

finMED

*Boosting the financing of innovation for green growth sectors through
innovative clusters services in the MED area*

DELIVERABLE 6.2.1

**Support policy learning of public authorities with the use of the
finMED tool and technical experts**

**Tailored event with experts, European Investment Bank
representatives and Project Partners**

Delivery date: 03-2021

Partner in charge: Regione Piemonte

Partners involved: ALL

Status: Final



CONTENTS

INTRODUCTION TO finMED PROJECT.....	3
1. Activity 6.2 Support policy-learning of public authorities with the use of the finMED tool and technical experts	4
1.1 D6.2.1 Tailored event with experts, European Investment Bank representatives and Project Partners	4
2. Methodology for the delivery of the event.....	4
3. Main Topics and Agenda	5
4. Key discussion points.....	7
5. Conclusions.....	10
6. Annexes	12
a. Participant List.....	12
b. Screenshot.....	13
c. Presentations.....	15

INTRODUCTION TO finMED PROJECT

The transition towards a green and sustainable economy is expected to generate multiple economic, social and environmental benefits, anyway, the investments needed for this transition are enormous and the benefits are in the future. Therefore, significant efforts are needed to support the concept that investing in a green transition will be beneficial from an environmental, economic, social and financial perspective, benefiting the resilience of our society as a whole, as well as the healthy development of businesses and economic activities.

Public Authorities at all levels can play a decisive role in accelerating this transition by facilitating financing to investments and projects applying sustainable, green and innovative technologies and business models.

From February 2018 finMED, a project co-financed by the Interreg MED Programme, brought together a group of organizations related to green sectors policies, business support and competence developments. finMED goal is to create and stimulate a common understanding of green economy financing, create capacities and develop concrete solutions to improve access to finance for innovation by green SMEs.

A Capacity Building tool building for Public authorities has been developed by finMED, to increase capacities, skills, and knowledge of individuals (public servants, PA managers and officials, policy makers, decision makers) and organisations (regional and national public authorities) to help improve the financing of innovation towards green growth and for the benefit of SMEs, including the design and delivery of financial instruments.

A series of Webinars has completed the picture, by sharing concrete experiences of financial instruments use in finMED partner regions.

As a conclusive step, a further activity was foreseen to support policy-learning of public authorities with the use of the finMED tool and technical experts.

The Informative Session moves a step forward in this path, aiming at enlarging the policy learning process, exploring meaningful experiences at regional, European and international level and the financing options that will be opened in the structural funds of the upcoming programming period.

1. Activity 6.2 Support policy-learning of public authorities with the use of the finMED tool and technical experts

The WP6 general objective is to reinforce, empower and increase coordination among clusters/business support organizations and public authorities in their efforts of assuring access to finance to green sectors companies. It encompasses actions at regional level, with the set-up of regional stakeholder groups and support to policy improvements together with transregional and EU wide actions, with the launch of the finMED manifesto and the organization of the high-level conference on innovation financing for green sectors in the next programming period. In WP6 the knowledge, tools and practices elaborated and tested by PPs are ready to be capitalized in the involved regions, especially the transfer of results towards regional programmes, policies and practices with the support of all concerned stakeholders.

With Activity 6.2 the capitalization process supports a wider policy learning among public authorities' partners as well as external organizations. The process proceeds supporting the promotion, the uptake and the mainstream of finMED tools and experiences, with the organisation of meetings at regional and national level with potentially interested stakeholders (Activity 6.3). Finally, in Activity 6.4 finMED will deliver a set of procedures designed to influence and determine all major decisions and actions in the green sector innovation financing. They ensure that the position of the concerned governing bodies is translated into steps and results compatible with their vision and mission for the future of green sectors.

1.1 D6.2.1 Tailored event with experts, European Investment Bank representatives and Project Partners

The Activity 6.2 of finMED project provides guidance and information for designing the Policy procedures to be delivered in a following activity (Activity 6.4). The final aim is to include financing of innovation as a priority in policy agenda and improve policies performances for green sectors.

A6.2 includes an informative session on financial instruments and mechanisms, as well as a methodological support to deliver targeted policy procedures in each partner region/country.

The informative session was supposed to be delivered as a Tailored event, organized back-to-back of a project meeting or event. Due to the impossibility to travel and to organise in presence meeting, the informative session was held online.

It took place on **March 16th, 2021**, via the online Platform Teams, from 10 AM to 1 PM.

2. Methodology for the delivery of the event

As the objective of the event was to support policy-learning on financing innovation for green growth, the target audience was staff, managers and policy makers of regional public authorities of finMED partners.

In order to tailor made the event to the concrete informative needs of the target audience, the event has been set up starting from the conclusions of the previous activities (more specifically §D5.4.1 – Finalized version of the Support service Tool and §D5.7.1 – MASDE Tool).

Following the §A5.5 activities carried out by Sardinia Region to finalize the Capacity Building Tool, the informative session addressed specific needs and challenges emerged in A5.5 webinars. More specifically, the critical aspects in the ex-ante assessment, how to assure flexibility in the implementation arrangements, the choice of the financial intermediaries, the complementary technical assistance needed to support SMEs applications, etc.).

Regarding the D57.1, the objective of MASDE tool is to improve the understanding of the financing opportunities of SMEs belonging to green growth sectors. In the case of MASDE, IVACE has designed a series of flexible and innovative policies and strategies that make it possible to transfer the results of the participation of companies in MASDE, and to be able to attract new financing instruments in matters of business strategic transformation, green growth sectors included. All this through the participation in the creation of the tool of different entities of public and private financing and specialized in green growth. The conceptualisation, design, elaboration and testing of the tool, took place in a context of cooperation with all the relevant agents in the green sector in the region, clusters, technological institutes, and aligned with the institutional framework as well. In this way, it will be much easier for a company supported by MASDE to find the most suitable strategic combination for recovery and sustainable development.

3. Main Topics and Agenda

An initial list of potentially interesting topics had been circulated among partners and discussed in a dedicated session during a project operative meeting (held in February 2021).

Starting from the key question to address “How access to finance for innovation in green sectors SMEs can be improved?”, the following issues emerged as more critical:

- Financial instruments in next programming period 2021/2027
- How to leverage on intermediary agencies
- Learning and exchanges among public authorities
- Role of financial intermediaries
- Lessons learnt from financial instruments implementation in the previous programming period
- Sustainable investments: encourage the integration of environmental, social and governance criteria into financial products

Also, the organisations that could have covered the topics of interest had been identified and contacted, namely: European Investment Bank, Equiter, Italian Forum for Sustainable Finance, Innovation Center of the Intesa San Paolo Group, Interreg Policy Learning Platform. For each organisation, a list of questions had been prepared.

All the speakers from the invited organisations were briefed with bilateral online meetings, in which the finMED project had been presented, along with the process that led to the Informative session and also the list of topics and questions decided by finMED partners had been illustrated and explained:

D6.2.1 Tailor event with experts, EIB representatives and PPs

- European Investment Bank: 05/02/2021,
- Equiter: 10/02/2021,
- Innovation Center of the Intesa San Paolo Group: 12/02/2021,
- Interreg Policy Learning Platform: 15/02/2021,
- Italian Forum for Sustainable Finance: 25/02/2021.

The main topics discussed during the informative session have been:

- Financial instruments in programming period 2021/2027, Implementation options, ex-ante assessment.
- Inputs on how to establish effective and well working FIs with a view to the market, how to leverage private funds.
- Technical assistance/support needed to complement the establishment of FIs (targeted and localized based on specific contexts and/or sectors)
- Hints, inspiring ideas and available support for Regions and Public Authorities
- Private and public collaboration toward sustainability
- Lessons learnt that can be useful for public authorities in shaping strategies and interventions
- The role of clusters and business support organizations in building a supportive ecosystem to boost financing innovation and green growth

The final Agenda resulted as in the Figure below.

ONLINE INFORMATIVE SESSION: **financial instruments for innovation in green SMEs**

AGENDA:

March 16th 2021

10.00 Welcome and Introduction

- 10.10 **European Investment Bank:** Anna Zurek
- *Questions Raid*
- 10.50 **EQUITER:** Silvia Poy
- *Questions Raid*
- 11.20 **EA Eco- Enterprises:** Cristina Casian / **IVACE:** Roberto Algarra
- 11.30 **Innovation Center Intesa San Paolo Group:** Anna Monticelli
- 11.40 **Forum per la Finanza Sostenibile:** Alessandro Asmundo
- *Questions Raid*
- 12.00 **Interreg Europe Policy Learning Platform:** Elena Ferrario
- 12.10 *Questions, Discussion, Conclusions*



4. Key discussion points

- New Cohesion policy, the five new objectives and the main novelties of the shared management financial instruments in the next programming period 2021-2027.

In particular, it was underlined the simplified framework of new Common Provisions Regulation (CPR), that takes in account the lessons learned during the previous programming period. The shared management financial instruments work and they really fulfil their objectives, they are very suitable tool even in challenging times, to address for instance the pandemic crisis. So, for the next programming period it is stated to increase use of financial instruments - to address the significant investment gaps and to attract private investments available in the market- but also to reduce the administrative burden and to guarantee flexibility.

One of the main novelties is the possibility to combine grant with a financial instrument in a single operation. The new CPR allows the combination for a wider typology of grants and financial instruments. In these cases, financial instruments rules will apply both to financial instrument and grants with a simpler implementation. This new statement allows that both forms of support should be provided by the same body of implementing the financial instruments which can be either a financial intermediary or a holding fund and there will be in any case one single funding agreement signed covering both elements. One selection procedure for the financial intermediary is needed and there will be also just one access point to the final recipients, that is really important for the final recipients. In the next programming period combination could be a tailored toolkit offering the possibility to provide a comprehensive package to address green growth. In addition, when grants are directly linked to a financial instrument operation, the eligibility rules would be the same for grant or loan or other investment combined with a financial instrument operation. Besides the grant can be provided up-front, because the financial instrument rules apply. In fact, normally within the ERDF eligibility rules, grants are paid on the basis of the reported total eligible expenditure. Costs have been incurred before the grant can be paid. Furthermore, for the new programming period the market assessment is already taking place at program level and also the justification of the forms of support, including grants or the combination of financial instruments and grants, is required to be included. This new intervention rationale can speed the setup of financial instruments and EU Commission expects that the use of financial instruments will be increased in the programming period 2021-2027.

- Key points of attention for PAs and Managing Authorities

The first one is to have market driven financial instruments and not policy driven. In fact, in the past some financial instruments didn't work because of that. Financial instruments have to address specific market failures, so an in-depth market assessment and deep knowledge on market needs are fundamental.

The second point is that the new programs are currently under negotiation, so this is the right time window to set up financial instruments, taking also in account that data are already available at EU and national level to approach market evaluation, for instance gap analysis for SMEs in the EU, or quantitative and qualitative data and reports on debt and equity financing for each member state.

The third point is an honest communication and strong support among all the stakeholders. Opening early the dialogue with potential financial intermediaries, other partners that might be part of the instrument and the final recipients is crucial for the success of the instrument.

The deployment of financial instruments required really specific knowledge on the regulatory frameworks, on the rules and the requirements for shared management financial instruments and such know-how really needs to be built in the staff and key personnel involved.

- Criteria that were used to select fund managers.

Another important aspect in the design and implementation of financial instruments, is to have a fund manager with the necessary expertise, who strictly works with the managing authority, deals with the necessary regulatory requirements, cooperates with the financial intermediaries, for a good and fast implementation. Besides also it is necessary ensuring specific knowledge and know-how of the Managing Authorities and PA staffs on the regulatory frameworks on the rules and the requirements of the shared management financial instruments. More information and guidance on the criteria to select a fund manager can be found in the fi – compass case studies and fi-compass Knowledge Hub report on selection financial intermediaries.

- Key elements of the J.E.S.S.I.C.A experience in Sardinia Region

J.E.S.S.I.C.A. has been developed to support integrated sustainable urban development projects, including energy efficiency and renewable energy sources, allocating funds to repayable investments in the form of equity, loans and/or guarantees via Urban Development Funds (UDF). This new way of using Structural Funds had been adopted for the first time in the Programming Period 2007-2013 and has been realized by financial institutions (the Urban Development Fund Managers) selected by EIB through an European Call for Expression of Interest. The implementation mechanism created a virtuous cycle. Selected projects were able to repay EU funds and to release – in the medium term – financial resources for new investments. In this way leverage financial instruments attracted public and private contribution given the lower risk of projects and the long-term nature of this kind of funds. In addition, the contribution coming from the expertise of the banking and of the private sector supported the public sector with the objective of maximizing funds allocation in financially sustainable projects, helping the reuse of funds. Another key aspect was the flexible investment strategy and the cooperation with private sector (e.g., PPPs, eligibility of private final recipients).

In those experiences a key element in the selection of projects to finance was the collaboration between the financial intermediary and the Managing Authority, thanks to the link with the other market operators and by the usual network of the commercial banks to reach the final recipients and have a real and direct contact with the territories.

- The role of risk assessment by the financial intermediaries and commercial banks.

In general terms, using the traditional assessment criteria some projects or final recipients cannot access financial instruments even if they are pulling ahead for sustainable and green growth. Especially in the economic crisis due to the Covid-19 pandemic, guaranty funds could seem more useful because they minimize the risk for the commercial banks and could give the possibilities to access financing to social interests investments, public interest investments and not pure-commercial investments, because guaranty funds reduce their exposure to risk. Guarantee fund is a complementary measure to help addressing the market failures and sub-optimal investment situations.

- The role of clusters and business support organizations in the local and regional ecosystems to build bridges between companies, SMEs and financiers.

A supportive ecosystem is crucial for the success of the financial instruments. Starting from the experiences and lessons learned in the framework of finMED project, new networks and tools are being implemented. The first one is the Committee of Financiers by Ea éco-entreprises: the aims is to overcome the difficulties of financiers in evaluating from a technical point of view the innovative green projects and at the same time to help SMEs to approach financial world and save time in selecting and applying different financial opportunities. The BSO helps SMEs to fill in a joint dossier and also gives a technical evaluation, then, if this first step is successfully completed, the dossier is presented to the Committee of Financiers in order to co-finance the project and reduce the potential risk of an innovative project.

The second one is the MASDE tool by IVACE. The tool developed as a reaction to the economic crisis due to the pandemic, support companies in analysing their status and make a strategic reflection on their current situation, in order to establish changes in their business strategy to adapt to the new challenges in their sector and facilitate the relations between SMEs and financiers. The essence of this mechanism is based on how strategic reflection is necessary within the company and the possibility of contrasting it in a context of cooperation with the relevant agents of its sector, cluster, technological institute and institutional framework.

- The experience of San Paolo Innovation Center in supporting SMEs and the whole ecosystem to move from linear to circular economy.

Circular Economy principles allow companies to mitigate linear risks (price volatility, supply chain inefficiencies, consumer and regulatory trends) and to exploit new business opportunities (improved competitive positioning, reduced costs for raw materials, increased customer retention). To reach the new paradigm new products and services have been designed, not only loans. Companies are provided with training courses to better understand the opportunities of circular economy and how to concretely implement it. On the other hand, to have a paradigm shift disseminating a circular culture is necessary, to spread new models of value creation capable of combining the development of business and organization with the protection and the enhancement of human, natural, social and economic capital. The Circular Economy Desk supports the Bank in evaluating the circularity of projects and companies through a set of five criteria. The positive impact of circular investments is measured through specific KPIs and in general terms a company that is investing in circular economy is considered less risky, because they avoid linear risks and are more future proof.

The Innovation Center participated to a very interesting international working group, called FinanCE, supported by the Ellen MacArthur Foundation and other international banking institutions. The group started a reflection on how private and public financial institutions could play a role in the transition toward circularity. Financiers play an important role in accelerating this transition by facilitating finance for businesses and projects applying circular economy business models. Circular Economy Finance Guidelines (delivered by FinanCE) aim to enable, stimulate and develop the key role that finance can play in the transition. The change also requires adaptation from the financial industry in the way they assess business and how changing economic rules impact financial products and services. Innovation like value chain finance is an important enabler, but also different ways of assessing company risks, both for the circular and the remaining linear businesses. A clear view on linear risks

(where, how much, possibilities of alternative resources, etc) is essential. The ambition is to develop best practices for defining and assessing linear risks and risk mitigating factors from circular investment

- Sustainable investments and sustainable finance: the integration of environmental, social and governance (ESG) criteria into financial products and processes.

The sustainable and responsible investments aim to create value for investors and the society as a whole through mid/long-term investment strategies which integrate environmental social and governance aspects into the financial analysis of enterprises and institutions. The main aspects of the sustainable responsible investments are of course the integration of sustainability criteria together with the aim to create value for the society and not only for the investors. The use of the ESG criteria helps to mitigate all those risks related to environmental social and governance aspects. At the same time, they offer to investors new investment opportunities in sectors that usually are not considered, even if they offer returns in line with or above market ones, against the prejudice that usually couple sustainability with low returns or returns that are lower with respect to traditional investments. During the Covid-19 crisis the sustainable responsible investments better performed with respect to traditional ones. Other barriers in deploying sustainable investments are the lack of knowledge (data) and of regulatory harmonization. However, at EU level Action Plan on Sustainable Finance has a pivotal role in achieving a sustainable and inclusive growth. Recently renewed, the Action plan has three main objectives: reorienting capital flows towards a more sustainable economy, mainstreaming sustainability into risk management, fostering transparency and long-termism in capital markets.

To increase investments in sustainable projects, the EU Commission links sustainable finance frameworks and tools with the Sustainable Europe Investment Plan, InvestEU and other relevant EU funds.

5. Conclusions

Several important aspects emerged during the informative session and the discussion among participants.

To support the transition towards a green and sustainable economy, especially in this time of economic and social crisis, it is crucial to improve the use of financial instruments. They can minimize the risk of projects and investments that for their nature have long term return but bring benefits from an environmental, economic, social and financial point of view, and at the same time develop businesses and economic activities. Minimizing risk means but also to attract private investors and address market gaps.

Public authorities and private sectors have to collaborate to ensure a supportive ecosystem, in which all the actors involved can dialogue. Considering the scarcity of public financial resources, it is crucial to improve the use of financial instrument to attract private investments, based on a deep evaluation of the market needs and on clear strategy and objectives to reach.

During the Session, it was also discussed the need to improve the dialogue between SMEs and financial operators, also to identify the best and more relevant financial instruments that are already available for SMES and support a comprehensive understanding of environmental aspects of new solutions, technologies or products by financiers. In this context, the role of clusters and other business support

organisations that closely works with SMES and are recognized by them as a reference point, should be enhanced.

The experiences, shared during the informative session, show that, also in period of economic crisis like the present one, to minimize the risk in green growth financing a way of success could be to change the evaluation approach and adopt sustainable investments criteria, encouraging the integration of environmental, social and governance criteria into financial products and processes.

Public authorities should promote as much as possible circular public procurement in all regions using common standards and common principles because this would foster investments from companies that need to transform to answer to public requirements to be eligible for public procurement. This could be a driver in investments and transformation of business model and products in a sustainable way.

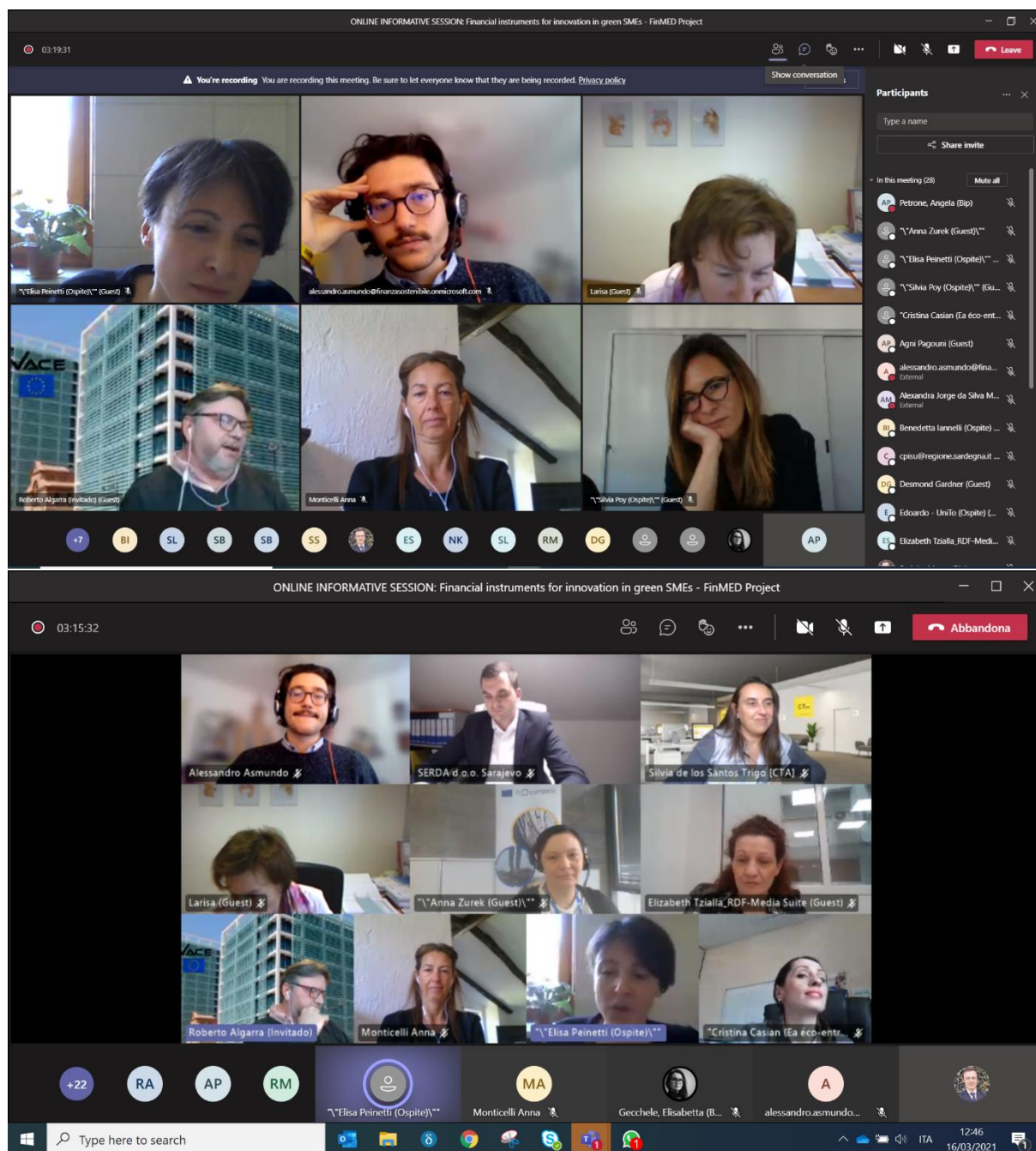
Finally, the new CPR framework allows to accelerate the set-up of financial instruments with a geographic scope and giving support to final recipients for financially viable investments. It allows more flexibility and a simplification in all the procedures. In addition, a combination of different forms of support in one operation under financial instrument rules it is also possible. Under the umbrella of the new Cohesion policy Managing Authorities can now have instruments easier to manage and that better address the needs of their own territories and reach the EU policy objectives.

6. Annexes

a. Participant List

	Full Name	Timestamp
1	Gecchele, Elisabetta (Bip)	3/16/2021, 9:50:34 AM
2	Fasiolo, Marco (Bip)	3/16/2021, 9:50:34 AM
3	NIKOLAOS KOUTSOMARKOS	3/16/2021, 9:50:34 AM
4	Petrone, Angela (Bip)	3/16/2021, 9:50:34 AM
5	Silvia Loffredo	3/16/2021, 9:50:34 AM
6	Anna Zurek	3/16/2021, 9:50:34 AM
7	Silvia Poy	3/16/2021, 9:50:34 AM
8	Elisa Peinetti	3/16/2021, 9:50:34 AM
9	RDF of West Macedonia - Greece (Guest)	3/16/2021, 9:51:00 AM
10	Monticelli Anna	3/16/2021, 9:51:36 AM
11	Roberto Algarra	3/16/2021, 9:51:51 AM
12	Alessandro Asmundo	3/16/2021, 9:52:04 AM
13	Elizabeth Tzialla (RDF-Media Suite)	3/16/2021, 9:52:04 AM
14	Silvia de los Santos Trigo (CTA)	3/16/2021, 9:53:47 AM
15	Desmond Gardner	3/16/2021, 9:54:27 AM
16	Larisa Vodeb (OZS)	3/16/2021, 9:56:08 AM
17	Giulia Razzetti	3/16/2021, 9:57:45 AM
18	Giancarlo Puddu - Stefano Pirillii	3/16/2021, 9:57:46 AM
19	Zlatan Saračević (SERDA d.o.o. Sarajevo)	3/16/2021, 9:59:22 AM
20	Silvia Bruschieri	3/16/2021, 9:59:27 AM
21	Sarah Braccio	3/16/2021, 9:59:32 AM
22	hfbarros@ualg.pt	3/16/2021, 9:59:40 AM
23	Rafael Lacasa Pérez (IVACE)	3/16/2021, 10:01:13 AM
24	Cristina Casian (Ea éco-entreprises)	3/16/2021, 10:02:10 AM
25	María del Valle Casado Maestre (CTA)	3/16/2021, 10:02:54 AM
26	Claudio Pisu (RAS)	3/16/2021, 10:03:10 AM
27	Federica Todde (RAS)	3/16/2021, 10:03:29 AM
28	Susanna Longo - FINPIEMONTE	3/16/2021, 10:06:24 AM
29	Giuseppe Lenigno (RAS)	3/16/2021, 10:06:52 AM
30	Benedetta Iannelli (RAS)	3/16/2021, 10:07:06 AM
31	Fabio Piazza (EIB)	3/16/2021, 10:08:39 AM
32	Olina Papaioannou-Project4 (Επισκέπτης) (Guest)	3/16/2021, 10:14:22 AM
33	Alessandro Apa	3/16/2021, 10:17:55 AM
34	N Stamkos (intermediary body of the ROP of Western Macedonia)	3/16/2021, 10:19:10 AM
35	Sara Pavoni	3/16/2021, 10:24:04 AM
36	Veronica Pili	3/16/2021, 10:28:49 AM
37	Alexandra Jorge da Silva Marques (Ualg)	3/16/2021, 10:32:55 AM
38	Agni Pagouni (intermediary body of the ROP of Western Macedonia)	3/16/2021, 10:34:49 AM
39	Edoardo Braccio (UniTo)	3/16/2021, 10:39:19 AM

b. Screenshot





D6.2.1 Tailor event with experts, EIB representatives and PPs



c. Presentations

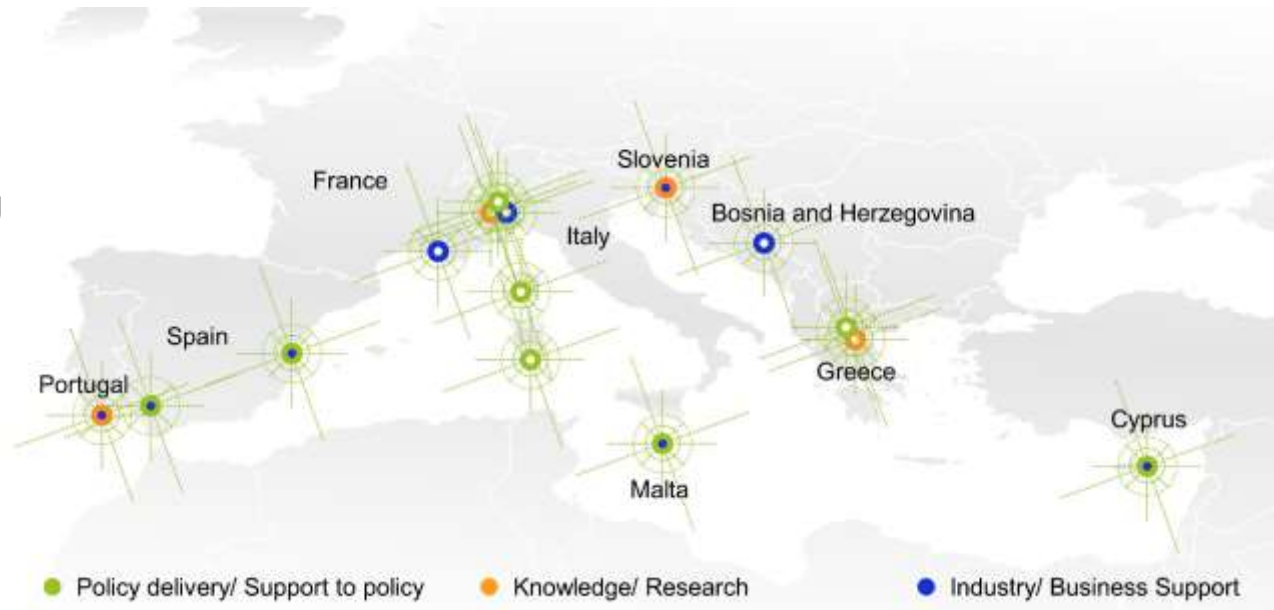
TO KNOW BEFORE THE EVENT:

WHAT IS finMED?

Studying , testing, transferring and capitalizing

concrete solutions to sustain the **financing of innovation for green sectors** leveraging on:

- Improved delivery of policies and strategies
- Innovative services for SMEs



More info:

<https://finmed.interreg-med.eu/>



15 partners
9 Mediterranean countries



4 years 2018-2021
4.3 m€ budget

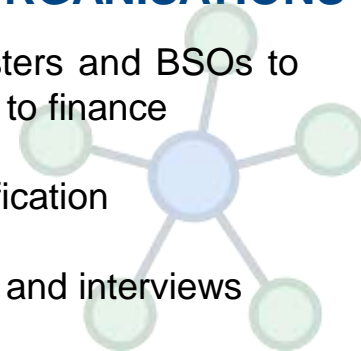
TO KNOW BEFORE THE EVENT:

WHAT finMED DOES



1 Activities for **CLUSTERS** and **BUSINESS SUPPORT ORGANISATIONS**

- **Support Service Tool** for Clusters and BSOs to help SMEs and improve access to finance
- **Test** of the Tool and gaps identification
- Involvement, awareness raising and interviews with **Financer**
- **Business2Finance** meetings between SMEs and matchmaking with Financers
- MASDE Tool for Covid19 reaction



TO KNOW BEFORE THE EVENT:

WHAT finMED DOES



2 Activities for **REGIONS** and **PUBLIC AUTHORITIES**

- **Capacity Building Tool** to improve innovation financing in green sectors SMEs (focus on FIS integration into ESIF Ops)
- **Test** of the CBT and gaps identification
- **Webinars** about experiences within the partnership

Informative Session



ONLINE INFORMATIVE SESSION: *financial instruments for innovation in green SMEs*

AGENDA:

March 16th 2021

10.00 Welcome and Introduction

➤ 10.10 **European Investment Bank:** Anna Zurek

➤ *Questions Raid*

➤ 10.50 **EQUITER:** Silvia Poy

➤ *Questions Raid*

➤ 11.20 **EA Eco- Enterprises:** Cristina Casian / **IVACE:** Roberto Algarra

➤ 11.30 **Innovation Center Intesa San Paolo Group:** Anna Monticelli

➤ 11.40 **Forum per la Finanza Sostenibile:** Alessandro Asmundo

➤ *Questions Raid*

➤ 12.00 **Interreg Europe Policy Learning Platform:** Elena Ferrario

➤ 12.10 *Questions, Discussion, Conclusions*



ONLINE INFORMATIVE SESSION: *Financial instruments for innovation in green SMEs*

TO KNOWN: 2 hours duration (10:00-12:00 am)
Teams App

March 16th 2021

Objective:

- support policy-learning and knowledge sharing on financing SMEs innovation for green growth with financial instruments

Target audience:

- finMED partners with a specific focus on staff, managers, decision makers of regional and national public authorities

What you can learn:

- **Financial instruments in programming period 2021/2027**, Implementation options, ex-ante assessment.
- Inputs on **how** to establish **effective and well working FIs** with a view to the market.
- **Technical assistance/support needed** to complement the establishment of FIs (targeted and localized based on specific contexts and/or sectors)
- Hints, inspiring ideas and available **support for Regions and Public Authorities**



fi  compass

Shared management financial instruments for innovation in green SMEs

What's new in 2021-2027 and support available

Anna Zurek, Financial Instruments Advisor,
European Investment Bank



 #ficompass

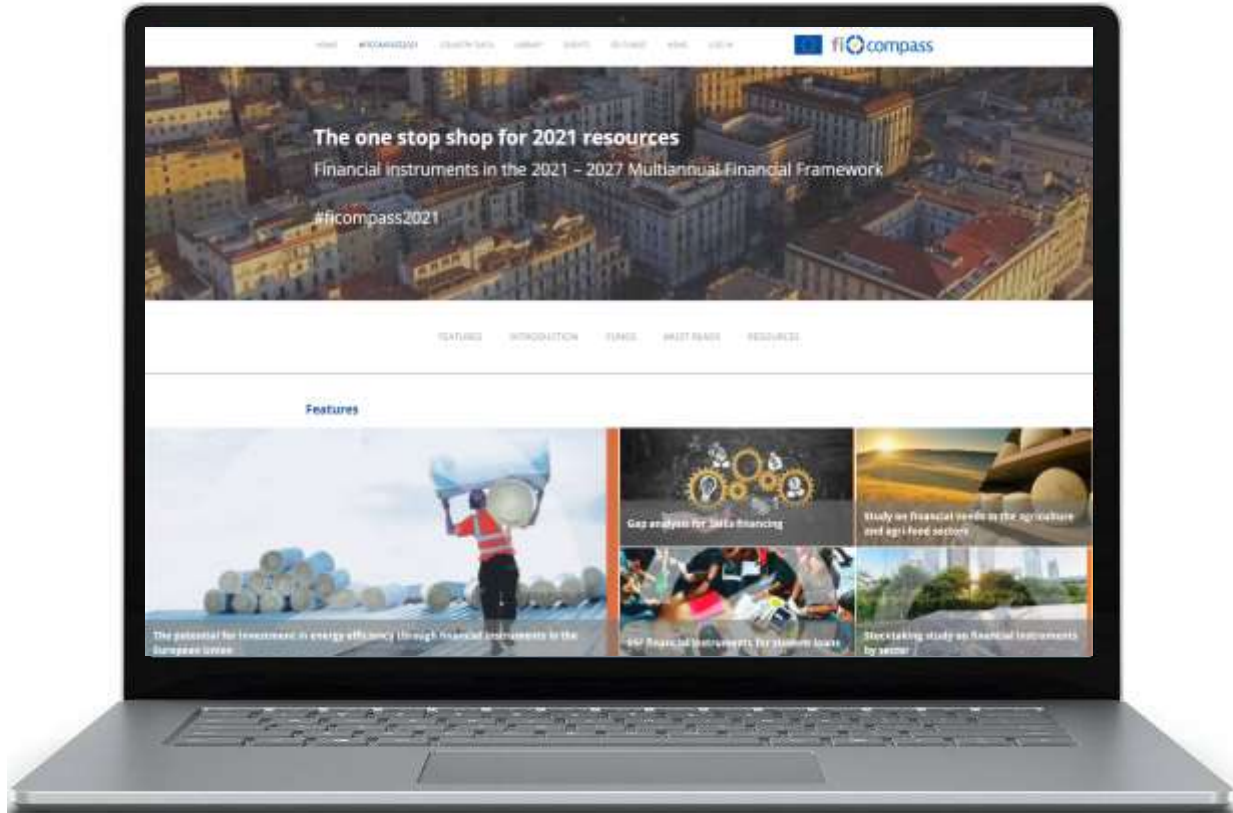


fi-compass advisory support for financial instruments



<https://www.fi-compass.eu/one-stop-shop-2021-resources>

The one stop shop for resources on financial instruments in the 2021 - 2027 Multiannual Financial Framework (MFF)
#ficompass2021



 #ficompass



New Cohesion policy



- Five new objectives:
 1. a Smarter Europe,
 2. a Greener, carbon free Europe
 3. a more Connected Europe
 4. a more Social Europe
 5. a Europe closer to citizens
- Simplified framework – new Common Provisions Regulation (CPR)
- Increased use of financial instruments

*Grants alone cannot address the significant investment gaps. They can be efficiently complemented by financial instruments, which have a leverage effect and are closer to the market combining grants and financial instruments is made easier and the new framework also includes special provisions to attract more private capital.**

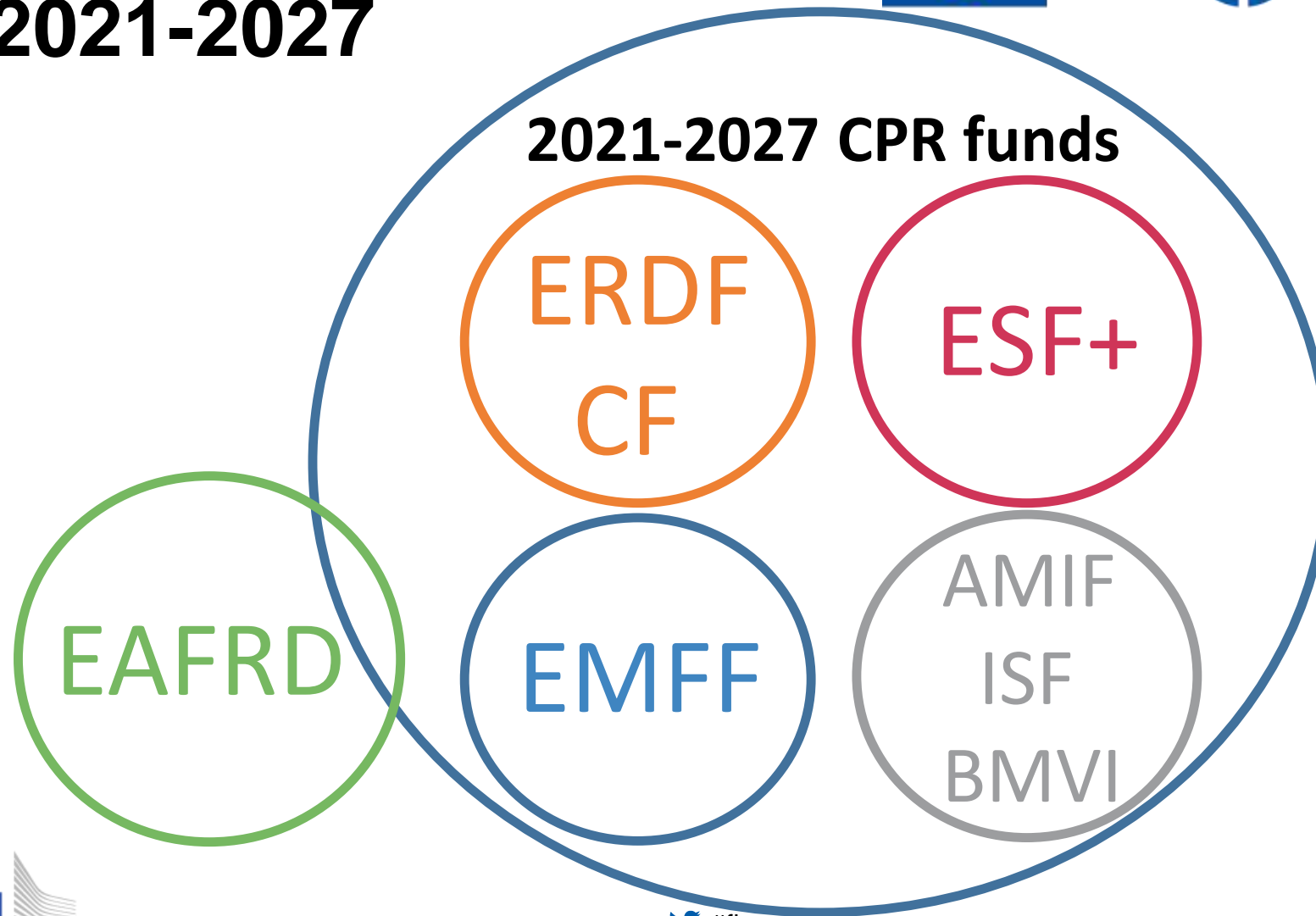


 #ficompass

* https://ec.europa.eu/regional_policy/en/2021_2027/



Shared management FIs 2021-2027



Financial instruments in action



- Continuity to maintain the momentum gained in 2014-2020
- More than EUR 22 billion committed to financial instruments



Why use financial instruments



A **more efficient** use of (scarce) public sector resources, especially for revenue generating or cost saving projects

Greater **leverage potential**

Brings **financial discipline** into the project/initiative: transparency/identification/selection process

Can be **combined** with technical support and/or grants to overcome market barriers

Reutilisation of resources: **revolving nature** of the instruments

Common Provisions Regulation 2021-2027



“The height of sophistication is simplicity”

The new Common Provisions Regulation
– 3 key findings applicable (lessons learned):

1. Simplification: the need to reduce the administrative burden
2. The need for flexibility to respond to emerging needs
3. The potential of financial instruments

Final version
June 2021



Strasbourg, 29.5.2018
COM(2018) 375 final
2018/0196 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument



 #ficompass



What's new?



- Programming – a new intervention rationale
- Combination – significantly enhanced flexibility to combine grant with a financial instrument in a single operation



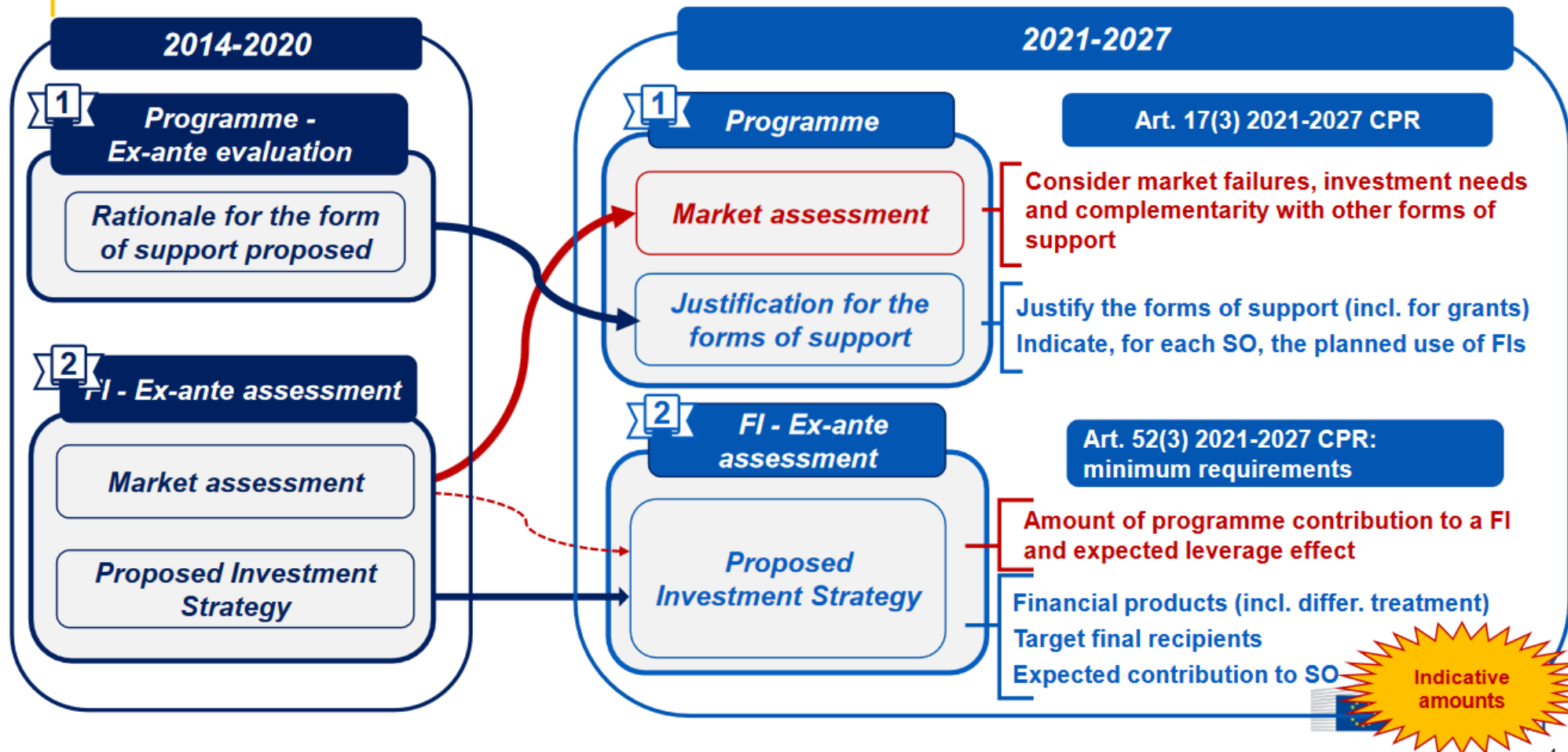
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Programming and the new intervention rationale



Change in the intervention rationale in post-2020



Combination in one operation



Grant is directly linked & necessary to the financial instrument

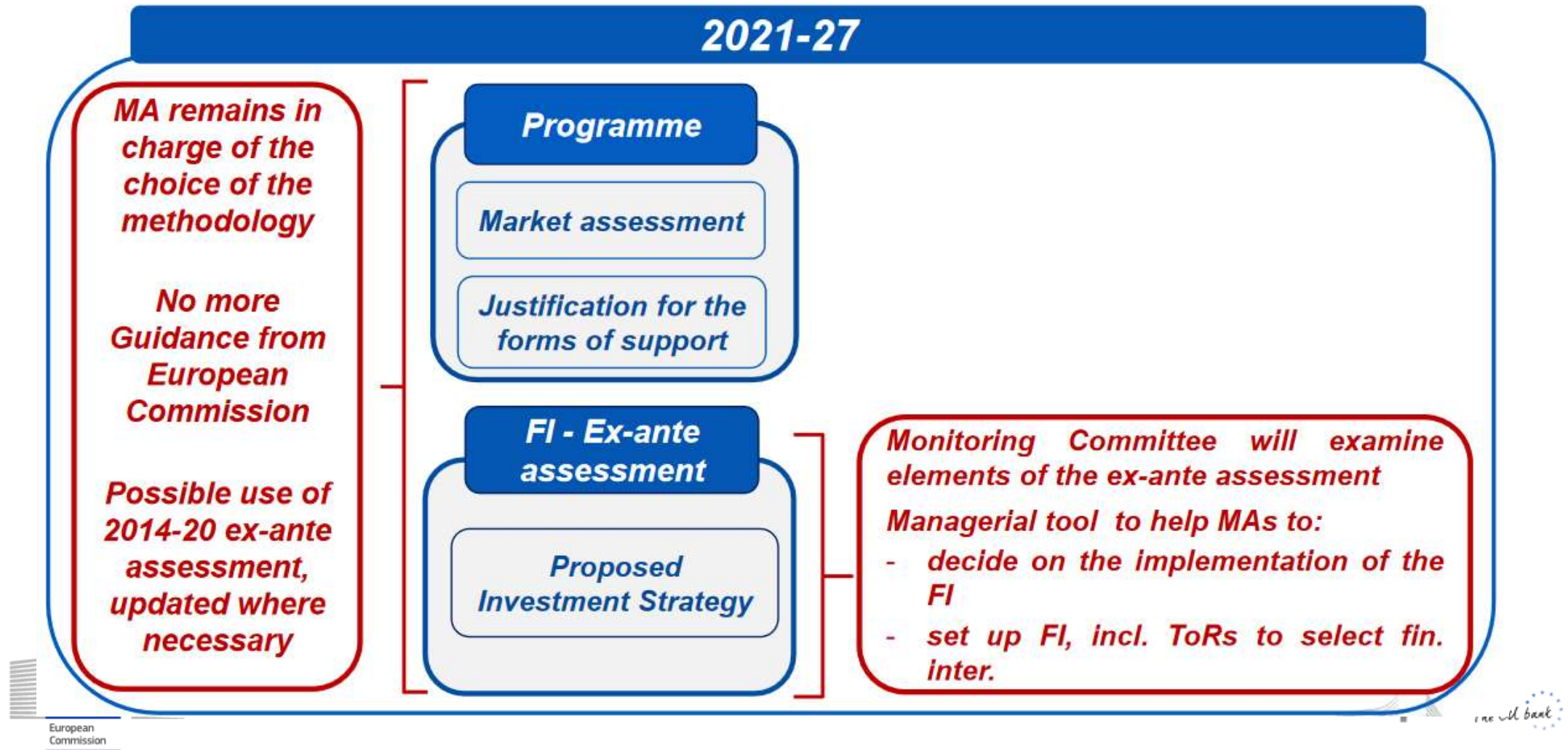
Grant is part of the funding agreement (Annex IX) & is provided by the body implementing the financial instrument (HF or F.int.)

The programme support in the form of grants does not exceed the investments supported by the financial instrument product

Financial instrument rules apply to grants when combined in one financial instrument operation



Streamlined ex-ante assessment



Implementation



Continuation of basic flexible implementation options:

- management of FIs by the managing authority itself (Art.53(1))
– only for loans and guarantees, no MCF – the same as in 2014-2020, or
- management of FIs (by third parties) under the responsibility of the managing authority (Art.53(2))

Other novelties in the new CPR

- Continuation of existing FIs
- Publicity
- Payments
- Reporting
- Management costs and fees



Supporting innovative and green SMEs



- CAP Troisième Révolution Industrielle Nord-Pas de Calais, France
- Green Tech Fund, Sweden
- ESIF FIs in Italy, MIUR
- FOSTER TPE-PME-AGRI, Occitanie, France
- Residential energy efficiency FI in Lithuania
- Environmental Risk Loan, Czech Republic
- Biznesmax, Poland



Green and efficient energy for Sportainment Centre, The Hague



 #ficompass



Lessons learned



- ✓ Do not be afraid to set-up financial instruments!
- ✓ Timing
- ✓ Communication and middle-office
- ✓ Market-driven FIs
- ✓ Alignment of interest: MA, (FoF), financial intermediaries, final recipients
- ✓ Appropriate governance structure
- ✓ Get a 'good' fund manager
- ✓ Flexible investment strategy
- ✓ Build knowledge – within the MA but also your partners
- ✓ Seek support if needed.



EIB Group and financial instruments



Management of financial instruments

- Acting as Investment Manager to manage shared management funds made available in the form of fund of funds and to pilot innovative instruments for EU policy needs

Technical assistance and financial advisory

- Providing capacity-building activities and financial advisory services to managing authorities in order to support implementation and acceleration of investment projects, bilateral advisory and fi-compass

Co-financing

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



EIB Advisory support via the EIAH



UPSTREAM

- **Policy & programme** advice
- **Preliminary** project assessment

PREPARATION

- **Technical advice** on project design, feasibility & preparation
- Advice on **financial structuring** (PPPs, **investment platforms** & 'breakthrough' projects)
- Supervision of **consultants** for technical and financial support

IMPLEMENTATION

- Advice on **project implementation**
- **Enhanced monitoring** for complex projects

CAPACITY BUILDING RELATED TO PROJECTS

Capacity building on technical/financing issues – **Knowledge-sharing** & dissemination of best practices with case studies – **Needs assessment** for project advisory support





finMED - Online informative Session

Financial instruments for innovation in green SMEs

March 16th 2021

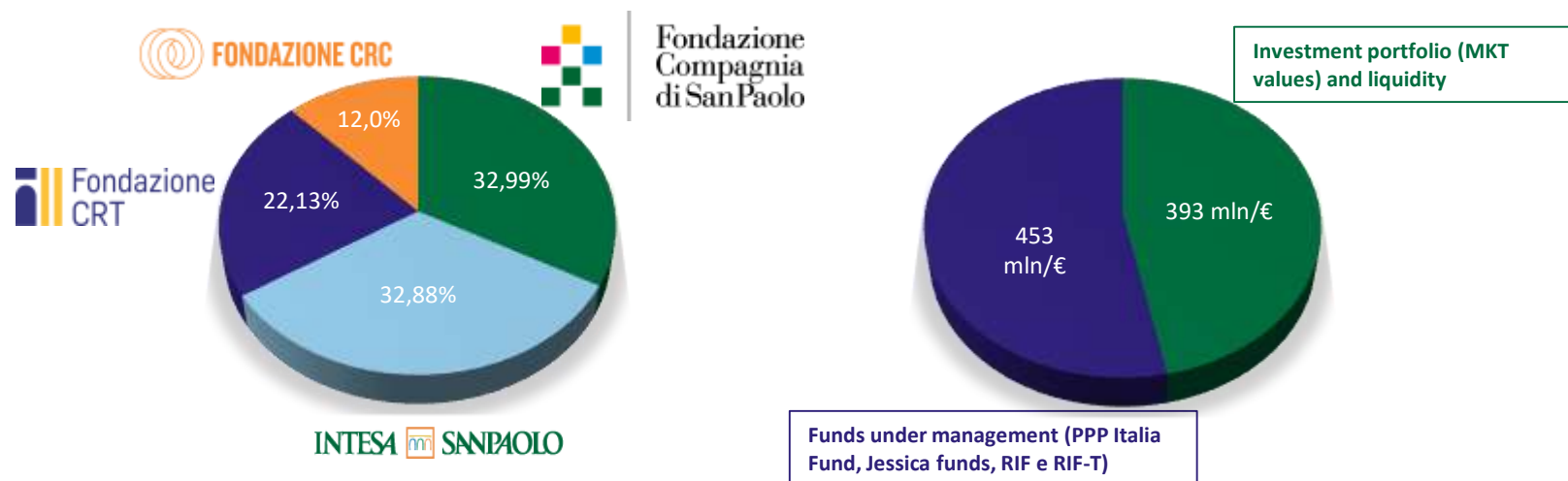
Equiter Speaker: Silvia Poy

Equiter: profile, shareholders and mission

Equiter S.p.A. is an **Equity Investor** and a **Financial Advisor**, with an **in-depth expertise on PPP projects** and a **strong track record in project finance and EU Financial Instruments management** (JESSICA Programme 2007-2013, NOP R&I 2014-2020).

Equiter benefits from an original and **innovative mix of shareholders**, three of the major banking Foundations in Italy (Compagnia di San Paolo, Fondazione CRT and CRC) together with Intesa Sanpaolo, a leading European banking Group.

At the end of 2020, **assets under management** were approximately **850 Million euro**, including direct investments (plus available liquidity) and funds on which Equiter acts as advisor.



J.E.S.S.I.C.A. EU Programme 2007-2013

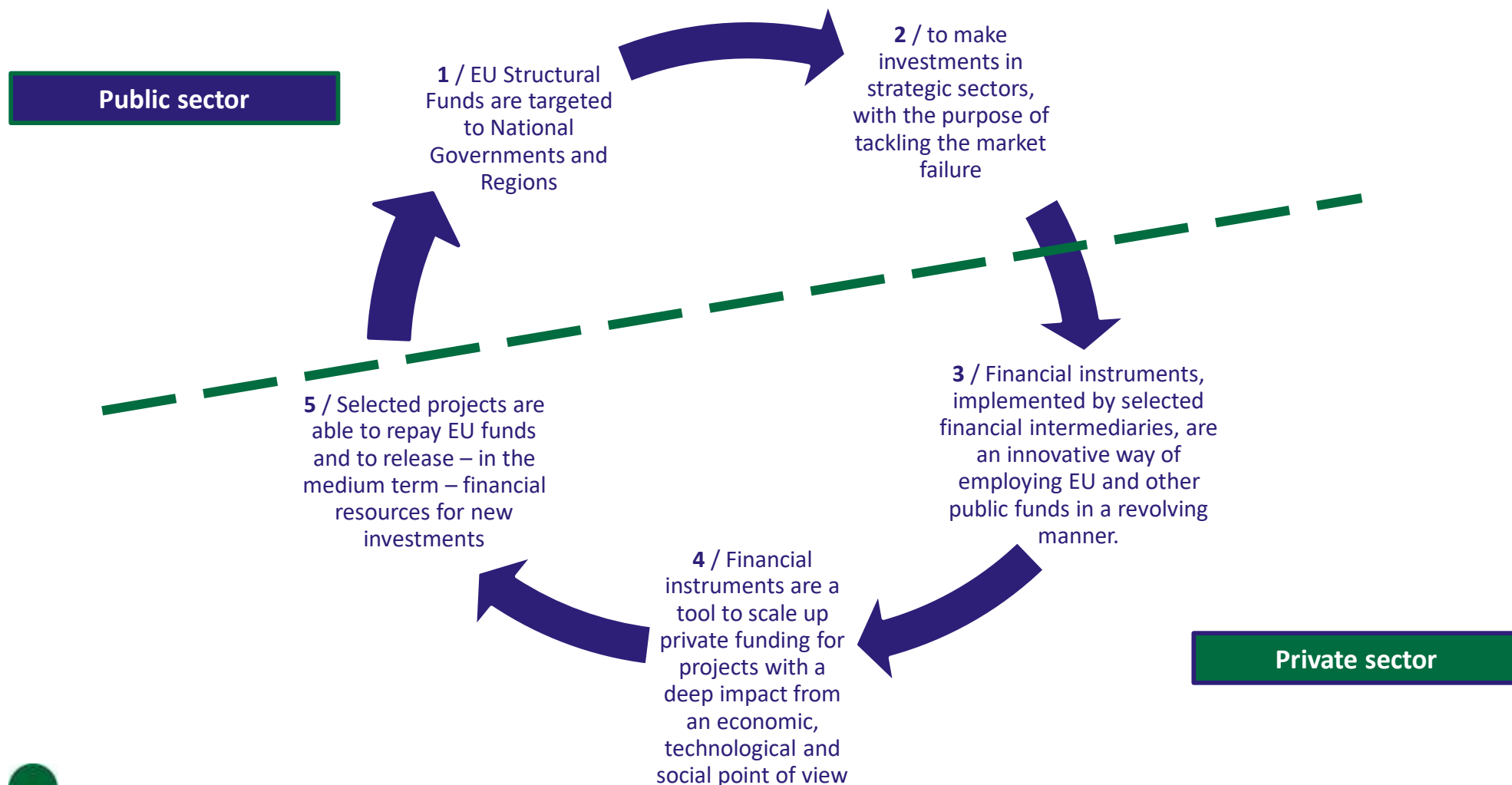


- J.E.S.S.I.C.A. is an initiative of the **European Commission (EC)** developed jointly with the **European Investment Bank (EIB)** and in collaboration with the **Council of Europe Development Bank (CEB)**.
- J.E.S.S.I.C.A. has been developed to support **integrated sustainable urban development projects**, including **energy efficiency** and **renewable energy sources**, allocating funds to **repayable investments** in the form of equity, loans and/or guarantees via *Urban Development Funds (UDF)*.
- This new way of using Structural Funds has been adopted for the first time in the **Programming Period 2007-2013** and has been realized by financial institutions (the *Urban Development Fund Managers*) selected by EIB through an **European Call for Expression of Interest**.

What are the benefits of using J.E.S.S.I.C.A.

- ❖ **Recycling of funds**
- ❖ **Leverage**
- ❖ **Expertise of the banking and private sector**

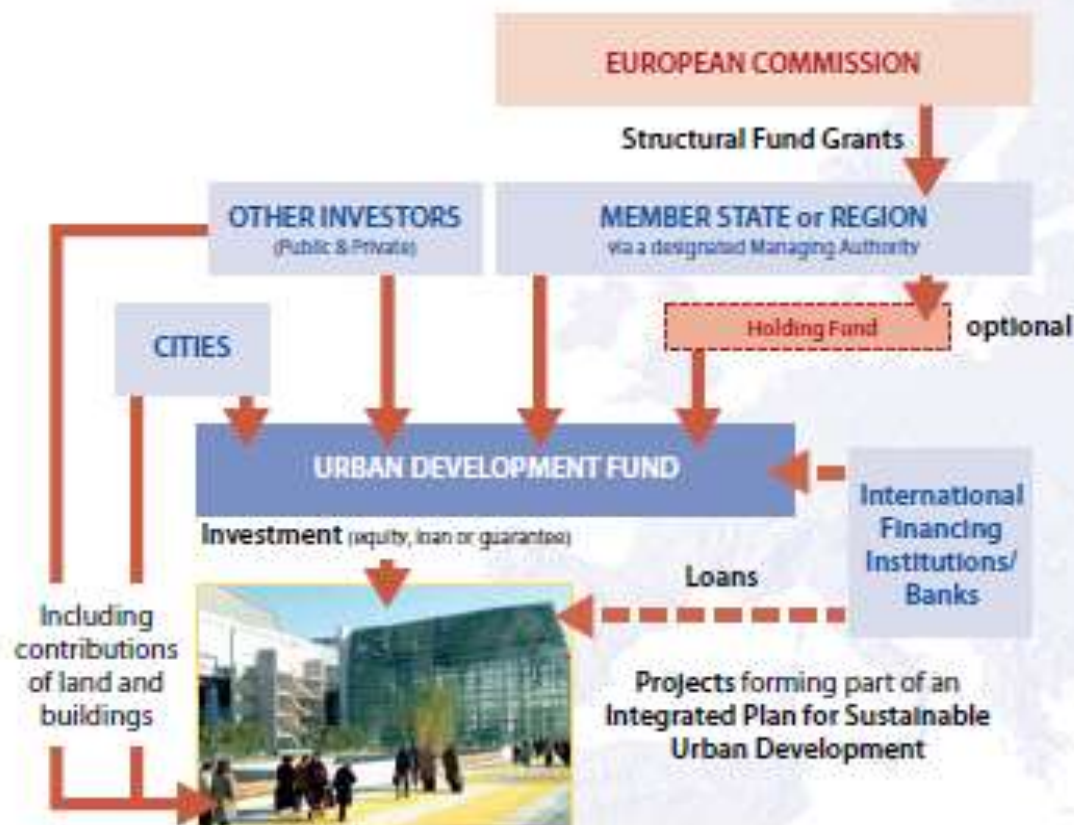
From grants to repayable financial instruments



J.E.S.S.I.C.A. EU Programme 2007-2013 architecture

J oint
E uropean
S upport
S ustainable
I nvestment
C ity
A reas

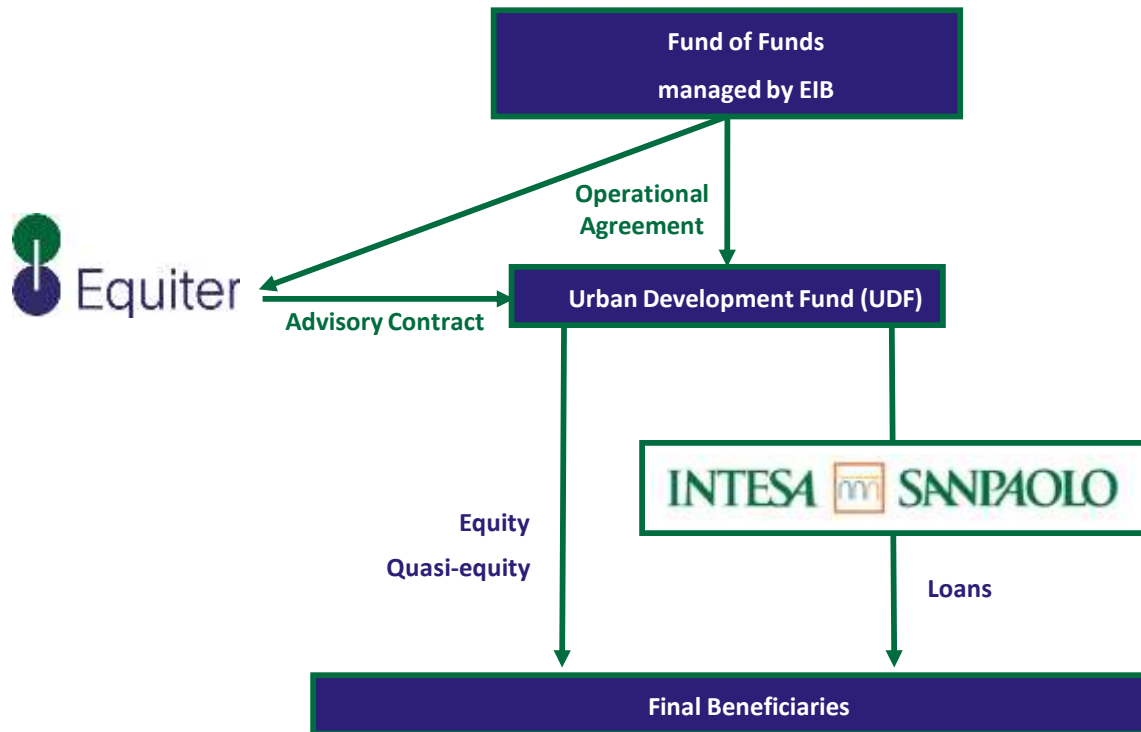
How are JESSICA funds channelled?



Source: EIB – Jessica 09/2008

Equiter: J.E.S.S.I.C.A. architecture




- **The UDF** has been selected by the EIB Call for Expression of Interest and **is an SPV** owned by Intesa Sanpaolo.
- The financial architecture is an **Investment Company** advised by Equiter on the basis of a “**turn-key advisory contract**”.
- A **unique feature** : resources are channeled to final beneficiaries by means of **equity/quasi equity** or **debt instruments** (the latter through a 2nd level agreement with Intesa Sanpaolo Bank).



Equiter: the UDF Manager

The UDF Manager Equiter **identifies, selects and structures investments; validates compliance and implementation of EU Regulation** in capital investments or financing contracts; **manages the monitoring activities** on financed projects.

Equiter autonomously deliberates the equity part of investments while it acts in collaboration with Intesa Sanpaolo Bank for debt instruments. Contact between the **UDF Manager/EIB and the Managing Authority** is continuous and collaborative:

FINANCIAL INSTRUMENTS	KNOW-HOW	CONTRACTUAL RELATIONSHIP	UDF MANAGER
Equity (share capital, quasi-equity, shareholders loan)	<ul style="list-style-type: none"> • Experience • Competences • Procedures • Contractual standards • Relationship with market operators (layers, technical consultants, professionals, commercial banks, others financial players). 	Operational Agreement EIB/UDF/UDF Manager	
Debt Capital (mortgages, loans, project financing)	<ul style="list-style-type: none"> • Experience • Competences • Procedures • Contractual standards • Relationship with firms/clients. 	Operational Agreement EIB/UDF/UDF Manager Second Level Agreement UDF/Intesa Sanpaolo Bank	 

Equiter: J.E.S.S.I.C.A. EU Programme 2007-2013

JESSICA EU Programme 2007-2013 has been implemented in Italy (in **Sicily, Campania** and **Sardinia**) to promote **urban development and energy efficiency projects** in the innovative form of **repayable investments**.

Equiter is the **first funds manager for JESSICA initiative in Italy**, managing more than **EUR 190 Million euro** (approximately 60% of the total resources allocated to the Programme).

In less than 5 years, Equiter allocated to **57 projects** all the resources managed within the JESSICA Programme 2007-2013.

- **Sicily:** EUR 90 Million euro for urban development (8 projects, 6 Final Recipients)
- **Sardinia:** EUR 37 Million euro for energy efficiency (38 projects, 27 Final Recipients)
- **Campania:** EUR 64 Million euro for urban development (11 projects, 6 Final Recipients).

Equiter: J.E.S.S.I.C.A. aggregated results (Sicily, Sardinia, Campania)

❖ Recycling of funds

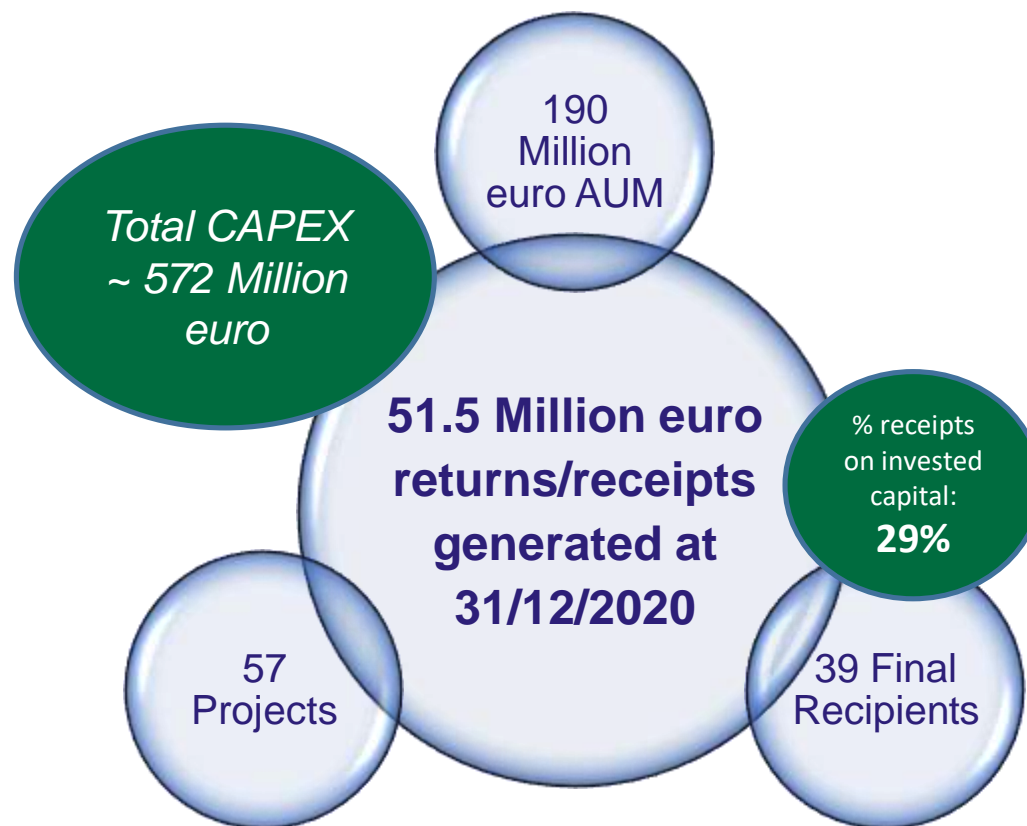
At the end of 2020, **total funds returned by the Final Recipients** amounted to **51.5 Million euro** (approximately 29% of total amount invested). J.E.S.S.I.C.A. funds reimbursed so far from the financed projects are available to the Regional Administrations for their future reinvestments.

❖ Leverage

Co-financing has been approximately 50% to 70% of single project capex.

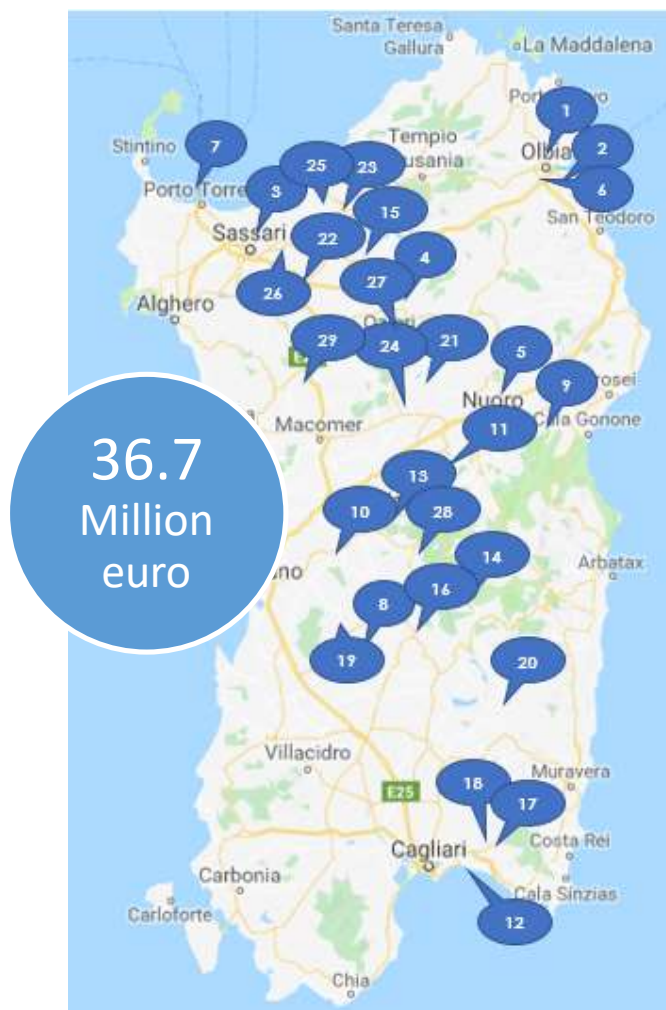
❖ Expertise of the banking and private sector

39 Final Recipients (Municipalities, Public Entities, PPP and private partners).



Equiter: J.E.S.S.I.C.A. Sardinia – Funded Projects

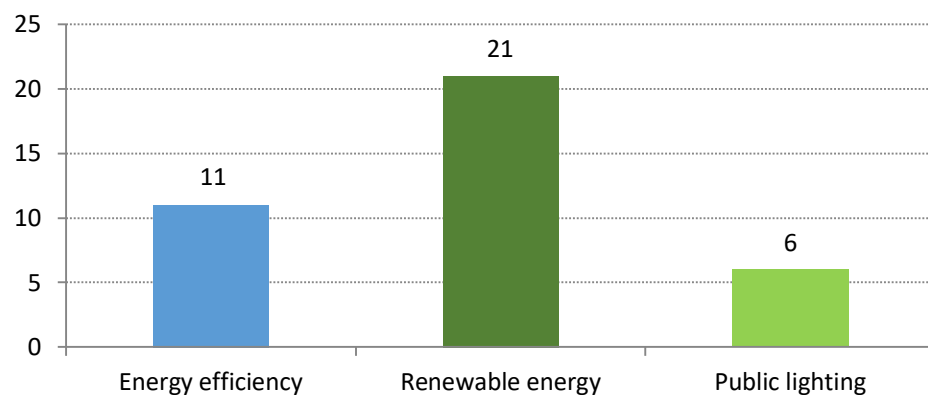
In **Sardinia**, the J.E.S.S.I.C.A. resources managed by Equiter have been invested in a widespread manner throughout the Region, allowing the realization of **38 energy efficiency projects**, even in small **Municipalities**.



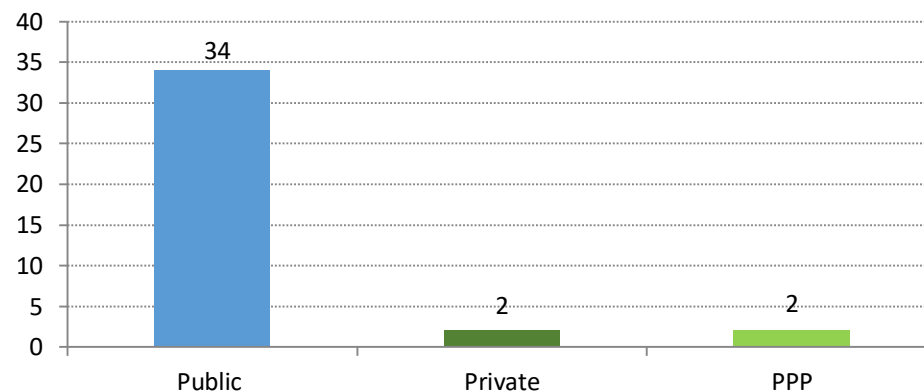
1. Cipnes - Public lighting (Olbia)
2. Cipnes - PV bike and running lane (Olbia)
3. CNR Sassari - Energy efficiency (SS)
4. Chilivani Ambiente - Electricity plant from landfill gas (SS)
5. PSSC - Energy efficiency ASL Nuoro hospital
6. Fiamma 2000 - Gas distribution network (Olbia)
7. Matrica Porto Torres - Energy efficiency (SS)
8. Baradili (OR)
9. Dorgali (NU)
10. Fordongianus (OR)
11. Ollolai (NU)
12. Quartu Sant'Elena (CA)
13. Samugheo (OR)
14. Seulo (CA)
15. Erula (SS)
16. Nuragus (CA)
17. Sinnai - Public lighting (CA)
18. Sinnai - PV plant on Public building (CA)
19. Assolo (OR)
20. Ballao (CA)
21. Burgos (SS)
22. Cargeghe (SS)
23. Chiaramonti (SS)
24. Esporlatu (SS)
25. Martis (SS)
26. Muros (SS)
27. Ozieri (SS)
28. Tonara (NU)
29. Torralba (SS)

Equiter: J.E.S.S.I.C.A. Sardinia – Funded Projects

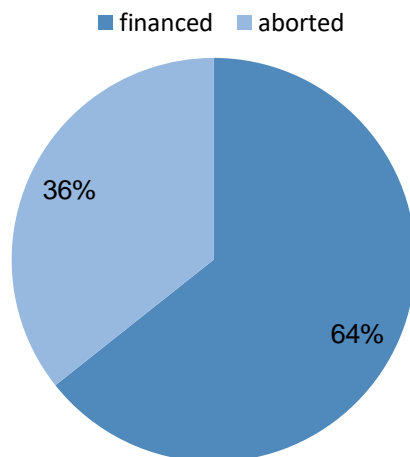
N° of Projects financed by target market



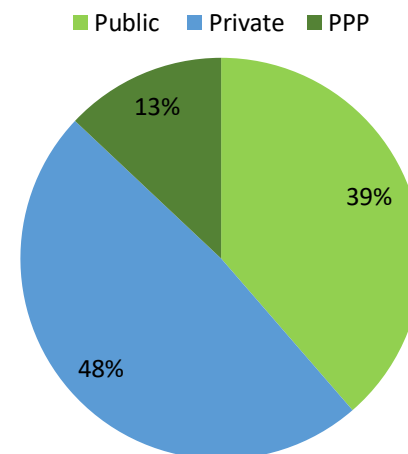
N° of Projects financed by Final Recipient



Projects approved/financed (€m)



Projects values financed by Final Recipients (€m)



Equiter: J.E.S.S.I.C.A. Sardinia – Funded Projects



Porto Torres (SS) – Energy Efficiency

Energy efficiency works on the green chemical plant of Matrica S.p.A. in Porto Torres, including the realization of a GPL power plant.

Total Amount of the Project
€ 35 Mln, of which € 13 Mln
financed with a MLT loan with
J.E.S.S.I.C.A. resources



Olbia – PV bike lane CIPNES

Construction of a running, cycling and skating lane covered by PV panels, for an installed power of about 2 MWp, which runs along the sea of the Gulf of Olbia, along the industrial agglomerate of the CIPNES consortium.

Total Amount of the Project
€ 7,5 Mln, of which € 4,75 Mln
financed with a MLT loan with
J.E.S.S.I.C.A. resources



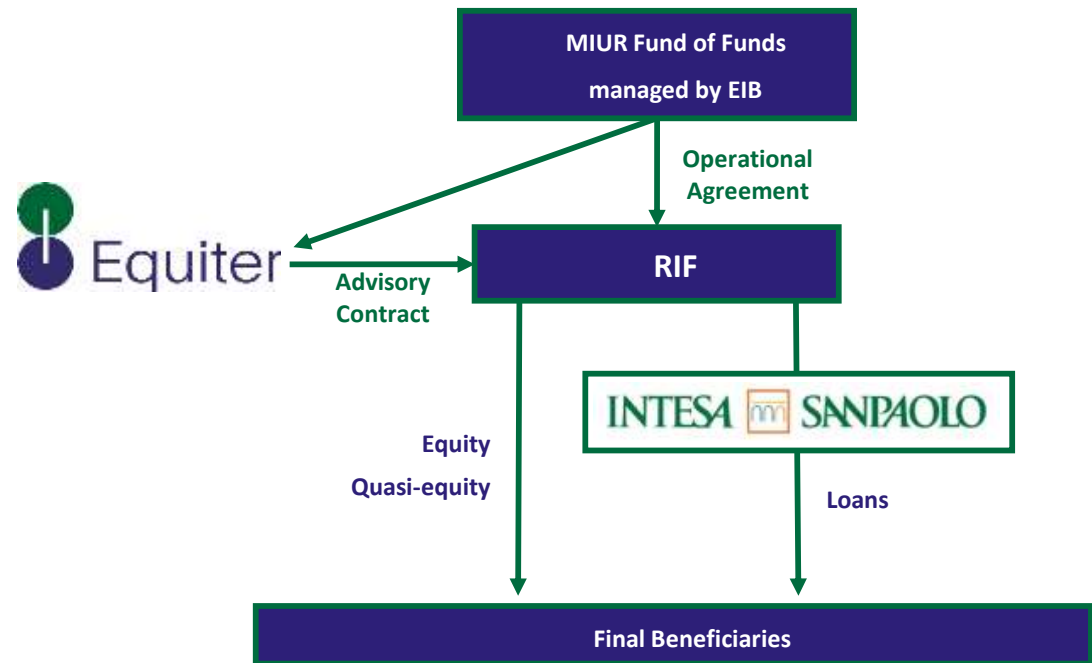
Municipality of Dorgali (NU)

Energy efficiency works in the Public building and on the Municipality public lighting system.

Total Amount of the Project
€ 0,98 Mln, financed with a MLT
loan with J.E.S.S.I.C.A. resources

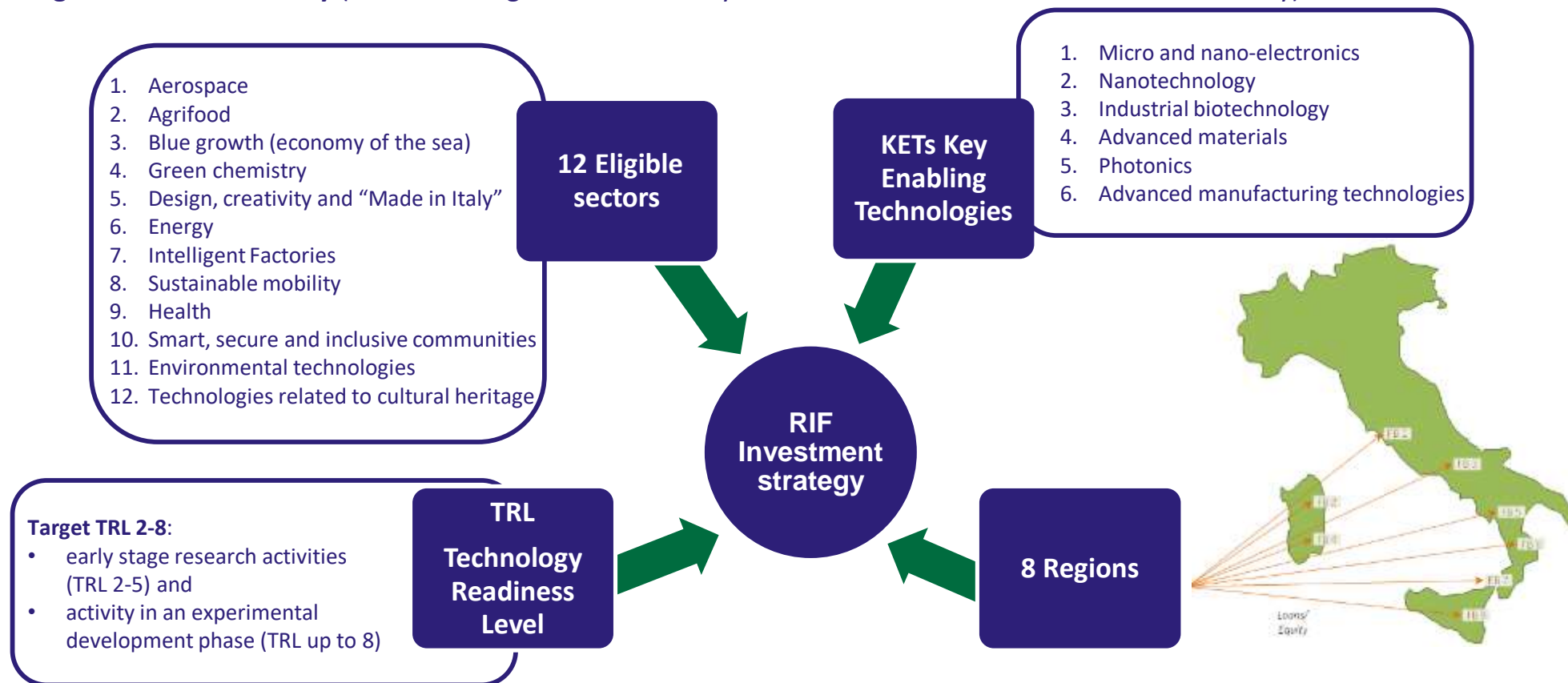
Equiter: RIF architecture

- The **National Operational Program "Research and Innovation" 2014-2020 (NOP R&I 2014-2020)**, co-financed by the EU Structural Funds and managed by the Ministry of Education, University and Research (MIUR), is the tool to increase the capacity to produce and apply R&I in the Italian most disadvantaged territories.
- The MIUR allocated part of the PON R&I 2014-2020 resources to the creation of a Fund of Funds managed by EIB. Equiter has been selected by EIB on September 2017 to set up **Fondo per la Ricerca e Innovazione (RIF)**, an SPV owned by Intesa Sanpaolo and advised by Equiter that represents the **largest Italian R&I Fund (124 Million euro)**.
- The financial architecture is the result of the **consolidated model** applied for JESSICA Urban Development Funds. RIF is a **revolving instrument**, focused on structuring **repayable investments**.
- With the aim of combining Equiter highest financial skills and R&I projects technical assessment expertise, a **dedicated Advisory Team** was specifically set up with the presence of **2 Key Innovation Managers**.



Equiter: RIF Investment Strategy

The RIF investment strategy focuses on **financially viable R&I projects** of the private and/or public sector in the **cohesion regions of Southern Italy** (15% of managed resources may be dedicated to investments in Northern Italy).



Thank you



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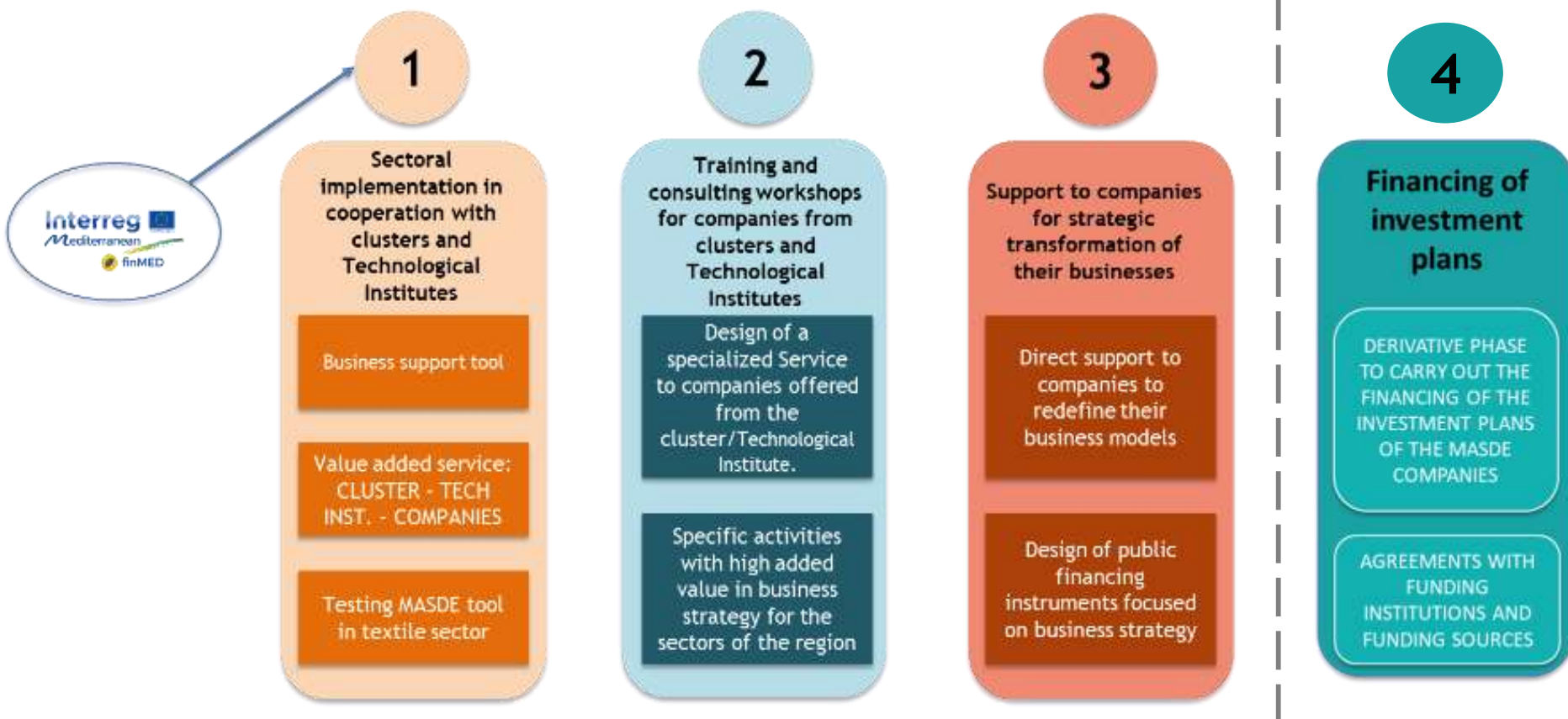
Online informative session:
*Financial instruments for
innovation in green SMEs*

MASDE Tool

About MASDE

- MASDE allows companies to analyze their status and make a strategic reflection on their current situation, in order to establish changes in their business strategy to adapt to the new challenges in their sector.
- The essence of this mechanism is based on how strategic reflection is necessary within the company and the possibility of contrasting it in a context of cooperation with the relevant agents of its sector, cluster, technological institute and institutional framework.

Phases



Cooperation

- It should be noted that MASDE tool is a support tool to be managed by business support organizations. It is not a link to a free access tool for the companies.
- The entities in the following figure participate in a coordinated manner in this service:



Phases of MASDE tool

- The tool consists of 6 steps in which the different participating entities intervene:

1. Sector
creation

2.
Questionnaire

3. Reflection
phase

4. Cluster
evaluation

5. Technological
evaluation

6. Development
agency evaluation

Final report

- Finally, the tool automatically generates a report in pdf format. This report contains the results of the questionnaire, the evaluations of the entities, a comparator chart, and a SWOT analysis.

Thank you

finMED

Committee of Financers: Presentation

Cristina Casian, EU project manager
Ea éco-entreprises
France

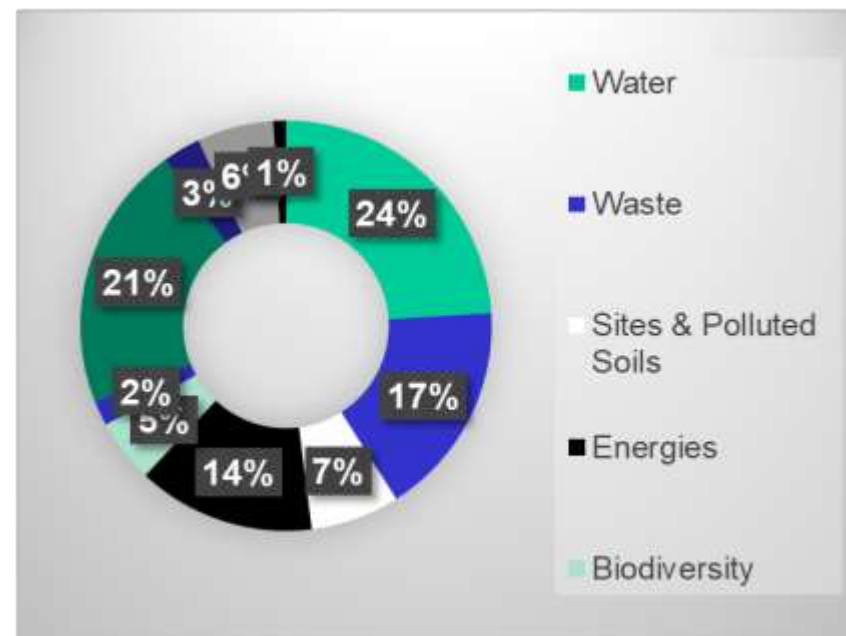
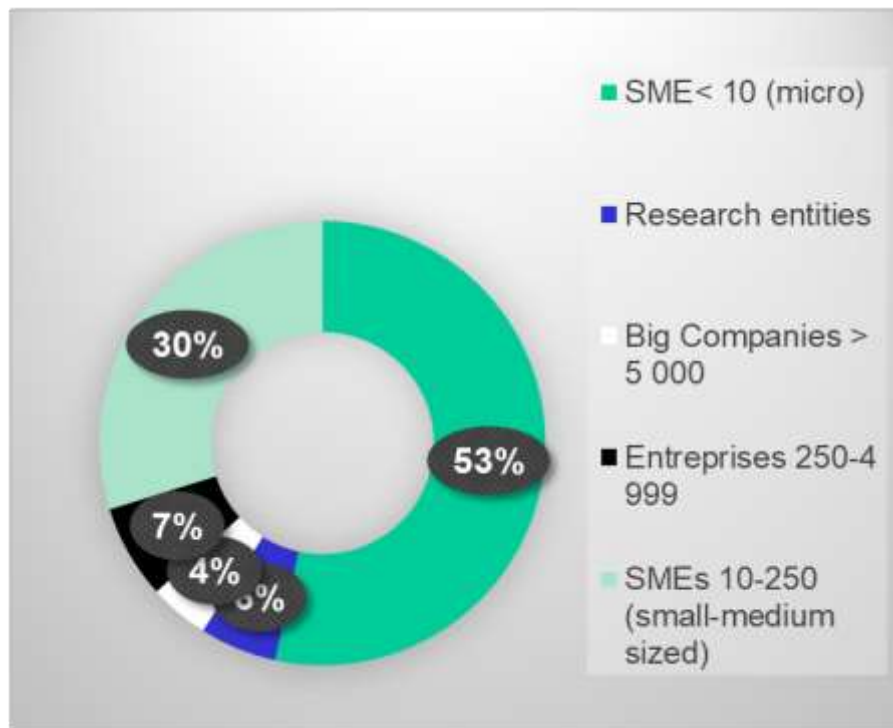
16 of March 2021

Ea éco-entreprises cluster presentation



**A REGIONAL NETWORK OF
ECO-ENTREPRISES AND
CIRCULAR ECONOMY**

OUR



OUR MISSION

The network aims to be a space for meetings and exchanges between all the stakeholders interested in projects combining economy, ecology and innovation.

STRENGTHEN THE COMPETITIVENESS OF OUR MEMBERS AND PROMOTE THE SUSTAINABLE DEVELOPMENT OF TERRITORIES.

Our services

- Promoting eco-companies
- Developing innovation
- Networking
- Job development
- Supporting growth
- International development

Tools

- Working Groups
- Communication
- Organization of events / International & National Exhibitions
- Hosting foreign delegations
- Setting up business relationship with potential partners

Ea's committee of co-financiers



A single shared file, a trusted third party to validate the consistency of the dossier, better management of the application forms and 2 annual steering committees.



Application conditions :

- As all banks are subject to banking secrecy, it is not necessary to sign a NDA.
- The Committee Partners orient the non-member SMEs towards the EA Cluster for a first evaluation.
- Ea receives the files and validates their admissibility (if necessary, a request for integrations is requested).
- Ea shares the files, once ready, with the financial partners
- Ea ensures the coherence and monitoring of projects
- The selected project, or those with high added value, will be the subject of an oral pitch presentation in presence or by videoconference.

Eligibility criterias :

- The entreprise should be at the beginning of the marketing phase (turnover within 6 months, order book...)
- Any development project to be funded must be at a TRL (Technology Readiness Level) 7-8
- The company must be in the **venture capital** or **development phase**.
- Entry ticket at **100K€ (minimum for sharing operations)**
- Business input: water, ecological transition, waste, biodiversity, circular economy, sustainable mobility, renewable energies..



The Provence-Alpes Côte d'Azur network for eco-companies



Cristina CASIAN

CHARGÉE DE MISSION
PROJETS EUROPÉENS

cristina.casian@ea-ecoentreprises.com

06 59 22 31 51

Circular Economy

The 21st century economic paradigm for a positive development

Anna Monticelli
Head of Circular Economy Desk

innovationcenter.circulareconomy@intesasanpaolo.com

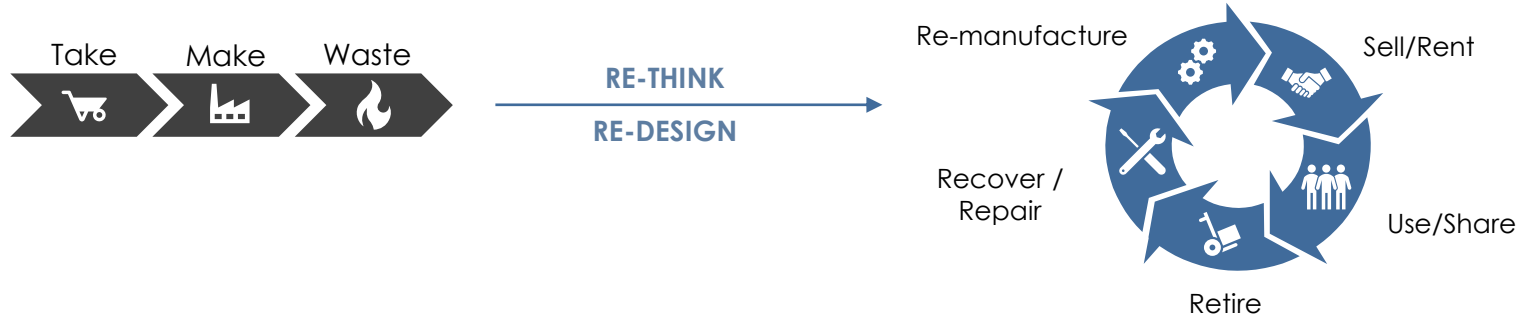


INTESA SANPAOLO
INNOVATION CENTER

From Linear to Circular

1

"Decouple economic growth from the consumption of finite natural resources"



Design out
waste and
pollution

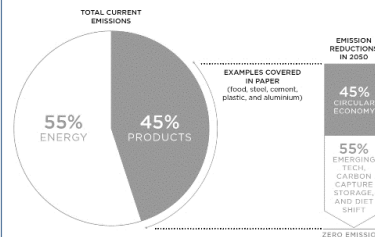
Keep
products &
materials
in use

Regenerate
natural
systems

Circular Economy principles allow companies to **mitigate linear risks** (price volatility, supply chain inefficiencies, consumer and regulatory trends) and to **exploit new business opportunities** (improved competitive positioning, reduced costs for raw materials, increased customer retention)



The new **Circular Economy Action Plan** (Feb 2021) boosts the recovery through initiatives as **making products more sustainable**, offering more information and **awareness to consumers**, **reprogramming the resource-intensive sectors** and intensifying the **reduction of waste**.

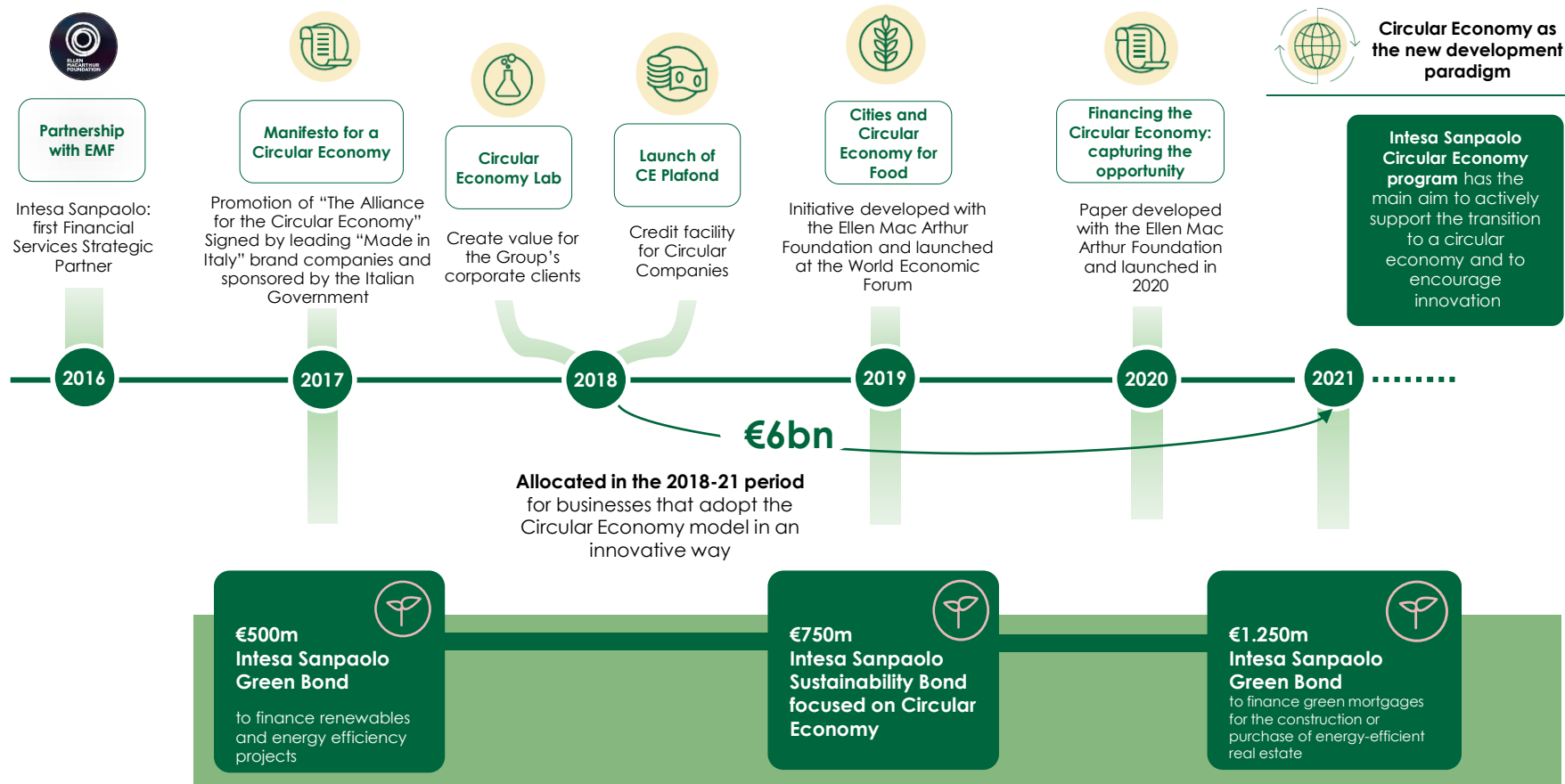


Switching to **renewable energy** will only lead to a **55% reduction in emissions**.

The remaining **45% of emissions** come from **the way we make and use products**

A collective journey to accelerate the transition

2



CE Lab's innovative services aim to meet companies' needs along the circular transformation path³



<https://www.circulareconomylab.it/>

Circular Economy Lab is an innovation initiative that arises from the partnership between Cariplo Factory and Intesa Sanpaolo Innovation Center its purpose is to contribute to the evolution of the Italian economic system and spread new models of value creation in the collective interest, accelerating the transition towards circular economy models.

The Circular Economy Lab was created in 2018 by the will of **Fondazione Cariplo and Intesa Sanpaolo**.

Experiment and spread new models of value creation capable of combining the development of business and organization with the protection and the enhancement of human, natural, social and economic capital.

CE LAB PILLARS

Circular Innovation

Circular advisory, aimed at SMEs / Corporates. Business model analysis and **innovation services** (e.g. Circularity Assessment, Open Innovation programs)

Circular Education

Training courses for companies, aimed at **disseminating knowledge** about Circular Economy and related **opportunities**, especially in terms of **business, competitiveness and resilience**.

Circular Connection

Dissemination of circular culture on a national and international scale, through events, networking platforms, thematic reports and with the involvement of external actors and partners

Circular Economy Desk: financing Circular Economy ⁴

The Circular Economy Desk supports the Bank in evaluating the circularity of projects and companies through a set of criteria developed with the Ellen MacArthur Foundation.

The positive impact of circular investments is measured through specific KPIs.

The access to the Circular Economy Plafond allows to grant money at the best market conditions.

Circular criteria

1. Product life extension



Development of innovative compostable packaging, which extend the shelf life of vegetables

2. Renewable resources



Recovery and re-use of scraps and wastewater, powered by renewable energy sources

Circular Economy Desk: financing Circular Economy ⁵

Circular criteria

3. Resource efficiency and effectiveness



Technology to recover milk waste for the production of powdered proteins. Recovery of waste from the dairy supply chain and reuse of own water recovered during the production cycle

4. Recyclable products



Design and production of food sets (glasses – cutlery - plates) in compostable material from bio sources, starting the path of traditional plastic replacement.

5. Enabling technologies



Creation of an advanced smart grid that allows you to scale the use of renewable energy

FinanCE working group

6

The FinanCE project was a collaboration under the banner of the CE100 programme of the Ellen MacArthur Foundation, participated by Intesa Sanpaolo, ING Bank, ABN AMRO Bank, Rabobank, European Investment Bank, EBRD, CDC, PGGM, Circularity Capital, Circle Economy, KPMG, Sitra.

The aim of the group was to support the transition to a Circular Economy, considered urgent and necessary, through the investigation of how private and public financial institutions could play a role in this transition.



(ABN Amro, ING, Rabobank, 2018)

The transition towards a circular economy is expected to generate multiple economic, social and environmental benefits. Financiers play an important role in accelerating this transition by facilitating finance for businesses and projects applying circular economy business models. **Circular Economy Finance Guidelines** aim to enable, stimulate and develop the key role finance can play in the transition towards a circular economy.



(Circle Economy, 2018)

The change also requires adaptation from the financial industry in the way they assess business and how changing economic rules impact financial products and services. Innovation like value chain finance is an important enabler, but also different ways of assessing company risks, both for the circular and the remaining linear businesses. A clear view on **linear risks** (where, how much, possibilities of alternative resources, etc) is essential.

Ambition is to develop best practice for defining and assessing linear risks and risk mitigating factors from circular investments.



Forum per la
Finanza Sostenibile

16 March 2021

Sustainable finance for the innovation of green sectors

The role of Sustainable and Responsible Investments (SRI)

Alessandro Asmundo
Research and EU Projects Officer
Italian Sustainable Investment Forum - ItaSIF



ItaSIF | Who we are

The Italian Sustainable Investment Forum (ItaSIF)

- ➔ multistakeholder non-for-profit organisation founded in 2001.
- ➔ member base of financial actors and other organisations interested in the environmental and social impacts of financial activity.
-  ItaSIF promotes the **awareness and the strategies linked to sustainable investments**, with the aim to encourage the **integration of ESG criteria** into financial products and processes.



Research



Projects

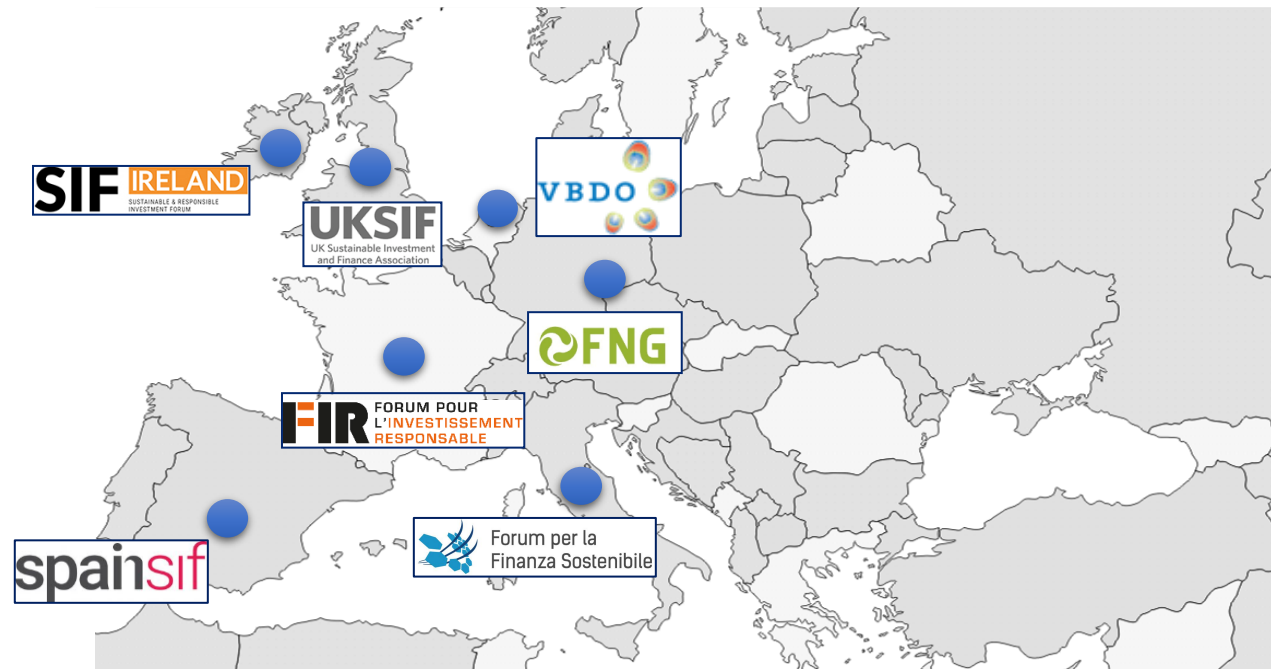


Advocacy



ItaSIF | Eurosif network

ItaSIF is a founding member of **Eurosif**, a pan-european network whose mission is to "develop sustainability through European Financial Markets".



Besides ItaSIF, Eurosif network include 6 Sustainable Investment Forums active at national level:

- FIR
- FNG
- Spainsif
- UKSIF
- VBDO
- SIF Ireland.

Sustainable and Responsible Investments (SRI) | Definition



Investments that aim to **create value** for investors and society through **mid-to-long-term investment** strategies which, when analysing enterprises and institutions, **integrates environmental, social and governance (ESG) aspects** into the financial analysis.

SRI can be based on a diversified range of strategies – each featuring specific targets and methodologies – which are **not mutually exclusive** and can therefore apply to the same portfolio and different asset classes (shares, bonds, private equity, and private debt, etc.).

Source: ItaSIF 2013



Sustainable investments | ESG factors and SRI strategies



ENVIRONMENTAL

i.e. GHG emissions, water management



Exclusion



Norm-based
screening



Best in class



SOCIAL

i.e. respect of human and workers' rights, supply chain



Thematic
investments



Engagement



Impact
investing



GOVERNANCE

i.e. gender balance, remuneration policies

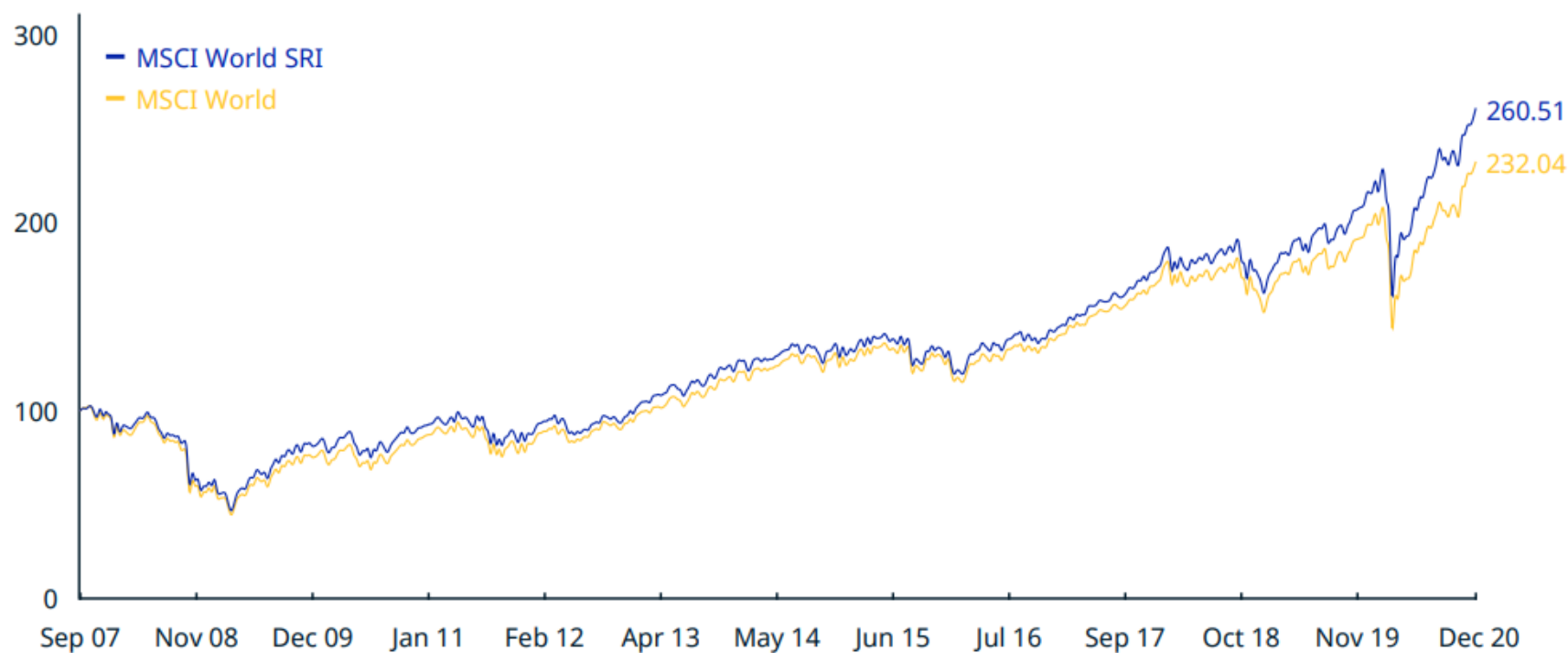


Sustainable investments | Benefits and barriers



Sustainable Investments | Stock returns

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (SEP 2007 – DEC 2020)



Source: MSCI




EU and sustainable finance | Overview



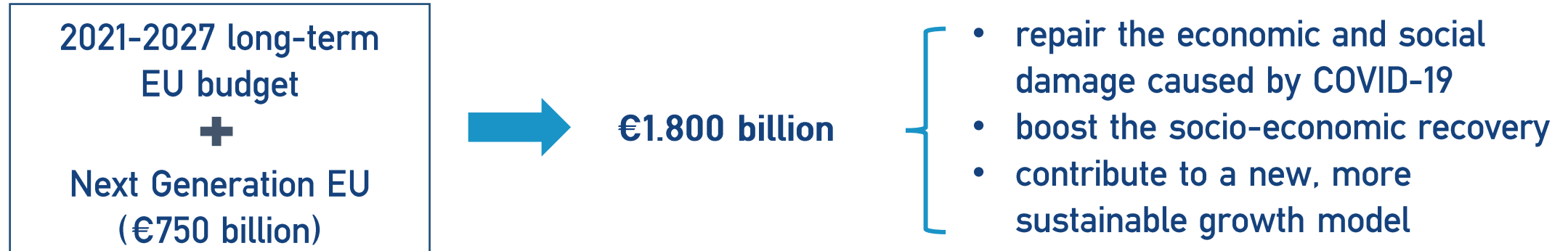
EU and sustainable finance | Renewed Sustainable Finance Strategy



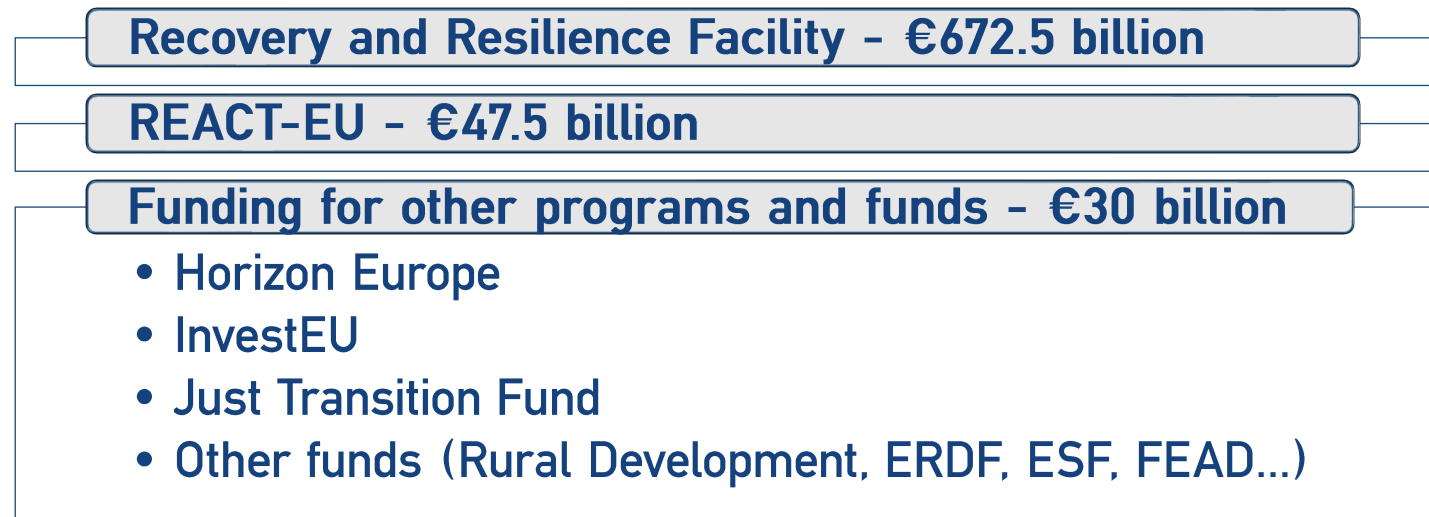
Objectives

-  Creating a favorable framework;
-  Involving citizens, financial institutions and businesses in the transition;
-  Improve the integration of environmental and social risks.

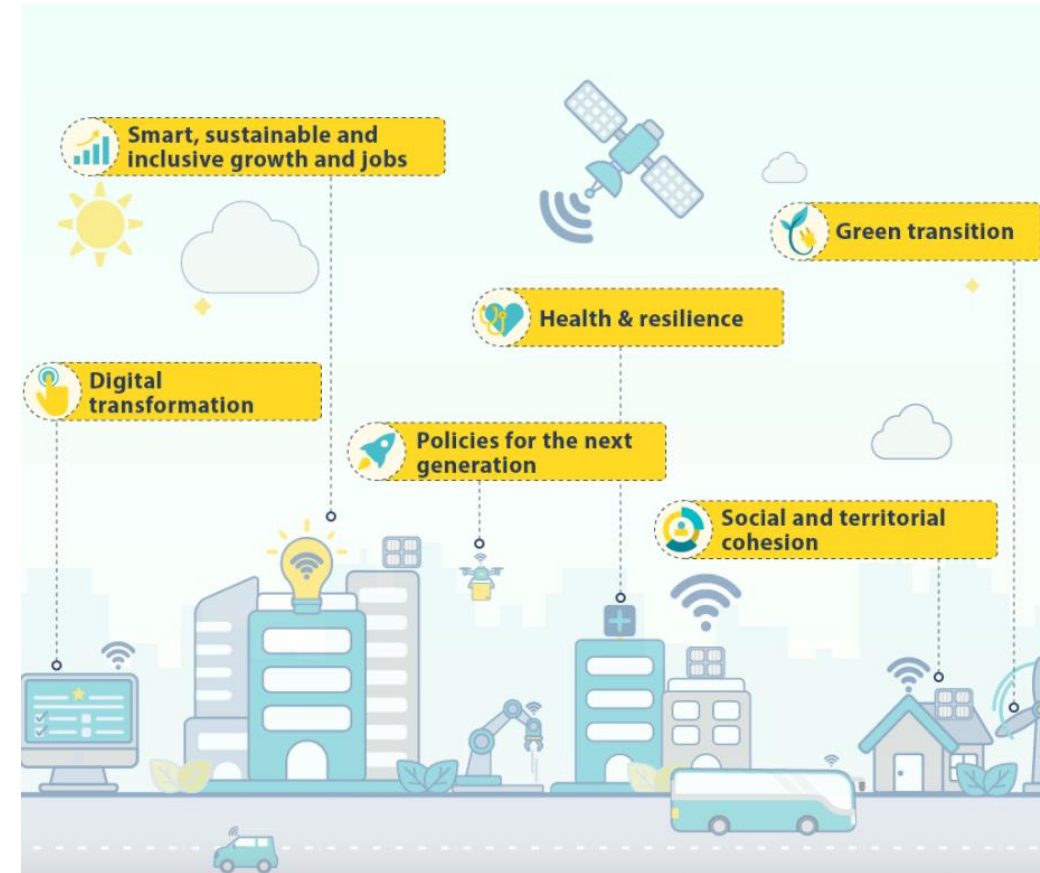
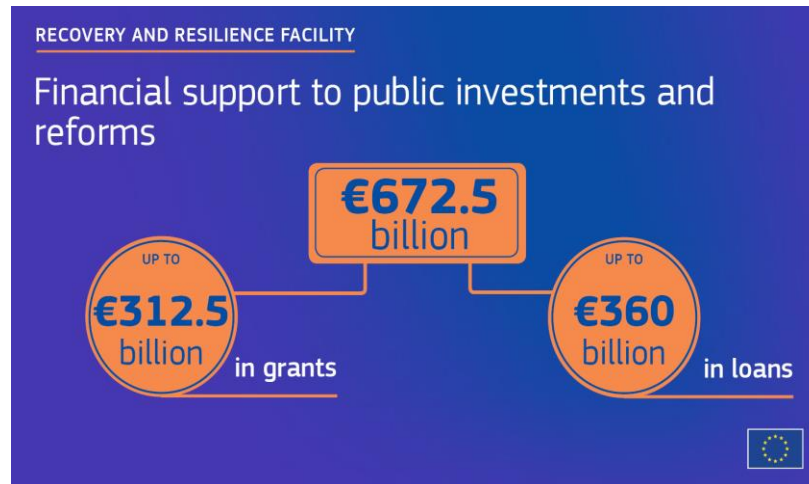
EU and sustainable finance | General framework



Next Generation EU



EU and sustainable finance | Recovery and Resilience Facility



Fonte: EU Commission, EU Council

Sustainable finance | Players and financial instruments

Financial players

Banks
Insurance companies
Asset managers
Private Equity funds
SGR Private funds
Microfinance institutions
Crowdfunding platforms

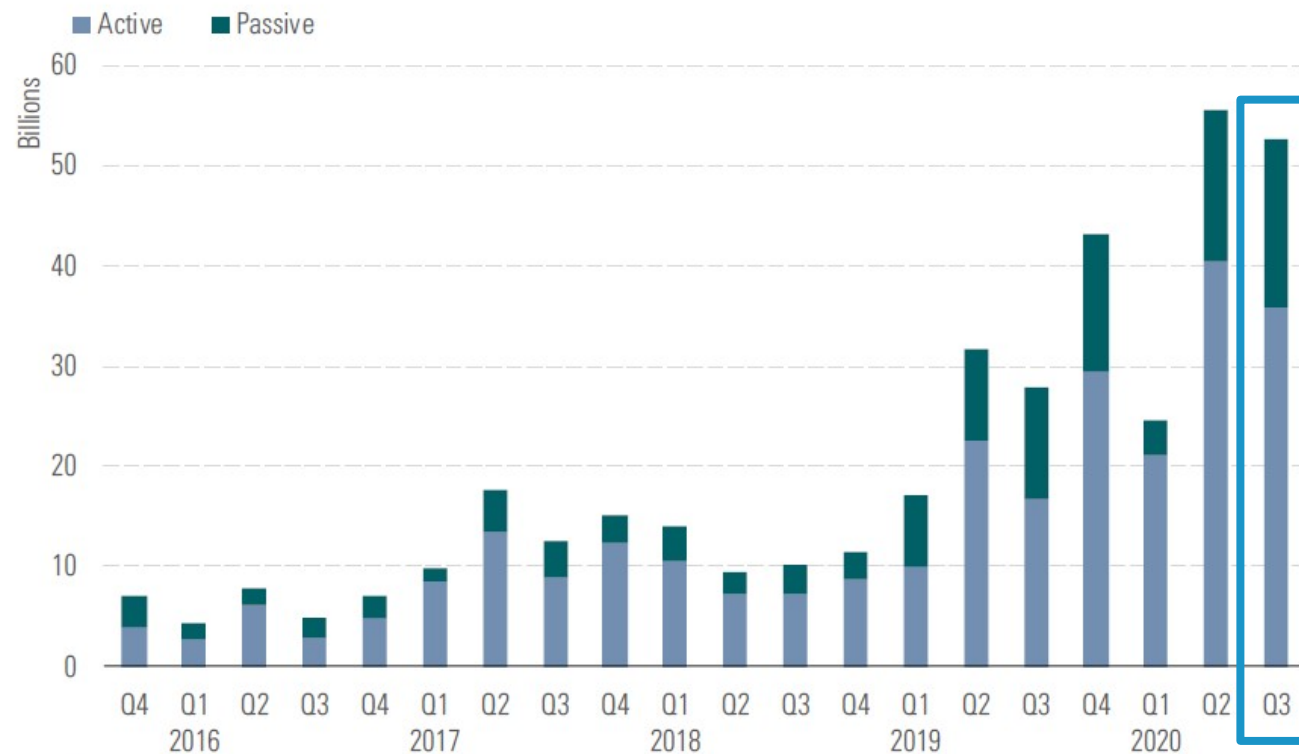


Financial instruments

ESG-linked loans
Investment funds
Green and Social Bonds
Mini-bonds
Microfinance instruments
Private Equity/Debt
Crowdfunding

Sustainable finance instruments | Fund flows

Exhibit 1 Quarterly European Sustainable Fund Flows (EUR Billion)



Direct/indirect investment
in sustainable enterprises

July – Sept. 2020

- €52,6 billion of net flows to ESG funds in EU (40% of total flows)
- Total asset +10%
- Passive strategy 32% of total flows

Source: Morningstar, data as of September 2020

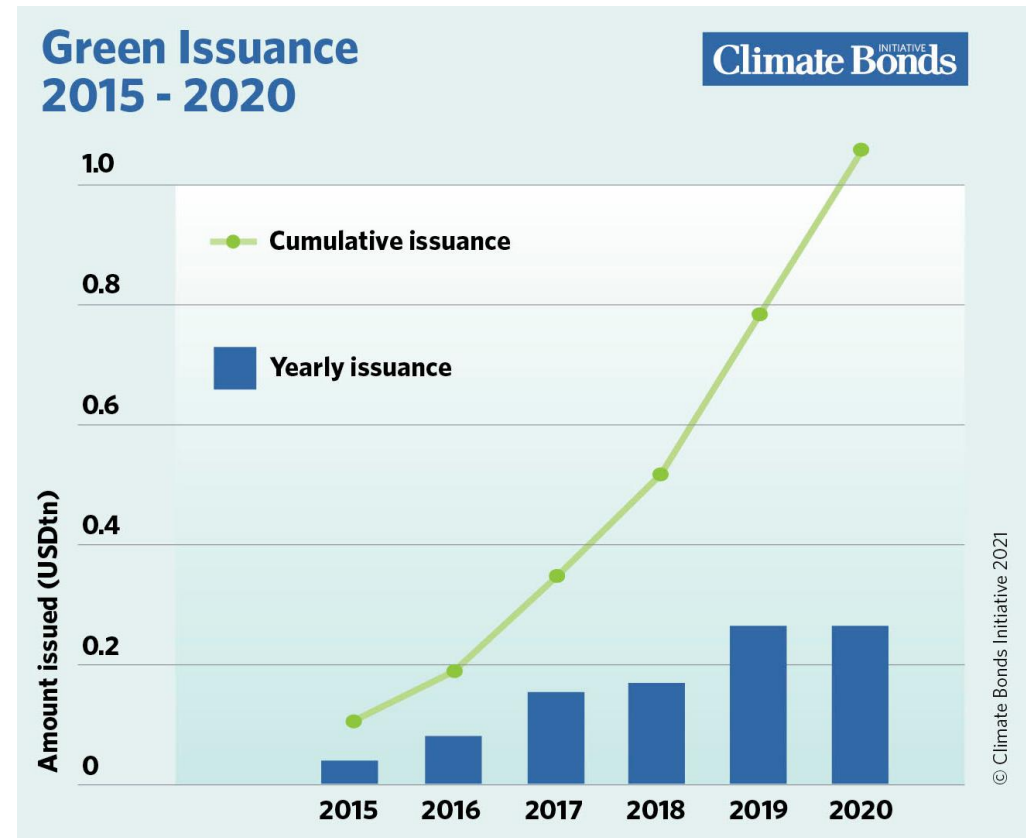
Sustainable finance instruments | Green bond

Global market(2007 – Dec. 2020)
\$1.002 billion

- EU issuance: \$432,5 billion
43% of total global emissions
- Italian issuance: about \$17,8 billion
10° issuer globally

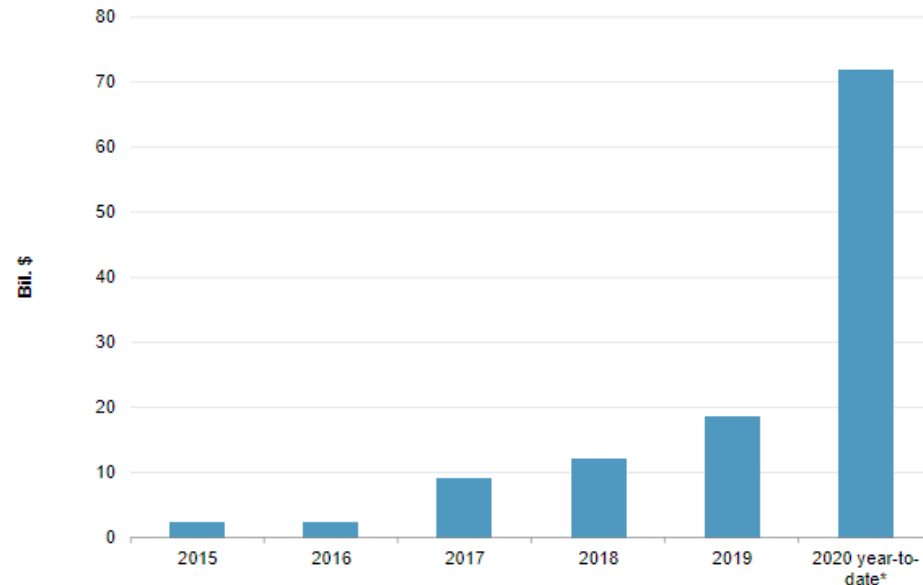
Green bond market in 2020

- Global issuance: \$269,5 billion



Sustainable finance instruments | Social bond

Social Bond Issuance Surges To Unprecedented Levels
Global social bond issuance



*Data as of October 2020. Source: Bloomberg.

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Social bond growth (in 2020 7x 2019)

Great examples from European organizations:

- European Investment Bank
(Sustainability Bond \$1.1mld)
- Cassa Depositi e Prestiti
(Social Response Bond €1mld)

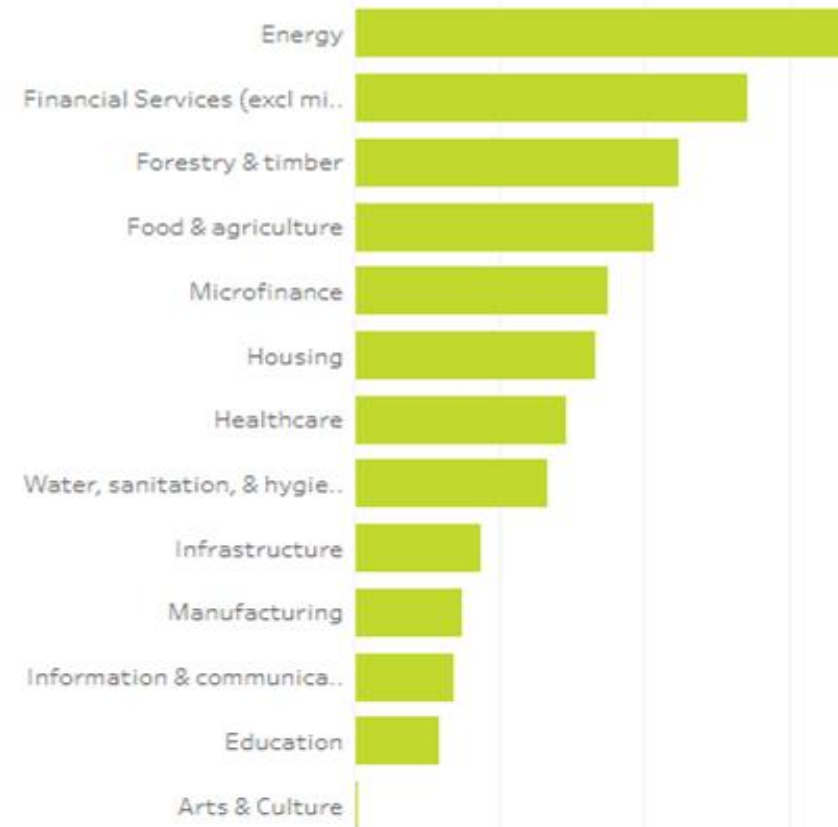
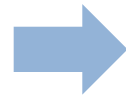
SURE programme from EU Commission:
€53 billion by social bond to be transferred to
Member States in the form of loans to finance
layoffs and other measures to support employment
→ attention to Social Factor (welfare)

Sustainable finance instruments | Impact investing

GIIN 2020
“Annual Impact Investor Survey”



At the end of 2019:
\$715 billion AUM globally





Forum per la Finanza Sostenibile

Web

finanzasostenibile.it
investiresponsabilmente.it
settimanasri.it

Contact information

Via Ampère 61/A, Milano
Tel: +39 02 30516028
info@finanzasostenibile.it



@ItaSIF



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