

# EIB Group activity in France in 2017

Over EUR 8.6bn in new financing, a third of which under the Juncker Plan

2017 was the European Investment Bank's (EIB) 60th year. Created by the Treaty of Rome, the EU bank has invested EUR 133bn in the real economy in France – half of which has been provided over the last decade – via the financing of 1 400 projects across the country. The Bank has evolved in recent years to keep fulfilling its remit in Member States, meeting the needs driven by the economic climate while addressing certain market failures.

The EIB has become a key player in getting investment back on track in France. Alongside its subsidiary the European Investment Fund (EIF), in 2017 it provided **over EUR 8.6bn** of new financing.

## EIB Group (EIB and EIF) activity in France in 2017 over EUR 8.6bn in financing

105 operations signed

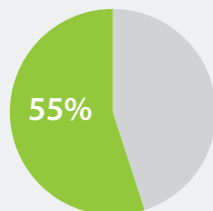


67 by the EIB

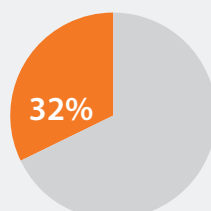


38 by the EIF

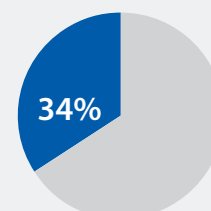
### Main focal points of EIB Group activity in France Cross-cutting priorities



Climate action



Support for innovation



Juncker Plan

#### Support for climate action and innovation

This financing is supporting strategic priorities such as climate action and innovation, and is being implemented primarily with the private sector.

#### Support for businesses and jobs

30 000 SMEs and mid-caps employing 175 000 people benefited from EIF guarantees in France in 2017.

## I- The Juncker Plan in France in 2017

### France, along with Italy, leads beneficiary countries

2016 saw initial implementation of the Investment Plan for Europe, commonly known as the Juncker Plan. Given the volume and quality of operations promoted and the impact generated, 2017 confirmed the success of an EU guarantee mechanism intended, first and foremost, to get investment back on track in Europe with the emergence of a new operating model for the EIB.

In 2017, EUR 4.7bn in financing was approved under the Juncker Plan via 56 operations. At the same time, 48 projects with a total financing volume of nearly EUR 3bn were signed, unlocking EUR 13.5bn of additional investment. These two figures are significantly higher than they were in 2016.

### Activity focused on innovation and the energy and digital transition

The EIB Group focused its activities on **smaller-scale, riskier projects furthering strategic economic objectives for France's future**, e.g. support for innovation and climate action, to which the EIB has dedicated 44% and 60% of its Juncker Plan operations respectively.

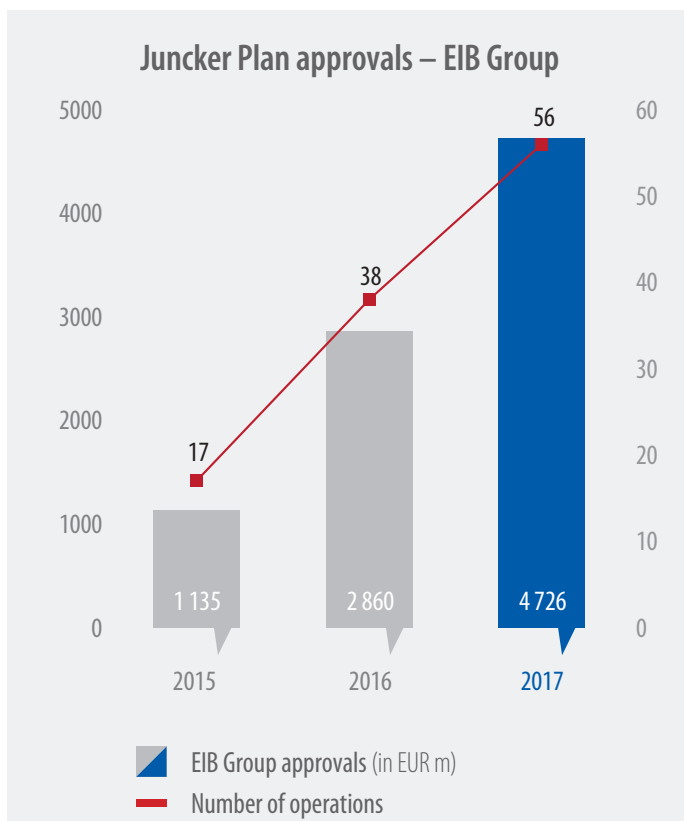
These activities are both targeted and practical, and are in line with EU priorities and the French Government's investment plan.

Since its launch in 2015, the EIB Group has approved **111 Juncker Plan operations** in France for a financing amount of **EUR 8.7bn**, leveraging **EUR 39.6bn in additional investment**.

France is, along with Italy, is the biggest beneficiary of the Juncker Plan.

### 82% of the target already achieved at European level

On a European level, the EIB has already mobilised EUR 257bn of investment, i.e. 82% of the EUR 315bn objective set for July 2018. To capitalise on this success, the programme has been extended until 2020, with a new objective of facilitating EUR 500bn of investment.



## The Juncker Plan in France in 2017

**56 operations** were approved, constituting a major increase (almost 50%) compared to 2016, for a volume of **EUR 4.7bn**.

New areas of activity: culture, agriculture, cybersecurity, maritime, medtech and biotech, risk-sharing tools supporting the energy transition, etc.

Nearly **75% of these signatures** were with **new customers**.

The average amount for Juncker Plan operations is half the overall average amount for operations in 2017.

## 1. New sectors supported by the EIB Group

The Juncker Plan has led to a major change in the EIB Group's activity profile. The EIB's objective is now to take more risks when financing projects thanks to the Juncker Plan's EU guarantee, with the goal of unlocking investment in the real economy in particular via companies that are the main drivers of job creation on the ground.

The Juncker Plan has enabled the EIB Group to step up its activities in sectors with high investment requirements. These include culture, where a guarantee was granted to the *Institut pour le Financement du Cinéma et des Industries Culturelles* (Cinema and Cultural Industry Financing Institute – IFCIC) for a loan amount of EUR 130m; cybersecurity, where EUR 20m was provided to CS Communication & Systèmes; and the maritime sector, where the EIB provided an EU funding envelope of EUR 750m for the Green Shipping Guarantee (GSG) programme in partnership with Société Générale and BNP Paribas. The EIB's first green shipping finance contract was signed with Brittany Ferries (EUR 50m) for the construction of their new ship – the *Honfleur* – which will be their first ferry powered by liquefied natural gas (LNG) and will serve on the Caen-Ouistreham (France) to Portsmouth (UK) route from April 2019.

With the Juncker Plan, the EIB was able to provide large volumes of financing to mid-caps in forward-looking economic sectors, particularly aeronautics and automotive companies (Latécoère, Mecachrome, Saint Jean Industries). The EIB has also become a leader in medtech and biotech financing in Europe and France in particular. The Juncker Plan has helped to support future champions (Enterome, Cellnovo, Da Volterra, Olmix, Amoéba), providing them with financing at a pivotal moment in their development.

## 2. Innovative instruments

Its expertise and experience in financial engineering have enabled the EIB Group to develop innovative instruments, particularly in risk sharing and synthetic securitisation, to meet the requirements of

public and private sector customers, both for renewable energies and SME support.

For example, the EIB established an innovative partnership with the VALECO Group and a consortium of commercial banks to mobilise EUR 220m of guarantees and funding. This partnership aims to support the construction and operation of wind farms and photovoltaic power plants developed by the VALECO Group in France, with a total capacity of 185 MW. This new strand of EIB activity was in response to strong demand from the banking sector; four other similar risk-sharing agreements were signed with banking institutions in 2017 for a total of EUR 900m, aiming specifically to support renewable energy projects.

In December 2017 the EIB Group also signed two synthetic securitisation operations with the BNP Paribas and Crédit Agricole groups. The operation signed with the BNP Paribas group – the first synthetic securitisation operation on a portfolio of loans granted to French SMEs and mid-caps – will result in loan financing of EUR 420m for French SMEs and mid-caps. It was also innovative synthetic securitisation – this time based on a portfolio of large corporates – that provided French SMEs and mid-caps with EUR 830m in financing to be distributed by Crédit Agricole's Caisses Régionales (regional banks).

## 3. New customers

Three quarters of Juncker Plan-financed projects in France in 2017 were with new customers. This is not only the case for most of the institutions and companies mentioned in points 1 and 2 above, but also for third party financing companies (ARTEE Nouvelle Aquitaine, SPEE Picardie) and local semi-public companies (SEM) such as Syndicat mixte pour l'aménagement hydraulique du Coult et du Petit Rosne (Val-d'Oise) or Groupe Énergie Vienne, which received EUR 70m in financing for renewable energies, the first time that a local SEM in this sector has been granted a loan.

## II - Main components of EIB activity in 2017

### 1. Towards a carbon-free economy

55% of EIB financing dedicated to climate action

The EIB dedicated 55% of its financing in France in 2017 to climate action. This performance far exceeds the EIB's 25% objective in Europe.

This strong commitment was reflected by greater support for energy efficiency in public and private buildings, clean transport and the development of renewable energy via the financing of numerous operations: energy efficiency and renewable energy investment funds with Amundi Energy Transition ALBA, Brownfields III, Infragreen III, Construction Energy Efficiency Plus Fund; public and private enterprises with Forsee, SOREGIES Vienne, VALECO, Brittany Ferries, and Société du Grand Paris for Line 15 South; third party financing companies with ARTEE Nouvelle Aquitaine and SPEE Picardie; and risk-sharing agreements with commercial banks for renewable energy projects.

#### **SUNPARTNER Technologies** in the Provence-Alpes-Côte d'Azur region Innovation for the energy transition

**Financing amount:** EUR 15m

**Patents:** 150

**Jobs created:** 600 by 2022

**Turnover generated:** EUR 400m by 2022

Specialised in the development of innovative and invisible photovoltaic solutions, SUNPARTNER Technologies is aiming to become the world leader in the integrated photovoltaic solutions for buildings sector. The EIB financing (EUR 15m) comes at a crucial moment for this company with strong growth potential, enabling it to expand its production capacity and sales strategy while furthering its research, development and innovation activities.



## 2. Supporting innovation and innovative companies

EUR 2.2bn of new financing  
representing 31% of EIB activity in France

Support for the competitiveness and production capacity of French industry was at the heart of EIB activity in 2017, with Ecotitanium (EUR 30m), Latécoère (EUR 55m), Mecachrome (EUR 40m) and Saint Jean Industries (EUR 45m), as well as CS Communication & Systèmes for security and cybersecurity (EUR 20m).

In the human and animal health sector, specifically research activities for which the EIB is in great demand given the inherent risk attached to this type of financing, the Bank supported leading companies in their respective fields – Cellnovo (EUR 20m), Olmix (EUR 30m), Da Volterra (EUR 20m), Virbac (EUR 76.9m), Enterome (EUR 40m) and Amoéba (EUR 20m).

### Universal access to superfast broadband

Access to the fibre-optic communications network is key for regional development. This is why the EIB supported the roll-out of superfast broadband networks by providing EUR 25m in own funds for the superfast broadband project in the Grand Est region and by becoming the main lender for the equivalent project in Nord-Pas-de-Calais (EUR 78.4m of additional debt provided in 2017, bringing total participation to EUR 181.4m). The Bank also provided financing of EUR 25m to TELCO for the roll-out of 3G and 4G in La Réunion and Mayotte.

### LATÉCOÈRE IN THE OCCITANIE REGION

The factory of the future  
has arrived in the aeronautics sector

**Financing amount:** EUR 55m

**A new plant dubbed “Window on the industry of the future”**

**Cutting-edge processes and technologies for building the aircraft of tomorrow**

In Occitanie, the EIB is supporting the growth of Latécoère, an international group and “tier 1” partner of the major global aircraft manufacturers, by financing the construction of a new factory for more than 100 people. After mechanisation, industrialisation and automation, the fourth industrial revolution, or “Industry 4.0”, puts smart systems at the heart of the production process with a view to rethinking the current industrial model. Based on this innovative concept, Latécoère's factory of the future will combine automation and innovative processes, using connected devices and cyber-physical systems for a paper-free production plant. The result will be smart cooperation between the different production units and the factory ecosystem.

In addition to this ambitious industrial project, the EIB financing is supporting Latécoère's research and development; investments aiming to conquer new markets by giving greater weight to innovation and improving industrial competitiveness in order to strive for excellence.

### AMOÉBA

in the Auvergne-Rhône-Alpes region

From the laboratory  
to industrial production

A revolutionary and effective  
biological biocide to  
fight pathogenic bacteria

**Financing amount:** EUR 20m

**A 100% biological process**

**A global chemical biocide market for  
water treatment valued at:** EUR 21bn

Amoéba's aim is to revolutionise the treatment of the bacterial risk present in water and human wounds via a groundbreaking environmentally friendly process, offering a real alternative to the chemicals traditionally used in industry and in the treatment of wounds. This financing will enable Amoéba to accelerate its production and international sales development capacity while supporting its research, development and innovation activities.



### 3. Training and jobs for young people: a priority for the EIB

Training and jobs for young people were priorities for the EIB in 2017 with a total investment of EUR 1.145bn in lower secondary schools (*collèges*) and universities.

The Seine-Saint-Denis department and the City of Paris received EUR 240m and EUR 250m respectively for the modernisation of their *collèges*.

#### Future world-class university facilities

Financing for six new university campuses totalling  
**EUR 445m**

As part of “Operation Campus”, the EIB accelerated its support for French universities in 2017 by signing six new financing agreements totalling EUR 445m for the campuses of Lorraine, Aix-Marseille, Toulouse, Montpellier, Bordeaux and AgroParis Tech Saclay. By financing these universities, the EIB is supporting the development of world-class and sustainable campuses that are attractive for students, teachers and researchers, both nationally and internationally.



#### IMPACT PARTENAIRES

Supporting jobs in priority districts  
under the Cities Policy

EUR 50m in funds

**More than 1 500 jobs created**

**250 franchised businesses formed**

Given the strong demand for jobs and convenience stores in deprived districts, and the desire on the part of some local residents to start a business, the EIF decided to support IMPACT création, an investment fund totally dedicated to creating franchised businesses in priority city districts in partnership with a number of brands known for their high quality support, such as Basilic&Co, Burger King, Carrefour Proximité, Éléphant Bleu, Emova, Mail Boxes, OCP-Pharmactiv, O’Tacos, Pizza Hut, Interflora and Speedy. In 2017, seven new transactions were financed via this fund.



#### 4. Expanded activity in social housing

As in 2016, support for **social housing** was also one of the key elements of EIB activity in 2017: EUR 1bn was provided to expand the investment capacity of low-rent housing (HLM) companies via a loan to **Caisse des Dépôts** in support of equity-type operations, and a EUR 200m loan to **Adestia**, a subsidiary of Société Nationale Immobilière (SNI), enabling it to grant shareholder loans (similar to quasi-equity) to several HLM companies. In addition to this EU loan is the upgrading and energy efficiency refurbishment of **25 000 homes** under the aegis of the SNI Group's social housing companies (ESHs) in areas with an affordable housing shortage (75% of which are in Île-de-France). Beyond the environmental and socioeconomic impact, refurbishing these homes and bringing them up to standard will contribute to economic growth in their areas due to the scale of the work undertaken.

#### 5. Regional advisory activities seeing rapid growth

Lastly, advisory activities were at the heart of the EIB's new operational approach, with a varied range of specialised advisory services such as support for the design and implementation of financial instruments in the regions, and financial engineering and structuring assistance for innovative projects in cutting-edge sectors (bio-economy, circular economy).

To this end, in 2017 the EIB mobilised its resources to provide advisory services to the **Provence-Alpes-Côte-d'Azur, Pays de la Loire, Nouvelle-Aquitaine and Hauts-de-France regions** for the implementation of financial instruments for SME support, the training and employment of people in difficult situations, agriculture, energy efficiency and renewable energy production.



## III - Main components of EIF activity 2017

### The European Investment Fund, a subsidiary dedicated exclusively to businesses

Nearly EUR 1.5bn of investments in 2017, including 42% in innovation

In France in 2017, the EIF:

- took 17 participating interests in venture capital funds for EUR 570m, and made three co-investments for EUR 11m which, together with the co-investors in these funds, will represent nearly EUR 3.7bn in capital to be invested in start-ups, SMEs and mid-caps;
- provided 18 guarantees totalling EUR 900m that will enable SMEs to receive EUR 2.5bn in new loans;
- committed EUR 5m for two microfinance operations, which will contribute to the granting of a total of EUR 58m in micro-loans.

In 2017, the EIF supported 30 000 SMEs and mid-caps in France employing 175 000 people.

### Spotlight on operations

In July 2017, the EIF partnered with the SME loans platform Lendix by providing EUR 18.5m to the co-financing fund Lendix II. The goal is to expand crowdlending among European companies. In total, this fund

received EUR 90m in the form of commitments from Bpifrance and insurance company pension funds. In December, the EIF reinvested EUR 30m in the Lendix III fund.

France is a pilot for financial instruments dedicated to agriculture, with the first project of this kind in Europe signed with the Languedoc-Roussillon Region in 2016. On the back of the success of this first initiative, the EIF signed another EUR 12m envelope in Midi-Pyrénées (ESIF-EAFRD Midi-Pyrénées) to support the agricultural sector. EUR 10.8m of funds from this envelope were signed in December with Banque Populaire Occitane, where they are expected to help 600 SMEs active in the agricultural sector.

In 2017, the EIF signed a partnership with IFCIC aiming to implement a lending programme for the creative industry. This new assistance for cultural and creative industries will provide SMEs with access to financing, and is expected to benefit a total of more than 300 SMEs in the sector for an overall lending amount of EUR 130m.

Advent France Biotechnology announced the first closing of its Advent France Biotechnology Seed-Fund I (AFBSF I) seed capital fund in 2017. The fund was subscribed by the Fonds National d'Amorçage (FNA) and managed by Bpifrance and the EIF via the InnovFin programme. The AFBSF fund aims to invest in the seed capital stage of innovative life sciences companies originating from laboratories, universities and academic research centres in France in order to help their development.

For further information on the EIB Group in France: [www.eib.org/france](http://www.eib.org/france) and [www.eif.org/france](http://www.eif.org/france)

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