

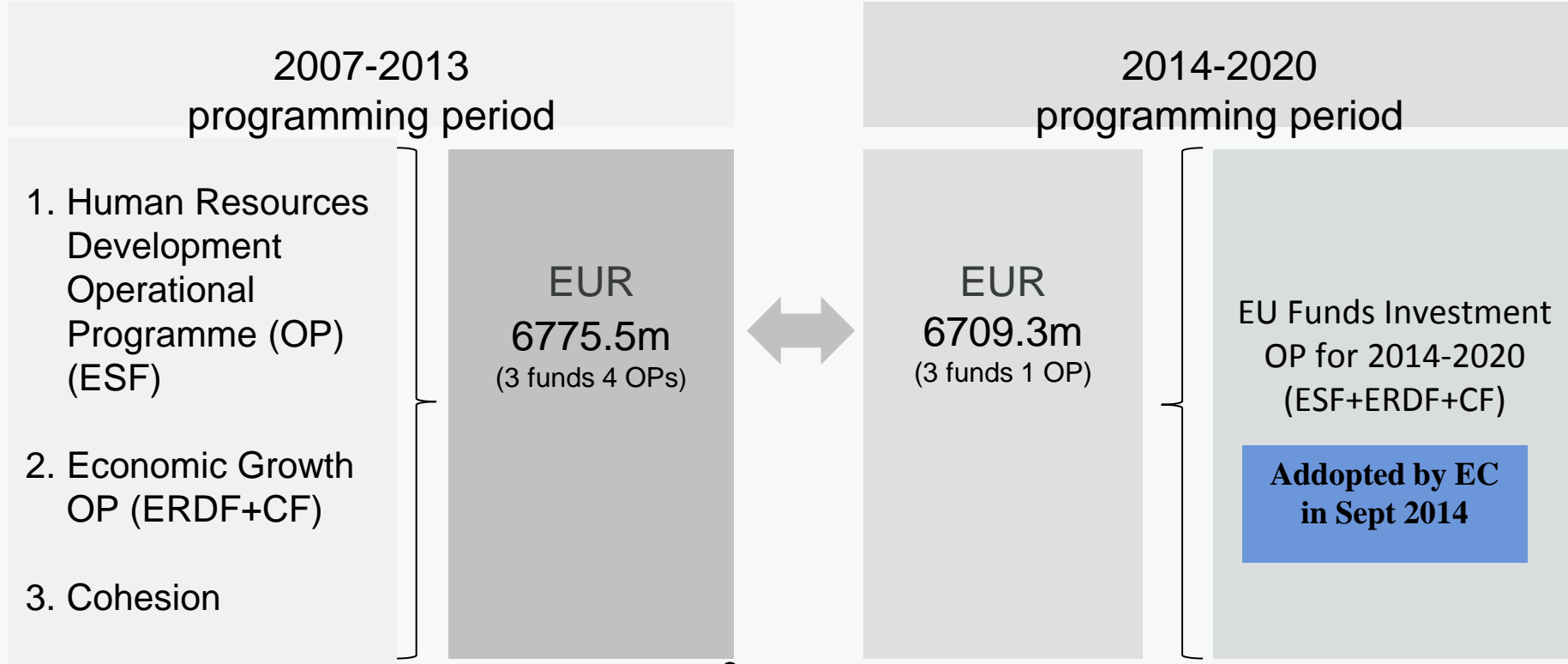


FINANCIAL INSTRUMENTS IN LITHUANIA

26 January 2018
Vilnius

Context

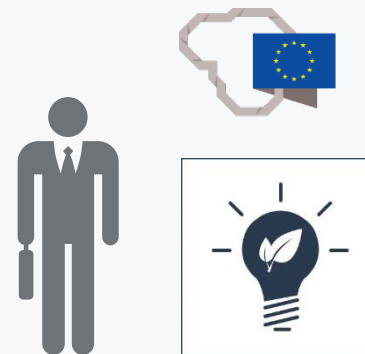
ESIF INVESTMENTS IN LITHUANIA OVER 2 PP



FIRST STEPS TOWARDS FI – ALREADY IN 2008

2007-2013 – first experience setting up JESSICA for EE, JEREMIE for SMEs

7 % OF TOTAL OP RECOURSES INVESTED TO FI



ESIF financial period	ESI funds, MEUR	FI financing, MEUR	Private investments attracted, MEUR
2007–2013	6 777,5	280 (SMEs) 163 (EE)	430 (SMEs) 80 (EE)

RESULTS IN 2007-2013



Renovation of residential housing (EE):

- **1046** multi-apartment buildings renovated

SME financing (ERDF):

- **3886** Loans/portfolio guarantees granted to SMEs
- **3089** individual guarantees granted to SMEs
- **100** venture capital investments made

SME financing (ESF):

- **1266** soft loans granted to micro and small enterprises, natural persons, business start-ups and social enterprises developing business

LEVERAGE achieved:

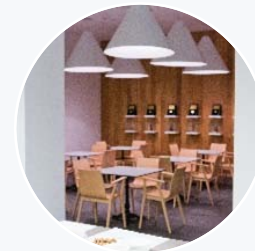
- more than **460 MEUR** of private resources into SMEs and **80 MEUR** into EE

AIMS IN 2014-2020



- Continuation of FIs
- Expansion to **new sectors**
- Enhanced cooperation with national and international partners
- Promotion of NPBs and investment platforms by using EFSI

10 % OF TOTAL OP RECOURSES DEDICATED TO FI



INVESTMENTS TO FI IN 2014-2020



10 % OF TOTAL OP RECOURSES INVESTED TO FI

SECTOR	FINANCIAL GAP (ex-ante), MEUR	ESI funds , MEUR		Private funds, MEUR	
		INVESTED	FORESEEN	ATTRACTED	FORESEEN
Business financing	645	204	20	65	> 162
Residential housing	1.357	324	-	180	500
Public infrastructure (EE+other)	> 700	102	70	0	> 20
TOTAL	~ 2.702	630	90	245	682

FI IN LITHUANIA 2014-2020 – STATE OF PLAY



BUSINESS sector

645 MEUR (market gap for business support (8 years))

ESTABLISHED FUNDS

Entrepreneurship Promotion Fund

24.6 + 2.3 MEUR

(ESF) (INVEGA)

Loans for SMEs and natural persons
to start and develop their own
business.

- 185 loans signed
(3,3 MEUR)

Business financing fund

179.6 + 225 MEUR

(INVEGA)

Loans, guarantees, equity
investments for SMEs in order to
increase R&D activities in smart
specialization, improve the level of
entrepreneurship and productivity

- 195 guarantees issued
- Selection of FIs for equity
instr. – on-going

PLANNED
FUNDS

UNDER ESTABLISHMENT

- Equity instrument for R&D commercialization (5 MEUR) – ex-ante completed, agreement to be revised.
- Business accelerator (14,5 MEUR) - ex-ante completed, agreement to be revised.

FI IN LITHUANIA 2014-2020 – STATE OF PLAY



ESTABLISHED FUNDS

MULTI APARTMENT BUILDINGS

1.347 MEUR (market gap for modernization of multi apartment buildings)

Multi apartment
modernization fund
74 + 50 MEUR (VIPA)

Loans for the
modernization of multi
apartment buildings to
increase EE

- 237 loans signed (80 MEUR)
- EE increased in 6659 households

JESSICA II FoF
150 + 70 MEUR
Leverage Fund (LF)
90 + 10 + 500 MEUR (EIB)

Loans and guarantees for
the modernization of
multi apartment
buildings to increase EE

- JESSICA II:
- 783 loans signed (202 MEUR)
 - EE increased in 11896 households

EE investment platform
100 MEUR (VIPA)

EFSI for LF
500 MEUR (EIB)

PLANNED
FUNDS

FI IN LITHUANIA 2014-2020 – STATE OF PLAY



ESTABLISHED FUNDS

PUBLIC INFRASTRUCTURE

167.9 + 95.1 MEUR (market gap for Central govern. public buildings + street lightening)

Energy Efficiency Fund

79.6 + 19 MEUR (VIPA)

Loans for renovation of central government buildings and guarantees for loans granted by commercial banks for street lighting modernization projects

- 3 loans signed
- 4 guarantee confirmation letters issued
- Public procurement for ESCO projects – on-going

Municipality owned buildings Fund

17.3 MEUR (VIPA)

Loans for renovation of municipal buildings

- Selection of FIs – on-going

Cultural heritage Fund

5.2 + 0.9 MEUR (VIPA)

Loans for renovation of cultural heritage

- Selection of FIs – on-going

Water fund
70 MEUR

Roads fund
Amount to be allocated – TBC

PLANNED FUNDS

KEY CHALLENGES IN 2017



- Lack of legal certainty for practical implementation of FIs provided in the EC Regulation and guidance
- National audit findings due to different interpretation of CPR and EC guidance
- The scope of ex-ante assessment
- Involvement of financial intermediaries
- Financing new types of FI from ESIF
- Phased payments (Omnibus)
- Scope of information required from the final recipients
- National reforms needed to move forward with FIs

SIGNIFICANCE OF FI POST 2020



- Continuation of **best practices** of application of FIs at local (MS) level and exploring new areas for application
- Adopting **effective** simplification measures (introducing more flexibility, less rigidity, more flexibility for tailor-made instruments)
- **Easier combination** rather than competition between FI and other EU-level instruments (e.g. EFSI)
- **No need for „common set of rules“** at EC level – one size does not fit all
- **Maximising leverage effect** of FIs – only possible when flexible and „user-friendly“ instruments are established.

ON-GOING INITIATIVES



Establishment of legal framework for National Development Institution



Joint LT-CR feasibility study “Enhancement capacity of Financial instruments application in consistency with other forms of public interventions”



THANK YOU!

