Europaudvalget 2016
KOM (2016) 0597
Offentligt

EUROPEAN
COMMISSION

Brussels, 22.9.2016
SWD(2016) 297 final/2

Corrigendum of SWD(2016)297 final of 14/9/2016 concerning only the correction of wrong numbering of sub-chapters.

COMMISSION STAFF WORKING DOCUMENT

EVALUATION

Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council

amending Regulations (EU) No 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub

{COM(2016) 597 final}
{SWD(216) 298 final}

EN EN

Contents

List of Figures

List of Tables

1. Introduction

1.1 Background of the evaluation

In 2014 the Commission announced the Investment Plan for Europe, a new initiative that was established in 2015 to support investment in Europe after the financial and economic crisis.

The European Fund for Strategic Investments (EFSI) has been set up, together with the European Investment Advisory Hub (EIAH) and the European Investment Project Portal (EIPP), under Regulation (EU) No 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Project Investment Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments[1] (the Regulation), with the aim of kick-starting investments in the Union through the mobilisation of private finance. The EFSI is established within the EIB, which manages it under the rules set out in the Regulation and in the Agreement on the Management of the EFSI and on the granting of the EU Guarantee between the EU and the EIB of 22 July 2015, in accordance with Article 4 of the Regulation (the EFSI Agreement).[2]

Article 18(1) of the Regulation provides that the EIB shall evaluate the functioning of the EFSI, while Article 18(2) provides that the Commission shall evaluate the use of the EU guarantee and the functioning of the guarantee fund which are established under Articles 8 to 13 of the Regulation (respectively 'the EU Guarantee' and 'the Guarantee Fund'), both by 5 January 2017. The latter evaluation is to be accompanied by an opinion of the Court of Auditors.

Based on the results delivered by the EFSI so far, the Commission has decided to propose the extension of the EU Guarantee to the EIB[3]. The timeline should avoid any interruptions in the financing going forward and ensure the continuity of the pipeline by providing a signal to potential promoters. As a result, the evaluation foreseen in Article 18(2) is being presented now. In parallel, the Commission has already started the process to launch the independent external evaluation foreseen in Article 18(6) of the Regulation.

The comprehensive measures adopted with the Investment Plan for Europe are already delivering tangible results, despite the fact that larger infrastructure investment projects display sizeable macroeconomic effects over time. As of 30 June 2016, on the basis of approved operations (under the Infrastructure and Innovation Window (IIW) and the SME Window (SMEW)) the aggregated EIB Group investment catalysed through the EFSI is estimated at about EUR 106.8 billion, covering 26 Member States across all general objectives set out in the Regulation.[4]

1.2 Scope of the evaluation

The present report provides an overview of the use of the EU Guarantee and the functioning of the Guarantee Fund during its first year of activity until 30 June 2016 in terms of effectiveness, efficiency and relevance and evaluates whether the current setting and parameters could be reviewed to optimise the use of the EU Guarantee. In particular, the evaluation includes an analysis of the risk profile of the current and future EFSI Guaranteed Operations and, consequently, of the adequacy of the target rate and level of the Guarantee Fund.

[1] OJ L 169, 1.7.2015, p. 1.

[2] An amendment of the EFSI Agreement ("EFSI Amendment and Restatement Agreement") was signed between the EU and the EIB on 21 July 2016.

[3] On 28 June 2016, the European Council concluded that "[t]he Investment Plan for Europe, in particular the EFSI, has already delivered concrete results and is a major step to help mobilise private investment while making smart use of scarce budgetary resources. The Commission intends to soon put forward proposals on the future of the EFSI, which should be examined as a matter of urgency by the European Parliament and the Council"

[4] The cut-off date for this evaluation is 30 June 2016.

EFSI Guaranteed Operations must also satisfy additionality and eligibility criteria (as established respectively in Articles 5 and 6 of the Regulation). As foreseen in the Regulation, a parallel evaluation on the functioning of the EFSI is currently being conducted by the EIB. While the present report reviews the use of the EU Guarantee and functioning of the Guarantee Fund, the evaluation to be prepared by the EIB will consider the coherence of EFSI Guaranteed Operations with the above criteria and more generally the extent to which the EFSI is meeting the objectives set out in the Regulation.

The Commission and the EIB have coordinated that dual evaluation process in order to avoid overlaps to the extent possible and optimise the overall scope of the exercise.

1.3 Evaluation questions

The analysis focused on the following specific evaluation questions:

Effectiveness:

1. To what extent has the EU Guarantee been effectively used to fulfil its objectives until 30 June 2016?

2. To what extent have the current level of the target rate of the Guarantee Fund and the provisioning mechanism of the Guarantee Fund effectively served the needs that the Guarantee Fund was designed to address until 30 June 2016?

Efficiency:

1. Has the EU Guarantee been used efficiently to achieve its objectives?

2. Did the provisioning mechanism of the Guarantee Fund address the objectives of the Fund in a timely and cost-efficient manner, in particular with regard to the budgetary process and discipline?

3. Was the level of the EU budget resources foreseen for the Guarantee Fund appropriate to cover the EFSI Guaranteed Operations in an efficient manner, and what conclusions can be drawn for the future?

Relevance:

1. To what extent has the EU Guarantee been able to address the needs it was designed to address?

2. To what extent have the objectives of the Guarantee Fund been pertinent to the needs it was designed to address? How could the functioning mechanism of the Guarantee Fund be improved to address better the needs for coverage by the EU Guarantee?

3. In relation to the Guarantee Fund's target rate (currently set at 50%), what is the right level of the target rate taking into account the risk profile of the Fund?

2. The EU Guarantee

The EFSI initiative builds on a EUR 16 billion guarantee from the Union budget, complemented by an allocation of EUR 5 billion of EIB's own resources[5]. The operational strategy is twofold: the guarantee aims to increase the volume of higher risk projects supported by EIB Group financing and investment

[5] As foreseen in the Regulation, the present evaluation only looks at the use of the EU Guarantee and not at the risk-bearing capacity granted by the EIB in the context of the EFSI.

operations and as a result help addressing the market failures and sub-optimal investment situations which hinder investment in Europe[6].

The Union provides an irrevocable and unconditional guarantee to the EIB for financing and investment operations under the EFSI. Those operations are carried out in the Union or involve entities located or established in one or more Member States and extending to third countries defined in the Regulation[7].

In addition, Article 10 of the Regulation sets out the instruments eligible for coverage by the EU Guarantee:

- EIB loans, guarantees, counter-guarantees, capital market instruments, any other form of funding or credit enhancement instrument, equity or quasi-equity participations[8], including in favour of national promotional banks or institutions, investment platforms or funds;
- EIB funding or guarantees to the EIF enabling it to undertake loans, guarantees, counter-guarantees, any other form of credit enhancement instrument, capital market instruments and equity or quasi-equity participations, including in favour of national promotional banks or institutions, investment platforms or funds;
- EIB guarantees to national promotional banks or institutions, investment platforms or funds under a counter- guarantee of the EU Guarantee.

The amount of the EU Guarantee has been partitioned between the IIW – up to a maximum of EUR 13.5 billion – and the SMEW – up to a maximum of EUR 2.5 billion – although the thresholds may be modified, as long as the cumulated amount of the ceilings do not exceed EUR 16 billion at any time, and the amount allocated to the SMEW does not exceed EUR 3 billion[9]. Given the particularly strong response to the SMEW, the EFSI Steering Board, composed of members of the Commission and the EIB, already decided to reinforce the latter through the reassignment of up to EUR 500 million from the IIW to the SMEW in July 2016.

3. The use of the EU Guarantee

Under the EFSI Agreement, the Union grants the EU Guarantee which is a first demand guarantee of an amount capped at EUR 16 billion for potential losses which the EIB Group may suffer from its investments (default of repayments or capital losses). The aggregate net payments from the Union general budget are also capped at the same level.

The EU Guarantee covers part of financing and investment operations signed by the EIB under the IIW and by the EIF under the SMEW. Part of the operations is carried out at the own risk of the EIB Group.

The nature of the EU Guarantee is revolving, in that the available cover under the EU Guarantee may be made available to new operations following the amortisation of existing ones, provided that the EU Guarantee never exceeds EUR 16 billion and that aggregate net payments from the general budget of the Union under the EU Guarantee do not exceed EUR 16 billion.

---

[6] Article 5 of the Regulation: "*Projects supported by the EFSI shall typically have a higher risk profile than projects supported by EIB normal operations and the EFSI portfolio shall have overall a higher risk profile than the portfolio of investments supported by the EIB under its normal investment policies before the entry into force of this Regulation.*"

[7] Third countries falling within the scope of the European Neighbourhood Policy, including the Strategic Partnership, the enlargement policy, the European Economic Area or the European Free Trade Association, or to an overseas country or territory as set out in Annex II to the TFEU, whether or not there is a partner in those third countries or overseas countries or territories.

[8] Equity investments are most commonly defined as acquisitions of direct ownership of share capital in a business, regardless if the company is simply a conduit for pooling of resources used for asset investments (i.e. a fund) or it is a company involved in certain trade. Quasi-equity or Equity-type investments expose de facto the investor to the full risks of the underlying business but in their legal form they can be structured as loans, derivatives, or others. Regardless of their legal form, quasi-equity operations are treated as equity investments for the purpose of the EIB's portfolio risk management and risk reporting.

[9] Article 11(1) and (3) of the Regulation.

The present section reviews the use[10] of the EU Guarantee under the different activities supported by the EFSI. In particular, the EU Guarantee covers different financing instruments depending on the Window of operation (IIW or SMEW) and on the product type (debt or equity).

3.1 Infrastructure and Innovation Window (IIW)

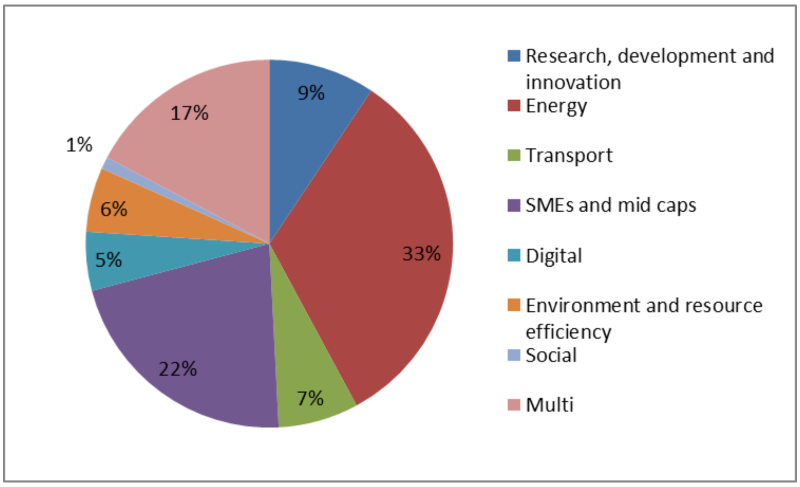
Under the IIW, the allocation of EIB operations to the debt or equity (-type) sub-window is based on the EIB's system of loan grading and the EIB's standard risk assessment. Under the IIW, the use of the EU Guarantee was limited to an amount equivalent to EUR 13.5 billion, broken down into two parts:

I. up to EUR 11 billion as a first-loss piece under the Debt sub-window.
II. up to EUR 2.5 billion for equity-type operations;

As of 30 June 2016, under the IIW, the EIB Board of Directors approved 77 operations (see Figure 1 and Figure 3) of which 40 operations were signed (see Figure 2 and Figure 4). As of end-June 2016, approved operations account for a total amount of EUR 11 billion in EFSI financing, of which EUR 4.7 billion have been signed, and are expected to support an estimated amount of investments of EUR 58 billion.

In terms of total EFSI investments, energy and support to smaller companies are the two main sectors for signed operations under IIW (see Figure 2).

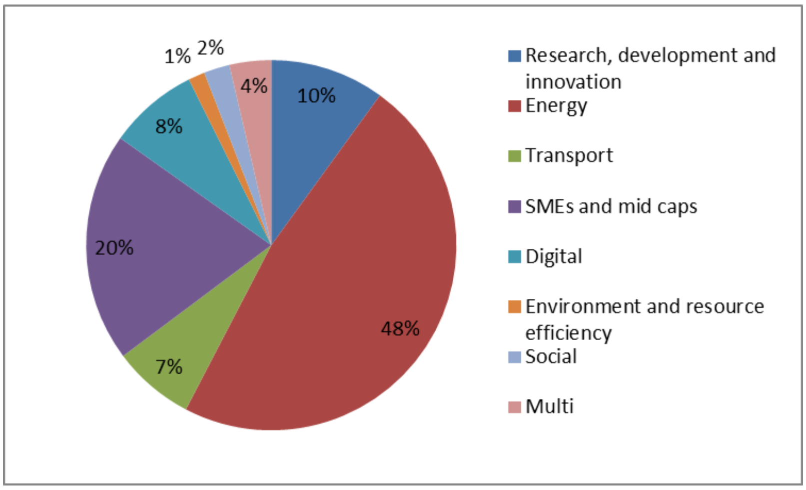
Figure 1: IIW – EFSI-related investment for approved operations (by sector as of 30 June 2016)



Source: EIB and ECFIN calculations

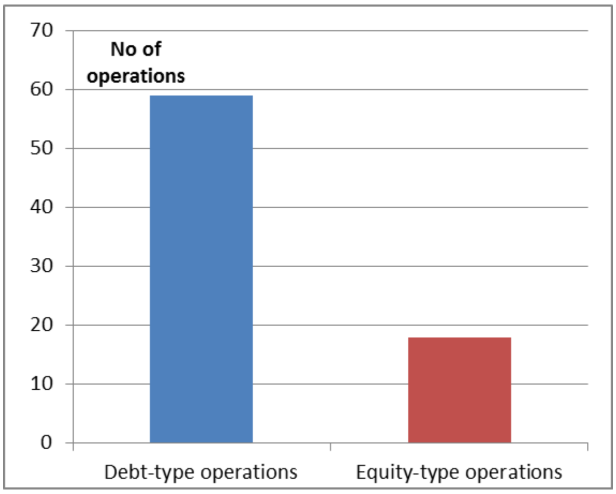
[10] The term "use" refers to the way the guarantee is deployed under the different activities supported by the EFSI. For the sake of clarity, it is worth noting that there have been no guarantee calls on the Union budget during the period covered by this evaluation (only funding costs have been paid).

Figure 2: IIW EFSI-related investment for signed operations (by sector as of 30 June 2016)



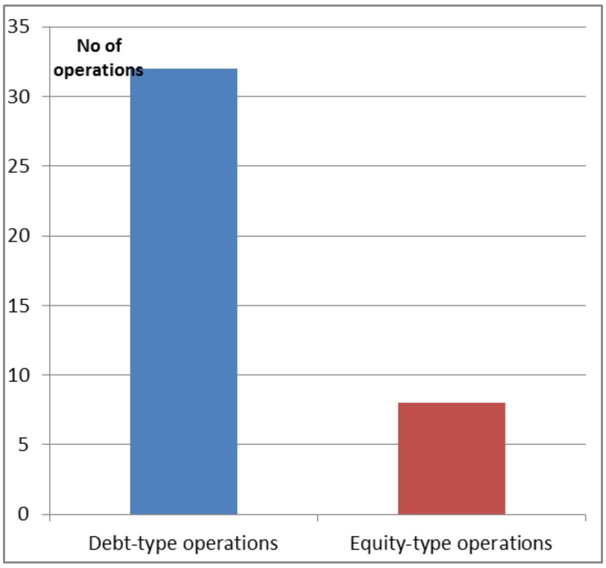
Source: EIB and ECFIN calculations

Figure 3: IIW - Number of operations approved and signed (as of 30 June 2016)



Source: EIB

Figure 4: IIW - Number of operations signed (as of 30 June 2016)



Source: EIB

3.1.1 IIW Debt sub-window

The IIW Debt Portfolio includes all signed and not cancelled debt-type operations. For each debt-type operation, the EIB conducts its standard risk assessment, involving the computation of the probability of default and the recovery rate, without taking into account the EU Guarantee (in order to reflect the overall risk of the transaction[11]). The operations supported by the EU Guarantee typically have a higher risk profile than EIB normal operations and hence fall within the scope of *special activities*[12]. Less risky transactions may be incorporated into the EFSI portfolio, provided that a high added-value is clearly demonstrated and their inclusion is consistent with the criterion of providing additionality. The risk profile of the portfolio is expected to adjust during the investment period, upon addition of new operations, amortisations and realisations of effective losses.

Under the IIW debt sub-window, the Union budget provides a 100 % first-loss piece guarantee for the debt portfolio originated by the EIB under the EFSI. The first-loss piece is expected to represent around 25 % of the volume of the overall portfolio of operations financed by the EIB at the end of the investment period (approximately EUR 42 billion), whereas the residual risk is fully borne by the EIB. The latter reserves the right to determine the overall portfolio volume depending on the risk and structure of the underlying operations, the size of the available EU Guarantee and the residual risk to be borne by the EIB, which should be maintained at an acceptable level.

The first-loss piece must remain available in full until the time that the aggregate outstanding nominal exposure under the IIW Debt Portfolio has decreased to an amount lower than the available (after deduction of losses) first-loss piece. Thereafter, the first-loss piece will decrease in line with the reduction of the aggregate nominal exposure. The payment of any recovered amounts to the EFSI account will increase the first-loss piece by the same amount.

The EU Guarantee may be called in case of defaults by EIB obligors under the EFSI or, if a restructuring process is undertaken, to cover so-called "restructuring losses"[13] in relation to debt-type operations.

EIB debt operations generate revenues established in accordance with EIB pricing methodology. Risk-related revenues are shared between the Union and the EIB on a quarterly basis on the basis of the risk taken, in accordance with the risk- and revenue-sharing principles set out in the EFSI Agreement.

As of 30 June 2016, 59 debt-type operations had been approved under the IIW. All the operations have been considered by the EIB as special activities. Signed operations amount to EUR 4.5 billion.

No guarantee calls were made by the EIB in relation to EIB debt type financing operations under the EFSI.

3.1.2 IIW Equity sub-window

The IIW Equity Portfolio includes all signed and not cancelled equity-type operations. Under the equity framework, the EU Guarantee may be used to support direct investments in individual companies or projects (equity-type direct investments) or financing for funds or analogous portfolio risks (equity-type portfolio), as long as the EIB invests on a *pari passu* basis for its own risk as well.

The EIB will perform its standard assessment and determine whether an operation bears equity-type risks or not, irrespective of its legal form and nomenclature. Equity-type investments are to be priced in line with the market, absent which market testing or benchmarking is to be used.

Under the IIW equity sub-window, the EU Guarantee covers 100 % of the amounts financed by the EIB (as explained above, to the extent that the EIB finances at its own risk an equivalent amount) and the EIB funding costs associated to the underlying investment. Given the nature of equity-type

[11] Annex II of the Regulation, point 6.

[12] Special activities are defined in Article 16 of the EIB Statute and in the Credit Risk policy guidelines of the EIB.

[13] Defined in the EFSI Agreement as the difference between the scheduled payments and the payments which the EIB receives for a particular period in relation to a restructuring event for a debt-type operation.

investments, the *pari passu* requirement enshrined in the EFSI Agreement and the requirement to use EIB rules and procedures, the Commission and the EIB have agreed that the EU Guarantee should be called when there is an adjustment in value of the underlying portfolio of investment as recognised in the accounts of the EIB. As a result, a reduction in value of the assets guaranteed by the Union does not have a negative impact on the accounts of the EIB (beyond the one due to the EIB *pari passu* investment). The amount of a call on the EU Guarantee due to a value adjustment is to be returned to the Guarantee Fund or the EFSI Account, should the value of the portfolio of investment improve. Following the amortisation/divestment period of the IIW Equity Portfolio, if the value of the portfolio increases compared to the initial investment, the resulting revenues will be attributed to the Union.

As of 30 June 2016, 18 equity-type operations had been approved. Signed operations amounted to EUR 267 million.

No guarantee calls were made by the EIB in relation to EIB equity-type financing operations under the EFSI. The Union paid EIB funding costs in relation to disbursements made in 2015 (EUR 2 160).

3.2 SME Window (SMEW)

As of 30 June 2016, under the SMEW the EU Guarantee had been used for two guarantee sub-windows and was aimed at frontloading guarantee operations under the COSME[14] and InnovFin[15] financial instruments.

The EFSI has enhanced the COSME Loan Guarantee Facility (LGF) - which guarantees loans to SMEs with a higher-risk profile – and the InnovFin – Horizon 2020 SME Guarantee (SMEG) facility - which guarantees loans to innovative and research-intensive SMEs and small mid-caps. Thanks to the guarantee provided by the EFSI, the EIF could sign transactions with financial intermediaries earlier than it could have done with the COSME and InnovFin budgets alone.

The frontloading of COSME LGF and InnovFin SMEG budgets in the period 2016-2020 amounts to EUR 500 million and EUR 750 million, respectively. The frontloading entails a right for the EIF to draw from the EIB (under a guarantee granted to the EIF as set out in the EFSI Agreement and the back-to-back EIB-EIF EFSI Agreement) any such amounts as may be needed to pay guarantee calls in excess of the amounts cumulatively received from the Commission under the annual EU budget appropriations of COSME LGF and InnovFin SMEG. The EIB in turn is covered by the EU Guarantee.

As of 30 June 2016, 186 operations (71 equity projects – financed from the EIB’s EUR 2.5 billion contribution to the SMEW, 43 COSME and 72 InnovFin guarantee operations) had been approved under the SMEW. Those operations total EUR 3.4 billion in EFSI financing, of which EUR 3.3 billion had been signed by 30 June 2016, and will support an estimated amount of investments of EUR 48.4 billion. It is expected that around 180 000 SMEs and mid-caps will benefit from those operations.

4. The functioning of the EU Guarantee Fund under EFSI

The Guarantee Fund under the EFSI ("the Guarantee Fund') was established under Article 12 of the Regulation and it is funded from payments from the Union general budget and revenues originating from EFSI-guaranteed operations. The Guarantee Fund constitutes a liquidity cushion from which the EIB is to be paid in the event of a call on the EU Guarantee. The Guarantee Fund has to be maintained at a certain percentage (the “Target Rate”) of the total amount of the EU-guaranteed obligations, currently 50%. Thus, the liquidity cushion is intended to provide an appropriate safety margin and to avoid exposing the Union budget to sudden guarantee calls, which would entail

[14] Programme for the Competitiveness of Enterprises and small and medium-sized enterprises (COSME).

[15] "InnovFin – EU Finance for Innovators", launched jointly by the Commission and the EIB Group with funds from the Horizon 2020 programme and EIB Group own resources.

spending cuts or budget amendments when honoured. Therefore, it contributes to the transparency and predictability of the budgetary framework.

In accordance with the EFSI Agreement, calls are paid by the Guarantee Fund if their amount is in excess of the funds at the disposal of the EIB on the EFSI Account. The EFSI Account, managed by the EIB, has been established for the purposes of collecting the Union revenues resulting from EFSI-guaranteed operations and recovered amounts and, to the extent of the available balance, for the payment of calls under the EU Guarantee and for the payment of EIB recoverable administrative costs and recovery costs.

4.1 The provisioning mechanism of the Guarantee Fund

The Guarantee Fund is provisioned through:

I. Contributions from the general budget of the Union; the budget allocated for the EFSI contributions amounts to EUR 8 billion;
II. Returns (interests) on guarantee fund resources invested in the financial markets;
III. Amounts recovered from projects for which the EU Guarantee was called (i.e. defaulting debtors);
IV. Revenues and any other payments received by the Union in accordance with the EFSI Agreement (i.e. projects benefitting from EFSI support).

The Guarantee Fund is provisioned progressively taking into account the increase in exposure borne by the EU Guarantee and it is directly managed by the Commission; its resources are invested in accordance with the principles of sound financial management and appropriate prudential rules.

In the event of a call on the EU Guarantee during the initial constitution of the Guarantee Fund, endowments to the Guarantee Fund provided by the four sources will contribute to meeting the target amount up to a total equal to the call.

In the event that the EU Guarantee is fully restored up to its maximum initial amount of EUR 16 billion, any amount in the Guarantee Fund in excess of the target amount will be paid back to the general budget of the Union.

4.2 Annual flows

4.2.1 Payments from the Union budget

The payment schedule of the budget item provisioning the Guarantee Fund is being revised to ensure a sound management of payment ceilings over the Multiannual Financial Framework (MFF) period. In its draft budget 2017, the Commission proposes to frontload EUR 500 million from 2019 to 2017. Table 1 summarizes both the initial and revised payment profiles:

Table 1: Payment schedule to the Guarantee Fund

EUR million/year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
Commitments	1350	2030	2641	1979					8000
Payments:									
Current profile		500	1800	1600	1750	1750	200	400	8000
Revised profile		500	2300	1600	1250	1750	200	400	8000
Revised cumulated		500	2800	4400	5650	7400	7600	8000	
Outstanding Commitments:									
Current profile	1350	2880	3721	4100	2350	600	400		
Revised profile	1350	2880	3221	3600	2350	600	400	0	

Source: Commission services

The 2016 payment appropriation of EUR 500 million was paid to the Guarantee Fund in periodic tranches according to the schedule set out in Table 2.

Table 2: Payment schedule to the Guarantee Fund until the month of July 2016

EUR million	**April**	**May**	**June**	**July**	**Total**
Payments:	140	100	140	120	500

Source: Commission services

As of 30 June 2016, an amount of EUR 380 million was paid and invested in bonds.

4.2.2 Revenues and interests

The value of the Guarantee Fund stood at EUR 382.5 mn at the end of June 2016. The performance of the Guarantee Fund between 9 April 2016 and 30 June 2016 was 1.28%.

As of 30 June 2016, risk-sharing revenues attributable to the Union amounted to EUR 5.71 million, of which EUR 1.55 million has been paid to the EFSI Account in respect of revenues received by the EIB for the last quarter of 2015 and the first quarter of 2016, whereas EUR 4.16 million represents accrued revenue corresponding to the second quarter of 2016. A negative interest of EUR 2 260 was debited to the EFSI Account during the same period.

4.2.3 Guarantee calls in relation to defaulted operations

As of 30 June 2016, no guarantee calls were made in relation to defaulted operations.

No reversals have yet been made to the Guarantee Fund.

4.2.4 Recovered amounts

Following any call in relation to an EFSI-guaranteed operation under the IIW, the Union delegates to the EIB the administration and work-out of such EFSI-guaranteed operations so as to reduce losses or maximise expected recoveries, including an eventual appointment of external consultants and advisors. In relation to the SMEW, the same holds true, *mutatis mutandis*, for the EIF, unless the COSME Delegation Agreement or the H2020 Delegation Agreement determines otherwise.

Whenever the Union has made a payment under the EU Guarantee and is subrogated to the rights and remedies of the EIB, the EIB must without delay initiate recovery proceedings on behalf of the Union, unless it determines in accordance with its professional judgment and in line with the care and diligence applied in respect of operations at its own risk that the possible recovery proceedings are unlikely to result in recovery of sums in excess of the costs of such recovery.

As of 30 June 2016, no recoveries had taken place since no defaults had taken place either.

4.2.5 Guarantee calls in relation to EIB funding costs

As of 30 June 2016, an amount of EUR 2 160 was paid to cover the EIB's funding costs. The amount was paid out of the EFSI Account.

4.2.6 Guarantee calls in relation to other EIB costs (recovery costs, recoverable administrative costs)

The recovery costs per operation, paid by the Union to the EIB, are calculated through a flat-fee; the rate is fixed at 1% of the outstanding commitments of the affected debt-type operation or equity-type operation, subject to an overall aggregate cap of 0.50% of the EU Guarantee. As of 30 June 2016, no recovery costs had been paid to the EIB.

The recoverable administrative costs are determined as per the EFSI Agreement.[16] As of 30 June 2016, no recoverable administrative costs had been paid to the EIB.

[16] As per the EFSI Agreement, the "**EIB Recoverable Administrative Costs**", in relation to a debt-type operation where a payment event of default has occurred, means that part of the margin related to administrative costs which would have been paid to the EIB over the life of that debt-type operation had the event of default not occurred, the overall amount being capped at 1% of the total outstanding EU Guarantee obligations.

5. Risk analysis and scenarios

5.1 IIW – Debt products

As referred to in section 3.1.1, it is expected that the first-loss piece buffer provided by the EU Guarantee represents around 25 % of the exposure under the IIW debt sub-window as originally constructed by the Commission and the EIB. However, the recently amended and restated EFSI Agreement allows distinct sub-portfolios to be introduced, in which case, the percentage may differ depending on the risk and capital charges related to such sub-portfolios.

EFSI operations are characterised by a higher level of risk compared to standard EIB operations. For example, the typical rating of an EFSI operation ranges between Baa3 (BBB-) and B2 (B) with an average rating between Ba1 (BB+) and Ba2 (BB). The average rating of a standard EIB operation is BBB+ (Baa1). EFSI operations also typically present higher loss given defaults compared to standard EIB operations. For example, subordinated operations have a very high loss given default given the low expected recovery. Moreover, as opposed to EIB standard operations, the EFSI does not focus on public sector borrowers which present typically a higher recovery rate.

The risk model used for the purpose of the evaluation is a one-factor credit risk model to simulate the credit loss distribution generated by the EFSI portfolio under the following simplified conservative assumptions:

- The first-loss piece amounts to EUR 10.5 billion and supports an amount of EUR 42 billion EIB financing. Losses are split between the Union budget (first-loss piece or 25%) and the EIB (residual risk);
- The portfolio is composed of 100 identical linear amortizing transactions with a maturity of 15 years, instantaneous recoveries, instantaneous portfolio ramp-up with a 20 % correlation for the defaults of individual transactions;
- Average counterpart rating is 50% Ba1 and 50% Ba2;
- The loss given default is ranging from 40 % to 90 %;
- The haircut between signatures and disbursements is 10 %.[17]

Revenues generated by the EFSI portfolio are determined in accordance with the EIB standard risk pricing model and are shared between the two institutions in line with the EFSI Agreement.

The expected loss of the EFSI portfolio on average corresponds to 8.1 % of the total amount of financing. The amount of revenues under the simplified assumptions is expected to outweigh the expected losses at portfolio level. However, it is considered that an adequate level of provisioning needs, following deduction of the expected revenues, based on the value-at-risk of the first-loss piece tranche under the EFSI portfolio after 15 years, is 38.3% of the EU Guarantee allocated to the IIW debt sub-window.

5.2 IIW – Equity instruments

Under the IIW equity sub-window, the EIB may invest up to EUR 2.5 billion of funds under the EU Guarantee *pari passu* with its own funds. EIB financing may be delivered through infrastructure funds or other types of funds (indirect financing) or through direct EIB investments in individual companies or projects. The EIB's activity has to date focused on indirect intervention through funds but it is expected that the volume of direct equity or equity-type investments will also increase. A more precise expected distribution may become available when the EIB agrees on an equity strategy later in 2016. Irrespective of the final distribution between direct and indirect operations, it is important to note that the overall amount of EIB equity-type operations under the EFSI, i.e. EUR 5 billion to be deployed in three years, represent a tenfold increase compared to previous years.

[17] This is usually in the order of 10 to15% due to cancellations and amounts not fully drawn by the borrowers.

In any event, for the purpose of the evaluation it may be assumed that, given the size of the overall portfolio expected to be generated, the behaviour of the portfolio of direct equity investments follows the pattern of a portfolio of indirect investments through equity funds (e.g. the EIB portfolio of direct investments could be considered an equity fund).

In line with the Regulation, EIB equity investments are made at market terms. Hence, it is expected to be a profitable activity with ultimately – under normal circumstances – limited or no recourse to the EU Guarantee. In order to simulate losses under stressed scenarios, a conservative assumption was applied such that the portfolio's performance mirrors the pattern of the portfolio of EIF investments in equity funds for SMEs and mid-caps.

As a result, it is considered that an adequate level of provisioning needs, taking into account the effect of reflows, funding costs and possible exchange rates, under the IIW equity portfolio is 17.9 % of the EU Guarantee allocated to the IIW equity sub-window.

5.3 SMEW – Debt products

During the reporting period, the use of the EU Guarantee under the SMEW was limited to an amount equivalent to EUR 2.5 billion. EUR 1.25 billion of the Union-backed EFSI guarantee capacity is used to enhance the speed of implementation of Union financial instruments that support lending to SMEs, the COSME Loan Guarantee Facility and the InnovFin SME Guarantee Facility (frontloaded instruments with progressive release of the EU guarantee when the Union budget becomes available). The remaining margin under the overall limit of EUR 2.5 billion backed by the EU Guarantee is to be used for a recently developed SMEW Equity Product described under section 5.4.

As explained before, given the strong uptake of the SMEW, the EFSI Steering Board decided to adjust the limit of the SMEW up to the maximum of EUR 3 billion by reassigning EUR 500 million from the IIW Debt Portfolio to the SMEW, after which up to EUR 1.73 billion is now foreseen for the SMEW debt window. Moreover, the Commission and the EIB have agreed to gradually convert the release of the EFSI guarantee covering the frontloaded amounts to second-loss exposure or mezzanine tranches as the annual Union budget contributions become available (the so-called "top-up", see also section 6). The use of the EU Guarantee would be expanded to cover not only the COSME Loan Guarantee Facility and the InnovFin SME Guarantee Facility, but also the EaSI[18] guarantee instruments and a securitisation instrument.

While those changes will significantly add value to the EFSI contribution to the SMEW, the risk profile of the EFSI intervention will also change. Under the current set-up estimated losses for EFSI are negligible, whereas the risk of EFSI incurring losses increases under the new setup. Table 3 summarises the expected loss of the EFSI exposure of different debt products envisaged under the SMEW on the basis of the expected loss of the underlying portfolio of loans of financial intermediaries to SMEs and mid-caps.

Table 3: SMEW debt instrument - Risk assessment (Expected Loss)

Instrument	Allocation (EUR m)	Expected Loss (%)	Expected Loss (EUR m)
InnovFin SME Guarantee Enhancement (including top-up)*	880	5.6%	49
COSME Loan Guarantee Facility Enhancement (including top-up)*	550	77.3%	425
EaSI Guarantee Enhancement (including top-	100	80.4%	80

[18] EU Programme for Employment and Social Innovation (EaSI).

up)*			
Uncapped guarantee for EaSI*	100	70.0%	70
Securitisation**	100	14.9%	15
TOTAL	**1730**	**37.0%**	639

* Assuming 10 % haircut on final usage of the guarantees by financial intermediaries.

** 10-year B2 expected loss.

As described above, the expected losses will primarily be covered by the Union budget (first loss) but the baseline is that approximately EUR 639 million of guarantee calls could be triggered under the SMEW debt products (37% out of EUR 1.73 billion).

5.4 SMEW – Equity products

The SMEW Equity Product is an equity facility pursuant to which the EIF will provide equity-type investments and co-investments in or alongside financial intermediaries that target SMEs and small mid-caps, as well as social enterprises. It uses EUR 1.27 billion of funding provided by the EIB. It is split into two sub-windows that are expected overall to support approximately EUR 24.8 billion of investment:

- Under sub-window 1, the EIF will invest up to EUR 1 billion of EIB-provided funding (with a 5 % *pari passu* co-investment from the EIF's own resources for alignment of interest) into financial intermediaries targeting expansion-stage companies. EUR 12.6 billion of investment is expected to be mobilised under that sub-window.
- Under sub-window 2, EIB funding of EUR 270 million under the EFSI will be combined with financial resources of the Union budget-supported InnovFin Equity Facility (EUR 458 million) and the EIF's own resources (EUR 290 million), to create a pool of EUR 1.018 billion to be invested in financial intermediaries targeting early-stage companies. It is foreseen that the InnovFin Equity Facility is used as a first-loss piece, thus providing a protection to the EFSI investment. EUR 12.2 billion of investment is expected to be mobilised under that sub-window.

The EIB funding (and related funding cost) will be reimbursed from revenues generated by the investments. The EU Guarantee under EFSI can be called by the EIB to cover any irreversible capital losses – as calculated by the EIF – and unpaid funding cost for the EFSI-attributable part of sub-window 1. For sub-window 2 the initial risk is borne the Union budget contribution and only irreversible capital losses above the volume of the Union budget contribution are borne *pari passu* and *pro rata* by the EU Guarantee and the EIF's own resources.

EIF equity investments are made at market terms. Hence, it is expected that there will be– under normal circumstances – limited or no recourse to the EU Guarantee. In order to estimate the provisioning needs under more stressed scenarios, the potential loss of the EFSI exposure has been estimated based on the historical performance of early-stage and later-stage equity investments together with assumptions about funding costs and foreign currency variations.

In that context, it is considered that an adequate level of provisioning needs, taking into account the effect of reflows, funding costs and possible exchange rates, under the SME equity portfolio is 17.9 % of the EU Guarantee allocated to that sub-window.

6. Evaluation findings

6.1 Effectiveness

6.1.1 IIW

Under the IIW, the EU Guarantee allowed the EIB to expand significantly the volume of its special activities. In the first year of the EFSI, including the operations approved under the transitional "warehousing" system, the volume of approved operations was EUR 11 billion. It is forecast that around EUR 17-18 billion will be signed by the end of 2016, which compares with an annual amount of special activities in the EU amounted of around EUR 4 billion in 2014.

While the broad objective of allowing the EIB to finance higher-risk operations was attained, the experience acquired under the EFSI showed that some adjustments to the original set up were needed in order to develop new models of cooperation with national promotional banks or financial intermediaries, as well as to deploy new financing products for corporates. In particular, in order to make it possible for the EIB to co-finance operations with national promotional banks under a delegated model and to support securitisation deals, it was necessary to introduce in the amended EFSI Agreement (under the Regulation) the possibility to segment the first-loss piece coverage in different sub-portfolios. Moreover, in order for the EIB to provide subordinated financing to corporates (including hybrid debt-equity products), which is a clear objective of the EFSI, the EFSI Agreement was revised to better cater for that possibility. Given that the ability of the EIB to implement risk-sharing instruments and take subordinated positions is key to enhance the capacity of private sector investors to support riskier and more innovative projects as well as SMEs, a strong emphasis should be put on that aspect.

Another main finding after one year of implementation is that the requirement under the Regulation that debt operations must be priced in line with the EIB's pricing policy and that equity-type operations must be priced in line with market terms, implies that the EU Guarantee is not designed to cover excessive risks as their pricing would not be acceptable from a market perspective. The EIB and the Commission have so far dealt with that limitation by developing instruments, including investment platforms, that rely on the Union budget programmes, like the European Structural and Investment Funds (ESIF), InnovFin or the Connecting Europe Facility (CEF), to take the riskier tranches, with the EIB (supported by the EFSI) bearing the risk on the mezzanine tranches.

6.1.2 SMEW

The SMEW has seen a very strong uptake, exceeding expectations and demonstrating a high market demand for the products available under it. After one year, the EFSI has supported EIF transactions expected to mobilise a total investment value of EUR 48.4 billion, which is already about 65% of the target of EUR 75 billion to be reached under the SMEW over three years.

As announced in the Commission's Communication "*Europe investing again. Taking stock of the Investment plan for Europe and next steps*"[19], given its success, it was decided to scale up the SMEW under the current framework for the benefit of SMEs and small mid-cap companies in all Member States, using all the existing possibilities under the Regulation. As foreseen in the Regulation, the EFSI Steering Board has thus decided to adjust the limit of the SMEW up to the maximum of EUR 3 billion by reassigning EUR 500 million from the IIW Debt Portfolio to the SMEW, after which up to EUR 1.73 billion is now foreseen for SMEW debt products.

[19] COM(2016)359 final.

The main impact of the EFSI on COSME and InnovFin under the current set-up is faster implementation, but the volumes of support are the same as would have been achieved with the Union budget, only at a later point in time. Given the higher than expected demand for those instruments and their successful implementation, the EIF is likely to exhaust the support capacity by end-2017. That high speed of implementation creates a risk of a gap in implementation in 2018-2020, as no Union budgetary resources are currently foreseen to top up those instruments in 2018-2020 above the volumes already planned.

6.1.3. Guarantee calls and the Guarantee Fund

So far, there have been no calls due to defaults or value adjustments of EIB and EIF operations. The EU Guarantee has only been called to cover funding costs which were paid out of existing revenues stemming from IIW operations. Therefore, it was not possible to assess the effectiveness of the call procedure or the monitoring of calls.

The procedures for the management of the Guarantee Fund and the monitoring of its results have been developed. Moreover, a liquidity agreement was concluded with the EIB (see section 6.2.3). It will be possible to assess the effectiveness of the management of the Guarantee Fund starting from 2017.

As regards the provisioning mechanism, the Guarantee Fund was endowed with initial resources in April 2016 and will be progressively fed during 2016-2022.

6.2. Efficiency[20]

6.2.1. IIW

The availability of the EU Guarantee proved to be an efficient tool to considerably increase the volume of special activities by the EIB. The reliance on the EIB's rules and procedures allowed a swift start of the EFSI. For debt operations, the EU guarantee is expected to represent around 25 % of the overall EIB financing (with provisioning representing around half of it).

The EIB intervention under that initial phase focused on long-term (riskier) senior loans, investments in infrastructure funds and, through financial intermediaries, in SMEs and mid-caps. In parallel, the EIB developed new subordinated products and forms of cooperation with national promotional banks and financial intermediaries. In order to allow the coverage of such operations, the EFSI Agreement had to be adapted within the framework of the Regulation, which was allowed by the flexibility of its provisions in that respect. The efficiency of the coverage of those new types of operations can only be assessed after their implementation.

6.2.2. SMEW

The availability of the EU Guarantee was the only way to frontload guarantee activities under COSME and InnovFin. The reliance on existing products developed by the Commission and the EIF and on well-tested EIF rules and procedures allowed a very fast implementation, which required an increase of the SMEW envelope.

[20] The efficiency of the EU guarantee has to be assessed taking into account that EU financial instruments for the period 2014-2020 were designed before the conception of EFSI.

At the current speed of implementation, even with the increase of the SMEW recently decided by the EFSI Steering Board, the current level of the EU Guarantee would only be sufficient to cover EIF operations after 2017 to a certain extent.

6.2.3. Guarantee calls and the Guarantee Fund

Given the lack of calls due to defaults or value adjustments of EIB and EIF operations, it was not possible to assess the efficiency of the call procedure. However, during the period under review it was possible to ascertain the positive role played by the EFSI Account as a first layer to absorb calls of a limited size such as those arising from funding costs under equity products. The newly concluded liquidity agreement between the Commission and the EIB should also allow calls of a larger size to be managed efficiently where the amount of liquidity in the Guarantee Fund is insufficient to cover the full amount of the call and it is deemed preferable to make recourse to the EIB liquidity on a temporary basis rather than divesting longer-term placed assets.

As regards the budgetary procedure related to the provisioning of the Guarantee Fund, all contributions from the budget were received in good time and after agreement with the management of the Guarantee Fund on the timing of those payments (EUR 380 million corresponding to 17 cash transfers from 11 April 2016 to 27 June 2016).

6.3. Relevance

6.3.1 The EU Guarantee

The EU Guarantee enabled the EIB to undertake riskier activities in line with expectations. Moreover, it was essential to allow the EIF to enhance its intervention in support of SMEs and mid-caps. The need to strengthen the investment environment by providing loans, guarantees and equity to economically viable projects presenting a higher risk profile still persists.

However, the EU Guarantee is not a panacea for all types of financing. For example, it is not designed to support first-loss pieces in investment platforms addressing serious market failures as the pricing of such interventions would need to respect EIB or market-based pricing and would probably be too high for the platform to be financially viable. In that case, the use of the Union budget (e.g. ESIF, COSME InnovFin and CEF) and, in some limited cases, of the national budget, has been necessary to cover the riskiest tranches.

In addition, the EU Guarantee was not designed to cover the potential impact of currency fluctuations. That gap has a bearing on the capacity of the EIB to deliver long-term fixed-rate financing in certain non-euro countries with less developed financial markets.

6.3.2 The Guarantee Fund and the provisioning mechanism

The Guarantee Fund is intended to provide a liquidity cushion for the general budget of the Union against losses incurred under the EU Guarantee by the EIB for EFSI operations. In particular, pursuant to Article 9 of the EFSI Agreement, calls made under the EU Guarantee have to be honoured within 20 business days (in certain specific cases within 40 business days) after demand by the EIB, while both the time and size of potential calls are uncertain. The investment strategy for the Guarantee Fund takes into account the projected inflows (budget contributions and income) and the projected outflows to arrive at the best results while guaranteeing the ability to honour calls. The period over which the investment process is planned to attain the investment objectives (the investment horizon) must in particular reflect cash-flow projections, such as expected calls and revenues resulting from the EFSI operations. The estimates have to be reviewed overtime and improved on the basis of an improved knowledge of the projects guaranteed.

Since there have been no calls on the Guarantee Fund, it was not possible to test the appropriateness of the investment strategy. However, the professional management of the Guarantee Fund, together with the liquidity arrangements foreseen with the EIB, provide for an adequate framework to produce a satisfactory yield (that can be used as assigned revenue to increase the provisioning) and handle guarantee calls. The managed assets are expected to provide sufficient liquidity in relation to the potential guarantee calls, while still aiming at optimising the return and risk level.

The risk assessment of the different products supported by the EU Guarantee shows that overall the Union budget would also be adequately shielded from potential calls under the EU Guarantee with an adjusted target rate for provisioning the Guarantee Fund, taking into consideration recoveries, revenues and reflows from EIB operations. Table 4 summarises the findings in section 5.

Table 4: EFSI - Provisioning rate estimation

Window/Product	IIW		SMEW		TOTAL
	Equity	*Debt*	*Equity*	*Debt*	*Combined*
Allocation (EUR m)	2.500	10.500	1.270	1.730	16.000
Net Loss (EUR m)	447,5	4.021,5	227,3	640,1	5.336,4
Net Loss (%)	17,9%	38,3%	17,9%	37,0%	33,4%

7. Conclusions

Despite the fact that the EFSI has started only one year ago, it is already possible to draw some initial conclusions on the use of the EU Guarantee and partly on the provisioning mechanism feeding the Guarantee Fund.

As regards the use of the EU Guarantee, the first year of experience shows that it has been an efficient and effective way of considerably increasing the volume of EIB special activities and EIF guarantees in favour of SMEs and mid-caps.

Moreover, the high profile of the initiative and related market expectations have represented a continuous stimulus for the Commission and the EIB Group to closely monitor the implementation of the EFSI and adapt it to support new emerging needs. In that context, within the parameters of the Regulation, some changes to the initial set up have already been implemented after the cut-off date of this evaluation, e.g. the reinforcement of the SMEW by EUR 500 million or, under the IIW debt sub-window, the possibility to have different portfolios and the clarification of the guarantee treatment of subordinated debt.

Some other changes that can be implemented under the Regulation as it stands are expected to take place before the end of 2016, the most important of which is the restructuring of the guarantee/securitisation part of the SMEW to avoid disruption of support from Union financial instruments in favour of SMEs during the second part of the Multiannual Financial Framework. That restructuring will involve the gradual conversion of the release of the EU Guarantee covering the frontloaded amounts to second-loss exposure or mezzanine tranches as the annual Union budget contributions become available, thereby topping up the COSME and InnovFin guarantee products under SMEW. The first-loss piece will be taken by the Union budget, and in case of InnovFin guarantee where the EFSI takes a mezzanine tranche, residual risk will be covered by the EIB Group's own resources. Those changes lead to an increase in the overall size of the budgetary allocations for those instruments allowing the EIF to finance a significant extra volume of operations. New products to be supported under the SMEW in that second phase also include a topping-up of the guarantee instrument under the EU Programme for Employment and Social Innovation ('EaSI'), an uncapped guarantee instrument under EaSI targeting in particular social enterprises and a securitisation instrument mobilising additional finance for SMEs.

Under the current set-up the combined Union budgetary allocation for COSME and InnovFin SMEG would by 2020 reach approximately EUR 1.7 billion (and the EFSI coverage would be fully released) and the instruments would eventually support an estimated EUR 34 billion of investment. Under the new set-up, the COSME and InnovFin SMEG instruments benefit from a combined budget of EUR 2.95 billion (EUR 1.7 billion of Union budget as first-loss and EUR 1.25 billion under the EFSI as second-loss/mezzanine). Those two financial instruments together with the newly EFSI-supported EaSI financial instruments and the securitisation instrument could mobilise just under EUR 60 billion of investment, indicatively broken down as follows (estimates):

- InnovFin SME Guarantee Enhancement: EUR 22 200 million
- COSME Loan Guarantee Facility Enhancement: EUR 31 600 million
- EaSI Guarantee Enhancement: EUR 2 100 million
- EaSI uncapped guarantee instrument: EUR 900 million
- Securitisation instrument: EUR 2 600 million

As regards the IIW, to enhance the impact of the use of the EU Guarantee, the EFSI should target investments and address market gaps at local level. As a result, a strong emphasis should be put on defining models of cooperation with national promotional banks and replicable patterns for the setting up of investment platforms and combination of the EFSI with Union budgetary instruments (both financial instruments and grant based).

The legislative proposal issued by the Commission would provide for some adaptations of the Regulation aimed at increasing the effectiveness, efficiency and relevance of the EU Guarantee, such as:

- an adjustment of the target provisioning rate;
- a stronger focus on risk-sharing instruments and subordinated financing;
- the possibility for the EU Guarantee to cover the potential impact of currency fluctuations, taking into consideration both losses and gains arising from such fluctuations.

Appendix A – Information sources

Legal framework:

- Regulation (EU) No 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Project Investment Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments, OJ L 169, 1.7.2015, p. 1. (the Regulation)
- Agreement on the Management of the European Fund For Strategic Investments and on the Granting of the EU Guarantee between the EU and the EIB (22 July 2015, the EFSI Agreement)
- "EFSI Amendment and Restatement Agreement" (21 July 2016)

Data sources:

- Signed and approved EFSI operations as of 30 June 2016 provided by the EIB Group
- EFSI Annual Operational Reports (data as of December 2015)
- EFSI Risk Reports (incl. data as of 30 June 2016)
- EFSI Financial Reporting

Other documents and reports:

- Report from the Commission to the European Parliament, the Council and the European Court of Auditors on the Management of the Guarantee Fund of the European Fund for Strategic Investments in 2015 (COM(2016)353, 31 May 2015)
- Commission Communication COM/2016/0359 final - "Europe investing again, taking stock of the Investment Plan for Europe and next steps" (1 June 2016)

Appendix B – Abbreviations

CEF	Connecting Europe Facility
COSME	Programme for the Competitiveness of Enterprises and small and medium-sized enterprises
EaSI	EU Programme for Employment and Social Innovation
EFSI	European Fund for Strategic Investments
EIAH	European Investment Advisory Hub
ESIF	European Structural and Investment Funds
IIW	Infrastructure and Innovation Window
InnovFin	"InnovFin – EU Finance for Innovators", launched jointly by the Commission and the EIB Group with funds from the Horizon 2020 programme and EIB Group own resources
LGF	Loan Guarantee Facility
MFF	Multiannual Financial Framework
SMEG	SME Guarantee
SMEW	SME Window

Appendix C – IIW – List of projects as of 30 June 2016

List updated at the end of June in accordance with data provided by the EIB. Data not disclosed by the EIB due to commercial reasons are indicated with an asterisk.

Table 5: IIW - Debt sub-window projects

No	Project name	Country	Main Sector (Objective as per EFSI Regulation)	EFSI financing (approved - mEUR)	EFSI financing (signed - mEUR)	Related total EFSI investment (mEUR)
1	ÄÄNEKOSKI BIO-PRODUCT MILL Project	Finland	Energy	75	75	281
2	ARVEDI MODERNISATION PROGRAMME	Italy	RDI	100	100	194
3	GRIFOLS BIOSCIENCE R&D Project	Spain	RDI	100	100	241
4	PRIMARY CARE CENTRES PPP Project	Ireland	Social	70	70	135
5	REDEXIS GAS TRANSMISSION AND DISTRIBUTION Project	Spain	Energy	160	160	326
6	SMART METERS-SPARK Project	UK	Energy	480	478	1378
7	SAARLB - RE PROJECT FINANCE GUARANTEE (DE,FR)	Germany, France	Energy	150	100	356
8	NOBELWIND OFFSHORE WIND Project	Belgium	Energy	200	100	542
9	HBOR RISK-SHARING FOR MID-CAPs AND OTHER PRIORITIES	Croatia	smaller companies	50		*
10	QREDITS LOAN FOR SMES I	Netherlands	smaller companies	24	20	327
11	GALLOPER OFFSHORE WIND	UK	Energy	314	314	1556
12	MIDLAND METROPOLITAN HOSPITAL PPP	UK	Social	166	148	468

No	Project name	Country	Main Sector (Objective as per EFSI Regulation)	EFSI financing (approved - mEUR)	EFSI financing (signed - mEUR)	Related total EFSI investment (mEUR)
13	AUTOVIE VENETE A4 WIDENING PPP Project	Italy	Transport	120		1117
14	NORD PAS DE CALAIS THD (maximum guarantee amount)	France	Digital	147		610
15	ALSACE TRES HAUT DEBIT (maximum guarantee amount)	France	Digital	*	*	*
16	D4R7 SLOVAKIA PPP	Slovakia	Transport	500	427	636
17	LONDON ENERGY EFFICIENCY CO-FINANCING FACILITY	UK	Energy	136		*
18	Beatrice Offshore	UK	Energy	306	292	2466
19	TI - ACCELERATED FIXED HIGH SPEED BB ROLLOUT	Italy	Digital	500	500	1808
20	GRAND CONTOURNEMENT OUEST DE STRASBOURG (A355)	France	Transport	280		510
21	RAFFINERIA DI MILAZZO	Italy	Environment and resource efficiency	30	30	225
22	TRENITALIA REGIONAL ROLLING STOCK	Italy	Transport	300	300	617
23	ENVO BIOGAS TONDER	Denmark	Energy	*		*
24	ACCESSIBILITY PORTS INFRASTRUCTURE	Spain	Transport	105	105	425
25	BALEARIA GREEN FLEET RENEWAL	Spain	Environment and resource efficiency	75		350
26	IRISH WATER INVESTMENT PROGRAMME I - ERVIA	Ireland	Environment and resource efficiency	200		459

No	Project name	Country	Main Sector (Objective as per EFSI Regulation)	EFSI financing (approved - mEUR)	EFSI financing (signed - mEUR)	Related total EFSI investment (mEUR)
27	2I RETE GAS SMART METERING	Italy	Energy	200	200	415
28	NOVAMONT RENEWABLE CHEMISTRY	Italy	RDI	15	15	93
29	EASTERN POLAND DAIRY PRODUCTION FACILITY	Poland	smaller companies	38		72
30	LOGEMENTS INTERMEDIAIRES-SLI (maximum guarantee amount)	France	Environment and resource efficiency	500		1553
31	EUROMED RORO Project (maximum guarantee amount)	Italy	Environment and resource efficiency	200		501
32	A6 WIESLOCH-RAUENBERG TO WEINSBERG PPP Project (maximum guarantee amount)	Germany	Transport	250		*
33	ECOTITANIUM	France	RDI	*		*
34	ENERGIEPARK BRUCK ONSHORE WIND	Austria	Energy	40	40	65
35	COMBINED HEAT AND POWER PLANT KIEL	Germany	Energy	105		249
36	HEIDELBERGER DRUCKMASCHINEN-PRINTING RDI	Germany	RDI	100	100	306
37	NORMANDY DAIRY PRODUCTION FACILITY	France	smaller companies	55	55	125
38	A6 ALMERE MOTORWAY PPP	Netherlands	Transport	100	79	234
39	RENTEL OFFSHORE WIND	Belgium	Energy	250		1115
40	AGRO FOOD INDUSTRY RDI	Greece	RDI	15	15	31
41	RDI project (*)	France	RDI	*		*
42	SME Financing (*)	Spain	smaller companies	*		*

No	Project name	Country	Main Sector (Objective as per EFSI Regulation)	EFSI financing (approved - mEUR)	EFSI financing (signed - mEUR)	Related total EFSI investment (mEUR)
43	AUTOMOTIVE STEEL RDI Project	Germany, France, Spain, UK, Sweden	RDI	160	160	330
44	TRIPLA NEAR-ZERO ENERGY BUILDING Project	Finland	Energy	150	130	*
45	APERAM R&D AND COHESION REGIONS Project	France	RDI	50	50	*
46	CALVIN SMARTMETER ROLL-OUT Project	UK	Energy	507	52	2115
47	LIETUVOS ENERGIJA VILNIUS CHP PROJECT	Lithuania	Energy	190		*
48	SOCIETA GASDOTTI ITALIA - GAS TRANSMISSION Project	Italy	Energy	44		88
49	BIOMASS PLANTS PORTUGAL Project	Portugal	Energy	50		96
50	LTE VOLTE - HIGH SPEED MOBILE INTERNET ROLLOUT Project	Sweden, Netherlands	Digital	125		252
51	NBG LOAN FOR SMES AND MID-CAPS	Greece	smaller companies	200		*
52	ISP RISK SHARING INITIATIVE FOR SMES AND MIDCAPS	Italy	smaller companies	100		280
53	GUARANTEE FOR ENHANCED SME AND MIDCAP SUPPORT	Spain	smaller companies	130		364
54	MALIN CORPORATION - LIFE SCIENCES INVESTMENTS Project	UK, Ireland	RDI, Social, smaller companies	70	70	1425
55	SME Financing (*)	Spain	smaller companies	*		*

No	Project name	Country	Main Sector (Objective as per EFSI Regulation)	EFSI financing (approved - mEUR)	EFSI financing (signed - mEUR)	Related total EFSI investment (mEUR)
56	Wind Turbine RDI (*)	Germany	RDI, Energy	100		431
57	LITHUANIAN AIRPORTS Project	Lithuania	Transport	30		44
58	SEM ENERGIES POSIT-IF ILE DE FRANCE (PROGRAMME EE FRENCH PRIVATE HOUSING)	France	Energy	100	100	200
59	SPEE EN PICARDIE (PROGRAMME EE FRENCH PRIVATE HOUSING)	France	Energy	24	24	58
Total				**9,862**	**4,545**	**34,365**

Source: EIB

Table 6: IIW - Equity sub-window projects

No	Project name	Country	Main Sector (Objective as per EFSI Regulation)	EIB finance under EFSI (approved - mEUR)	EIB finance under EFSI (signed - mEUR)	Related total EFSI Investment (mEUR)
1	COPENHAGEN INFRASTRUCTURE II Project	Denmark, UK, Germany, Regional EU countries	Energy	75	75	*
2	CAPENERGIE 3 FUND (FR)	Regional - EU Countries, France, Italy, Germany	Energy	50	50	*
3	IF TRI EN NORD-PAS DE CALAIS	France	Environment and resource efficiency	20	20	*
4	GINKGO FUND II	Regional – EU Countries, France, Belgium	Environment and resource efficiency	30	30	*
5	IMPAX CLIMATE PROPERTY FUND	UK	Energy	36		*
6	ICO INFRASTRUCTURE RISK SHARING LOAN	Spain	Multi	25	25	*
7	Co-investment Wind (*)	Sweden	Energy	16	12	*
8	QUAERO EUROPEAN INFRASTRUCTURE FUND	Regional – EU Countries	Multi	40		*
9	ODEWALD RENEWABLE ENERGY INFRASTRUCTURE FUND	Regional – EU Countries	Energy	80		*
10	SUSI RENEWABLE ENERGY FUND II	Regional – EU Countries	Energy	66		*

No	Project name	Country	Main Sector (Objective as per EFSI Regulation)	EIB finance under EFSI (approved - mEUR)	EIB finance under EFSI (signed - mEUR)	Related total EFSI Investment (mEUR)
11	GROWTH EQUITY FUND MID-CAPs	Spain, Portugal	smaller companies	40	40	*
12	IMPAX NEW ENERGY INVESTOR III FUND	Regional – EU Countries	Energy	75		*
13	FONDS SPI - SOCIETE DE PROJETS INDUSTRIELS	France	RDI, smaller companies	100		*
14	FOND-ICO RISK SHARING LOAN	Spain, Multi-country	smaller companies	125	125	*
15	INFRACAPITAL GREENFIELD INFRASTRUCTURE FUND	Regional - EU Countries, UK	Multi	*		*
16	MIROVA BTP IMPACT LOCAL FUND	France	Multi	*		*
17	DASOS FUND II CO-INVESTMENT FORESTRY	Ireland	Environment and resource efficiency	*		*
18	CUBE INFRASTRUCTURE FUND II	Regional - EU countries, Norway, Switzerland	Multi	100		*
Total				**1,054**	**265**	**23,500**

Source: EIB