



Equity for social innovation EIB Group Financing Social Innovation

Kim Kreilgaard, Lisbon Head of Office,
European Investment Bank



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The European Investment Bank Group



- Providing finance and expertise for sound and sustainable investment projects
- Leading developer of risk financing for innovative smaller and medium-sized companies



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EIB – Biggest multilateral investment bank in the world



- We raise our funding on the International capital markets, based on our AAA rating
- We transfer the benefits of our attractive funding to our clients, the promoters of investment projects

Support some 450 projects a year and operate in more than 160 countries

Based in Luxembourg
40 offices worldwide

Over 3,000 colleagues supporting
investments

- Diversity, not just financing experts but rather also colleagues with deep experience in engineering , markets and economics, social and environmental issues
- Over 60 years experience in financing projects



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EIB Group activity 2018



Our priorities

Innovation



EUR 13,500m

Environment



EUR 15,200m

Infrastructure



EUR 12,200m

SMEs



EUR 23,300m



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Financing of EIB Group in Portugal in 2018

**EUR
1,979_m
signed**

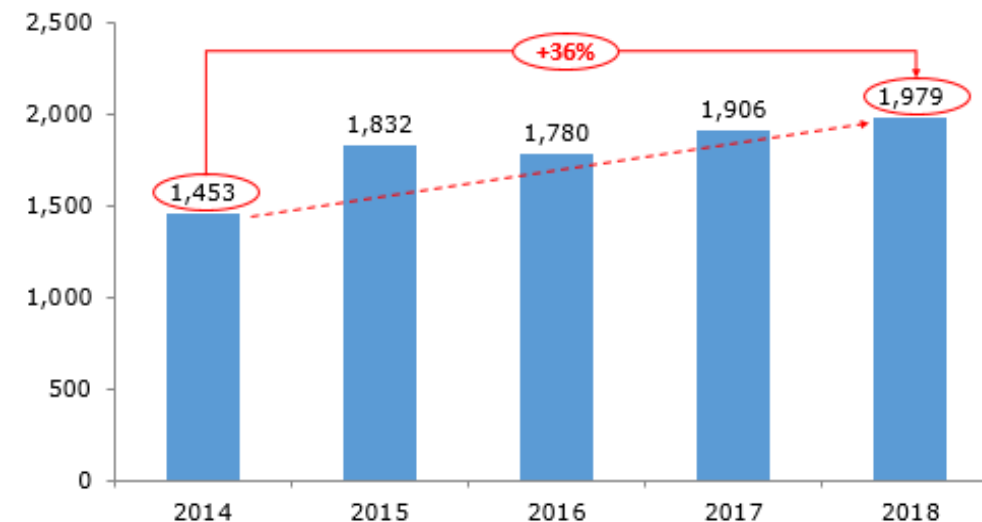
**26
signed
operations**

- 3º country ranking in the EU with regard to financing relative to GDP
- 7º country ranking in the EU by volume of EIB group financing
- EIB Group financing in 2018 was equivalent to 1% of Portugal's GDP



Growth in Financing in Portugal

Loan signatures



Em 2018, a atividade do Grupo BEI em Portugal continuou a crescer

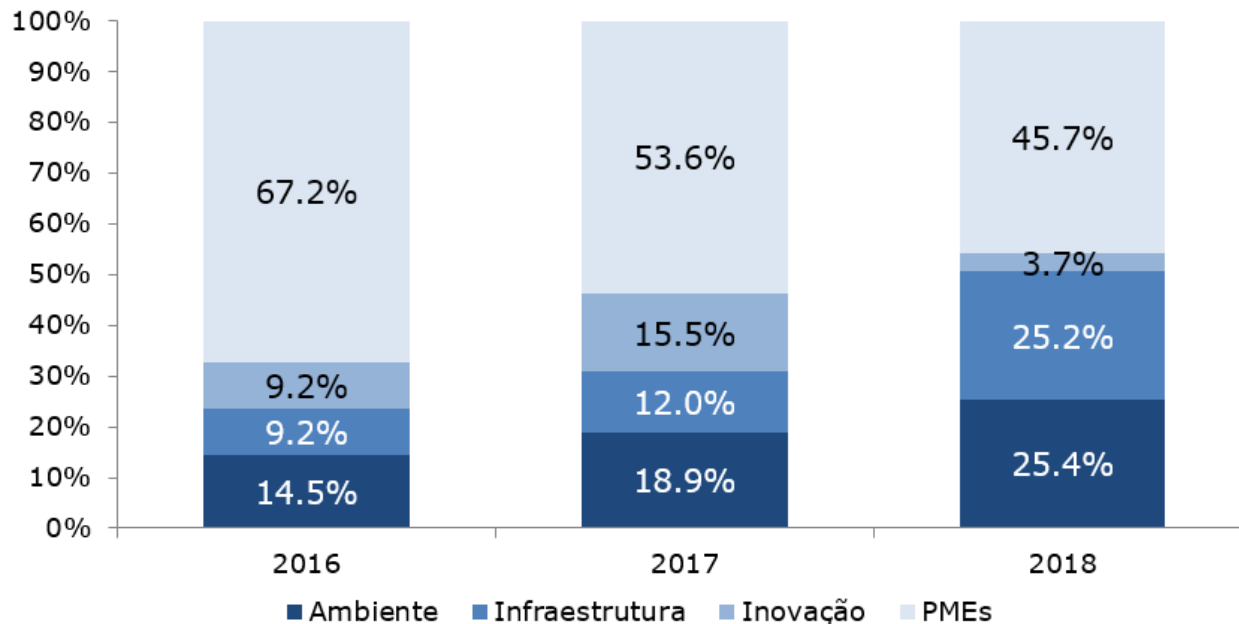
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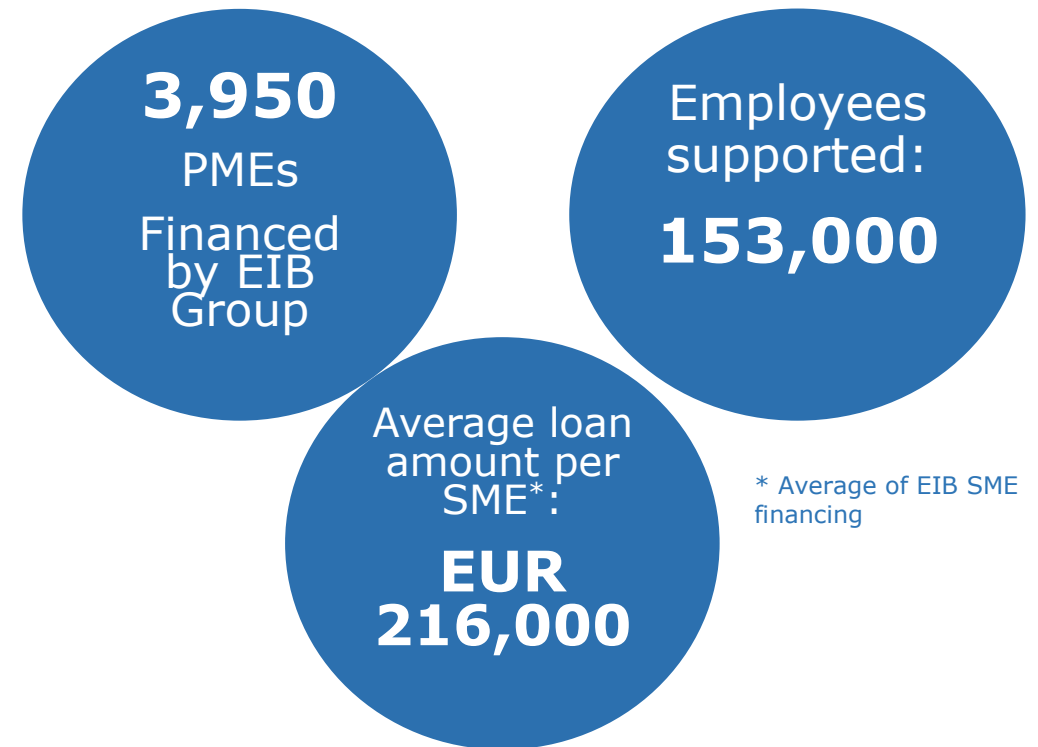
Activity of EIB Group in Portugal



Financing by priorities



Financing of SMEs: EUR 904m in 2018



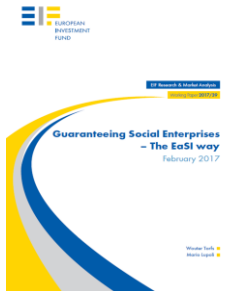
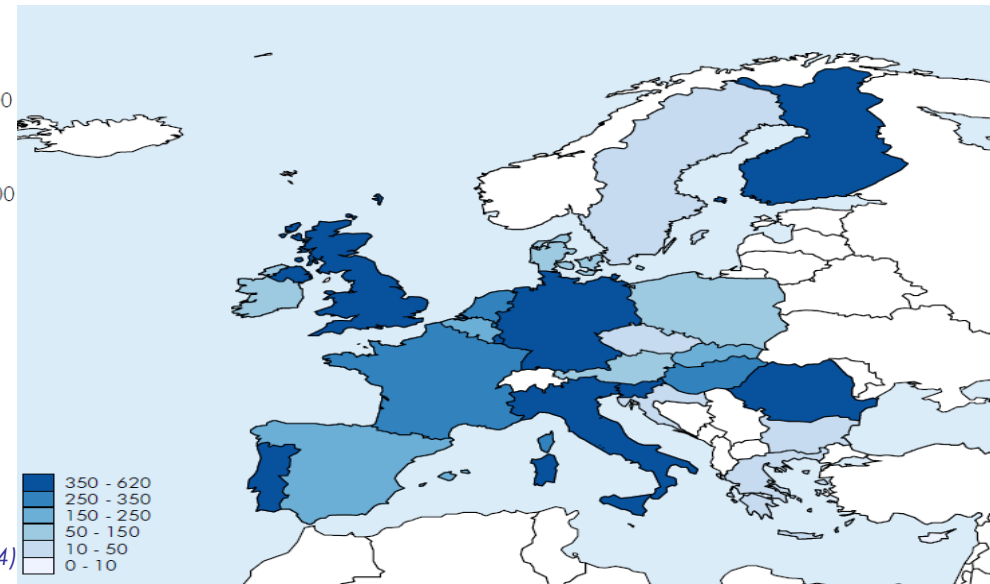
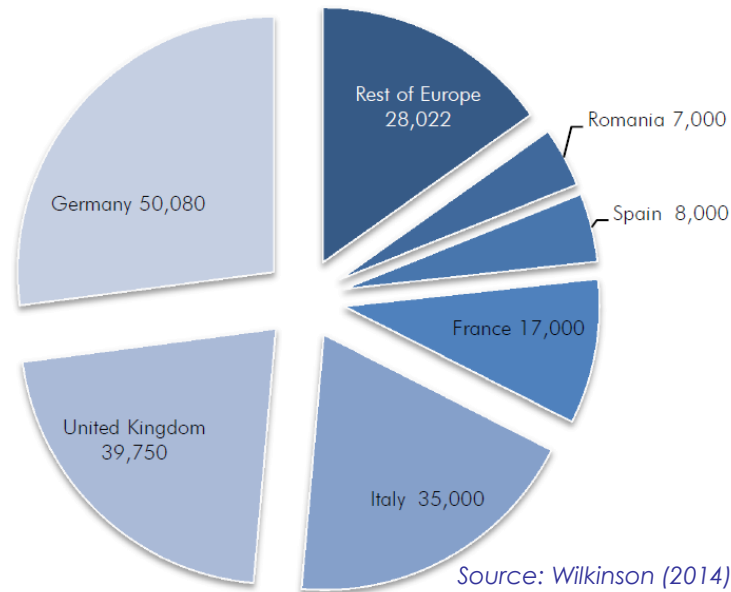
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Social Innovation for social impact



Setting the scene – financing under EFSI



“A Social Enterprise is an operator in the social economy whose main objective is to have a social impact rather than make a profit for their owners or shareholders. It operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives. It is managed in an open and responsible manner, in particular, involves employees, consumers and stakeholders affected by its commercial activities.” European Commission (2011)-one of many.



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Social Innovation – Financing Challenges (1)



Some general observations on Social Innovation:

- **Innovation**
 - inherent risks and asymmetries of information
 - Immature, limited risk capital markets – fragmented
 - Cultural constraints in Europe
- **Mismatch between supply and demand**
 - Informational deficiencies
 - Differences in national regulatory framework
 - Spatial disconnect between supply and demand
 - Demand = very localised; supply = not wide spread

Social Innovation – Financing Challenges (2)



Some general observations on Social Innovation:

- Ambiguous concept, intuitive at first, but difficult to define
- Pragmatism is desired
- Substantial SE sector in Europe, but unevenly distributed
- SE face challenges on external financing markets

Still substantial efforts are needed to close financing gap!



EIB Group – Diversity of Financing Offer for all enterprise stages and risks



Equity & equity-like

- EIB Group major FoF investor in Europe
- Intermediated investments (via TT, VC and PE funds) across all sectors and geographies
- A new equity-like instrument for young, innovative companies directly available at the EIB

Debt

- Senior and subordinated debt available for more mature companies (cashflow visibility)
- Available both directly at the EIB and via EIB's partner intermediaries
- Flexible and generally more favourable terms

Advisory

- Support to innovative companies – improve their investment readiness
- Explore financing options within and outside the EIB Group
- Help develop a credit / equity narrative for investors
- Review business and financing strategy and identify and mitigate investment «show stoppers»
- Support the company strengthen other critical business areas (e.g. governance, etc)

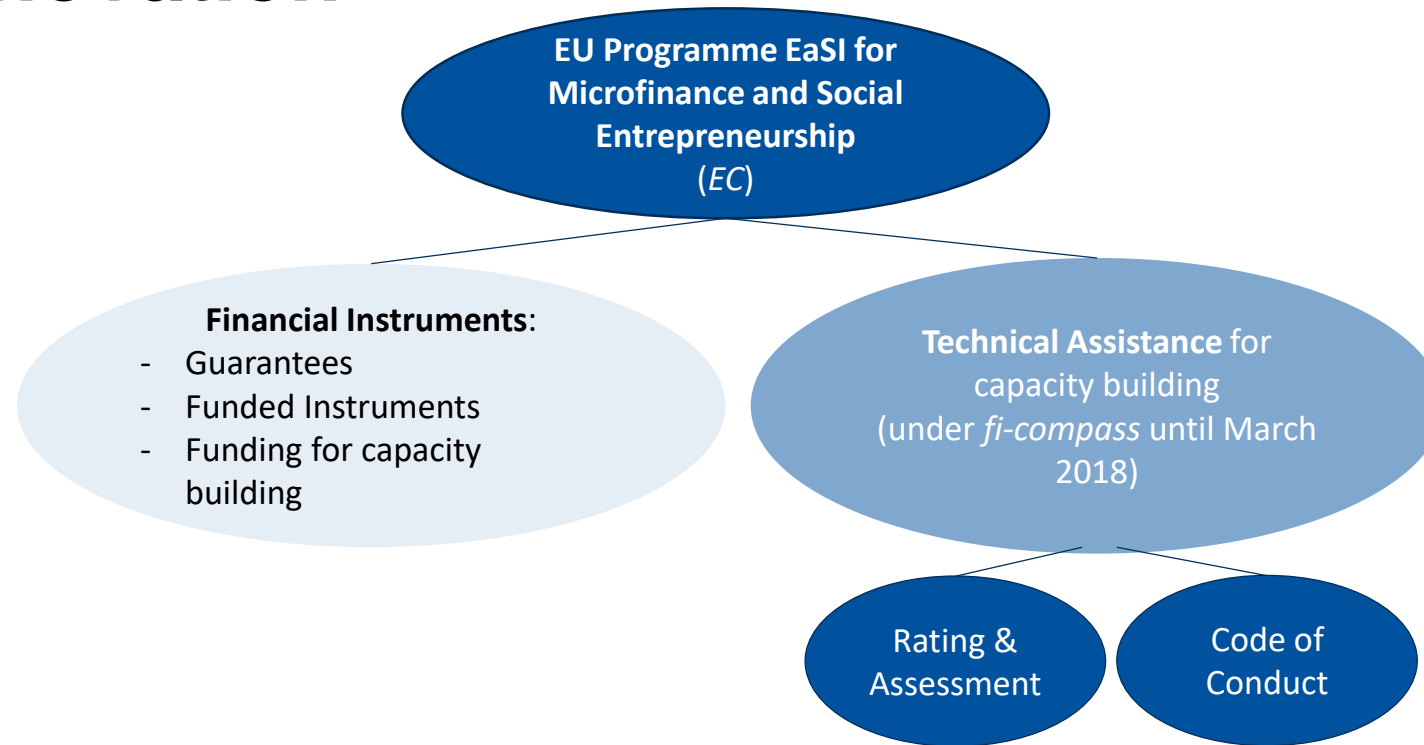


**InnovFin and
European Fund for Strategic Investments (EFSI)**

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EIB Group Advisory and Debt based support for Social Innovation



Both Strands are Independently Accessible

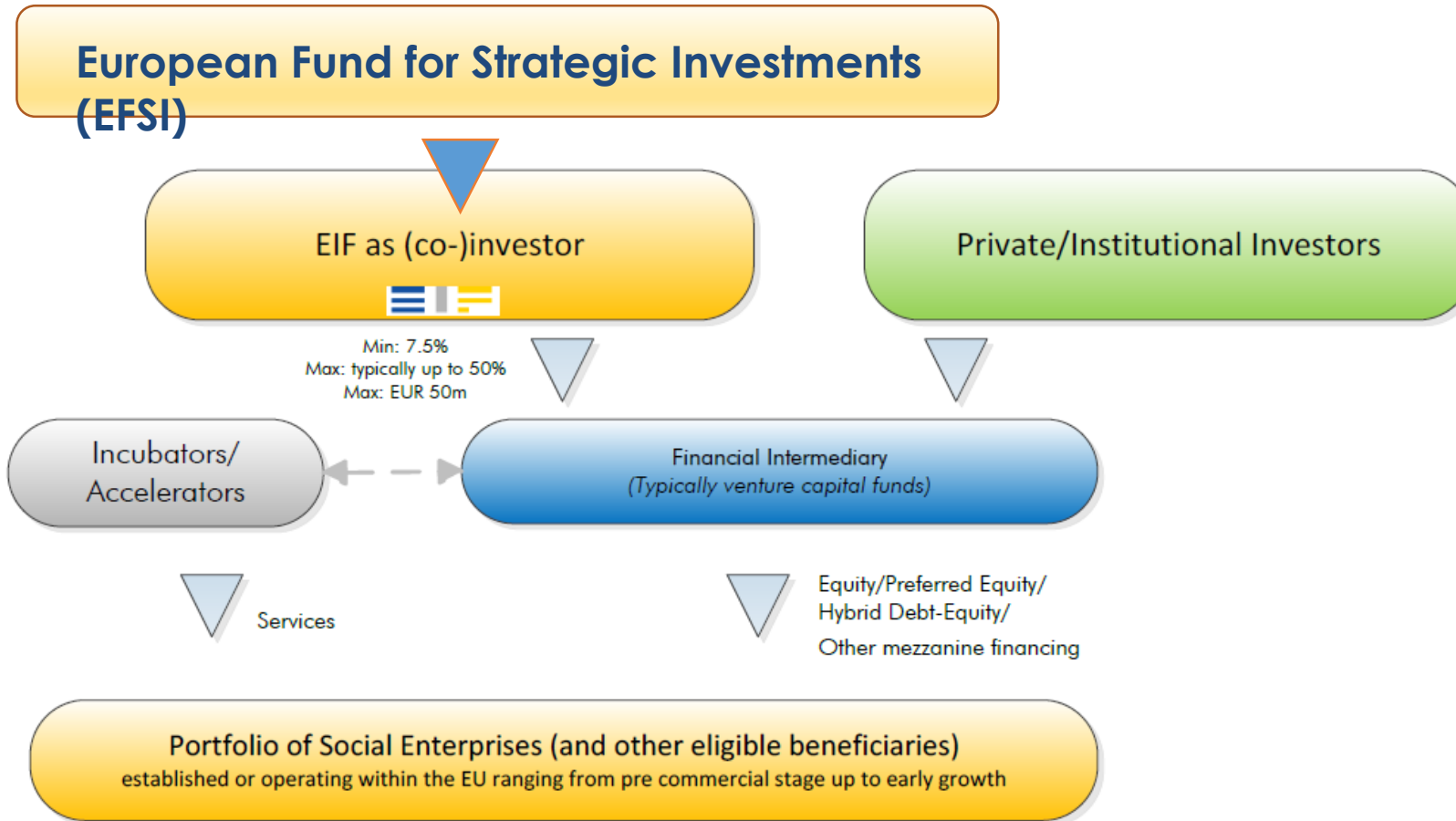
Equity based – SIA model of a fund-of-fund



- How does EIF support impact investment – the FoF equity model
- Approach – Supporting the ECO System
- New teams – key considerations for an investment
- Results to date



Investment in Incubators/ Accelerator Structure EFSI

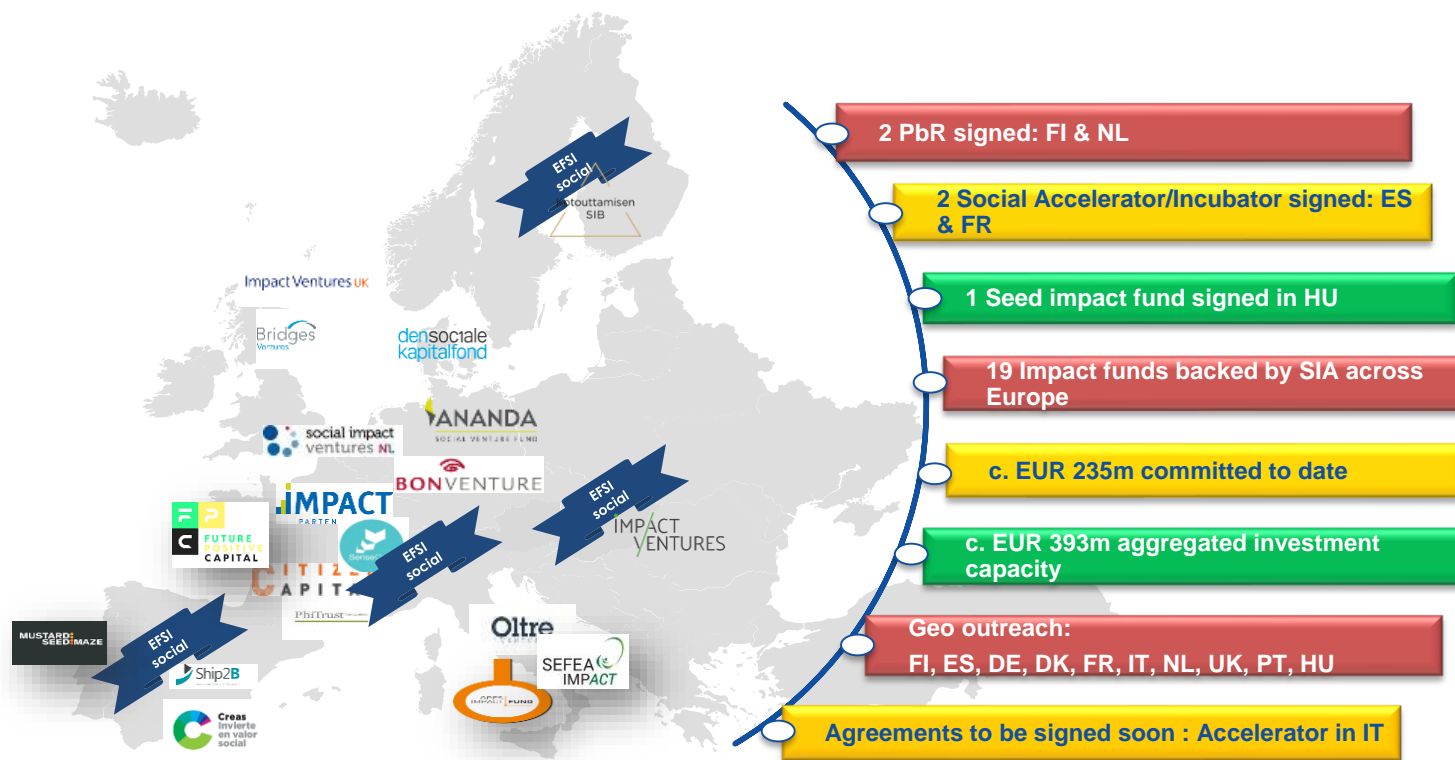


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Social Impact Investing Activities

EUR 243m capacity - Investments to date*



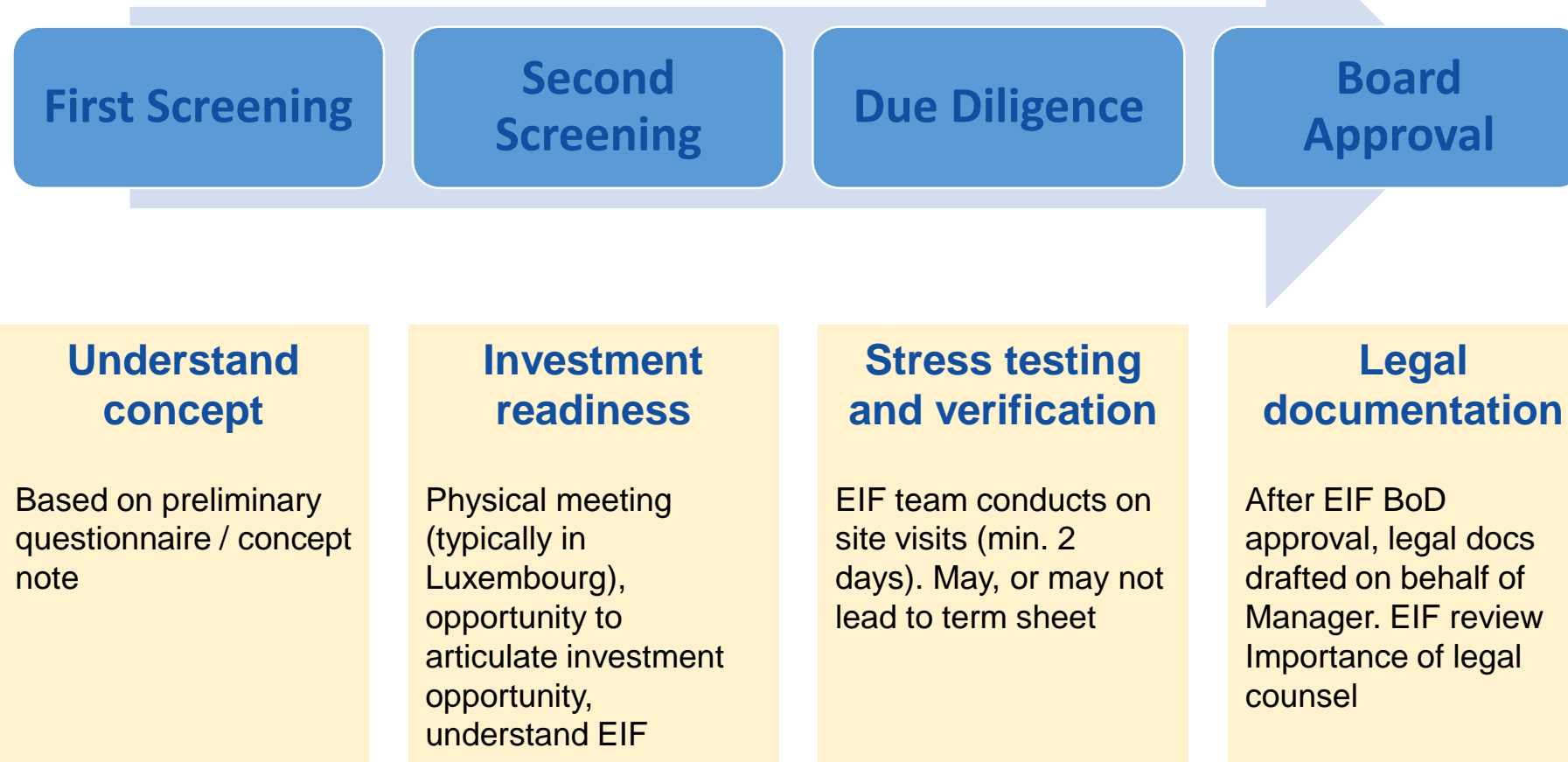
*indicative, not EIF official figures

Fund of Funds investment model

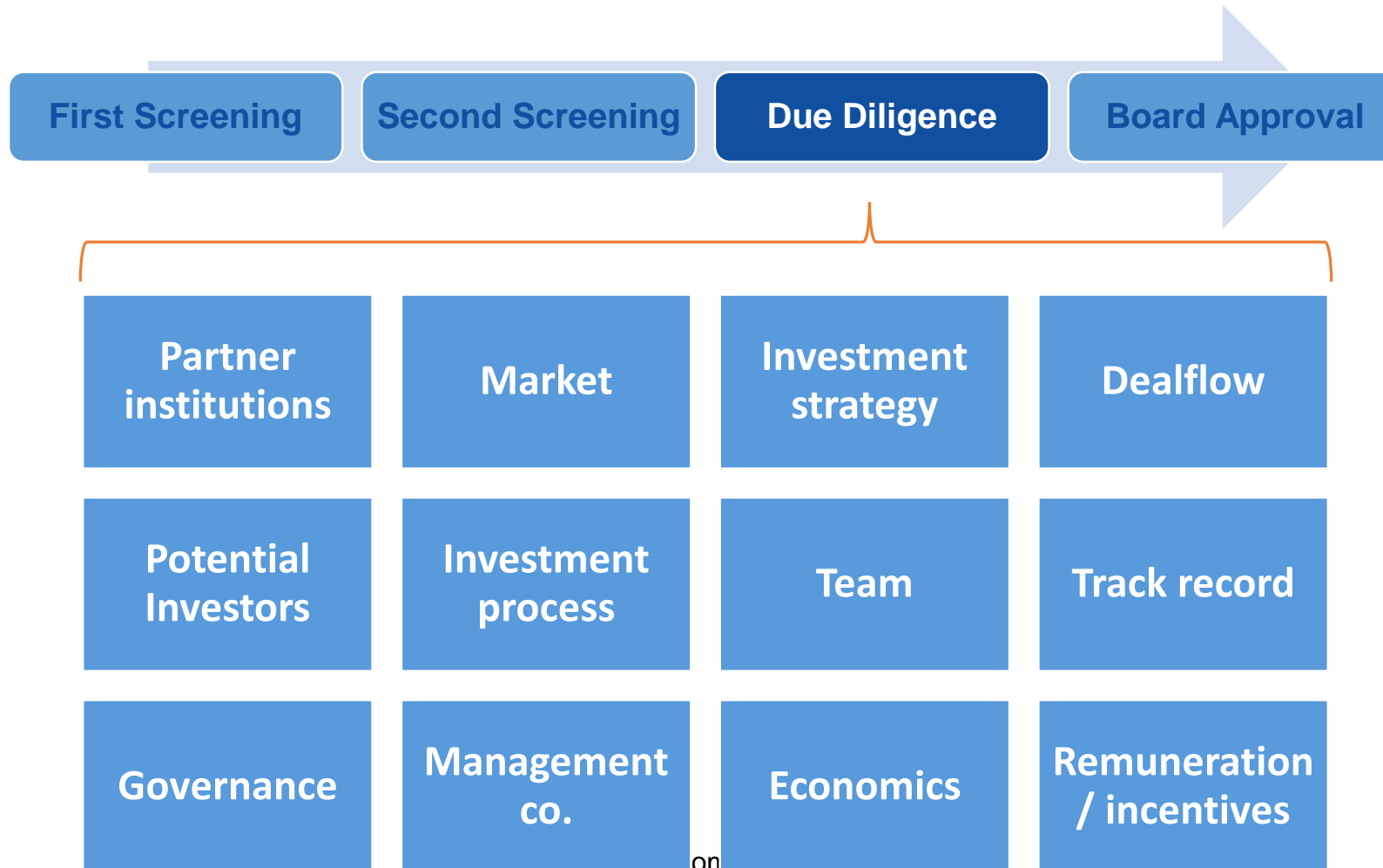
Insights to the process and criteria



6-12 months



Investment considerations for sustainable Funds and ultimately VC/PE Ecosystems



EIB Institute's contribution Innovation and Social Entrepreneurship



- EIB Institute – the EIB Citizenship initiative for social, cultural and academic cohesion
- Social Innovation a key topic
- Innovation Tournament (SIT)
 - Competition (SIT – Social Innovation Tournament)
 - SIT (Social Innovators and Transformers) Impact Bootcamp
 - Mentoring and Alumni Network
- IRIS – Incubadora Regional de Inovação Social



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EIB Group contacts



- ☐ If you are already an EIB client , you should contact your regular link person.
- ☐ If you are a new client, you should contact the **EIB Group Office in Lisbon** or the **Division of Lending Operations in Portugal (EIB)**, or **EIF** headquarters, respectively, in **Luxembourg**:

**European Investment Bank
Lending Operations in Portugal**

98 -100, boulevard Konrad Adenauer
L-2950 Luxembourg
Tel.: +352 4379-1
Fax: +352 437704
www.eib.org – info@eib.org

**Banco Europeu de Investimento
Escritório de Lisboa**

Av. da Liberdade 190 – 4ºA
1250 – 147 Lisboa
Tel.: +351 21 342 8989
Fax: +351 21 347 0487
lisbon@eib.org

**European Investment Fund
EIF Headquarters**

37B, avenue J.F. Kennedy
L-2968 Luxembourg
Tel.: +352 2485-1
Fax: (+352) 2485-81200
www.eif.org

- ☐ For further information, in particular intermediate operations, you may search **EIB** or **EIF** respective websites.





Obrigado!

[Watch the video](#) !

(<https://www.youtube.com/watch?v=9cNdzAtD9Y4>)

