

EUROPEAN INVESTMENT BANK

EUROPEAN FUND FOR STRATEGIC INVESTMENTS

STEERING BOARD

Summary of discussions with the stakeholders
held at the EIB Headquarters in Luxembourg on Monday, 4 July 2016

Questions concerning this note should be referred to
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In line with the [Stakeholders' consultation paper](#), adopted on 14th March 2016, the EFSI Steering Board (SB) held two meetings: (1) with Kreditanstalt Für Wiederaufbau (KfW), Bank Gospodarstwa Krajowego (BGK), Caisse des Dépôts et consignations (CDC), Cassa Depositi e prestiti (CDP), European Long-Term Investors Association (ELTI) and Long Term Infrastructure Investors Association (LTIIA) (2) Greenpeace. The purpose of the meetings was to discuss the EFSI Strategic Orientation, as well as 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). The representatives of the invited stakeholders were:

- Ms A. Fritz (KfW)
- Ms K. Kaptur (BGK) – via conference call
- M C. Bourdillon (CDC)
- Ms M. Colombo (CDP)
- M H. von Glasenapp (ELTI)
- M E. Zhuchenko (LTIIA)
- Ms S. Richartz (Greenpeace)

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

1. The discussion with National Promotional Banks (NPBs) and ELTI, LTIIA revolved around the following key points:

- The representatives of the NPBs and the two associations unanimously gave a positive feedback on the EFSI implementation under the SMEW. It is seen as an efficient mechanism, that had a quick start and the transfer of additional resources to the SMEW is needed and highly appreciated. The IIW, on the other hand, seems to be more challenging, given several factors. First, the warehousing mechanism was initially unclear. Second, the IIW includes new financial products, for which certain, in particular smaller NPBs, may not be yet sufficiently equipped. Last, the need to ensure a very close cooperation at the EIB group level and with NPBs was emphasized, to avoid any potential competition.
- The issue of transparency was raised, notably at the level of eligibility criteria for EFSI projects and the pricing of the guarantee.
- State aid issues were discussed; the NPBs called for more clarity and guidelines for the combination of EFSI guarantee with the Structural Funds.
- The participants voiced the issue of additionality, which is not evident for all the EFSI approved operations.

- A concern raised by NPBs was the centralization of the EFSI implementation, which may pose certain challenges in being close to the market. The NPBs acknowledged though that this perceived centralization may also be due to the fact that EFSI is at its incipient phase and its implementation will evolve in time.
- The participants unanimously agreed that they would welcome a full delegation model, more empowerment and trust from the EIB side in matters related to the NPBs' risk assessment capacity and origination of operations. The need for enhanced cooperation between NPBs and EIB was underlined.
- Some NPBs voiced the possible risk of crowding out local institutions by the EIB who now start to finance even smaller projects directly under EFSI.
- In response to the questions raised, the Steering Board gave an update on the current status of EFSI policies, such as the Equity Strategy, transfer of additional resources to the SMEW from IIW and the EFSI financial regulation, which would give more clarity on the combination of EFSI guarantee with the Structural Funds.
- The Steering Board emphasized the role of the [European Investment Project Portal](#) (EIPP) in building a solid projects' pipeline. To date, there are close to 100 projects online and the EIPP has a potential of developing fast in the future. The Steering Board encouraged the NPBs and the two associations to help in raising awareness and usage of the Portal.
- The Steering Board remarked few cross border transactions and encouraged the bigger NPBs to play a more active role in boosting such type of operations.
- The Steering Board took note of the transparency comments raised by the participants and outlined the currently ongoing discussions regarding the possibility to disclose on the EIB website the scoreboards for the signed operations. In the same time, the Steering Board called for the attention to be paid to protect project related commercially sensitive information.

2. *The discussion with Greenpeace* revolved around the following key points:

- The Greenpeace representative made a general introduction about the functioning of the organisation and focused on sectors relevant to the Greenpeace activity (e.g. sustainable agriculture, fishing, energy and the protection of biodiversity).
- In relation to EFSI, Ms Richartz acknowledged the opportunity to provide more diffuse, smaller-scale investments - which are relevant to a range of sectors (e.g. sustainable agriculture) including in particular renewable energy. EFSI is seen as a useful instrument, if indeed it can facilitate local investments in support of prosumers, i.e. investments at the level of households, co-operatives, municipalities or SMEs into renewable energy and demand response. In terms of concerns, Ms Richartz raised the programming/goal setting, the screening/selection of projects, retention of investments in communities and additionality.

- In general terms, Greenpeace stressed the importance of applying environmental impact assessments and participatory/consultative processes in the context of all EIB funded investments, including EFSI. The EIB and Commission should ensure that all recipients of funding fully comply with the EU acquis.
- In terms of the specific project list, Greenpeace challenged investments in motorways, airports and intensive agriculture projects. In addition to renewable energy projects, Greenpeace expressed an interest in whether EFSI could facilitate investments in smart metering and new technology. Greenpeace proposed that it may be possible to use its own discussions with potential investors in this field to highlight potential opportunities linked to EFSI investments.
- Greenpeace would like to see EFSI play a more critical role in the EU's energy transition to 100 per cent renewables.
- Greenpeace had reviewed the list of EFSI approved projects and remarked that few operations were located in countries that were hit the most by the financial crisis. In addition, it was highlighted that the United Kingdom seems to be a disproportionate beneficiary of large-scale EFSI investments in the off-shore wind industry.
- In terms of investments into decentralised renewable energy infrastructure, Greenpeace is engaging actors across a number of Member States, e.g. the tourism sector in Southern Europe, and thought that EFSI investments could be a helpful way to enable such actors to scale up investments at SME, co-operative and household level.
- Greenpeace encouraged the EIB Group to consider Green Banks as strategic counterparts for EFSI operations.
- The Steering Board took note of the comments and questions raised. First, the SB members highlighted the role of the SMEW to target small projects and SMEs. The collaboration with NPBs and use of Investment Platforms is enhanced via EFSI. In addition, there are ongoing revisions of the EFSI financial regulation to allow for additional financial instruments, such as microfinance, to reach out to the smaller beneficiaries.
- In respect to the sectors and contribution to the transition to the green economy the SB members noted that 30% of EFSI operations are oriented towards the renewable energy sector. EFSI projects, such as the off shore wind parks in Austria, are a model of transition from big scale to smaller projects with the involvement of the local communities. Sustainable agriculture is another priority sector for EFSI; however, it has to be taken into account that one of the conditions of the allocation of the EFSI guarantee is the mobilisation of private sector funds to better leverage on the public financing.
- The Steering Board encouraged Greenpeace to use its local networks and encourage potential promoters to propose their projects via the European Investment Project Portal (EIPP). Greenpeace clarified that it could inform other actors of the possibilities under EFSI, but it could not act as an

aggregator or project promoter, as Greenpeace does not accept donations from governments, the EU, businesses or political parties.

In conclusion, the Steering Board confirmed that the EFSI Strategic Orientation shall be revised based on the results of the discussions with the stakeholders and the upcoming public stakeholders' consultation event on the 7th September. The stakeholders are encouraged to consult their members and reflect on the practical proposals till then.