

Financial instruments in the ERDF 2014-2020 Programme

Irene Schucht

Berlin, 25 February 2016



 #ficompass



Financial Instruments in the ERDF 2014-2020 Programme

Irene Schucht

Berlin, 25 February 2016

 #ficompass

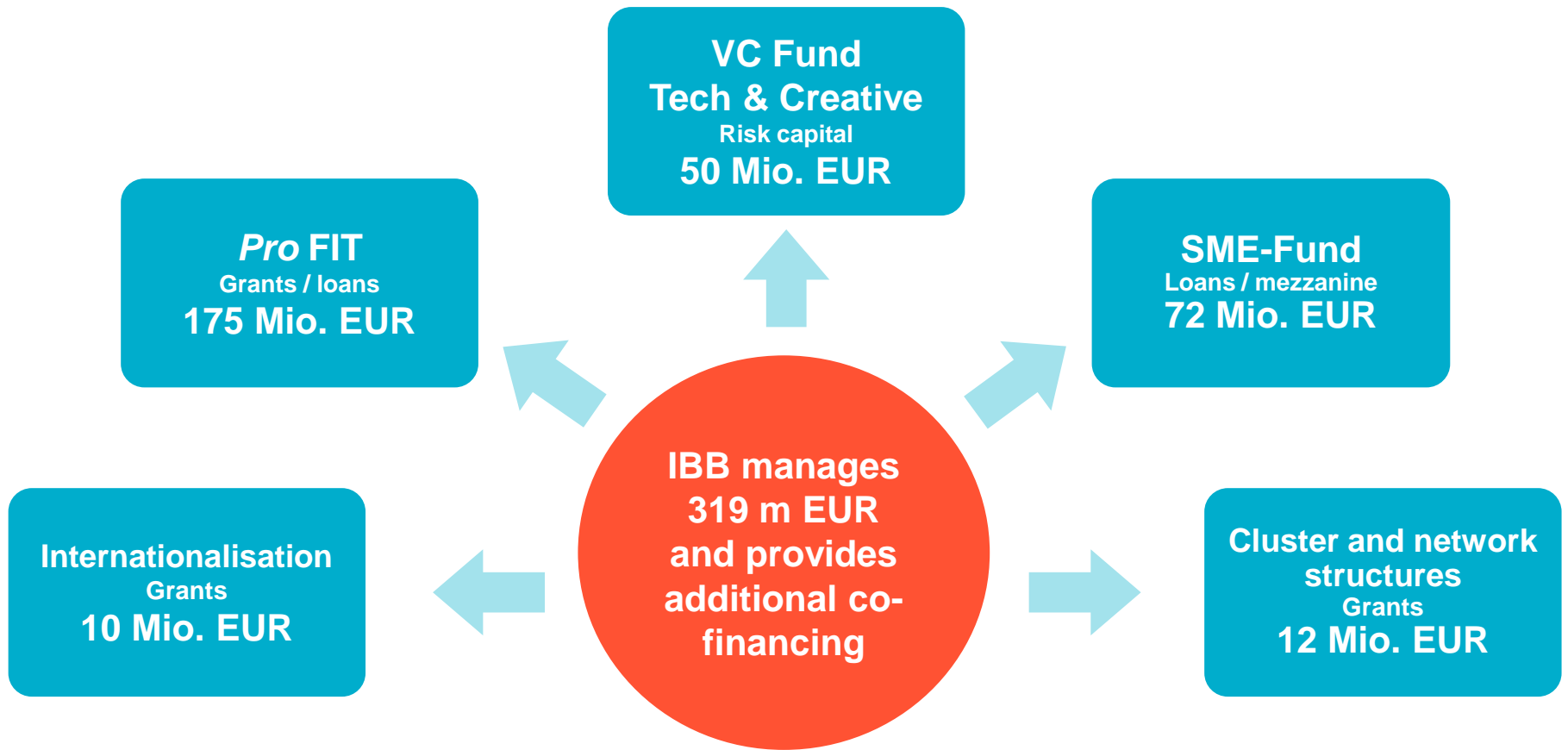
 **Investitionsbank
Berlin**

Leistung für Berlin.

- IBB is the regional **development bank** of the Land Berlin, established in 2004 as an independent institute under public law and under control of the Federal Financial Supervisory Authority (BaFin)
- **Balance-sheet** sum: 20,5 bn EUR
- **Equity** 678 m EUR
- **620 employees**
- IBB offers **financial instruments** for business development, R&D / innovation, housing and climate protection
- IBB focuses on the support of **start-ups and SMEs** with grants, loans, guarantees and venture capital
- IBB's liabilities are **guaranteed by the Land** and thus profits from preferential refinancing terms on the capital market ("AAA" by Fitch)



IBB is major actor implementing EU structural policy

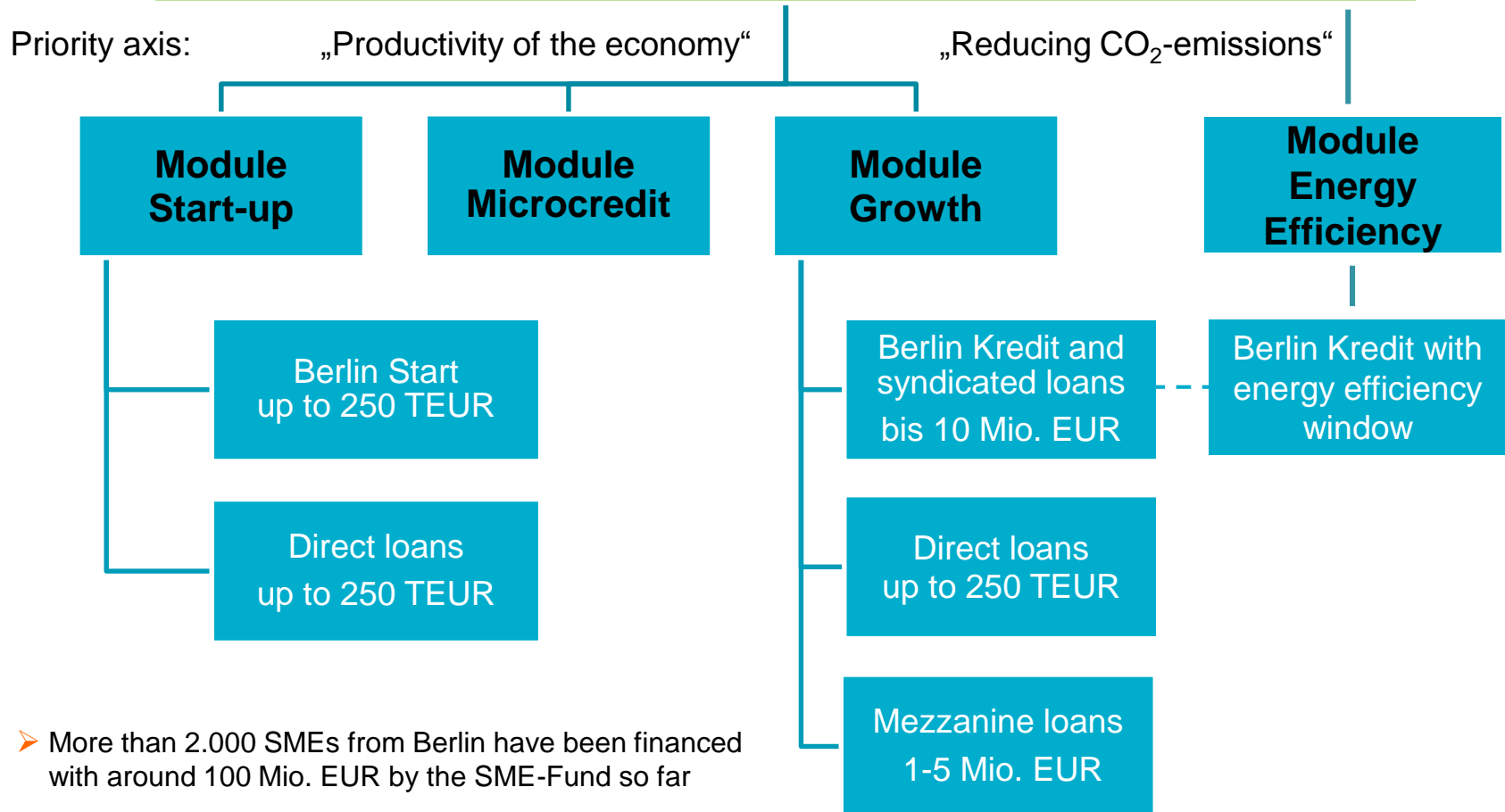


Berlin receives 635 m EUR ERDF-funds in 2014-2020 period, half of which is managed by IBB, two thirds of which in revolving financial instruments

Milestones for the development of FI in Berlin

- 2004 launch of VC-Fund and SME-Fund - first FI with revolving use of ERDF in Germany
- IBB provides both fund management and national co-financing from the capital market
- Private co-financing on project level
- 2007-2013 second generation of FI - benefit from a more detailed and coherent regulatory framework (e.g. use of returns and legacy resources, covering of refinancing costs)
- Reduced reporting and auditing requirements for enterprises
- December 2014 approval of Berlin Operational Programme and Ex-ante evaluation for FI 2014-2020
- 2015 re-launch and extension of existing FIs, signing of financial agreements
- New loan window for energy efficiency in SME to be introduced in 2016

SME-Fund

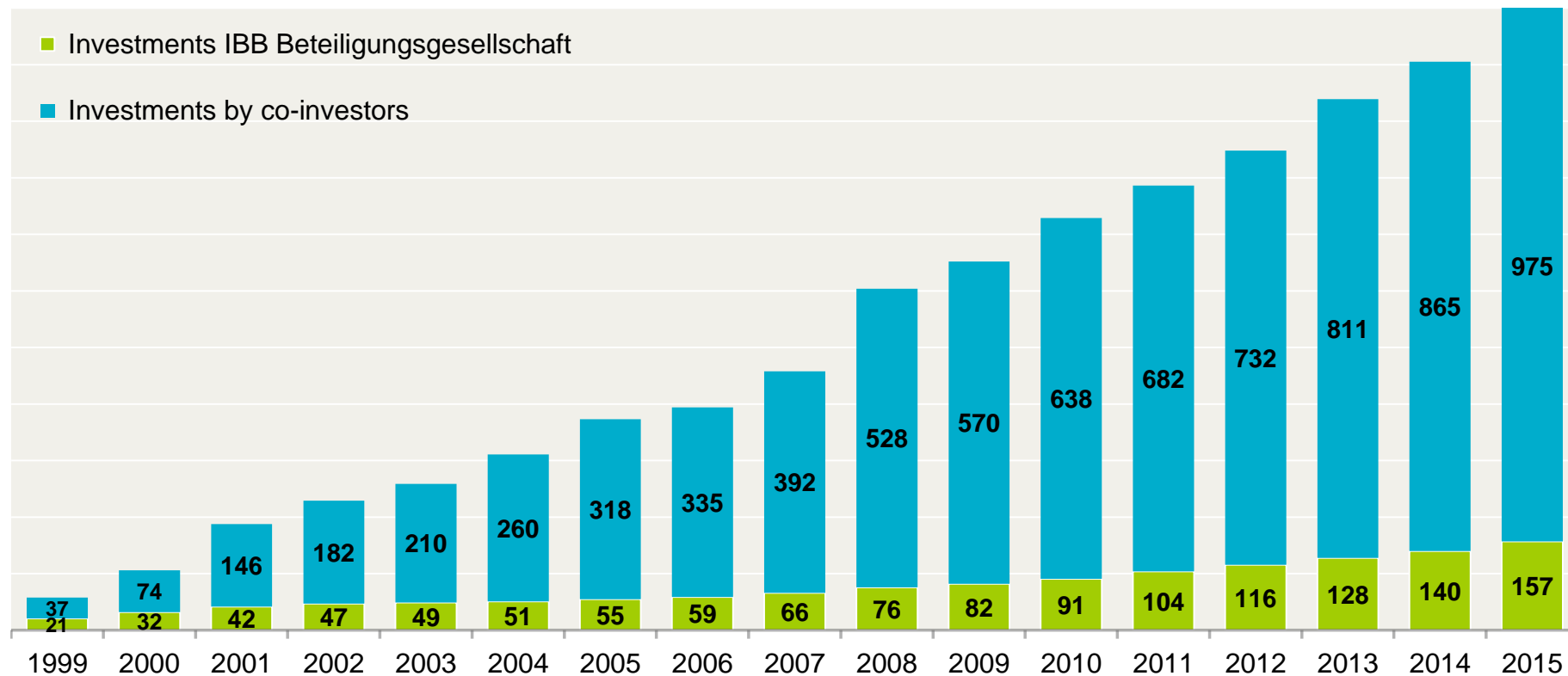


Financial Instruments for risk capital financing

IBB Beteiligungsgesellschaft mbH

VC Fonds Berlin | VC Fonds Kreativwirtschaft Berlin | VC Fonds Technologie Berlin

Investments [€m]

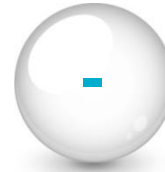


Benefits and costs of ERDF Financial Instruments for IBB



Benefits

- Sustainable and efficient use of public money
- Risk sharing allows for higher risk taking
- Reduced refinancing and risk-costs leading to a considerably lower break-even margin
- High leverage effect on additional private resources and know-how(VC-Funds 1:7)
- Added value will be transferred to SME (lower interest or collateral requirements)



Costs

- Extensive reporting requirements with additional data
- Regular monitoring visits and audits
- Restricted flexibility to react to market changes (ex-ante evaluation for 8 years)



fi  compass

financial instruments
 revolving capacity building
 added value **ERDF** funding agreement
 governance **ESF** EU guidance
 technical support seminars leverage financial intermediaries microfinance
 co-financing **ESIF** case studies
 investments **fi-compass** final recipients
 business plan **Thank you** thematic objectives
 advisory services guarantees banks loans **EaSI** equity
 private investors life cycle combination of support
EAFRD conferences factsheets
 fund of funds **EMFF** investment strategy **CF**
 managing authorities manuals



 #ficompass

