

Agadir, Morocco

March 20th – 24th, 2017



**Fifth
Mediterranean
Forest Week**

SUPPORTING THE LDN FUND PROJECT

by sharing the EIB experience in structured layered funds – 23th March 2017

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Nature of outputs

Private assets

Public goods

Land use asset classes

- .Sustainable Forest Plantation
- .Afforestation/Reforestation
- .Sustainable Agriculture

- .Forest Conservation
- .Restoration of Natural Capital on Private or Public Lands

Green Infrastructure
e.g. natural corridors

- .Agroforestry, farming conservation with nature-based approaches
- .Pro-Biodiversity Businesses : "Green/Bio" Production, Ecotourism...

Protection of Various Ecosystem Services: Flood protection, Fire Prevention, Erosion Control, Air Control, Endangered Species, Pollination, Water Purification, Soil nutrients etc

Investors

<-----Financial Investors, private equity & VC funds , commercial banks Philanthropists Governments ----->
 <----- DFIs , impact investors ----->

Direct or intermediated to private sector: equity, senior or mezz loans

Financing Instruments

- .VC funds or seed funding
- .Private equity/debt funds

Classic or layered equity/debt funds with activation of revenues (carbon, PES, offsets...)

- .Loans to Public Sector
- .Blending
- .Grants

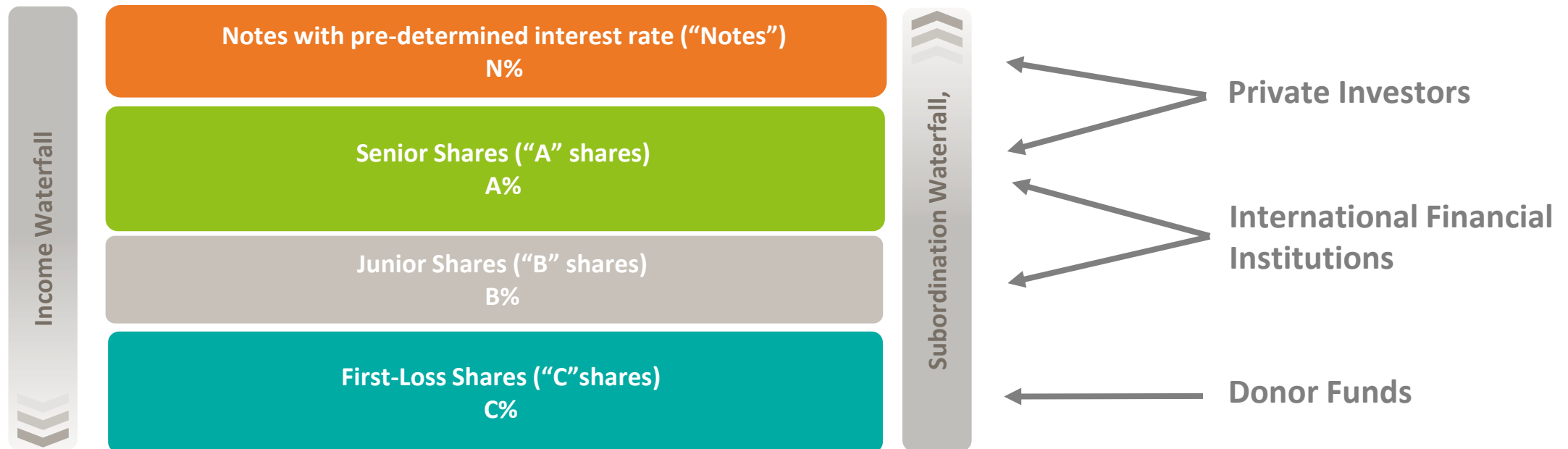
<----- Green Bonds? ----->



How do layered funds work?

EIB is invested (and is still considering to invest) in such tranching funds [or facilities]:

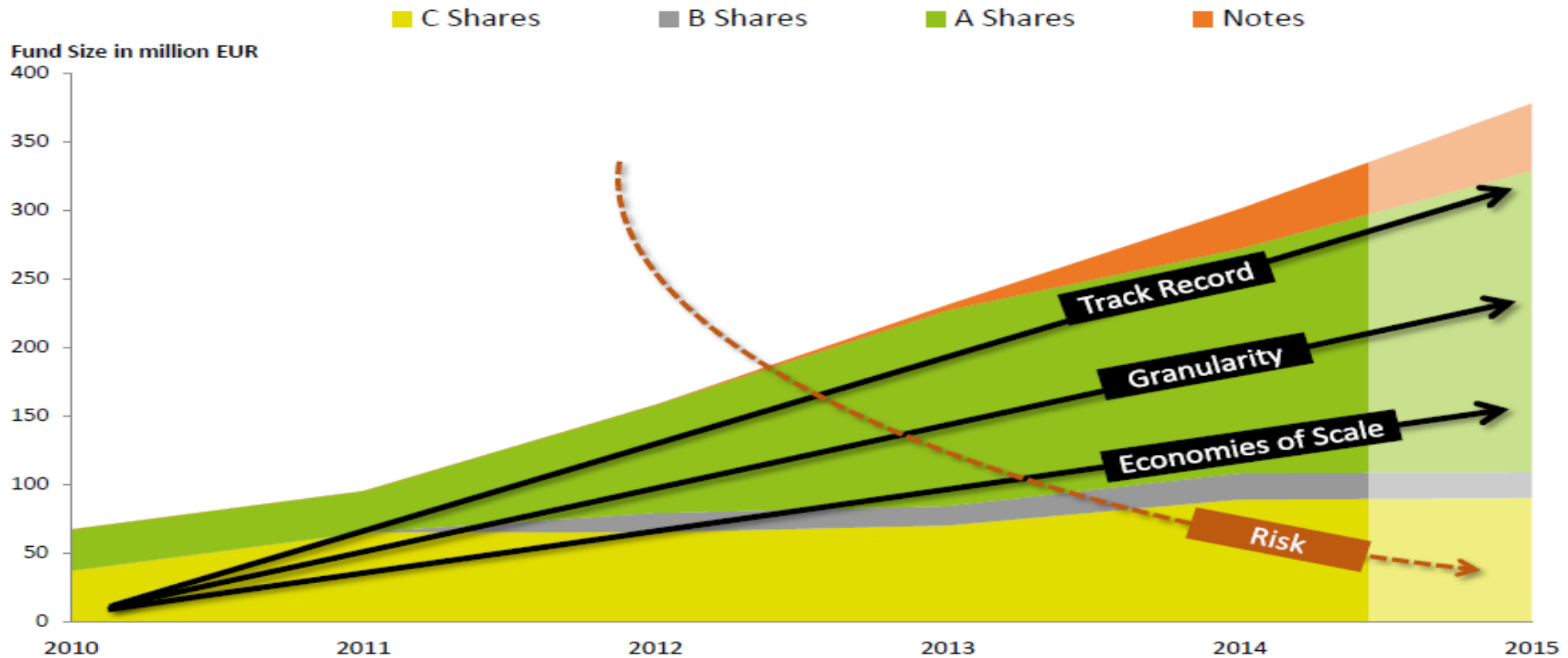
- Micro-Finance: EFSE (S-E Europe, Caucasus, Turkey)
- Renewable Energy & Energy Efficiency: Green for Growth (S-E Europe), EEEF (EU), GEEREF (worldwide)
- Natural Capital : NCFE (EU)





Example of Green for Growth Fund – Funding Evolution

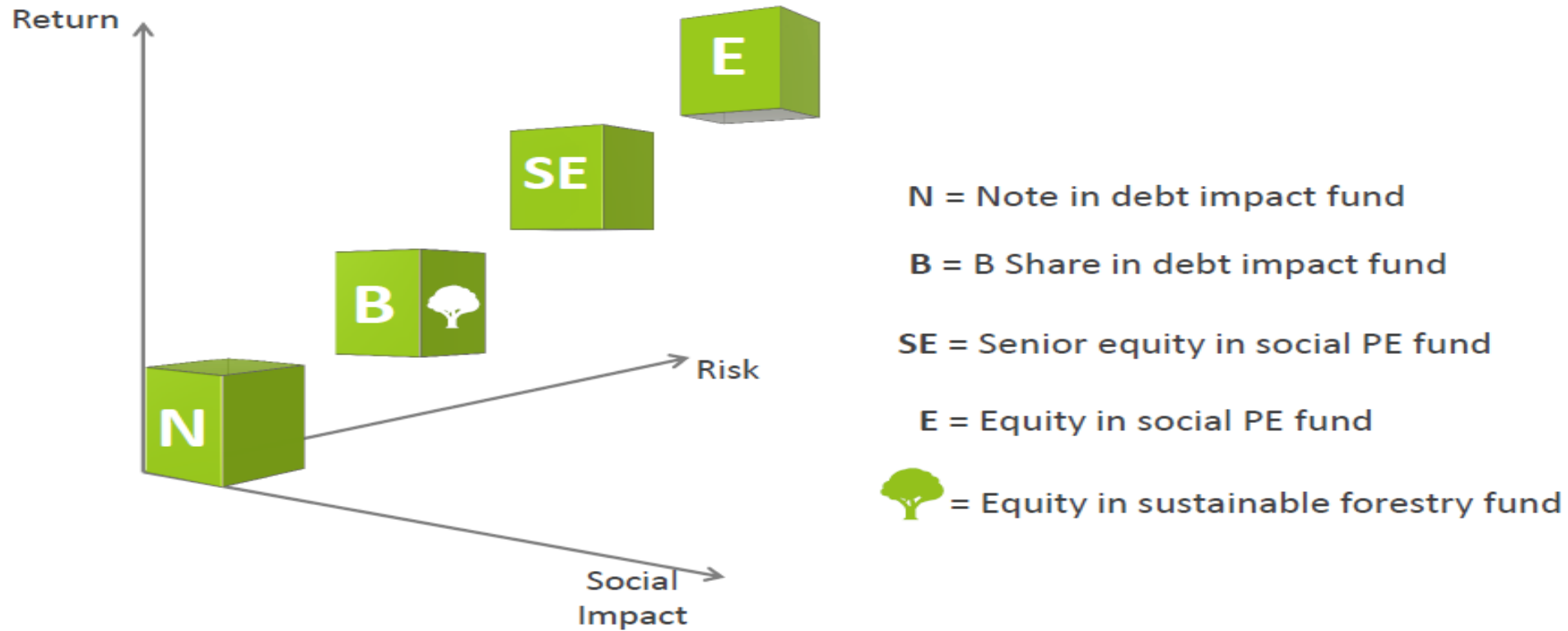
Tranched structures ideal for phasing in private investors over time





Why layered structures make sense in development space

Segregation into tranches allows each investor to optimize balance of results

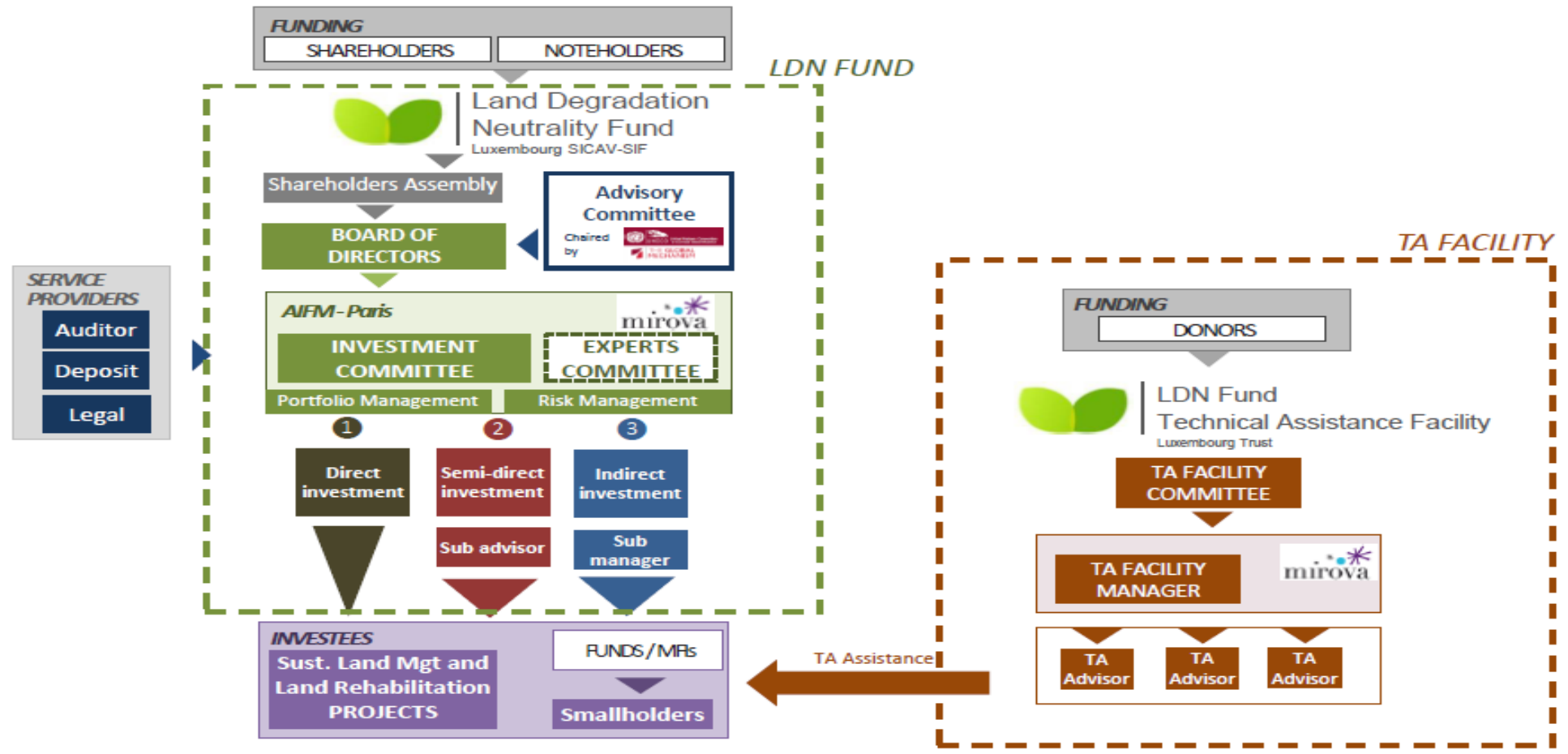


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UPDATE ON ACTIONS UNDERTAKEN
Overall governance and structure



A PUBLIC-PRIVATE INVESTMENT PLATFORM COMBINED WITH A TA FACILITY



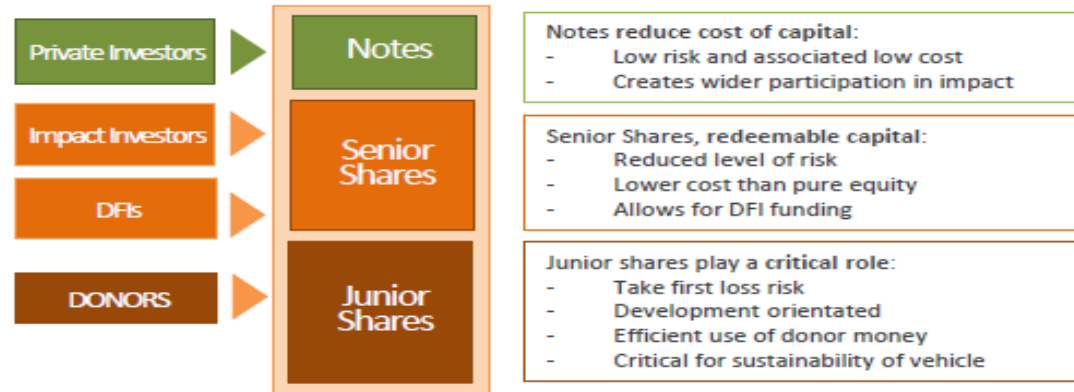
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STRUCTURING PRINCIPLES

Potential Structuring overview



LAYERED FUND: DIFFERENT CAPITAL TRANCHES, SUITED TO EACH INVESTOR'S PROFILE



Fund periods

	1	2	3	4	5	6	7	8	9	10	11	12	Possible Extension	Comments
Fund Life	█	█	█	█	█	█								Or 15+1+1
Investment Period	█	█	█	█	█	█								Y5-6 only for debt
J&S shares raising	█	█	█	█										Limited commit. period
Notes raising			█	█	█	█								
Divestment Period								█	█	█	█	█		Only for equity investments

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