

## BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg on 14 June 2017

*Parts of this document that, at the time of the meeting, fall under the exceptions for disclosure defined by the EIF Transparency Policy\*, notably under articles 5.4, 5.5 and 5.6, have been redacted*

\* [http://www.eif.org/news\\_centre/publications/EIF\\_Transparency\\_policy.htm?lang=-en](http://www.eif.org/news_centre/publications/EIF_Transparency_policy.htm?lang=-en)

## BOARD OF DIRECTORS

Meeting held in Luxembourg on 14 June 2017

### Agenda

A. Quorum

B. For decision

- |    |  |                    |
|----|--|--------------------|
| 1. | Adoption of the agenda                                     | Doc. 17/140        |
| 2. | Approval of minutes dated 15 May 2017                      | BD/MIN/279/2017    |
| 3. | Approval of minutes of written procedure dated 2 June 2017 | BD/WP/MIN/280/2017 |

### AGENDA A

#### Equity

- |    |  |             |
|----|--|-------------|
| 4. | Small Growth Capital Fund I<br>EFSI - SMEW Equity Product Sub-window 1, own resources                    | Doc. 17/141 |
| 5. | Espira Fund I<br>EFSI - SMEW Equity Product Sub-window 1,<br>Central Europe Fund of Funds, own resources | Doc. 17/142 |
| 6. | Avia Capital 1<br>Polish Growth Fund of Funds  | Doc. 17/143 |
| 7. | BioDiscovery 5<br>ERP-EIF Facility, Risk Capital Resources, own resources                                | Doc. 17/144 |
| 8. | Den Sociale Kapitalfond Invest I K/S<br>Social Impact Accelerator  | Doc. 17/145 |

#### Guarantees

- |     |   |             |
|-----|---|-------------|
| 9.  | [...]   |             |
| 10. | abc SME Lease Germany SA Compartment 4 (Germany)<br>ABS direct investment (own risk) and<br>credit enhancement (own risk) | Doc. 17/147 |
| 11. | Erste Bank A.D. Novi Sad (Serbia)<br>COSME Loan Guarantee Facility  | Doc. 17/148 |
| 12. | France Active Garantie (France) – extension and increase<br>COSME Loan Guarantee Facility                                 | Doc. 17/149 |
| 13. | Strategic Banking Corporation of Ireland (Ireland) – increase<br>COSME Loan Guarantee Facility                            | Doc. 17/150 |
| 14. | CaixaBank (Spain)<br>InnovFin SME Guarantee Facility  | Doc. 17/151 |
| 15. | ProCredit Umbrella (multi-country) – increase<br>InnovFin SME Guarantee Facility  | Doc. 17/152 |
| 16. | ProCredit Umbrella (Ukraine, Georgia, Moldova)<br>Deep & Comprehensive Free Trade Area East Guarantee Facility (DCFTA)    | Doc. 17/153 |

AGENDA A continued...

Loan funds

- |     |   |             |
|-----|---|-------------|
| 17. | NIBC SME Senior Loan Fund<br>Diversified Loan Fund - EIB Group Risk Enhancement Mandate | Doc. 17/154 |
| 18. | Fondo PMI Garanzia Italia<br>Diversified Loan Fund - EIB Group Risk Enhancement Mandate | Doc. 17/155 |

AGENDA B

Equity

- |     |   |             |
|-----|---|-------------|
| 19. | Accent Equity 2017 LP<br>Risk Capital Resources, own resources                          | Doc. 17/156 |
| 20. | Equity United PE 1<br>ESIF Estonia, Risk Capital Resources ESIF Co-investment Window    | Doc. 17/157 |
| 21. | Tera Ventures Fund II<br>ESIF Estonia, Risk Capital Resources ESIF Co-investment Window | Doc. 17/158 |

Guarantees

- |     |   |             |
|-----|---|-------------|
| 22. | <i>Item withdrawn</i>   |             |
| 23. | Bank of Cyprus Public Co. (Cyprus)<br>InnovFin SME Guarantee Facility                     | Doc. 17/160 |
| 24. | [...]   |             |
| 25. | BRD-Groupe Société Générale S.A. (Romania)<br>SME Initiative Guarantee Facility – Romania | Doc. 17/162 |

**C. Mandates and Products**

- |    |   |             |
|----|---|-------------|
| 1. | EIB-EIF SME Funds Investment Facility<br>EIB-EIF Midcap Funds Facility<br>EIB Equity Innovation and Infrastructure Window | Doc. 17/163 |
| 2. | EaSI Funded Instrument & EREM Microfinance Instrument   | Doc. 17/164 |
| 3. | Comunidad de Madrid ESF Contribution to EaSI  | Doc. 17/165 |

**D. Corporate and Institutional Matters**

- |    |  |             |
|----|--|-------------|
| 1. | Conclusion of the capital increase and modalities for the subscription of non-allocated shares   | Doc. 17/166 |
| 2. | EIF Procurement Guide -<br>Policy for the procurement of services, supplies and works by the EIF | Doc. 17/167 |

**E. For information**

- |    |   |             |
|----|---|-------------|
| 1. | Board of Directors follow-up programme                  | Doc. 17/168 |
| 2. | DCFTA East Guarantee Facility - implementation update - | Doc. 17/169 |

**F. Miscellaneous / Statements**

- G. Date of next meeting: 17 July 2017 at 11:30 in Luxembourg**

BOARD OF DIRECTORS

Those attending

<u>Members:</u>	D. SCANNAPIECO, Chairman A. FAYOLLE M. DESCHEEMAECCKER E. MASSÉ B. ANGEL <sup>1</sup> H. WIRTH
<u>Alternate Members:</u>	M. SANTONI J.C. LALOUX M. HEIPERTZ F. CARTAXO <sup>2</sup>
<u>Chief Executive:</u>	P. L. GILIBERT
<u>Deputy Chief Executive:</u>	R. HAVENITH
<u>Secretary:</u>	M. LEANDER
<u>Absent:</u>	P. DELSAUX <sup>1</sup>

<sup>1</sup> Power of attorney issued by P. DELSAUX to B. ANGEL.

<sup>2</sup> Present up to and including item E.2.

The meeting of the Board of Directors ("Board") opened at 14:10.

**A. QUORUM**

The CHAIRMAN noted that Mr. DELSAUX was unable to attend the meeting and that Mr. ANGEL was holding a power of attorney to act on his behalf. He also informed the Board of the resignation of Mr. SMITS, alternate to Mr. DELSAUX, to take effect upon the nomination of his successor by the European Commission.

The SECRETARY noted that there was a quorum.

**B. FOR DECISION**

**1. Adoption of the agenda**

The CHAIRMAN informed the Board that item 22 had been withdrawn from the agenda.

The Board of Directors adopted the agenda as otherwise presented in document 17/140.

**2. Approval of minutes dated 15 May 2017**

The Board of Directors approved the minutes of the Board meeting dated 15 May 2017, ref. BD/MIN/279/2017, including additional text requested by Mr. ANGEL under item 8, as made available at the meeting.

**3. Approval of minutes of written procedure dated 2 June 2017**

The Board of Directors approved the minutes of the written procedure dated 2 June 2017, ref. BD/WP/MIN/280/2017.

**AGENDA A**

**EQUITY**

**4. Small Growth Capital Fund**      *EFSI - SMEW Equity Product Sub-window 1, own resources*  
*Generalist private equity fund focusing on lower mid-market investments primarily in Germany and Austria.*

The Board of Directors approved an investment in Small Growth Capital Fund on the terms and conditions set out in document 17/141.

**5. Espira Fund I**      *EFSI - SMEW Equity Product Sub-window 1, Central Europe Fund of Funds, own resources*  
*Generalist private equity fund focusing on lower mid-market investments primarily in the Czech Republic and Slovakia.*

The Board of Directors approved an investment in Espira Fund I on the terms and conditions set out in document 17/142.

6. **Avia Capital 1** *Polish Growth Fund of Funds*  
*Generalist private equity fund focusing on lower mid-market investments in Poland.*

The Board of Directors approved an investment in Avia Capital 1 on the terms and conditions set out in document 17/143.

7. **BioDiscovery 5** *ERP-EIF Facility, Risk Capital Resources, own resources*  
*Pan-European venture capital fund focusing on life science investments from early to late stage.*

The Board of Directors approved an investment in BioDiscovery 5 on the terms and conditions set out in document 17/144.

8. **Den Sociale Kapitalfond Invest I K/S** *Social Impact Accelerator*  
*Generalist social impact fund focusing on social enterprise investments primarily in Denmark.*

The Board of Directors approved an investment in Den Sociale Kapitalfond Invest I K/S on the terms and conditions set out in document 17/145.

## **GUARANTEES**

9. [...]

10. **abc SME Lease Germany SA Compartment 4 (Germany)** *ABS direct investment (own risk)*  
*and credit enhancement (own risk)*

*Securitisation transaction of leases to enhance access to finance for SMEs in Germany.*

The Board of Directors approved (i) a direct cash investment and (ii) two guarantee amounts, on the terms and conditions set out in document 17/147.

11. **Erste Bank A.D. Novi Sad (Serbia)** *COSME Loan Guarantee Facility*  
*Direct guarantee to enhance access to finance for SMEs in Serbia.*

The Board of Directors approved a budgetary allocation, on the terms and conditions set out in document 17/148.

12. **France Active Garantie (France) – extension and increase** *COSME Loan Guarantee Facility*

*Counter-guarantee to enhance access to finance for SMEs in France.*

The Board of Directors approved an extension and an increase in the budgetary allocation on the terms and conditions set out in document 17/149.

13. **Strategic Banking Corporation of Ireland (Ireland) – increase** *COSME Loan Guarantee Facility*

*Counter-guarantee to enhance access to finance for SMEs established and operating in Ireland.*

The Board of Directors approved an increase in the budgetary allocation on the terms and conditions set out in document 17/150.

14. **CaixaBank (Spain)** *InnovFin SME Guarantee Facility*  
*Direct portfolio guarantee to enhance access to finance for innovative SMEs and small mid-caps in Spain.*

The Board of Directors approved a principal guarantee amount on the terms and conditions set out in document 17/151.

**15. ProCredit Umbrella (multi-country) – increase** *InnovFin SME Guarantee Facility*

*Direct portfolio guarantee to enhance access to finance for innovative SMEs and small mid-caps in Albania, Bosnia and Herzegovina, Bulgaria, Greece, Germany, Georgia, The Former Yugoslav Republic of Macedonia, Moldova, Romania, Serbia and Ukraine.*

The Board of Directors approved an increase of the principal guarantee amount on the terms and conditions set out in document 17/152.

**16. ProCredit Umbrella (Ukraine, Georgia, Moldova)** *DCFTA Initiative East Guarantee Facility*

*Direct capped portfolio guarantee to enhance access to finance for SMEs in Ukraine, Georgia, Moldova.*

The Board of Directors approved a guarantee amount on the terms and conditions set out in document 17/153.

## **LOAN FUNDS**

**17. NIBC SME Senior Loan Fund** *EIB Group Risk Enhancement Mandate, own resources*

*Diversified loan fund focusing on providing senior financing to SMEs and small mid-caps based in Benelux and Germany.*

The Board of Directors approved an investment on the terms and conditions set out in document 17/154.

**18. Fondo PMI Garanzia Italia** *EIB Group Risk Enhancement Mandate, own resources*

*Diversified loan fund focusing on providing senior financing to SMEs in Italy.*

The Board of Directors approved an investment on the terms and conditions set out in document 17/155.

## **AGENDA B**

### **EQUITY**

**19. Accent Equity 2017 LP** *Risk Capital Resources, own resources*

*Generalist private equity fund focusing on lower mid-market investments in the Nordic region and particularly in Sweden.*

The Board took note of the new compliance opinion format, which had been included in the proposal to illustrate the envisaged approach going forward.

[...]

The Board of Directors approved an investment in Accent Equity 2017 LP on the terms and conditions set out in document 17/156. Mr. ANGEL and Mr. DELSAUX voted against.

**20. Equity United PE 1** *ESIF Estonia, RCR ESIF Co-investment Window*

*Generalist private equity fund focusing on expansion stage investments in the Baltic region, primarily in Estonia.*

The Board of Directors approved an investment in Equity United PE 1 on the terms and conditions set out in document 17/157.

21. **Tera Ventures Fund II** *ESIF Estonia, RCR ESIF Co-investment Window*  
*Generalist venture capital fund focusing on early-stage investments primarily in Estonia.*

The Board of Directors approved an investment in Tera Ventures Fund II on the terms and conditions set out in document 17/158.

## **GUARANTEES**

22. **Item withdrawn**

23. **Bank of Cyprus Public Co. (Cyprus)** *InnovFin SME Guarantee Facility*  
*Direct portfolio guarantee to enhance access to finance for innovative SMEs and micro SMEs in Cyprus.*

[...]

The Board of Directors approved a principal guarantee amount on the terms and conditions set out in document 17/160.

24. [...]

25. **BRD-Groupe Société Générale S.A. (Romania)** *SME Initiative Guarantee Facility - Romania*  
*Direct portfolio guarantee to enhance access to finance for SMEs in Romania.*

[...]

The Board of Directors approved a principal guarantee amount on the terms and conditions set out in document 17/162.

## **C. MANDATES AND PRODUCTS**

1. **EIB-EIF SME Funds Investment Facility, EIB-EIF Midcap Funds Facility: EIB Equity Innovation and Infrastructure Window**

*New mandates to support private sector development, focusing on, respectively, SMEs and small mid-caps, and innovative mid-caps, through investments in private equity funds incorporated in EU Member States.*

The CHIEF EXECUTIVE underlined that the deployment of the two facilities, to be followed by the proposal for a third facility at the July Board meeting, represented important COP priorities for EIF in 2017 and 2018.

The CHAIRMAN noted the complementarity with existing EIF and EIB instruments and activities, highlighting the valuable opportunity to reinforce and extend the EIB Group's presence and accelerate the Group's deployment of the Investment Plan for Europe.

The Board of Directors approved the new mandate as proposed in document 17/163.



## **2. EaSI Funded Instrument & EREM Microfinance Instrument**

*New mandate to enhance access to finance for micro-enterprises and social enterprises across the EaSI eligible countries.*

The Board was informed of elements of the mandate which remained subject to final agreement between the European Commission and EIF.

The CHAIRMAN stated the importance of achieving full cost coverage for EIF in the finalisation of the mandate agreement, as well as a wide geographic coverage when proceeding to deployment.

The Board were reminded of Articles 24 and 28 of the Statutes pertaining to, respectively, cost coverage and an appropriate return on resources, and the adequate remuneration of third party mandates.

The Board of Directors approved the new mandate as proposed in document 17/164, on the understanding that if the finalisation of the mandate agreement gave rise to matters of material importance, the Board would be consulted on such matters.

## **3. Comunidad de Madrid ESF Contribution to EaSI**

*New mandate enabling EIF to manage resources contributed by the Comunidad de Madrid, focusing on vulnerable persons and micro-enterprises in the start-up and development phase in the Region of Madrid.*

The Board welcomed the initiative and the potential it represented for scalability and replication in other regions.

Noting that the negotiation of the funding agreement and side letter were still subject to finalisation, the Board requested an update, as relevant, on the final framework and funding mechanism.

The Board of Directors approved the new mandate as proposed in document 17/165.

## **D. CORPORATE AND INSTITUTIONAL MATTERS**

### **1. Conclusion of the capital increase and modalities for the subscription of non-allocated shares**

The Board of Directors (i) authorised the offer of 13 shares, which remained non-allocated following the conclusion of the 2014 capital increase, to the EIB, and (ii) authorised the Chief Executive to approve any further arrangements for payment of the subscription price, as proposed in document 17/166.

### **2. EIF Procurement Guide: Policy for the procurement of services, supplies and works by the EIF**

The Board of Directors approved the EIF Procurement Guide for the procurement of services, supplies and works by the EIF, as proposed in document 17/167.

**E. FOR INFORMATION**

**1. Board of Directors follow-up programme**

The Board was provided with a note for information to address item 6 on the follow-up programme and was informed that item 5 was postponed until September or October.

The Board of Directors took note of the Board of Directors follow-up programme, as presented in document 17/168.

**2. DCFTA East Guarantee Facility - implementation update**

The Board of Directors took note of the DCFTA Initiative East Guarantee Facility - implementation update, as presented in document 17/169.

**F. MISCELLANEOUS / STATEMENTS**

The CHIEF EXECUTIVE and DEPUTY CHIEF EXECUTIVE briefed the Board of Directors on a number of relevant issues.

**G. DATE OF NEXT MEETING**

The Board of Directors agreed that the next meeting would take place in Luxembourg on 17 July 2017, noting that the exact time of the meeting remained subject to confirmation, but that it was envisaged to start around 11.00 – 11.30.

The meeting was closed at 16:35.

Luxembourg, 14 June 2017.

The CHAIRMAN (signed)

Dario SCANNAPIECO

The SECRETARY (signed)

Maria LEANDER