



## **Multiannual Financial Framework (MFF) post-2020 and the EIB Group**

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of the European Investment Bank in Brussels**

# Main building blocks of the MFF relevant for EIB Group and NPBIs

## InvestEU

- Future of EFSI
- Investment in Europe supported by the EU guarantee

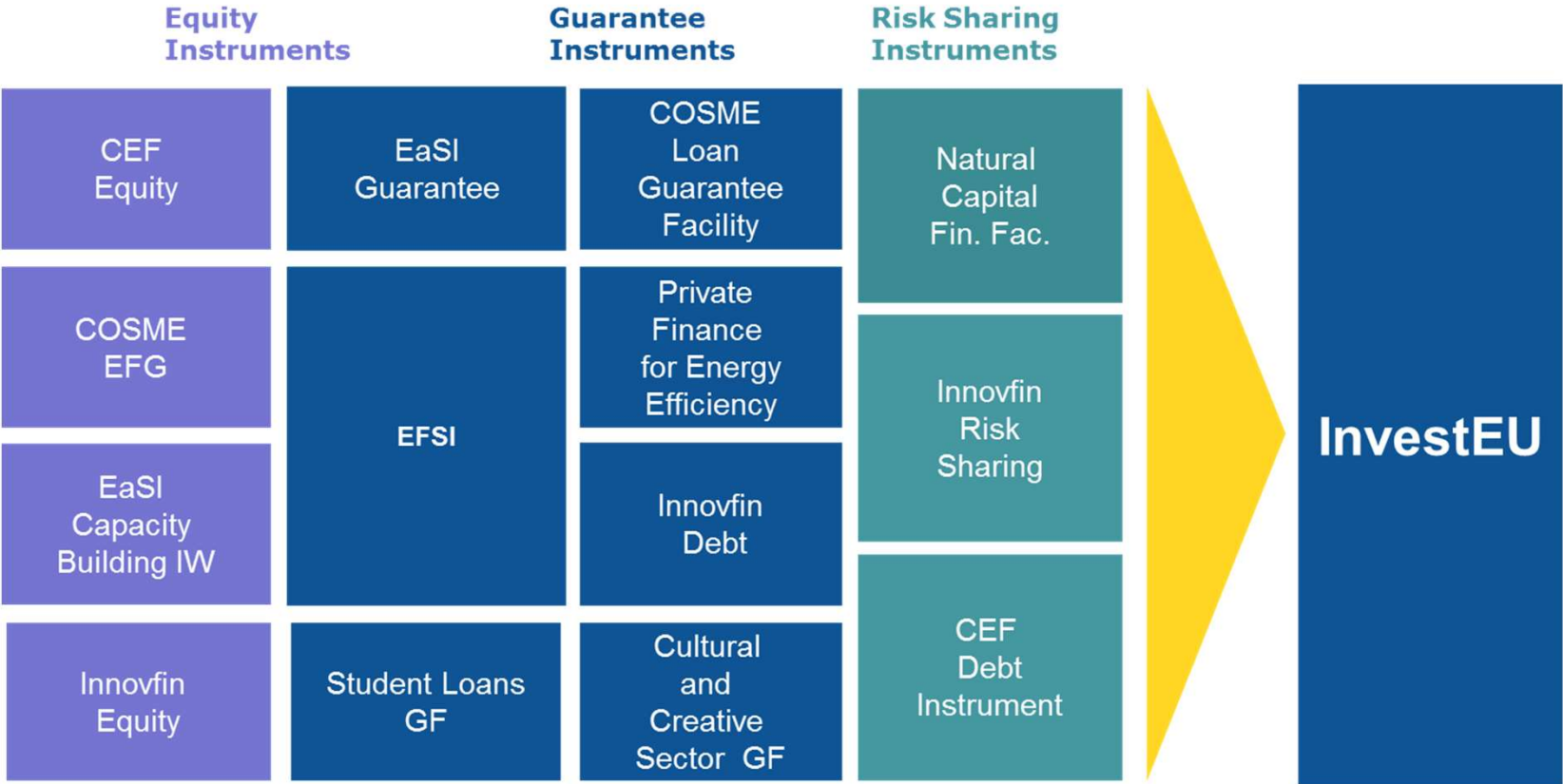
## NDICI

- Future tool for support outside EU, encompassing various current mandates
- Relevant for NPBIs with this scope of activities within their remit

## Cohesion

- ESIF as source of funds for financial instruments
- Co-financing of projects benefiting from EU funds – possibly even more relevant due to proposed lower co-financing rates

# InvestEU – key principles and objectives



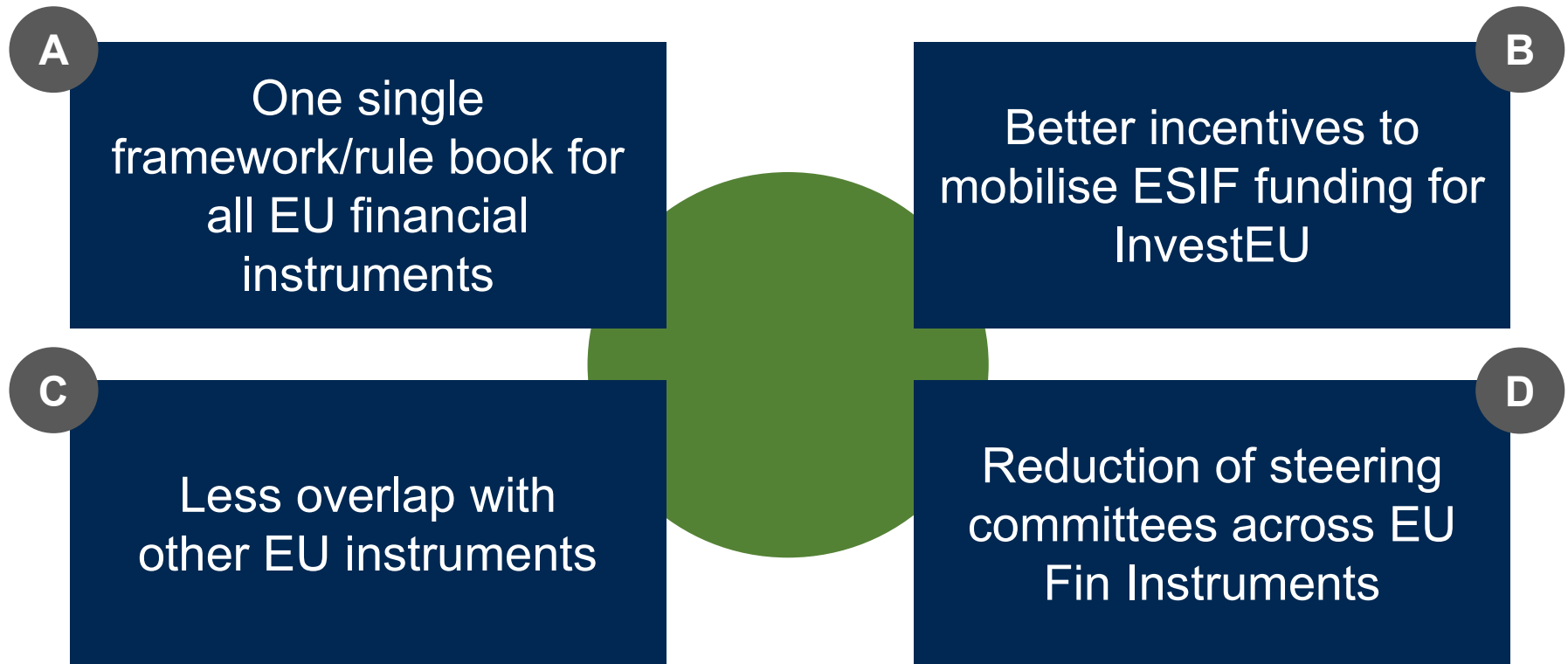
**Programmes replaced by the InvestEU Fund**

## InvestEU – indicative proposed budget allocation

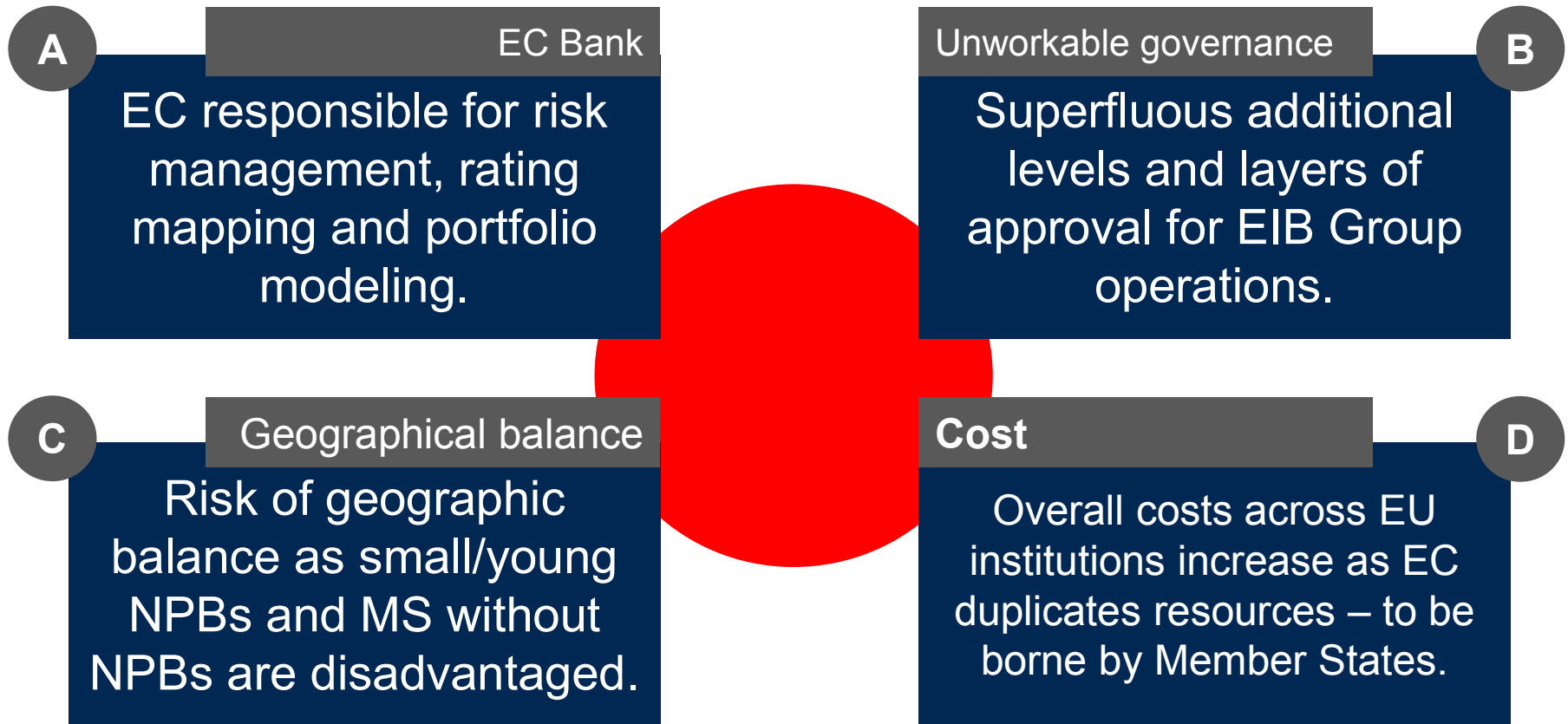
Window	Budgetary guarantee	Mobilised investment (estimate)
Sustainable infrastructure	11 500	185 000
Research, Innovation and Digitisation	11 250	200 000
SMEs	11 250	215 000
Social investment and skills	4 000	50 000
<b>TOTAL</b> <i>(EUR Million, in current prices)</i>	<b>38 000</b>	<b>650 000</b>

- Budget for InvestEU Advisory Hub, InvestEU Portal and accompanying measures is proposed to be EUR 525m
- InvestEU is expected to mobilise more than EUR 650bn of additional investment across Europe

## Invest EU Proposal - Positives

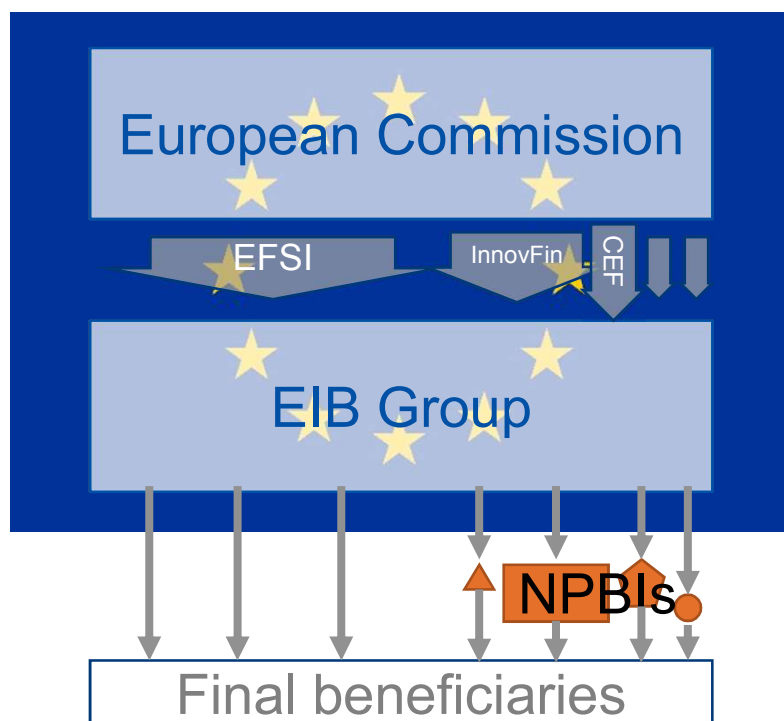


# Invest EU Proposal – Concerns: Overall Scheme



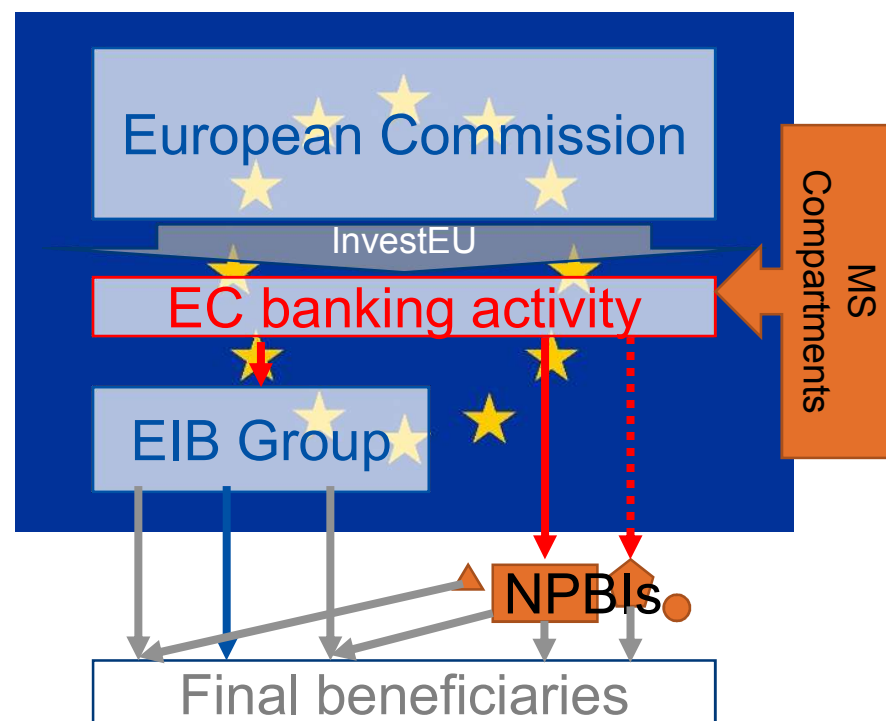
# Single Framework for the budget ...but fragmented implementation

Financial instruments under the current MFF



Around  
25%  
for  
EFSI

Commission proposal for the next MFF



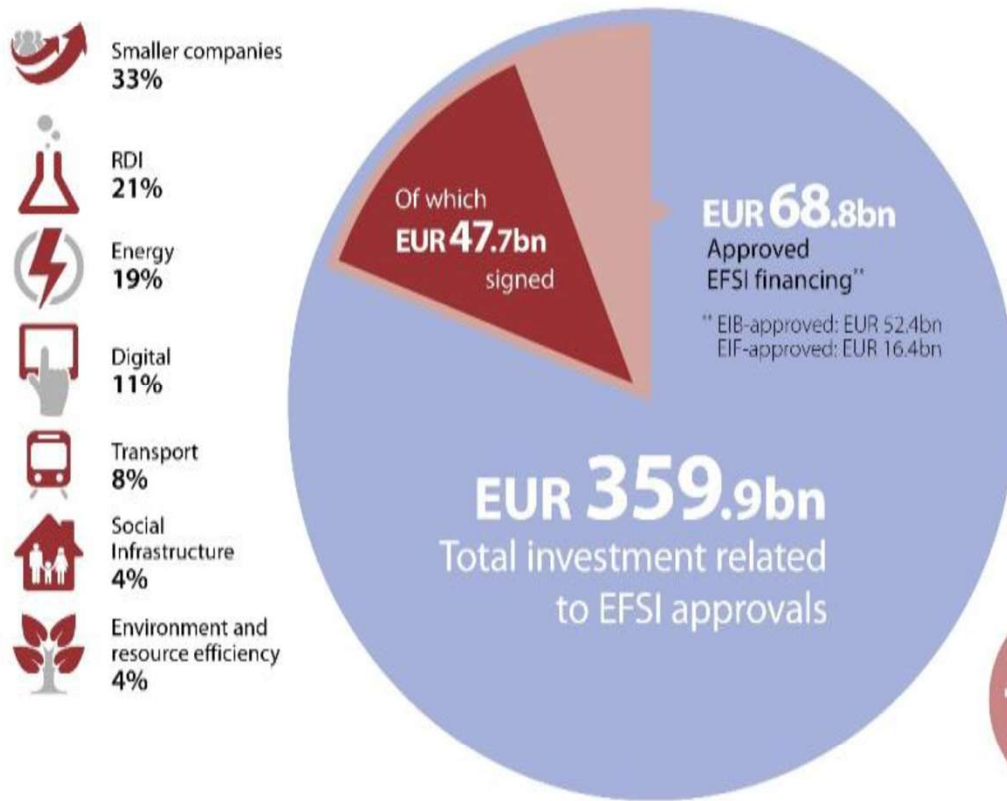
## Enhancing the EC proposal should build on EFSI successes

- A** Joint Management EC/EIB. Joint Design, Ownership and Governance (mutual veto rights). EIB Skin in the Game.  
**Equilibrium** between Policy and Financial Expertise.
- B** Market oriented and client centric approach. Attraction of **private** sector capital (70%). Efficient approval process and project documentation fully in line with market standards. Equilibrium transparency/confidentiality.
- C** Flexible Implementation Structure focusing on product innovation (risk sharing, quasi-equity, investment platforms, etc) and scale-up of functioning products. Intermediated operations to reach smaller projects & SMEs. **80% of clients are new** to EIB.
- D** Close collaboration with NPBIs. **25% of EFSI** operations are **with NPBIs**. This includes smaller & younger NPBIs. Geographic balance. New dedicated NPBI Equity Window introduced under EFSI 2.0.



# EIB Group figures As of 13/11/2018

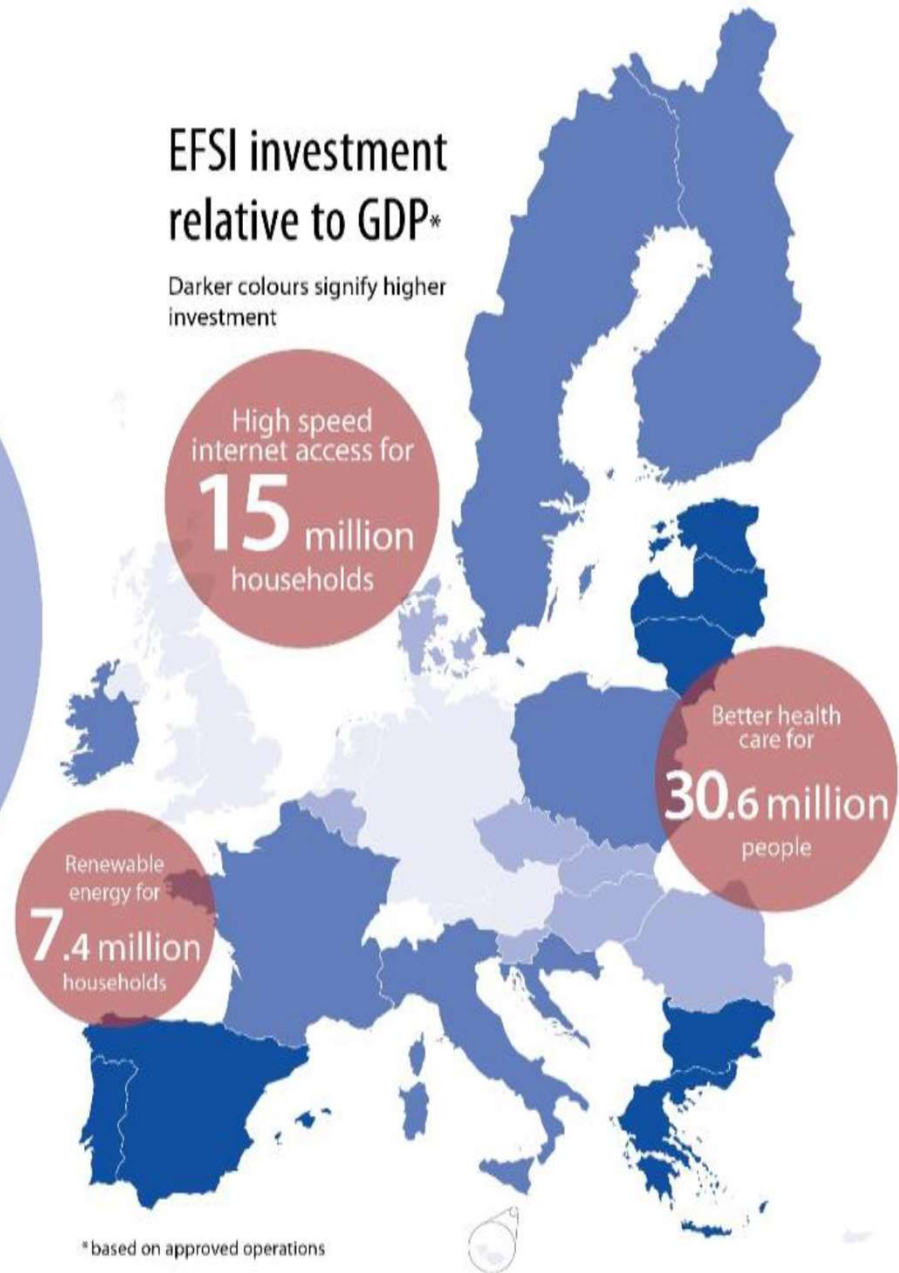
## EFSI investment by sector\*



Target by 2020 **EUR 500bn**

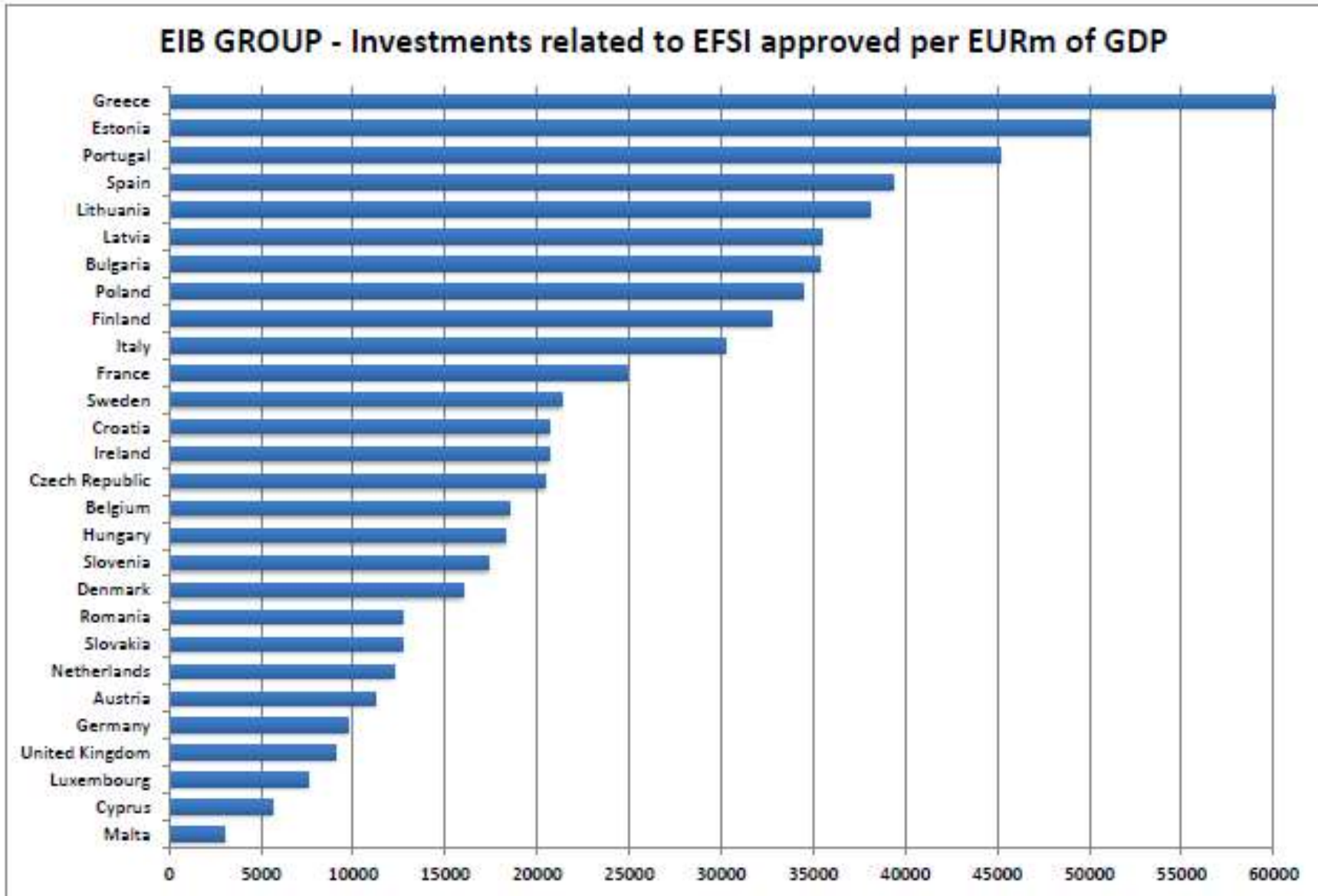
## EFSI investment relative to GDP\*

Darker colours signify higher investment



\* based on approved operations

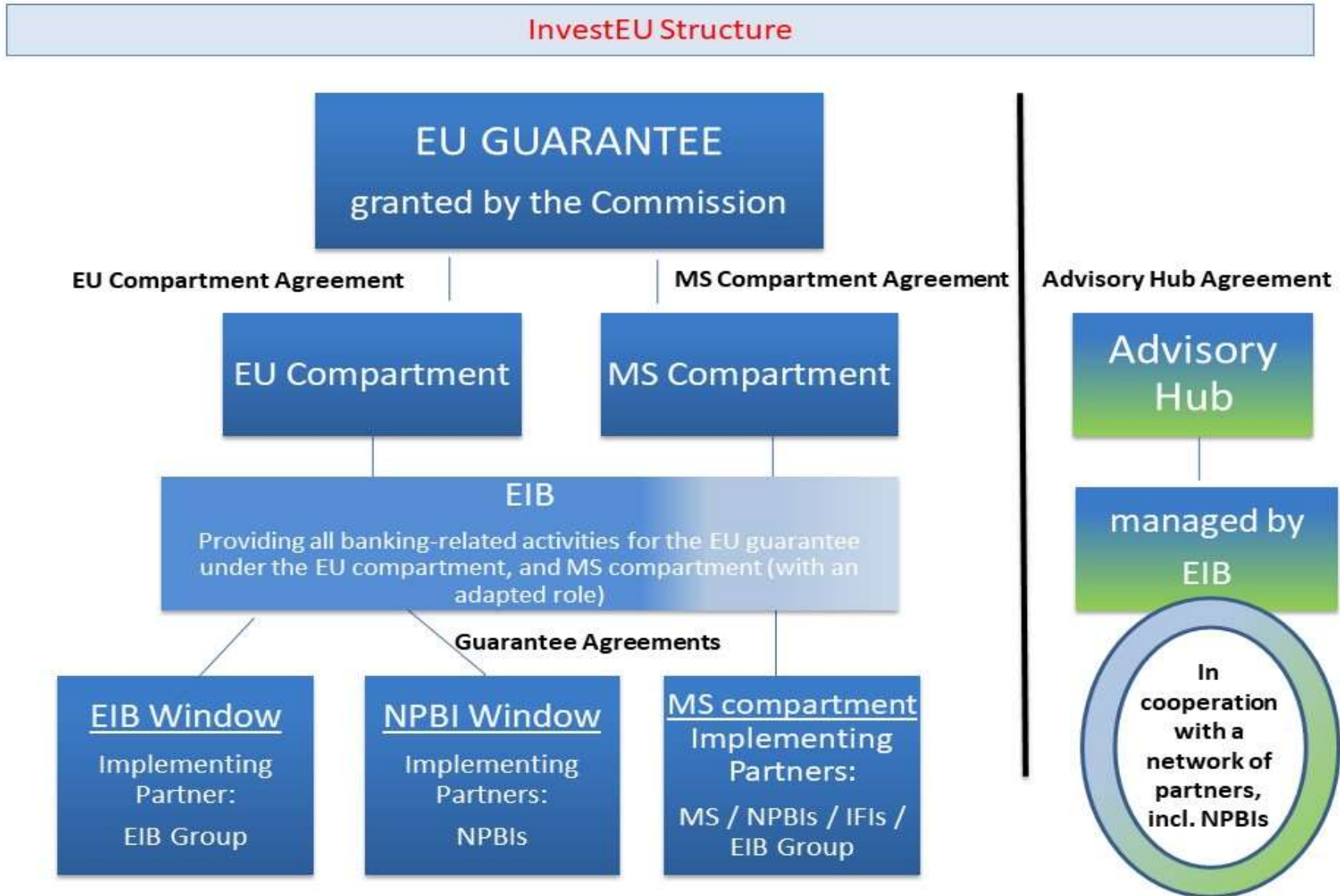




Expected investment volume supported by EFSI financing relative to GDP per country, in EUR m.  
 GDP figures are extracted from the AMECO database (November 2018 figures).

# What we propose: **EC-EIB partnership**

**Based on strong EC policy steer and EIB Group banking competences**



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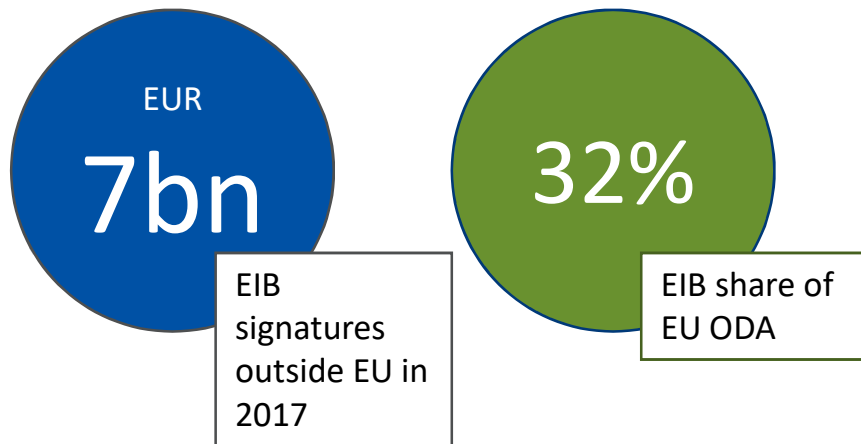
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- Co-financing of projects benefiting from EU funds – possibly even more relevant due to proposed lower co-financing rates

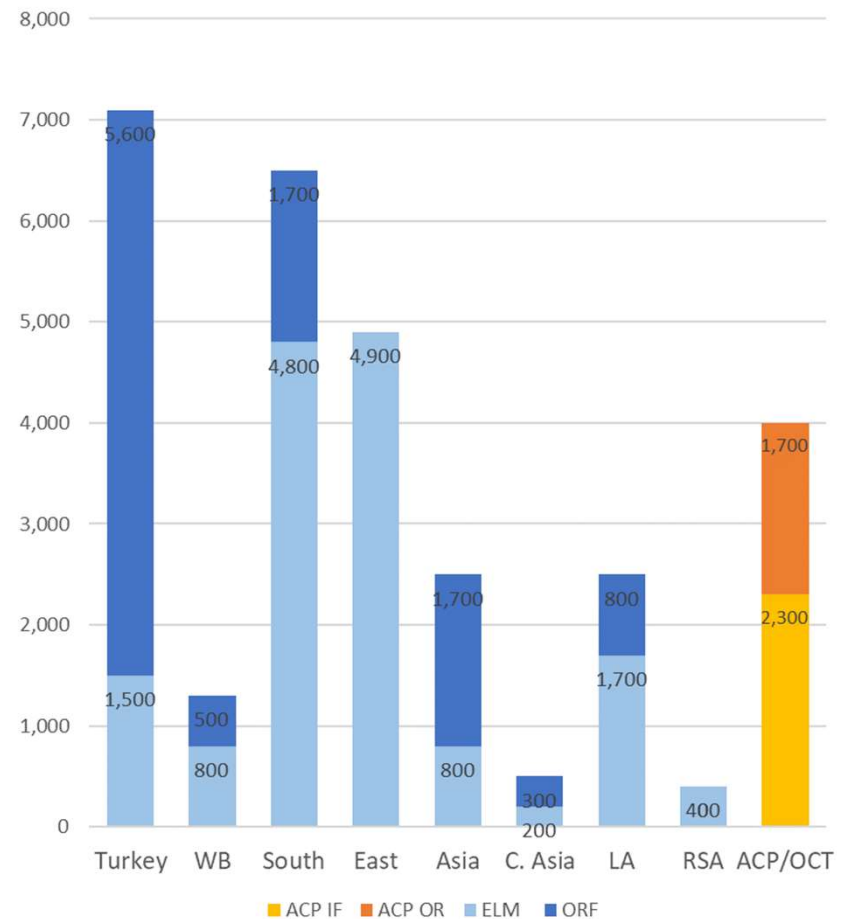
# EIB outside the EU

External Lending Mandate (ELM) and the private sector focussed Investment Facility (IF) enabled the EIB to **respond forcefully to EU policy priorities** – for example:

- **Migration** (the Economic Resilience Initiative and the ACP migration package);
- **Ukraine** (doubling of EIB lending to EUR 3 billion in 2014-2016);
- **Economic Diplomacy**
- **Climate action** (target of 35% outside EU by 2020)



**EIB signatures 2014-2017 in mEUR**



## EIB dedicated mandates allow the EU Bank to respond to EU policy priorities...

### ELM

- Cost efficient instrument: EUR 1 from the EU budget supports EUR 40 in investments
- MS closely involved in setting the priorities in the regulation and its mid-term review
- Long-term perspective with flexibility to respond to new needs

### ACP Investment Facility

- Provides innovative financing instruments: local currency, equity, risk-sharing, impact finance
- MS closely involved in every project through the IF Committee
- Envelope for indispensable technical assistance and other grants

EIB own risk activities are complementary to ELM and other mandates

## How could EIB's proposal be reflected in the NDICI regulation?

EIB proposes a future External Investment Framework, which encompasses three components under the External Action Guarantee (EAG):

1. EFSD+ Guarantee (which under this proposal would focus on pre-bankable operations in fragile States and Least Developed Countries) managed by the EC, implemented by eligible counterparts
2. ELM+, managed and implemented by EIB
3. DFI component, managed by EIB, implemented by DFIs

and two grants envelopes:

1. Support Actions component, managed and implemented by EIB
2. EFSD+ Blending, managed by EC, implemented by eligible counterparts (as in EC's proposal)

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# EIB and cohesion policy: current situation

- A** EU Cohesion policy at the heart of EIB Group's operations as one of the two transversal goals for our financing: **more than 30% of financing.**
- B** EIB Group dedicated product offer for cohesion areas



## Cohesion: priorities for EIBG in MFF post-2020

Continuation of providing the **national co-financing with Structural Programme Loans (SPL)**

- EIBG should **remain the preferred co-financier**
- EIBG **could step up this activity** in order to match possible funding gaps due to proposed lower EU co-financing rates

**Continuing involvement in the implementation of financial instruments alongside and partnering with NPBs.**

- Making financial instruments **suitable for the market** in order to attract private investment and professional fund management
- **Making the Member State compartment of InvestEU a success**

Acknowledging EIBG expertise to build capacity in project development, preparation and implementation and to FI under shared management

- Both **through centrally managed programmes and by working directly with MS**
- Maintaining key role in supporting preparation of EU-funded projects through the existing joint initiatives with the EC like **JASPERS**