



InvestEU – MS Compartment: presentation of the Programme

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EIB Group and “DFI”: what we do



Management of financial instruments / Mandate

Acting as Investment Manager to manage ESIFs/shared management funds made available in the form of financial instruments (Fund of Funds) and to pilot innovative instruments for EU policy needs

Investment
manager



Technical assistance and financial advisory

Providing capacity-building activities and financial advisory services to MAs in order to support implementation and acceleration of investment projects, bilateral advisory and FI Compass

Assistance
& advisory



Co-financing

Co-financing of financial instrument operations using EIB own resources at the level of the promoting entity, project or financial intermediary. It enables to increase the resources available to final beneficiaries.

Co-financing



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Overview of EU financial instruments



	Centrally managed by EC	Shared Management (Member State level)
Research, Development Innovation	Horizon 2020 InnovFin (Debt instruments & Equity instruments)	Instruments under ESIF EU level Off-the shelf instruments Tailor made instruments
Growth, Jobs and Social Cohesion	Competitiveness & SME (COSME) Equity & guarantees	
	Cultural and Creative Sector Guarantee Facility	
Infrastructure	Employment & Social Innovation (EaSI)	
	Erasmus +	
	Connecting Europe Facility (CEF) Risk sharing and Equity Instruments (Project Bond Initiative incl. pilot phase, LGTT II)	
	Private Finance for Energy Efficiency (PF4EE) and Natural Capital Financing Facility (NCF)	

 Management of facility foreseen for EIB Group only

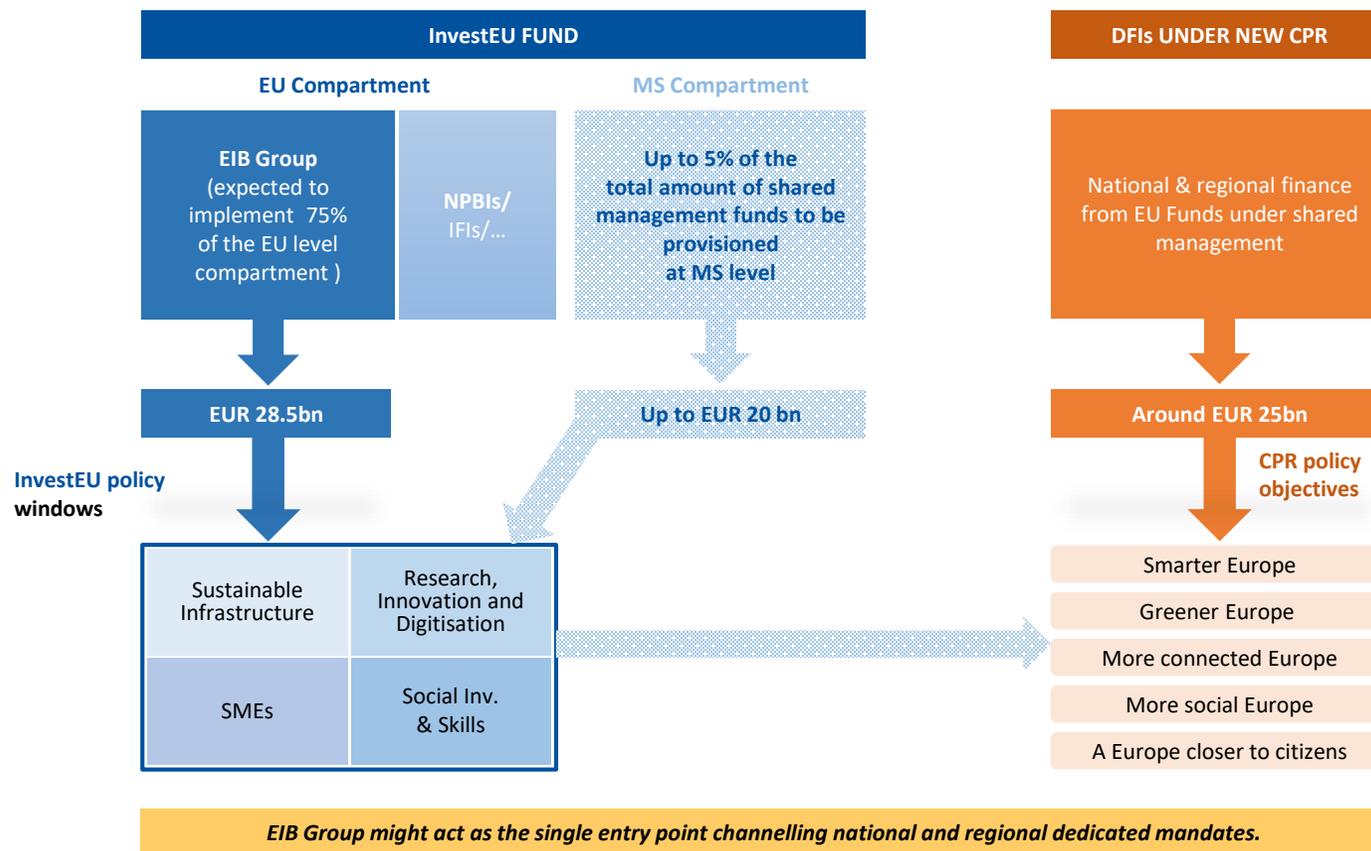
 Management of facility foreseen for EIB Group plus other 3rd parties



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Invest EU and DFI



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InvestEU - MS Compartment

Combination or solo use



Outreach and applicability of the MS-C: creation of streamlined architecture for Managing Authorities intending to use shared management funds for standardized products, by establishing a single set of rules (InvestEU) and easing combination with EU-C resources, where desired

- Minimize the duplication and fragmentation of financial instruments across the EU;
- Effective delivery on the cohesion objectives, through ring-fencing of the contribution of shared management funds;
- Streamlined administrative requirements (e.g. reporting, audit, etc.);
- Contingent Liability versus Up-front national co-financing;
- MS should be in the driving seat for the MS Compartment by:
 - identifying which priority area to pursue via their MS Compartment
 - contributing to the most effective measure delivering on MS objectives
 - identifying suitable implementation partners

MS-C will support cohesion policy goals in a efficient and innovative way by increasing the resources and impact in benefit for the Managing Authorities territories



InvestEU - MS Compartment

Preliminary implementation concepts



Solo use of the MS Compartment

- Creation of Debt portfolios to address specific market failures or investment needs:
 - *e.g.: support to projects in social housing and elderly care*

Combination MS-Compartment and EU-Compartment

- Top-up of existing products at EU-level to increase volume at national or regional level:
 - *e.g. top-up of thematic products targeting early deployment of high-risk clean mobility projects*

or

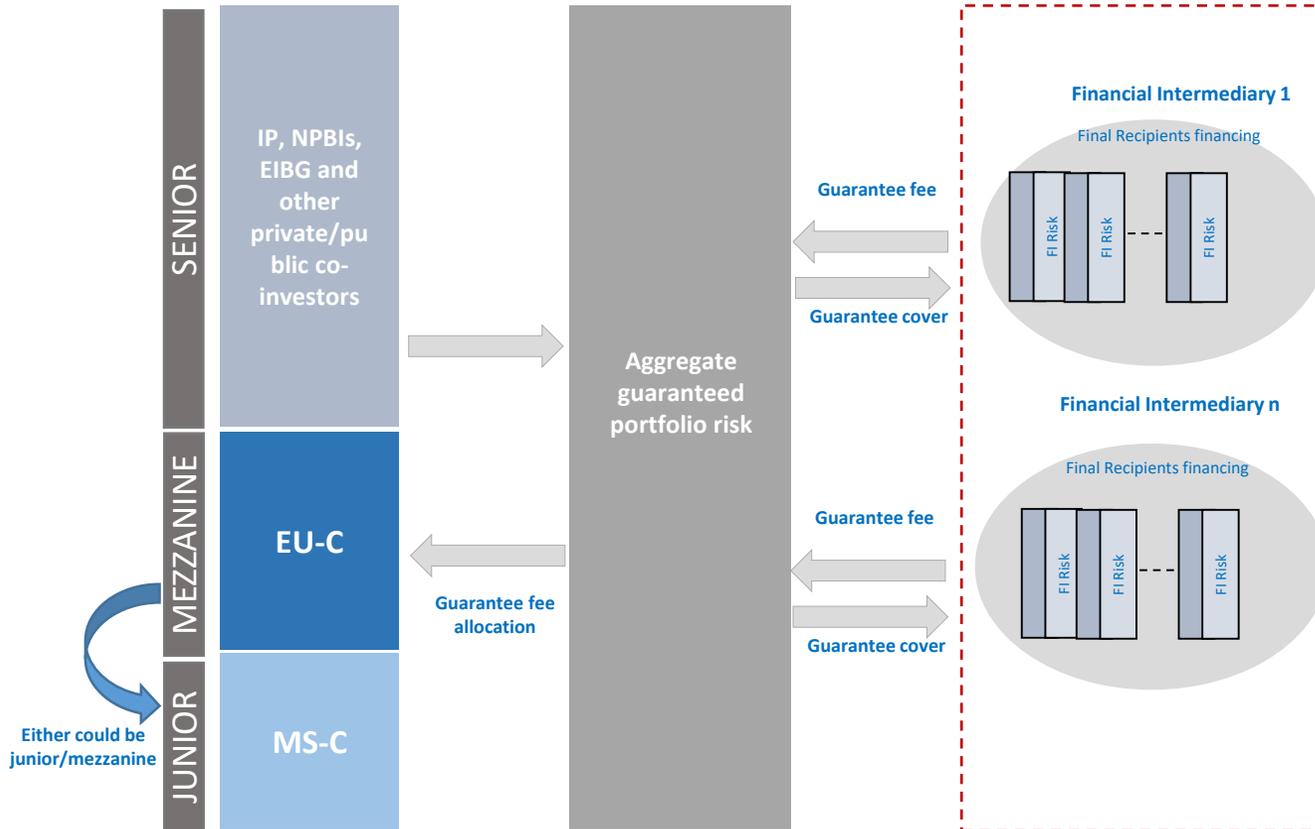
- Creation of dedicated funds combining EU-C and MS-C in layered tranche
 - *e.g. Funds for energy efficiency investments*



Possible structures will depend on rules and implementation for provisioning, guarantee pricing, mutualisation of losses...



Post-2020 MFF: building on past successes



- The architecture of the MS Compartment builds on the lessons learnt from the current MFF, and aims at creating a framework making current success products easier to implement.
- Multiregional platforms encouraged by removing inefficiencies of silo portfolios per region.
- Possibility to support bespoke financial instruments' structures for the MS Compartment.

Key recommendations for Financial Instruments in Post-2020 legislation



- **Make the most of the possibility to contribute shared management funds to InvestEU (“MS Compartment”) as this:**
 - Gives States and regions the possibility to trigger more investments for their citizens with the same amount of shared management funds due to the leverage effect of the guarantee
 - Supports cohesion policy goals in an efficient and innovative way
 - Is regulated by a set of rules specifically thought for financial instruments, avoiding inefficiencies and making implementation easier
- **Plan allocations for MS Compartment well in advance (Partnership Agreement)**
- **Carefully identify policy objectives which are common among regions, and consider that joint instruments would be more impactful for the benefit of all**
- while at the same time not forgetting that “traditional” and **tailor-made financial instruments will still have an important role to play** in the next programming period.



