



European Investment Bank (EIB):

Risk Sharing Finance Facility (RSFF)

Opportunities for financing bio-refineries

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Dr. Harald JAHN
Head of Division
Natural Resources and Agro-Industry
Projects Directorate



EIB

- ❖ European Union's long-term lending bank set up in 1958 by the Treaty of Rome
- ❖ Shareholders: 27 EU Member States
- ❖ 2 main facilities:
 - ❖ **Prêt-a-porter - Intermediated Loans**
 - ❖ Small and medium-scale projects (particularly to SMEs) via national and regional intermediary banks
 - ❖ Lending decision remains with the financial intermediary
 - ❖ **Tailor Made - Direct Loans**
 - ❖ Large-scale projects (more than EUR 25 m)



- **EIB Priority Objectives Inside the European Union:**
 - Supporting least developed regions
 - Development of Trans European Networks
 - **KNOWLEDGE ECONOMY**
 - Security of Energy Supply
 - Environmental sustainability
 - SMEs

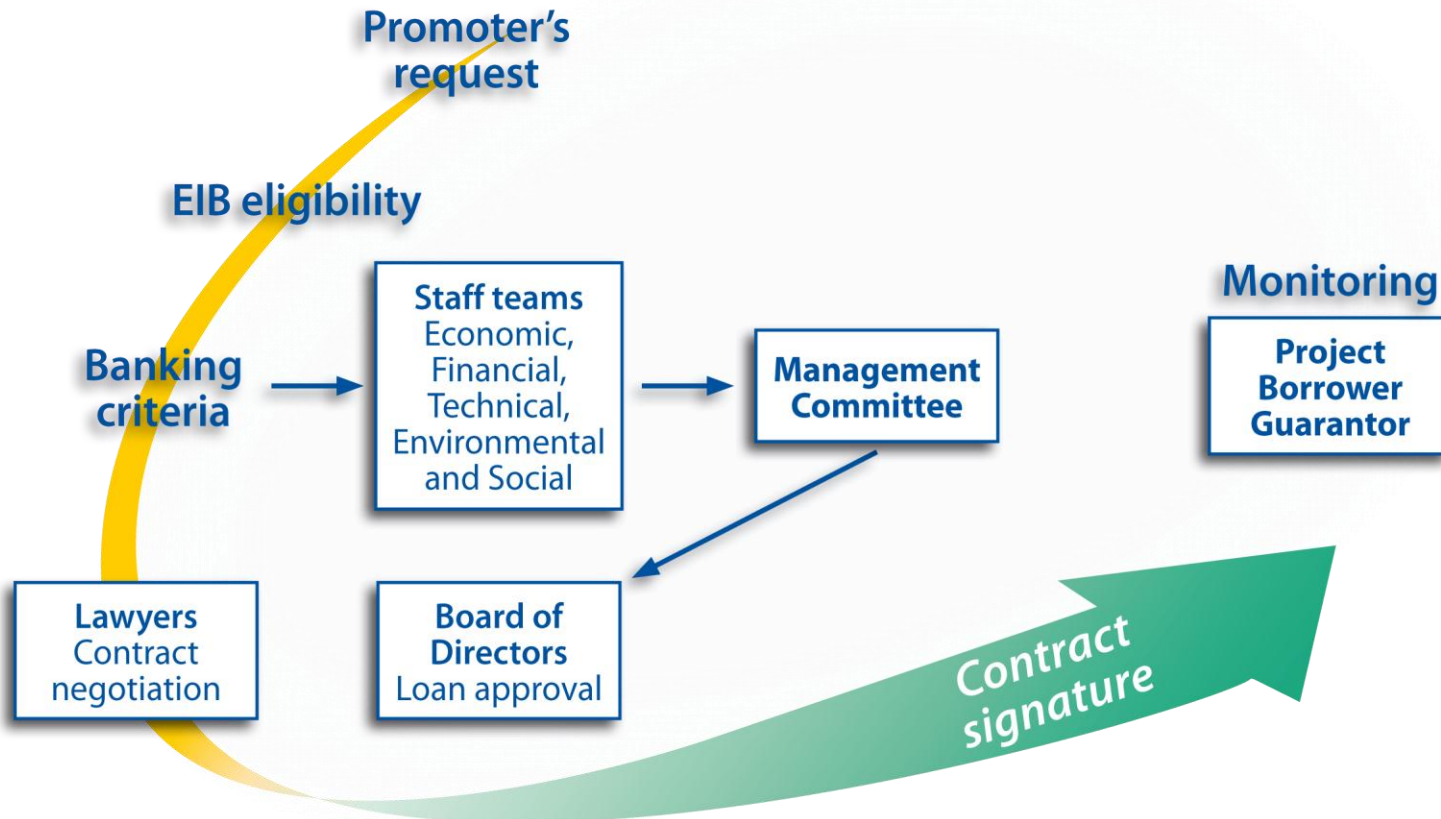
- **EIB Objectives Outside the European Union:**
 - Private sector development
 - Infrastructure development
 - Security of energy supply
 - Environmental sustainability



Under EU Mandates:

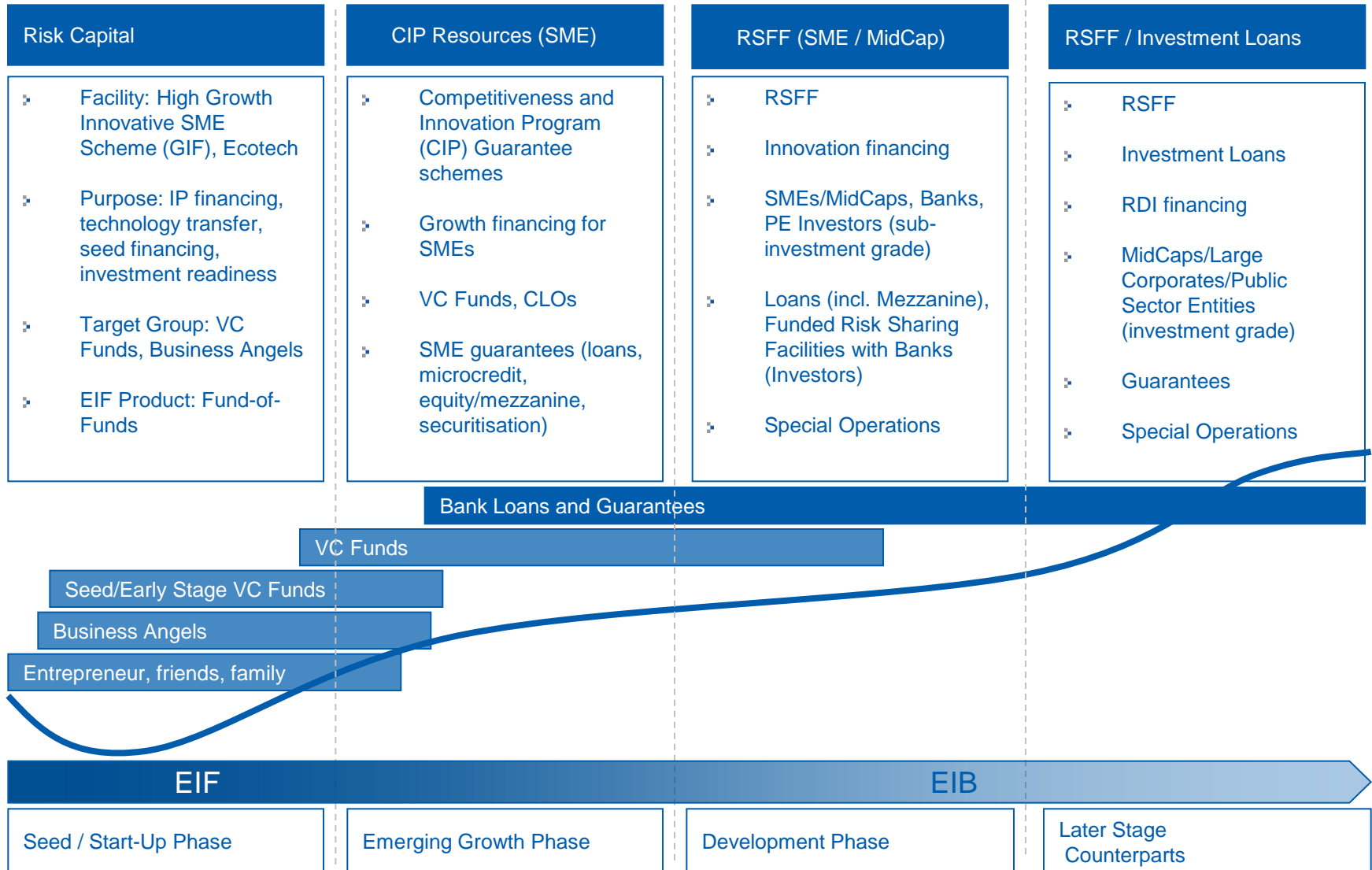
- ❖ Pre-Accession
 - ❖ Candidate Countries: Croatia, Iceland, Former Yugoslav Republic of Macedonia, Montenegro and Turkey
 - ❖ Potential Candidate Countries – Western Balkans
- ❖ European Neighbourhood
 - ❖ Mediterranean Partner Countries (FEMIP)
 - ❖ Russia and Eastern Neighbours
- ❖ Development
 - ❖ Africa, Caribbean and Pacific (ACP, PTOM)
 - ❖ South Africa
 - ❖ Asia and Latin America (ALA)

The EIB project cycle



EIB project cycle

EIB GROUP : EIB/EIF product range





RSFF - Key Sectors



1	Engineering/Automotive
2	Energy
3	ICT
4	Life Science
5	RDI Infrastructures

Rationale for Selection

- Scope of Sector
- EU Policy Dimension
- Key RDI Trends
- Strong EIB Track Record in the industry
- RSFF Implementation Strategy

Product Developer

Sector Know-How

Long Term Financing



Lisbon Agenda Objectives

The EU to become “*the most dynamic and competitive knowledge-based economy in the world*” by 2010.

Main Areas For Action

Establishing
an effective internal
market

Boosting research
and
innovation

Improving
Education

Plan for Action

Encourage private-sector to do more...

Main Obstacles to Innovation

Excessive
risk

Lack of
financial resources

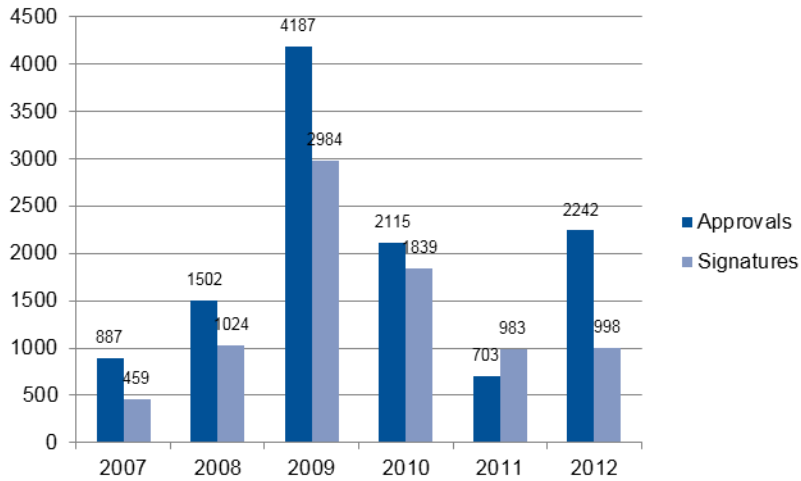
Lack of qualified
human resources



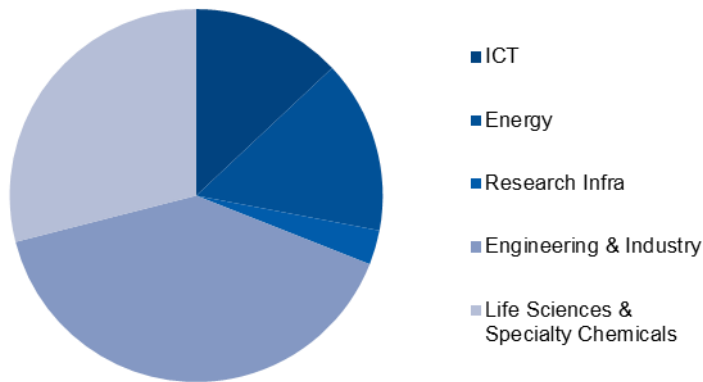
Remove one obstacle to R&D by facilitating access
to innovative debt financing.



RSFF Approved and signed transactions 2007- 08/2012 (in EURm)



RSFF Portfolio Distribution by Industry Segments



RSFF Portfolio - Geographical Distribution





What can be financed by the EIB?

ELIGIBLE COSTS

Time

Year 1 € 20m

Year 2 € 10m

Year 3 € 30m



Total € 60m



€ 30 m MAX. EIB LOAN

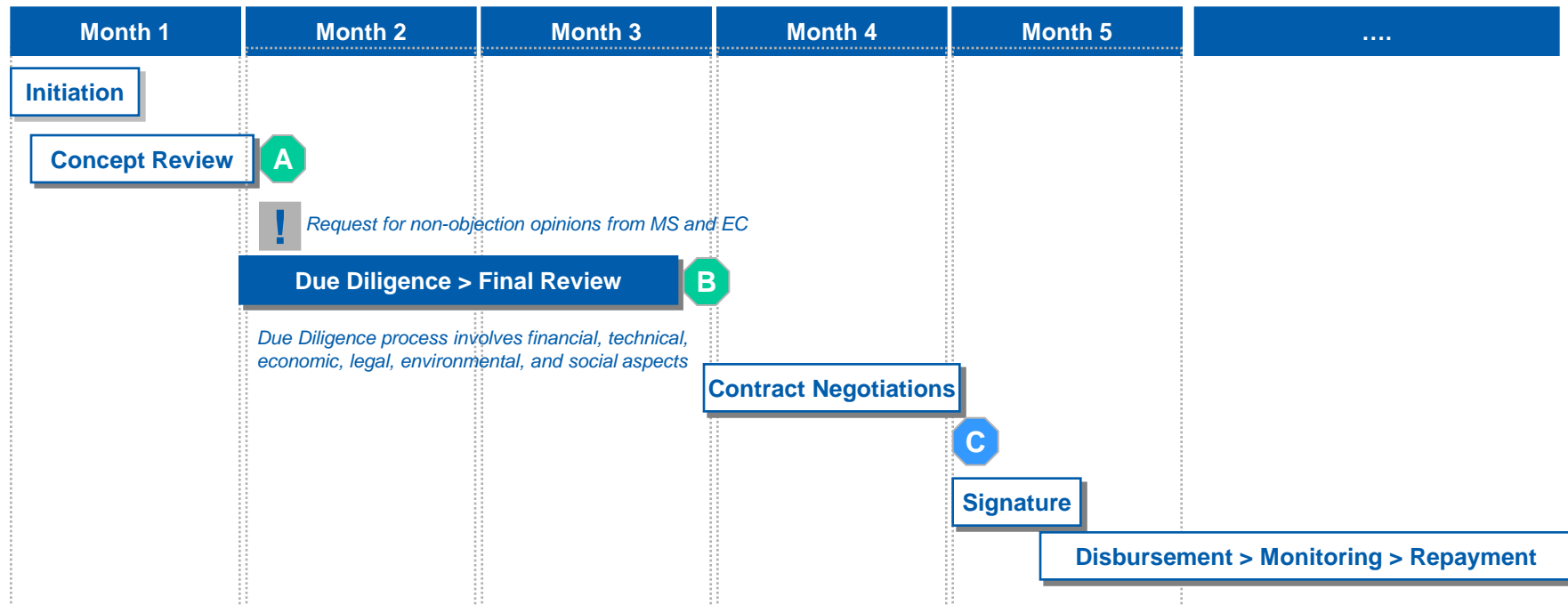
- Facilities: project **capital expenditures** for tangible assets;
- Activities: project **capital expenditures** for intangible assets, **research staff cost**, incremental **working capital** needs and **other related operating expenses**.

R&D budgets typically cumulated over 3 years (investment programme)

Up to 50% of total project cost.



Direct Financing Concept under RSFF – Timeline



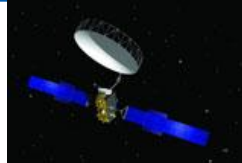
- ❖ Concept review is based on preliminary information provided by the promoters.
- A** First Approval by EIB Management Committee allows the staff to engage in an official appraisal process
- !** For all operations EIB requests non-objection opinions from the concerned Member State(s) and the Commission
- B** Second Approval by EIB Management Committee allows the presentation of the operation to the EIB Board of Directors (1 month in advance; 10 x p.a.)
- C** Approval of EIB Board of Directors allows signature of the approved and negotiated structure



ALPHASAT

Project Cost: EUR 598m

RSFF Financing : EUR 225m

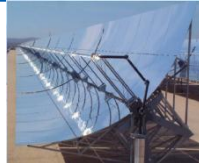


Alphasat is the first flight (proto-flight) mission for Alphabus, the new European platform for next generation, high power communication satellites. The program is jointly supported by ESA (European Space Agency) and CNES (Centre National d'Etudes Spatiales). The promoter will utilise the operational payload to launch an augmented version of its Broadband Global Area Network, while ESA is also including four Technology Demonstration Payloads in the launch

ANDASOL SOLAR THERMAL POWER 1 & 2

Project Cost: 2 x EUR260m

RSFF Financing: 2 x EUR 60m

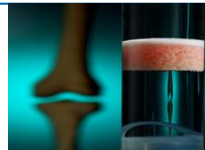


- ❖ Technology: “Solar-only” Parabolic Trough Power Plant
- ❖ Installed Capacity: 2x 49.9 MW_{el}
- ❖ Storage: Two-tank molten salt storage for 7.7 full load hours
- ❖ Project Site: Plateau of Guadix, Province Granada
- ❖ Net electricity production: 2x 179.1 GWh/a

MEDINVEST

Project Cost: EUR229m

RSFF Financing : EUR 30m



- ❖ Financing of RDI activities in the field of medical devices/technologies
- ❖ The proceeds of the EIB loan will be downstreamed to finance the RDI activities of the portfolio companies.
- ❖ Each portfolio company is liable and responsible for repaying the loan made to it.
- ❖ Distributions to the founders will be used to first repay the remaining outstanding loan to Medinvest.
- ❖ The most likely source of distributions are proceeds from disposal/exit.

EUROPEAN MEDTECH (OPEN INNOVATION)

Project Cost: EUR 413m

RSFF Financing: EUR 200m



- ❖ Long term strategic finance in the form of a subordinated loan to fund the open innovation R&D activities in and around the High Tech Campus in Eindhoven
- ❖ The RSFF Loan will be used to fund Philips' early stage, higher risk healthcare R&D projects in the field of image-guided intervention and therapy, home healthcare and clinical decision support systems.
- ❖ Philips' R&D will take place in collaboration with SMEs, research institutes and universities across Europe.



RSFF - Principles and Rationale

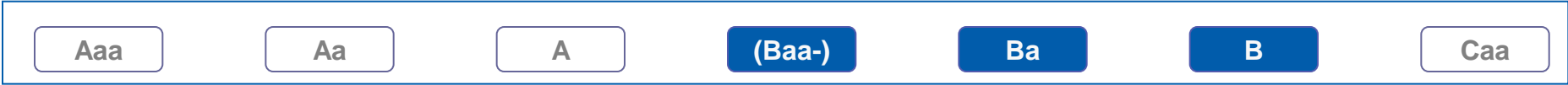


Direct Lending

- 1 Corporate Lending
 - Senior Secured
 - Second Lien
 - Senior Unsecured
 - Junior Unsecured
 - PIK loans
 - Mezzanine, etc.
- Project Financing
- Universities
- Other: SPVs, PPPs, JTIs ...

Indirect Lending / Financing

- 2 Financial Intermediaries
(extend lending capacity)
 - Risk Sharing
 - Co-financing
- 3 Investment Funds
 - Renewable Energy
 - Others
- 4 Collaboration with EIF
 - Banks
 - Funds





THANK YOU FOR YOUR INTEREST

Dr. Harald Jahn