



EIB Financing for European Energy Infrastructure

Luxembourg 28 May 2009



Priority Sectors for EIB Lending 2008 in EU 6 COP Objectives



Promoting Union policies



Specialised EIB Instruments in support of European Growth Initiatives



- ❖ **SFF** – Structured Finance Facility
- ❖ **LGTT** – Joint Mezzanine Loan Guarantee Instrument for TEN-Transport projects
- ❖ **RSFF** – Joint Risk-Sharing Finance Facility for Research Development Innovation
- ❖ **EPEC** – European PPP Expertise Center
- ❖ **JASPERS** – Joint Assistance to Support Projects in European Regions to prepare projects supported by EU Structural and Cohesion Funds
- ❖ **JEREMIE** – Joint European Resources for Micro-to-Medium Enterprises in the regions to encourage more business start-ups and new ventures. Managed by the EIF
- ❖ **JESSICA** – Joint European Support for Sustainable Investment in City Areas for investment in sustainable urban development
- ❖ **EIF** – European Investment Fund. Providing Equity and Guarantees for SMEs



TENs – EIB's Achievements & Challenges

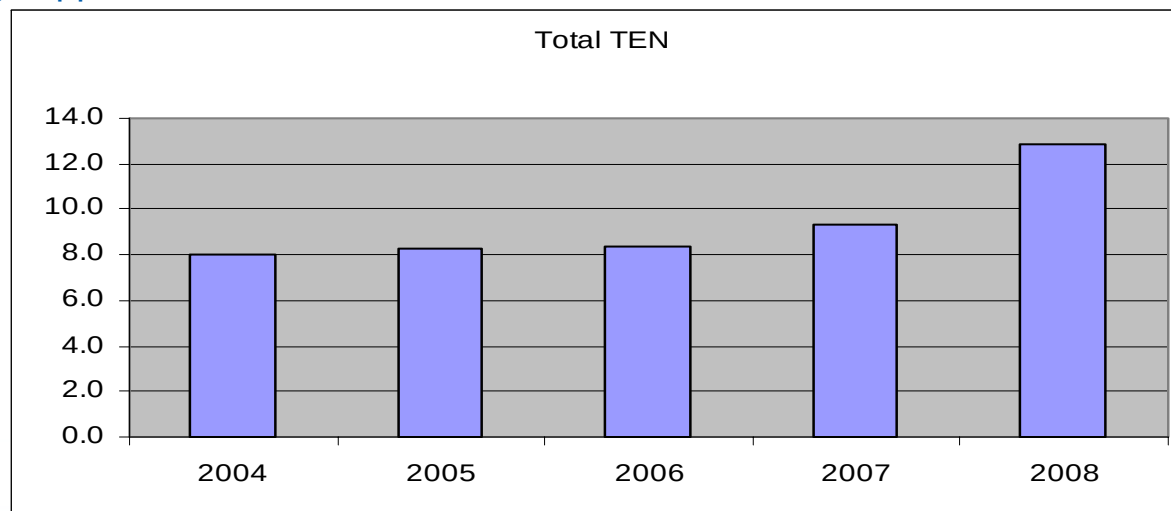


Clear step-up in EIB TEN lending activity since 2004

Signatures (bn EUR)	2003	2004	2005	2006	2007	2008
TEN-T	4.6	6.6	7.3	7.9	8.1	10.1
of which Priority TEN-T	1.7	2.2	2.9	2.7	3.4	3.4
TEN-E		1.3	0.9	0.4	1.2	2.7
Total TEN		7.9	8.2	8.3	9.3	12.8
of which PPP in TEN-T	0.4	0.3	0.2	1.3	0.9	2.9
of which SFF in TEN-T		0.0	0.2	0.0	0.5	1.6
Rail as % of Total TEN T		40%	42%	37%	46%	27%*

*Preliminary result

- ✓ TEN; steady and solid progress being achieved: lending to railway sector substantially expanded
- ✓ Priority Projects particularly rail need long term financing and advisory support
- ✓ Strong support and effective collaboration from DG TREN and DG REGIO





Value-added of EIB financing

The EIB's Strategy is to prioritise the development of three “pillars” of “Value-Added” (VA) to beneficiaries of the Banks lending activities:

Pillar 1 – ensure the compliance between each operation and the policy priorities objectives of the EU

Pillar 2 – the technical, economic, environment and financial liability; quality and soundness of the project

Pillar 3 – the contribution made by the EIB, both financial and non-financial



In addition to standard EIB Senior loans for TENs projects, EIB also provides:

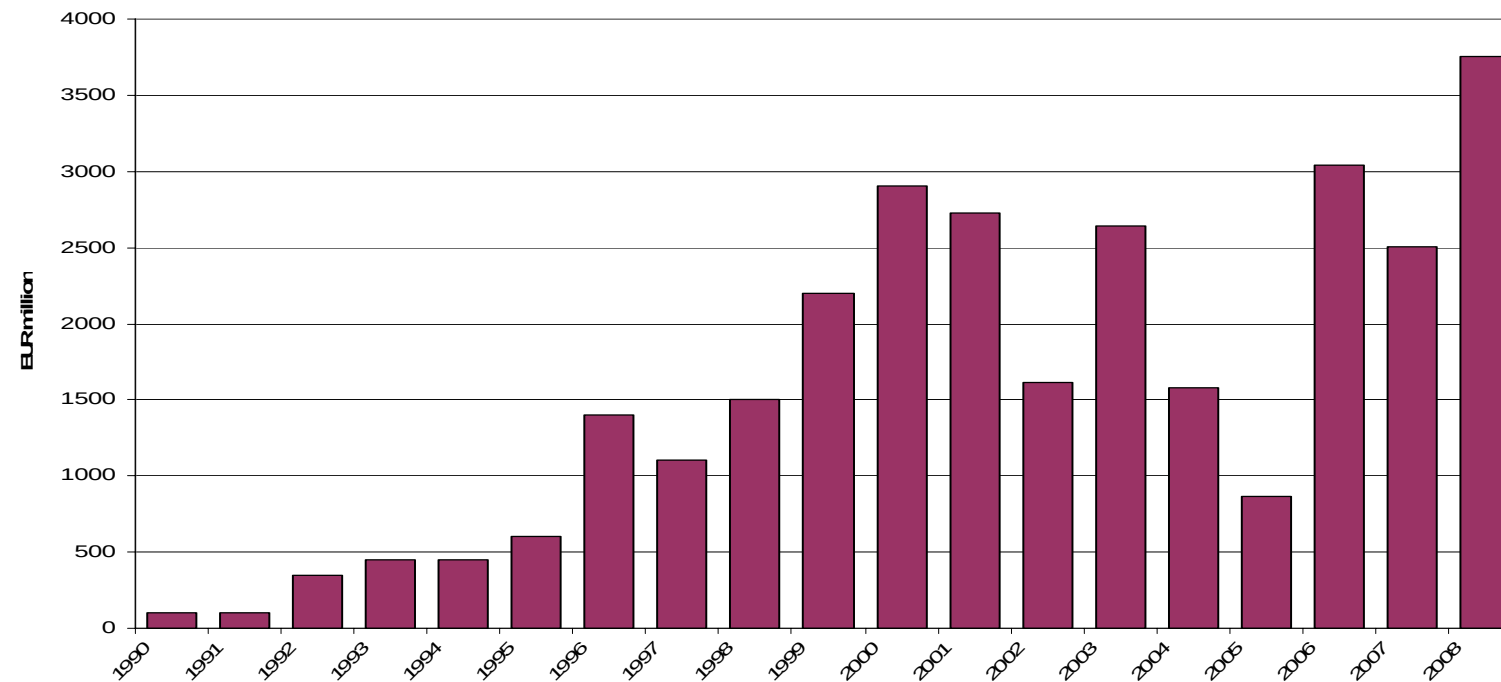
- **Structured Finance Facility:** to fund projects with a higher risk profile and enable equity financing; mezzanine and guarantee operations for large-scale infrastructure schemes
- **Loan Guarantee Instrument for TEN Transport projects:** funded by the EIB and EU budget and managed by the EIB, taking the revenue ramp-up risk in the early years of TENs projects
- **European PPP Expertise Centre:** Expertise service provided by the EIB and European Commission to support programme and policy development as well as best practice by the public sector for PPP transactions.



EIB Annual Loan Signatures for PPPs



Signature of PPPs varies annually in line with project completions.
Approvals to date have been over EUR 36bn; signatures of EUR 25.2bn
with an average of over EUR 2.0bn p.a. since 2000





EIB Structured Finance Facility - SFF



Purpose of SFF is to increase EIB leverage value added and financing capacity while limiting amounts financed. SFF financing of EUR 4.2 bn in 2008

Corporate Ratings	
Moody's	S&P and Fitch
...	...
A1	A+
A2	A
A3	A-
Baa1	BBB+
Baa2	BBB
Baa3	BBB-
Ba1	BB+
Ba2	BB
Ba3	BB-
B1	B+
...	...



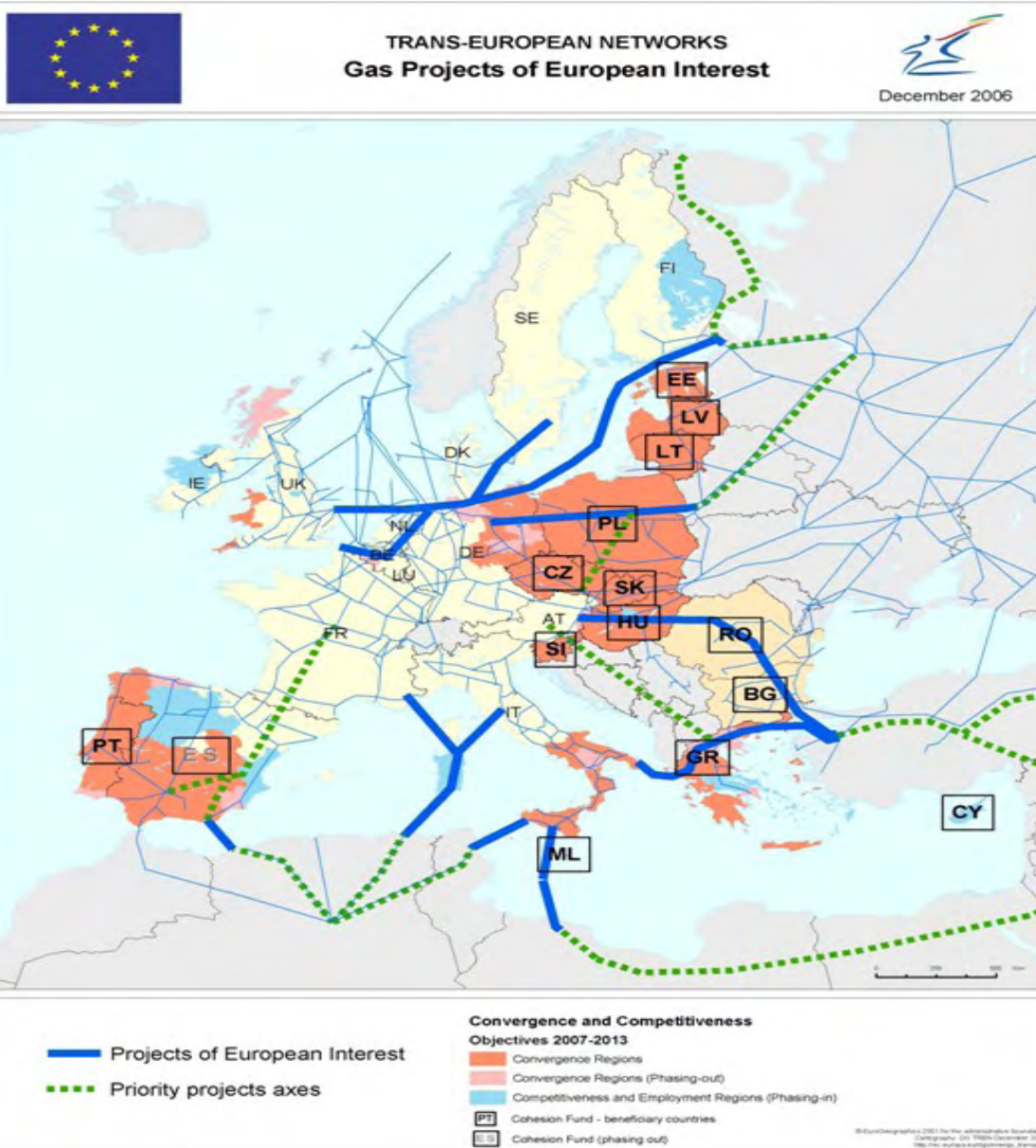
**SFF Target Companies
risk profile**

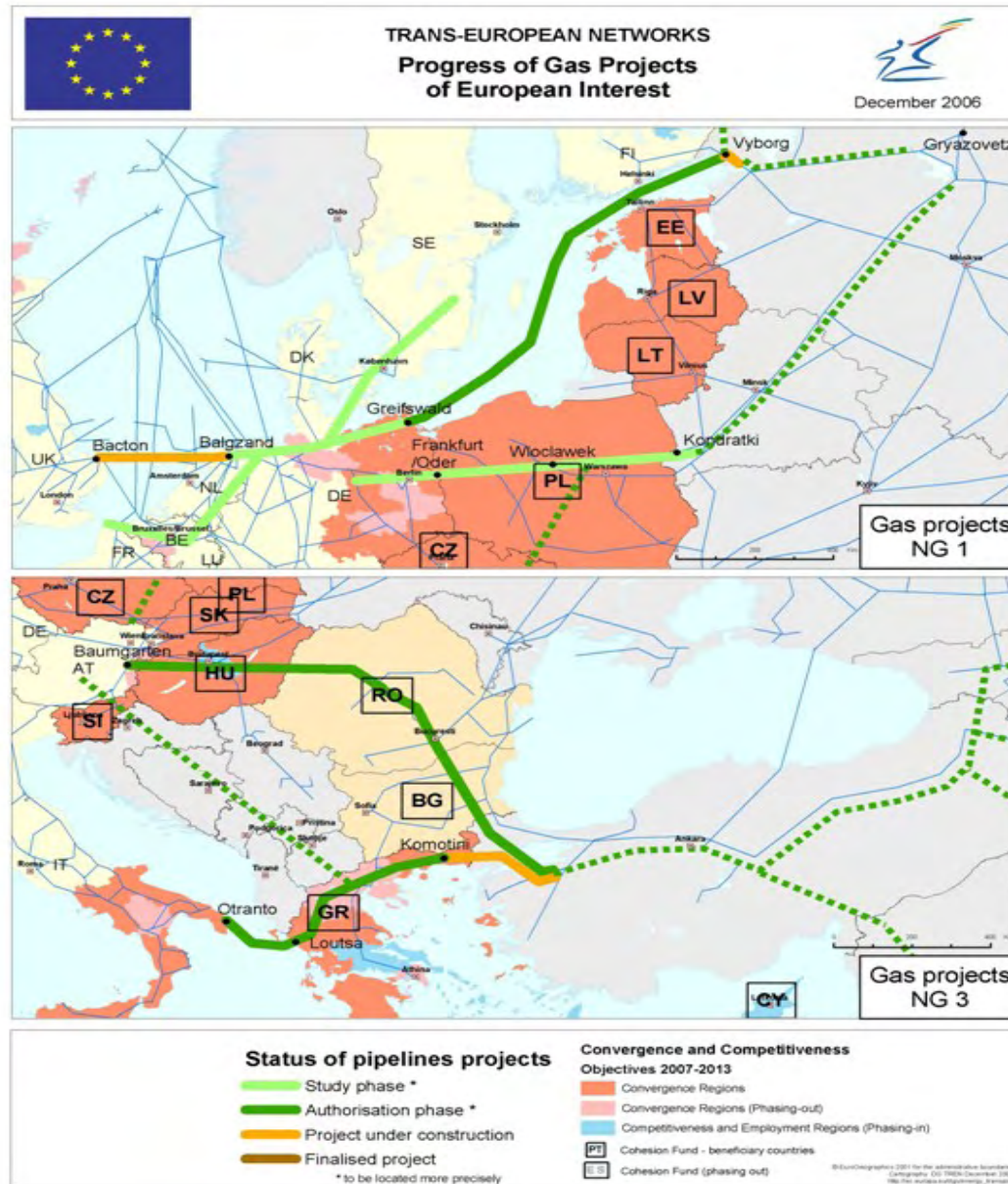
SFF allows EIB to increase the leverage on its own Funds and those of the Commission Budget through Structured Finance

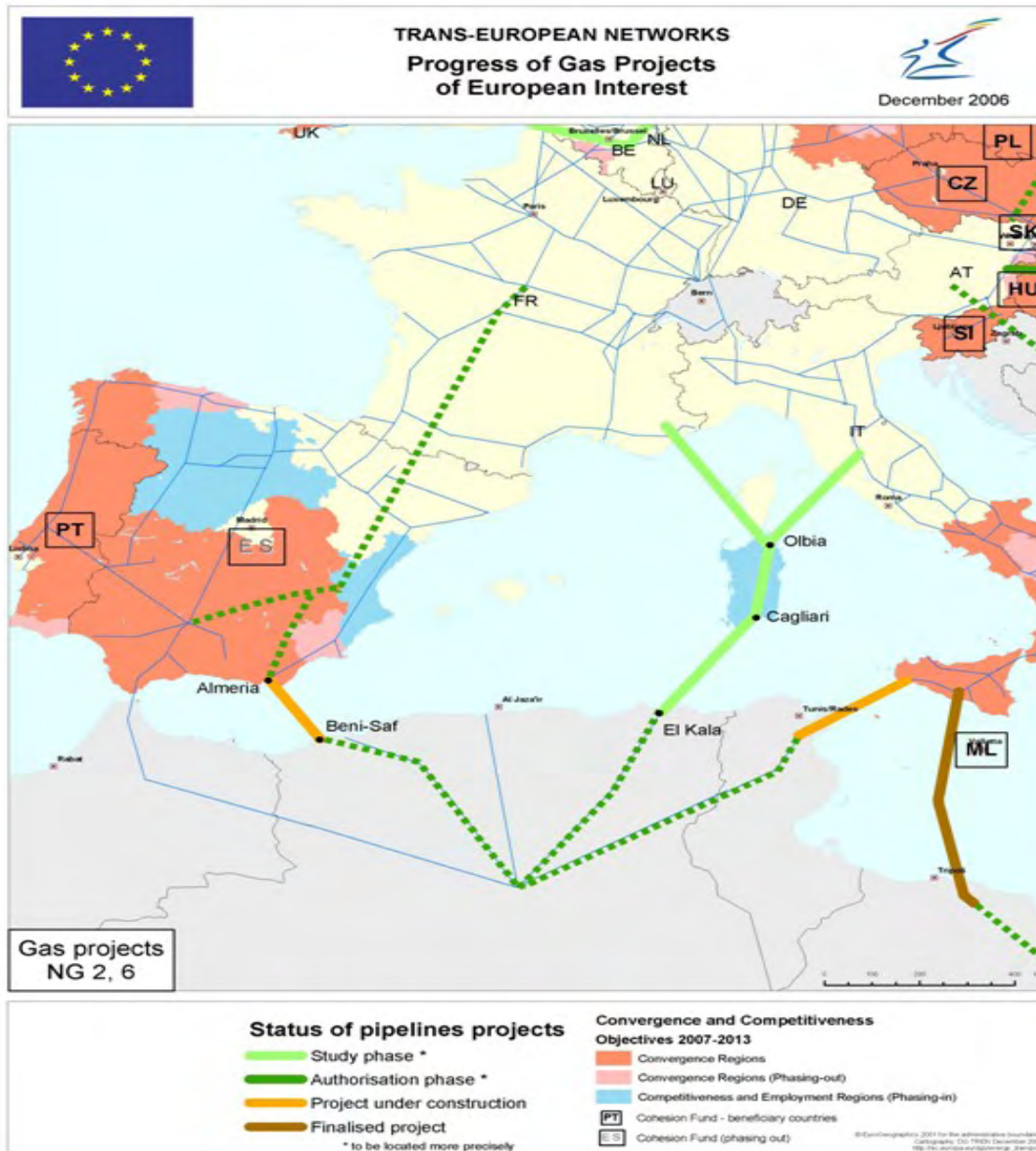
EIB Equity Funds – Renewables; Carbon & Infrastructure



Type of Fund	Name	Size	Sector Focus	Geography
Renewable Energy	DIF RE	€150m	Onshore Wind	North EU
	Green Alliance	€120m	Wind,Solar,Biofuel	ES, PT
	Enercap	€100m	Onshore Wind	CE & SEE
Carbon	MCCF (IFIs+Private)	€190m	Carbon Credits	NMS & CIS
	CFE (IFIs)	€50m	Carbon Credits	Global
	EIB/KFW (IFIs+Private)	€100m	Carbon Credits	Global
	Post 2012 (IFIs+Private)	€125m	Carbon Credits	Global
Infra-structure	BEIF2	£280m	Education,Health, Transport, Energy	pan-EU
	Dexia South EU	€120m		ES,PT,F,IT
	North EU Infra	€120m	Educ,Hlth,Transport	North EU
	EECF	€655m	Media/ICT	CEE
	Meridiam	€600m	Transport	pan-EU
	Fondo Italia	€120m	Health,Transport	Italy
	Mid-Europa III	€1.5bn	Infra/Media/ICT	CEE
Proposed	2020 Marguerite	€1.5bn	Infra/Renewables/Energy	EU-27





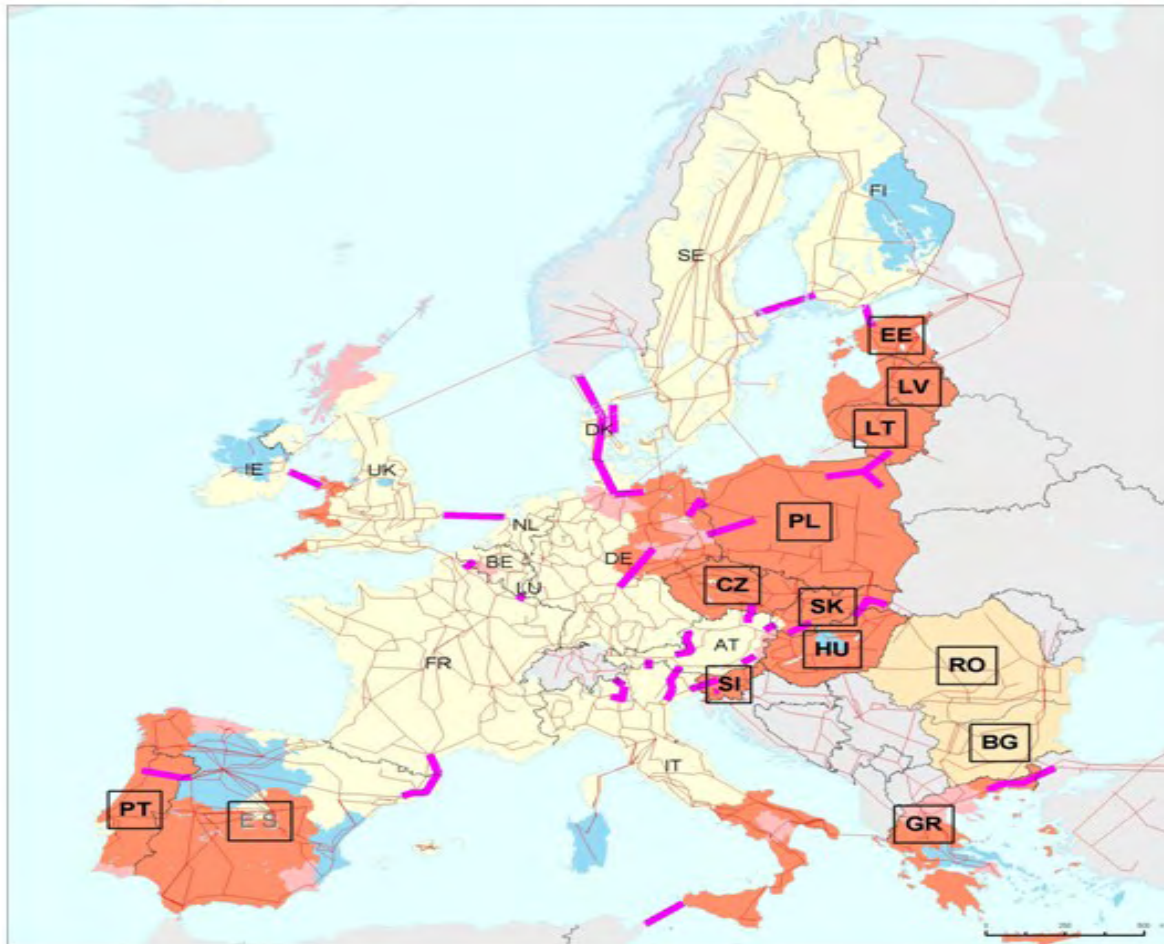




TRANS-EUROPEAN NETWORKS
Electricity Projects of European Interest



December 2006



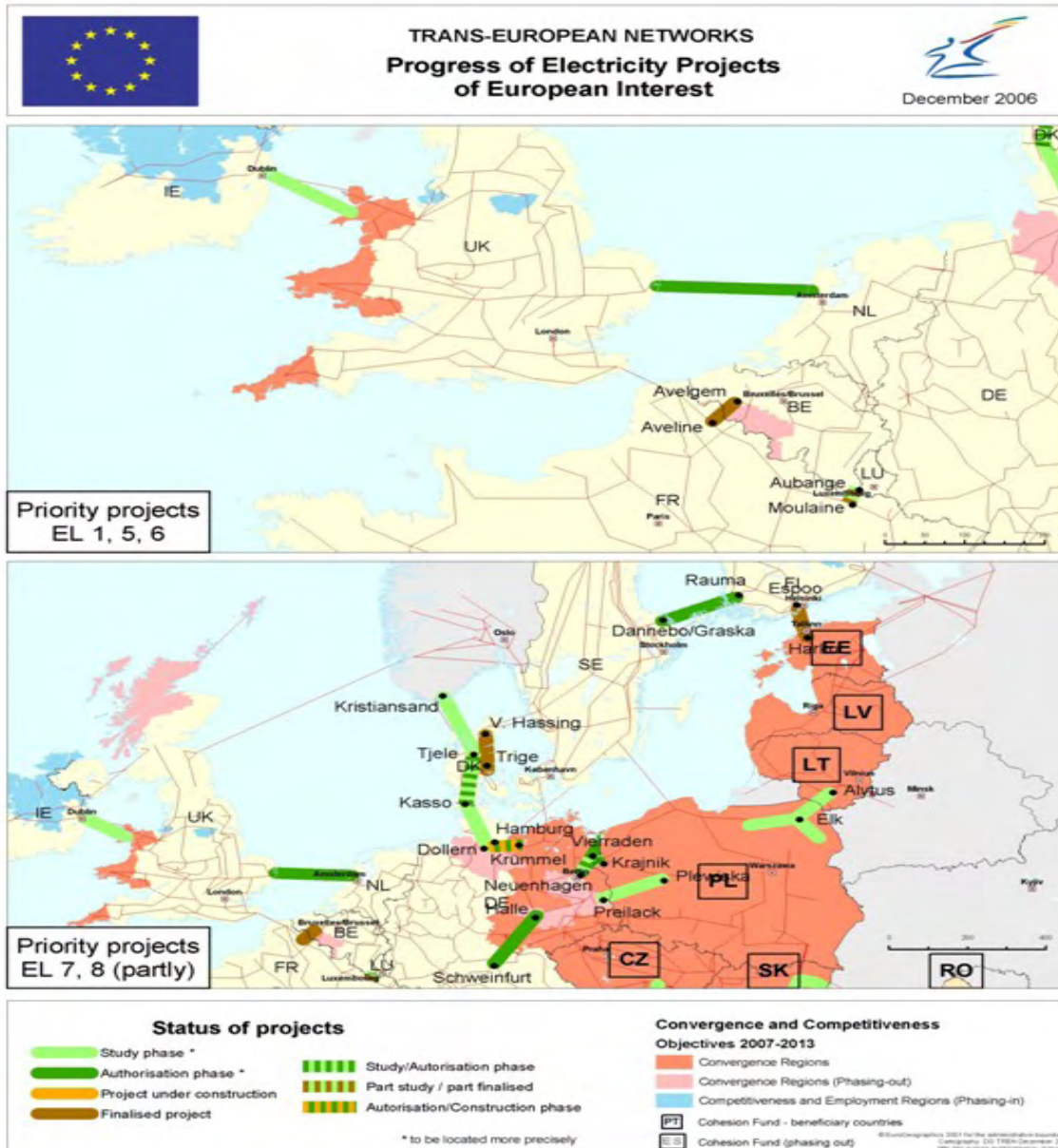
— Projects of European Interest

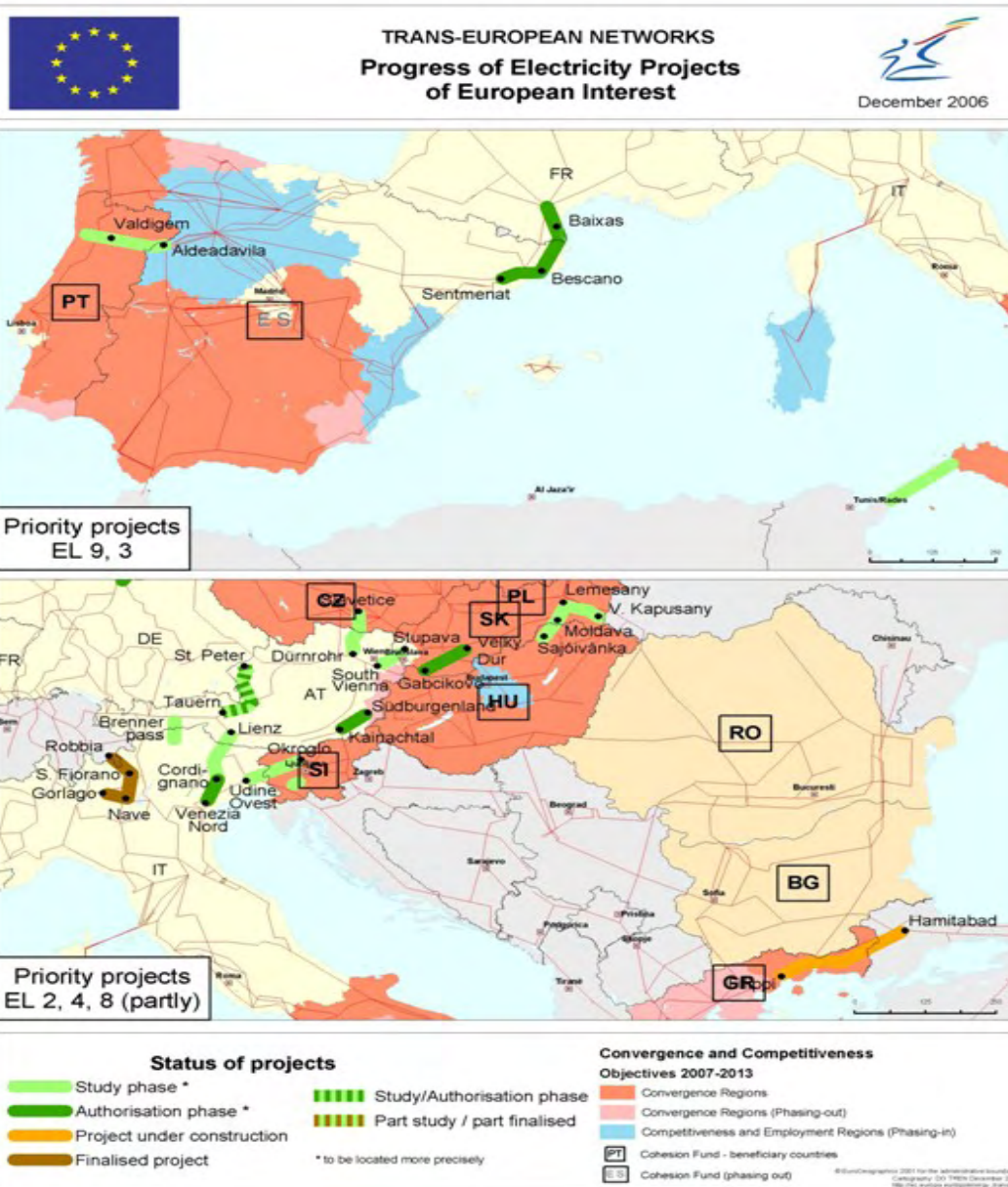
Convergence and Competitiveness

Objectives 2007-2013

- Convergence Regions
- Convergence Regions (Phasing-out)
- Competitiveness and Employment Regions (Phasing-in)
- PT Cohesion Fund - beneficiary countries
- ES Cohesion Fund (phasing out)

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Cartography: G.D. Wright, December 2006
http://ec.europa.eu/economy_finance







Contacts



Structured Finance and Advisory - EU Growth Policy Initiatives

Thomas C. Barrett, Director

t.barrett@eib.org

Christopher Knowles, Head of Division

c.knowles@eib.org, tel: +352 4379 87306

Peter Coveliers, Deputy Head of Division

p.coveliers@eib.org, tel: +352 4379 7403

Nick Jennett, Head of EPEC

n.jennett@eib.org , tel: +352 4379 87320

<http://www.eib.org>