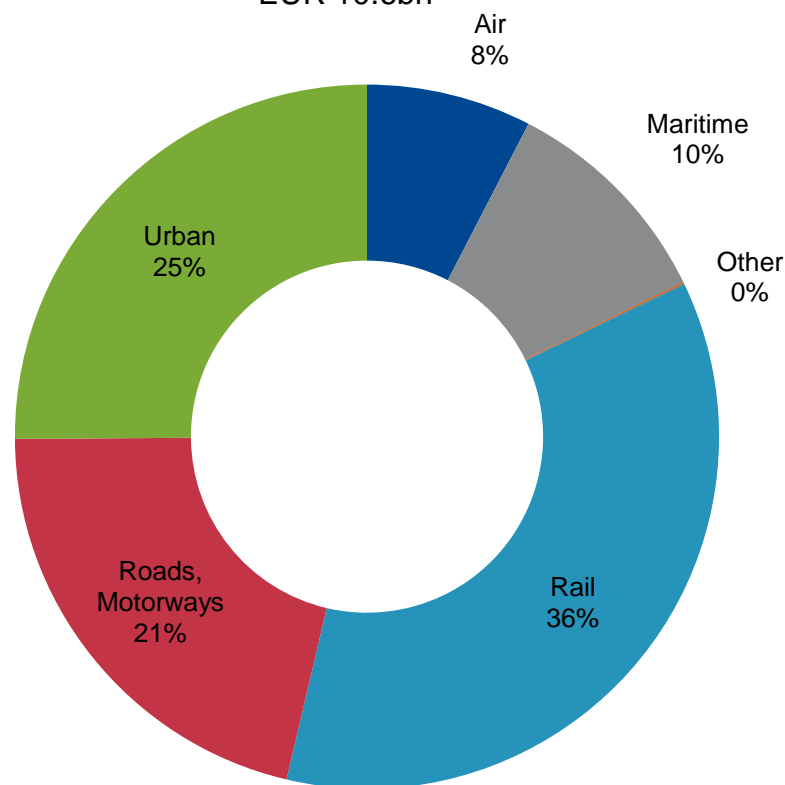
- Valio RDI EUR 30m (EIB)
- Sentica Buyout V Fund (EIF)

EIB Lending to Transport Sector 2007-2016

Transport operations signed in EU Member States (2007-2016)
EUR 124bn



Transport operations signed in EU Member States (2016)
EUR 10.6bn



Recent EIB lending (signed operations) some EUR 70bn per year. On average, transport projects have constituted some **15%-20% of total lending.**

EIB and the CEF Transport Blending Call

- ▶ The decision making processes for the award of (Commission) CEF grant and EIB/EFSI finance are separate
- ▶ For all EIB/EFSI finance operations – normal EIB/EFSI project and promoter requirements apply
- ▶ EIB typically wider eligibility than CEF for transport projects e.g.
 - ▶ EIB is not limited to CEF corridors/nodes
 - ▶ EIB can finance strategic roads, not only cross-border motorways
 - ▶ Airport infrastructure potentially eligible
- ▶ For EIB investment loans – typically project cost >EUR 25 million
 - ▶ Other EIB products for smaller operations

Therefore, for operations intending to blend CEF grant and EIB/EFSI finance – operations required to meet **both** CEF and EIB/EFSI requirements

EIB Project Eligibility and Quality

Technical, social, environmental, economic and financial



European Investment Bank
EIB Transport Lending Policy



European Investment Bank
The Economic Appraisal of
Investment Projects at the EIB



European Investment Bank
Environmental and Social Handbook



European Investment Bank
Guide to Procurement



EFSI approval is required in some cases for CEF grant disbursement

- ▶ For all Member States/projects>
 - ▶ EIB and EFSI approval
 - ▶ Subsequently, full financial close for the entire financing requirement within 12 months of signature of the grant agreement
- ▶ For projects aiming at removing bottlenecks, with cross border impact, or projects in cohesion Member States>
 - ▶ Signature of a finance agreement by a National Promotional Bank (NPB), EIB, or at least one private sector investor
 - ▶ For at least the value of the CEF grant awarded
 - ▶ Full financial close for the entire financing requirement within 12 months of signature of grant agreement

Financial readiness

- ▶ All CEF grant submissions to submit information on “financial readiness” or “letter of support” by a public or private financial institution at call submission deadline (July 2017/November 2017)
- ▶ Financial readiness requirements for PPPs differ – see CEF Blending call proposal (Section 7.2.2.)
- ▶ Financial readiness or letter of support is independent of Support Actions
- ▶ For operations applying/applied for EIB finance, EIB can provide a standard statement depending on stage of project in EIB project cycle

European Investment Advisory Hub (EIAH) support for the CEF Transport Blending Call

European Investment Advisory Hub

Europe's gateway to investment support

- ▶ EIB has worked with EC to put together an offer of support for the CEF blending call which will augment DG MOVE and INEA in bringing forward investable projects
- ▶ Confirmed in a letter from EIB to DG MOVE in December

EIAH offer

Pre-call submission support offered

- High level advice on existing project documentation regarding suitability/eligibility/maturity for the blending call.
- Identification of major gaps and areas requiring improvement in technical (feasibility studies, market studies, economic cost-benefit analysis, EIA, tendering and procurement, implementation and organisational), a first review of PPP readiness where applicable and financial (business plan, financial plan) preparation.
- Advice on terms of reference for consultants/studies in relation to technical, financial, procurement and organisation to implement project and achieve access to finance.

Post-call submission support offered

- High level advice on project implementation including procurement, organisational and financial aspects.
- Advice on terms of reference for consultants/advisers/project managers in relation to targeted technical, financial, procurement and organisation aspects to implement project and reach financial close.

Limits to Advisory Services



- Funding for human resources related to project implementation



- Substitution for normal INEA responsibilities post grant signature



- Completing the grant application forms or related documentation

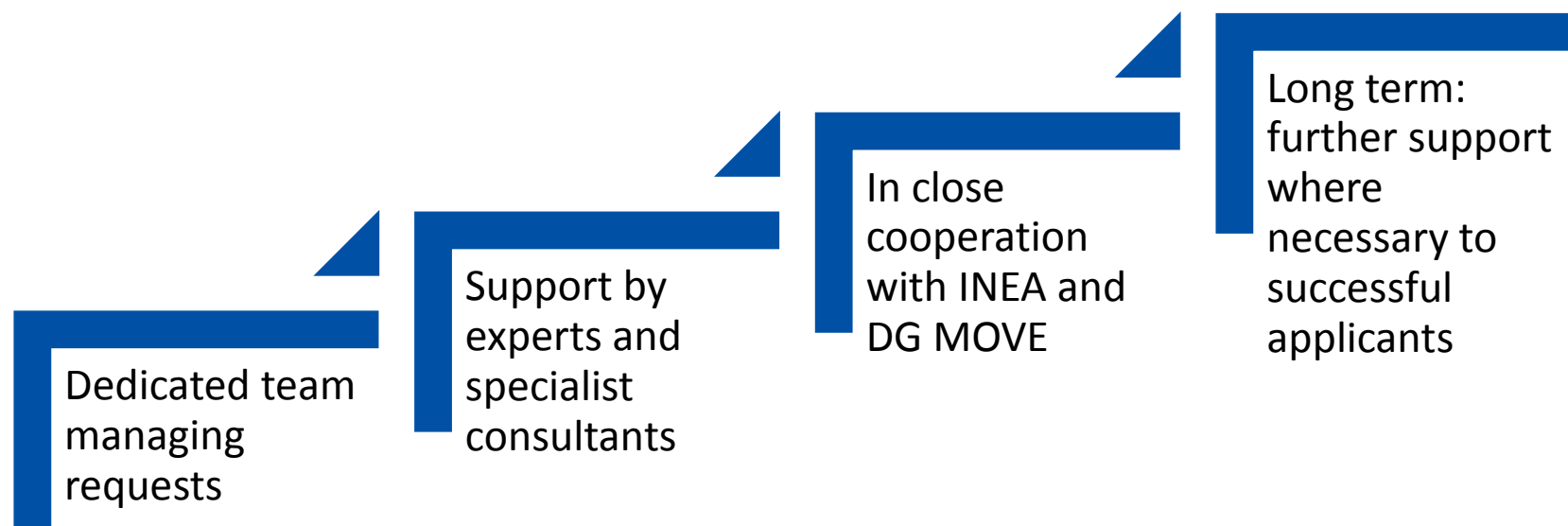


- Taking responsibility for, paying for or undertaking complete feasibility, technical or financial studies



- Engage with lenders

How will support be provided?



What do we need from you?

Requests should be sent directly to EIAH: eiah@eib.org with following info:

1	Project proposal title
2	CEF Blending priority
3	Promoter/Member State approval (status of)
4	Private/public sector
5	Project/investment costs – eligible and total
6	Short description of Blending: <ul style="list-style-type: none">- Anticipated Grant co-funding- Anticipated co-financing: type/amount/source(s)
7	Project readiness <ul style="list-style-type: none">- Applying for July/November 2017- Technical and financial readiness
8	Description of project which includes identification of borrower, sources of funding and timing of investment
9	Detail of advisory support requested

Thank you!

More information at: www.eib.org
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