

# Financing projects in Outermost Regions and Coastal Areas

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- What is EIB? What is the Investment Plan for Europe?
- EIB's Oceans/Small Islands Agenda
- EIB's current projects in Outermost Regions
- How to attract EIB financing?



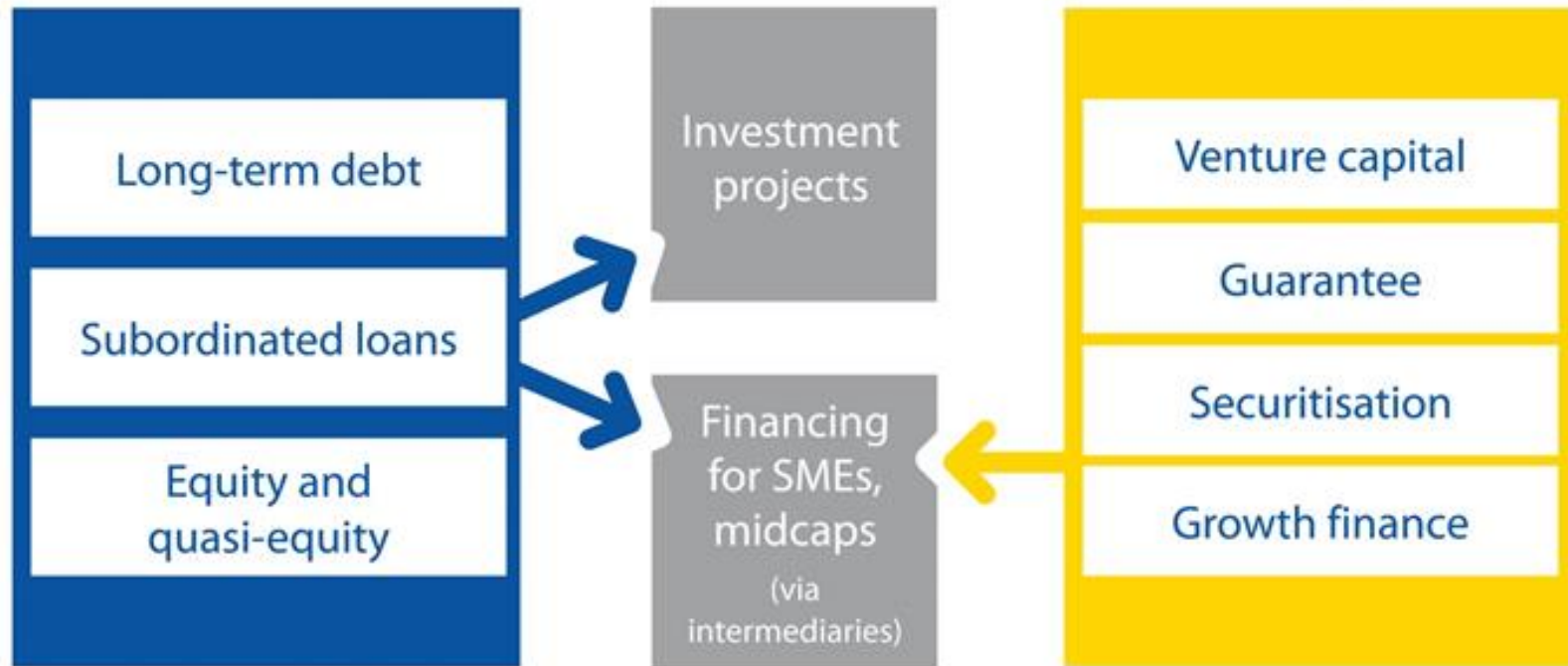
Created in **1957** by Rome Treaty – now “**EU’s Bank**”

**Not-for-profit**, “AAA” – among world’s largest bond issuers

**EUR 84bn p.a.** financed in **160 countries** (90% within the EU)

EIB’s HQ in Luxembourg

# Overview of the EIB Group



# EFSl: “ceci n’est pas un fonds!”

First Loss Piece « guarantee » of EUR 16bn from EU

**EIB 2.0**

EUR ~60bn in EFSl transactions ('till 2018)

**EIB 1.0**

« Classic » EIB loans

**EIB's Own Funds  
and AAA Bond  
Issues**

**ALL IS HAPPENING ON THE B/S OF EIB**

# EFSI Financial Products

| Debt portfolio         | Product examples                                                                                                                                                                                                            | Equity portfolio         | Product examples                                                                                                                             |
|------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Senior       | <ul style="list-style-type: none"> <li>Senior Debt (CORP; PUB)</li> <li>Risk Sharing (FIN)</li> <li>Large Innovation Projects (CORP)</li> <li>Mid-Cap Growth Finance (CORP)</li> <li>Turnaround Financing (CORP)</li> </ul> | Indirect equity (ETP)    | <ul style="list-style-type: none"> <li>Infra funds EU</li> <li>Co investment in projects</li> <li>Corner stone investor new funds</li> </ul> |
| Corporate Junior       | <ul style="list-style-type: none"> <li>Credit enhancement (CORP)</li> <li>Mezzanine / Sub-debt lending (CORP)</li> <li>Hybrid debt (CORP)</li> <li>Risk Sharing (FIN)</li> <li>Contingent equity (CORP)</li> </ul>          | Direct equity-type (ETI) | <ul style="list-style-type: none"> <li>Project participation</li> <li>Mid cap ETI</li> </ul>                                                 |
| Project Finance Senior | <ul style="list-style-type: none"> <li>LT senior debt (PF)</li> </ul>                                                                                                                                                       |                          |                                                                                                                                              |
| Project Finance Junior | <ul style="list-style-type: none"> <li>Credit enhancement (PF)</li> <li>Other guarantees (PF)</li> </ul>                                                                                                                    |                          |                                                                                                                                              |

# EIB's Oceans/Small Islands Agenda : “no green without blue”

## No Green without Blue: More needed to tackle ocean acidification and to support the blue economy, EU Bank Vice-President tells COP23

📅 Release date: 11 November 2017

📄 Reference: 2017-312-EN

Speaking at Oceans Action Day, at the COP23 UN Climate Conference in Bonn the Vice-President in charge of Climate Action and Environment at the European Investment Bank (EIB) has urged the global community to do more protect oceans and support the blue economy.

Jonathan Taylor said, *“The European Investment Bank, which is the long-term lender of the European Union, can be a strong partner in protecting the environment, especially our oceans. With your help, we can reduce pollutants in the water, manage ocean resources sustainably and mitigate climate change.”*

He added, *“It is important to underline that there simply will be no green without blue. In other words, in order to meet the Paris targets and Sustainable Development Goals, we need to establish an economy that is blue in the same sense that the economy on land should be green.”*



# EIB confirms commitment to support small island states and blue economy

📅 Release date: 07 June 2017

📄 Reference: 2017-143-EN



At the United Nations Oceans Conference the European Investment Bank today confirmed support for investment around the world that strengthens conservation and enables more sustainable use of oceans and marine resources. This includes responding to the needs of Small Island Developing States to reduce vulnerability to a changing climate and supporting schemes that reduce pollution and contribute to development of a sustainable blue economy.

Addressing world leaders and representatives of civil society, business, academia and science at the United Nations Oceans Conference in New

York, Jonathan Taylor, European Investment Bank Vice President responsible for climate action and the environment, highlighted specific examples of investment that would be supported by two voluntary commitments to the United Nations Ocean Conference.

“Healthy oceans are crucial for the future of our planet and Europe recognises the need to support development of the Blue Economy. The European Investment Bank is fully committed to supporting achievement of Sustainable Development Goal 14 in close cooperation with international and European partners. This includes helping to reduce the vulnerability of Small Island Developing States to a changing climate, supporting efforts to reduce marine pollution and encouraging innovation essential for a sustainable blue economy.” confirmed Jonathan Taylor, European Investment Bank Vice President.

Demonstrating clear support for implementation of Sustainable Development Goal 14 the European Investment Bank made two voluntary commitments to the United Nations Ocean Conference.



# EIB's « Small Islands » Agenda



Climate action that makes a difference in the Pacific, Caribbean and Indian Ocean

## Small islands, big impact



[http://www.eib.org/attachments/country/small\\_islands\\_big\\_impact\\_en.pdf](http://www.eib.org/attachments/country/small_islands_big_impact_en.pdf)

## Our offices

With its headquarters in Luxembourg, the European Investment Bank also has offices in the different regions in which it operates. These play a key role in cultivating relations between the EIB and its public and private sector customers and in strengthening cooperation with local institutions and partners.



# EIB in Outermost Regions

## ■ EIB « classic » loans

- Electricidade da Madeira & dos Azores (signed)
- Madeira Post-Floods Framework Loan (signed)
- LNG Regasification Plant Granadilla (Tenerife) (under appraisal)
- Canarias Wind Project Finance (under appraisal)
- Funchal (Madeira) Urban Transport (under appraisal)

## ■ EIB EFSI projects

- La Réunion Investment Fund (under appraisal)
- Overseas Territories Economic Development Risk-Sharing with AfD (signed in 2016)
- Las Palmas Bus Rapid Transit (signed in 2017).

## ■ Advisory Hub

- Marie Galante (Guadeloupe) (ongoing)

# Some non-EU Ocean-related Projects

- **Partnership with the Caribbean Development Bank**

A USD 110m loan to the Caribbean Development Bank for climate change mitigation, adaptation and resilience across the Caribbean. USD 24m emergency post-hurricane reconstruction financing initiative; Philip Goldson Highway in Belize; airport in the Cook Islands, roads in La Reunion, a wind farm in Cape Verde, solar micro grids in the Maldives, upgraded water systems in the Seychelles and a hydro project in the Solomon Islands.

- **Water Authority of Fidji**

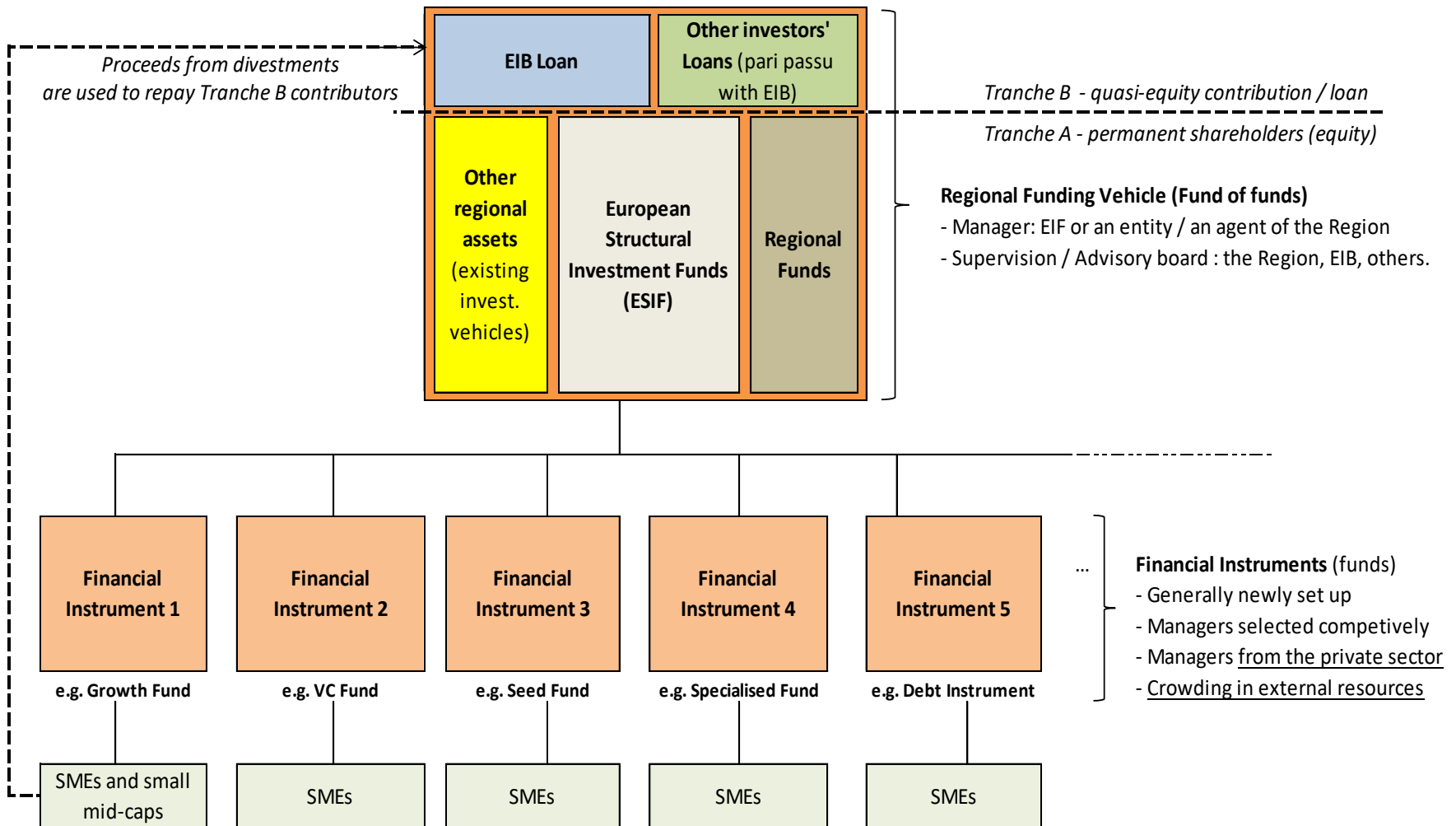
A USD 75m (largest ever loan in the Pacific; largest ever support for water investment in a small island state) in partnership with the Government of Fiji, Asian Development Bank and the Green Climate Fund. To increase resilience of water and wastewater assets following Cyclone Winston

- **Sustainable Oceans Fund**

A USD 20m investment in the Sustainable Ocean Fund approved in Q4/2017. Pioneering investment vehicle to help fisheries rehabilitation, sustainable aquaculture and other areas of the blue economy.

A test case to prove that it is good business to invest in fisheries rehabilitation and sustainable seafood, and we are proud to be part of this.

# Case Study: SME Fund of Funds in La Réunion



# First Juncker Plan guarantee from the EIB for an AFD loan in the French overseas territories

📅 Release date: 30 October 2017

📄 Reference: 2017-293-EN



On the occasion of the Conference of the Outermost Regions, the European Investment Bank (EIB) and the Agence Française de Développement (AFD) signed the first finance contract for a project in a French overseas territory to benefit from an EIB guarantee under the Juncker Plan. Promoted by Le Toucan 973 (a civil property company – SCI), the project benefiting from the loan and the EIB guarantee aims to meet the accommodation and care needs of older people in French Guiana, via the construction of an innovative, inter-generational complex including a senior services residence, a hotel and related services.

The signing ceremony took place in Cayenne and was attended by Jean-Claude **Juncker**, President of the European Commission, Corina **Crețu**, European Commissioner for Regional Policy, Ambroise **Fayolle**, Vice-President of the EIB, Rodolphe **Alexandre**, President of the Regional Council of French Guiana, Laurent **Fakhoury**, Head of the AFD in French Guiana, and Marjorie **Avenire**, the project promoter.

European Commissioner for Regional Policy Corina **Crețu** said: *“I am happy to sign this project together with President Juncker on the occasion of the Conference of the Presidents of the Outermost Regions here in French Guiana. The social dimension lies at the heart of the Investment Plan; these small-scale projects have a major impact of people's lives. This project will create jobs but, above all, will create a social connection within the region. As part of our new strategy for the outermost regions, we are working with the EIB on a dedicated initiative to give these regions easier access to EU funds for strategic investments.”*



## Extension of Juncker Plan in the French overseas territories

📅 Release date: 30 October 2017

📄 Reference: 2017-294-EN



*On 30 October 2017, the European Investment Bank (EIB) and the Agence Française de Développement (AFD) announced that they were stepping up their financing of development projects in the French overseas territories.*

EIB Vice-President Ambroise Fayolle and AFD's Director in New Caledonia, Philippe Renault, signed an extension of the existing risk-sharing agreement for the French overseas territories. This agreement comes under the Investment Plan for Europe, commonly known as the Juncker Plan, which aims to get investment back on track in the countries

of the European Union.

Aware of the key role potentially to be played by "Juncker" financing operations in the outermost regions, in December 2016 AFD and the EIB signed a EUR 150m framework programme to develop financing in the French overseas territories thanks to the EU guarantee. The first project to be financed in French Guiana – concerning tourist infrastructure and a retirement home – was signed in Cayenne on Friday 27 October on the fringes of the Conference of the Presidents of the Outermost Regions in the presence of the President of the European Commission, Jean-Claude Juncker.

The EIB financing enables the AFD to take a greater share of the risk in financing projects that are vital for the economic development and competitiveness of the outermost regions as well as the daily lives of those living there. The extension signed today will for the first time enable this facility to be extended to the French overseas territories.

The total amount of financing provided under this programme will be increased by EUR 30m to EUR 180m.

# How to finance a project with EIB?

## ■ Defining the project

- If needed, use the **Advisory Hub** (free for the public sector) and rely on our **local offices**
- Check (i) minimum size (if small-scale, look for possible **intermediated** support) and (ii) eligibility (beware of excluded sectors)

## ■ Bankability considerations

- Public sector risk (or strong credit rating): « classic EIB » support may be envisaged
- Private sector risk: **EFSD eligibility check** (e.g. crowding-in of private sector is a requirement)



# Conclusion - How can we do more?

The key requirements to step up financing for a **sustainable blue economy** are:

- Improved local governance
- An enabling policy framework
- Efficient marine spatial planning
- Transfers of technology and expertise/knowledge (technical, legal, financial) to the local level

# Many thanks for your attention!

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