



The Investment Plan for Europe

Let's #investEU

COMBINING THE EUROPEAN FUND FOR STRATEGIC INVESTMENTS (EFSI) WITH OTHER EU FUNDS



The Commission is committed to making sure that EU funds are used in the most effective way possible across all policy areas. Finding ways to find synergies between and complement EFSI support with other EU funds is a key part of that. Such combinations can help to unlock additional investment projects in the EU, especially in countries which so far have benefitted less from the EFSI than some of their peers.

EFSI support and other EU funds can cover **different types** of risks or parts of the same project, and thereby attract more investors. Such combination can be particularly useful in Member States with less developed financial markets or for projects which may require a grant component to be financially viable.

Everyone has a responsibility in ensuring that the funds complement each other and in getting the most added value: the Commission, the European Investment Bank (EIB), National Promotional Banks, project sponsors and project promoters.

Significant support to projects targeting similar sectors as those supported under the EFSI is available from the Connecting Europe Facility (CEF), Horizon 2020, the EU Programme for Employment and Social Innovation (EaSI), as well as from those EU funds implemented by Member States' authorities under shared management, namely European Structural and Investment (ESI) funds.

In February 2016, the Commission published [guidelines](#) on how to combine ESI funds with the EFSI. The ESI funds operate under a common framework, the Common Provision Regulation (CPR), and their budgets represent some EUR 450 billion of EU funding over the 2014-2020 programming period, allocated to Member States and delivered through nationally co-financed multiannual programmes. Direct combination of ESI Funds and the EFSI can take place at **project level** or at the level of an **investment platform** or a **financial instrument**.

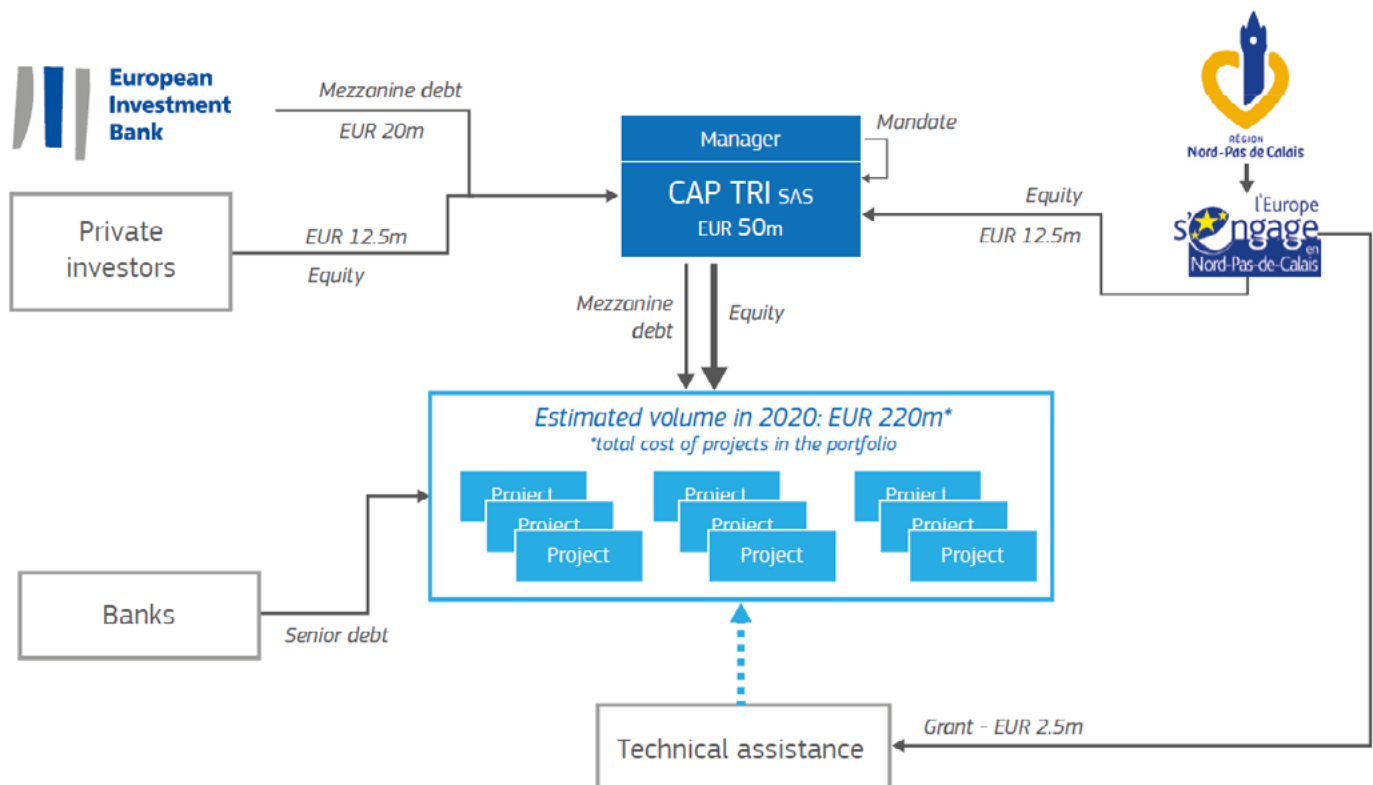
As announced in President Juncker's State of the European Union speech on 14 September, the Commission [proposed](#) to extend and expand the European Fund for Strategic Investments. As part of this proposal, the Commission wants to facilitate the combination of funds available under other EU programmes to unlock additional investments. The Commission also proposed on 14 September a simplification of the Common Provisions Regulation to facilitate this combination.

EXAMPLES OF COMBINING EFSI FINANCE WITH OTHER EU FUNDS



The project example in [Nord-Pas-de-Calais](#) is a first real case showing how to usefully combine ESI funds and EFSI support, in particular as it enabled maximising the private sector participation. The project aims to develop a low-carbon economy in the region (Third Industrial Revolution - TRI) and intends to make the region a "zero-

emissions" energy model by 2050, while at the same time creating employment, developing the overall economy and combating fuel poverty. To this end, a "layered" fund was set up which invests risk capital in enterprises developing TRI projects: the region participates using ESI funds, providing equity financing alongside public and private investors. The EIB, supported by the EFSI, provides mezzanine debt to the fund. Commercial banks will provide senior debt at project level. In addition to financing, the region also offers technical assistance thanks to a grant of up to EUR 2.5 million drawn from ESI funds resources.



An example of blending grant resources under the CEF and ESI Funds with investments under the EFSI is the project on [Accessibility Ports Infrastructure](#) in Spain. An EIB loan under the EFSI supports a special entity dedicated to supporting investments of eligible rail and road projects improving the multimodal connections of 13 pre-identified ports of the trans-European transport network for the period 2015-2020, with a total cost of EUR 485 million. In addition to the EIB loan under the EFSI to the special entity, grants from ESI Funds and from CEF co-finance some of the projects regrouped under the entity, such as rail accesses to the ports of some cities in the country.

The [Green shipping guarantee](#) programme makes use of the CEF Debt Instrument and EFSI resources. It was launched on 8 November 2016 with the signature of the first framework agreement between the EIB and Société Générale.

Further combinations are in the pipeline, for instance in Latvia, where the EFSI is supporting the [Riga transport company](#) in building up its hydrogen fuel infrastructure in order to run hydrogen fuel cell buses. This project combines an EFSI loan with grant funding from the Connecting Europe Facility.

The Commission and the EIB are also working on the development of a broadband investment fund, whose mandate will be to contribute to the roll-out of wired and wireless Next Generation Access Networks and ancillary telecom infrastructure. The fund will finance broadband infrastructure investments both via direct financing to private sector companies (focusing on mid-caps and SMEs), via public and private partnerships, and via financial intermediaries. The objective is to facilitate private-sector involvement by using public funds, notably CEF resources and EIB investment, including with the support of the EFSI, to absorb part of the risks.

