

2019

# EUROPEAN INVESTMENT ADVISORY HUB



European  
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Bank

*The EIB bank*



**EUROPEAN INVESTMENT BANK**

**2019**

**EUROPEAN INVESTMENT  
ADVISORY  
HUB**

**SEEING THE IMPACT**



## European Investment Advisory Hub Report 2019

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## **ABOUT THIS REPORT**

This report illustrates how **THE EUROPEAN INVESTMENT ADVISORY HUB** (“Advisory Hub” or “the Hub”), a joint initiative with the European Commission, helps project promoters, the European Union, the European Investment Bank (EIB) and other financial institutions achieve their mission and get investment projects off the ground.

The Hub is often the first point of contact for those who need advisory expertise from the EIB Group and its partners to **HELP PROJECTS GET FINANCING AND SUCCEED**. We work in education, agriculture, healthcare, environment, research and innovation, energy, transport, and other sectors.

With the Advisory Hub’s help, clients can take advantage of the expertise of economists, engineers, financial analysts and climate specialists working at the European Investment Bank. We also bring in help from national promotional banks and institutions as well as local experts to advise our clients at every step of the project cycle and tailor our advice to specific needs.

This report is organised in five sections: the highlights outline our main activities in 2019, our key numbers illustrate the evolution of our business in the past year, while the section on partners presents our integrated delivery model and our main achievements to strengthen the local delivery of our services. We also give an overview of our flagship assignments in the stories section and a series of personal interviews with our experts, explaining how we work together to deliver advice.

This report shows **HOW WE GO THE EXTRA MILE TO HELP CLIENTS GET THEIR PROJECTS TO THE FINISH LINE**.



# CONTENTS

## **6 2019 HIGHLIGHTS**

## **8 THE ADVISORY HUB IN NUMBERS**

- 11 HELPING ENERGY EFFICIENCY PROJECTS QUALIFY FOR ELENA FUNDING
- 12 THE ADVISORY HUB'S SUPPORT TO LOW-CARBON TRANSPORT INVESTMENTS
- 13 ADVICE TO MAKE EUROPE'S ROADS SAFER
- 14 URBIS – THE GO-TO ADVISORY PLATFORM FOR EUROPEAN CITIES

## **15 THE HUB'S PARTNERS – MORE IMPACT, TOGETHER**

- 19 SUPPORTING SMALL BUSINESSES IN BULGARIA, CROATIA, GREECE AND ROMANIA

## **20 PROJECT STORIES**

- 20 ROMANIA'S FIRST SCIENCE AND TECHNOLOGY PARK
- 21 LOW-CARBON TRANSPORT IN CLERMONT-FERRAND
- 22 E-MOBILITY EDUCATION AND TRAINING IN BULGARIA
- 23 MEDICAL ISOTOPES TO IMPROVE LIVES IN THE NETHERLANDS
- 24 EUROPEAN PROCESSOR INITIATIVE
- 25 FINANCE FOR CLIMATE ACTION IN EUROPE
- 26 MAKING SOFIA A CIRCULAR CITY
- 27 A VIRTUAL REALITY LAB IN BULGARIA
- 28 ENERGY EFFICIENCY INVESTMENTS IN THE CZECH REPUBLIC
- 29 AN INVESTMENT PLATFORM FOR CIRCULAR ECONOMY IN THE NETHERLANDS
- 30 REGENERATIVE URBAN PLANNING IN POLAND
- 31 SMART INFRASTRUCTURE INVESTMENTS IN THESSALONIKI
- 32 HELPING POLAND RENOVATE ONE OF ITS OLDEST TRAM NETWORKS
- 33 IMPROVING SOCIAL INCLUSION IN THE EUROPEAN UNION
- 34 HELPING CITIES BECOME CIRCULAR

## **35 THE HUB BEHIND THE SCENES**

- 35 GIULIA MACAGNO, URBAN ECONOMIST
- 35 ARNOLD VERBEEK, SENIOR ADVISOR
- 35 GEMA GARCÍA SANCHEZ-MANJAVACAS, ADVISORY HUB OPERATIONAL ASSISTANT
- 36 MARC-ANTOINE COURSAGET, LOAN OFFICER, WESTERN EUROPE
- 37 JELENA EMDE, FINANCIAL INSTRUMENTS ADVISOR
- 38 COVADONGA VELASCO MIRANDA AND DANIEL COLINO LLAMAS, LOAN OFFICERS
- 39 GABRIELA TELETIN, PROCUREMENT SPECIALIST
- 40 GUY CHETRIT, PPP SENIOR EXPERT

# 2019 HIGHLIGHTS

**Drawing on the full breadth of the EIB Group’s technical and financial knowledge and expertise, we offer our advisory support in a wide range of sectors and policy areas.**

**T**he European Investment Advisory Hub, a joint initiative of the European Commission and the European Investment Bank, provides support to identify, prepare and implement projects across Europe. Since its launch in 2015, the Advisory Hub, either directly or through its local partners, has received requests from more than 2 300 project promoters from across the Union.

**Our advice is never the same because every project is unique. We tailor our support to each project’s specific needs.** A recent survey on a sample of completed assignments shows that more than 90% of our clients believe our support is tailored to their needs, and that they are generally “highly satisfied” with the Advisory Hub’s assistance.

For example, we are devising a more efficient waste collection system to make Thessaloniki a circular city that minimises waste and pollution by reducing, recycling and reusing. In Clermont-Ferrand, urban transport will be more environmentally sustainable as the bus fleet is renewed and optimised and the new tram terminal will produce renewable energy to be fed into the grid. Our advice was key to unlocking a viable financial plan leading to investment.



Simon Barnes, Head of EIB Advisory Services.

**“ With our support, more than 150 projects have so far entered the EIB’s lending pipeline, with an estimated project investment of around €34 billion. Around half of these projects are applying for EFSI financing. The quality stamp of the resulting EIB lending support also helps the projects crowd in additional financing from commercial banks and other investors in the market. ”**



Lilyana Pavlova, EIB Vice-President responsible for advisory activities.

“ **We are now putting climate considerations at the heart of our advisory work, reinforcing the way we put our financial and technical expertise to work in many areas to contribute to our climate ambitions.** ”

**In 2019, as we continued to respond to all advisory requests received from across the European Union, we paid specific attention to projects that qualify for financing from the European Fund for Strategic Investments (EFSI).** We also focused on advisory needs not covered by other EU advisory programmes.

We stimulate investment by working with specific project promoters and also by helping governments and local authorities develop their policy agendas with sectoral studies, capacity-building support and strategic recommendations. **This leads to us identifying projects, designing the best funding solutions and combining different sources of financing, as appropriate.** Some examples: we are helping the Bulgarian Government train students to become e-mobility experts and join the green mobility transition. Romanians will drive on safer roads, thanks to our help in developing a national road safety strategy and a solid investment programme. In the Czech Republic, we are helping to scale up the use of energy performance contracting with innovative financial instruments, to improve the efficiency of public buildings.

We are helping EU countries address their social challenges by recommending innovative ways to provide more efficient and effective services, combining the expertise of the public and private sectors. With the European Commission and our technical partners, we have established an advisory platform to help government representatives exchange experiences and co-create tomorrow's tools for an economy of well-being.

Our network of partner national promotional banks and institutions (NPBIs) grew stronger in 2019. The Advisory Hub held workshops to raise awareness on specific topics, such as energy efficiency investment, public private partnerships and regulatory challenges, including state aid rules for financial instruments. We also entered into several new funding and capacity-building arrangements with our partner NPBIs. **We believe that this investment in capacity building will be key to strengthening local expertise and providing more advisory support to smaller projects on the ground.**

We are also increasingly advising across sectors, seeing the links between mobility, energy and the digital and circular economies. In this context, helping regions and cities adopt suitable climate resilience and adaptation strategies remained one of our priorities in 2019, as did promoting climate action considerations with our partners and financial intermediaries.

In 2020, we will support more climate investments by combining technical and financial expertise in priority sectors like energy efficiency, digitalisation and the circular economy, as provided for in the upcoming InvestEU framework. **We believe we can also play a leading role in supporting the sustainable finance agenda, using products such as climate awareness bonds and green loans and building the capacity of issuers and intermediaries.** This will reinforce our contribution to the EU's sustainable finance objectives and the European Commission's recently launched Green Deal.

# THE ADVISORY HUB IN NUMBERS

**W**e deliver advice in three main ways: through our website, through in-depth support for designing, developing and implementing specific projects and investment platforms, and through light advisory assistance with the identification and development of potential investment projects. We also provide horizontal support through capacity building and awareness raising, via events, workshops, training and targeted coaching, covering a wide range of topics.

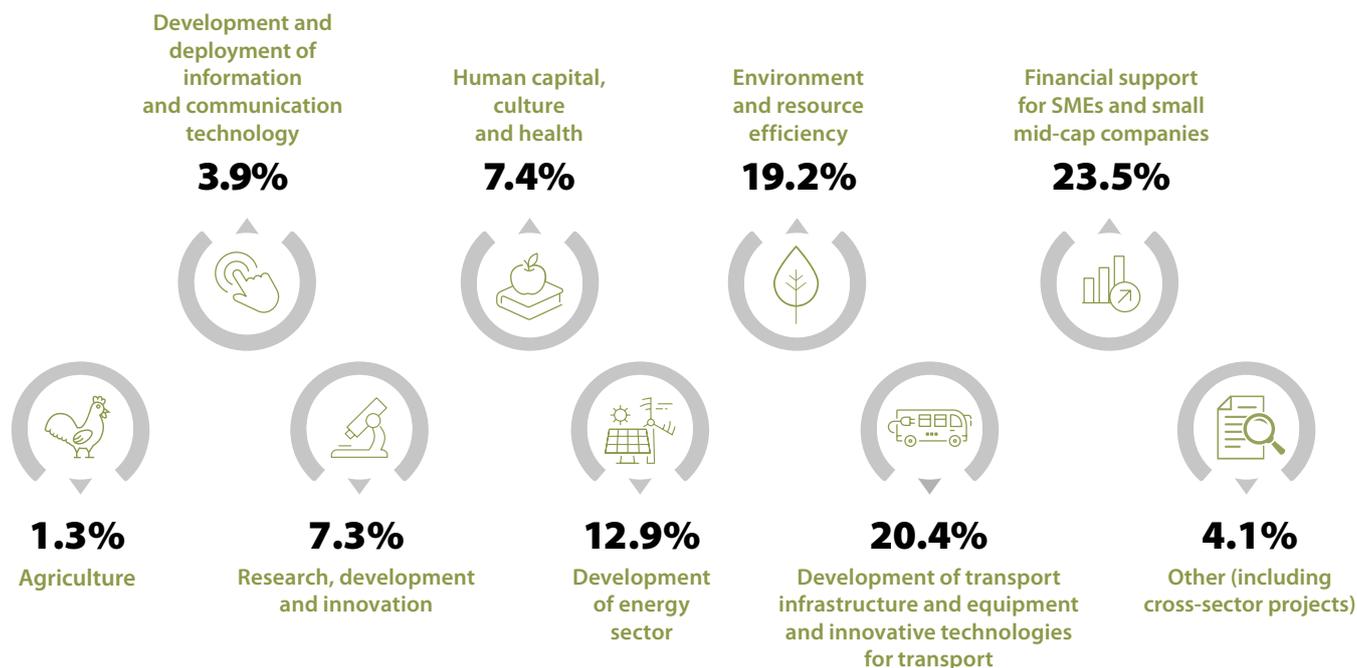
## NOT ONLY A POWERFUL COMMUNICATION TOOL

**Our website continued to not only guide project promoters with requests for direct EIB advisory support, but also steer them towards a range of alternative advisory or funding programmes across the EU.** Some 13 500 website visits have been made since the website's revamp in late 2017. More than 600 users accessed our country-specific information database, which guides them towards the most suitable advice and financing at European and national level. More than 90% of the users that filled in our online voluntary feedback form were satisfied with the information they received – a sign, we think, that our website is meeting users' needs.

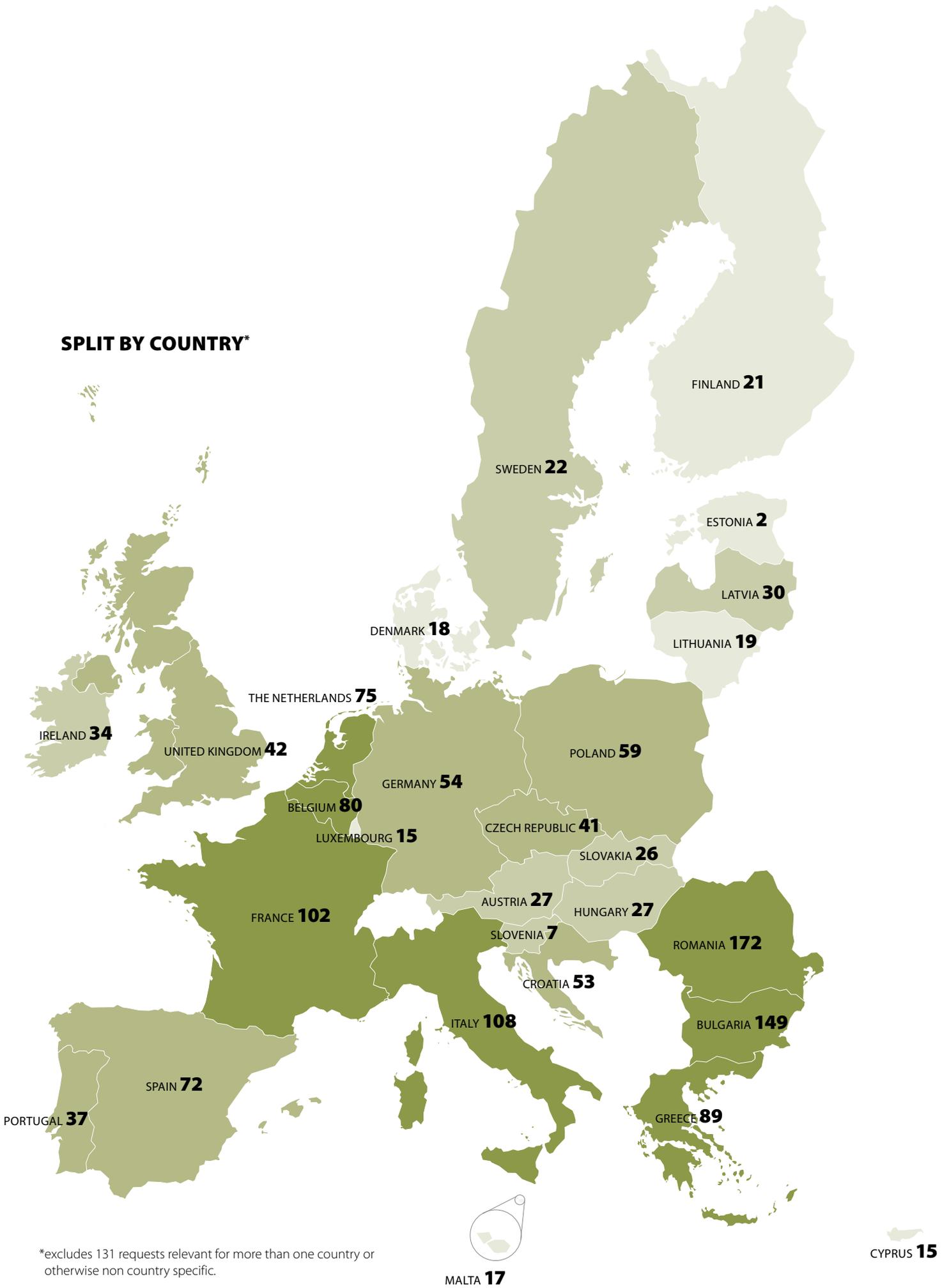
## IN-DEPTH ADVISORY SUPPORT

Since its launch, the Advisory Hub has received almost 1 600 requests. **Cohesion countries were the most active in submitting requests to the Advisory Hub.** Through a series of events undertaken in 2018 and 2019, the Advisory Hub raised greater awareness among public and private stakeholders on the Investment Plan for Europe, the European Fund for Strategic Investments, and opportunities for advisory support.

## SPLIT BY SECTOR



**SPLIT BY COUNTRY\***



\*excludes 131 requests relevant for more than one country or otherwise non country specific.

Once a request is submitted to the Hub, we work with the client to prepare a tailored advisory package. **Our experts define with the requester the size, sector, nature of investment and development stage of each assignment.** This assignment overview and the corresponding advisory needs are key elements for the Hub advisers. They allow the advisers to act as champions of the projects within the EIB and create the best advisory package for each request, in collaboration with various EIB experts, our partner organisations and/or local consultants.

Depending on the assignment needs, **the Hub can call on financial and technical experts from across the EIB to help develop an appropriate and tailored advisory package.** Requesters may also be directed to more suitable EU or EIB programmes. The requester is kept informed at all times of the status of the request and participates actively in defining the advisory package. Once there is a formal agreement between the EIB and the requester on the advisory package, the services are delivered by EIB experts often working together with third-party service providers.

Reflecting the impact of our advice, since the launch of the Hub in 2015 **more than 150 Hub-supported projects have entered the EIB's lending pipeline, with an estimated project investment cost of around €34 billion.** Half of these supported projects were eligible for EFSI financing.

#### **LIGHT STRATEGIC ADVISORY SUPPORT**

**While we specialise in complex, large-scale advisory requests, we recognise that some project promoters need just a few hours or days of light strategic advice to get them on the right track. Since its launch, the Advisory Hub has provided this kind of support to more than 700 promoters active in the transport, energy, innovation, and security and defence sectors.** For example, we are helping innovative private companies develop or scale up their state-of-the-art technologies and business models. Also, our experts have supported more than 140 promoters in their first-of-a-kind energy technologies or demonstration projects, which are estimated to generate around €730 million of investments. We helped these promoters identify and solve challenges in taking forward their ideas and gaining access to finance in the market, including from the EIB Group.



# HELPING ENERGY EFFICIENCY PROJECTS QUALIFY FOR ELENA FUNDING

**EIB energy experts, funded by the Advisory Hub, are helping promoters prepare applications for ELENA support.** ELENA, which stands for European Local Energy Assistance, provides grants for technical assistance in energy efficiency and urban transport, primarily in a municipal or regional context.

Applicants that have limited capacity to prepare ELENA grant proposals can obtain guidance from EIB experts in preparing a sound application. **This increases the applicants' chances of receiving an ELENA grant.**

Most of these projects relate to energy efficiency in public and private buildings. **In 2019, 20 ELENA grant-funding contracts were signed, totalling €42 million worth of technical assistance support for almost €1.4 billion of related project investment costs.**

## Energy efficiency renovation in the Czech Republic

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An ELENA grant to the Central Bohemian Region will back the comprehensive renovation of around 170 public buildings. The €2.5 million technical assistance grant will enable the region to contract service providers to assess the buildings' energy savings potential and prepare the technical and financial documentation to procure the renovation services. The total investment cost is estimated at €62 million. The project will result in a reduction of almost 18 thousand tonnes of carbon dioxide. This is like taking nearly 4 000 cars off the road for a year.



Thermal insulation material used to retrofit buildings.

## Energy modernisation in Poland

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Our technical support will help Alior Bank S.A. finance energy-efficient improvements in multi-family, residential buildings. A €1.7 million ELENA grant will enable Alior Bank to provide energy efficiency advice to loan applicants, as well as raise awareness of the programme and its benefits among housing associations. The total investment cost is estimated at €50 million, and the project is expected to generate almost 44 GWh of annual energy consumption savings, which is equal to providing electricity to almost 5 000 households for one year.

## THE ADVISORY HUB'S SUPPORT TO LOW-CARBON TRANSPORT INVESTMENTS: the CEF Transport Blending Facility

In 2017 the Hub began to provide support to applicants for the **Connecting Europe Facility (CEF) – Transport Blending Call** – a call for proposals to obtain EU grant funding to attract private sector investments in the transport sector, in particular in the Trans-European Network for Transport (TEN-T). “Blending” is a type of EU financial support in which grants are conditional upon prior confirmation of third party co-financing (usually in the form of bank lending), with which they are then combined. The CEF Transport Blending Call provided up to €1.4 billion in grant co-funding and attracted almost 140 applications in 2018. The Hub provided project preparation assistance and financial advisory support to more than 50 applicants.

In 2019, the European Commission launched the **CEF Transport Blending Facility** to further promote the participation of private sector investors and financial institutions in projects supporting environmental sustainability and transport efficiency in Europe. The €200 million facility supports two specific transport areas: European railway traffic management systems and alternative fuels. These investments combine the use of grants from the EU budget with financing from implementing partners, in the form of loans, equity, EU financial instruments or any other type of repayable financing support. The EIB is the first implementing partner involved in this facility. There has been significant interest in the facility and the Hub is working closely with prospective applicants to assess suitability, eligibility, processes and procedures. **To date, the Hub has responded to over 60 requests for support.**



Electric vehicle being charged.

# ADVICE TO MAKE EUROPE'S ROADS SAFER

Fostering investment in road safety is a key part of the European Union's "Strategic Action Plan on Road Safety". Various funding and financing solutions exist, including the Connecting Europe Facility, regional funds and loans from the EIB. In March 2019, the European Commission and the EIB launched the Safer Transport Platform – Road Safety Advisory, an advisory platform focusing on road safety.

Via a dedicated page on the Advisory Hub website, project promoters can receive technical assistance and advice on funding and financing options for investments in road safety. A number of assignments have already begun:

- **EU-level support** for a market study to investigate and understand the status of infrastructure road safety on motorways and primary road networks across Europe. The study will assess the investments needed to reach appropriate safety levels. This will help improve access to finance for road safety investments, but also support the EIB and other financial institutions and relevant project promoters in the field.
  - **Support for the Bulgarian State Agency for Road Safety** in performing a safety rating assessment and risk categorisation of the country's road infrastructure. This will enable Bulgaria to efficiently prioritise its road safety investment plans and identify concrete national road network projects.
  - **Assistance to the Romanian Ministry of Transport** to design a road safety investment programme and a pilot safety rating assessment of the Romanian road network.
  - **Support to the Cyprus Public Works Department** in developing a road safety activity programme alongside the preparation of a new national Strategic Road Safety Plan for the period 2021-2023. The technical assistance will include a safety rating survey and applies to the national road network the Safe System approach, a holistic way of considering the road transport system and interactions between roads and roadsides, travel speeds, vehicles and road users.
  - **Working with Malta's Department of Transport** to set up a new procedural framework for network-wide road safety assessments, establish the parameters for a risk-based action plan, prioritise the implementation of road safety measures and perform road accident analysis, road safety inspections, audits and impact assessments.
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## URBIS – THE GO-TO ADVISORY PLATFORM FOR EUROPEAN CITIES

Within the Advisory Hub, **URBIS**, is an advisory initiative of the European Commission and the EIB dedicated to supporting urban investment. Launched at the end of 2017, URBIS provides advisory support to urban authorities **to facilitate, accelerate and unlock urban investment projects, programmes and platforms.**

By the end of 2019, **URBIS had dealt with more than 40 assignments covering** national, regional and municipal authorities in 19 European countries. URBIS addressed the needs of both large and smaller cities, with projects involving numerous sectors, including energy efficiency, the circular economy, urban mobility, smart cities, social housing and urban regeneration.

# THE HUB'S PARTNERS

## MORE IMPACT, TOGETHER

**Building our local partnerships across Europe has been a priority since the launch of the Hub in 2015. In 2019 we established more partnerships and new ways of collaboration to strengthen support on the ground.**

**T**he Hub's partner network includes more than 40 local institutions. Almost 30 formal agreements were signed with national promotional banks and institutions (NPBIs) and other partners.

More than 80 advisory requests originated from, or involved, NPBIs. These requests were related to specific projects or to institutional capacity building, or involved the exchange of information and best practice. **More than 85% of these requests from local partners came from cohesion countries (among which Hungary, Poland, Bulgaria, the Czech Republic, Slovakia, Croatia, Romania, Slovenia, Lithuania, Latvia),** which remained central to our awareness-raising activity.

**“ We are very satisfied with the Hub's support. The study produced by the Hub helped us investigate the possibility of establishing an investment platform for circular economy projects in the Netherlands. ”**

Gabriël de Groot, Invest-NL

**“ The collaboration with the Hub was excellent. We received support in establishing an Investment Platform for Energy Efficiency. ”**

Ondřej Ptáček, CMZRB



EIAH Days event, Luxembourg, November 2019.

**The Hub’s support to NPBI is not only project-specific.** In 2019, the Hub organised several coaching workshops on a variety of topics, including investment platforms, energy performance contracting, state aid, and public private partnerships, to help our partners plan and deliver investment projects.

Through an ongoing call for proposals, **the Hub is making funding and technical support available to NPBI partners to develop their capacity to deliver advisory services locally** and boost investments on the ground. To date, we have received 15 applications and signed **six funding agreements**. **The grant amount approved by the end of 2019 represents a total of more than €3 million signed** (with MFB in Hungary, Bpifrance and CDC in France, VIPA in Lithuania, CDP in Italy, and SID Banka in Slovenia). Other agreements are under negotiation and are expected to be signed in 2020.



EIAH Days event, Luxembourg, November 2019.



NPBI coaching workshop in Budapest, June 2019.

Applicant	Type of programme	Sector
MFB, Hungary	Setting-up of advisory unit, capacity building	Transport, energy, SMEs
Bpifrance, France	SME accelerator programme	SMEs and mid-caps
VIPA, Lithuania	Supporting an energy efficiency investment platform; and a pricing methodology development	Energy
CDP, Italy	Setting-up of infrastructure advisory unit	Municipal infrastructure, transport, environment, human capital
SID Banka	Establishment of local Advisory Hub	Energy, transport
CDC, France	Digital tool for biomass investment proposals	Renewable energy through anaerobic digestion

## **BPIFRANCE HELPS FRENCH SMALL BUSINESSES GROW**

Mid-cap companies are considered a key driver of economic development. An analysis of the mid-cap segment undertaken in 2017 showed that France had considerably fewer mid-caps than other EU countries. This triggered Bpifrance's objective to accelerate the transformation of French small businesses into mid-caps and to quadruple the number of accelerated companies. Bpifrance applied to the Hub to develop its SME Accelerator programme supporting the first 18 months of Bpifrance's enhanced 24-month programme. Bpifrance will first assess the strategic needs and the conditions for growth of the participating SMEs and then organise training sessions, coaching and networking events for the participating companies. The programme is supported by a Hub funding grant.

**“ The cooperation with the Hub was very successful. We received support throughout all phases of the application. ”**

Pierre Jouanno, Bpifrance

## **CDP'S MUNICIPAL INVESTMENT PROJECT SUPPORT PROGRAMME**

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Cassa Depositi e Prestiti (CDP), the Italian national promotional bank, has long-standing experience in supporting the development of different sectors of the Italian economy. In recent years, infrastructure investments in Italy have declined, primarily due to the public authorities' limited capacity to prepare these projects and the low attractiveness of such projects for the private sector. CDP has established an advisory unit to facilitate the preparation and delivery of sustainable infrastructure projects. This 18-month programme is backed by a grant from the Hub.

**“ The support from the Hub can significantly boost our capacity to provide assistance to Italian public administrations. ”**

Alessandro Bracaletti, Cassa Depositi e Prestiti

## **SLOVENIA'S NATIONAL PROMOTIONAL BANK CREATES A PROJECT ADVISORY UNIT**

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SID Banka in Slovenia identified several obstacles in the preparation and implementation of viable investment projects. One of the major difficulties was the lack of technical and financial knowledge and experience at the different stages of project development. SID Banka is establishing an advisory unit to help project promoters identify and prepare sustainable projects. The Hub is helping SID Banka structure this new advisory unit, identify investment projects and provide advisory services. The ultimate goal is to enhance the quality and quantity of sustainable investment projects in Slovenia and support the further economic development of the country. These activities are supported by a grant from the Hub.

**“ I would definitely recommend other NPBs to use the support of the call for proposals to enhance their advisory services. ”**

Roman Rojc, SID Banka

NPBs that successfully applied to the Hub's call are supported by EIB experts throughout the application process and during implementation. The Hub also provides interested NPBs with information and advice when considering applying. The Hub hosted a dedicated session on the practicalities of the call during the EIAH Days, its annual NPBI event, held in Luxembourg in November 2019. As a result of this and other awareness-raising actions, NPBs showed greater interest during 2019 and into 2020. The call will be open for applications until the end of June 2020.

# SUPPORTING SMALL BUSINESSES IN BULGARIA, CROATIA, GREECE AND ROMANIA

Thanks to funding from the European Union through the Hub, the European Bank for Reconstruction and Development now provides specialised advisory services to small businesses in Bulgaria, Croatia, Greece and Romania, via the Advice for Small Businesses programme. More than 200 private companies have received advice on identifying access to finance, enhancing export promotion and improving competitiveness as well as on corporate governance and resource efficiency.

## SMART BUSINESS TOOLS FOR SMART FASHION IN BULGARIA

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Solmate is a designer and seller of luxury leather shoes and bags sold under the **BY FAR** brand. It is a family business founded in Sofia, Bulgaria, which developed from a niche brand to a high-end product market fit. The keys to Solmate's success were the design and comfort of their shoes and their smart market positioning as a luxury, yet accessible brand.

Solmate experienced significant growth in demand and activity (turnover grew from €0.8 million to €6.5 million in 2018), but found it difficult to cope with growing back office activity. Moreover, its old inventory system had a number of flaws, lacked some key features and did not support integration with retailing and accounting systems. The company desperately needed a smarter system to produce accurate information, support process controls and help optimise the use of material and other resources. The company sought help from the EBRD's Advice for Small Businesses Programme to identify and implement a system to meet its specific requirements and provide for integration with retail, distribution and accounting systems. A local consultant was engaged in this assignment, which included the introduction of the new software, based on comprehensive needs analysis and optimisation of internal processes, and integration of the system with retail software and preparation of relevant documents and procedures. The project was successfully completed in 2019.

## GROWTH SUPPORT FOR AGROLAND IN ROMANIA

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Since its establishment in 2009, Agroland has been steadily growing to become today one of the largest chain stores for small farmers in Romania. A member of the European Rural Poultry Association, the company operates a network of over 250 stores covering 28 counties in Romania. 90% of these stores are in rural areas. The company supplies farmers with feed for chickens, pet food and small farm equipment for gardens and orchards. However, constant business growth also means that the business processes are more complex. In 2017, Agroland sought support from the EBRD's Advice for Small Businesses Programme to enhance its organisational efficiency and effectiveness. The project included a comprehensive definition of objectives and performance indicators and variable compensation system development. As a result, the first annual staff performance assessment was successfully completed in 2018, coupled with impressive business growth (sales grew by 30% between 2016 and 2018 to €29.3 million).

Agroland had to develop some core elements of advanced corporate management. An international advisory project was developed to help the company build a roadmap to sustainable growth, for instance by developing standard operating procedures for all shops and enhancing its HR management service, with succession planning and upgrading of its corporate governance scheme.

# PROJECT STORIES



## ROMANIA'S FIRST SCIENCE AND TECHNOLOGY PARK

Măgurele Science Park model.

Romania is one of the fastest-growing information technology markets in Central and Eastern Europe. The country is a leader in Europe and sixth in the world by number of certified information technology specialists – producing more than **7 000 computer science graduates each year**. Romanian university students rank very highly at international maths, science and information technology Olympiads.

Since mid-2014 Romania has registered a steady increase in the number of start-ups in hardware, Artificial Intelligence, neural networks, 3D printing, and virtual & augmented reality, with ICT firms alone accounting for more than 6% of Romania's gross domestic product. Most of these companies are based in Ilfov County and in the town of Măgurele, the country's most important research hub.

Ilfov County, with the support of the Măgurele research community, the local municipality and several businesses and RDI institutes, is developing **Romania's first science and technology park**. The Park will have strong links with the EU-funded "Extreme Light Infrastructure – Nuclear Physics" project, the largest laser facility in Europe.

The first phase of the project will comprise the construction of an innovation centre/incubator to promote entrepreneurship, a museum of the future, a recreation centre and a tech transfer centre. The tech transfer centre will provide spaces to let and investigational laboratories to host research activities conducted by research institutes. The innovation centre will host events, business pre-incubation and incubation activities. The museum and the recreation centre will connect start-ups and small companies focused on technology and the educational environment.

**This set-up brings together the academic and the business communities. This is key for the success of the most competitive sectors of the Romanian economy.**

**The Advisory Hub is helping Ilfov County take the project to the next stage by preparing a detailed business plan and a financial model.** Our experts are supporting local authorities in developing the procurement documentation to start the design and implementation of the project. The Hub is also facilitating discussions between the local authorities and the EIB's lending teams with a view to potential loan support by the Bank.

# LOW-CARBON TRANSPORT IN CLERMONT-FERRAND

Transport generates a quarter of Europe's carbon emissions. Electric transport and hybrid transport signal the shift away from fossil fuels and are key to meeting the goals of the European Green Deal.

The metropolitan area of Clermont-Ferrand, in France, is becoming greener thanks to an energy transition programme. This includes renewable energy and sustainable mobility measures, such as the rehabilitation of the tram network into a modern zero-emissions system with four main lines, the introduction of a rapid bus service and the construction of a new tram terminal with facilities for energy production.

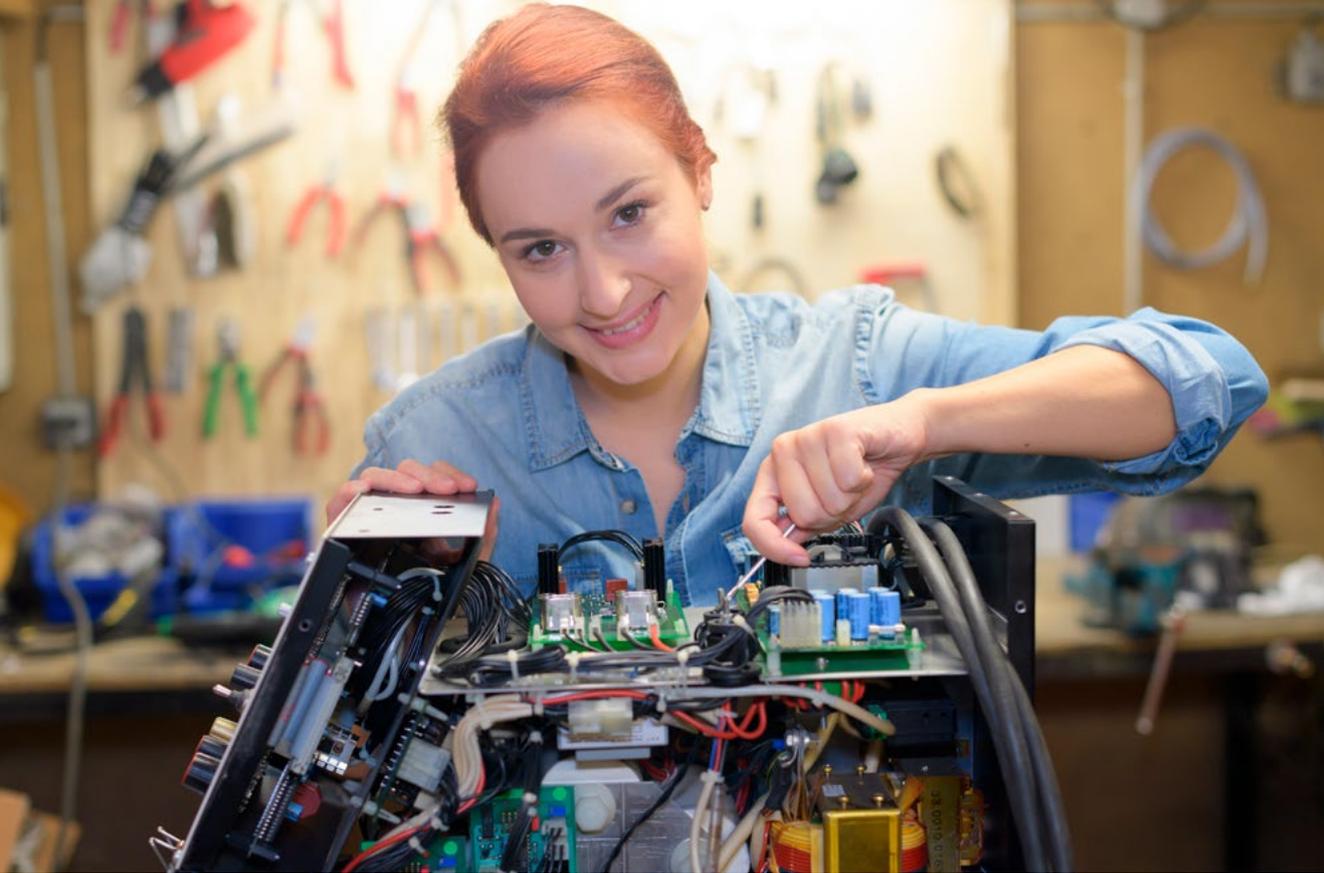
The project looks at strategies to implement a smart grid for the public transport network combining different renewable energy sources and alternative fuel vehicles (electric and possibly hydrogen). **This investment in smart grid technology will bring together energy and mobility investments and help reduce the carbon footprint of the city.**

Our experts are providing technical and financial advisory to Clermont-Ferrand to better integrate energy and urban mobility investments and to improve access to finance with a viable financial plan. **The Hub's support will help maximise the chances to implement low-carbon mobility projects in this area and enhance the production of carbon-free energy. The Hub will also help the city's authorities identify alternative sources of funding and optimise the financial and contractual arrangements at all project stages.**

This ambitious multi-energy mobility project will improve the lives of Clermont-Ferrand's citizens, who will enjoy climate-friendly public transport and clean energy.



Clermont-Ferrand tram.



Electric mobility vocational training.

## E-MOBILITY EDUCATION AND TRAINING IN BULGARIA

**Bulgaria aims to increase the number of its electric vehicles over the next decade, from 1 000 in 2020 to 55 000 in 2030**, making the country greener and more sustainable. This ambitious goal brings many challenges, such as an increased need for specialised technicians to maintain and repair the new vehicles.

Starting in 2016, Bulgaria's Ministry of Education and Science, in collaboration with the Electric Mobility Industrial Cluster, a non-governmental organisation of institutions and companies, launched a study curriculum on two new upper secondary level qualifications and training in electric mobility. The 4-year programmes are run in five pilot public vocational education and training schools. The future graduates – the first 300 will complete their degree in 2021 – will be qualified technicians and mechanics for electric vehicles.

The aim of this initiative was also to **attract new interest in the field of electric mobility at a time of very low unemployment and shortages in skilled labour in Bulgaria.**

Bulgaria's Ministry of Education and Science and the Electric Mobility Industrial Cluster asked the Hub to **assess to what extent the demand for skilled labour in the field of e-mobility matches the labour market supply.** Our experts are producing an evidence-based analysis of supply and demand of skilled labour in the field of e-mobility and are investigating the potential to roll out the pilot programmes in more vocational education and training schools. Our experts are also looking into the schools' equipment needs to help the students succeed.

# MEDICAL ISOTOPES TO IMPROVE LIVES IN THE NETHERLANDS

Every day, **thousands of European patients with cancer or cardiovascular diseases are treated with radiopharmaceuticals**, a group of pharmaceutical drugs containing radioactive isotopes. The Netherlands is the second largest producer of medical isotopes in the world.

The Foundation Preparation Pallas-reactor (PALLAS), a Dutch government-backed independent foundation, plans to build a safe, state-of-the-art nuclear medicines research and production facility. A first-of-a-kind, privately financed, owned and operated, this facility will also be **the world's leading producer of medical radioisotopes**. The project includes the design and construction of a nuclear health centre and a nuclear reactor for the production of medical treatments. The reactor will replace the current High Flux Reactor, which has been in operation for over 50 years and is approaching the end of its economic life. The total financing needed for this project is around €800 million over eight years.

With the support of the Dutch Ministry of Health and Ministry of Finance, **PALLAS asked the Hub to help assess its business and financing proposals and to evaluate funding models for the new nuclear reactor**. PALLAS aims to compile a solid business case to attract private financing for the construction, commissioning and operation of the reactor. **The project could qualify for financing from the European Fund for Strategic Investments.**

The Hub's experts:

- assessed the project's eligibility for various financing products and programmes offered by the EIB and other public and private sources;
- assessed the costs for each phase of the project and analysed the risks and their mitigants;
- assessed the bankability of the project in its different phases;
- reviewed and strengthened the project's business case and provided recommendations to make it bankable, in particular by splitting private and public funding;
- shared best practices and lessons learned from similar projects.

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The new reactor will enable the Netherlands to **treat millions of people and save lives**. PALLAS will start producing medical isotopes for diagnosis, therapy and medical nuclear research in 2025.



PALLAS nuclear reactor.



SIPEARL microprocessor.

## EUROPEAN PROCESSOR INITIATIVE: leading the way in European supercomputing

Supercomputers can perform a very high number of calculations per second, tens of thousands of times faster than a normal computer. Supercomputers are incorporated in the design of most of the technologies we use in our everyday life including weather forecasting, climate research, car safety equipment, drug development to eradicate diseases and cancer treatments.

**Supercomputers are vital to protect our data against cyber-attacks and to enable European citizens to benefit from better healthcare services, healthier and more environmentally-friendly products.** Both small and big companies use supercomputers to collect and analyse data. Supercomputers help firms grow their business, rationalise processes, increase their output, improve their services and increase profits. Thriving companies mean more growth and jobs for European citizens. European industries use 30% of the world's supercomputing capacity, of which Europe produces only 5%. **There is a high demand for European supercomputers to support the digitalisation needs of Europe's economy.**

Supercomputers are one of the areas of focus of the European Processor Initiative (EPI), a consortium of 27 members from the industry, automotive and research sectors across Europe. **EPI aims to develop the first "made in Europe" supercomputer high performance microprocessor.** Within the consortium, SiPearl is the industrial vehicle to design and implement a roadmap for a new family of low-power European processors for extreme scale computing, high-performance Big Data and a range of emerging applications. Given the strategic importance of supercomputing, the European Commission has already provided EPI with a €80 million grant for the first phase. This project is a key element of the European High-Performance Computing Joint Undertaking.

The Commissariat à l'énergie atomique et aux énergies alternatives (CEA), a French public government-funded research organisation, requested the Advisory Hub and InnovFin Advisory to help EPI develop a business plan and a roadmap for the equity raising process.

**The Advisory Hub and InnovFin Advisory helped create a solid business pitch and better present the data on the European Union, the consortium and the market.** The Hub's and InnovFin Advisory's experts worked closely with EPI to prepare a well-structured business plan and a coherent story line for potential investors, a detailed roadmap for the fundraising covering a target list of potential investors and key priorities and milestones to make the project financeable. The Hub and InnovFin Advisory helped CEA prepare a stronger case and reach out to potential investors from both the public and private sector. **This support is contributing to the project's implementation in a more sustainable manner and to making Europe a leader in extreme scale computing.**

# FINANCE FOR CLIMATE ACTION IN EUROPE

**The European Union is committed to becoming the first climate-neutral bloc in the world by 2050. This requires significant investment from both the Union and the national public sector, as well as the private sector.** Despite this increased commitment, climate change considerations are still far from being integrated into the business of financial institutions. Transitioning to more sustainable finance can be challenging, as it requires new mechanisms, procedures and tools to identify, design and finance eligible projects.

The scale of the investment challenge requires the financial sector to take a key role by:

- reorienting investments towards more sustainable technologies and businesses;
- financing growth in a sustainable manner over the long term;
- contributing to the creation of a low-carbon, climate-resilient and circular economy.

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Over the last few years, the EIB has increased its support to small businesses through intermediated lending products such as Multi-Beneficiary Intermediated Loans (MBILs). The Bank provides funding to banks, leasing companies or other financial institutions that on-lend the EIB funds to final beneficiaries. Since 2017, the EIB has further developed dedicated windows for climate action within MBILs. There is an increased awareness amongst its financial intermediary clients of the climate action activities that reduce greenhouse gas emissions and enhance climate resilience.

The EIB and the European Commission have agreed to provide advisory support to an expanded range of climate action investments through the Climate Action Support Facility, using their experience in energy efficiency investments as a model and guide.

**The Hub's experts are helping financial intermediaries understand and address the risks and opportunities of climate change and the resulting investment priorities.**

A dedicated section on the EIB website will offer financial intermediaries from across the European Union training material and e-learning modules on climate action lending, including eligibility tools for standard climate action investments and guidelines to implement the Bank's climate action windows.

**Dedicated Hub experts will help individual financial intermediaries develop targeted products and identify eligible projects, establish eligibility checklists, monitoring and impact reporting for loans to small businesses using the MBILs' climate action windows. The increased number of climate action investments will make a direct contribution to Europe's transition to a low-carbon and climate-resilient economy.**



## MAKING SOFIA A CIRCULAR CITY

Bulgaria is lagging behind in terms of meeting recycling targets set in the EU circular economy package. The waste management system needs more legislative and economic incentives to meet the targets set by the EU circular economy package and other waste legislation. Experience with a separate collection scheme is rather limited and so is the responsibility of producers to help dispose of products once they are no longer in use.

Around 10 years ago, thanks to EIB financial and advisory support, Sofia put in place an ambitious plan to improve its waste management system and, at the same time, recover secondary material and supply energy. **To improve the efficiency of the new waste facilities and become a circular city, Sofia had to introduce an appropriate separate waste collection scheme.** The fees for household waste collection will reflect the actual amounts of waste being generated and comply with the strict national waste regulations, which are set to go into effect in 2022.

The waste department of the Municipality asked the Hub to examine the current waste collection system and propose new, more efficient approaches. **The Hub's experts are working with the Municipality to develop a new separate waste collection scheme and set appropriate waste fees for households and commercial units – separating at least 40% of the city's waste by 2025.**

The Hub will provide the Municipality with options to align its domestic and commercial waste collection system with the new European and national legislations. This support will include an estimate of the costs and benefits associated with the different options and will feature examples of successful separate waste collection schemes applied in other large European cities.

**The Hub's experts will also help the Municipality identify the most appropriate sorting and treatment infrastructure to meet the city's recycling targets and improve the performance of already existing treatment facilities.**

Once this project is completed, the citizens of Sofia will pay fairer and more sustainable waste bills, based on the "pay-as-you-throw" principle. Financial incentives will be put in place to strengthen separate collection to make the city more sustainable.



Sofia waste management plant.

## A VIRTUAL REALITY LAB IN BULGARIA

The city of Stara Zagora in central Bulgaria aims to build a virtual reality lab to upgrade the country's first Digital Innovation Hub. **This will pave the way for the country to transition to the fourth industrial revolution and the new, emerging technologies it involves.** Easier access to research and development infrastructure will facilitate investments in information and communication technology and other high-value added industrial sectors. It will also **attract investments for the construction of manufacturing plants, warehouses and logistics facilities.**

As part of these efforts, the city plans to create a laboratory for multi-wall immersive virtual reality in partnership with Industrial Zone Zagore, a company recently established by the Municipality of Stara Zagora and the Ministry of Economy through National Company Industrial Zones.

The virtual reality laboratory will be established on a municipal property in the centre of Stara Zagora. **It will host research and development activities in collaboration with investors and universities and provide training activities.** Investors will use the lab to develop industrial solutions and applications for the promotion of cultural heritage.

The Hub's experts are helping the municipality of Stara Zagora and the Industrial Zone Zagore to assess the market potential and build a business case for the virtual reality laboratory and develop a financial model to generate sustainable revenues and attract further financing sources.

**The Hub is bridging the promoter's expertise and financial capacity gaps. Our experts are making the project happen while minimising its risks. This is key to ensuring that the project is viable, financially sustainable and delivers its economic, social and educational benefits.**



Virtual reality lab.

# ENERGY EFFICIENCY INVESTMENTS IN THE CZECH REPUBLIC

The Czech-Moravian Guarantee and Development Bank (ČMZRB), the national promotional bank of the Czech Republic, promotes economic and social development by offering advantageous financial products in various sectors.

As part of its mandate, ČMZRB asked the Advisory Hub to undertake a feasibility study on a potential investment platform dedicated to energy efficiency projects in the buildings sector. The projects would be mainly based on the model of Energy Performance Contracts (EPCs). EPCs are contractual arrangements between building owners and an energy service company that invests in energy efficiency measures and guarantees energy savings over the duration of the contract. Under Eurostat's revised statistical treatment of EPCs in 2017, EPCs may be recorded off the public authorities' balance sheet.

**The value of EPCs in unlocking the energy saving potential in the market is recognised by various EU directives and European initiatives.**

EPC projects have been undertaken in the Czech Republic for over 25 years. However, the market is still constrained by a number of market barriers, such as lack of awareness and trust of the public authorities, insufficient promoter capacity and challenging access to finance for EPC providers.

The Advisory Hub helped to:

- analyse these market barriers and assess the market gaps in terms of investment needs;
- identify projects for a potential investment platform;
- define an appropriate structure and investment strategy for the platform;
- explore the possibilities to combine different sources of funding, such as European Structural and Investment Funds, and finance backed by the European Fund for Strategic Investments;
- set up new standardised EPC templates, compliant with the new Eurostat guidance;
- design, in cooperation with the ELENA facility, a single technical support solution (One-Stop Shop) to facilitate EPC procurement.

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**The Advisory Hub mobilised the expertise relevant for the assignment and established a working group dedicated to EPCs, bringing together representatives of different public and private stakeholders.** This proved to be a successful model of cooperation.

The advisory assignment, expected to be completed in early 2020, aims to increase energy efficiency investments in the Czech Republic and therefore **help the country achieve its targets for energy efficiency and reduction of CO<sub>2</sub> emissions.**

# AN INVESTMENT PLATFORM FOR A CIRCULAR ECONOMY IN THE NETHERLANDS

In autumn 2019, the Advisory Hub completed a feasibility study to assess the potential for establishing an investment platform providing financial support and technical assistance for circular economy projects in the Netherlands. **The study is a step towards the country's ambitious goal to become a fully circular economy by 2050.** The advisory assistance was requested by the Netherlands Investment Agency (Invest-NL), the national promotional institution.

The Dutch Government identified bottlenecks to the development and implementation of circular economy projects, in particular the lack of adapted financing. The Government prepared several recommendations, including establishing a specific fund for circular projects. **Invest-NL asked the Advisory Hub to help assess the feasibility of this dedicated investment platform and to design the instrument.**

The assignment took the form of a market assessment of the circular economy in the Netherlands, which covered the country's six priority sectors: plastics, textiles, consumer goods, manufacturing, biomass and food, and construction. This assessment reviewed the circular economy initiatives in the country, analysed the supply and demand for financing in the sectors and examined potential technical assistance for project promoters. All the groundwork, including interviews, workshops and the development of a national pipeline of circular projects, spanned less than one year.

The study identified financing gaps for circular projects with new technologies and innovative business models. These projects can't easily find "risk-bearing capital" and "capital with patience". A bespoke national investment platform would improve access to finance for these projects. Offering technical assistance to project promoters, covering all development stages and business models across all sectors, would also accelerate the maturity of such projects.

**As a follow-up, Invest-NL has entered into discussions on the financing of the investment platform with the relevant stakeholders in the Netherlands. The Advisory Hub is ready to support the next stages of development of the platform once initial financing is agreed.**



Upcycled goods store in the Netherlands.

# REGENERATIVE URBAN PLANNING IN POLAND

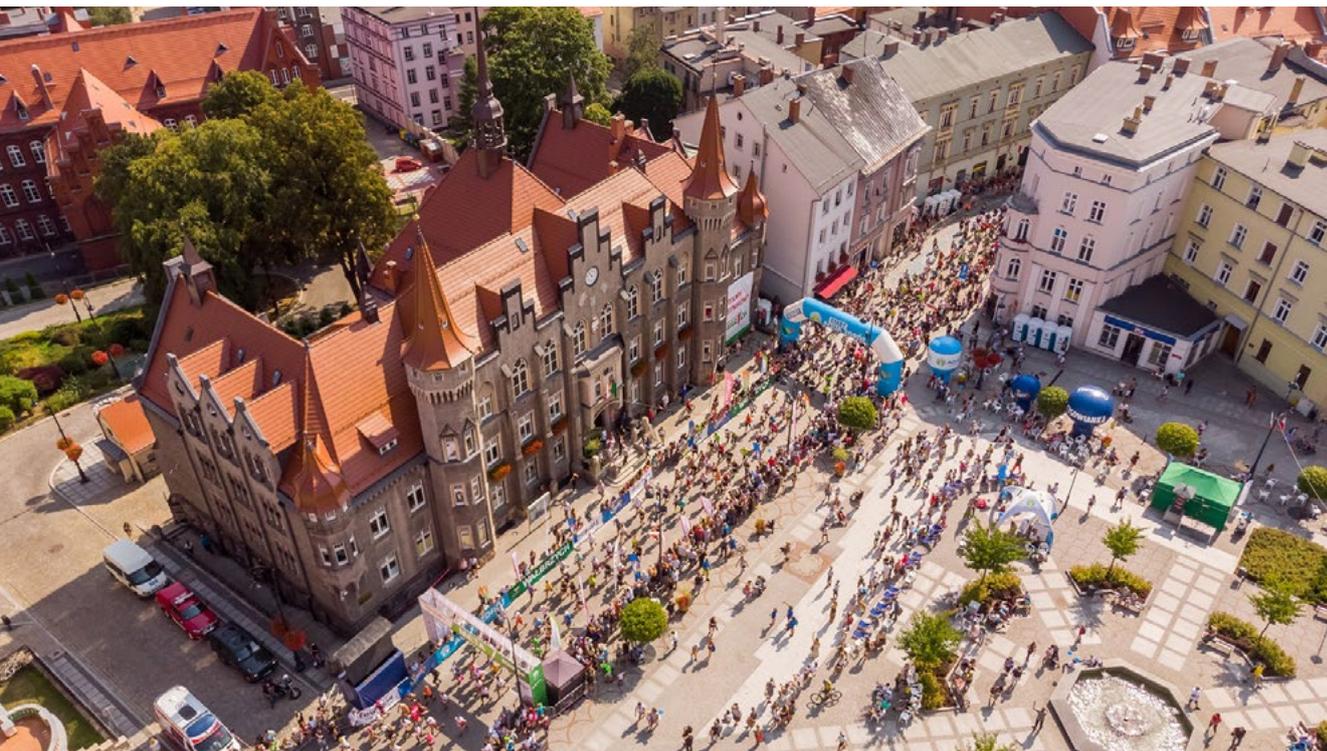
With its 112 000 inhabitants, Walbrzych is one of the cities that suffered most from Poland's industrial shift and economic transition in the 1990s and the collapse of the local coal industry. The high unemployment rates – at times over 30% – resulting from the closure of mines and coke plants forced citizens to move to other cities in search of better working conditions and salaries. This posed economic and social challenges, causing depopulation, exacerbation of social disparities and the decline of residential and industrial buildings.

An EIB loan to the City of Walbrzych was signed in two tranches (2018 and 2019) to co-finance a multi-year investment programme covering schemes to revitalise urban areas, improve energy efficiency, social housing and other activities in line with the city's development strategy. **The loan is coupled with a comprehensive package of advisory support under URBIS funded by the Hub.**

**The Hub's technical assistance is helping to identify the city's economic and social challenges and find out their causes.** Drawing on the experience of other municipalities in Europe facing similar problems, our experts explore potential approaches and solutions for Walbrzych's social and economic recovery. The Hub's experts also identify best practices and lessons learnt to help overcome the city's challenges.

The Hub will also organise workshops with representatives from cities facing similar problems, experts, academics and officials with experience in successful post-industrial recovery programmes. Experts will also review Walbrzych's investment proposals over the coming years.

**The Hub's support will be key to helping Walbrzych become a more lively, attractive and prosperous place for its citizens and make full use of the available investment opportunities.**



Magistracki Square in Walbrzych.



Kapani Market in Thessaloniki.

## SMART INFRASTRUCTURE INVESTMENTS IN THESSALONIKI

With over 1 million inhabitants, Thessaloniki is the second largest metropolitan city area in Greece. Thessaloniki has a vibrant culture that attracts more than 2 million tourists every year. The city has an active port and a respected university. After the 2008 financial crisis, Thessaloniki suffered a considerable economic recession, which affected the amount of resources available for infrastructure.

**Following a €37.5 million EIB framework loan approval in 2015, the Municipality of Thessaloniki asked the Advisory Hub, under the URBIS initiative, to help implement the City's municipal investment programme.** This included the finalisation of an investment programme and strategy, project prioritisation and technical assistance for specific investment areas.

**The Hub helped identify suitable projects, establish prioritisation criteria and prepare two key projects:** the revitalisation of the local markets in the historic district, including the bustling Kapani market, and the expansion and optimisation of the separate waste collection services in the city. Our experts helped the Municipality prepare the allocation of funds and develop better projects.

### REVITALISING THE LOCAL MARKET DISTRICT

Thessaloniki's historic centre includes four markets, hosting more than 800 small businesses. Local markets are a crucial geographical, historical and economic asset in Thessaloniki. The Hub provided the Municipality with an **analysis of several scenarios for the renovation of the Kapani market to create a long-lasting transformative impact, while respecting the unique cultural identity of the place.** The proposal includes a comprehensive package of recommendations that will enhance the attractiveness of the historical market district for local residents and tourists.

### OPTIMISING THESSALONIKI WASTE COLLECTION

The Hub helped Thessaloniki make its waste collection system more efficient, increasing the quantity and quality of separately collected recyclable wastes and introducing the separate collection of bio-waste. The idea is to increase material recovery and reduce landfilling.

**Our experts proposed a 10-year investment plan to fully implement the separate waste collection schemes.** The Hub also devised an initial priority investment project for the period 2021–2022. The priority project provides for the introduction of new kerbside waste collection schemes in pilot districts, a network of civic amenity centres (so-called green points) and recycling corners across the city. The green points will also include repair and reuse centres and facilities for training, capacity-building and awareness-raising programmes for the population and businesses.

**This investment programme will enable the Municipality to reach its targets for the separate collection of recyclables and bio-waste.**

## HELPING POLAND RENOVATE ONE OF ITS OLDEST TRAM NETWORKS

In Wroclaw, Poland, the first horse-driven tram was inaugurated in the late 1800s, connecting different neighbourhoods to the centre and making it one of Poland's oldest tram networks. Electric trams were introduced after some 20 years and have been used by citizens and tourists ever since.

The city's tram network renovation started in the 1950s, with a series of modernisation works undertaken. Still today, the city's authorities are looking to improve public transport services to attract even more users and reduce the city's overall environmental impact.

Miejskie Przedsiębiorstwo Komunikacyjne Sp. z o.o. we Wroclawiu (MPK), the municipal public transport company and the sole operator of the tram infrastructure in the City of Wroclaw, wants to invest in new tram and bus services, including through the replacement and modernisation of existing trams.

**MPK must raise external funds to finance its investment plans.** To attract investors, such as the EIB, MPK needs to provide a sound long-term financial forecast model based on verified assumptions.

**MPK asked the Advisory Hub to prepare a comprehensive financial model and a financial analysis to confirm MPK's capacity to repay an EIB loan, with a potential guarantee from the European Fund for Strategic Investments.** Our experts helped prepare and present the model, including a sensitivity analysis. **The Hub's advisory support will also help the promoter find additional sources of financing for this important investment.** The citizens of Wroclaw will enjoy quieter, cleaner and more efficient urban transport, with less traffic and better air quality.



Wroclaw tram.

# IMPROVING SOCIAL INCLUSION IN THE EUROPEAN UNION: the Advisory Platform for social outcomes contracting

Governments often struggle to address a number of social problems, including child care, homelessness, youth unemployment and long-term health issues. Traditional models can fail to tackle these complex issues.

Social outcomes contracting is an innovative model to provide social services, based on **outcomes rather than outputs**. This model offers new opportunities to combine public and private resources using local expertise and channel them towards positive social impact, social impact bonds or other instruments.

The model ensures the effective use of tax revenues, enables investments in proactive and preventive measures and promotes strong knowledge-based management. The Advisory Hub hosts the **Advisory Platform for social outcomes contracting** to help EU countries develop these innovative instruments. The Platform was launched in January 2019 in partnership with the Finnish Ministry of Social Affairs and Health and was supported by Sitra, the Finnish Innovation Fund. In 2019, the Platform gathered together representatives from more than 10 EU countries involved in social outcomes contracting and impact investment.

The Platform supports the **development and use of social outcomes contracts** (including social impact bonds and payment-by-results contracting) as a **strategic and operational tool for social impact and innovation**. This is key to addressing social inclusion challenges in Europe and improving social well-being.

In 2019, the Platform was successful in **facilitating knowledge and best practice exchange** among public sector stakeholders in various EU countries, **building their awareness and capacity** to provide effective social services using impact investing.

In September 2019, Sitra and the Hub organised a workshop in Helsinki, bringing together representatives of EU countries, the EIB and the European Commission to create an **action plan for the future of the Platform**, which will:

- provide advice and individual project support on the use of innovative financial instruments, particularly in the areas of human capital, culture and health (including early exploration, co-creation processes, feasibility studies, expert advice), supporting pilots for concrete initiatives;
  - provide peer-to-peer exchange, awareness and capacity building, leveraging local knowledge;
  - develop guidance in areas of common interest for its stakeholders (including procurement and use of EU funds).
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## HELPING CITIES BECOME CIRCULAR

**Cities are potential engines of the transition towards a circular economy.** With around 75% of the European population living in urban areas, most of the consumption, waste production, and emission of greenhouse gases occurs in cities. In addition, European cities have a high density of knowledge, data, and capital. **This concentration enables cities to drive the circular economy agenda forward and unlock related economic, environmental, and social benefits.**

Cities can be cradles and ecosystems for the circular economy, working as engines of circular transition to tackle environmental and social challenges associated with the linear economy. They can also act as circular catalysts when public authorities lead and accelerate the transition, optimise infrastructure and logistics networks, connect stakeholders, provide and procure circular assets and services, create incentives and facilitate circular initiatives.

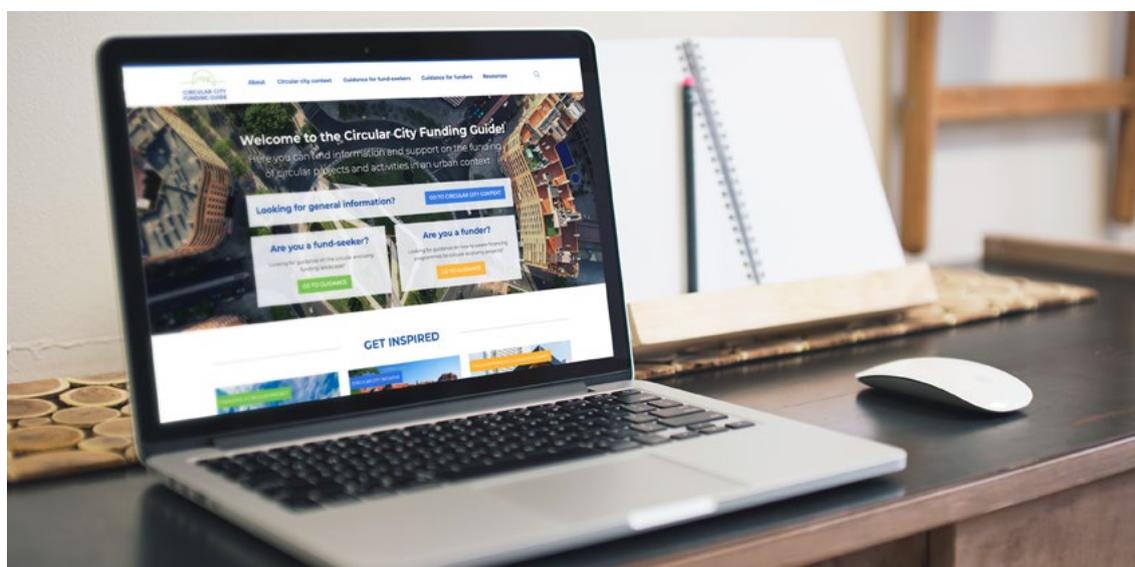
**To help cities become circular and improve access to finance for circular economy projects, our experts worked with consultants and a dedicated working group of urban and circular economy stakeholders to create the **Circular City Funding Guide**.**

The Guide is an online resource that helps municipalities, businesses, and other urban actors build circular cities. It highlights the benefits of the circular economy in an urban context and includes both information about funding and guidelines to set up funding programmes for the transition to a circular economy.

The Guide features hundreds of financing and funding sources for circular initiatives and projects, circular case studies, and circular city information, references and resources. The funding sources cover grants, subsidies, debt, equity and guarantees.

The Guide is addressed to fund-seekers (local governments, businesses, and other urban actors) and funders of circular projects in cities such as financial entities and public authorities.

The Guide's website was prepared in 2019 following an extensive review of existing literature and other resources on the circular economy in urban contexts. It was launched on 31 January 2020 at the Cities Forum event in Porto.



The Circular City Funding Guide.

# THE HUB BEHIND THE SCENES



“ What I like most about the Advisory Hub is its flexibility in responding to the needs of our clients with tailor-made advice. ”

**GIULIA MACAGNO**  
Urban Economist, EIB



“ The Advisory Hub can work as a ‘radar’ and help source the best expertise within and outside the EIB to provide advisory support. ”

**ARNOLD VERBEEK**  
Senior Advisor, EIB



“ The Advisory Hub is an excellent tool to improve the quality of projects and support investment in the European economy. ”

**GEMA GARCÍA  
SANCHEZ-MANJAVACAS**  
Advisory Hub  
Operational Assistant, EIB

See the online version of this report to watch the video interviews.

## HELPING GREEN MOBILITY PROJECTS ACCESS FINANCE

**I joined the EIB Operations Directorate in 2018, on secondment from a national promotional institution. I appraise financing requests from local authorities and public sector entities in France and Belgium. More risky projects can be financed through the European Fund for Strategic Investments.**

I work hand in hand with economists, engineers, credit risk analysts and lawyers to analyse public-interest projects and counterparts. Our conclusions are sent for approval to the EIB and the EFSI governing bodies. Their joint approval is required to sign and disburse the EIB investment loans with a specific guarantee from the European Commission.

**In 2019 I worked on a complex project involving EFSI-backed financing provided to an investment platform by Caisse des Dépôts et Consignations.** The project aimed at greening the transport sector in France by replacing conventional diesel bus fleets with zero-emission ones, through contingent loans guaranteeing a level of energy savings, irrespective of the evolution of electricity prices.

Investment platforms can help finance smaller and riskier projects by combining funds from different sources. This risk sharing makes it possible to attract private investors and unlock financing for individual projects. In France, this innovative instrument provides loans to public authorities with energy savings projects, such as the clean bus fleets. This type of operation can qualify for grants from the European Commission's Connecting Europe Facility (CEF).

However, promoters struggle to access resources from the grant and the platform because the application requirements are very strict. This is where the Hub is key: the Hub's experts, involved in early stages of the project appraisal, helped my team and the promoter understand how CEF and the CEF Blending Facility work. The Hub also facilitated cooperation with the European Commission and helped to adopt a specific framework allowing beneficiaries of the Investment Platform to access grant funding from CEF.

**The Hub's top priority is to provide technical and financial expertise to accelerate investment projects. I believe that another crucial role is to share feedback with EU legislators, regulators and implementing partners about our joint operational experience with project promoters.** Sometimes our counterparts face difficulties in understanding our constraints, which they consider too rigid and complex, but the Hub's expertise can be helpful in showcasing practical cases within EU institutions. This support contributes to making our rules simpler, more flexible and readily understandable.



**MARC-ANTOINE COURSAGET**

Loan Officer, Western Europe, EIB

## TOGETHER WE GO FAR

**I joined the EIB lending area in 2007, working on projects in Poland, the Baltic States and Nordic countries. In 2018 I joined the Financial Instruments Advisory Division to work on advisory in social economy, inclusion and impact investing. I am passionate about deploying finance mechanisms for the benefit of European citizens. Social outcomes contracting helps EU governments to provide social services to the marginalised and underserved parts of the population.**

Imagine a victim of domestic violence, who is unemployed or with a low income. She is struggling to leave her hostile domestic environment because she is not economically independent. Existing public social services are often not sufficient to find comprehensive ways to get her out of this situation.



**JELENA EMDE**

Financial Instruments Advisor, EIB

**Through social outcomes contracting, public authorities can procure services based on desired outcomes, rather than outputs.** Social outcomes contracting focuses on the overall results rather than on the delivery of specific outputs by the service provider, such as a set number of training hours offered to improve the woman's skillset. In the case of social impact bonds, the procurement of specific bespoke services is outsourced to a programme manager and the risk of non-achievement of outcomes is transferred to the investors.

In our example, the programme manager would be responsible for identifying the right balance between psychological support, job training, and job search coaching: this will help a woman who is the victim of domestic violence to find a job and obtain the necessary financial resources to rent a new apartment and start a new life. The woman's tax contributions will generate revenues for the state. She will no longer need to receive unemployment benefit and this money will be partly used to repay the investors and the programme manager. This is a win-win for everyone.

I am a strong supporter of these schemes because they can be very effective in improving communities' well-being.

**The Hub is helping deploy these schemes with an advisory platform dedicated to social outcomes contracting. I am very proud to be part of this initiative and to work with EIB Group colleagues and several EU country representatives to bring awareness and capacity building to public administrations around impact investing.**

I hope to see even more social outcomes contracting schemes in Europe, thanks to our advisory support. I believe our work can really help find innovative solutions to tackle societal challenges and support public authorities in running pilot projects. This, for me, represents the essence of the European Union: working together and building on each other's experience to overcome common challenges.

**HELPING THE PRIVATE SECTOR ACCESS EU-FUNDED PROGRAMMES**

**We both work as loan officers in the private sector lending team in Spain for the EIB. We work with many companies of different sizes across a wide range of sectors. With other EIB colleagues, we appraise the projects, structure the financing and obtain validation to get the loans approved.**

Private promoters often find it difficult to apply for EU-funded programmes. The Hub can really make a difference in helping promoters access EU funding and overcome procedural issues. The Hub’s experts know EU-funded programmes very well and can help promoters meet the grant application deadlines.

For example, in 2019 we received a request from a private bus operator that wanted to replace its fleet with cleaner buses. The promoter requested assistance to apply for an EU grant programme. We got in touch with colleagues in the Advisory Hub to help the promoter prepare his proposals so that he could make an application.

**Thanks to the Hub’s intervention, we were able to also establish a sound relationship with this promoter, with whom we have recently signed an EIB loan.** Last but not least, through the process we became more aware of our clients’ needs, which helps us serve them more effectively.

We encourage private promoters in Spain to seek the Advisory Hub’s support and take advantage of its advice.



**COVADONGA VELASCO MIRANDA**  
Loan Officer, EIB



**DANIEL COLINO LLAMAS**  
Loan Officer, EIB

## PROJECT MANAGEMENT AND LOCAL ADVICE

I joined EIB Advisory in 2015 as a procurement and contract management specialist. My main task at the Hub is hiring consultants for advisory services. These consultants help promoters prepare, structure and implement projects in different sectors, such as transport, environment, energy, agriculture, innovation and financial services. I am thrilled to play a role in the development of these projects in Europe.



**GABRIELA TELETIN**  
Procurement Specialist, EIB

My previous work experience in Romania's managing authorities is very useful in my current position: **it allows me to deeply understand the needs of the public authorities for whom we hire consultants and to transfer this understanding to the service providers.**

What makes the Hub very effective is the combination of its project management skills and the consultants' market and sector knowledge. This is crucial for the successful implementation of projects. Public sector promoters often struggle to monitor and structure the consultants' expertise. The Hub helps run this process more smoothly, accompanying public authorities in managing local consultants. **I work with the Hub's experts to find the right procurement procedures and the best expertise for each project.** This job is very rewarding.

I see the future role of EIB Advisory as even more prominent, helping promoters meet the ambitious objectives of the recently launched Green Deal and supporting more sustainable projects. **I encourage promoters, especially colleagues from the managing authorities, to come to the Hub to get the best advisory package to fit their needs.**

## CHANGING THE WAY WE BUILD AND FINANCE SUSTAINABLE INFRASTRUCTURE

I joined the EIB Group in the mid-nineties and, since then, my focus has been on project financing and public-private partnerships (PPPs). After a good 15 years on the lending side of PPPs across several countries, I joined the European PPP Expertise Centre (EPEC) team in the Bank's Advisory Services Department.

EPEC helps public authorities across Europe to make better use of PPPs. PPPs are a powerful way to deliver public infrastructure projects and services using the private sector, but they need to be handled with care: hence EPEC's mission. We do three main things: provide and disseminate good PPP practice, help public authorities in a given country on a bilateral basis to design or reform the legal and institutional frameworks for PPPs, and assist public project promoters in preparing their PPP projects. It is worth noting that, when delivering advice, EPEC is "neutral" on PPPs: we can also recommend not to use a PPP to deliver a project if the conditions are not right.

I work with the Hub regularly and on many different topics: for example, in 2019, I coached officials of national promotional banks on the pros and cons of PPPs at one of the Hub's workshops. More importantly, I make my experience and expertise available to the Hub's public sector clients when their requests have a PPP angle. **As client requests often go beyond the sole PPP matter, the Hub is key to putting together the right mix of resources from Bank experts to provide the client with genuine benefit. Our joint forces result in a comprehensive advisory package that enables clients to deliver their projects sensibly and quickly.**

The recent launch of the European Green Deal means, in my view, that decision-makers will have to **change how infrastructure projects are conceived and delivered, as sustainability and climate action goals will be more demanding. I believe the Hub will have a key role to play in helping governments at national, regional and local levels allocate their constrained public resources smartly, set new investment priorities and deliver the right projects using PPPs.**



**GUY CHETRIT**

PPP Senior Expert, EIB





# EUROPEAN INVESTMENT ADVISORY HUB

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