



# AFME Members' Briefing Call

## The AFME-ICMA Guide to Infrastructure Financing

10 August 2015

London

1. **Overview of AFME Growth initiatives**, Nick Burge, Managing Director, Head of Strategic Liquidity, Lloyds Banking Group
2. **Introduction to the AFME-ICMA Guide to Infrastructure Financing**, Janin Campos, Head of Corporate Syndicate Lending EMEA & Asia, BBVA
3. **Using the bond markets and private placements to fund infrastructure investment**, Clare Burgess, Partner, Clifford Chance
4. **Overview of the EFSI**, Rick Watson, Managing Director, Head of Capital Markets, AFME
5. **The European Investment Project Portal**, Patrik Karlsson, Director, Market Practice and Regulatory Policy, ICMA
6. **Closing Remarks and Next Steps**, Rick Watson
7. **Q&A**

# Overview of AFME's Growth initiatives

Nick Burge, Lloyds Banking Group



# Introduction to the AFME/ICMA Guide to Infrastructure Financing

Janin Campos, BBVA



1. Choice of financing
2. Credit enhancements and ratings
3. Usage guarantees
4. Restrictions on adverse post-closing changes, including tariff reductions

• Key considerations	• Investor perspectives
• Overview of the project loan and bond markets	• Credit enhancement alternatives, including from the EIB
• Highlights of the EFSI	• Credit rating review
• Procurement considerations	• Documentation requirements
• Participants and structures	• All-in cost calculations
• Marketing, pricing and roadshow process	• EFR reporting standards
• Project bond and equity investor bases	• Detailed examples

# Using the bond markets and private placements to fund infrastructure investment

Clare Burgess, Clifford Chance



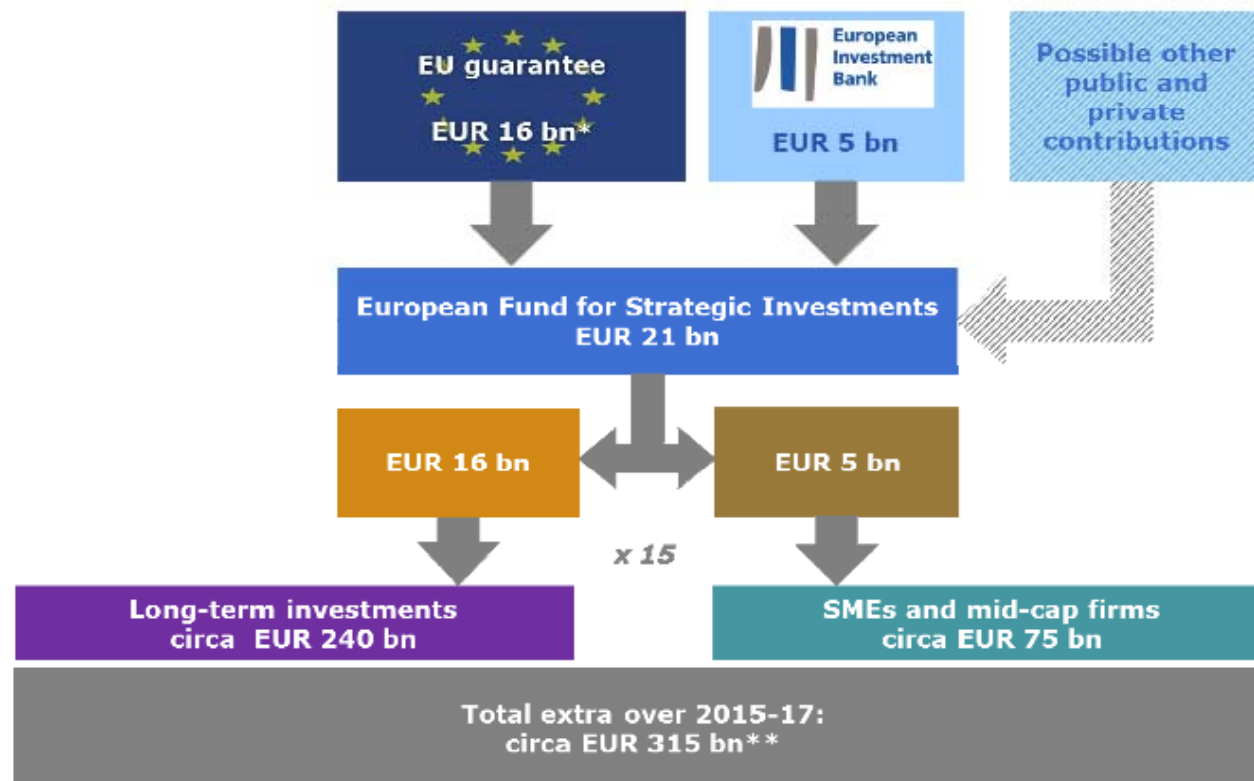
# Overview of the EFSI – the European Fund for Strategic Investments

Rick Watson, AFME





# EFSI - The European Fund for Strategic Investments



\* 50% guarantee = EUR 8 bn from Connecting Europe Facility (3.3), Horizon 2020 (2.7) and budget margin (2)  
 \*\* Net of the initial EU contributions used as guarantee: EUR 307 bn

- **On July 22**, a package of measures was adopted by the EC to ensure that the EFSI is up and financing projects by early autumn 2015.
- **EFSI's Steering Board appointed.**
- Assessments of projects will be based on four pillars:
  - **Pillar 1** – Contribution to EFSI policy objectives
  - **Pillar 2** – Quality and Soundness of the project
  - **Pillar 3** – Technical and financial contribution of the EIB and support of EFSI
  - **Pillar 4** – Complementary indicators (e.g. macroeconomics, amount of private finance...).
- Additional information on the **European Investment Project Portal** and the **European Investment Advisory Hub** available.
- **Confirmation of 8 pre-financed projects** in Denmark, Spain, France, Finland, Italy and Ireland.

- **August 2015:** Deadline for EIOPA's Consultation Paper on the identification and calibration of infrastructure investment risk categories
- **September 2015:** Members of the Investment Committee should be in place following an open call for candidates. The EP will hold a hearing to approve the candidates for the position of MD and deputy MD of EFSI.
- **October 2015:** Deadline for EC's Consultation on Long Term Finance (impact of CRR and CRDIV)
- **Early Autumn 2015:** the EFSI starts financing projects.
- **Autumn 2015:** the European Investment Advisory Hub should be up and running.
- **End 2015:** the European Investment Project Portal should be live.
- **June 2018:** end of EFSI investment programme.
- **After June 2018:** EFSI evaluation and decision around potential extension.

# The European Investment Project Portal

Patrik Karlsson, ICMA



- The EIPP will be a publicly available, secure web portal where EU based project promoters seeking external financing are given the opportunity to promote their projects to potential investors.
- The inclusion of projects in the EIPP shall comply with the following admission criteria:
  - the project has a minimum size of € 10m in terms of required investments;
  - the project falls within one of the sectors listed in the Regulation (EU) 2015/1017;
  - the promoter is a legal entity established in a Member State;
  - the project is compatible with Union law and the law of the relevant MS;
  - the project will start within three years from the submission to the EIPP

# Closing Remarks & Next Steps

Rick Watson, AFME



# Q&A

