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THE ADVISORY HUB
YIELDING RESULTS



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The Advisory Hub in 2017

Yielding results



Europe's gateway to investment support

European Investment Bank The Advisory Hub in 2017: yielding results

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2017 highlights

Think of all the major projects that improve our lives – social housing, hospitals, public transport, high-speed Internet, new schools, street lighting, elderly care.

All these projects started as an idea. Many of them probably began with feasibility studies and planning and then moved to financing and finally construction. Getting the right expertise, funding and builders together to turn a project into reality is not easy. Whether you are a small municipality or a large private firm, the European Investment Advisory Hub can be your new partner.

Gateway to success

The Advisory Hub is the one-stop gateway to all the technical and financial expertise that the EIB and its partners can offer to EU project promoters. Since its launch in 2015, the Hub has received more than 600 requests for assistance from all European Union members. The Hub is here to identify, prepare and develop investment projects. Our advisors have played a big role in supporting projects all across Europe involving education, agriculture, health, the environment, research and innovation, telecommunications and energy. The Hub's experts work directly with companies and government officials to prepare tailor-made advisory packages that help projects obtain financing, making sure they get off the ground. For example, the Hub is helping Belgium make its roads safer and cost-efficient by preparing for the replacement of 2,700 kilometres of lights. We are improving medical school training in Poland, helping the European Union join the space race, bringing a new hospital to northern Croatia, and improving wind power in the North Sea.

Tailor-made package

Throughout all phases of the project cycle, the Hub's advisors accompany our clients with capacity building and other tools to demonstrate the best practices needed to implement projects. The Hub can assist project preparation with feasibility studies, cost/benefit analyses, procurement, and supervision of consultants. We also provide expert advice on project implementation and help keep the project on track. For example, in 2017, when Sofia had a big plan to improve waste management and supply sustainable energy, the Hub helped the city implement a combined heat and power plant that is transforming municipal and industrial waste to generate heat and electricity.

We have extensive knowledge of our own, using the EIB's economists, engineers, financial analysts and climate specialists, but we also bring in outside help from the European Commission, national development banks and experts working for Member States' governments. We help in every step of the cycle to build quality and sound investment proposals. Many projects have already benefited from our advice. Could yours be next?





Vazil Hudák
Vice-President of the EIB

The Hub in *numbers*

From its launch in 2015 to the end of 2017, the EIAH received 641 requests, including 300 that were submitted in 2017.

In 2017, the Hub provided tailored guidance and light advisory support in response to the 56 general information enquiries received, representing 19% of the total number of requests during the year. The majority of those queries were for basic information and for proposed cooperation by consultancy companies willing to work with the EIAH. Requests for funding and financing represented more than 47% of the queries made in 2017 through the website; the requesters were provided with appropriate guidance and light advisory support by EIAH

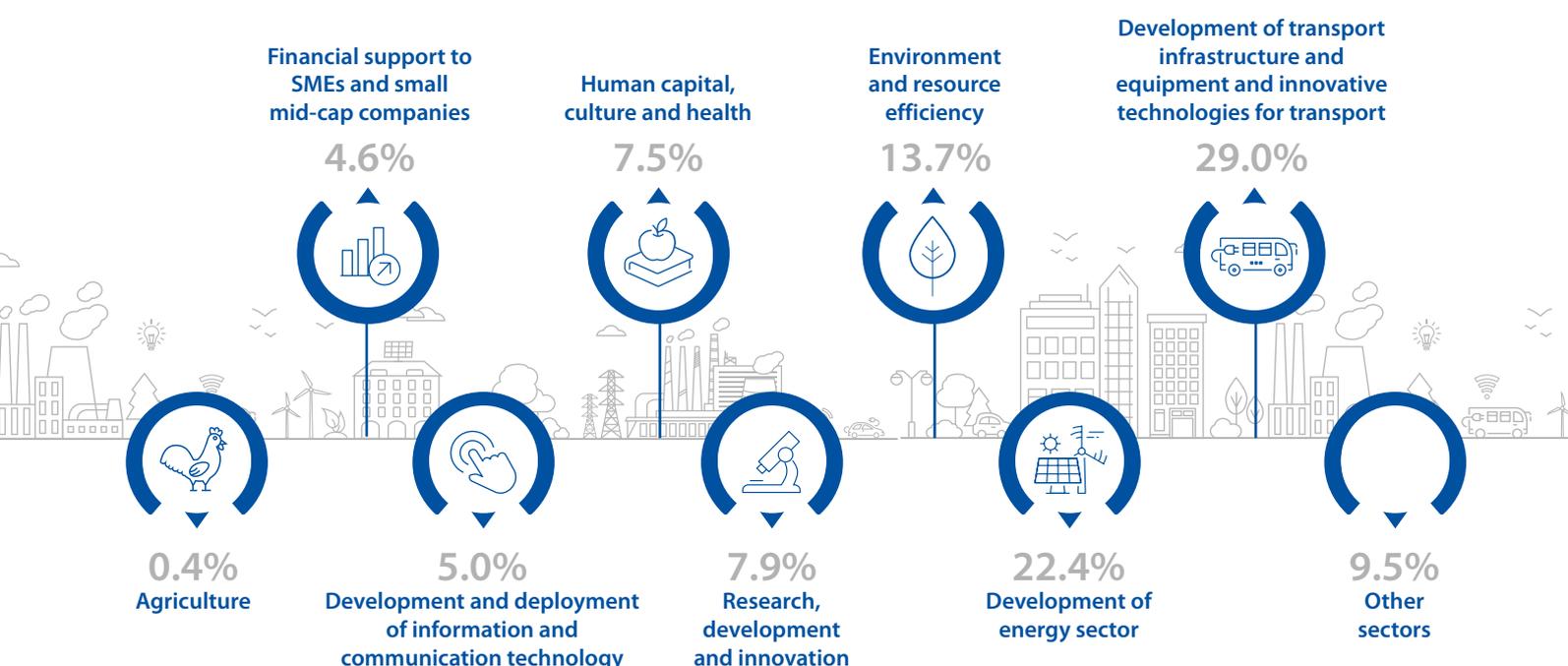
advisers or, in some cases, redirected to suitable EIB sources of expertise.

Where requesters required technical and financial advisory input to specific investment projects (more than 35% of all requests received in 2017), our advisers worked hand in hand with them to clarify the size, nature of investment, sector and stage of development of each project. This clear overview of the project's status and its advisory needs constitutes a key basic element for EIAH advisers and enables them to act as champions of the projects internally and devise an appropriate advisory package, in collaboration with diverse EIB experts dedicated to supporting the Hub.

Type of requests	Number of requests
Requests since launch	641
Total requests (2017)	300
Project-specific (2017)	241
Non-project-specific (2017)	59
Public sector	119
Private sector	114
Other sector (2017)*	67

*The category "other" includes requests in which the sector is not indicated

Split by sector



Depending on the advisory needs identified with the requester, financial and technical EIB experts are called upon by EIAH advisers to contribute to the development of an advisory package. The requester is kept informed of the development of its request and participates actively in the definition of the advisory package. This process allows for the formulation of a bespoke action plan which helps project promoters in a number of ways, not only by identifying what needs to be done to make the project investment-ready but also by facilitating correctly calibrated planning of the resources needed. Once the advisory package is formalised by means of an agreement between the EIB and the project promoter, the advice is delivered by the EIAH, through available EIB internal expertise and/or through external service providers.

By offering this bespoke approach to the delivery of advisory services and acting as a single point of access to advisory

services for project promoters across the European Union, the EIAH confirms its compliance with Regulation 2015/1017, Art. 14.2.

A new initiative to support investment in European Cities

In 2017, we launched URBIS, a new dedicated, urban advisory platform to provide advisory support to urban authorities to facilitate, accelerate and unlock urban investment projects, programmes and platforms. URBIS has been developed in a partnership between the European Commission (DG REGIO) and the European Investment Bank in the context of the EU One Stop Shop for Cities and in support of the EU Urban Agenda. Find out more about URBIS here: <http://eiah.eib.org/about/initiative-urbis.htm>.



Evolution of the requests over the years

2015

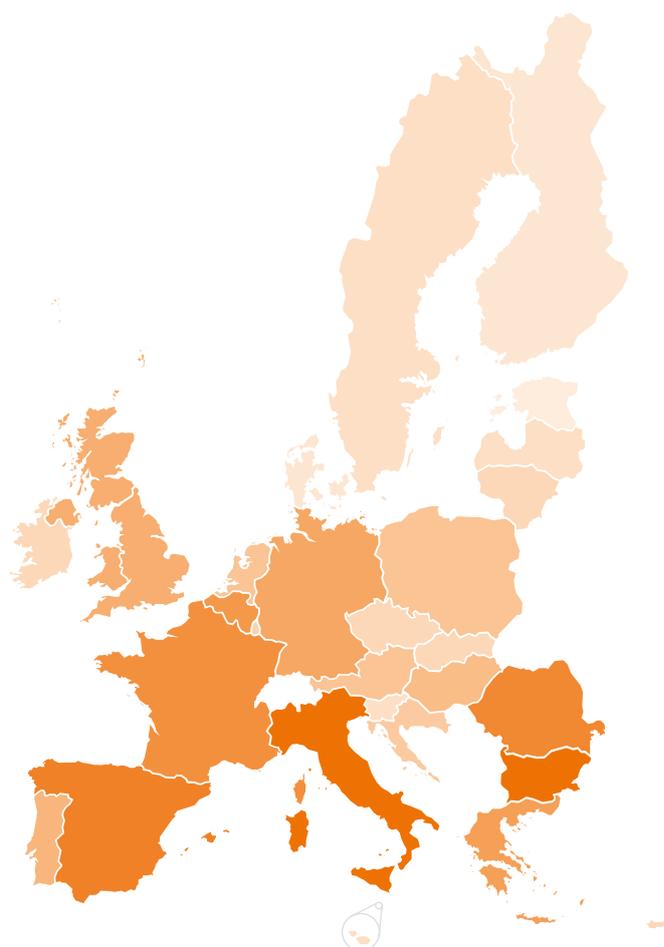
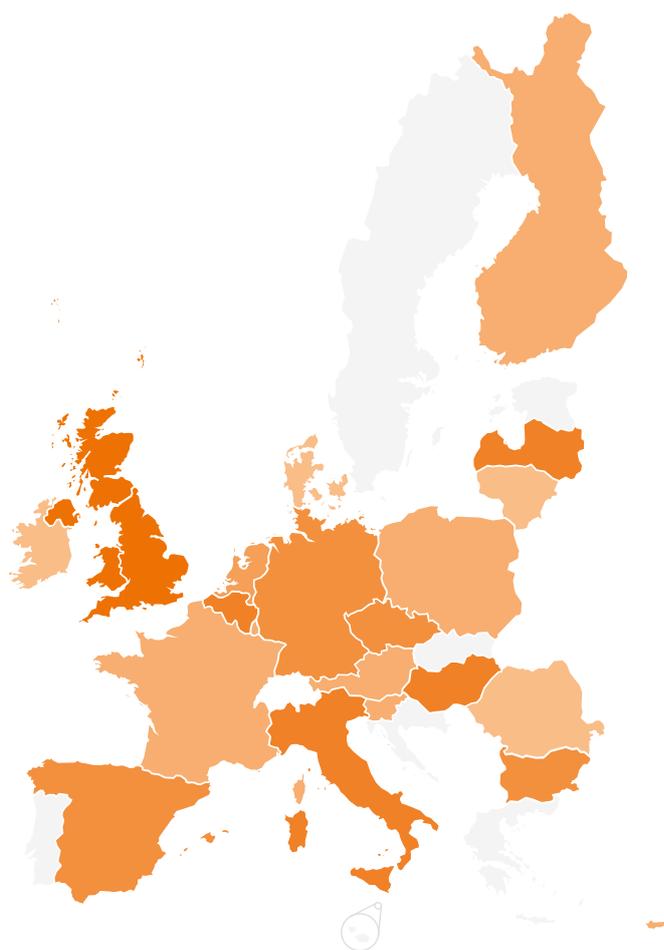
United Kingdom	12	Cyprus	2
Belgium	5	Finland	2
Hungary	5	France	2
Italy	5	Luxembourg	2
Latvia	5	Poland	2
Bulgaria	4	Slovenia	2
Czech Republic	4	Denmark	1
Germany	4	Ireland	1
Spain	4	Lithuania	1
The Netherlands	3	Romania	1
Austria	2		
		Total	69

*excludes 1 request relevant for more than 1 EU country, not country-specific, or for non-EU countries

2016

Bulgaria	21	Croatia	7
Italy	21	Luxembourg	6
Spain	18	Cyprus	5
Romania	16	Czech Republic	5
France	15	Ireland	5
Belgium	14	Lithuania	5
Greece	13	Slovakia	5
Germany	12	Latvia	4
United Kingdom	11	Malta	4
Portugal	10	Slovenia	4
Hungary	9	Sweden	4
Austria	8	Denmark	3
Poland	8	Finland	3
The Netherlands	8	Estonia	1
		Total	245

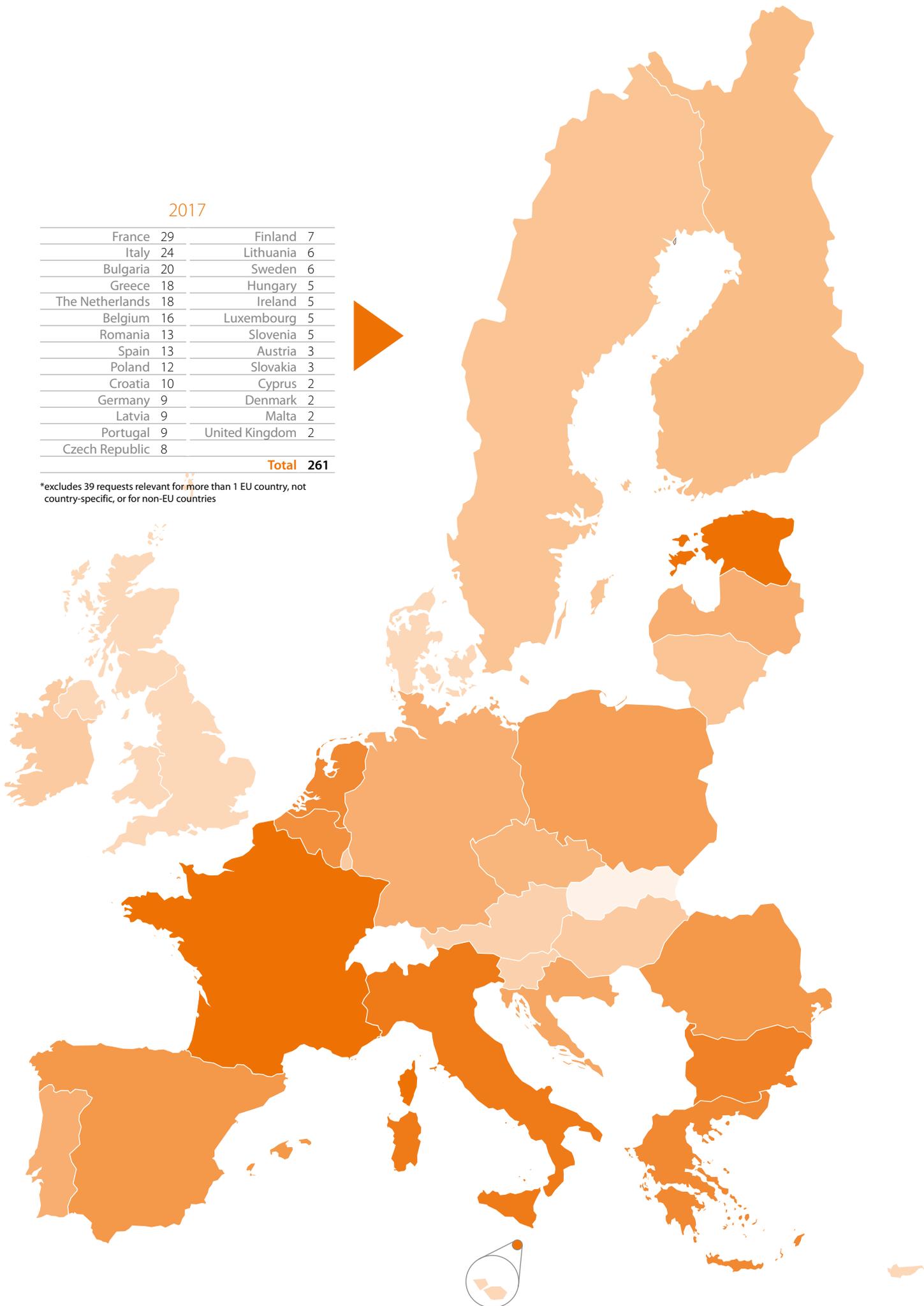
*excludes 26 requests relevant for more than 1 EU country, not country-specific, or for non-EU countries



2017

France	29	Finland	7
Italy	24	Lithuania	6
Bulgaria	20	Sweden	6
Greece	18	Hungary	5
The Netherlands	18	Ireland	5
Belgium	16	Luxembourg	5
Romania	13	Slovenia	5
Spain	13	Austria	3
Poland	12	Slovakia	3
Croatia	10	Cyprus	2
Germany	9	Denmark	2
Latvia	9	Malta	2
Portugal	9	United Kingdom	2
Czech Republic	8		
		Total	261

*excludes 39 requests relevant for more than 1 EU country, not country-specific, or for non-EU countries



The Hub's *partners*



Developing a local presence across the European Union is one of the key objectives for the European Investment Advisory Hub. Its local presence is already ensured through the EIB's local offices and its expert teams in several countries' capitals that work directly on projects with local promoters. Moreover, the Advisory Hub develops partnerships with National Promotional Banks and Institutions (NPBIs) to leverage their expertise and knowledge and provide tailored advisory assistance to project promoters in each country.

NPBIs are located in each EU country. They are finance institutions created by each country's government that support economic development and address market gaps in investment. They have a very good knowledge of their markets, which makes them valuable partners for the implementation of projects at national, regional and local levels. They help maximise the reach and impact of the Hub's activity.

The EIAH is cooperating with NPBIs in several ways. The relationship between the EIAH and NPBIs is usually governed by a Memorandum of Understanding (MoU), which has been signed with 23 partners in 18 Member States. The partner NPBIs help promoters through a local access point, knowledge sharing and promoting good practices.

The experts supported by the Hub often join forces with NPBIs on individual projects. NPBIs refer project proposals to the Hub or share information on their websites. Examples of joint projects include the development of strategic planning for hospitals and support for social housing programmes or

the development of investment platforms in several Member States.

Many NPBIs have recognised the need to develop their own capacity to better assist local project promoters and provide better support for their clients. In this context, the Hub is providing tailored assistance to NPBIs, for instance in assessing demand and structuring investment platforms or setting up advisory units and developing strategic investment planning schemes. Partnerships are also being developed through the current call for proposals to provide financial support in developing such capacity and implementing local advisory programmes.

The NPBIs and EIAH share information and good practices among themselves and with the wider public in many ways. The EIAH website features successful examples of joint projects and information about NPBIs in all Member States. The Hub is also organising a series of Roadshow events together with NPBIs and other local partners to share good practices and facilitate discussions about specific topics for local audiences. Moreover, the EIAH Days event is organised regularly for NPBIs to exchange information among peers and discuss new ways to work together.

In addition to its collaboration with NPBIs, the Hub recently established a partnership with the European Bank for Reconstruction and Development (EBRD) to support SMEs in Bulgaria, Greece and Romania. The Advice for Small Businesses programme will provide tailored advisory support for prospective

companies to support their growth in challenging business environments.

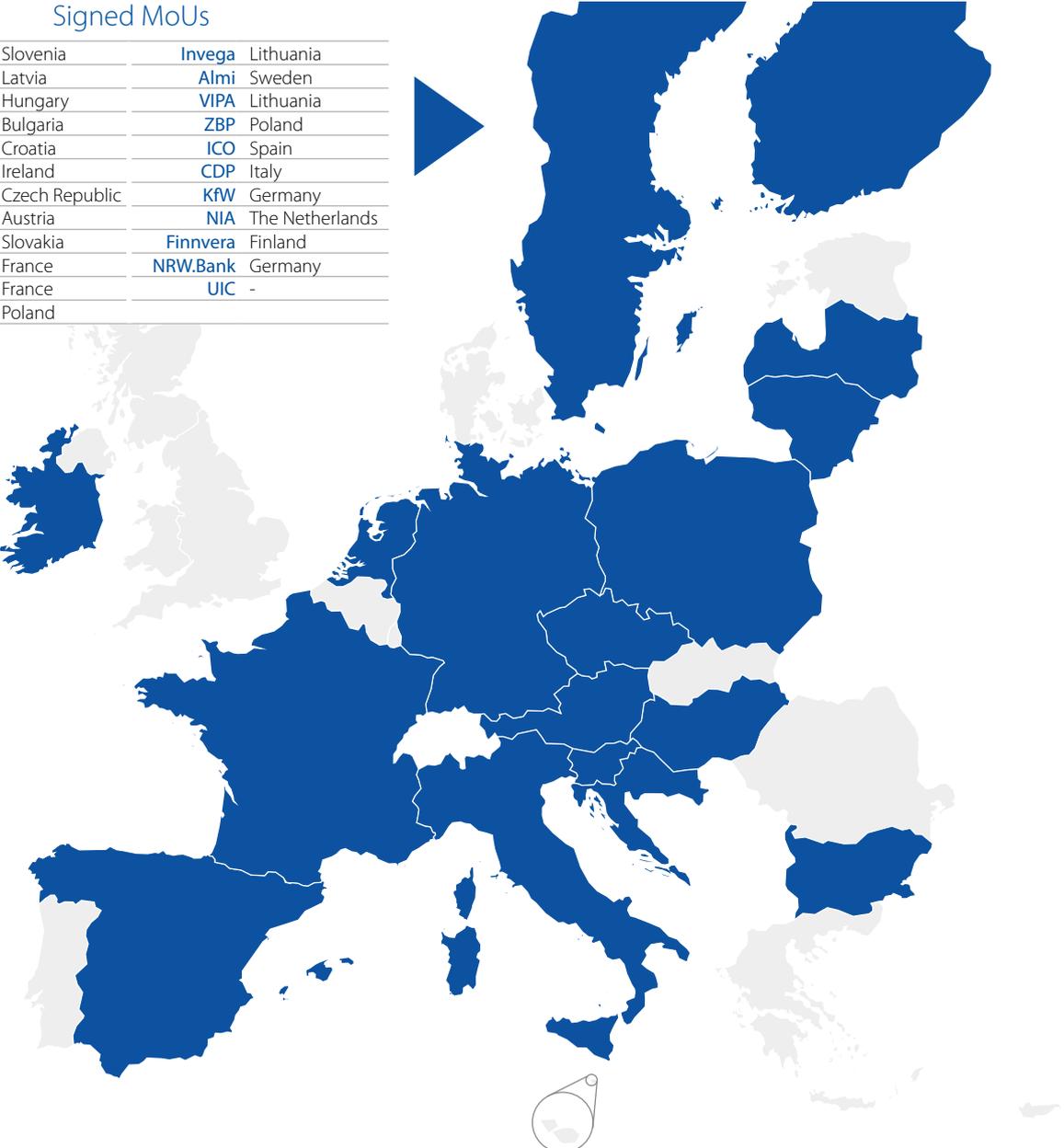
In 2017, the Advisory Hub made progress on the following activities with NPBs:

- Two MoUs were signed, with Finnish company Finnvera and the German NRW.Bank, as well as an agreement with the EBRD on the SME programme in three Member States. The Advisory Hub now operates 24 formal partnerships in 18 EU Member States.
- An EIAH Days event was organised in September 2017 to facilitate peer-to-peer learning and enhance collaboration with and between NPBs on investment advisory.

- 19 advisory requests received or channelled through NPBs were processed, of which six are currently receiving comprehensive advisory support. Examples include development of a smart cities platform in Slovakia and support to regional hospitals in Romania and Croatia.
- A call for proposals was launched to select and support delivery of localised advisory services by NPBs. Building of their own organisational capacity to deliver such services is also supported through the call.
- Four EIAH Roadshow and other promotional events were organised in association with NPBs in Bulgaria, Hungary, Slovenia and Spain. In addition, EIAH actively participated in numerous events in Member States, organised by NPBs.

Signed MoUs

SID Bank	Slovenia	Invega	Lithuania
Altum	Latvia	Almi	Sweden
MFB	Hungary	VIPA	Lithuania
BDB	Bulgaria	ZBP	Poland
HBOR	Croatia	ICO	Spain
SBCI	Ireland	CDP	Italy
CMZRB	Czech Republic	KfW	Germany
AWS	Austria	NIA	The Netherlands
SZRB AM	Slovakia	Finnvera	Finland
BPI France	France	NRW.Bank	Germany
CDC	France	UIC	-
BGK	Poland		



Project *stories*

Croatia: Rijeka Clinical Hospital Centre



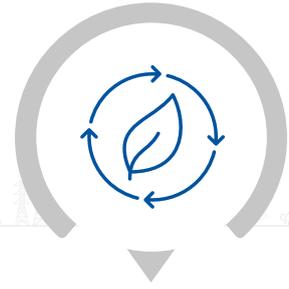
The Rijeka Clinical Hospital Centre is one of five comprehensive care hospitals in Croatia. The centre is spread out over three locations, with more than 3,200 staff offering specialised care to a population of about 600,000 people in Rijeka, Primorsko-Goranska County, and the surrounding counties in western Croatia (Istarska County and Licko-Senjska County). The hospital treats around 45,000 inpatients and 650,000 outpatients and day hospital/day surgery patients per year and serves as an important educational and research centre. It is the main teaching base for the University of Rijeka's School of Medicine. The main challenge is the fact that the hospital's buildings are scattered across Rijeka, and they are old, inefficient and outdated. The poor conditions put a severe burden on staff and patients, and this affects the efficiency of care and lowers patient and staff comfort.

The hospital asked the Advisory Hub for help in building a modern, integrated hospital complex on a central site located in Sušak. As a first step in the planning of the project, the Hub helped the staff create a long-term strategic development plan for hospital services. This plan serves as the roadmap for the future organisation of the hospital and it encourages the design and layout of buildings according to the principle of "form follows function". The Hub also helped the hospital develop an investment programme for the project for the period 2017-2025.

The new hospital will integrate three centres into one site. The new site will also be the home of the clinical teaching and research facilities of the University of Rijeka's School of Medicine. The hospital campus will have nine buildings and will be built on an existing hospital site in Sušak, in an urban area of Rijeka.



Urban Agenda Partnership on the Circular Economy



Circular economy governance

Urban Agenda Partnerships have been established for a number of urban priority themes under the EU Urban Agenda, including the circular economy, with a view to mobilising stakeholders' inputs to address key issues and barriers and identify possibilities for improvement. The work focuses on the three areas of better regulation, better funding and better knowledge. EIB is actively involved in eight of the 12 Urban Agenda partnerships, including the circular economy.

The Urban Agenda Partnership on the Circular Economy (UAP CE) comprises six urban authorities (Oslo, The Hague, Prato, Porto, Kaunas and Flanders), four EU Member States (Finland, Poland, Slovenia, Greece), the European Commission (DG REGIO, DG ENV, DG CLIMA, DG RTD, DG GROW), and other organisations (EIB, Council of European Municipalities and Regions, EUROCITIES, URBACT and ACR+). The city of Oslo is the coordinator of the partnership.

The partnership has agreed to focus on the following themes: 1) Urban resource management; 2) Circular business enablers and drivers; 3) Circular consumption; 4) Circular governance. The EIB has taken the lead on the Circular Governance theme, which has been identified as crucial to the further development of the circular economy in cities given its cross-cutting nature and the potential through governance actions to promote circular city developments.

The EIAH is providing support to the UAP CE both through EIB internal experts made available under the Advisory Hub, and through a dedicated consultancy assignment funded by Advisory Hub resources that will support the EIB partnership in preparing the inputs from the Circular Economy Governance theme to the overall UAP CE Action Plan.

This work under the Circular Economy Governance theme focuses on the following four main activities:

- 1) conceptualising and describing circular economy potential and best practices in a city context;
- 2) identifying obstacles and barriers to circular developments in cities;
- 3) identifying and analysing circular case studies in European cities; and

- 4) identifying and analysing concrete governance and other types of actions that could tackle identified obstacles and barriers, and enable, catalyse and support circular initiatives and developments in a city.

The outputs will be concrete actions for better regulation, better funding and better knowledge for circular city developments.



Finance for a new space race



The intense space race between the United States and the Soviet Union paved the way for a lot of today's technology and has continually driven countries to develop new space systems. Today, a new space race is occurring among private companies, rather than nations. This new phenomenon is sometimes referred to as "NewSpace." Private firms entering the space market bring new technology and market-driven thinking combined with a drive toward miniaturisation and the production of innovative, small and low-cost space systems that will open up a new class of products and services. Lower-cost systems can support riskier projects, allowing for more innovation and enticing entrepreneurs from other industries.

The space industry has the potential to be a catalyst for significant economic growth and to cement Europe's role as an influential global player. Europe already has a strong space sector, with the second-largest public sector space budget in the world. As the industry undergoes rapid transformation due to the entry of new private firms, more must be done to keep up with these changes and to make sure Europe remains a global leader.

Finance is a critical component to keep the entrepreneurial spirit alive in the space industry. For young businesses to

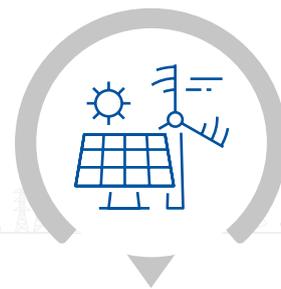
thrive, funding for ideas that have a specific space context must be available. The European Commission is supporting the entire space supply chain, in part by introducing new sources of financing and supporting new founders across the single market. The Commission is also raising awareness throughout the space industry about funding opportunities and is reaching out to the EIB and the EIF to adapt new techniques and approaches to financing this industry.

Following a request from the European Commission, EIB InnovFin Advisory and the Hub are carrying out a study on the space sector's access to finance. The study will identify gaps in financing across the space sector and suggest possible solutions. This study will contribute to shaping Europe's policy actions in support of space industries by assessing the current investment landscape and identifying gaps in financing across the value chain as well as potential solutions.

The results of the study will therefore support the European Commission in framing its space policy budget, financing needs, and priorities for the current and future Multiannual Financial Framework (MFF).



North Sea Wind Power Hub



A central power hub in the North Sea can connect large-scale offshore wind farms and create trade corridors between bordering countries

Offshore wind energy in the North Sea is expected to grow significantly in line with the objectives of the Paris Climate Agreement. By 2040, North Sea offshore wind power is expected to reach 70-150 gigawatts of electricity, corresponding to around one fifth of the EU's power consumption.

Space for offshore wind farms close to shore is becoming increasingly limited and subsequent offshore wind developments will need to move further from shore. With strongly increasing levels of offshore wind and further offshore developments in deeper water, the complexity of the developments will increase and put upward pressure on cost levels across the value chain: from offshore wind farm and transmission assets to onshore grid integration. Although this cost increase may be offset in part by increased wind resources, innovation is required on all fronts to keep cost levels competitive.

The North Sea Wind Power Hub project proposes a solution: creating one or more hub(s) (possibly as an artificial island) far offshore as a connection point for surrounding large-scale offshore wind farms in combination with international trade corridors bringing power – and possible conversion into hydro-

gen using power-to-gas technology – to markets onshore. An island hub could accommodate several converter stations and connect wind farms. It could also serve as a base for the construction and maintenance of offshore wind farms by creating a nearshore environment. Building a power hub in combination with international trade corridors could significantly cut costs, compared to building offshore wind farms nationally without combination with trade corridors. Instead of having each country connecting its own offshore wind farms, the first calculations show that up to 30% of the costs could be saved by effecting an internationally coordinated roll-out.

The North Sea Wind Power Hub project aligns with the EU's energy priorities by having a significant impact on energy markets and via the integration of more than two EU countries.

The Advisory Hub will assist the North Sea Wind Power Hub consortium, composed of TenneT Netherlands, TenneT Germany, Energinet, Gasunie, and Port of Rotterdam, to assess risks and develop business models that will support the financial and economic viability of the project.



Belgium: safer and cheaper motorways



Belgium shines a light on energy efficiency

Highways and national roads play an important role in the economic development of Wallonia, the southern region of Belgium. The quality and safety of roads are essential for the growth of businesses. Wallonia's road lighting, installed 30 to 40 years ago, is reaching the end of its life. The sodium light bulbs currently in use are being phased out. No replacement sodium bulbs will be available after 2020. This means that Wallonia's whole road lighting infrastructure must be redesigned and replaced, including the bulbs, transformers, distribution lines and lamp posts.

Under a project called "Plan Lumière 4.0," smart LED bulbs will be installed along 2,700 kilometres of highways and secondary roads. Some 100,000 street lamps will be replaced. Using LED lighting for roads is not widespread in Europe, though it is gathering momentum, driven by better technology and lower prices. LEDs save 30% to 50% in energy costs, compared to the high-pressure sodium bulbs used in Wallonia. The project will save an estimated 35 GW of power per year, equivalent to the energy consumption of 7,500 households. In addition, LED lighting turns on and off rapidly and is easily dimmable, which can save even more energy.

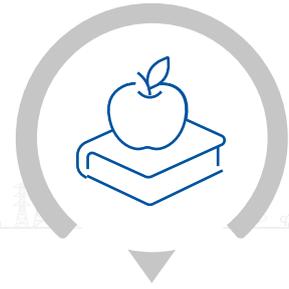
Proper road lighting is critical for driver safety. Belgian data show that good motorway lighting can reduce accidents by 7%, which is a reduction of four fatalities and 92 injuries per year in Wallonia.

The project will be implemented under a public-private partnership between Société Régionale Wallonne de Financement Complémentaire des Infrastructures, known as Sofico, and a private partner that will build and manage the road lighting network.

As part of preparations for a public-private partnership proposal, there is a need to study the condition of the lighting network, mainly the lamps, transformers and underground infrastructure, to give potential bidders a true picture of the work required. The Advisory Hub's technical assistance will help bidders in their asset inventory, evaluate the need for the replacement of the infrastructure and ensure that the costs of repairs are estimated properly, leading to more accurate evaluations and offers representing better value for money.



How financial blending helps urbanisation and migration



UN-Habitat, the agency that works on human settlements, estimates that three million people around the world are moving to cities every week. Migration is a key factor in urbanisation. An increasing number of cities are integrating migration policies into urban planning and development. In 2015, 4.7 million people migrated to Europe, including 2.7 million from outside the European Union. The recent waves of migration have put unprecedented pressure on European cities in the areas of housing, social infrastructure and other public services.

To help Europe cope with the refugee crisis, the European Commission created the Asylum, Migration and Integration Fund (AMIF), with a budget of EUR 3.137 billion for the period 2014-2020. This fund helps address the impact of migration flows and implement a common EU approach to asylum and immigration. Over the past three years, the EIB Group has financed various projects for refugee accommodation and social housing, and it has made available its SME and microfinance facilities to refugees.

The EU Urban Agenda promotes cooperation among Member States, urban authorities, the European Commission and other stakeholders to stimulate growth, liveability and innovation in urban areas. In March 2016, the Urban Agenda Partnership on Inclusion of Migrants and Refugees was created to start a dialogue among European cities most affected by migrant and refugee issues. One of the actions put forward by the partnership is the preparation and establishment of an EU-EIB Group Blending Facility for migrants and refugees, called the "Inclusion Blending Facility". The Inclusion Blending Facility helps cities gain more access to EU funds targeting migrants and refugees and it should help local authorities decide on the best areas of intervention.

The Inclusion Blending Facility will use AMIF grants, and possibly other EU grants, alongside EIB financing. Funds mobilised through the Inclusion Blending Facility will target several areas, such as infrastructure investments in housing, reception centres and health facilities.

The Blending Facility will have a considerable impact on the real economy, particularly on the refugee and migrant community. Investment projects and new lending opportunities are expected to involve social infrastructure, housing and human capital, as well as measures that create jobs, such as

loans to financial intermediaries. These intermediaries will then on-lend to small businesses.

To make sure it responds to the actual needs of cities, the Blending Facility has to be market tested and carefully planned. The Hub is carrying out this market assessment and leading the consultation with key stakeholders, to carry out the market test exercise and interview representatives of the cities involved in the Partnership as well as other EU cities and relevant stakeholders.

The Inclusion Blending Facility will also offer a variety of financial products with favourable terms and tenors, building on the experience from other financial instruments and ensuring added value.



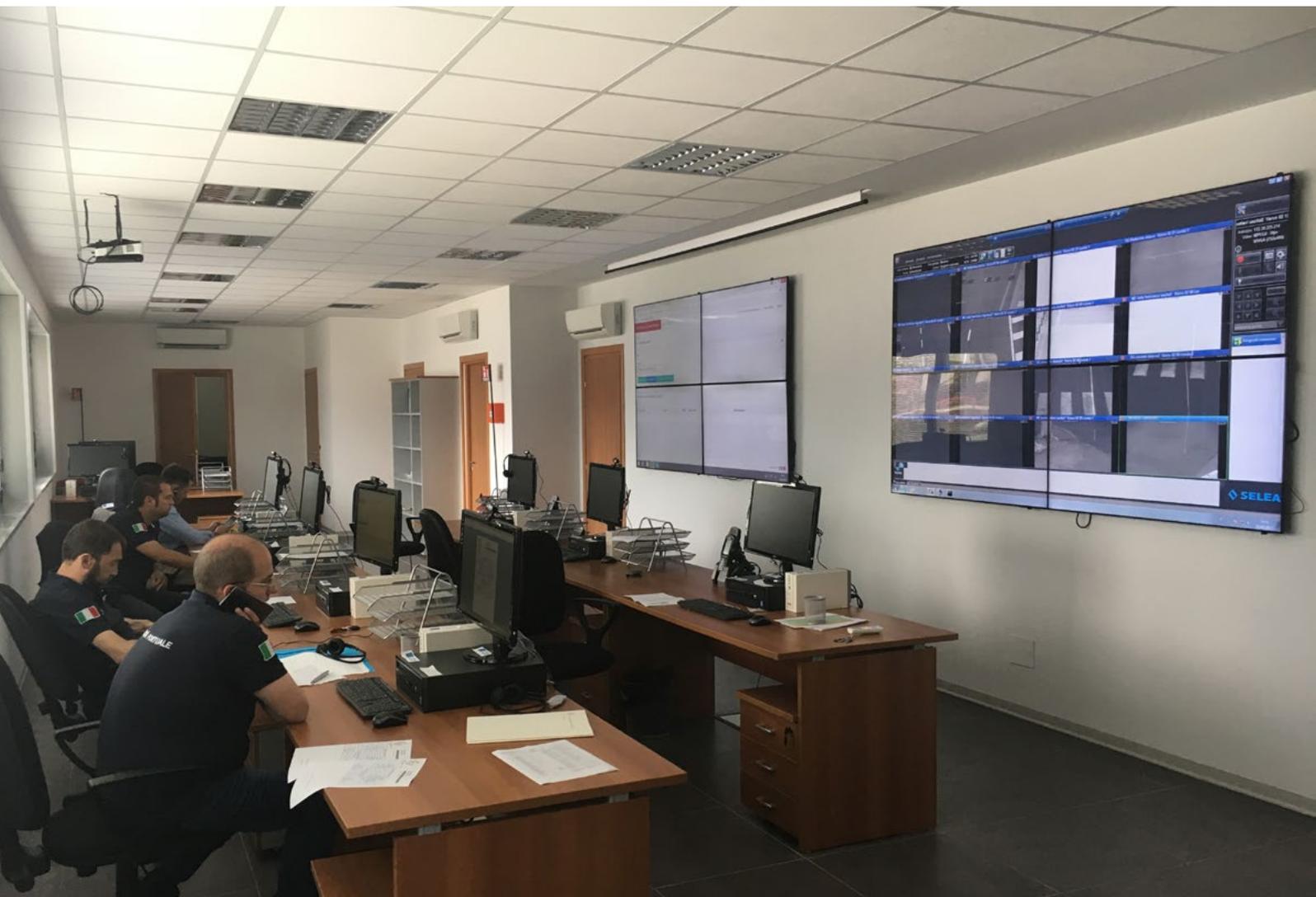
Logistics platform to improve Italy's competitiveness



The competitiveness of modern economies strongly relies on the efficiency of the logistics system that controls the flow of goods. Italy has bottlenecks and structural problems, penalising the logistics sector and the country as a whole. Italy is developing a project that would apply flexible and integrated digital technologies to logistics to create a paperless tracking and management system for vehicles and goods that arrive at ports and are then transferred to rail and road transport. The project will be built into the National Logistics Platform (PLN – Piattaforma Logistica Nazionale), an existing digital

platform, and will aim to improve logistics efficiency. The project aims at implementing buffer zones for goods and trailer interchange areas, automation systems to speed up loading and unloading operations and further intelligent transport systems, as well as improving the existing PLN services and developing new digital services.

The Hub experts are advising public officials responsible for the platform to determine the scope of the project, its business case and its financial viability.





Poland: Advanced medical training

Simulation centre recreates real-life experiences

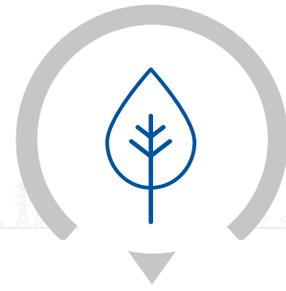
The Medical University of Warsaw (Warszawski Uniwersytet Medyczny), known as WUM, is the biggest medical education institution in Poland and the only medical university in the Mazovia Region. Around 16% of all students studying medicine in Poland attend WUM. It has been providing education and training in medicine and pharmacy at undergraduate and graduate levels for over 200 years.

The university wants to expand its “medical simulations” facilities to give students a more hands-on experience in dealing with patients. Medical simulations let students see the consequences of mistakes in simulated conditions and are essential to keep WUM’s educational offering in line with recent regulatory updates and to enable the university to stay competitive in the national and international educational market. The exercises help minimise the risk of problems during real medical practice, and they improve the teaching and communications skills of students and training staff. The medical simulation equipment is very expensive and has high maintenance costs. The staff working in simulation centres need to be highly qualified and their skill set continuously updated and upgraded.

The university would like to build a state-of-the-art medical simulation centre and train its staff to run it. The project will modernise the teaching methods by using top-notch simulation technologies. The Advisory Hub used expertise within the EIB and through an external service provider to efficiently structure and size WUM’s project and maximise the return on investment. Thanks to the support of the Hub, the promoter will benefit from a sound business plan to enhance the project’s bankability. The business plan will provide the promoter with a clear roadmap and organisational setup as well as goals and a vision to ensure the successful implementation of the project.



An investment strategy to revitalise the Rotterdam-The Hague Metropolitan Area



In November 2016 MRDH, a voluntary association of the 23 municipalities in the Rotterdam-The Hague Metropolitan Area published a comprehensive and integrated regional economic strategy entitled Roadmap Next Economy (RNE) (<https://mrdh.nl/RNE>). Following a request to the European Investment Advisory Hub (EIAH), EIB experts are working with the RNE Executive to develop an Investment Strategy to secure funding for the implementation of the RNE and to assess the potential for setting up an Investment Platform.

The RNE strategy takes its inspiration from the Third Industrial Revolution, the transformative changes taking place globally including climate change, geopolitical changes, increased migration, growing inequality, natural resource depletion and the emergence of disruptive technological innovations. The RNE sets out a long-term strategy to enable the region to respond to these challenges through an integrated programme combining quick-win projects with longer-term strategic objectives across five transition pathways: Smart Digital; Smart Energy; Circular Economy; Entrepreneurial Region; and Next Society.

The RNE recognises the need to develop an investment strategy that enables the strategic deployment of a range of different types of funding including loans, technical assistance, guarantees and grants to secure the public and private investment needed to successfully implement the different projects and objectives of the strategy. As part of this strategy an Investment Platform has been proposed that would combine funding from the European Fund for Strategic Investments (EFSI) with other EU instruments, national resources and private investment to create a vehicle to support bankable RNE projects.

The Hub has engaged with the RNE Executive to agree a six-month support package. EIB Financial Instruments experts are working alongside the RNE team to identify the different funding requirements of the RNE programme, review the initial project pipeline, carry out interviews with key stakeholders including existing sources of private financing and undertake a more detailed review of the viability of a number of early-win projects. This work is helping to assess the nature and scale of the demand for an Investment Platform. The final deliverables will include recommendations for the investment strategy, governance structure and implementation options and the next steps for a future Investment Platform for RNE.





From waste to energy in Sofia

Bulgaria's waste treatment facilities are often not adequate to serve a heavily populated capital. The country still depends greatly on landfills, because other waste treatment options are rarely available. Moreover, it is a formidable challenge for Sofia, the capital city of Bulgaria and the main economic and cultural centre of the country, to supply low-cost district heating for its 1.4 million inhabitants while at the same time reducing its dependency on imported natural gas. Around 10 years ago, Sofia put in place an ambitious plan to improve waste management and, at the same time, supply energy. With respect to the waste management system, most of the treatment facilities have been implemented and being operated. Furthermore, the city plans to build a state-of-the-art operation known as a combined heat and power (CHP) plant. The facility will process refuse-derived fuel (RDF) to generate heat and electricity. The heat will be distributed to the city's district heating system and the electricity will be fed into the public grid. The CHP plant is the third and final phase of the large-scale waste man-

agement programme which has been implemented over the past eight years with significant input from the EIB. The RDF is produced by the mechanical biological treatment facility that was implemented in the second phase of the programme.

The CHP plant's planners have limited experience in implementing and operating a waste-to-energy plant, so they requested technical advice financed under European Structural Funds. The Advisory Hub is working with the project's planners to ensure the sound implementation and operation of the plant by providing additional expertise.

Annually the CHP plant will process up to 180,000 tonnes of RDF and provide around 50 MW of heat to the district heating network of Sofia, which will serve more than 425,000 homes and businesses. The plant will help reduce natural gas consumption in gas-fired heat generators and feed about 20 MW of electricity into the public grid.





Digital Innovation Hubs

Supporting SMEs to go digital

Disruptive digital technologies, such as artificial intelligence and robotics, the Internet of Things, cloud computing, 3D printing and supercomputing are fundamentally changing business models and creating unprecedented opportunities to foster competitiveness and economic growth in Europe. These digital innovations are changing the way companies design, produce and sell goods and services, and are influencing how they interact with customers. Digital innovations will enable the EU to remain competitive in a global marketplace and fill the gaps in the commercial integration of digital technologies in Europe.

The European Commission recently presented the Digitising European Industry strategy to ensure that any industry in Europe, large or small, can fully benefit from digital innovations to upgrade products, improve processes and adapt business models to the digital age.

Digital Innovation Hubs can play a critical role in helping companies, in particular SMEs, to adopt new technologies and carry out the required investments. Digital Innovation Hubs offer clients a 'safe space' to experiment with and test disruptive technology solutions, accelerate digital innovations, and test new business models in real-life environments.

The Advisory Hub and InnovFin Advisory experts are carrying out a study to support the European Commission (DG Connect) with its digitalisation strategy, in particular with an emphasis on the development of Digital Innovation Hubs and the digitalisation of SMEs. The study provides an overview of the current conditions related to access to finance, trends and challenges associated with financing programmes supporting the development of Digital Innovation Hubs, and the digitalisation of small and medium-sized businesses in key sectors of the European economy.



The Hub helps investment in key transport infrastructure – the Hub’s support to the CEF Blending call



The 2017 Connecting Europe Facility (CEF) Transport Blending call for proposals for grant funding is an innovative approach to grant funding that gets the private sector more involved in European transport, notably the Trans-European Network for Transport (TEN-T). The blending is a new type of EU financial support, in which grants have to be combined with third party co-financing.

The process of blending aims to combine CEF grants with finance from the European Investment Bank potentially under EFSI, National Promotional Banks, or private sector investors. This potential blending leverages private sector involvement and capital to finance projects. The grant co-funding offered via the CEF Blending call for proposals supports the development of a sustainable and efficient transport system along the TEN-T Core Network Corridors and related urban nodes.

The EU Commission asked the Advisory Hub to support project preparation activities as well as financial advisory tasks related to the blending objective. In 2017, the Hub participated in a series of roadshows conducted by the European Commission to raise awareness of the call and the advisory support.

In total, the Hub provided support to 44 potential applicants, of which 21 submitted applications to the first call deadline and 12 received CEF co-funding support.

The most frequent technical advice provided by the EIAH included assessment of the cost-benefit analysis, determination of funding gaps, and support to define the optimal project structure.



CEF Blending - Rail traffic management

Maximising the socio-economic and financial benefits of using European Rail Traffic Management System (ERTMS) technologies is possible only if all infrastructure managers and rail operators upgrade their railway tracks and rolling stock with these technologies.

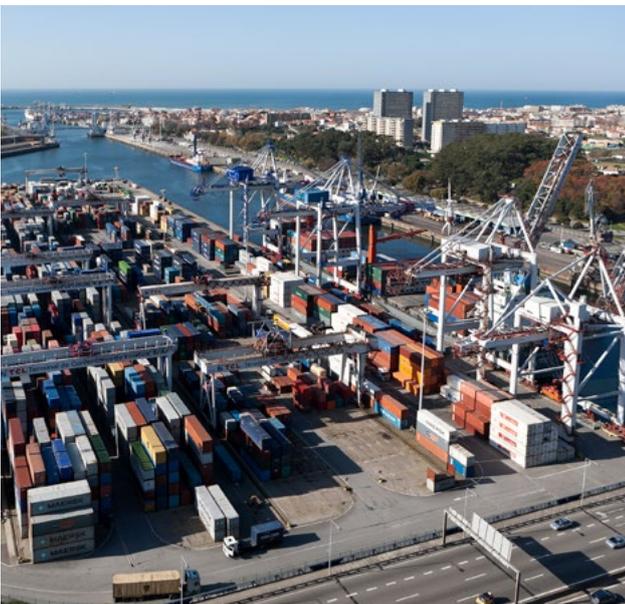
One of the projects in the rail sector that has been supported by the EIAH is the Dutch ERTMS project. In accordance with the Netherlands’ national ERTMS deployment plan, the project aims to equip a significant part of the Dutch network with ERTMS. This requires the trains to be equipped with on-board units as well. The Dutch Ministry of Infrastructure and the Environment worked with the EIB’s experts to develop a financing model to support rolling stock owners, many of whom are small private sector operators that are upgrading their vehicles. The Hub provided advice on the possibilities of including CEF grant co-funding in the plan and helped the Ministry develop its proposal.

The project could be considered as a pilot, and its set-up could be replicated in other countries.



CEF Blending - Port of Ravenna

The Port of Ravenna, in Italy, sought CEF co-funding to support a plan to improve maritime access and public port facilities as part of a bigger project which includes a multipurpose container terminal development. The Hub helped the Port of Ravenna Authority structure the project to meet CEF Blending requirements. EIAH advised the Port on issues concerning planning and permitting issues, structuring the project in accordance with the requirements of the call and on procedural issues related to the completion of documentation essential to submit a complete application package.



CEF Blending - Port of Leixões

The Port of Leixões, in Portugal, sought CEF co-funding to improve the port's accessibility as part of a broader investment plan designed to expand its container terminal facilities. The Hub helped the Port authorities assess the maturity of the project and its cost-benefit analysis methodology in order to meet CEF Blending call requirements.



CEF Blending – Mobility in Flanders

The Flemish Ministry of Mobility and Public Works approached the Hub for advice on the suitability of several investment projects for the CEF Blending call. With one of the proposed projects, the lifting of the final 15 bridges on the Albert Canal connecting Antwerp and Liège through a PPP operation, the Hub provided support related to the PPP procurement process and the definition of the affordability of the investment.



CEF Blending - Twente Canal, Netherlands

The municipality of Hengelo approached the Hub to get advice on cost-benefit analysis methodology in preparation for the application to the CEF Blending call for the second phase of expansion of the lock complex located at Eefde, part of the Twente Canal system.



CEF Blending - Air Liquide

Air Liquide, a French company driving innovation in clean transportation and offering natural energy sources to replace fossil fuels, submitted an application to the CEF blending call to develop the network of natural gas refuelling stations in Europe. The company received a wide range of support from the Hub on designing the project to meet call requirements. EIAH provided advisory services on the sourcing of the required co-financing for the project, on structuring of the project in accordance with the requirements of the call and on procedural issues related to the completion of documentation essential to submit a complete application package.

The Hub behind the *scenes*



Simona Bovha
Head of CPCM at the EIB



Peter Szappanos
Senior Civil Engineer at the EIB



Vasco Amaral Cunha
Loan Officer at the EIB



Alessandro De Concini
Innovation Finance Advisor at the EIB

The transition to a circular Europe



Christian Schempp

Senior Economist and Circular Economy
Advisor at the EIB

My job has different angles. Besides working on projects, there is also a need to increase awareness of the circular economy. The best way to do this is by participating in knowledge-sharing platforms at EU and national levels. Increasing awareness and knowledge of the opportunities and challenges of the circular economy is the first step towards a more circular Europe.

Understanding the circular economy

The circular economy is often not well understood. Somebody once stated that the circular economy is much more than recycling on steroids. It is about a complete redesign of the way we produce and consume products. Our economy needs to rely less on virgin raw materials, which we are overconsuming right now. It is also about producing products that last longer and are easily repaired, dismantled and refurbished, so that they do not become waste when they are no longer needed. The circular economy aims to keep resources moving in closed loops, maintaining their economic value for as long as possible.

The big challenge lies in progressively replacing the linear business models in our economy with circular business models, while making sure the economy keeps functioning. Think of this as changing the engine of a car while it is moving. Sounds a little complicated, doesn't it? It is, indeed, but it is imperative that we succeed with this transition if we want to ensure adequate and sustainable living standards for our children and our children's children.

In this transition, everyone needs to be involved. That is why we also work with the European Commission, the finance sector, businesses and their associations, public authorities and other stakeholders in improving the conditions for generating and financing circular economy projects and businesses.

“Working as an advisor also requires particular social skills, because we spend a lot of time interacting with people.”

Teamwork and wide ranging expertise

Advising on the circular economy requires teamwork and a wide ranging expertise and know-how in technical and financial matters. The Bank's advisors work in multidisciplinary teams to help project owners that come to the Hub. We review their business models and projects, identifying gaps and weaknesses and proposing solutions to allow them to access finance more quickly. Circular economy business models and projects can be very complex and diverse, so the Hub's work is always tailored to the specific needs of each case.



Louise White
Electrical Engineer in Energy Efficiency
at the EIB

Helping people at a local level

One of my roles involves working with ELENA, which stands for European Local Energy Assistance. The ELENA programme provides grants to public and private bodies to help them prepare their energy efficiency investment programmes. The money is provided by the European Commission and managed by the EIB.

While the process of applying for ELENA has always been very interactive between the applicant and the EIB, the Hub has allowed ELENA to work more closely with applicants that may require more help at the early stages. It has also allowed a more local presence, and ELENA and the Hub have worked together on communication events. I, along with others in my team, have visited ELENA beneficiaries and taken part in roadshows all over Europe in order to give information to people at a local level.

ELENA enables beneficiaries to hire external experts to get the knowledge they need and also allows them to pay for some of their own staff to dedicate their time to preparing these projects. ELENA funds are used for financing energy audits, business plans, feasibility studies, tender documents and any other legal, technical or financial studies that may be needed to help put together a project.

The Hub is a gateway into the EIB and I encourage people to contact them. There are so many programmes and facilities that the EIB can offer and the Hub enables people to access the one that best suits their requirements so that they can receive the advice they need.

The Hub needs to be able to provide answers to questions from each of the Member States and to match the EIB products with local geographic and sectoral needs. My experience with the Hub has been that they are always willing to try to answer each and every query and they are an entry point for the applicant to be able to find what is most suited to their requirements.

“The Hub has allowed ELENA to work more closely with applicants that may require more help at the early stages.”

Designing and setting up investment platforms in Europe



Alain Kauffmann

Financial Instruments Advisor at the EIB

My team helps Member States, regions and municipalities create financial instruments and investment platforms to finance smaller projects. In other words, we help public authorities invest public money in ways other than grants, i.e. via loans, guarantees or equity instruments.

The sectors in which we help the public authorities are very diverse, e.g. SMEs, urban development, energy efficiency in buildings, renewable energy sources, agriculture, and social economy. We also help National Promotional Banks or Institutions, which are key partners of the Hub, to design, set up and implement investment platforms. Another key strength of such financing tools is their ability to blend various financing sources, such as EU structural funds, public resources, private resources, resources from National Promotional Banks and, when possible, EIB resources.

My job is probably more diverse than what you might expect at a bank, in the sense that I'm not providing the same services to the same clients every day. I can work with an Italian region in the morning and a Central European country in the afternoon.

A typical day at work for me resembles the life cycle of an assignment at the Hub. I receive a request from a public authority to develop an investment platform for social economy, for example. I look at the request, contact the authority and try to understand which type of final recipients they would like to support, such as associations or social enterprises, in this case. I then try to detail and fine-tune the request together with the authority before interacting with local stakeholders to define the type of financing the final recipients need in respect of specific financing difficulties and market failures. Finally, I help the authority define the type of financial instrument they would like to develop to address these needs.

“My job is probably more diverse than what you might expect at a bank, in the sense that I'm not providing the same services to the same clients every day.”

Since the Hub was conceived under the Juncker Plan, it was designed to provide finance to riskier projects or projects that the EIB wouldn't typically finance. The Hub ensures that such projects can access finance more easily and that they are well designed. These projects can be in various sectors and be of various sizes. When it is a compilation of smaller projects, that's where an investment platform comes into play and where my team can help the public authority or the National Promotional Bank design it.

Though the Hub is a very powerful tool, it can't define the strategy for the client. An important piece of advice to those that require assistance from the Hub is that they need a clear and well-defined project in hand. We are here to provide advisory services, but we are not responsible for setting the strategy and the objectives of projects.

Healthy societies drive economic development



Dana Burduja

Senior Health Economist at the EIB

In the Projects Directorate, we evaluate the quality and preparedness of projects that require financing from the Bank – and we also help structure the proposed investments into better projects. The Hub gives us the opportunity to invest more of our time into this advisory component and help improve the quality of investment projects.

As economists, engineers and architects we offer our solid experience and our comprehensive view of projects to our clients, working hand in hand with them and guiding them in order to achieve higher quality investment projects. The Hub allows us to provide this type of support to a wider range of projects, filling the gap of such services in the market.

We, the so-called “sector experts”, are normally involved at a relatively late stage of project development, when the proposals are evaluated, their quality assessed and their relevance to the local, national and European contexts considered. Working with the Hub, we are often involved in the very first stages of the project and we can help promoters tackle a wider set of issues. For example, we can look at the project’s methodology and check whether or not it is in line with international best practices and recommendations; and we can advise on how experience from other countries can serve as inspiration to find efficient solutions to a specific problem. We can also proactively participate in finding the right answers to the right questions, together with the promoters and specific sector consultants hired by the Hub. In the end, it is patients and the population at large that benefit the most from our contribution. A healthy society contributes to economic development and greater well-being.

Something I learned a long time ago as part of my initial medical education is that you should always ask for help

“The biggest challenge I see for the Hub is to extend its duration for a longer period and enable us to reach out to new areas of operations, especially in the social sector.”

when you do not know or are not sure about something. In the medical context, this can make the difference between life and death, but the same principle applies to our context: I always encourage our clients to ask for our help immediately when a project encounters its first hurdles.

The biggest challenge I see for the Hub is to extend its duration for a longer period and enable us to reach out to new areas of operations, especially in the social sector. I think the Hub has a lot of potential to prosper and keep up the good work achieved so far. The good performance and resilience of an initiative like the Hub lie in the quality of its people, and from this point of view, I think the Hub is more than well equipped to give our clients a service that is second to none!



Good policies make the Hub prosper



**Giorgio Chiarion Casoni and
Alina Tanasa**

Managers in the Finance Directorate at
the European Commission

We run a number of EU investment programmes developed by the Commission together with the EIB, including the Investment Plan for Europe initiatives, the Connecting Europe Facility and ELENA. Less glamorous but very important, we manage the EU budget provided by the Commission for these initiatives.

The EU contributes 75% of the Advisory Hub budget and we identify and agree each year on the priorities together with the Hub staff. Our unit brings together the views of other Commission services to ensure the work meets EU priorities.

Besides the budget work, we try to give the right policy spin on the Hub's activities, to establish synergies with other Commission activities and to promote the work supported by the Hub. The latter is important because within the same unit we also manage a sister initiative, the European Investment Project Portal, an online platform matching EU promoters with investors.

The Hub was created as the first demand-driven technical assistance instrument that addresses various types of stakeholders needing support to develop their investment projects or to build their capacity. Addressing this gap was crucial, especially for the beneficiaries or projects not supported by other programmes. One of the Hub's main benefits is that it is accessible and simple to use. People using the Hub are given direct access to a wide variety of EU initiatives, best practices and the Hub's network of partners.

We strongly encourage the private promoters, public authorities and national promotional institutions that receive the Hub's support to provide feedback, tell us what else they need and share their experiences. This will help us improve our EU support programmes to meet the real

“We strongly encourage the private promoters, public authorities and national promotional institutions that receive the Hub's support to provide feedback.”

needs of the market. The flexibility of the original design should enable the Hub to adjust to new environments and market conditions.

After almost three years of hard work, the Hub is an established and recognised initiative. Going forward, it is very important for the Hub to consolidate its position as a single access point and to continue to increase its local outreach, including cooperation with national promotional banks and institutions. This would ensure that the support provided is more balanced across all Member States.



Different sectors, different requirements

Lucile Dumas
Senior EIAH Advisor at the EIB

I have a role that is quite varied. I work closely with the clients to understand what their expectations are, to evaluate the resources they have and find out what can help get their project off the ground. It could be different needs like technical assistance, financial assistance or financial structuring. I like talking to customers and helping them improve their projects. That is the beauty of working at the Hub. I'm able to work on projects in different sectors and with different requirements. So coordination is really important.

Over the years, we have managed to build networks and relationships with many of our partners, the European Commission, National Promotional Banks, as well as our local partners, municipalities and businesses. As a whole, we are able to tap the expertise of Hub experts and, more widely, EIB experts or external consultants. There are only 15 people in our core team, which is a rather small number, and we have to deal with almost 800 requests.

There's still a lot to be done in the future. We've achieved a lot since the Hub was established three years ago. We've helped many projects across Europe and this sense of achievement is giving us the energy and the motivation to press ahead. We're a very motivated and committed team, willing to create the best advisory package for each project that comes to us. But for us to do our best, the client has to recognise ownership of the project, work with us as a team and be open to advice.

“We've helped many projects across Europe and this sense of achievement is giving us the energy and the motivation to press ahead.”



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