



European Fund for Strategic Investment

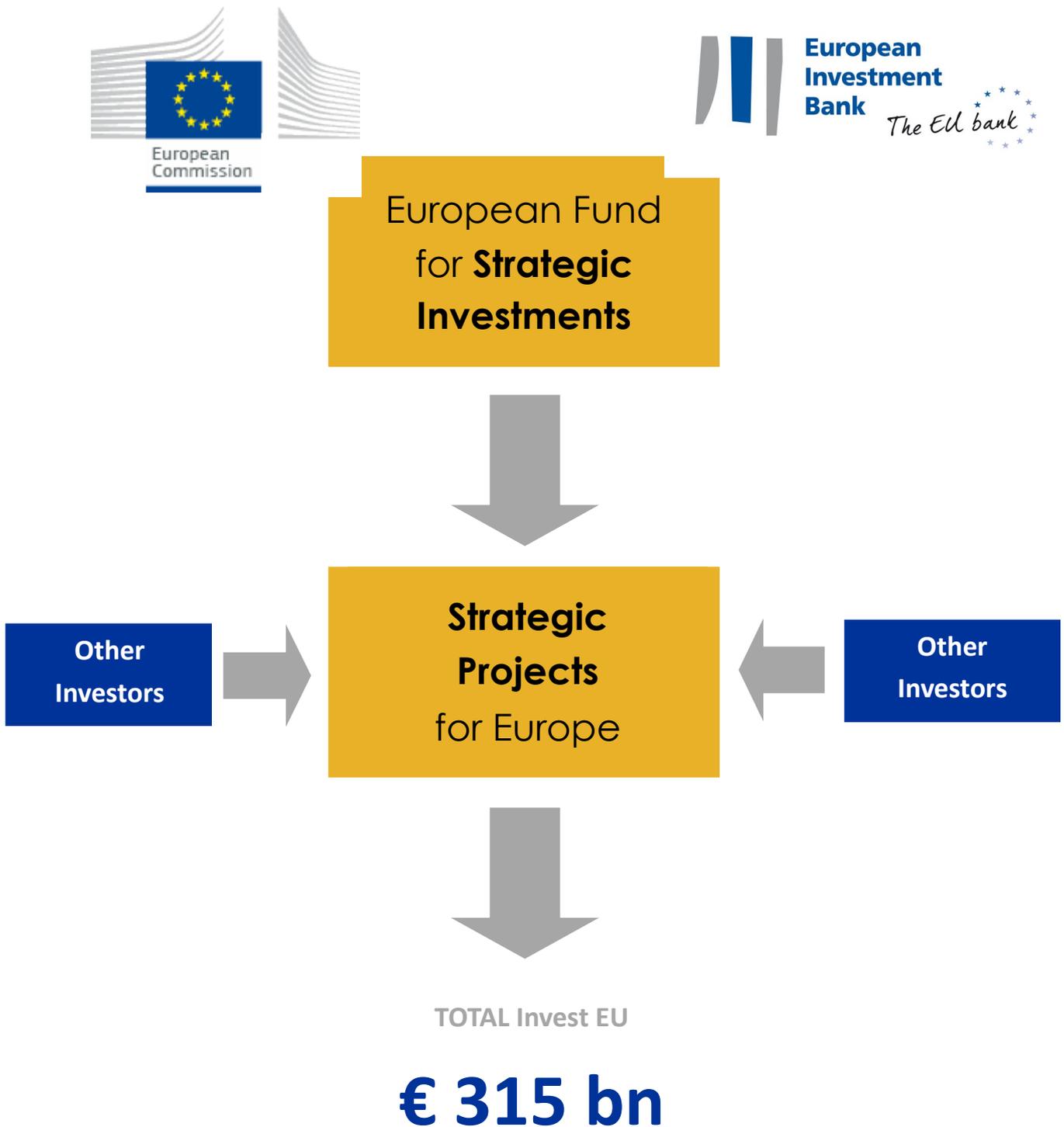


A practical guide



The European Fund for Strategic Investment (EFSI):

- Mobilise investment of at least **€ 315 billion** in three years in key areas, including **transport**
- Start: **Summer 2015**



A. HOW TO SUBMIT A PROJECT

1. Who can apply

- Companies of all sizes, including small and medium-sized enterprises (with up to 250 employees) and midcaps (with up to 3 000 employees)
- Utilities
- Public sector entities
- National promotional banks or other banks to deliver intermediated lending
- Bespoke investment platforms

Projects will be assessed irrespective of their geographic location.

2. How to apply

Companies should be able to submit their project(s) directly to the European Investment Bank (EIB), without having to go through national authorities. However, experience in other European funds (e.g. the Connecting Europe Facility, financing the Trans-European transport Network TEN-T) shows that **projects directly submitted by authorities have greater chances to be validated.**



3. Priority areas

The EFSI will have two main focuses: Infrastructure and Innovation (managed by the EIB), and SMEs (managed by the EIB and the European Investment Fund (EIF)).

A Steering Board will determine the strategic orientation, the strategic asset allocation and operating policies and procedures.

The operations concerned shall be consistent with Union policies and support any of the following general objectives:

- a) **development of infrastructure, including in the areas of transport**, particularly in industrial centres; energy, in particular energy interconnections; and digital infrastructure;
- b) investment in education and training, health, research and development, information and communications technology and innovation;
- c) expansion of renewable energy and energy and resource efficiency;
- d) infrastructure projects in the environmental, natural resources, **urban development** and social fields;
- e) providing financial support for companies, including working capital risk financing.

In addition, the EU guarantee shall be granted for support of dedicated investment platforms and national promotional banks, via the EIB, that invest in operations meeting the requirements of this Regulation. In that case, the Steering Board shall specify policies regarding eligible investment platforms.

4. Criteria

Only technically and economically sound projects would be funded by EFSI.

Listed projects should have the potential for leveraging other sources of funding

Three key criteria will be assessed:

- 1) **EU-added** value (projects in support of EU objectives)
- 2) Economic viability and value – prioritising projects with **high socio-economic returns, mature** enough to be bankable, and **priced in a manner commensurate with the risk taken**
- 3) Projects that can start at latest within the next three years, i.e. a reasonable expectation for capital expenditure in the 2015-2017 period.

They should also be of reasonable size and scalability (differentiating by sector/sub-sector), even if this can take account of the bundling of smaller investments.

5. Governance and selection committee

Overall the EFSI shall be governed by a **Steering Board**, which shall determine the **strategic orientation**, the strategic asset allocation and operating policies and procedures, including the investment policy of projects that EFSI can support and the risk profile of the EFSI. The number of members and votes within the Steering Board shall be allocated based on the respective size of contributions from contributors in the form of cash or guarantees. No decision of the Steering Board shall be adopted if the Commission or the EIB votes against it.

An **Investment Committee**, consisting of six independent market experts, a Managing Director and a Deputy Managing Director (appointed by the Steering Board on a joint proposal of the Commission and the EIB), shall be responsible for **examining potential operations and approving the support for operations**.

The projects will be selected on their own merits, without any sectorial or geographic pre-established allocation so as to maximize the added value of the Fund. The EFSI will also have the possibility to finance together with Member States and private investors investment platforms at national, regional or sectorial level.

6. Expected share of public versus private money

This will depend on the specific project and the way it is constructed. The EFSI will work with **a wide range of instruments**, including guarantees, equity, various debt instruments and venture capital for SMEs, **so as to crowd-in as much private investments as possible**.

7. Timeline

The EFSI should be **implemented by the end of the summer 2015**. However the EIB is anticipating the effective establishment of the mechanism (a few first projects have been already selected), using existing capital to start operations as soon as possible.

So the sooner projects are prepared for submission, the better.

Projects will be reviewed mid-2016, including at the level of Heads of State and Governments.

Further options may be considered ahead of the mid-term review of the Multi-Annual Financial framework, also in 2016.

8. Projects pipeline

The Commission and the EIB, with support from the Member States, should promote the creation of a **transparent pipeline of current and future investment projects** in the Union suitable for investment.

This 'project pipeline' should ensure that information is made publicly available regarding investment projects on a regular and structured basis to ensure that investors have reliable information on which to base their investment decisions.

Although the projects identified under the project pipeline may be used by the EIB in the identification and selection of EFSI supported projects, the project pipeline should have a broader scope of identifying projects across the Union. This scope may **include projects that are capable of being fully financed by the private sector or with the assistance of other instruments provided at European or national level.**

9. Technical support

A **European Investment Advisory Hub (EIAH)** will be established, built on existing EIB, Commission, national promotional banks and the managing authorities of the European Structural and Investment Funds. The EIAH will bring together specialist advice currently delivered by the EIB and the European Commission.

The EIAH shall provide **advisory support for investment project identification, preparation and development** and act as a single technical advisory hub (including on legal issues) for project financing within the EU.

10. How would projects be financed?

EFSI transactions will be carried out through existing EIB and EIF structures.

Project promoters should follow the usual EIB loan application procedures. SMEs interested in EFSI transactions financed via the EIF should refer to information on EIF financial intermediaries.

B. FREQUENTLY ASKED QUESTIONS

1. Project submission:

- *Which elements should constitute the project? Is there any specific form or dossier to download and if yes, any link ?*

Project promoters should follow the usual EIB loan application procedures. SMEs interested in EFSI transactions financed via the EIF should refer to information on EIF financial intermediaries.

- *What about groupings of SMEs wanting to jointly submit a project?*
- *Will the application procedure be the same for operators, authorities, and industry?*

Anyone, including Member States, can submit their request for financing to the EIB for Infrastructure and Innovation investments, and to the EIF for SMEs equity or guarantee instruments.

Project promoters can contact the EIB and EIF directly – they do not need to pass via a local authority or government.

2. The projects pipeline

- *How will companies be informed about the evolution of the Fund?*

A dedicated website will allow to monitor progress of the Investment Fund in real time.

3. Added value of EFSI

- *What is the added value of EFSI at a time where interest rates are particularly low?*

Projects labelled “EFSI” will be attractive to investors.

C. SOURCES AND USEFUL LINKS

EFSI regulation:

http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2015.169.01.0001.01.ENG

EIB contact:

European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
3 +352 4379-1
5 +352 437704
www.eib.org
info@eib.org

European Investment Fund

37B, avenue J.F. Kennedy

Project promoters should follow the usual EIB loan application procedures. SMEs interested in EFSI transactions financed via the European Investment Fund should refer to information on EIF financial intermediaries.

www.eif.org
info@eif.org

European Investment Advisory Hub

<http://www.eib.org/eiah/about/index>

EIB explanatory documents:

Factsheets: <http://www.eib.org/about/invest-eu/index.htm>

Brochure:

In English http://www.eib.org/attachments/thematic/investment_plan_for_europe_en.pdf

In French: http://www.eib.org/attachments/thematic/investment_plan_for_europe_fr.pdf

In German: http://www.eib.org/attachments/thematic/investment_plan_for_europe_de.pdf

European Commission:

http://ec.europa.eu/priorities/jobs-growth-investment/plan/index_en.htm

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