Minutes of the Meeting held on 30 January 2020
Questions concerning this note should be referred to EFSI Secretariat: EFSISecretariat@eib.org
EFSI STEERING BOARD – MEETING 34/2020

Minutes of the meeting held at the Jaspers Offices in Brussels on Thursday, 30 January 2020

Those attending:

Steering Board members:

Ms M. Geleng (EC)
Mr J.-D. Malo (EC)
Mr A. Fayolle (EIB)
Mr L. Andor (Independent expert appointed by the European Parliament)

Steering Board alternate members:

Ms S. Valtonen (EC)

Excused Steering Board members:

Ms K. Jorna (EC)

Observers:

Mr W. Molterer (EFSI Managing Director)
Ms I. Tsanova (EFSI Deputy Director)

Experts:

Ms P. Solana (EIB) – for items 4 and 5
Ms C. Gaye (EIB) – for item 7
Mr F. Koutzoukou (EIF) – for item 7

EFSI Secretariat:

Ms E. Bois-Willaert (EIB)
Mr R. Wouters (EIB)
Following the absence of Ms K. Jorna, the Steering Board decided by unanimity to appoint Mr J.-D. Malo as the acting Chairperson of the Steering Board for today’s meeting.

The Chairperson declared the meeting open at 12:00 on 30 January 2020.

1. **Quorum**

The Chairperson recorded that there was a quorum.

2. **Approval of the agenda**

The agenda was adopted without comment.

3. **FOR DECISION**

   **Approval of the minutes of the meeting held on 17 October 2019 (PV/19/33)**

The draft minutes of the 33rd Steering Board meeting, held on 17 October 2019 at the EIB Offices in Luxembourg were approved with minor comments.

The minutes shall be published on the EIB website and will subsequently be communicated to the European Parliament.

4. **FOR DISCUSSION**

   **Quarterly reporting from EFSI Managing Director on Q4-2019**

The EFSI Deputy Managing Director presented the EFSI quarterly results for the Infrastructure and Innovation Window (IIW) and for the SME Window (SMEW) to the Steering Board.

Ms I. Tsanova described the total financing by approvals and signatures, and, following a request of the Steering Board in its last meeting, also on sectoral diversification by country. She gave data on investment platforms, projects involving NPBIs and on the combination with European Structural and Investment Funds (ESIF).

The EFSI Deputy Managing Director elaborated on the amount of investments related to climate action goals and emphasised the positive evolution that can be observed related to the percentage of EFSI approvals and signatures supporting climate action goals. She indicated that, as at end-December 2019, more than 40% of EFSI financing approved and signed under the IIW, excluding SMEs and
small mid-cap companies, support project components that contribute to climate action.

She also specified that EFSI has enabled the EIB to finance projects that are larger than permissible under the EIB’s Credit Risk Guidelines, and to directly finance smaller tickets than before, as indicated in the evolution of EFSI signature sizes.

The EFSI Deputy Managing Director provided an overview of the activities of EFSI in the UK. She reiterated that, after the UK would have withdrawn from the EU, UK project components could only indirectly benefit from an EFSI guarantee as part of new cross-border operations with a physically link to an EU member state or as part of the permitted non-EU content, e.g. in fund investments that meet the applicable rules.

The Steering Board thanked the EFSI Deputy Managing Director for the presentation and expressed its strong satisfaction with the fact that more than 40% of EFSI financing approved and signed under the IIW, excluding SMEs and small mid-cap companies, support project components that contribute to climate action as at December 2019. Steering Board members also welcomed the number of projects being financed under the RDI objective under both windows and the substantial amount of new clients that have been reached by the EIB with the support of EFSI.

The Steering Board acknowledged the important impact of the withdrawal of the UK from the EU on the geographical concentration of the EFSI portfolio and discussed the potential outcomes of awareness raising activities, with a particular focus on EU13, that are being undertaken as part of the response to the ECA Audit Recommendation 5. The Steering Board observed that the top three countries, measured by signed amounts, currently account for 44% of the total EFSI portfolio and for 48% of the IIW portfolio. The Steering Board reiterated the importance of continuing undertaking all efforts in regards to further enhance the geographical spread of EFSI investment in the remaining investment period of EFSI.

Steering Board members also elaborated on how EFSI is supporting human capital, culture, health and social infrastructure and observed that, beside EFSI support into social infrastructure, such as hospitals, universities and social housing, also other initiatives with high social externalities are being financed, while being classified under other EFSI objectives such as energy, RDI, or support to SMEs and Mid-Caps.

5. FOR DISCUSSION
   EFSI Projections

Ms P. Solano, Head of the Operational Strategy and Business Development Division within the Operations Directorate, presented projections for EFSI operations on
signatures and approvals and the volume of disbursements in the IIW as of December 2019.

She mentioned that the EIB group is working towards reaching investment-mobilized targets for EFSI and she provided the Steering Board with general information on EFSI delivery trends, indicating a continued focus on operations in the EU-13 member states.

Ms P. Solano provided explanations on the extensive cooperation with National Promotional Banks and Institutions (NPB/Is) under EFSI and stated that NPB/Is are involved in one out of five EFSI operations. Following a request of the EFSI Steering Board, she further elaborated on the implementation of the NPB equity window. She indicated that, due to the more complex nature of the operations under this sub-window, combined with the limited implementation period and lower than estimated demand, investment amounts within this specific sub-window of the IIW will likely be lower than initially estimated at the end of the investment period.

The Steering Board thanked Ms P. Solano for her presentation and asked the EIB and EC services to further discuss the allocation of EFSI resources in view of the implementation of the NPB equity window. The Steering Board expanded on the remaining investment period of EFSI and reiterated that the implementation of investment mobilization targets, climate action goals and the geographical distribution of the EFSI portfolio remain a priority.

In particular, while acknowledging that the geographical distribution of EFSI investments is unlikely to materially change at the current stage of deployment (with EUR 60bn already committed), the Steering Board reflected on the geographical spread of the EFSI portfolio and on the strong positive evolution of the amount of investments related to climate action goals.

Steering Board members discussed different options that could be envisaged to enhance geographical distribution and to support even further climate action objectives and asked the EIB if it could provide supplementary information regarding the EFSI projections at a later stage. The Steering Board also indicated that discussions on the transition from EFSI to Invest EU would be useful later in the year.

6. FOR DECISION
EFSI Steering Board Roadmap + Calendar for 2020

The Steering Board approved the EFSI Steering Board Roadmap for 2020 and the 2020 EFSI Steering Board Calendar without comments.
7. **Any other business**

The Steering Board expressed its agreement with the general principles of the procedure, prepared by the EIB and EC services, to define criteria and limits under which EFSI Guaranteed Operations approved by 31 December 2020 but not yet signed may benefit from a derogation referred to in point 7(c) of the Investment Guidelines until 31 December 2022. The Steering Board indicated that it would make its final decision on the specific criteria and limits by the end of the year.

The Steering Board also discussed the report of the EFSI Secretariat, encompassing an overview of the replies of contacted stakeholders regarding the relevance of the organisation of a last EFSI Stakeholder event in 2020. While referring to the limited amount of replies that responded positively to the need of organising such an event, the Steering Board decided that it would not organise a last EFSI Stakeholder event in 2020.

The Chairperson declared the meeting closed at 13:45.
Schedule A

Decisions taken by the Steering Board (Meeting 34/2019)

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<td>EFSI Steering Board Roadmap for 2020</td>
<td>The Steering Board approved the document without comments.</td>
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<td>6</td>
<td>EFSI Steering Board Calendar for 2020</td>
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Decisions taken by the Steering Board under Written Procedure in November and December 2019

As allowed by Article 8 of the Steering Board Rules of Procedure, one decision was unanimously taken by the Steering Board under written procedure with an expiry date, which was scheduled the **12th November 2019**:

- Derogation granted by the EFSI Steering Board for an EIB operation to be submitted to the EFSI Investment Committee and to the EIB Board of Directors, having higher amounts than EFSI exposure limits per risk category, in accordance with point 7(b) and (c) of the EFSI Investment Guidelines (Annex 2 to the EFSI regulation).

As allowed by Article 8 of the Steering Board Rules of Procedure, one decision was unanimously taken by the Steering Board under written procedure with an expiry date, which was scheduled the **10th December 2019**:

- Derogation granted by the EFSI Steering Board for EIB operations to be submitted to the EFSI Investment Committee and to the EIB Board of Directors, having higher amounts than EFSI exposure limits per risk category, in accordance with point 7(b) and (c) of the EFSI Investment Guidelines (Annex 2 to the EFSI regulation).
As allowed by Article 8 of the Steering Board Rules of Procedure, one decision was unanimously taken by the Steering Board under written procedure with an expiry date, which was scheduled the 13th December 2019:

- Derogation granted by the EFSI Steering Board for an EIB operation to be submitted to the EFSI Investment Committee, having higher amounts than EFSI exposure limits per risk category, in accordance with point 7(b) and (c) of the EFSI Investment Guidelines (Annex 2 to the EFSI regulation).