

EUROPEAN INVESTMENT BANK

EUROPEAN FUND FOR STRATEGIC INVESTMENTS

STEERING BOARD

Summary of discussions with the stakeholders
held at the EIB Offices in Brussels on Monday, 6 June 2016

Questions concerning this note should be referred to
EFSI Secretariat Tel: +352 4379 82130 - Email address: EFISecretariat@eib.org

Summary of discussions with stakeholders held at the EIB Offices in Brussels on Monday, 6 June 2016

In line with the [Stakeholders' consultation paper](#), adopted on 14th March 2016, the EFSI Steering Board (SB) held a meeting with Bankwatch, Counter Balance and WWF to discuss the implementation of EFSI operations under the Investment and Innovation Window (IIW) through the European Investment Bank (EIB) and the SME Window through the European Investment Fund (EIF), with a focus on EFSI sectorial and geographical coverage, additionality of EFSI projects and transparency. The representatives of these stakeholders were:

- M X. Sol (Counter Balance)
- M S. Godinot (WWF)
- Ms A. Roggenbuck (Bankwatch)
- M M. Trilling (Bankwatch)

The Steering Board considers such discussions an important mean to exchange views on the EFSI Strategic Orientation.

a) Additionality:

During the meeting the question of additionality of the EFSI projects was discussed. The stakeholders questioned the difference between EFSI investments and standard EIB operations. The arguments brought forward were as follows: (i) the level of EFSI investments in renewable energies has decreased, this being partially explained by an overall decrease of such investments at the EU level (ii) EFSI investments in energy efficiency projects are concentrated in the EU Member States where lending in this sector is already higher than the EU average (iii) EFSI climate financing does not present the same catalytic effect in comparison to the investments made following the EIB capital increase in 2009. In the same time, the stakeholders acknowledged that EFSI is at its incipient phase and the additionality may evolve in future.

The Steering Board explained that additionality is expressed in terms of complexity of operations and therefore development of new products, which the European Investment Bank Group has managed to achieve via new financial products such as risk sharing, sub-ordinate debt and equity type of operations. In addition, the Steering Board explained that the average size of EFSI operations is lower than before and encourages even smaller scale EFSI operations in future. Concrete examples of flagship projects in terms of additionality were brought up during the discussion, such as green shipping or regeneration of polluted industrial sites and transforming these into potential space for housing. The Steering Board mentioned that the EIB is also multiplying its support to innovative companies or to infrastructure projects such as off-shore wind parks. Such an investment could not have been possible to the same

extent without EFSI backing. The Steering Board concluded by ensuring that the assessment of additionality is safeguarded by the EFSI Investment Committee, which is an independent body. The Investment Committee experts are considering the riskiness of the projects, but they are also taking into account the impact of the project, their contribution to address market failures, the links with EU objectives, to approve the use of the EFSI guarantee.

b) Geographical diversification

During the discussion the stakeholders reflected on the question of geographical diversification and the need to achieve a more balanced geographical distribution among the EU Member States. The stakeholders would like to see more projects in the newer Member States.

The Steering Board referred to its role in overseeing the implementation in line with the Strategic orientation of EFSI, including close follow-up of the geographical diversification. The EFSI strategic orientation aims to ensure the coverage across all EU member states; any geographical concentration of EFSI operations in specific territories is to be avoided. In addition, the role of the European Investment Advisory Hub and EIB local offices and teams will be crucial to achieve the target of a complete geographical coverage of EFSI.

In conclusion, the Steering Board encouraged Bankwatch, Counter Balance and WWF to play an active role in information dissemination at the local level.

c) Transparency and access to information

The stakeholders expressed their satisfaction with the level of transparency regarding the information disclosed regarding the EFSI Investment Committee and Steering Board meetings (e.g. the minutes of the SB meetings and the summary of IC decisions are available on the EIB website).

In addition, the stakeholders suggested that more information should be disclosed at the EFSI project level. The Steering Board called for the attention to be paid to protect project related commercially sensitive information. While one has to understand that the EIB is a Bank the Steering Board encouraged the EIB to assess the possibility of publishing additional information especially after the signature of the EFSI operations.

d) Sustainability

During the discussion the stakeholders reflected on the sectorial diversification of EFSI projects, in particular in the transport and energy sectors. In the transport sector, the Steering Board acknowledged that more efforts should be made to reach a balanced diversification, as currently there is a substantial number of motorways operations in the approved EFSI projects and in the pipeline. In the energy sector, the stakeholders questioned the EFSI investments, in particular in

gas projects which do not reflect the general decreasing trend of gas consumption at the EU level. They reflected on whether such EFSI investments are sustainable in the long term and economically viable. The Steering Board explained that investments in gas projects have the potential to mobilise higher scale private investments and represent a transition to the low carbon economy, thus being in full alignment with the European Commission policy on diversification of gas supply.

In conclusion the Steering Board encouraged the stakeholders to provide regular feedback on the EFSI implementation and emphasised the role of reinforcing dialogue between the institutions and the external stakeholders in achieving EFSI results.