



# EIB DECENTRALISED FINANCIAL INSTRUMENTS

09/02/2023

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All figures in this presentation are unaudited and provisional

# THE EIB - THE BANK OF THE EU

## Improving lives in Europe and beyond



The world's largest multilateral lender



Leading provider of climate finance



Governed by the EU Member States

### EIBG FINANCING 2022



€65.15  
billion



€9.18  
billion



# EIBG FINANCING AND IMPACT IN 2022

INNOVATION, DIGITAL  
AND HUMAN CAPITAL



SUSTAINABLE ENERGY  
AND NATURAL RESOURCES

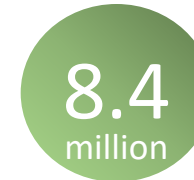


TRANSPORT



additional passenger trips on  
EIB financed public transport

ENERGY



households to have  
access to power

DIGITAL



new subscribers  
with 5G services enabled

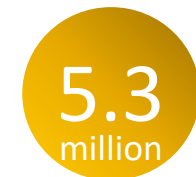
SUSTAINABLE CITIES  
AND REGIONS



SMEs AND  
MID-CAPS

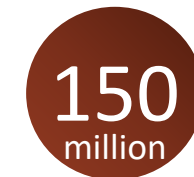


JOBS



jobs sustained  
in small businesses

HEALTH



patients to benefit from  
improved health services

WATER



persons to have access to  
safer drinking water

# BOOSTING GDP AND JOBS

The EIB continuously assesses the macroeconomic contribution of its activities in Europe.

Projects signed by the EIBG within the EU in 2021 alone will, **by 2025**:

 support € 330bn investments

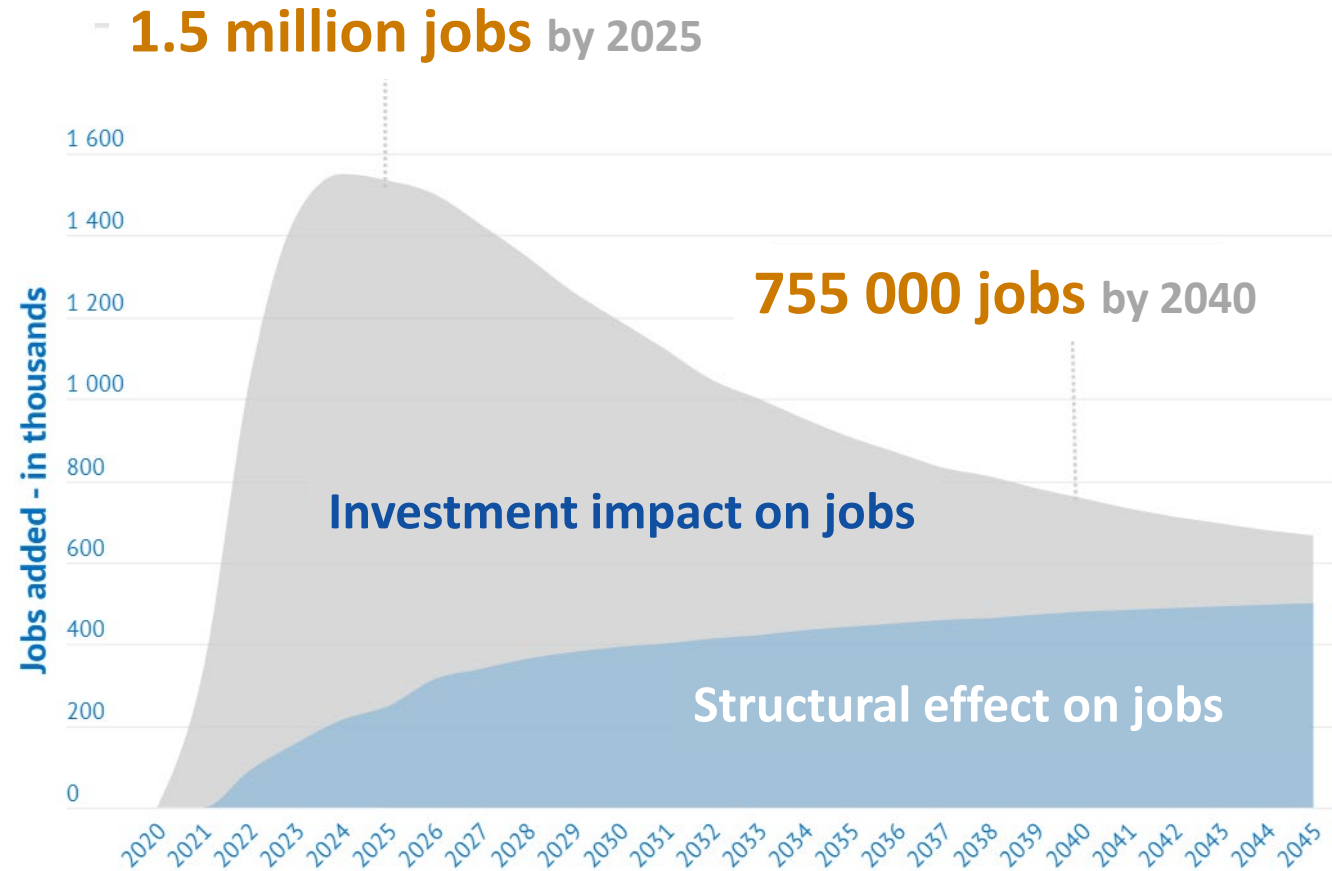
 add 1.67% to EU GDP

 create 1.5 million jobs

**By 2040**, the same projects will add:

 0.96% to EU GDP

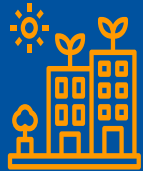
 755 000 jobs



# CONTRIBUTING TO CLIMATE



From the start of 2021, all new EIB Group operations will be aligned with the Paris Agreement



More than 50% of EIB financing goes to climate action and environmental sustainability by 2025



EIB Group to support €1 trillion in investment for climate action and environmental sustainability by 2030



# EIB CAN OFFER MORE THAN LOANS

## Lending

### Lending EIB own funds:

- Loans /co-financing
- Guarantees
- Equity, quasi-equity / debt and equity funds

## Blending

### Mandate Management:

- Combining EU and EIB resources (**centralized financial instruments**)
- Combining/use of third party funds, including EU and MS funds with own resources (leveraging)
- Set-up and management of mandates (**decentralised financial instruments**) with MS EU and other funds (e.g. ESIF, RRF)

## Advising

### Consultancy and technical assistance:

- Advisory for Financial Instruments (fi-compass and Bilateral Advisory)
- Prepare, evaluate and support the implementation of projects (Ex-ante studies, JASPERS, ELENA, EPEC etc.)



## FINANCIAL INSTRUMENTS

# FINANCIAL INSTRUMENTS AS A DELIVERY TOOL FOR COHESION POLICY

## Financial Instruments are:

- Co-funded by EU shared management funds, RRF and national resources
- A sustainable and efficient way to invest in growth and development
- Can support a broad range of development objectives to the benefit of a wide range of final recipients

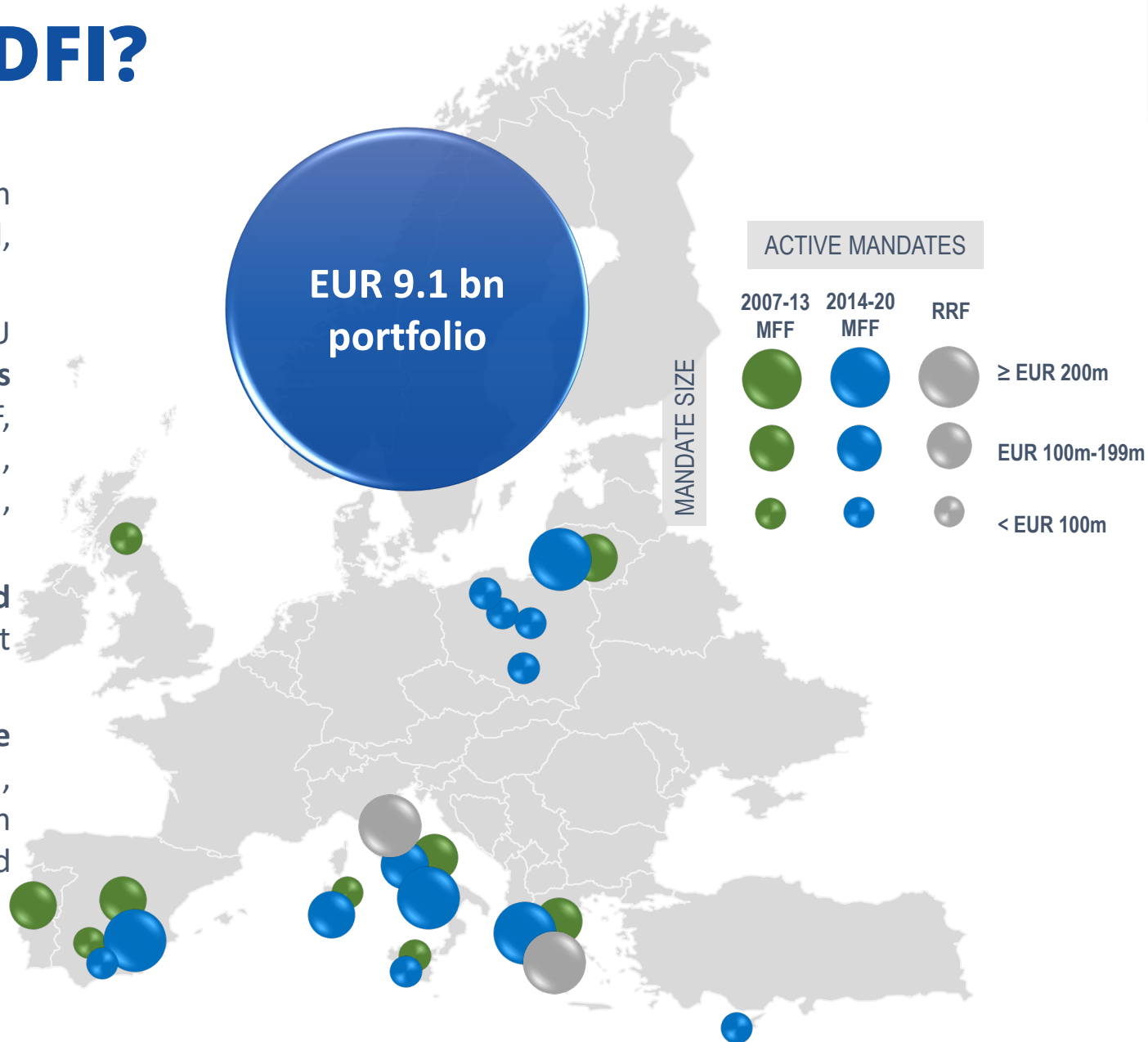
## Main sectors (based on ESIF FI commitments at end 2019):

- **SME competitiveness** incl. agriculture for EAFRD and fisheries for EMFF : 57.3%
- Supporting the shift towards low-carbon economy incl. **energy efficiency and sustainable urban development**: 15.6%
- **Research, technology and innovation**: 14.5%



# WHERE IS EIB COOPERATING WITH MS AND REGIONS ON DFI?

- In total **24 active mandates** in Greece, Italy, Spain, Portugal, Lithuania, Poland, and Cyprus.
- EIB is working with a number of EU MS and Regions for **new mandates** under RRF and 2021-27 MFF, including in Spain, Poland, Latvia, Lithuania, Italy, Portugal, Romania, Bulgaria, Croatia.
- **Focus on cohesion, less developed regions** to address specific market gaps and needs.
- EIB DFI operations cover **wide range of sectors**, including RDI, EE/RE, sustainable urban development, human capital and skills, post-Covid recovery.



€5.8bn  
DFI from RRF  
2 sub-mandates

€1.8bn  
DFI from  
2014-2020 MFF  
13 Fund of Funds

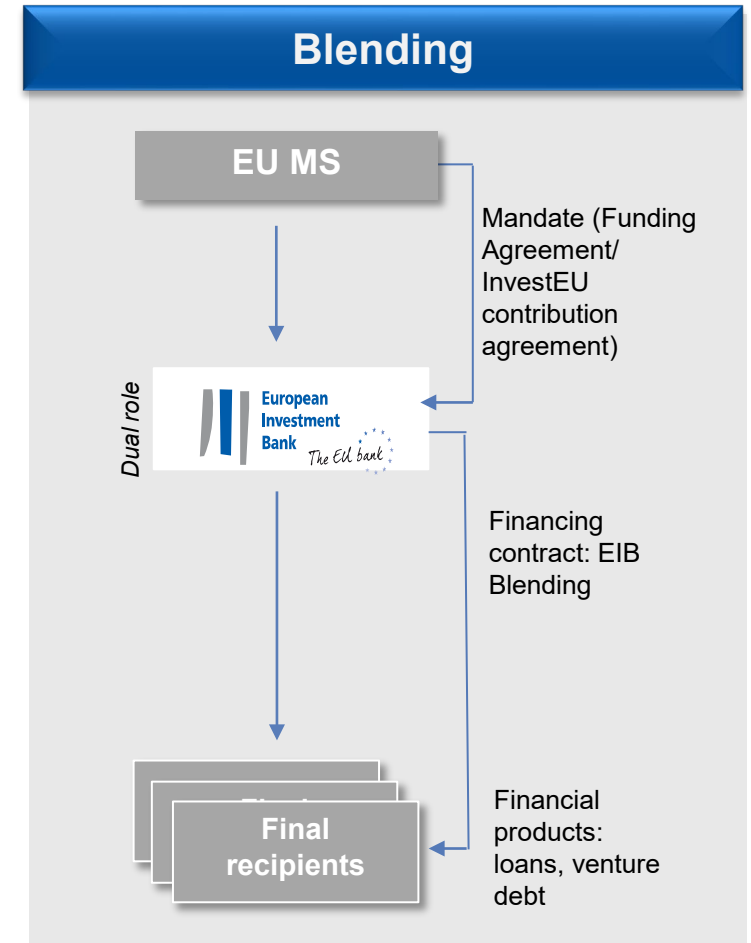
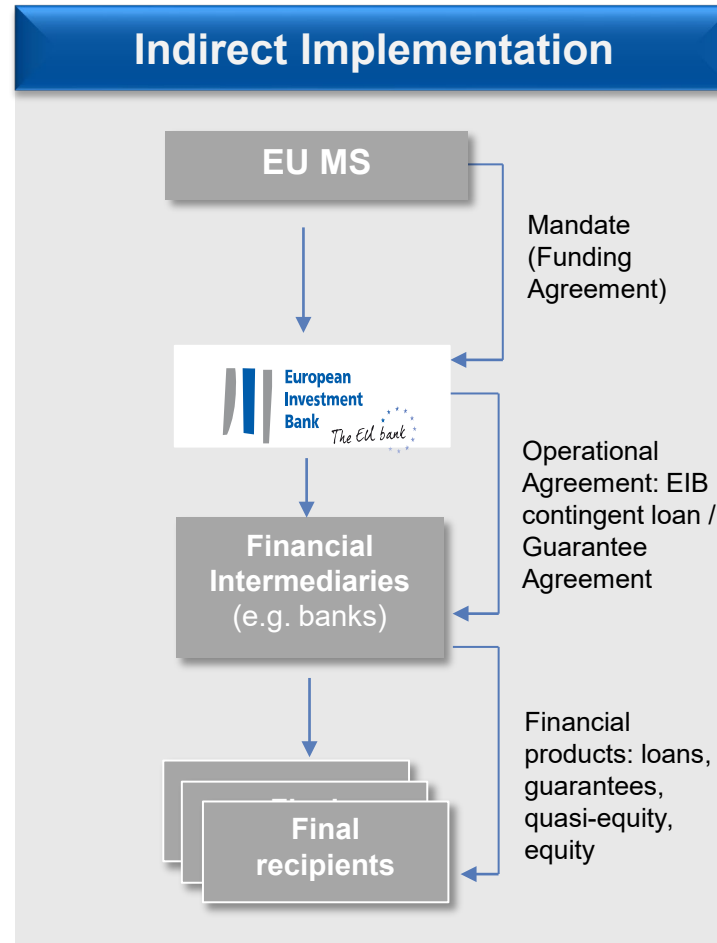
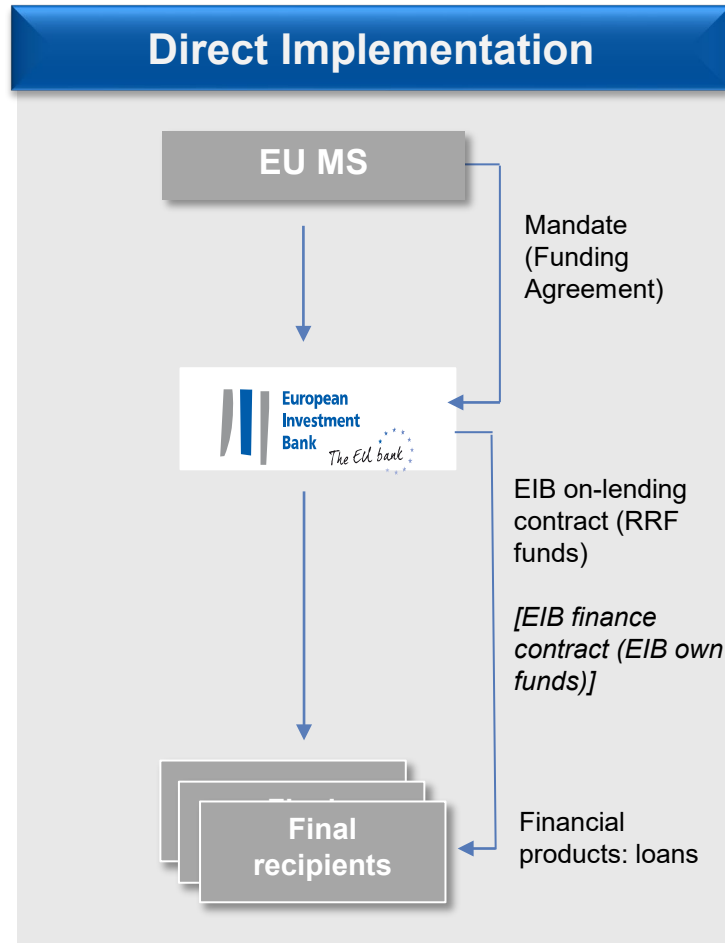
€1bn  
JESSICA funds from  
2007-2013 MFF  
9 Holding Funds

€5.6bn  
Total investment  
mobilised (cumulative  
from 2010)

~4,300  
Projects financed  
(cumulative from 2010)



# DFI HAVE FLEXIBLE IMPLEMENTATION MODALITIES...



# ... AND CAN BE COMBINED WITH GRANTS WHEN NEEDED

The combination of financial instruments and grants can play an important role in **delivering EU policy objectives** and addressing market failures related to **projects' design, economic viability and access to finance issues**.

- Primarily, combinations are needed where **investments are not capable of generating sufficient economic returns** or cost savings to be viable without additional support.
- Combinations may also be used to **stimulate investment demand, pursue ambitious policy objectives** and **attract private financing to** address large market failures...
- **Powerful financing tool in key sectors such as research and innovation and energy efficiency**

# DFI EXAMPLES – IMPLEMENTED IN PREVIOUS NSRF



## Portugal (all 5 regions of continental Portugal):

- EUR 132.5m under EIB management to invest in **sustainable urban renewal, digitalization and innovative SMEs**



## Italy (Southern Cohesion Regions):

- EUR 852m under EIB management that has helped **2437 students** and invested in **197 companies** hit by the COVID-19 pandemic and **31 research & innovation projects**.



## Spain:

- EUR 650m under EIB management
- Instruments supporting **urban development & energy efficiency** in public infrastructure and buildings, digital & RDI and agri sector.
- In total 130 projects supported so far.



## Lithuania:

- EUR 458m under dedicated instruments to improve energy efficiency in multi-apartment buildings.
- EUR 480m raised in private co-financing and financed more than 3000 projects.



## Poland:

- Investing in energy efficiency, renewables and energy security in Regions of Pomorskie, Kujawsko-Pomorskie, Mazovia and Silesia.
- EUR 185m committed, investing in 394 projects.



## Greece:

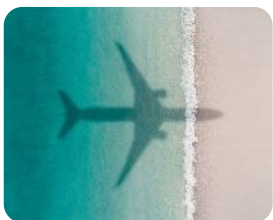
- EUR 450m for renewables, energy efficiency and urban development investments.

# IMPACT FINANCE IN 21-27



## Spain (NSRF 2021-2027):

- EUR 100m under EIB management to invest in RDI, to reinforce the RDI cluster in Andalucia, deploying already 2021-2027 funds.



## Italy :

- EUR 772m under EIB management to develop innovative and sustainable tourism investments compatible with the Italian Recovery and Resilience Programme.



## Romania :

- EUR 300m under an umbrella instrument allowing for indirect (guarantees) and direct financing (cash collateral) for investing in projects eligible under the National RRF programme, accelerating execution.



## Greece:

- EUR 5.000m for the recovery and resilience of the country in infrastructure and projects.

Example: The project concerns the implementation of a subsea cable grid operated at 150 kV that will connect the main Cycladic islands, namely Syros, Tinos, Mykonos and Paros with the mainland interconnected transmission system of Greece.

# MAIN LESSONS LEARNED ON THE USE OF FINANCIAL INSTRUMENTS:

A more efficient use of (scarce) public sector resources, especially for revenue generating or cost saving projects

Greater **leverage potential, creating increased impact**

Brings **financial discipline** into the project/initiative: transparency/identification/selection process – improving quality

Can be **combined** with technical support and/or grants to overcome market barriers/support market development

Promotes **impact finance** by targeting riskier projects that may not be financed with own resources

Allows the repayment of the scarce public resources to be reinvested again and again for further investments given its **revolving nature**

# THANK YOU

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