The role of the local and regional authorities in the implementation of the EFSI: opportunities and challenges

Specific Contract No 6510 implementing Framework contract No CDR/DE/16/2015/1

European Committee of the Regions
EFSI IN FIGURES

- As at May 2017, the total investment related to EFSI approved projects was EUR 36.9 billion (EUR 27.9 billion from the EIB and EUR 9 billion from the EIF).

- In terms of total investment mobilised, this represents EUR 194 billion or 62% of the current target (by end of 2018) of EUR 315 billion.

- There are 252 listed projects financed by the EIB: 137 signed (54% out of the total, accounting for EUR 24.2 billion), 87 approved and 28 are under appraisal. Projects financed by the EIF are 91.
EFSI in Figures
By sector

- SMEs: 29%
- Energy: 24%
- RDI: 20%
- Digital: 11%
- Transport: 9%
- Social infrastructure: 4%
- Environment and resource efficiency: 3%

Reproduced from the EIB figures dashboard published on 16th May 2017
**EFSI IN FIGURES**

*By geography*

- France, Italy Spain and Germany are the countries most involved in EFSI projects financed by the EIB. They have also the highest number of signed projects.

- For the EFSI projects financed by the EIF, Italy is first with 22% of the total followed by France with 12%.

### EFSI projects by EU-15 and EU-13

<table>
<thead>
<tr>
<th></th>
<th>Signed</th>
<th>Approved</th>
<th>Pre-approval</th>
<th>Financed by the EIF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EU-15</strong></td>
<td>83%</td>
<td>76%</td>
<td>54%</td>
<td>55%</td>
</tr>
<tr>
<td><strong>EU-13</strong></td>
<td>14%</td>
<td>17%</td>
<td>39%</td>
<td>39%</td>
</tr>
<tr>
<td>*<em>Other</em></td>
<td>4%</td>
<td>6%</td>
<td>7%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Own elaboration from the EIB and EIF projects databases*
EFSI IN FIGURES
By geography

- Over one third of the projects financed by the EIB have a local/regional scale, over one third national, and about one quarter transnational.

- For those financed by the EIF, the regional/local scale of projects accounts for the 7% of the total.
EFSI IN FIGURES
By geography

Involvement of LRAs in EFSI projects financed by the EIB (signed projects, left side) and financed by the EIF (right side)

Own elaboration from the EIB and EIF projects databases and desk research
EFSI IN FIGURES
By size of investments

Investment by sector (financed by the EIB, signed projects; average size, EUR million)

Own elaboration from the EIB projects database
EFSI IN FIGURES

By size of investments

Investment by project scale (financed by the EIB, signed projects; average size, EUR million, left side) and investment based on LRA involvement (financed by the EIB, signed projects; average size, EUR million; right side)

Own elaboration from the EIB projects database and desk research
# CASE STUDIES

**Overview**

<table>
<thead>
<tr>
<th>Name of the Project</th>
<th>City/Region (country)</th>
<th>Type of project</th>
<th>EFSI financing, EUR (additional ESIF financing)</th>
<th>Total investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kujawsko-Pomorskie Healthcare Program III</td>
<td>City of Torun, Poland, Kujawsko-Pomorskie Region (Poland)</td>
<td>• Urban; • Health sector</td>
<td>57 million (+ERDF co-financing, unspecified)</td>
<td>152 million</td>
</tr>
<tr>
<td>Lisbon Urban Renewal Housing Climate</td>
<td>Lisbon (Portugal)</td>
<td>• Urban; • Transport; Environment and resource efficiency; Social infrastructure</td>
<td>51 million (1st tranche of 250 million)</td>
<td>523 million</td>
</tr>
<tr>
<td>InnovFin agreement – Regional promotional institutions supporting innovative SMEs</td>
<td>North-Rhine Westphalia, Hesse, Berlin, Hamburg, Brandenburg, Rhineland-Palatinate, Schleswig-Holstein (Germany)</td>
<td>• Multi-regional; • Innovative companies (SMEs, small mid-caps)</td>
<td>N/A</td>
<td>110 million</td>
</tr>
<tr>
<td>Investment Fund TRI in Nord-Pas de Calais</td>
<td>Nord-Pas de Calais (France)</td>
<td>• Regional • Environment and resource efficiency</td>
<td>20 million (+ ERDF 12.5 million)</td>
<td>100 million</td>
</tr>
<tr>
<td>Società Gasdotti Italia - Gas transmission</td>
<td>Marche and Abruzzo Regions (Italy)</td>
<td>• Multi-regional • Energy; Smaller companies</td>
<td>44 million</td>
<td>88 million</td>
</tr>
</tbody>
</table>
CASE STUDIES
Key challenges for the LRAs involved in the EFSI projects

CULTURAL ATTITUDE:
- Riskier projects may not be desirable for regional authorities
- Local authorities find financial instruments to be complex (including ESIF)

SKILL AND TECHNICAL CAPACITY:
- Even well-structured authorities do not always have the necessary knowledge of legal and financial requisites and specific expertise to apply for the EFSI programme

INTRINSIC COMPLEXITY OF MANAGING EFSI FINANCING:
- Complex implementation process for the application and considerable administrative and ICT-efforts for reporting
  - Too strict eligibility rules
- The process of selecting the fund manager could be very challenging

CONTEXT CONDITIONS:
- Complex national regulations can make planning and implementing projects more difficult and challenging
CASE STUDIES
Success factors and lessons learned

STRATEGIC ROLE OF EFSI:
- EFSI financial support perceived decisive for the effective implementation of higher risk projects and a key contribution to the investments

EFFECTIVE LONG TERM PLANNING:
- Consistent development policy based on an integrated approach, supported by long-term vision
- A long-term integrated infrastructure investment programme to solve much more complex social challenges

EFFICIENT GOVERNANCE:
- A clear and efficient governance structure, dynamic planning and rigorous management of the strategy
- The involvement, cooperation and efficient coordination of stakeholders for political support and shared political consciousness

KNOW-HOW IN FINANCIAL INSTRUMENTS:
- Previous experience of using and managing financial instruments
- EIB support for the managing authority
- The presence of an in-house financial intermediary