



The EU Investment Plan for the Social Sector

Briefing Note – February 2018

I. The EU Investment Plan

The EU Investment Plan is an important initiative developed by the European Union (EU) and European Investment Bank (EIB). Its aim is to support access to finance (loans) enterprise, including social service providers. To reach this, the EU Investment Plan works on three main areas:

- a. **European Fund for Strategic Investment (EFSI)**: unlocking investment of over €300 billion over three years into European SMEs and infrastructure projects
- b. **Advice and support**: providing support to stakeholders through the European Investment Advisory Hub (EIAH) and the EU Investment Project Portal (EIPP)
- c. **Facilitating Legal Frameworks**: supporting investment in the real economy

More information can be found [here](#).

The European Fund for strategic investment (EFSI) facilitates access to better quality loans by using EU money as a guarantee for private investors. The budget provided by the EU and the EIB is €21 billion. The EFSI aims at unlocking €330 billion worth of additional investment into the real economy. The objective is to address a funding gap that inhibits the ability of enterprises to innovate and expand to their full potential due to limited access to private funding for certain high-risk projects. More information can be found [here](#).

Project developers have to apply to the EIB or a financial intermediary (accredited local bank) to get access to an EFSI-supported loan. A further key component is that the access to EFSI depends on the financial needs and the size of the project.

EFSI is delivered through two main windows:

- **Infrastructure & Innovation Window**
- **Small and Medium-sized Enterprise (SME) Window**

More information can be found [here](#).



II. Why is it useful for social service providers?

In most of the cases the EFSI intervention provides a better loan deal for your needs than many other options. This results from the fact that EFSI reduces risks for financial intermediaries, on the one hand. On the other hand, the EIB invests in your project by providing guarantees against a part of the possible losses. (It is however difficult to state with precision the advantages EFSI and other EIB programmes may bring for your specific project given that your project would need to be analysed first. Such criteria would include matters such as income/revenue structures, sustainable business plans, good governance, et cetera.)

III. Programmes and Options for social service providers

The EU Investment Plan includes a **broad variety of different programmes**, each **aiming at fulfilling different financing needs**. These could also be supported through other programmes by the EIB group.

Please take into consideration that the following list does not include all EIB programmes and options, but provides a general overview of what EASPD currently believes to be relevant instruments for the social services sector.

a. EaSI Guarantee:

The European Employment and Social Innovation (EaSI) Guarantee aims to help social enterprises get access to loans of up to €500.000.

b. COSME Loan Guarantee Facility (LGF):

The EU programme for Competitiveness of Enterprises and SMEs (COSME) Loan Guarantee Facility (LGF) aims to help Small and Medium-sized Enterprises (SME) get access to loans and other forms of finance.

c. EIB Framework Loans:

EIB Framework Loans aim to help local or regional authorities finance their long-term investment needs.

d. EIB Project loans:



EIB Project loans aim to help private and public sector companies to get access to large loans of minimum € 12 million to finance projects.

e. Other options:

Helping local or regional authorities finance their long-term investment needs.

More information can be found [here](#).

IV. Tips and Success Factors

Getting access to decent loans can be challenging. Below you can find various options that could help you:

1. Speak to your local, regional or national authority:

- a. Many **local authorities have Framework Agreements**, which can be an opportunity for you (See Public Authorities page). In case your local authority does not know about Framework Agreements or the other programmes, make sure they are aware of the benefits such programmes may bring to them.
- b. It is important **to frame your larger investment needs** within a national or regional political strategy. This would make the EIB far more confident in investing in your project.

2. Use all the help that you can get:

Getting a loan requires adequate preparation. Furthermore, a certain level of experience and financial expertise are an advantage.

- a. the **European Investment Advisory Hub** (the hub) can help you. Either directly or through its partner institutions. The Hub can provide advisory and technical assistance to support the development of your project from a financial perspective. This assistance helps to make your projects investment-ready, find suitable funding sources and access a range of relevant expertise. You can contact the Hub [here](#).
- b. The **InnovFin Advisory** is also there to help you for research & innovation projects. InnovFin Advisory can help to guide you on how to structure your R&I project in order to improve your access to finance. The service will help



you to capitalise on your strong points and adjust certain elements linked to the business model, governance, funding sources and financing structure of your project. You can contact the InnovFin Advisory [here](#).

3. Speak to your local banks:

- a. Your local banks may already be using these programmes, but may not think it can help social service providers. Get in touch with them to see if they are using these programmes and ascertain if they could be used for your projects.
- b. Explore the Programmes and Options page to see which local bank is using the EIB or EFSI instruments,
- c. If your local banks aren't yet using these programmes, take the opportunity to inform them about the support these programmes and what the benefits for them could be (See Investors Page).

4. Speak to the European Investment Bank:

- a. If you have a question about the programmes or wish to contact the EIB, you just need to fill in the contact form or give them a call. They will have people available in all EU languages.

The EIB Contact Form can be found [here](#).

5. Learn from other sectors:

- a. A number of **other sectors** (Social Housing, Health, Education) **can demonstrate more experience in accessing these programmes** than the social sector can do. Take the opportunity to get in touch with them and learn. A list of success stories can be found on the dedicated page or on the [website of the EIB](#).

6. Cluster your projects:

- a. To receive a EIB Project Loan would be one of the best financing options.

These are reserved for larger projects requiring funding of over €25 million. This may mean you would need to **cluster your project with other similar projects in your local or regional area to ask for one single project loan in order to fulfil the requirements of the EIB** for such loans. This requires effort but would



facilitate greater investment into your projects for years to come. The Hub may be able to support you. Additionally, your local or regional authority may provide support as well.

V. Practical Examples

a. Social Enterprises:

In Spain, EFSI is supporting a social finance transaction under the EaSI Guarantee to help provide €9 million for social enterprises. The Colonya Caixa d'Estalvis de Pollença have signed an agreement with the European Investment Fund to provide loans to 150 social entrepreneurs, which include foundations and NGOs providing work integration opportunities for disabled people. This allows the beneficiaries to benefit.

b. Housing:

In Poland, EFSI is supporting the construction of approximately 1300 affordable housing units with necessary infrastructure in Poznan, Poland. This is done through an agreement between the EIB and Poznan's Social Building Society (Poznanskie Towarzystwo Budownictwa Społecznego SP Zoo) with a loan by the EIB of approximately €33 million. In Portugal, EFSI is supporting a Framework Loan to the city of Lisboa.

c. Education:

In Finland, EFSI is supporting the construction, extension and refurbishment of existing or new school complexes in the city of Espoo. This is done through an agreement between the EIB and the City of Espoo.

d. Social Impact:

In Finland EFSI is supporting the integration of between 2,500 and 3,700 migrants and refugees into the Finnish labour market in a social bond scheme which is first of its kind in Europe. The scheme is the result of an agreement between the European Investment Fund (EIF), Epikus, a fund manager dedicated to investments with a social impact, and the Finnish Ministry of Economic Affairs and Employment.



VI. Sources for further information

For more information about this subject, we recommend you visit

- EASPD's dedicated website: www.socialinvestment.eu
- EASPD Study: "[Investing in Social Care & Support. A European Imperative](#)" (2017)
- European Commission: [EU Investment Plan for Europe](#)
- European Investment Bank: [Information on the European Investment Advisory Hub](#)
- European Investment Bank: [Information on the European Fund for Strategic Investment](#)

For more information or queries, please contact socialinvestment@easpd.eu