

# **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**

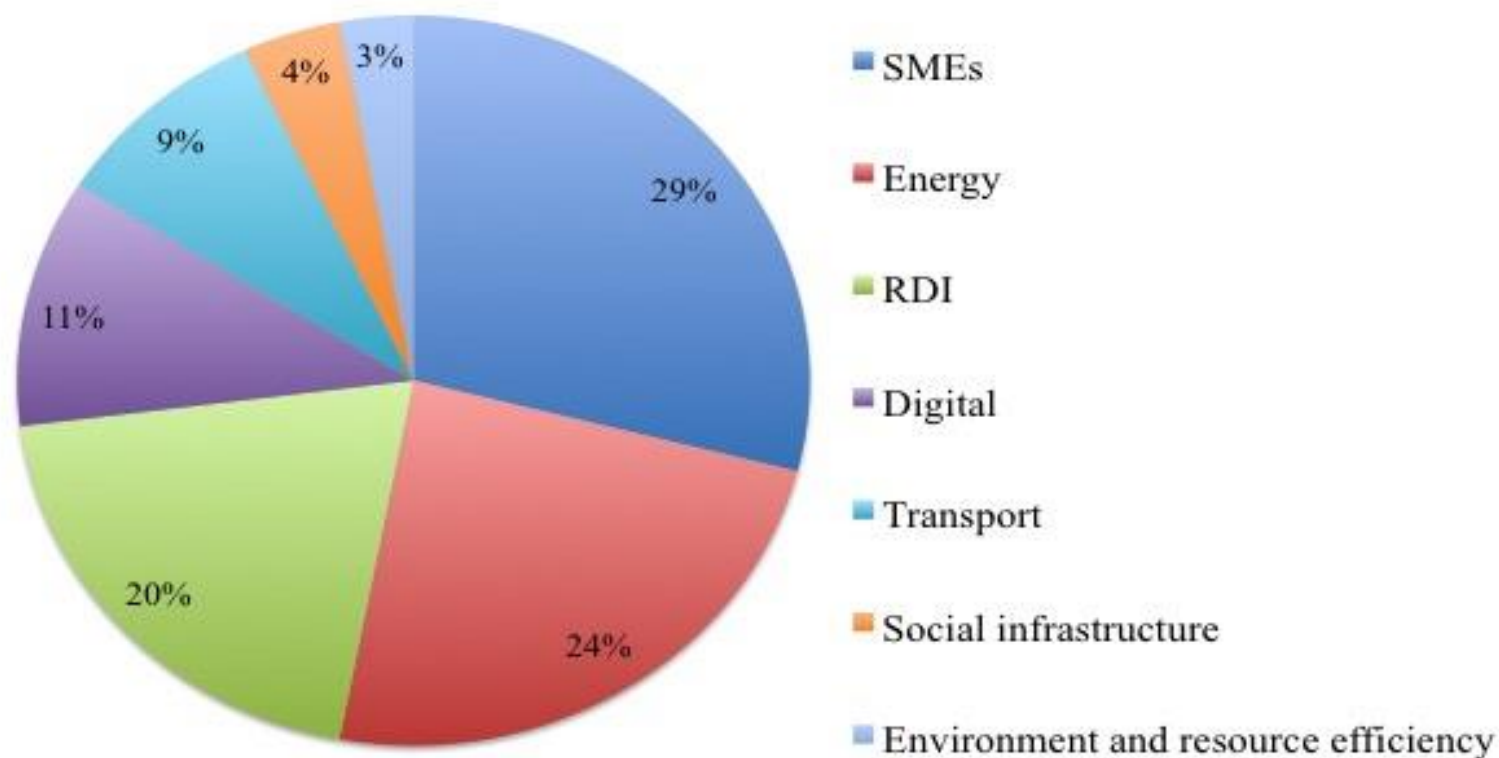
## EFSI IN FIGURES



- 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*



*Reproduced from the EIB figures dashboard published on 16<sup>th</sup> 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**

	Financed by the EIB			Financed by the EIF
	Signed	Approved	Pre-approval	
EU-15	83%	76%	54%	55%
EU-13	14%	17%	39%	39%
Other*	4%	6%	7%	6%

*Own elaboration from the EIB and EIF projects databases*

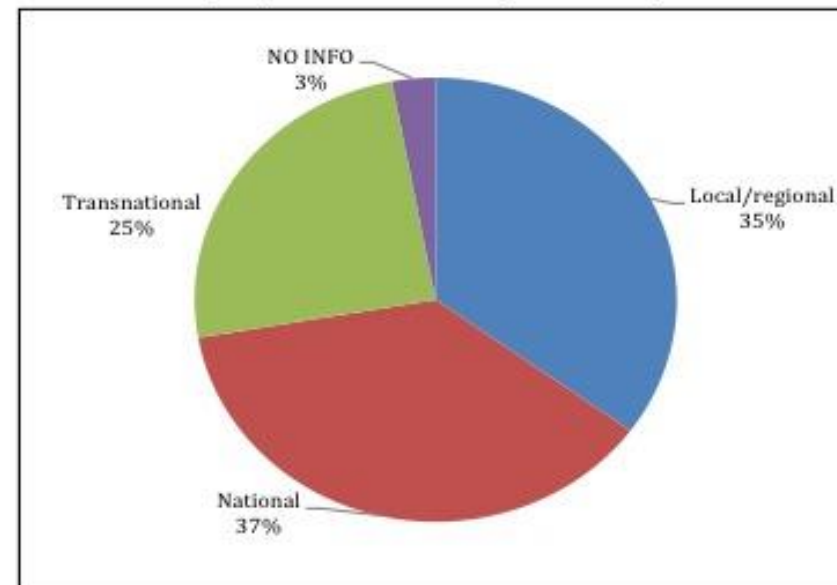
## EFSI IN FIGURES

### *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.



**Distribution of EFSI projects based on the local/regional, national and transnational scale (signed projects financed by the EIB)**



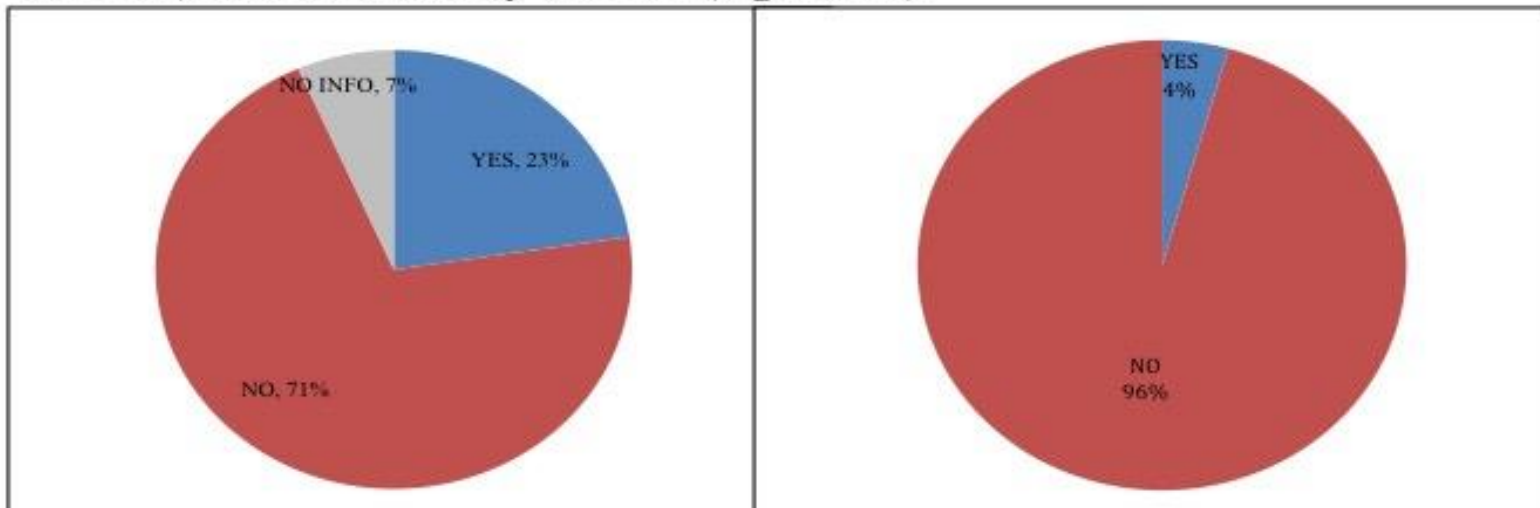
*Own elaboration from the EIB projects database*

# 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*

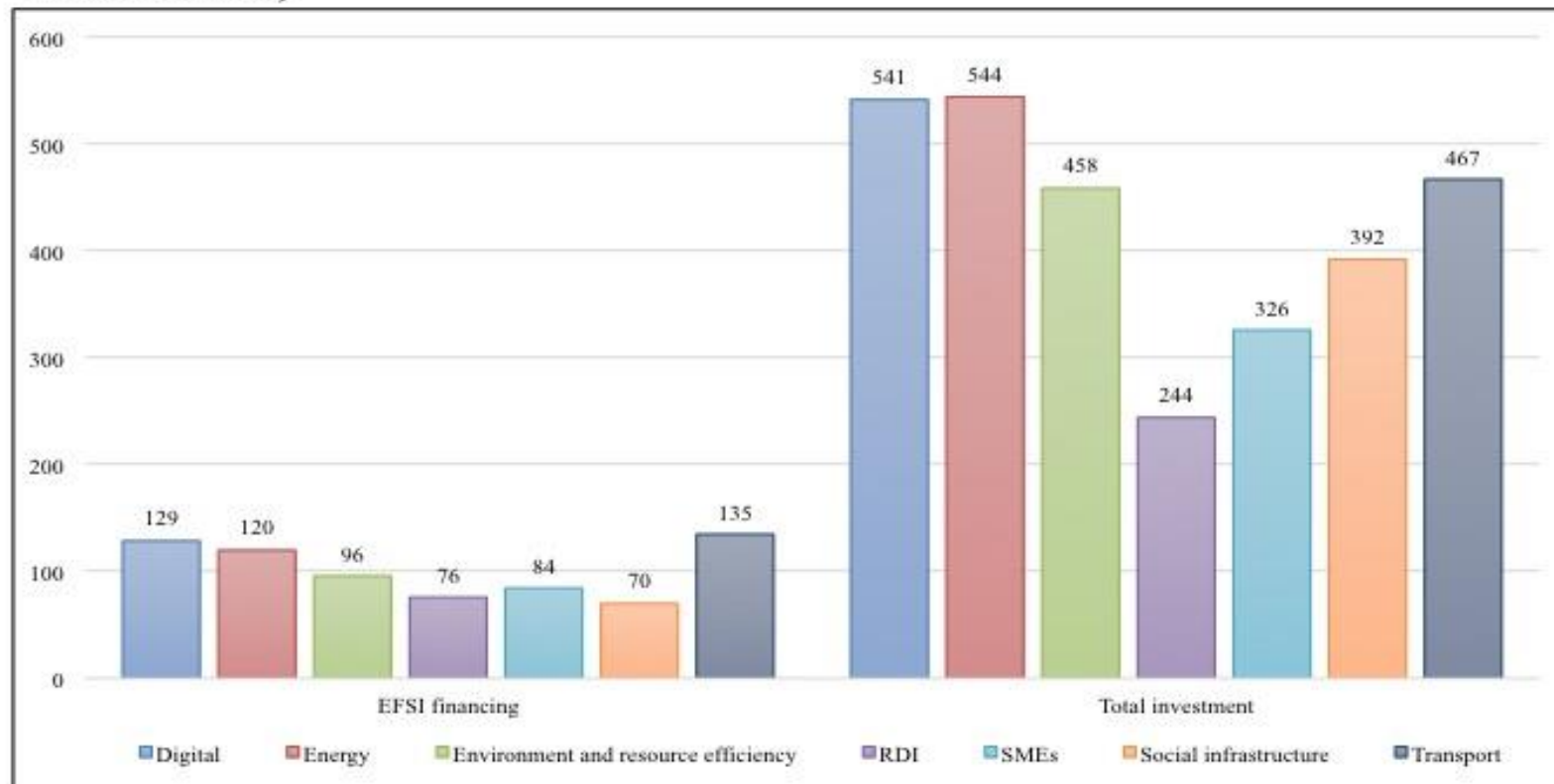


# EFSI IN FIGURES

## *By size of investments*



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



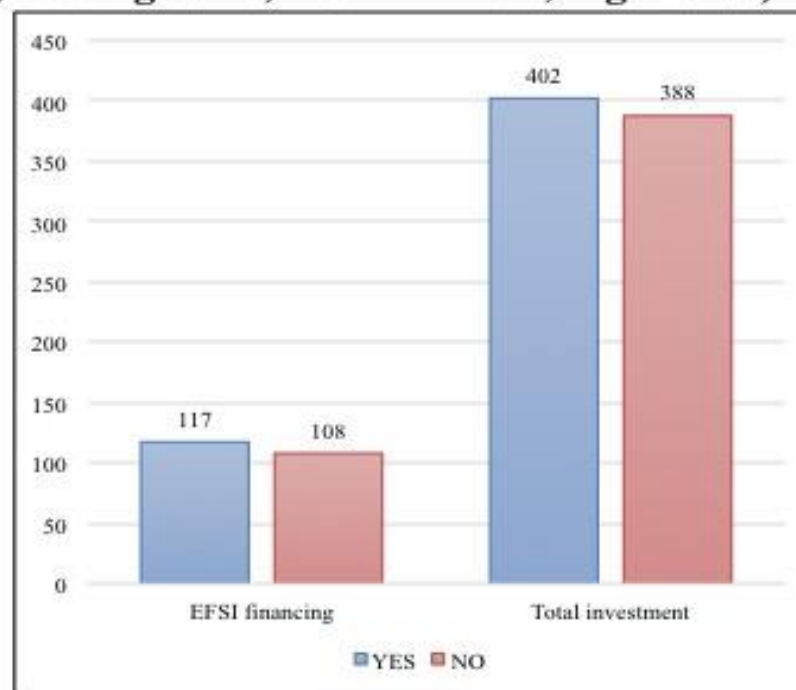
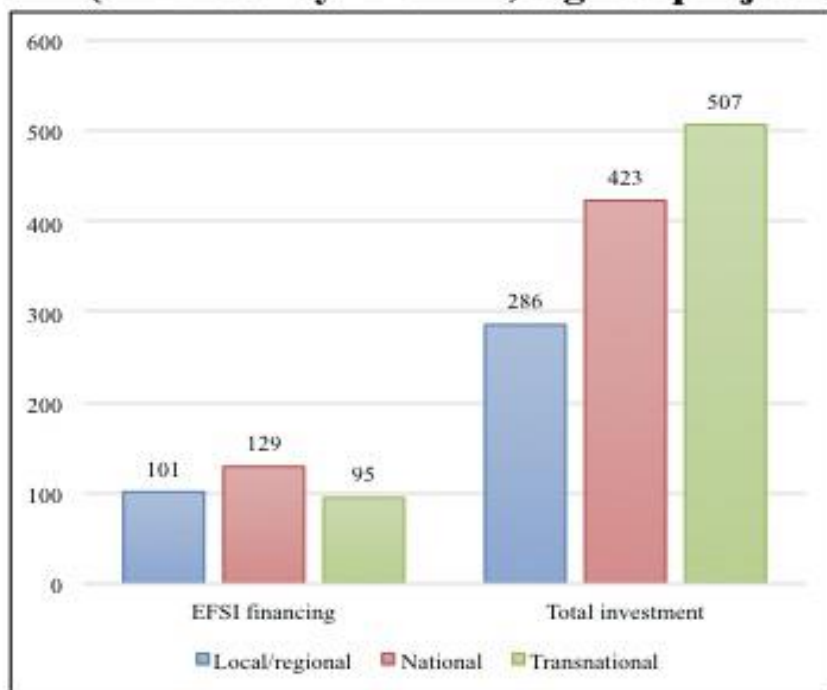
*Own elaboration from the EIB projects database*

# 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



Name of the Project	City/Region (country)	Type of project	EFSI financing, EUR (additional ESIF financing)	Total investment
Kujawsko-Pomorskie Healthcare Program III	City of Torun, Poland, Kujawsko-Pomorskie Region (Poland)	<ul style="list-style-type: none"> <li>• Urban;</li> <li>• Health sector</li> </ul>	57 million (+ERDF co-financing, unspecified)	152 million
Lisbon Urban Renewal Housing Climate	Lisbon (Portugal)	<ul style="list-style-type: none"> <li>• Urban;</li> <li>• Transport; Environment and resource efficiency; Social infrastructure</li> </ul>	51 million (1 <sup>st</sup> tranche) of 250 million	523 million
InnovFin agreement – Regional promotional institutions supporting innovative SMEs	North-Rhine Westphalia, Hesse, Berlin, Hamburg, Brandenburg, Rhineland-Palatinate, Schleswig-Holstein (Germany)	<ul style="list-style-type: none"> <li>• Multi-regional;</li> <li>• Innovative companies (SMEs, small mid-caps)</li> </ul>	N/A	110 million
Investment Fund TRI in Nord-Pas de Calais	Nord-Pas de Calais (France)	<ul style="list-style-type: none"> <li>• Regional</li> <li>• Environment and resource efficiency</li> </ul>	20 million (+ ERDF 12.5 million)	100 million
Società Gasdotti Italia - Gas transmission	Marche and Abruzzo Regions (Italy)	<ul style="list-style-type: none"> <li>• Multi-regional</li> <li>• Energy; Smaller companies</li> </ul>	44 million	88 million

# 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

## **Key challenges**

### **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

## **Success factors and lessons learned**

### **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