

# THE INVESTMENT PLAN FOR EUROPE

## STATE OF PLAY

April 2016

### ENERGY AND CLIMATE ACTION



#### The Investment Plan for Europe could help to reach the Energy Union objectives

The Paris Climate Agreement is a historical milestone on global climate action. It demonstrates that when faced with global challenges, multilateralism is the right answer. It also sends a strong signal worldwide, to policy-makers and industry, on the need to speed up the decarbonisation of our economies. In this light, the investment-thirsty energy transmission sector in the EU could benefit hugely from the European Fund for Strategic Investments (EFSI). In the first months of 2016, the regional groups established to oversee the implementation of the Projects of Common Interest (PCIs) will discuss eligible projects that the EFSI could help finance. The EU budget for 2014-2020 already increased the energy sector allocation and the EFSI should complement it to give EU consumers access to secure, sustainable and competitive energy. The EFSI can be combined with other sources of funding in the EU budget for particular projects and platforms, in particular Connecting Europe Facility (CEF) financing (both grants and financial instruments) and European Structural and Investment Funds (ESIF). The effectiveness of the EFSI could benefit from the combination of financial instruments, EIB loans and grants in a «blending approach».

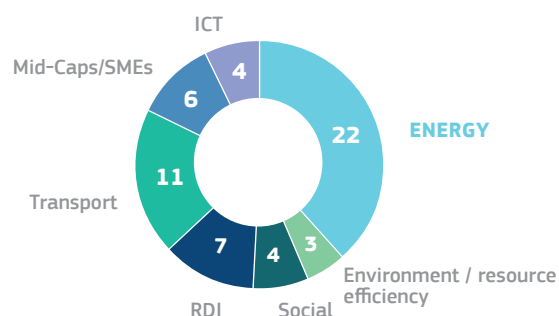
The launch of the EFSI also enables Member States to **upscale their energy efficiency schemes by creating** Investment Platforms which can attract private sector capital by: (i) overcoming the fragmentation and scale problem; (ii) diversifying portfolio-related risks; and (iii) allowing investors to make contributions with a risk-return profile meeting their demands. Technical assistance can contribute to better structuring energy projects, in particular Investment Platforms grouping smaller projects in fields like energy efficiency. The European Investment Advisory Hub will play an increasingly key role in coordinating advisory services at EU level.

For example, such platforms could take the form of:

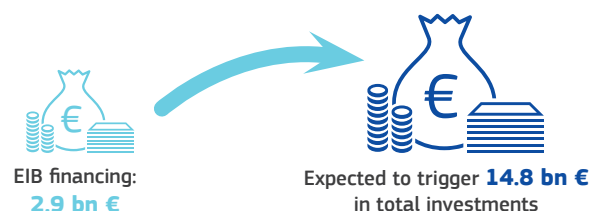
- **regional, national or trans-national funds** bringing together public (including National Promotional Banks - NPBs) and private investors to finance energy efficiency projects;

- **risk sharing facilities with financial intermediaries** providing risk mitigation in the form of guarantee funds and/or first-loss facilities to cover part of the risk of payment default and, if needed, additional funding. This is attractive for both NPBs and commercial banks as it could reduce the risk of the portfolio of energy efficiency loans. The platforms could also help in combining EFSI and ESIF to ease financing.

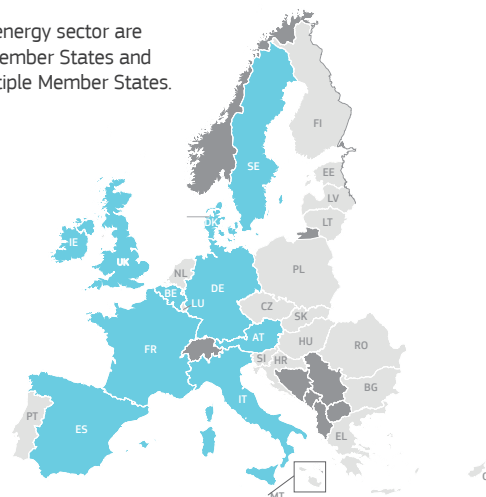
#### Sectoral coverage (some projects cover several sectors)



Out of the 57 projects approved by the European Investment Bank (EIB) so far, 22 projects are in the energy sector.



Projects in the energy sector are located in 10 Member States and one covers multiple Member States.



## List of projects in the energy and climate action sector



### DK Copenhagen infrastructure II (signed in July 2015)

- Private equity fund targeting renewable energy and electricity transmission projects
- EIB financing under EFSI: **EUR 75 million**
- Total investment expected: **EUR 2 billion**
- Expected job creation: **3500-5000**



### FR Energy Efficiency in Residential Buildings (partially signed in December 2015)

- A loan to finance public and public-private companies assisting private homeowners in improving energy efficiency in their residential buildings
- EIB financing under EFSI: **EUR 400 million**
- Total investment expected: **EUR 800 million**
- Expected job creation: **5920**



### ES Redexis Gas transmission and distribution (signed in December 2015)

- Extending gas distribution networks in Spain over the next three years to provide customers in remote and rural areas cleaner and cheaper energy
- EIB financing under EFSI: **EUR 160 million**
- Total investment expected: **EUR 326 million**
- Expected job creation: **3150**



### UK Smart Meters Spark Project (signed in December 2015)

- Roll-out of smart meters across a large number of households throughout the UK
- EIB financing under EFSI: **EUR 461 million**
- Total investment expected: **EUR 1.3 billion**
- Expected job creation: **8800**



### EU Two renewable energy funds

- Equity funds investing in renewable energy across the EU



### FR Renewable energy projects guarantee (approved, not yet signed)



- Risk-sharing facility for renewable energy projects in France and Germany



### BE Nobelwind offshore wind (signed in October 2015)

- Implementation of the second phase of Belwind, a large-size offshore windfarm off the coast of Belgium
- EIB financing under EFSI: **EUR 100 million**
- Total investment expected: **EUR 653 million**



### AT Onshore wind farm (approved, not yet signed)

- Construction and operation of two wind parks



### FR Capenergie 3 Fund (signed in July 2015)

- Investing in small to medium-sized renewable energy projects in France and across the EU
- EIB financing under EFSI: **EUR 50 million**
- Total investment expected: **EUR 1 billion**
- Expected job creation: **325**



### IE Renewable energy Fund (approved, not yet signed)

- Equity investment in an infrastructure fund based in Ireland targeting renewable energy projects in Europe with a focus on solar energy as well as onshore and offshore wind farms



### UK Galloper offshore wind (signed in October 2015)

- Design, construction, and operation of a medium-scale offshore wind farm in the UK
- EIB financing under EFSI: **EUR 317 million**
- Total investment expected cannot be disclosed
- Estimated job creation during construction and operation phases: **4730**



### UK Offshore wind farm in the UK (under assessment)

- Design, construction and operation of an offshore wind farm



### UK Energy efficiency fund (under assessment)

- Private equity infrastructure fund targeting improvements in energy efficiency in UK commercial property



### IT Energy efficiency in Italy (approved, not yet signed)

- Modernization of an industrial plant in Italy to make it more energy efficient, more environmentally friendly and safer



### DK Biogas plant in Denmark (approved, not yet signed)

- Construction and operation of a greenfield biogas production and biogas to methane upgrading facility



### IT Smart meters in Italy (under assessment)

- Rollout of smart gas meters in Italy



### SE Onshore wind in Sweden (under assessment)

- Construction and operation of an onshore wind farm in Sweden

## DE Heat and power plant



- Construction and operation of a heat and power plant in Germany

## UK Renewable energy fund (under assessment)



- Equity fund based in the UK targeting renewable energy projects in the EU

## BE Offshore windfarm (approved, not yet signed)



- Construction, operation and maintenance of an offshore windfarm off the Belgian coast

## UK Energy efficiency fund (approved, not yet signed)



- Investment fund focusing on energy efficiency and decentralised energy supply schemes in London