

How to set up an Investment Platform?

CDP experience as National Promotional Institution

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The role of CDP as National Promotional Institution within IPE

With the Stability Law 2016 CDP acquired the new role of the National Promotional Institution ...

- CDP can use the **resources of the** «Separate Management Account» («Gestione Separata») to co-invest with the EIB Group in Investment Platforms
- CDP can benefit from **State Guarantee** when operating **at market conditions** within Investment Platforms approved by EFSI
- CDP may contribute to a more efficient use of the **European Structural and Investment Funds (ESI Funds)** and **national and regional public funds**

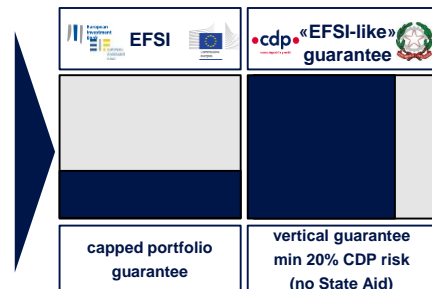
... with a key role in implementing the Investment Plan for Europe through:

- i) The **structuring of Investment Platforms**, identified as preferred forms of cooperation between the EIB Group and National Promotional Institutions at national and pan-European level
- ii) The **development of a *credit enhancement mechanism*** to the benefit of CDP, similar to the EFSI mechanism, by setting up a **Guarantee Fund** managed by the Ministry of Finance (MEF) (“**the MEF Guarantee Fund**”)

The new architecture implemented by CDP

Adapting to a new paradigm of governance and coordination

1. Opportunity to **re-think coordination** between NPBIs and the EIB Group
2. Necessity to **strengthen relations** among NPBIs across different European countries
3. Need to foster **coordination at national level**, among the NPBI, the public stakeholders and the private investors/financial institutions



Investment Platforms promoted since 2016

scope

- Risk Sharing for **SMEs**
- Pan-EU **ENSI** platform for **SMEs securitization**
- ITAtech** for technology transfer within pan-EU equity platform
- Large Infrastructure** platform and **ITAcorporate** platform
- Pan-EU infrastructure funds**

our partners



CDP commitments & investments

~5,2

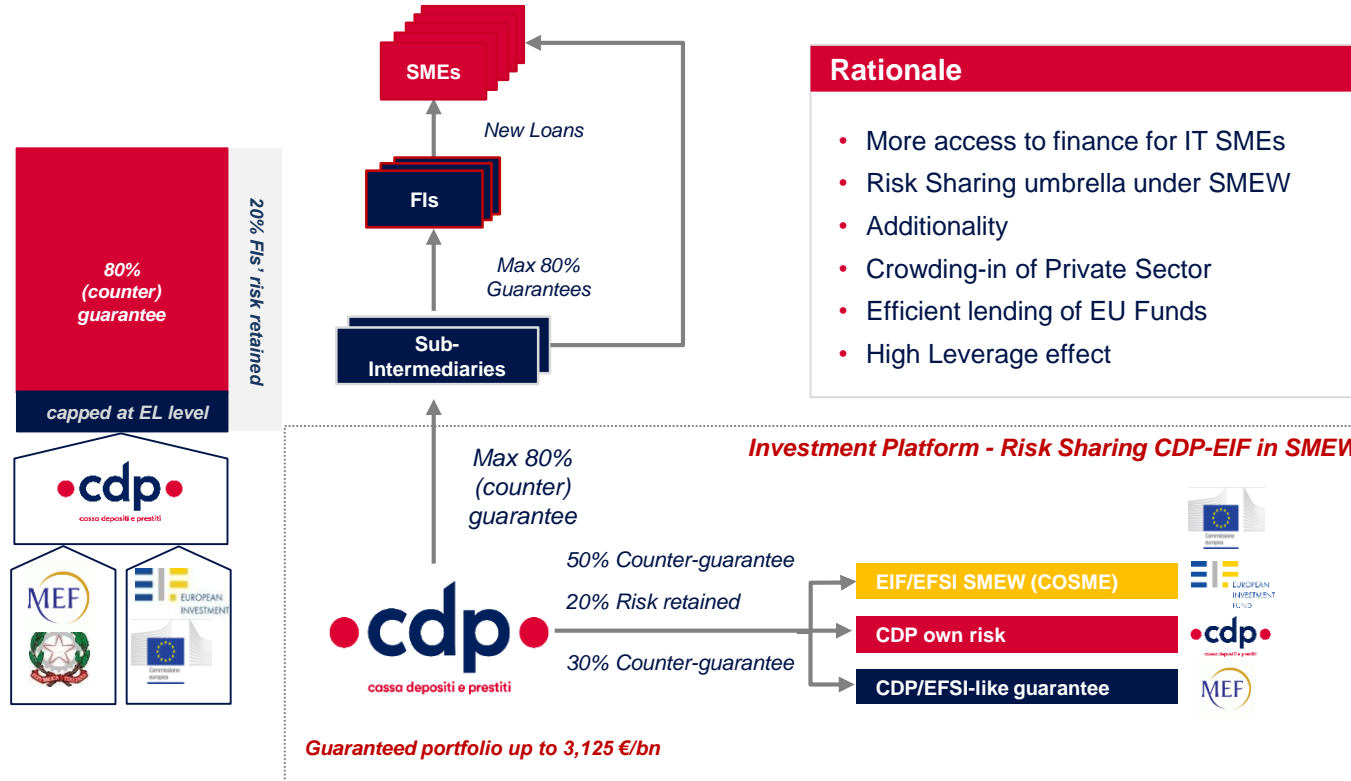
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Expected Investments⁽¹⁾

8 €/bn of CDP total commitments expected under IPE

(1) EFSI metrics (EIB Group estimates on multipliers)

Risk Sharing for SMEs



- ### Rationale
- More access to finance for IT SMEs
 - Risk Sharing umbrella under SMEW
 - Additionality
 - Crowding-in of Private Sector
 - Efficient lending of EU Funds
 - High Leverage effect

Estimated new investments

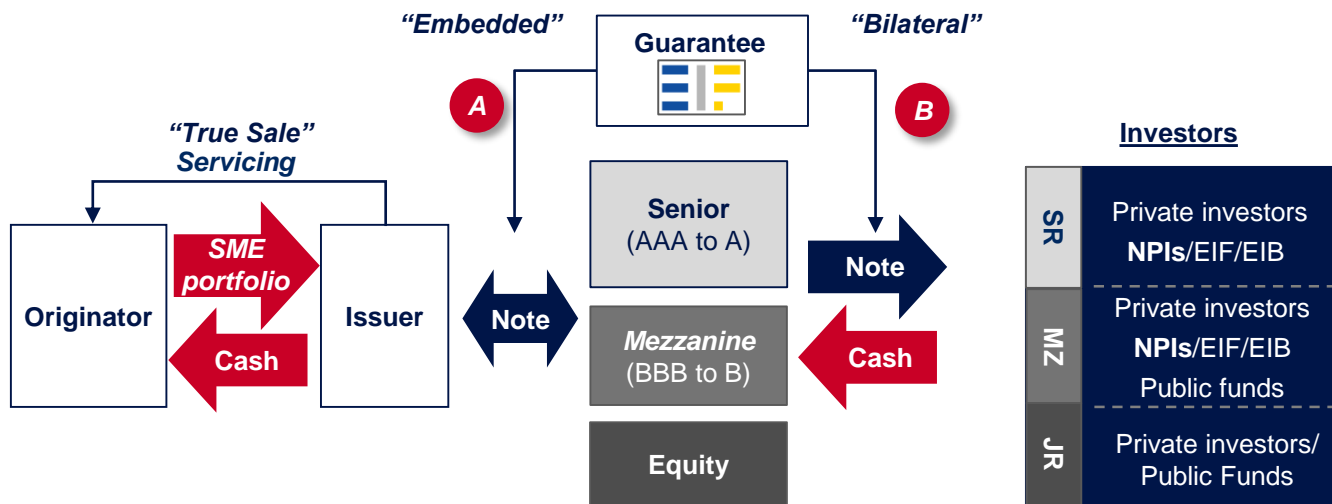


EU, CDP's and national funds for 225 €/mln

ENSI: EIF - NPIs Securitization Initiative

ENSI is a cooperation and risk sharing platform between the European Investment Fund and several National Promotional Institutions (NPIs) to encourage SMEs access to finance via the capital markets

Typical scheme of an ENSI operation



bpi france



KFW

Malta Development Bank Working Group



http://www.eib.org/attachments/strategies/efsi_investment_platform_npi_en.pdf

ITAtech

Platform dedicated to investments in *Technology Transfer*

- ITAtech is a CDP-EIF Investment Platform active since December 2016. It is strongly ambitious and selective in support of the excellences of Italian Public Research and aims to play the “**agent for change**” role primarily in the cultural sector and for Accademic Institutions



- The Platform – total amount of **200 €/Mln** – will invest in 4 or 5 Investment Funds in a time frame of maximum 4 years
- The Funds will be managed by highly specialized
- The *deal flow will come from Universities and Research Centers*

Main characteristics

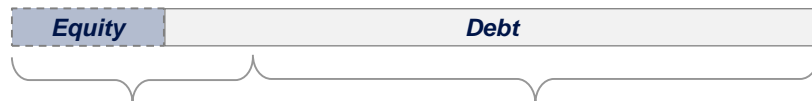


- ITAtech will make investments to catalyze and accelerate the commercialization of Intellectual Property with technological content, and, more in general the translation Research results in new enterprises

Large Strategic Infrastructure Investment Platform



Large Infrastructure Investment Platform



Large (> 250 €/mln) infrastructure projects in Ten-T, Ten-E, Broad Band and Social Infrastructure

Autovie Venete

- **Objective:** Widening of bottleneck motorway in Ten-T corridor #5
Project size: 2 €/bn (1,3 €/bn under construction)
- **Deal/Size:** LT Loan [15 yrs], project finance based
600 €/mln [CDP: 300 €/mln; EIB: 300 €/mln]
- **CDP/EIB role:** Supporting regulators, and long term financing

IT-FR Interconnector

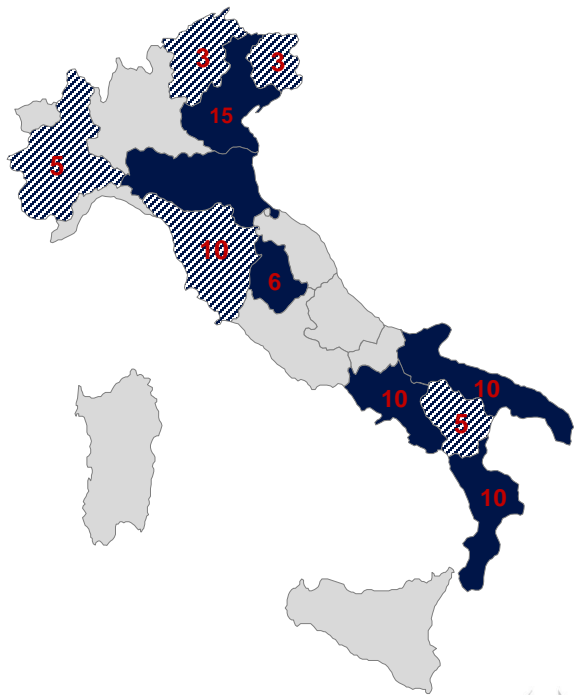
- **Objective:** First merchant **cross-border interconnector in Italy**;
Project size: 740 €/mln (common interest by the EC)
- **Deal/Size:** LT Loan [14,5 yrs]; total size: 740 €/mln;
350 €/mln senior tranche by CDP, EIB and commercial banks; **70 €/mln EFSI junior** tranche
- **CDP/EIB role:** Mandated lead arrangers, long term financing, **EFSI as credit enhancement**

New Investment Platform under development dedicated to small infrastructure projects (20-200 €/mln)

Risk Sharing for the agricultural sector: multi-regional guarantee platform

First regional contributions for ca. 70 €/mln

Data in mln €



Main characteristics

- **Multi-regional guarantee platform** aiming at facilitating access to finance for SMEs and entrepreneurs in agricultural and agro-industry
- **First initiative in Italy** that implements synergies between the European Agricultural Fund for Rural Development (EAFRD Funds) entrusted to the Regions, CDP resources and EIB Group resources




Risk sharing scheme

- Banks issue **new finance** to agricultural enterprises
- **EIF guarantees 50%** of the loans issued by Banks and it is counter-guaranteed by:
 - **EAFRD resources** ('junior tranche') provided by Regions
 - **CDP and EIB resources** ('senior tranche')
- **with the contribution of the first regions, guaranteed portfolio of 400 €/mln**
- **with the contribution of all the Italian regions, the guaranteed portfolio could double (up to 800 €/mln)**

With a commitment of 150 €/mln, CDP contributes to activate financing up to 800 €/mln

Agricultural Multi-Regional Guarantee Platform

Guarantee Platform Structure and main characteristic

-  Originator retained risk
-  EIF/CDP/EIB guaranteed portion
-  Regional Structural Funds



- **Uncapped guarantee (50%) on new loans provided by the EIF to selected banks and other financial intermediaries for investments by farmers and companies producing, transforming and marketing agricultural products**
- 11 Italian Regions are contributing by providing an aggregate amount of **EUR 70m via their Regional Programmes for Rural Development (EARDF) to cover the first losses**
- **Senior tranche covered by EIF, CDP and EIB**
- **On the guaranteed portion, banks enjoy a “zero weighting” benefit for which they are not required to hold regulatory capital for loans to the beneficiaries (“capital relief”)**
- **The objective is to reach €800 million in new loans to the agricultural and agrifood sectors**