

# 3<sup>RD</sup> FORUM OF THE EU STRATEGY FOR THE ADRIATIC CATANIA 24-25 MAY 2018 AND IONIAN REGION

**ANDREA BUA**  
**RESEARCH, DEVELOPMENT AND INNOVATION**



**OUR REGION OUR FUTURE**



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## EIB Group



Provides finance and expertise  
for sound and sustainable  
investment projects



Leading developer of risk financing for  
innovative SMEs



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## EIB Overview



Annual lending: €77.5bn | Funding raised:  
€62.4bn | Total assets: €570bn | Own funds:  
€63.3bn | Capital adequacy: 23.9% | Callable  
capital of €221bn (FYE 2015)

- Established in 1958 with the Treaty of Rome
- Promotional, non-for-profit maximizing institution
- Owned by the 28 Member States of the European Union
- Headquartered in Luxembourg, offices in 21 EU member states and 19 countries outside of the EU
- Largest multilateral lender and borrower in the world - we raise our funds on the international capital markets and pass on favorable borrowing conditions to clients
- Some 450 projects each year in over 160 countries
- AAA-rated by all major rating agencies
- Parent of the European Investment Fund (EIF)



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## Our priorities

Environment



EUR

16.7bn

Infrastructure



EUR

18bn

Innovation



EUR

13.8bn

SMEs



EUR

29.6bn



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## EIB products

LENDING	BLENDING	ADVISING
Loans But also: Guarantees Equity participation	Combining EIB finance with EU budget (Project Bond Initiative)  Higher risk projects for innovation (InnovFin)	Prepare, evaluate and support the implementation of projects (JASPERS)  Support for public/private partnerships (EPEC)

Attracting FUNDING for long-term growth

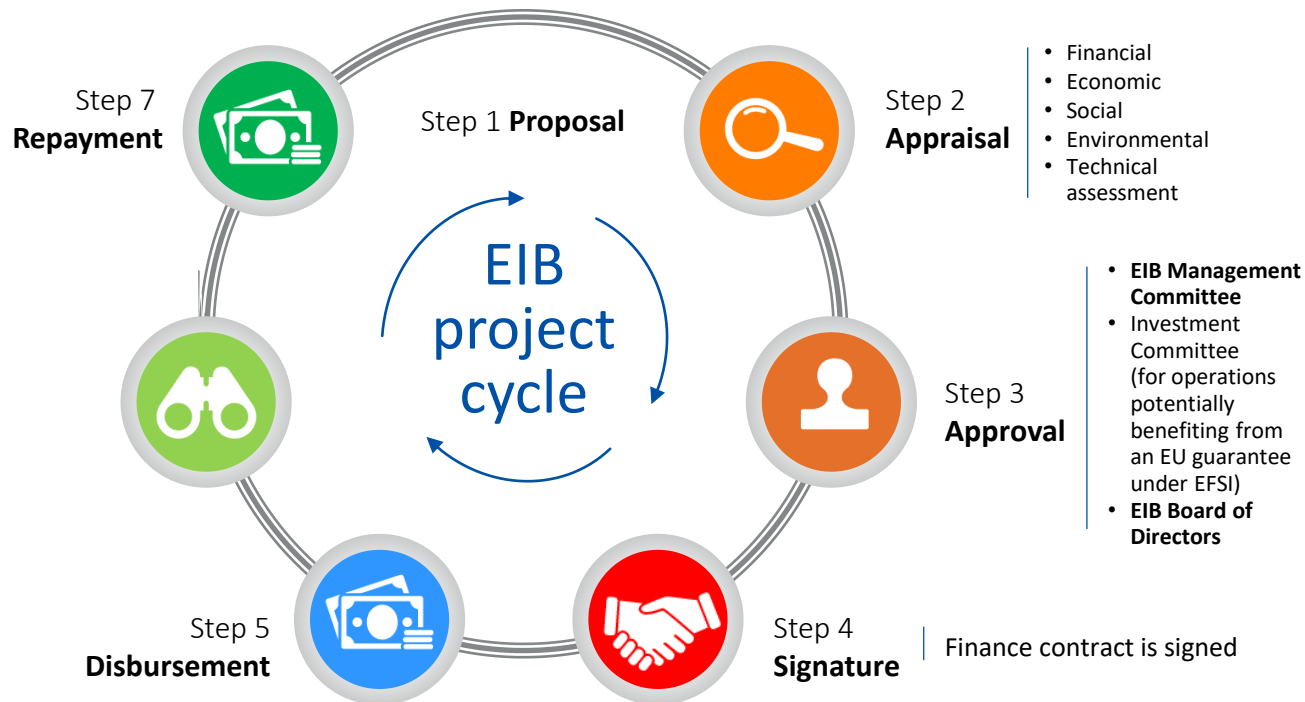


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## EIB project cycle





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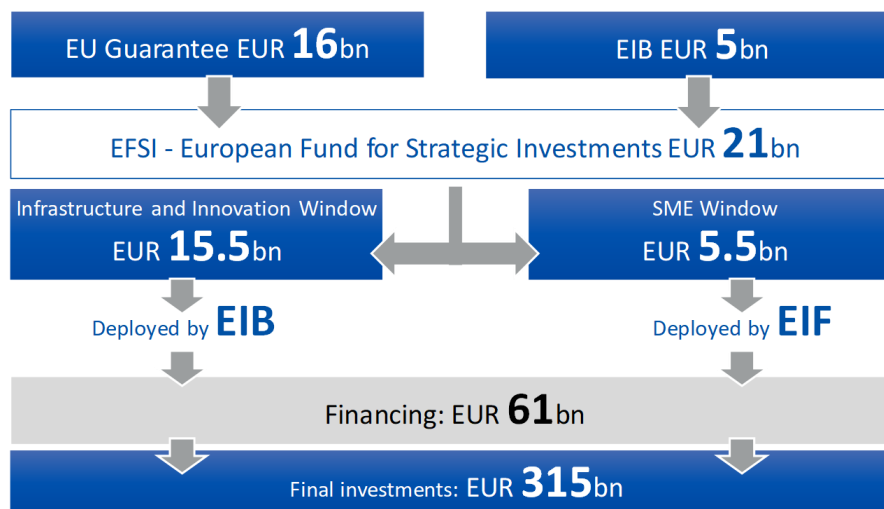
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## EFSI - European Fund for Strategic Investments

- Initiative launched by the EIB and the Commission to mobilize private investment and overcome an investment gap
- Established in 2015 and was consisted of:



- New EFSI Regulation expanding and enhancing the fund entered into force in March 2018
- It increased:
  - Investment target from EUR 315 bn to EUR 500 bn by 2020
  - EU Guarantee from EUR 16 bn to EUR 26 bn
  - EIB nominal contribution from EUR 5 bn to EUR 7.5 bn



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## An innovative way of managing EU funds in cohesion regions

**Decentralised Financial instruments (DFIs):** an innovative way of employing EU and other public funds in a revolving manner;

- The EIB has over the years supported numerous EU Managing Authorities in the management and/or funding of **DFIs** (Italy, Poland, Lithuania, France, Spain, Portugal). The Bank currently manages DFIs for over **EUR 2.0 billion**, under more than 20 Fund of Funds, invested through over 40 Financial Intermediaries;
- In Italy, the EIB Group has implemented DFIs based on **ESIF contributions of more than EUR 500 million**, which are targeting the **cohesion regions of the South** in two main areas:
  - **Sustainable urban development**, including **energy efficiency** (JESSICA programmes – 2007-2013)
  - **Research, development and innovation** (MIUR programme – 2014-2020)
  - **SMEs and agriculture**
  - **PF4EE**

### The advantages of EU funded FIs

- **Efficiency:** transition from grants to the revolving use of scarce public resources, double scrutiny of projects (policy and financial soundness), targeting market gaps and sub-optimal investment conditions;
- **Leverage:** FIs help to mobilize additional co-investments in order to address sub-optimal investment conditions. They are a tool to scale up funding for investments, also in areas where the commercial banking sector is more prudent. Revolving mechanism allows for more investments;
- **Administration and management:** greater financial discipline at the level of supported projects, professional investment assessment, simplified reporting, up-front availability of funds.



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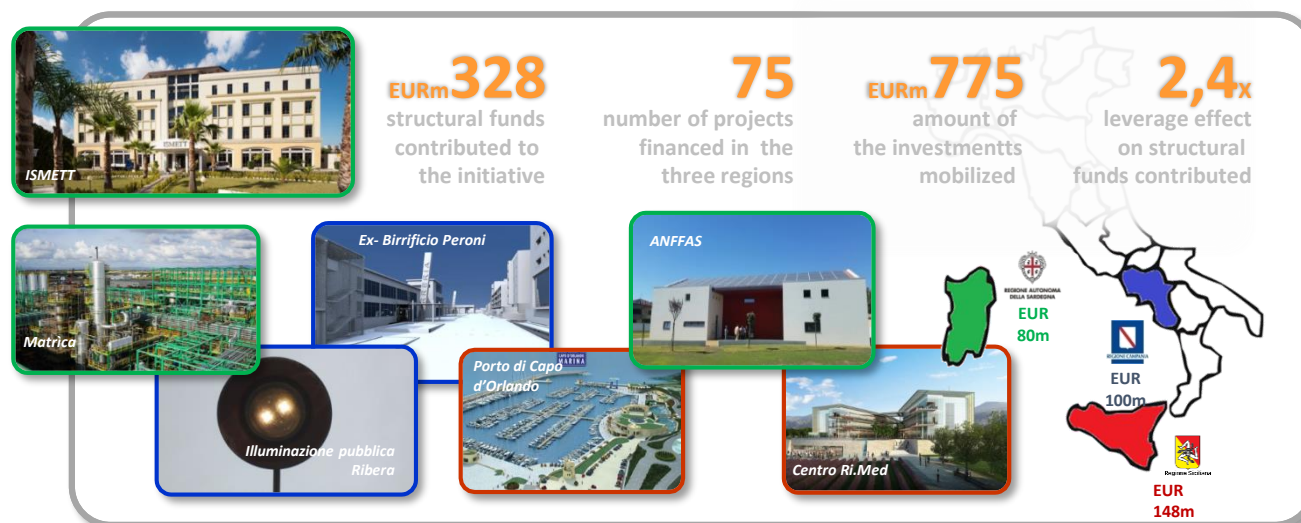
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## Decentralised Financial Instruments - the Italian experience

- **The JESSICA initiative:** regions of Campania, Sardinia and Sicily contributed EUR 328 million of EU Structural Funds to set-up financial instruments supporting urban development and EE/RE through loans and equity investments.



- **MIUR Fund for Research and Innovation:** At the end of 2016, MIUR and EIB agreed to create a Fund of Funds focused on research and innovation, with a budget of EUR 270 million of PON R&I '14 - '20 funds, on a multiregional scale (focus on the eight regions of southern Italy). The MIUR Fund also represents an opportunity to **attract additional resources from investors, including those of the EIB**, to increase the multiplication effect of scarce public resources without burdening the national budget.



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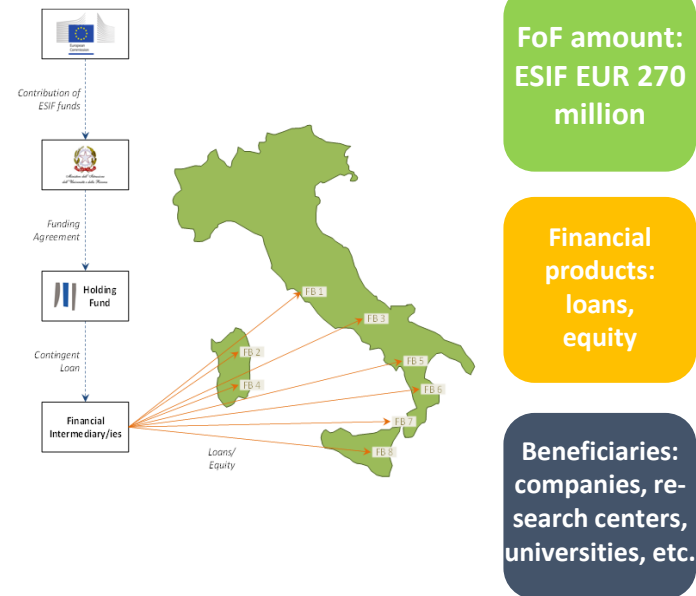
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## The MIUR Fund of Funds in Italy

- ESIF resources contributed (EUR 270 m) to foster research, technological development and innovation, promotion of Key Enabling Technologies (KETs) and private participation in research, technical development and innovation activities.
- EIB support throughout the entire project cycle: ex-ante assessment, implementation, FoF management, treasury, co-financing, auditing, etc;
- The investment strategy focuses on research, development and innovation projects (Key Enabling Technologies/KETs and SSI) of the private and the public sector in the cohesion regions of the South of Italy;



Ministero dell'Istruzione, dell'Università e della Ricerca



European Investment Bank



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## InnovFin – EU finance for innovators

- **EU Finance for Innovators initiative (InnovFin)** - initiative launched by the European Commission and the EIB Group in the framework of **Horizon 2020** in support of **research, development and innovation projects**
- Comprised of **ten financial products and one advisory service**, covering both direct loans from the EIB Group, guarantees to and equity investment via financial intermediaries
- Tailored to a wide range of clients: **innovative small start-ups, mid-caps, large caps**
- More than **EUR 24bn** of financing for research and innovation by small, medium-sized and large companies expected between 2014 and 2020
- **Benefits:**
  - favorable loan conditions
  - combining funds
  - attracting additional finance
  - providing crucial advice in project preparation (InnovFin Advisory)
- InnovFin has reached 24 countries so far – 19 Member States and 5 Associated Countries

SMEs	Mid-Caps	Large Caps	Advisory
InnovFin SME Guarantee	InnovFin MidCap Guarantee	InnovFin Large Projects	InnovFin Advisory
InnovFin SME Venture Capital	InnovFin MidCap Growth Finance		
SMEs and small Mid-Caps < 500 Employees	Mid-Caps < 3,000 Employees	Large Caps Typically > 3,000 Employees	
Intermediated SME/Mid-Cap Financing	Intermediated and/or direct Corporate lending	Direct Corporate Lending	

direct products  
 indirect products

InnovFin Product Overview

# Our Contacts



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